



Staff Report

Corporate & Financial Services

Report To: COW- Admin, Corp and Finance, SI, Comm. Services
Meeting Date: June 9, 2025
Report Number: CFS.25.033
Title: 2024 Year-End Financial Review
Prepared by: Mike Switzer, Deputy Treasurer / Manager of Accounting & Budgets
Monica Quinlan, Director of Corporate & Financial Services

A. Recommendations

THAT Council receive Staff Report CFS.25.033, entitled "2024 Year-End Financial Review";

AND THAT Council approve the reduction of the 2024 budgeted Asset Management transfers by \$1,233,128 to the 2023 budget amount to reduce the Town deficit;

AND THAT Council approve funding of the 2024 deficit with a \$369,718 transfer from the Working Capital Reserve;

AND THAT Council approve the transfer of the Water Division surplus of \$251,348 to the Blue Mountains Water Reserve Fund;

AND THAT Council approve the transfer of the Wastewater Division surplus of \$290,899 to the Blue Mountains Sewer Reserve Fund;

AND THAT Council approve the funding the Building Department deficit of \$922,407 from the Building Rate Stabilization Reserve.

B. Overview

The purpose of this report is to present a high-level summary to Council and the Public regarding the operating results of 2024, focusing on the primary contributors to the Town's overall deficit and the surplus or deficit within each department. Furthermore, the report seeks Council approval to fund the taxation deficit and to manage surpluses and deficits from user fee supported departments.

C. Background

Staff are in the process of finalizing the 2024 year-end audit for the Town's Consolidated Financial Statements. This includes determining the year-end balances for Taxation, Water, Wastewater, Harbour, and Building. Upon identification, any deficits must be funded, and surpluses should be allocated to the appropriate reserves or reserve funds.

D. Analysis

The analysis below will provide a high-level overview of how the Taxation deficit was calculated and the rationale on the funding recommendations. Additionally, variance analysis will be provided both at the Town-wide level and for individual departments, accompanied by commentary on significant variances.

Taxation Deficit

To provide appropriate context to this analysis, it is important to consider both the estimated and actual results for 2023, which informed the budget estimates established for 2024. The actual 2023 year end results generated a taxation surplus of \$914,039. However, this was offset by cumulative unfunded deficits from prior years, totaling \$531,686, resulting in a net surplus of \$382,353 at the end of 2023. This net surplus remains available, as it was not funded or transferred to a reserve/reserve fund in previous years.

During the 2024 budget process, the 2023 year-end surplus was estimated at \$1,300,000 and was anticipated to provide additional funding for 2024 operations. As this estimate did not materialize, the actual amount available for transfer to the Working Capital Reserve was limited to the confirmed \$382,353 noted above. In addition, the 2024 Budget included a \$1,233,128 increase to Asset Management reserve fund transfers which further contributed to the 2024 deficit.

Collectively with the 2023 surplus estimate not materializing/incorporating prior period unfunded deficits, the increase to Asset Management transfers in 2024, and unfavourable operating variances (discussed below) resulted in a 2024 taxation deficit of \$1,985,199. To address this Staff recommend reducing the 2024 Asset Management transfers to the 2023 budgeted levels and funding the remaining deficit from the Town's Working Capital Reserve.

The chart below provides a walk detailing the deficit funding recommendations:

2024 Deficit Walk	
Description	Amount
2024 Taxation deficit	(1,985,199)
Reduction to Asset Management Transfers	1,233,128
2023 Net General Surplus	382,353
Remaining deficit to be funded by Town Working Capital	(369,718)

Variance Analysis – Taxation Deficit

The analysis below will look at the 2024 Year-End results for both Taxation and User-Fee supported operations. An icon system has been used to highlight variances across departments and expense categories. The legend below provides the definition of each icon.

Icon	Description
	Budget variance greater than or equal to -10%
	Budget variance of -11% to -15%
	Budget variance less than -16%

The analysis below includes the staff recommended deficit funding noted above (i.e. Asset Mgmt Transfer Reduction - \$1.2M and Working Capital funding - \$369K). By including these adjustments, the net result for 2024 is a deficit of \$382,353 which will be funded through the 2023 Surplus (Reference - 2023 Financial Statements “General Surplus”, Note 10 - \$382,353).

Departments with a budget variance of less than -16% and a negative monetary variance of \$100,000 or more are analyzed below, in addition to all user-fee funded departments.

Summary by Department

DEPARTMENT	ICON	2023 ACTUALS	2024 ACTUALS	2024 BUDGET	2024 BUDGET VAR	2024 BUDGET VAR %
Council		(90,338)	(59,171)	(54,233)	(4,938)	-9%
Administration						
CAO		(295,358)	(172,330)	(144,972)	(27,358)	-19%
Clerks		(114,704)	(181,724)	(152,659)	(29,065)	-19%
Human Resources		(113,991)	(297,473)	(155,074)	(142,400)	-92%
Strategic Initiatives		(418,393)	(458,193)	(588,229)	130,036	22%
Corporate Administration						
Taxation		20,436,113	21,850,195	20,894,000	956,195	5%
Corporate Administration		2,629,256	2,794,452	4,222,996	(1,428,544)	-34%
Conservation Authority		(518,213)	(568,723)	(568,723)	-	-
Debt Repayments		(65,153)	(0)	10,200	(10,200)	-100%
Health & Social Services		-	(25,000)	(25,000)	-	-
Ontario Provincial Police		(3,101,052)	(2,845,375)	(3,176,933)	331,557	10%
Corporate and Financial Services						
Finance		(244,982)	(377,845)	(346,722)	(31,123)	-9%
Information Technology		(635,003)	(746,276)	(716,211)	(30,065)	-4%
Fleet & Facilities		(458,586)	(448,609)	(142,303)	(306,307)	-215%
Fire and Rescue Services		(2,730,861)	(3,222,880)	(3,067,641)	(155,239)	-5%
Planning and Development Services						
Planning		(1,061,823)	(1,189,603)	(960,377)	(229,226)	-24%
Development Engineering		0	0	0	0	N/A
Community Services						
Beaver Valley Community Centre		(512,713)	(620,051)	(595,641)	(24,409)	-4%
By-Law		(754,954)	(1,058,299)	(737,270)	(321,028)	-44%
Cemetery		(64,513)	(101,197)	(133,114)	31,917	24%
Community Services Admin		(579,407)	(519,204)	(696,853)	177,649	25%
Parks and Trails		(1,124,744)	(1,216,591)	(1,276,437)	59,847	5%
Short-Term Accomodation & Licensing		0	0	0	0	N/A
Tomahawk		(18,201)	(35,550)	(55,765)	20,215	36%
Transit		(90,985)	(105,868)	(111,720)	5,852	5%

DEPARTMENT	ICON	2023 ACTUALS	2024 ACTUALS	2024 BUDGET	2024 BUDGET VAR	2024 BUDGET VAR %
Operations						
Capital Project Management	🟢	(57,607)	(183,360)	(181,846)	(1,514)	-1%
Garbage Collection	🟢	(477,548)	(1,866,417)	(1,744,534)	(121,883)	-7%
Landfill	🟡	(1,153,614)	(1,400,086)	(1,260,055)	(140,031)	-11%
Operations Admin	🟢	(743,110)	(769,510)	(1,023,545)	254,036	25%
Roads and Drainage	🟢	(4,681,462)	(5,241,900)	(5,828,260)	586,360	10%
Sustainability	🟢	(930,765)	(139,465)	(206,777)	67,312	33%
Library	🟢	(1,113,250)	(1,176,300)	(1,176,300)	0	0%
Building	🔴	0	0	0	0	N/A
Harbour	🟢	0	0	0	0	N/A
Water	🟢	0	0	0	0	N/A
Wastewater	🟢	0	0	0	0	N/A

Overall Corporate Administration was a large contributor to the deficit due mainly to the 2023 surplus funding not materializing to fund 2024 operations (as detailed above). In addition, Human Resources, Fleet & Facilities, Planning and By-Law contributed negatively to the 2024 Taxation deficit while Operations as a whole and Policing provided positive variances in 2024.

Summary by Expense Type (All Departments)

EXPENSE CATEGORY	ICON	2023 ACTUALS	2024 ACTUALS	2024 BUDGET	2024 BUDGET VAR	2024 BUDGET VAR %
Revenues						
Grants and Donations	🔴	1,837,407	1,713,473	2,062,117	(348,644)	-17%
External Revenues	🟡	16,094,764	16,607,628	18,914,652	(2,307,023)	-12%
Subsidies	🟢	(150,886)	(113,727)	(125,000)	11,273	9%
Taxation	🟢	20,436,113	21,850,195	20,894,000	956,195	5%
Total Revenues		\$ 38,217,398	\$ 40,057,569	\$ 41,745,769	\$ (1,688,199)	-4%
Expenses						
Salaries	🟢	13,445,425	14,740,334	15,276,845	536,512	4%
Benefits	🟢	4,094,670	4,629,027	4,463,126	(165,901)	-4%
Operating & Administrative Expenses	🟢	14,096,566	15,120,806	14,389,078	(731,729)	-5%
Communications	🟢	388,357	356,734	399,991	43,257	11%
Personnel and Training	🟢	431,633	466,390	545,970	79,580	15%
Legal Expenses	🔴	1,067,775	559,001	150,000	(409,001)	-273%
Consulting	🟢	1,113,451	998,686	1,128,950	130,264	12%
Total Expenses		\$ 34,637,877	\$ 36,870,978	\$ 36,353,960	\$ (517,018)	-1%
Subtotal		\$ 3,579,521	\$ 3,186,592	\$ 5,391,809	\$ (2,205,218)	-41%
Transfers						
Transfers to Reserves	🟢	(6,517,169)	(7,052,258)	(8,414,103)	1,361,845	16%
Transfers from Reserves	🟢	3,248,457	2,757,247	2,957,314	(200,067)	-7%
Transfers from Development Charges	🟢	654,675	778,553	148,969	629,585	423%
Transfers to Other Divisions	🟢	(51,444)	(52,487)	(83,989)	31,501	38%
Total Transfers		\$ (2,665,481)	\$ (3,568,945)	\$ (5,391,809)	\$ 1,822,864	34%
Net Surplus (Deficit)		\$ 914,039	\$ (382,353)	\$ 0	\$ (382,353)	

Summary by Expense Type (Taxation)

EXPENSE CATEGORY	ICON	2023 ACTUALS	2024 ACTUALS	2024 BUDGET	2024 BUDGET VAR	2024 BUDGET VAR %
Revenues						
Grants and Donations	🔴	1,837,407	1,713,473	2,062,117	(348,644)	-17%
External Revenues	🔴	5,302,799	5,051,375	7,356,337	(2,304,962)	-31%
Subsidies	🟢	(150,886)	(113,727)	(125,000)	11,273	9%
Taxation	🟢	20,436,113	21,850,195	20,894,000	956,195	5%
Total Revenues		\$ 27,425,433	\$ 28,501,316	\$ 30,187,454	\$ (1,686,138)	-6%
Expenses						
Salaries	🟢	10,860,861	12,047,695	12,321,493	273,797	2%
Benefits	🟢	3,278,237	3,728,216	3,571,361	(156,855)	-4%
Operating & Administrative Expenses	🟢	12,376,276	13,241,561	12,776,173	(465,389)	-4%
Communications	🟢	313,490	296,875	329,536	32,661	10%
Personnel and Training	🟢	334,104	391,722	422,020	30,298	7%
Legal Expenses	🔴	1,028,339	513,325	150,000	(363,325)	-242%
Consulting	🟢	1,113,251	996,546	963,950	(32,596)	-3%
Total Expenses		\$ 29,304,558	\$ 31,215,940	\$ 30,534,533	\$ (681,408)	-2%
Subtotal		\$ (1,879,125)	\$ (2,714,624)	\$ (347,079)	\$ (2,367,545)	-682%
Transfers						
Transfers to Reserves	🟢	(3,129,918)	(3,032,459)	(4,930,185)	1,897,726	38%
Transfers from Reserves	🔴	2,620,414	1,717,744	2,448,431	(730,687)	-30%
Transfers from Development Charges	🟢	654,675	778,553	148,969	629,585	423%
Transfers to Other Divisions	🟢	2,647,994	2,868,432	2,679,864	188,568	7%
Total Transfers		\$ 2,793,165	\$ 2,332,271	\$ 347,079	\$ 1,985,192	572%
Net Surplus (Deficit)		\$ 914,039	\$ (382,353)	\$ 0	\$ (382,353)	

Grants and Donations – the indicated negative budget to actual variance does not impact the deficit as these revenues would have had an equal offsetting expense. For instance, the largest variance in this category (\$400,000) relates to Grants for the Stormwater Utility Concept. No expenses were incurred and therefore no grant funding was recorded.

External Revenues – the indicated negative budget to actual variance is offset with the positive variance in the Taxation category. Supplemental taxation is budgeted in the External revenue category with actual supplemental revenue being recorded in the taxation category. In addition, the other large negative variance in this category is for Development Engineering revenues which have a negative variance of \$1,093,738 however Development Engineering operations are funded through fees and therefore this variance would not negatively impact the taxation deficit.

Legal Expenses – a portion of the indicated negative budget to actual variance would have contributed to the 2024 deficit. Legal expenses are difficult to estimate for a given year due to unknown legal matters that may arise. Significant budget overages in this category that contributed to the deficit were noted in Human Resources (\$69,597 over budget), Corporate Administration (\$49,070 over budget) and Planning (\$142,579 over budget). Human Resources legal matters included Fire negotiations, and employee relations. The overage in Planning legal matters were tied to a high number of Ontario Land Tribunal appeals for 2024 planning applications.

Transfer from Reserves – the indicated negative budget to actual variance is mainly the result of insufficient surplus from 2023 being available to fund 2024 operations.

Detailed Departmental Analysis

The analysis below focuses on departments with a budget to actual variance of less than -16% and negative monetary variances exceeding \$100,000. This dual criterion helps identify significant budget variances that impacted the 2024 deficit. In addition, charts and analysis are provided for user-fee funded departments.

Taxation Supported

HUMAN RESOURCES

EXPENSE CATEGORY	ICON	2023 ACTUALS	2024 ACTUALS	2024 BUDGET	2024 BUDGET VAR	2024 BUDGET VAR %
Revenues						
Grants and Donations	N/A	-	-	-	-	N/A
External Revenues	N/A	-	-	-	-	N/A
Subsidies	N/A	-	-	-	-	N/A
Taxation	N/A	-	-	-	-	N/A
Total Revenues		\$ -	\$ -	\$ -	\$ -	N/A
Expenses						
Salaries		299,726	356,135	305,159	(50,977)	-17%
Benefits		91,281	110,552	91,019	(19,533)	-21%
Operating & Administrative Expenses		41,434	9,569	13,300	3,731	28%
Communications		8,938	16,137	17,100	963	6%
Personnel and Training		26,174	64,433	76,200	11,767	15%
Legal Expenses		4,960	79,598	10,000	(69,598)	-696%
Consulting		3,983	32,612	13,000	(19,612)	-151%
Total Expenses		\$ 476,495	\$ 669,037	\$ 525,778	\$ (143,259)	-27%
Subtotal		\$ (476,495)	\$ (669,037)	\$ (525,778)	\$ (143,259)	-27%
Transfers						
Transfers to Reserves	N/A	-	-	-	-	N/A
Transfers from Reserves	N/A	-	-	-	-	N/A
Transfers from Development Charges	N/A	-	-	-	-	N/A
Transfers to Other Divisions		362,503	371,564	370,704	859	0%
Total Transfers		\$ 362,503	\$ 371,564	\$ 370,704	\$ 859	0%
Net Surplus (Deficit)		\$ (113,991)	\$ (297,473)	\$ (155,074)	\$ (142,400)	-92%

Salaries and Benefits – budget to actual variance mainly due to \$28,822 in casual/contract salaries. This relates to the HR Coordinator position which was approved through the Corporate Structure Organizational Review.

Legal Expenses – were approximately \$70,000 over budget due to unforeseen legal matters, fire negotiations and employee relation matters.

CORPORATE ADMINISTRATION

EXPENSE CATEGORY	ICON	2023 ACTUALS	2024 ACTUALS	2024 BUDGET	2024 BUDGET VAR	2024 BUDGET VAR %
Revenues						
Grants and Donations	■	1,314,400	1,350,300	1,750,300	(400,000)	-23%
External Revenues	■	1,362,877	1,236,901	2,068,025	(831,124)	-40%
Subsidies	N/A	-	-	-	-	N/A
Taxation	N/A	-	-	-	-	N/A
Total Revenues		\$ 2,677,277	\$ 2,587,201	\$ 3,818,325	\$ (1,231,124)	-32%
Expenses						
Salaries	■	190,247	130,354	17,281	(113,073)	-654%
Benefits	■	80,578	3,953	(11,039)	(14,991)	-136%
Operating & Administrative Expenses	■	171,483	143,594	36,590	(107,004)	-292%
Communications	■	72,111	59,355	79,500	20,145	25%
Personnel and Training	■	15,553	11,387	13,000	1,613	12%
Legal Expenses	■	812,453	74,070	25,000	(49,070)	-196%
Consulting	■	948,037	678,668	670,000	(8,668)	-1%
Total Expenses		\$ 2,290,462	\$ 1,101,380	\$ 830,332	\$ (271,047)	-33%
Subtotal		\$ 386,815	\$ 1,485,821	\$ 2,987,993	\$ (1,502,172)	-50%
Transfers						
Transfers to Reserves	■	(65,083)	(325,149)	(325,000)	(149)	-0%
Transfers from Reserves	■	1,743,248	1,071,000	1,560,000	(489,000)	-31%
Transfers from Development Charges	N/A	419,602	562,779	-	562,779	N/A
Transfers to Other Divisions	N/A	144,675	-	-	-	N/A
Total Transfers		\$ 2,242,442	\$ 1,308,631	\$ 1,235,000	\$ 73,631	6%
Net Surplus (Deficit)		\$ 2,629,256	\$ 2,794,452	\$ 4,222,993	\$ (1,428,541)	-34%

Grants and Donations – Variance of \$400,000 relates to grant funding for the Stormwater Utility Concept. This would not have an impact on the deficit as there were no related expenses incurred for this study and therefore the budgeted expenses would have a favourable variance.

External Revenues – Variance of \$831,124 is related to budget for supplemental tax revenues. The actual revenues are recorded within the taxation grouping which shows a positive variance of \$956,195.

Salaries & Benefits – Variance of \$128,064 relates to the vacation and overtime accrual for 2024 balances payable at the end of 2024. There was a significant increase in the number of overtime hours and vacation hours carried over compared to 2023 which resulted in the increase.

Operating & Administrative Expenses – Variance of \$107,004 the result of Landfill Liability Post Closure amount to be recovered being budgeted in error in 2024.

FLEET & FACILITIES

EXPENSE CATEGORY	ICON	2023 ACTUALS	2024 ACTUALS	2024 BUDGET	2024 BUDGET VAR	2024 BUDGET VAR %
Revenues						
Grants and Donations	N/A	-	-	-	-	N/A
External Revenues	■	385,658	127,080	221,000	(93,920)	-42%
Subsidies	N/A	-	-	-	-	N/A
Taxation	N/A	-	-	-	-	N/A
Total Revenues		\$ 385,658	\$ 127,080	\$ 221,000	\$ (93,920)	-42%
Expenses						
Salaries	■	104,501	129,189	141,497	12,308	9%
Benefits	■	33,372	42,242	41,653	(588)	-1%
Operating & Administrative Expenses	■	1,932,544	2,123,181	1,674,610	(448,571)	-27%
Communications	■	424	241	300	59	20%
Personnel and Training	■	566	968	2,200	1,232	56%
Legal Expenses	N/A	-	-	-	-	N/A
Consulting	N/A	-	107	-	(107)	N/A
Total Expenses		\$ 2,071,407	\$ 2,295,928	\$ 1,860,260	\$ (435,668)	-23%
Subtotal		\$ (1,685,749)	\$ (2,168,847)	\$ (1,639,260)	\$ (529,587)	-32%
Transfers						
Transfers to Reserves	■	(519,122)	(287,000)	(287,000)	-	-
Transfers from Reserves	N/A	-	-	-	-	N/A
Transfers from Development Charges	N/A	-	-	-	-	N/A
Transfers to Other Divisions	■	1,746,285	2,007,238	1,783,957	223,281	13%
Total Transfers		\$ 1,227,163	\$ 1,720,238	\$ 1,496,957	\$ 223,281	15%
Net Surplus (Deficit)		\$ (458,586)	\$ (448,609)	\$ (142,303)	\$ (306,307)	-215%

Operating & Administrative Expenses – Variance of \$448,571 due to the sale of assets being double counted in error in the 2024 budget.

PLANNING

EXPENSE CATEGORY	ICON	2023 ACTUALS	2024 ACTUALS	2024 BUDGET	2024 BUDGET VAR	2024 BUDGET VAR %
Revenues						
Grants and Donations	🟡	23,043	86,108	100,000	(13,892)	-14%
External Revenues	🔴	361,075	291,241	506,800	(215,559)	-43%
Subsidies	N/A	-	-	-	-	N/A
Taxation	N/A	-	-	-	-	N/A
Total Revenues		\$ 384,117	\$ 377,349	\$ 606,800	\$ (229,451)	-38%
Expenses						
Salaries	🟢	676,227	617,555	726,612	109,057	15%
Benefits	🟢	218,577	200,488	219,634	19,146	9%
Operating & Administrative Expenses	🟢	5,428	130,342	262,200	131,858	50%
Communications	🟢	24,925	6,759	9,170	2,411	26%
Personnel and Training	🟢	16,144	6,830	20,450	13,620	67%
Legal Expenses	🔴	108,268	242,579	100,000	(142,579)	-143%
Consulting	🔴	2,890	89,262	65,000	(24,262)	-37%
Total Expenses		\$ 1,052,458	\$ 1,293,814	\$ 1,403,066	\$ 109,252	8%
Subtotal		\$ (668,341)	\$ (916,465)	\$ (796,266)	\$ (120,198)	-15%
Transfers						
Transfers to Reserves	N/A	(75,000)	-	-	-	N/A
Transfers from Reserves	🔴	-	38,968	150,000	(111,032)	-74%
Transfers from Development Charges	N/A	-	-	-	-	N/A
Transfers to Other Divisions	🟢	(318,482)	(312,105)	(314,110)	2,005	1%
Total Transfers		\$ (393,482)	\$ (273,138)	\$ (164,110)	\$ (109,028)	-66%
Net Surplus (Deficit)		\$ (1,061,823)	\$ (1,189,603)	\$ (960,377)	\$ (229,226)	-24%

External Revenues – negative variance in external revenues was the result of missed revenues estimates for Zoning By-Law Amendment, Plan of Subdivision/Condominium and Site Plan Development review. A major contributor to this is likely the slow down in development seen in 2024.

Legal Expenses – over budget by \$142,579, due largely to OMB appeals.

DEVELOPMENT ENGINEERING

EXPENSE CATEGORY	ICON	2023 ACTUALS	2024 ACTUALS	2024 BUDGET	2024 BUDGET VAR	2024 BUDGET VAR %
Revenues						
Grants and Donations	N/A	-	-	-	-	N/A
External Revenues	🔴	800,515	1,011,206	2,104,944	(1,093,738)	-52%
Subsidies	N/A	-	-	-	-	N/A
Taxation	N/A	-	-	-	-	N/A
Total Revenues		\$ 800,515	\$ 1,011,206	\$ 2,104,944	\$ (1,093,738)	-52%
Expenses						
Salaries	🟢	545,180	536,039	680,921	144,882	21%
Benefits	🟢	165,191	168,973	208,363	39,390	19%
Operating & Administrative Expenses	🔴	5,704	32,717	11,990	(20,727)	-173%
Communications	🟢	5,427	1,300	1,650	350	21%
Personnel and Training	🟢	9,709	7,180	8,600	1,420	17%
Legal Expenses	N/A	42,834	54,444	-	(54,444)	N/A
Consulting	🟢	12,947	41,675	130,000	88,325	68%
Total Expenses		\$ 786,992	\$ 842,328	\$ 1,041,524	\$ 199,196	19%
Subtotal		\$ 13,523	\$ 168,878	\$ 1,063,420	\$ (894,542)	-84%
Transfers						
Transfers to Reserves	🟢	-	-	(912,915)	912,915	100%
Transfers from Reserves	N/A	163,592	-	-	-	N/A
Transfers from Development Charges	N/A	-	-	-	-	N/A
Transfers to Other Divisions	🟡	(177,115)	(168,878)	(150,505)	(18,373)	-12%
Total Transfers		\$ (13,523)	\$ (168,878)	\$ (1,063,420)	\$ 894,542	84%
Net Surplus (Deficit)		\$ 0	\$ 0	\$ 0	\$ 0	-

External Revenues – unfavourable variance in Development Application revenue due to slow down in development across the country.

BY-LAW

EXPENSE CATEGORY	ICON	2023 ACTUALS	2024 ACTUALS	2024 BUDGET	2024 BUDGET VAR	2024 BUDGET VAR %
Revenues						
Grants and Donations	🟢	5,238	2,998	2,650	348	13%
External Revenues	🔴	328,791	90,907	315,000	(224,093)	-71%
Subsidies	N/A	-	-	-	-	N/A
Taxation	N/A	-	-	-	-	N/A
Total Revenues		\$ 334,029	\$ 93,904	\$ 317,650	\$ (223,746)	-70%
Expenses						
Salaries	🟢	542,061	591,940	592,940	1,000	0%
Benefits	🟢	170,284	183,048	183,377	329	0%
Operating & Administrative Expenses	🔴	56,443	73,333	36,300	(37,033)	-102%
Communications	🟢	11,452	10,699	13,200	2,501	19%
Personnel and Training	🔴	15,676	16,291	10,850	(5,441)	-50%
Legal Expenses	🟢	13,423	826	5,000	4,174	83%
Consulting	🟢	5,105	802	2,000	1,198	60%
Total Expenses		\$ 814,444	\$ 876,939	\$ 843,667	\$ (33,272)	-4%
Subtotal		\$ (480,415)	\$ (783,034)	\$ (526,017)	\$ (257,017)	-49%
Transfers						
Transfers to Reserves	N/A	(6,000)	-	-	-	N/A
Transfers from Reserves	N/A	-	-	-	-	N/A
Transfers from Development Charges	N/A	-	-	-	-	N/A
Transfers to Other Divisions	🔴	(268,539)	(275,265)	(211,254)	(64,011)	-30%
Total Transfers		\$ (274,539)	\$ (275,265)	\$ (211,254)	\$ (64,011)	-30%
Net Surplus (Deficit)		\$ (754,954)	\$ (1,058,299)	\$ (737,270)	\$ (321,028)	-44%

External Revenues – negative variance of \$224,093 due to missed revenue estimates for By-Law Fines and Parking Fines which were \$152,166 under budget. In addition, a correction to overstated fees and charges revenue in 2023 added an additional \$102,637 to the negative variance.

User-Fee Supported

BUILDING

EXPENSE CATEGORY	ICON	2023 ACTUALS	2024 ACTUALS	2024 BUDGET	2024 BUDGET VAR	2024 BUDGET VAR %
Revenues						
Grants and Donations	N/A	-	-	-	-	N/A
External Revenues	■	905,791	498,235	1,336,250	(838,015)	-63%
Subsidies	N/A	-	-	-	-	N/A
Taxation	N/A	-	-	-	-	N/A
Total Revenues		\$ 905,791	\$ 498,235	\$ 1,336,250	\$ (838,015)	-63%
Expenses						
Salaries	■	780,601	780,546	947,328	166,781	18%
Benefits	■	231,845	271,201	288,114	16,912	6%
Operating & Administrative Expenses	■	36,421	20,853	33,350	12,497	37%
Communications	■	5,363	2,990	4,300	1,310	30%
Personnel and Training	■	13,662	11,159	48,800	37,641	77%
Legal Expenses	N/A	39,030	45,241	-	(45,241)	N/A
Consulting	■	37	1,944	5,000	3,056	61%
Total Expenses		\$ 1,106,959	\$ 1,133,935	\$ 1,326,892	\$ 192,957	15%
Subtotal		\$ (201,168)	\$ (635,700)	\$ 9,358	\$ (645,058)	-6893%
Transfers						
Transfers to Reserves	N/A	(2,237)	-	-	-	N/A
Transfers from Reserves	■	498,788	922,408	257,363	665,045	258%
Transfers from Development Charges	N/A	-	-	-	-	N/A
Transfers to Other Divisions	■	(295,383)	(286,708)	(266,721)	(19,987)	-7%
Total Transfers		\$ 201,168	\$ 635,700	\$ (9,358)	\$ 645,058	6893%
Net Surplus (Deficit)		\$ 0	\$ 0	\$ 0	\$ 0	-

External Revenues – unfavourable variance due to the decrease in the number of building permits issued year over year, for further context please see staff report [CFS.25.012](#).

Legal Expenses – not budgeted in error, however this unfavourable variance is wholly offset by the favourable variances in the overall expenses.

Note that the net amount required from the Building reserve to support this division in 2024 was \$922,408.

HARBOUR

EXPENSE CATEGORY	ICON	2023 ACTUALS	2024 ACTUALS	2024 BUDGET	2024 BUDGET VAR	2024 BUDGET VAR %
Revenues						
Grants and Donations	N/A	-	-	-	-	N/A
External Revenues	■	735,775	751,844	748,250	3,594	0%
Subsidies	N/A	-	-	-	-	N/A
Taxation	N/A	-	-	-	-	N/A
Total Revenues		\$ 735,775	\$ 751,844	\$ 748,250	\$ 3,594	0%
Expenses						
Salaries	■	157,726	189,638	174,071	(15,567)	-9%
Benefits	■	43,986	47,882	42,833	(5,049)	-12%
Operating & Administrative Expenses	■	332,892	276,983	286,940	9,957	3%
Communications	■	1,601	1,475	3,525	2,050	58%
Personnel and Training	■	5,255	4,189	6,650	2,461	37%
Legal Expenses	N/A	-	-	-	-	N/A
Consulting	■	73	102	10,000	9,898	99%
Total Expenses		\$ 541,533	\$ 520,269	\$ 524,019	\$ 3,750	1%
Subtotal		\$ 194,241	\$ 231,575	\$ 224,231	\$ 7,344	3%
Transfers						
Transfers to Reserves	■	(52,834)	(85,655)	(93,222)	7,567	8%
Transfers from Reserves	N/A	-	-	-	-	N/A
Transfers from Development Charges	N/A	-	-	-	-	N/A
Transfers to Other Divisions	■	(141,407)	(145,920)	(131,008)	(14,912)	-11%
Total Transfers		\$ (194,241)	\$ (231,575)	\$ (224,230)	\$ (7,344)	-3%
Net Surplus (Deficit)		\$ 0	\$ 0	\$ 0	\$ 0	-

There were no significant budget to actual variances for the Harbour. Actuals results were very close to budget estimates in 2024 with the estimated reserve transfer being only \$7,567 below budget at \$85,655. This was a result of part-time salaries and overtime coming in slightly over budget.

WATER

EXPENSE CATEGORY	ICON	2023 ACTUALS	2024 ACTUALS	2024 BUDGET	2024 BUDGET VAR	2024 BUDGET VAR %
Revenues						
Grants and Donations	N/A	-	-	-	-	N/A
External Revenues	■	5,034,670	5,601,427	5,122,570	478,857	9%
Subsidies	N/A	-	-	-	-	N/A
Taxation	N/A	-	-	-	-	N/A
Total Revenues		\$ 5,034,670	\$ 5,601,427	\$ 5,122,570	\$ 478,857	9%
Expenses						
Salaries	■	952,413	1,005,147	1,037,565	32,417	3%
Benefits	■	304,462	332,151	318,816	(13,336)	-4%
Operating & Administrative Expenses	■	676,910	846,534	685,160	(161,374)	-24%
Communications	■	30,979	26,229	30,830	4,601	15%
Personnel and Training	■	35,393	29,816	39,000	9,184	24%
Legal Expenses	N/A	406	435	-	(435)	N/A
Consulting	N/A	34	84	-	(84)	N/A
Total Expenses		\$ 2,000,596	\$ 2,240,398	\$ 2,111,370	\$ (129,027)	-6%
Subtotal		\$ 3,034,074	\$ 3,361,030	\$ 3,011,200	\$ 349,830	12%
Transfers						
Transfers to Reserves	■	(1,880,088)	(2,182,147)	(1,930,799)	(251,348)	-13%
Transfers from Reserves	■	(56,841)	22,953	28,878	(5,925)	-21%
Transfers from Development Charges	N/A	-	-	-	-	N/A
Transfers to Other Divisions	■	(1,097,145)	(1,201,836)	(1,109,279)	(92,557)	-8%
Total Transfers		\$ (3,034,074)	\$ (3,361,030)	\$ (3,011,200)	\$ (349,830)	-12%
Net Surplus (Deficit)		\$ 0	\$ 0	\$ 0	\$ 0	-

Overall, the Water Department ended 2024 with a positive variance of \$251,348 with a total of \$2,182,147 transferred to the Blue Mountains Water Reserve Fund. The main contributor to this was higher water billings than expected, specifically Fixed Charge billings which were \$267,215 higher than budgeted estimates.

Operating and administrative expenses were over budget due to additional contracted services and equipment repairs and maintenance. Contracted services were over budget mainly due to leak detection services of \$141,000. Equipment repairs and maintenance was over budget due to more small repairs being required than anticipated.

WASTEWATER

EXPENSE CATEGORY	ICON	2023 ACTUALS	2024 ACTUALS	2024 BUDGET	2024 BUDGET VAR	2024 BUDGET VAR %
Revenues						
Grants and Donations	N/A	-	-	-	-	N/A
External Revenues	🟢	4,115,729	4,704,747	4,351,245	353,502	8%
Subsidies	N/A	-	-	-	-	N/A
Taxation	N/A	-	-	-	-	N/A
Total Revenues		\$ 4,115,729	\$ 4,704,747	\$ 4,351,245	\$ 353,502	8%
Expenses						
Salaries	🟢	693,823	717,307	796,388	79,081	10%
Benefits	🟢	236,140	249,576	242,002	(7,575)	-3%
Operating & Administrative Expenses	🔴	674,067	734,874	607,455	(127,419)	-21%
Communications	🟢	36,924	29,164	31,800	2,636	8%
Personnel and Training	🟢	43,219	29,504	29,500	(4)	-0%
Legal Expenses	N/A	-	-	-	-	N/A
Consulting	🟢	57	10	150,000	149,990	100%
Total Expenses		\$ 1,684,230	\$ 1,760,436	\$ 1,857,145	\$ 96,709	5%
Subtotal		\$ 2,431,499	\$ 2,944,311	\$ 2,494,100	\$ 450,211	18%
Transfers						
Transfers to Reserves	🔴	(1,452,093)	(1,751,998)	(1,459,897)	(292,100)	-20%
Transfers from Reserves	🔴	186,097	94,143	222,642	(128,499)	-58%
Transfers from Development Charges	N/A	-	-	-	-	N/A
Transfers to Other Divisions	🟢	(1,165,502)	(1,286,456)	(1,256,845)	(29,611)	-2%
Total Transfers		\$ (2,431,499)	\$ (2,944,311)	\$ (2,494,100)	\$ (450,211)	-18%
Net Surplus (Deficit)		\$ 0	\$ 0	\$ 0	\$ 0	-

Wastewater ended 2024 with a positive budget variance of \$290,899 with \$1,750,797 being transferred to the Blue Mountains Sewer Reserve Fund. Sewer Billings were the main driver of the positive variance with \$353,502 more revenue that estimated. This was supported by positive variances in Private Waste Billings (\$340,994 positive variance) and Fixed Charge Billings (\$99,392 positive variance).

The operating and administrative expenses variance is due to several small variances across several accounts which cumulatively brought this category over budget by \$127,419. Major contributors are insurance (\$53,075 over budget) and property taxes (\$69,819 over budget).

The transfer from reserves negative variance of \$128,499 is mainly due to funding for the Sanitary Sewer Condition Assessment which had no costs recorded in 2024.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

F. Environmental Impacts

None.

G. Financial Impacts

The recommendations included in this report have a direct impact on the Town’s Reserves and Reserve Funds. The table below shows the 2024 and 2023 balances for the reserves and reserve funds discussed within this report.

RESERVES & RESERVE FUNDS		
Description	2024 Balance	2023 Balance
Reserves		
Town Working Capital	767,974	1,693,478
Reserve Funds		
The Blue Mountains Water Reserve Fund	8,013,312	6,783,032
The Blue Mountains Sewer Reserve Fund	15,222,862	15,914,388
Building Rate Stabilization Reserve Fund	955,465	1,859,579

The table below provides details on the Town’s total reserves and reserve funds.

RESERVES & RESERVE FUNDS		
Description	2024 Balance	2023 Balance
Reserves		
Working Funds	767,974	1,693,478
Insurance, sick leave and WSIB	607,878	607,878
Current purposes	5,030,738	4,531,082
Capital purposes	739,804	757,015
Reserve Funds		
Capital purposes	36,925,635	37,156,778
	44,072,029	44,746,231

Excluded from this total are unfinanced capital projects of \$13,874,281 and unfinanced operating projects of \$1,280,679. These unfinanced amounts represent costs that have been incurred but not yet permanently funded, meaning the Town’s reserves and reserve funds may appear higher than the net funds available. Additional details on this will be brought forward as part of the report supporting the 2024 Consolidated Financial Statements to be presented at the June 23rd, 2025 Council meeting.

H. In Consultation With

None.

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Monica Quinlan, Director of Corporate & Financial Services directorcfs@thebluemountains.ca.

J. Attached

None.

Respectfully submitted,

Michael Switzer,
Deputy Treasurer / Manager of Accounting & Budgets

Monica Quinlan,
Director of Corporate & Financial Services

For more information, please contact:
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This report and all of its attachments were approved and signed as outlined below:

No Signature found

Michael Switzer - Jun 5, 2025 - 12:57 PM

Monica Quinlan - Jun 5, 2025 - 12:58 PM