



REPORT

TO: Mayor Lawlor and Members of Council

FROM: Dana Stanescu, Manager of Accounting

DATE: July 7, 2025

REPORT NO.: CS-2025-016

SUBJECT: Distribution and Funding – 2024 Final Operating Budget
Position

RECOMMENDATION:

THAT Report No. CS-2025-016 dated July 7, 2025 regarding the Distribution and Funding - 2024 Final Operating Budget Position be received;

AND FURTHER THAT Council approve the transfer of \$101,844, representing the 2024 operating Library surplus, to the Library Capital Reserve;

AND FURTHER THAT \$92,589 of funding previously approved in the 2024 operating budget for contracted labour positions be held in general surplus and carried forward to 2025 to continue funding the original budgeted contract positions, in accordance with Town policies;

AND FURTHER THAT \$158,599 of funding previously approved in a prior budget for contracted labour positions that are no longer required be held in general surplus and carried forward to 2025 to support in-year contracted employment needs in accordance with Town policies;

AND FURTHER THAT Council approve the transfer of the remaining surplus of \$1,246,246 to the Tax Rate Stabilization Reserve.

KEY POINTS:

The following are key points for consideration with respect to this report:

- Immediate approval is required to finalize the 2024 financial reporting and year-end audit, and to enable staff to submit the financial statements to the appropriate parties.
- In 2024 the Town reported an overall net operating surplus of \$1,599,278
- The net operating surplus can be broken out into 3 components:
 - \$251,188 of unused funding related to contract staffing that needs to be carried forward to 2025, based on policy CORP-2021-0002
 - An operating surplus of \$101,844 related to Library operations
 - An operating surplus of \$1,246,246 from Town operations
- All recommendations contained within this report do not involve the approval of new expenditures or incur new liabilities. All referenced funding transfers relate to expenditures incurred on or before December 31, 2024

BACKGROUND AND DISCUSSION:

This report is intended to provide Council with an update on the final operating budget position of the Town following the completion of the 2024 year-end audit. This report also serves to request approval on the distribution of the operating surplus in accordance with the General Reserve and Reserve Fund Policy (PLCY-2018-0004).

Appendix A summarizes the Town's 2024 actual operating results for January 1 to December 31 inclusive, by department. These results are incorporated within the 2024 annual financial statements, that were prepared under Public Sector Accounting Board Standards. Further details regarding these results are provided in Report No. CS-2025-013, Operating Budget Status for the Year Ended December 31, 2024 and Projected Surplus.

Table 1 below provides a summary of the different elements that comprise the operating results, outlining the amounts that require distribution to reserves and transfers to the 2024 operating year to finalize the Town's 2024 financial statement audit:

		\$
Total Operating Surplus 2024		1,599,278
Contract labour funding required for 2025 positions	(92,589)	
Contract labour funding for 2025 general contract employment needs	<u>(158,599)</u>	
Total carry forward of contract labour		(251,188)
Transfer Library operating surplus to Library Capital Reserve	<u>(101,844)</u>	
Total Library Operating Surplus		<u>(101,844)</u>
Total Operating Surplus 2024		<u>\$ 1,246,246</u>

Staff is seeking approval to transfer \$92,589 of general surplus into the 2025 fiscal year, to fund the balance of contractual positions that were approved through the 2024 Operating Budget. Due to the nature of the hiring process, it is not always possible to have a contract position commence on January 1. Therefore, this amount represents the timing delay in hiring for the contractual positions and needs to be carried forward and recognized in 2025 to offset pre-approved expenses.

Staff is also seeking approval to transfer \$158,599 of general surplus into the 2025 fiscal year, related to previously approved contract labour positions that are no longer required for their original purpose. As per the Carry Forward of Surplus Contract Employee Budget Policy, CORP-2021-0002, surplus contract employment funding can be held in general surplus at the year end and recognized in the following year's operating budget to fund general contract employment needs as required.

As per policy PLCY-2018-0004 General Reserve and Reserve Funds, staff is recommending that the net Library operating surplus of \$101,844 be transferred to the Library Capital Reserve.

Staff is also recommending that the remaining Town related 2024 operating budget surplus of \$1,246,246 be transferred to the Tax Rate Stabilization Reserve.

STRATEGIC PLAN ALIGNMENT:

This report is administrative in nature and does not have an impact on the Town's Strategic Plan.

RELATIONSHIP TO CLIMATE CHANGE:

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

PUBLIC ENGAGEMENT:

Public Engagement was not needed as this report is administrative in nature.

INTERNAL CONSULTATION:

Finance staff consulted with departments throughout the 2024 year-end financial statement process.

FINANCIAL IMPLICATIONS:

This report will be funded through an existing approved budget source.

Staff are recommending that the 2024 operating surplus be transferred to the Tax Rate Stabilization reserve in the amount of \$1,246,246. The Town's long-range financial plan has been updated to reflect these reserve transfers.

Reviewed and approved by,

Joseph Vandermeer, Acting Treasurer

Laura Lancaster, Commissioner of Corporate Services

Chris Mills, Chief Administrative Officer