

## Report to Council

<b>Report Title:</b>	2023 Municipal Year End		
<b>Prepared By:</b>	Trish Serratore, Chief Financial Officer		
<b>Department:</b>	Finance		
<b>Date:</b>	November 12, 2024		
<b>Report Number:</b>	FIN2024-31	<b>File Number:</b>	C11FIN
<b>Attachments:</b>	Statement of Operations 2023		

### Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2024-31 - 2023 Municipal Year End, prepared by Trish Serratore, Chief Financial Officer and in doing so approves the following transfers:

- Operating Surplus of \$306,487 to the Tax Mitigation Reserve Fund
- \$2,873.66 to the Walkerton Fire Reserve Fund
- \$19,730.40 to the Walkerton Cemetery Reserve Fund.
- \$78,403.38 (\$30,900 + \$47,503.38) to the Utilities Reserve Fund

### Report:

#### Background:

This summary provides an overview of Brockton's year-end financial performance as of December 31, 2023. It excludes certain Boards and Commissions that are part of the year-end financial statements, which are prepared by the municipal auditors, Baker Tilly. The report details the total budget (both operating and capital) for each department, compares the actual year-to-date figures with the budget, highlights any variances, and shows the percentage of the budget used by the end of 2023.

#### Analysis:

##### Operating Budget

The 2023 year marked a continued recovery phase for the Municipality following the challenges posed by the Covid-19 pandemic. While some operational hurdles persisted at the start of the year, the Municipality successfully resumed many programs and services that had been suspended in the previous year. Staff remained mindful of the ongoing financial pressures facing the Municipality and continued to manage operations with a strong focus on cost efficiency and fiscal prudence.

As of December 31, 2023, revenue exceeded budget expectations by \$422,100, or 1.72%. Operating expenditures came in under budget by \$2,416,567, or 11%. After accounting for the following transactions, the Municipality reported an operating surplus of \$306,487:

- Removal of the Prior Year Surplus expense transfer of \$344,447,477
- Removal of the ERBP Reserve Fund revenue transfer of \$2,911,239
- Reallocate funding for the Brockton Child Care capital budget \$7,271
- Reallocate donations from the recreation operating to capital for the LED Score clock
- Addition of an outstanding reserve fund transfer expense for Utilities totaling \$30,900, due to year-end adjustments and outstanding invoices

The total surplus for Brockton amounts to \$322,788, and staff recommend that this surplus be allocated to the Tax Mitigation Reserve Fund. The balance of the Tax Mitigation Reserve Fund is currently \$617,229.50. Adding the surplus to this account would leave a balance of \$923,716.50.

### Capital Budget

Several capital projects were successfully completed during the 2023 fiscal year, while some were deferred to 2024. Below is a summary of the reserve fund transfers required for the 2023 capital budget. Due to the timing of invoice processing and project reconciliations, some invoices were not received until 2024 or were reallocated to operating accounts.

- **Fire – Protective Services:** All capital projects were completed in 2023 and came in under budget. Staff are requesting a transfer of \$2,873.66 to the Walkerton Fire Reserve Fund to support future capital needs.
- **Cemetery:** The new columbarium was finished in 2024. Staff are requesting a transfer of \$19,730.40 to the Walkerton Cemetery Reserve Fund to cover the remaining costs of the project in 2024.
- **Public Works:** The Riversdale Bridge project was funded in 2023 with \$2,372,159 from Infrastructure Ontario. Several projects were deferred from the 2022 budget, including Yonge Street, Russel Municipal Drain, Concession 14, Zettler Municipal Drain, and the Tandem Plow order. The only project deferred from 2023 to 2024 was the Sweeper.
- **Child Care** The Brockton Child Care centre received funding from the County for a new dishwasher, however the funding for the expense was accounted for within the operating budget. Staff have made an adjustment to the year-end surplus to account for this re-allocation.
- **Utilities:** Utilities projects are funded through reserve funds. After reconciliation, additional funds were transferred that were not required. Staff are requesting a transfer of \$47,503.38 to the Utilities Reserve Fund.
- **Recreation:** Multiple projects were completed within the recreation department, including the purchase of a new pick-up truck, the Market Garden, tennis court restoration, ball diamond fence replacement, a new time clock, and picnic tables for Lobbies Park.
  - The Tennis Court Restoration project was primarily funded by reserve funds, with \$61,112.23 covered by grants and donations. *As of November 2024, a fundraising shortfall of \$21,912.23 remains.*

- The Soccer Concession project was initiated in 2023 and completed in 2024. Grant funding and long-term borrowing for the project were also received in 2024.
- Recreation received a few donations for the LED Time Clock that were allocated to the operating budget, staff have accounted for this adjustment within the operating surplus.

This summary highlights the key capital projects and the corresponding reserve fund transfers required for completion and future needs.

### Strategic Action Plan Checklist:

What aspect of the Brockton Strategic Action Plan does the content/recommendations in this report help advance?

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|---|-----|
| • Recommendations help move the Municipality closer to its Vision                       | N/A |
| • Recommendations contribute to achieving Heritage, Culture, and Community              | N/A |
| • Recommendations contribute to achieving Quality of Life                               | N/A |
| • Recommendations contribute to achieving Land Use Planning and the Natural Environment | N/A |
| • Recommendations contribute to achieving Economic Development                          | N/A |
| • Recommendations contribute to achieving Municipal Governance                          | N/A |

### Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

Reallocation of the operating surplus will assist with future year financial requirements. Transfer of the Capital surplus will assist with the future capital requirements

### Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

### Reviewed By:



Sonya Watson, Chief Administrative Officer