

Subject: **2023 Q4 Report – Preliminary Operating and Capital Budget Results**  
 Meeting Date: Tuesday, March 26, 2024  
 Prepared By: Marika von Mirbach, Financial Planning Coordinator  
 Presented By: Marika von Mirbach, Financial Planning Coordinator

**RECOMMENDED MOTION:**

1. That Council approves reserve contributions of \$3,077,826, as detailed in Appendix C.
2. The Council approves a draw of up to \$60,000 from the Contingency reserve to fund the Municipal Intern program.
3. That Council approves a draw of \$25,000 from the Contingency reserve for the Kneehill Historical Society in relation to Council motion 85/23.
4. That Council approves \$959,557 of operating project carryforwards, including funding sources, as detailed in Appendix D.
5. That Council approves \$40,072 for one over budget capital project to be funded through the Capital Equipment Plan reserve, as detailed in Appendix E.
6. That Council approves \$5,695,480 of capital project carryforwards, including funding sources, as detailed in Appendix E.

**STRATEGIC PLAN ALIGNMENT: (Check all that apply)**

 <input checked="" type="checkbox"/>	 <input checked="" type="checkbox"/>	 <input checked="" type="checkbox"/>	 <input checked="" type="checkbox"/>	 <input checked="" type="checkbox"/>
High Quality Infrastructure	Economic Resilience	Quality of Life	Effective Leadership	Level of Service

**RELEVANT LEGISLATION:**

**Provincial (cite)** - Financial affairs of the municipality are governed by the *Municipal Government Act*.  
**Council Bylaw/Policy (cite)** - Internal policy states that Corporate Services will provide Council with a quarterly financial report and preliminary year-end report.

**BACKGROUND/PROPOSAL:**

Council receives quarterly financial reports during the year. These reports are intended to inform Council and stakeholders of financial transactions to-date and how expenditures, revenues and other financial indicators compare to the annual operating budget and plan, which Council has previously approved.

The purpose of this report is to:

- Report on the 2023 Operating Budget performance.
- Report on the Operating Budget Projects approved in the 2023 Operating Budget.
- Report on the status of all approved 2023 Capital Projects.
- Provide other supplementary information on key financial indicators for the municipality.



This report represents the unaudited financial position of the County as compared to budget as at December 31, 2023.

The figures in this report are unaudited; however, no major adjustments are anticipated prior to the completion of the 2023 financial audit. Final operating results will be reported within the annual audited financial statements. This report is prepared on a cash basis, whereas the financial statements are prepared on an accrual basis, which results in some variations of presentation, but not the core results of the County's operating year.

## DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES/OTHER CONSIDERATIONS:

The County is required under the *Municipal Government Act (MGA)* to approve both an operating and capital budget which are balanced and fully funded. To achieve this, the budget is prepared on a fiscal viability basis and is monitored and controlled to achieve this desired outcome of a balanced budget. As such, all budgeted revenues must equal budgeted expenditures.

The municipality follows the legislative financial requirements of the *MGA* and its supporting regulations. In addition, the municipality meets or exceeds all policy statements of the Canada Public Sector Accounting Handbook, which is governed by the Chartered Professional Accountants Canada (CPA).

The budgeting process allows municipalities to prioritize projects, programs and service levels based on anticipated revenue and expenses. A municipality's annual budget routinely consists of two components:

- The **Operating Budget**, which plans for a municipality's day-to-day expenditures (e.g., salaries, wages, benefits, heat, electricity, and maintenance of buildings and infrastructure, etc.).
- The **Capital Budget**, which plans for the purchase and financing of assets or improvement of existing infrastructure (e.g., roads, water and wastewater facilities, county facilities and major projects, etc.).

This RFD includes the following Financial Reports:

- Operating Budget Summary by Function (Appendix A)
- Operating Budget Summary by Department (Appendix B)
- Operating Budget Results - Restatements and Recommendations (Appendix C)
- Operating Project Summary and Carryforwards (Appendix D)
- Capital Project Summary and Carryforwards (Appendix E)
- Cash and Investment Summary (Appendix F)
- Reserve Continuity (Appendix G)

### **Operating Budget Summary by Function (Appendix A)**

The purpose of this schedule is to provide Council a corporate summary of the operating budget performance for the year ending December 31, 2023, and to provide explanations for unfavourable or favourable corporate results at year-end.

This portion of the report will focus on *Appendix A*, which provides operating results by the classification of the revenue source or nature of expenditure. *Appendix B*, which is presented by organizational unit, is provided for reference on the individual performance of each department and examples of how the 2024 Budget was adapted in response to 2023 trending will be discussed.

The total net forecasted revenue/expenditure year-end result, prior to any recommended adjustments, anticipates a surplus of \$3,096,563.



The primary drivers of the surplus include:

- \$1.3 million in higher than budgeted **investment returns**. The total investment returns variance is \$2,300,980, however \$946,246 of these revenues were contributed to reserves by motion during the Q2 Variance Report which reduced the surplus associated with investment returns.
- \$990,000 in **salaries and wages** primarily due to higher-than-normal vacancies.
- \$350,000 related to the **sale of capital equipment**.

The **investment returns** budget was intentionally not adjusted in alignment with current interest rates for 2023 as a precursor to a new reserve strategy where returns in excess of budget are contributed into reserves for long-term sustainability. This process prevents rate changes, and therefore revenue changes, from affecting the core budget, and ensures reserve balances are provided with mechanisms to grow.

The surplus associated with **salaries and wages** relates to multiple unanticipated vacancies and absences during the year, including seasonal positions which were not able to be filled. While the scope of this variance is an anomaly, Administration further adjusted the turnover allowance in the 2024 budget to draw greater alignment between budget and anticipated actuals.

The surplus associated with the **sale of capital equipment** is recommended within this report to be contributed back into the Capital Equipment Plan reserve to fund future purchases. This is a typical annual transaction, as the budget for the sale of equipment is maintained at \$100,000 annually regardless of what equipment is anticipated to be sold.

The remaining \$400,000 surplus is comprised of multiple smaller scale surpluses and deficits spread across various budget lines and departments and equates to approximately 1.25% of the County's overall budget. The trending of these variances also informed Administration's design of the 2024 budget and as such multiple adjustments were made to support increased alignment.

A detailed analysis of the full surplus is provided in the following sections:

#### Revenue Summary - \$2,696,685 favourable

The favourable revenue variance consists of:

- Licenses and Permits* - \$4,232 **unfavourable** relates to development and safety code permits issued.
- Operating Grants* – \$43,371 **favourable** relates to Agricultural Services grant programming from the province.
- Other Revenue* – \$104,815 **favourable** consists of:
  - \$90,000 **favourable** for oilfield water access agreements.
  - \$11,000 **favourable** related to various processing charges and other miscellaneous revenues.
  - \$4,000 **favourable** from a donation for the Torrington fire department.
- Sale of Goods and Services* – \$386,805 **favourable** includes:
  - \$163,000 **favourable** related to water distribution charges and bulk water usage for which there is an offsetting unfavourable expenditure variance of \$98,000 for the purchase of water for resale.
  - \$118,000 **favourable** related to the dust control program for which there is an offsetting unfavourable expenditure variance of \$55,000 related to the chemical applied.



- \$36,000 favourable related to oilfield inspection fees.
  - \$23,000 favourable for protective services programming.
  - \$20,000 favourable related to scrap metal sales.
  - \$11,000 favourable related to campgrounds.
  - \$10,000 favourable related to revenue obtained through the Growing Kneehill Event.
  - \$5,000 favourable related to other small variances across departments including paid parking, tax notification fees, map sales, and cemetery plot sales.
- v. *Sales to Other Governments* – \$9,202 favourable relates to agreements with urban municipalities.
- vi. *Rental Income* – \$5,460 unfavourable relates to lower than budgeted land lease and snowplowing revenues.
- vii. *Penalties and Fines* – \$22,715 favourable relates to penalties on taxes.
- viii. *Property Taxes* – \$18,333 favourable relates to tax adjustments from assessment shifts.
- ix. *Special Taxes and Frontage* – \$43,285 favourable relating to riser fees received which were not included in the approved budget and which are recommended to be transferred into the Water reserve in *Appendix C*.
- x. *Return on Investments* – \$2,300,980 favourable the prime interest rate resulted in higher than budgeted returns on the County's investments. \$946,246 of these returns were contributed into the Revenue Stabilization reserve during the 2024 Q2 Financial Report. *Appendix C* includes a recommendation to contribute the remaining surplus of \$1,354,734 related to this variance into the Revenue Stabilization reserve for future mitigation of budget pressures.
- xi. *Transfer from Reserves* – \$577,399 unfavourable relates to draws for Operating Projects which were not incurred during the year; further details can be found in *Appendix D*, and additional discussion on Operating Projects can be found within the body of this report.
- xii. *Capital Equipment Plan Sales* - \$354,270 favourable relates to the sale of capital equipment. *Appendix C* includes a recommendation to contribute these funds to the Capital Equipment Plan reserve to fund the future purchase of capital equipment.

#### Expense Summary \$399,878 favourable

The favourable expense variance consists of:

- xiii. *Contract Goods and Services* - \$170,000 favourable consists of:
- \$220,000 unfavourable related to contracted shop repairs; primarily related to significant unplanned repairs on graders.
  - \$30,000 unfavourable in Planning Department inspection fees.
  - \$133,000 favourable related to professional contracted services.
  - \$100,000 favourable in training and development, a significant portion of which is related to ongoing position vacancies.
  - \$33,000 favourable for major maintenance initiatives.
  - \$33,000 favourable in advertising and PR expenditures.
  - \$32,000 favourable related to insurance.
  - \$31,000 favourable related to building repairs and maintenance.
  - \$25,000 favourable for postage and telephone expenditures due to changes in processes.
  - \$20,000 favourable related to Explore Kneehill programming.
  - \$9,000 favourable related to land care programming.
  - \$4,000 favourable consisting of other small variances across multiple departments and functions.



- xiv. *Materials, Goods, Supplies, and Utilities* – \$652,806 **unfavourable** consists of:
- \$396,000 **unfavourable** in shop supplies primarily related to increased costs of parts and significant repair work required on specific units.
  - \$107,000 **unfavourable** for weed control chemicals.
  - \$98,000 **unfavourable** related to water for resale, for which there is an offsetting positive revenue variance of \$163,000 related to water distribution systems and bulk water stations.
  - \$92,000 **unfavourable** related to utility department supplies.
  - \$55,000 **unfavourable** for dust control materials, for which there is an offsetting positive revenue variance of \$118,000.
  - \$54,000 **unfavourable** related to fuel.
  - \$60,000 **favourable** related to culverts.
  - \$34,000 **favourable** for utilities.
  - \$27,000 **favourable** related to road network supplies
  - \$24,000 **favourable** in general goods and supplies for various departments.
  - \$5,000 **favourable** related to the operation of park sites.
- xv. *Salaries, Wages, and Benefits* – \$991,547 **favourable** includes:
- \$625,000 **favourable** relates to vacancies in permanent positions.
  - \$200,000 **favourable** in seasonal vacancies.
  - \$103,000 **favourable** relating to a duplication of merit funding in the original budget.
  - \$62,000 **favourable** related to employee turnover.
  - \$1,000 **favourable** related to Council reimbursement.
- xvi. *Provision for Allowances* – \$155,904 **favourable** relates to lower than anticipated tax cancellations.
- xvii. *Purchases from Other Governments* – \$3,982 **favourable** relates to water commission payments.
- xviii. *Transfer to Other Governments* – \$39,754 **favourable** represents unallocated funding and variances in actual expenditures as compared to what was anticipated during the budget process.
- xix. *Transfer to Individuals and Organizations* – \$33,151 **favourable** relates to under-utilized Council programming. \$25,000 of this variance relates to an approved allocation to the Kneehill Historical Society for which the surplus is being recommended to be transferred from reserves to be paid to the society in 2024. *Motion #3* seeks approval to change the funding source for this initiative.
- xx. *Transfer to Local Boards and Agencies* – \$541 **favourable** relates to small variances in budgeted and actual funds distributed.
- xxi. *Contributions to Reserves* – \$946,246 **unfavourable** represents investment income contributed to reserves by Council motion during the Q2 Variance Report.
- xxii. *Non-TCA Operating Projects* – \$577,399 **favourable** relates Operating Projects which were not completed during the year; further details can be found in *Appendix D*, and additional discussion on Operating Projects can be found within the body of this report.
- xxiii. *Gravel (Inventory) Projects* - \$26,652 **favourable** related to lower than budgeted costs for crushing gravel.

### **Operating Budget Summary by Department (Appendix B)**

Whereas *Appendix A* discussed the operational results by classification of revenue or nature of expenditure, *Appendix B* provides an overview of operational results by department. Trends that affected the operational results for each department will be highlighted in this section, and key adjustments made in the 2024 Budget in response to those trends will be identified.



Council

- *Revenues* – \$66,060 **unfavourable** relates to reserve funding not utilized for the Strategic Initiatives operating project.
- *Expenses* – \$110,731 **favourable** relates to operating project funding not utilized, lower than budgeted IT support due to a change in the contractor, and having not utilized a facilitator to update the strategic plan.

*2024 Budget Adjustments* - No significant adjustments were made in relation to 2023 trending, as the identified trends were deemed unlikely to recur in 2024.

Corporate Items

- *Revenues* - \$2,432,028 **favourable** primarily relates to higher than budgeted investment returns which are recommended to be contributed to reserves in alignment with the forthcoming Reserve Strategy.
- *Expenses* - \$420,078 **unfavourable** includes an additional contribution to the Revenue Stabilization reserve related to investment returns which is partially offset by a favourable variance in provision for allowances, and operating project funding which was not utilized.

*2024 Budget Adjustments* - Provision for Allowances was reduced in alignment with 2023 trending.

Office of the CAO

- *Revenues* - N/A
- *Expenses* - \$44,622 **favourable** primarily relates to advertising and public relations.

*2024 Budget Adjustments* – No significant adjustments were made in relation to 2023 trending, as the identified trends were deemed unlikely to recur in 2024.

Corporate Services

- *Revenues* - \$100,000 **unfavourable** relates to reserve funding not utilized for the IT Master Plan operating project.
- *Expenses* - \$386,052 **favourable** relates to salaries and wages due to vacant positions, training and development not utilized due to staffing shortages, postage, and IT service contracts due to a change in the contractor.

*2024 Budget Adjustments* – Postage was decreased in alignment with 2023 trending.

Transportation

- *Revenues* - \$196,507 **favourable** primarily relates to higher than budgeted dust control and water access agreement revenues.
- *Expenses* - \$290,484 **unfavourable** includes costs related to significant unplanned failures on equipment, fuel, and dust control chemicals in alignment with higher than anticipated revenues. There was also an offsetting favourable variance related to salaries due to vacant positions and unfilled seasonal roles.

*2024 Budget Adjustments* – Dust control and water access agreement revenue budgets were increased in alignment with the sustainable portion of 2023 trending. Repair costs were increased in alignment with higher costs for parts, but without the expectation for the volume of significant unplanned failures as 2023 is believed to be an anomaly for unplanned repairs.

Environmental Services

- *Revenues* - \$187,705 **favourable** primarily relates to increased water sales, as well as water connection fees, the latter of which is being recommended to be transferred to reserves in *Appendix C*.



- *Expenses* - \$10,004 **unfavourable** includes water for resale due to higher than budgeted revenues, water parts, and offsetting favourable variances in salaries primarily due to a vacant seasonal position.

*2024 Budget Adjustments* – Water revenue and water for resale budgets were increased in alignment with trending observed in 2022 and 2023.

#### Facilities

- *Revenues* - N/A
- *Expenses* - \$120,435 **favourable** includes unspent repair and maintenance funds, and salaries and wages due to a period of time with a position vacancy.

*2024 Budget Adjustments* - No significant adjustments were made in relation to 2023 trending, as the identified trends were deemed unlikely to recur in 2024.

#### Enforcement

- *Revenues* - \$12,135 **unfavourable** relating to fines, and callout services.
- *Expenses* - \$150,938 **favourable** primarily relates to salaries and wages due to vacant positions, which also resulted in other departmental expenditures not being incurred.

*2024 Budget Adjustments* - No significant adjustments were made in relation to 2023 trending, as the identified trends were deemed unlikely to recur in 2024.

#### Fire

- *Revenues* - \$3,821 **favourable** primarily relates to a donation received.
- *Expenses* - \$23,059 **favourable** primarily relates to lower than anticipated material costs.

*2024 Budget Adjustments* - No significant adjustments were made in relation to 2023 trending, as the identified trends were deemed unlikely to recur in 2024.

#### Disaster

- *Revenues* - N/A
- *Expenses* - \$6,601 **favourable** includes training costs being lower than anticipated and a small variance in salaries.

*2024 Budget Adjustments* - No significant adjustments were made in relation to 2023 trending, as the identified trends were deemed unlikely to recur in 2024.

#### Planning

- *Revenues* - \$6,991 **unfavourable** relates to licenses and permits.
- *Expenses* - \$6,665 **favourable** includes savings related to salaries and wages as well as training and development, which are partially offset by higher than budgeted inspection services costs.

*2024 Budget Adjustments* – Licenses and permits revenues were reduced in alignment with 2023 trending.

#### Agricultural Services (ASB)

- *Revenues* - \$54,074 **favourable** primarily relates to higher than anticipated provincial grant funding.
- *Expenses* - \$503 **unfavourable** includes higher than budgeted costs for weed control chemicals which is offset by positive variances in salaries, primarily due to the hours worked by seasonal staff.

*2024 Budget Adjustments* – Seasonal staffing levels were adjusted based on trending of hours worked.



Parks

- *Revenues* - \$14,363 **favourable** relates to Horseshoe Canyon parking fees and campground revenues.
- *Expenses* - \$81,979 **favourable** includes salaries and wages related to seasonal positions and general goods and supplies across park sites.

*2024 Budget Adjustments* – Campground revenues were increased where appropriate. Seasonal staffing levels were adjusted based on trending of hours worked.

Cemetery

- *Revenues* - \$3,500 **favourable** relates to plot sales.
- *Expenses* - \$18,262 **favourable** includes seasonal wages, and savings on contracted grounds maintenance.

*2024 Budget Adjustments* – Seasonal staffing levels were adjusted based on trending of hours worked.

Economic Development

- *Revenues* - \$10,127 **unfavourable** relates to operating project funding not utilized.
- *Expenses* - \$171,603 **favourable** primarily relates to salaries and wages due to a position vacancy, as well as savings within other program costs due to staffing levels.

*2024 Budget Adjustments* - No significant adjustments were made in relation to 2023 trending, as the identified trends were deemed unlikely to recur in 2024.

**Operating Budget Results – Restatements and Recommendations (Appendix C)**

The operating budget summary as detailed in *Appendix A* reflects an unadjusted surplus of \$3,096,563. The purpose of this section, and *Appendix C* of this report, is to provide Council with a summary of recommendations to manage surplus funds.

The recommendations proposed for Council consideration are structured in such a way as to support the long-term sustainability of the organization, support the Reserve Strategy initiated during 2023, and set the framework for adequate funding to support Council's strategic priorities.

The recommended **Reserve Contributions** referenced in *Appendix C* include the following:

Related to Specific Unbudgeted Variances

- *Return on Investments* to recommend \$1,000,000 of the surplus generated by high prime interest rates be contributed to the Infrastructure reserve to provide for funding for long term infrastructure requirements.
- *Return on Investments* to recommend the remaining surplus of \$354,734 generated by high prime interest rates be contributed to the Revenue Stabilization reserve to provide for funding for future budget shortfall mitigation options.
- *Salaries, Wages and Benefits* to contribute \$500,000 of the surplus generated by position vacancies to the Contingency reserve to fund Council directions during 2024.
- *Capital Equipment Plan Sales* to recommend the surplus of \$354,270 generated by the sale of capital equipment to be contributed back into the Capital Equipment Plan reserve to fund future capital purchases.
- *Special Taxes and Frontage* which recommends the \$43,286 generated by water connections be contributed to the Water reserve to fund future water infrastructure requirements.





## To Fund Increases in Carry-Forward Project Budgets

- *Strategic Initiatives* this operating project is intended to provide funding to implement the goals outlined in Council's Strategic Plan. The top up funding of \$33,940 will provide continued opportunities to forward Council's goals for 2024.
- *Corporate Initiatives* this operating project is intended to provide funding to implement programming and process changes from an administrative perspective that also align with Council's Strategic Plan. The top up funding of \$29,792 will provide for opportunities to progress various initiatives.

## To Fund Specific Initiatives for 2024:

- *Municipal Intern* the County has been approved to host a municipal intern for a period of 18 months which will be utilized to support various departments. The costs for the intern are shared with the provincial government, and it is being recommended to transfer \$60,000 from the 2023 surplus to the Contingency reserve to fund this initiative and approve the associated expenditures. *Motion #1* and *Motion #2* provide the necessary direction for these funds.
- *Kneehill Historical Society* during 2023 Council approved a donation of \$25,000 to be funded from the 2023 Operating Budget related to the expansion of the Kneehill Historical Museum. This contribution to the Contingency reserve, in conjunction with *Motion #1* and *Motion #3* will allow the funding to be distributed in 2024.

## Related to the Remaining Surplus

- *To fund 2024 budget balancing draw* during the 2024 Budget deliberations Council opted to draw \$516,804 from the Revenue Stabilization reserve to balance the budget. This contribution is intended to fund that draw from the 2023 surplus.
- *Related to increasing equipment costs* during the 2024 Budget deliberations Council reduced the proposed contribution increase to the Capital Equipment Plan reserve which was recommended based on increased vehicle and equipment costs. The contribution of \$160,000 of 2023 surplus aims to offset a portion of the amendment made during 2024 budget deliberations.

## **Operating Project Summary (Appendix D)**

The County undertook 12 operating projects in 2023. The financial details relating to the 12 operating projects, including the project budgets, 2023 expenditures, the project's year end status, and the recommended strategy for any remaining funds at year end are identified in *Appendix D*.

Of the **Operating Projects** listed:

- Eleven (11) are requested to be carried forward into 2024 for completion, all of which remain on budget. However, 2 of those projects are requesting additional funding in 2024 to support ongoing initiatives in line with their original intent.
- One (1) was cancelled pending further information from the County's Economic Development Plan.

The request to carry forward the 11 identified operating projects into 2024 for completion and provide additional funding for the 2 operating projects identified, is referenced in *Motion #4*.

## **Capital Project Summary (Appendix E)**

The County undertook 19 capital projects in 2023. The financial details relating to the 19 capital projects, including the project budgets, 2023 expenditures, the project's year end status, and the recommended strategy for any remaining funds at year end are identified in *Appendix E*.



Of the **Capital Projects** listed:

- Ten (10) were completed under budget.
- One (1) was completed over-budget, *Motion #5* requests additional funding to be drawn from the Capital Equipment Plan reserve for that project.
- One (1) was cancelled as it was accommodated within the operating budget.
- Seven (7) are requested to be carried forward into 2024 for completion, all of which remain on budget.

The request to carry forward the 7 identified operating projects into 2024 for completion is referenced in *Motion #6*.

**Cash and Investment Summary (Appendix F)**

Administration has endeavored to implement new investment strategies in the past few years to improve investment returns. As detailed in *Appendix F*, the rate of return on cash investments now ranges from 1.75% to 6.45%. There is one GIC which expired in January 2024 and was reinvested at a rate of 6%, resulting in a range of returns from 5.55% to 6.45%.

*Motion #1* includes a transfer to reserves of the investment revenue over budgeted revenues which was a result of high interest rates.

**Reserve Continuity (Appendix G)**

This schedule tracks the Council approved transfers within each of the County’s reserves, and represents:

- Reserve contributions for the operational year.
- Reserve draws for the operational year.
- Post budget approvals, that result in either a draw from or contribution to reserves.
- Return of unutilized project funding.

The unaudited reserve balance as of December 31, 2023, is \$64,940,275. This balance does not account for the recommended allocations to reserves as per *Appendix C*, draws related to carryforward projects, nor contributions and draws related to the 2024 Budget.

**Cumulative Projected Available Balance**

When considering all reserve recommendations within this report, and the adopted 2024 budget, the total available reserve balance can be determined as follows:

<b>Balance as per Appendix C</b>	<b>64,940,275</b>
Carry-forward 2023 project funding	(6,655,037)
Recommended contributions from 2023 surplus	3,077,826
2024 Operating Budget contributions	8,832,158
2024 Operating Budget draws	(880,904)
2024 Capital Budget draws	(4,554,372)
FCA and ARO Budget increase - Motion 07/24	(40,000)
<b>Cumulative projected available balance</b>	<b>64,719,946</b>



## FINANCIAL & STAFFING IMPLICATIONS:

The overall financial position of the County continues to be positive with Administration and Council exercising prudent financial management. As previously noted, the variances of 2023 were a key consideration when developing the 2024 budget and resulted in adjustments to support greater alignment between budget and actuals. The most significant of those adjustments include:

- Increases for **revenues** that experienced favourable variances related to current trending.
- Increases for **expenditures** which experienced unfavourable variances related to market pressures.
- Decreases for **expenditures** which have not been utilized due to ongoing trending.
- Reduction in **provision for allowances** to align with both existing and anticipated tax write-offs, based on continued improvements in our tax recovery rates.

Those adjustments support greater alignment between budgets and actuals and, subsequently, tax levies that reflect the cost of providing Council defined levels of service.

The recommendations in this report will ensure a continuation of forward financial planning and value for dollars for ratepayers.

## RECOMMENDED ENGAGEMENT:

Directive Decision (Information Sharing, One-Way Communication)

Tools:	Public Notification	Other:	
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## ATTACHMENTS:

- Appendix A: Operating Budget Summary by Function
- Appendix B: Operating Budget Summary by Department
- Appendix C: Operating Budget Results – Restatements and Recommendations
- Appendix D: Operating Project Summary and Carryforwards
- Appendix E: Capital Project Summary and Carryforwards
- Appendix F: Cash and Investment Summary
- Appendix G: Reserve Continuity

## COUNCIL OPTIONS:

1. Adopt the report as presented.
2. Receive report for information.
3. Provide directions to amend this report.

## FOLLOW-UP ACTIONS:

Input reserve transfers into accounting software and update necessary audit working papers resulting from motions made.

## APPROVAL(S):

Mike Haugen, Chief Administrative Officer

Approved-

