



Memorandum to Council

To: Mayor and Council

File No: 1880-03\2025

Date: May 12, 2025

From: Elma Hamming, Director Financial Services

Subject: 2024 Year End Results

Purpose: To provide Council with a summary of the 2024 year-end net operating results, and transfer to the unexpended uncommitted balance.

Recommendation:

THAT Council receive the memorandum titled 2024 Year End Results, dated May 12, 2025.

Background:

The Summary of Amended Budget vs YTD Actuals (unaudited) report (Attachment 1), provides Council with the 2024 year to date variance based on the amended 2024 budget. The comments explain the most significant variance identified.

The Cost Center Highlights of Amended Budget vs YTD Actuals (unaudited) (Attachment 2), follows the same format as Attachment 1, with additional details on some of the cost centers that Council has seen historically. These totals are also included in Division totals of Attachment 1, with the exception of sewer. Sewer revenues and expenses have been extracted from the Finance and Operations Divisions for ease in reporting and are shown separately in Attachment 2.

Investments: 2024 was another strong year for investment income due to longer-term investments still yielding high rates from previous years investments at longer terms. The City budgeted \$4,100,000 and actual revenue was \$5,734,160 resulting in \$1.6M additional investment income in Financial Services General. From the \$1.6M, \$686,075 was allocated to statutory reserves in Financial Fiscal Services, resulting in net excess revenue of \$948,085.

Property Taxation: Due to property tax appeal adjustments by BC Assessment, tax revenue was \$148,929 less than budgeted. The City has no "Risk to roll" allowance built into the taxation budget and this may be something to consider in future year budgeting.

Labour: The City continued to experience labour shortages in 2024; however, the CUPE Collective Agreement that expired December 31, 2023 was ratified in late 2024 and any surplus from exempt and CUPE labour accounts were used to offset the 7% increase. As a result, transfers from various reserves were not necessary, as the increase was primarily covered by existing budgets. A retro pay adjustment was also needed to comply with the IAFF Collective Agreement, but this was anticipated in previous years and funds were available in the Salary Reserve to meet the shortfall in the budget. The RCMP Contract services experienced a \$2,011,387 surplus, but overall this was used to offset shortfalls in other areas.

Other impacts: In 2024, the Public Sector Accounting Board (PSAB) introduced a new Public Sector Accounting Standard (PSAS) referred to as PS3400 Revenue requiring the recognition of transaction prices to be matched to the performance obligation that has been satisfied. Prior to 2024, building permit and inspection fees were fully recognized as revenue in the year that the fee was paid; however, with this accounting standard change, \$1,213,683 of 2022-2024 revenue was determined to be related to a future performance obligation and reclassified as deferred revenue. Overall this resulted in the Planning department being over budget by \$681,363.

Communication:

NA

Attachments:

Attachment 1: Summary of Amended Budget vs YTD Actuals (unaudited)

Attachment 2: Cost Center Highlights of Amended Budget vs YTD Actuals (unaudited)

Reviewed by: Kevin Poole, Director, Corporate Administration

Approved by: Peter Weeber, Chief Administrative Officer