

2016 Year-End Review of Operations

General Committee

March 6, 2017

2016 Year-End Review of Operations

Primary Operating Budget

(excluding Planning & Design, Engineering, Building & Waterworks)

<u>\$ in millions</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav./(Unfav.)</u>
Revenues (A)	207.71M	206.54M	1.17M
Personnel (B)	117.86M	119.42M	1.56M
Non-Personnel (C)	74.67M	76.83M	2.16M
Year End Accounting Accruals & Other Adjustments (D)	<u>1.54M</u>	<u>0.94M</u>	<u>(0.60M)</u>
Surplus excluding winter maintenance (E) = A-(B+C+D)	13.64M	9.35M	4.29M
Winter Maintenance (F)	<u>8.94M</u>	<u>9.35M</u>	<u>0.41M</u>
Net Surplus including winter maintenance (G) = E-F	4.70M	0.00M	4.70M

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The Council approved Financial Planning and Budgeting Policy states any year-end operating surplus will first be transferred to the Corporate Rate Stabilization Reserve to achieve a level equivalent to 15% of local tax revenues, secondly to replenish the expenditures in the Environmental Land Reserve Fund and finally transferred to the Life Cycle Replacement and Capital Reserve Fund.

The 2016 operating surplus of \$4.70M will be transferred as follows:

- \$0.73M to the Corporate Rate Stabilization Reserve to achieve a balance equal to 15% of the local tax levy;
- \$0.47M to the WSIB Reserve to fund the 2019 projected liability based on the 2016 actuarial valuation;
- \$3.50M to the Life-Cycle Capital Repair and Replacement Reserve.

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Planning & Design, Engineering, Building & Waterworks

\$ in millions	Annual Budget Transfer to/ (Draw from) Reserve	Actual Transfer to/ (Draw from) Reserve	Variance Fav./(Unfav.)
Planning & Urban Design	(\$0.22M)	\$1.41M	\$1.63M
Engineering	(\$0.79M)	(\$0.52M)	\$0.27M
Building	(\$1.61M)	\$1.25M	\$2.86M
Waterworks	\$15.96M	\$15.21M	(\$0.75M)

Next Steps

- The 2016 draft consolidated financial statements will be presented to General Committee in April 2016. The year-end results presented in this report are subject to change based on the results of the external audit.