

2018 Financial Statement Review

The Financial Statements for 2018 were presented at the Council Meeting of April 29. The external auditor gave an unqualified opinion, meaning that the statements accurately reflect the financial situation of the Town with no exceptions or concerns. The results showed an operating surplus of \$478,491 which is 3% of our total budget.

Revenues were \$467K over budget, and accounted for the vast majority of the surplus. This included:

- additional revenue of \$145K from Recreation for day camp, pool and other programmes
- an additional \$111K in duties on transfers due to the increase in the sales of homes
- an additional \$55k in taxes due to valuation increases and increased water usage
- permit fees \$53K higher than estimated due to building permits and dog licences
- an additional \$44K in interest
- an additional \$34k in parking permits and tickets
- government grants \$20k over budget due to the successful recycling program.

On the Expense side, total operating expenses were right on track, a slight \$11K under budget. Operating expenses for all departments were under budget, with the exception of Recreation, which was slightly over budget (+\$28K) due to the increased registration noted above.

In 2018, the Town continued with its Pay-as-you-go (PAYG) financing of capital projects from the operating fund. Council prefers to do this, when possible, rather than incurring more debt to pay for these projects.

This totalled \$431K and included:

- arena roof \$136K
- park and playground improvements, including the opening of the new RD Paul Park \$99K
- building improvements \$63K
- Public Works garage improvements following the energy audit recommendations \$60K
- new website \$36K
- IT improvements \$22K
- electric car charging stations \$12K

In addition to these, \$402K was appropriated from our surplus accounts to cover improvements to Davies Park consisting of a water play area and landscaping. And, continuing with our infrastructure renewal program, a major capital investment of \$1.67M was spent on road and water infrastructure work on Percival.

Thanks to our PAYG program, use of prior surplus accounts and government grants, the Town had an increase of \$2.5M in capital assets in 2018, while our net debt only increased \$41K. At year end, our net debt stood at \$13.3M, with an unappropriated operating surplus of \$1.9M. The auditor pointed out that over the past five years, the Town has been able to make capital investments of \$12.2M, while actually decreasing its net debt by \$2M.

All the above strategies regarding capital investments, infrastructure renewal and debt management are in accordance with the Town's Strategic Financial Plan which helps guide Town Council and the administration

in setting financial priorities and managing risk. Council wishes to express its appreciation to our Treasurer, Valentina Todoran as well as our DG and all our Directors for their careful management of the Town's budgets and finances.

Full details of the financial results can be found on the website.

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