



# Town of Erin Corporate Report

**Department:** Corporate Services

**Business Unit:** Finance

**Presented/**

**Prepared By:** Wendy Parr, Director of Finance & Treasurer

**Report Number:**

F2025-07

**Meeting Date:**

4/10/2025

## Subject

Quarter 4 Variance Report Ending December 31, 2024

## Recommendation

**That Council hereby receives report number F2025-07 “Quarter 4 Variance Report Ending December 31, 2024” for information;**

**And that the operating surplus of \$198,078 be transferred to the Tax Stabilization Reserve.**

## Highlights

This report is to provide Council with fourth quarter financial results for 2024 outlined in the Operating Budget compared to Actual, in summary and by department, which had a surplus of \$198,078 (As shown in Appendix A).

As per the Annual Surplus Policy, staff recommend that the operating surplus of \$198,078 be transferred to the Tax Stabilization Reserve. The Annual Surplus Policy deems that the surplus be utilized in a manner which contributes to long term financial health and stability. Moreover, Appendix B includes the 2024 4<sup>th</sup> quarter results for the Capital Budget report on actual spending. The Reserves and Reserve Fund schedule is included in Appendix C with comments on how the reserves were used.

## Background

The overall financial results for the Town of Erin is a surplus of \$198,078 for the year ended December 31, 2024. Town staff have been sound fiscal stewards, demonstrating strong financial management as evidenced by the unqualified annual auditor's reports and the past seven years of annual surplus. Prior year Capital Projects that were delayed due partially to supply chain shortages were carried forward to 2024 with many completed or near completion and the balance transferred to 2025.

## Discussion

### Operating Results by Department

Council is provided with a financial summary by department and account groupings of the Operating Budget, as well as a breakdown for each department/program results in Appendix A. The Capital budget expenditure results for the year ending December 31,

2024 are included in Appendix B. Appendix C provides a list of Reserves and Reserve Fund additions and disbursements throughout 2024 with comments and additions and disbursements discussed below.

Total program net results were generally on target with variances of note in Building, Planning, Fire and Water.

**Building – Net Operations Result \$2,366,063 or 2,265%.**

Net variance of 2,265% is due to the Building Permits and grading fees collected for the new subdivisions. Full-time positions were filled with less reliance on consultants.

**Planning – Net Operations Result (\$589,797) or (700%).**

Net negative variance is due to reduced collections of planning fees that are expected to continue at this level over the next number of years. Consulting fees were also higher than expected. This should improve in 2025 with 2 more full-time positions filled.

**Fire – Net operations Result (\$170,408) or (119%).**

Net result variance is due to major maintenance on the Fire vehicles in order to pass Safety Certification required by the Ministry of Transportation. Supplies and materials are high mainly due to Uniform purchases for new recruits.

**Water – Net operations Result is Nil**

Revenue for Water Systems was very close to budget at 16%. Expenses were higher than expected due to replacements of older water meters. General Maintenance and Repairs were the largest variance due to unexpected watermain repairs and service connections.

A transfer to/from Reserves is recorded at year end to balance Revenue to Expense. This entry essentially removes the effect of water from operating expenses and ensures that only residents on town water are charged for it.

**Capital Budget Results for the Fourth Quarter**

The total planned capital spending for 2024 included projects from the 2024 Capital budget and prior years carried forward. For the period ending December 31, 2024, \$7,900,000 was spent (excluding Wastewater) with some projects not completed. Appendix B provides a summary and status updates for all capital projects.

**The following is a status summary of Appendix B**

- The Strategic Plan was completed in-house with a budget savings of \$50,000
- Windows 2012 Servers were replaced.
- The Fire Department replaced Tanker 58.
- The Roads Department purchased a pick-up truck and Tandem Axle Snowplow.
- Culvert 2053, Bridge 5 and Culvert 10 were replaced and completed.
- Water Services for new wells was initiated with Engineering and Consulting. Construction to start in 2025.

- Replacement of water meters is ongoing with approximately 25% completed.
- Erin Community Centre renovation is 90% completed and expected to be finished by July 2025.
- Planning and Building purchased a new pick-up truck.

### **Reserves and Reserve Funds for the Fourth Quarter**

Reserves and Reserve Funds increased by \$19,068,000 per the summary below. There was a \$233,000 increase to reserves and a \$18,800,000 increase to Reserve Funds. Appendix C lists all reserves and reserve funds with additions and disbursements.

	<b>Reserves</b>	<b>Reserve Funds</b>	<b>Total</b>
Opening Balance	12,181,384	6,554,580	18,735,963
Additions	1,335,988	23,386,938	24,722,926
Disbursements	1,102,801	4,553,563	5,656,365
Balance	12,414,571	25,387,954	37,802,524

For Reserves, the majority of the increases were transfers to fund future capital projects, and disbursements were a use of reserves for approved capital projects and grants according to Council approval.

For Reserve Funds, the most significant increase was in Development Charges collected due to the new developments. Disbursements were to fund eligible projects from Development Charges, loan payments and from grants.

## **Strategic Pillar**

Service Excellence & Good Governance

## **Financial Impact**

In summary, the total operating budget surplus of \$198,078 is recommended to be disbursed to the Tax Stabilization Reserve.

## **Conclusion**

The Quarter 4 Variance Financial Report ending December 31, 2024 provides Council with operating and capital spending for the Town of Erin. There was an operating surplus that is recommended to be dispersed to the Tax Stabilization Reserve.

## **Attachments**

Appendix A – Budget versus Actuals Quarter 4, 2024

Appendix B – Capital Projects 2024 and Prior

Appendix C – Reserves and Reserve Funds 2024

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