



INFORMATION ONLY

To: Mayor & Members of Council

Title: Chief Financial Officer – 2024 Yearend Surplus

Date: May 5, 2025

Purpose:

To update Council on Surplus, Reserve Funds, Carry Forwards amounts and Capital Projects that required additional funds. These amounts are reflected in Amended Financial Plan Bylaw No. 4717 and the Audited Financial Statements for the year end December 31, 2024.

Background:

A year-end operating surplus occurs when there is an excess of revenue over expenditures in a particular year. Year-end surpluses generally arise from two circumstances; higher than budgeted revenues, including one-time only revenues and/or lower than budgeted expenditures.

The City's practice has been to allocate any year-end operating surplus to reserves to support long-term financial planning and sustainability. A year-end operating surplus may be reallocated to reserves and/or reserve fund for:

- Operating needs, to offset volatility in costs or unanticipated operating needs; and
- To fund capital projects (replacement and new) in a stable consistent manner, reducing future borrowing needs.

Any surplus generated from an identifiable department or operating area is generally maintained in that department if operating and or capital needs exist.

Legislative authority / plans / reports:

	Official Community Plan		Master Plan
	Community Charter/LGA		Other
	Bylaw/Policy		Corporate Strategic Plan
	Zoning Bylaw	X	2024-2028 Financial Plan
			Long Term Financial Plan

Financial Considerations:

1. Current Year Surplus Breakdown

General Revenue Fund - \$0.00

At year-end 2024, **\$1,438,213** of the approximate \$57.9 million approved General Revenue Fund operating budget was reallocated to reserves as follows:

Reserve Funds	Amount
Recreation Centre Major Maintenance	\$317,500

Reserve Accounts	Amount
Snow Removal	\$38,335
Wharf Major Maintenance	\$224,000
Arena Major Maintenance	\$224,100
Wages & Benefits	\$219,000
Technology, Equipment & Software	\$294,044
Railroad Grade Crossings	\$121,234

This resulted in an operating surplus for 2024 of **\$1,040,924**. However, several projects were not completed and are carried forward to 2025, resulting in no net operating surplus. The remaining surplus after reallocation to reserves was allocated to specific carryforward projects. The carry forward projects are listed below:

General \$356,927	Contracted Services & Consulting	\$33,657
	Property Appraisals	\$25,000
	Professional Development	\$20,000
	Scholarships	\$1,000
	Crown Council Flooring Repair	\$20,000
	Facility Condition Assessment	\$25,000
	Enterprise Software Assessment	\$40,000
	Staff Morale	\$20,000
	Haney Heritage Park	\$172,270
Parks \$128,190	Urban Connection Trail Design	\$2,500
	Marine Park Washroom Renovation	\$18,000
	Blackburn Park - Ball Diamond 2 Infield Extension	\$17,000
	Future Trails	\$9,665
	Bike and School Connectors	\$7,675
	McGuire Lake Tree Maintenance	\$2,880
	Canoe Beach Washroom Repairs	\$5,150
	Allotment to Cover 2025 Shortfall	\$65,320

Transportation \$306,043	Capital – Crack Sealer	\$62,700
	Capital – 5 Ave NE (24-20 St NE)	\$30,000
	Network Servicing	\$100,000
	Rotary Pond Source Pipe	\$10,000
	DFO Ditch Maintenance Protocol	\$9,500
	Assessments	\$29,973
	50 St NE (Canoe Mile 57.08) Signal Upgrade	\$32,870
	McGuire Lake Fountains	\$15,000
	Transportation Master Plan	\$16,000
Environmental \$80,764	Hazardous Materials Assessment – Facilities	\$25,364
	Mt. Ida Cemetery – Roadside Barrier Replacement & Dangerous Tree Mitigation	\$49,000
	Shuswap Memorial Cemetery – Tree Planting	\$6,400
Recreation \$139,000	Wharf – Tenure Study & Structure Repairs	\$42,000
	Recreation Centre – Allotment to Cover 2025 Shortfall	\$4,000
	Arena – Allotment to Cover 2025 Shortfall	\$93,000
Protective Services \$30,000	Police Vehicle	\$25,000
	Fire – Superior Tanker Shuttle Accreditation	\$5,000

Regional Fire Training Centre - \$13,569

The Fire Training Centre surplus is due to lower than anticipated equipment maintenance costs.

Water Revenue Fund - \$333,832

At year-end 2024, \$0 of the approximate \$6.7 million approved Water Revenue Fund operating budget was reallocated to reserves.

Several projects were not completed and are carried forward to 2025, resulting in a \$333,832 net operating surplus. The carry forward projects are listed below:

Water \$92,448	Gleneden/Nyland Pump Station Main	\$2,000
	Water Meter Implementation Plan	\$7,060
	Water Master Plan Update	\$3,388
	Water Rate Assessment	\$50,000
	Dam Safety Review	\$30,000

Sewer Revenue Fund – \$136,052

At year-end 2024, \$0 of the approximate \$5.1 million approved Sewer Revenue Fund operating budget was reallocated to reserves as follows:

Several projects were not completed and are carried forward to 2025, resulting in a \$136,052 net operating surplus. The carry forward projects are listed below:

Sewer \$129,838	Liquid Waste Management Plan	\$100,000
	Water Pollution Control Centre - Facility Inventory and Assessment	\$4,838
	Okanagan Avenue Sani Replacement Feasibility Study	\$5,000
	Video & Condition Expectation Program	\$20,000

2. Capital Projects – Year End

In preparation of the 2024 year-end, there were several capital projects that required additional funds, and these are presented below.

Projects with overages funded from the current year surplus (general revenue):

Project:	Amount:
FOB Access System Upgrade	\$1,959
CSA – Workstation Chairs	\$11,395
Lakeshore Road Slope Stabilization	\$19,249
Cenotaph Intersection	\$1,617
Ross Street Storm Chamber	\$6,207
Ross Street Plaza Washroom	\$39,050
SASCU Centre DDC System	\$2,913
Total	\$82,390

However, there were several projects that the full general revenue budgeted was not required. The total of these projects is approximately \$19,690.

Projects with overages funded from reserve accounts:

Reserve:	Project:	Amount:
Unexpended Reserve – 16 Ave NE (10 Ave – 16 St NE)	Cenotaph Intersection	\$40,000

Alternatives & Implications:

1. Information Only – No Motion Required.

Communication:

1. Information Only – No Motion Required.
2. All noted Reserve transfers are considered final. Should Council choose to amend any of the other reserve transfers, it is recommended that this occurs within the 2025 budget

Prepared by: Deputy Chief Financial Officer
Reviewed by: Chief Financial Officer
Approved by: Chief Administrative Officer

Attachments: NA