

	<b>THE CORPORATION OF THE TOWN OF GRAVENHURST</b>	
	<b>To:</b>	<b>Committee of the Whole</b>
	<b>From:</b>	<b>Ross Jeffery, Director of Financial Services / Treasurer</b>
	<b>Date:</b>	<b>December 20, 2022</b>
	<b>Subject:</b>	<b>2022 Third Quarter Financial Update Report No. COR 2022-23</b>

**RECOMMENDATIONS**

The Director of Financial Services / Treasurer recommends:

**THAT** Report No. COR 2022-23 re: 2022 Third Quarter Financial Update be received for information.

**PURPOSE**

The purpose of the 2022 Third Quarter Financial Update Report is to provide a quarterly update on Town financial performance.

**BACKGROUND**

Each year Council approves a budget that reflects the resources required to deliver Town services and manage Town assets. Historically, on a quarterly basis, Council is provided with a status report on the financial performance of the Corporation. This is the third quarter report for 2022.

**ANALYSIS**

Town operations have been, for the most part, in full swing all year. In person, community programming was restored at the Centennial Centre, the Opera House and the Public Library. Staff have been working in office for the better part of the year, with some working remotely on occasion in accordance with the Town’s Alternate Work Arrangements Policy. Administration continues to keep an eye on Provincial and Simcoe Muskoka District Health Unit (SMDHU) guidelines related to COVID-19 and are prepared to pivot if necessary to maintain service levels.

Development activities continue to progress within our community and generate higher than budgeted revenues in the Planning and Building departments while putting a strain on our Development Services human resources. Table 1 shows the Development Services net budget utilized at only 48%, three quarters through the year.

Table 1 below provides a summary of financial performance to date:

**Table 1**

**TOWN OF GRAVENHURST**  
**2022 Third Quarter Financial Summary**  
**September 30, 2022**

<u>Town Departments</u>	<u>Jan - Sept Net Spend</u>	<u>2022 Net Budget</u>	<u>% Utilized</u>
Council	210,001	291,300	72.1%
Office of the CAO	232,488	320,700	72.5%
Legislative Services	324,869	536,194	60.6%
Corporate Services	733,059	1,101,850	66.5%
Fire & Emergency Services	768,318	1,047,764	73.3%
Development Services	601,401	1,245,212	48.3%
Infrastructure Services	3,458,818	4,773,049	72.5%
Recreation and Culture	687,678	1,112,963	61.8%
Corporate Administration	3,956,330	5,824,219	67.9%
<b>Town Departments</b>	<b>10,972,962</b>	<b>16,253,251</b>	<b>67.5%</b>
<b>Town Partners</b>			
Community Policing	1,370	2,600	52.7%
Gravenhurst B.I.A.	8,606	49,552	17.4%
Gravenhurst Public Library Board	568,846	679,125	83.8%
Community Contributions	79,400	79,400	100.0%
YMCA	190,242	358,000	53.1%
Muskoka Discovery Centre	151,543	175,000	86.6%
Chamber of Commerce	42,172	59,049	71.4%
<b>Town Partners</b>	<b>1,042,179</b>	<b>1,402,726</b>	<b>74.3%</b>
<b>NET TOWN BUDGET</b>	<b>12,015,141</b>	<b>17,655,977</b>	<b>68.1%</b>

Corporate Administration has seen an increase in revenues for supplemental tax billings and investment income with both annual budgeted estimates already surpassed in the third quarter.

Many departmental financial budgets are tracking favourably as they are slowly getting back to a full staff compliment in a very difficult recruiting market.

The capital program has continued as planned since the [2022 Mid-Year Update](#) and there are no material updates to the information presented to Committee in August, other than to re-iterate that some projects have slowed as a result of contractor or supply availability. We also continue to adjust to a volatile construction pricing market.

In summary, the Town is on track to end the year with a 4-6% net Operating Surplus revised upwards from the 2-4% estimated in the 2022 Mid-Year Update. By policy, the year-end operating surplus is automatically transferred to the Community Reinvestment Reserve Fund and the direction will be confirmed in the 2022 Operations – Year End Report provided normally in April 2023. The Town is not legislatively allowed to operate under a deficit, and any year-end operating surpluses assist in addressing the funding of the infrastructure gap that exists between our Asset Management Plan and our Capital Budget and Multi-Year Plan that will be tabled in January 2023.

## **CONSULTATION**

The following individuals / community groups were consulted:

- Senior Leadership Team
- Chief Executive Officer, Gravenhurst Public Library

## **CORPORATE FINANCIAL IMPACT**

It is projected that Operations will be within 4 - 6% of budget at year-end and that Capital spending will be within the budget approved by Council.

## **COMMUNICATIONS**

N/A

## **FUTURE CONSULTATIONS**

N/A

## **CONCLUSIONS**

Administration concludes that operations and capital spending are expected to fall within parameters approved by Council in the 2022 budget.

## **CLIMATE CHANGE IMPLICATIONS**

This Report does not contribute to meeting the intentions of the Climate Change Declaration.

## **RELATION TO STRATEGIC PLAN**

This Report does not directly advance or support the Town of Gravenhurst Strategic Plan.

## **RELATION TO OTHER MUNICIPAL REPORTS, PLANS OR APPLICABLE LEGISLATION**

This Report related to other municipal reports, plans or applicable legislation including:

1. 2022 Operating Budget
2. Municipal Act, 2001
3. Town of Gravenhurst Reserve and Reserve Fund Policy - 2019

## **ATTACHMENTS - nil**

## **RESPECTFULLY SUBMITTED BY:**

Author: Theresa Trott, Manager of Accounting / Deputy Treasurer

Approved by: Ross Jeffery, Director of Financial Services / Treasurer

Approved by: Scott Lucas, Chief Administrative Officer