

Town of Riverview

COUNCIL REPORT FORM

Presented to: Colin Smith, CAO

Department: Finance

Date: August 9, 2017



Subject: Interim Financial Summary Highlights – Actual vs. Budget

BACKGROUND *Use this section to provide a synopsis of the issue.*

The purpose of the attached Interim Financial Report Summary of Highlights is to inform Council of the status of the Town's progress in achieving the 2017 annual budget based upon the actual results to the end of July 31, 2017.

I have also included a Financial Projection illustrating the items that are projected to have a variance from budget between now and December 31, 2017. The last line of this spreadsheet shows the *Net Result Projection* in the Operating Budget(s) for fiscal 2017.

CONSIDERATIONS *Use this section to outline applicable areas that will be affected.*

Legal: *Outline any legal implications that may be caused by the initiative.*

N/A

Financial: *Outline the financial implications of the initiative.*

Operating Budget(s)

The Town is in a surplus position at July 31 of approximately \$226,000 in the General Operating Fund and \$20,000 in the Utility Fund. Current projections indicate that the Town will be able to maintain a surplus by the end of the 2017 year largely through cost savings in the key area of Town pension plan contributions. These pension contributions are included in the budget line item *Employee Benefits* in each department.

There are certain unknowns at this time including a potential legal settlement in connection with the expropriation of land that occurred over 9-10 years ago. Depending on the outcome this may result in eliminating any surplus and actually resulting in a deficit.

Capital Budget(s)

Overall the Town will be approximately on budget with capital items in 2017. Savings on certain construction projects allowed the Town to perform previously unbudgeted, but necessary, work on the Byron Dobson Arena. As well, the Town will be completing the Pine Glen Road project with financial grant assistance from other levels of government. Council has agreed to fund the Town's share of this project from Capital Reserves.

Depending on final results for the cost of capital projects there may be an opportunity to borrow less money than budgeted and/or use less capital reserve funds.

Policy: *Outline any current policies that would affect the initiative and how they would affect it.*

The Director of Finance currently provides monthly financial statements to Council. In addition it is useful to provide a periodic narrative of significant budget variances to be read in conjunction with the financial statements.

Stakeholders: *List any stakeholders that would be affected by the initiative.*

Town Council, staff and rate payers.

Strategic Plan: *List any goals that the initiative will be addressing.*

N/A

Interdepartmental Consultation: *Outline any collaboration that has or will take place between departments.*

N/A

Communication Plan: *If the initiative requires public notification, outline how and when this will happen.*

This financial update will be communicated through the attached document and a brief verbal report in a Council Meeting on August 14, 2017.

OPTIONS *Provide 2/3 options for Council to consider.*

N/A

RECOMMENDATION FROM STAFF *Provide your recommendation to Council.*

Council to take and use as a source of information. In addition to monthly financial statements issued to Council, staff will provide a further detailed update after the third quarter as we near the budget preparation season.