



# Financial Summary

## Year-end Variance Analysis

December 31 2024





## Financial Summary

### 2024 Year-End Variance Analysis

*December 31, 2024*

This document should be read alongside the December 31, 2024 internal Financial Statements. This report focuses on accounts with budget variances meeting both thresholds of \$10,000 and 5%.

#### Ensuring Financial Stability Through Continuous Variance Monitoring

Throughout the year, the Finance & Information Technology department regularly monitors actual costs against the budget to ensure the Town stays on track to achieve budgeted results. Variance analysis is a key tool for understanding the differences between budgeted figures and actual outcomes. Here are some key reasons why this is important:

- **Identifies Deviations:** Variance analysis highlights where the Town went over or under budget, allowing staff to pinpoint the root causes of these discrepancies.
- **Informs Decision-Making:** By understanding why certain variances occurred, the Town can make informed decisions to optimize financial strategies and operations.
- **Monitors Financial Health:** Regular variance analysis provides a clear picture of the Town's financial performance, helping staff track whether the Town is meeting financial goals.
- **Trend Identification:** Variances help in identifying trends and patterns over time, which is helpful for future financial planning and forecasting.
- **Risk Management:** Understanding variances can improve risk management by allowing the Town to address potential issues before they become significant problems.

New to 2024, Director Parlee provided a mid-year variance analysis report as part of the Town's monitoring routine so that Council and staff have better control over the Town's finances and make data-driven decisions to achieve financial and strategic objectives. Decisions such as:

- **Budget Adjustments:** If staff notice consistent overspending in certain categories, adjustments can be made to the Town's budget to allocate more funds to those areas or find ways to cut costs elsewhere.
- **Expense Management:** By identifying areas where actual expenses are higher than expected, staff can investigate the reasons and implement cost-saving measures.
- **Revenue Optimization:** If certain revenue streams are performing better than expected, staff might decide to invest more resources into those areas to maximize returns.



- **Resource Allocation:** Understanding variances can help the Town allocate resources more effectively, ensuring that funds are directed towards the most impactful areas.
- **Performance Evaluation:** Variance analysis can highlight which departments or projects are underperforming, allowing the Town to take corrective actions or re-evaluate strategies.
- **Forecasting and Planning:** By analyzing trends and patterns in the Town's financial data, more accurate forecasts can be made, and strategic plans can be developed that align with the Town's financial goals.

Continually monitoring variances is crucial for maintaining the Town's financial stability and ensuring that all necessary services and projects are adequately funded. This helps for several reasons, such as:

- **Ensures Adequate Coverage:** By regularly analyzing financial variances, the Town can ensure that it has sufficient funds to cover all necessary expenses, from public services to infrastructure projects.
- **Promotes Transparency:** This exercise promotes transparency and accountability in financial management, helping residents understand how their tax dollars are being utilized.
- **Improves Financial Planning:** It aids in better financial planning and forecasting, allowing the Town to allocate resources more effectively and prepare for future needs.
- **Identifies Financial Health:** Regular financial assessments help identify the Town's financial health, ensuring that it can meet its obligations.
- **Supports Decision-Making:** The insights gained from variance analysis support informed decision-making, enabling the Town to address any financial discrepancies promptly and efficiently.

### GENERAL OPERATING FUND

The Town has an annual **SURPLUS** of **\$52,743**.

### **REVENUE**

Revenues were **\$1,992,502** overall above budget.

### Revenue from Own Sources:

Overall, this section of the budget was over budget by **\$1,826,121** therefore comprising nearly 92% of the surplus in revenue.



**Housing Accelerator Fund Grant:** This is the revenue offset of **\$62,659** for the expenses related to the grant paid in 2024 for staff Salaries & Benefits for our Economic Development Coordinator and the Finlay Park Traffic Study costs. These cost were planned; in and out offset of revenue to expense.

**Building Permit** revenue was significantly higher than budget by **\$519,773 (Budget of \$205,000 vs Actual of \$724,773)**. This reflecting significantly more development activity in 2024 than anticipated (several new apartment buildings). The account is entirely driven by activity that is not all known at budget time. Of note there were some major permits issued, including the Whitepine Road apartment development (Old Public Works site), which alone was over \$150,000 in permit revenue. In relation to this, the **Planning Commission Services** revenue also exceeded the budget by **\$27,432 (Budget of \$25,000 vs Actual of \$52,932)**, also due to increased activity.

**Interest on Cash in the Bank** was **\$105,093** above budget (**Budget of \$40,000 vs Actual of \$145,093**) which is driven by the interest rates on cash the Town has in the bank; market driven and unpredictable, however a positive unanticipated outcome. Interest rates in 2025 have dropped significantly and more in line with historical averages.

**Sale of Empty Lots/Buildings** was **\$1,045,100** above budget (\$0 was planned and known at budget time). This is entirely related to two unbudgeted land sales: \$500,000 received for the sale of land at 445 Pine Glen Road (Old Public Works Site) to Icon Developments Inc (related to Whitepine permit revenue above) and \$545,100 for the sale of land to Corey Craig (PIDs 00642736 and 05122759 – Hillsborough Road).

**Local Improvement** revenue was **\$56,756** above budget (**Budget of \$120,000 vs Actual of \$176,756**) which is due to more payments received before YE than anticipated. It is not known how residents will choose to pay., i.e. a lump sum or installment plan with interest. More residents paid the lump sum, and hence more revenue received.

#### Engineering & Public Works

**Overall, this section of the budget was over by \$85,027.**

**Roads & Streets (Province)** was **\$10,278** more than budget (**Budget of \$173,000 vs Actual of \$183,278**). It was agreed with the Province post budget that the Town would do summer maintenance on a new portion of Findlay Boulevard (Whitepine to Causeway). The agreement was only made in June hence not know at budget time and therefore led to higher revenue than budgeted.



**Traffic Lanemarking** was **\$11,139** more than budget (**Budget of \$15,144 vs Actual of \$26,283**). The Province raised the rates for each type of lane marking and proper notification was not received by the Town until after the budget was approved. The rate increases meant more revenue for the Town.

**Curb Cutting** was **\$43,190** more than budget (**Budget of \$9,000 vs Actual of \$52,190**). In general, it is difficult to predict this revenue as it varies year to year and is not necessarily known at budget time. Of note, for 2024 there was \$25,000 in curb revenue related to Whitepine Road and \$13,000 for Quinn Court, which were both unplanned work and hence not known at budget time.

**Works Miscellaneous Income** was **\$20,421** more than budget (**Budget of \$5,000 vs Actual of \$25,421**). More revenue that was unplanned and hence not budgeted. Of note is a fee received to reinstate the multi-use trail, asphalt deficiency penalties imposed, and storm services on Pine Glen Road.

#### **Parks, Recreation, Facilities & Community Relations**

**Overall, this section of the budget was over budget by \$79,500.**

**Aquatic Centre** revenue was above budget by **\$52,837 (Budget of \$370,000 vs Actual of \$422,837)**. The department expanded class offerings to accommodate around seventy more swimmers than initially anticipated in the budget. Additionally, the department received additional revenue in January, including a new rental agreement with a homeschool group. These factors, combined with minor adjustments in rental rates, resulted in more revenue.

**Lions Pool** revenue was **\$12,167** above budget (**Budget of \$35,000 vs Actual of \$47,167**). The department noted that it had been a hot summer, and they were busy. Swimming sessions had strong numbers across the board, which were higher than anticipated due to the great weather. Membership was also strong, and the department also added some additional swim times.

**Ballfields** revenue was **\$10,035** above budget (**Budget of \$12,000 vs Actual of \$22,035**). In general, the user fees and tournament usage are unpredictable; 2024 had more usage than anticipated.

Offsetting some of this revenue was a shortfall in **Rinks (Arena)** revenue of **\$16,310 (Budget of \$385,000 vs Actual of \$368,690)**. The department noted that compared to last year, there weren't as many one-time user groups renting the ice for the Spring season.



## **EXPENDITURES**

**Expenditures overall exceeded the budget by \$1,939,759. This with the revenue above results in the overall General Fund surplus of \$52,743.**

This number may seem surprising, but it is not due to costs being out of control, it is primarily due to more money being allocated to Capital from Operating (discussed further below).

### **Administration**

**Overall, this section of the budget was over budget by \$2,163,289.**

**Solicitor** expenses were **\$16,170** above budget (**Budget of \$48,000 vs Actual of \$64,170**). More legal advice which was especially driven by the land sales noted above.

**Administrative Services** were overall above budget by **\$262,906 (Budget of \$350,730 vs Actual of \$613,636)**. Most of this overage is related to the Corey Craig land sale noted above which is in **Other Expenses**. This account was **\$227,305** above budget (**Budget of \$2,060 vs Actual of \$229,365**). In addition, **Computer Maintenance** exceeded the budget by **\$26,279 (Budget of \$190,675 vs Actual of \$216,954)** primarily due to several unforeseen factors. Inflation was higher than anticipated, with only a 3% increase factored into the budgeting for recurring software agreements. Additional expenses included higher-than-expected costs for the Security Operation Center and the purchase of extra licenses to enhance the Town's cybersecurity. The department also added more users to Adobe Cloud to replace outdated PC copies, increased support costs due to more PCs in use and incorporated budget software. These factors collectively contributed to the overage. **Computer Equipment Purchases** exceeded the budget by **\$14,922 (Budget of \$50,220 vs Actual of \$65,142)** primarily due to several factors. Inflation drove up the cost of replacing computers beyond expectations. Unplanned repairs were required for cameras in the bandstand, the Council room, and the server room's UPS. Additionally, more monitors were replaced than initially planned. An additional TV was also purchased for the Firehall to support HR communication efforts; while intended as a capital project, its cost fell below the threshold, so it was expensed. These unforeseen expenses contributed to the overage.

A common theme throughout the budget is **Salaries & Benefits**, whereby shifting and timing of hiring employees caused some swings. For example, **Corporate Services Salaries** are **\$44,910** below budget but **Accounting and IT Salaries** were **\$35,528** above budget. This is mostly due to the timing of retirements and then the shift of the Records Management role from Corporate Services to Accounting and IT. Also, the Student Salaries (Actuals of \$5,144) was budgeted with Corporate Services but was coded correctly to the Finance & IT budget as the CS Director retired and the student new report was changed to Finance & IT.



**Public Transit** was overall **\$19,354** below budget (**Budget of \$885,808 vs Actual of \$866,454**). **Codiac Transpo** was below budget by **\$33,166** (**Budget of \$804,328 vs Actual of \$771,162**) due to certain direct cost inputs (Fuel and Maintenance) being less than anticipated (price of gas fell and less repairs needed than expected), which led to savings compared to budget. **Public Transit – Accessible** was **\$13,813** above budget (**Budget of \$72,000 vs Actual of \$85,813**) due primarily to more usage than expected.

**Transfer to Reserves** was overall **\$1,014,572** below budget (**Budget of \$1,236,517 vs Actual of \$221,945**). The Town's financial plan had \$1,000,000 planned to transfer into capital reserves, and a plan to use \$6,000,000. There was a delay in planned projects; certain assets delayed arrival/work but mainly it was the Riverview Recreation Complex costs being deferred that therefore did not require the use of reserves as intended in 2024. As such, there was only a financial need to use one million dollars from Reserves to fund 2024 capital. Rather than transfer in \$1,000,000 then take out \$1,000,000 from reserves, no transfer was made (as the two net each other out).

The Transfer to Reserves figure directly relates to the **Capital from Operating** account, which was **\$3,017,893** above budget (**Budget of \$6,000,000 vs Actual of \$9,017,893**). The surplus of revenue noted above in the Revenue from Own Sources (Nearly \$2 million dollars), which was unplanned, was used to finance more capital projects in the year thereby reducing borrowing needs and the need to use reserve funds to fund the capital. This along with the \$1 million dollars noted above that was not transferred into reserves, equates to the variance in this account.

#### **RCMP**

**Overall, this section of the budget was under budget by \$247,633.**

The **RCMP Contract** was **\$221,945** below budget (**Budget of \$5,057,852 vs Actual of \$4,835,907**). This was due to Moncton bringing the 2022 RCMP surplus of \$2,095,350 into the budget. This was done after the Town's budget was finalized with the Province. This decision was not known at that time. The Town therefore received the portion of the surplus based on the cost sharing formula.

The **RCMP Building Operating Costs** were below budget by **\$25,087** (**Budget of \$35,000 vs Actual of \$9,913**). The only cost invoiced for 2024 was for the Town's share of the property tax. It was expected there would be some debt related costs for 2024, however, Moncton did not bond any debt for the building by 2024 YE (the cost being reallocated to the 2025 budget).



## Fire & Rescue

**Overall department expenditures were over budget by \$118,732.**

**Salaries, Wages, & Benefits** were overall higher than budget by **\$58,246**. There were multiple swings in several expense lines, some under, and some over which ultimately led to the overall overage. **Salaries – Fire** was under budget by **\$77,764 (Budget of \$2,393,802 vs Actual of \$2,316,038)**. There were permanent hires off work throughout the year (injury and sickness related) which had to be covered by full-time firefighters who were paid overtime. There was also a staff member promoted that created a vacancy for a good part of the year. With minimum staffing requirements, any absence due to sickness or vacancy results in overtime to cover the gap. While this reduced regular salary costs, it simultaneously caused an overage in **Overtime Sickness of \$86,171 (Budget of \$95,000 vs Actual of \$181,171)**. The department reported that salaries were also under budget due to WorkSafe providing partial wage coverage for Firefighters on extended absences.

**Overtime – Fire Call Ins** was **\$31,123** above budget (**Budget of \$100,000 vs Actual of \$131,123**). The cause is a combination of the number of fire calls, and the number of career firefighters that choose to come in on a fire call, neither of which the department has control over. Paged fire calls (includes fires, MVCs, fire alarms, etc.) increased sizably compared to the prior year. Another challenge highlighted by the department is the unpredictability of the length and duration of fire calls. This makes it one of the most difficult expense lines to budget for. To address this, the 2025 budget has been adjusted upward to better align with observed trends.

**Overtime Administration** was over budget by **\$35,283 (Budget of \$41,000 vs Actual of \$76,283)**. This overage is attributed largely to the nature of this expense line, which functions as a "catch-all" for various overtime-related expenses. These include overtime for meetings, additional up-staffing due to severe weather or vehicle fleet issues, Town event coverage (e.g., medical services, fireworks), and overtime arising from lieu time usage or course repayment obligations. Some key factors causing the variance include the operational necessity to upstaff the duty crew due to vehicle service issues, extended sick leave covered by WorkSafe paired with the promotion of a member to Training Officer, and the resulting overtime required to cover vacations caused by the staffing vacancy. These factors, while unpredictable, had a significant impact on the budget.

**Overtime Training** was over budget by **\$19,737 (Budget of \$41,500 vs Actual of \$61,237)**. A significant portion of this overage is linked to the impact of sickness and injury, as noted earlier. When a firefighter is out sick or injured, the shift operates with minimum staffing levels. If other firefighters from the same shift are scheduled for training during this time, it necessitates Overtime Training to cover the additional absence. Despite efforts to create a schedule that avoids having two members from the same shift off





simultaneously or to complete training during regular shifts, unforeseen sickness or injuries often disrupt these plans and lead to increased overtime costs.

**Overtime Mfr Call Ins** exceeded budget by **\$11,172 (Budget of \$11,000 vs Actual of \$22,172)**. This is primarily due to a significant increase in call volume, driven by population growth and an aging demographic. Medical calls have nearly doubled in recent years (1,422 in 2024 vs 746 in 2021), leading to more overlapping calls that require recalling two firefighters to ensure fire station coverage. Additionally, extended ambulance arrival times—often exceeding the mandated 9 minutes—necessitate firefighter call-backs when wait times on scene surpass 20 minutes, further contributing to overtime costs. In response to these challenges, the 2025 budget has been increased to better reflect these demands.

**Career Firefighter Training** exceeded budget by **\$11,011 (Budget of \$45,000 vs Actual of \$56,011)**. This overage was primarily due to the department seizing an unexpected opportunity to train a firefighter as a Rope Rescue instructor, an investment expected to reduce training costs in future years. Additionally, there were overages related to Class 3 driver license upgrades for the new apparatus.

**Building Repairs & Maintenance** (Station & Building) exceeded the budget by **\$26,303 (Budget of \$39,000 vs Actual of \$65,303)**. The overage was primarily due to significant repairs to the vehicle exhaust extraction system. Additional unbudgeted expenses included emergency repairs to the generator and air compressor, as well as window and ceiling repairs, door and lock replacements, an overhead door repair, and pothole repairs in the fire hall parking lot. To better account for such unexpected repairs, the budget has been increased for 2025.

**Vehicle Repairs & Maintenance** exceeded the budget by **\$25,168 (Budget of \$44,760 vs Actual of \$69,928)**. The overage was primarily due to the failing Engine 11, which required unexpected electrical and suspension repairs, as well as additional maintenance following an accident last winter. Additionally, Engine 13, now over 20 years old, experienced several emergency maintenance issues, including electrical repairs. Quint 12 also required significant work, including two separate pump rebuilds. These unforeseen challenges contributed to the higher-than-anticipated costs for Vehicle Repairs & Maintenance.

**Heating fuel** was under budget by **\$11,304 (Budget of \$25,500 vs Actual of \$14,196)**. This was a result of the switch from oil to natural gas, which led to greater-than-anticipated savings. Without a full year of data on natural gas usage to guide the estimate, the actual costs were significantly lower than projected. As a result, the 2025 budget has been adjusted downward to better reflect these savings.



### Engineering & Public Works

**Overall department expenditures were under budget by \$189,421.**

The **Engineering Services** section exceeded \$32,265 above budget. There was a \$39,153 overage in **Street Light Electricity**. The department was planning to convert all the lighting along Gunningsville to LED, therefore expecting a savings in electricity however they did not, therefore the overage is approximately what that department was planning the savings would have been with LED. **Decorative Lighting** was \$18,226 over budget (**Budget of \$25,000 vs Actual of \$43,226**). There were some repairs that were outside the budget plans, such as on Biggs/Blythwood/Bridgedale and damage that required repair. **Lane Marking** on the other hand was \$21,091 under budget (**Budget of \$70,000 vs Actual of \$48,909**). The department noted the budget was too high. They are doing more work inhouse rather than using a third-party vendor.

Under General Equipment, **Gas, Oil & Diesel** was under budget by \$13,008 (**Budget of \$103,000 vs Actual of \$89,992**) due to the rate of fuel being about 10% less than budgeted (more favorable market price than expected at budget time).

Under Workshops, Yards and Buildings, **Electricity** was \$11,853 under budget (**Budget of \$37,000 vs Actual of \$48,853**) due to a mixture of volume and higher costs that the budget was not sufficient to cover.

**Summer Maintenance** was overall \$13,944 above budget. **Street Patching** was \$32,279 above budget (**Budget of \$315,000 vs Actual of \$347,279**). Council did award the project knowing it could be as much as \$168,000 over budget. Staff did their best to manage the quantities, and given it is much less than the anticipated overage, did a good job. **Guard Rail & Parts** was \$16,361 above budget (**Budget of \$2,000 vs Actual of \$18,361**) for unplanned repairs related to a plow accident. This was offset by a savings of \$31,934 in **Storm Sewer Maintenance** (**Budget of \$85,000 vs Actual of \$53,066**) resulting from less required maintenance than expected and the timing of the maintenance work.

**Snow & Ice Removal** was overall below budget by \$101,712 due to some accounts being over and then some under. **Overtime** was over budget by \$16,952 (**Budget of \$40,000 vs Actual of \$56,952**).

Unfortunately, many events took place after hours or on the weekend, therefore crews were working OT instead of regular salary hours. **Vehicle Repairs & Maintenance** was \$11,010 below budget (**Budget of \$75,000 vs Actual of \$63,990**) due simply to less repairs than anticipated/historical. **Gas, Oil & Diesel** was \$24,161 below budget (**Budget of \$62,000 vs Actual of \$37,839**) due to prices dropping but also usage dropped since it was a milder winter therefore fuel usage associated with plowing and salting was less than expected. And **Salt** was \$75,564 below budget (**Budget of \$380,000 vs Actual of \$304,436**) as



there was less salt used than anticipated (always hard to predict as usage is based on winter weather and this past winter was milder).

Under **Garbage & Waste Collection**, the budget was in total below budget by **\$76,902**. **Landfill Costs** were **\$16,435** below budget (**Budget of \$412,376 vs Actual of \$395,941**). There was a reimbursement from SERSC for circular materials for this entire variance. **Garbage Pick- Regular** was below budget by **\$56,486 (Budget of \$610,000 vs Actual of \$553,514)**. There was a change made in the Town's cost due to circular materials landfill costs that began in November. The monthly cost starting in November went down from \$49,700 to \$36,100. There was also a fuel adjustment cost from Miller in December for \$12,550 in the Town's favor.

#### **Parks, Recreation, Facilities & Community Relations**

**Overall department expenses were above budget by \$94,251.**

**Salaries, Wages & Benefits** were overall **\$34,438** below budget. Multiple accounts had sizable swings both over and under budget. **Overtime** was **\$36,668** above budget (**Budget of \$70,000 vs Actual of \$106,668**). This is due to coverage of operational requirements during periods of reduced staffing including employee departures and absences. **Casual Wages** were **\$17,207** above budget (**Budget of \$85,209 vs Actual of \$102,416**). This is due to additional casual hiring to adjust for missed student recruitment targets. **Student Wages** were **\$30,196** below budget (**Budget of \$161,840 vs Actual of \$131,644**). This is due to a missed recruitment target caused by employment market conditions. And **Salary Recoveries** was **\$14,120** below budget (**Budget of \$45,000 vs Actual of \$30,880**). The SEED grant was lower than expected as the program did not approve as many summer student positions.

Under Recreation Programs, **Special Events & Programs** was **\$13,131** below budget (**Budget of \$35,920 vs Actual of \$22,789**) due to programming adjustments to offset budget pressures in other areas.

Under Community & Special Events, **Community Relations** was **\$32,211** below budget (**Budget of \$126,348 vs Actual of \$94,137**) due to sustainability projects that were deferred due to budget pressures in other areas.

Under Coverdale Centre, **Building Repairs & Maintenance** was **\$16,254** above budget (**Budget of \$56,708 vs Actual of \$72,962**). This is due to unplanned repairs needed to damaged walls in the veteran space which cost \$17,400.

**Aquatic Center & Pools** was overall **\$88,858** above budget. **Student Wages** were **\$36,144** above budget (**Budget of \$297,773 vs Actual of \$333,917**). This is due to additional programming offered to meet waitlists and thus match demand. **Building Repairs & Maintenance** was **\$23,894** above budget (**Budget**



**of \$45,000 vs Actual of \$68,894).** This is due to the air handling unit failing in December which cost \$16,000 to repair.

**Rinks & Arenas** was overall above budget by **\$42,145**. There were multiple swings in several accounts that make up this subcategory worth noting. **Water & Sewer** was **\$12,451** above budget (**Budget of \$35,000 vs Actual of \$47,451**) due to an undetected leak which drove up consumption, as well as multiple running toilets, which have since been replaced. **Electricity** was **\$53,242** above budget (**Budget of \$248,000 vs Actual of \$301,642**). This is due to a change in operating procedure suggested by professional review to continue dehumidification system operation during May-August. Also, overall, the budget was projected to be too low in some months where consumption was higher coupled with sizable unplanned utility rate increases. **Building Repairs & Maintenance** was over budget by **\$12,288** (**Budget of \$75,080 vs Actual of \$87,368**). This is due to unplanned plumbing and electrical issues. **Ice Plant Repairs** were **\$16,557** below (**Budget of \$25,000 vs Actual of \$8,443**). This is due to invoices coded to Building Repairs & Maintenance in error; should have been coded here. And **Other Expenses (Canteen/Security)** was **\$14,103** below budget (**Budget of \$15,000 vs Actual of \$897**). No security was required this year as planned since the canteen was operated by a third party.

Under Parks & Playgrounds, **Sports Field Landscaping** was **\$23,058** above budget (**Budget of \$75,000 vs Actual of \$98,058**) due to infield improvements to Harold Page Field which were expensed (intended to be capitalized); additional fertilizer and paint were required to meet operational needs given weather conditions. There were also some vandalism repairs of \$5,400 (cricket net and field lighting). And **Fence Repairs & Maintenance** was **\$13,495** below budget (**Budget of \$17,500 vs Actual of \$4,005**). This was due to deferred fencing projects to offset budget pressures in other areas.

Under Recreation Operating Expenses, **Facilities Management** was **\$16,074** below budget (**Budget of \$21,000 vs Actual of \$4,926**). The security camera project was deferred. And **Vehicle Leasing** was **\$10,073** above budget (**Budget of \$45,000 vs Actual of \$55,073**). An extra vehicle was required this year in the summer (6 instead of 5).

The **Youth Center** section was overall **\$60,005** below budget. **Causal Wages** were **\$19,947** below budget (**Budget of \$105,683 vs Actual of \$85,736**). The drop-in program recruited only one of two employees due to program participation rates. There was also an additional week of closure for facility maintenance. The department also noted that there was a 5% wage increase budgeted for a full year which only took effect April 1. **Heating Costs** were **\$10,010** below budget (**Budget of \$28,000 vs Actual of \$17,990**). The 2023 year-end was forecasted for higher costs and 2024 was projected off that figure at NB Power's 9% rate increase. A mild Fall/Winter reduced costs in this area, alongside additional facility use (body heat reduces source heating required). **Building Repairs & Maintenance** was **\$15,153** below budget (**Budget of \$40,000 vs Actual of \$24,847**). This is due to deferred asset management





projects. And **Programming** was **\$13,236** below budget (**Budget of \$78,617 vs Actual of \$65,381**) due to unfulfilled Spring/Summer programming (skateboarding camps).

#### **UTILITY FUND (WATER & SEWER)**

The Town has an annual **SURPLUS of \$33,333** in the **Utility Fund**. As Council is aware, most Utility expenses are allocations from the General Fund, with detailed explanations provided there. Therefore, I will focus on variances that fall outside those allocations.

#### **REVENUES**

**Overall Utility Revenue exceeded the budget by \$875,866.**

Of this, **\$331,434** of the overage is attributed to **Water - Commercial** (metered) customers. They are higher due to business development, growth, and higher usage, mainly at TransAqua (who had indicated they would be reducing their consumption all year, but that only started to occur in 2025). Accordingly, **Sewer - Commercial** was **\$125,429** above budget, and **Sewer Treatment – Commercial** was **\$170,683** above budget, which both trend the same as water.

**Connection & Service Charges** were **\$112,419** above budget (**Budget of \$25,000 vs Actual of \$137,419**) due to services being installed on streets that are unpredictable and difficult to budget for (they are installed at the request of developers on an as needed basis). Of note was the water service for the Quinn Court apartment building and Pine Glen vacant lots.

Like the General Fund, **Interest on Cash in the Bank** was **\$105,093** above budget (**Budget of \$40,000 vs Actual of \$145,093**). This is again due to a more favorable interest rate than expected, which is market driven.

#### **EXPENDITURES**

**Overall expenses were higher than budget by \$842,532.** Like the General Fund, it is not due to costs being out of control. But rather more funds (from the surplus) being allocated to pay for capital, which is an offsetting expense.

**Billing & Collection Charges** were **\$16,259** above budget (**Budget of \$70,000 vs Actual of \$86,259**). In July, there were some large payments made via a credit card resulting in large fees. The department is looking into a payment policy to avoid these large charges in the future.

Under **Other – Water** and **Other – Sewer**, an uncommon variance this year was for **Bad Debt Expense** of **\$16,069 (\$0 budgeted)** each. There were two vacant lots (The Town had torn down the house



previously) owned by the same owner that were sold by the Province at a tax sale. The Town was forced to write off collections owed as bad debt.

**Water Operating Costs** were overall **\$81,487** above budget. There were two primary accounts that caused the bulk of the overage. First, **Water Maintenance**, which was **\$69,234** above budget (**Budget of \$150,000 vs Actual of \$219,234**). This was primarily due to the cost of installing water services on Quinn Court. Then second, **Water Pavement Patching** which was **\$16,714** above budget (**Budget of \$90,000 vs Actual of \$106,714**). This is an allocation of the overall usage (explanation above with the General Fund).

**Sewer Operating Costs** were overall **\$7,219** below budget. There were a few account that had some swings in them worth noting. **Sewer Maintenance** was **\$13,019** below budget (**Budget of \$105,000 vs Actual of \$91,981**), also due to installation costs (revenue in connection services offsets both this and water maintenance costs noted above). **Sewer Pavement Patching** was also above budget by **\$29,811** (**Budget of \$50,000 vs Actual of \$79,811**), which as noted with water above, is the allocation from the General Fund.

**Utility Capital Reserves** were above budget by **\$700,000** (**Budget of \$100,000 vs Actual of \$800,000**). As Council will recall, I explained when the transfer was requested in December that more funds were transferred to the capital reserves stemming from the Utility surplus to assist in paying for capital projects in the future.

This concludes the end of this report.

**If you have any questions, please do not hesitate to contact me.**

**Thank you,**

**Shannon Parlee, CPA (Director of Finance & Information Technology)**