



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: April 15, 2024

Report No: CORS-013-24

Subject: 2023 Year End Operating Variance and Journal Entries

Recommendation: **THAT the 2023 Financial Statements be prepared on the basis of the year-end transactions set out in report CORS-013-24;**
THAT staff be directed to fund the 2023 deficit, estimated at \$227,189, through a transfer of funds from the Tax Rate Stabilization Reserve.

EXECUTIVE SUMMARY

This report provides a detailed review of the preliminary unaudited 2023 financial position of the Town with the following information of note:

- An estimated deficit in the amount of \$227,189 is largely due to a deferral in the timing of planning applications and is recommended to be funded from the Tax Rate Stabilization Reserve.
- The audit of the 2023 financial position is scheduled to begin April 15, 2024 and final results will be confirmed in the 2023 Financial Report scheduled to be presented at the June 3, 2024 Council meeting

REPORT

Background

In accordance with Corporate Policies No. 113: Financial Management - Budget Management and No. 115: Accounting, this report explains the significant variances in the actuals compared to the approved 2023 operating budget as well as the allocation of the surplus. The information presented herein has been developed based on reviews that were



Background

held with operating budget managers to identify key variances as well as to finalize 2022 accounts payable and accounts receivable accruals.

This report also satisfies the requirements of Ontario Regulation 332/12 which states that the Town must make available to the public annual reports with respect to Building Fees imposed under the Building Code Act. Included in this report is information on the total amount of fees collected, the direct and indirect costs of delivering the services related to the administration and enforcement of the Act and the amount of the reserve fund established for the purpose of administration and enforcement of the Act.

Discussion

The final year end position of the Operating Fund is an estimated deficit of \$227,192 for the Town (excluding library). This represents a variance of (0.3)% on net budgeted expenditures of \$88.0 million and (0.1)% on the gross expenditures of \$184.3 million. This variance is comparable to the Town’s five year average as outlined in the table below.

	2019	2020	2021	2022	2023	Average
Variance (\$Millions)	\$1.22	\$1.85	\$4.45	\$0.45	\$(0.23)	\$1.9
% Variance to Net Budget	1.9%	2.7%	6.0%	0.6%	(0.3)%	2.7%
% Variance to Gross Budget	0.9%	1.3%	3.0%	0.3%	(0.1)%	1.3%

For consistency with prior years, the variance amounts above exclude the final positions of the library and BIA. If the final position of the BIA and library were reflected in the 2023 year end figures, the net and gross percentages would be (0.2)% and (0.1)%, respectively.

The estimated Town position at the end of 2023 by department is as follows:

Department	Net Budget	Actuals	Variance F/(U)	Percent
Mayor & Council	\$643,301	\$629,779	\$13,522	98%
Executive Services	1,558,658	1,499,256	59,402	96%
Corporate Services	12,782,738	11,797,075	985,663	92%
General Government	(64,469,399)	(63,569,981)	(889,418)	99%
Community Services	47,145,210	46,041,976	1,103,234	98%
Development Services	2,339,493	3,829,084	(1,489,591)	164%
Library	-	5,384	(5,384)	
Hospital Expansion	-	-	-	
BIA	-	(85,796)	85,796	



The Corporation of the Town of Milton

Discussion

Gross Deficit	-	\$(146,777)	(\$146,777)	
Less: Library Board Deficit (Note 2)		(5,384)	5,384	
Less: BIA Surplus (Note 3)		85,796	(85,796)	
Net Town Deficit		\$(227,189)	\$(227,189)	

Note 1 - Figures include rounding and may result in minor variances to the attached Financial Schedules.

Note 2 - Library deficit will be funded from the Library Tax Rate Stabilization Reserve in accordance with the Town's Treasury Policy No. 116.

Note 3 - BIA surplus will be transferred to the DBIA Surplus Reserve in accordance with the Town's Treasury Policy No. 116.

Variance Overview

An estimated deficit of \$227,189 is anticipated for 2023. The deficit is largely the result of a deferral in the timing of planning application activity resulting in a shortfall of \$2.0 million in revenue for 2023, an unexpected WSIB claim of \$0.87 million, increased costs associated with fleet maintenance of \$0.42 million and increased costs associated with contracts and materials within the Operations and Infrastructure areas in the amount of \$0.59 million.

Largely offsetting these unexpected areas of pressure were savings due to staff vacancies in the amount of \$1.3 million, savings in utilities of \$0.84 million, lower costs associated with IT software maintenance and service agreements in the amount of \$0.4 million, penalty and interest payments exceeding budget by \$0.47 million, increased insurance claim recoveries of \$0.51 million and savings in Transit in the amount of \$0.65 million related to GO Transit fare integration revenue subsidies and fare media sales combined with savings in fleet costs.

Additional details regarding the significant variances within each department can be found through the 2023 Year End Operating Statements as shown in Appendix 1 with commentary in Appendix 2.

Reserve and Reserve Funds

Reserves and reserve funds are an important element of the Town's long-term financial plan. They make provisions for the replacement and rehabilitation of existing Town assets, provide a contingency for one-time and unforeseeable events, and provide flexibility to manage debt levels and protect the Town's financial position.

A summary of reserve and reserve fund balances by type is outlined in the table below. A detailed continuity schedule by each reserve and reserve fund comparing ending 2023 balances to target balances is provided in Appendix 3.

Reserves and Reserve Funds (\$000)	Dec 31, 2022 Balance	In Year Activity	Dec 31, 2023 Balance
Stabilization	\$24,319	\$(2,018)	\$22,302
Corporate Use	13,413	1,266	14,679
Infrastructure Non Growth	79,964	10,593	90,556
Infrastructure Growth	60,856	(5,374)	55,482



Discussion

Program Specific	17,583	191	17,774
Board, Committee & Other	2,657	(311)	2,346
Total	\$198,791	\$4,347	\$203,138

The in-year activity includes transfers to/from the operating budget, and a number of those transfers are driven by external revenues and do not impact the operating surplus. It is important to understand where operating transfers deviate from budget as it will have resulting implications on reserve balances.

The following table presents a summary view of variances between budgeted and actual operating transfers to/from reserve and reserve fund by category.

Reserve/Reserve Funds (\$000)	Budgeted Transfer to/(from) Operating	Actual Transfer to/(from) Operating	Surplus/ (Deficit)
Stabilization	\$3,031	\$(2,472)	\$(5,503)
Corporate Use	2,219	1,266	(953)
Infrastructure Non Growth	35,140	44,975	9,835
Infrastructure Growth	9,340	5,348	(3,992)
Program Specific	(295)	(263)	33
Board, Committee & Other	649	545	(105)
Total	\$50,083	\$49,399	\$(685)

Transfers to Stabilization reserves are in a deficit position primarily due to a deferral in the timing of building permit activity. Corporate Use reserve transfers are unfavourable to budget also due to timing differences in development activity.

Transfers to Infrastructure Non Growth related reserves were higher than anticipated largely due to additional dividends received from Milton Hydro, higher than expected investment income and proceeds from the Ontario Lottery and Gaming Corporation (OLG). Infrastructure Growth transfers were unfavourable to budget due to lower than anticipated Capital Provision revenues being collected through financial agreements resulting from the timing of development activity.

Transfers to Program Specific Reserves were higher than budget primarily due to higher than anticipated revenue from the Ministry of Natural Resources for extracted aggregates. Board, Committee & Other are showing as a deficit due to unplanned grant funding received in 2023 that was transferred to the operating fund.

A detailed commentary on other significant variances in reserve and reserve fund transfers within the operating fund is presented in Appendix 4.



Discussion

Debenture Obligations

The Town ended 2023 with \$41.3 million in total debt outstanding reflecting \$5.7 million in debenture repayments that occurred during the year.

In addition to the debenture obligations outlined below, \$15.0 million of debt that has been previously approved by Council remains yet to be issued. Based on the status of projects with unissued debt as a funding source, it is expected that a debt issuance will take place in 2024.

Existing Debenture Obligations (\$'000)	Debt at Dec 31, 2022	2023 New Issuance	Principal Payments for 2023	Debt at Dec 31, 2023
Tax Supported	\$26,047	\$0	\$(3,816)	\$22,231
Capital Provision (Hospital)	8,048	0	(1,533)	\$6,515
Hospital Expansion (see below)	12,881	0	(303)	12,578
Total	\$46,976	\$0	\$(5,652)	\$41,324

The Hospital sinking fund debenture is held and managed by the Region of Halton for the purpose of retiring the debt at maturity. The annual \$302,726 sinking fund contribution and the interest income to be earned on the investments of the sinking fund over 30 years are projected to fully cover the principal payment due at maturity.

Hospital Expansion Sinking Fund Debenture	Amount
Sinking Fund Debt (payable on Apr 6, 2045)	\$15,000,000
Annual Contributions to date to the Region of Halton (\$302,726 per year)	(2,421,808)
Sub-total	\$12,578,192
Interest Earned to Date by Region of Halton	394,910
Dec 31, 2023 Balance per the Region of Halton Performance Indicator Report	\$12,183,282

Recommendations for the Year End Surplus/Deficit

As part of the year-end process, staff consider the distribution of the year-end surplus or funding of deficit based on Council approved policies.

It is recommended that the deficit, estimated to be \$227,192, be funded from the Town's Tax Rate Stabilization Reserve.

The year end balance in the Tax Rate Stabilization reserve is \$7.6 million relative to a 2023 target of \$7.4 million. The 2024 Capital and Operating budget forecasted this reserve to decline to \$4.9 million by 2025 as a result of tax rate mitigation funding utilized in the 2024 operating budget. The use of the Tax Rate Stabilization Reserve to fund the year end deficit



Discussion

will not materially change the forecasted balance and is in line with the intended use of that reserve.

Financial Impact

The estimated final year-end position of the operating fund is an estimated deficit of \$227,189 million for the Town. This report is providing information as to the funding of the deficit necessary to facilitate the completion of the 2023 year-end accounting entries.

The variances discussed herein as well as the final reserve and reserve fund balances will also inform the management of the 2024 budget and the development of the 2025 budget.

Respectfully submitted,

Glen Cowan
Chief Financial Officer / Treasurer

For questions, please contact: Jennifer Kloet, CPA, CA Phone: x2216

Attachments

Appendix 1 – 2023 Year End Operating Financial Statements

Appendix 2 – 2023 Year End Operating Variance Commentary by Department

Appendix 3 – Reserve and Reserve Fund Continuity Schedule

Appendix 4 – Reserve and Reserve Fund Transfer to/from Operating Variance and Commentary

Approved by CAO
Andrew M. Siltala
Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.

**TOWN OF MILTON - SUMMARY
OPERATING FINANCIAL STATEMENT
December 2023**

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	YTD ACTUAL	VARIANCE F/(U)	PERCENT of BUDGET
MAYOR AND COUNCIL	588,543	643,301	629,779	13,522	98%
EXECUTIVE SERVICES	1,499,531	1,558,658	1,499,256	59,402	96%
CORPORATE SERVICES	10,366,509	12,782,738	11,797,075	985,663	92%
GENERAL GOVERNMENT	(58,135,164)	(64,469,399)	(63,569,981)	(899,418)	99%
COMMUNITY SERVICES	41,832,633	47,145,210	46,041,976	1,103,234	98%
DEVELOPMENT SERVICES	3,847,948	2,339,493	3,829,084	(1,489,591)	164%
LIBRARY		0	5,384	(5,384)	
HOSPITAL EXPANSION					
BIA		0	(85,796)	85,796	
Total TOWN OF MILTON		0	146,777	(146,777)	

Note: Figures include rounding and may result in minor variances to the departmental financial statements.

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2023

MAYOR AND COUNCIL

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	ACTUAL	VARIANCE F / (U)	PERCENT of BUDGET
MAYOR AND COUNCIL					
MAYOR AND COUNCIL					
EXPENDITURES					
Salaries and Benefits	535,127	564,329	573,977	(9,648)	102%
Administrative	53,189	60,745	48,173	12,572	79%
Financial		5,000	5,000		100%
Purchased Goods	1,196	770	930	(160)	121%
Purchased Services	8,938	30,426	6,701	23,725	22%
Total EXPENDITURES	598,450	661,270	634,781	26,489	96%
REVENUE					
Financing Revenue		(5,000)	(5,000)		100%
Recoveries and Donations	(9,907)	(12,970)		(12,970)	
Total REVENUE	(9,907)	(17,970)	(5,000)	(12,970)	28%
Total MAYOR AND COUNCIL	588,543	643,300	629,781	13,519	98%
Total MAYOR AND COUNCIL	588,543	643,300	629,781	13,519	98%
Total MAYOR AND COUNCIL	588,543	643,300	629,781	13,519	98%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2023

EXECUTIVE SERVICES

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	ACTUAL	VARIANCE F / (U)	PERCENT of BUDGET
EXECUTIVE SERVICES					
OFFICE OF THE CAO					
EXPENDITURES					
Salaries and Benefits	576,916	587,971	618,060	(30,089)	105%
Administrative	12,546	20,056	15,576	4,480	78%
Purchased Goods	6,280	5,507	3,520	1,987	64%
Purchased Services	9,985	49,528	14,525	35,003	29%
Total EXPENDITURES	605,727	663,062	651,681	11,381	98%
REVENUE					
Financing Revenue	(16,159)	(16,429)	(16,429)		100%
User Fees and Service Charges	(1,731)	(3,000)	(344)	(2,656)	11%
Total REVENUE	(17,890)	(19,429)	(16,773)	(2,656)	86%
Total OFFICE OF THE CAO	587,837	643,633	634,908	8,725	99%
STRATEGIC INITIATIVES AND ECONOMIC DEVELOPMENT					
EXPENDITURES					
Salaries and Benefits	844,932	891,314	841,055	50,259	94%
Administrative	10,138	23,537	15,399	8,138	65%
Financial	6,692	1,858	2,851	(993)	153%
Transfers to Own Funds	7,013	24,750	13,387	11,363	54%
Purchased Goods	4,223	8,336	4,616	3,720	55%
Purchased Services	170,972	190,028	117,104	72,924	62%
Reallocated Expenses	2,324	2,454	913	1,541	37%
Total EXPENDITURES	1,046,294	1,142,277	995,325	146,952	87%
REVENUE					
Financing Revenue	(10,197)	(85,108)	(29,083)	(56,025)	34%
Grants	(73,356)	(45,344)	(45,344)		100%
Recoveries and Donations	(25,000)				
User Fees and Service Charges	(26,048)	(96,799)	(56,549)	(40,250)	58%
Total REVENUE	(134,601)	(227,251)	(130,976)	(96,275)	58%
STRATEGIC INITIATIVES AND ECONOMIC DEVELOPMENT	911,693	915,026	864,349	50,677	94%
Total EXECUTIVE SERVICES	1,499,530	1,558,659	1,499,257	59,402	96%
Total EXECUTIVE SERVICES	1,499,530	1,558,659	1,499,257	59,402	96%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2023

CORPORATE SERVICES

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	ACTUAL	VARIANCE F / (U)	PERCENT of BUDGET
CORPORATE SERVICES					
FINANCE					
EXPENDITURES					
Salaries and Benefits	4,958,944	5,484,136	5,144,099	340,037	94%
Administrative	35,529	86,800	38,876	47,924	45%
Financial	6,896	5,406	4,637	769	86%
Purchased Goods	22,932	41,832	19,585	22,247	47%
Purchased Services	306,970	323,702	213,893	109,809	66%
Total EXPENDITURES	5,331,271	5,941,876	5,421,090	520,786	91%
REVENUE					
Financing Revenue	(2,800,707)	(2,726,344)	(2,707,840)	(18,504)	99%
Recoveries and Donations	(3,583)		1	(1)	
User Fees and Service Charges	(933,948)	(1,079,430)	(1,015,933)	(63,497)	94%
Reallocated Revenue	(186,676)	(333,466)	(271,151)	(62,315)	81%
Total REVENUE	(3,924,914)	(4,139,240)	(3,994,923)	(144,317)	97%
Total FINANCE	1,406,357	1,802,636	1,426,167	376,469	79%
INFORMATION TECHNOLOGY					
EXPENDITURES					
Salaries and Benefits	2,919,195	3,509,441	3,441,782	67,659	98%
Administrative	14,508	33,325	27,702	5,623	83%
Purchased Goods	1,528,248	2,456,460	2,284,589	171,871	93%
Purchased Services	1,224,760	1,490,022	1,261,563	228,459	85%
Total EXPENDITURES	5,686,711	7,489,248	7,015,636	473,612	94%
REVENUE					
Financing Revenue	(551,333)	(726,480)	(661,614)	(64,866)	91%
Recoveries and Donations	58				
User Fees and Service Charges		(100)	(66)	(34)	66%
Reallocated Revenue	(84,857)	(126,740)	(125,457)	(1,283)	99%
Total REVENUE	(636,132)	(853,320)	(787,137)	(66,183)	92%
Total INFORMATION TECHNOLOGY	5,050,579	6,635,928	6,228,499	407,429	94%
HUMAN RESOURCES					
EXPENDITURES					
Salaries and Benefits	1,378,616	1,427,810	1,465,945	(38,135)	103%
Administrative	141,452	214,428	159,311	55,117	74%
Purchased Goods	30,959	5,857	3,182	2,675	54%
Purchased Services	141,199	173,428	169,942	3,486	98%
Total EXPENDITURES	1,692,226	1,821,523	1,798,380	23,143	99%
REVENUE					
Financing Revenue	(337,807)	(356,721)	(367,430)	10,709	103%
Reallocated Revenue	(148,724)	(171,194)	(167,036)	(4,158)	98%
Total REVENUE	(486,531)	(527,915)	(534,466)	6,551	101%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2023

CORPORATE SERVICES

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	ACTUAL	VARIANCE F / (U)	PERCENT of BUDGET
Total HUMAN RESOURCES	1,205,695	1,293,608	1,263,914	29,694	98%
LEGISLATIVE & LEGAL SERVICES					
EXPENDITURES					
Salaries and Benefits	3,080,750	3,440,325	3,080,492	359,833	90%
Administrative	36,629	74,169	49,113	25,056	66%
Financial	48,410	35,000	51,185	(16,185)	146%
Transfers to Own Funds		225,000	225,000		100%
Purchased Goods	20,354	27,999	17,130	10,869	61%
Purchased Services	1,357,096	861,406	998,996	(137,590)	116%
Reallocated Expenses	124,483	111,467	195,499	(84,032)	175%
Total EXPENDITURES	4,667,722	4,775,366	4,617,415	157,951	97%
REVENUE					
Financing Revenue	(796,372)	(292,909)	(298,777)	5,868	102%
Recoveries and Donations	(99,112)	(21,500)	(27,586)	6,086	128%
User Fees and Service Charges	(1,815,168)	(2,392,051)	(2,316,410)	(75,641)	97%
Total REVENUE	(2,710,652)	(2,706,460)	(2,642,773)	(63,687)	98%
Total LEGISLATIVE & LEGAL SERVICES	1,957,070	2,068,906	1,974,642	94,264	95%
STRATEGIC COMMUNICATIONS					
EXPENDITURES					
Salaries and Benefits	880,444	1,032,403	1,032,562	(159)	100%
Administrative	10,529	22,984	23,553	(569)	102%
Purchased Goods	2,455	8,300	4,203	4,097	51%
Purchased Services	58,743	119,977	45,538	74,439	38%
Total EXPENDITURES	952,171	1,183,664	1,105,856	77,808	93%
REVENUE					
Financing Revenue	(203,263)	(202,003)	(202,003)		100%
Grants	(2,100)				
Total REVENUE	(205,363)	(202,003)	(202,003)		100%
Total STRATEGIC COMMUNICATIONS	746,808	981,661	903,853	77,808	92%
Total CORPORATE SERVICES	10,366,509	12,782,739	11,797,075	985,664	92%
Total CORPORATE SERVICES	10,366,509	12,782,739	11,797,075	985,664	92%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2023

GENERAL GOVERNMENT

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	ACTUAL	VARIANCE F / (U)	PERCENT of BUDGET
GENERAL GOVERNMENT					
GENERAL GOVERNMENT					
EXPENDITURES					
Salaries and Benefits	26,071		171	(171)	
Administrative	62,458	120,000	997,666	(877,666)	831%
Financial	4,665,564	5,328,957	5,745,821	(416,864)	108%
Transfers to Own Funds	44,670,006	44,817,917	49,326,254	(4,508,337)	110%
Purchased Services	588,871	88,865	352,135	(263,270)	396%
Reallocated Expenses	8,381				
Total EXPENDITURES	50,021,351	50,355,739	56,422,047	(6,066,308)	112%
REVENUE					
External Revenue Transferred to Reserves a	(11,624,110)	(16,130,156)	(17,309,810)	1,179,654	107%
Financing Revenue	(13,382,916)	(6,139,400)	(10,281,978)	4,142,578	167%
Taxation	(77,735,549)	(85,427,006)	(85,724,731)	297,725	100%
Payments In Lieu	(1,020,098)	(1,028,464)	(1,041,432)	12,968	101%
Recoveries and Donations	(38,627)		106	(106)	
User Fees and Service Charges	(2,219,883)	(3,749,476)	(3,393,129)	(356,347)	90%
Reallocated Revenue	(2,135,328)	(2,350,636)	(2,241,054)	(109,582)	95%
Total REVENUE	(108,156,511)	(114,825,138)	(119,992,028)	5,166,890	104%
Total GENERAL GOVERNMENT	(58,135,160)	(64,469,399)	(63,569,981)	(899,418)	99%
Total GENERAL GOVERNMENT	(58,135,160)	(64,469,399)	(63,569,981)	(899,418)	99%
Total GENERAL GOVERNMENT	(58,135,160)	(64,469,399)	(63,569,981)	(899,418)	99%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2023

COMMUNITY SERVICES

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	ACTUAL	VARIANCE F / (U)	PERCENT of BUDGET
COMMUNITY SERVICES					
RECREATION AND CULTURE FACILITIES					
EXPENDITURES					
Salaries and Benefits	5,298,897	6,291,765	6,092,292	199,473	97%
Administrative	18,747	40,021	22,807	17,214	57%
Financial	82,473	170,497	114,852	55,645	67%
Transfers to Own Funds	1,801,098	2,071,849	2,074,259	(2,410)	100%
Purchased Goods	519,569	856,987	695,734	161,253	81%
Purchased Services	5,139,793	6,245,587	5,175,906	1,069,681	83%
Reallocated Expenses	157,138	179,466	151,519	27,947	84%
Total EXPENDITURES	13,017,715	15,856,172	14,327,369	1,528,803	90%
REVENUE					
Financing Revenue	(321,012)	(395,117)	(375,796)	(19,321)	95%
Grants	(1,048,557)	(989,811)	(1,012,842)	23,031	102%
Recoveries and Donations	(91,141)	(75,947)	(128,481)	52,534	169%
User Fees and Service Charges	(5,956,414)	(7,720,261)	(6,501,270)	(1,218,991)	84%
Reallocated Revenue	(339,293)	(424,355)	(402,240)	(22,115)	95%
Total REVENUE	(7,756,417)	(9,605,491)	(8,420,629)	(1,184,862)	88%
Total RECREATION AND CULTURE FACILITIES	5,261,298	6,250,681	5,906,740	343,941	94%
ADMINISTRATION AND CIVIC FACILITIES					
EXPENDITURES					
Salaries and Benefits	3,185,267	3,850,360	3,507,943	342,417	91%
Administrative	33,852	50,838	36,655	14,183	72%
Financial	64,898	59,893	50,544	9,349	84%
Transfers to Own Funds	395,529	460,049	395,739	64,310	86%
Purchased Goods	84,468	89,685	77,796	11,889	87%
Purchased Services	1,447,718	1,647,204	1,453,228	193,976	88%
Reallocated Expenses	107,205	94,193	93,937	256	100%
Total EXPENDITURES	5,318,937	6,252,222	5,615,842	636,380	90%
REVENUE					
Financing Revenue	(1,356,296)	(1,647,141)	(1,218,877)	(428,264)	74%
Recoveries and Donations	(28,972)	(17,138)	(15,817)	(1,321)	92%
User Fees and Service Charges	(255,485)	(336,846)	(304,422)	(32,424)	90%
Total REVENUE	(1,640,753)	(2,001,125)	(1,539,116)	(462,009)	77%
Total ADMINISTRATION AND CIVIC FACILITIES	3,678,184	4,251,097	4,076,726	174,371	96%
PROGRAMS					
EXPENDITURES					
Salaries and Benefits	3,535,451	5,268,377	4,720,790	547,587	90%
Administrative	38,278	62,158	29,805	32,353	48%
Financial	419,103	584,955	651,752	(66,797)	111%
Transfers to Own Funds	6,000	23,350	51,968	(28,618)	223%

**TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2023**

COMMUNITY SERVICES

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	ACTUAL	VARIANCE F / (U)	PERCENT of BUDGET
Purchased Goods	172,604	260,172	218,309	41,863	84%
Purchased Services	235,977	858,082	400,651	457,431	47%
Reallocated Expenses	43,237	83,161	116,873	(33,712)	141%
Total EXPENDITURES	4,450,650	7,140,255	6,190,148	950,107	87%
REVENUE					
Financing Revenue	(289,031)	(656,244)	(630,423)	(25,821)	96%
Grants	(105,224)	(68,421)	(65,398)	(3,023)	96%
Recoveries and Donations	(109,989)	(403,005)	(157,458)	(245,547)	39%
User Fees and Service Charges	(3,389,386)	(5,851,192)	(5,693,901)	(157,291)	97%
Reallocated Revenue	(6,538)	(6,500)	(1,850)	(4,650)	28%
Total REVENUE	(3,900,168)	(6,985,362)	(6,549,030)	(436,332)	94%
Total PROGRAMS	550,482	154,893	(358,882)	513,775	(232%)
OPERATIONS					
EXPENDITURES					
Salaries and Benefits	6,921,959	7,514,473	7,314,239	200,234	97%
Administrative	32,144	57,161	23,577	33,584	41%
Transfers to Own Funds	1,809,887	1,986,091	1,986,091		100%
Purchased Goods	1,822,822	1,878,929	1,753,341	125,588	93%
Purchased Services	7,016,566	7,964,707	7,684,139	280,568	96%
Fleet Expenses	1,456,761	1,326,890	1,728,206	(401,316)	130%
Reallocated Expenses	3,918,181	4,116,673	3,617,099	499,574	88%
Total EXPENDITURES	22,978,320	24,844,924	24,106,692	738,232	97%
REVENUE					
Financing Revenue	(133,200)	(279,764)	(228,895)	(50,869)	82%
Recoveries and Donations	(3,160,451)	(3,673,817)	(2,552,381)	(1,121,436)	69%
User Fees and Service Charges	(1,065,761)	(1,220,899)	(1,500,384)	279,485	123%
Reallocated Revenue	(4,425,056)	(4,563,839)	(4,184,096)	(379,743)	92%
Total REVENUE	(8,784,468)	(9,738,319)	(8,465,756)	(1,272,563)	87%
Total OPERATIONS	14,193,852	15,106,605	15,640,936	(534,331)	104%
TRANSIT					
EXPENDITURES					
Salaries and Benefits	368,480	446,095	452,290	(6,195)	101%
Administrative	10,103	18,531	9,974	8,557	54%
Financial		300		300	
Transfers to Own Funds	1,468,853	1,767,390	1,767,390		100%
Purchased Goods	7,085	13,778	35,105	(21,327)	255%
Purchased Services	4,863,530	5,822,654	5,748,208	74,446	99%
Fleet Expenses	1,504,912	2,149,883	1,775,820	374,063	83%
Reallocated Expenses	110,458	66,826	127,653	(60,827)	191%
Total EXPENDITURES	8,333,421	10,285,457	9,916,440	369,017	96%
REVENUE					

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2023

COMMUNITY SERVICES

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	ACTUAL	VARIANCE F / (U)	PERCENT of BUDGET
Financing Revenue	(977,940)	(978,132)	(978,132)		100%
Grants	(501,272)				
Recoveries and Donations	(297,000)	(784,496)	(1,007,230)	222,734	128%
User Fees and Service Charges	(818,101)	(1,160,188)	(1,220,626)	60,438	105%
Total REVENUE	(2,594,313)	(2,922,816)	(3,205,988)	283,172	110%
Total TRANSIT	5,739,108	7,362,641	6,710,452	652,189	91%
FIRE					
EXPENDITURES					
Salaries and Benefits	11,005,435	12,521,212	12,629,536	(108,324)	101%
Administrative	112,182	125,961	147,171	(21,210)	117%
Financial	1,786	3,000	1,735	1,265	58%
Transfers to Own Funds	1,048,572	1,106,306	1,106,306		100%
Purchased Goods	80,245	76,794	116,449	(39,655)	152%
Purchased Services	294,177	335,396	347,567	(12,171)	104%
Fleet Expenses	235,287	186,753	244,744	(57,991)	131%
Reallocated Expenses		453		453	
Total EXPENDITURES	12,777,684	14,355,875	14,593,508	(237,633)	102%
REVENUE					
Financing Revenue	(10,199)	(10,408)	(82,886)	72,478	796%
Grants	(4,900)	(2,500)	(16,270)	13,770	651%
Recoveries and Donations	(191,181)	(164,000)	(180,494)	16,494	110%
User Fees and Service Charges	(161,705)	(159,669)	(247,853)	88,184	155%
Total REVENUE	(367,985)	(336,577)	(527,503)	190,926	157%
Total FIRE	12,409,699	14,019,298	14,066,005	(46,707)	100%
Total COMMUNITY SERVICES	41,832,623	47,145,215	46,041,977	1,103,238	98%
Total COMMUNITY SERVICES	41,832,623	47,145,215	46,041,977	1,103,238	98%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2023

DEVELOPMENT SERVICES

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	ACTUAL	VARIANCE F / (U)	PERCENT of BUDGET
DEVELOPMENT SERVICES					
PLANNING SERVICES					
EXPENDITURES					
Salaries and Benefits	2,031,607	2,446,846	2,257,331	189,515	92%
Administrative	23,612	50,509	29,039	21,470	57%
Purchased Services	93,545	56,934	59,686	(2,752)	105%
Total EXPENDITURES	2,148,764	2,554,289	2,346,056	208,233	92%
REVENUE					
Financing Revenue	(346,594)	(596,711)	(442,726)	(153,985)	74%
Recoveries and Donations	(41,936)	(54,200)	(29,227)	(24,973)	54%
User Fees and Service Charges	(1,594,596)	(2,853,534)	(1,765,035)	(1,088,499)	62%
Total REVENUE	(1,983,126)	(3,504,445)	(2,236,988)	(1,267,457)	64%
Total PLANNING SERVICES	165,638	(950,156)	109,068	(1,059,224)	(11%)
BUILDING SERVICES					
EXPENDITURES					
Salaries and Benefits	3,598,846	5,171,897	3,792,888	1,379,009	73%
Administrative	78,711	156,362	98,497	57,865	63%
Financial	(1)		(2)	2	
Transfers to Own Funds	8,501,475	3,989,862		3,989,862	
Purchased Goods	3,240	16,301	4,849	11,452	30%
Purchased Services	26,995	56,966	43,888	13,078	77%
Reallocated Expenses	2,162,903	2,720,794	2,511,772	209,022	92%
Total EXPENDITURES	14,372,169	12,112,182	6,451,892	5,660,290	53%
REVENUE					
Financing Revenue	(26,875)	(9,264)	(1,634,587)	1,625,323	17,645%
Recoveries and Donations			(3,562)	3,562	
User Fees and Service Charges	(14,345,292)	(12,102,915)	(4,813,740)	(7,289,175)	40%
Total REVENUE	(14,372,167)	(12,112,179)	(6,451,889)	(5,660,290)	53%
Total BUILDING SERVICES	2	3	3		100%
INFRASTRUCTURE MANAGEMENT					
EXPENDITURES					
Salaries and Benefits	2,153,931	2,480,624	2,224,552	256,072	90%
Administrative	26,681	38,018	26,045	11,973	69%
Financial	247,297	246,094	246,332	(238)	100%
Transfers to Own Funds	29,524	33,920	33,920		100%
Purchased Goods	86,792	67,702	69,823	(2,121)	103%
Purchased Services	1,778,461	2,115,944	2,275,420	(159,476)	108%
Reallocated Expenses	2,760	7,926	179	7,747	2%
Total EXPENDITURES	4,325,446	4,990,228	4,876,271	113,957	98%
REVENUE					
Financing Revenue	(1,044,748)	(1,394,473)	(1,152,618)	(241,855)	83%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2023

DEVELOPMENT SERVICES

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	ACTUAL	VARIANCE F / (U)	PERCENT of BUDGET
Recoveries and Donations	(16,044)	(14,767)	(36,832)	22,065	249%
User Fees and Service Charges	(468,845)	(370,452)	(507,916)	137,464	137%
Total REVENUE	(1,529,637)	(1,779,692)	(1,697,366)	(82,326)	95%
Total INFRASTRUCTURE MANAGEMENT	2,795,809	3,210,536	3,178,905	31,631	99%
DEVELOPMENT ENGINEERING EXPENDITURES					
Salaries and Benefits	1,917,253	2,100,806	2,044,251	56,555	97%
Administrative	32,344	34,462	27,485	6,977	80%
Financial	502				
Transfers to Own Funds			85,430	(85,430)	
Purchased Goods		200		200	
Purchased Services	323,997	323,142	81,726	241,416	25%
Total EXPENDITURES	2,274,096	2,458,610	2,238,892	219,718	91%
REVENUE					
Financing Revenue	(110,366)	(311,874)	(366,249)	54,375	117%
Recoveries and Donations	(53,172)	(77,570)	(95,472)	17,902	123%
User Fees and Service Charges	(1,705,132)	(2,425,237)	(1,616,156)	(809,081)	67%
Reallocated Revenue	(58,715)	(232,010)	(200,709)	(31,301)	87%
Total REVENUE	(1,927,385)	(3,046,691)	(2,278,586)	(768,105)	75%
Total DEVELOPMENT ENGINEERING	346,711	(588,081)	(39,694)	(548,387)	7%
ADMINISTRATION EXPENDITURES					
Salaries and Benefits	401,120	471,794	455,365	16,429	97%
Administrative	12,906	11,565	8,900	2,665	77%
Purchased Goods	15,404	37,950	12,653	25,297	33%
Purchased Services	237,925	247,969	296,586	(48,617)	120%
Total EXPENDITURES	667,355	769,278	773,504	(4,226)	101%
REVENUE					
Financing Revenue	(85,854)	(102,083)	(97,518)	(4,565)	96%
Recoveries and Donations	(41,711)		(94,928)	94,928	
User Fees and Service Charges			(257)	257	
Total REVENUE	(127,565)	(102,083)	(192,703)	90,620	189%
Total ADMINISTRATION	539,790	667,195	580,801	86,394	87%
Total DEVELOPMENT SERVICES	3,847,950	2,339,497	3,829,083	(1,489,586)	164%
Total DEVELOPMENT SERVICES	3,847,950	2,339,497	3,829,083	(1,489,586)	164%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2023

LIBRARY

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	ACTUAL	VARIANCE F / (U)	PERCENT of BUDGET
LIBRARY					
LIBRARY					
EXPENDITURES					
Salaries and Benefits	3,684,901	4,158,747	4,051,620	107,127	97%
Administrative	66,086	53,629	73,363	(19,734)	137%
Financial	6,662	5,821	6,999	(1,178)	120%
Transfers to Own Funds	676,680	678,988	678,988		100%
Purchased Goods	353,306	372,983	475,906	(102,923)	128%
Purchased Services	469,348	534,031	482,838	51,193	90%
Reallocated Expenses	320,165	392,230	388,076	4,154	99%
Total EXPENDITURES	5,577,148	6,196,429	6,157,790	38,639	99%
REVENUE					
Financing Revenue	(18,919)	(21,696)	(21,696)		100%
Taxation	(5,308,486)	(5,901,548)	(5,901,548)		100%
Grants	(129,776)	(57,554)	(112,767)	55,213	196%
Recoveries and Donations	(14,958)	(14,596)	(17,294)	2,698	118%
User Fees and Service Charges	(105,009)	(201,037)	(99,101)	(101,936)	49%
Total REVENUE	(5,577,148)	(6,196,431)	(6,152,406)	(44,025)	99%
Total LIBRARY		(2)	5,384	(5,386)	
Total LIBRARY		(2)	5,384	(5,386)	
Total LIBRARY		(2)	5,384	(5,386)	

**TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2023**

HOSPITAL EXPANSION

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	ACTUAL	VARIANCE F / (U)	PERCENT of BUDGET
HOSPITAL EXPANSION					
HOSPITAL EXPANSION					
EXPENDITURES					
Financial	2,489,757	2,499,256	2,486,984	12,272	100%
Total EXPENDITURES	2,489,757	2,499,256	2,486,984	12,272	100%
REVENUE					
Financing Revenue	(2,489,757)	(2,499,256)	(2,486,984)	(12,272)	100%
Total REVENUE	(2,489,757)	(2,499,256)	(2,486,984)	(12,272)	100%
Total HOSPITAL EXPANSION					
Total HOSPITAL EXPANSION					
Total HOSPITAL EXPANSION					

**TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2023**

BIA

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	ACTUAL	VARIANCE F / (U)	PERCENT of BUDGET
BIA					
BIA					
EXPENDITURES					
Salaries and Benefits	158,596	173,391	202,500	(29,109)	117%
Administrative			22	(22)	
Financial	2,128	4,500	3,250	1,250	72%
Transfers to Own Funds	86,657				
Purchased Goods	32,195	13,500	21,716	(8,216)	161%
Purchased Services	255,759	209,096	211,016	(1,920)	101%
Reallocated Expenses	4,318	6,000	4,717	1,283	79%
Total EXPENDITURES	539,653	406,487	443,221	(36,734)	109%
REVENUE					
Financing Revenue	(36,604)	(29,740)	(29,740)		100%
Taxation	(244,727)	(258,086)	(258,162)	76	100%
Grants	(135,339)	(4,000)	(23,559)	19,559	589%
Recoveries and Donations	(67,642)	(26,500)	(85,525)	59,025	323%
User Fees and Service Charges	(22,193)	(18,500)	(23,618)	5,118	128%
Reallocated Revenue	(33,150)	(69,661)	(108,411)	38,750	156%
Total REVENUE	(539,655)	(406,487)	(529,015)	122,528	130%
Total BIA	(2)		(85,794)	85,794	
Total BIA	(2)		(85,794)	85,794	
Total BIA	(2)		(85,794)	85,794	

2023 Operating Variance Commentary by Department

Variances impacting multiple departments of the Town are highlighted below.

Staff Gapping

In 2023, the Town budgeted for savings from staff vacancies in the amount of \$825,000. As staff gapping savings are identified, the salary and benefit budget is reduced within the respective department while an offsetting variance is shown against the budgets in General Government up to the full year budgeted gapping amounts. This redistributes the annual budget from the departments as the savings are being incurred.

Town wide staff gapping savings for full time staff in 2023 was \$2,133,999. The budget of \$825,000 was met, with the excess of \$1,308,999 over budget resulting in a net favourable variance to the Town. Additional savings from the temporary leaves of part time staff are reported within each affected department below.

Insurance

As previously reported through CORS-010-22, the Town's comprehensive insurance policies were renewed for an 18 month period at a cost of \$1,324,494 for 2023. Insurance costs are allocated across all departments with an unfavourable variance to budget of \$12,355 being reported for 2023.

Utilities

Reducing hydro consumption has been the focus of several recent capital programs. LED lighting upgrades at the Milton Sports Centre, and the Milton Leisure Centre have reduced consumption and maintenance costs. Solar panels have been installed at Sherwood Community Centre to satisfy facility demand with renewable energy. These projects have led to energy consumption reductions with hydro savings of \$838,734 being reported within the Town facilities. Partially offsetting this is a negative variance in natural gas of \$204,008 across the facilities, which is due to a combination of increased rates and consumption.

Grant Funding

The Town was successful in receiving provincial grant funding in 2023 for Next Generation 9-1-1 (NG911) to support the Town's transition to the new NG911 requirements by the federally mandated timeline of March 4, 2025. Total funding of \$409,719 was received, of which \$104,611 was applied towards IT and Fire related expenditures within the operating budget. The balance will offset costs incurred in the capital program.

2023 Operating Variance Commentary by Department

Variances identified within specific departments are as follows:

Mayor & Council - \$13,522 Favourable

The favourable variance is primarily a result of savings in contracts and professional development.

Executive Services - \$59,402 Favourable

Office of the CAO is reporting a favourable variance of \$8,725 which is largely due to a savings in legal costs.

Strategic Initiatives and Economic Development is reporting a surplus of \$50,677. Reduced facility rentals and memberships at the Milton Education Village Innovation of \$96,275 were more than offset by a related decrease in transfer to reserve as well as savings in marketing/advertising, utilities and staffing costs.

Corporate Services - \$985,663 Favourable

The Finance division is reporting savings of \$376,469 which is the result of savings due to staff vacancies, professional development and legal and consulting costs, partially offset by reductions in various fee related revenues.

Information Technology is reporting savings of \$407,429. This is largely due to lower annual maintenance, service agreement and communications costs as a result of delays in software implementation.

Human Resources is reporting a surplus of \$29,694, primarily related to savings in the area of corporate training and continuing education programs.

The Legislative and Legal Services division is reporting a surplus of \$94,264 which is primarily the result of savings due to staff vacancies, partially offset by associated increases in contractual costs of parking enforcement as well as increased legal costs.

Strategic Communications is reporting a favourable variance of \$77,808, which is primarily due to savings in contracts and marketing initiatives.

General Government - \$899,418 Unfavourable

Savings from staff vacancies in 2023 have been budgeted at \$825,000 within General Government. While the Town met and exceeded the budgeted staff vacancy savings, those savings are not reflected in General Government but rather in each specific department to which they relate.

In the area of Taxation, tax write-offs were greater than budget by \$163,726. However, this was more than offset by penalties and interest payments exceeding budget by

2023 Operating Variance Commentary by Department

\$469,341, as well as an increase in supplementary tax revenues of \$305,903 was offset by a transfer to reserve, in accordance with Town policy.

Costs associated with insurance related incidents are tracked centrally within General Government. Net savings in the area of insurance of \$510,536 related to the number and cost of incidents in 2023 relative to budget, with insurance claim recoveries offsetting the cost of incidents that exceed the Town's deductible.

WSIB claims exceeded budget in 2023 resulting in an unfavourable variance of \$871,845 while POA revenue exceeded budget by \$55,480.

Based on Town policy the investment income related to reserve funds, including development charge reserve funds, is allocated directly to the specific reserve fund with the remaining going through the operating budget. Due to a higher than anticipated portfolio balance and overall increase in yields, investment income for the Town was \$3.7 million favourable to budget, with \$3.55 million flowing through Financing Revenue within General Government and then allocated to specific reserves as identified through the budget process with no impact to the bottom line.

Although not affecting the year end position, deferred timing of development activity has resulted in a deficit of \$5,262,486 in capital provision and per unit processing fees. This results in a lower balance transferred to reserve. The revenue delay has timing implications for the 10 year capital forecast which will be considered through future budgets.

Proceeds from the Ontario Lottery and Gaming Corporation exceeded budget by \$1,177,158 and aggregate permit fees exceeded budget by \$107,478. These revenue fluctuations have no bottom line impact as the proceeds are transferred to reserve in accordance with Town policy.

A dividend for 2022 was declared by Milton Hydro Holdings and remitted to the Town in 2023 in the amount of \$3,382,604. Furthermore, Milton Hydro 2023 dividends were \$823,000 greater than what had been previously been included in the Town's budget. In accordance with the Town's Treasury Policy, transfers to reserve were utilized to stabilize the net impacts relative to the budgeted Milton Hydro funding distributions such that there was no net impact to the Town from annual fluctuations.

Community Services - \$1,103,234 Favourable

Recreation and Culture Facilities is reporting a net surplus of \$343,941. A net loss of \$311,534 (before insurance recoveries) is related to the Indoor Turf facility being inoperable during 2023 and the transfer in ownership to a third party operator. User fees were also lower than budget by \$487,289, primarily in the area of ice rentals. However, these shortfalls were more than offset by savings from staff vacancies and reductions in

2023 Operating Variance Commentary by Department

part time hours of \$147,937 as well as savings in utilities of \$401,900, contracts and materials of \$338,231 and lower credit card charges of \$71,835, reflecting where these charges are booked. Additional savings were realized in other areas including consultants, insurance and professional development as well as unplanned grant funding received.

Administration and Civic Facilities is reporting a surplus of \$174,371. Although the recovery of staff time working on capital projects was lower than budget by \$323,497 it was more than offset by staff savings of \$342,417. Lease revenue was also below budget by \$104,767 but largely offset by a related reduced transfer to reserve of \$64,310. Further contributing to the surplus was reduced utility consumption of \$189,870 and savings in legal expenses of \$20,654.

The Programs division is reporting a favourable variance to budget of \$513,775. A shift in program offerings resulted in reduced fee revenue of \$157,291 which was more than offset by related savings in staffing of \$547,587 and materials and contracts of \$119,667. Reflecting a continued shift to online registration, credit card charges were \$169,396 greater than budget. The remaining surplus was due to reduced usage of the Milton Access to Recreation subsidy of \$76,488 as well as savings in other areas including trip expenditures, advertising and clothing.

Operations is reporting an overall deficit of \$534,331. Shortfalls to budget were primarily the result of higher than anticipated costs associated with outsourcing fleet maintenance and repairs in the amount of \$401,316. Winter maintenance costs exceeded budget by \$133,715. Parks contracts exceeded budget by \$314,091 due largely to increased vandalism and graffiti as well as unanticipated repairs required across multiple parks. These overages were partially offset by savings in staffing costs of \$200,234 and park rental revenues exceeding budget by \$98,107.

Transit is reporting a favourable variance in the amount of \$652,189 which was largely driven by revenues associated with increased GO Transit fare integration subsidies and fare media sales, combined with savings in fleet costs, particularly vehicle maintenance and fuel.

Fire is reporting an unfavourable variance of \$46,707 due primarily to increased costs of staffing and benefits as well as fleet costs and program equipment, partially offset by higher than expected fee revenue as well as an allocation of a portion of the NG911 grant funding.

Development Services - \$1,489,591 Unfavourable

Planning Services is reporting a deficit in the amount of \$1,059,224 which is largely the result of a deferral in the timing of planning applications which led to a shortfall in planning application revenues in 2023.

2023 Operating Variance Commentary by Department

Within Building Services there was a decrease in building permit revenues of \$7.3 million, driven largely by a shift in timing of residential units for 2023. This is partially offset by staff savings of \$1.4 million, resulting in a contribution from the Building Stabilization Reserve this year in the amount of \$1.6 million as compared to a budgeted transfer to the reserve of \$4.0 million. Overall there is no net impact to the Town's bottom line.

Infrastructure Management is reporting a \$31,631 favourable variance. This variance is largely due to net savings from staff vacancies of \$123,502 and increased fee revenue of \$137,464. Partially offsetting these areas of savings were increased contract costs of \$135,404 related to the cost of underground infrastructure locating services and maintenance of streetlight and traffic lights, as well as a lower contribution from reserves in the amount of \$109,285 reflecting a reduced cost and deferred timing of programs that were budgeted to be funded from the Tax Stabilization Reserve.

Development Engineering is reporting a deficit of \$548,387. This primarily relates to decreased revenues of \$809,081 associated with the deferred timing of planning applications and building permit activity as referenced above. A deferral in the timing of the CLI ECA monitoring program will result in contractual savings of \$100,000 in 2023. The remaining variance is the result of savings in staffing costs combined with increased recoveries of staff time from time spent on capital projects.

The Administration division has a surplus of \$86,394 largely due to savings in purchased goods, consultants and legal costs.

Library - \$5,384 Unfavourable

A shortfall in fine collection revenue in 2023 as well as increased costs associated with program expenses and equipment data was largely offset by savings in staff costs and purchased services as well as unplanned grant revenue received.

Hospital - No Net Variances

BIA - \$85,796 Favourable

Although the BIA incurred additional staffing costs of \$29,109 due to staffing changes and incurred higher than budgeted costs for purchased goods and services related to events in the amount of \$10,136, additional grant and sponsorship revenue received in the amount of \$78,584 as well as increased funding from the Town of Milton in the amount of \$38,750 resulted in the BIA being in a surplus to budget.

Appendix 3 - CORS-013-24
Reserve and Reserve Fund Continuity Schedule

Reserves and Reserve Funds (\$000s)	Balance as at Dec 31, 2022	Transfers (to)/from Operating	Transfers to/From Capital	Other Transfers (incl interest)	Balance as at Dec 31, 2023	2023 Reserve Target
Stabilization						
Tax Rate Stabilization	\$8,428	\$(860)	\$0	\$0	\$7,568	\$7,438
Severe Weather	2,063	0	0	0	2,063	2,231
Building Rate Stabilization	13,829	(1,612)	(97)	550	12,670	11,980
Stabilization Subtotal	\$24,319	\$(2,472)	\$(97)	\$550	\$22,302	
Corporate Use						
Insurance and Legal Matters	\$7,427	\$269	\$0	\$0	\$7,696	\$6,300
Per Unit Development Processing Fee	1,197	709	0	0	1,906	1,097
WSIB	4,789	288	0	0	5,077	5,800
Corporate Use Subtotal	\$13,413	\$1,266	\$0	\$0	\$14,679	
Infrastructure Non Growth						
Infrastructure Renewal - Roads & Structures	\$35,719	\$18,120	\$(12,419)	\$0	\$41,420	\$282,249
Infrastructure Renewal - Stormwater	4,615	2,295	(3,207)	0	3,704	20,754
Infrastructure Renewal - Recreation, Facilities, Other	11,379	7,822	(2,208)	0	16,993	86,047
Information Technology	3,684	3,451	(3,676)	0	3,459	4,616
Studies and Other Non Growth Capital	452	1,317	(120)	0	1,648	1,945
Vehicles and Equipment Replacement	7,102	5,135	(2,563)	0	9,674	7,469
Canada Community-Building Fund	5,406	0	(4,419)	3,847	4,834	
Ontario Lottery Corporation Proceeds	11,607	6,834	(9,950)	333	8,824	N/A
Infrastructure Non Growth Subtotal	\$79,964	\$44,975	\$(38,562)	\$4,180	\$90,556	
Infrastructure Growth						
Growth Capital - Other	\$3,313	\$3,717	\$(3,185)	\$0	\$3,844	\$7,203
Capital Provision	7,331	1,631	(695)	0	8,267	
Payment-in-Lieu of Land Conveyance	20,792	0	0	2,315	23,108	
Cash-in-lieu of Parking	343	0	0	14	356	N/A
Development Charges (Note 1)	29,460	0	(32,649)	23,503	20,314	
Post Period Capacity	(383)	0	(9)	(15)	(407)	
Infrastructure Growth Subtotal	\$60,856	\$5,348	\$(36,538)	\$25,816	\$55,482	

Note 1: Includes Development Charge Exemptions.

Appendix 3 - CORS-013-24
Reserve and Reserve Fund Continuity Schedule

Reserves and Reserve Funds (\$000s)	Balance as at Dec 31, 2022	Transfers (to)/from Operating	Transfers to/From Capital	Other Transfers (incl interest)	Balance as at Dec 31, 2023	2023 Reserve Target
Program Specific						
Property Transactions	\$16,083	\$373	\$(1,501)	\$605	\$15,559	N/A
Provincial Gas Tax	1,095	(969)	0	1,346	1,471	
Election	28	225	0	0	253	
Aggregate Permit Fees	194	108	0	0	303	
Seniors' Fundraising	76	0	0	0	76	
Arts Programming	11	0	0	0	12	
Mayor's Legacy Fund	96	0	0	4	100	
Program Specific Subtotal	\$17,583	\$(263)	\$(1,501)	\$1,955	\$17,774	
Board, Committee & Other						
Library Tax Rate Stabilization	\$546	\$0	\$0	\$0	\$546	\$531
Library Capital Infrastructure	1,431	679	(717)	0	1,393	1,240
DBIA Surplus	248	(30)	0	0	218	N/A
Provincial Government Transfer	432	(105)	(549)	410	189	
Board, Committee & Other Subtotal	\$2,657	\$545	\$(1,265)	\$410	\$2,346	
Total Reserve and Reserve Funds	\$198,791	\$49,399	\$(77,963)	\$32,911	\$203,138	

Appendix 4 - CORS-013-24
Reserve and Reserve Fund Transfer to/from Operating Variance and Commentary

Reserves and Reserve Funds (\$000s)	Budgeted Transfers to/(from) Reserve	Actual Transfers to/(from) Reserve	Surplus/ (Deficit)	Explanation for Variances
Stabilization				
Tax Rate Stabilization	\$(967)	\$(860)	\$107	Reflects the reduced cost and deferred timing of programs that were budgeted to be funded from the Tax Rate Stabilization Reserve i.e. Green Pavement Markings and Automated Speed Enforcement program.
Severe Weather	0	0	0	
Building Rate Stabilization	3,998	(1,612)	(5,610)	Represents a deferral in the timing of building permit activity.
Stabilization Subtotal	\$3,031	\$(2,472)	\$(5,503)	
Corporate Use				
Insurance and Legal Matters	\$299	\$261	\$(38)	A portion of the Per Unit Development Processing fees are transferred to Legal Matters. Actual transfers are lower than budget due to timing differences in development activity.
Per Unit Development Processing Fee	1,631	717	(914)	The per unit processing fees were lower than expected due to timing differences in development activity.
WSIB	288	288	0	
Corporate Use Subtotal	\$2,219	\$1,266	\$(953)	
Infrastructure Non Growth				
Infrastructure Renewal - Roads & Structures	\$12,313	\$18,120	\$5,808	Higher than anticipated Milton Hydro Holdings dividend income resulted in \$4.2M being transferred to reserve in accordance with the Town's Treasury Policy No. 116. A further \$1.2M relates to additional interest earned on unspent capital funds due to a higher interest rates and balances throughout the year. \$0.3M in cost savings from debentures approved but not yet issued debt was transferred to reserve.
Infrastructure Renewal - Stormwater	2,295	2,295	0	
Infrastructure Renewal - Recreation, Facilities, Other	5,264	7,822	2,558	Additional investment income due to higher interest rates and portfolio balances was transferred to reserve in accordance with the 2023 budget allocations and the Town's Treasury Policy No. 116.
Information Technology	3,399	3,451	52	Additional photocopier recoveries were transferred to reserve.
Studies and Other Non Growth Capital	1,317	1,317	0	

Appendix 4 - CORS-013-24
Reserve and Reserve Fund Transfer to/from Operating Variance and Commentary

Reserves and Reserve Funds (\$000s)	Budgeted Transfers to/(from) Reserve	Actual Transfers to/(from) Reserve	Surplus/ (Deficit)	Explanation for Variances
Vehicles and Equipment Replacement	4,951	5,135	183	Proceeds from the sale of equipment were transferred to reserve.
Canada Community-Building Fund	0	0	0	
Ontario Lottery Corporation Proceeds	5,600	6,834	1,234	Proceeds from the Ontario Lottery and Gaming Corporation (OLG) were greater than anticipated.
Infrastructure Non Growth Subtotal	\$35,140	\$44,975	\$9,835	
Infrastructure Growth				
Growth Capital - Other	\$3,411	\$3,717	\$306	Supplementary taxes above \$1.6M were transferred per the approved 2023 budget.
Capital Provision	5,929	1,631	(4,298)	Timing differences in development activity resulted in fewer residential building permits and lower Capital Provision revenues being collected through financial agreements in 2023.
Payment-in-Lieu of Land Conveyance	0	0	0	
Cash-in-lieu of Parking	0	0	0	
Development Charges (Note 1)	0	0	0	
Post Period Capacity	0	0	0	
Infrastructure Growth Subtotal	\$9,340	\$5,348	\$(3,992)	
Program Specific				
Property Transactions	\$447	\$373	\$(75)	Lease rental revenue was lower than anticipated.
Provincial Gas Tax	(969)	(969)	0	
Election	225	225	0	
Aggregate Permit Fees	1	108	107	Revenues collected from the Ministry of Natural Resources for extracted aggregates were higher than anticipated.
Seniors' Fundraising	0	0	0	
Arts Programming	0	5	5	
Mayor's Legacy Fund	0	0	0	
Program Specific Subtotal	\$(295)	\$(258)	\$32	
Board, Committee & Other				
Library Tax Rate Stabilization	\$0	\$0	\$0	
Library Capital Infrastructure	679	679	0	

Appendix 4 - CORS-013-24
Reserve and Reserve Fund Transfer to/from Operating Variance and Commentary

Reserves and Reserve Funds (\$000s)	Budgeted Transfers to/(from) Reserve	Actual Transfers to/(from) Reserve	Surplus/ (Deficit)	Explanation for Variances
DBIA Surplus	(30)	(30)	0	
Provincial Government Transfer	0	(105)	(105)	Transfer of NG911 Provincial funding to offset operating related costs.
Board, Committee & Other Subtotal	\$649	\$545	\$(105)	
Total Reserve and Reserve Funds	\$50,083	\$49,399	\$(685)	

Note 1: Includes Development Charge Exemptions.