

Staff Report 2024-0460

Meeting Date: October 8, 2024
Subject: 2023 Year-end Surplus Allocation Report
Submitted By: September Muller, Accounting Supervisor, Finance

RECOMMENDATION

That the 2023 operating surplus of \$2,062,698 be transferred to the following reserves:

- a) \$23,190 to the Firefighter Post-Retirement Benefits Reserve;
- b) \$1,870,000 to the Tax Funded Capital Contingency Reserve; and
- c) \$169,508 to the Tax Funded Operating Contingency Reserve.

REPORT HIGHLIGHTS

- On February 28, 2023, Council approved the Town of Caledon's 2022 budget including a gross operating budget of \$131,193,702.
- Overall, the Town of Caledon's 2023 net operating budget surplus is \$2,062,698.
- The recommended year end surplus management outlined in this report will allow the Town to provide a top up to the Tax Funded Capital Contingency Reserve and the Tax Funded Operating Contingency Reserve after allocating funds to the Firefighter Post-Retirement Benefits Reserve.

DISCUSSION

The purpose of this report is to provide a recommendation for the allocation of the year end surplus.

Staff is recommending that the \$2,062,698 operating surplus for 2023 be transferred as follows:

- \$23,190 to the Firefighter Post-Retirement Benefits reserve to fund the liability estimated by the actuarial report;
- \$1,870,000 will be allocated to the Tax Funded Capital Contingency Reserve to replenish funds allocated in the 2024 budget. This reserve is to fund unexpected, unanticipated or emergency capital expenses if required. By allocating some of the surplus to this reserve the Town will be able to respond quickly to any urgent capital needs that are encountered in 2024 and future budgets.
- \$169,508 will be allocated to the Tax Funded Operating Contingency Reserve to fund emergencies, unforeseen events or unrealized revenue.

FINANCIAL IMPLICATIONS

After the surplus is allocated to the reserves as recommended, their balances will be as follows:

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Reserve Fund	Unaudited Uncommitted Balance as of July 31, 2024	2023 Operating Surplus – Recommended Reserve Funding	Uncommitted Reserve Fund Balance - after surplus transfer
Post-Retirement Benefits to age 65 for Full-Time Firefighters	\$385,610	\$23,190	\$408,800
Tax Funded Operating Contingency Reserve	\$3,680,468	\$169,508	\$3,849,976
Tax Funded Capital Contingency Reserve	\$2,537,316	\$1,870,000	\$4,407,316

COUNCIL WORK PLAN

Strategic Plan 2023-2035

This report is directly related to the following priority in Caledon's 2023-2035 Strategic Plan:

Service Excellence and Accountability

Details about Caledon's 2023-2035 Strategic Plan can be found at caledon.ca/strategicplan.

ATTACHMENTS

None.