

<b>To:</b>	Warden Matrosovs and Members of Grey County Council
<b>Committee Date:</b>	April 24, 2025
<b>Subject / Report No:</b>	FR-CW-06-25
<b>Title:</b>	2024 Year End Transfers
<b>Prepared by:</b>	Garrett Reed, Manager of Accounting Sue Murray, Deputy Treasurer
<b>Reviewed by:</b>	Mary Lou Spicer, Director of Finance Kim Wingrove, CAO
<b>Lower Tier(s) Affected:</b>	

## Recommendation

1. That Council receive FR-CW-06-25 titled 2024 Year-End Transfers and approve the recommendations as contained and estimated in the report; and
2. That Council approve any surplus/deficit arising in the 2024 budget being transferred to/(from) the respective departmental reserves.

## Executive Summary

The purpose of this report is to provide Council with information regarding the estimated year-end surplus/deficit amounts by functional area and to provide staff with the authority to make the following adjustments necessary to finalize the County's 2024 year-end financials:

- Year-end surplus and deficit transfers – identifies estimated surplus and/or deficit and recommends how to allocate these surplus or deficit funds.
- Year-end transfers for donations – donations received for specific purposes are recommended to be transferred to reserve to be utilized for these purposes when work is undertaken.

## Background and Discussion

The financial statements have been reviewed for each functional area and projections have been made to estimate the year-end surplus or deficit so that the 2024 audit can begin. These projections have been used to recommend the 2024 transfers to and from reserves and are considered estimates until MNP completes the audit. The Budget and Finance Committee will

receive the final year-end figures when the audited financial statements are presented in June 2025.

During the course of the year, donations are received that are intended for specific purposes; these donations are required to be transferred to a reserve for use when eligible work is undertaken.

## Summary

The following table summarizes the projected year-end surplus or deficits by functional area that have been estimated by Finance with input from each department. The 2024 year-end financial review projects a corporate year-end surplus of \$4,400,200. The 2024 budget required \$73,920,220 to be raised from taxation; the projected 2024 surplus represents 5.95% of the levy amount.

The year-end surplus/deficit has been influenced by the following:

- Higher supplemental taxes and lower write-offs resulting in a \$1,059,000 surplus.
- Shortfalls in the budgets for WSIB and Weekly Indemnity for a combined total of \$508,500.
- The unbudgeted sale of CP Rail Trail lands resulted in a \$518,000 surplus within the Forestry and Trails capital budget.
- Long Term Care surplus of \$2,082,900 that is primarily the result of increased investments from the province that were announced during the year.
- County owned housing surplus of \$316,000 and \$299,000 from subsidy provided to non-profit housing providers.

### Summary of Projected Year-End Surplus / (Deficit) by Functional Area

2024 Budget by Function	Projected Year-End Surplus/(Deficit)
Corporate Services	\$939,800
Planning and Community Development	\$484,300
Human Services	\$2,976,100
Transportation Services	\$0
<b>Total</b>	<b>\$4,400,200</b>

### Surplus / (Deficit) Transfers To / From Reserve

Department/Function	Reserve / Notes	Projected Surplus/ (Deficit)	Estimated To/(From) Reserve Amount
Corporate Services	Portfolio Projected Surplus/(Deficit)	\$939,800	

<b>Department/Function</b>	<b>Reserve / Notes</b>	<b>Projected Surplus/ (Deficit)</b>	<b>Estimated To/(From) Reserve Amount</b>
	Administration – Council Communications Reserve		\$60,000
	Administration – Planning Legal Reserve		\$80,000
	Administration - One-Time Funding Reserve		\$138,600
	Council - One-Time Funding Reserve		\$23,500
	Property - Administration Properties Reserve		\$(16,700)
	POA - One-Time Funding Reserve		\$60,400
	General Admin – One-Time Funding Reserve		\$42,200
	Supplemental Taxes and Write-offs – One-Time Funding Reserve		\$1,059,000
	Health Unit - Public Health Unit Reserve		\$18,300
	Self-Insured Plans - One-Time Funding Reserve		\$(508,500)
	Information Technology – Technology Infrastructure Reserve		\$(47,500)
	Climate Change – Energy Audit Reserve		\$30,500
Planning & Community Development	Portfolio Projected Surplus/(Deficit)	\$484,300	
	Planning – Planning General Reserve		\$(20,000)
	Civic Addressing – Planning General Reserve		\$2,400
	Agriculture – Planning General Reserve		\$7,500
	Forestry and Trails – CP Rail Trail Reserve		\$518,000
	Economic Development & Tourism – One Time Funding Reserve		\$(5,100)
	Grey Roots – Grey Roots Capital Renewal and Replacements Reserve		\$(18,500)
Human Services	Portfolio Projected Surplus/(Deficit)	\$2,976,100	
	Social Services – EarlyON Centre Building Reserve		\$266,100

Department/Function	Reserve / Notes	Projected Surplus/ (Deficit)	Estimated To/(From) Reserve Amount
	Social Services - Child Care Mitigation Funding		\$2,100
	Housing – Housing Capital Renewal and Replacements Reserve		\$625,000
	LTC – Grey Gables Operating – Grey Gables Capital Renewal Reserve		\$240,400
	LTC- Grey Gables Capital- Grey Gables Capital Renewal Reserve		\$17,900
	LTC – Lee Manor Operating – Lee Manor Capital Renewal Reserve		\$686,000
	LTC- Lee Manor Capital- Lee Manor Capital Renewal Reserve		\$1,400
	LTC – Rockwood Terrace Operating – Capital Renewal Reserve		\$1,008,800
	LTC – Rockwood Terrace Capital – Capital Renewal Reserve		\$128,400
	LTC – Redevelopment		\$0
	Paramedic Services		\$0
Transportation Services	Portfolio Projected Surplus/(Deficit)	\$0	
	Transportation Services Operating – Transportation General Capital Reserve		\$187,000
	Transportation Services Capital – Transportation General Capital Reserve		(\$187,000)
<b>Total Surplus/(Deficit)</b>		<b>\$4,400,200</b>	<b>\$4,400,200</b>

## Corporate Services

The Corporate Services operating and capital budget is projected to have a \$939,800 surplus. This surplus is comprised of an operating surplus of \$1,001,100 and a capital deficit of \$61,300.

The budgets for administration departments (Clerks, CAO, Legal, Finance, Human Resources, Communications, IT and General Administration) are projecting an operating surplus of \$278,600. This is primarily due to savings in salaries and benefits due to temporary staffing vacancies throughout the year in Finance, Human Resources, Communications and IT departments as well as savings in the Legal Services department’s budget for external legal

fees. Smaller savings are also projected in corporate management training, conferences, travel and meals. Staff recommend that \$60,000 from surplus be allocated to the Council Communications Reserve for the future full replacement of the audio-visual system in council chambers. The current reserve balance was intended to support component replacement and it seems very likely total replacement will be required. Also recommended is \$80,000 be transferred to the Planning Legal Reserve to help fund increased legal costs associated with Ontario Land Tribunal matters. The remaining surplus is proposed to be transferred to the One-Time Funding Reserve.

The Council budget is projecting a surplus of \$23,500. The surplus is due to savings in travel and meals, salaries and benefits and other small account variances that were offset by higher than budgeted association fees.

The Property budget is projecting an operating and capital deficit of \$16,700. Operating is projecting a surplus of \$27,600. The surplus is a result of savings in salaries and benefits due to staffing vacancies as well as savings in utilities. Building maintenance and repair costs were over budget but were offset by savings in snow removal due to a late start to 2024/2025 winter. The capital budget is projecting a deficit of \$44,300 which is the result of 2 unbudgeted projects. The first project relates to the building automation system upgrade that was budgeted in 2023; most of the work was completed in 2023 with final costs of the project invoiced in 2024. The second project replaced the leaking hot water tank at the administration building.

The Provincial Offences budget is projecting a surplus of \$60,400 after cost sharing with Bruce County. The surplus is primarily a result of increased ticket revenue, offset by increased costs associated with extra fall court days, payments to other municipalities and fine payments.

Investment income in 2024 was \$846,500 higher than budgeted. As per the Cash and Investment Management Policy, the net revenue budgeted from investment income that exceeds 1% of the County's own purpose levy will be transferred to the One Time Funding Reserve to cover any future deficits or to provide funds for special one-time projects. Because additional interest revenue is transferred into the One Time Funding Reserve, it does not result in a surplus or deficit.

The General Administration budget has a surplus of \$42,200 that is primarily the result of lower than anticipated consulting fees.

Supplemental taxes and write-offs projects a surplus of \$1,059,000, this is made up of an additional \$813,000 in supplemental taxes than budgeted and \$246,000 less in write-offs.

The budget for Grey County's contribution to Grey Bruce Public Health projects a surplus of \$18,300; this is the result of an unbudgeted cost recovery from prior year funding.

The budget required for payments to Municipal Property Assessment Corporation (MPAC) was known prior to the approval of the 2024 budget and ended the year on budget.

Grey County's self-insured plans are projecting a combined deficit of \$508,500. The WSIB budget is projecting a deficit of \$373,500 and the Weekly Indemnity budget is projecting a deficit of \$135,000. The number and duration of claims continues to trend higher compared to 2023.

Within the Administration department capital budgets, there is a projected \$17,000 deficit; this is made up of a \$47,500 deficit in the IT department, offset by a \$30,500 surplus from the Climate

Change department. The IT deficit is attributable to higher than budgeted network hardware costs and a larger carryover from 2023 for the Microsoft Teams migration project. The Climate Change surplus was due to reduced spending in the Nature-Based Climate Action and Support for Sustainable Agriculture projects and unbudgeted funding being received from energy incentives. Staff are recommending that the Climate Change surplus be transferred to the Energy Audit Reserve.

## Planning and Community Development

The Planning operating budget is projecting a deficit of \$20,000. The deficit is a result of increased legal and professional fees due to Ontario Land Tribunal matters. This deficit is partially offset by a surplus in salaries and benefits due to temporary staffing vacancies. Application fees overall are balanced to budget with a surplus of \$54,000 in Subdivision Fees and a \$56,500 deficit in local applications. Unbudgeted land rent revenue totaling \$3,300 was received for the proposed Regional Agricultural Learning and Demonstration Site land beside Grey Roots; staff recommends that these funds be transferred to reserve for future use by the agricultural societies when the land transfer occurs.

The Planning capital budget is projected to end the year on budget as all projects are funded from reserve and do not generate a surplus.

The Civic Addressing department is expected to have a surplus of \$2,400 due to less spending than expected on signage.

The Agriculture operating budget is expected to have a \$7,500 surplus due to \$2,100 more collected in permit fee revenue and lower than anticipated costs for professional fees.

The Forestry and Trails operating budget is expected to end the year on budget. A surplus in trail management costs and an unbudgeted donation from the Dufferin Grey ATV club offset a reduction in the amount transferred from the one-time funding reserve for Buckthorn mitigation and therefore the department ends the year on budget.

The Forestry and Trails capital budget is expected to have a surplus of \$518,000 due to the unbudgeted sale of CP Rail Trail land as endorsed through CAOR-CW-06-24. Staff recommends that the funds resulting from the sale be transferred to the CP Rail Trail Capital Reserve that is estimated to have an ending balance of \$160,600 before this transfer is made.

The Economic Development and Tourism budget is projecting an operating and capital deficit of \$5,100. The operating budget is expected to have a surplus of \$24,200 attributable to increased tenant revenue, operational savings at Sydenham Campus and an unbudgeted provincial grant for the County's Gather campaign. The capital budget has a projected deficit of \$29,300. After the 2024 budget was approved, additional capital funding was received through Rural Economic Development and FedDev. This provided funds for further capital upgrades for the Makerspace; the terms of the grant required a County contribution.

The Community Transportation program is projected to end the year on budget. The Grey Transit Route was funded primarily using provincial grants, with the shortfall being funded by \$208,700 of one-time funding as endorsed through option 1 from CAOR-CW-03-24.

Grey Roots is projecting an operating and capital budget deficit of \$18,500. The deficit includes an operating surplus of \$8,100 and a capital deficit of \$26,600. The operating surplus is the

result of receiving an unbudgeted federal wage subsidy. The capital deficit is due to the roof and air handling unit replacements at Grey Roots being over budget; Quarterly Purchasing Report FR-CW-27-24 recommended funding the shortfall from any surplus realized in 2024, or if necessary from the Grey Roots Building Reserve.

## Human Services

Ontario Works is projecting to end the year on budget with savings of \$51,400 in Social Assistance non-shareable costs (funerals, senior dentures and homemakers) offsetting a \$51,400 deficit in the Ontario Works Administration budget. Higher than budgeted salaries, legal fees and Ontario Works client stability support costs have been offset by savings in staff travel and training, office equipment, computer support, and Ontario Works client assessments.

Early Learning and Childcare is projecting a surplus of \$268,200. Approximately \$150,400 of this surplus is related to the EarlyON budget. This surplus is a result of increased ministry funding and reduced spending for contract staffing that covered vacancies, as well as savings in cleaning services at the Hanover EarlyON building and EarlyON program costs. The remaining surplus of \$117,800 results from \$304,500 in operator savings and a reduced municipal contribution due to increased 100% provincial CWELCC (Canada Wide Early Learning and Child Care) funding in 2024. The savings are offset in part by a provincial funding shortfall of \$186,700 for administration costs. Staff recommends that \$2,100 of this surplus be transferred to the Child Care Mitigation Funding Reserve to offset a prior transfer from reserve that was eventually funded by transitional funding and the remainder transferred to the EarlyON Centre Capital Replacement Reserve to offset potential increases in construction costs in 2025 and future capital repairs to the building.

Housing projects a surplus of \$625,000 with \$615,000 from the operating budget and \$10,000 from the capital budget. The portion of the budget for County owned housing (administration and property budgets) combines for an overall surplus of \$316,000 and resulting from:

- Changes in tenant rent and reduced vacancy unit turnover timing of \$230,000.
- Salaries and benefits surplus of \$59,000 due to staffing vacancies and movements throughout the year.
- Insurance budget deficit of \$56,000 due to increased premiums, this deficit is net of the savings from increasing the insurance deductible in 2024.
- The remaining surplus of \$83,000 is attributable to savings in budget lines that include snow removal, property taxes, utilities, repairs and maintenance.

The non-profit housing budget has a surplus of \$299,000; this is due to agreements and mortgages ending, as well as annual funding reconciliations that resulted in subsidies being repaid by providers.

The capital budget is projected to have a \$10,000 surplus. The capital budget saw savings in various projects and utilized unbudgeted provincial funding to offset the unbudgeted \$50,000 deductible for the Rockview Apartment fire in Owen Sound

Grey Gables is projecting an operating and capital surplus of \$258,300. The operating budget is projecting a surplus of \$240,400. The surplus is attributable to homes receiving more provincial general funding than budgeted as well as higher direct care hours funding per bed. The capital budget is projecting a surplus of \$17,900. The surplus is a result of savings across various

capital projects and utilizing comprehensive minor capital funding that was announced by the province after the 2024 budget was approved.

Lee Manor is projecting an operating and capital surplus of \$687,400. The operating budget is projecting a surplus of \$686,000; similar to Grey Gables, most of the surplus is attributable to homes receiving more provincial general funding than budgeted as well as higher direct care hours funding per bed. Additionally, Lee Manor saw an increase in preferred accommodation revenue that contributed to the year-end surplus. The capital budget is projecting a surplus of \$1,400.

Rockwood Terrace is projecting an operating and capital surplus of \$1,137,200. The operating budget is projecting an operating surplus of \$1,008,800. The surplus is attributable to homes receiving more provincial general funding than budgeted as well as higher direct care hours funding per bed. The capital budget is projecting a surplus \$128,400. The surplus is a result of only completing critical repairs due to future redevelopment and utilizing comprehensive minor capital funding that was provided by the province after the 2024 budget was approved.

When the Rockwood Terrace redevelopment budget for 2024 was developed, it assumed that almost \$37M in expenditures would occur in the year and be funded by \$6.4M from the redevelopment reserve and the balance from an Infrastructure Ontario construction loan. Due to project timing, \$10.3M in expenditures occurred during the year that have been funded by the budgeted transfer from reserve and provincial redevelopment funding. This results in no surplus or deficit for this budget.

Paramedic Services is projecting to end the year on budget. Various accounts were in deficits and surpluses, the overall net levy requirement agrees to the budgeted amount for 2024. Notable operating budget impacts are as follows:

- A deficit of \$70,000 for medical supplies and equipment is projected due to increased cost and usage of items.
- The vehicle operations budget is in a deficit of \$48,000 due to the increased frequency and cost of repairs that are a result of keeping vehicles beyond their useful life due to supply chain delays in receiving new ambulances.
- The 2024 Land Ambulance Service Grant was \$23,000 higher than budgeted.
- The uniform budget has a surplus of \$50,000 due to changing the ordering system in 2024; this resulted in less orders than usual, staff expect to see significantly more uniform purchases in 2025.
- Salaries and benefits are in a surplus, an increase in lost time was seen in 2024 but these additional costs were offset by temporary staffing vacancies. The 2025 budget was increased to reflect this increased lost time.

The capital budget is fully funded by transfers from reserve and therefore does not have a surplus or deficit.

## Transportation Services

Transportation Services is projecting to end the year on budget. The operating budget is projecting a surplus of \$187,000. Temporary staffing vacancies as well as a reduced need for overtime and seasonal plow operators resulted in a surplus in salaries and benefits. Additional

savings are projected due to purchasing less sand, salt and deicer in 2024 due to milder temperatures. These savings were offset by a deficit from unbudgeted work related to relocating signs away from Grey County intersections as well as shortfalls in the budgets for pavement marking and street sweeping due to increased pricing. Mild temperatures in 2024 allowed for more ordinary maintenance work to be completed compared to winter maintenance creating offsetting deficits and surpluses between these two departments.

The capital budget is projecting a deficit of \$187,000 The capital deficit is a result of a \$682,000 deficit in Machinery and a \$495,000 surplus in Construction.

The machinery deficit is primarily resulting from:

- Proceeds budgeted (\$445,600) for the sale of a Gradall that was not sold until 2025.
- Timing differences with two roll off tandems that were expected to be received in 2023 that arrived in 2024 at a cost of \$1,065,500.
- Timing differences with tandems that were expected to be received in 2024 that were to be funded by \$760,200 from the Equipment Reserve.
- These deficits are offset by surpluses for the sale of various vehicles and equipment in 2024.

The \$495,000 surplus in construction capital is a result of the following:

- \$578,400 surplus for Grey Road 9 and Grey Road 14 Pulverize and Pave Rehabilitation
- \$352,000 surplus for Grey Road 13 Pulverize & Pave
- \$158,600 deficit for Grey Road 4 and Grey Road 3 Intersection Improvements
- \$156,300 deficit for unbudgeted costs for Grey Road 27
- \$120,500 deficit in various non project specific capital budgets such as minor capital, catch basin repairs, traffic sign upgrades and engineering

The following 2024 projects with levy funding were not completed; this funding needs to be transferred to the Transportation General Reserve for use in the 2025 budget:

- Grey Road 30 \$830,900
- Grey Road 19 and 21 intersection project \$505,000

## Donation Transfers to Reserve

The following table lists the unbudgeted transfers to reserve for 2024 donations to be used for a specific purpose.

<b>Department/Function</b>	<b>Reserve / Notes</b>	<b>Estimated Amount</b>
Grey Gables	Grey Gables Donations Reserve*	\$3,106.92
Lee Manor	Lee Manor Donations Reserve	\$3,825.00
Rockwood Terrace	Rockwood Terrace Donations Reserve	\$3,992.00
Grey Roots	Grey Roots Archives Reserve	\$6,000
Grey Roots	Grey Roots Theatre Equipment Reserve	\$10,000

\*includes investment income of \$876.92 (condition of a bequest that investment income be transferred to the Donation Reserve)

## Financial and Resource Implications

The information contained in this report provides Council with information on the financial affairs of the municipality. The motion gives staff the authority to transfer surplus funds and donations received for specific purposes to reserve, or fund shortfalls out of reserve in order to balance year-end against the 2024 amount raised from taxation.

## Relevant Consultation

- Internal: Department Managers, Senior Management Team, and Finance Staff
- External

## Appendices and Attachments

None