



STAFF REPORT

Title: City Financial Reports - August 2022

Meeting Date: September 27, 2022

Executive Summary:

Administration presents monthly financial information to Council which includes a bank reconciliation and a variance report. The variance report includes actual school board and Lakeland Lodge requisitions that have been billed to the City.

Background:

As of August 31, 2022, the bank had a balance of \$3,170,465. The Investment portfolio had a book value of \$88,505,936 inclusive of accrued interest, and a market value of \$80,232,435. The difference in book value compared to market value are in relation to the bonds held by the City. Price changes on bonds fluctuate with prevailing market conditions and while the recent returns are shown as negative, these are temporary fluctuations that do not impact the principal guarantee on each bond at maturity nor the minimum interest rates or annual investment revenues that were locked-in at the time of purchase. As all investments held have a principal guarantee, the volatility is known to be temporary. However, this volatility also provides a positive impact to the portfolio as our expected rate of return for the portfolio going forward has materially increased. The bond ladder that we have setup is exactly for these type of market conditions. As maturities come due and interest is paid, all reinvestments will now be at rates well above the minimum rates of return that we have locked-in on the existing portfolio.

On December 14, 2021 Council passed an operating budget totaling \$52,849,468. School board and other requisitions totaling \$6,420,833 have also been added to the budget for a total of \$59,270,301. The following figures for the August 31, 2022 variance report reflect the budget passed and are inclusive of approximately 6% due to the ongoing PILT litigation which includes budgeted amounts for tax penalties and an offsetting allowance.

	YTD	Budget	%
Revenue	\$41,774,305	\$ 59,270,301	70.48
Expenses	\$34,673,700	\$ 59,270,301	58.50

Accounts payable cheques issued in August 2022 include 148869-149391.



Alternatives:

Recommended Action:

That Council accept the financial reports for the period ending August 31, 2022.

Budget Implications (Yes or No):

No

Submitted by:

Kevin Nagoya, Chief Administrative Officer