



## STAFF REPORT

**Title:** City Financial Reports - June 2023

**Meeting Date:** August 8, 2023

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### **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 June 30, 2023, the bank had a balance of \$15,043,392. The Investment portfolio had a book value of \$82,136,825 inclusive of accrued interest, and a market value of \$74,072,429. The difference in book value compared to market value is 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 set up is beneficial 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 13, 2022, Council passed an operating budget totaling \$54,821,629. School board and other requisitions totaling \$6,513,639 have also been added to the budget for a total of \$61,335,268. The following figures for the June 2023 variance report reflect the budget passed and are inclusive of approximately 6.3% due to the ongoing PILT litigation which includes budgeted amounts for tax penalties and an offsetting allowance.

	YTD	Budget	%
<b>Revenue</b>	\$ 41,773,201	\$ 61,335,268	68.11
<b>Expenses</b>	\$ 30,026,621	\$ 61,335,268	48.95

Accounts payable cheques issued in June 2023 include 153540-154152.



**Alternatives:**

**Recommended Action:**

That Council accept the financial reports for the period ending June 30, 2023.

**Budget Implications (Yes or No):**

No

**Submitted by:**

Kevin Nagoya, Chief Administrative Officer