

# **Finance Report**

## **2016 results**

Due to careful management of spending by staff and fire department we were again under budget in all departments. With increased revenue from interest and fees and significant savings in maintenance in the water department, insurance, office services and legal fees in administration and insurance and training costs in the Fire Dept we generated an operational surplus of around \$30,000. Hydro costs were over budget somewhat but still remain much below costs of three years ago

## **2017 Budget**

For 2017 we are expecting continued savings in water operations and a slight increase in Fire Department costs mainly due to continuing increased training requirements and an increase in leadership stipends. Hydro costs for the hall are expected to increase. Some administrative costs will increase as well.

As a result we have increased the water tolls by an average of \$18 per property and increased the parcel tax by an average of \$22 per property. The capital replacement levy has also increased by \$50 to \$500 as we had planned in our long term capital replacement strategy.

## **Capital Spending and Levy**

We continue to be on track with the plan for replacement of components of our water system over the next 5-6 years as presented to the AGM in 2014. This anticipated an annual capital levy on each property rising by \$50 per year until 2019 when it would remain at \$600 per year for each property. This levy would generate \$160,000. The levy may be reviewed once all the work is completed.

We currently are spending \$65,000 annually to repay the \$1 million loan undertaken to do Phase 1. We have accumulated \$800,000 to cover Phase 2 (with a grant of \$200,000 from the Canada 150 fund) which will be done in April – June 2017 to meet requirements of Canada 150. Since interest rates are at historic lows we may borrow up to \$1 million for Phase 2 this year and save our accumulated funds for later.

Attached is the complete 2017 budget and our internal comparison of costs against budget for 2016

Frank Green, Chair