



AMHERST TOWN COUNCIL

RFD# 2024076

Date: September 23, 2024

TO: Mayor Kogon and Members of Council

SUBMITTED BY: Sarah Wilson, Director of Finance

DATE: September 23, 2024

SUBJECT: Year End Adjustment to 2023/24 Water Capital Budget Funding

ORIGIN: Budget Management Policy 03450-04.

LEGISLATIVE AUTHORITY: MGA section 65.

RECOMMENDATION: That Council approve the following change to the funding for the 2023/24 Water Capital Budget:

- Approval of the increase of Water Operating capital from revenue from \$40,000 to \$170,000;

BACKGROUND: The Water Operating budget had a surplus for the March 31, 2024 year end. During the 2017/18 audit, it was recommended that Council formally approve any changes to how Capital Projects are funded. The recommendation is basically a year-end housekeeping item that we are bringing forward to Council per the audit recommendation and to ensure awareness.

DISCUSSION:

1. Water Operating – Capital from Revenue increase from \$40,000 to \$170,000.

Prior to the increase of \$130,000 in capital from revenue, the surplus in the water operating fund was \$134,494. In keeping with the Town's philosophy of paying for capital projects in cash whenever possible, staff are recommending that capital from revenue be increased from \$40,000 to \$170,000. In prior years when capital from revenue was increased it was offset with a decrease in long term debt. In the 2023/24 water capital budget there were no projects funded by long term debt, so the additional \$130,000 capital from revenue reduced the amount of funding from the Water Depreciation fund. This will allow the Water Depreciation fund the ability to fund future projects.

FINANCIAL IMPLICATIONS: The funding of the capital projects from additional capital from revenue reduces the surplus in the water utility but it leaves more funds in the Water Depreciation fund for future year projects.

COMMUNITY ENGAGEMENT: Any community engagement would be through social media and through the publishing of our Financial Statements once approved.



ENVIRONMENTAL IMPLICATIONS: None

SOCIAL JUSTICE IMPLICATIONS: None

ALTERNATIVES:

1. Leave the funding source in the Water Capital budget as Water Depreciation Funds per the original Capital Budget.

ATTACHMENTS: None

Report prepared by: Sarah Wilson, Director of Finance

Report and Financial approved by: