

Revised Budget Summary for the Mot 2018-2023

Year	2018	2019	2020	2021	2022	2023
Internal reserve transfers	-\$736,539	-\$222,712	-\$221,791	-\$725,260	-\$1,062,742	\$72,430
Investment in tangible capital assets	\$1,671,559	\$1,369,772	\$69,249	-\$355,500	-\$7,283,778	\$1,135,500
Surplus (Deficit) Per Revised Budget	\$935,020	\$423,645	-\$152,542	-\$1,080,760	-\$4,037,728	\$1,207,930

1 - Volatile Budget Outcomes: The municipality's financial results show significant fluctuations, with deficits recorded in 2020 (\$152,542), 2021 (\$1,080,760), and a sharp deficit in 2022 (\$4,037,728). This inconsistency indicates challenges in maintaining financial stability and effective budget planning.

2- Heavy Reliance on Budget Adjustments: Surpluses in some years are primarily the result of adjustments, such as tangible capital asset investments or reserve transfers, rather than consistent operational performance. This suggests potential structural issues in budgeting and reliance on non-operational factors.

3- Reserve Pressures: Internal reserve transfers show inconsistent usage, including a significant withdrawal in 2022 (\$1,062,742). Such movements may undermine the municipality's ability to fund future emergencies or capital projects, posing long-term risks.

4- Debt Introduction in 2022: The municipality issued \$2,183,308 in long-term debt in 2022, potentially signaling financial pressures. While debt can be a strategic tool, it raises concerns about repayment capacity and the potential strain on future budgets.

5- 2022 Deficit: The substantial deficit in 2022, driven largely by high capital asset investments (\$7,283,778), highlights possible overextension in capital planning without adequate financial buffers.

6- Inconsistent Reserve Management: The unpredictable use of reserves points to a lack of clear reserve policies, which could result in insufficient funding for future needs and decreased financial resilience.

7- Inadequate Operating Stability: The lack of consistent operating surpluses across the period suggests underlying revenue shortfalls or unchecked expenditure growth. This could jeopardize the municipality's ability to sustainably fund daily operations and long-term obligations.

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