

## King enjoys surplus, directs funds to infrastructure reserves

By Mark Pavilons

King's infrastructure reserves got a shot in the arm, thanks to a substantial surplus from 2017.

Councillors were pleased when the 2017 draft consolidated financial statements were presented, showing a \$2.1 million surplus last year.

Of that, \$25,000 is going to the tax rate stabilization reserve and the remainder ? \$1.966 million ? to the infrastructure reserve.

Giselle Bodkin, of BDO who oversaw the audit, said the Township has been consistently accumulating surpluses and paying off debt. As well, a ?healthy surplus? is tied up in physical assets such as buildings and roads. King's spending over the past few years has also been ?consistent,? she said.

Staff noted King's accumulated surplus as of Dec. 31, 2017, grew by \$27.3 million, to roughly \$209.3 million. This includes tangible capital assets.

The financial statement also shows that cash and cash equivalents decreased by \$8.5 million over 2016. This, staff noted, is due to investing in tangible capital assets.

King's long-term debt, as of Dec. 31, 2017, stands at \$15.3 million.

All of the Township's outstanding debenture financing directly relates to the sewer works in King City and Nobleton over the past 15 years.

Staff pointed out the 2017 surplus resulted from incremental sources of revenue, some of which were unanticipated and not likely to continue. So, these funds should be directed to support one-time, unanticipated expenses, or placed into the reserve funds.

The water and wastewater service saw a \$204,000 deficit in 2017, while the building department recorded a \$46,000 loss.

Treasurer Alan Evelyn told councillors the Township enjoyed significant taxation growth year over year, as new home occupancies rise. This is a significant contribution to the tax base.

He added the Township also negotiated its interest income with the banks.

Several department budgets also saw surpluses, including King Fire and Emergency Services and the bylaw department.

Evelyn also noted the Township curtailed some spending due to the pending move to the new municipal centre, resulting in some savings.

Last year was a very positive year from an operational standpoint. The Township is putting more money into its capital infrastructure and will continue to make great strides in this regard.