

SUBJECT: Financial highlights for the period ended September 30, 2025

TO: Audit Committee

FROM: Finance  
N/A

Report Number: FIN-37-25

Wards Affected: Not applicable

Date to Committee: December 3, 2025

Date to Council: December 9, 2025

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## **Recommendation:**

Receive for information finance department report FIN-37-25 regarding the financial highlights for the period ended September 30, 2025.

## **Executive Summary**

A financial update highlighting the City's third quarter of 2025 in the following areas:

- Statement of financial position
- Statement of operations
- Reserves and reserve funds

## **Purpose of report:**

- To provide an update on key financial information for the City as of September 30, 2025.

## **Implications:**

- For information purposes only.

# Information Report

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## Background

The Audit Committee's Terms of Reference indicate that it will review and recommend for approval the annual audited consolidated financial statements of the City and will review the quarterly financial performance throughout the year. To assist the Audit Committee with these responsibilities, report FIN-37-25 will present preliminary key financial highlights for the period ending September 30, 2024.

On an annual basis, the consolidated financial statements of the City of Burlington are presented to the Audit Committee for their recommendation to Council to approve. The consolidated statements include the financial results for the City along with several of its local boards (Burlington Public Library, Burlington Economic Development, Burlington Museums Board, Burlington Theatre Board, Burlington Downtown BIA, and Aldershot Village BIA). The City and local boards had their 2024 audits performed by Deloitte LLP.

The City's consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. In some cases, these standards differ from how the City reports its day-to-day operations, which can make reviewing the financial statements challenging. This report presents preliminary financial results from an operational perspective for the period ending September 30, 2024.

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## Status

### Statement of Financial Position

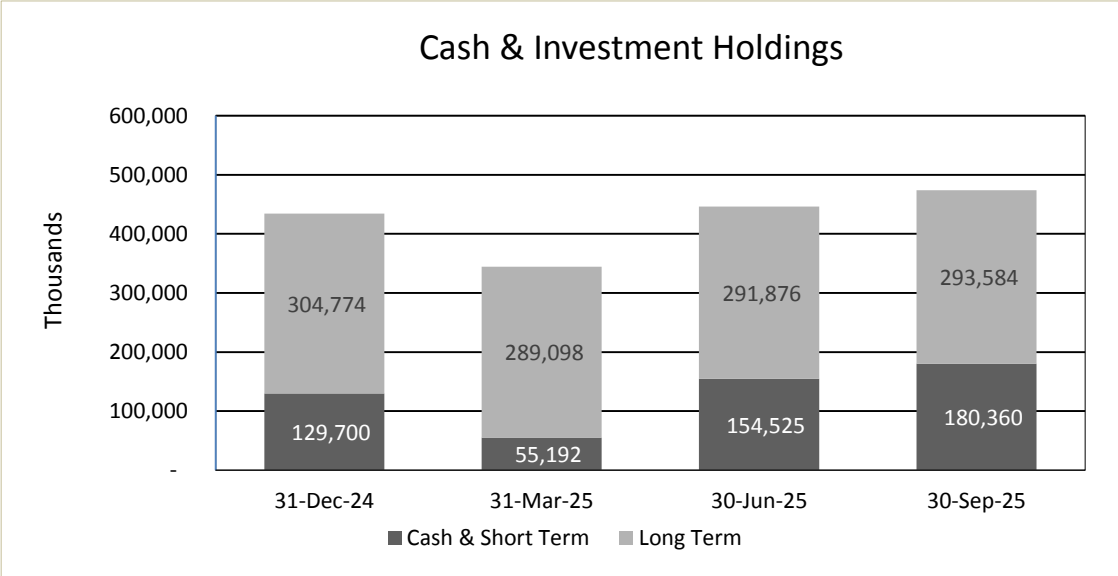
The statement of financial position is the equivalent of a balance sheet. It presents information on the assets, liabilities, and the accumulated surplus of the City.

#### Assets

Key assets for the City include cash and investments, accounts receivable, and taxes receivable.

Cash and investment holdings reflect the City's cash flow position and investment strategy given current market conditions. Funds are allocated to maximize investment income, retain an appropriate level of liquidity, and respond to economic forces that influence the investment environment while maintaining a balanced portfolio in line with the City's investment policy.

The following chart breaks down the balances of these categories on an unconsolidated basis for the last four quarters:



Accounts receivable as at September 30, 2025, were approximately \$18.4 million. In comparison the accounts receivable balance as at September 30, 2024, was approximately \$17.0 million.

Taxes represent the key revenue source the City uses to fund its service delivery. Taxes receivable are recorded when billed. The City issues bills twice a year, in January and May. These bills represent four installments which are due in February, April, June, and September. Taxes receivable balance at September 30, 2025, was approximately \$50.1 million as compared to \$48.2 million reported at September 30, 2024.

**Liabilities**

The unconsolidated balance of accounts payable and accrued liabilities at September 30, 2025, is approximately \$36.8 million compared to the balance at September 30, 2024, of \$32.8 million. Accounts payable balances fluctuate throughout the year and are heavily dependent on capital project timelines and scope.

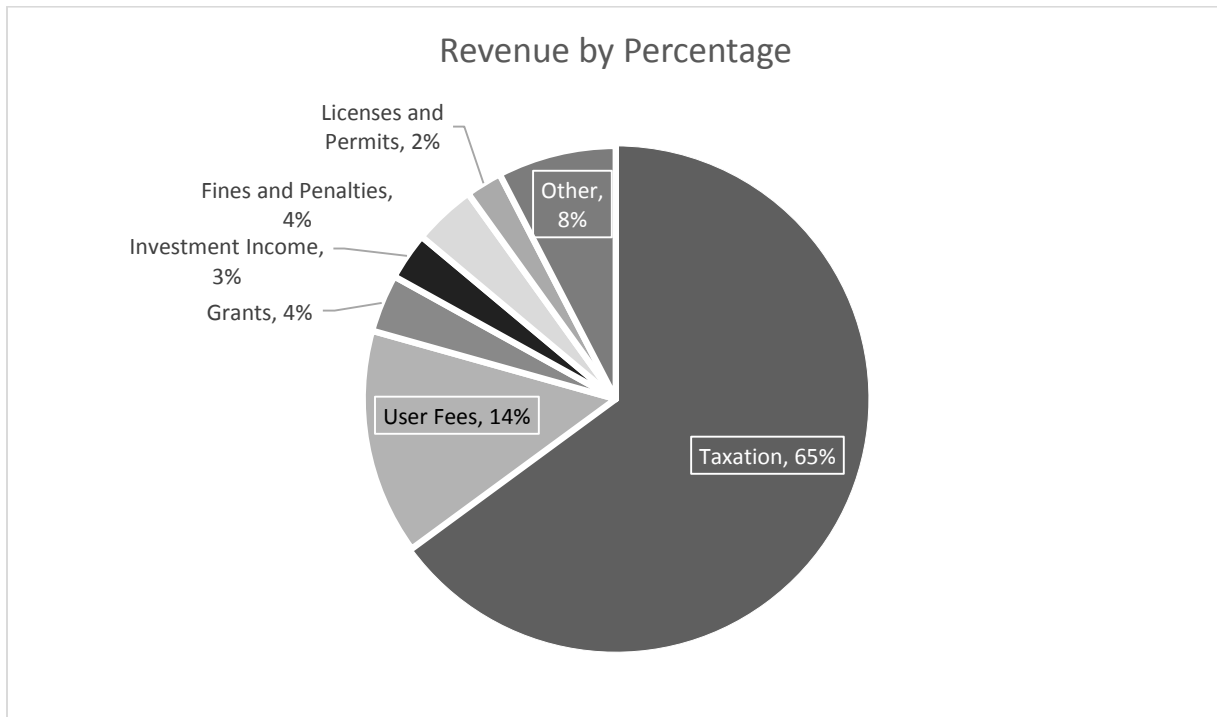
The consolidated balance in the December 31, 2024, financial statements, of \$55.9 million, includes accruals only recorded as part of the year end audit.

One of the City’s largest liabilities is derived from the issuance of long-term debt. The City’s debt balance as at December 31, 2024, was \$115.0 million. Debt is used to fund capital expenditures.

## Statement of Operations

### Revenues

The Statement of Operations provides information on the City's revenues and expenses combining the information from both the operating and capital perspectives. Although taxation revenue is the largest component of the City's revenues, user fees and charges, investment income and funds from senior levels of government all contribute to enabling the City to deliver services to the community. The following chart is provided as a reference point and provides information of the various components of the City's revenues as reported in the consolidated financial statements as at December 31, 2024:

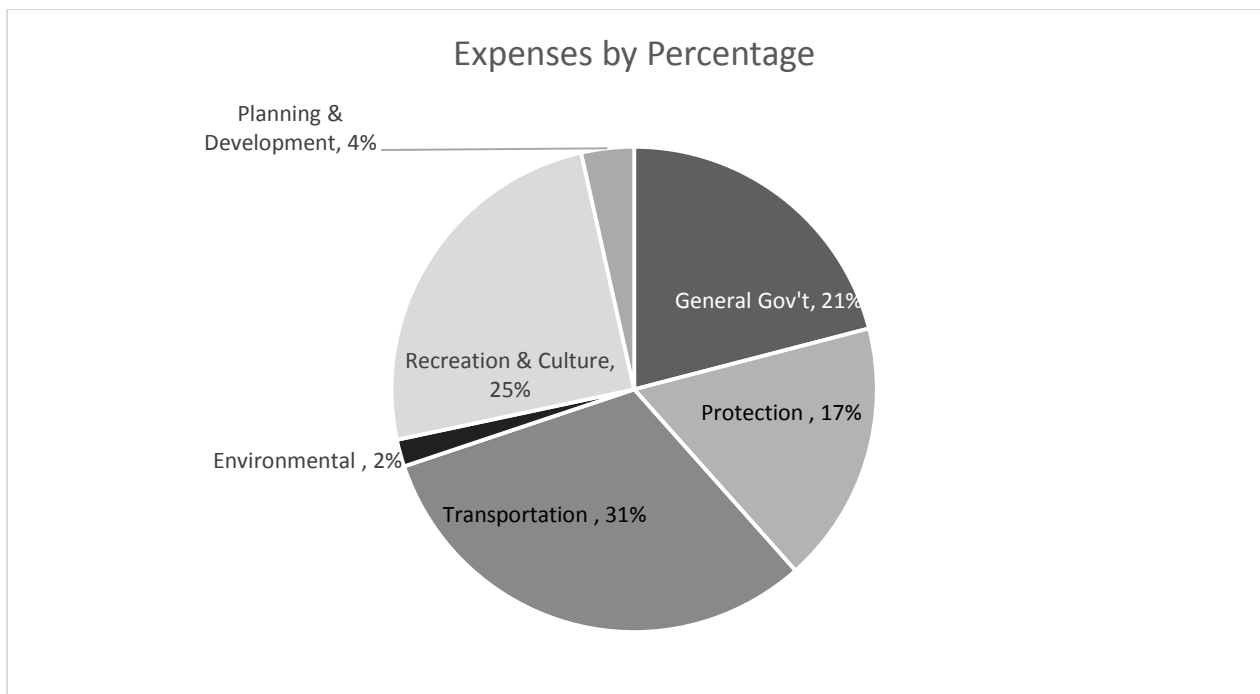


While a direct comparison between current operations and the consolidated financial statements is not feasible due to adjustments made for financial reporting purposes, selected revenue items as of September 30th are provided below for informational purposes, comparing the current year to the prior year:

(amounts are in thousands)	2025	2024
General Tax Levy	\$366,375	\$315,021
User fees and charges	21,121	23,218
Grants	10,781	11,813
Investment income	10,531	12,126
Penalties and interest on taxes	3,211	2,798
Hydro dividends and interest	2,735	2,273

### Expenses

The City's operating expenses are reported during the year on a cash basis categorized by service while the consolidated financial statements report expenses on an accrual basis by category. Certain components that are not part of operational reporting such as post-employment benefits and amortization are added to the expenses reported in the financial statements. The following chart shows the breakdown of expense attributed to the categories as reported in the 2024 consolidated financial statements:



The adjustments required to report expenses in the financial statements are extensive and include allocations for post-employment benefits, interest on debt, depreciation, and non-capital expenditures recorded within capital projects. Information extracted from the

City's financial system as of September 30<sup>th</sup> provides a comparison between 2025 and 2024 with the above noted adjustments excluded:

	<b>2025</b>	<b>2024</b>
General government	\$ 40,682	\$ 43,052
Protection to people and property	35,736	35,296
Transportation services	43,364	49,320
Environmental services	854	1,853
Health services	476	482
Recreation and cultural services	53,536	55,885
Planning and development	7,416	7,118
<b>Total Expenses</b>	<b>\$182,064</b>	<b>\$193,006</b>

## Other Financial Information

### Reserve Funds

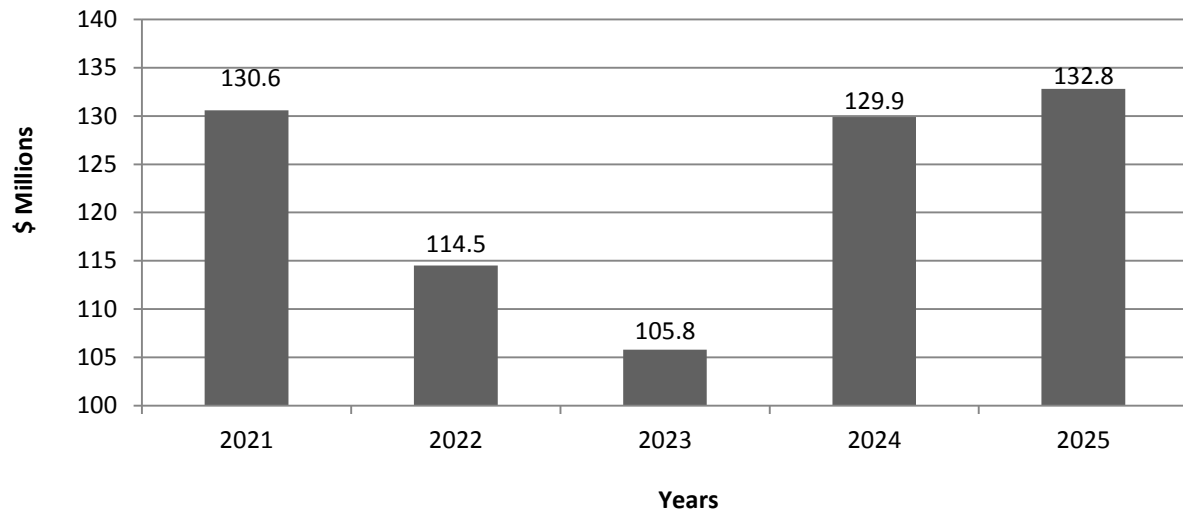
Reserve funds are a critical component of a municipality's long-term financing plan. They provide:

- stability to the tax rate in the face of variable circumstances,
- funding for one-time expenditures,
- the ability to make provisions for the replacement and/or acquisition of infrastructure, and
- flexibility to manage debt levels to protect the municipality's financial position.

Of the total Reserves and Reserve Funds \$90.7 million is committed for various projects leaving an uncommitted balance of \$132.8 million. The commitments represent expenditures approved by Council or funds held for specific future purposes.

The uncommitted balance of the City's reserve and reserve funds as at September 30<sup>th</sup> is presented for the last five years:

## Uncommitted Reserve and Reserve Fund Balances as at September 30



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### Implications

For information purposes only.

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### Strategic Alignment

- Designing and delivering complete communities
  - Providing the best services and experiences
  - Protecting and improving the natural environment and taking action on climate change
  - Driving organizational performance
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### Report Approval:

All reports are reviewed and approved by the Commissioner, Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.