

Date May 2, 2022
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Subject March 31, 2022 Financial Statements

BACKGROUND

Attached for your review are the financial statements for January 1st to March 31st, 2022 for all RDEK services.

INFORMATION

Summary

Services that depend on property tax as the primary source of revenue will show an overall deficit until property tax requisitions are issued in April. Grant revenues appear low compared to budget, but this can be attributed to the timing of the projects and the submission of grant claims. Services that have significant projects well underway will show more than 25% of the annual budget being spent. In a few services, more than 25% of the Administration & Overhead budget has been spent, due to liability insurance premiums and association dues being paid at the start of the year. First quarter statements will not show payments on debenture debt as the first payments start in April each year. Some statements will show a negative value in the 2022 actual column due to the prior year expense accrual entry which will be offset when the invoice is received in 2022. Overall, most services are under budget or on budget for the first quarter of 2022. Prior period surpluses have not been brought forward from 2021, this normally occurs in the 2nd quarter after the audit is complete.

Building Inspection

Building inspection fees are \$224,276 which is 36% of the 2022 budget compared to \$175,404 (43%) in Q1 2021. Operational costs are \$204,251 (17%) in Q1 2022.

Fire Departments

All fire service expenditures are below budget for Q1 2022. Salaries and benefit costs for all fire services are also below budget. Expenditures for Columbia Valley Fire services range from 2% lower to 1% higher than in Q1 2021. The South Country and Elk Valley Fire Departments' operating expenditures range from 3% lower to 3% higher from Q1 2021. Utilities are up in most Fire Departments and fuel costs are a concern. Edgewater Fire operations costs are higher due to assessment costs for the fire bay floor issue (awaiting insurance decision).

Solid Waste Subregions – Recycling Costs

The monthly cost of the RDEK yellow bin program of \$321.75 per tonne is reduced by the proceeds the contractor receives from selling the recycled materials. Invoices received for January to March 2022 show a cost of \$320.07 in January (proceeds of \$1.68 per tonne), \$313.10 in February (proceeds of \$8.65 per tonne) and \$310.64 in March (proceeds of \$11.11 per tonne). In comparison, the highest average proceeds per tonne was in 2017 at \$103.00. The RDEK does not factor proceeds from recycled material into the budgets in case there is a market downturn. However, there is an impact for budgets going forward as the proceeds are used to minimize tax increases and contribute to reserves.

Columbia Valley Solid Waste

Revenues are \$144,519 which is 51% of the 2022 budget (\$84,675 due to a large construction and demolition project), compared to \$46,621 (18%) in Q1 2021. Operational costs are \$401,918 (16%) of 2022 budget.

Central Solid Waste

Revenues are \$206,522 which is 22% of the 2022 budget, compared to \$173,788 (22%) in Q1 2021. Operational costs are \$532,372 (11%) of 2022 budget.

Elk Valley Solid Waste

Revenues are \$14,450 which is 9% of the 2022 budget, compared to \$32,798 (23%) in Q1 2021. Operational costs are \$407,903 (16%) of 2022 budget.

Planning

Planning fees and charges are \$44,315 (48%) of the 2022 budget, compared to \$23,010 (35%) in Q1 2021. Operational costs are \$225,494 (15%) of 2022 budget.

Transit

Revenues for Columbia Valley Transit are \$3,002 (29%) of the 2022 budget, compared to \$1,829 (20%) in Q1 2021. Operational costs are \$1,434 (1%) of 2022 budget.

Revenues for Elk Valley Transit are \$1,383 (10%) of the 2022 budget, compared to \$1,697 (15%) in Q1 2021. Operational costs are -\$6,332 (-3%) due to invoice for 2021 accrual not received yet.

Columbia Valley Recreation

Fees for the Eddie Mountain Memorial Arena are \$63,524 (31%) of the 2022 budget, compared to \$24,164 (19%) in Q1 2021. In 2019 (pre-covid 190 revenues for the first quarter were \$67,641. Operational costs for the entire service are \$161,473 (10%) of 2022 budget.

Utilities

Overall, water and sewer services are on track to meet budgeted fees and charges for the year. Operating expenditures of all services are all below budget and run between 3% lower to 9% higher than last year. Increases are partly due to higher wages from increased staffing.

Capital Projects

The 2022 capital budget is \$9,057,719 of which \$53,077 was spent to March 31st. Spending on significant projects are as follows:

	<u>Budget</u>	<u>Actual</u>	<u>%</u>
Fairmont Flood & Debris Control	\$ 2,280,811	\$ 72,619	3.2%
3 Organic Composting Facilities	1,485,483	14,982	1.0%
South Country Aquifer/Elko Sinkholes	1,300,000	0	0%
Windermere Water	736,000	3,569	0.50%
Invermere/Radium Transfer Stations	721,000	11,305	1.60%
Hosmer Fire – new Firehall	500,000	0	0%
Edgewater Connectivity	375,000	0	0%

Community Works Funds

The following funding amounts are committed but outstanding on approved Community Works Funds projects:

CBBC Future Broadband Projects	\$ 210,000
Lazy Lake Ditch & Culvert	12,684
Cold Creek Debris Mitigation	475,000
CBBC Connectivity – Areas B, C, E	678,372
KEYSA Indoor Soccer – Additional Grant	<u>40,000</u>
Total Approved & Outstanding Projects	\$ 1,416,056

The uncommitted balance at March 31, 2022 was \$2,941,013.

If you have any questions regarding the March 31, 2022 financial statements, please contact me.

Respectfully Submitted,

Holly Ronnquist, CPA, CMA
Chief Financial Officer

Attachments