

Date October 30, 2024
Author Holly Ronnquist, CFO
Subject September 30, 2024 Financial Statements

BACKGROUND

Attached for your review are the financial statements for January 1st to September 30th, for all RDEK services.

INFORMATION

Summary

All tax requisitions and parcel taxes for 2024 are reflected in these statements. Grant revenues appear low compared to budget, due to the timing of the projects and the submission of grant claims. These statements also include scheduled contributions to reserves for each service. Overall, most services are under budget or on budget after the first three quarters of 2023.

General Administration

Interest earnings are \$1.17 million higher on service reserves than budgeted, due to higher interest rates and conservative budgeting. The interest will be allocated to each service's reserve funds during the year end process.

Building Inspection

Building inspection fees are \$717,119 which is 103% of the 2024 budget compared to \$819,378 (131% of budget) in Q3 2023. Operational costs are \$750,773 (58% of budget) in Q3 2024.

Fire Departments

All fire service expenditures are below budget for Q3 2024. Salaries and benefit costs for all fire services are on or below budget with possible amendments to Panorama and Baynes Lake Fire. Expenditures for Columbia Valley Fire services range from 5% lower to 5% higher (Windermere Fire) than in Q3 2023. The South Country and Elk Valley Fire Departments' operating expenditures range from 2 to 4% lower (Elko Fire) from Q3 2023. Fairmont, Edgewater, Hosmer and Elko Fire Departments are experiencing above average vehicle costs which, so far, have been offset by other lower operating expenditures.

Solid Waste Subregions – Yellow Bin Recycling Costs

The RDEK yellow bin program has a contracted cost of \$321.75 per tonne which is reduced by proceeds from selling the collected materials each month. An adjustment will take place at year end to reimburse the contractor for net costs over the contracted cost up to the total recycling proceeds in the year. Remaining proceeds will reduce the cost to the solid waste subregions.

Invoices received show an average net cost to the operator of \$20.95 per tonne for January, February and May and net proceeds to the RDEK averaging \$23.62 per tonne for March, April and June – September. For comparison, the highest average proceeds per tonne was in 2017 at \$103.00.

The RDEK does not factor proceeds from yellow bin 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

Fees & Charges are \$529,955 which is 138% of the 2024 budget, compared to \$537,544 (172% of budget) in Q3 2023. Operational costs are \$912,827 (42%) of the 2024 budget.

Central Solid Waste

Fees & Charges are \$909,541 which is 85% of the 2024 budget, compared to \$996,099 (99% of budget) in Q3 2023. Operational costs are \$2,021,142 (54%) of the 2024 budget.

Elk Valley Solid Waste

Revenues are \$370,216 which is 177% of the 2024 budget, compared to \$633,173 (325% of budget) in Q3 2023. The high revenues in 2023 were due to higher volumes of construction and demolition materials and soils taken to the landfill. Operational costs are \$1,453,469 (60%) of the 2024 budget.

Revenues from the Recycle BC program have been very strong in all three solid waste subregions resulting in 129% of budgeted revenues being collected by Q3 2024. Revenues from the Extended Producer Responsibility (EPR) program is on average 81% of budgeted revenue in Q3 2024 for all three subregions.

Area A Septage

The Hosmer ponds have seen a return of some commercial haulers resulting in revenues of \$113,270, which is 227% of the 2024 budget compared to \$2,312 (2% of budget) in Q3 2023. Operational costs are \$19,626 (65%) of the 2024 budget.

Elk Valley Victim Assistance

Revenue and expenditures are much lower than budgeted in 2024, due to a vacancy in the Victim Services Worker contract. Services are expected to resume in the coming weeks.

Planning

Planning fees and charges are \$182,769 (50%) of the 2024 budget, of which \$76,700 is from short term rental fees, compared to \$118,740 (76% of budget) in Q3 2023, which had no short-term rental fees. Operational costs are \$807,838 (47%) of the 2024 budget.

Columbia Valley Recreation

Fees for the Eddie Mountain Memorial Arena are \$172,005 (85%) of the 2024 budget, compared to \$130,115 (67% of budget) in Q3 2023. This includes \$10,776 (5.3% of budget) from revenues earned in 2023 but recorded in 2024. Operational costs for the entire service are \$1,375,690 (76%) of the 2024 budget.

Utilities

Water and sewer service utility fee revenues are 2% to 11% lower than budgeted to September 30th, except for Rushmere Water (2% higher). Meter readings took place earlier due to scheduling of utility bill processing, which is equivalent to just under 4% of budgeted revenues. These revenues will be made up in the final quarter billing. The remainder is due to lower consumption. Eastside Lake Windermere Water revenues appear lower than other services, due to the billing cycle and is normal for this time of year. Operating expenditures for all services are below budget and run between 44% lower to 14% higher than last year. Moyie Water and Edgewater Sewer are seeing total expenditures that are 44% and 23% lower

respectively than they experienced in Q1 to Q3 of 2023, due to less maintenance issues. Moyie Water and Edgewater Sewer maintenance spending is at 128% and 130% respectively of the 2024 operations and maintenance budget. These amounts have been offset by other lower operating expenditures to date but there is a risk of these two services exceeding the overall budget by year end. Most of the utility services are experiencing higher vehicle costs than budgeted for in 2024.

Capital Projects

The 2024 capital budget is \$19,945,869 of which \$5,631,755 (28% of budget) was spent to September 30th, on the following significant projects:

	<u>Budget</u>	<u>Actual</u>	<u>%</u>
Fairmont Flood & Debris Control	\$10,198,500	\$4,013,836	39%
Organic Composting Facilities (3)	680,699	390,728	57%
Wycliffe Park Campground	648,223	146,001	23%
Eastside Water Fill Mains/Controls	550,000	60,022	10%
Hosmer Firehall Phase 1	600,000	0	0%
Radium Transfer Station	875,000	298,443	34%

Canada Community Building Fund - Community Works Funds

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

Cold Creek Debris Mitigation	475,000
CBBC Connectivity – Areas B, C, E, G	553,483
Cbk Heritage Railway Museum Building	250,000
Eastside Water Upgrades	1,529,333
Hosmer Firehall	1,500,000
Elko Firehall Addition	300,000
Key City Theatre Passenger Elevator	100,000
Cranbrook Memorial Arena Roof	25,000
Galloway Curling Club Upgrades	<u>10,000</u>
Total Approved & Outstanding Projects	\$ 4,742,816

The uncommitted balance at September 30, 2024 was \$1,326,423.

If you have any questions regarding the September 30, 2024 financial statements, please contact me.

Respectfully Submitted,

Holly Ronnquist, CPA, CMA
 Chief Financial Officer

Attachments