

**Date** April 30, 2025  
**Author** Holly Ronnquist, CFO  
**Subject** March 31, 2025 Financial Statements

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## BACKGROUND

Attached for your review are the financial statements for January 1<sup>st</sup> to March 31<sup>st</sup>, 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 take place in April each year. Some statements will show a negative value in the 2025 actual column due to the prior year expense accrual entry which will be offset when the invoice is received in 2025. Solid Waste expenditures are low due to some large contractor invoices for March arriving in April.

Actual Prior Period Surplus from 2024 is lower than budgeted for Electoral Area Administration and Planning, due to an understatement of deferred revenue related to 2024 Short Term Rental permits discovered by staff after the audit was substantially complete. This reduced 2024 revenues, and therefore surplus carryforward, by \$61,333 and \$40,533 in the Electoral Area Administration and Planning services respectively. \$30,567 and \$20,267 of the deferred revenue will be recognized as revenue in the respective services in 2025.

Overall, expenditures for the services are under budget or on budget for the first quarter of 2025.

### Building Inspection

Fees & charges are \$257,810 which is 39% of the 2025 budget compared to \$102,857 (15% of budget) in Q1 2024. Operational costs are \$229,585 (16% of budget) in Q1 2025.

### Fire Departments

All fire service expenditures are below budget for Q1 2025. Salaries and benefit costs for all fire services are also below budget. Expenditures for Columbia Valley Fire services range from 6% lower to 1% higher than in Q1 2024. The South Country and Elk Valley Fire Departments' operating expenditures range from 1% lower to 1% higher than in Q1 2024.

### **Solid Waste Subregions – Recycling Costs**

The RDEK yellow bin program has a contracted cost of \$413.75 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 operators of \$7.68 per tonne in January and February and net proceeds to the RDEK of \$29.35 per tonne in March (invoice received in April). For 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**

Fees & charges are \$233,362, which is 54% of the 2025 budget, compared to \$123,404 (32% of budget) in Q1 2024. Operational costs are \$373,822 (11% of budget) in Q1 2025.

### **Central Solid Waste**

Fees & charges are \$244,798, which is 25% of the 2025 budget, compared to \$222,706 (21% of budget) in Q1 2024. Operational costs are \$750,228 (13% of budget) in Q1 2025.

### **Elk Valley Solid Waste**

Fees and charges are \$119,641, which is 49% of the 2025 budget, compared to \$79,738 (38% of budget) in Q1 2024. Operational costs are \$441,615 (13% of budget) in Q1 2025.

### **Area A Septage**

Fees and charges are \$246,507, which is 99% of the 2025 budget, compared to \$2,020 (0% of budget) in Q1 2024. Operational costs are \$18,599 (33% of budget) in Q1 2025.

### **Planning**

Fees & charges are \$54,502, which is 25% of the 2025 budget, of which \$4,067 is from short term rental fees, compared to \$46,453 (13% of budget) in Q1 2024. Operational costs are \$213,550 (13% of budget) in Q1 2025.

### **Columbia Valley Recreation**

Fees & charges for the Eddie Mountain Memorial Arena are \$92,056, which is 43% of the 2025 budget, compared to \$76,686 (38% of budget) in Q1 2024. Operational costs for the entire service are \$203,423 (12% of budget) in Q1 2025.

### **Utilities**

Overall, water and sewer services are on track to meet budgeted fees and charges for the year. Operating expenditures for all services, except Edgewater Sewer, are below budget and run between 11% lower to 7% higher than last year. Holland Creek Sewer and Water bulk charge invoices are outstanding. Rushmere Water and Edgewater Water are seeing an overall decrease of 6% and 5% respectively in Q1, as a result of lower operating and maintenance costs compared to Q1 2024. Elko Water Q1 expenditures are 7% higher, due to increased wages. Edgewater Sewer is experiencing a 25% increase in operating expenditures due to increased operating and maintenance costs related to the unplanned replacement of the muffin monster grinder.

### Capital Projects

The 2025 capital budget is \$11,972,782 of which \$762,727 was spent to March 31<sup>st</sup>. Spending on significant projects are as follows:

|  | <u>Budget</u> | <u>Actual</u> | <u>%</u> |
|--|---------------|---------------|----------|
| Fairmont Flood & Debris Control            | \$1,183,437   | \$65,484      | 5.5%     |
| Wycliffe Park Campground                   | 327,884       | 41,297        | 12.6%    |
| Hosmer Firehall                            | 2,500,000     | 0             | 0%       |
| Radium Transfer Station                    | 330,000       | 5,223         | 1.6%     |
| Jaffray Trail                              | 980,000       | 0             | 0%       |
| Columbia Valley Landfill Closure – Phase 1 | 1,300,000     | 781,271       | 60.0%    |

Grant applications for the Fernie Pathway project, budgeted at \$1.75 million, were not successful. Construction will be delayed as Staff continue to look for granting opportunities.

### 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       |
| Galloway Curling Club Upgrades          | 10,000        |
| RDEK Asset Management Strategy          | 60,000        |
| Fairmont Firehall Diesel Exhaust System | 13,000        |
| Jaffray Firehall Diesel Exhaust System  | 60,000        |
| City of Kimberley Rotary Park Upgrade   | 50,000        |
| Panorama Fire Engine (2026)             | 385,000       |
| Baynes Lake Fire Engine (2026)          | 370,500       |
| Hosmer Fire Engine (2026)               | 395,000       |
| Jaffray Firehall Addition (2027)        | 300,000       |
| Elko Water Pumphouse Upgrade(2027)      | <u>35,000</u> |
| Total Approved & Outstanding Projects   | \$ 6,386,316  |

The uncommitted balance at March 31, 2025 is \$1,416,287. Future uncommitted UBCM funding of \$760,381 is expected to December 31, 2027, reflecting future annual allocations from the UBCM and multi year CWF project Board decisions in February 2025.

Respectfully Submitted,

Holly Ronnquist, CPA, CMA  
Chief Financial Officer

#### Attachments

- Qtr 1 2025 FS Summary
- Qtr 1 2025 FS Detail