District of Barriere

REPORT TO COUNCIL
Memorandum

Date: July 20th, 2026	**File:** 530.20/Rpts
To: Council	**From:** Chief Financial Officer
Re: Financial Update – Q2 2026	

Purpose

To provide Council with a Financial Update for Q2 2026.

Background

The attached financial reports are based on available information up until July 6th, 2026. The package consists of operating revenues and expenditures for General Operations and the Utilities, a summary of the Capital Projects progress, as well as a summary of Special Operating Grant related projects.

The timing of receipts or invoices may be a factor in whether certain revenues and expenses have been captured to date. The budget amounts used in these reports are those of the approved budget adopted by Council as part of the Financial Plan Bylaw in March 2026.

The following summary includes some highlights and additional information regarding the financial results.

Operating Revenue Highlights:

- Tax notices were mailed out in mid-May. As of July 6th, 2026, the following tax amounts are outstanding.
    - $287,691 outstanding for current taxes
    - $121,254 outstanding for 2025 taxes (Arrears)
    - $92,809 outstanding for 2024 and prior taxes (Delinquent)
- After the tax payment deadline of July 2nd, penalties of $36,577 were posted against current tax amounts that remained unpaid. Daily interest accrues on previous year's unpaid amounts.
- As per legislation, the 2026 Tax Sale has been scheduled for 10:00am on September 28th, 2026, in council chambers. Properties which have delinquent 2024 tax amounts outstanding are at risk of tax sales this year. Finance staff will be working on contacting all at risk properties ahead of the mandated notification period.

- **Revenue from all sources** is reported at 87% including tax amounts billed for all taxing authorities. When results are broken down to Municipal taxes, without the other taxing authorities, the overall revenue result is 81% of budget. It should be noted that although taxes are showing at 100% that is what was billed not necessarily what has been collected. Given the outstanding amount reported above, we have collected approx. 90% of the 2026 levied amounts.

- As reported in the Q1 report, the **Revenue from own sources** category includes revenue from services such as the Cemetery, Business Licenses, and the Building and Planning Departments. Similar to Q1 reporting, many of these sources remain ahead of budgeted targets and in some cases exceeding annual amounts.

- Also included in this category is return on investments and deposit interest. Both are currently below target. As investments came up for renewal last year, the renewals were put into investments which staggered the upcoming maturity dates so that they provide better flexibility to be used if needed for Capital Projects. Interest payments will be occurring later in the year (Sept – Nov) at which time we will see these line items reach the budgeted targets.

- At present, the interest rate spread for the term deposits is between 2.50% and 3.60% for our accounts.

- **Grants in Lieu of Taxes** are reporting at 78%, we are still waiting on a couple payments that are typically paid closer to the end of July. Our payment from BC Hydro this year was slightly less than budgeted due to the decrease in BC assessed value after an appeal was approved dating back to 2023 for one of their properties. The reassessment resulted in an adjustment of $1,334.82 to this years in lieu payment.

- **Transfer from Other Government** has been captured at 66% at this time. We received the Small Communities Grant on July 3rd. While we have no control on what amount is paid to us, it was anticipated that the payment would be $421,000; based on 2025 revenue. For 2026 we received $416,000.

  We are still awaiting the Community Works Fund grant payment. It has been budgeted to receive $284,00 from this fund, representing payments for 2025 and 2026 at approx. $142,000 each. Since the Q1 update, the CWF reporting has been completed for 2025, and we are now awaiting the 1st payment. Once our audit is complete, reporting will follow so the 2026 payment can be issued.

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- **Contract with Other Governments** is currently below budget. Once our 2025 audit has been completed, we will invoice the TNRD for their portion of the fire services and cemetery services agreements that are in place. This category also captures revenue earned by our Fire Department for Wildfire Deployments and Highway Rescue calls. The team was called out in June, but the invoice to BC Wildfire is still in progress. Revenue will be captured in the next update. Any associated wildfire expenses will be captured as an offsetting amount at roughly 50% in the expenses category.

Operating Expense Highlights:

- Overall expenses are reported at 36%, however if taxes paid to other governments are removed from the results, operating expenses are 60%.

- As previously reported in Q1, there are a few annual expenses that are incurred at the beginning of the year which result in departments looking ahead of budget. Insurance costs including ICBC fleet insurance are charged in the 1st quarter and new this year, vacation entitlements have been frontloaded for staff in all departments.

  Continuing to factor this into the results, it is safe to say that generally, all departments are within an acceptable percentage of expenses at this time of the year. Since the 2026 Q1 report, all departments have seen 25% or less changes in their target percentages. At the end of the second quarter results should be in the 50% range. There are additional details for those departments with slightly higher overall results below.

- **General Government** is reported at 69%, however this still includes a large final payment for the 2024 audit which was incurred in 2025 but not invoiced and paid until 2026. If it is removed from the results, the category is reported at 63%. Main contributors to the higher results are an increase in postage and freight expenses, mileage expenses so far this year and payments for annual IT subscriptions for our finance software and website support services.

- **Recreation** is reporting ahead of budget. Last year, council approved the Recreation Committee opening their own independent bank account. As such, the annual budgeted amount for community events has been issued to the committee, resulting in higher expenses being recorded for this time of year than would have been seen in previous years.

- **Facilities** are slightly above budget due to annual insurance premiums being expensed early in the year, and premiums being slightly higher than budgeted amounts. Utility costs for our buildings such as hydro and propane are higher than budgeted and contribute to the overall percentage.

- **Fire Services** are reporting at 61%, however this includes the recent expenses incurred as a result of the 1st wildfire deployment of the year. With these expenses excluded from the results the Fire Services department reports at 56%. The annual insurance costs for fire vehicles and vacation expenses are contributing to the slightly higher than budget results for Q2.

- **Parks** are slightly above budget at 61%. Mileage expenses are exceeding budget along with insurance costs and expenses for some irrigation repairs.

- **Taxes Paid to Other Governments** – Although the report indicates 0% at the time of preparing this report. Remittances to the other taxing authorities will be completed in the month of July. It should be noted that full remittances are required by the other taxing authorities regardless of the amount collected by the district. Thus, if taxes remain unpaid, those other taxing authority amounts are remitted from district funds.

Utilities Revenue and Expenses Highlights

- 2 out of 4 utility billing periods have been completed. As such, the billed amounts are on budget; however, as outlined below, not every customer has paid their bill.

- For Utility Bills, the District issues invoices at the beginning of each quarter. Q2 billing was issued on July 6th, 2026. As of the time of writing this report, the following amounts are outstanding.
  - $166,546 current billing, penalties will apply after August 10th
  - $30,823 Q1 2026 billing.
  - $19,062 Q4 2025 billing.

- Expenses for both Water and Wastewater utilities would be considered on track. Both departments have seen less than 20% change in results since Q1 reporting. Besides insurance and utility costs for our plants, the cost of pumping and trucking effluent was high in the previous quarter and continues to contribute to slightly higher overall results for the wastewater utility.

Capital Projects and Grant Funded Operational Projects

- Capital projects have been selected through the 2026 budget process. It has been a busy first half of the year and many projects have been completed, and work continues with those remaining. In some cases, work has been started or completed but invoicing has not been received yet. This results in a variance between project complete and budget used percentages.

  - Winter Roads Equipment – 1st plow truck, snowblade and design for sand shed have been purchased. Currently working on the acquisition of a 2nd plow truck and sander. Construction of the sand storage shelter planned for Q3.
  - Bandshell Washroom - Door locks have been installed.
  - Traffic Calming – Delinears and planters have been installed.
  - Hall Road – No response yet from CN Rail regarding the amended invoice. Staff have followed up and are awaiting a response.
  - Pump Replacement – The Fire Engine Pump has been fixed, engine 3 remains in service.
  - Wayfinding Program Study – Substantially complete.
  - Wastewater Treatment Plant – Receiving equipment and reviewing proposals for Construction. Anticipating construction to commence in Q3.
  - Emergency Repairs – There has been no need to utilize this budget.

- Since the last reporting, both the Leonie Lake Dam Study and the Flood Mitigation Plan projects have been completed and final reporting submitted. The last invoices are still in progress.
- Canada Day celebrations were budgeted at $1,210. however, the grant received was for $2,410. Those funds were moved to the recreation committee, and a wonderful Canada Day celebration was held in the community.
- The other projects are progressing as expected.

Attachments

- Budget /Actual report items:
    - General Operating Summary
    - Utilities Summary
    - Capital Projects Summary
    - Operating Grant Projects

Prepared by:
K. Abel, Chief Financial Officer

District of Barriere - Financial Summary

06-Jul-26

Revenue	Approved Budget	Actuals	Variance	% of Budget
Taxes*	$ 2,890,948	$ 2,890,846	$ 102	100%
Grants in Lieu of Taxes	$ 42,500	$ 33,321	-$ 9,179	78%
Sales of Service	$ 274,369	$ 142,968	$ 131,401	52%
Revenue from Own Source	$ 177,749	$ 127,818	$ 45,811	57%
Transfer from Other Gov't	$ 855,000	$ 566,000	$ 289,000	66%
Contract with Other Gov't	$ 70,405	$ 8,334	-$ 62,071	12%
	$ 4,310,971	**$ 3,769,287**	**$ 395,064**	**87%**

*Excluding Other Taxing Authorities, Overall Revenue is **81%**

Expenses	Approved Budget	Actual	Variance	% of Budget
Legislative	$ 124,825	$ 52,919	$ 71,906	42%
General Govt	$ 670,846	$ 464,341	$ 206,505	69%
Facilities	$ 143,050	$ 87,079	$ 55,971	61%
Recreation	$ 52,200	$ 31,110	$ 21,090	60%
Highway Rescue	$ 3,750	$ 1,746	$ 2,004	47%
Fire Services	$ 300,335	$ 182,065	$ 118,270	61%
Fleet & Equipment	$ 83,650	$ 41,051	$ 42,599	49%
Roads Services	$ 419,968	$ 244,486	$ 175,482	58%
Solid Waste Services	$ 237,288	$ 127,001	$ 110,287	54%
Development-Building	$ 35,750	$ 14,478	$ 21,272	40%
Development-Planning Zoning	$ 14,000	$ 4,212	$ 9,789	30%
Parks	$ 232,589	$ 142,139	$ 90,450	61%
Cemetery	$ 18,849	$ 9,426	$ 9,423	50%
Taxes Paid to Other Gov't *	$ 1,504,676	-$ 4,249	$ 1,508,925	0%
	$ 3,841,776	**$ 1,397,803**	**$ 2,443,973**	**36%**

*Not a true District expense, if removed overall expenses are **60%**

Transfers	Approved Budget	Actual	Variance	% of Budget
Trans from Surplus	$ -	$ -	$ -	0%
Trans from Reserves	$ 1,562,000	$ 1,320,000	$ 242,000	85%
Transfer to Reserves	$ 5,070,000	$ 148,013	$ 4,921,987	3%
	$ 6,632,000	**$ 1,468,013**	**$ 5,163,987**	**22%**

District of Barriere - Utilities Summary 06-Jul-26

Revenue	Approved Budget	Actuals	Variance	% of Budget
WATER	$ 565,637	$ 287,804	$ 277,833	50.88%
WASTEWATER	$ 152,775	$ 75,993	$ 76,782	49.74%
	$ 718,412	**$ 363,797**	**$ 354,615**	**50.64%**

Expenses	Approved Budget	Actuals	Variance	% of Budget
WATER	$ 414,685	$ 236,742	$ 177,943	57.09%
WASTEWATER	$ 279,476	$ 156,380	$ 123,096	55.95%
	$ 694,161	**$ 393,122**	**$ 301,039**	**56.63%**

District of Barriere
CAPITAL EXPENDITURES
YTD Ending July 6th, 2026

		APPROVED BUDGET 2026	YTD Q2 2026	% OF BUDGET 2026	% OF PROJECT COMPLETE	FUNDING SOURCE
GENERAL OPERATIONS						
Winter Roads Equipment	Roads	150,000	57,483	38%	40%	MFA Loan
Roads Program	Roads	75,000	35,798	0%	50%	Reserve
BBC Storage Rooms - Energy retrofit	Admin	7,500	6,031	0%	100%	Reserve - Climate Action
Bandshell Washrooms Door Locks	Parks	5,000	3,709	0%	100%	Reserve
Traffic Calming	Roads	7,500	7,644	102%	100%	Grant - ICBC
CN - Hall Road	Roads	25,000	-	0%	98%	Reserve
IT Equipment	IT	20,000	3,040	15%	85%	Reserve
Turnout Gear	Fire	25,000	303	1%	10%	Reserve
Pump Replacement	Fire	40,000	35,592	89%	100%	Reserve
Wayfinding Program Study	Admin	20,000	7,750	39%	85%	Reserve
WATER/WASTEWATER						
Wastewater Treatment Plant	Wastewater	4,600,000	589,642	13%	20%	Grant / Reserve - GCF
Emergency Repairs	General	100,000	-	0%	0%	Reserve- Water
TOTAL CAPITAL		**$ 5,075,000**	**$ 746,992**	**15%**		

District of Barriere
OPERATING PROJECT EXPENDITURES
YTD Ending July 6th, 2026

		APPROVED BUDGET 2026	YTD Q2	% OF BUDGET 2026	% OF PROJECT COMPLETE	FUNDING SOURCE
2025 Carry Forward Projects						
Indigenous EMCR - Year 2	Corp/Fire	40,282	37,553	93%	100%	Grant
LGHI - Housing Legislation Fund	Planning	54,426	-	0%	75%	Grant
CEPF - Leonie Lake Dam Study	PW	51,962	17,400	33%	100%	Grant
TNRD - Bulk Water Station	TNRD	2,500	-	0%	15%	Grant
E911 - TNRD until 2027	TNRD	21,000	-	0%	50%	Grant
Flood Mitigation Plan	PW	38,099	25,255	66%	90%	Grant
CEPF - EOC & Training	Fire	28,399	12,965	46%	85%	Grant
CEPF - Fire Dept Equipment & Training	Fire	12,800	7,834	61%	60%	Grant
Subtotal 2025 Carry Forward Projects		249,468	101,007	40%		
2026 New Projects						
Firesmart Phase 2	Fire	200,000	78,929	39%	40%	Grant
Canada Day	Events	1,200	2,410	201%	100%	Grant
Asset Management Investment Plan	CAO		-	0%	0%	Grant/Reserve
BC Hydro Regreening	Parks	10,000	9,095	91%	100%	Grant
Subtotal 2026 Projects		211,200	90,434	43%		
TOTAL OPERATING PROJECTS		**$ 460,668**	**$ 191,441**	**42%**		