

District of Barriere  
**REPORT TO COUNCIL**  
**Memorandum**

|   |   |
|---|---|
| <b>Date:</b> March 10, 2025               | <b>File:</b> 530.20/Rpts                  |
| <b>To:</b> Council                        | <b>From:</b> Chief Administrative Officer |
| <b>Re: 2024 Yearend Financial Summary</b> |   |

**Purpose**

To provide Council with an update on 2024 Yearend Financials.

**Background**

The below financial reports are based on available information up until mid-February, and consist of operating revenues and expenditures (which includes capital expenditures) for General Operations and the Utilities.

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 for the 2024 Financial Plan.

Now that the 2023 audit is behind us, staff have started to review and reconcile 2024 accounts as much as possible. Some of the values presented in this memorandum may not be 100% accurate; however, they reflect the current values in the financial software package and all material entries should be complete now.

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

General Notes on Operating and Utilities Budgets

- Although the overall taxes billed in 2024 are over \$2.360 Million; the actual District portion was only \$1.060Million.
- At this point, the District has submitted all of the other taxing authorities' amounts as required.
- The District's budget mixes operational budgets with capital budgets which does impact how expenses for such projects are displayed. This often creates inconsistencies (large fluctuations) when looking at year-over-year variances in the operating budget, and simultaneously can impact forecasts for future budgeting processes. The auditor is highly recommending to separate capital and operating budgets for 2025 and going forward.

## Operating Revenue

| Revenue                          | Approved Budget     | Actuals             | Variance          | % of Budget |
|----------------------------------|---------------------|---------------------|-------------------|-------------|
| <b>Taxes</b>                     | \$ 2,385,308        | \$ 2,364,861        | \$ 20,446         | 99%         |
| <b>Grants in Lieu of Taxes</b>   | \$ 38,308           | \$ 39,906           | -\$ 1,598         | 104%        |
| <b>Sales of Service</b>          | \$ 275,161          | \$ 297,585          | -\$ 22,424        | 108%        |
| <b>Revenue from Own Source</b>   | \$ 202,792          | \$ 192,383          | \$ 10,409         | 95%         |
| <b>Transfer from Other Gov't</b> | \$ 743,596          | \$ 469,900          | \$ 273,696        | 63%         |
| <b>Grants</b>                    | \$ 799,951          | \$ 934,318          | -\$ 134,367       | 117%        |
| <b>Contract with Other Gov't</b> | \$ 91,693           | \$ 59,885           | \$ 31,808         | 65%         |
|                                  |                     |                     |                   |             |
|                                  | <b>\$ 4,536,807</b> | <b>\$ 4,358,838</b> | <b>\$ 177,969</b> | <b>96%</b>  |

### Operating Revenue Highlights:

- Although the District sent invoices for all Property **Taxes** in June, the current outstanding amounts are:
  - \$224,768 outstanding for 2024 taxes (arrears)
  - \$121,498 outstanding for 2023 and prior taxes (delinquent)

Taxes also include other taxing authorities.

- Sales of Service** (Street Lighting and Solid Waste) are above budget, mainly from solid waste.
- Revenue from Own Sources** is slightly below budget. A full year of Revenue for the Barriere Business Center (BBC) was included in the budget, however, the BBC was only open for 7 months, as such, there was a shortfall in anticipated revenue.
- Revenue from Other Government** is below budget. A large component was the delay in the Audit process which causes a delay in the transfer of roughly \$150,000 for the Community Works Fund. These amounts will be transferred to the District in the coming months but will most likely not be captured as part of 2024. This section also included revenue destined for the Legislative Housing (LGHI) changes that the Province provided; however, the actuals were recorded under the **Grants** section. As such, each category would show a variance of roughly \$158,600.
- Grants** is trending higher as it shows the aforementioned LGHI additional revenue although not having a budgeted amount in the 2024 Financial Plan.
- Contract with other Local Government** is trending \$32,000 below budget. This category includes Provincial Fire Service and Highway Rescue revenue. The anticipated revenue amount for call-outs was substantially below the actual call-outs.

## Operating Expenses

| Expenses                           | Approved Budget | Actual       | Variance    | % of Budget |
|------------------------------------|-----------------|--------------|-------------|-------------|
| <b>Legislative</b>                 | \$ 103,957      | \$ 110,892   | -\$ 6,935   | 107%        |
| <b>General Govt</b>                | \$ 690,070      | \$ 877,984   | -\$ 187,914 | 127%        |
| <b>Facilities</b>                  | \$ 130,260      | \$ 137,238   | -\$ 6,978   | 105%        |
| <b>Recreation</b>                  | \$ 75,160       | \$ 54,218    | \$ 20,942   | 72%         |
| <b>Grant Programs</b>              | \$ 731,123      | \$ 965,528   | -\$ 234,405 | 132%        |
| <b>Highway Rescue</b>              | \$ 6,700        | \$ 1,789     | \$ 4,911    | 27%         |
| <b>Fire Services</b>               | \$ 232,449      | \$ 259,307   | -\$ 26,859  | 112%        |
| <b>Bylaw Enforcement</b>           | \$ 2,649        | \$ 99        | \$ 2,551    | 4%          |
| <b>Fleet and Equipment</b>         | \$ 61,120       | \$ 52,119    | \$ 9,001    | 85%         |
| <b>Roads Services</b>              | \$ 495,655      | \$ 444,458   | \$ 51,197   | 90%         |
| <b>Solid Waste</b>                 | \$ 175,124      | \$ 159,727   | \$ 15,397   | 91%         |
| <b>Development-Building</b>        | \$ 29,930       | \$ 22,773    | \$ 7,157    | 76%         |
| <b>Development-Planning Zoning</b> | \$ 3,938        | \$ 6,147     | -\$ 2,209   | 156%        |
| <b>Development-Subdivision</b>     | \$ 6,200        | \$ 7,370     | -\$ 1,170   | 119%        |
| <b>Development-Economic</b>        | \$ 175          | \$ -         | \$ 175      | 0%          |
| <b>Parks</b>                       | \$ 135,938      | \$ 148,022   | -\$ 12,084  | 109%        |
| <b>Cemetery</b>                    | \$ 11,184       | \$ 4,280     | \$ 6,903    | 38%         |
|                                    |                 |              |             |             |
| <b>Taxes Paid to Other Gov't</b>   | \$ 1,361,421    | \$ 1,342,008 | \$ 19,413   | 99%         |
|                                    |                 |              |             |             |
|                                    | \$ 4,253,051    | \$ 4,593,958 | -\$ 340,906 | 108%        |

## Operating Expense Highlights

- **Legislative:** Slight overage as additional members of Council went to UBCM
- **General Government:** overages were anticipated and are due to the Audit expense (\$80,000+), additional finance support from a contractor (\$80,000+), legal and professional costs, CAO and CFO moving expenses, etc.
- **Facilities:** overage due to expenses related to the Barriere Business Center (BBC)
- **Recreation:** Cost savings due to a leave of absence
- **Grant Program:** This includes a variety of different grants that are either capital or operating related. The main variance was the BBC construction (\$151,000+), and grants that were provided to the District after the budget was concluded (FireSmart, Interior Savings for the BBC, 2023 Participaction, etc.). Some grants were also received in prior years, yet expensed this year, which makes the representations above inconsistent.
- **Highway Rescue:** not as many call-outs
- **Fire Service:** additional vehicle repairs and tool replacements were needed
- **Fleet and Equipment:** some savings due to in-house repair work
- **Roads Service:** focus was more on Parks in 2024 and less on Roads for wages
- **Solid Waste:** some cost savings operationally
- **Building Inspection:** Reduced milage and workshop costs
- **Planning/Zoning/Subdivision:** additional consultant work was needed regarding various development opportunities
- **Parks:** operational staffing focus was more on Parks than Roads
- **Cemetery:** reduced needs

**Utilities**

| Utilities Revenue     |                        |                     |                   |                    |
|-----------------------|------------------------|---------------------|-------------------|--------------------|
|                       | <b>Approved Budget</b> | <b>Actuals</b>      | <b>Variance</b>   | <b>% of Budget</b> |
| <b>Water Rev</b>      | \$ 930,244             | \$ 917,382          | -\$ 12,862        | 99%                |
| <b>Wastewater Rev</b> | \$ 250,592             | \$ 238,403          | -\$ 12,189        | 95%                |
|                       |                        |                     |                   |                    |
|                       | <b>\$ 1,180,836</b>    | <b>\$ 1,155,785</b> | <b>-\$ 25,051</b> | <b>98%</b>         |

| Utilities Expenses    |                        |                     |                    |                    |
|-----------------------|------------------------|---------------------|--------------------|--------------------|
|                       | <b>Approved Budget</b> | <b>Actuals</b>      | <b>Variance</b>    | <b>% of Budget</b> |
| <b>Water Exp</b>      | \$ 930,244             | \$ 1,109,281        | -\$ 179,037        | 119%               |
| <b>Wastewater Exp</b> | \$ 250,592             | \$ 193,867          | \$ 56,726          | 77%                |
|                       |                        |                     |                    |                    |
|                       | <b>\$ 1,180,836</b>    | <b>\$ 1,303,148</b> | <b>-\$ 122,311</b> | <b>110%</b>        |

| Totals            |  |                    |  |  |
|-------------------|--|--------------------|--|--|
|                   |  | <b>Actuals</b>     |  |  |
| <b>Water</b>      |  | -\$ 191,899        |  |  |
| <b>Wastewater</b> |  | \$ 44,536          |  |  |
|                   |  |                    |  |  |
|                   |  | <b>-\$ 147,363</b> |  |  |

**Utilities Highlights**

- These numbers are highly skewed as they include capital projects, related reserve transfers, etc.
- Although the District invoiced the full utility billing amounts, unpaid utility bills in the amount of roughly \$45,000 were rolled over to property taxation.
- The large variance in the Water expense category is due to the Louis Creek Industrial Park (LCIP) reservoir which was roughly \$179,000 over budget. Council did approve additional transfers from reserve in the fall of 2024 to cover those additional costs.
- Once this is all taken into account, there was still a shortfall of roughly \$13,000 for water; however, the wastewater utility was positive by \$44,534; so overall a roughly \$31,000 surplus between the utilities.
- Some year-end reserve and surplus transfers will still be needed to balance these accounts, transfer unused capital funding back to capital reserves, and utilize accumulated surplus to balance the operating accounts.

**Auditor Recommendations**

As the 2023 audit highlighted several challenges, we’ve been working with the auditors to have a defined list of items that should be cleaned up to create some efficiencies and streamlining of certain processes. Here are some of those recommendations that are achievable over the next 2 years:

- Removing the Capital expenses from the Operating budget.
- Regular reconciliation of key accounts (at least quarterly)
- Consolidating the surplus accounts and cleaning up the reserve accounts
- Create a Tangible Capital Assets (TCA) policy and update the related amortization schedules.

**2024 Actuals without Capital, Operational Grants, and other Taxing Authorities - Example**

| Revenue                   | without other Taxes |                     |                   |             |
|---------------------------|---------------------|---------------------|-------------------|-------------|
|                           | Approved Budget     | Actuals             | Variance          | % of Budget |
| Taxes                     | \$ 1,062,195        | \$ 1,062,760        | -\$ 565           | -100%       |
| Grants in Lieu of Taxes   | \$ 38,308           | \$ 39,906           | -\$ 1,598         | 104%        |
| Sales of Service          | \$ 275,161          | \$ 297,585          | -\$ 22,424        | 108%        |
| Revenue from Own Source   | \$ 202,792          | \$ 192,383          | \$ 10,409         | 95%         |
| Transfer from Other Gov't | \$ 585,000          | \$ 469,900          | \$ 115,100        | 80%         |
| Contract with Other Gov't | \$ 91,693           | \$ 59,885           | \$ 31,808         | 65%         |
|                           |                     |                     |                   |             |
|                           | <b>\$ 2,255,148</b> | <b>\$ 2,122,419</b> | <b>\$ 132,729</b> | <b>94%</b>  |

| Expenses                    |                     |                     |                    |             |
|-----------------------------|---------------------|---------------------|--------------------|-------------|
|                             | Approved Budget     | Actual              | Variance           | % of Budget |
| Legislative                 | \$ 103,957          | \$ 110,892          | -\$ 6,935          | 107%        |
| General Govt                | \$ 690,070          | \$ 877,984          | -\$ 187,914        | 127%        |
| Facilities                  | \$ 130,260          | \$ 137,238          | -\$ 6,978          | 105%        |
| Recreation                  | \$ 75,160           | \$ 54,218           | \$ 20,942          | 72%         |
| Highway Rescue              | \$ 6,700            | \$ 1,789            | \$ 4,911           | 27%         |
| Fire Services               | \$ 232,449          | \$ 259,307          | -\$ 26,859         | 112%        |
| Bylaw Enforcement           | \$ 2,649            | \$ 99               | \$ 2,551           | 4%          |
| Fleet and Equipment         | \$ 61,120           | \$ 52,119           | \$ 9,001           | 85%         |
| Roads Services              | \$ 495,655          | \$ 444,458          | \$ 51,197          | 90%         |
| Solid Waste                 | \$ 175,124          | \$ 159,727          | \$ 15,397          | 91%         |
| Development-Building        | \$ 29,930           | \$ 22,773           | \$ 7,157           | 76%         |
| Development-Planning Zoning | \$ 3,938            | \$ 6,147            | -\$ 2,209          | 156%        |
| Development-Subdivision     | \$ 6,200            | \$ 7,370            | -\$ 1,170          | 119%        |
| Development-Economic        | \$ 175              | \$ -                | \$ 175             | 0%          |
| Parks                       | \$ 135,938          | \$ 148,022          | -\$ 12,084         | 109%        |
| Cemetery                    | \$ 11,184           | \$ 4,280            | \$ 6,903           | 38%         |
|                             |                     |                     |                    |             |
|                             | <b>\$ 2,160,508</b> | <b>\$ 2,286,422</b> | <b>-\$ 125,914</b> | <b>106%</b> |

- The above tables are created without any capital projects, without any grants, and without any amounts for other taxing authorities to provide a cleaner look at the District's operations.
- The District had reduced revenue of roughly \$138,000; however, an additional roughly \$140,000 is expected as part of the Community Works Fund (formerly Gas Tax), now that the 2023 Audit is complete. So, we're on track on revenue. (Note: the tax amounts were billed, not necessarily received.)
- On Expenses we had roughly \$126,000 additional expenses in 2024; please see the notes earlier in the report for a detailed explanation.
- Looking at the Income Summary of Revenue minus Expenses:  
 $\$2,122,419 - \$2,286,422 = -\$164,003$   
 So, a deficit for the year of roughly \$164,000. Even though the Community Works funding will be recorded in 2025 as additional revenue, we still have to work on adjusting the budget based on the total shortfall in 2024.

### Next Steps

- Staff is working on determining exact transfer amounts to balance the various capital and operational budgets from reserve and surplus accounts which will be presented at a future meeting.
  - Staff is also working on any outstanding capital and operating grant related funding balances and to ensure that they are moved forward to the 2025 Financial Plan.
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### Attachments

- N/A

Prepared by:  
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