



First Quarter 2025 Financial Report

May 27th, 2025, Council Finance and Administrative Services Committee
Presenters: Randy Rydel, Finance Director

Continuing Our Financial Story

Today's Q1 results show:

- Revenue collection at 15.8% of budget - consistent with historical patterns
- Expenditures at 21.3% - right on track
- Strong cash position of \$39M after April property tax collections
- But the revenue challenges we flagged last year - particularly sales tax uncertainty - remain our primary focus area

Key Message: We're building on proven financial management, but staying vigilant about revenue trends we've been tracking.

The Sales Tax Story Continues

2024 Performance vs 2025 Reality

- 2024: Sales tax down 0.5% when we budgeted 4.5% growth
- 2025: Currently up 6.76% (after adjusting for state error)

Update for May reporting of March collections

- The Challenge: We budgeted 2025 expecting growth on top of growth

Property Tax - Our Stable Foundation

Continues as Our Most Reliable Revenue Source

- 2024: Remained largest revenue source despite economic uncertainty
- 2025: 9.8% levy increase performing as expected
- Collections up \$538K over last year
- Strong delinquent tax collections

Grant Revenue - New Controls in Action

Building on 2024's Grant Success with Better Oversight

- 2024: Intergovernmental revenue up 10.1%
- 2025: New accounting method matches revenue with eligible expenses
- \$5.2M apparent decrease is actually better financial control
- Money is still available (\$2.7M federal, \$1.85M health funding)




Expenditure Management - Discipline Continues

Following Our 2024 Pattern of Careful Spending

- 2024: Spent 87.7% of budget, \$13.8M better than projected
- 2025 Q1: 21.3% spent - aligns with historical patterns
- County-wide wage savings of 15% through May

"However, we're proceeding with caution on wage savings because:

- Employee step increases occur throughout the year
 - Summer work season ahead for road crews
 - Seasonal staffing needs not yet realized
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Fund Health & Cash Position

Our Cautious Financial Position Continues

- 2024: Ended with healthy \$29.5M fund balance
- 2025: Cash jumped from \$26.4M (March) to \$39M (April) after property tax collections
- Projected year-end fund balance: \$26.5M


Three Funds Under Close Monitoring:

- Behavioral Health Fund
 - Ferry Fund
 - Road Fund
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New Management Indicators - Better Information

Introducing Enhanced Financial Monitoring

- Real-time wage variance tracking
 - Purchase order commitments vs. available cash
 - Monthly cash flow patterns
 - Department-level budget performance
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Looking Ahead - Lessons from 2024

What 2024 Taught Us:

- Economic uncertainty requires careful revenue monitoring
- Expenditure discipline provides flexibility
- Diversified revenue streams help weather challenges

2025 Focus Areas:

- Continue monitoring sales tax as key economic indicator
 - Maintain a conservative approach to wage savings
 - Use property tax stability to weather other revenue fluctuations
 - Implement new management indicators for early warning systems
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Conclusion - Fiscal Stewardship Continues

Key Takeaways:

- Building on 2024's successful financial management
- Strong cash position and careful expenditure control
- Vigilant monitoring of sales tax trends
- New tools for better financial oversight

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Questions?