

# 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

### **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

# **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

# **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

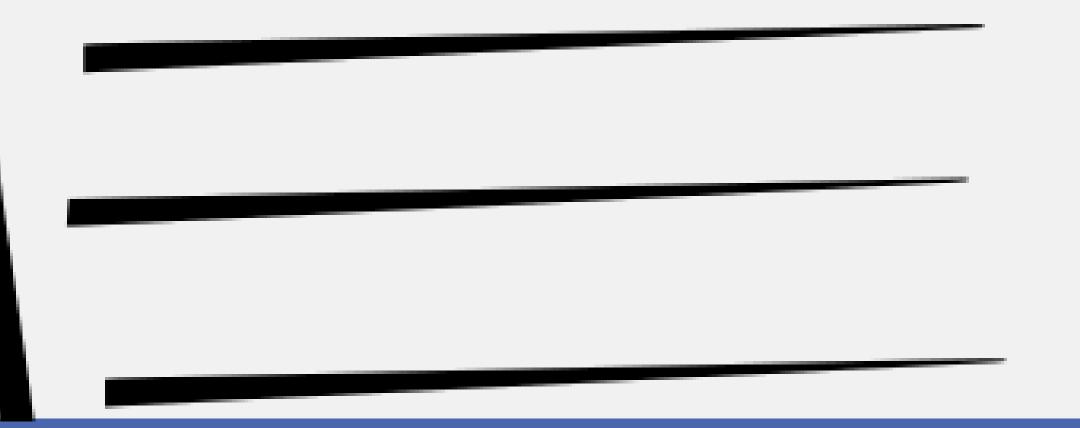
# 2025 Focus Areas:

- •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

### **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



# **Questions?**