

Report to Council



Date: May 26, 2025
To: Council
From: City Manager
Subject: First Quarter 2025 Financial Performance
Department: Financial Services

Recommendation:

THAT Council receives, for information, the First Quarter 2025 Financial Performance Report from the Financial Services Controller as a continued approach of presenting timely and relevant financial information.

Purpose:

To provide Council with information summarizing the City of Kelowna's first quarter financial activity in alignment with the presentation of the 2025 Financial Plan reflecting activities through a service-based model.

Background:

The Financial Services Department is committed to continuous improvement. As we navigate economic changes and a shifting macro environment, staff provide regular performance reporting throughout the year to improve governance and financial oversight. This report presents the first quarter financial performance against the budget and prior year activity.

Discussion:

Performance to date

The performance against budget, as seen in the table below, indicates that consolidated revenues and spending are trending near target, with expected variances from linear budget, largely due to business cycle and seasonal fluctuations. For example, taxation revenue collection in the first quarter is near 0%. This is an anticipated variance as taxation collection predominantly occurs in the second quarter. Capital spending is only 10% of budget as delivery of capital trends lower in the first quarter but increases in quarter 2.

Activity Ratio	Description	First Quarter Performance
Revenue to Budget	Measures revenue performance against original and amended net budget. This metric allows management/Council to identify revenue gaps or surpluses, and to adjust where required to reach financial goals.	Group: Revenue <ul style="list-style-type: none"> ➤ \$62M (13%) <ul style="list-style-type: none"> ○ Top Source: Fees & Charges (\$46M) ○ Top Service: Airport (\$15M)
Spending to Budget	Measures performance against original and amended net budget. This measure provides an indication of progress toward planned outcomes.	Group: Spending <ul style="list-style-type: none"> ➤ \$92M (23%) <ul style="list-style-type: none"> ○ Top Source: Material & Other (\$31M) ○ Top Service: Enabling Services (\$21M)
Capital Spending Burn Rate	Measures the percentage of annual capital budget being used and indicates the City's ability to deliver on its capital program.	Group: Capital Projects <ul style="list-style-type: none"> ➤ \$44M (10%)

Risks Identified

The financial activities and progress to date have been stable and reveal no indication of potential future risks.

Budget adjustments

First quarter budget adjustments will be presented through a separate Report to Council. This will include adjustments totaling \$3.56M with no impact to taxation demand.

Conclusion:

The first quarter's financial performance reflects a positive outlook for the organization. The performance across multiple service areas demonstrates the effectiveness of our financial planning and resource allocation strategies.

Internal Circulation:

Financial Planning Manager

Considerations not applicable to this report:

Legal/Statutory Authority
 Legal/Statutory Procedural Requirements
 Existing Policy
 Financial/Budgetary Considerations
 Consultation and Engagement
 Communications Comments

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