

## **General Comments**

### 2004 COUNTY FINANCIAL RESULTS

The postponement of some major Public Works projects like the Water Valley Road Project and the carry over of construction of the new County Administration building were the most significant items which caused variances in the actual 2004 financial results compared to what was planned in the 2004 budget. In the end there was an Operating Fund Surplus of \$81,000.

### **Highlights**

Below is a look at the top budget highlights for 2004. When reviewing the highlights please refer to the appropriate statement as indicated. What is presented does not include the Notes to the Financial Statements and some of the supporting schedules. Any ratepayer who prefers to review the complete statements can visit the County website at [www.mountainviewcounty.com](http://www.mountainviewcounty.com). If you require an explanation of a specific item please contact Greg Wiens, Director of Finance, at the County office at 335-3311. Your questions and comments are welcome.

### **Assets & Liabilities** (Consolidated Statement of Financial Position)

- Compared to 2003 the County had \$3.2 million less cash available at the end of 2004. This is largely the result of capital expenditures in 2004 which included the initial phases of construction of the new County Administration building. There is a corresponding increase in Physical Assets.
- Taxes Receivable increased in 2004 compared to 2003 by \$170,000.
- At the end of 2004 the County was carrying \$790,000 more inventory than in 2003. This was primarily gravel inventory.
- Operating Reserve Funds were reduced by \$5.4 million but this was less than the planned net reduction of \$6.75 million dollars. The delay of major bridge construction projects, the postponement of some capital purchases for fire departments and some unbudgeted additions to the reserves related to carried forward Divisional Projects funds account for the difference. The large budgeted draw down of reserves was primarily to fund the construction of the Administration building.
- Capital Reserve funds increased \$2.7 million. These are funds which were moved from Operating Reserves to Capital reserves. The funds will be used to complete the Administration building construction in 2005.

### **Capital** (Statement of Capital Fund Equity)

- There was a decrease in capital revenue of \$600,000 due to land sales planned in 2004 but which did not occur until early 2005.
- As well there was a decrease in capital grant revenue of \$500,000. This revenue is related to the construction of the new County Administration building and will not be recognized until 2005 when the building is completed.
- Capital expenditures were \$3.25 million less than planned primarily as a result of the construction of the Administration carrying over into 2005. There was a corresponding transfer of funds into the Capital Reserve.

### **Revenue** (Statement of Operations and Unappropriated Operating Equity)

- Overall Revenues were \$1.3 below what was budgeted in 2004.
- Compared to budget there was a \$170,000 reduction in tax revenue related primarily to tax adjustments to phase in property assessment increases in 2004.
- There was a net increase in general revenue, from budget, of \$250,000. This increase was driven by many factors, one of which was increased oil and gas activity in the County.
- Conditional Grants were \$1.38 million less than planned due to the postponement of some large Public Works projects.

### **Interfund Transfers** (Statement of Operations and Unappropriated Operating Equity)

- Transfers from Reserves were \$180,000 lower than budgeted. The net impact is from reduced draws from reserves due to Public Works project postponements offset by higher draws from reserves to fund Snow Removal expense increases and the funding of tax adjustments from the Tax Rate Stabilization Fund.
- Transfers to Reserves were \$1.15 million more than planned in the budget. There was \$700,000 added to Divisional Projects Reserve and \$190,000 added to the Re-chipping reserve to carry unspent funds into 2005. As well there were various other increases in reserves which were primarily related to fire reserves.

### **Expenses** (Schedule of Operating Expenditures)

- Overall expenses were almost \$2.8 million below budget.
- \$2.4 million of the decrease can be attributed to Public Works activity. \$2 million is attributed to postponed bridge construction and other Public Works projects. \$700,000 is related to unspent funds that were allocated to Divisional Projects and \$300,000 is related to various Public Works expenditures which were higher than budgeted.
- The remaining \$400,000 decrease in expenses is the primarily related to delayed capital purchases by the fire authorities but includes the budget variances for all other departments as well.

The net result was a Surplus of \$81,000.

Copies of the complete Financial Statements are available online at [www.mountainviewcounty.com](http://www.mountainviewcounty.com) or at the Mountain View County Offices. Please call (403)335-3311.