



**Mountain View**  
C O U N T Y

# Request for Decision

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SUBJECT:	August Financial Results	REVIEWED AND APPROVED FOR SUBMISSION
SUBMISSION TO:	Policy & Priorities Committee	CAO: DP      MANAGER:
MEETING DATE:	September 22, 2010	DIRECTOR: GW      PREPARER:
DEPARTMENT:	Corporate Services	LEGAL/POLICY REVIEW:
FILE NO./LEGAL:		FINANCIAL REVIEW:

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**RECOMMENDED ACTION:**

That the Policy & Priorities Committee receive the Unaudited August 2010 financial results and bank reconciliation as information.

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**BACKGROUND / PROPOSAL:**

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**DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:**

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**COSTS / SOURCE OF FUNDING:**

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**ATTACHMENT(S):**

- Financial Overview
- Statement of Financial Position
- Statement of Revenue
- Statement of Expense
- Operational Services Maintenance Detail
- Capital Projects Detail
- Bank Reconciliation

# Mountain View County

## August 2010

### Financial Statement Overview

#### General Comments

Except for a few exceptions, both revenue and expenses are tracking close to budget.

#### Financial Position (Pages 1)

- **Cash** – At the end of August the County had \$3.0 million in cash. This is a higher cash balance than expected. It wasn't known when we would receive \$4 million in MSI grant funding and these funds were received in July. The cash deficit at the end of August 2009 was \$20,000.
- **Tax Receivable** – We have accrued for total taxes receivable in 2010 and deferred the unearned portion for the remainder of the year i.e. \$11,000,000.
- **Trade Payables** – Has returned to normal levels after a spike in July related to the Red Lodge Road project.
- **Deferred revenue** – This item includes \$11 million of deferred tax revenue with the remainder related to grants received but not yet spent.

#### Revenue (Page 2)

Revenues to date – Overall revenues are tracking well compared with budget. There are a few items noted below. Grant revenue primarily relates to MSI funding for the Red Lodge Road Project.

- **Sale of Services** – Re-designation fees are tracking to be ahead of budget. \$60,000 in revenue was budgeted with \$98,000 in revenue received to the end of August.
- **Fees & Levies** – Development permit revenue is tracking well to budget and Sub Division Fees are tracking to be \$15,000 ahead of budget. Building permit revenues are tracking to be slightly short of budget expectations. Well Drilling Fees have picked up in 2010 and are projected to be \$100,000 to \$200,000 above budget expectations. Overall Fees & Levies are expected to exceed the budget.
- **Fines & Penalties** – Traffic Fine revenue is expected to be close to budget expectations. The majority of Tax Penalty revenue won't be booked until after the November penalty date.
- **Rentals** - Actual rental revenues exceed budget due to inclusion of capital lease rentals (shops, \$105,000). These revenues were anticipated in the budget just not in this line item.
- **Recovery** – Overall Operational Services recoveries are tracking behind budget. The biggest single item is the recoveries from the Alberta Highway Services contract for snow removal.

#### Expenses (Page 3)

Generally expenditures are tracking well against the budget.

Within CAO services is \$160,000 related to the MNP review. This item was not in the original budget but was an item approved and funded by Council later. This will cause this area to be over budget when compared to the original budget.

Amortization expenses for the year to date are now included in the results. The final TCA numbers weren't yet available when the 2010 budget was prepared. The actual amortization amounts are higher than

originally expected. As roads are the County's largest asset group this is the area most impacted and the difference shows up in the Operational Services detail. This does not impact the County's reserves or cash position but will impact the reported Surplus and the Equity in TCA. There was a similar impact in the 2009 financial results as both 2009 and 2010 used similar budget assumptions.

Infrastructure Support Services includes the extra hauling associated with the infiltration issues at Netook Crossing. These costs are expected to be recovered from the developer.

Details for Operational Services Maintenance are below.

### **Cash Flow (Not included for August) Operational Services (Page 4)**

Operational Services items to note are below:

- Administration: So far this year this area is trending to be over budget by \$50,000 - \$150,000.
- Support Activities: The budgeted amount for this area was spent as of the end of July. This area is trending to be \$350,000 - \$500,000 over budget by year end.
- Equipment Net Revenue: This area includes amortization to date and is tracking well compared to budget.
- Gravel Roads: The main areas of expense in this area are dust control (\$410,000) and road balding (\$800,000). There was \$260,000 of activity in this area in August. The remaining budget will support 2 more months of activity at this level. As most the activity in this area is during the construction season this area appears to be tracking well compared to budget.
- Hard Surface Roads: The main expense in this area is road patching which is where almost all the funds to date have been spent. In August there was \$80,000 of activity. This area is trending to be below budget.
- Snow removal costs: \$838,000 to the end of August - represent 63% of the 2010 snow removal budget. Even with a lack of major snow events so far in 2010, this item will almost certainly exceed budget.
- Work Charged Out: This area of expense is made up primarily of costs associated with gravel sales, supporting the Alberta Highway Services contract and providing dust control. So far this area is tracking to be below budget which corresponds to Recovery revenue also being below budget.
- Amortization: Now shown for the year to date. It will be over budget as per the discussion above.
- Capital Projects are proceeding. Areas of significant expenditure so far are the Red Lodge Road project and the Re-graveling program.
  - The re-graveling program is now complete with 119,725 tonnes of gravel placed (102,469 tonnes in 2009) on 570 km of road (29% of gravel roads) . The average cost was \$12.84/tonne (\$13.63/tonne in 2009). The re-graveling program is \$38,000 over budget in 2010 but was under budget in 2009. The excess funds from 2009 were placed into a reserve and are available for this year's program.
  - The re-chipping program began in August with \$525,000 of expenses, The work was primarily completed by County crews. Although most the work was completed in August, invoices are still coming in. Final costs won't be known until the September results. Contract re-chipping work had not yet had any significant expenses at the end of August.

**MOUNTAIN VIEW COUNTY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT AUG 31, 2010 (Unaudited)**

	2010 Aug 31	2009 Dec. 31
<b>FINANCIAL ASSETS</b>	<b>\$</b>	<b>\$</b>
Cash and temporary investments (note 2)	2,960,959	13,982,622
Taxes receivable (note 3)	28,029,921	727,929
Accounts receivable		
Federal government	303,045	968,338
Provincial government	48,000	850,484
Local governments	-	690,716
Other	876,585	826,457
Investments (note 4, 18)	1,005,983	1,005,983
Notes receivable (note 16)	5,793,988	2,795,339
Land held for resale	71,082	71,082
Trust accounts (note 5)	645,218	597,554
<b>Total Financial Assets</b>	<u>39,734,781</u>	<u>22,516,504</u>
<b>LIABILITIES</b>		
Accounts payable & accrued liabilities		
Federal government	5,837	210,951
Provincial government	42,951	87,537
Local governments	25,950	258,869
Trade payables	1,523,105	1,831,713
Deferred revenue (note 6)	13,120,724	3,133,210
Employee benefit obligations (note 7)	241,309	455,382
Trust accounts (note 5)	643,319	597,554
Pit reclamation obligation (note 20)	5,624,671	5,624,671
Other liabilities	317,491	242,757
Long-term debt (note 8)	5,698,805	2,700,156
<b>Total Liabilities</b>	<u>27,244,162</u>	<u>15,142,800</u>
<b>Contingencies (note 18)</b>		
<b>NET FINANCIAL ASSETS</b>	<u>12,490,619</u>	<u>7,373,704</u>
<b>NON-FINANCIAL ASSETS</b>		
Inventory for consumption	4,380,287	4,666,941
Prepaid expenses	432,433	649,038
Tangible capital assets (note 13)	<u>139,776,846</u>	<u>137,081,279</u>
<b>Total Non Financial Assets</b>	<u>144,589,567</u>	<u>142,397,258</u>
<b>ACCUMULATED SURPLUS (note 19)</b>	<u>157,080,186</u>	<u>149,770,962</u>

**MOUNTAIN VIEW COUNTY  
REVENUES  
FOR THE PERIOD ENDED AUG 31, 2010 (Unaudited)**

VARIANCE CALCULATION: 2010 budget compared to 2010 actual.

	<b>2009 ACTUAL \$</b>	<b>2010 BUDGET \$</b>	<b>2010 ACTUAL \$</b>	<b>VARIANCE \$</b>	<b>Bench Mark % 33</b>
<b>TAXES:</b>					
TOTAL TAXES	<u>33,919,158</u>	<u>32,742,500</u>	<u>22,397,517</u>	<u>10,344,983</u>	32
<b>SALES OF GOODS &amp; SERVICES:</b>					
Sale of Goods	218,865	238,400	112,771	125,629	53
Sale of Services	991,995	655,700	493,702	161,998	25
Fees & Levies	596,362	597,625	523,612	74,013	12
Fines & Penalties	314,474	278,000	61,688	216,312	78
Return on Investments	303,303	303,000	46,495	256,505	85
Rentals	417,165	119,100	218,072	(98,972)	(83)
Recovery	398,018	556,700	264,143	292,557	53
Other	65,101	159,100	-	159,100	100
	<u>3,305,283</u>	<u>2,907,625</u>	<u>1,720,480</u>	<u>1,187,145</u>	41
<b>GRANTS:</b>					
Federal	783,732	55,600	0	55,600	100
Provincial	5,994,159	11,264,275	8,094,172	3,170,103	28
	<u>6,777,891</u>	<u>11,319,875</u>	<u>8,094,172</u>	<u>3,225,703</u>	28
Contributed Capital	1,011,610	0	0		
<b>TOTAL REVENUE</b>	<u>45,013,942</u>	<u>46,970,000</u>	<u>32,212,170</u>	<u>14,757,830</u>	31

**MOUNTAIN VIEW COUNTY  
EXPENDITURES  
FOR THE PERIOD ENDED AUG 31, 2010 (Unaudited)**

VARIANCE CALCULATION: 2010 budget compared to 2010 Actual

	<b>2009 ACTUAL</b>	<b>2010 BUDGET</b>	<b>2010 ACTUAL</b>	<b>VARIANCE</b>	<b>Bench Mark %</b>
	\$	\$	\$	\$	<b>33</b>
<b>COUNCIL:</b>	513,622	595,480	301,135	294,345	49
<b>CAO SERVICES:</b>	505,508	627,580	504,928	122,652	20
<b>CORPORATE SERVICES:</b>					
Finance & General Office	1,621,309	1,679,733	944,229	735,504	44
Assessment & Taxation	412,080	430,725	242,738	187,987	44
Business Services	567,007	710,550	479,656	230,894	32
Utilities (Solid Waste Collection)	391,410	402,000	191,432	210,568	52
	<u>2,991,806</u>	<u>3,223,008</u>	<u>1,858,055</u>	<u>1,364,953</u>	<u>42</u>
<b>PLANNING &amp; DEVELOPMENT SERVICES:</b>					
Planning	840,893	948,070	625,064	323,006	34
Permitting	502,022	492,050	311,862	180,188	37
Non Recurring	124,529	142,000	131,584	10,416	7
	<u>1,467,444</u>	<u>1,582,120</u>	<u>1,068,510</u>	<u>513,610</u>	<u>32</u>
<b>LEGISLATIVE &amp; COMMUNITY SERVICES:</b>					
Legislative Services	541,523	683,260	409,492	273,768	40
Community Services	612,831	656,795	412,666	244,129	37
Non Recurring	1,040,576	1,050,000	307,554	742,446	71
Community Grants	520,331	520,375	335,347	185,028	36
Third Party Services	1,915,845	2,342,997	1,863,908	479,089	20
	<u>4,631,106</u>	<u>5,253,427</u>	<u>3,328,966</u>	<u>1,924,461</u>	<u>37</u>
<b>OPERATIONAL SERVICES:</b>					
Operational Services Maintenance	21,407,833	14,577,750	11,317,946	3,259,804	22
Infrastructure Support Services	754,943	728,250	705,311	22,939	3
Parks	36,210	29,000	33,262	(4,262)	(15)
Other Operational Services Projects		0		0	0
Agriculture Service Board	788,987	999,500	455,298	544,202	54
Agriculture/Environmental Projects	125,795	211,385	89,972	121,413	57
	<u>23,113,767</u>	<u>16,545,885</u>	<u>12,601,787</u>	<u>3,944,098</u>	<u>24</u>
<b>REQUISITIONS:</b>	10,249,002	10,142,500	5,239,565	4,902,935	48
<b>TOTAL EXPENDITURES</b>	<u>43,472,256</u>	<u>37,970,000</u>	<u>24,902,945</u>	<u>13,067,055</u>	<u>34</u>
<b>EXCESS REVENUES OVER EXPENSES</b>	<u>1,541,687</u>	<u>9,000,000</u>	<u>7,309,224</u>		

**MOUNTAIN VIEW COUNTY  
INFRASTRUCTURE MAINTENANCE  
AS OF AUG 31, 2010**

	<b>2010 BUDGET</b>	<b>2010 ACTUAL</b>	<b>Remaining Budget</b>	<b>Target 33%</b>
<b>RECURRING EXPENSES: (Budget Page 79 Adj. for Month)</b>				
Operating				
Administration	880,350	634,120	246,230	28.0%
Support Activities	594,000	749,403	(155,403)	-26.2%
Equipment Net Revenue	145,000	(146,695)	291,695	201.2%
Gravel Roads	1,790,000	1,313,275	476,725	26.6%
Hard Surface Road	1,687,000	461,207	1,225,793	72.7%
Snow Operations	1,333,300	838,015	495,285	37.1%
Drainage Management	615,000	168,099	446,901	72.7%
Vegetation Control	192,000	177,927	14,073	7.3%
Bridges	140,000	96,724	43,276	30.9%
Traffic Control	250,000	191,467	58,533	23.4%
Work Charged Out	642,000	232,985	409,015	63.7%
Gravel Pits	250,000	322,784	(72,784)	-29.1%
Amortization	6,204,100	6,278,634	(74,534)	-1.2%
	<u>14,722,750</u>	<u>11,317,946</u>	<u>3,404,804</u>	<u>23.1%</u>
<b>CAPITAL (Budget Page 40)</b>				
RE-GRAVELING PROGRAM	1,500,000	1,537,586	(37,586)	-2.5%
HARD SURFACE ROADS	3,100,000	631,168	2,468,832	79.6%
COUNTY COLLECTOR NETWORK	5,760,000	5,901,352	(141,352)	-2.5%
LOCAL ROADS	1,925,000	235,846	1,689,154	87.7%
PROJECTS CARRY OVER	584,000	58,749	525,251	89.9%
OTHER	82,115	26,978	55,137	67.1%
BRIDGES	400,000	40,793	359,207	89.8%
LOSS ON DISPOSITION		348,715		
	<u>13,351,115</u>	<u>8,781,187</u>	<u>4,569,928</u>	<u>34.2%</u>
	<u><u>28,073,865</u></u>	<u><u>20,099,133</u></u>	<u><u>7,974,732</u></u>	<u><u>28.4%</u></u>

**MOUNTAIN VIEW COUNTY  
2010 CAPITAL EXPENDITURES - DETAIL**

		BUDGET	ACTUAL
ROADS:			
	Gravel Roads:	1,500,000	1,537,586
	Hard Surface Roads:		
	Internal Chipsealing	1,550,000	631,168
	Rechipping - deferred maintenance costs	1,000,000	0
	Contract Rechipping	350,000	0
	Long Patching	200,000	0
	Total Hard Surface Roads	3,100,000	631,168
	County Collector Network:		
RA.7.078	OS-04-10 Red Lodge Road Paving	5,700,000	5,875,517
RA.5.116	OS-08-10 Coal Camp Road Engineering	15,000	
RA.7.076	OS-03-10 RR 20 & Amerada Road (RR 20 & T322)		129
RA.4.072	OS-09-10 FallenTimber Trail Intersection Engineering	15,000	10,323
RA.4.073	OS-10-10 RR42 Resource Road Engineering	30,000	15,383
	Total County Collector Network	5,760,000	5,901,352
	Local Roads:		
CP.0.033	OS-11-10 Minor Projects (Recurring Each Year)	100,000	53,378
RA.3.100	OS-16-10 Lagoon Road RR15 update	380,000	10,619
RA.7.080	OS-17-10 RR272 repairs	300,000	
RA.2.092	OS-19-10 Winchell Lake TWP 290 guardrail	25,000	25,000
RA.2.107	OS-20-10 RR35 upgrade Engineering	30,000	19,116
RA.5.115	OS-21-10 RR65 Engineering	25,000	22,288
RA.3.101	OS-22-10 RR281 grade raise	200,000	5,124
RA.7.079	OS-23-10 TWP334 construction	750,000	70,971
HS.X.105	OS-14-10 Railway Crossings (Recurring Each Year)	100,000	
RA.6.083	OS-07-10 TWP 340 INTERSECTIONS RR43 & R		20,874
RA.4.074	OS-57-10 TWP 312 Engineering	15,000	8,478
	Total Local Roads	1,925,000	235,846
	Projects Carry Over:		
CP.0.031	OS-15-09 Residential Subdivision paving	150,000	4,531
RA.3.097	OS-16-09 Didsbury Industrial Subdivision paving	150,000	2,088
SP.0.223	OS-26-09 Landscapping, Fencing & Signage - County office	130,000	9,437
SP.0.224	OS-35-08 Municipal Sustainability Plan	54,000	
SP.0.227	OS-38-08 Utility Corporation Search Fees	10,000	
RA.2.093	TWP 290 (DEER SPRINGS)		252
RA.6.082	Harmattan Bridge Bank Stabilization		192
RA.2.106	Acme Road Engineering RR 35 to RR 30		10,418
RA.1.058	HILL CUT RANGE ROAD 20		9,492
SR series (S	OS-42-08 Shop Building Mtce	90,000	22,340
	Total Local Roads Carry Over	584,000	58,749
	Other:		
CP.0.036	OS-54-10 Maintenance Management Software	82,115	26,978
BC.2.080	Big Prairie Bridge		18,579
BP.2.098, BP.2.427, BP.2.1	Provincially funded Bridge Repairs		6,774
BC.2.487, BP.2	Bridges: (OS-18-10 - Construct New Crossing)	400,000	15,441
			40,793
	<b>TOTAL ROADS</b>	<b>13,351,115</b>	<b>8,432,472</b>

**MOUNTAIN VIEW COUNTY  
2010 CAPITAL EXPENDITURES - DETAIL**

			<u>BUDGET</u>	<u>ACTUAL</u>
OTHER				
Facility Reserve:				
SP.0.167	OS-31-10	Didsbury Yard ESA	60,000	0
SP.0.228	OS-32-10	Sundre Shop ESA	65,000	0
CP.0.022	OS-34-10	Upgrade Didsbury Yard	22,000	16,700
CP.0.028	OS-35-10	Lighting Upgrade at Shops	13,781	9,978
CP.0.023	OS-36-10	Server Room Air-conditioning	17,989	16,129
CP.0.024	OS-38-10	Update Office Furniture	11,000	9,801
CP.0.025	OS-39-10	Storage Building - Admin Office	25,900	22,547
FR.0.001	OS-40-10	Office Floor Crest Repair	9,500	0
CP.0.032	OS-42-10	Sundre Shop Landscaping	20,000	0
CP.0.021		Cremona Shop Chain Link Fence (\$20,000 approved from Fac. Res.)		<u>25,608</u>
		Total Facility Reserve	245,170	100,762
Office Equipment Reserve:				
		Total Office Equipment Reserve (CP.0.004)	65,000	82,261
Olds/Didsbury Airport Reserve				
CP.0.026	OS-43-10	Olds/Didsbury Airport windows	8,000	9,192
CP.0.027	OS-44-10	Sundre Airport Sewer	10,000	53,463
CP.0.034	OS-45-10	Olds/Didsbury Airport Phase 1 Subdiv. Constr	223,000	64,722
CP.0.026/CF	OS-46-10	Sundre & Olds/Didsbury Airport ArcalLights Repl.	20,000	
OD.0.001/SL	OS-48-10	Airport Flight System inspection	3,000	36,522
CP.0.035	OS-49-10	Sundre Airport Subdivision	255,000	0
CP.0.030	OS-50-10	Sundre Airport Runway Paving	<u>741,880</u>	<u>494,236</u>
		Total Airport Reserve	<u>1,260,880</u>	<u>658,134</u>
Agriculture & Parks Projects:				
AG.1.018	AG-01-10	Bagnal Park Access	150,000	1,140
AG.0.309	AG-02-10	Pest proof garbage containers	10,000	6,261
SP.0.065		Upgrading AG Equipment		10,947
AG.0.512	AG-04-10	Community Weed Education program	10,000	
AG.0.109	AG-05-10	Grazing Lease improvements	<u>28,500</u>	<u>5,591</u>
		Total Agriculture Reserve	<u>198,500</u>	<u>23,939</u>
CP.0.029	Cs-03-10	Community Engagement Site	311,586	
<b>TOTAL OTHER</b>			<u>2,081,136</u>	<u>865,096</u>
<b>TOTAL 2010 CAPITAL EXPENDITURES</b>			<u>15,432,251</u>	<u>9,297,568</u>

**MOUNTAIN VIEW COUNTY  
CONSOLIDATED BANK RECONCILIATION SUMMARY  
AS AT AUGUST 31, 2010**

	General Accounts	Trust Accounts	Investments		Other	Total
			Short Term	Long Term		
Opening Balance	3,730,204.65	645,217.88	92,381.39	995,332.30	10,650.87	1,098,364.56
Deposits:	-					-
Cash Receipts	8,996,943.54					-
Cash Receipts accrued to A/R	(4,584,696.76)					-
Accrued Interest on Investments	2,303.88		4.39			4.39
Transfers:						-
Cash in Lieu	-					-
Disbursements:						-
RB Cheques	(4,799,917.07)					-
RB Transfers	(468,237.27)		23.99			23.99
Cancelled Cheques	209.04					-
Loan payments/requisitions	-					-
Transfers:						-
Investment Accounts (net)	-		-			-
Payroll Account	-					-
Disbursement Account	-					-
U.S. Account	(175.55)					-
Visa	(1,210.02)					-
PTASFF School Tax	-					-
Bank charges	(977.40)		(0.31)			(0.31)
Returned items/other adjustments	(6,897.77)					-
	-					-
<b>Balance per G/L</b>	<b>2,867,549.27</b>	<b>645,217.88</b>	<b>92,409.46</b>	<b>995,332.30</b>	<b>10,650.87</b>	<b>1,098,392.63</b>
Outstanding Items:						
Transfer to Cash in Lieu Account						
Outstanding Deposits	(581,609.00)	(1,813.09)				
Outstanding Cheques	520,943.08					
Other Outstanding Items		-				
<b>Balance per Bank Statement</b>	<b>2,806,883.35</b>	<b>643,404.79</b>	<b>92,409.46</b>	<b>995,332.30</b>	<b>10,650.87</b>	<b>1,098,392.63</b>