



2014 Financial Results

June 17, 2015

Presentation Outline

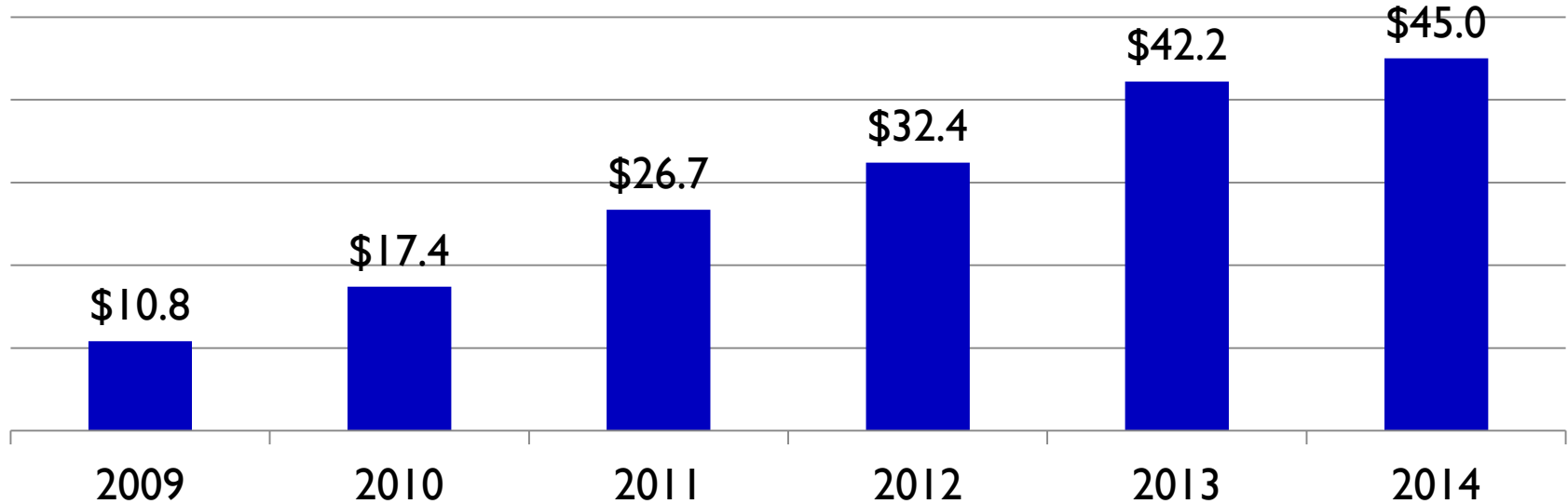
- ▶ Financial Trends
- ▶ Accumulated Surplus Summary
- ▶ Revenue & Expenses
- ▶ Debt
- ▶ Reserves
- ▶ Summary
- ▶ Supplemental Information

Financial Trends

	2010	2013	2014
Financial Assets	17,388,000	42,226,606	44,951,019
Liabilities	<u>46,625,687</u>	<u>49,197,075</u>	<u>48,068,320</u>
Net Financial Liabilities	(29,237,687)	(6,970,469)	(3,117,301)
Non-Financial Assets	<u>149,097,001</u>	<u>149,665,246</u>	<u>151,034,387</u>
Accumulated Surplus	119,859,314	142,694,777	147,917,086

- ▶ Net financial liabilities decreased by 55%
 - ▶ Continued improvement to liquidity & financial sustainability
- ▶ Non-financial assets flat (< 1% change)
 - ▶ New capital barely keeping pace with amortization
- ▶ Continued positive trend of increased accumulated surplus
 - ▶ Increased reserves, debt under control

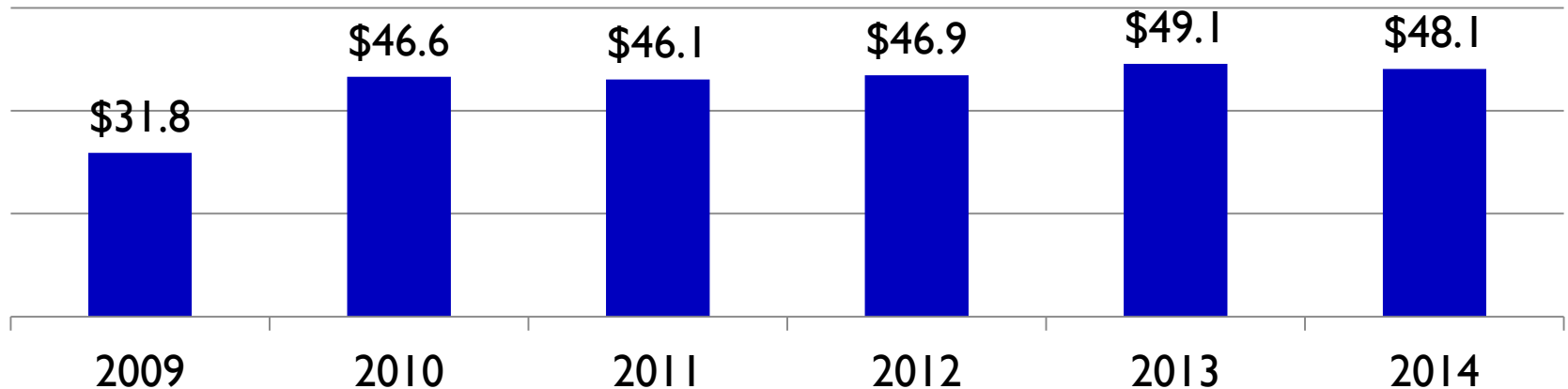
Financial Assets (\$M)



- ▶ Cash & investments increased \$2.7M
 - ▶ Due to increase in reserves
 - ▶ Year over year change stabilizing
- ▶ Receivables unchanged

Note: cash transferred to investments in Jan '14, new investment firm

Financial Liabilities (\$M)

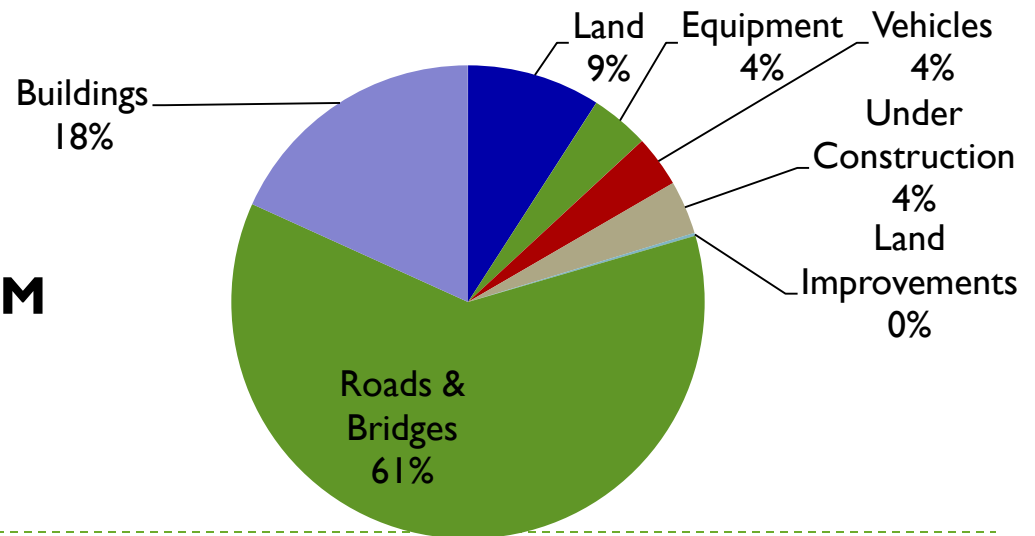


- ▶ AP decreased \$1.1M
 - ▶ Investment in Affordable Housing (IAH) received 2013, paid 2014
- ▶ Long term debt decreased \$1.3M
 - ▶ Paying down debt, no new debt
- ▶ Landfill closure/post-closure liability increased \$1.1k
 - ▶ Increased liability estimates for closed sites and Brighton leachate treatment based on actual cost trends
- ▶ Employee future benefit liability increased \$160k (per actuary)

Capital

- ▶ Net book value of assets increased \$1.3M
 - ▶ Acquisition cost \$9.7M
 - ▶ Amortization (\$7.9M)
 - ▶ Disposals (NBV) (\$0.5M)
- ▶ \$2.1M in projects deferred to 2015

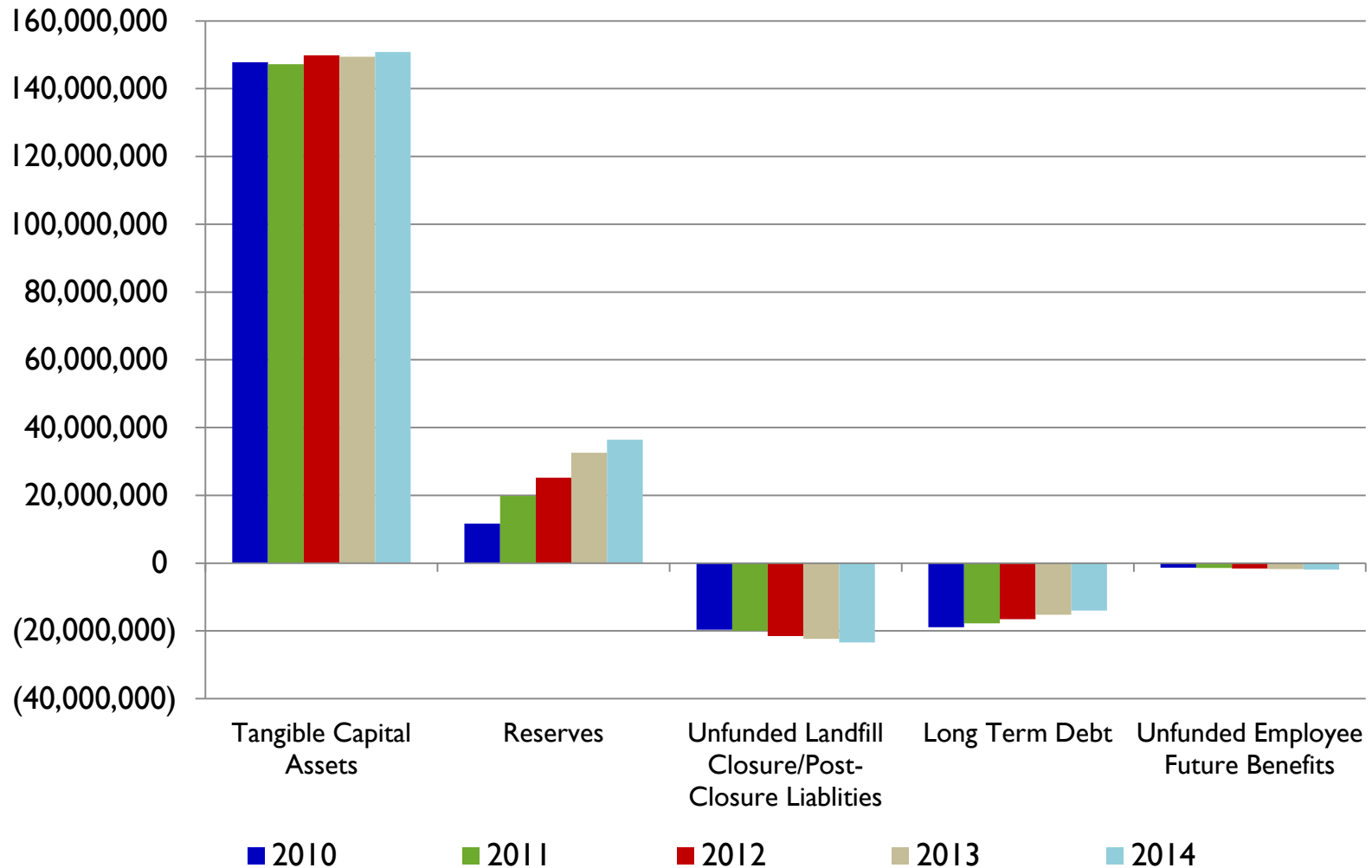
Total asset NBV is \$151M



Accumulated Surplus (note 9)

	2012	2013	2014	Change 2013/2014
Surplus/(Deficit)				
Unfunded landfill closure & post-closure liability	(21,477,867)	(22,338,111)	(23,400,799)	(1,062,688)
Unfunded employee future benefits liability	<u>(1,578,187)</u>	<u>(1,736,700)</u>	<u>(1,896,797)</u>	<u>(160,097)</u>
	(23,056,054)	(24,074,811)	(25,297,596)	(1,222,785)
Invested in Capital Assets				
Tangible capital assets – NBV	149,804,472	149,449,373	150,789,035	1,339,662
Long term debt	<u>(16,511,952)</u>	<u>(15,257,396)</u>	<u>(13,992,307)</u>	<u>1,265,089</u>
	<u>133,292,520</u>	<u>134,191,977</u>	<u>136,796,728</u>	<u>2,604,751</u>
Accumulated Surplus	110,236,466	110,117,166	111,499,132	1,381,966
Reserves	<u>25,265,554</u>	<u>32,577,611</u>	<u>36,417,954</u>	<u>3,840,343</u>
	135,502,020	142,694,777	147,917,086	5,222,309

Components of the Accumulated Surplus



2014 Highlights - Revenue

2014 Actual	2014 Budget	2013 Actual
\$94.9M	\$95.0M	\$92.4M

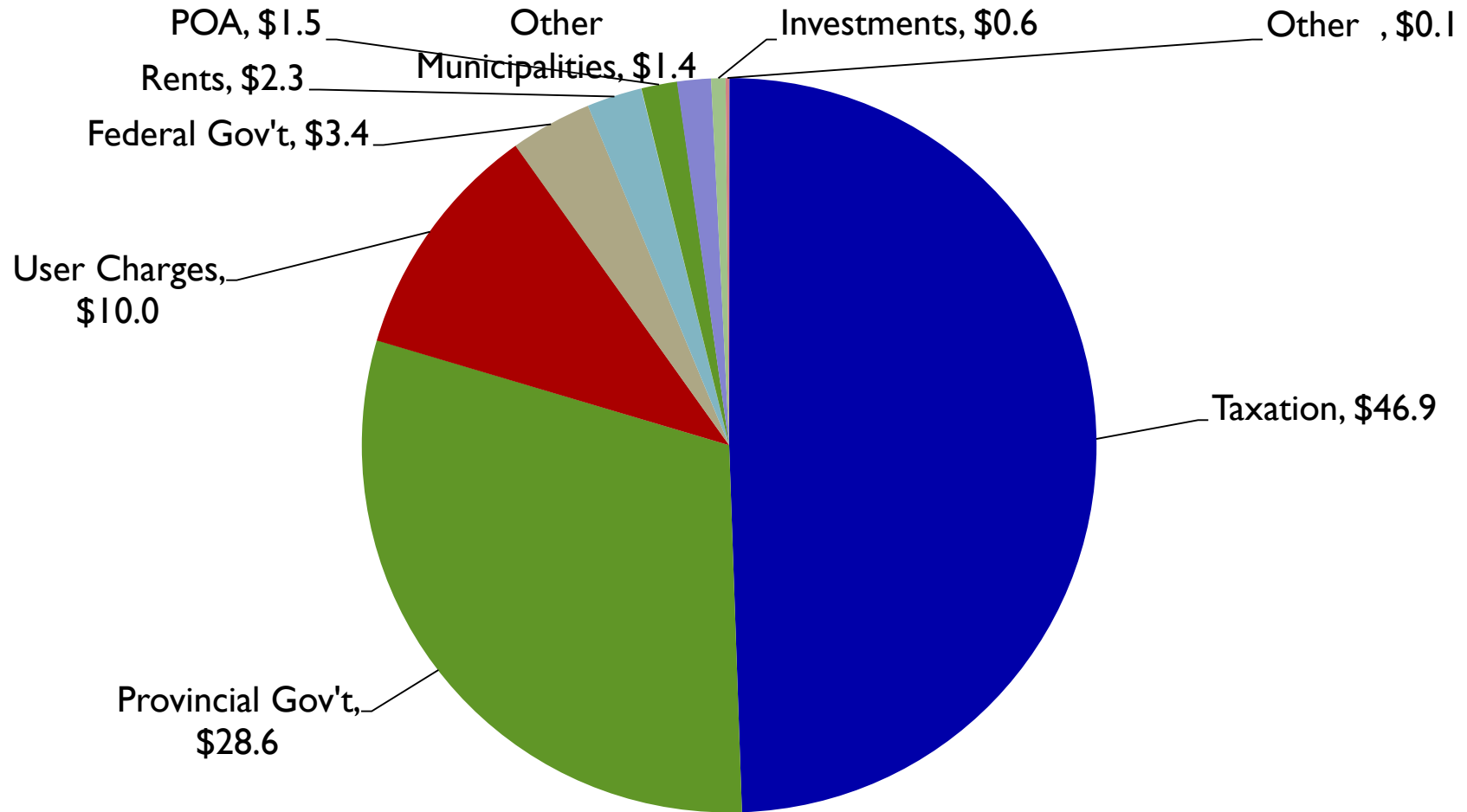
Total revenue \$146k under budget:

- ▶ Waste revenue
- ▶ POA revenue lower than expected
- ▶ Timber revenue
- ▶ CIF grant MRF Container Line
- ▶ OAFVC Grants
- ▶ Offset by:
 - ▶ Investment interest
 - ▶ Levy supplementals
 - ▶ Housing rent better than budget
 - ▶ IAH funding

Total revenue \$2.5M over 2013:

- ▶ Changes in Provincial funding (inflation, CMI)
- ▶ General levy increase
- ▶ Investment income
- ▶ OAFVC & BAC grants
- ▶ CPR bridge funding
- ▶ Bag Tags
- ▶ Offset by:
 - ▶ POA Revenue
 - ▶ IAH funding
 - ▶ Timber revenue

Revenue by Type



2014 Highlights - Expenses

2014 Actual	2014 Budget	2013 Actual
\$89.6M	\$89.8M	\$85.2M

- ▶ Expenses were \$160k under budget due to:
 - ▶ Contract & tender savings
 - ▶ Savings in Social Services programs
 - ▶ Capital project carryovers
 - ▶ Offset by increased leachate treatment
- ▶ Expenses were \$4.5M greater than 2013 due to:
 - ▶ Utility increases
 - ▶ Ramp up of roads budget
 - ▶ Ramp up of housing R&M budget
 - ▶ Change in post closure liability
 - ▶ New Depts OAFVC / BACN / Planning
 - ▶ Inflation

2014 Highlights - Expenses

2014

Operations

Operating expenses \$80.4M

Non-cash Items

Landfill closure/post-closure liability \$1.1M

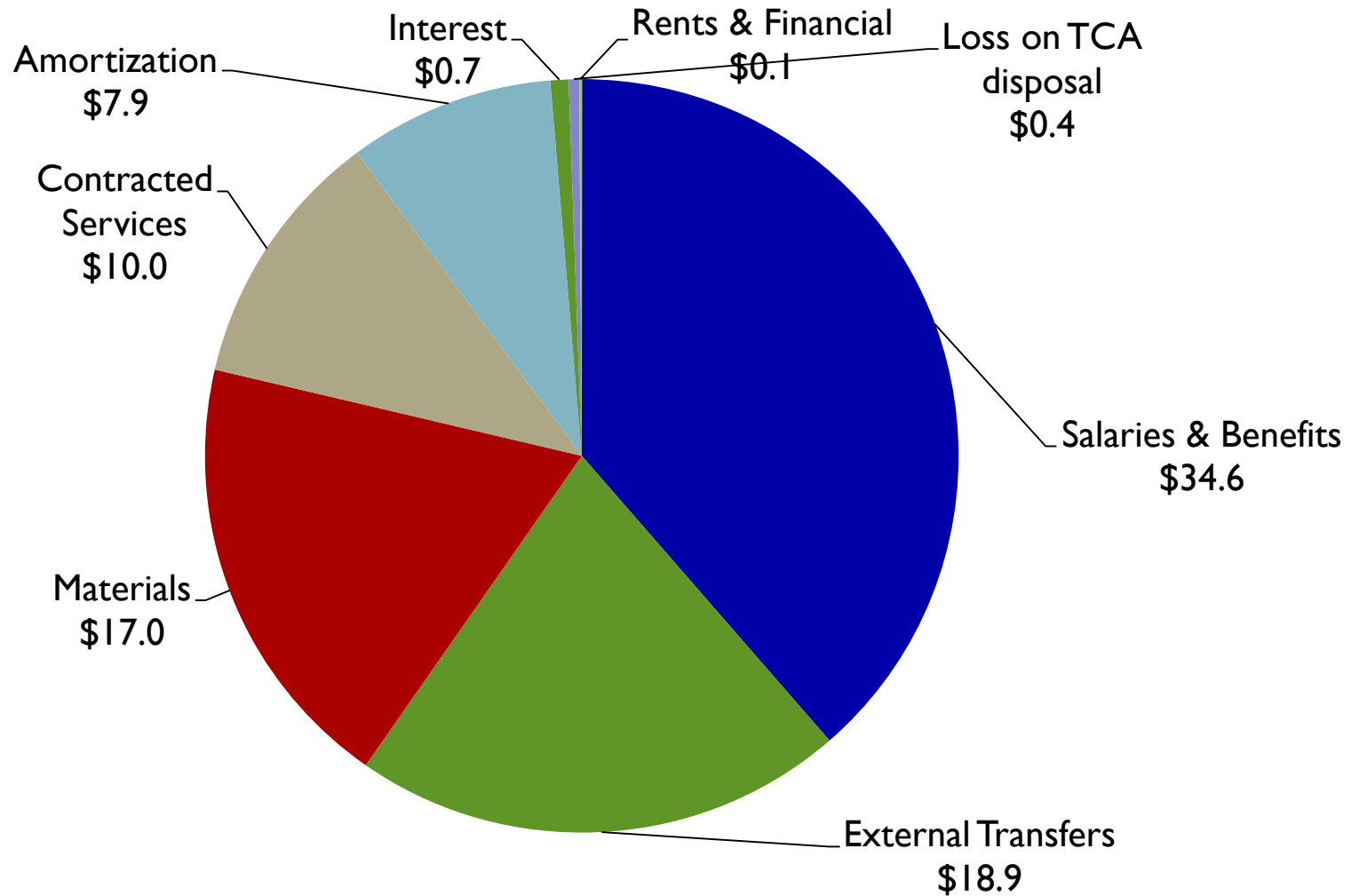
Employee future benefits liability 0.2M

Amortization 7.9M

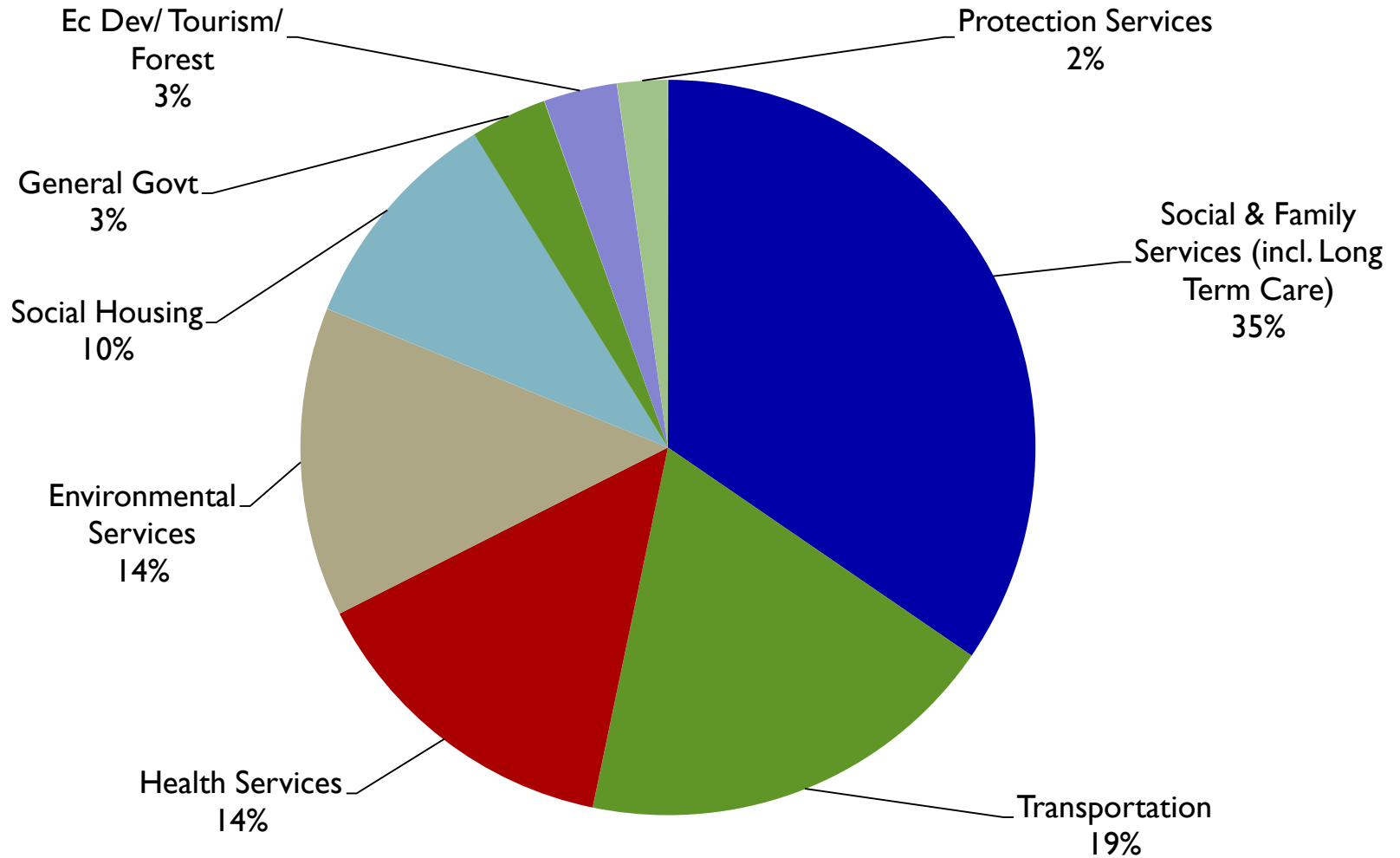
\$9.2M

Total \$89.6M

Expenses by Type



Expenses by Service



Long Term Debt

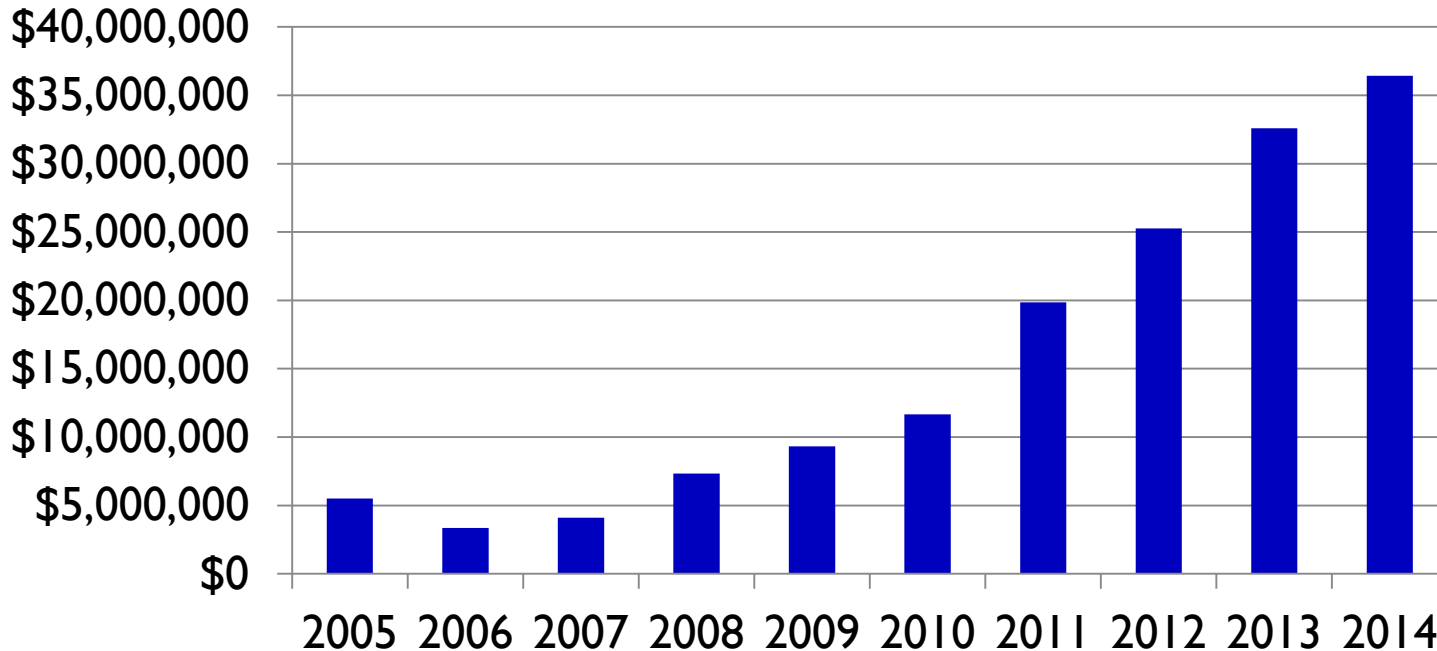
- ▶ Total long term debt decreased \$1.3M
- ▶ No new debentures in 2014
- ▶ Total debt is \$14.0M
- ▶ Debt continues to remain well below the annual repayment limit
- ▶ Flexibility for future needs

Reserves

- ▶ Reserves increased \$3.8M
 - ▶ \$2.1M project funding carryover to 2015
 - ▶ \$1.7M actual reserve increase
- ▶ Total Reserves are \$36.4M
- ▶ Reflects long term planning by departments
- ▶ Disciplined approach to managing surplus funds
 - ▶ Unexpected revenues
 - ▶ Contract/tendering savings
 - ▶ Operational efficiencies

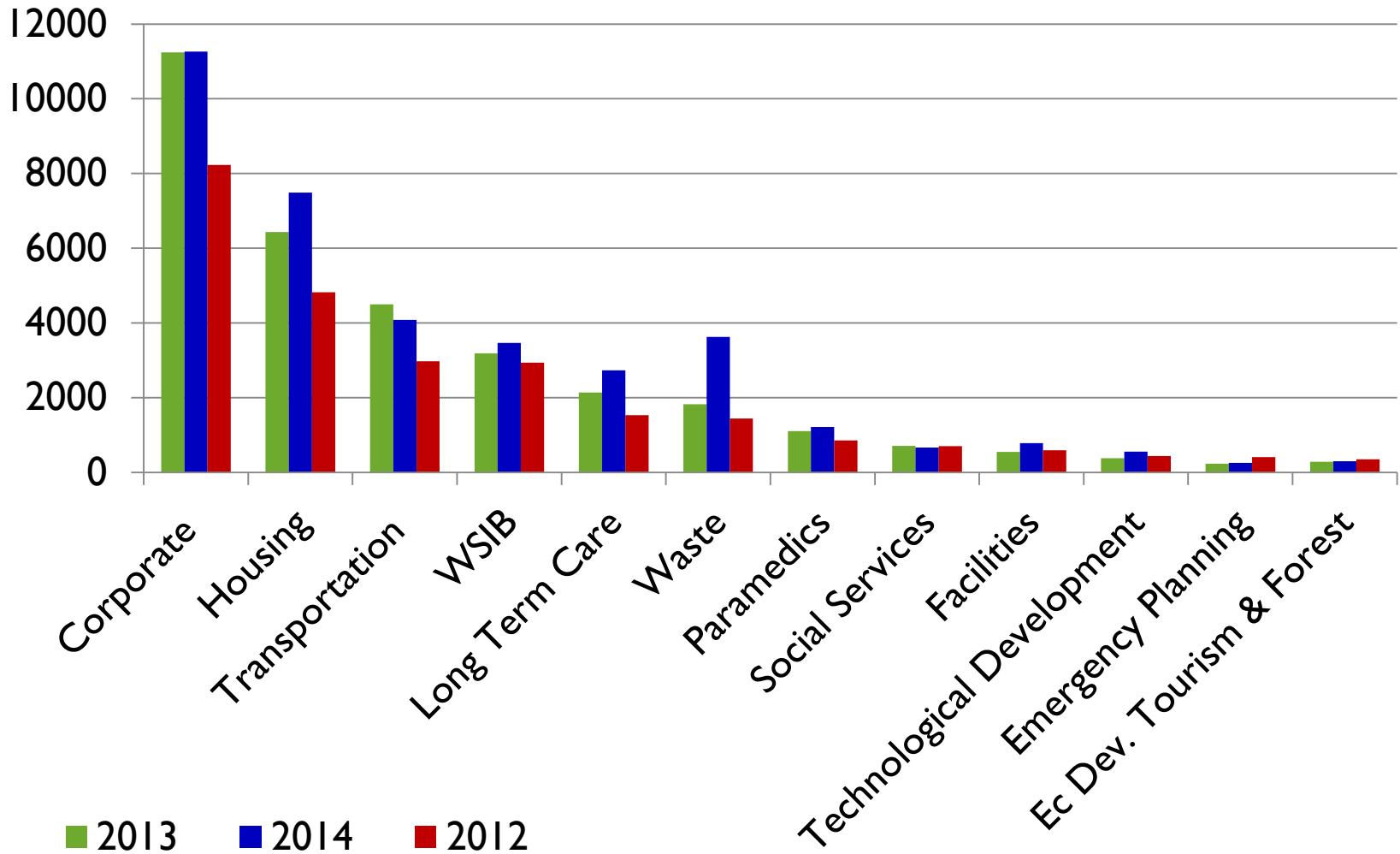
Reserves cont'd

Reserves



- ▶ Total reserves represent only 38% of annual operating budget

Reserves by Type



Summary

- ▶ Positive trend in the overall financial position of the County
- ▶ Trend is slowing compared to recent years
- ▶ Continue to face challenges with asset renewal needs
- ▶ Debt under control
- ▶ Reserves continue to grow



Supplemental Slides



Long Term Debt Summary

Purpose	Maturity	2010	2011	2012	2013	2014
GPL Beds	Mar 2014	171,959	124,732	76,005	25,732	-
GPL Bath Tub Replacement	May 2015	118,055	93,258	67,662	41,240	13,965
2004 Bridge Program	Jan 2017	1,585,764	1,370,207	1,144,995	909,695	663,857
Housing – Front St Campbellford	Jul 2017	270,664	234,993	196,519	155,354	113,255
County Headquarters	Sep 2017	8,463,795	8,074,655	7,685,515	7,296,375	6,907,235
MRF Equipment	Mar 2019	1,787,859	1,609,989	1,424,260	1,230,327	1,027,826
POA Court Renovation	Sep 2019	526,280	476,631	424,977	371,236	315,324
Brighton Cell Western Half	May 2020	1,184,847	1,080,759	972,306	859,305	741,567
Brighton Landfill Expansion	Mar 2028	1,306,607	1,276,780	1,224,886	1,171,357	1,083,054
Blacklock II Reconstruction	Mar 2028	785,913	738,024	708,331	676,209	674,595
600 William St.	Sep 2035	2,709,854	2,649,550	2,586,496	2,520,566	2,451,629
Total Debt		18,911,597	17,729,578	16,511,952	15,257,396	13,992,307

Reserves

Reserve Fund	2009	2010	2011	2012	2013	2014
Corporate Services	340,000	1,540,000	4,553,689	7,490,756	10,419,555	10,443,013
Social Housing	2,341,381	3,081,381	3,734,181	4,821,379	6,434,309	7,492,389
Transportation	1,308,460	1,173,641	2,980,296	2,975,364	4,496,594	4,076,657
Waste	526,203	401,203	1,631,405	1,442,681	1,823,331	3,622,949
Employee Health & Safety	2,138,995	2,189,201	2,511,989	2,936,907	3,184,303	3,466,688
GPL	64,754	255,240	1,007,301	1,527,134	2,137,754	2,732,533
Paramedics	1,000,743	740,062	1,040,062	855,021	1,105,021	1,210,765
Working Funds	738,277	738,277	738,277	738,277	821,278	821,277
Facilities	0	410,000	531,126	594,065	548,065	784,065
Social Services	604,000	704,000	709,000	699,000	711,000	666,000
Technological Development	190,000	360,400	334,623	433,846	381,457	552,457
Forest	0	0	0	347,000	284,894	299,111
Emergency Planning	60,050	70,050	90,050	404,124	230,050	250,050
Total	9,312,863	11,663,455	19,861,999	25,265,554	32,577,611	36,417,954