



2014 AUDITED FINANCIAL STATEMENTS

April 28, 2015

Presented By:
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Manager, Financial Services

BACKGROUND

- ❑ STATEMENTS AUDITED BY KPMG LLP, CHARTERED ACCOUNTANTS.
- ❑ STATEMENTS PREPARED ACCORDING TO CANADIAN PUBLIC SECTOR ACCOUNTING STANDARDS (PSAS).
- ❑ STATEMENTS ARE CONSOLIDATED, MEANING PARKLAND COUNTY'S PROPORTIONATE SHARE OF THE TRI-MUNICIPAL LEISURE FACILITY CORPORATION AND THE PARKLAND COUNTY MUNICIPAL LIBRARY BOARD HAVE BEEN INCLUDED.

WHY ARE THE FINANCIAL STATEMENTS IMPORTANT?

- ▶ ILLUSTRATE HOW PARKLAND COUNTY IS DOING.
- ▶ DEMONSTRATE ACCOUNTABILITY AND TRANSPARENCY TO CITIZENS.
- ▶ FULFILL LEGISLATED REQUIREMENTS.
- ▶ FACILITATE LONG TERM PLANNING.

SUMMARIZED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS	\$ 109,081,174	\$ 102,108,240
LIABILITIES	\$ 61,521,765	\$ 57,219,055
NET FINANCIAL ASSETS	<u>\$ 47,559,409</u>	<u>\$ 44,889,185</u>
NON-FINANCIAL ASSETS	\$ 387,623,838	\$ 356,461,709
ACCUMULATED SURPLUS	<u><u>\$ 435,183,247</u></u>	<u><u>\$ 401,350,894</u></u>

LONG TERM LIQUIDITY

THE STATEMENT OF FINANCIAL POSITION REPORTS THE FINANCIAL AND NON-FINANCIAL ASSETS, AS WELL AS LIABILITIES OF THE COUNTY. KEY INDICATORS OF FINANCIAL HEALTH CAN BE COMPUTED BASED ON THE ASSETS AND LIABILITIES OF THE COUNTY.

- ❑ A LONG TERM LIQUIDITY RATIO EQUALS ALL FINANCIAL ASSETS LESS LIABILITIES. A POSITIVE RESULT INDICATES THE ASSETS THAT WOULD BE REMAINING IF ALL LIABILITIES WERE PAID IN FULL. A NEGATIVE RESULT INDICATES LIABILITIES WILL HAVE TO BE PAID WITH FUTURE REVENUES.
- ❑ PARKLAND COUNTY'S LONG TERM LIQUIDITY IS 1.8 WHICH MEANS THAT ALL FINANCIAL ASSETS EXCEED ALL LIABILITIES BY A RATIO OF 1.8 WHICH IS A VERY HEALTHY FINANCIAL POSITION TO BE IN.

SUMMARIZED CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2014

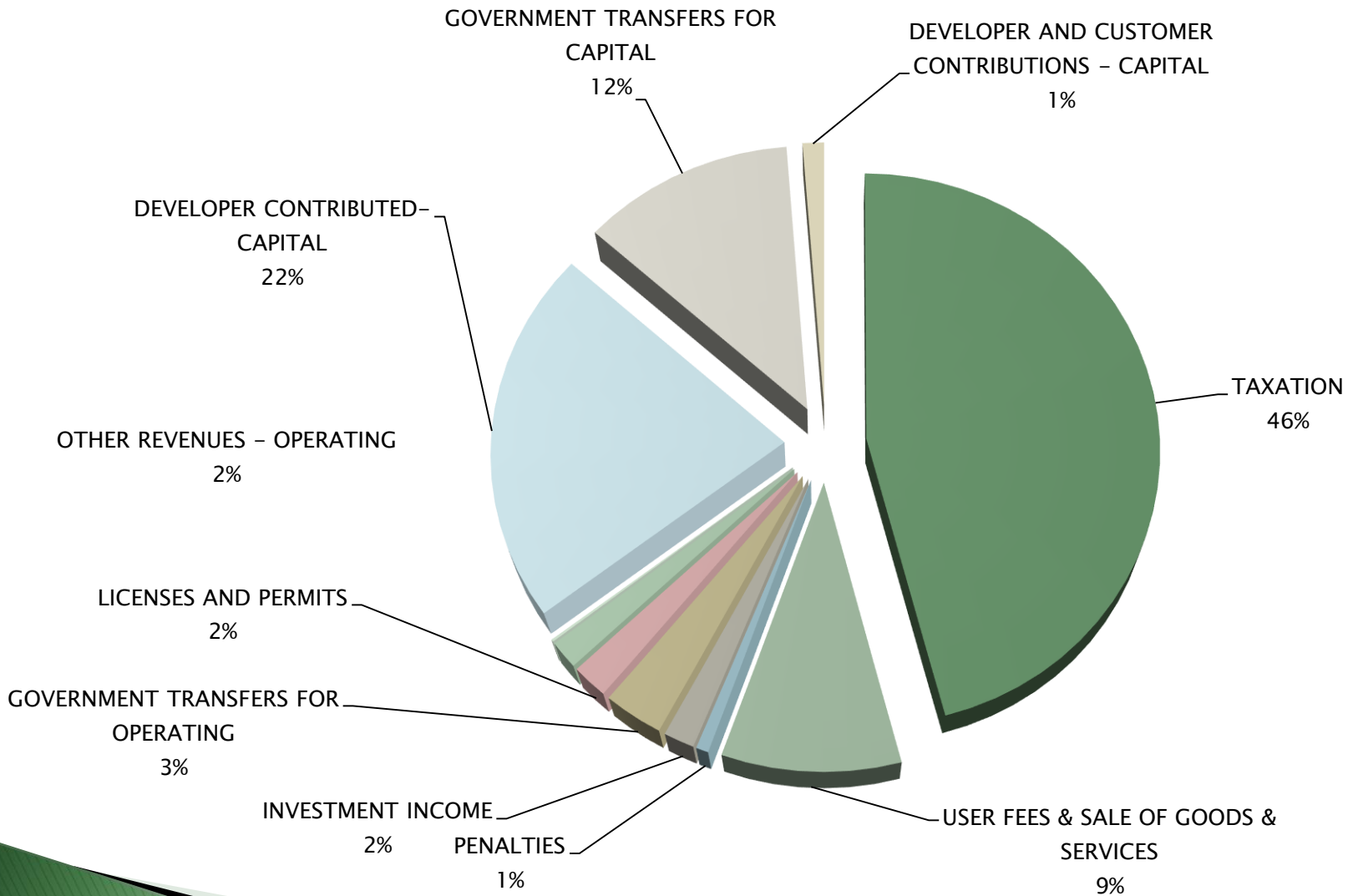
	<u>Budget</u>	<u>2014</u>	<u>2013</u>
REVENUES	\$ 61,960,202	\$ 64,817,065	\$ 57,387,855
EXPENSES	\$ 67,695,501	\$ 66,403,233	\$ 59,574,801
SHORTFALL OF REVENUES OVER EXPENSES BEFORE OTHER	<u>\$ (5,735,299)</u>	<u>\$ (1,586,168)</u>	<u>\$ (2,186,946)</u>
OTHER	\$ 25,605,300	\$ 35,418,521	\$ 20,183,784
ANNUAL SURPLUS	<u>\$ 19,870,001</u>	<u>\$ 33,832,353</u>	<u>\$ 17,996,838</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	\$ 401,350,894	\$ 401,350,894	\$ 383,354,056
ACCUMULATED SURPLUS, END OF YEAR	<u><u>\$ 421,220,895</u></u>	<u><u>\$ 435,183,247</u></u>	<u><u>\$ 401,350,894</u></u>

SUSTAINABILITY OF SERVICE LEVELS

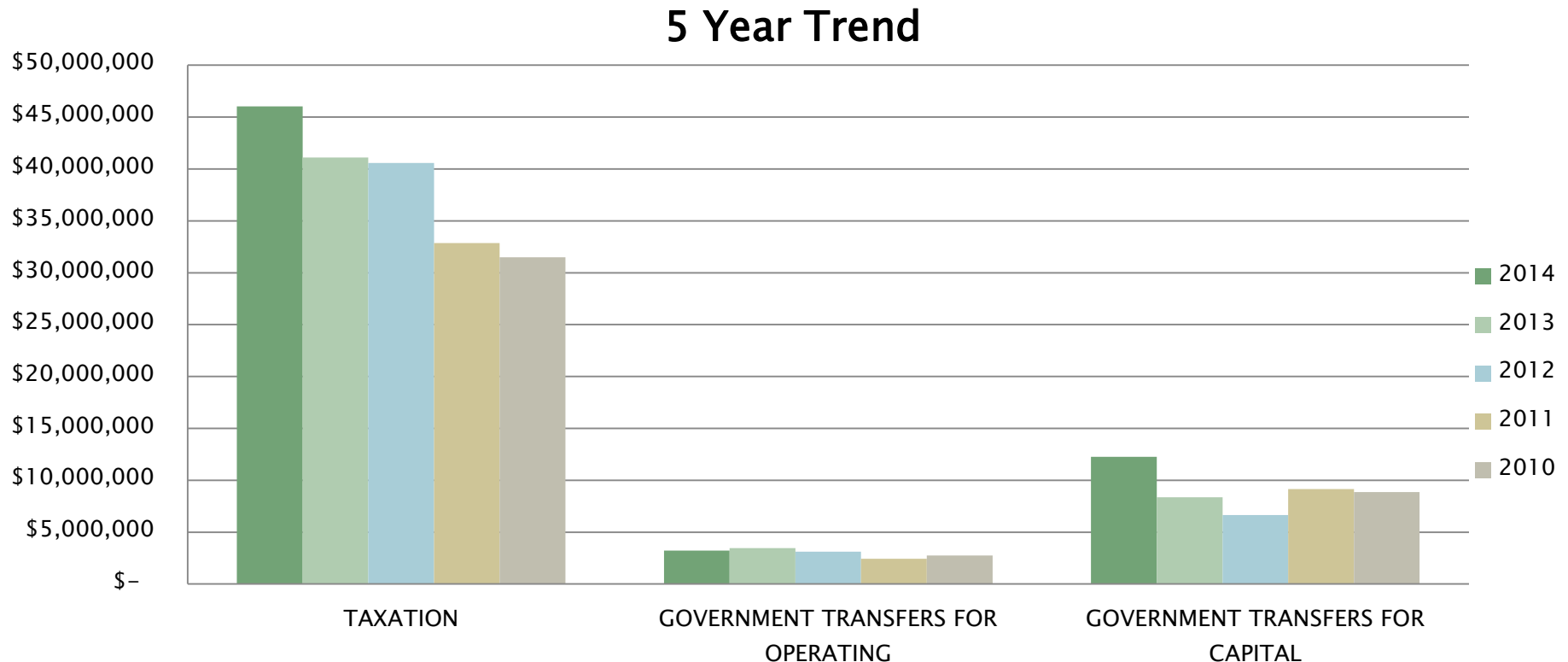
THE STATEMENT OF OPERATIONS INDICATES WHETHER OR NOT PARKLAND COUNTY HAS SUFFICIENT REVENUE SOURCES TO COVER THE COST OF GOODS AND SERVICES CONSUMED IN THE YEAR.

- ❑ SHORTFALL OF REVENUE OVER EXPENSES BEFORE OTHER
 - ❑ THIS VALUE INDICATES WHETHER THE REVENUE FROM REGULAR OPERATIONS (TAXATION, USER FEES, LICENSES AND PERMITS ETC.) IS SUFFICIENT TO COVER OPERATIONAL EXPENDITURES. IT IS IMPORTANT FOR THE MUNICIPALITY TO NOT RELY ON ACCUMULATED SURPLUS TO FUND REGULAR OPERATIONS AS IT IS NOT SUSTAINABLE.
- ❑ ANNUAL SURPLUS
 - ❑ THIS VALUE INDICATES THE TOTAL REVENUE FROM ALL SOURCES IN THE YEAR OVER OPERATIONAL EXPENDITURES. WE CAN SEE THAT IN 2014, REVENUE FROM ALL SOURCES EXCEEDED OPERATIONAL EXPENDITURES.

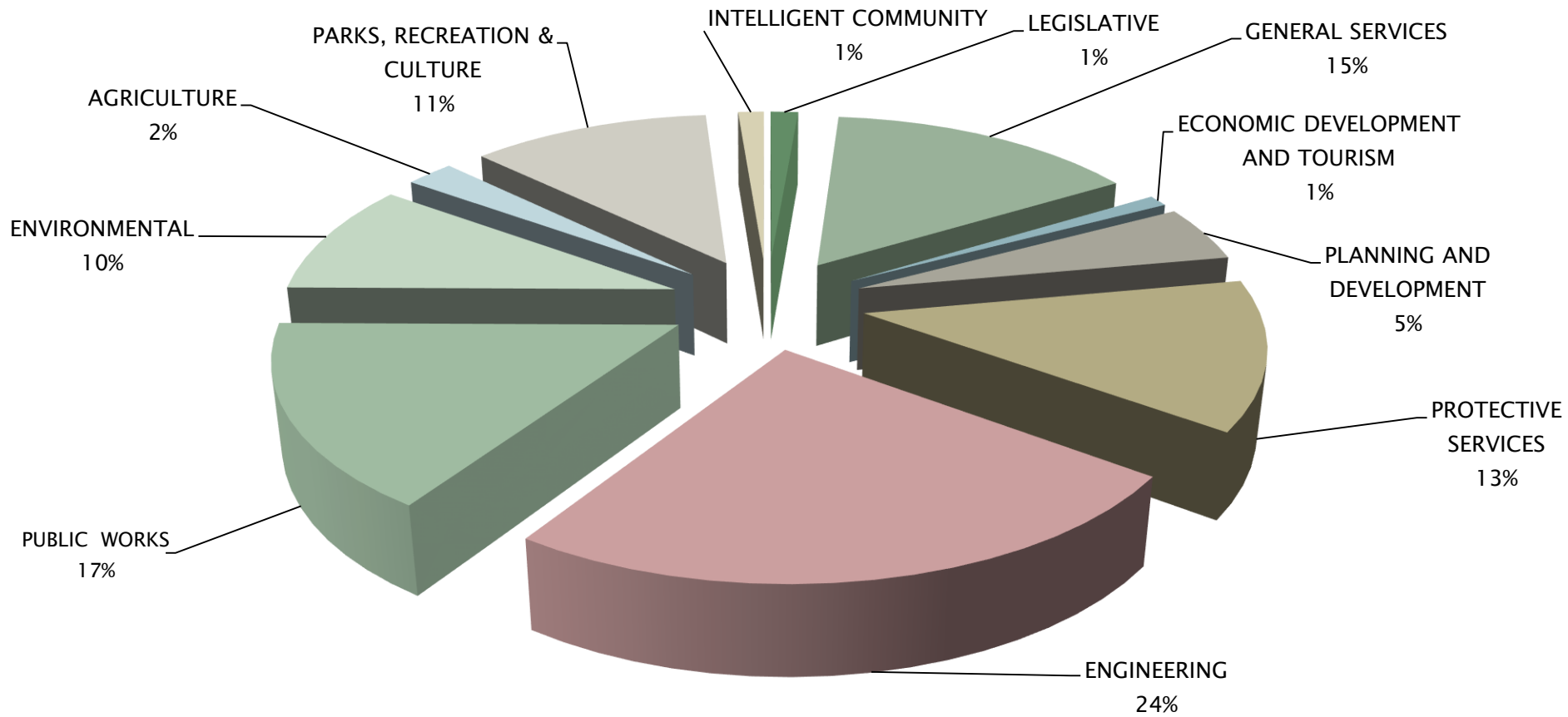
REVENUE SOURCES



Taxation & Government Transfers 5 Year Comparison



EXPENSES



SUMMARIZED CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
ANNUAL SURPLUS	\$ 19,870,001	\$ 33,832,353	\$ 17,996,838
CHANGE IN TANGIBLE CAPITAL ASSETS			
Acquisition of tangible capital assets	\$ (42,514,900)	\$ (22,496,876)	\$ (18,230,414)
Contributed tangible capital assets	\$ -	\$ (21,931,988)	\$ (10,290,099)
Proceeds on disposal of tangible capital assets	\$ 508,400	\$ 154,855	\$ 369,465
Amortization of tangible capital assets	\$ 13,298,700	\$ 16,516,249	\$ 12,576,276
Loss (gain) on disposal of tangible capital assets	\$ 232,900	\$ 90,357	\$ (48,216)
	<u>\$ (28,474,900)</u>	<u>\$ (27,667,403)</u>	<u>\$ (15,622,988)</u>
CHANGE IN INVENTORIES AND PREPAIDS	\$ -	\$ (3,494,726)	\$ 26,037
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (8,604,899)</u>	<u>\$ 2,670,224</u>	<u>\$ 2,399,887</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	\$ 44,889,185	\$ 44,889,185	\$ 42,489,298
NET FINANCIAL ASSETS, END OF YEAR	<u><u>\$ 36,284,286</u></u>	<u><u>\$ 47,559,409</u></u>	<u><u>\$ 44,889,185</u></u>

CAN WE AFFORD OUR EXISTING OBLIGATIONS?

THE STATEMENT OF NET FINANCIAL ASSETS INDICATES WHETHER OR NOT PARKLAND COUNTY CAN AFFORD ITS CURRENT OBLIGATIONS AND INDICATES WHETHER ADDITIONAL SPENDING IS APPROPRIATE.

- ❑ WE SEE THAT THERE WAS AN INCREASE IN THE NET FINANCIAL ASSETS OF PARKLAND COUNTY IN 2014. THIS SHOWS THAT PARKLAND COUNTY HAS THE FINANCIAL RESOURCES AVAILABLE TO MEET ITS FUTURE OBLIGATIONS.
- ❑ NOTE THAT THE STATEMENT OF NET ASSETS DOES NOT TAKE INTO ACCOUNT DEFERRED MAINTENANCE REQUIREMENTS.

SUMMARIZED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES	\$ 29,455,987	\$ 23,142,264
CAPITAL ACTIVITIES	\$ (22,342,021)	\$ (17,860,949)
INVESTING ACTIVITIES	\$ (34,357,007)	\$ (14,990,220)
FINANCING ACTIVITIES	\$ (1,044,985)	\$ (1,198,948)
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>\$ (28,288,026)</u>	<u>\$ (10,907,853)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	\$ 43,863,511	\$ 54,771,364
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 15,575,485</u>	<u>\$ 43,863,511</u>

ACCOUNTABILITY FOR THE USE OF CASH RESOURCES

THE STATEMENT OF CASH FLOWS INDICATES HOW PARKLAND COUNTY IS USING THE CASH RESOURCES IT POSSESSES.

- ❑ THE MOST SIGNIFICANT CHANGE IN THIS STATEMENT IS A REALLOCATION OF RESOURCES FROM CASH AND CASH EQUIVALENTS TO INVESTMENTS. THIS SHIFT IS DUE TO THE INCREASE OF RETURNS AVAILABLE FOR INVESTMENTS HELD LONGER THAN 90 DAYS IN 2014.
- ❑ PARKLAND COUNTY WORKS TO MAXIMIZE INVESTMENT POTENTIAL WHILE ENSURING THAT INVESTMENT PRINCIPAL IS SECURED AND CURRENT OBLIGATIONS CAN BE MET.

NOTES TO THE FINANCIAL STATEMENTS

- ❑ IDENTIFY SIGNIFICANT ACCOUNTING POLICIES.
- ❑ PROVIDE MORE DETAILS ON VARIOUS BALANCES IN THE FINANCIAL STATEMENTS.
- ❑ PROVIDE COMMENTARY ON VARIOUS FINANCIAL MATTERS IMPORTANT TO THE COUNTY'S BUSINESS.

NOTE 1 (I) – FUTURE ACCOUNTING STANDARD PRONOUNCEMENTS

- ❑ ADMINISTRATION IS WORKING TOWARDS IMPLEMENTING 7 NEW ACCOUNTING STANDARDS FOR FUTURE FISCAL YEARS. THESE WILL IMPACT BOTH WHAT INFORMATION IS REPORTED ON THE FINANCIAL STATEMENTS AND HOW IT IS PRESENTED.
- ❑ PS1201 FINANCIAL STATEMENT PRESENTATION
- ❑ PS3450 FINANCIAL INSTRUMENTS
- ❑ PS2601 FOREIGN CURRENCY TRANSLATION
- ❑ PS3260 LIABILITY FOR CONTAMINATED SITES
- ❑ PS3041 PORTFOLIO INVESTMENTS
- ❑ PS2200 RELATED PARTY DISCLOSURES
- ❑ PS3420 INTER-ENTITY TRANSACTIONS

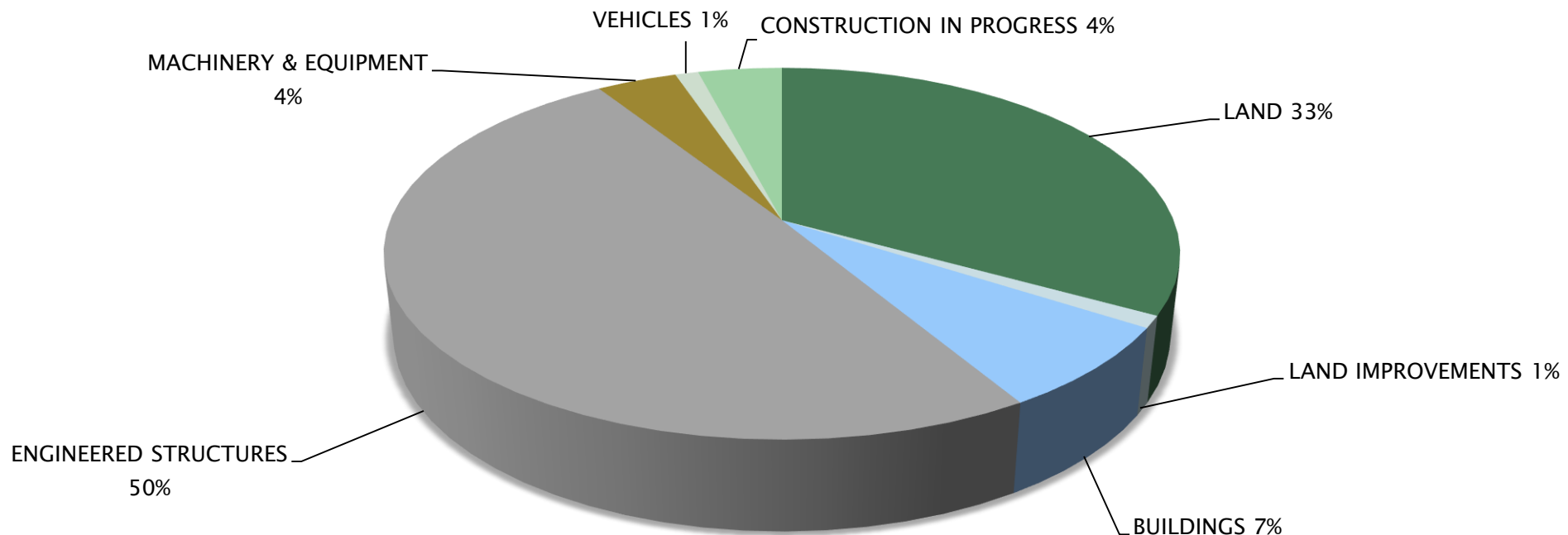
NOTE 7 – LONG –TERM DEBT

- ❑ DECREASE OF \$1,044,985 OVER 2013
- ❑ TOTAL LONG-TERM DEBT– \$3,505,043



NOTE 9 – TANGIBLE CAPITAL ASSETS

- INCREASE OF \$27,667,403 OVER 2013 (NET OF DISPOSALS AND AMORTIZATION)
- TOTAL TANGIBLE CAPITAL ASSETS – \$375,136,360

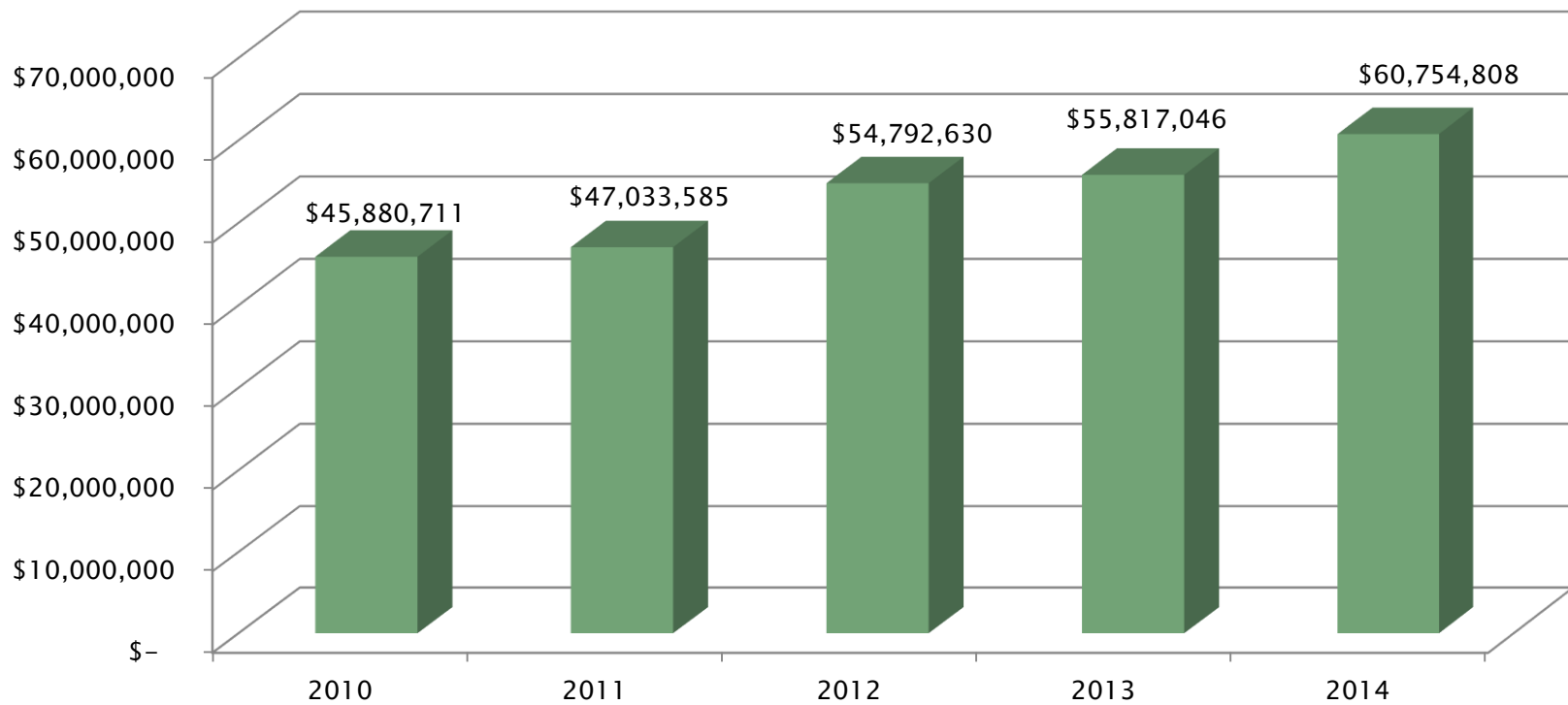


NOTE 11 – ACCUMULATED SURPLUS

ACCUMULATED SURPLUS:	<u>2014</u>	<u>2013</u>	<u>CHANGE</u>	PERCENTAGE <u>OF TOTAL</u>
RESTRICTED SURPLUS	\$ 60,754,808	\$ 55,817,046	\$ 4,937,762	13.96%
INVESTED IN TANGIBLE CAPITAL ASSETS	\$ 371,631,317	\$ 342,918,929	\$ 28,712,388	85.40%
UNRESTRICTED SURPLUS	<u>\$ 2,797,122</u>	<u>\$ 2,614,919</u>	<u>\$ 182,203</u>	<u>0.64%</u>
TOTAL	<u>\$ 435,183,247</u>	<u>\$ 401,350,894</u>	<u>\$ 33,832,353</u>	<u>100%</u>

NOTE 11 – ACCUMULATED SURPLUS

■ TOTAL RESTRICTED SURPLUS AT DECEMBER 31, 2014 – \$60,754,808



QUESTIONS