

Key Highlights

TAX REVENUES

Overall: There is a 4.1% increase for residential and farmland property taxes in 2012; non-residential taxes will increase less than 1% across the three non-residential categories

- The 4.1% overall residential tax increase is driven by increases to the education tax requisition. The Province requires municipalities to collect this tax on their behalf. This requisition increased 8.2% for 2012.
- 2012 tax revenue is budgeted to increase 4% (\$1,254,000) from 2011 level; \$1 million of the increase in tax revenue is related to the education tax requisition with the remaining \$254,000 in increased tax revenue coming from the addition of new properties to the assessment base.

OPERATING EXPENSES

Overall: With amortization, operational expenses are budgeted to increase 5% or \$2,159,000 in 2012. Without the impact of amortization, operating expenses are budgeted to increase 1% or \$459,000. Amortization is related to assets acquired in previous years and as such is a non-cash item that is not directly supported by tax revenue.

Although there are many small changes within the budget, below is a summary of the significant changes:

- Increase of \$1,720,000 in amortization expense
- Increase of \$983,000 in the education requisition as a result of the 8.2% increase in the amount the County is required to collect on behalf of the Province
- Decrease of \$405,000 related to re-organization cost savings
- Increase of \$90,000 related to an airport manager
- Increase of \$209,000 related to increased funding for recreation, libraries and fire services
- Increase of \$365,000 related to annual wages and salary increases (includes the impact of a 3% overall salary increase)
- Increase of \$358,000 related to Operational Services road maintenance programs.

CAPITAL PROGRAM

In 2012, the Capital Program is \$16.2 million as compared to \$12.4 Million in 2011. 97% of the County's Capital Program budget is road related

- \$3.1 Million for bridge replacements including the Big Prairie Bridge at a cost of \$2.7 Million
- \$3.4 Million for re-surfacing the Burnt Timber Road
- \$3.2 Million in local road projects including \$1.5 Million for surfacing of Township Road 332 and \$800,000 for road base work on Range Road 12
- \$1.9 Million and \$3.0 Million on the recurring re-gravelling and re-chipping programs respectively

The capital program is funded from \$6.3 Million in tax revenue, \$6.2 Million in grants, \$3.0 Million from reserves and \$0.8 Million in recoveries from 3rd parties.

Cash Balances Cash balances are expected to increase by \$2 Million in 2012, driven primarily by an increase in deferred grant funds that are being set aside to fund upgrades to the Acme road in 2013

RESERVES

Reserves are budgeted to increase \$203,000

- Less funds are being put into Operating reserves in 2012 with withdraws to support local road projects and fire equipment purchases which result in a \$1.0 Million net decrease in Operating Reserves
- Adding funds to the Facility, Recreation Capital and Asphalt Roads Reserves results in a net increase in Capital Reserves of \$1.2 Million

GRANTS

Provincial and Federal governments provide grant funding to Mountain View (and other municipalities) making it possible to:

- Support expenditures on road infrastructure
- Fund capital replacements
- Provincially the County receives funding under the Municipal Sustainability Initiative (MSI). In 2012, MSI funding is expected to be just over \$4 Million.
- The Federal Gas Tax program is expected to continue with County eligibility at \$700,500 for 2012

As a package, the 2012 Budget sustains the County's strong financial position

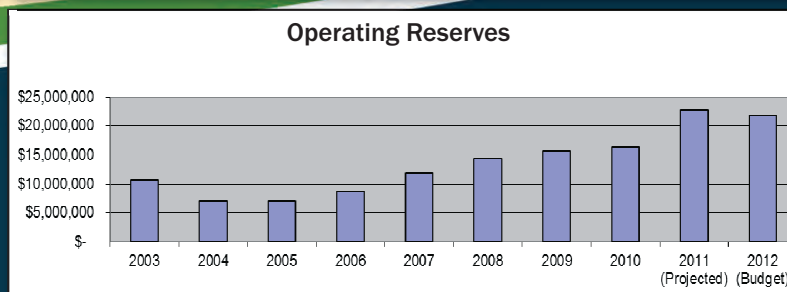
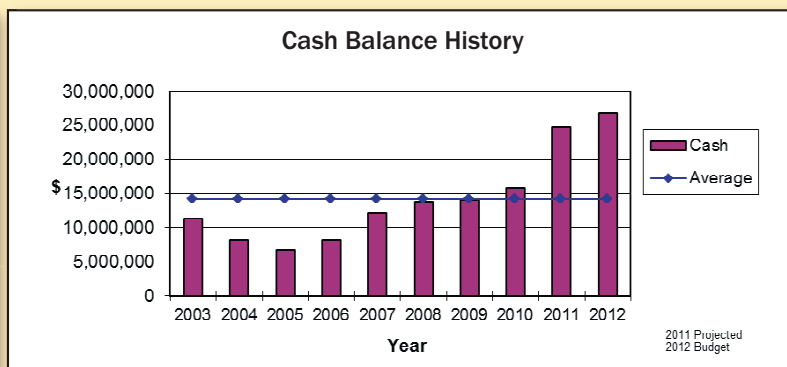
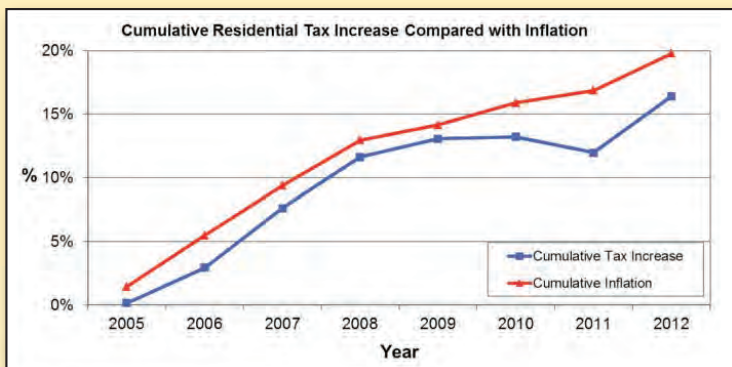
Copies of the Executive Summary for the Budget are posted on www.mountainviewcounty or available as a print document from the County Office during business hours. Questions or comments are welcomed.

Operating Expenses



MOUNTAIN VIEW COUNTY 2012 BUDGET STATEMENT OF OPERATIONS REVENUE BUDGET				
VARIANCE CALCULATION: 2012 budget compared to 2011 budget.				
	2011 BUDGET \$	2012 BUDGET \$	CHANGE \$	%
TAXES:	34,296,000	35,550,000	1,254,000	4
SALES OF GOODS & SERVICES:	3,383,170	3,660,880	277,710	8
GRANTS:	2,378,830	1,351,520	(1,025,310)	(43)
TOTAL REVENUE	<u>40,056,000</u>	<u>40,563,000</u>	<u>507,000</u>	<u>1</u>
EXPENSE BUDGET				
	2011 BUDGET \$	2012 BUDGET \$	CHANGE \$	%
COUNCIL:	562,340	545,600	(16,740)	(3)
CAO SERVICES:	627,130	650,450	23,320	4
CORPORATE SERVICES:	3,629,670	3,905,500	(24,170)	(1)
PLANNING & DEVELOPMENT SERVICES:	1,724,000	1,951,970	227,970	13
LEGISLATIVE, COMMUNITY & AGRICULTURAL SERVICES:	6,541,810	5,695,830	(845,980)	(13)
OPERATIONAL SERVICES:	17,625,050	19,457,650	1,832,600	10
REQUISITIONS:	10,570,000	11,532,000	962,000	9
TOTAL EXPENSES	<u>41,280,000</u>	<u>43,439,000</u>	<u>2,159,000</u>	<u>5</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER:	(1,224,000)	(2,876,000)		
OTHER:				
Government transfers for Capital	4,124,000	9,046,000		
EXCESS REVENUES OVER EXPENSES	<u>2,900,000</u>	<u>6,170,000</u>		

MOUNTAIN VIEW COUNTY 2012 BUDGET STATEMENT OF CASH FLOWS			
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:			
Operating	2011 BUDGET \$	2012 BUDGET \$	
Excess Revenues Over Expenses	2,900,000	6,170,000	
Non-cash charges to operations			
Amortization	10,579,800	12,300,000	
Loss (gain) on disposal of tangible capital assets	275,000		
Transfer of tangible capital assets to other municipalities		(2,041,000)	
Cash provided by operating transactions	13,754,800	16,429,000	
Capital			
Acquisition of tangible capital assets	(12,359,550)	(16,225,400)	
Proceeds on disposal of tangible capital assets	260,000		
Cash used in capital transactions	(12,099,550)	(16,225,400)	
Cash Funding	1,655,250	203,600	
Net Change in non-cash working capital balances related to operations	2,469,160	1,832,000	
Financing/Investing			
Cash provided by financing/investing activities	-	-	
Net increase in cash and cash equivalents	4,124,410	2,035,600	
Cash and Cash Equivalents, Beginning of Year	15,730,000	24,661,924	
Cash and Cash Equivalents, End of Year	19,854,410	26,697,524	



**Mountain View
COUNTY**