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# AUDITORS' PRESENTATION

**METRIX GROUP** LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

**PHIL DIRKS, CPA, CA**  
PARTNER

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# AUDIT OVERVIEW

## □ NEW AUDITORS' REPORT

- WHAT AN AUDIT IS
- WHAT THE AUDITOR DOES

## □ OUR OPINION

- PRESENT FAIRLY IN ALL MATERIAL RESPECTS

## □ MANAGEMENT'S RESPONSIBILITIES

- PREPARATION, FAIR PRESENTATION, & INTERNAL CONTROL
- GOING CONCERN

## □ AUDITORS' RESPONSIBILITIES

- **REASONABLE** ASSURANCE FS NOT **MATERIALLY** MISSTATED
- REASONABLE ASSURANCE = HIGH ASSURANCE NOT GUARANTEE
- SOME EVIDENCE PERSUASIVE NOT CONCLUSIVE
- PROFESSIONAL JUDGMENT & PROFESSIONAL SKEPTICISM

# STATEMENT OF FINANCIAL POSITION

	2018	2017
CASH AND SHORT-TERM INVESTMENTS	\$ 53,597,777	\$ 55,744,037
ACCOUNTS RECEIVABLE	8,909,842	9,186,954
LOANS RECEIVABLE	3,464,675	3,612,624
INVESTMENTS	18,810,869	7,648,731
	<b>\$ 84,783,163</b>	<b>\$ 76,192,346</b>
ACCOUNTS PAYABLE	\$ 15,700,420	\$ 18,003,916
LONG-TERM DEBT	30,814,015	32,702,364
DEFERRED REVENUE	34,276,117	33,166,987
	<b>\$ 80,790,552</b>	<b>\$ 83,873,267</b>
NET FINANCIAL ASSETS (DEBT)	<b>\$ 3,992,611</b>	<b>\$ (7,680,921)</b>
PREPAID EXPENSES	642,360	526,138
INVENTORY FOR CONSUMPTION	2,182,580	2,343,406
TANGIBLE CAPITAL ASSETS	274,646,505	261,543,239
	<b>\$ 277,471,445</b>	<b>\$ 264,412,783</b>
ACCUMULATED SURPLUS	<b>\$ 281,464,056</b>	<b>\$ 256,731,862</b>

# RECEIVABLES

(Note 4)

	2018	2017
RECEIVABLE FROM OTHER GOVERNMENT	\$ 4,068,142	\$ 4,835,544
TRADE AND OTHER	2,536,734	1,940,414
TAXES AND GRANTS IN LIEU	1,837,433	1,432,320
LOCAL IMPROVEMENT TAXES	862,534	1,163,845
	9,304,843	9,372,123
LESS:		
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(395,001)	(185,169)
	\$ 8,909,842	\$ 9,186,954

# STATEMENT OF FINANCIAL POSITION

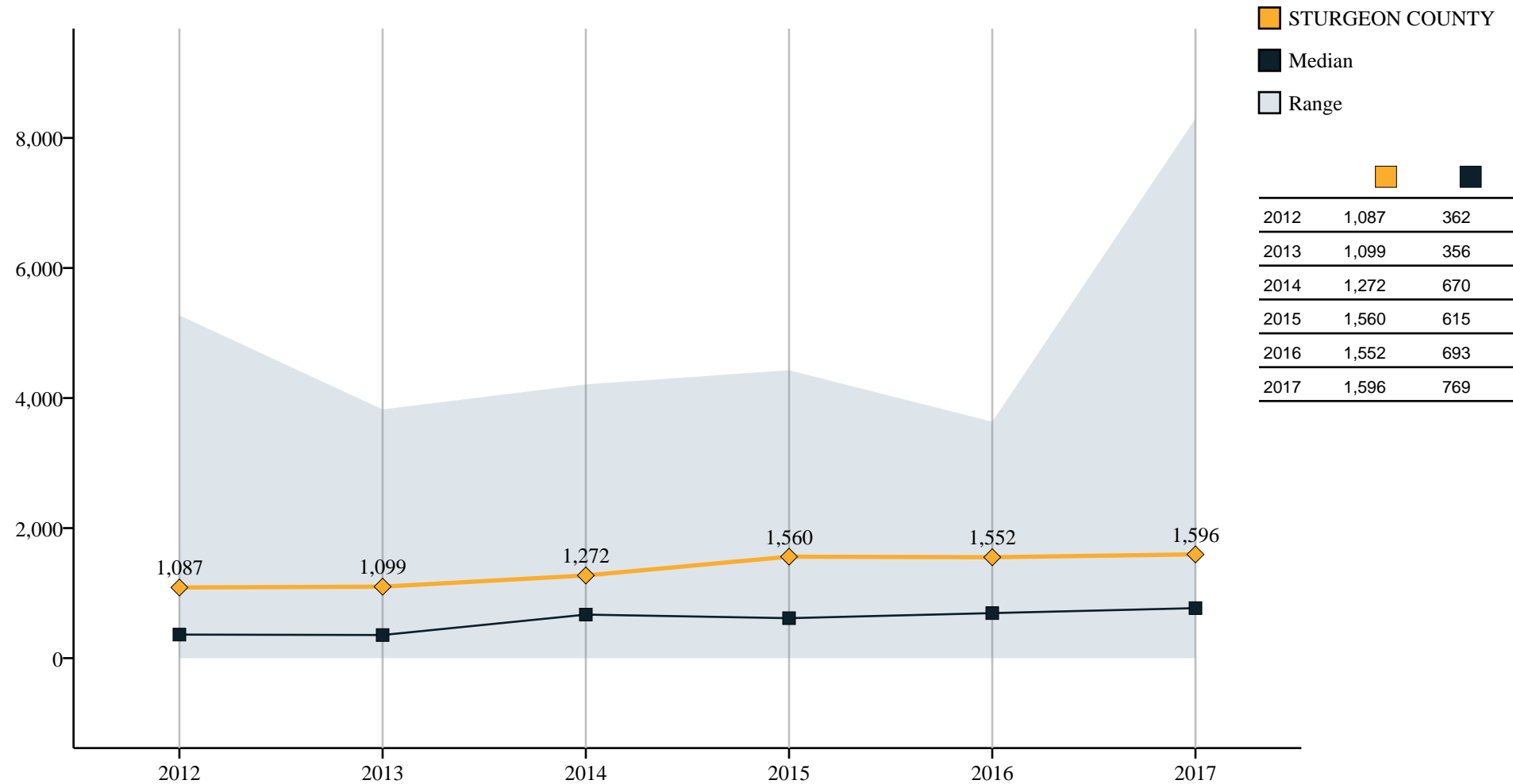
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# LONG-TERM DEBT

- **NEW DEBT ISSUED - \$1,296,500**
  - PILON CREEK ESTATES SUBDIVISION
  
- **DEBT REPAYED - \$3,184,849**
  
- **INTEREST RATES**
  - 1.949% - 5.375%
  
- **MATURITIES**
  - 2019 - 2037

Long Term Municipal Debt Per Capita



# DEBT LIMITS

(Note 19)

	2018	2017
TOTAL DEBT LIMIT	\$ 102,997,562	\$ 92,041,266
TOTAL DEBT	30,814,015	32,702,364
DEBT LIMIT AVAILABLE	72,183,547	59,338,902
DEBT LIMIT USED	30%	36%
DEBT SERVICING LIMIT	17,166,260	15,340,211
DEBT SERVICING	3,930,573	4,093,589
DEBT SERVICING AVAILABLE	\$ 13,235,687	\$ 11,246,622



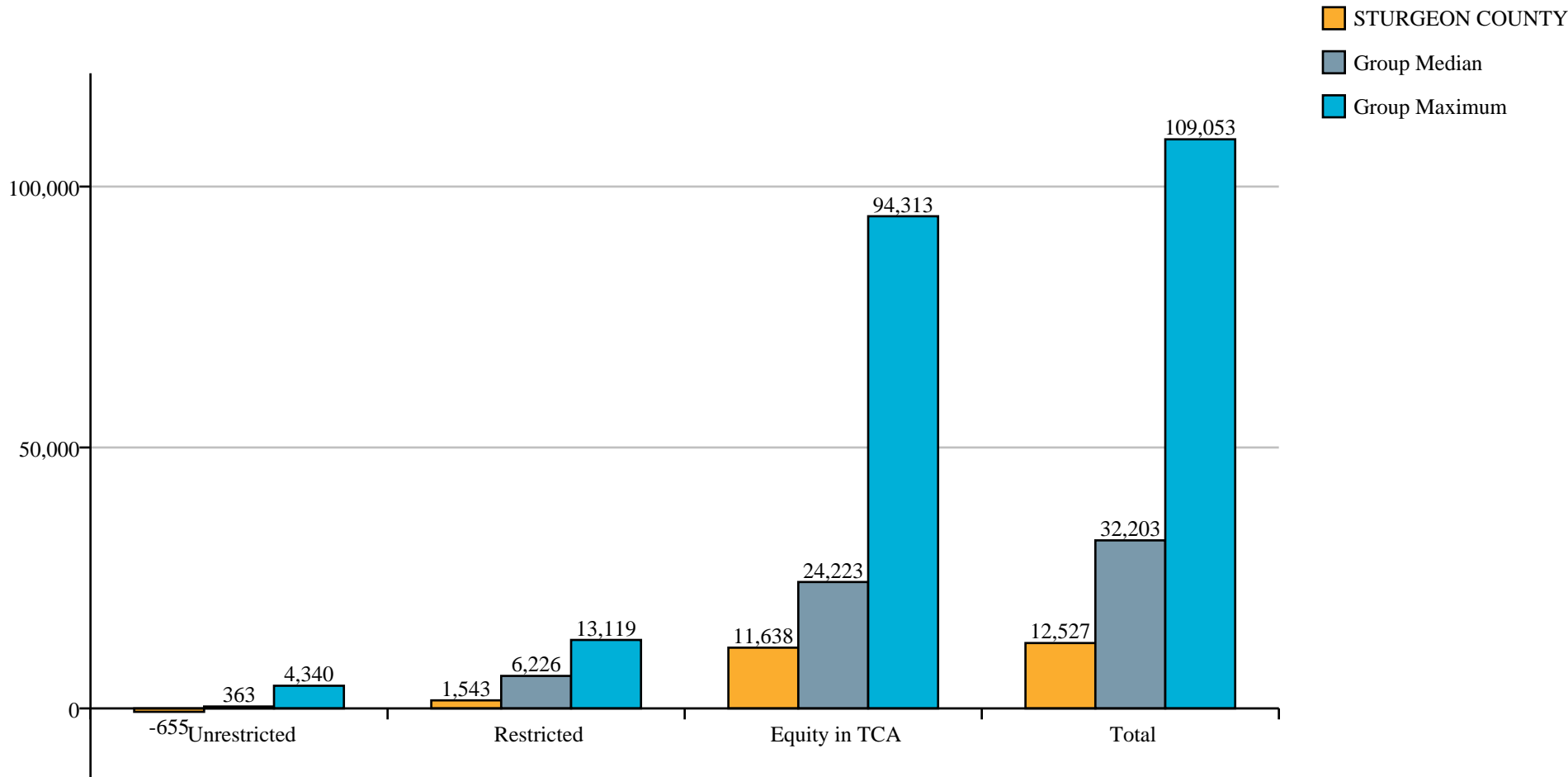
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# ACCUMULATED SURPLUS

	2018	2017
DEFICIT FROM OPERATIONS	\$ (11,477,611)	\$ (13,416,320)
INTERNALLY DESIGNATED (RESERVE FUNDS)		
OPERATING	17,290,859	12,105,355
CAPITAL	23,007,276	19,515,971
TOTAL RESERVES	40,298,135	31,621,326
EQUITY IN TANGIBLE CAPITAL ASSETS	252,643,532	238,526,856
ACCUMULATED SUPRLUS	\$ 281,464,056	\$ 256,731,862

Accumulated Surplus Per Capita, 2017

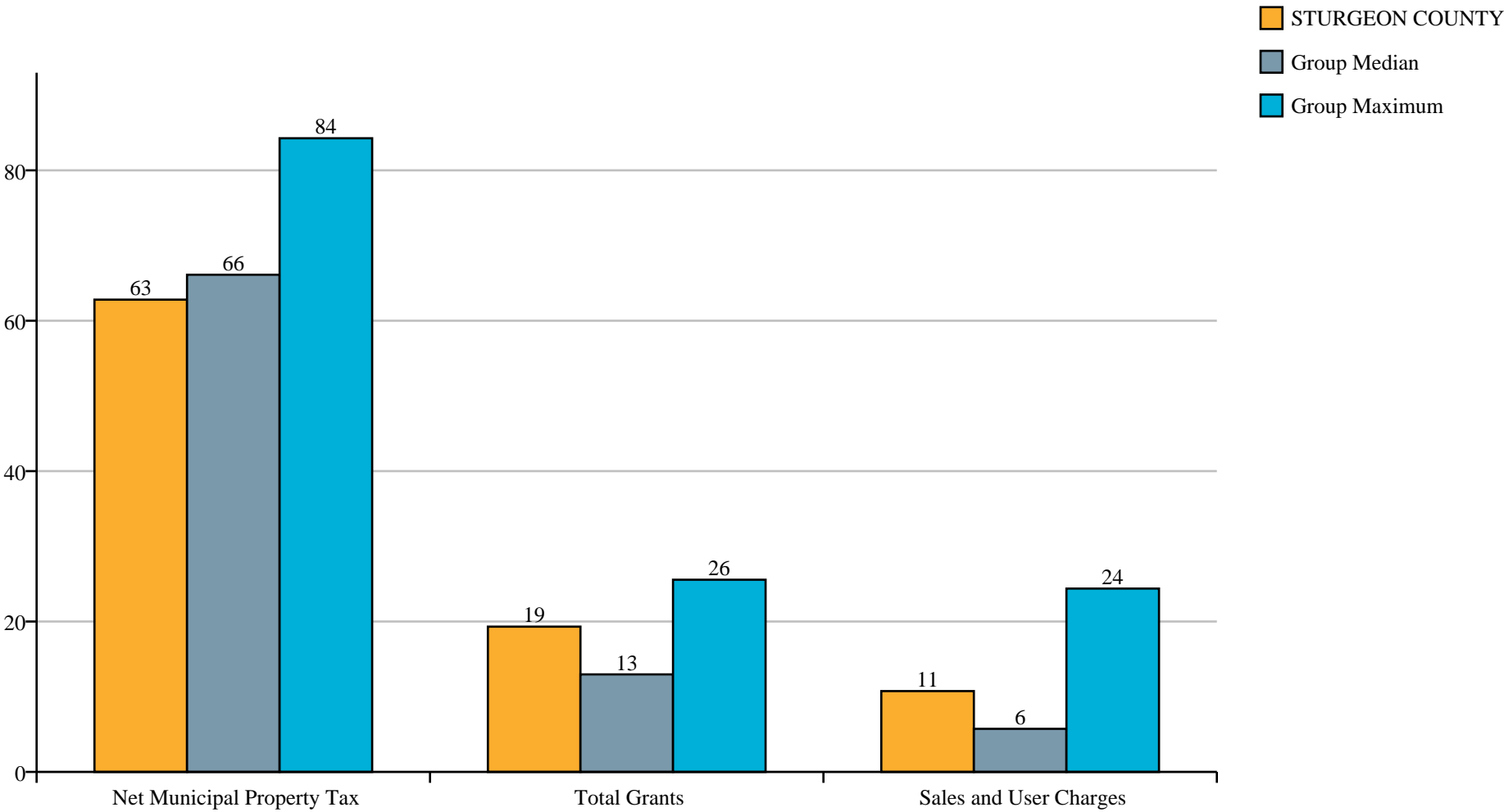


# STATEMENT OF OPERATIONS

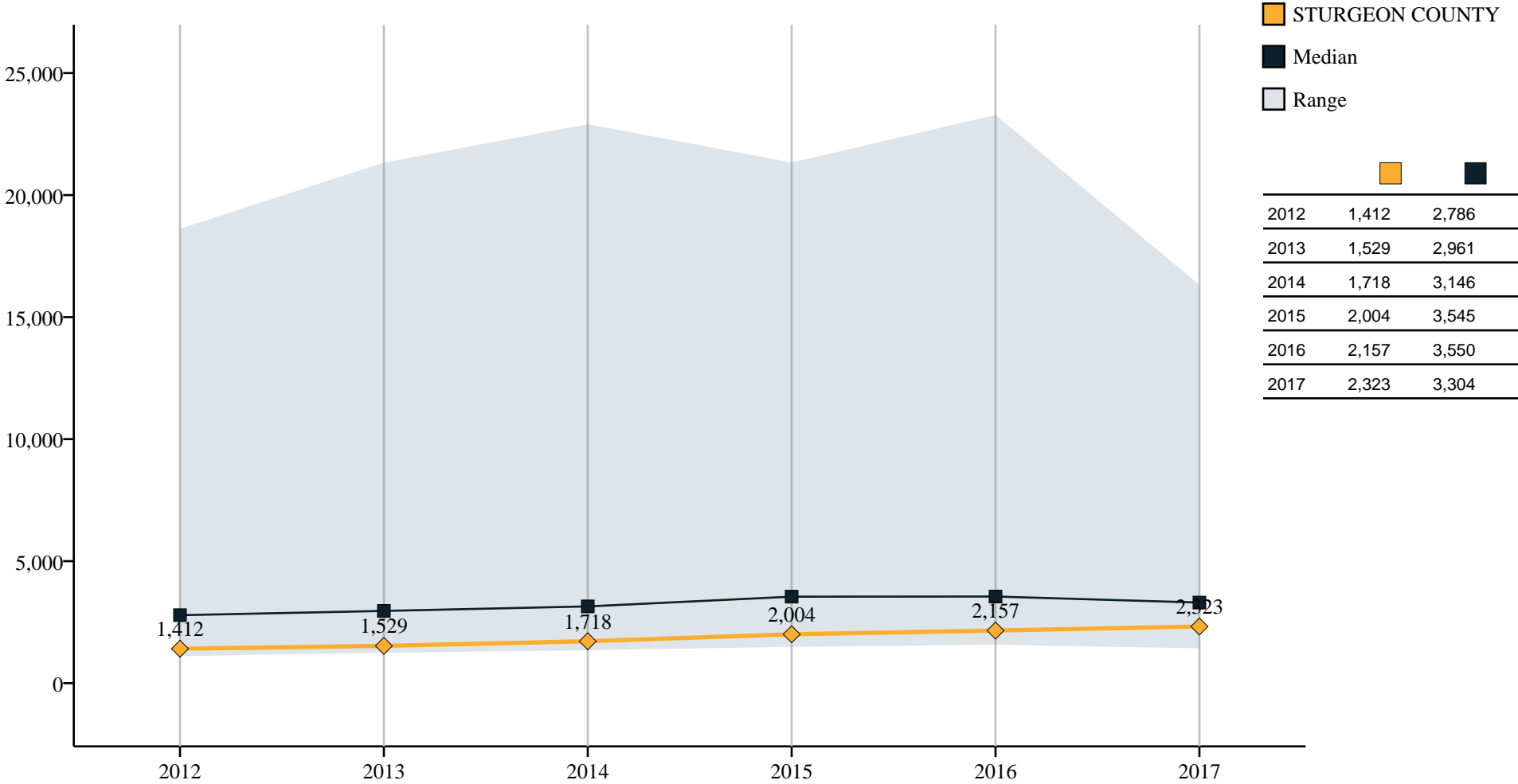
## REVENUE

	2018 (Budget)	2018 (Actual)	2017 (Actual)
NET MUNICIPAL TAXES	\$49,310,729	\$49,752,395	\$47,085,147
SPECIAL LEVIES	1,026,271	1,029,951	666,229
GOVERNMENT TRANSFERS FOR OPERATING	1,417,950	1,782,277	1,707,541
USER FEES & SALES OF GOODS	9,003,853	9,407,007	8,151,246
RETURN ON INVESTMENTS	409,730	1,063,192	857,384
LICENSES & PERMITS	892,410	1,015,872	744,859
INTER-MUNICIPAL AGREEMENTS	335,608	686,400	570,367
PENALTIES ON TAXES AND SERVICE CHARGES	280,000	427,436	356,243
OTHER REVENUES	576,995	3,013,935	1,342,604
	\$ 63,253,546	\$ 68,178,465	\$ 61,481,620

Major Revenue Sources As % of Total Revenue, 2017



Revenue Sources Per Capita: Net Municipal Property Taxes

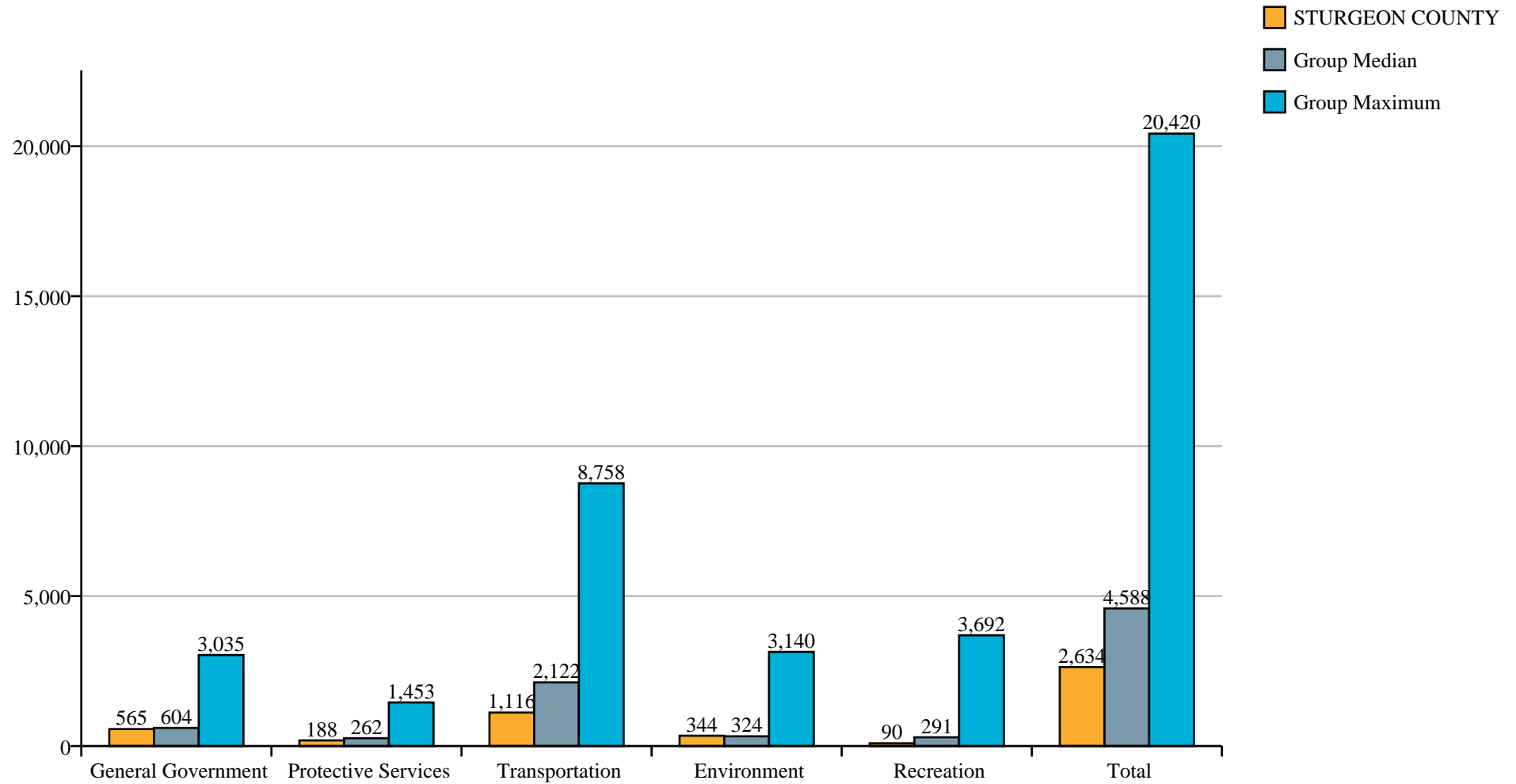


# STATEMENT OF OPERATIONS

## EXPENSES

	2018 (Budget)	2018 (Actual)	2017 (Actual)
TRANSPORTATION	\$ 22,302,482	\$ 21,605,659	\$ 20,600,184
ADMINISTRATION & BUILDING SERVICES	11,386,798	12,519,549	10,901,305
UTILITIES	6,820,222	7,779,287	6,608,214
PLANNING, ECONOMIC DEVELOPMENT, & ENGINEERING	7,226,117	6,447,724	5,826,456
PROTECTIVE SERVICES	4,427,468	4,002,428	3,847,538
COMMUNITY SERVICES	3,333,328	3,248,575	3,284,777
AGRICULTURAL SERVICES	2,513,729	2,279,637	2,222,223
COUNCIL	776,828	764,916	680,950
FLEET	31,785	3,233	9,825
	\$ 58,818,757	\$ 58,651,008	\$ 53,981,472

## Major Expenditures Per Capita by Broad Function, 2017





# STATEMENT OF OPERATIONS

## ANNUAL SURPLUS

	2018 (Budget)	2018 (Actual)	2017 (Actual)
ANNUAL OPERATING SURPLUS	\$ 4,434,789	\$ 9,527,457	\$ 7,500,148
OTHER INCOME			
GOVERNMENT TRANSFERS FOR CAPITAL	5,962,000	6,173,827	12,952,362
CONTRIBUTED TANGIBLE CAPITAL ASSETS	-	8,544,334	1,478,615
UNREALIZED FOREIGN EXCHANGE GAIN (LOSS)	-	457,377	(174,329)
DEVELOPER OFF SITE LEVIES	1,150,000	29,199	53,553
	7,112,000	15,204,737	14,310,201
ANNUAL SURPLUS	\$ 11,546,789	\$ 24,732,194	\$ 21,810,349

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# SUMMARY

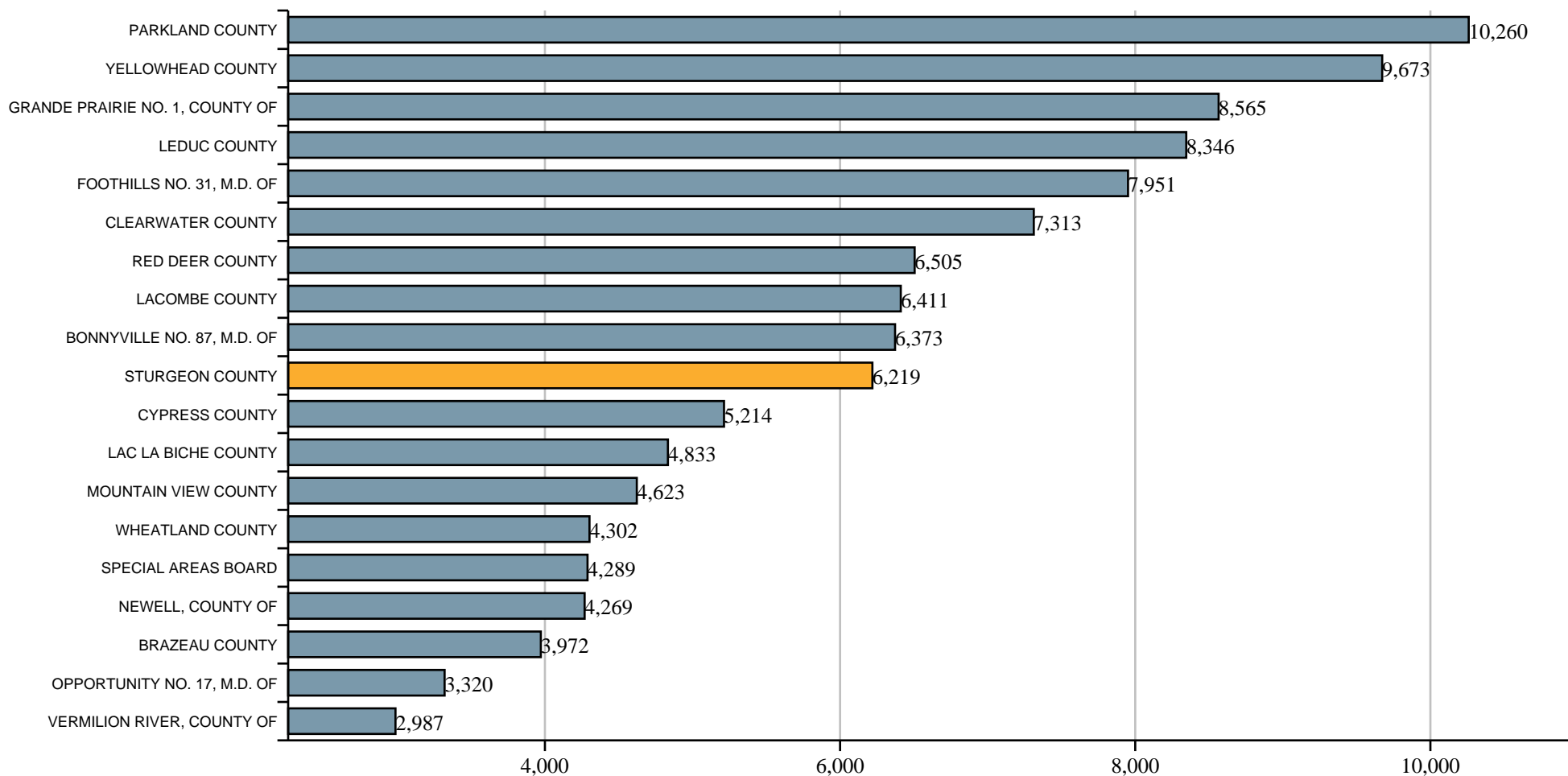
- **COUNTY REMAINS IN GOOD FINANCIAL CONDITION**
  - MODERATE DEBT LEVELS, LOW TAXES, LOW SPENDING
  
- **AUDIT FINDINGS LETTER TO COUNCIL (see letter)**
  - NO SIGNIFICANT CONTROL DEFICIENCIES
  - NO UNUSUAL ACCOUNTING POLICIES / ESTIMATES
  - NO SIGNIFICANT UNCORRECTED MISSTATEMENTS
  - NO SIGNIFICANT DIFFICULTIES
  
- **THANK YOU TO MANAGEMENT AND STAFF**
  
- **QUESTIONS?**



## Financial Indicator Graphs

### STURGEON COUNTY

#### Total Equalized Assessment (in Millions)



## Financial Indicator Graphs

### STURGEON COUNTY

#### Group Population

