



Mountain View
COUNTY

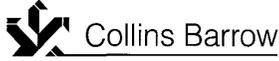
2008 Financial Statement Overview

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Getting Value For Your Money

Each year the County's financial records are reviewed by independent auditors as required by the province's Municipal Government Act. In this special edition of What's New in Mountain View, we are providing you with an overview of the County's financial results for 2008. Excerpts from the audited financial statements are presented. The full financial statements are available at the County office or at www.mountainviewcounty.com.

Excerpts from the 2008 Audited Financial Statements



Chartered Accountants

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AUDITORS' REPORT

To the Reeve and Council of Mountain View County

We have audited the consolidated statement of financial position of the Mountain View County as at December 31, 2008 and the consolidated statements of operations and equity and the consolidated statement of changes in financial position for the year then ended. These financial statements are the responsibility of the municipal administration. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Mountain View County as at December 31, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow
Red Deer LLP

Red Deer, Alberta
March 17, 2009

CHARTERED ACCOUNTANTS

MOUNTAIN VIEW COUNTY STATEMENT OF OPERATIONS AND OPERATING EQUITY FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget (unaudited)	2008	2007
	\$	\$	\$
Revenues			
Net Taxes Available for Municipal Purposes (page 12)	20,422,409	20,483,909	17,948,045
Sale of Goods and Services			
Sale of goods	287,600	296,758	313,145
Sale of services	1,026,700	1,073,989	907,108
Other	146,800	428,616	224,062
Other Revenue From Own Sources			
Return on investments	220,000	299,245	249,361
Revenue from funds loaned	166,500	165,744	169,785
Other licenses and permits	610,000	744,733	573,946
Park fees	30,000	26,083	31,114
Penalties and costs on taxes	131,500	155,804	133,893
Rentals	77,500	86,762	85,326
Other	509,979	467,039	195,768
Flood Relief Revenue (note 9)		2,119	1,223,950
Unconditional Federal Grants		-	-
Unconditional Provincial Grants	31,769	31,769	31,769
Conditional Grants from Other Governments			
Federal	420,000	223,364	792,365
Provincial - Transportation road grant	520,723	520,723	520,723
- Municipal Infrastructure Grant	7,420,000	7,271,416	1,978,461
- Alberta Water Management & Erosion Control	430,000	92,525	-
- Municipal Sustainability Initiative Grant	15,000	346,891	973,107
- Rural Alberta Development Fund	-	188,329	-
- Special transportation grants	732,636	248,566	136,129
- Other grants	902,674	797,792	891,920
Municipal	9,000	86,042	11,900
Total Revenue	34,110,790	34,038,218	27,391,877
Total Operating Expenditures (page 9)	33,314,865	29,901,759	23,115,805
Excess of Revenue over Expenditures	795,925	4,136,459	4,276,072
Net Interfund Transfers			
Operating reserves (page 11)	798,875	(2,441,889)	(2,776,222)
Capital fund (page 7)	(1,594,800)	(1,679,347)	(1,565,073)
Increase (Decrease) in Operating Fund During the Year		15,223	(65,223)
Beginning Unappropriated Operating Equity	84,777	84,777	150,000
Ending Unappropriated Operating Equity	84,777	100,000	84,777

MOUNTAIN VIEW COUNTY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2008

	2008 \$	2007 \$
ASSETS		
Financial Assets		
Cash and temporary investments (note 2)	13,707,287	12,114,923
Taxes receivable (note 3)	688,718	587,303
Accounts receivable		
Federal government	327,877	255,403
Provincial government	1,148,078	4,158,252
Local governments	122,879	284,231
Other	1,261,465	666,223
Investments (note 4, 17)	1,006,598	913,203
Notes receivable		
Mountain View Regional Waste Commission (note 15)	107,412	160,287
Mountain View Seniors' Housing (note 15)	2,806,763	2,879,947
Prepaid expenses	568,688	602,976
Land held for resale	71,082	150,813
Trust accounts (note 5)	575,260	477,827
Total Financial Assets	22,392,107	23,251,388
Physical Assets		
Inventory for consumption	4,197,409	3,456,409
Capital assets		
Land and improvements	4,393,534	3,820,085
Buildings	10,172,950	9,369,524
Equipment and furnishings	14,018,444	14,192,388
Vehicles	5,091,041	4,214,002
Total Physical Assets	37,873,378	35,052,408
Total Assets	60,265,485	58,303,796

LIABILITIES

	2008 \$	2007 \$
Liabilities		
Accounts payable & accrued liabilities		
Federal government	210,039	176,957
Provincial government	76,577	41,777
Local governments	463,970	75,454
Trade & other	2,664,511	1,724,757
Deferred revenue (note 6)	2,816,252	6,394,541
Employee benefit obligations (note 7)	260,073	303,257
Trust accounts (note 5)	575,260	477,827
Other liabilities	106,816	83,935
Long-term debt (note 8)	2,776,797	2,849,205
Total Liabilities	9,950,295	12,127,710

Contingencies (note 17 & 18)

MUNICIPAL EQUITY

Fund Balances		
Unappropriated operating equity	100,000	84,777
Operating reserves (note 10)	14,314,194	11,872,305
Capital reserves (note 10)	2,095,532	2,552,425
Capital fund (note 11)	129,495	70,580
Total fund balances	16,639,221	14,580,087
Equity in capital assets (page 10)	33,675,969	31,595,999
Total Municipal Equity	50,315,190	46,176,086
Total Liabilities and Municipal Equity	60,265,485	58,303,796

**MOUNTAIN VIEW COUNTY
STATEMENT OF CAPITAL FUND EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget (unaudited) \$	2008 \$	2007 \$
Revenues			
Sale of capital assets	697,000	738,513	530,425
Grants & other	1,610,857	1,558,913	747,743
	<u>2,307,857</u>	<u>2,297,426</u>	<u>1,278,168</u>
Expenditures			
Public works	2,117,200	2,428,535	800,597
Truck fleet	305,000	258,807	127,010
Buildings & other capital	1,793,856	1,687,409	1,248,884
	<u>4,216,056</u>	<u>4,374,751</u>	<u>2,176,491</u>
Deficiency of Revenues over Expenditures	(1,908,199)	(2,077,325)	(898,323)
Net Interfund Transfers			
From (to) capital reserves (page 11)	292,201	456,893	(797,420)
From operating fund (page 6)	1,594,800	1,679,347	1,565,073
Increase (Decrease) in Capital Fund During the Year	(21,198)	58,915	(130,670)
Capital Fund Equity at Beginning of Year	70,580	70,580	201,250
Capital Fund Equity at End of Year	<u>49,382</u>	<u>129,495</u>	<u>70,580</u>

2008 Corporate Overview

Planning and Development

The County's activities which support Sustainable Growth are largely managed by Planning and Development Services. These activities are focused around the development approval process but in recent years, and continuing into 2009, there is an emphasis on developing planning policies.

In 2008, the project focus was on revising the Land Use Bylaw and implementing planning software. Work on the Bearberry and Bergen Area Structure Plans was completed in 2008; while Area Structure Plans for the Water Valley/ Winchell Lake and the South McDougall Flats areas were initiated.

In December, Council took a step towards conserving our riparian areas, and environmentally sensitive lands, with the adoption of Environmental Protection Guidelines.

Operational Services

Operational Services provides the services which support Council's strategies for transportation. Along with the ongoing maintenance activities, Operational Services has conducted a number of studies which are helping to establish maintenance and construction priorities. A 10 year plan for the construction of the County Collector Network (CCN) was developed out of these studies.

In 2008, 60 per cent of the County budget was allocated towards road infrastructure maintenance and projects; along with an additional \$1 million towards road maintenance. With the help of increased infrastructure funding from the Provincial and Federal Governments, the County completed over \$10 million in road improvements. Two of the more significant projects undertaken in 2008 were the completion of paving Range Road 20 between Didsbury and Secondary Highway 580; and the beginning of the rehabilitation of Range Road 23 (Red Lodge Road) north of Highway 27.

Other projects completed in 2008 include the installation of an Operations office trailer at the Didsbury yard; the joint purchase of a maintenance shop with the Town of Sundre; and paving work at the County Administration office.

In the Agricultural Services department, the following were among the projects undertaken in 2008: Vegetation management, which included grass mowing, brushing and weed control; County land management; pest control; sustainable agricultural programs.

Legislative and Community Services

Council's strategies which help support the rural communities are largely carried out by Community Services which provides funding to community halls, libraries, recreational facilities, social services, fire services etc. Besides providing funding to these groups, Community Services helps provide safe communities through peace officers for traffic and bylaw enforcement. The County also supports education, solid waste collection and recycling, senior's housing and ambulance services through funds which are requisitioned by these agencies.

In 2008 a regional recreation and culture master plan was created, as well as a County wide fire services review. The County's corporate identity and community identity initia-

tives also concluded in 2008. Incorporation of these elements into the County's external correspondence and communications is ongoing. Preliminary work on potential legacy projects for the County's 50th anniversary; and workshops to support volunteers and community organizations, were also ongoing last year.

General

In the 2008 budget, Council approved 15 new positions to help the County address growth pressures. Not all positions were filled for the full year, resulting in salary expenses that were \$800,000 below budget expectations.

Operating reserves are \$2.5 million, higher than 2007 levels. The increase in reserves puts the County in a strong financial position to face economic challenges which may arise in future years.

2008 Financial Overview

Table One- Consolidated Statement of Financial Position

- A summary of the assets and liabilities realized by the County in 2008

Cash is up	The cash balance for the County increased by \$1.6 million in 2008. This change is a result of many factors which include increased reserve balances; and lower receivable and deferred revenue balances.
Accounts Receivable are down	Overall, accounts receivable balances have declined by \$2.5 million. This is primarily the result of receiving payment from the Provincial government for the 2005 flood disaster services claim.
Inventories are up	County inventories were up \$740,000 over the year previous (2007). The primary cause of the increase was gravel inventory levels.
Deferred revenue	In 2007 the County received \$6.4 million in grants, which were carried over into 2008. A number of large construction projects were funded with grant money in 2008, causing a \$3.6 million decrease in Deferred Revenue. As well, trade and other accounts payable are up \$940,000 from 2007 levels.

- The following is a summary of the County's reserves funds in 2008, which are used to smooth out the normal operational fluctuations which occur from year to year.

Operating Reserves higher	As of the end of 2008, County operating reserves were \$2.5 million higher than at the end of the year previous; and \$3.3 million higher than budgeted. \$1.5 million of the increase is due to projects not proceeding as planned, and the remaining \$1.8 million can be attributed to a combination of higher revenues and lower expenses.
Capital Reserves have increased	Capital reserves have decreased by almost \$460,000. This can be attributed to the purchase of a few large pieces of equipment in 2008 which were originally planned for 2007.

Table Two- Statement of Operations and Operating Equity

- A summary of the revenues and expenditures generated by the County in 2008

Revenues

Tax Revenue up	Tax revenue is up \$2.5 million from previous years, but the increase was anticipated in the 2008 budget.
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Expenditures

Road Maintenance costs lower than expected	Although there were many variances within the maintenance programs, they were largely offsetting, resulting in 2008 road maintenance activities spending \$480,000 less than anticipated. Project based activities had \$1.6 million fewer in expenditures as a result of projects being postponed, and this had a corresponding impact on operating reserve balances.
Other Expenditures lower than expected	Other expenditures were generally lower than expected. There were a number of contributing causes, with the most significant being that not all positions funded in the budget were filled for the full year due to the competitive labour market.

Table Three- Statement of Capital Fund Equity

- A summary of capital transactions in 2008.

Capital revenues/expenses as anticipated	Capital revenues and expenses were both close to what was anticipated in the budget. There were some heavy equipment purchases carried over from 2007 to 2008, resulting in slightly higher than expected public works expenditures.
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