

**MOUNTAIN VIEW COUNTY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2014**

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## **MANAGEMENT REPORT**

### **To the Reeve and Members of Council of Mountain View County:**

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The elected Council and the Audit Committee are composed entirely of neither management nor employees of the County. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Council is responsible for recommending the appointment of the County's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings. The accompanying financial statements and other information contained in this Financial Report are the responsibility of the management of Mountain View County.



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Greg Wiens, Director Corporate Services

April 22, 2015

## INDEPENDENT AUDITOR'S REPORT

To the Reeve and Members of Council of Mountain View County:

### *Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of Mountain View County, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, change in net financial assets, cash flows and Schedules 1 through 6 for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or misstatement.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Mountain View County as at December 31, 2014, the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Other Matter*

The financial statements of Mountain View County for the year ended December 31, 2013 were audited by another auditor who expressed an unmodified opinion on those statements on May 14, 2014.

Red Deer, Alberta  
April 22, 2015

**MOUNTAIN VIEW COUNTY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2014**

	2014 YTD \$	2013 Year end \$
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (note 2)	44,923,237	36,801,960
Taxes receivable (note 3)	627,338	666,389
Accounts receivable (note 4)		
Federal government	253,667	444,650
Provincial government	1,062,107	1,383,942
Local governments	68,256	59,418
Other	1,053,830	1,399,166
Investments (note 5)	1,662,177	1,661,803
Notes receivable (note 15)	9,926,595	9,211,675
Land held for resale	816,023	670,970
Trust accounts (note 6)	302,210	220,927
<b>Total Financial Assets</b>	<u>60,695,440</u>	<u>52,520,900</u>
<b>LIABILITIES</b>		
Accounts payable & accrued liabilities		
Federal government	-	76,473
Provincial government	75,377	1,879
Local governments	342,162	362,326
Trade payables	2,745,478	2,836,733
Deferred revenue (note 7)	5,279,473	4,639,137
Employee benefit obligations (note 8)	614,544	562,961
Trust accounts (note 6)	302,210	220,927
Pit reclamation obligation (note 20)	5,520,367	5,953,347
Other liabilities	1,427,737	802,108
Long-term debt (note 9)	9,857,713	9,149,608
<b>Total Liabilities</b>	<u>26,165,061</u>	<u>24,605,499</u>
<b>Contingencies and commitments (note 18 and note 22)</b>		
<b>NET FINANCIAL ASSETS</b>	<u>34,530,379</u>	<u>27,915,401</u>
<b>NON-FINANCIAL ASSETS</b>		
Inventory for consumption	4,118,714	4,656,655
Prepaid expenses	766,299	701,312
Tangible capital assets (note 12)	145,571,535	140,867,046
<b>Total Non-Financial Assets</b>	<u>150,456,548</u>	<u>146,225,013</u>
<b>ACCUMULATED SURPLUS (note 18)</b>	<u>184,986,927</u>	<u>174,140,414</u>

The accompanying notes are an integral part of these financial statements.

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**MOUNTAIN VIEW COUNTY  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

	Budget	2014	2013
<b>REVENUE</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net taxes available for municipal purposes (Schedule 2)	27,821,150	28,174,933	26,626,321
Sale of goods	150,600	144,830	155,647
Sale of services	803,400	763,991	764,059
Fees & levies	3,196,150	2,426,537	2,870,519
Fines & penalties	388,500	446,762	371,964
Return on investments	942,500	1,264,205	1,095,079
Rentals	276,050	263,727	299,529
Recovery	225,930	711,346	370,197
Government transfers for operating (Schedule 4)	1,176,020	1,496,167	2,082,273
Other	70,000	-	-
<b>Total Revenue</b>	<u>35,050,300</u>	<u>35,692,498</u>	<u>34,635,588</u>
<b>EXPENSES</b>			
Council	567,375	502,343	514,754
CAO Services	874,200	794,249	668,607
Corporate Services			
Finance & general office	2,117,090	2,118,573	1,854,604
Assessment	671,375	634,491	550,545
Business services	739,775	663,895	597,271
Utilities (Solid Waste Collection)	495,000	516,509	478,952
Planning & Development Services			
Planning	1,103,375	1,222,833	923,606
Permitting	324,700	367,653	358,779
Development	460,775	283,943	314,497
Legislative & Community Services			
Legislative services	981,050	849,111	744,077
Patrol & bylaw enforcement	514,200	462,147	425,185
Agriculture & land management	1,322,260	1,064,847	952,822
Community grants & transfers	4,650,275	3,178,367	2,857,446
Operational Services			
Road maintenance	19,394,450	19,205,322	19,463,891
Facilities & airports	1,104,400	891,949	974,311
<b>Total Expenses (Schedule 3) (Note 19)</b>	<u>35,320,300</u>	<u>32,756,232</u>	<u>31,679,347</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	(270,000)	2,936,266	2,956,241
<b>OTHER</b>			
Assets transferred to another municipality	-	(141,604)	(10,340)
Gain from land held for resale	-	408,032	-
Government transfers for capital (Schedule 4)	9,710,000	7,643,819	9,218,664
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>9,440,000</u>	<u>10,846,513</u>	<u>12,164,565</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>174,140,414</u>	<u>174,140,414</u>	<u>161,975,849</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (note 18)</b>	<u><u>183,580,414</u></u>	<u><u>184,986,927</u></u>	<u><u>174,140,414</u></u>

The accompanying notes are an integral part of these financial statements

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**MOUNTAIN VIEW COUNTY  
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

	Budget	2014	2013
	\$	\$	\$
<b>EXCESS OF REVENUE OVER EXPENSES</b>	9,440,000	<b>10,846,513</b>	12,164,565
Amortization of tangible capital assets	11,560,000	<b>12,438,165</b>	11,216,526
Acquisition of tangible capital assets	(18,367,000)	<b>(17,208,869)</b>	(16,493,256)
Proceeds from disposition of tangible capital assets	-	<b>44,305</b>	419,950
Loss (gain) on disposal of tangible capital assets	-	<b>10,480</b>	(109,591)
Transfer of tangible capital assets to land held for resale	-	<b>11,430</b>	-
Change in inventories and prepaid expenses	-	<b>472,954</b>	(250,155)
	<hr/>	<hr/>	<hr/>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	2,633,000	<b>6,614,978</b>	6,948,039
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<hr/> 27,915,401	<hr/> <b>27,915,401</b>	<hr/> 20,967,362
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<hr/> <hr/> 30,548,401	<hr/> <hr/> <b>34,530,379</b>	<hr/> <hr/> 27,915,401

The accompanying notes are an integral part of these financial statements

**MOUNTAIN VIEW COUNTY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

**NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:**

	2014 Budget	2014	2013
<b>OPERATING</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Excess of revenue over expenses	9,440,000	<b>10,846,513</b>	12,164,565
Non-cash items included in excess of revenues over expenses			
Amortization	11,560,000	<b>12,438,165</b>	11,216,526
Loss (gain) on disposal of tangible capital assets		<b>10,480</b>	(109,591)
Transfer of tangible capital assets to land held for resale	-	<b>11,430</b>	-
Net changes to working capital charged to operations	-		
Decrease (increase) in taxes and accounts receivable	-	<b>888,367</b>	1,220,077
Increase (decrease) in accounts payable	-	<b>(114,394)</b>	330,030
Increase (decrease) in deferred revenue	-	<b>640,336</b>	(3,128,608)
Increase (decrease) in pit reclamation obligation	-	<b>(432,980)</b>	236,010
Decrease (increase) in inventory	-	<b>537,941</b>	(206,388)
Net change in other working capital balances	(4,034,715)	<b>467,172</b>	177,345
Cash provided by operating transactions	<u>16,965,285</u>	<u><b>25,293,030</b></u>	<u>21,899,966</u>
<b>CAPITAL</b>			
Acquisition of tangible capital assets	(18,367,000)	<b>(17,208,869)</b>	(16,493,256)
Proceeds on disposal of tangible capital assets		<b>44,305</b>	419,950
Cash used in capital transactions	<u>(18,367,000)</u>	<u><b>(17,164,564)</b></u>	<u>(16,073,306)</u>
<b>FINANCING AND INVESTING</b>			
Change in investments	-	<b>(374)</b>	(570,000)
Notes receivable issued (gross)	-	<b>(1,252,000)</b>	(1,400,000)
Notes receivable collected	-	<b>537,080</b>	451,910
Long-term debt proceeds (gross)	-	<b>1,252,000</b>	1,400,000
Long-term debt repaid	-	<b>(543,895)</b>	(450,585)
Cash used by financing and investing activities	<u>-</u>	<u><b>(7,189)</b></u>	<u>(568,675)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,401,715)</u>	<u><b>8,121,277</b></u>	<u>5,257,985</u>
Cash and cash equivalents, beginning of year	<u>36,801,960</u>	<u><b>36,801,960</b></u>	<u>31,543,975</u>
Cash and cash equivalents, end of year	<u><u>35,400,245</u></u>	<u><u><b>44,923,237</b></u></u>	<u><u>36,801,960</u></u>

The accompanying notes are an integral part of these financial statements.

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SCHEDULE 1  
(See note 12)

MOUNTAIN VIEW COUNTY  
SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE PERIOD ENDED DECEMBER 31, 2014

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	2014 \$	2013 \$
<b>Cost:</b>									
Balance, beginning of year	15,865,977	3,216,235	11,116,427	373,757,311	13,584,784	4,057,305	9,714,950	431,312,989	416,162,482
Acquisition of tangible capital assets	-	-	56,580	23,648,365	1,361,811	915,665	(8,773,552)	17,208,869	16,493,256
Contributed tangible capital assets	-	-	-	-	-	-	-	-	-
Disposal of tangible capital assets	(11,430)	-	-	-	(200,980)	-	-	(212,410)	(1,342,749)
Balance, end of year	15,854,547	3,216,235	11,173,007	397,405,676	14,745,615	4,972,970	941,398	448,309,448	431,312,989
<b>Accumulated Amortization:</b>									
Balance, beginning of year	-	757,199	2,989,293	279,010,432	5,600,076	2,088,942	-	290,445,942	280,261,807
Annual amortization	-	143,244	272,403	10,805,632	880,193	336,693	-	12,438,165	11,216,526
Accumulated amortization on disposals	-	-	-	-	(146,194)	-	-	(146,194)	(1,032,390)
Balance, end of year	-	900,443	3,261,696	289,816,064	6,334,075	2,425,635	-	302,737,913	290,445,943
<b>Net Book Value of Tangible Capital Assets</b>	<b>15,854,547</b>	<b>2,315,792</b>	<b>7,911,311</b>	<b>107,589,612</b>	<b>8,411,540</b>	<b>2,547,335</b>	<b>941,398</b>	<b>145,571,535</b>	<b>140,867,046</b>



SCHEDULE 2

**MOUNTAIN VIEW COUNTY  
SCHEDULE OF TAXES LEVIED  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

	Budget	2014	2013
	\$	\$	\$
<b>Taxation</b>			
Real property taxes	21,178,950	<b>21,432,304</b>	20,735,456
Power and pipelines	18,694,000	<b>18,786,764</b>	17,713,952
Annexation and other tax revenue	60,600	<b>60,612</b>	60,612
Net over (under) levy	<u>(32,700)</u>	<u><b>(40,145)</b></u>	<u>(98,408)</u>
	<u>39,900,850</u>	<u><b>40,239,535</b></u>	<u>38,411,612</u>
<b>Requisitions</b>			
Alberta School Foundation Fund	11,262,500	<b>11,262,385</b>	11,318,826
Mountain View Seniors' Housing	645,200	<b>635,371</b>	311,360
Mountain View Regional Waste Management	<u>172,000</u>	<u><b>166,846</b></u>	<u>155,105</u>
	<u>12,079,700</u>	<u><b>12,064,602</b></u>	<u>11,785,291</u>
<b>Net taxes available for municipal purposes</b>	<u><u>27,821,150</u></u>	<u><u><b>28,174,933</b></u></u>	<u><u>26,626,321</u></u>

SCHEDULE 3

**SCHEDULE OF EXPENSES BY OBJECT  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

	Budget	2014	2013
	\$	\$	\$
<b>Expenses</b>			
Salaries, wages, and benefits	10,411,675	<b>9,786,386</b>	8,694,898
Contracted and purchased services	5,367,465	<b>5,443,143</b>	5,393,843
Materials, goods, supplies, and utilities	2,714,135	<b>1,258,301</b>	2,892,186
Provision for allowances	52,000	<b>205,419</b>	147,707
Bank charges and short term interest	14,000	<b>21,052</b>	12,965
Interest on long term debt	445,500	<b>399,741</b>	365,868
Grants to other organizations	4,755,525	<b>3,193,545</b>	3,064,945
Amortization of tangible capital assets	11,560,000	<b>12,438,165</b>	11,216,526
Loss (gain) on disposal of tangible capital assets	-	<b>10,480</b>	(109,591)
	<u>35,320,300</u>	<u><b>32,756,232</b></u>	<u>31,679,347</u>
<b>Total expenses</b>	<u><u>35,320,300</u></u>	<u><u><b>32,756,232</b></u></u>	<u><u>31,679,347</u></u>

**MOUNTAIN VIEW COUNTY  
SCHEDULE OF GOVERNMENT TRANSFERS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

	Budget	2014	2013
	\$	\$	\$
<b>TRANSFERS FOR OPERATING:</b>			
<b>Provincial</b>			
Municipal Sustainability Initiative grant	157,500	<b>175,099</b>	314,289
Transportation grant	520,700	<b>520,723</b>	520,723
Family & Community Services grant	285,820	<b>285,820</b>	285,820
Agricultural Services Board grant	200,000	<b>235,026</b>	218,359
<b>Other grants</b>	12,000	<b>279,499</b>	743,082
Total operating	<u>1,176,020</u>	<u><b>1,496,167</b></u>	<u>2,082,273</u>
<b>TRANSFERS FOR CAPITAL:</b>			
<b>Federal</b>			
Federal Gas Tax rebate	-	-	1,707,540
<b>Provincial</b>			
Strategic Transportation Infrastructure program	900,000	-	541,040
Municipal Sustainability Initiative grant	8,810,000	<b>7,643,819</b>	6,788,758
<b>Other grants</b>	-	-	-
<b>Recoveries</b>	-	-	181,326
Total capital	<u>9,710,000</u>	<u><b>7,643,819</b></u>	<u>9,218,664</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>10,886,020</u>	<u><b>9,139,986</b></u>	<u>11,300,937</u>

**MOUNTAIN VIEW COUNTY**  
**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

<b>ACTUAL RESULTS</b>	<b>Unrestricted Surplus</b>	<b>Restricted Surplus</b>	<b>Unfunded</b>	<b>Equity in Tangible Capital Assets</b>	<b>2014 \$</b>	<b>2013 \$</b>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>250,000</b>	<b>41,297,319</b>	<b>(8,273,951)</b>	<b>140,867,046</b>	<b>174,140,414</b>	161,975,849
Excess of revenues over expenses	10,846,513	-	-	-	<b>10,846,513</b>	12,164,565
Unrestricted funds designated for future use (1)	(11,980,683)	11,980,683	-	-	-	-
Current year funds used for previously unfunded amounts	(858,391)	-	858,391	-	-	-
Restricted funds used for operations (1)	1,607,091	(1,607,091)	-	-	-	-
Restricted funds used for tangible capital assets (1)	-	(4,839,956)	-	4,839,956	-	-
Current year funds used for tangible capital assets	(12,368,913)	-	-	12,368,913	-	-
Contributed tangible capital assets	-	-	-	-	-	-
Annexed tangible capital assets	-	-	-	-	-	-
Disposal of tangible capital assets	66,215	-	-	(66,215)	-	-
Annual amortization expense	12,438,165	-	-	(12,438,165)	-	-
Change in accumulated surplus	(250,003)	5,533,636	858,391	4,704,489	<b>10,846,513</b>	12,164,565
<b>BALANCE, END OF YEAR</b>	<b>(3)</b>	<b>46,830,955</b>	<b>(7,415,560)</b>	<b>145,571,535</b>	<b>184,986,927</b>	174,140,414
<b>BUDGET (PLAN)</b> (Unaudited)	<b>Unrestricted Surplus</b>	<b>Restricted Surplus</b>	<b>Unfunded</b>	<b>Equity in Tangible Capital Assets</b>	<b>2014 \$</b>	<b>2013 \$</b>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>250,000</b>	<b>41,297,319</b>	<b>(8,273,951)</b>	<b>140,867,046</b>	<b>174,140,414</b>	161,975,849
Excess of revenues over expenses	9,440,000	-	-	-	<b>9,440,000</b>	8,985,000
Transfer of tangible capital assets to other municipalities	-	-	-	-	-	-
Unrestricted funds designated for future use (1)	(9,746,000)	9,746,000	-	-	-	-
Current year funds used, recoverable in future years	-	-	-	-	-	-
Restricted funds used for operations (1)	4,121,000	(4,121,000)	-	-	-	-
Restricted funds used for tangible capital assets (1)	-	(2,992,000)	-	2,992,000	-	-
Current year funds used for tangible capital assets	(15,375,000)	-	-	15,375,000	-	-
Annual amortization expense	11,560,000	-	-	(11,560,000)	-	-
Change in accumulated surplus	-	2,633,000	-	6,807,000	<b>9,440,000</b>	8,985,000
<b>BALANCE, END OF YEAR</b>	<b>250,000</b>	<b>43,930,319</b>	<b>(8,273,951)</b>	<b>147,674,046</b>	<b>183,580,414</b>	170,960,849

**Notes:**

(1) Transfers into and out of restricted funds are related to specific projects and programs as presented in the budget or approved by Council during the year.

**MOUNTAIN VIEW COUNTY**  
**SCHEDULE OF SEGMENTED DISCLOSURE**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

<b>REVENUE</b>	<b>Council</b>	<b>CAO's Services</b>	<b>Corporate Services</b>	<b>Planning &amp; Development Services</b>	<b>Legislative, Community Services &amp; Agriculture</b>	<b>Operational Services</b>	<b>Unallocated</b>	<b>Total</b>
Net taxes available for municipal purposes (Schedule 2)	-	-	410,500	-	-	144,598	27,619,835	28,174,933
Sale of goods	-	-	8,396	220	-	136,214		144,830
Sale of services	-	-	561,407	93,906	-	108,678		763,991
Fees & levies	-	-	-	448,683	-	1,977,854		2,426,537
Fines & penalties	-	-	254,908	-	191,854	-		446,762
Return on investments	-	-	1,264,205	-	-	-		1,264,205
Rentals	-	-	350	-	-	263,377		263,727
Recovery	-	-	438,062	2,000	2,036	269,248		711,346
Government transfers for operating (Schedule 4)	-	-	-	-	538,987	957,180		1,496,167
Other								-
<b>Total Revenue</b>	<b>-</b>	<b>-</b>	<b>2,937,828</b>	<b>544,809</b>	<b>732,877</b>	<b>3,857,149</b>	<b>27,619,835</b>	<b>35,692,498</b>
<b>EXPENSES</b>								
Salaries, wages, and benefits	362,732	516,339	1,787,343	1,417,974	1,581,590	4,120,408		9,786,386
Contracted and purchased services	123,499	253,462	1,256,342	413,390	454,704	2,941,746		5,443,143
Materials, goods, supplies, and utilities	14,664	22,998	110,465	15,159	299,883	795,132		1,258,301
Provision for allowances	-	-	205,419	-	-	-		205,419
Bank charges and short term interest	-	-	20,829	-	223	-		21,052
Interest on long term debt	-	-	399,741	-	-	-		399,741
Grants to other organizations	1,448	1,450	-	-	3,072,168	118,479		3,193,545
Amortization of tangible capital assets	-	-	153,329	27,906	145,904	12,111,026		12,438,165
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	10,480		10,480
<b>Total Expenses</b>	<b>502,343</b>	<b>794,249</b>	<b>3,933,468</b>	<b>1,874,429</b>	<b>5,554,472</b>	<b>20,097,271</b>	<b>-</b>	<b>32,756,232</b>
<b>NET REVENUE</b>	<b>(502,343)</b>	<b>(794,249)</b>	<b>(995,640)</b>	<b>(1,329,620)</b>	<b>(4,821,595)</b>	<b>(16,240,122)</b>	<b>27,619,835</b>	<b>2,936,266</b>

**MOUNTAIN VIEW COUNTY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of Mountain View County are the representations of management prepared in accordance with the Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by Mountain View County are as follows:

a) **Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, and changes in fund balances and in financial position of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to the Council and are owned or controlled by the municipality. Included with the municipality is the Agricultural Service Board.

The schedule of taxes levied also includes requisitions for education, seniors' lodges, and Mountain View Regional Waste Commission that are not part of the municipal reporting entity. Interdepartmental and organizational transactions and balances are eliminated.

b) **Basis of Accounting**

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent.

i) Revenue

Revenues are recognized as they are earned and measurable. Funds from external parties, and earnings thereon, restricted by agreement or legislation are accounted for as deferred revenue until the related expenses are incurred, services performed, or tangible capital assets are acquired.

ii) Tax Revenue

Taxes are recognized as assets and revenue when they meet the definition of an asset, are authorized by Council, and the taxable event has occurred. Tax revenue is initially measured at administration's best estimate of the amount resulting from the original taxable event in accordance with the legislation. Requisitions operate as a flow through and are excluded from municipal revenue.

iii) Revenue on investments and rentals are recognized when earned, on a time-proportioned basis.

iv) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, and are not the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

**MOUNTAIN VIEW COUNTY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

v) **Expenses**

Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or legal obligation to pay with the exception of pension expenditures as disclosed in Note 1(e).

c) **Use of Estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared based on reasonable estimates made by management. Significant areas requiring the use of estimates include: valuation of accounts receivable, allowance for doubtful accounts, valuation of inventory for consumption, gravel pit reclamation obligation, valuation of tangible capital assets and their useful lives, residual/salvage values, and valuation of post-employment benefits. For each reported segment, the revenues and expenses represent both amounts that are directly attributable to the segment and amounts considered allocated on a reasonable basis. Actual results could differ from those estimates as additional information becomes available in the future.

d) **Fund Accounting**

Accumulated surplus consists of operating, capital and reserve funds. Transfers between funds are recorded as adjustments within accumulated surplus.

e) **Pension Expenditure**

The County participates in a multi-employer pension plan. The plan is accounted for as a defined contribution plan. Contributions for current and past service pension benefits are recorded as expenditures in the year in which they become due.

f) **Cash and Cash Equivalents**

Cash and cash equivalents include bank balances, term deposits with short maturities, and highly liquid investments that are readily convertible to cash.

g) **Investments**

Investments are recorded at cost. Investment premiums and discounts are amortized proportionately over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

h) **Land Held for Resale**

Land held for resale is recorded at the lower of cost or net realizable value. Costs include costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges.

i) **Gravel Pit Reclamation**

The County owns and leases gravel pits and is responsible for reclamation costs related to those pits under Alberta Environmental law. Engineering studies are used to determine disturbed area and an obligation is accreted as land is disturbed based on assumptions on future costs.

**MOUNTAIN VIEW COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

j) **Contaminated Sites**

The County is legally obligated to remediate ground contaminants and contamination of ground water when it exceeds environmental standards.

k) **Non-Financial Assets**

Non-financial assets are assets that are not available to discharge existing liabilities but held for use in County operations. Such assets have useful lives extending beyond the current year and are not intended for sale in the normal course of County operations.

i) **Tangible Capital Assets**

Tangible capital assets are recorded at cost or deflated engineering values (as recommended in Guidelines on Valuations of Tangible Capital Assets for PSAB 3150, published by Alberta Municipal Affairs - Local Government Services). These costs/deflated engineering values include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost/deflated value less residual value of tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<b>Years</b>
Land	(not amortized)
Land improvements	10-25
Buildings	25-50
Engineered structures	3-40
Machinery & equipment	3-25
Vehicles	3-25

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until such asset is available for productive use. Government contributions for the acquisition of capital assets are recorded as capital revenue and do not reduce the related capital asset costs.

ii) **Contributions of Tangible Capital Assets**

Contributed tangible capital assets are recorded at fair value at the date of receipt and are recorded as revenue in the year of acquisition.

iii) **Inventories**

Inventories of materials and supplies are valued at the lower of cost or net realizable value with cost determined using the average cost method.

l) **Debt Charges Recoverable**

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long-term debt.

m) **Reserves for Future Expenditures**

Reserves are established at the discretion of council to set aside funds for future operating and capital expenditures. Transfers to and/or from reserves are reflected as an adjustment to the respective fund.

**MOUNTAIN VIEW COUNTY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

n) **Over-levies and Under-levies**

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under levies of the prior year.

o) **Segments**

The County conducts its business through a number of reportable segments. Six operating segments are established by management and facilitate the achievement of long-term objectives and aid in resource allocation decisions.

p) **Contaminated Site**

In June 2010, the Public Sector Accounting Board ("PSAB") issued PS 3260 Liability for Contaminated Sites to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The County does not expect the adoption of the new section to have a material impact on its consolidated financial statements.



**MOUNTAIN VIEW COUNTY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

**2. CASH AND TEMPORARY INVESTMENTS**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Cash on deposit	<b>2,156,638</b>	477,983
Less: outstanding cheques	<b>(527,186)</b>	(2,516,391)
	<hr/>	<hr/>
Net cash	<b>1,629,452</b>	(2,038,408)
Other deposits	<b>43,293,785</b>	38,840,368
	<hr/>	<hr/>
	<b>44,923,237</b>	36,801,960
	<hr/> <hr/>	<hr/> <hr/>

Other deposits consist of short term investments maturing within the next 9-18 months earning interest from 1.98% - 2.34% (2013 - 1.99% - 2.11%).

Included in cash and temporary investments is \$5,279,473 (2013 - \$4,639,137) of amounts held in conditional grants received but not yet spent. (Note 7)

**3. TAXES RECEIVABLE**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Current taxes and grants in lieu	<b>660,688</b>	731,295
Tax arrears	<b>668,674</b>	806,838
	<hr/>	<hr/>
	<b>1,329,362</b>	1,538,133
Less: Allowance for uncollected taxes	<b>702,024</b>	871,744
	<hr/>	<hr/>
	<b>627,338</b>	666,389
	<hr/> <hr/>	<hr/> <hr/>

Within the Allowance is \$412,060 (2013 - \$289,304) which relates to tax rolls owned by Neo Exploration Inc. The company is currently in receivership.

**MOUNTAIN VIEW COUNTY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

**4. ACCOUNTS RECEIVABLE**

**Federal**

	2014	2013
	\$	\$
GST receivable	<u>253,667</u>	<u>444,650</u>

**Provincial**

	2014	2013
	\$	\$
Disaster Services funding	484,858	638,467
2014 Flood Recovery Funding	176,459	-
Alberta Infrastructure & Transportation (Bridge program)	2,014	171,790
Alberta Infrastructure Resource Road Grant (Burnt Timber Road Paving)	-	9,445
Federal Gas Tax Funding (Big Prairie Bridge)	381,053	381,053
Other Provincial receivables	<u>17,723</u>	<u>183,187</u>
	<u>1,062,107</u>	<u>1,383,942</u>

**Local Governments**

	2014	2013
	\$	\$
Village of Cremona	25,000	6,327
Other Local Governments	<u>43,256</u>	<u>53,092</u>
	<u>68,256</u>	<u>59,418</u>

**Other**

	2014	2013
	\$	\$
Interest receivable (investment bonds)	103,962	51,258
Trade accounts receivable	<u>949,868</u>	<u>1,347,908</u>
	<u>1,053,830</u>	<u>1,399,166</u>

**5. INVESTMENTS**

	2014	2013
	\$	\$
A.A.M.D.&C. (trade division)	4,136	6,210
Bonds	1,653,326	1,653,326
Other	<u>4,715</u>	<u>2,267</u>
	<u>1,662,177</u>	<u>1,661,803</u>

A.A.M.D.&C. (Alberta Association of Municipal Districts and Counties) is a purchasing group designed to provide municipal local authorities with lower cost goods and services through bulk purchasing. Annual dividends less a 20% reserve are paid based on the municipality's annual dollar volume of goods or services purchased during the year. The annual reserve is held for five years and then paid out to the municipality. The investment amount represents the last five years' reserves.

Bonds are held at cost and have a weighted average effective yield of 3.89% and maturity dates from 2016 to 2019. (2013 - yield of 3.58%, maturity dates from 2016 to 2019.

**MOUNTAIN VIEW COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

**6. TRUST ACCOUNTS**

A summary of trust fund activities by Mountain View County is as follows:

	2014	2013
	\$	\$
<b>Cash in lieu of Municipal Reserve</b>		
Balance, beginning of Year	220,803	144,644
Additions to reserve	55,683	75,252
Interest revenue	1,226	907
Grants	-	-
	<u>-</u>	<u>-</u>
Balance, end of year	<u>277,712</u>	<u>220,803</u>
<b>Cremona Recreation Board</b>		
	2014	2013
	\$	\$
Balance, beginning of Year	124	123
Additions to reserve	189,835	152,963
Use of funds (net)	(165,462)	(152,963)
Interest revenue	1	1
	<u>1</u>	<u>1</u>
Balance, end of year	<u>24,498</u>	<u>124</u>
<b>Total Trust Funds</b>	<u><u>302,210</u></u>	<u><u>220,927</u></u>

**Cash in lieu of Municipal Reserve**

When property is developed within the County, the County has the option of receiving cash instead of land set aside for municipal purposes within a developed area. When cash is received instead of property the cash must be used according to Section 671(2) of the Municipal Government Act.

**7. DEFERRED REVENUE**

	2014	2013
	\$	\$
Municipal Sustainability Initiative grant	1,014,729	4,422,893
Federal Gas Tax grant (New Deal)	-	-
Other grants	4,264,744	216,244
	<u>4,264,744</u>	<u>216,244</u>
	<u><u>5,279,473</u></u>	<u><u>4,639,137</u></u>

Included in Other grants is \$4,048,500 (2013 - \$0) in funds received for the Province for flood mitigation projects.

**MOUNTAIN VIEW COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

**7. DEFERRED REVENUE (continued)**

**Municipal Sustainability Initiative**

The use of these funds is restricted to eligible projects approved under the funding agreement. The interest earned has been added to the funds.

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Unexpended funds from last year	<b>4,422,893</b>	7,062,641
Interest earned in the year	<b>41,345</b>	85,697
Funds received during the year	<b>4,194,310</b>	4,063,313
Amount spent on eligible projects	<b>(7,643,819)</b>	(6,788,758)
	<hr/>	<hr/>
Unexpended funds at year end	<b><u>1,014,729</u></b>	<b><u>4,422,893</u></b>

**Federal Gas Tax Funding 2010-2014**

The use of these funds is restricted to eligible projects. Interest earned has been added to the funds.

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Unexpended funds from last year	-	625,960
Interest earned in the year	-	-
Funds received during the year	-	700,527
Amount spent on eligible projects	-	(1,326,487)
	<hr/>	<hr/>
Unexpended funds at year end	<b><u>-</u></b>	<b><u>-</u></b>

**Other Grants/Deferred Revenue**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
MSP - Olds Joint Project (unused portion)	<b>71,644</b>	71,644
Sustainable Resource Development - Firesmart Community Grant	<b>15,000</b>	15,000
Alberta Municipal Affairs 2013/14 Flood Recovery Program	<b>850,000</b>	-
Alberta Municipal Affairs 2014 Mgmt of Red Deer Upstream	<b>3,132,500</b>	-
Alberta Municipal Affairs 2014 Flood Readiness Grant	<b>66,000</b>	-
Future Seidel Pit Reclamation	<b>7,500</b>	7,500
Petrobakken Energy Ltd. - Road Use Fee	<b>94,100</b>	94,100
Whitecap Resources - Road Use Fee	<b>28,000</b>	28,000
	<hr/>	<hr/>
	<b><u>4,264,744</u></b>	<b><u>216,244</u></b>

**MOUNTAIN VIEW COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

8. EMPLOYEE BENEFIT OBLIGATIONS	2014	2013
	\$	\$
Vacation & overtime	405,534	348,849
Post-employment benefits	<u>209,010</u>	<u>214,112</u>
	<u><u>614,544</u></u>	<u><u>562,961</u></u>

The employee benefit obligation is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

The County also offers partially subsidized post employment extended health and dental benefits to retiring employees. Employees must meet eligibility requirements to participate in the benefits. Actual costs incurred for the current year were \$12,723 (2013 - \$9,936). \$125,867 (2013 - \$143,245) of the Post-employment benefits are unfunded (note 18).

9. LONG TERM DEBT				2014	2013
				\$	\$
Debentures				<u><u>9,857,713</u></u>	<u><u>9,149,608</u></u>
	<u>Original Principal</u>	<u>Rate</u>	<u>Anniversary Date</u>	<u>Final Payment</u>	
Debenture 1-03	1,000,000	6.000%	September 2	2028	
Debenture 2-03	1,000,000	5.875%	November 3	2028	
Debenture 3-03	1,000,000	5.750%	December 15	2028	
Debenture 1-04	100,000	4.960%	March 23	2029	
Debenture (4001590)	1,400,000	3.295%	December 16	2028	
Debenture (4000910)	3,000,000	4.047%	March 15	2025	
Debenture (4001077)	3,500,000	3.885%	December 15	2025	
Debenture (4001723)	1,252,000	2.814%	September 15	2029	

The purpose of the debentures is to allow the County to provide financing to Mountain View Seniors' Housing. The debentures are offset by a note receivable from Mountain View Seniors' Housing. (See Note 15) The details of the debentures are above. They are all payable to Alberta Capital Finance Authority. Each \$1,000,000 debenture has annual payments with the payments due on their anniversary dates. The others have payments due twice a year.

Estimated principal and interest payments for the next five years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
2015	635,171	404,544	1,039,715
2016	661,257	378,458	1,039,715
2017	688,464	351,251	1,039,715
2018	716,842	322,873	1,039,715
2019	746,444	293,271	1,039,715
Thereafter	<u>6,409,535</u>	<u>1,183,379</u>	<u>7,592,914</u>
	<u><u>9,857,713</u></u>	<u><u>2,933,776</u></u>	<u><u>12,791,489</u></u>

The County paid \$399,741 (2013 - \$365,868) in interest on long term debt.

**MOUNTAIN VIEW COUNTY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

**10. RESERVES**

Reserves for operating and capital activities are as follows:

<b>OPERATING RESERVES:</b>	<b>Beginning of Year \$</b>	<b>Additions \$</b>	<b>Deletions \$</b>	<b>End of Year \$</b>
Public Transportation	47,399	1,149	35,000	13,548
Road Maintenance	699,595	150,000	-	849,595
Gravel	1,223,079	-	1,014,837	208,242
Re-Chipping	2,173,399	518,569	-	2,691,968
Snow Removal	500,256	1,231,725	731,981	1,000,000
Pit Stripping and Reclamation	889,411	613,622	-	1,503,033
Road Network	7,766,907	757,219	-	8,524,126
Projects	5,590,250	3,245,976	1,647,251	7,188,975
Tax Rate Stabilization	5,325,000	720,797	410,797	5,635,000
Rural Community Grant	29,789	857	15,000	15,646
Parks	13,198	-	-	13,198
Sundre Airport Reserve	5,981	-	-	5,981
Agriculture	73,838	-	-	73,838
Didsbury Fire	101,539	3,903	-	105,442
General Fire (2)	1,137,530	425,000	453,543	1,108,987
Statutory Documents Reserve	200,000	50,000	-	250,000
Working Capital (1)	4,112,650	-	-	4,112,650
<b>Total Operating Reserves</b>	<u>29,889,821</u>	<u>7,718,818</u>	<u>4,308,409</u>	<u>33,300,229</u>
<b>CAPITAL RESERVES:</b>	<b>Beginning of Year \$</b>	<b>Additions \$</b>	<b>Deletions \$</b>	<b>End of Year \$</b>
Administration Equipment	377,312	160,805	103,210	434,907
Radio Hub	36,266	3,711	-	39,977
Truck Fleet Reserve	230,349	-	-	230,349
Facility	1,789,727	564,273	130,464	2,223,536
Asphalt Road Reserve	2,208,904	696,445	-	2,905,349
Bridge Replacement Reserve	2,233,137	1,136,062	-	3,369,199
Heavy Equipment	4,326,853	1,590,768	1,904,963	4,012,658
Recreation Facilities Reserve	204,950	109,801	-	314,751
<b>Total Capital Reserves</b>	<u>11,407,498</u>	<u>4,261,865</u>	<u>2,138,637</u>	<u>13,530,726</u>
<b>TOTAL RESERVES:</b>	<u>41,297,319</u>	<u>11,980,683</u>	<u>6,447,046</u>	<u>46,830,955</u>

(1) This reserve is set aside to provide liquidity and reduce financing costs in the interim period between when most of the County's expenses are incurred and when annual property taxes are collected. The maximum amount of the reserve is set by a capping formula. This reserve was first established in 2002 with a transfer from Unappropriated Equity.

(2) Funding to the General Fire Reserve is based on a 20-year capital replacement plan. Although the 20-year plan is fully funded, within the plan there are years when the reserve will be under funded at year end. When this occurs, funds will be loaned from other funds to offset the deficiency in the General Fire Reserve and the loan is shown as a deduction from the loaning fund and an addition to the General Fire Reserve.

**MOUNTAIN VIEW COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

**11. DEBT LIMIT**

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for Mountain View County be disclosed as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Total debt limit (maximum allowed)	<b>54,150,794</b>	51,953,383
Total debt (current)	<b><u>9,857,713</u></b>	<u>9,149,608</u>
Amount below total debt limit	<b><u><u>44,293,081</u></u></b>	<u><u>42,803,775</u></u>
Service on debt limit (maximum allowed)	<b>9,025,132</b>	8,658,897
Service on debt (current)	<b><u>1,039,715</u></b>	<u>936,820</u>
Amount below limit on debt service	<b><u><u>7,985,417</u></u></b>	<u><u>7,722,077</u></u>

The debt limit is calculated at 1.5 times revenue of the County (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the County. Rather, the financial statements must be interpreted as a whole.

**MOUNTAIN VIEW COUNTY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

**12. TANGIBLE CAPITAL ASSETS**

	2014	2014	2014	2013
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Land	15,854,547	-	15,854,547	15,865,977
Land improvements	3,216,235	900,443	2,315,792	2,459,037
Buildings	11,173,007	3,261,696	7,911,311	8,127,133
Engineered structures				
Bridges	49,864,439	22,270,600	27,593,839	14,751,106
Gravel roads	150,590,568	131,941,275	18,649,293	18,649,293
Chip seal roads	170,522,963	125,626,712	44,896,251	44,896,251
Dirt roads	451,688	444,088	7,600	7,600
Asphalt roads	25,976,018	9,533,389	16,442,629	16,442,629
Machinery & equipment	14,745,615	6,334,075	8,411,540	7,984,708
Vehicles	4,972,970	2,425,635	2,547,335	1,968,362
Construction in progress	941,398	-	941,398	9,714,950
<b>Total</b>	<b><u>448,309,448</u></b>	<b><u>302,737,913</u></b>	<b><u>145,571,535</u></b>	<b><u>140,867,046</u></b>

Total land holdings of the County are comprised of 28,420 acres. This includes an estimated 21,811 acres of road rights-of-way. The remaining land consists of 407 acres designated as municipal reserves, environmental reserves and public utility lots; 2,603 acres of gravel pits and gravel reserves; 636 acres for municipal operations including airports, as well as 2,963 acres of general land.

Land Improvements include parking lots, landscaping, signage, fencing and parks structures.

There are 253 bridges maintained by Mountain View County.

Roads in the County are composed of 61 km of asphalt roads, 834 km of chip sealed roads, 1,965 km of gravel roads and 18 km of unimproved/dirt roads. Roads are further broken down into surface and base.

Machinery & equipment is separated into three sub-categories - heavy equipment, agricultural/shop/patrol equipment, and office equipment and furniture. Heavy equipment includes graders, loaders, trailers, excavators, plows and sanders. Office equipment and furniture includes computer, telephone, audio/visual equipment, printers, copiers, faxes and office furniture and workstations, along with airport navigation equipment. Agricultural/shop/patrol equipment includes tractors, mowers, sprayers, shop tools, radios, radar units, and scales.

Vehicles include trucks and sport utility vehicles.

Construction in Progress includes projects which have commenced but which were not completed by December 31, 2014. These projects correspond to roads, bridges and/or heavy equipment that were under construction at year end.

**13. LOCAL AUTHORITIES PENSION PLAN**

Employees of Mountain View County participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pensions Plan Act. The Plan serves 230,534 people and 428 employers. It is financed by employer and employee contributions and investment earnings of the LAPP Fund.

Mountain View County is required to make current service contributions to the plan of 11.39% of the pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 15.84% for the excess. Employees of the County are required to make current service contributions of 10.39% of pensionable salary up to the year's maximum pensionable salary and 14.84% on pensionable salary above this amount.

The current service contributions by Mountain View County to the Local Authorities Pension Plan in 2014 were \$721,902 (2013 - \$587,326). Total current service contributions by the employees of Mountain View County to the Local Authorities Pension Plan in 2014 were \$665,556 (2013 - \$536,677).

At December 31, 2013, the Plan disclosed an actuarial deficit of \$4.86 Billion (2012 - \$4.98 Billion).



**MOUNTAIN VIEW COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

**14. SALARY AND BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for elected municipal officials, the Chief Administrative Officer and designated officers as required by provincial regulation 313/2000 is as follows:

	----- 2014 -----			----- 2013 -----		
	<u># of Persons</u>	<u>Salary (1)</u> \$	<u>Benefits &amp; Allowances (2)</u> \$	<u>Total</u> \$	<u># of Persons</u>	<u>Total</u> \$
Reeve						
Division 4	1	68,659	1,940	70,599	1	71,390
Deputy Reeve						
Division 2	1	49,584	5,900	55,484	1	53,484
Councillors						
Division 1	1	47,168	5,721	52,889	2	42,990
Division 3	1	39,552	5,405	44,957	1	43,886
Division 5	1	48,860	5,793	54,653	2	40,477
Division 6	1	42,574	5,530	48,104	2	48,715
Division 7	1	43,420	5,562	48,982	1	51,377
Chief Administrative Officer	1	174,792	37,069	211,861	1	192,156
Designated officers	2	229,517	48,573	278,090	2	254,514

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments and per diem payments.

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, accidental disability and dismemberment insurance, long term disability plans, professional memberships and tuition, and any other direct cash remuneration.

**MOUNTAIN VIEW COUNTY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**15. RELATED PARTY TRANSACTIONS**

Unless specifically indicated all transactions with related parties are at fair market value.

**Mountain View Regional Waste Management Commission (MVRWC)**

MVRWC provides solid waste disposal services to the residents of both Mountain View County and the five urban areas within the County. MVRWC is a commission operated jointly by the County and the five urban municipalities.

In 2014 the County provided \$166,846 (2013 - \$155,105) as its share to support the operations of MVRWC.

In 2003, the County entered into an agreement to provide administrative support services to MVRWC. The agreement began January 1, 2004. MVRWC pays a monthly fee which is an approximation of variable and fixed costs associated with the administrative support and does not contain a profit component, the total amount paid in 2014 is \$91,200 (2013 - \$91,200).

**Mountain View Seniors' Housing (MVSH) (See Note 9)**

MVSH provides senior's and subsidized housing to the residents of both Mountain View County and the five urban areas within the County. MVSH is established under Ministerial Order from the Province of Alberta and operated jointly by the County and the five urban municipalities.

In 2014, the County provided \$635,370 (2013 - \$311,360) as its share to support the operations of MVSH. Mountain View County has loaned a total principal amount of \$12,252,000 to MVSH with a principal balance remaining at December 31, 2014 of \$9,857,713 (2013 - \$9,149,608) plus accrued interest of \$68,882 (2013 - \$62,067). MVSH used the funds to finance capital assets including the construction of senior's lodges in Didsbury and Olds and the purchase of land for a lodge in Sundre. The loans are to be repaid to Mountain View County according to the repayment schedule for the debentures that Mountain View County borrowed from Alberta Capital Financing Authority. The amounts are repayable in terms from 15 - 25 years from the loan date with \$1,039,715 payable each year with interest ranging from 2.814% to 6.000%. The notes will be paid in full in 2029. The notes receivable are secured by the requisitions payable to MVSH by each of the funding municipalities.

**South Red Deer Regional Wastewater Commission (SRDRWC)**

In 2013, the County entered into an agreement to provide administrative support services to SRDRWC. The agreement began September 1, 2013. SRDRWC pays a monthly fee which is an approximation of variable and fixed costs associated with the administrative support and does not contain a profit component, the amount paid in 2014 is \$53,552 (2013 - \$14,200).

**Village of Cremona**

In 2013, the County entered into an agreement to provide administrative support services to Cremona. The agreement began October 1, 2013. Cremona pays a monthly fee which is an approximation of variable and fixed costs associated with the administrative support and does not contain a profit component, the amount paid in 2014 is \$36,000 (2013 - \$9,000).

**MOUNTAIN VIEW COUNTY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**16. FINANCIAL INSTRUMENTS**

The County's financial instruments consist of cash and temporary investments, taxes receivable, accounts receivable, investments, notes receivable, accounts payable and accrued liabilities, other liabilities, employee benefit obligations, and long-term debt.

The fair value of these financial instruments approximates their carrying value.

It is management's opinion that the County is not exposed to significant price, credit, liquidity or cash flow risks arising from these financial instruments. The risk is detailed below.

The County is exposed to interest rate price risk as the cash and temporary investments, notes receivable, and long-term debt bear interest at fixed interest rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The County is exposed to market price risk as some financial instruments included in cash and deposit certificates are traded in the market. Market price risk is the risk that the value of an investment will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The market price risk of the financial instruments held is closely related to the interest rate price risk.

The County is exposed to credit risk as it grants credit to its customers in the normal course of business. This risk is largely mitigated since the majority of receivables are generated from other governments, government related parties, or from tax payers, whose land acts as security for payment. To further mitigate credit risk for receivables, the County regularly reviews its accounts receivable list.

The County is also exposed to credit risk, as included in cash and temporary investments, are bonds and accrual notes. The County follows the investment criteria as established in section 250 of the Municipal Government Act which is designed to limit credit risk. Credit risk is the risk that the County will incur a financial loss because a customer, or issuer

**17. CONTINGENCIES**

Mountain View County, in the conduct of its normal activities can be named as a defendant in legal proceedings. The ultimate outcome of these proceedings can often not be determined until the proceedings are completed. Should any loss result from the resolution of these proceedings or if the amount of the loss can be determined, such amounts would be expensed as they become known to the County. Currently, there are no determinable amounts.

ALARIE (Alberta Local Authorities Reciprocal Insurance Exchange) is winding down but not yet concluded. The actual amount that the County will receive, if any, is contingent on the final resolution of all assets and liabilities of ALARIE.

The County is a member of the Jubilee Reciprocal Insurance Exchange as at December 31, 2014. Under the terms of the membership, the County could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

**MOUNTAIN VIEW COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**18. ACCUMULATED SURPLUS**

Accumulated Surplus consists of restricted and unrestricted amounts and equity in tangible capital assets

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Unappropriated operating equity	(3)	250,000
Operating reserves (note 10)	<b>33,300,229</b>	29,889,821
Capital reserves (note 10)	<b>13,530,726</b>	11,407,498
Airport development costs - deficit	<b>(215,183)</b>	(623,215)
Land Deficit	<b>(2,574,657)</b>	(2,574,656)
Unfunded gravel pit reclamation (note 20)	<b>(4,499,854)</b>	(4,932,835)
Unfunded post retirement obligation	<b>(125,866)</b>	(143,245)
Equity in tangible capital assets (Schedule 1)	<u><b>145,571,535</b></u>	<u>140,867,046</u>
	<u><b>184,986,927</b></u>	<u>174,140,414</u>

**19. EXPENSE RECONCILIATION**

	<b>\$</b>	<b>\$</b>
Total expenses planned for the year 2014		<b>35,320,300</b>
Less: expense variances		
- Community Grants & Transfers	<b>(1,471,908)</b>	
- Tangible capital asset amortization difference	<b>878,165</b>	
- Gravel pit related transfers	<b>(1,327,494)</b>	
- Agriculture Expenses	<b>(257,413)</b>	
- Other expenses over/(under) budget (net)	<u><b>(385,420)</b></u>	
		<u><b>(2,564,068)</b></u>
		<u><b>32,756,232</b></u>

**20. GRAVEL PIT RECLAMATION OBLIGATION**

The County owns and leases gravel pits and is responsible for reclamation costs related to those pits under Alberta environmental law. These costs are expected to be incurred over the life of the pit. To help cover pit stripping and future reclamation costs, the County has a Pit Stripping and Reclamation Reserve (note 10) with contributions of \$2.08 per tonne of gravel mined in the year.

The most recent estimate of this obligation was prepared to December 31, 2014 and the obligation is currently estimated at \$5,520,367 (2013 - \$5,953,347). For 2014, the net decrease in reclamation obligation of \$432,980 resulted in a corresponding decrease in the unfunded liability. Significant assumptions were used in determining this obligation. Engineering studies were used to determine the disturbed area. When necessary, the engineering studies were adjusted to include recent activity. The current reclamation cost/cubic metre has been used without adjustments for discounting or inflation.

Total reclamation expense in 2014 was \$202,724 (2013 - \$321,385). The County has not designated any other assets for settling the reclamation obligation.

**MOUNTAIN VIEW COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**21. COMMITMENTS**

The County is committed to the completion of a contract with Rick Martin Trucking to crush aggregate and to strip gravel pits. The estimated cost to complete this contract in 2015 is \$2.5 Million.

**22. BUDGET AMOUNTS**

The 2014 budget was approved by Council on April 16, 2014.

**23. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council and Management.