



**MD OF GREENVIEW NO. 16**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**INDEPENDENT AUDITORS' REPORT**

To the Reeve and Council of MD of Greenview No. 16

We have audited the accompanying financial statements of MD of Greenview No. 16, which comprise the statement of financial position as at December 31, 2014 and the statement of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the 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 error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We have 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 of 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 auditors' judgement, 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, these financial statements present fairly, in all material respects, the financial position of MD of Greenview No. 16 as at December 31, 2014 and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Edmonton, Alberta  
May 26, 2015

Hawkings Epp Dumont LLP  
Chartered Accountants



**MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL REPORTING**

To His Worship the Reeve and Members of Council of MD of Greenview No. 16

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are the responsibility of management, prepared in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgments of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Hawkings Epp Dumont LLP, Chartered Accountants, have been appointed by Greenview Council to express an opinion on the Greenview's financial statements.

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Mike Haugen  
Chief Administrative Officer

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Rosemary Offrey  
General Manager Corporate Services

**MD OF GREENVIEW NO. 16**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2014**

|  | <u>2014</u>           | <u>2013</u>           |
|--|-----------------------|-----------------------|
| <b>FINANCIAL ASSETS</b>                  |                       |                       |
| Cash and temporary investments (Note 2)  | \$ 61,662,208         | \$ 57,681,432         |
| Receivables (Note 3)                     | 17,421,034            | 9,145,027             |
| Loans receivable (Note 4)                | 895,460               | 1,030,932             |
| Investments (Note 5)                     | <u>70,407,843</u>     | <u>62,079,332</u>     |
|  | <u>150,386,545</u>    | <u>129,936,723</u>    |
| <b>LIABILITIES</b>                       |                       |                       |
| Accounts payable and accrued liabilities | \$ 9,067,073          | \$ 8,129,707          |
| Deferred revenue                         | 250,000               | -                     |
| Long-term debt (Note 6)                  | <u>1,229,051</u>      | <u>1,257,207</u>      |
|  | <u>10,546,124</u>     | <u>9,386,914</u>      |
| <b>NET FINANCIAL ASSETS</b>              | <u>139,840,421</u>    | <u>120,549,809</u>    |
| <b>NON-FINANCIAL ASSETS</b>              |                       |                       |
| Tangible capital assets (Note 8)         | 210,295,972           | 186,054,614           |
| Gravel inventory for consumption         | 9,213,338             | 6,840,675             |
| Prepaid expenses and deposits (Note 9)   | <u>5,729,343</u>      | <u>7,187,557</u>      |
|  | <u>225,238,653</u>    | <u>200,082,846</u>    |
| <b>ACCUMULATED SURPLUS (NOTE 10)</b>     | <u>\$ 365,079,074</u> | <u>\$ 320,632,655</u> |
| Contingencies (Note 12)                  |                       |                       |

**ON BEHALF OF COUNCIL:**

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## MD OF GREENVIEW NO. 16

## STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2014

|  | <u>2014</u><br>(Budget)<br>(Note 18) | <u>2014</u><br>(Actual) | <u>2013</u><br>(Actual) |
|--|--------------------------------------|-------------------------|-------------------------|
| <b>REVENUE</b>                                     |                                      |                         |                         |
| Net taxation (Schedule 2)                          | \$ 64,055,880                        | \$ 68,293,785           | \$ 59,517,362           |
| Oil well drilling taxes                            | 13,000,000                           | 20,324,228              | 13,499,395              |
| Interest and investment income                     | 3,175,182                            | 2,782,864               | 2,725,777               |
| User fees and sale of goods                        | 1,554,956                            | 1,852,187               | 1,557,614               |
| Government transfers for operating (Schedule 3)    | 1,298,127                            | 901,070                 | 1,566,707               |
| Fines, rental, licenses and permits                | 211,420                              | 464,195                 | 384,868                 |
| Penalties and costs on taxes                       | 270,000                              | 276,039                 | 284,233                 |
| Other  | <u>40,000</u>                        | <u>200,047</u>          | <u>531,515</u>          |
|  | <u>83,605,565</u>                    | <u>95,094,415</u>       | <u>80,067,471</u>       |
| <b>EXPENSES (INCLUDING AMORTIZATION)</b>           |                                      |                         |                         |
| Transportation services                            | 19,347,900                           | 34,340,358              | 28,250,083              |
| Recreation and cultural services                   | 8,999,553                            | 11,316,133              | 9,552,834               |
| Administrative services                            | 7,094,554                            | 6,778,107               | 7,011,343               |
| Planning and development services                  | 2,835,639                            | 1,999,034               | 1,534,492               |
| Utilities and environmental services               | 1,594,284                            | 1,369,027               | 910,839                 |
| Protective services                                | 986,895                              | 1,201,112               | 1,036,162               |
| Public health and welfare services                 | 1,096,582                            | 1,095,537               | 981,018                 |
| Waste management services                          | 917,590                              | 1,024,919               | 854,202                 |
| Council and other legislative services             | 781,500                              | 730,577                 | 610,674                 |
| Contingency  | <u>2,488,985</u>                     | <u>-</u>                | <u>-</u>                |
|  | <u>46,143,482</u>                    | <u>59,854,804</u>       | <u>50,741,647</u>       |
| <b>ANNUAL SURPLUS BEFORE OTHER REVENUE</b>         | <u>37,462,083</u>                    | <u>35,239,611</u>       | <u>29,325,824</u>       |
| <b>OTHER REVENUE</b>                               |                                      |                         |                         |
| Government transfers for capital (Schedule 3)      | 4,971,547                            | 9,280,488               | 8,149,697               |
| Gain (loss) on disposal of tangible capital assets | <u>-</u>                             | <u>(73,680)</u>         | <u>21,172</u>           |
|  | <u>4,971,547</u>                     | <u>9,206,808</u>        | <u>8,170,869</u>        |
| <b>ANNUAL SURPLUS</b>                              | <u>42,433,630</u>                    | <u>44,446,419</u>       | <u>37,496,693</u>       |
| <b>ACCUMULATED SURPLUS,<br/>BEGINNING OF YEAR</b>  | <u>320,632,655</u>                   | <u>320,632,655</u>      | <u>283,135,962</u>      |
| <b>ACCUMULATED SURPLUS, END OF YEAR</b>            | <u>\$363,066,285</u>                 | <u>\$365,079,074</u>    | <u>\$320,632,655</u>    |

## MD OF GREENVIEW NO. 16

## STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2014

|  | <u>2014</u><br>(Budget)<br>(Note 18) | <u>2014</u><br>(Actual) | <u>2013</u><br>(Actual) |
|--|--------------------------------------|-------------------------|-------------------------|
| <b>ANNUAL SURPLUS</b>                                  | <u>\$ 42,433,630</u>                 | <u>\$ 44,446,419</u>    | <u>\$ 37,496,693</u>    |
| Acquisition of tangible capital assets                 | (90,106,422)                         | (41,163,374)            | (43,885,809)            |
| Proceeds on disposal of tangible capital assets        | -                                    | 616,416                 | 181,971                 |
| Amortization of tangible capital assets                | -                                    | 16,231,920              | 13,804,118              |
| Loss (gain) on disposal of tangible capital assets     | -                                    | 73,680                  | (21,172)                |
|  | <u>(90,106,422)</u>                  | <u>(24,241,358)</u>     | <u>(29,920,892)</u>     |
| Use (acquisition) of inventory for consumption         | -                                    | (2,372,663)             | 2,161,758               |
| Use (acquisition) of prepaid expenses                  | -                                    | 1,458,214               | (4,127,736)             |
|  | -                                    | <u>(914,449)</u>        | <u>(1,965,978)</u>      |
| <b>INCREASE (DECREASE) IN<br/>NET FINANCIAL ASSETS</b> | <u>(47,672,792)</u>                  | <u>19,290,612</u>       | <u>5,609,823</u>        |
| <b>NET FINANCIAL ASSETS,<br/>BEGINNING OF YEAR</b>     | <u>120,549,809</u>                   | <u>120,549,809</u>      | <u>114,939,986</u>      |
| <b>NET FINANCIAL ASSETS, END OF YEAR</b>               | <u>\$ 72,877,017</u>                 | <u>\$ 139,840,421</u>   | <u>\$ 120,549,809</u>   |

**MD OF GREENVIEW NO. 16**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

|   | <u>2014</u>          | <u>2013</u>          |
|---|----------------------|----------------------|
| <b>OPERATING ACTIVITIES</b>   |                      |                      |
| Annual surplus  | \$ 44,446,419        | \$ 37,496,693        |
| Non-cash items included in excess of revenue over expenses:           |                      |                      |
| Loss (gain) on disposal of tangible capital assets                    | 73,680               | (21,172)             |
| Amortization of tangible capital assets                               | <u>16,231,920</u>    | <u>13,804,118</u>    |
|   | 60,752,019           | 51,279,639           |
| Change in non-cash working capital balances:                          |                      |                      |
| Accounts receivable   | (8,276,007)          | (2,347,974)          |
| Prepaid expenses  | 1,458,214            | (4,127,736)          |
| Accounts payable and accrued liabilities                              | 937,366              | 1,825,952            |
| Deferred revenue  | 250,000              | (3,333,410)          |
| Inventories for consumption   | <u>(2,372,663)</u>   | <u>2,161,758</u>     |
|   | <u>52,748,929</u>    | <u>45,458,229</u>    |
| <b>CAPITAL ACTIVITIES</b>   |                      |                      |
| Proceeds on disposal of tangible capital assets                       | 616,416              | 181,971              |
| Acquisition of tangible capital assets                                | (41,163,374)         | (43,885,809)         |
| Purchase of investments   | (8,328,511)          | (1,395,222)          |
| Loans receivable  | <u>135,472</u>       | <u>131,441</u>       |
|   | <u>(48,739,997)</u>  | <u>(44,967,619)</u>  |
| <b>FINANCING ACTIVITIES</b>   |                      |                      |
| Long-term debt principal repayments                                   | <u>(28,156)</u>      | <u>(26,808)</u>      |
| <b>INCREASE IN CASH AND TEMPORARY INVESTMENTS<br/>DURING THE YEAR</b> | 3,980,776            | 463,802              |
| <b>CASH AND TEMPORARY INVESTMENTS,<br/>BEGINNING OF YEAR</b>          | <u>57,681,432</u>    | <u>57,217,630</u>    |
| <b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>                    | <u>\$ 61,662,208</u> | <u>\$ 57,681,432</u> |

## SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2014

|  | <u>2014</u>                  | <u>2013</u>                  |
|--|------------------------------|------------------------------|
| <b>BALANCE, BEGINNING OF YEAR</b>                                | <b>\$ 186,054,614</b>        | <b>\$ 156,133,722</b>        |
| Acquisition of Tangible Capital Assets                           | <b>41,163,374</b>            | 43,885,809                   |
| Cost of Tangible Capital Assets Disposed of                      | <b>(1,447,584)</b>           | (525,987)                    |
| Accumulated Amortization of Tangible Capital Assets Disposed of  | <b>757,488</b>               | 365,188                      |
| Amortization of Tangible Capital Assets                          | <b>(16,231,920)</b>          | (13,804,118)                 |
| Local improvement taxes receivable repayments                    | <b>(28,156)</b>              | (26,808)                     |
| Long-term capital debt repayments                                | <b><u>28,156</u></b>         | <u>26,808</u>                |
| <b>BALANCE, END OF YEAR</b>                                      | <b><u>\$ 210,295,972</u></b> | <b><u>\$ 186,054,614</u></b> |
| Equity in Tangible Capital Assets is Comprised of the Following: |                              |                              |
| Tangible capital assets (Note 8)                                 | <b>\$210,295,972</b>         | \$186,054,614                |
| Long-term capital debt   | <b>(1,229,051)</b>           | (1,257,207)                  |
| Local improvement taxes receivable                               | <b><u>1,229,051</u></b>      | <u>1,257,207</u>             |
|  | <b><u>\$210,295,972</u></b>  | <b><u>\$186,054,614</u></b>  |

## MD OF GREENVIEW NO. 16

Schedule 2

## SCHEDULE OF PROPERTY TAXES AND OTHER TAXES

FOR THE YEAR ENDED DECEMBER 31, 2014

|                                     | <u>2014</u><br>(Budget)<br>(Note 18) | <u>2014</u><br>(Actual) | <u>2013</u><br>(Actual) |
|-------------------------------------|--------------------------------------|-------------------------|-------------------------|
| <b>TAXATION</b>                     |                                      |                         |                         |
| Real property taxes                 | \$ 28,113,745                        | \$ 30,598,602           | \$ 26,834,465           |
| Linear property taxes               | <u>56,963,708</u>                    | <u>58,361,313</u>       | <u>52,458,825</u>       |
|                                     | <u>85,077,453</u>                    | <u>88,959,915</u>       | <u>79,293,290</u>       |
| <b>REQUISITIONS</b>                 |                                      |                         |                         |
| Alberta School Foundation Fund      | \$ 20,078,573                        | \$ 19,696,113           | \$ 18,852,903           |
| Seniors foundations                 | 881,000                              | 911,319                 | 865,562                 |
| Other school boards                 | <u>62,000</u>                        | <u>58,698</u>           | <u>57,463</u>           |
|                                     | <u>21,021,573</u>                    | <u>20,666,130</u>       | <u>19,775,928</u>       |
| <b>NET MUNICIPAL PROPERTY TAXES</b> | <u>\$ 64,055,880</u>                 | <u>\$ 68,293,785</u>    | <u>\$ 59,517,362</u>    |

## MD OF GREENVIEW NO. 16

Schedule 3

## SCHEDULE OF GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2014

|                                   | <u>2014</u><br>(Budget)<br>(Note 18) | <u>2014</u><br>(Actual) | <u>2013</u><br>(Actual) |
|-----------------------------------|--------------------------------------|-------------------------|-------------------------|
| <b>TRANSFERS FOR OPERATING</b>    |                                      |                         |                         |
| Provincial government             | \$ 1,117,787                         | \$ 702,809              | \$ 1,397,993            |
| Local governments                 | <u>180,340</u>                       | <u>198,261</u>          | <u>168,714</u>          |
|                                   | <u>1,298,127</u>                     | <u>901,070</u>          | <u>1,566,707</u>        |
| <b>TRANSFERS FOR CAPITAL</b>      |                                      |                         |                         |
| Provincial government             | <u>4,971,547</u>                     | <u>9,280,488</u>        | <u>8,149,697</u>        |
| <b>TOTAL GOVERNMENT TRANSFERS</b> | <u>\$ 6,269,674</u>                  | <u>\$ 10,181,558</u>    | <u>\$ 9,716,404</u>     |

MD OF GREENVIEW NO. 16

Schedule 4

SCHEDULE OF SEGMENTED INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2014

|  | Administrative<br>Services | Recreation<br>and Cultural<br>Services | Community<br>Services | Transportation<br>Services | Utilities and<br>Environmental<br>Services | All<br>Other         | Total                |
|--|----------------------------|--|-----------------------|----------------------------|--|----------------------|----------------------|
| <b>REVENUE</b>   |                            |  |                       |                            |  |                      |                      |
| Taxation   | \$ 6,545,019               | \$ 11,276,033                          | \$ 1,730,908          | \$ 32,899,813              | \$ 1,180,812                               | \$ 14,661,200        | \$ 68,293,785        |
| All other  | -                          | -                                      | -                     | -                          | -  | 24,047,374           | 24,047,374           |
| User fees and sale of goods                                  | 26,869                     | 20,000                                 | 99,767                | 1,440,545                  | 158,215                                    | 106,791              | 1,852,187            |
| Government transfers   | <u>206,219</u>             | <u>20,100</u>                          | <u>168,359</u>        | -                          | <u>30,000</u>                              | <u>476,391</u>       | <u>901,069</u>       |
|  | <u>6,778,107</u>           | <u>11,316,133</u>                      | <u>1,999,034</u>      | <u>34,340,358</u>          | <u>1,369,027</u>                           | <u>39,291,756</u>    | <u>95,094,415</u>    |
| <b>EXPENSES</b>  |                            |  |                       |                            |  |                      |                      |
| Amortization   | 377,921                    | 43,214                                 | 163,424               | 14,982,237                 | 232,847                                    | 432,277              | 16,231,920           |
| Contracted and general services                              | <u>2,841,968</u>           | <u>2,366</u>                           | <u>224,363</u>        | <u>7,809,704</u>           | <u>259,308</u>                             | <u>1,078,592</u>     | <u>12,216,301</u>    |
| Transfers to other governments and local boards and agencies | -                          | 11,176,116                             | 224,885               | -                          | -  | 270,158              | 11,671,159           |
| Salaries, wages, and benefits                                | 2,514,196                  | 64,094                                 | 1,179,195             | 3,080,199                  | 562,245                                    | 1,659,984            | 9,059,913            |
| Materials, goods, and supplies                               | 427,159                    | 30,343                                 | 184,327               | 8,162,999                  | 162,723                                    | 421,128              | 9,388,679            |
| Utilities  | 169,509                    | -                                      | 12,605                | 124,841                    | 89,841                                     | 106,493              | 503,289              |
| Repairs and maintenance                                      | 164,257                    | -                                      | 10,235                | 180,378                    | -  | 80,160               | 435,030              |
| Insurance  | 283,097                    | -                                      | -                     | -                          | -  | 3,353                | 286,450              |
| Interest on long term debt                                   | -                          | -                                      | -                     | -                          | 62,063                                     | -                    | 62,063               |
|  | <u>6,778,107</u>           | <u>11,316,133</u>                      | <u>1,999,034</u>      | <u>34,340,358</u>          | <u>1,369,027</u>                           | <u>4,052,145</u>     | <u>59,854,804</u>    |
| <b>NET REVENUE</b>   | <u>\$ -</u>                | <u>\$ -</u>                            | <u>\$ -</u>           | <u>\$ -</u>                | <u>\$ -</u>                                | <u>\$ 35,239,611</u> | <u>\$ 35,239,611</u> |

MD OF GREENVIEW NO. 16

Schedule 5

SCHEDULE OF SEGMENTED INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2013

|   | Administrative<br>Services | Recreation<br>and Cultural<br>Services | Community<br>Services | Transportation<br>Services | Utilities and<br>Environmental<br>Services | All<br>Other         | Total                |
|---|----------------------------|--|-----------------------|----------------------------|--|----------------------|----------------------|
| <b>REVENUE</b>  |                            |  |                       |                            |  |                      |                      |
| Taxation  | \$ 6,637,430               | \$ 9,517,934                           | \$ 1,281,077          | \$ 26,567,124              | \$ 693,516                                 | \$ 14,820,281        | \$ 59,517,362        |
| All other   | -                          | -                                      | -                     | -                          | -  | 17,425,789           | 17,425,789           |
| Government transfers  | 348,301                    | 14,900                                 | 168,359               | 508,138                    | 82,660                                     | 444,348              | 1,566,706            |
| User fees and sale of goods                                 | <u>25,612</u>              | <u>20,000</u>                          | <u>85,056</u>         | <u>1,174,821</u>           | <u>134,663</u>                             | <u>117,462</u>       | <u>1,557,614</u>     |
|   | <u>7,011,343</u>           | <u>9,552,834</u>                       | <u>1,534,492</u>      | <u>28,250,083</u>          | <u>910,839</u>                             | <u>32,807,880</u>    | <u>80,067,471</u>    |
| <b>EXPENSES</b>   |                            |  |                       |                            |  |                      |                      |
| Amortization  | 323,548                    | 38,161                                 | 140,391               | 12,862,927                 | 122,471                                    | 316,621              | 13,804,119           |
| Contracted and general services                             | <u>3,202,402</u>           | -                                      | <u>291,715</u>        | <u>6,960,898</u>           | <u>123,731</u>                             | <u>1,093,777</u>     | <u>11,672,523</u>    |
| Transfer to other governments and local boards and agencies | -                          | 9,514,673                              | 224,761               | -                          | -  | 238,668              | 9,978,102            |
| Salaries, wages, and benefits                               | 2,088,332                  | -                                      | 651,443               | 2,719,971                  | 456,523                                    | 1,361,848            | 7,278,117            |
| Materials, goods, and supplies                              | 797,886                    | -                                      | 200,849               | 5,433,878                  | 87,468                                     | 307,665              | 6,827,746            |
| Telephone and utilities                                     | 146,670                    | -                                      | 22,056                | 118,061                    | 57,236                                     | 102,283              | 446,306              |
| Repairs and maintenance                                     | 195,369                    | -                                      | 3,277                 | 154,348                    | -  | 55,852               | 408,846              |
| Insurance   | 257,136                    | -                                      | -                     | -                          | -  | 5,342                | 262,478              |
| Interest on long term debt                                  | -                          | -                                      | -                     | -                          | 63,410                                     | -                    | 63,410               |
|   | <u>7,011,343</u>           | <u>9,552,834</u>                       | <u>1,534,492</u>      | <u>28,250,083</u>          | <u>910,839</u>                             | <u>3,482,056</u>     | <u>50,741,647</u>    |
| <b>NET REVENUE</b>  | <u>\$ -</u>                | <u>\$ -</u>                            | <u>\$ -</u>           | <u>\$ -</u>                | <u>\$ -</u>                                | <u>\$ 29,325,824</u> | <u>\$ 29,325,824</u> |

See accompanying notes to financial statements.

## MD OF GREENVIEW NO. 16

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

#### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representations of the Municipal District of Greenview No. 16 (the "Greenview") management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Greenview are as follows:

(a) Reporting Entity

These financial statements include the assets, liabilities, revenue and expenditures and changes in equity balances and in financial position of Greenview. This entity is comprised of all municipal operations plus all of the organizations that are owned or controlled by Greenview and are, therefore, accountable to Greenview for the administration of their financial affairs and resources.

Greenview is a member of the Greenview Regional Waste Management Commission ("the Commission"), an organization that operates as a separate government reporting entity jointly controlled by Greenview, the Town of Valleyview, and the Town of Fox Creek. The Commission financial results have not been consolidated with Greenview's operations.

The schedule of taxes levied includes operating requisitions for education and seniors foundations that are not part of Greenview's reporting entity.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and / or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

(c) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized 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.

(d) Loans Receivable

Loans receivable are recorded at cost. A valuation allowance for uncollectible amounts is recorded in the period in which collectability is assessed to be uncertain. Interest revenue is recognized as revenue in the year it is earned.

(e) Inventories for Consumption

Inventories for consumption consists of gravel, of which the cost is based on expenditures accumulated to crush and haul the gravel and are valued at the lower of cost or net realizable value with cost determined by the average cost method.

(f) Tax Revenue

Property tax revenue is based on market value assessments determined in accordance with the *Municipal Government Act*. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

Construction and borrowing costs associated with local improvement projects are recovered through annual special property tax assessments during the period of the related borrowings. These levies are collectible from property owners for work performed by Greenview and are recognized as revenue in the year they are levied.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(g) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

|                       |               |
|-----------------------|---------------|
| Buildings             | 25 - 50 years |
| Equipment             | 5 - 20 years  |
| Automotive equipment  | 3 - 20 years  |
| Engineered structures |               |
| Roadways              |               |
| Wastewater systems    | 50 years      |
| Water systems         | 25-50 years   |
| Other engineering     | 5 - 50 years  |

Greenview regularly reviews its tangible capital assets for sold or scrapped assets, at which time the cost and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reported. No amortization is recorded in the year of disposition.

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

Works of art for display are not recorded as tangible capital assets but are disclosed.

**(h) Over-levies and under-levies**

Over-levies and under-levies arise from the difference between the actual 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.

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

**(i) Government transfers**

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

**(j) Pension expenses**

Selected employees of Greenview are members of the Local Authorities Pension Plan (LAPP), a multi-employer defined benefit pension plan. The trustee of the plan is the Alberta Treasurer and the is administered by a Board of Trustees. Since the plan is a multi-employer plan, it is accounted for as a defined benefit plan and, accordingly, Greenview does not recognize its share of the plan surplus or deficit.

**MD OF GREENVIEW NO. 16**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(k) Measurement uncertainty

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Such estimates include the provisions for uncollectible accounts receivable, provision for amortization of tangible capital assets, gravel quantities, and the fair value of contributed tangible capital assets. Actual results could differ from those estimates.

**2. CASH AND TEMPORARY INVESTMENTS**

|                       | <u>2014</u>                 | <u>2013</u>          |
|-----------------------|-----------------------------|----------------------|
| Cash on hand          | \$ 545                      | \$ 400               |
| Operating account     | <b>3,646,030</b>            | 1,930,875            |
| Temporary investments | <u><b>58,015,633</b></u>    | <u>55,750,157</u>    |
|                       | <u><b>\$ 61,662,208</b></u> | <u>\$ 57,681,432</u> |

The operating account bears interest at prime less 1.85% per annum.

Temporary investments are readily convertible into cash, consist of a high interest savings account and guaranteed investments certificates bearing interest at rates between 1.76% - 1.80% per annum and maturing at dates between October 2015 - December 2015.

Greenview has access to a municipal revolving loan credit facility with a maximum of \$10,000,000 bearing interest at prime rate less 0.25%. No amounts were outstanding on the revolving loan at December 31, 2014.

**3. ACCOUNTS RECEIVABLE**

|                                       | <u>2014</u>                 | <u>2013</u>         |
|---------------------------------------|-----------------------------|---------------------|
| Oil well drilling                     | \$ 9,676,860                | \$ 5,020,256        |
| Trade and other                       | <b>4,898,135</b>            | 1,793,928           |
| Taxes and grants in lieu of taxes     | <b>1,308,765</b>            | 1,021,802           |
| Local improvement taxes               | <b>1,229,051</b>            | 1,257,207           |
| Goods and Services Tax                | <u><b>970,041</b></u>       | <u>597,847</u>      |
|                                       | <b>18,082,852</b>           | 9,691,040           |
| Less: Allowance for doubtful accounts | <u><b>(661,818)</b></u>     | <u>(546,013)</u>    |
|                                       | <u><b>\$ 17,421,034</b></u> | <u>\$ 9,145,027</u> |

Greenview passed Bylaw 07-534 authorizing Council to provide for a local improvement to install a water / wastewater line and lift station for the Creek Crossing Subdivision. The total cost of the local improvement was \$1,400,000, is repayable in 30 annual installments of \$92,164 including interest at a fixed rate of 5.152% per annum maturing September 2037.

**MD OF GREENVIEW NO. 16**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**4. LOANS RECEIVABLE**

|                     | <u><b>2014</b></u>       | <u><b>2013</b></u>         |
|---------------------|--------------------------|----------------------------|
| Heart River Housing | \$ <b>594,458</b>        | \$ 690,479                 |
| Town of Valleyview  | <b>235,953</b>           | 265,849                    |
| Other               | <u><b>65,049</b></u>     | <u>74,604</u>              |
|                     | <u><b>\$ 895,460</b></u> | <u><b>\$ 1,030,932</b></u> |

Greenview passed a Bylaw 10-625 authorizing Council to loan \$1,000,000 to Heart River Housing for the purposes of lodge expansion and renovation projects at the Red Willow Lodge in the Town of Valleyview. The loan was advanced during 2010, is unsecured, is repayable in 20 semi-annual installments of \$29,952 including interest at a fixed rate of 3.65% per annum maturing April 14, 2015.

Per an Agreement dated December 14, 2006 Greenview loaned \$531,769 to the Town of Valleyview for the purposes of the Town of Valleyview's contribution toward the Valleyview Regional Emergency Services Complex. The loan is unsecured, is repayable in 20 semi-annual installments of \$37,872 including interest at a fixed rate of 0.05% above a five-year Guaranteed Investment Certificate (adjusted January 2007, 2012, 2017, and 2022) per annum maturing December 31, 2022.

**5. INVESTMENTS**

|                                    | <u><b>2014</b></u>          | <u><b>2013</b></u>          |
|------------------------------------|-----------------------------|-----------------------------|
| Cash and money market funds        | \$ <u><b>3,089,000</b></u>  | \$ <u>1,384,915</u>         |
| Fixed Income                       |                             |                             |
| Guaranteed Investment Certificates | <b>20,992,000</b>           | 20,797,000                  |
| Government and corporate bonds     | <u><b>46,321,833</b></u>    | <u>39,892,407</u>           |
|                                    | <u><b>67,313,833</b></u>    | <u>60,689,407</u>           |
| Other                              | <u><b>5,010</b></u>         | <u>5,010</u>                |
|                                    | <u><b>\$ 70,407,843</b></u> | <u><b>\$ 62,079,332</b></u> |

Guaranteed investment certificates bear interest at rates between 2.00% - 2.09% per annum and mature at dates between July 2015 - January 2015. Government and corporate bonds bear interest at rates between 1.89% - 9.60% per annum mature between October 2015 - February 2022. The market value of the government and corporate bonds at December 31, 2014 was \$47,527,947 (2013 - \$39,972,998).

**MD OF GREENVIEW NO. 16**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**6. LONG-TERM DEBT**

|   | <u>2014</u>         | <u>2013</u>         |
|---|---------------------|---------------------|
| Alberta Capital Financing Authority debentures bearing interest at 4.964% per annum maturing in 2037. | <u>\$ 1,229,051</u> | <u>\$ 1,257,207</u> |

Principal and interest payments are due as follows:

|            | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|------------|---------------------|-------------------|---------------------|
| 2015       | \$ 29,571           | \$ 60,047         | \$ 89,618           |
| 2016       | 31,056              | 59,162            | 90,218              |
| 2017       | 32,618              | 57,600            | 90,218              |
| 2018       | 34,256              | 55,961            | 90,217              |
| 2019       | 35,977              | 54,239            | 90,216              |
| Thereafter | <u>1,065,573</u>    | <u>559,563</u>    | <u>1,625,136</u>    |
|            | <u>\$ 1,229,051</u> | <u>\$ 846,572</u> | <u>\$ 2,075,623</u> |

Greenview's total cash payments for interest in 2014 were \$63,410 (2013 - \$64,693).

**7. DEBT LIMITS**

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits, as defined by Alberta Regulation 255/00, for the Greenview be disclosed as follows:

|                                       | <u>2014</u>          | <u>2013</u>          |
|---------------------------------------|----------------------|----------------------|
| Total debt limit                      | <u>\$142,641,623</u> | \$120,101,207        |
| Total debt                            | <u>(1,229,051)</u>   | <u>(1,257,207)</u>   |
| Amount of debt limit unused           | <u>\$141,412,572</u> | <u>\$118,844,000</u> |
| Service on debt limit                 | <u>\$ 23,773,604</u> | \$ 20,016,868        |
| Service on debt                       | <u>(89,618)</u>      | <u>(90,218)</u>      |
| Amount of debt servicing limit unused | <u>\$ 23,683,986</u> | <u>\$ 19,926,650</u> |

The debt limit is calculated at 1.5 times revenue of Greenview (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities, which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of Greenview. Rather, the financial statements must be interpreted as a whole.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

## 8. TANGIBLE CAPITAL ASSETS

|                                       | <b>2014<br/>Net Book<br/>Value</b> | <b>2013<br/>Net Book<br/>Value</b> |
|---------------------------------------|------------------------------------|------------------------------------|
| Engineered structures                 |                                    |                                    |
| Roadways                              | \$ 120,412,625                     | \$ 109,818,567                     |
| Bridges                               | 29,452,011                         | 29,162,396                         |
| Water systems                         | 15,773,529                         | 8,375,319                          |
| Solid waste                           | 7,949,050                          | 7,576,371                          |
| Landfill                              | <u>1,818,840</u>                   | <u>1,818,840</u>                   |
|                                       | <b>175,406,055</b>                 | <b>156,751,493</b>                 |
| Machinery, equipment, and furnishings | <b>5,614,240</b>                   | <b>4,670,848</b>                   |
| Vehicles                              | <b>6,477,082</b>                   | <b>4,276,491</b>                   |
| Buildings                             | <b>17,654,012</b>                  | <b>15,277,360</b>                  |
| Land                                  | <u><b>5,144,583</b></u>            | <u><b>5,078,422</b></u>            |
|                                       | <b><u>\$ 210,295,972</u></b>       | <b><u>\$ 186,054,614</u></b>       |

|  | <b>Cost<br/>Beginning of<br/>Year</b> | <b>Additions</b>            | <b>Disposals</b>             | <b>Transfers</b>   | <b>Cost<br/>End of<br/>Year</b> |
|--|---------------------------------------|-----------------------------|------------------------------|--------------------|---------------------------------|
| Engineering structures                   |                                       |                             |                              |                    |                                 |
| Roadways                                 | \$ 375,770,062                        | \$ 23,439,043               | \$ -                         | \$ -               | \$ 399,209,105                  |
| Bridges                                  | 45,529,321                            | 1,305,323                   | -                            | -                  | 46,834,644                      |
| Water                                    | 9,030,864                             | 7,666,299                   | -                            | -                  | 16,697,163                      |
| Solid waste                              | 8,158,123                             | 526,171                     | -                            | -                  | 8,684,294                       |
| Landfill                                 | <u>1,856,987</u>                      | <u>-</u>                    | <u>-</u>                     | <u>-</u>           | <u>1,856,987</u>                |
|  | <b>440,345,357</b>                    | <b>32,936,836</b>           | <b>-</b>                     | <b>-</b>           | <b>473,282,193</b>              |
| Vehicles                                 | 7,793,797                             | 3,081,510                   | (424,791)                    | -                  | 10,450,516                      |
| Buildings                                | 18,695,845                            | 2,807,297                   | -                            | -                  | 21,503,142                      |
| Land                                     | 5,078,422                             | 66,161                      | -                            | -                  | 5,144,583                       |
| Machinery, equipment,<br>and furnishings | <u>7,272,878</u>                      | <u>2,271,570</u>            | <u>(1,022,793)</u>           | <u>-</u>           | <u>8,521,655</u>                |
|  | <b><u>\$ 479,186,299</u></b>          | <b><u>\$ 41,163,374</u></b> | <b><u>\$ (1,447,584)</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 518,902,089</u></b>    |

|  | <b>Accumulated<br/>Amortization<br/>Beginning of<br/>Year</b> | <b>Current<br/>Amortization</b> | <b>Disposals</b>           | <b>Transfers</b>   | <b>Accumulated<br/>Amortization<br/>End of<br/>Year</b> |
|--|---|---------------------------------|----------------------------|--------------------|---|
| Engineered structures                    |   |                                 |                            |                    |   |
| Roadways                                 | \$ 265,951,495  | \$ 12,844,985                   | \$ -                       | \$ -               | \$ 278,796,480  |
| Bridges                                  | 16,366,925  | 1,015,708                       | -                          | -                  | 17,382,633  |
| Solid waste                              | 581,752   | 153,492                         | -                          | -                  | 735,244   |
| Water                                    | 655,545   | 268,089                         | -                          | -                  | 923,634   |
| Landfill                                 | <u>38,147</u>   | <u>-</u>                        | <u>-</u>                   | <u>-</u>           | <u>38,147</u>   |
|  | <b>283,593,864</b>  | <b>14,282,274</b>               | <b>-</b>                   | <b>-</b>           | <b>297,876,138</b>                                      |
| Machinery, equipment,<br>and furnishings | 2,602,030   | 748,119                         | (442,734)                  | -                  | 2,907,415   |
| Vehicles                                 | 3,517,306   | 770,882                         | (314,754)                  | -                  | 3,973,434   |
| Buildings                                | <u>3,418,485</u>  | <u>430,645</u>                  | <u>-</u>                   | <u>-</u>           | <u>3,849,130</u>  |
|  | <b><u>\$ 293,131,685</u></b>                                  | <b><u>\$ 16,231,920</u></b>     | <b><u>\$ (757,488)</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 308,606,117</u></b>                            |

Tangible capital assets include \$7,187,064 (2013 - \$9,200,647) of work in progress that is not being amortized as these projects are currently not completed.

**MD OF GREENVIEW NO. 16**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**9. PREPAID EXPENSES AND DEPOSITS**

Included in prepaid expenses is a one-time advance of annual Community Development funding of \$4,500,000 (2013 - \$6,000,000) to the Town of Grande Cache to support the building of the Town's recreational facility. Greenview Council approved that subsequent funding to the Town will be reduced by \$500,000 for fiscal 2013, and by \$600,000 per year for 2014 through 2017, in recognition of this advance.

**10. ACCUMULATED SURPLUS**

|   | <u>2014</u>                  | <u>2013</u>           |
|---|------------------------------|-----------------------|
| Unrestricted surplus                                    | \$ 6,175,903                 | \$ 53,896,840         |
| Restricted surplus ( <i>Note 11</i> )                   | <b>148,607,199</b>           | 80,681,201            |
| Equity in tangible capital assets ( <i>Schedule 1</i> ) | <u><b>210,295,972</b></u>    | <u>186,054,614</u>    |
|   | <u><b>\$ 365,079,074</b></u> | <u>\$ 320,632,655</u> |

**11. RESERVES**

|  | <u>2014</u>                  | <u>2013</u>          |
|--|------------------------------|----------------------|
| Capital project carryovers                       | <b>47,850,496</b>            | 29,603,563           |
| Recreation                                       | <b>25,100,000</b>            | -                    |
| Road infrastructure                              | <b>22,825,000</b>            | -                    |
| Wastewater                                       | <b>9,750,000</b>             | -                    |
| Operating contingency                            | <b>9,449,006</b>             | -                    |
| Facilities                                       | <b>7,500,000</b>             | 1,398,225            |
| Fire facilities                                  | <b>7,000,000</b>             | -                    |
| Bridge replacement                               | <b>5,300,000</b>             | -                    |
| Disaster response                                | <b>4,000,000</b>             | -                    |
| Water  | <b>3,750,000</b>             | -                    |
| Vehicle & equipment fleet                        | <b>2,250,000</b>             | 4,478,988            |
| Fire apparatuses                                 | <b>1,400,000</b>             | -                    |
| Gravel pit reclamation                           | <b>1,347,447</b>             | 1,347,447            |
| Solid waste reclamation                          | <b>1,000,000</b>             | -                    |
| Green View Family and Community Support Services | <b>85,250</b>                | 85,250               |
| Utility  | -                            | 8,235,734            |
| Tax stabilization                                | -                            | 7,311,936            |
| Capital Infrastructure                           | <u>-</u>                     | <u>28,220,058</u>    |
|  | <u><b>\$ 148,607,199</b></u> | <u>\$ 80,681,201</u> |

Greenview will plan for and provide specific purpose reserve that support a viable and financially sustainable municipality. Reserves have been established and approved as follows:

(a) Road Infrastructure

Provides funds for future years' road construction budget, based on approved capital plans. This reserve will contain an additional amount of \$2 million to allow Greenview the ability to react to positive or negative pricing shifts.

(b) Bridge Replacement

Funds future replacement costs of bridges. Annual contribution based on life cycle costing of bridges.

**MD OF GREENVIEW NO. 16**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**11. RESERVES (CONT'D)**

- (c) Capital Project Carryovers  
Holds all funds for projects that have been carried over from one year to a subsequent year.  
This reserve will be funded as needed in any given year.
- (d) Equipment and Vehicle Fleet  
Ensures funds for replacing equipment and vehicles as per Council's replacement policy.  
The annual contribution based on yearly depreciation of vehicles.
- (e) Disaster Response  
Provides funds for emergency funding for Greenview to deal with disasters when they occur,  
with minimal impact to approved Operating and Capital Budgets.
- (f) Fire Facilities  
Provides funds for Greenview's share of replacement or construction of fire halls and other  
fire infrastructure (dry hydrants, etc.) within Greenview and the towns of Fox Creek,  
Valleyview, and Grande Cache.
- (g) Fire Apparatuses  
Provides funds for the purchase of Greenview's fire apparatuses for Greenview fire stations  
and Greenview's share of apparatus purchases for the towns of Valleyview, Fox Creek, and  
Grande Cache.
- (h) Facilities  
Provides funds for replacement or construction costs for Greenview facilities such as offices  
and maintenance shops. Facilities relating to utilities and emergency services will be funded  
through their own respective reserve funds. Annual contributions based on depreciation.
- (i) Solid Waste Reclamation  
Provides funds for post closure liability costs for Greenview waste sites such as transfer  
stations. Post closure liability costs for regional landfills will be budgeted for by Greenview  
Regional Solid Waste Management Commission.
- (j) Wastewater  
Provides funds for replacement or construction of wastewater collection systems and  
networks within Greenview. Annual contributions based on depreciation.
- (k) Water  
Provides funds for replacement or construction of water distribution systems and networks  
within Greenview.
- (l) Recreation  
Provides funds for construction or replacement of Greenview's recreation facilities  
(campgrounds, multiplexes, etc.). Annualized contributions based on depreciation for existing  
facilities. Annual contribution to be used for development of future facilities
- (m) Green View FCSS  
Used to set aside FCSS program surpluses from the FCSS programs operated by  
Greenview on behalf of the Town of Valleyview. The Green View FCSS Board shall  
determine the use of funds in this reserve.

**MD OF GREENVIEW NO. 16**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**11. RESERVES (CONT'D)**

(n) Gravel Pit Reclamation

Used for the environmental reclamation of landfills and gravel pits and as the source and return of deposits and guarantees regarding reclamation.

(o) Operating Contingency

Provides funds to supply Greenview with emergency operating funds in case of a large scale disaster or other disruption to funding sources. Will be equivalent to \$13 million; the average of three months operating costs.

**12. CONTINGENCIES**

Greenview is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, Greenview could become liable for its proportionate share of any claim losses in excess of the funds held by the program. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

**13. FINANCIAL INSTRUMENTS**

Greenview's financial instruments consist of cash and temporary investments, accounts receivable, investments, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that Greenview is not exposed to significant interest, currency, or credit risk arising from these financial instruments.

Greenview is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their obligations. Greenview is exposed to the credit risk associated with fluctuations in the oil and gas industry as a significant portion of the property taxes outstanding at December 31 relate to linear property and are receivable from companies in the oil and gas industry. The large number and diversity of customers minimizes Greenview's credit risk.

Unless otherwise noted, the carrying value of the financial instruments approximates their fair value.

**14. LOCAL AUTHORITIES PENSION PLAN**

Employees of Greenview participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

Greenview is required to make current service contributions to the LAPP of 10.43% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 14.47% on pensionable earnings above this amount. Employees of Greenview are required to make current service contributions of 9.43% of pensionable earnings up to the year's maximum pensionable earnings and 13.47% on pensionable earnings above this amount.

Total current service contributions by Greenview to the LAPP in 2014 were \$607,893 (2013 - \$399,832). Total current service contributions by the employees of Greenview to the LAPP in 2014 were \$560,377 (2013 - \$365,227).

At December 31, 2013 the Plan disclosed an actuarial deficit of \$4.861 billion (2013 - \$4.635 billion).

**MD OF GREENVIEW NO. 16**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**15. REMUNERATION AND BENEFITS DISCLOSURE**

Disclosure of remuneration and benefits for elected municipal officials, Chief Administrative Officer, and designated officers as required by Alberta Regulation 313/2000 is as follows:

|                              |                     |                                | <b>2014</b>              | <b>2013</b>       |
|------------------------------|---------------------|--------------------------------|--------------------------|-------------------|
|                              | <u>Remuneration</u> | <u>Benefits and Allowances</u> | <u>Total</u>             | <u>Total</u>      |
| <b>Reeve:</b>                |                     |                                |                          |                   |
| Ward 2                       | \$ 69,435           | \$ 5,650                       | \$ <b>75,085</b>         | \$ 10,904         |
| Ward 5                       | -                   | -                              | -                        | 49,373            |
| <b>Councillors:</b>          |                     |                                |                          |                   |
| Ward 1                       | 42,473              | 2,853                          | <b>45,326</b>            | 37,657            |
| Ward 2                       | -                   | -                              | -                        | 33,168            |
| Ward 3                       | 37,339              | 4,381                          | <b>41,720</b>            | 35,918            |
| Ward 4                       | 45,985              | 2,927                          | <b>48,912</b>            | 41,294            |
| Ward 5                       | 39,371              | 3,810                          | <b>43,181</b>            | 7,525             |
| Ward 6                       | 48,655              | 4,974                          | <b>53,629</b>            | 44,479            |
| Ward 7                       | 51,847              | 1,940                          | <b>53,787</b>            | 25,465            |
| Ward 8                       | <u>56,136</u>       | <u>4,803</u>                   | <u><b>60,939</b></u>     | -                 |
|                              | <u>391,241</u>      | <u>31,338</u>                  | <u><b>422,579</b></u>    | <u>285,783</u>    |
| Chief Administrative Officer | <u>171,631</u>      | <u>36,157</u>                  | <u><b>207,788</b></u>    | <u>317,331</u>    |
| Designated Officer           | \$ <u>90,530</u>    | \$ <u>25,259</u>               | \$ <u><b>115,789</b></u> | \$ <u>125,288</u> |

Remuneration includes regular base pay, bonuses, overtime, gross honoraria, lump-sum payments, and any other direct cash remuneration.

Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, employment insurance, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition and Greenview's share of taxable benefits received, including travel and car allowances.

# MD OF GREENVIEW NO. 16

## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2014**

### 16. CONTRACTUAL OBLIGATIONS

#### (a) Regional Community Development Agreement

Greenview has entered into an Agreement with the Towns of Grande Cache, Fox Creek, and Valleyview to support community development. Under the terms of the Agreement Greenview shall provide unconditional Regional Community Development base contribution in the amount \$2,000,000 to each Town for the years 2012 - 2017. For 2014 - 2017, the base contribution shall be increased or decreased based on the non-residential assessment increase or decrease compared to the 2012 non-residential assessment.

#### (b) Multi-Purpose Recreation Facility

The MD has entered into an Agreement with the Town of Valleyview for the development, construction, and operation of a multi-purpose recreation facility. Under the terms of the agreement, the land and facility shall be jointly owned on the basis of a 5:1 ratio in favour of the MD. The estimated construction budget is \$31,000,000 of which the MD is required to contribute a total of \$25,000,000. Furthermore the MD will be required to contribute 80% of all maintenance, operating costs, including all utilities, any annual operational deficits, and necessary capital upgrades or replacements.

#### (c) Aggregate Supply Agreement

Greenview entered into an Agreement on April 1, 2013 which requires Greenview to purchase a minimum of 50,000 tonnes of crushed aggregate at a price of \$3.00 per tonne during the first ten years of the agreement ending December 2023.

### 17. SEGMENTED INFORMATION

Greenview provides a wide range of services to its citizens. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in *Note 1*. For additional information see the Schedule of Segment Disclosure (*Schedule 4 & 5*).

### 18. BUDGET FIGURES

Budget figures are presented for informational purposes only and are unaudited. The 2014 budget, prepared by the MD, reflects all municipal activities including capital projects, debt repayments, and reserves for future use. The reconciliation below is provided to encompass these items and is provided for information purposes only.

|                                     | <u>2014</u><br>(Budget) | <u>2014</u><br>(Actual) | <u>2013</u><br>(Actual) |
|-------------------------------------|-------------------------|-------------------------|-------------------------|
| Annual surplus                      | \$ 42,433,630           | \$ 44,446,419           | \$ 37,496,693           |
| Add back:                           |                         |                         |                         |
| Amortization expense                | -                       | 16,231,920              | 13,804,118              |
| Net transfers from (to) reserves    | 47,700,946              | (67,925,998)            | 33,979,780              |
| Deduct:                             |                         |                         |                         |
| Principal debt repayments           | (28,154)                | (28,156)                | (26,808)                |
| Purchase of tangible capital assets | (90,106,422)            | (41,163,374)            | (43,885,809)            |
| Result of Operations                | \$ <u>-</u>             | \$ <u>(48,439,189)</u>  | \$ <u>41,367,974</u>    |

**MD OF GREENVIEW NO. 16**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**19. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council.

**20. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.