



**GREGORY,  
HARRIMAN  
& ASSOCIATES LLP**

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**Village of Longview**

**Financial Statements**

**For the Year Ended December 31, 2015**

**VILLAGE OF LONGVIEW**

**DECEMBER 31, 2015**

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**INDEPENDENT AUDITORS' REPORT**

To the Mayor and Council of the  
Village of Longview

We have audited the accompanying consolidated financial statements of the Village of Longview, which comprise the statement of financial position as at December 31, 2015 and the statements of operations and change 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statement presentation.

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 the Village of Longview as at December 31, 2015 and the results of its operations, change in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Strathmore, Alberta  
April 21, 2016

*Gregory, Harriman & Assoc. LLP*  
Gregory, Harriman & Associates LLP

**Village of Longview  
Consolidated Statement of Financial Position  
As at December 31, 2015**

	<u>2015</u>	<u>2014</u> <i>Restated</i>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	\$ 1,719,166	\$ 1,816,222
Taxes and grants in place receivable (Note 3)	33,173	34,457
Trade and other accounts receivable (Note 4)	914,654	1,508,958
Investments (Note 5)	58,097	-
	<u>2,725,090</u>	<u>3,359,637</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	178,022	77,624
Deferred revenue (Note 7)	1,059,603	1,811,287
Long term debt (Note 8, 9)	663,946	684,431
	<u>1,901,571</u>	<u>2,573,342</u>
<b>NET FINANCIAL ASSETS</b>	<u>823,519</u>	<u>786,295</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	50,723	51,519
Tangible capital assets (Schedule 2) (Note 10, 16)	9,625,982	9,083,813
	<u>9,676,705</u>	<u>9,135,332</u>
<b>ACCUMULATED SURPLUS</b> (Schedule 1) (Note 12)	<u>\$ 10,500,224</u>	<u>\$ 9,921,627</u>

**COMMITMENTS** (Note 14)

**CONTINGENCIES** (Note 15)

**PRIOR PERIOD ADJUSTMENT** (Note 16)

Approved by:  Mayor

 Chief Administrative Officer

**Village of Longview**  
**Consolidated Statement of Operations**  
**For the Year Ended December 31, 2015**

	<i>Budget</i> <i>(Unaudited)</i>	2015	2014 <i>Restated</i>
<b>REVENUE</b>			
Net municipal property taxes (Schedule 3)	\$ 315,114	\$ 314,028	\$ 309,928
Sale of goods and user charges	221,465	179,022	181,547
Penalties and costs on taxes	7,031	7,247	7,031
Development levies	-	-	4,090
Licenses and permits	2,095	2,215	3,545
Fines distribution	2,400	1,653	2,400
Franchise and concession contracts	50,131	49,816	48,042
Investment income	2,031	2,931	2,703
Rentals	19,354	39,200	19,087
Government transfers (Schedule 4, Note 16)	70,468	91,645	16,334
Other revenues	3,587	5,659	12,784
<b>TOTAL REVENUE</b>	<b>693,676</b>	<b>693,416</b>	<b>607,491</b>
<b>EXPENDITURES (Schedule 5)</b>			
Legislative	21,588	18,353	18,349
Administration	215,647	223,299	221,451
Protective services (Note 16)	81,825	101,137	22,091
Roads, streets, walks and lighting	19,615	74,704	111,325
Water supply and distribution	142,243	190,524	126,099
Wastewater treatment and disposal	68,800	174,099	175,809
Waste management	9,219	7,930	8,713
Planning and development	3,780	2,111	18,463
Public health and welfare services	10,240	10,245	10,240
Culture	24,572	24,705	22,140
Parks and recreation	25,233	51,740	50,623
Recreation boards	15,418	10,550	14,000
<b>TOTAL EXPENSES</b>	<b>638,180</b>	<b>889,397</b>	<b>799,303</b>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	55,496	(195,981)	(191,812)
<b>OTHER</b>			
Government transfers for capital (Schedule 4, Note 16)	1,594,562	774,578	158,784
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	1,650,058	578,597	(33,028)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	9,921,627	9,921,627	9,954,655
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 11,571,685</b>	<b>\$ 10,500,224</b>	<b>\$ 9,921,627</b>

The accompanying notes form an integral part of these financial statements.  
Gregory, Harriman & Associates LLP

**Village of Longview**  
**Consolidated Statement of Change in Net Financial Assets**  
**For the Year Ended December 31, 2015**

	<i>Budget</i> <i>(Unaudited)</i>	<b>2015</b>	<b>2014</b> <i>Restated</i>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<u>\$ 1,650,058</u>	<u>\$ 578,597</u>	<u>\$ (33,028)</u>
Acquisition of tangible capital assets (Schedule 2, Note 16)	(1,608,862)	(811,077)	(165,140)
Amortization of tangible capital assets (Schedule 2)	-	268,908	233,250
Loss on disposal of tangible capital assets	-	-	2,257
	<u>(1,608,862)</u>	<u>(542,169)</u>	<u>70,367</u>
Net change in prepaid expense	-	796	(4,646)
<b>INCREASE IN NET ASSETS</b>	41,196	37,224	32,693
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>786,295</u>	<u>786,295</u>	<u>753,602</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$ 827,491</u>	<u>\$ 823,519</u>	<u>\$ 786,295</u>

The accompanying notes form an integral part of these financial statements.  
Gregory, Harriman & Associates LLP

**Village of Longview**  
**Consolidated Statement of Changes in Cash Flows**  
**For the Year Ended December 31, 2015**

	<u>2015</u>	<u>2014</u> <i>Restated</i>
<b>THE FOLLOWING ACTIVITIES:</b>		
<b>Operating</b>		
Excess (Shortfall) of revenue over expenses	\$ 578,597	\$ (33,028)
Non-cash items included in excess (shortfall) of revenue over expenses:		
Amortization of tangible capital assets	268,908	233,250
Loss on sale of tangible capital assets	-	2,257
	<u>847,505</u>	<u>202,479</u>
Non-cash charges to operations (net change):		
Decrease (Increase) in taxes and grants in place receivable	1,284	15,560
Decrease (Increase) in trade and other receivables	625,488	(435,055)
Decrease (Increase) in Goods and Services Tax receivable	(31,185)	13,814
Decrease (Increase) in prepaid expenses	797	(4,646)
Increase (Decrease) in accounts payable and accrued liabilities	100,397	2,102
Increase (Decrease) in deferred revenue	<u>(751,683)</u>	<u>1,510,648</u>
Cash provided by operating transactions	<u>792,603</u>	<u>1,304,902</u>
<b>Capital</b>		
Acquisition of tangible capital assets <i>(Note 16)</i>	<u>(811,077)</u>	<u>(165,140)</u>
Cash applied to capital transactions	<u>(811,077)</u>	<u>(165,140)</u>
<b>Investing</b>		
Decrease (Increase) in restricted cash and temporary investments	751,683	(1,510,648)
Decrease (Increase) in investments	<u>(58,097)</u>	<u>-</u>
Cash provided by (applied to) investing transactions	<u>693,586</u>	<u>(1,510,648)</u>
<b>Financing Activities</b>		
Long term debt repaid	(20,484)	(19,681)
Long term debt issued	-	-
Cash provided by (applied to) financing transactions	<u>(20,484)</u>	<u>(19,681)</u>
<b>Change in Cash and temporary investments, during the year</b>	<b>654,628</b>	<b>(390,567)</b>
<b>Cash and temporary investments, beginning of the year</b>	<b>4,935</b>	<b>395,502</b>
<b>Cash and temporary investments, end of the year</b>	<b>\$ 659,563</b>	<b>\$ 4,935</b>
<b>Cash and temporary investments is made up of:</b>		
Cash and temporary investments <i>(Note 2)</i>	\$ 1,719,166	\$ 1,816,222
Less: restricted portion of cash and temporary investments <i>(Note 2)</i>	<u>(1,059,603)</u>	<u>(1,811,287)</u>
	<u>\$ 659,563</u>	<u>\$ 4,935</u>

The accompanying notes form an integral part of these financial statements.  
Gregory, Harriman & Associates LLP

**Village of Longview**  
**Schedule of Changes in Accumulated Surplus**  
**For the Year Ended December 31, 2015**  
**(Schedule 1)**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2015	2014 <i>Restated</i>
<b>BALANCE, BEGINNING OF YEAR (Note 16)</b>	\$ 1,101,281	\$ 420,964	\$ 8,399,382	\$ 9,921,627	\$ 9,954,655
Excess (Shortfall) of revenue over expenses (Note 16)	578,597	-	-	578,597	(33,028)
Unrestricted funds designated for future use	7,036	(7,036)	-	-	-
Current year funds used for tangible capital assets	(811,077)	-	811,077	-	-
Annual amortization expense	268,908	-	(268,908)	-	-
Capital long term debt repaid	(20,484)	-	20,484	-	-
Change in accumulated surplus	22,980	(7,036)	562,653	578,597	(33,028)
<b>BALANCE, END OF YEAR</b>	<b>\$ 1,124,261</b>	<b>\$ 413,928</b>	<b>\$ 8,962,035</b>	<b>\$ 10,500,224</b>	<b>\$ 9,921,627</b>

The accompanying notes form an integral part of these financial statements.  
 Gregory, Harriman & Associates LLP



**Village of Longview**  
**Schedule of Tangible Capital Assets**  
**For the Year Ended December 31, 2015**  
**(Schedule 2)**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2015	2014
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	\$ 826,895	\$ 539,335	\$ 1,692,948	\$ 9,036,860	\$ 148,538	\$ 25,568	\$ 12,270,144	\$ 12,256,298
Acquisition of tangible capital assets	-	-	-	769,363	-	4,500	773,863	6,356
Construction in progress (Note 16)	-	-	60,880	120,104	-	-	180,984	158,784
Disposal of tangible capital assets	-	-	-	-	-	-	-	(7,524)
<b>BALANCE, END OF YEAR</b>	<b>826,895</b>	<b>539,335</b>	<b>1,753,828</b>	<b>9,926,327</b>	<b>148,538</b>	<b>30,068</b>	<b>13,224,991</b>	<b>12,413,914</b>
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	174,387	511,263	2,561,219	57,664	25,568	3,330,101	3,102,117
Annual amortization	-	27,463	33,859	201,372	5,989	225	268,908	233,250
Accumulated amortization on disposals	-	-	-	-	-	-	-	(5,266)
<b>BALANCE, END OF YEAR</b>	<b>-</b>	<b>201,850</b>	<b>545,122</b>	<b>2,762,591</b>	<b>63,653</b>	<b>25,793</b>	<b>3,599,009</b>	<b>3,330,101</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 826,895</b>	<b>\$ 337,485</b>	<b>\$ 1,208,706</b>	<b>\$ 7,163,736</b>	<b>\$ 84,885</b>	<b>\$ 4,275</b>	<b>\$ 9,625,982</b>	<b>\$ 9,083,813</b>
2014 Net Book Value of Tangible Capital Assets	\$ 826,895	\$ 364,948	\$ 1,210,567	\$ 6,590,529	\$ 90,874	\$ -	\$ 9,083,813	

The accompanying notes form an integral part of these financial statements.  
Gregory, Harriman & Associates LLP

**Village of Longview  
Schedule of Property and Other Taxes  
For the Year Ended December 31, 2015  
(Schedule 3)**

	<i>Budget (Unaudited)</i>	<b>2015</b>	2014
<b>TAXATION</b>			
Real property taxes	\$ 431,678	\$ 430,599	\$ 428,451
Linear property taxes	23,166	<b>23,159</b>	22,418
	<u>454,844</u>	<u><b>453,758</b></u>	<u>450,869</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	127,557	<b>127,557</b>	128,294
Senior Foundation	6,503	<b>6,503</b>	6,970
Separate Education Board	3,334	<b>3,334</b>	3,341
Ambulance and Emergency	2,336	<b>2,336</b>	2,336
	<u>139,730</u>	<u><b>139,730</b></u>	<u>140,941</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 315,114</u>	<u><b>\$ 314,028</b></u>	<u>\$ 309,928</u>

**Village of Longview**  
**Schedule of Government Transfers**  
**For the Year Ended December 31, 2015**  
**(Schedule 4)**

	<i>Budget</i> <i>(Unaudited)</i>	<b>2015</b>	2014 <i>Restated</i>
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government <i>(Note 16)</i>	\$ 70,468	\$ 91,645	\$ 16,334
	<u>70,468</u>	<u>91,645</u>	<u>16,334</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government <i>(Note 16)</i>	1,594,562	774,578	158,784
	<u>1,594,562</u>	<u>774,578</u>	<u>158,784</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 1,665,030</u>	<u>\$ 866,223</u>	<u>\$ 175,118</u>

**Village of Longview**  
**Schedule of Consolidated Expenditures by Object**  
**For the Year Ended December 31, 2015**  
**(Schedule 5)**

<b>CONSOLIDATED EXPENSES BY OBJECT</b>	<i>Budget</i> <i>(Unaudited)</i>	<b>2015</b>	2014 <i>Restated</i>
Salaries, wages and benefits <i>(Note 13)</i>	\$ 152,165	\$ 162,723	\$ 133,524
Contracted and general services <i>(Note 14, 16)</i>	259,038	244,362	263,356
Materials, goods, supplies and utilities	167,048	157,505	108,886
Bank charges and short term interest	1,727	2,186	1,689
Transfers to individuals and organizations	30,144	25,694	27,110
Interest on capital long term debt	27,467	27,467	28,270
Amortization of tangible capital assets	-	268,908	233,250
Loss on disposal of tangible capital assets	-	-	2,257
Other expenses	591	552	961
	<u>\$ 638,180</u>	<u>\$ 889,397</u>	<u>\$ 799,303</u>

The accompanying notes form an integral part of these financial statements.  
Gregory, Harriman & Associates LLP

**Village of Longview  
Notes to Financial Statements  
December 31, 2015**

**1) Significant Accounting Policies**

The Village of Longview (the "Municipality") is a Municipality in the Province of Alberta. The consolidated financial statements are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of these accounting policies adopted by the Village are as follows:

**A. Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenue and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial resources.

**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 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.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

**C. Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 within reasonable limits of materiality. Actual results could differ from those estimates.

**D. Investments**

Investments are recorded at cost. 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.

**E. Requisition Over-levy and Under-levy**

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 excess collection is accrued as a liability and property tax revenue is reduced. In situations where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and reflected as property tax revenue.

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

**Village of Longview  
Notes to Financial Statements  
December 31, 2015**

**1) Significant Accounting Policies (continued)**

**F. Tax Revenue**

Tax revenue is recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

**G. 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, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period that 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 made.

**H. Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the consolidated Change in Net Financial Assets for the year.

**i. 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 asset, is amortized on a straight-line basis over the estimated useful life as follows:

	<b>YEARS</b>
Land improvements	15-45
Buildings	25-50
Engineered structures	
Roadway system	10-75
Water system	45-75
Wastewater system	45-75
Machinery and equipment	5-30
Vehicles	10

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 the asset is available for productive use.

**ii. Contributions of Tangible Capital Assets**

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

**iii. Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

**Village of Longview  
Notes to Financial Statements  
December 31, 2015**

<b>2) Cash and Temporary Investments</b>	<u>2015</u>	<u>2014</u>
Petty cash	\$ 1,623	\$ 150
Cash	1,715,024	1,756,013
Temporary investments	-	57,493
Recreation board	2,519	2,566
	<u>\$ 1,719,166</u>	<u>\$ 1,816,222</u>

Temporary investments consisted of a guaranteed investment certificate which matured March 2015. This guaranteed investment certificate earned interest at 1.05%. Temporary investments are short term deposits with original maturities of three months or less.

The Village received Government grants and donations that are restricted in their use and are to be utilized as funding for operating or capital projects. Since the projects have not been completed for which the funding has been received, \$1,059,603 (2014 - \$1,811,287) is not available for general use by the Village (Note 7).

<b>3) Taxes and Grants in Place Receivable</b>	<u>2015</u>	<u>2014</u>
Current taxes and grants in place	\$ 29,937	\$ 23,878
Tax arrears and grants in place	3,236	10,579
	<u>\$ 33,173</u>	<u>\$ 34,457</u>

<b>4) Trade and Other Accounts Receivable</b>	<u>2015</u>	<u>2014</u>
Local improvement levy receivable	\$ 835,282	\$ 876,406
Goods and Services Tax receivable	41,660	10,476
Utilities receivable	28,951	27,354
Trade receivable	4,662	11,091
Grant receivable	4,099	583,631
	<u>\$ 914,654</u>	<u>\$ 1,508,958</u>

<b>5) Investments</b>	<u>2015</u>	<u>2014</u>
Guaranteed Investment Certificate	\$ 53,097	\$ -

The term deposit represents a Royal Bank of Canada guaranteed investment certificate that bears interest of 1.20% and matures December 30, 2016.

<b>6) Accounts Payable and Accrued Liabilities</b>	<u>2015</u>	<u>2014</u>
Trade accounts payable	\$ 157,261	\$ 71,113
Accrued liabilities	14,250	-
Deposit liabilities	6,511	6,511
	<u>\$ 178,022</u>	<u>\$ 77,624</u>

**Village of Longview  
Notes to Financial Statements  
December 31, 2015**

<b>7) Deferred Revenue</b>	<b>2015</b>	<b>2014</b>
Flood Recovery Erosion Control Program	\$ 576,616	\$ 1,337,563
Municipal Sustainability Initiative - Capital	366,913	366,913
Basic Municipal Transportation Grant	69,370	69,370
Calgary Foundation Grant	29,785	-
Memorial Garden	11,849	9,641
Disaster Recovery Grant	4,098	4,098
Hall Lighting	972	3,587
Federal Gas Tax Fund	-	20,115
	\$ 1,059,603	\$ 1,811,287

**Flood Recovery Erosion Control Program**

This program was designed to fund the critical projects and other erosion control priorities arising as a result of the 2013 flood events. The balance represents the funds remaining after the project has been completed in 2015.

**Municipal Sustainability Initiative**

The Municipal Sustainability Initiative ("MSI") is a funding program aimed at providing financial support for critical core and community infrastructure projects and includes incentives to encourage collaboration and cooperation between neighbouring municipalities. This population-based funding program includes operating, capital and affordable housing components. The balance represents unexpended funds brought forward from 2014.

**Basic Municipal Transportation Grant**

The Basic Municipal Transportation Grant ("BMTG") provides cost-shared grants to municipalities to assist with the provision of lasting street improvements, to enhance life in rural centers and to serve to attract the decentralization of industry. Approved projects are eligible for 75 percent provincial funding for construction and engineering costs. The balance represents the unexpended portion received in 2014.

**Federal Gas Tax Fund**

The Federal Gas Tax Fund is a per capita grant to assist municipalities in addressing their sustainable municipal capital infrastructure needs. The program is supported through the allocation to Alberta Municipalities of a portion of the federal gasoline tax. Funding under this program is subject to the province receiving the funding from the federal government. The program provides conditional grants for capital-related projects which meet the program eligibility criteria. There is no requirement for a municipal funding contribution to projects accepted under this program. The Village of Longview did not receive any grant funding in 2015.

All of the unexpended funds held in deferred revenue are supported by cash and temporary investments as noted in Note 2.



**Village of Longview  
Notes to Financial Statements  
December 31, 2015**

**8) Long Term Debt**

	2015	2014
Tax supported debenture - capital	\$ 663,946	\$ 684,431
Less: Current portion	(21,321)	(20,485)
	\$ 642,625	\$ 663,946

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2016	\$ 21,321	\$ 26,630	\$ 47,951
2017	22,192	25,759	47,951
2018	23,098	24,853	47,951
2019	24,041	23,910	47,951
2020	25,023	22,928	47,951
Thereafter	548,271	222,433	770,704
	\$ 663,946	\$ 346,513	\$ 1,010,459

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at a rate of 4.043% per annum and matures in 2036. Debenture debt is issued on the credit and security of the Village of Longview at large.

Interest on long term debt amounted to \$27,467 (2014 - \$28,270).

The Village's total cash payments for interest in 2014 were \$27,467 (2014 - \$28,270).

**9) 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 Village of Longview be disclosed as follows:

	2015	2014 <i>Restated</i>
Total debt limit (1.5 * total eligible revenue)	\$ 1,040,124	\$ 911,235
Total long term debt ( <i>Note 8</i> )	663,946	684,431
Unused total debt limit capacity	\$ 376,178	\$ 226,804
Service on debt limit (0.25 * total eligible revenue)	\$ 173,354	\$ 151,872
Service on debt (next years principal and interest due)	47,951	47,951
Unused service on debt limit capacity	\$ 125,403	\$ 103,921

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) 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 municipality. Rather, the consolidated financial statements must be interpreted as a whole.

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**10) Tangible Capital Assets**

	2015	2014 <i>Restated</i>
Land	\$ 826,895	\$ 826,895
Land improvements	337,484	364,948
Buildings	1,208,706	1,210,567
Engineered structures		
Roadway system	364,292	411,564
Water distribution system	1,806,747	1,074,804
Wastewater treatment system	4,992,698	5,104,161
Machinery, equipment and furnishings	84,885	90,874
Vehicles	4,275	-
	\$ 9,625,982	\$ 9,083,813

**11) Equity in Tangible Capital Assets**

	2015	2014 <i>Restated</i>
Tangible capital assets (Schedule 2)	\$ 13,224,991	\$ 12,413,914
Accumulated amortization (Schedule 2)	(3,599,009)	(3,330,101)
Long term debt - Capital ( <i>Note 8</i> )	(663,946)	(684,431)
	\$ 8,962,036	\$ 8,399,382

**12) Accumulated Surplus**

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2015	2014 <i>Restated</i>
Unrestricted surplus (Schedule 1)	\$ 1,124,261	\$ 1,101,281
Restricted surplus (reserves)		
Operating: Recreations Board - Operating	9,038	11,956
General Reserve - Operating	31,017	35,135
Public Works - Operating	3,081	3,082
Water/Wastewater - Operating	243,184	243,184
Hall Reserve - Operating	16,696	16,696
Capital: Offsite Levies - Capital	110,911	110,911
Equity in tangible capital assets ( <i>Note 11, 16</i> )	8,962,036	8,399,382
	\$ 10,500,224	\$ 9,921,627

**13) Salary and Benefits Disclosure**

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

	Salary (1)	Benefits & Allowances (2)	Total 2015	Total 2014
Councillor Ayrey, C.	\$ 3,840	\$ 298	\$ 4,138	\$ 3,180
Councillor MacLeod, C.	3,455	864	4,319	2,610
Councillor Wight, K.	4,920	580	5,500	3,750
Chief Administrative Officer	52,970	-	52,970	55,235
	\$ 65,185	\$ 1,742	\$ 66,927	\$ 64,775

(1) Salary includes regular base pay and any other direct cash remuneration.

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada pension plan (CPP), employment insurance (EI), health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

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**14) Commitments**

The Village has an agreement with the Municipal District (MD) of Foothills No. 31 for administration services. The contract terms are a cost of \$48,801 a year plus the annual applied MD cost of living adjustment. This contract expires September 30, 2018.

The Village also has an agreement with the Municipal District of Foothills No. 31 for the provision of water and wastewater services. The contract terms are a maximum of \$72,000 annually and are ongoing until cancelled by one of the parties.

**15) Contingencies**

The Village is a member of the Alberta Municipal Services Corporation. Under the terms of the membership, the Village 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.

**16) Prior Period Adjustment**

The Village has restated its financial statements to reclassify expenditures to the Flood Recovery and Erosion Control grant that were incurred during the December 31, 2014 year end. These costs were originally recorded as expenses but have been reclassified as capital expenditures. The adjustments are as follows:

	2014
<b>Adjustment to tangible capital assets:</b>	
As previously stated	9,039,517
Adjustment to tangible capital assets	44,296
	\$ 9,083,813
 <b>Adjustment to equity in tangible capital assets:</b>	
As previously stated	8,355,086
Adjustment to equity in tangible capital assets	44,296
	\$ 8,399,382
 <b>Adjustment to protective services:</b>	
As previously stated	66,387
Adjustment to protective services	(44,296)
	\$ 22,091
 <b>Adjustment to government transfers for operating:</b>	
As previously stated	60,630
Adjustment to government transfers for operating	(44,296)
	\$ 16,334
 <b>Adjustment to government transfers for capital:</b>	
As previously stated	114,488
Adjustment to government transfers for capital	44,296
	\$ 158,784

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**17) Financial Instruments**

The Village's financial instruments consist of cash and temporary investments, taxes and grants in place receivable, trade and other accounts receivable, investments, accounts payable and accrued liabilities, and long term debt.

Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Village is exposed to financial risk from interest rate differentials between market interest rates and the rates used on their financial instruments.

Credit Risk

The Village of Longview is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Village of Longview provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

**18) Comparative Figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation. Prior year figures were audited by another public accountant.

**19) Approval of Financial Statements**

Council and Management have approved these financial statements.