

M.D. OF WAINWRIGHT NO. 61



Financial Statement & Reports

For the Fiscal Year Ended
December 31, 2006

OPEN HOUSE

Ratepayers of the Municipal District of Wainwright are invited to attend an “Open House” at the M.D. Office in Wainwright on Tuesday, April 17th, 2007 from 4:00 to 6:00 p.m. Council and Staff will be in attendance to informally discuss the affairs of the M.D. of Wainwright. Refreshments will be served.

Hope To See You There!



DONALD L. ISAMAN
PROFESSIONAL CORPORATION
Chartered Accountant

AUDITORS' REPORT

To the Members of Council:

I have audited the Consolidated Statement of Financial Position of the Municipal District of Wainwright No. 61 as at December 31, 2006 and the Statement of Operating Fund Activities, Statement of Capital Fund Activities and Change in Fund Balance, Statement of Operating Fund Accumulated Surplus, Statement of Equity in Capital Assets, Statement of Reserves, Consolidated Statement of Changes in Financial Position and Schedules 1 through 11 supporting these statements for the year then ended. These financial statements are the responsibility of the Municipality's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Municipal District of Wainwright No. 61 as at December 31, 2006 and the results of its financial activities and the changes in its financial position for the year then ended in accordance with Canadian generally accepted principles.

Donald L. Isaman
Professional Corporation

Chartered Accountant

Wainwright, Alberta
February 9, 2007

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

2006 Reeves Report

On behalf of Council, I am pleased to provide you with the highlights of the M.D. of Wainwright's operations for the 2006 fiscal year.

In 2006, our construction crew built or rebuilt approximately 23 km of road. For the new construction season this year, our crew welcomed a new 2006 Terex 14 Scraper to the fleet in exchange for one older model. We are currently running eight (8) scrapers on our crew. The reduced number of machines makes the crew more manageable and reasonable to staff considering the shortage in the labour market. While our own crew was very busy working on regular construction projects, the M.D. used a private contractor to complete a major road upgrade initiative north of Irma. The project included the grade improvement of nine miles of road in preparation paving. Some of the paving was completed in 2006, but due to the weather late in the year, the remainder will be completed in early 2007. The grade portion of the project was funded in part through a \$1.5 million Resource Road Program Grant and \$1 million from the Alberta Municipal Infrastructure Program was used for the paving portion of the project.

In 2006 we conducted maintenance on 137 km of oiled road this year. This is a considerable increase from previous years, which average less than 100 km per year. This is thanks to our very efficient oiling crew and favourable weather. This is the year we all experienced our oil increasing from \$290 per cubic metre to just under \$500. This had significant impact on our oiling budget. However, we continued with our oiling program as scheduled to maintain our critical oiled road infrastructure.

Road maintenance continued as usual with 115,000 yards of gravel applied to our gravel roads. We use both private contractors and our own trucks to haul and spread gravel. We are maintaining our maintenance grader fleet at seven (7) graders with one additional grader being used to supplement other graders where it is needed. The moisture received this spring and fall has resulted in our gravel roads requiring extra attention this year. Our very capable operators are doing a great job in maintaining our infrastructure considering the circumstances. This year we crushed 110,000 yards of gravel to try and keep up to the demands of gravel for the municipality.

In addition, we have paved Airport Road just south of the Town of Wainwright. This 6 km project was a \$1.6 million initiative benefiting many of our ratepayers living in the most densely populated area of our municipality. The Town of Wainwright is sharing the cost of a small portion of the road located within its borders. We are pleased to have such a positive relationship with our urban neighbors on joint ventures such as this.

As indicated in the attached reports from our Development Officer and Agricultural Fieldsman's ,the development and agricultural services departments continue to be an integral part of our municipality's operation.

In closing, I would like to express my sincere gratitude to Council, Administration and all M.D. employees for their continued support throughout this last year.

Respectfully Submitted,
Bob Barss, Reeve

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2006

2006 2005

ASSETS

FINANCIAL ASSETS

Cash and temporary investments (Note 2)	15,662,434	16,082,738
Taxes and grants in lieu receivables (Note 3)	217,131	287,321
Trade and other receivables	2,090,495	314,416
Long term accounts receivable (Note 4)	-	35,800
	<u>17,970,060</u>	<u>16,720,275</u>

PHYSICAL ASSETS

Inventory for consumption (Note 5)	443,948	418,200
Capital assets (Note 6)	20,584,617	19,872,554
	<u>21,028,565</u>	<u>20,290,754</u>

TOTAL ASSETS

	<u>38,998,625</u>	<u>37,011,029</u>
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LIABILITIES

LIABILITIES

Accounts payable and accrued liabilities	2,374,760	1,185,444
Deferred revenue (Note 7)	311,043	280,000
Trust funds (Note 8)	64,768	46,688
	<u>2,750,571</u>	<u>1,512,132</u>

MUNICIPAL EQUITY

FUND BALANCES

Operating fund accumulated surplus	2,905,501	2,740,104
Reserves (Note 10)	12,757,936	12,886,240
TOTAL FUND BALANCES	15,663,437	15,626,344

EQUITY IN CAPITAL ASSETS

	<u>20,584,617</u>	<u>19,872,553</u>
	<u>36,248,054</u>	<u>35,498,897</u>

TOTAL LIABILITIES AND MUNICIPAL EQUITY

	<u>38,998,625</u>	<u>37,011,029</u>
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SIGNED ON BEHALF OF COUNCIL:

 REEVE

 DEPUTY REEVE



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

STATEMENT 2

STATEMENT OF OPERATING FUND ACTIVITIES
YEAR ENDED DECEMBER 31, 2006

	Budget (unaudited)	2006	2005
GENERAL OPERATING REVENUE			
Net taxes available for municipal purposes (Schedule 1)	14,269,431	14,284,295	10,813,897
Penalties on taxes	15,000	42,123	48,377
Return on investments	200,000	455,221	246,478
Other revenues	5,000	22,667	6,325
Provincial unconditional grants	40,512	45,883	54,924
	<u>14,529,943</u>	<u>14,850,189</u>	<u>11,170,001</u>
REVENUE			
Council and general administration (Schedule 2)	224,804	267,357	233,777
Protective services (Schedule 3)	2,000	4,200	900
Transportation services (Schedule 4)	2,877,743	3,240,880	1,385,603
Water, sewer and garbage (Schedule 5)	30,820	29,939	29,130
Municipal planning and zoning (Schedule 7)	7,500	25,756	18,716
Agricultural Service Board (Schedule 8)	307,651	311,632	230,828
Recreation, parks and culture (Schedule 9)	242,728	255,308	231,245
	<u>3,693,246</u>	<u>4,135,072</u>	<u>2,130,199</u>
TOTAL OPERATING REVENUE	18,223,189	18,985,261	13,300,200
EXPENDITURES			
Council and general administration (Schedule 2)	2,160,742	1,440,049	1,114,140
Safety (Schedule 3)	35,250	16,257	30,694
Protective services (Schedule 4)	87,000	85,474	78,908
Transportation services (Schedule 5)	14,930,072	14,805,274	7,225,776
Water, Sewer and garbage (Schedule 6)	242,650	244,811	214,162
Community services (Schedule 7)	32,410	32,410	42,410
Municipal planning and zoning (Schedule 8)	90,250	71,297	50,503
Agricultural Service Board (Schedule 9)	751,725	647,783	572,389
Recreation, parks and culture (Schedule 10)	428,097	421,166	402,280
	<u>18,758,196</u>	<u>17,764,521</u>	<u>9,731,262</u>
NET OPERATING REVENUE BEFORE TRANSFERS	(535,007)	1,220,740	3,568,938
TRANSFERRED TO OPERATING RESERVES	1,433,558	128,304	(2,496,962)
TRANSFERRED TO CAPITAL FUND	(842,228)	(1,183,647)	(1,046,564)
NET SURPLUS FOR THE YEAR	56,323	165,397	25,412
BEGINNING OF YEAR	2,740,104	2,740,104	2,714,692
BALANCE, END OF YEAR	2,796,427	2,905,501	2,740,104



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

STATEMENT 3

STATEMENT OF CAPITAL FUND ACTIVITIES AND CHANGE IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2006

	Budget (unaudited)	2006	2005
REVENUE			
Other revenues	-	-	34,116
Provincial Government transfers	51,382	-	46,316
Proceeds from sale of capital assets	688,700	695,059	555,860
Total revenue	740,082	695,059	636,292
EXPENDITURES			
Automotive equipment	168,875	211,961	385,863
Buildings	50,000	-	-
Equipment and furnishings	1,710,517	1,598,644	1,098,811
Land held for government use	35,000	26,288	86,181
Other engineering structures	67,918	41,813	112,001
Total expenditures	2,032,310	1,878,706	1,682,856
DEFICIENCY OF CAPITAL REVENUE OVER EXPENDITURES	(1,292,228)	(1,183,647)	(1,046,564)
NET INTER-FUND TRANSFERS			
From (to) Reserves	500,000	-	-
From Operating Fund	792,228	1,183,647	1,046,564
	<u>1,292,228</u>	<u>1,183,647</u>	<u>1,046,564</u>
CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
FUND BALANCE, END OF YEAR	-	-	-



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

STATEMENT 4

STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2006

	2006	2005
Balance, beginning of year	19,872,553	18,878,556
Additions to capital assets	1,878,706	1,682,856
Disposal of capital assets, at cost	(1,166,642)	<u>(688,859)</u>
Balance, end of year	<u>20,584,617</u>	<u>19,872,553</u>

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

STATEMENT 5

STATEMENT OF RESERVES
YEAR ENDED DECEMBER 31, 2006

	2006	2005
OPERATING RESERVES		
Balance, beginning of year	11,636,633	9,139,671
Transfer to operating fund	(599,814)	(509,405)
Transfer from operating fund	471,510	3,006,367
Balance, end of year	11,508,329	<u>11,636,633</u>
CAPITAL RESERVES		
Balance, beginning of year	1,249,607	1,249,607
Transfer to capital fund	-	-
Transfer from capital fund	-	-
Balance, end of year	1,249,607	<u>1,249,607</u>
TOTAL RESERVES	<u>12,757,936</u>	<u>12,886,240</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

STATEMENT 6

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2006

	2006	2005
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING ACTIVITIES		
Net Operating Revenue before Transfers (Statement 2)	1,220,740	3,568,938
Deficiency of Capital Revenue over Expenditures (Statement 3)	(1,183,647)	(1,046,564)
Net change in non-cash operating working capital balances:		
Decrease (increase) in taxes and grants in lieu receivables	70,190	171,931
Decrease (increase) in trade and other receivables	(1,776,079)	842,778
Decrease in inventory	(25,748)	337,392
(Decrease) increase in accounts payable and accrued liabilities	1,189,317	(906,208)
(Decrease) increase in deferred income	31,043	(36,316)
(Decrease) Increase in trust funds	<u>18,080</u>	<u>(5,475)</u>
Cash flows from operating activities	<u>(493,197)</u>	<u>404,102</u>
INVESTING ACTIVITIES		
Decrease in long term accounts receivable	<u>35,800</u>	35,700
Cash flows from investing activities	<u>35,800</u>	<u>35,700</u>
TOTAL INCREASE IN CASH RESOURCES	(420,304)	2,962,176
CASH RESOURCES, BEGINNING OF YEAR	<u>16,082,738</u>	<u>13,120,562</u>
CASH RESOURCES, END OF YEAR	<u>15,662,434</u>	<u>16,082,738</u>
Cash resources are comprised of:		
Cash	1,662,434	2,082,738
Term deposits	<u>14,000,000</u>	<u>14,000,000</u>
	<u>15,662,434</u>	<u>16,082,738</u>



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2006

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipal District of Wainwright No. 61 are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of these accounting policies are as follows:

Basis of Accounting

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

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 are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the municipality has met any eligibility criteria, and reasonable estimates of the amounts can be made.

Expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

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.

Fund Accounting

Management funds consist of operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity account.

Inventory for Consumption

Inventories of materials and supplies for consumption are valued at the lower of cost or net realizable value.

Capital Assets

Capital assets are reported as expenditures in the period they are acquired. Capital assets are recorded at cost except for donated assets, which are reported at estimated fair value. Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the related asset costs. Capital assets for government purposes are not depreciated.

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

NOTES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2006

1. SIGNIFICANT ACCOUNTING POLICIES - continued

Requisition Over-levy and Under-levy

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

Operating Fund

Operating fund represents the amounts available to offset future operational revenue requirements.

Capital Fund

Capital fund represents the amounts available to finance capital projects.

Reserve Fund

Reserve fund represents the amounts set aside to finance future operating and capital expenditures. Reserves are established at the discretion of Council. Transfers to and/or from the reserve fund are reflected as an adjustment to the respective fund.

Equity in Capital Assets

Equity in capital assets represents the Municipality's net investment in its capital assets after deducting the portion financed by third parties through debenture, bond and mortgage debts, long term capital borrowings, capitalized leases and other capital liabilities which will be repaid by the municipality.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2006</u>	<u>2005</u>
Cash	1,662,434	2,082,738
Temporary investments	<u>14,000,000</u>	<u>14,000,000</u>
	<u>15,662,434</u>	<u>16,082,738</u>

Temporary investments are short term deposits with maturities of three months or less. Included in the above balances are \$375,811 (2005 - \$326,688) of funds restricted in use.



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

NOTES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2006

3. TAXES AND GRANTS IN LIEU RECEIVABLES

	<u>2006</u>	<u>2005</u>
Current taxes and grants in lieu	182,691	272,046
Tax arrears and grants in lieu	<u>34,440</u>	<u>15,275</u>
	<u>217,131</u>	<u>287,321</u>

4. LONG TERM ACCOUNTS RECEIVABLE

Due from Wainwright Rural Recreation Board, annual payments of \$35,700 including interest at 0% per annum, due in 2006.	<u>—</u>	<u>35,800</u>
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5. INVENTORY FOR CONSUMPTION

	<u>2006</u>	<u>2005</u>
Gravel stockpile	352,818	294,461
Culvert stockpile	36,732	43,001
Grader blade stockpile	<u>54,398</u>	<u>80,738</u>
	<u>443,948</u>	<u>418,200</u>

6. CAPITAL ASSETS

	<u>2006</u> <u>Cost</u>	<u>2005</u> <u>Cost</u>
Land	1,295,081	1,268,793
Buildings	2,155,198	2,155,198
Other engineering structures	3,138,544	3,096,731
Equipment and furnishings	10,875,764	10,423,948
Automotive equipment	<u>3,120,030</u>	<u>2,927,884</u>
	<u>20,584,617</u>	<u>19,872,554</u>

7. DEFERRED REVENUE

Deferred revenue consists of a \$311,043 (2005 - \$280,000) Transportation grant. These funds were received from Alberta Finance during the year and are to be used to complete future projects.



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

NOTES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2006

8. TRUST FUNDS

A summary of trust fund activities by the Municipal District of Wainwright No. 61 is as follows:

	2006			2005
	Increases	Decreases	Balance	Balance
Tax sale surplus	18	-	1356	1,338
Reserve	1,029	377	7079	6,427
ASB reserve	-	-	1,198	1,198
Street Improvement Program	17,410	-	55,138	37,725
	<u>18,457</u>	<u>377</u>	<u>64,768</u>	<u>46,688</u>

9. RESERVES

Reserves for operating and capital activities changed as follows:

	2006			2005
	Increases	Decreases	Balance	Balance
Operating reserves:				
General	-	-	496,438	496,438
Edgerton – Fire	48,484	35,472	152,475	139,463
Irma – Fire	76,156	44,561	115,739	84,143
Chauvin – Fire	68,090	53,938	(7,095)	(21,247)
Wainwright – Fire	86,332	97,602	346,416	357,686
Transportation	-	-	425,000	425,000
Water well	-	-	192,678	192,678
Recreation	172,200	129,070	295,651	252,521
Contingency	-	196,423	361,753	558,176
Debt Reduction	-	-	1,000,000	1,000,000
Transportation	-	-	650,000	650,000
Resource Road	-	-	2,225,612	2,225,612
Paving Maintenance	-	-	5,230,512	5,230,512
Agricultural Service Board	-	-	23,151	23,151
Development	21,000	43,500	-	22,500
	<u>472,262</u>	<u>600,566</u>	<u>11,508,329</u>	<u>11,636,633</u>
Capital reserves:				
Fire equipment	-	-	5,959	5,959
Transportation	-	-	1,109,200	1,109,200
Agricultural Service Board	-	-	134,448	134,448
	<u>-</u>	<u>-</u>	<u>1,249,607</u>	<u>1,249,607</u>
Total reserves	<u>472,262</u>	<u>600,566</u>	<u>12,757,936</u>	<u>12,886,240</u>



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2006

10. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the chief administrative officer and designated officers, as required by Alberta Regulation 313/2000 is as follows:

	2006			2005
	Salary	Benefits & Allowances	Total	Total
	(1)	(2),(3)		
Reeve				
Bob Barss	38,700	7,027	45,727	41,085
Councilors				
Oscar Buck	25,100	5,729	30,829	29,359
Douglas Fletcher	32,300	3,176	35,476	34,667
Kevin MacKay	28,700	6,062	34,762	30,820
Bradley Scribner	26,700	5,894	32,594	33,848
Samuel Wilkinson (Ted)	29,200	3,621	32,821	31,003
Myron Zajic	30,400	6,178	36,578	31,802
Chief Administrative Officer				
Kelly Buchinski	104,790	18,024	122,814	115,645
Agricultural Fieldman				
James Schwindt	58,275	10,395	68,670	65,133

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, 19n9 and short term disability plans, professional memberships and tuition.
- (3) Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

11. LOCAL AUTHORITIES PENSION PLAN

Employees of the Municipality participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 133,000 people and 389 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

The Municipality is required to make current service contributions to the LAPP of 5.25% (2005 - 7.40%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 7.40% (2005 - 10.14%) on pensionable earnings above this amount. Employees of the Municipality are required to make current service contributions of 4.525% (2005 - 6.4%) of pensionable salary up to the year's maximum pensionable salary and 6.40% (2005 - 9.14%) on pensionable salary above this amount.

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

NOTES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2006

11. LOCAL AUTHORITIES PENSION PLAN - continued

Total current service contributions by the Municipality to the LAPP in 2006 were \$108,069 (2005 - \$95,695). Total current service contributions by the employees of the Municipality to the LAPP in 2006 were \$95,271 (2005 - \$83,532).

At December 31, 2005, the LAPP disclosed an actuarial deficiency of \$863.6 million.

12. 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 Municipal District of Wainwright No. 61 be disclosed as follows:

	<u>2006</u>	<u>2005</u>
Total debt limit	29,520,480	20,835,264
Total debt	<u>—</u>	<u>—</u>
Amount of debt limit unused	<u>29,520,480</u>	<u>20,835,264</u>
Debt servicing limit	4,920,080	3,472,544
Debt servicing	<u>—</u>	<u>—</u>
Amount of debt servicing limit unused	4,920,080	3,472,544

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 at financial risk if further debt is acquired. The calculation alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

13. CONTINGENCIES

The Municipal District of Wainwright No. 61 is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Municipal District of Wainwright No. 61 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.

14. COMMITMENTS

The Municipality is committed to make monthly payments of \$1,931 for the next twenty-four months for the lease of computer software and equipment.



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2006

15. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Municipality is not exposed to significant interest or currency risks arising from these financial instruments.

The Municipality is subject to credit risk with respect to taxes and grants in lieu receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Municipality 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.

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

16. LANDFILL CLOSURE

In 2004, the Municipality received approval from Alberta Environment to proceed with the closure of the Ribstone Landfill. The reclamation work began during the year with compaction test and the project expected to be completed by the end of the summer of 2007.

17. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE 1

SCHEDULE OF PROPERTY TAXES
YEAR ENDED DECEMBER 31, 2006

	2006	2005
TAXATION		
Real property	5,256,623	4,677,295
Power and pipeline	13,959,468	11,447,018
Grants in lieu	1,262,944	1,247,383
	<u>20,479,035</u>	<u>17,371,696</u>
REQUISITIONS AND TRANSFERS		
Supplementary school requisition	92,036	91,977
Provincial school foundation requisition	5,362,492	5,775,577
Ambulance requisition	180,028	198,433
Battle River Foundation requisition	152,398	121,920
Rural fire requisition	142,913	135,923
Rural recreation requisition	264,873	233,969
	<u>6,194,740</u>	<u>6,557,799</u>
NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES	<u>14,284,295</u>	<u>10,813,897</u>

SCHEDULE 2

SCHEDULE OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2006

	2006	2005
COUNCIL AND GENERAL ADMINISTRATION		
REVENUE		
Licenses and permit fees	28,589	23,218
Other revenue	186	-
Provincial conditional grants	104,004	108,508
Rental revenue	110,221	87,605
Sales of goods and services	24,357	14,446
	<u>267,357</u>	<u>233,777</u>
EXPENDITURES		
General and administrative		
Contracted and general services	663,830	390,491
Materials, supplies, and utilities	24,448	21,899
Public relations	20,725	24,688
Salaries, wages, and benefits	396,649	356,769
	<u>1,105,652</u>	<u>793,847</u>
Council		
Contracted and general services	54,614	57,594
Salaries, wages, and benefits	279,783	262,699
	<u>334,397</u>	<u>320,293</u>
	<u>1,440,049</u>	<u>1,114,140</u>
NET OPERATING DEFICIT	<u>(1,172,692)</u>	<u>(880,363)</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE 3

SCHEDULE OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2006

	2006	2005
SAFETY		
EXPENDITURES		
Contracted and general services	1,530	17,673
Materials, supplies, and utilities	14,727	13,021
	<u>16,257</u>	<u>30,694</u>
NET OPERATING DEFICIT	<u>16,257</u>	<u>30,694</u>

SCHEDULE 4

SCHEDULE OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2006

	2006	2005
PROTECTIVE SERVICES		
REVENUE		
Provincial grants	4,200	-
Other revenue	-	900
	<u>4,200</u>	<u>900</u>
EXPENDITURES		
Contracted and general services	75,960	68,898
Salaries, wages, and benefits	9,514	10,010
	<u>85,474</u>	<u>78,908</u>
NET OPERATING DEFICIT	<u>(81,274)</u>	<u>(78,008)</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE 5

SCHEDULE OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2006

	2006	2005
TRANSPORTATION SERVICES		
REVENUE		
Provincial conditional grants	2,814,549	1,275,403
Rental revenues	6,893	9,289
Sales of goods and services	416,853	98,002
Sales to other governments	2,585	2,909
	<u>3,240,880</u>	<u>1,385,603</u>
EXPENDITURES		
Contracted and general services	10,939,299	3,758,365
Materials, supplies, and utilities	1,634,113	1,406,656
Salaries, wages, and benefits	2,231,862	2,060,755
	<u>14,805,274</u>	<u>7,225,776</u>
NET OPERATING DEFICIT	<u>(11,564,394)</u>	<u>(5,840,173)</u>

SCHEDULE 6

SCHEDULE OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2006

	2006	2005
WATER, SEWER AND GARBAGE		
REVENUE		
Local improvement taxes	420	420
Sales of goods and services	29,519	28,710
	<u>29,939</u>	<u>29,130</u>
EXPENDITURES		
Contracted and general services	198,129	174,717
Materials, supplies, and utilities	9,459	8,815
Salaries, wages, and benefits	37,223	30,630
	<u>244,811</u>	<u>214,162</u>
NET OPERATING DEFICIT	<u>(214,872)</u>	<u>(185,032)</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE 7

SCHEDULE OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2006

	2006	2005
COMMUNITY SERVICES		
EXPENDITURES		
Grants to other organizations	32,410	42,410
NET OPERATING DEFICIT	<u>(32,410)</u>	<u>(42,410)</u>

SCHEDULE 8

SCHEDULE OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2006

	2006	2005
MUNICIPAL PLANNING AND ZONING		
REVENUE		
Other revenue	3,096	5,906
Sales of goods and services	22,660	12,810
	<u>25,756</u>	<u>18,716</u>
EXPENDITURES		
Contracted and general services	7,275	3,293
Salaries, wages, and benefits	64,022	47,210
	<u>71,297</u>	<u>50,503</u>
NET OPERATING DEFICIT	<u>(45,541)</u>	<u>(31,787)</u>

SCHEDULE 9

SCHEDULE OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2006

	2006	2005
AGRICULTURAL SERVICE BOARD		
REVENUE		
Other revenue	17,482	21,829
Provincial conditional grants	280,635	185,230
Rental revenues	180	480
Sales of goods and services	13,335	9,273
Sales to other governments	-	14,016
	<u>311,632</u>	<u>230,828</u>
EXPENDITURES		
Contracted and general services	80,490	65,832
Materials, supplies, and utilities	310,206	267,273
Salaries, wages, and benefits	257,087	239,284
	<u>647,783</u>	<u>572,389</u>
NET OPERATING DEFICIT	<u>(336,151)</u>	<u>(341,561)</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE 10

SCHEDULE OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2006

	2006	2005
RECREATION, PARKS AND CULTURE		
REVENUE		
Fees and rentals	247,308	223,245
Provincial conditional grants	8,000	8,000
	<u>255,308</u>	<u>231,245</u>
EXPENDITURES		
Contracted and general services	52,835	53,170
Contributions to Library Board	28,432	27,078
Grants to other organizations	151,512	137,725
Materials, supplies, and utilities	66,977	65,497
Salaries, wages, and benefits	121,410	118,810
	<u>421,166</u>	<u>402,280</u>
NET OPERATING DEFICIT	<u>(165,858)</u>	<u>(171,035)</u>

SCHEDULE 11

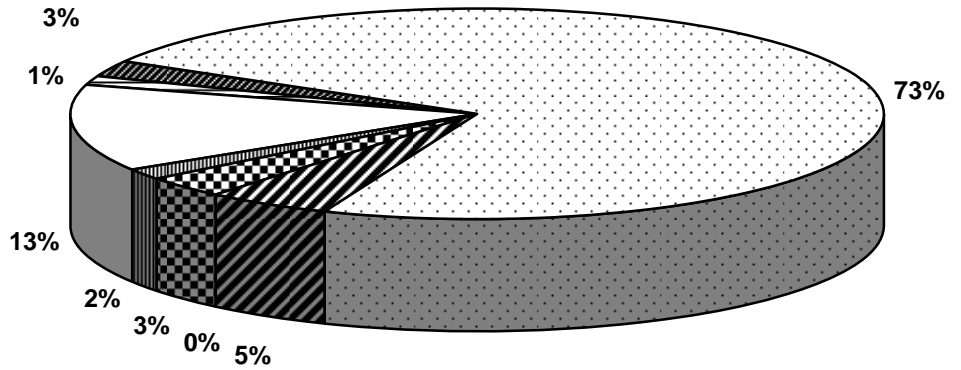
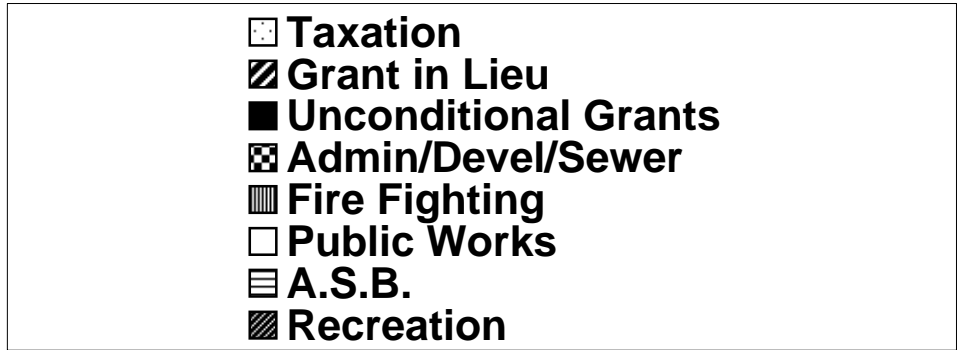
SCHEDULE OF OPERATING EXPENDITURES BY OBJECT
YEAR ENDED DECEMBER 31, 2006

	2006	2005
Contracted and general services	12,073,962	4,590,033
Contributions to Library Board	28,432	27,078
Grants to other organizations	183,922	180,135
Materials, supplies, and utilities	2,059,930	1,783,161
Public relations	20,725	24,688
Salaries, wages, and benefits	3,397,550	3,126,167
	<u>17,764,521</u>	<u>9,731,262</u>

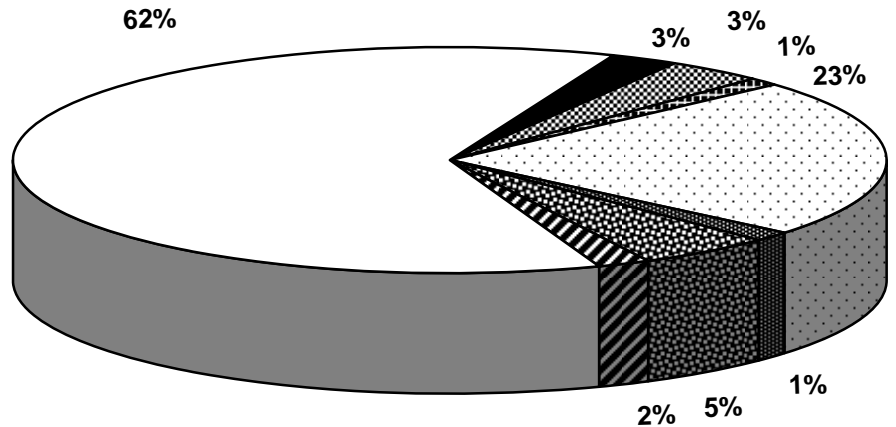


MUNICIPAL DISTRICT OF WAINWRIGHT NO.61

REVENUES	
Taxation	18,777,107
Grant in Lieu	1,262,945
Unconditional Grants	17,327
Admin/Devel/Sewer	871,618
Fire Fighting	409,132
Public Works	3,480,804
A.S.B.	311,632
Recreation	679,251
TOTAL	25,809,816



EXPENDITURES	
Council	334,396
Admin/Dev/FCSS/RCMP	1,325,247
Fire Fighting	509,132
Public Works	15,806,022
A.S.B.	647,784
Recreation	872,687
Water/Sewer/Garbage	333,763
Requisitions	5,815,386
TOTAL	25,644,417



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

**M.D. OF WAINWRIGHT #61
2006 OPERATING BUDGET**

REVENUES	BUDGET		ACTUAL	
General Administration	20,975,945		20,873,302	
Tax Levy - General		18,781,490		18,777,107
Grant in Lieu		1,262,945		1,262,945
Prov. Uncond. Grants		12,512		17,327
Other Revenue		918,998		815,923
Fire & Preventative Service	422,364		409,132	
		422,364		409,132
Public Works	3,933,243		3,480,804	
Grants		3,211,500		2,814,550
Other Revenue		721,743		666,254
Sewer	30,820		29,939	
		30,820		29,939
Planning & Development	5,000		25,756	
		5,000		25,756
Ag. Service Board	307,651		311,632	
Grants		280,201		280,635
Other Revenue		27,450		30,997
Recreation	671,201		679,251	
Recreation Area Levies		406,251		406,251
Wainwright Rec. Board		164,100		159,892
Riverdale Mini Park		93,500		104,846
Arm Lake		7,000		7,949
Other Revenue		350		313
TOTAL REVENUE	26,346,224		25,809,815	

**M.D. OF WAINWRIGHT #61
2006 OPERATING BUDGET**

EXPENDITURES				
Council	350,700		334,396	
		350,700		334,396
General Administration	1,836,780		1,159,923	
Salaries & Benefits		417,000		396,649
General Services		529,450		371,156
Goods & Supplies		53,000		45,173
Trf to Rural Rec. Reserve		30,000		30,000
Cont. to Capital		26,738		24,272
Cancellations		780,592		292,672
Trf to Reserve				
Fire & Preventative Service	522,364		509,132	
Response Fees		15,000		9,515
General Services & Supplies		27,000		35,344
Cont. to Fire Reserves		276,111		278,311
Fire Area Requisitions		148,572		142,913

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

Cont. to Capital		55,681		43,050
Disaster Services	5,000		711	
		5,000		711
RCMP Services	40,000		39,905	
		40,000		39,905
Public Works	15,519,923		15,789,765	
Salaries & Benefits		2,538,000		2,231,862
General Services		10,846,072		10,908,730
General & Equip Supplies		1,159,000		1,281,463
Const & Maint Materials		345,000		341,710
Utilities		42,000		41,509
Cont. to Capital		589,851		984,491
Cont. to Reserve		0		0
Safety	35,250		16,257	
General Services		17,750		1,530
General Supplies		17,500		14,727
Water Service	61,650		67,379	
Salaries & Benefits		41,000		37,223
General Services		12,650		22,685
General Supplies		8,000		7,471
Cont. to Capital				
Cont. to Reserve				
Sewer Service	38,000		43,942	
General Services		35,000		41,955
General Supplies		3,000		1,988
Garbage Collection	227,540		222,442	
General Services		173,000		167,902
Cont. to Capital		54,540		54,540
Social Services	32,410		32,410	
FCSS Contribution		32,410		32,410
Cemeteries	0		0	
Grants		0		0
Planning & Development	90,250		92,298	
Salaries & Benefits		69,750		64,373
General Services & Supplies		20,500		27,926
Ag. Service Board	751,725		647,784	
General Service - ASB General		27,000		14,387
General Service - Administration		246,100		222,081
General Service - Pest Control		72,250		64,366
General Service - Tankloaders		24,000		13,853
General Service - Weed Control		326,250		278,811
General Service - AESA		52,125		52,454
General Service - Animal Control		4,000		1,830
Transfer to Seed Plants		0		
Cont. to Capital		0		1
Recreation	951,831		872,687	
Wainwright Rural Rec. Bd		190,600		162,262

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

Riverdale Mini Park		200,700		181,313
Arm Lake Rec. Area		54,718		25,535
Campsites		8,400		7,097
General Recreation		91,162		90,228
Requisitions		406,251		406,251
Requisitions	5,828,978		5,815,386	
Northern Lights Library System		28,435		28,432
ASFF		5,361,683		5,362,492
Sep. District		93,107		92,036
Ambulance Society		193,355		180,028
Battle River Foundation		152,398		152,398
TOTAL EXPENDITURES	26,292,401		25,644,417	

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

2006 AGRICULTURAL SERVICE BOARD REPORT

Board Composition:

Doug Fletcher	Councillor (Chairman)
Ted Wilkinson	Councillor
Lyle Oracheski	Farm Member
Doug White	Farm Member
Keith Brower	Farm Member
James Schwindt	Agricultural Fieldman
Somerlee Bennett	Assistant Agricultural Fieldman
Rod Gabrielson	Pest Control Officer

A total of 4 Agricultural Service Board meetings were held in 2006.

ADMINISTRATION:

The ASB received grants from Alberta Agriculture in the amounts of \$177,375.75 (Provincial ASB Grant), \$57,700.00 (Rat Control Grant), and \$45,125.00 (Alberta Environmentally Sustainable Agriculture Grant). The Provincial ASB Grant has received an increase in funding and the M.D. qualifies for the full grant at \$150,000.00/year. All rural Municipalities in Alberta are eligible to qualify for this grant amount. In 2006 the M.D. of Wainwright also qualified for an additional \$27,375.75 of one time funding for 2006 (this amount is included in the overall ASB grant listed above). The ASB continued to support the Town of Wainwright's noxious weed control program in the amount of \$4,000.00. The M.D. hosted the second Rural Routes Supper and Social, which again proved to be a very popular event with 261 ratepayers attending. The M.D. also created and distributed 500 copies of an M.D. Calendar. Both of these projects have been approved by Council and will happen again in 2007. We also participated in the Wainwright Trade Show with a Municipal District of Wainwright Booth.

WEED CONTROL:

The M.D. maintained three weed inspectors and three GPS equipped trucks. They were, again, stationed in Irma, Wainwright and Edgerton respectively. 2006 brought adequate moisture levels and increased levels of some weeds. Due to the increased population of toadflax in 2006 the M.D. was not able to meet our spraying commitment to Western Area Training Center (WATC) this year. The WATC had their own crews undertake some of the weed control on the base and this will continue in 2007. Spotted Knapweed has been found in the WATC and Base Environmental and Public Lands staff has been working to address the issue. We completed our general roadside program and responded to all submitted weed calls. Toadflax, Scentless Chamomile, Leafy Spurge and other noxious weeds continue to be our focus areas. Scentless Chamomile and Toadflax continued to cause significant challenges in various areas of the municipality in 2006. We anticipate and look forward to a successful 2007.

MUNICIPAL PROJECTS, DEMONSTRATIONS & EXTENSION ACTIVITIES

This year we received \$45,125.00 from the Alberta Environmentally Sustainable Agriculture Program. Our intent was to provide information and programs on Integrated Crop Management, Nutrient Management and most importantly, Grazing and Riparian Management. We provided projects to producers that included Battle River watershed remote sensing project, 3 swath

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

grazing oat crop projects, and the Seed Cleaning Plant plot demo site west of town showcasing oat varieties and fertilizer application. Seminars held this past year included the Grazing school for Women, (with 26 participants), Farm Tech, Optimizing Crop Production, Agronomy Conference and Energy Production (all 4 seminars resulted in 53 participants). A Shelterbelt Awareness and Diagnostics program was presented with 54 producers attending, who learned how to preserve current tree stands. Environmental Farms Plan meetings were launched with 36,064 acres represented this year. From EFP workshop#1, 55 producers took part, and from EFP workshop#2, 41 producers attended. A total of 15 plans were reviewed by the EFP committee; and accessed CAFSP funding. The second Annual "Rural Routes Supper and Social" in partnership with Key 83, was held for our local agricultural families. Thank you to everyone who attended and we look forward to seeing everyone again on August 10, 2007, 5:30p.m. Wainwright Elks Hall. The Municipal Calendar contest was also held this year with a large number of entries and a wonderful calendar layout. This project will also be underway in 2007. We look forward to seeing more beautiful pictures taken around the municipality. We had a great time with our educational programs (Cool Ag School and Wetland Preservation) for our urban and rural Grade 4 students from all across the municipality.

Our Assistant Agricultural Fieldman, Somerlee Bennett has moved on to a new position in Strathcona County. Somerlee will be missed by all, and we wish her the best of luck in her new position. We would also like to welcome our new Assistant Agricultural Fieldman, Aimee Wonsik.

If you are interested in becoming involved in any of our programs, if you have ideas/issues or would like to attend any of our events, please feel free to contact the Assistant Agricultural Fieldman, Aimee Wonsik at (780) 842-4454.

PEST CONTROL:

Skunks are on the increase throughout the Municipality and the M.D. has purchased 6 additional traps. With the increase in snow and the filling of sloughs, beaver problems have been becoming more prevalent and we anticipate them to also be a problem in 2007. The coyote population continues to be high and we have received a few calls, but the landowners seem to be addressing this issue on their individual farms. The Rat Control program is still going through some administrative changes, but I am happy to report that there have been not rat infestations in the M.D. this year.

Rod Gabrielson continues to be our Rat Control Officer and he also assists the municipality with beaver and skunk control work. If you have any questions or concerns about "RATS", please feel free to contact Rod Gabrielson at (780) 842-7285 or the M.D. office at (780) 842-4454.

The above is a brief report on the activities of the Agricultural Service Board in 2006.

We extend our thanks to the Municipal Council, staff and the members of the Agricultural Service Board for their cooperation, guidance and assistance in 2006.

Respectfully Submitted,

James Schwindt
Agricultural Fieldman

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

2006 DEVELOPMENT OFFICER'S ANNUAL REPORT

Development throughout the municipality was above average throughout the year with 73 permits approved for a total value of \$10,649,400, almost double the previous year. There were 48 single-family dwellings, 1 commercial or industrial building and 24 others.

Oil-related development such as pipelines, flow lines, pump jacks, tanks, etc. are not included in the above statistics.

The M.D. would like to remind all residents that all houses and residential garages built within the M.D. of Wainwright require a development permit. Development permits are required for all development on parcels of 80 acres or less. If you have any questions, please feel free to contact the office with your inquiries.

This year subdivision activity has increased again with 30 applications being received; 25 approvals, 3 referrals from the Town of Wainwright and a neighboring county and 3 applications being carried over into 2007. This is a substantial increase over 2005.

Alberta Labor is responsible for issuing building, electrical, plumbing, heating and gas permits. These permits are required for all housing, residential garages and other commercial buildings. The M.D office can provide a list of agencies authorized to work within our municipality. If you have questions regarding the Building Code, please contact Alberta Labor with your concerns.

Our statistics indicate that 285 oil/gas well applications were applied for in 2006, a 56% increase over 2005. This is a significant increase in oil activity through out the year.

My appreciation and thanks to the M. D. staff for all their support and to the Councillors for their help and cooperation in carrying out my duties.

Respectfully submitted,

Norma Schiefer
Development Officer



Municipal District of Wainwright No. 61

717 -14 Avenue, Wainwright, Alberta T9W 1B3 (780) 842-4454 Fax (780) 842-2463

OFFICE OF THE MUNICIPAL ADMINISTRATOR

MANAGEMENT REPORT

The accompanying financial statements and other information contained in the Financial Report are the responsibility of the management of the Municipal District of Wainwright No. 61.

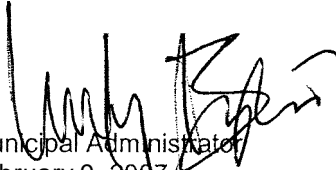
These financial statements have been prepared by management. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The Municipal District of Wainwright No. 61 maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and that the Municipal District of Wainwright No. 61's assets are properly accounted for and adequately safeguarded.

The elected council of the Municipal District of Wainwright No. 61 are responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out their responsibility principally through the Finance and Administration Committee.

The Reeve and Administrator meet annually with management and with the external auditors to discuss internal controls over the financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Finance and Administration Committee also considers, for approval by Council, the engagement or re-appointment of the external auditor. The Finance and Administration Committee reviews the monthly budget reports.

The financial statements have been audited by Donald L Isaman Professional Corporation, Chartered Accountant, the external auditor, in accordance with generally accepted auditing standards on behalf of Council, residents and ratepayers of the municipality. Donald L Isaman Professional Corporation has full and free access to the Finance and Administration Committee.


Municipal Administrator
February 9, 2007