

M.D. OF WAINWRIGHT NO. 61



Financial Statement & Reports

**For the Fiscal Year Ended
December 31, 2010**

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

2010 Reeve's Report

On behalf of Council, I am pleased to provide you with the highlights of the M.D. of Wainwright's operations for the 2010 fiscal year.

In 2010, our construction crew improved approximately 21 km of road within the municipality. Also, the M.D. greatly benefited from low construction costs by re-constructing an additional 29 km of road utilizing private contractors. The M.D. added another 32 km of paved roads to its key local network by paving Minburn Road north of Irma and Township Road 42-2 south of Edgerton. In regards to road stabilization, we used our own forces instead of private contractors, to improve the base of Hawkins Road with terracem. Cost savings were realized by doing the project on our own. The road stabilization process is significantly cheaper than conventional paving and may prove very cost effective for our roads with lighter traffic. To help fund many of these road infrastructure projects, the M.D. received approximately \$5.2 million in grant funding in 2010. Of this \$1.5 million was from the Resource Road Program and approximately \$2.4 million was from the Municipal Sustainability Initiative, both funded by the Province of Alberta. In addition, we received just under \$400,000 from the Provincial Government to completely rebuild the Fabyan Lagoon and Lift Station.

We completed approximately 13 km of road oiling in 2010. Our oiling crew was also busy applying Durasoil, which is a new dust control product for the M.D. Durasoil is designed to last longer than using crude oil or calcium for dust control. We had relatively positive results with the Durasoil in 2010. The product is designed to be reapplied at one third the original rate in the second year application and less in subsequent applications. We plan to use more Durasoil in 2011 and monitor its effectiveness.

Road maintenance continued as usual with 146,000 metric tonnes of gravel applied to our gravel roads. More gravel was required than prior years due to the wet conditions we experienced in 2010. We use both private and M.D. trucks to haul and spread the gravel. We are maintaining our grader fleet at seven graders with one additional grader being used to supplement other graders where it is needed. This additional grader was busy reclaiming our gravel road tops when it was available. To undertake this project, we mounted a special mulcher on the front of the grader to recycle the gravel underneath and beside the road. Also, to keep up our stockpiles of gravel, we hired a private contractor to crush approximately 149,000 metric tonnes of gravel.

The M.D. Administration team worked hard in planning and organizing these projects to ensure that they were successful. On behalf of Council, I would like thank them for their dedication to the M.D. over the course of the year.

As indicated in the attached reports from our Development Officer and Agricultural Fieldman, 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

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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 is 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 its 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 themselves 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 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
April 19, 2011



DONALD L. ISAMAN
PROFESSIONAL CORPORATION
Chartered Accountant

AUDITOR'S REPORT

To the Members of Council:

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Municipal District of Wainwright No. 61, which comprise the statement of financial position as at December 31, 2010, and the statements of operations, 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 Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Municipal District of Wainwright No. 61 as at December 31, 2010, the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Wainwright, Alberta
April 19, 2011

Donald L. Isaman
Professional Corporation
Chartered Accountant

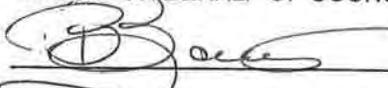
MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

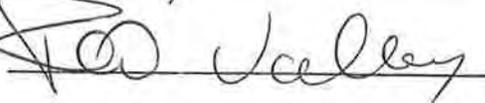
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

STATEMENT 1

	2010	2009
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	16,565,998	19,991,914
Taxes and grants in lieu receivables (Note 3)	362,685	257,697
Trade and other receivables	1,757,911	2,715,848
	<u>18,686,594</u>	<u>22,965,459</u>
LIABILITIES		
Accounts payable and accrued liabilities	2,274,834	1,527,141
Deferred revenue (Note 4)	61,035	1,254,341
Employee benefit obligations (Note 5)	91,736	78,746
Trust funds (Note 6)	133,553	92,686
	<u>2,561,158</u>	<u>2,952,914</u>
NET FINANCIAL ASSETS	<u>16,125,436</u>	<u>20,012,545</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	241,879,230	232,096,954
Inventory for consumption (Note 8)	1,159,070	1,520,312
Prepaid expenses	-	36,544
	<u>243,038,300</u>	<u>233,653,810</u>
ACCUMULATED SURPLUS (Schedule 1, Note 9)	<u>259,163,736</u>	<u>253,666,355</u>

SIGNED ON BEHALF OF COUNCIL:


REEVE


DEPUTY REEVE



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
YEAR ENDED DECEMBER 31, 2010**

STATEMENT 2

	Budget (Unaudited)	2010	2009
REVENUE			
Net taxes available for municipal purposes (Schedule 3)	22,732,328	22,877,582	24,334,143
Gain on disposal of tangible capital assets	-	50,550	7,020
Government transfers for operating (Schedule 4)	1,291,356	1,292,311	1,549,338
Licenses, permits and fees	16,000	74,547	14,303
Other revenue	247,500	279,877	52,517
Penalties on taxes and utilities	30,000	45,954	31,280
Return on investments	75,000	180,631	152,081
User fees and sales of goods	517,020	531,874	666,585
TOTAL REVENUE	<u>24,909,204</u>	<u>25,333,326</u>	<u>26,807,267</u>
EXPENSES			
Council and general administration	1,865,569	1,896,576	1,979,484
Safety	96,250	91,508	86,179
Protective services	220,780	579,949	845,154
Transportation services	19,888,919	24,863,199	17,598,676
Water, sewer and garbage	349,148	305,726	338,412
Community services	37,596	37,596	37,596
Municipal planning and zoning	115,250	100,912	112,574
Agricultural Service Board	1,072,629	903,430	934,477
Recreation, parks and culture	555,257	563,827	537,239
TOTAL EXPENSES	<u>24,201,398</u>	<u>29,342,723</u>	<u>22,469,791</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	707,806	(4,009,397)	4,337,476
OTHER			
Cost recovery of roads	-	4,481,965	1,021,972
Contributed assets	-	-	150,000
Government transfers for capital (Schedule 4)	4,832,866	5,024,813	3,790,517
EXCESS OF REVENUE OVER EXPENSES	5,540,672	5,497,381	9,299,965
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>253,666,355</u>	<u>253,666,355</u>	<u>244,366,390</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>259,207,027</u>	<u>259,163,736</u>	<u>253,666,355</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2010

	Budget (Unaudited)	2010	2009
EXCESS OF REVENUE OVER EXPENSES	<u>5,540,672</u>	<u>5,497,381</u>	<u>9,299,965</u>
Acquisition of tangible capital assets	(21,513,992)	(27,171,794)	(20,310,516)
Contributed tangible capital assets	-	-	(150,000)
Proceeds on disposal of tangible capital assets	282,000	356,932	643,141
Amortization of tangible capital assets	11,317,144	11,323,477	10,623,003
Loss on disposal of tangible capital assets	-	5,709,109	40,324
	<u>(9,914,848)</u>	<u>(9,782,276)</u>	<u>(9,154,048)</u>
Acquisition of supplies inventories	-	(1,159,070)	(1,520,312)
Acquisition of prepaid assets	-	-	(36,544)
Use of supplies inventories	-	1,520,312	808,595
Use of prepaid assets	-	36,544	14,656
	<u>-</u>	<u>397,786</u>	<u>(733,605)</u>
DECREASE IN NET FINANCIAL ASSETS	(4,374,176)	(3,887,109)	(587,688)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>20,012,545</u>	<u>20,012,545</u>	<u>20,600,233</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>15,638,369</u>	<u>16,125,436</u>	<u>20,012,545</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

**CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2010**

STATEMENT 4

	2010	2009
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenses (Statement 2)	5,497,381	9,299,965
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	11,323,477	10,623,003
Loss on disposal of tangible capital assets	5,709,109	40,324
Contributed tangible capital assets	-	(150,000)
Non-cash charges to operations (net change):		
(Increase) decrease in taxes and grants in lieu receivables	(104,988)	177,525
Decrease (increase) in trade and other receivables	957,937	(1,588,283)
Decrease (increase) in prepaid expenses	36,544	(21,888)
Decrease (increase) in inventory for consumption	361,242	(711,716)
Increase in accounts payable and accrued liabilities	747,693	807,307
(Decrease) increase in deferred revenue	(1,193,306)	628,766
Increase in employee benefit obligations	12,990	3,902
Increase (decrease) increase in trust funds	40,867	(39,753)
Cash provided by operating activities	<u>23,388,946</u>	<u>19,069,152</u>
CAPITAL		
Acquisition of tangible capital assets	(27,171,794)	(20,310,516)
Sale of tangible capital assets	356,932	643,141
Cash applied to capital activities	<u>(26,814,862)</u>	<u>(19,667,375)</u>
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	<u>1,152,439</u>	<u>(589,015)</u>
Cash provided by (applied to) investing transactions	<u>1,152,439</u>	<u>(589,015)</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(2,273,477)	(1,187,238)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>18,644,887</u>	<u>19,832,125</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>16,371,410</u></u>	<u><u>18,644,887</u></u>
Cash and cash equivalents is made up of:		
Cash and temporary investments (Note 2)	16,565,998	19,991,914
Less: restricted portion of cash and temporary investments (Note 2)	(194,588)	(1,347,027)
	<u>16,371,410</u>	<u>18,644,887</u>



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

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 Canadian generally accepted accounting principles for local governments 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

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.

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.

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.

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



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

NOTES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

1. SIGNIFICANT ACCOUNTING POLICIES - continued

Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue. Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

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.

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 the estimate useful life as follows:

	<u>Years</u>
Buildings	25-50
Engineered structures	
Roadway systems	10-60
Wastewater systems	30-75
Water systems	30-75
Machinery and equipment	5-20
Vehicles	10-20
Land Improvements	10-45

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.

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.

Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

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.



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

NOTES

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010**

2. CASH AND TEMPORARY INVESTMENTS

	<u>2010</u>	<u>2009</u>
Cash	16,565,973	1,991,889
Temporary investments	<u>25</u>	<u>18,000,025</u>
	<u>16,565,998</u>	<u>19,991,914</u>

Temporary investments are short term deposits with maturities of twelve months or less. Included in the above balances are \$194,588 (2009 - \$1,347,027) of funds restricted in use.

3. TAXES AND GRANTS IN LIEU RECEIVABLES

	<u>2010</u>	<u>2009</u>
Current taxes and grants in lieu	217,265	184,055
Tax arrears and grants in lieu	<u>145,420</u>	<u>73,642</u>
	<u>362,685</u>	<u>257,697</u>

4. DEFERRED REVENUE

	<u>2010</u>	<u>2009</u>
Resource Road Program	-	1,200,000
Municipal Sustainability Initiative	<u>61,035</u>	<u>54,341</u>
	<u>61,035</u>	<u>1,254,341</u>

Resource Road Program

Funding in the amount of \$1,200,000 was received under the Resource Road Program for the Ribstone Road in 2009. This program provides Alberta Government cost shared grant funding for 50% of eligible project costs to a maximum of \$1,500,000. The project commenced in 2009 and was completed in 2010. As such, the Resource Road grant was recognized as revenue in 2010.

Municipal Sustainability Initiative

Funding in the amount of \$2,680,688 (2009 - \$1,180,253) was received from the Municipal Sustainability Initiative (MSI). All MSI funding has been spent however interest in the amount of \$61,035 (2009 - \$54,341) which has accrued on the MSI funds over the past four years is being carried forward and will be utilized on future MSI projects.



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

NOTES

5. EMPLOYEE BENEFIT OBLIGATIONS

	<u>2010</u>	<u>2009</u>
Vacation	<u>91,736</u>	<u>78,746</u>

The vacation liability is comprised of the vacation that employees are deferring to future years.

6. TRUST FUNDS

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

	<u>2010</u>			<u>2009</u>
	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>Balance</u>
Tax sale surplus	2	510	-	508
Reserve	14,809	5,644	56,470	47,305
Street Improvement Program	<u>32,210</u>	<u>-</u>	<u>77,083</u>	<u>44,873</u>
	<u>47,021</u>	<u>6,154</u>	<u>133,553</u>	<u>92,686</u>

7. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2010</u>	<u>2009</u>
Tangible capital assets (Schedule 2)	431,508,267	416,265,303
Accumulated amortization (Schedule 2)	<u>(189,629,037)</u>	<u>(184,168,349)</u>
	<u>241,879,230</u>	<u>232,096,954</u>

8. INVENTORY FOR CONSUMPTION

	<u>2010</u>	<u>2009</u>
Gravel stockpile	1,100,133	1,420,858
Culvert stockpile	19,843	30,874
Grader blade stockpile	<u>39,094</u>	<u>68,580</u>
	<u>1,159,070</u>	<u>1,520,312</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

NOTES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

9. ACCUMULATED SURPLUS

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

	<u>2010</u>	<u>2009</u>
Unrestricted surplus	6,224,305	6,224,305
Restricted surplus (Note 10)	11,060,201	15,345,096
Equity in tangible capital assets (Note 7)	<u>241,879,230</u>	<u>232,096,954</u>
	<u>259,163,736</u>	<u>253,666,355</u>

10. RESTRICTED SURPLUS

Restricted surplus activities changed as follows:

	<u>2010</u>			<u>2009</u>
	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>Balance</u>
General	-	-	496,438	496,438
Edgerton – Fire	127,146	56,980	93,790	23,624
Irma – Fire	167,145	69,277	(90,555)	(188,423)
Chauvin – Fire	127,146	355,783	(227,142)	1,495
Wainwright – Fire	269,475	539,399	(26,522)	243,402
Fire capital	-	-	5,959	5,959
Transportation	-	-	425,000	425,000
Transportation capital	-	-	1,109,200	1,109,200
Water well	-	-	192,678	192,678
Recreation	275,795	243,304	576,642	544,151
Contingency	-	-	558,176	558,176
Debt reduction	-	-	1,000,000	1,000,000
Transportation contingency	-	-	650,000	650,000
Resource Road	-	-	2,029,189	2,029,189
Paving maintenance	-	3,987,609	4,085,749	8,073,358
Agricultural Service Board	-	-	23,151	23,151
Agricultural Service Board capital	-	-	134,448	134,448
Development	<u>750</u>	<u>-</u>	<u>24,000</u>	<u>23,250</u>
Total restricted surplus	<u>967,457</u>	<u>5,252,352</u>	<u>11,060,201</u>	<u>15,345,096</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

NOTES

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010**

11. 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:

	2010			2009
	Salary (1)	Benefits & Allowances (2),(3)	Total	Total
Reeve				
Bob Barss	52,995	8,600	61,595	61,314
Councilors				
Oscar Buck	31,692	6,357	38,049	41,345
Bruce Cummins	4,016	383	4,399	-
Morley Muldoon	17,380	1,836	19,216	24,104
Shelly Andersen	29,802	6,164	35,966	36,358
Phil Valleau	44,659	5,600	50,259	43,201
Ted Wilkinson	38,521	6,995	45,516	44,989
Myron Zajic	35,285	6,554	41,839	46,795
Chief Administrative Officer				
Kelly Buchinski	145,350	24,918	170,268	148,829
Designated officer (1)	77,557	14,510	92,067	83,623

- (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, long 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 and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

NOTES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

12. 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 9.06% (2009 – 8.46%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.53% (2009 – 11.66%) on pensionable earnings above this amount. Employees of the Municipality are required to make current service contributions of 8.06% (2009 – 7.46%) of pensionable salary up to the year's maximum pensionable salary and 11.53% (2009 – 10.66%) on pensionable salary above this amount.

Total current service contributions by the Municipality to the LAPP in 2010 were \$227,755 (2009 - \$209,024). Total current service contributions by the employees of the Municipality to the LAPP in 2010 were \$205,064 (2009 - \$186,841).

At December 31, 2009, the LAPP disclosed an actuarial deficiency of \$1,288.9 million.

13. 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>2010</u>	<u>2009</u>
Total debt limit	37,999,989	40,210,901
Total debt	-	-
Amount of debt limit unused	<u>37,399,989</u>	<u>40,210,901</u>
Debt servicing limit	6,333,332	6,701,817
Debt servicing	-	-
Amount of debt servicing limit unused	<u>6,333,332</u>	<u>6,701,817</u>

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 alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.



**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010**

14. CONTINGENCIES

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

15. SEGMENTED DISCLOSURE

The Municipal District of Wainwright No. 61 provides a range of services to its ratepayers. For each reported segment, revenue 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.

Refer to the Schedule of Segmented Disclosure (schedule 6).

16. 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.

17. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

18. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
YEAR ENDED DECEMBER 31, 2010

SCHEDULE 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2010 \$	2009 \$
BALANCE, BEGINNING OF YEAR	6,224,305	15,345,096	232,096,954	253,666,355	244,366,390
Excess of revenue over expenses	5,497,381	-	-	5,497,381	9,299,965
Unrestricted funds designated for future use	(967,457)	967,457	-	-	-
Restricted funds used for operations	1,264,743	(1,264,743)	-	-	-
Restricted funds used for tangible capital assets	-	(3,987,609)	3,987,609	-	-
Current year funds used for tangible capital assets	(23,184,185)	-	23,184,185	-	-
Contributed tangible capital assets	-	-	-	-	-
Disposal of tangible capital assets	6,066,041	-	(6,066,041)	-	-
Annual amortization expense	11,323,477	-	(11,323,477)	-	-
Change in accumulated surplus	-	(4,284,895)	9,782,276	5,497,381	9,299,965
BALANCE, END OF YEAR	6,224,305	11,060,201	241,879,230	259,163,736	253,666,355



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2010

SCHEDULE 2

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2010 \$	2009 \$
COST								
BALANCE, BEGINNING OF YEAR	2,846,878	522,018	2,159,678	394,642,147	12,351,699	3,742,883	416,265,303	398,634,194
Acquisition of tangible capital assets	-	89,412	383,635	17,964,736	1,424,115	348,045	20,209,943	16,553,242
Construction-in-progress	-	-	5,277	6,956,574	-	-	6,961,851	3,907,274
Disposal of tangible capital assets	-	-	-	(11,337,975)	(590,855)	-	(11,928,830)	(2,829,407)
Write down of tangible capital assets	-	-	-	-	-	-	-	-
→ BALANCE, END OF YEAR	<u>2,846,878</u>	<u>611,430</u>	<u>2,548,590</u>	<u>408,225,482</u>	<u>13,184,959</u>	<u>4,090,928</u>	<u>431,508,267</u>	<u>416,265,303</u>
ACCUMULATED AMORTIZATION								
BALANCE, BEGINNING OF YEAR	-	266,517	676,066	177,620,722	4,185,755	1,419,289	184,168,349	175,691,290
Annual amortization	-	32,681	45,983	9,784,897	1,189,934	269,982	11,323,477	10,623,002
Accumulated amortization on disposals	-	-	-	(5,543,584)	(319,205)	-	(5,862,789)	(2,145,943)
BALANCE, END OF YEAR	-	<u>299,198</u>	<u>722,049</u>	<u>181,862,035</u>	<u>5,056,484</u>	<u>1,689,271</u>	<u>189,629,037</u>	<u>184,168,349</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>2,846,878</u>	<u>312,232</u>	<u>1,826,541</u>	<u>226,363,447</u>	<u>8,128,475</u>	<u>2,401,657</u>	<u>241,879,230</u>	<u>232,096,954</u>
2009 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>2,846,878</u>	<u>255,501</u>	<u>1,483,612</u>	<u>217,021,425</u>	<u>8,165,944</u>	<u>2,323,594</u>	<u>232,096,954</u>	



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE 3

SCHEDULE OF PROPERTY TAXES
YEAR ENDED DECEMBER 31, 2010

	Budget (Unaudited)	2010	2009
TAXATION			
Real property	8,549,871	8,619,923	8,700,727
Power and pipeline	19,175,455	19,148,008	20,729,527
Government grants in place of property taxes	1,563,383	1,676,058	1,547,538
	<u>29,288,709</u>	<u>29,443,989</u>	<u>30,977,792</u>
REQUISITIONS AND TRANSFERS			
Supplementary school requisition	99,151	98,650	101,778
Provincial school foundation requisition	5,392,431	5,392,932	5,533,962
Ambulance requisition	20,051	20,051	6,684
911 requisition	22,827	22,827	26,734
Battle River Foundation requisition	259,438	259,438	224,056
Rural fire requisition	250,800	260,826	217,619
Rural recreation requisition	511,683	511,683	532,816
	<u>6,556,381</u>	<u>6,566,407</u>	<u>6,643,649</u>
NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES	<u>22,732,328</u>	<u>22,877,582</u>	<u>24,334,143</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE 4

**SCHEDULE OF GOVERNMENT TRANSFERS
YEAR ENDED DECEMBER 31, 2010**

	Budget (Unaudited)	2010	2009
TRANSFERS FOR OPERATING			
Provincial government	1,041,138	1,033,163	1,528,005
Federal government	<u>250,218</u>	<u>259,148</u>	<u>21,333</u>
	<u>1,291,356</u>	<u>1,292,311</u>	<u>1,549,338</u>
TRANSFERS FOR CAPITAL			
Provincial government	4,832,866	5,024,813	3,574,085
Federal government	<u>-</u>	<u>-</u>	<u>216,432</u>
	<u>4,832,866</u>	<u>5,024,813</u>	<u>3,790,517</u>
TOTAL GOVERNMENT TRANSFERS	<u>6,124,222</u>	<u>6,317,124</u>	<u>5,339,855</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE 5

**SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT
YEAR ENDED DECEMBER 31, 2010**

	Budget (Unaudited)	2010	2009
Amortization of tangible capital assets	11,317,144	11,323,477	10,623,003
Bank charges and short term interest	15,000	5,716	12,504
Contracted and general services	4,217,990	3,670,288	3,573,196
Loss on disposal of tangible capital assets	-	5,759,659	47,344
Grants to other organizations	370,396	402,067	619,701
Materials, supplies, and utilities	3,097,641	2,907,808	2,649,276
Salaries, wages, and benefits	5,153,227	5,268,632	4,932,612
Tax cancellations	30,000	5,076	12,155
	<u>24,201,398</u>	<u>29,342,723</u>	<u>22,469,791</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE OF SEGMENTED DISCLOSURE
YEAR ENDED DECEMBER 31, 2010

SCHEDULE 6

	General Government	Protective Services	Transportation Services	Planning & Zoning	Recreation & Culture	Environmental Services	Other	Total \$
REVENUE								
Net municipal taxes	22,877,582	-	-	-	-	-	-	22,877,582
Government transfers	29,930	294,181	5,184,877	-	-	-	-	6,317,124
User fees and sales of goods	149,221	-	123,813	3,749	160,635	382,103	265,398	531,874
Return on investments	180,631	-	-	-	167,462	30,204	57,425	180,631
Penalties on taxes and utilities	45,954	-	-	-	-	-	-	45,954
Other revenue	307,782	40,750	4,481,965	2,300	50,550	-	3,592	4,886,939
	23,591,100	334,931	9,790,655	6,049	378,647	412,307	326,415	34,840,104
EXPENSES								
Contracted and general services	713,061	429,890	2,142,661	6,208	38,738	186,417	153,313	3,670,288
Salaries, wages, and benefits	960,414	48,170	3,540,761	93,720	173,607	27,434	424,526	5,268,632
Materials, supplies, and utilities	61,169	-	2,421,542	984	76,049	13,939	334,125	2,907,808
Grants to other organizations	127,238	-	-	-	217,128	-	57,701	402,067
Other expenses	10,792	-	5,759,659	-	-	-	-	5,770,451
	1,872,674	478,060	13,864,623	100,912	505,522	227,790	969,665	18,019,246
NET REVENUE, BEFORE AMORTIZATION	21,718,426	(143,129)	(4,073,968)	(94,863)	(126,875)	184,517	(643,250)	16,820,858
Amortization expense	(23,902)	(101,889)	(10,998,576)	-	(58,305)	(77,936)	(62,869)	(11,323,477)
NET REVENUE	21,694,524	(245,018)	(15,072,544)	(94,863)	(185,180)	106,581	(706,119)	5,497,381



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

2010 AGRICULTURAL SERVICE BOARD REPORT

BOARD COMPOSITION

Phil Valleau	Councilor (Chairman)	James Schwindt	Agricultural Fieldman
Ted Wilkinson	Councilor	Aimee Wonsik	Asst. Agricultural Fieldman
Karla White	Farm Member	Rod Gabrielson	Pest Control Officer
Chris Oracheski	Farm Member		
Harold Gulbraa	Farm Member		

*Three ASB Meetings were held in 2010

ADMINISTRATION

The ASB received grants from Alberta Agriculture in the amounts of \$160,157.75 (Provincial ASB Grant), \$57,700.00 (Rat Control Grant), and \$45,125.00 (Alberta Environmentally Sustainable Agriculture Grant). Through the Provincial ASB Grant, the M.D. of Wainwright has qualified and received the full grant amount of \$150,000.00/year plus a one time additional grant of \$10,157.75 based on municipal programming. The ASB continued to support the Town of Wainwright's noxious weed control program in the amount of \$4,000.00. In addition, the ASB also supported Canadian Forces Base Wainwright with their noxious and restricted weed control program in the amount of approximately \$6,171.25. The Municipal District of Wainwright handled the Emergency Registered liquid strychnine concentrate (LSC) for the producers in 2010 and are waiting to hear if there will be an Emergency Registration for 2011. The M.D. hosted the sixth annual Rural Routes Supper and social, which again proved to be a very popular event with 340 ratepayers and their families attending. Both the Rural Routes Supper and the M.D. calendar project will continue in 2011. Please mark August 5, 2011 on your calendar as this is the date set for the Rural Routes Supper. The M.D. participated in the 2010 Wainwright Trade Show once again with Municipal District of Wainwright and Rat Control booths. A rewritten and revised ASB Management Plan was prepared, passed by ASB and Council and submitted to Alberta Agriculture for the upcoming 2011 year.

VEGETATION MANAGEMENT AND CROP PEST MONITORING

The M.D. continued to maintain three weed inspectors and three GPS/injection equipped trucks. These trucks were stationed in Irma, Wainwright and Edgerton. In 2010 we again addressed toadflax, scentless chamomile, leafy spurge, tansy, white cockle and Canada thistle among the other noxious and prohibited noxious weeds found within our boundaries. A number of nodding thistle patches (which is a prohibited noxious weed under the newly rewritten and enacted Alberta Weed Control Act) were found in locations south of Edgerton and North of Irma. We did a herbicide trial in the Irma area targeting *Gypsophila paniculata* (Baby's Breath). We completed our roadside spraying program and responded to all submitted weeds calls. After evaluating our roadside spray program, a three year rotational complete coverage program will be implemented starting in 2011.

The M.D. also participated in research projects with BASF involving the herbicide Overdrive and Dow AgriSciences research plot with a herbicide called ClearView. These research and trial plots are in an effort to find effective alternative control options for the noxious weeds within the Municipal District of Wainwright. Canadian Forces Base Wainwright continues to map and control spotted knapweed and conduct their weed control program in an effort to meet the requirements under the Provincial Weed Control Act. The M.D. of Wainwright, through a contracted position, participated in a Provincial Weed Survey.

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

In 2010 the M.D. had a contractor complete approximately 700 miles of roadside shoulder mowing. This initiative resulted in many positive comments and will be increased to approximately 850 miles in 2011 and evaluated in the fall.

The M.D. continued with a number of pest monitoring initiatives which included setting up Bertha Army Worm and Diamondback Moth traps, and found count numbers to be lower than average. The annual grasshopper survey was completed with one site per township being inspected; counts were average to lower than usual. The M.D. of Wainwright also completed the second year of random Clubroot inspections on 40 canola fields; there were no fields found to show symptoms positive for Clubroot. The M.D. also took root and node samples from 18 wheat fields as part of a Provincial Fusarium graminearum survey. Bertha Army Worm, Diamondback Moth, grasshoppers and Clubroot will all be surveyed again in 2011. The potential influx of Fusarium graminearum into the M.D. is still a big issue of concern with the lack of a certified test and the uncertainty around the direction that the Fusarium Management Committee may take for a recommendation to the Minister in the spring of 2011. The implementation of an M.D. Fusarium graminearum policy is currently on hold until the above issues have been addressed or clarified by Alberta Agriculture.

MUNICIPAL PROJECTS, DEMONSTRATIONS AND EXTENSION ACTIVITIES

This year we received \$45,125.00 from the Alberta Environmentally Sustainable Agriculture Program. The focus for this money was to provide information and programs within three priority management areas: Water for Life, Climate Change and support for the Environmental Farm Plan (EFP) process. EFP workbooks are still being accessed from the M.D. office and assistance is given to producers that are interested in applying for Growing Forward funding in the Grazing and Winter Feeding stream. Weekly radio ads, called "Municipal Agri-minute" were voiced every week starting in March and ending in December and were aired on both the AM and FM channels of Key 83. These airings quickly promoted sustainable agriculture messages to rural farmers and ranchers, and also spread word on upcoming events. There were also 6 newsletters published and mailed out to an average of 1,400 rural households each edition. We provided projects to producers that included a Silage Oat plot trial with pancake breakfast (in partnership with the Wainwright Seed Cleaning Plant), showcasing 7 oat varieties between 8 partners: Don Selte with Radisson, Waldren, Morgan and Triple Crown Oats, Harold Warkington for the Murphy and Lu Oats, Andrukow Group Solutions with Baler Oats, Wainwright Viterra, Dalton Seed Farm, Pare Seed Farm and Eastern View Farms. Seminars held this past year included Grazing School for Women with 34 participants, the Scott Research Field Day with 15 participants, a Water Well Maintenance workshop with 30 participants, Alternative Energy Cabin and also a tour of Kotelko's Feedlot and Bio Digestors. A PFRA shelterbelt tree meeting was also held. The Municipal Photo Contest was another popular event with over 400 photograph entries. The decision to choose the top 13 photos to showcase in the M.D. calendar was extremely difficult as always, but the finished project turned out to be the best ever with updated formatting to include local noxious weed and pest information correlating to specific months; local ratepayers quickly picked up all 750 copies.

If you are interested in becoming involved in any of our workshops or if you have ideas for an event or newsletter article, please contact the Assistant Agricultural Fieldman, Aimee Wonsik at 780-842-4454.

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

PEST CONTROL

In 2010 there were no rat infestations in the Rural Municipality of Manitou Lake in Saskatchewan or the Municipal District of Wainwright. There have been isolated rat sightings in various areas of the Province and confirmed rat infestations to the south of us in Special Areas. The Municipal Rat Control team has been trying to monitor the Province's control actions in Special Areas in order to be prepared if the infestations move in a northerly direction. The numbers in Saskatchewan are on the decrease. We are expecting an increase in the Beaver calls with the wet fall and all the snow we have had this winter. The coyote predation calls are down so far and I am not expecting much of an increase this spring.

If you have any questions or concerns about pest control, please call 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 2010.

We extend our thanks to the Municipal Council, Administration, staff and the members of the Agricultural Service Board for their cooperation, guidance and assistance in 2010.

Respectfully Submitted,
James Schwindt, Agricultural Fieldman

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

2010 Development Officer's Annual Report

2010 began slowly in development activity, with an increase in volume during the last half of the year. There was a 20% drop in development permit approvals, with 49 development permits being issued. The dollar value, however, showed an increase of 45%, with year-to-date total dollar value being \$11,005,980. There were 31 new homes and 18 other developments.

The Provincial Government issued 99 drilling permits throughout the municipality and the municipality granted 21 pipeline road-crossing approvals during 2010.

The MD received 14 applications for subdivision during 2010, of which 11 have been approved, with a total of 23 new parcels being created.

The MD would like to remind all residents that all houses and residential garages built within the Municipal District 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 regarding development, please contact our office at 780-842-4454.

Alberta Municipal Affairs is responsible for issuing building, electrical, plumbing, gas and private sewer system permits within the Municipal District of Wainwright. A list of accredited inspection agencies/companies designated by Municipal Affairs to issue permits and conduct inspections is available at our office.

The Municipal District of Wainwright continues to encourage development and we welcome the opportunity to discuss all new proposals.

Respectfully submitted,

Jim Klasson
Development Officer