

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61



Financial Statement & Reports

**For the Fiscal Year Ended
December 31, 2014**

Ratepayers of the Municipal District of Wainwright are invited to attend an "Open House" at the M.D. Office in Wainwright on Tuesday, April 21st, 2015 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!

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

2014 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 2014 fiscal year.

In 2014, our construction crew improved approximately 11.5 miles of road. This included working south of Wainwright, south of Irma on the Sharon Lutheran Church Road, north of Irma in Division 7 and finishing the season just a few miles east of Wainwright. We welcomed E Construction Ltd. in paving 9.75 miles of North Gilt Edge Road in 2014. This project brings the total of paved roads in our municipality to 140 miles. We also added another 11 miles of the base stabilization or terracem to our key local road network, making a total of 45 miles of terracem in the municipality. This type of road has proven to provide a good, durable and ban-free road that is standing the test of time by requiring little to no maintenance as compared to oiled roads. These roads are exceeding our expectation of lasting at least 5 years without maintenance, as our first terracem project will be 7 years old in 2015.

The M.D. utilized \$2.8 million of its Municipal Sustainability Initiative (MSI) funding from the provincial government towards the North Gilt Edge Road paving project. The remainder of the grant helped fund the fire departments and recreation operations within the municipality in the amount of \$230,208.

We completed approximately 19 miles of road oiling and re-oiling in 2014. As terracem is replacing some of our busiest oiled roads, we now have less oiled roads in our municipality. At the completion of 2014, our oiled roads totaled 59 miles, which is a reduction of 30 miles since the end of 2010. This results in a cost savings of approximately \$450,000 per year for oiled road maintenance.

Regular road maintenance continued as usual with 138,972 metric tonnes of gravel applied to our gravel roads. 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. Also, to maintain our stockpiles of gravel, we hired private contractors to crush approximately 243,118 metric tonnes of gravel. We continue to work towards finding new sources of gravel for crushing to ensure our future gravel maintenance needs are met.

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 to 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 Committee.

The Reeve and Municipal Administrator meet annually with management and with the external auditor to discuss internal controls over the financial reporting issues, and to satisfy themselves that each party is properly discharging its responsibilities. The Finance Committee also considers, for approval by Council, the engagement and reappointment 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 Committee.



Municipal Administrator
March 19, 2015



INDEPENDENT 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, 2014, 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, 2014, the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Donald L. Isaman
Professional Corporation

Wainwright, Alberta
March 19, 2015

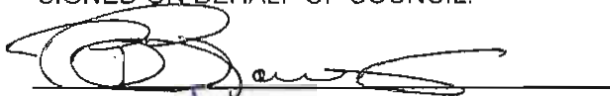
Chartered Accountant


MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2014

STATEMENT 1

	2014	2013
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	6,512,010	11,308,599
Receivables		
Taxes and grants in lieu of taxes (Note 3)	755,817	628,594
Trade and other receivables	484,351	679,563
Inventory for resale (Note 4)	9,875	18,750
Investments (Note 5)	13,015,266	10,016,141
	<u>20,777,319</u>	<u>22,651,647</u>
LIABILITIES		
Accounts payable and accrued liabilities	868,127	1,297,039
Deferred revenue (Note 6)	3,599	466,319
Employee benefit obligations (Note 7)	553,008	550,245
Trust funds (Note 8)	90,314	79,468
	<u>1,515,048</u>	<u>2,393,071</u>
NET FINANCIAL ASSETS	<u>19,262,271</u>	<u>20,258,576</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	266,425,149	262,338,195
Inventory for consumption (Note 9)	3,020,447	1,896,786
Prepaid expenses	64,897	129,134
	<u>269,510,493</u>	<u>264,364,115</u>
ACCUMULATED SURPLUS (Schedule 1, Note 12)	<u>288,772,764</u>	<u>284,622,691</u>

SIGNED ON BEHALF OF COUNCIL:


 _____ Reeve


 _____ Deputy Reeve



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2014

	Budget	2014	2013
	\$	\$	\$
REVENUE			
Net municipal taxes (Schedule 3)	28,348,084	27,606,929	26,795,771
User fees and sales of goods	658,895	956,613	743,625
Government transfers for operating (Schedule 4)	1,000,485	996,015	1,604,884
Investment income	150,000	219,623	154,921
Penalties on taxes and utilities	30,000	87,141	73,940
Licenses, permits and fees	50,000	101,740	63,535
Other	16,000	151,190	103,370
Total Revenue	30,253,464	30,119,251	29,540,046
EXPENSES			
Council and administration	2,785,065	2,472,013	2,496,276
Protective services	238,292	245,765	218,818
Transportation services	24,567,800	26,553,288	23,466,919
Safety	151,750	110,655	109,799
Water, sewer and garbage	416,971	423,778	355,497
Community services	47,596	47,596	37,596
Municipal planning and zoning	132,366	127,802	127,152
Agricultural services board	1,301,886	1,085,528	1,040,709
Recreation, parks and culture	932,935	748,287	752,653
Total Expenses	30,574,661	31,814,712	28,605,419
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	(321,197)	(1,695,461)	934,627
OTHER			
Cost recovery of roads	-	2,628,109	3,804,692
Contributed assets	-	-	74,900
Government transfers for capital (Schedule 4)	3,236,485	3,217,425	4,445,240
EXCESS OF REVENUE OVER EXPENSES	2,915,288	4,150,073	9,259,459
ACCUMULATED SURPLUS, BEGINNING OF YEAR	284,622,691	284,622,691	275,363,232
ACCUMULATED SURPLUS, END OF YEAR	287,537,979	288,772,764	284,622,691



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2014

	Budget \$	2014 \$	2013 \$
EXCESS OF REVENUE OVER EXPENSES	2,915,288	4,150,073	9,259,459
Acquisition of tangible capital assets	(19,931,695)	(21,399,441)	(20,116,720)
Contributed tangible capital assets	-	-	(74,900)
Proceeds on disposal of tangible capital assets	338,900	341,398	1,027,400
Amortization of tangible capital assets	13,421,362	13,408,840	12,793,922
Loss on disposal of tangible capital assets	-	3,562,249	1,103,077
	<u>(6,171,433)</u>	<u>(4,086,954)</u>	<u>(5,267,221)</u>
Acquisition of supplies inventories	-	(3,020,447)	(1,896,786)
Acquisition of prepaid assets	-	(64,897)	(129,134)
Use of supplies inventories	-	1,896,786	1,833,564
Use of prepaid assets	-	129,134	57,590
	<u>-</u>	<u>(1,059,424)</u>	<u>(134,766)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(3,256,145)	(996,305)	3,857,472
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>20,258,576</u>	<u>20,258,576</u>	<u>16,401,104</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>17,002,431</u>	<u>19,262,271</u>	<u>20,258,576</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

STATEMENT 4

**CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014**

	2014	2013
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenses (Statement 2)	4,150,073	9,259,459
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	13,408,840	12,793,922
Loss on disposal of tangible capital assets	3,562,249	1,103,077
Tangible capital assets received as contributions	-	(74,900)
Non-cash charges to operations (net change):		
Increase in taxes and grants in lieu of taxes	(127,223)	(89,444)
Decrease (increase) in trade and other receivables	195,212	(217,534)
Decrease (increase) in inventory for resale	8,875	(18,750)
Increase in inventory for consumption	(1,123,661)	(63,221)
Decrease (increase) in prepaid expenses	64,237	(71,545)
Decrease in accounts payable and accrued liabilities	(428,912)	(924,563)
(Decrease) increase in deferred revenue	(462,720)	460,323
Increase in employee benefit obligations	2,763	32,812
Increase in trust funds	10,846	10,333
Cash provided by operating transactions	<u>19,260,579</u>	<u>22,199,969</u>
CAPITAL		
Acquisition of tangible capital assets	(21,399,441)	(20,116,720)
Sale of tangible capital assets	341,398	1,027,400
Cash applied to capital transactions	<u>(21,058,043)</u>	<u>(19,089,320)</u>
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	451,874	(470,656)
Increase in investments	(2,999,125)	(10,002,310)
Cash applied to investing transactions	<u>(2,547,251)</u>	<u>(10,472,966)</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(4,344,715)	(7,362,317)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	10,762,812	18,125,129
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>6,418,097</u>	<u>10,762,812</u>
Cash and cash equivalents is made up of:		
Cash and temporary investments (Note 2)	6,512,010	11,308,599
Less: restricted portion of cash and temporary investments (Note 2)	(93,913)	(545,787)
	<u>6,418,097</u>	<u>10,762,812</u>



NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

1. SIGNIFICANT ACCOUNTING PRINCIPLES

The consolidated financial statements of the Municipal District of Wainwright No. 61 are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting principles adopted by the Municipality are as follows:

a) **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.

b) **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.

c) **Investments**

Investments are recorded at cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

d) **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.

e) **Inventory for Resale**

Inventory held for resale is recorded at the lower of cost or net realizable value.



NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

1. SIGNIFICANT ACCOUNTING PRINCIPLES - continued

f) 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.

g) 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 extended lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the consolidated Change in Net Financial Assets for the year.

i. Tangible Capital Assets

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

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

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of Tangible Capital Assets

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

iii. Leases

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



NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

1. SIGNIFICANT ACCOUNTING PRINCIPLES - continued

g) Non-Financial Assets

iv. Inventories

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

2. CASH AND TEMPORARY INVESTMENTS

	<u>2014</u>	<u>2013</u>
Cash	2,512,010	6,308,599
Temporary investments	<u>4,000,000</u>	<u>5,000,000</u>
	<u>6,512,010</u>	<u>11,308,599</u>

Temporary investments are short-term deposits with original maturities of three months or less with an effective interest rate of 1.7% (2013 - 1.82%).

Included in cash is \$93,913 (2013 - \$545,787) of funds restricted in use.

3. TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLES

	<u>2014</u>	<u>2013</u>
Current taxes and grants in lieu of taxes	301,926	275,539
Arrears taxes and grants in lieu of taxes	<u>453,891</u>	<u>353,055</u>
	<u>755,817</u>	<u>628,594</u>

4. INVENTORY FOR RESALE

	<u>2014</u>	<u>2013</u>
Bundles of firewood	<u>9,875</u>	<u>18,750</u>

5. INVESTMENTS

	<u>2014</u>	<u>2013</u>
Equity in AAMDC	2,699	4,187
Equity in Eastalta Co-op Ltd.	7,542	6,928
Equity in Irma Co-op Association Ltd.	5,000	5,000
Wainwright Credit Union common shares	25	25
Short-term deposits	<u>13,000,000</u>	<u>10,000,001</u>
	<u>13,015,266</u>	<u>10,016,141</u>

Short-term deposits have an effective interest rate of 1.85% (2013 - 1.95%) and mature in less than one year.



NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

6. DEFERRED REVENUE

	<u>2014</u>	<u>2013</u>
Municipal Sustainability Initiative	3,599	342,324
Strategic Transportation Infrastructure Program	-	113,995
Enbridge Pipelines Safe Community Program	-	<u>10,000</u>
	<u>3,599</u>	<u>466,319</u>

Municipal Sustainability Initiative

Funding in the amount of \$3,010,374 (2013 - \$2,630,834) was received in the current year from the Municipal Sustainability Initiative (MSI). Of the \$3,010,374 received, \$2,780,166 is from the capital component of the program and is restricted to eligible capital projects, as approved under the funding agreement. The remaining \$230,208 of MSI funding is from the operating component of the program and is restricted to eligible operating projects, as approved under the funding agreement. All MSI funding has been spent, however interest in the amount of \$3,599 which was earned on the MSI funds is being carried forward for future MSI projects. The unexpended funds are supported by cash of \$3,599 held exclusively for such projects (refer to Note 2).

Strategic Transportation Infrastructure Program

The balance of funding from the Strategic Transportation Infrastructure Program (STIP) was utilized on a road project in 2014. No unexpended funds remain.

Enbridge Pipelines Safe Community Program

Funding received in 2013 through the Enbridge Pipelines Safe Community Program was utilized in 2014 to purchase upgrades for the Emergency Operation Centre. No unexpended funds remain.

7. EMPLOYEE BENEFIT OBLIGATIONS

	<u>2014</u>	<u>2013</u>
Vacation	127,285	123,677
Sick time	<u>425,723</u>	426,568
	<u>553,008</u>	<u>550,245</u>

The vacation liability is comprised of the vacation that employees have earned and are deferring to the following year, in accordance with Municipal District of Wainwright No. 61 Policy 1.1.8. The sick time liability is a grant to eligible employees for accumulated sick time upon leaving employment, in accordance with Municipal District of Wainwright No. 61 Policy 1.1.7.



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

NOTES

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

8. TRUST FUNDS

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

	2014			2013
	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>Balance</u>
Tax sale surplus trust	329	-	329	-
Reserve trust	<u>19,448</u>	<u>8,931</u>	<u>89,985</u>	<u>79,468</u>
	<u>19,777</u>	<u>8,931</u>	<u>90,314</u>	<u>79,468</u>

9. INVENTORY FOR CONSUMPTION

	<u>2014</u>	<u>2013</u>
Blades, bits and ripper teeth	95,478	84,417
Culverts and couplers	46,447	19,793
Gravel and sand	2,824,802	1,792,576
Fence posts and wire	<u>53,720</u>	-
	<u>3,020,447</u>	<u>1,896,786</u>

10. BANK INDEBTEDNESS

The Municipal District of Wainwright No. 61 has arranged \$15,000,000 in bank credit facilities bearing interest at prime rate less 0.25%. The credit facilities are secured by the taxes levied by the Municipality. There was no balance outstanding on the credit facilities at December 31, 2014 or December 31, 2013.

11. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2014</u>	<u>2013</u>
Tangible capital assets (Schedule 2)	488,394,954	478,222,373
Accumulated amortization (Schedule 2)	<u>(221,969,805)</u>	<u>(215,884,178)</u>
	<u>266,425,149</u>	<u>262,338,195</u>

12. ACCUMULATED SURPLUS

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

	<u>2014</u>	<u>2013</u>
Unrestricted surplus	6,204,513	6,397,701
Restricted surplus (Note 13)	16,143,102	15,886,795
Equity in tangible capital assets (Note 11)	<u>266,425,149</u>	<u>262,338,195</u>
	<u>288,772,764</u>	<u>284,622,691</u>



NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

13. RESTRICTED SURPLUS

Restricted surplus activities changed as follows:

	2014			2013
	Increases	Decreases	Balance	Balance
General	-	-	496,438	496,438
Fire – Edgerton	177,138	77,586	516,427	416,875
Fire – Irma	237,313	62,336	499,289	324,312
Fire – Chauvin	166,832	59,596	12,944	(94,292)
Fire – Wainwright	269,409	328,117	33,793	92,501
Fire capital	-	5,959	-	5,959
Transportation	-	-	925,000	925,000
Transportation capital	-	-	1,559,200	1,559,200
Water well	-	-	192,678	192,678
Recreation	324,684	389,225	644,349	708,890
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	-	-	6,832,020	6,832,020
Agricultural Service Board	-	-	23,151	23,151
Agricultural Service Board capital	-	-	134,448	134,448
Development	3,750	-	36,000	32,250
Total restricted surplus	<u>1,179,126</u>	<u>922,819</u>	<u>16,143,102</u>	<u>15,886,795</u>

14. 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:

	2014	2013
Total debt limit	45,178,877	44,310,069
Total debt	-	-
Amount of debt limit unused	<u>45,178,877</u>	<u>44,310,069</u>
Debt servicing limit	7,529,813	7,385,012
Debt servicing	-	-
Amount of debt servicing limit unused	<u>7,529,813</u>	<u>7,385,012</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 as 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.



NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

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. 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:

	2014			2013
	Salary ¹	Benefits & Allowances ²	Total	Total
Reeve				
Bob Barss	52,149	8,710	60,859	60,867
Councillors				
Shelly Andersen	-	-	-	31,654
Oscar Buck	40,611	7,308	47,919	44,252
Bruce Cummins	50,378	4,861	55,239	48,788
William Lawson	39,692	7,143	46,835	4,567
Phil Valleau	49,033	1,215	50,248	45,595
Ted Wilkinson	46,005	7,807	53,812	54,064
Myron Zajic	35,374	6,788	42,162	48,954
Chief Administrative Officer				
Kelly Buchinski	180,835	31,917	212,752	206,326
Designated Officer (1)	102,500	21,054	123,554	119,716

¹ Salary includes regular pay, 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, and long and short term disability plans.

17. 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 230,534 members and 418 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.



NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

17. LOCAL AUTHORITIES PENSION PLAN - continued

The Municipality is required to make current service contributions to the LAPP of 11.39% (2013 – 10.43%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% (2013 – 14.47%) on pensionable earnings above this amount. Employees of the Municipality are required to make current service contributions of 10.39% (2013 – 9.43%) of pensionable salary up to the year's maximum pensionable salary and 14.84% (2013 – 13.47%) on pensionable salary above this amount.

Total current service contributions by the Municipality to the LAPP in 2014 were \$369,073 (2013 – \$307,120). Total current service contributions by the employees of the Municipality to the LAPP in 2014 were \$340,393 (2013 - \$281,055).

At December 31, 2013, the LAPP disclosed an actuarial deficiency of \$4.861 billion.

18. CONTINGENCIES

The Municipality is a member of the Jubilee Reciprocal Insurance Exchange. 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.

The Municipality is the defendant in a lawsuit related to contract work performed on the Fabyan Lagoon Upgrade. The disagreement lies in the quantity of earth that was handled on the project. The contractor is requesting a settlement of \$30,000 however the Municipality believes full compensation has been made. At present, the outcome is not determinable. The amount of any future settlement would be accounted for as a current transaction in the year of the settlement.

19. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash, accounts receivable, investments, bank indebtedness, 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 the taxes and grants in lieu of taxes 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.

20. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
For the Year Ended December 31, 2014

SCHEDULE 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2014 Total	2013 Total
BALANCE, BEGINNING OF YEAR	6,397,701	15,886,795	262,338,195	284,622,691	275,363,232
Excess of revenue over expenses	4,150,073	-	-	4,150,073	9,259,459
Unrestricted funds designated for future use	(1,179,126)	1,179,126	-	-	-
Restricted funds used for operations	916,860	(916,860)	-	-	-
Restricted funds used for tangible capital assets	-	(5,959)	5,959	-	-
Current year funds used for tangible capital assets	(21,393,482)	-	21,393,482	-	-
Contributed tangible capital assets	-	-	-	-	-
Disposal of tangible capital assets	3,903,647	-	(3,903,647)	-	-
Annual amortization expense	13,408,840	-	(13,408,840)	-	-
Change in accumulated surplus	(193,188)	256,307	4,086,954	4,150,073	9,259,459
BALANCE, END OF YEAR	6,204,513	16,143,102	266,425,149	288,772,764	284,622,691



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2014

SCHEDULE 2

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2014 Total	2013 Total
COST								
Balance, beginning of year	3,031,897	768,370	3,055,270	455,242,226	11,928,228	4,196,382	478,222,373	464,161,754
Acquisition of tangible capital assets	-	196,258	-	17,500,886	2,632,036	963,101	21,292,281	9,970,156
Construction-in-progress	-	-	-	107,160	-	-	107,160	10,221,464
Disposal of tangible capital assets	-	-	-	(9,672,470)	(1,554,390)	-	(11,226,860)	(6,131,001)
Write down of tangible capital assets	-	-	-	-	-	-	-	-
Balance, end of year	3,031,897	964,628	3,055,270	463,177,802	13,005,874	5,159,483	488,394,954	478,222,373
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	412,831	883,992	206,879,884	5,289,579	2,417,892	215,884,178	207,090,779
Annual amortization	-	41,839	61,106	11,895,330	1,112,092	298,473	13,408,840	12,793,922
Accumulated amortization on disposals	-	-	-	(6,542,301)	(780,912)	-	(7,323,213)	(4,000,523)
Balance, end of year	-	454,670	945,098	212,232,913	5,620,759	2,716,365	221,969,805	215,884,178
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	3,031,897	509,958	2,110,172	250,944,889	7,385,115	2,443,118	266,425,149	262,338,195
2013 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	3,031,897	355,539	2,171,278	248,362,342	6,638,649	1,778,490	262,338,195	



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE 3

SCHEDULE OF PROPERTY TAXES
For the Year Ended December 31, 2014

	Budget \$	2014 \$	2013 \$
TAXATION			
Real property taxes	10,461,329	10,424,843	10,051,325
Linear property taxes	22,802,675	22,099,308	21,604,473
Government grants in lieu of property taxes	2,120,709	2,120,709	2,046,798
	<u>35,384,713</u>	<u>34,644,860</u>	<u>33,702,596</u>
REQUISITIONS AND TRANSFERS			
Alberta School Foundation Fund	5,644,975	5,644,975	5,589,158
East Central Alberta Catholic Separate Schools	146,999	146,999	126,300
Battle River Foundation	280,592	280,592	270,917
East Central 911	20,359	20,359	33,518
Rural fire	295,737	297,039	311,675
Rural recreation	647,967	647,967	575,257
	<u>7,036,629</u>	<u>7,037,931</u>	<u>6,906,825</u>
NET MUNICIPAL TAXES	<u>28,348,084</u>	<u>27,606,929</u>	<u>26,795,771</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE 4

SCHEDULE OF GOVERNMENT TRANSFERS
For the Year Ended December 31, 2014

	Budget \$	2014 \$	2013 \$
TRANSFERS FOR OPERATING			
Provincial government	746,267	746,268	1,288,108
Federal government	254,218	249,747	316,776
	<u>1,000,485</u>	<u>996,015</u>	<u>1,604,884</u>
TRANSFERS FOR CAPITAL			
Provincial government	3,236,485	3,217,425	4,445,240
Federal government	-	-	-
	<u>3,236,485</u>	<u>3,217,425</u>	<u>4,445,240</u>
TOTAL GOVERNMENT TRANSFERS	<u>4,236,970</u>	<u>4,213,440</u>	<u>6,050,124</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT
For the Year Ended December 31, 2014

SCHEDULE 5

	Budget \$	2014 \$	2013 \$
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	6,366,501	6,178,762	5,942,837
Contracted and general services	5,677,017	4,230,291	4,552,379
Materials, goods and utilities	4,535,118	3,833,191	3,787,842
Tax cancellations	20,000	2,913	4,279
Transfers to local boards and agencies	534,243	580,342	417,797
Bank charges and short-term interest	20,420	18,124	3,286
Amortization of tangible capital assets	13,421,362	13,408,840	12,793,922
Loss on disposal of tangible capital assets	-	3,562,249	1,103,077
	<u>30,574,661</u>	<u>31,814,712</u>	<u>28,605,419</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE 6

SCHEDULE OF SEGMENTED DISCLOSURE
For the Year Ended December 31, 2014

	General Government	Protective Services	Transportation Services	Planning & Zoning	Recreation & Culture	Environmental Services	Other	2014 Total
REVENUE								
Net municipal taxes	27,606,929	-	-	-	-	-	-	27,606,929
Government transfers	268,786	115,104	3,448,386	-	115,104	-	266,059	4,213,439
User fees and sales of goods	153,548	-	385,034	32,195	317,968	38,836	29,032	956,613
Investment income	219,623	-	-	-	-	-	-	219,623
Penalties on taxes and utilities	87,141	-	-	-	-	-	-	87,141
Other revenue	142,906	100,124	2,628,108	5,428	-	-	4,474	2,881,040
	28,478,933	215,228	6,461,528	37,623	433,072	38,836	299,565	35,964,785
EXPENSES								
Contracted and general services	901,889	105,284	2,702,369	12,311	43,850	257,266	207,322	4,230,291
Salaries, wages and benefits	1,336,365	32,189	3,970,365	115,471	158,483	35,065	530,824	6,178,762
Materials, goods and utilities	82,141	-	3,247,907	20	148,628	47,419	307,076	3,833,191
Transfers to local boards and agencies	100,828	-	-	-	331,918	-	147,596	580,342
Other expenses	21,037	-	3,562,249	-	-	-	-	3,583,286
	2,442,260	137,473	13,482,890	127,802	682,879	339,750	1,192,818	18,405,872
NET REVENUE, BEFORE AMORTIZATION	26,036,673	77,755	(7,021,362)	(90,179)	(249,807)	(300,914)	(893,253)	17,558,913
Amortization expense	(29,753)	(108,292)	(13,065,377)	-	(70,427)	(84,029)	(50,962)	(13,408,840)
NET REVENUE	26,006,920	(30,537)	(20,086,739)	(90,179)	(320,234)	(384,943)	(944,215)	4,150,073



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

2014 AGRICULTURAL SERVICE BOARD REPORT

BOARD COMPOSITION

Ted Wilkinson	Councillor (Chairman)	James Schwindt	Agricultural Fieldman
Bill Lawson	Councillor	Aimee Leggett	Asst. Agricultural Fieldman
Neil Pugh	Farm Member	Rod Gabrielson	Pest Control Officer
Steve Raasok	Farm Member		
Rod Thirsk	Farm Member		

*Three ASB Meetings were held in 2014

LEGISLATIVE GRANT STREAM SECTION

ADMINISTRATION

During the year, the Agricultural Service Board (ASB) received grants from Alberta Agriculture in the amount of \$266,059.46 of which \$168,359.46 was the Provincial ASB Grant – Legislative Stream, \$40,000 was the Provincial ASB Grant – Environmental Stream and \$57,700 was the Rat Control Grant. The ASB continued to support the Town of Wainwright’s noxious weed control program in the amount of \$4,000. In addition, the ASB supported the Canadian Forces Base ASU Wainwright with their prohibited noxious and noxious weed control program in 2014. The Municipal District of Wainwright (M.D.) sold 125 cases and 7 bottles of liquid strychnine concentrate (LSC) to 83 agricultural producers in 2014. The availability of LSC is currently unknown for 2015. The M.D. hosted the tenth annual Rural Routes supper and social, which again proved to be a very popular event, with approximately 387 ratepayers and their families attending. The 2015 Rural Routes supper will be held on August 7, 2015. The M.D. of Wainwright continues to operate 3 municipal water tankloader facilities for agriculture, shelterbelt and other approved uses. Approximate usage levels for the tankloaders in 2014 were as follows: Ribstone 194,898 gallons, Giltedge 318,098 gallons (had a broken meter; estimate total use to be similar to Irma) and Irma 721,519 gallons.

VEGETATION MANAGEMENT AND CROP PEST MONITORING

The M.D. continued to maintain three weed inspectors and three herbicide injection and GPS equipped trucks. These trucks were stationed in Irma, Wainwright and Edgerton. In 2014, the first year in a three year rotational roadside spray program was completed. Tordon 101 and Clearview were both combined with Onsite as the herbicides of choice for the general roadside program. We continue to address weeds such as Toadflax, Scentless Chamomile, Leafy Spurge, Tansy, White Cockle, Baby’s Breathe and Canada Thistle found within our boundaries. Prohibited noxious weed Hoary Alyssum continues to have new sites found, however the amounts that are found are small in comparison to the initial 2011 year find. With the limited choices in registered herbicides, it is good to see landowners continuing to take the initiative to control this weed. Original site of Tall Buttercup was sprayed by leaseholders again and no new sites were found in 2014. The Town of Wainwright continues to monitor and control the Spotted Knapweed infestation that was initially found in 2013. We continue to monitor and spray any Nodding Thistle patches that are still being found from 2011 in the original areas north of Irma. We completed our planned roadside spraying program and responded to all submitted weed calls. We are building a new spray truck for use in 2015 and selling one of our older 2001 spray units.

In 2014 the M.D. had a contractor complete approximately 850 miles of roadside shoulder mowing.

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

The M.D. continued with a number of pest monitoring initiatives, one being the Bertha Army worm moth counts, having 2 locations in the municipality; one near Irma and the other near Edgerton. The count numbers for Bertha Army worm moths were low, however canola producers should still regularly monitor their fields during peak moth flying periods. Diamondback moth counts were insignificant at the 2 locations of trap sites. The annual grasshopper survey was completed with one site per township being inspected; counts were average with hot spots in a few areas. The M.D. of Wainwright also completed the fifth year of random Clubroot inspections on 64 canola fields, some of which were done in conjunction with U of A researchers. There were no fields found to show visual symptoms of Clubroot. Bertha Army worm, Diamondback moth, grasshoppers, Wheat midge and Clubroot will all be surveyed again in 2015.

VERTEBRATE PEST CONTROL

In 2014 there were no rat infestations in the Rural Municipality of Manitou Lake in Saskatchewan or in the M.D. of Wainwright. We are in the process of implementing GPS of all the inspection sites that Rod Gabrielson checks for rats, so we will have an updated map in 2015. We dealt with 6 coyote calls and removed 25 coyotes from around the M.D. Rod removed 15 dams with dynamite, 59 dams by hand, 14 dams were cleared by Public Works backhoe and 147 beavers were removed. Rod also removed 1 raccoon and completed 3 presentations on rat control and 1 presentation on calling and snaring coyotes.

If you have any questions or concerns about pest control, call Rod Gabrielson at 780-842-7285 or the M.D. office at 780-842-4454.

ENVIRONMENTAL GRANT STREAM SECTION

MUNICIPAL PROJECTS, DEMONSTRATIONS AND EXTENSION ACTIVITIES

This year the M.D. of Wainwright received \$40,000 from the Alberta Environmentally Sustainable Agriculture Program. The focus for this grant money is to provide information and programs within three priority management areas: Water for Life, Climate Change, and support for the Environmental Farm Plan (EFP) process.

Weekly radio ads called "Municipal Agri-minute" were voiced throughout the year, outlining sustainable agriculture practices and upcoming events. The ads were 2 minutes in length and voiced on 93.7 Wayne FM and 95.9 Lloydminster FM. The loss of Key 83 AM in our area resulted in our Agricultural Service Board re-evaluating the cost effectiveness of reaching our target audience on the FM channels and the decision was made to discontinue the Agri-minute ads. A newsletter called "The Municipal Agricultural Connection" was also published every two months throughout the year and distributed to approximately 1,800 rural residences. Copies can be accessed on the municipal website. Newsletters showcase activities within the municipality, upcoming events and best management practices related to agriculture. There was still lots of interest from farmers regarding environmental farm plans and we continue to provide the tools and support to producers during the process of completing their books. Assistance was also provided to producers who were interested in applying for Growing Forward programs. Growing Forward cut a few of its programs this year including portable shelters and windbreaks, fuel storage, and improved manure storage facilities. As these were good programs, farmers expressed concern and wondered if Growing Forward would be doing anything to replace them.

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

Aimee attended the Agronomy Update in January. In conjunction with the Battle River Watershed Alliance, Aimee hosted a Source Water Protection workshop in January at the Wainwright Elks Hall. We received many calls during the year regarding spruce tree and shelterbelt health throughout the municipality. Aimee responded to these calls and assisted the landowners with identification, as well as information packages, about treatment and prevention. Even though funding is no longer available for shelterbelts in Alberta, Aimee continues to make available tree information packages, outlining several businesses which sell trees, as well as information regarding caring for your shelterbelt. This year the M.D. partnered with Alberta Agriculture and Rural Development and set up pest monitoring sites throughout the municipality. Aimee focused on setting up traps for Diamondback moth, Swede Midge and Bertha Army worms. The information collected was showcased on the Provincial Pest Monitoring Site. The annual Women's Grazing School was another huge success, with over 30 ladies attending. The event was held in Elk Island National Park and included a tour of the park as well as sessions on beef handling, women ranchers and nutritional challenges for cow calf pairs. The M.D. continues to support the 100 Year Farm Family and had one application this year, the Taylor Family farm. They were presented with a plaque at the annual Rural Routes supper. The municipal calendar photo contest was another popular event. The decision to choose the top 13 photos to showcase in the municipal 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, Tanis Ponath at 780-842-4454.

The above is a brief report on the activities of the Agricultural Service Board department in 2014.

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 2014. If you have any questions or concerns regarding this report, please contact Agricultural Fieldman, James Schwindt at 780-842-4454.

Respectfully Submitted,
James Schwindt, Agricultural Fieldman

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

2014 Development Officer's Annual Report

There was a strong showing in development permit approvals in 2014, with 89 development permits being issued. The dollar value of the permits issued for the year was \$99,986,265. This total included 20 permits for the proposed wind turbine project valued at \$87,303,000 however; the MD received notification in October that the project had been cancelled, reducing the total permits to 69 with a value of \$12,683,265. There were 27 new homes and 62 other developments.

The Provincial Government issued 74 drilling permits throughout the municipality and the municipality granted 27 pipeline road-crossing approvals during 2014.

The MD received 22 applications for subdivision during 2014, of which 19 have been approved, with a total of 37 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. If you have any questions regarding development, please contact our office at 780-842-4454. Development permit and subdivision applications can be picked up at the MD office or downloaded from our website at www.mdwainwright.ca.

All provincial regulations shall be adhered to and permits for building, electrical, plumbing and heating, gas and private sewer systems shall be obtained as required. The provider of the Safety Codes Compliance Services within the Municipal District of Wainwright is Superior Safety Codes Inc. Permit application forms for all of the Safety Codes Disciplines that are covered by Superior Safety Codes are available at the MD office or directly from Superior Safety Codes Inc.

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

Respectfully submitted,

Kim Christensen
Development Officer