

**TOWN OF WAINWRIGHT**  
**Financial Statements**  
**Year Ended December 31, 2010**

# INDEX TO THE FINANCIAL STATEMENTS

## **MANAGEMENT REPORT**

## **AUDITOR'S REPORT**

STATEMENT 1 - CONSOLIDATED STATEMENT OF FINANCIAL POSITION

STATEMENT 2 - CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

STATEMENT 3 - CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

STATEMENT 4 - CONSOLIDATED STATEMENT OF CASH FLOWS

NOTES TO THE FINANCIAL STATEMENTS

SCHEDULE 1 - SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS

SCHEDULE 2 - SCHEDULE OF TANGIBLE CAPITAL ASSETS

SCHEDULE 3 - SCHEDULE OF PROPERTY TAXES

SCHEDULE 4 - SCHEDULE OF GOVERNMENT TRANSFERS

SCHEDULE 5 - SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT

SCHEDULE 6 - SCHEDULE OF SEGMENTED DISCLOSURE





# Town of Wainwright

[www.wainwright.ca](http://www.wainwright.ca)

*"The Buffalo Capital of Canada!"*

1018 - 2nd Ave.,  
Wainwright, Alberta, T9W 1R1

Tel: (780) 842-3381

Fax: (780) 842-2898

Email: [info@wainwright.ca](mailto:info@wainwright.ca)

## MANAGEMENT REPORT

The accompanying financial statements and other information contained in the Financial Report are the responsibility of the management of the Town of Wainwright.

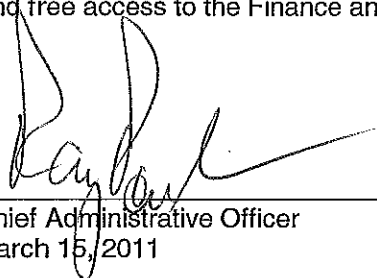
These financial statements have been prepared by management. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in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

The Town of Wainwright 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 Town's assets are properly accounted for and adequately safeguarded.

The elected council of the Town of Wainwright 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 Mayor and Chief Administrative Officer meet annually with management and 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 auditors. The Finance and Administration Committee reviews the monthly budget reports.

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



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Chief Administrative Officer  
March 15, 2011



## AUDITOR'S REPORT

**DONALD L. ISAMAN**  
**PROFESSIONAL CORPORATION**  
Chartered Accountant

### To the Members of Council:

#### *Report on the Consolidated Financial Statements*

I have audited the accompanying consolidated financial statements of the Town of Wainwright, 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 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 Town of Wainwright 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.

*Donald L. Isaman*  
*Professional Corporation*  
Chartered Accountant

Wainwright, Alberta  
March 15, 2011

**TOWN OF WAINWRIGHT**

STATEMENT 1

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2010**

	<u>2010</u>	<u>2009</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	9,792,974	10,425,374
Taxes and grants in lieu receivables (Note 3)	208,657	171,422
Receivables from other governments	323,212	238,225
Trade and other receivables (Note 4)	950,785	961,171
Land inventory held for resale	1,742,394	1,809,130
Investment in Gas Alberta Inc.	654	654
	<u>13,018,676</u>	<u>13,605,976</u>
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities	893,262	640,301
Deferred revenue (Note 5)	326,233	-
Employee benefit obligations (Note 6)	209,777	217,108
Payable to other governments	1,696	169,840
Deposit liability	83,698	85,848
Other current liabilities	219,783	248,647
Long term debt (Note 7)	610,589	888,721
	<u>2,345,038</u>	<u>2,250,465</u>
 <b>NET FINANCIAL ASSETS</b>	 <u>10,673,638</u>	 <u>11,355,511</u>
 <b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	49,067,909	46,048,851
Prepaid expenses	272,942	272,603
	<u>49,340,851</u>	<u>46,321,454</u>
 <b>ACCUMULATED SURPLUS (Schedule 1, Note 9)</b>	 <u>60,014,489</u>	 <u>57,676,965</u>

SIGNED ON BEHALF OF COUNCIL:

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.....

MAYOR

CHIEF ADMINISTRATIVE OFFICER



# TOWN OF WAINWRIGHT

STATEMENT 2

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

	Budget (Unaudited)	2010	2009
<b>REVENUE</b>			
Net taxes available for municipal purposes (Schedule 3)	4,165,462	4,163,157	3,849,092
(Loss) Gain on sale of tangible capital assets	-	(2,863)	65,220
Government transfers for operating (Schedule 4)	1,211,743	1,313,703	1,405,477
Investment income	95,000	108,410	142,322
Licenses and permits	167,000	150,600	201,691
Other	36,540	116,083	657,024
Penalties and costs of taxes	44,180	72,172	50,738
User fees and sales of goods	7,942,239	8,774,812	7,165,271
<b>TOTAL REVENUE</b>	<u>13,662,164</u>	<u>14,696,074</u>	<u>13,536,835</u>
<b>EXPENSES</b>			
Council	126,700	120,634	113,350
General Administration	589,830	625,301	680,296
Police	815,120	686,859	821,438
Fire	240,100	269,029	264,436
Bylaw Enforcement	81,033	67,084	71,930
Common Services	499,972	692,850	590,143
Roads and Streets	954,910	1,300,407	1,397,187
Airport	28,186	65,024	89,083
Storm Sewers	30,358	98,491	122,968
Water Supply	1,075,252	1,519,314	1,115,814
Sanitary Sewage Service	347,241	469,830	457,872
Garbage Collection	282,500	310,888	254,707
Family and Community Services	272,596	290,573	289,333
Cemetaries	36,714	46,981	44,097
Municipal Planning	405,259	366,843	329,384
Community Services	-	-	2,817
Subdivision Land	34,800	166,965	7,635
Parks and Recreation Board	65,563	63,468	51,736
Parks and Recreations Facilities	1,955,252	2,249,392	2,315,979
Culture	203,394	185,925	178,982
Gas Distribution	3,707,153	3,758,153	3,557,773
<b>TOTAL EXPENSES</b>	<u>11,751,933</u>	<u>13,354,011</u>	<u>12,756,960</u>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER</b>	<u>1,910,231</u>	<u>1,342,063</u>	<u>779,875</u>
<b>OTHER</b>			
Cost recovery	-	3,862	8,778
Government transfers for capital (Schedule 4)	769,503	991,599	1,633,286
	<u>769,503</u>	<u>995,461</u>	<u>1,642,064</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	2,679,734	2,337,524	2,421,939
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>57,676,965</u>	<u>57,676,965</u>	<u>55,255,026</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>60,356,699</u>	<u>60,014,489</u>	<u>57,676,965</u>



**TOWN OF WAINWRIGHT**

STATEMENT 3

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

	2010	2009
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>2,337,524</b>	<b>2,421,939</b>
Acquisition of tangible capital assets	(4,768,621)	(6,002,949)
Contributed tangible capital assets	-	-
Proceeds on disposal of tangible capital assets	28,696	92,908
Amortization of tangible capital assets	1,718,004	1,242,054
Loss (gain) on sale of tangible capital assets	2,863	(65,220)
	<b>(3,019,058)</b>	<b>(4,733,207)</b>
Acquisition of prepaid assets	(14,545)	(272,603)
Use of prepaid assets	14,206	292,471
	<b>(339)</b>	<b>19,868</b>
<b>DECREASE IN NET FINANCIAL ASSETS</b>	<b>(681,873)</b>	<b>(2,291,400)</b>
<b>NET FINANCIAL ASSETS , BEGINNING OF YEAR</b>	<b>11,355,511</b>	<b>13,646,911</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>10,673,638</b>	<b>11,355,511</b>



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

STATEMENT 4

	2010	2009
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenue over expenses (Statement 2)	2,337,524	2,421,939
Non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	1,718,004	1,242,054
Loss (gain) on disposal of tangible capital assets	2,863	(65,220)
Non-cash charges to operations (net change):		
Increase in taxes and grants in lieu receivables	(37,235)	(64,986)
(Increase) decrease in receivables from other governments	(84,987)	751,013
Decrease in trade and other receivables	10,386	262,657
(Increase) decrease in prepaid expenses	(339)	19,868
Decrease in land inventory held for resale	66,736	7,635
Increase (decrease) in accounts payable and accrued liabilities	252,961	(663,969)
Increase in deferred revenue	326,233	-
(Decrease) increase in employee benefit obligations	(7,331)	38,777
(Decrease) increase in payable to other governments	(168,144)	121,731
(Decrease) increase in deposit liability	(2,150)	12,120
(Decrease) increase in other current liabilities	(28,864)	89,175
<b>Cash provided by operating transactions</b>	<u>4,385,657</u>	<u>4,172,794</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(4,768,621)	(6,002,949)
Sale of tangible capital assets	28,696	92,908
<b>Cash applied to capital transactions</b>	<u>(4,739,925)</u>	<u>(5,910,041)</u>
<b>INVESTING</b>		
Increase in restricted cash or cash equivalents	(295,219)	(101,295)
<b>Cash provided by (applied to) investing transactions</b>	<u>(295,219)</u>	<u>(101,295)</u>
<b>FINANCING</b>		
Long term debt repaid	(278,132)	(261,465)
<b>Cash applied to financing transactions</b>	<u>(278,132)</u>	<u>(261,465)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<u>(927,619)</u>	<u>(2,100,007)</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>10,090,879</u>	<u>12,190,886</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>9,163,260</u>	<u>10,090,879</u>
<b>Cash and cash equivalents is made up of :</b>		
Cash and temporary investments (Note 2)	9,792,974	10,425,374
Less: restricted portion of cash and temporary investments (Note 2)	(629,714)	(334,495)
	<u>9,163,260</u>	<u>10,090,879</u>



# TOWN OF WAINWRIGHT

NOTES

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

### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Wainwright 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 these accounting policies adopted by the town are as follows:

#### Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

#### 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 transfer, 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.



# TOWN OF WAINWRIGHT

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	5-75
Gas distribution system	35-75
Machinery and equipment	5-40
Vehicles	10-25
Land Improvements	15-25

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.

#### Land Inventory for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as capital assets under their respective function.



**TOWN OF WAINWRIGHT**

NOTES

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

**1. SIGNIFICANT ACCOUNTING POLICIES - continued**

**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.

**Cultural and Historical Tangible Capital Assets**

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

**2. CASH AND TEMPORARY INVESTMENTS**

	<u>2010</u>	<u>2009</u>
Cash	1,792,974	2,225,374
Temporary investments	<u>8,000,000</u>	<u>8,200,000</u>
	<u>9,792,974</u>	<u>10,425,374</u>

Temporary investments are short term deposits with maturities of twelve months or less. Included in the above balances are \$629,714 (2009 - \$334,495) of funds restricted in use

**3. TAXES AND GRANTS IN LIEU RECEIVABLES**

	<u>2010</u>	<u>2009</u>
Current taxes and grants in lieu	128,891	102,862
Tax arrears and grants in lieu	<u>79,766</u>	<u>68,560</u>
	<u>208,657</u>	<u>171,422</u>



**TOWN OF WAINWRIGHT**

NOTES

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

**4. TRADE AND OTHER RECEIVABLES**

	<u>2010</u>	<u>2009</u>
Trade receivables	219,116	201,749
Utility receivables	634,515	649,892
Promissory note due from Wainwright Public Library, receivable in annual installments of \$3,906 including interest at 0%, due in 2013.	11,717	15,623
Debenture due from Gas Alberta Inc., non-interest bearing, receivable in one lump sum, due when services provided to the Town are ceased.	67,500	67,500
Promissory note due from Wainwright Curling Club, receivable in annual installments of \$9,493 including interest at 3.875%, due in 2012.	<u>17,937</u>	<u>26,407</u>
	<u><b>950,785</b></u>	<u><b>961,171</b></u>

**5. DEFERRED REVENUE**

	<u>2010</u>	<u>2009</u>
Municipal Sustainability Initiative	326,046	-
New Deals Communities	<u>187</u>	<u>-</u>
	<u><b>326,233</b></u>	<u><b>-</b></u>

**Municipal Sustainability Initiative**

Funding in the amount of \$847,229 was received from the Municipal Sustainability Initiative (MSI). All funding has been spent, however interest in the amount of \$189 which has accrued on the MSI funds over the past year is being carried forward and will be utilized on future MSI projects.

**New Deals**

Funding in the amount of \$321,841 was received under the New Deals Program in 2010. During the year interest on funds accrued in the amount of \$4,205. The New Deals fund is being carried forward and will be utilized in future New Deals projects.



**TOWN OF WAINWRIGHT**

NOTES

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

**6. EMPLOYEE BENEFIT OBLIGATIONS**

Employee benefit obligations liability is comprised of the vacation and sick days that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

	<u>2010</u>	<u>2009</u>
Accrued employee vacation	168,963	178,385
Accrued employee sick days	<u>40,814</u>	<u>38,723</u>
	<u>209,777</u>	<u>217,108</u>

**7. LONG TERM DEBT**

	<u>2010</u>	<u>2009</u>
Tax supported debenture	<u>610,589</u>	<u>888,721</u>

The current portion of the long term debt amounts to \$295,864 (2009 - \$278,133).

Principal and interest repayments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	295,864	38,925	334,789
2012	<u>314,725</u>	<u>20,063</u>	<u>334,788</u>
	<u>610,589</u>	<u>58,988</u>	<u>669,577</u>

Debenture debt is repayable to Alberta Capital Finance Authority, bears interest at 6.375% per annum, and matures in August 2012. Debenture debt is issued on the credit and security of the Town at large.

Interest on long term debt amounted to \$49,952 (2009 - \$67,022).

The Town's total cash payment for interest in 2010 was \$56,656 (2009 - \$73,324).



**TOWN OF WAINWRIGHT**

NOTES

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

**8. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<u>2010</u>	<u>2009</u>
Tangible capital assets (Schedule 2)	72,266,103	67,570,121
Accumulated amortization (Schedule 2)	(23,198,194)	(21,521,270)
Long term debt (Note 7)	<u>(610,589)</u>	<u>(888,721)</u>
	<u>48,457,320</u>	<u>45,160,130</u>

**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	2,946,562	2,280,364
Restricted surplus (Note 10)	8,610,607	10,236,471
Equity in tangible capital assets (Note 8)	<u>48,457,320</u>	<u>45,160,130</u>
	<u>60,014,489</u>	<u>57,676,965</u>



TOWN OF WAINWRIGHT

NOTES

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010

10. RESTRICTED SURPLUS

Restricted surplus activities changed as follows:

	2010			2009
	Increases	Decreases	Balance	Balance
Administration	-	-	32,417	32,417
Airport	-	15,000	-	15,000
Arena	25,000	-	138,082	113,082
Bylaw enforcement	-	-	2,628	2,628
Cemetery	-	-	16,916	16,916
Centennial celebration	-	-	19,426	19,426
Common services	180,000	130,307	576,888	527,195
Communiplex	-	64,189	39,085	103,274
Development	-	-	920	920
Economic development	-	-	13,427	13,427
Fire	-	12,000	-	12,000
Fire equipment	96,800	-	229,520	132,720
Gas	50,000	41,772	1,321,916	1,313,688
General administration	150,962	254,177	152,410	255,625
Land development	1,470,694	378,072	2,881,964	1,789,342
Mainstreet board	-	44,943	21,628	66,572
Mainstreet lighting	72,863	-	463,591	390,728
Middlemass Park	-	-	5,480	5,480
Municipal Sustainability fund	-	105,427	40,724	146,151
New Deal Communities	-	262,421	50,185	312,604
Off-site costs	21,047	-	699,898	678,851
Parking	-	-	10,500	10,500
Parks	77,178	235,276	309,800	467,898
Parks and culture	75,000	32,259	75,000	32,259
Parks equipment	55,000	-	153,239	98,239
PMC building & grounds	-	-	6,500	6,500
Police	-	-	38,608	38,608
Recreation facilities	261,361	226,691	189,670	155,000
Road maintenance	235,558	-	719,816	484,258
Sewer expansion	72,000	-	192,000	120,000
Storm water	-	46,987	388,770	435,758
Transportation	28,135	2,035,940	96,062	2,103,867
Water	-	20,000	-	20,000
Waterline	50,000	-	365,538	315,538
	<u>2,921,598</u>	<u>3,905,461</u>	<u>9,252,608</u>	<u>10,236,471</u>



**TOWN OF WAINWRIGHT**

NOTES

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

**11. 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 Town of Wainwright be disclosed as follows:

	<u>2010</u>	<u>2009</u>
Total debt limit	22,048,406	20,207,423
Total debt	<u>610,589</u>	<u>888,721</u>
Amount of debt limit unused	<u>21,437,817</u>	<u>19,318,702</u>
Debt servicing limit	3,674,734	3,367,904
Debt servicing	<u>334,789</u>	<u>334,789</u>
Amount of debt servicing limit unused	<u>3,339,945</u>	<u>3,033,115</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 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.

**12. LOCAL AUTHORITIES PENSION PLAN**

Employees of the Town of Wainwright 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 Town of Wainwright 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 Town 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 Town of Wainwright to the LAPP in 2010 were \$216,464 (2009 - \$188,851). Total current service contributions by the employees of the Town of Wainwright to the LAPP in 2010 were \$194,274 (2009 - \$167,972).

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



**TOWN OF WAINWRIGHT**

NOTES

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

**13. 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	Benefits and Allowances	Total	Total
Mayor				
Norm Coleman	22,295	947	23,242	22,000
Councillors				
Brian Bethune	3,043	582	3,625	-
Vic Callaghan	13,775	501	14,276	14,796
William Challenger	3,043	582	3,625	-
Jason Dewling	10,759	698	11,457	14,518
Bob Foley	13,875	486	14,361	13,280
Patrick Moroz	13,380	-	13,380	13,480
Jeff Newland	10,564	208	10,772	14,044
Randy Tizzard	13,875	596	14,471	14,582
Chief Adm. Officer				
Ray Poulin	125,063	14,650	139,713	136,700

- (a) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (b) 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.
- (c) Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

**14. CONTINGENCIES**

The Town of Wainwright is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Town of Wainwright 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 Town of Wainwright has been named as defendant in a lawsuit to recover damages to land and property allegedly caused by the Town. The lawsuit is still pending, and as litigation is subject to many uncertainties, it is not possible to predict the outcome of the lawsuit or to estimate the loss, if any, which may result.



# TOWN OF WAINWRIGHT

NOTES

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

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### 15. SEGMENTED DISCLOSURE

The Town of Wainwright provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

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

### 16. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash and temporary investments, accounts receivable, investments, accounts payable and accrued liabilities, employee benefit obligations, deposit liability and long term debt. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these financial instruments.

The Town 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 Town 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. COMMITMENT

The Town has guaranteed a loan with Wainwright Credit Union Ltd. in the amount of \$475,000 on behalf of the Wainwright Golf and Country Club.

### 18. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

### 19. COMPARATIVE FIGURES

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

TOWN OF WAINWRIGHT

SCHEDULE 1

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

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2010 \$	2009 \$
<b>BALANCE, BEGINNING OF YEAR</b>	<b>2,280,364</b>	<b>10,236,471</b>	<b>45,160,130</b>	<b>57,676,965</b>	<b>55,255,026</b>
Excess (deficiency) of revenues over expenses	2,337,524	-	-	2,337,524	2,421,939
Unrestricted funds designated for future use	(2,921,599)	2,921,599	-	-	-
Restricted funds used for operations	502,274	(502,274)	-	-	-
Restricted funds used for tangible capital assets	-	(3,403,188)	3,403,188	-	-
Current year funds used for tangible capital assets	(1,365,432)	-	1,365,432	-	-
Contributed tangible capital assets	-	-	-	-	-
Disposal of tangible capital assets	31,559	-	(31,559)	-	-
Annual amortization expenses	1,718,004	-	(1,718,004)	-	-
Long term debt repaid	(278,133)	-	278,133	-	-
Change in accumulated surplus	24,197	(983,863)	3,297,190	2,337,524	2,421,939
<b>BALANCE, END OF YEAR</b>	<b>2,304,561</b>	<b>9,252,608</b>	<b>48,457,320</b>	<b>60,014,489</b>	<b>57,676,965</b>



TOWN OF WAINWRIGHT

SCHEDULE 2

SCHEDULE OF TANGIBLE CAPITAL ASSETS  
YEAR ENDED DECEMBER 31, 2010

	Land	Buildings	Engineered Structures	Gas Distribution	Machinery and Equipment	Vehicles	2010 \$	2009 \$
<b>COST</b>								
BALANCE, BEGINNING OF YEAR	1,796,829	16,730,719	44,150,767	1,884,684	1,968,826	1,038,297	67,570,121	61,797,930
Acquisition of tangible capital assets	-	406,716	1,487,775	6,751	176,998	165,329	2,243,569	6,002,949
Construction-in-progress	-	-	2,525,052	-	-	-	2,525,052	-
Disposal of tangible capital assets	-	-	-	-	(72,639)	-	(72,639)	(230,758)
Write down of tangible capital assets	-	-	-	-	-	-	-	-
<b>BALANCE, END OF YEAR</b>	<b>1,796,829</b>	<b>17,137,435</b>	<b>48,163,594</b>	<b>1,891,435</b>	<b>2,073,185</b>	<b>1,203,626</b>	<b>72,266,103</b>	<b>67,570,121</b>
<b>ACCUMULATED AMORTIZATION</b>								
BALANCE, BEGINNING OF YEAR	-	5,076,011	14,743,615	385,413	821,615	494,617	21,521,270	20,482,286
Annual amortization	-	332,914	1,083,268	54,832	170,658	76,332	1,718,004	1,242,054
Transfer between departments	-	-	-	33,937	-	(33,937)	-	-
Accumulated amortization on disposals	-	-	-	-	(41,080)	-	(41,080)	(203,070)
<b>BALANCE, END OF YEAR</b>	<b>-</b>	<b>5,408,925</b>	<b>15,826,883</b>	<b>474,182</b>	<b>951,193</b>	<b>537,012</b>	<b>23,198,194</b>	<b>21,521,270</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>1,796,829</b>	<b>11,728,510</b>	<b>32,336,711</b>	<b>1,417,253</b>	<b>1,121,992</b>	<b>666,614</b>	<b>49,067,909</b>	<b>46,048,851</b>
2009 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,796,829	11,654,708	29,407,152	1,499,271	1,147,211	543,680	46,048,851	



**TOWN OF WAINWRIGHT**

SCHEDULE 3

**SCHEDULE OF PROPERTY TAXES  
YEAR ENDED DECEMBER 31, 2010**

	Budget (Unaudited)	2010	2009
<b>TAXATION</b>			
Property taxes			
- residential	3,811,930	<b>3,809,834</b>	3,568,753
- commercial	1,220,821	<b>1,220,606</b>	1,128,237
- industrial	565,686	<b>565,686</b>	539,675
- farmland	433	<b>433</b>	389
- special assessment	10,710	<b>10,710</b>	10,710
- electric power	81,306	<b>81,309</b>	84,740
- pipeline	5,253	<b>5,253</b>	5,530
- cable television	4,327	<b>4,327</b>	4,113
- machinery and equipment	78,445	<b>78,445</b>	77,983
Government grants in place of property taxes			
- federal	7,104	<b>7,104</b>	6,839
- provincial	58,638	<b>58,639</b>	53,574
	<u>5,844,653</u>	<u><b>5,842,346</b></u>	<u>5,480,543</u>
<b>REQUISITIONS</b>			
School Foundation Fund	1,364,654	<b>1,314,151</b>	1,250,015
Wainwright East Central Catholic	203,823	<b>254,324</b>	244,124
Battle River Foundation	78,663	<b>78,663</b>	62,237
Wainwright and District Ambulance Society and E911	32,051	<b>32,051</b>	75,075
	<u>1,679,191</u>	<u><b>1,679,189</b></u>	<u>1,631,451</u>
<b>NET MUNICIPAL TAXES</b>	<u>4,165,462</u>	<u><b>4,163,157</b></u>	<u>3,849,092</u>



**TOWN OF WAINWRIGHT**

SCHEDULE 4

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

	Budget (Unaudited)	2010	2009
<b>TRANSFERS FOR OPERATING:</b>			
Federal government	12,320	12,049	12,252
Local government	256,000	261,712	271,207
Provincial government	943,423	1,039,942	1,122,018
	<u>1,211,743</u>	<u>1,313,703</u>	<u>1,405,477</u>
<b>TRANSFERS FOR CAPITAL:</b>			
Federal government	-	37,793	-
Local government	-	44,414	90,962
Provincial government	769,503	909,392	1,542,324
	<u>769,503</u>	<u>991,599</u>	<u>1,633,286</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>1,981,246</u>	<u>2,305,302</u>	<u>3,038,763</u>



**TOWN OF WAINWRIGHT**

**SCHEDULE 5**

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

	Budget (Unaudited)	2010	2009
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Amortization of tangible capital assets	-	1,718,004	1,242,054
Bank charges and short-term interest	1,000	578	574
Contracted and general services	3,130,975	2,856,892	3,131,371
Interest on long term debt	-	49,951	67,022
Materials, goods and utilities	4,765,139	4,813,758	4,645,491
Salaries, wages and benefits	3,476,257	3,486,289	3,281,322
Transfers to local boards and agencies	410,562	428,539	389,126
	<u>11,783,933</u>	<u>13,354,011</u>	<u>12,756,960</u>



**TOWN OF WAINWRIGHT**  
**SCHEDULE OF SEGMENTED DISCLOSURE**  
**YEAR ENDED DECEMBER 31, 2010**

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Gas Distribution	Other	Total \$
<b>REVENUE</b>									
Net Municipal taxes	4,163,157	-	-	-	-	-	-	-	4,163,157
Government transfers	358,320	398,608	358,646	-	198,129	-	-	991,599	2,305,302
User fees and sales of goods	60,433	256,186	90,488	1,654,416	757,367	1,969,021	4,103,629	33,873	8,925,413
Investment income	108,410	-	-	-	-	-	-	-	108,410
Penalties and costs of taxes	54,470	-	-	-	-	17,702	-	-	72,172
Other revenues	-	-	-	-	-	-	-	117,081	117,081
	<u>4,744,790</u>	<u>654,795</u>	<u>449,134</u>	<u>1,654,416</u>	<u>955,496</u>	<u>1,986,723</u>	<u>4,103,629</u>	<u>1,142,553</u>	<u>15,691,535</u>
<b>EXPENSES</b>									
Contract & general services	227,677	614,018	571,551	332,832	388,109	475,999	206,207	40,499	2,856,892
Salaries & wages	409,362	296,837	582,879	196,576	1,065,939	446,940	446,352	41,404	3,486,289
Goods & supplies	60,512	48,614	365,093	4,400	479,474	804,062	3,050,527	1,075	4,813,757
Transfers to local boards	-	-	-	-	175,562	-	-	252,977	428,539
Long-term debt interest	-	-	-	-	49,951	-	-	-	49,951
Other expenses	343	-	-	-	-	-	235	-	578
	<u>697,894</u>	<u>959,469</u>	<u>1,519,523</u>	<u>533,808</u>	<u>2,159,035</u>	<u>1,727,001</u>	<u>3,703,321</u>	<u>335,955</u>	<u>11,636,007</u>
<b>NET REVENUE, BEFORE AMORTIZATION</b>									
	<u>4,046,896</u>	<u>(304,674)</u>	<u>(1,070,389)</u>	<u>1,120,608</u>	<u>(1,203,539)</u>	<u>259,722</u>	<u>400,308</u>	<u>806,598</u>	<u>4,055,528</u>
Amortization expense	(48,041)	(63,503)	(538,758)	-	(339,750)	(671,522)	(54,832)	(1,599)	(1,718,004)
<b>NET REVENUE</b>	<u><b>3,998,855</b></u>	<u><b>(368,177)</b></u>	<u><b>(1,609,147)</b></u>	<u><b>1,120,608</b></u>	<u><b>(1,543,289)</b></u>	<u><b>(411,800)</b></u>	<u><b>345,476</b></u>	<u><b>804,999</b></u>	<u><b>2,337,524</b></u>

