

**TOWN OF WAINWRIGHT**  
**Financial Statements**  
**Year Ended December 31, 2016**

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## 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.

A handwritten signature in black ink, appearing to read "C. Brown", is positioned above a horizontal line.

Chief Administrative Officer  
March 7, 2017



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

## 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 Town of Wainwright, which comprise the statement of financial position as at December 31, 2016, and the statements of operations and accumulated surplus, change in net financial assets, cash flows and supporting schedules 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 policies 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, 2016, 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  
March 7, 2017

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

# TOWN OF WAINWRIGHT

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2016

	2016	2015
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	9,268,694	9,114,867
Taxes and grants in lieu receivables (Note 3)	134,372	97,432
Receivables from other governments	490,970	268,640
Trade and other receivables (Note 4)	1,081,823	776,292
Land inventory held for resale	4,871,246	4,913,564
Investment in Gas Alberta Inc.	659	659
Investments (Note 5)	4,000,000	6,543,000
	<b>19,847,764</b>	<b>21,714,454</b>
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities	658,603	567,910
Accrued wages and benefits	104,070	-
Deferred revenue (Note 6)	272,962	2,635,772
Deposit liability	66,543	99,744
Employee benefit obligations (Note 7)	477,858	364,228
Payable to other governments	294,934	164,236
Other current liabilities	72,986	34,433
Long term debt (Note 8)	874,807	1,909,464
	<b>2,822,763</b>	<b>5,775,787</b>
 <b>NET FINANCIAL ASSETS</b>	<b>17,025,001</b>	<b>15,938,667</b>
 <b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	67,013,319	62,410,425
Prepaid expenses	8,416	8,229
	<b>67,021,735</b>	<b>62,418,654</b>
 <b>ACCUMULATED SURPLUS (Schedule 1, Note 10)</b>	<b>84,046,736</b>	<b>78,357,321</b>

SIGNED ON BEHALF OF COUNCIL:

*Brian Bellone*  
.....  
*Edlow*  
.....

MAYOR

CHIEF ADMINISTRATIVE OFFICER



# TOWN OF WAINWRIGHT

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS YEAR ENDED DECEMBER 31, 2016

	Budget (Unaudited)	2016	2015
<b>REVENUE</b>			
Net taxes available for municipal purposes (Schedule 3)	5,649,015	5,632,265	5,751,090
Gain on sale of tangible capital assets	-	16,706	3,581
Government transfers for operating (Schedule 4)	1,030,507	1,090,157	1,039,429
Investment income	95,000	223,051	205,091
Licenses and permits	529,950	566,844	610,055
Other	54,500	259,628	265,820
Penalties and costs of taxes	61,885	54,643	70,929
User fees and sales of goods	8,262,721	8,666,902	10,380,600
<b>TOTAL REVENUE</b>	<u>15,683,578</u>	<u>16,510,196</u>	<u>18,326,595</u>
<b>EXPENSES</b>			
Council	254,450	233,289	237,586
General Administration	1,000,629	1,155,632	1,024,865
Police	1,430,586	1,355,011	1,173,900
Fire	343,049	383,460	342,980
Bylaw Enforcement	128,737	114,545	107,054
Common Services	641,353	698,051	730,157
Roads and Streets	1,404,975	1,672,751	2,017,456
Airport	34,623	68,907	76,104
Storm Sewers	103,081	199,628	184,760
Water Supply	1,988,767	1,736,753	2,096,034
Sanitary Sewage Service	436,288	498,678	568,031
Garbage Collection	493,182	487,390	369,490
Family and Community Services	320,356	342,915	309,547
Cemeteries	88,979	88,848	68,643
Municipal Planning	384,568	433,525	422,300
Subdivision Land	210,000	86,175	532,941
Parks and Recreation Board	100,768	97,026	86,518
Parks and Recreations Facilities	2,441,090	2,868,441	2,783,491
Culture	229,634	236,747	218,119
Gas Distribution	2,621,194	2,451,705	2,660,643
<b>TOTAL EXPENSES</b>	<u>14,656,309</u>	<u>15,209,477</u>	<u>16,010,619</u>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER</b>	<u>1,027,269</u>	<u>1,300,719</u>	<u>2,315,976</u>
<b>OTHER</b>			
Cost recovery		-	2,978
Government transfers for capital (Schedule 4)	4,912,120	4,388,696	991,864
	<u>4,912,120</u>	<u>4,388,696</u>	<u>994,842</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	5,939,389	5,689,415	3,310,818
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>78,357,321</u>	<u>78,357,321</u>	<u>75,046,503</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>84,296,710</u>	<u>84,046,736</u>	<u>78,357,321</u>



**TOWN OF WAINWRIGHT**

STATEMENT 3

**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
YEAR ENDED DECEMBER 31, 2016**

	2016	2015
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>5,689,415</u>	<u>3,310,818</u>
Acquisition of tangible capital assets	(6,730,877)	(2,255,532)
Contributed tangible capital assets	-	-
Proceeds on disposal of tangible capital assets	74,510	48,084
Amortization of tangible capital assets	2,070,179	2,037,259
Gain on sale of tangible capital assets	<u>(16,706)</u>	<u>(3,581)</u>
	<u>(4,602,894)</u>	<u>(173,770)</u>
Acquisition of prepaid assets	(8,416)	(8,229)
Use of prepaid assets	<u>8,229</u>	<u>8,100</u>
	<u>(187)</u>	<u>(129)</u>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>1,086,334</b>	<b>3,136,919</b>
<b>NET FINANCIAL ASSETS , BEGINNING OF YEAR</b>	<u>15,938,667</u>	<u>12,801,748</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>17,025,001</u>	<u>15,938,667</u>



**TOWN OF WAINWRIGHT**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2016**

STATEMENT 4

	2016	2015
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenue over expenses (Statement 2)	5,689,415	3,310,818
Non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	2,070,179	2,037,259
Gain on disposal of tangible capital assets	(16,706)	(3,581)
Non-cash charges to operations (net change):		
(Increase) decrease in taxes and grants in lieu receivables	(36,940)	129,255
(Increase) decrease in receivables from other governments	(222,330)	587,386
(Increase) decrease in trade and other receivables	(305,531)	190,156
Decrease in prepaid expenses	(187)	(129)
Decrease in land inventory held for resale	42,318	241,380
Decrease in investment in Gas Alberta Inc.	-	60
Increase (decrease) in accounts payable and accrued liabilities	90,693	(303,922)
(Decrease) increase in deferred revenue	(2,362,810)	1,065,716
Increase in employee benefit obligations	113,630	138,856
Increase in accrued wages and benefits	104,070	-
Increase (decrease) in payable to other governments	130,698	(29,202)
Decrease in deposit liability	(33,201)	(5,939)
Increase (decrease) in other current liabilities	38,553	(355,815)
<b>Cash provided by operating transactions</b>	<b>5,301,851</b>	<b>7,002,298</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(6,730,877)	(2,255,532)
Sale of tangible capital assets	74,510	48,084
<b>Cash applied to capital transactions</b>	<b>(6,656,367)</b>	<b>(2,207,448)</b>
<b>INVESTING</b>		
Decrease (increase) in restricted cash or cash equivalents	2,357,458	(1,045,740)
Decrease (increase) in investments	2,543,000	(6,543,000)
<b>Cash provided by (applied to) investing transactions</b>	<b>4,900,458</b>	<b>(7,588,740)</b>
<b>FINANCING</b>		
Long term debt issued	-	-
Long term debt repaid	(1,034,657)	(1,029,966)
<b>Cash applied to financing transactions</b>	<b>(1,034,657)</b>	<b>(1,029,966)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<b>2,511,285</b>	<b>(3,823,856)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>6,344,918</b>	<b>10,168,774</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>8,856,203</b>	<b>6,344,918</b>



**TOWN OF WAINWRIGHT**

STATEMENT 4

**CONSOLIDATED STATEMENT OF CASH FLOWS, CONTINUED  
YEAR ENDED DECEMBER 31, 2016**

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	2016	2015
<b>Cash and cash equivalents is made up of :</b>		
Cash and temporary investments (Note 2)	9,268,694	9,114,867
Less: restricted portion of cash and temporary investments (Note 2)	<u>(412,491)</u>	<u>(2,769,949)</u>
	<u>8,856,203</u>	<u>6,344,918</u>



**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016****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 the 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.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016

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. 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, 2016

1. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial Instruments

The Municipality initially measures all of its financial assets and liabilities at fair value.

The Municipality subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include accounts receivables.

Financial liabilities measured at amortized cost include bank loans, accounts payable and accrued liabilities.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of reversal is recognized in the excess of revenue over expenses.

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>2016</u>	<u>2015</u>
Cash	2,268,694	2,114,867
Temporary investments	<u>7,000,000</u>	<u>7,000,000</u>
	<u>9,268,694</u>	<u>9,114,867</u>

Temporary investments are short term deposits with maturities of three months or less. Included in the above balances are \$412,491 (2015 - \$2,769,949) of funds restricted in use.



**TOWN OF WAINWRIGHT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

NOTES

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

	<u>2016</u>	<u>2015</u>
Current taxes and grants in lieu	101,778	69,940
Tax arrears and grants in lieu	<u>32,594</u>	<u>27,492</u>
	<u>134,372</u>	<u>97,432</u>

**4. TRADE AND OTHER RECEIVABLES**

	<u>2016</u>	<u>2015</u>
Trade receivables	250,409	270,523
Utility receivables	763,914	438,269
Debenture due from Gas Alberta Inc., non-interest bearing, receivable in one lump sum, due when services provided to the Town are ceased.	<u>67,500</u>	<u>67,500</u>
	<u>1,081,823</u>	<u>776,292</u>

**5. INVESTMENTS**

	<u>2016 Cost</u>	<u>2016 Market Value</u>	<u>2015 Cost</u>	<u>2015 Market Value</u>
Short term deposits	<u>4,000,000</u>	<u>4,000,000</u>	<u>6,543,000</u>	<u>6,543,000</u>
	<u>4,000,000</u>	<u>4,000,000</u>	<u>6,543,000</u>	<u>6,543,000</u>

Short term deposits have effective interest rates of 1.6% (2015 – 1.5% to 1.75%) and mature in less than one year.



**TOWN OF WAINWRIGHT**

NOTES

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

**6. DEFERRED REVENUE**

	<u>2016</u>	<u>2015</u>
Disaster Power Backup	172,790	-
Federal Gas Tax Fund	-	676,305
Municipal Sustainability Initiative	90,348	1,956,204
Welcoming Communities	<u>9,824</u>	<u>3,263</u>
	<u>272,962</u>	<u>2,635,772</u>

**Disaster Power Backup**

Funding in the amount of \$172,790 was received for Disaster Power Backup. No funds were spent during the year.

**Federal Gas Tax Fund**

No funding was received during the year from the Federal Gas Tax Fund (FGT). Interest in the amount of \$5,872 has been paid on the FGT funds over the past year. During the year, \$682,177 was spent on projects.

**Municipal Sustainability Initiative**

Funding in the amount of \$1,460,757 was received from the Municipal Sustainability Initiative (MSI). Interest in the amount of \$25,846 has been paid on the MSI funds over the past year. During the year, \$3,352,459 was spent on projects.

**Welcoming Communities**

Funding in the amount of \$9,750 was received from the Welcoming Communities (CMAS). During the year, \$3,189 was spent on projects.

**7. 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>2016</u>	<u>2015</u>
Accrued employee vacation	220,952	201,703
Accrued employee sick days	<u>256,906</u>	<u>162,525</u>
	<u>477,858</u>	<u>364,228</u>



**TOWN OF WAINWRIGHT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

NOTES

**8. LONG TERM DEBT**

	<u>2016</u>	<u>2015</u>
Bank loans	<u>874,807</u>	<u>1,909,464</u>
	<u>874,807</u>	<u>1,909,464</u>

The current portion of the long term debt amounts to \$874,807 (2015 - \$1,034,905).

Principal and interest repayments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	<u>874,807</u>	<u>26,069</u>	<u>900,876</u>
	<u>874,807</u>	<u>26,069</u>	<u>900,876</u>

Bank loans are repayable in annual instalments of \$1,091,807 including principal and interest at 2.98% due May 28, 2017. The bank loan is secured by general security agreement.

Interest on long term debt amounted to \$38,790 (2015 - \$69,192).

The Town's total cash payment for interest in 2016 was \$57,150 (2015 - \$61,841).

**9. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<u>2016</u>	<u>2015</u>
Tangible capital assets (Schedule 2)	<u>100,912,037</u>	<u>94,247,576</u>
Accumulated amortization (Schedule 2)	<u>(33,898,718)</u>	<u>(31,837,151)</u>
	<u>67,013,319</u>	<u>62,410,425</u>

**10. ACCUMULATED SURPLUS**

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

	<u>2016</u>	<u>2015</u>
Unrestricted surplus	<u>2,403,267</u>	<u>2,397,370</u>
Restricted surplus (Note 11)	<u>14,630,150</u>	<u>13,549,526</u>
Equity in tangible capital assets (Note 9)	<u>67,013,319</u>	<u>62,410,425</u>
	<u>84,046,736</u>	<u>78,357,321</u>



TOWN OF WAINWRIGHT

NOTES

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016

11. RESTRICTED SURPLUS

Restricted surplus activities changed as follows:

	2016			2015
	Increases	Decreases	Balance	Balance
Administration	-	-	535,127	535,127
Arena	-	-	39,087	39,087
Cemetery	-	-	5,341	5,341
Centennial celebration	-	-	19,426	19,426
Common services	150,000	197,946	518,823	566,769
Communiplex	15,000	-	56,344	41,344
Curling rink	20,000	-	20,000	-
Economic development	-	-	11,647	11,647
Fire equipment	50,000	-	352,645	302,645
Gas	-	-	1,346,916	1,346,916
General administration	15,000	47,411	81,539	113,950
Land development	901,053	358,061	4,152,434	3,609,442
Mainstreet lighting	138,608	-	938,020	799,412
Off-site costs	10,270	-	820,766	810,496
Parking	161,001	-	171,501	10,500
Parks	70,731	86,209	406,056	421,534
Parks and culture	-	-	25,000	25,000
Parks equipment	30,000	14,236	122,831	107,067
Photo radar	105,820	62,063	137,774	94,017
Police	-	-	38,608	38,608
Recreation facilities	60,000	18,709	189,486	148,195
Road maintenance	-	92,000	605,047	697,047
Sewer expansion	200,000	-	612,000	412,000
Storm water	600,000	620,224	2,773,194	2,793,418
Waterline	50,000	-	650,538	600,538
	<u>2,577,483</u>	<u>1,496,859</u>	<u>14,630,150</u>	<u>13,549,526</u>





**TOWN OF WAINWRIGHT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

NOTES

**12. DEBT LIMITS**

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Town of Wainwright be disclosed as follows:

	<u>2016</u>	<u>2015</u>
Total debt limit	<b>24,765,293</b>	27,489,893
Total debt	<b><u>874,807</u></b>	<u>1,909,464</u>
Amount of debt limit unused	<b><u>23,890,486</u></b>	<u>25,580,429</u>
Debt servicing limit	<b>4,127,549</b>	4,581,649
Debt servicing	<b><u>900,876</u></b>	<u>1,091,807</u>
Amount of debt servicing limit unused	<b><u>3,226,673</u></b>	<u>3,489,842</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 taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

**13. 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 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 11.39% (2015 – 11.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% (2015 – 15.84%) on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 10.39% (2015 – 10.39%) of pensionable salary up to the year's maximum pensionable salary and 14.84% (2015 – 14.84%) on pensionable salary above this amount.

Total current service contributions by the Town of Wainwright to the LAPP in 2016 were \$365,249 (2015 - \$380,119). Total current service contributions by the employees of the Town of Wainwright to the LAPP in 2016 were \$335,814 (2015 - \$349,478).

At December 31, 2015, the LAPP disclosed an actuarial deficiency of \$923 million.



**TOWN OF WAINWRIGHT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

NOTES

**14. 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:

	2016			2015
	Salary	Benefits and Allowances	Total	Total
Mayor				
Brian Bethune	27,047	25	27,072	26,823
Councilors				
William Challenger	16,704	1,055	17,759	17,790
Bob Foley	16,774	282	17,056	15,214
Patricia MacGregor	16,273	320	16,593	15,611
Patrick Moroz	16,173	339	16,512	16,412
Bruce Pugh	15,423	-	15,423	14,610
Randy Tizzard	17,354	989	18,343	18,078
Chief Adm. Officer				
Ed Chow	140,818	96	140,914	128,733

- (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.

**15. 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 two lawsuits to recover damages to land and property allegedly caused by the Town. These lawsuits are still pending, and as litigation is subject to many uncertainties, it is not possible to predict the outcome of the lawsuits or to estimate the loss, if any, which may result.



**TOWN OF WAINWRIGHT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

NOTES

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**16. 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).

**17. 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.

**18. 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.

**19. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.

**20. 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, 2016

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2016 \$	2015 \$
<b>BALANCE, BEGINNING OF YEAR</b>	<b>2,397,370</b>	<b>13,549,526</b>	<b>62,410,425</b>	<b>78,357,321</b>	<b>75,046,503</b>
Excess of revenues over expenses	5,689,415	-	-	5,689,415	3,310,818
Unrestricted funds designated for future use	(2,577,483)	2,577,483	-	-	-
Restricted funds used for operations	512,124	(512,124)	-	-	-
Restricted funds used for tangible capital assets	-	(984,735)	984,735	-	-
Current year funds used for tangible capital assets	(5,746,142)	-	5,746,142	-	-
Contributed tangible capital assets	-	-	-	-	-
Disposal of tangible capital assets	57,804	-	(57,804)	-	-
Annual amortization expenses	2,070,179	-	(2,070,179)	-	-
Long term debt repaid	-	-	-	-	-
Change in accumulated surplus	5,897	1,080,624	4,602,894	5,689,415	3,310,818
<b>BALANCE, END OF YEAR</b>	<b>2,403,267</b>	<b>14,630,150</b>	<b>67,013,319</b>	<b>84,046,736</b>	<b>78,357,321</b>



**TOWN OF WAINWRIGHT**

SCHEDULE 2

**SCHEDULE OF TANGIBLE CAPITAL ASSETS  
YEAR ENDED DECEMBER 31, 2016**

	Land	Buildings	Engineered Structures	Gas Distribution	Machinery and Equipment	Vehicles	2016 \$	2015 \$
<b>COST</b>								
BALANCE, BEGINNING OF YEAR	2,236,829	18,516,515	65,759,934	2,657,867	3,330,303	1,746,129	94,247,576	92,074,381
Acquisition of tangible capital assets	842,845	12,639	5,460,721	12,640	188,442	213,590	6,730,877	2,255,532
Construction-in-progress	-	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	(39,960)	(26,456)	(66,416)	(82,337)
Write down of tangible capital assets	-	-	-	-	-	-	-	-
<b>BALANCE, END OF YEAR</b>	<b>3,079,674</b>	<b>18,529,154</b>	<b>71,220,655</b>	<b>2,670,507</b>	<b>3,478,785</b>	<b>1,933,263</b>	<b>100,912,037</b>	<b>94,247,576</b>
<b>ACCUMULATED AMORTIZATION</b>								
BALANCE, BEGINNING OF YEAR	-	7,195,564	21,131,153	718,981	1,798,739	992,715	31,837,151	29,837,726
Annual amortization	-	368,119	1,278,681	72,360	249,336	101,683	2,070,179	2,037,259
Accumulated amortization on disposals	-	-	-	-	(1,998)	(6,614)	(8,612)	(37,834)
<b>BALANCE, END OF YEAR</b>	<b>-</b>	<b>7,563,683</b>	<b>22,409,834</b>	<b>791,341</b>	<b>2,046,077</b>	<b>1,087,784</b>	<b>33,898,718</b>	<b>31,837,151</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>3,079,674</b>	<b>10,965,471</b>	<b>48,810,821</b>	<b>1,879,166</b>	<b>1,432,708</b>	<b>845,479</b>	<b>67,013,319</b>	<b>62,410,425</b>
2015 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	2,236,829	11,320,951	44,628,781	1,938,886	1,531,564	753,414	62,410,425	



# TOWN OF WAINWRIGHT

SCHEDULE 3

## SCHEDULE OF PROPERTY TAXES YEAR ENDED DECEMBER 31, 2016

	Budget (Unaudited)	2016	2015
<b>TAXATION</b>			
Property taxes			
- residential	5,140,457	5,142,960	5,231,108
- commercial	1,831,128	1,845,320	1,730,044
- industrial	755,271	755,272	755,849
- farmland	173	173	178
- special assessment	-	-	-
- electric power	87,522	87,514	89,040
- pipeline	4,024	4,025	4,702
- cable television	9,258	9,258	9,691
- machinery and equipment	93,986	83,987	90,768
Government grants in place of property taxes			
- federal	8,284	8,285	8,691
- provincial	47,751	24,408	49,536
	<u>7,977,854</u>	<u>7,961,202</u>	<u>7,969,607</u>
<b>REQUISITIONS</b>			
School Foundation Fund	1,833,166	1,833,264	1,759,212
Wainwright East Central Catholic	361,101	361,101	318,368
Battle River Foundation	113,001	113,001	110,121
Wainwright and District Ambulance Society and E911	21,571	21,571	30,816
	<u>2,328,839</u>	<u>2,328,937</u>	<u>2,218,517</u>
<b>NET MUNICIPAL TAXES</b>	<u>5,649,015</u>	<u>5,632,265</u>	<u>5,751,090</u>



**TOWN OF WAINWRIGHT**

SCHEDULE 4

**SCHEDULE OF GOVERNMENT TRANSFERS  
YEAR ENDED DECEMBER 31, 2016**

	Budget (Unaudited)	2016	2015
<b>TRANSFERS FOR OPERATING:</b>			
Federal government	4,590	10,044	4,590
Local government	314,300	325,847	306,167
Provincial government	<u>711,617</u>	<u>754,266</u>	<u>728,672</u>
	<u>1,030,507</u>	<u>1,090,157</u>	<u>1,039,429</u>
 <b>TRANSFERS FOR CAPITAL:</b>			
Federal government	-	-	-
Local government	-	15,000	15,872
Provincial government	<u>4,912,120</u>	<u>4,373,696</u>	<u>975,992</u>
	<u>4,912,120</u>	<u>4,388,696</u>	<u>991,864</u>
 <b>TOTAL GOVERNMENT TRANSFERS</b>	 <u>5,942,627</u>	 <u>5,478,853</u>	 <u>2,031,293</u>



**TOWN OF WAINWRIGHT**

SCHEDULE 5

**SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT  
YEAR ENDED DECEMBER 31, 2016**

	Budget (Unaudited)	2016	2015
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Amortization of tangible capital assets	-	2,070,179	2,037,259
Bank charges and short-term interest	2,100	871	2,067
Contracted and general services	4,534,093	3,853,958	4,386,282
Interest on long term debt	-	-	-
Materials, goods and utilities	4,745,392	3,843,528	4,461,336
Salaries, wages and benefits	4,779,684	4,825,509	4,564,717
Transfers to local boards and agencies	595,040	615,432	558,958
Loss on disposal of tangible capital assets	-	-	-
	<u>14,656,309</u>	<u>15,209,477</u>	<u>16,010,619</u>





TOWN OF WAINWRIGHT

SCHEDULE 6

SCHEDULE OF SEGMENTED DISCLOSURE  
YEAR ENDED DECEMBER 31, 2016

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Gas Distribution	Other	Total \$
<b>REVENUE</b>									
Net municipal taxes	5,632,265	-	-	-	-	-	-	-	5,632,265
Government transfers	454,067	454,067	452,614	20,689	249,808	3,996,356	-	305,319	5,478,853
User fees and sales of goods	97,953	647,795	167,369	1,025,943	820,765	3,333,604	3,101,499	38,818	9,233,746
Investment income	223,051	-	-	-	-	-	-	-	223,051
Penalties and costs of taxes	39,311	-	-	-	-	3,064	12,268	276,334	54,643
Other revenues	-	-	-	-	-	-	-	-	276,334
	5,992,580	1,101,862	619,983	1,046,632	1,070,573	7,333,024	3,113,767	620,471	20,898,892
<b>EXPENSES</b>									
Contract & general services	407,066	1,245,437	469,726	242,259	475,551	720,191	236,580	57,148	3,853,958
Salaries & wages	770,650	428,612	701,632	273,884	1,559,176	471,845	554,089	65,621	4,825,509
Goods & supplies	76,670	83,529	436,264	2,827	500,640	1,153,831	1,588,572	1,195	3,843,528
Transfers to local boards	82,833	-	-	-	227,280	-	-	305,319	615,432
Long-term debt interest	-	-	-	-	-	-	-	-	-
Other expenses	767	-	-	-	-	-	104	-	871
	1,337,986	1,757,578	1,607,622	518,970	2,762,647	2,345,867	2,379,345	429,283	13,139,298
<b>NET REVENUE, BEFORE AMORTIZATION</b>	4,654,594	(655,716)	(987,639)	527,662	(1,692,074)	4,987,157	734,422	191,188	7,759,594
Amortization expense	(50,935)	(95,438)	(832,087)	(730)	(442,452)	(573,697)	(72,360)	(2,480)	(2,070,179)
<b>NET REVENUE</b>	4,603,659	(751,154)	(1,819,726)	526,932	(2,134,526)	4,413,460	662,062	188,708	5,689,415

