

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61



Financial Statement & Reports

**For the Fiscal Year Ended
December 31, 2015**

Ratepayers of the Municipal District of Wainwright are invited to attend an “Open House” at the M.D. Office in Wainwright on Tuesday, April 19th, 2016 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

2015 Reeve's Report

On behalf of Council, I am pleased to provide you with the highlights of the MD of Wainwright's operations for the 2015 fiscal year.

In 2015, our construction crew improved approximately 18 miles of road. This included working on a high traffic road north-east of Edgerton. The MD plans to further improve this road with terracem in 2016. It will act as a connector for S.H. 894 and the North Chauvin Road. Other projects included a two mile stretch just north of the Riverdale Mini-Park and continued work on the Sharon Lutheran Church Road south of Irma. The MD also contracted out 13 miles of road construction in 2015. In addition, we added 11 more miles of the base stabilization or terracem to our key local road network, making a total of 56 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.

The MD utilized \$2.8 million of its Municipal Sustainability Initiative (MSI) funding from the provincial government towards the Hogan Hill Road grading project. The remainder of the grant helped fund the fire departments and recreation operations within the municipality in the amount of \$226,989.

We completed approximately 12 miles of road oiling and re-oiling in 2015. We now have less oiled roads in our municipality as terracem has replaced some of our busiest oiled roads. At the completion of 2015, oiled roads in the municipality totaled 52 miles, which is a reduction of 37 miles since 2010. This results in a cost savings of approximately \$850,000 for oiled road maintenance over a two-year period.

Regular road maintenance continued as usual with 189,000 metric tonnes of gravel applied to our gravel roads. We use both private and MD 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 a private contractor to crush approximately 343,000 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 MD 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 MD 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 MD 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.

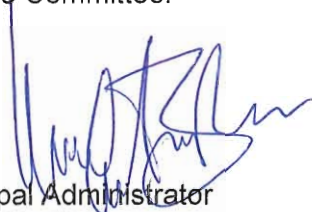
These financial statements have been prepared by management. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in 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 18, 2016



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 Municipal District of Wainwright No. 61, which comprise the statement of financial position as at December 31, 2015, 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, 2015, 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 18, 2016

Chartered Accountant

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2015

STATEMENT 1

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	22,205,936	6,512,010
Receivables		
Taxes and grants in lieu of taxes (Note 3)	879,117	755,817
Trade and other receivables	461,173	484,351
Inventory for resale (Note 4)	5,276	9,875
Investments (Note 5)	12,741	13,015,266
	23,564,243	20,777,319
LIABILITIES		
Accounts payable and accrued liabilities	896,134	868,127
Deferred revenue (Note 6)	5,420	3,599
Employee benefit obligations (Note 7)	590,189	553,008
Trust funds (Note 8)	84,150	90,314
	1,575,893	1,515,048
NET FINANCIAL ASSETS	21,988,350	19,262,271
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	271,787,753	266,425,149
Inventory for consumption (Note 9)	4,268,380	3,020,447
Prepaid expenses	90,781	64,897
	276,146,914	269,510,493
ACCUMULATED SURPLUS (Schedule 1, Note 12)	298,135,264	288,772,764

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, 2015

	Budget \$	2015 \$	2014 \$
REVENUE			
Net municipal taxes (Schedule 3)	28,416,700	28,442,104	27,606,929
User fees and sales of goods	643,759	773,658	956,613
Government transfers for operating (Schedule 4)	1,593,010	1,595,487	996,015
Investment income	153,599	171,161	219,623
Penalties on taxes and utilities	40,000	101,754	87,141
Licenses, permits and fees	50,000	36,527	101,740
Other	8,000	101,341	151,190
Total Revenue	<u>30,905,068</u>	<u>31,222,032</u>	<u>30,119,251</u>
EXPENSES			
Council and administration	3,254,440	3,056,736	2,472,013
Protective services	239,436	316,225	245,765
Transportation services	25,290,910	24,823,736	26,553,288
Safety	137,600	133,226	110,655
Water, sewer and garbage	438,770	411,086	423,778
Community services	37,596	37,596	47,596
Municipal planning and zoning	107,700	98,960	127,802
Agricultural services board	1,173,898	1,008,709	1,085,528
Recreation, parks and culture	723,318	674,740	748,287
Total Expenses	<u>31,403,668</u>	<u>30,561,014</u>	<u>31,814,712</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	(498,600)	661,018	(1,695,461)
OTHER			
Cost recovery of roads	-	5,889,851	2,628,109
Government transfers for capital (Schedule 4)	2,811,631	2,811,631	3,217,425
EXCESS OF REVENUE OVER EXPENSES	2,313,031	9,362,500	4,150,073
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>288,772,764</u>	<u>288,772,764</u>	<u>284,622,691</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>291,085,795</u></u>	<u><u>298,135,264</u></u>	<u><u>288,772,764</u></u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2015

	Budget \$	2015 \$	2014 \$
EXCESS OF REVENUE OVER EXPENSES	2,313,031	9,362,500	4,150,073
Acquisition of tangible capital assets	(16,245,732)	(20,285,648)	(21,399,441)
Proceeds on disposal of tangible capital assets	701,762	719,012	341,398
Amortization of tangible capital assets	14,092,302	14,124,017	13,408,840
Loss on disposal of tangible capital assets	-	80,015	3,562,249
	<u>(1,451,668)</u>	<u>(5,362,604)</u>	<u>(4,086,954)</u>
Acquisition of supplies inventories	-	(4,268,380)	(3,020,447)
Acquisition of prepaid assets	-	(90,781)	(64,897)
Use of supplies inventories	-	3,020,447	1,896,786
Use of prepaid assets	-	64,897	129,134
	<u>-</u>	<u>(1,273,817)</u>	<u>(1,059,424)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	861,363	2,726,079	(996,305)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>19,262,271</u>	<u>19,262,271</u>	<u>20,258,576</u>
NET FINANCIAL ASSETS, END OF YEAR	<u><u>20,123,634</u></u>	<u><u>21,988,350</u></u>	<u><u>19,262,271</u></u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

STATEMENT 4

**CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015**

	2015	2014
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenses (Statement 2)	9,362,500	4,150,073
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	14,124,017	13,408,840
Loss on disposal of tangible capital assets	80,015	3,562,249
Non-cash charges to operations (net change):		
Increase in taxes and grants in lieu of taxes	(123,300)	(127,223)
Decrease in trade and other receivables	23,178	195,212
Decrease in inventory for resale	4,599	8,875
Increase in inventory for consumption	(1,247,933)	(1,123,661)
Decrease (increase) in prepaid expenses	(25,884)	64,237
Increase (decrease) in accounts payable and accrued liabilities	28,007	(428,912)
Increase (decrease) in deferred revenue	1,821	(462,720)
Increase in employee benefit obligations	37,181	2,763
Increase (decrease) in trust funds	(6,164)	10,846
Cash provided by operating transactions	<u>22,258,037</u>	<u>19,260,579</u>
CAPITAL		
Acquisition of tangible capital assets	(20,285,648)	(21,399,441)
Sale of tangible capital assets	719,012	341,398
Cash applied to capital transactions	<u>(19,566,636)</u>	<u>(21,058,043)</u>
INVESTING		
Decrease in restricted cash or cash equivalents	4,343	451,874
Decrease (increase) in investments	13,002,525	(2,999,125)
Cash provided by (applied to) investing transactions	<u>13,006,868</u>	<u>(2,547,251)</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	15,698,269	(4,344,715)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,418,097	10,762,812
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>22,116,366</u>	<u>6,418,097</u>
Cash and cash equivalents is made up of:		
Cash and temporary investments (Note 2)	22,205,936	6,512,010
Less: restricted portion of cash and temporary investments (Note 2)	(89,570)	(93,913)
	<u>22,116,366</u>	<u>6,418,097</u>



**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015****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, 2015

1. SIGNIFICANT ACCOUNTING PRINCIPLES - continued

f) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

g) 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.

h) 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, 2015

1. SIGNIFICANT ACCOUNTING PRINCIPLES - continued**h) 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>2015</u>	<u>2014</u>
Cash	1,182,648	2,512,010
Temporary investments	<u>21,023,288</u>	<u>4,000,000</u>
	<u>22,205,936</u>	<u>6,512,010</u>

Temporary investments are short-term deposits with original maturities of three months or less with effective interest rates of 1.55% to 1.65% (2014 - 1.7%).

Included in cash is \$89,570 (2014 - \$93,913) of funds restricted in use.

3. TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLES

	<u>2015</u>	<u>2014</u>
Current taxes and grants in lieu of taxes	303,127	301,926
Arrears taxes and grants in lieu of taxes	<u>575,990</u>	<u>453,891</u>
	<u>879,117</u>	<u>755,817</u>

4. INVENTORY FOR RESALE

	<u>2015</u>	<u>2014</u>
Bundles of firewood	<u>5,276</u>	<u>9,875</u>

5. INVESTMENTS

	<u>2015</u>	<u>2014</u>
Equity in AAMDC	-	2,699
Equity in Eastalta Co-op Ltd.	7,715	7,542
Equity in Irma Co-op Association Ltd.	5,000	5,000
Wainwright Credit Union common shares	26	25
Short-term deposits	<u>-</u>	<u>13,000,000</u>
	<u>12,741</u>	<u>13,015,266</u>

Short-term deposits mature in less than one year. The effective interest rate of short-term deposits in 2014 was 1.85%.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

6. DEFERRED REVENUE

	<u>2015</u>	<u>2014</u>
Municipal Sustainability Initiative	<u>5,420</u>	<u>3,599</u>

Municipal Sustainability Initiative

Funding in the amount of \$3,038,620 (2014 - \$3,010,374) was received in the current year from the Municipal Sustainability Initiative (MSI). Of the \$3,038,620 received, \$2,811,631 is from the capital component of the program and is restricted to eligible capital projects, as approved under the funding agreement. The remaining \$226,989 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 \$5,420 which was earned on the MSI funds is being carried forward for future MSI projects. The unexpended funds are supported by cash of \$5,420 held exclusively for such projects (refer to Note 2).

7. EMPLOYEE BENEFIT OBLIGATIONS

	<u>2015</u>	<u>2014</u>
Vacation	<u>128,270</u>	127,285
Sick time	<u>461,919</u>	<u>425,723</u>
	<u>590,189</u>	<u>553,008</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.

8. TRUST FUNDS

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

	<u>2015</u>			<u>2014</u>
	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>Balance</u>
Tax sale surplus trust	-	-	<u>329</u>	329
Reserve trust	<u>15,307</u>	<u>21,471</u>	<u>83,821</u>	<u>89,985</u>
	<u>15,307</u>	<u>21,471</u>	<u>84,150</u>	<u>90,314</u>



NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

9. INVENTORY FOR CONSUMPTION

	<u>2015</u>	<u>2014</u>
Blades, bits and ripper teeth	118,847	95,478
Culverts and couplers	29,724	46,447
Gravel and sand	4,024,439	2,824,802
Fence posts and wire	<u>95,370</u>	<u>53,720</u>
	<u>4,268,380</u>	<u>3,020,447</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, 2015 or December 31, 2014.

11. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2015</u>	<u>2014</u>
Tangible capital assets (Schedule 2)	504,212,893	488,394,954
Accumulated amortization (Schedule 2)	<u>(232,425,140)</u>	<u>(221,969,805)</u>
	<u>271,787,753</u>	<u>266,425,149</u>

12. ACCUMULATED SURPLUS

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

	<u>2015</u>	<u>2014</u>
Unrestricted surplus	6,305,861	6,204,513
Restricted surplus (Note 13)	20,041,650	16,143,102
Equity in tangible capital assets (Note 11)	<u>271,787,753</u>	<u>266,425,149</u>
	<u>298,135,264</u>	<u>288,772,764</u>



NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

13. RESTRICTED SURPLUS

Restricted surplus activities changed as follows:

	<u>2015</u>			<u>2014</u>
	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>Balance</u>
General	630,867	-	1,127,305	496,438
Fire – Edgerton	178,837	156,722	538,542	516,427
Fire – Irma	533,501	442,641	590,149	499,289
Fire – Chauvin	178,227	64,177	126,994	12,944
Fire – Wainwright	485,694	185,992	333,495	33,793
Transportation	14,297,718	-	15,222,718	925,000
Transportation capital	-	1,559,200	-	1,559,200
Water well	-	-	192,678	192,678
Recreation	332,653	263,082	713,920	644,349
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	134,448	-	157,599	23,151
Agricultural Service Board capital	-	134,448	-	134,448
Development	2,250	-	38,250	36,000
Total restricted surplus	<u>16,774,195</u>	<u>12,875,647</u>	<u>20,041,650</u>	<u>16,143,102</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:

	<u>2015</u>	<u>2014</u>
Total debt limit	46,833,048	45,178,877
Total debt	-	-
Amount of debt limit unused	<u>46,833,048</u>	<u>45,178,877</u>
Debt servicing limit	7,805,508	7,529,813
Debt servicing	-	-
Amount of debt servicing limit unused	<u>7,805,508</u>	<u>7,529,813</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, 2015

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:

	2015			2014
	Salary ¹	Benefits & Allowances ²	Total	Total
Reeve				
Bob Barss	61,401	9,176	70,577	60,859
Councillors				
Oscar Buck	42,452	7,545	49,997	47,919
Bruce Cummins	51,022	4,822	55,844	55,239
William Lawson	43,876	7,586	51,462	46,835
Phil Valleau	52,681	1,264	53,945	50,248
Ted Wilkinson	47,135	7,967	55,102	53,812
Myron Zajic	46,189	7,792	53,981	42,162
Chief Administrative Officer				
Kelly Buchinski	187,164	32,681	219,845	212,752
Designated Officer (1)	106,087	21,796	127,883	123,554

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 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 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 Municipality is required to make current service contributions to the LAPP of 11.39% (2014 – 11.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% (2014 – 15.84%) on pensionable earnings above this amount. Employees of the Municipality are required to make current service contributions of 10.39% (2014 – 10.39%) of pensionable salary up to the year's maximum pensionable earnings and 14.84% (2014 – 14.84%) on pensionable earnings above this amount.



NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

17. LOCAL AUTHORITIES PENSION PLAN - continued

Total current service contributions by the Municipality to the LAPP in 2015 were \$383,939 (2014 - \$369,073). Total current service contributions by the employees of the Municipality to the LAPP in 2015 were \$354,018 (2014 - \$340,393).

At December 31, 2014, the LAPP disclosed an actuarial deficiency of \$2.455 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 and temporary investments, accounts receivable, investments, bank indebtedness, and 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, 2015

SCHEDULE 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2015 Total	2014 Total
BALANCE, BEGINNING OF YEAR	6,204,514	16,143,101	266,425,149	288,772,764	284,622,691
Excess of revenue over expenses	9,362,500	-	-	9,362,500	4,150,073
Unrestricted funds designated for future use	(5,011,162)	5,011,162	-	-	-
Restricted funds used for operations	1,112,613	(1,112,613)	-	-	-
Current year funds used for tangible capital assets	(20,285,648)	-	20,285,648	-	-
Disposal of tangible capital assets	799,027	-	(799,027)	-	-
Annual amortization expense	14,124,017	-	(14,124,017)	-	-
Change in accumulated surplus	101,347	3,898,549	5,362,604	9,362,500	4,150,073
BALANCE, END OF YEAR	6,305,861	20,041,650	271,787,753	298,135,264	288,772,764



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE 2

SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2015

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2015 Total	2014 Total
COST								
Balance, beginning 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
Acquisition of tangible capital assets	-	18,110	-	9,960,079	2,968,399	497,027	13,443,615	21,292,281
Construction-in-progress	-	-	-	6,842,033	-	-	6,842,033	107,160
Disposal of tangible capital assets	-	-	-	(2,526,083)	(1,596,239)	(345,387)	(4,467,709)	(11,226,860)
Write down of tangible capital assets	-	-	-	-	-	-	-	-
Balance, end of year	3,031,897	982,738	3,055,270	477,453,831	14,378,034	5,311,123	504,212,893	488,394,954
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	454,669	945,098	212,232,913	5,620,760	2,716,365	221,969,805	215,884,178
Annual amortization	-	42,090	61,105	12,496,359	1,186,154	338,309	14,124,017	13,408,840
Accumulated amortization on disposals	-	-	-	(2,418,527)	(914,541)	(335,614)	(3,668,682)	(7,323,213)
Balance, end of year	-	496,759	1,006,203	222,310,745	5,892,373	2,719,060	232,425,140	221,969,805
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS								
	3,031,897	485,979	2,049,067	255,143,086	8,485,661	2,592,063	271,787,753	266,425,149
2014 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	3,031,897	509,959	2,110,172	250,944,889	7,385,114	2,443,118	266,425,149	



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE 3

SCHEDULE OF PROPERTY TAXES
For the Year Ended December 31, 2015

	Budget \$	2015 \$	2014 \$
TAXATION			
Real property taxes	10,708,037	10,737,462	10,424,843
Linear property taxes	22,624,231	22,624,231	22,099,308
Government grants in lieu of property taxes	2,293,624	2,293,624	2,120,709
	<u>35,625,892</u>	<u>35,655,317</u>	<u>34,644,860</u>
REQUISITIONS AND TRANSFERS			
Alberta School Foundation Fund	5,798,013	5,798,013	5,644,975
East Central Alberta Catholic Separate Schools	143,445	143,445	146,999
Battle River Foundation	296,577	296,577	280,592
East Central 911	20,276	20,276	20,359
Rural fire	305,677	309,698	297,039
Rural recreation	645,204	645,204	647,967
	<u>7,209,192</u>	<u>7,213,213</u>	<u>7,037,931</u>
NET MUNICIPAL TAXES	<u>28,416,700</u>	<u>28,442,104</u>	<u>27,606,929</u>

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SCHEDULE 4

SCHEDULE OF GOVERNMENT TRANSFERS
For the Year Ended December 31, 2015

	Budget \$	2015 \$	2014 \$
TRANSFERS FOR OPERATING			
Provincial government	1,351,084	1,351,084	746,268
Federal government	241,926	244,403	249,747
	<u>1,593,010</u>	<u>1,595,487</u>	<u>996,015</u>
TRANSFERS FOR CAPITAL			
Provincial government	2,811,631	2,811,631	3,217,425
Federal government	-	-	-
	<u>2,811,631</u>	<u>2,811,631</u>	<u>3,217,425</u>
TOTAL GOVERNMENT TRANSFERS	<u>4,404,641</u>	<u>4,407,118</u>	<u>4,213,440</u>



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

SCHEDULE 5

SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT
For the Year Ended December 31, 2015

	Budget \$	2015 \$	2014 \$
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	6,550,914	6,730,929	6,178,762
Contracted and general services	5,740,855	5,048,943	4,230,291
Materials, goods and utilities	4,322,891	3,899,265	3,833,191
Tax cancellations	20,000	23,825	2,913
Transfers to local boards and agencies	656,281	645,131	580,342
Bank charges and short-term interest	20,425	8,889	18,124
Amortization of tangible capital assets	14,092,302	14,124,017	13,408,840
Loss on disposal of tangible capital assets	-	80,015	3,562,249
	<u>31,403,668</u>	<u>30,561,014</u>	<u>31,814,712</u>



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SCHEDULE 6

SCHEDULE OF SEGMENTED DISCLOSURE
For the Year Ended December 31, 2015

	General Government	Protective Services	Transportation Services	Planning & Zoning	Recreation & Culture	Environmental Services	Other	2015 Total
REVENUE								
Net municipal taxes	28,442,104	-	-	-	-	-	-	28,442,104
Government transfers	362,794	630,994	3,033,777	-	113,494	-	266,059	4,407,118
User fees and sales of goods	143,266	-	154,676	26,057	348,225	40,554	60,880	773,658
Investment income	171,161	-	-	-	-	-	-	171,161
Penalties on taxes and utilities	101,754	-	-	-	-	-	-	101,754
Other revenue	61,325	73,742	5,889,851	1,200	-	-	1,601	6,027,719
	29,282,404	704,736	9,078,304	27,257	461,719	40,554	328,540	39,923,514
EXPENSES								
Contracted and general services	1,212,935	165,804	3,196,472	4,826	32,239	239,294	197,373	5,048,943
Salaries, wages and benefits	1,368,854	46,358	4,503,840	94,091	153,649	38,461	525,676	6,730,929
Materials, goods and utilities	87,161	-	3,252,047	43	143,345	48,087	368,582	3,899,265
Transfers to local boards and agencies	324,621	-	-	-	272,914	-	47,596	645,131
Other expenses	32,714	-	80,015	-	-	-	-	112,729
	3,026,285	212,162	11,032,374	98,960	602,147	325,842	1,139,227	16,436,997
NET REVENUE, BEFORE AMORTIZATION	26,256,119	492,574	(1,954,070)	(71,703)	(140,428)	(285,288)	(810,687)	23,486,517
Amortization expense	(30,451)	(117,541)	(13,759,777)	-	(72,592)	(85,244)	(58,412)	(14,124,017)
NET REVENUE	26,225,668	375,033	(15,713,847)	(71,703)	(213,020)	(370,532)	(869,099)	9,362,500



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

2015 AGRICULTURAL SERVICE BOARD REPORT

BOARD COMPOSITION

Bill Lawson	Councillor (Chairman)	James Schwindt	Agricultural Fieldman
Myron Zajic	Councillor	Tanis Ponath	Asst. Agricultural Fieldman
Steve Rassok	Farm Member	Rod Gabrielson	Pest Control Officer
Neil Pugh	Farm Member		
Grant Rathwell	Farm Member		

*Four ASB meetings were held in 2015

LEGISLATIVE GRANT STREAM SECTION

ADMINISTRATION

Tanis Ponath became the full-time Assistant Agricultural Fieldman in December 2015 after covering a one-year maternity leave for Aimee Leggett. Aimee has decided to stay home full-time with her children.

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 2015. The Municipal District of Wainwright (MD) sold 255 cases of liquid strychnine concentrate (LSC) to 103 agricultural producers in 2015. The 2% LSC has been ordered and we should have a good supply for 2016. The MD hosted the eleventh annual Rural Routes supper and social, which again proved to be a very popular event, with approximately 385 ratepayers and their families attending. The 2016 Rural Routes supper will be held on August 5, 2016. The MD of Wainwright continues to operate 3 municipal water tankloader facilities for agriculture, shelterbelt and other approved uses. Approximate usage levels for the tankloaders in 2015 were as follows: Ribstone 195,514 gallons, Giltedge 511,302 gallons and Irma 590,082 gallons.

VEGETATION MANAGEMENT AND CROP PEST MONITORING

The MD continued to maintain three weed inspectors and three herbicide injection and GPS equipped trucks. These trucks were stationed in Irma, Wainwright and Edgerton. In 2015, the second year in a three year rotational roadside spray program was completed. Tordon 101 and Clearview were used 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 Diffuse Knapweed was found for the first time and Hoary Alyssum continues to have new sites popping up in areas east of Wainwright in Division 4. It is good to see landowners continuing to cooperate and take the initiative to control this weed without the issuance of notices. The original site of Tall Buttercup was sprayed by leaseholders again and one new site was found in 2015 in Division 4 near Ribstone Creek. 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. The MD is building another new spray truck for use in 2016 and has sold the remaining 2001 spray unit.

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

In 2015 the MD had a contractor complete approximately 862 miles of roadside shoulder mowing.

The ASB continued to participate in partnership with Alberta Agriculture in their pest surveillance program. The Assistant Agricultural Fieldman focused on setting up traps for Diamondback moths, Swedge midge, Bertha Army worms and Wheat midge throughout the municipality. The information collected was showcased on the provincial pest monitoring website. 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 a number of hot spots in a few areas. The MD of Wainwright also completed the sixth year of random Clubroot inspections on 62 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 2016.

VERTEBRATE PEST CONTROL

In 2015 there were no rat infestations in the Rural Municipality of Manitou Lake in Saskatchewan or in the MD of Wainwright. We are in the process of implementing GPS of all the inspection sites in both Alberta and Saskatchewan so we will have another updated map in 2016. We dealt with 8 coyote calls and removed 35 coyotes from around the MD. The Pest Control Officer removed 46 beaver dams by hand and 10 dams with dynamite. A number of dams were removed by backhoe and public works staff. The Pest Control Officer removed 73 beavers, 2 raccoons and 9 pack rats from the MD in 2015. He also completed 2 rat control presentations during the year.

If you have any questions or concerns about pest control, call the Pest Control Officer, Rod Gabrielson, at 780-842-7285 or the MD office at 780-842-4454.

ENVIRONMENTAL GRANT STREAM SECTION

MUNICIPAL PROJECTS, DEMONSTRATIONS AND EXTENSION ACTIVITIES

This year the MD 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.

The ASB newsletter called "The Municipal Agricultural Connection" was 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. The local radio stations are used for event-based advertising and getting information out quickly to producers. Interest in Environmental Farm Plans has decreased from past years, although this is still a very valuable self-assessment tool to help identify your environmental risks and mitigate them. The Environmental Farm Plan updated to version 3.0 this year. We continue to provide the tools and support to producers who are interested in applying for Growing Forward programs. There was a large number of producers who were interested in the Livestock Welfare

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

Producer program which provides funding for livestock handling systems. Growing Forward 2 will be wrapping up in 2017, therefore if you are interested in applying to any programs, we suggest you apply soon.

The Assistant Agricultural Fieldman attended Revolution of the Farmer in Smoky Lake and Agri-Visions in Lloydminster in March. She also attended training workshops for Environmental Farm Plans and Rural Extension Services. The MD participated in Alberta Farm Safety Week and submitted articles covering healthy water wells and septic systems. The Assistant Agricultural Fieldman hosted a solar energy workshop in Vermilion in April. There were 29 people in attendance and they learned about the benefits of solar energy and the process of going solar. A bus tour was organized to attend Alberta Innovated Technology Futures (AITF) Annual Field Day. AITF's crop trials and research were showcased at the event. The ASB Board attended as well as one producer. Along with other municipalities in our region, the MD of Wainwright organized another successful Grazing School for Women, hosted in the MD of Bonnyville and County of St. Paul. An elk farm was toured and topics such as extending the grazing system and Tru-Test electronic fence demonstration were covered. Over 30 ladies from the surrounding area attended the school.

Throughout the year, we continued to receive enquiries regarding tree and shelterbelt health in the municipality. The Assistant Agricultural Fieldman 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, tree information packages continue to be made available, outlining several businesses which sell trees, as well as information regarding caring for your shelterbelt. The MD continues to support the 100 Year Farm Family Award and had one application this year, the Olsen Family Farm from Irma. They were presented with a plaque at the annual Rural Routes supper. The municipal calendar photo contest was once again a popular event and the decision to choose the top 14 photos to showcase in the municipal calendar was extremely difficult. The calendar received an update in format this year for a new refreshed look. 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 2015. 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 2015. 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

2015 Development Officer's Annual Report

Development throughout the MD of Wainwright was steady in 2015, with 57 development permits issued and a total dollar value of \$18,392,500. There were 21 new homes, 20 shops/garages and 16 other developments. There was significant commercial and industrial development totaling \$4,590,000 which will be a long-term benefit for our future assessment.

The Provincial Government issued 28 drilling permits throughout the municipality and the municipality granted 29 pipeline road-crossing approvals during 2015.

The MD received 20 applications for subdivision during 2015, of which 18 have been approved, with a total of 21 new parcels being created and 3 parcels being increased in size.

The MD would like to remind all residents that any development over 150 square feet requires a building permit from Superior Safety Codes. Non-permanent developments do not require a MD of Wainwright development permit but may require a Superior Safety Codes building 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