



WildeandCompany

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INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of County of Vermilion River

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of County of Vermilion River, 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

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of County of Vermilion River 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.

Vegreville, AB
June 14, 2011


Chartered Accountants

COUNTY OF VERMILION RIVER
Consolidated Statement of Financial Position
As at December 31, 2010

	2010	2009
Financial Assets		
Cash and temporary investments (Note 3)	\$ 21,313,540	\$ 14,912,087
Receivables		
Taxes and grants in place of taxes receivable (Note 4)	371,301	552,941
Due from governments	341,360	3,358,782
Trade and other receivables	2,866,380	2,267,952
Debt charges recoverable (Note 5)	889,017	969,368
Land held for resale	850,085	916,335
Investments (Note 6)	3,187,733	1,180,273
	29,819,416	24,157,738
Liabilities		
Accounts payable and accrued liabilities	5,429,342	5,229,134
Deposit liabilities	26,185	24,936
Deferred revenue (Note 7)	2,440,280	1,518,076
Long term debt (Note 8)	1,840,443	1,080,991
	9,736,250	7,853,137
Net Financial Assets (Debt)	20,083,166	16,304,601
Non-Financial Assets		
Tangible capital assets (Schedule 2)	225,037,255	232,798,848
Inventory for consumption	5,561,621	6,386,947
Prepaid expenses	239,267	212,386
	230,838,143	239,398,181
Accumulated Surplus (Schedule 1)	\$ 250,921,309	\$ 255,702,782

Commitments (Note 15)

Contingencies (Note 16)

COUNTY OF VERMILION RIVER
Consolidated Statement of Operations
Year Ended December 31, 2010

	Budget (Unaudited)	2010	2009
Revenue			
Net municipal taxes (Schedule 3)	\$ 16,042,254	\$ 16,010,434	\$ 15,694,530
Special levies for specified municipal purposes	1,602,806	1,602,806	1,380,924
Sales to other governments	66,339	122,153	153,299
User fees and sales of goods (Schedule 7 - gas sales)	9,961,056	9,472,115	9,187,148
Government transfers for operating (Schedule 4)	2,616,922	2,407,975	1,344,020
Investment income	111,000	207,790	254,704
Penalties and costs on taxes	85,000	103,644	109,912
Rentals	27,000	48,520	33,621
Licenses, permits and fines	47,240	75,475	58,447
Gain on disposal of tangible capital assets	46,230	26,485	47,625
Other	1,156,095	328,195	307,378
	31,761,942	30,405,592	28,571,608
Expenses			
Administration and legislative	2,133,740	2,348,098	2,052,375
Protective Services	684,400	951,054	1,152,363
Emergency and disaster services	129,629	131,066	76,161
Bylaw enforcement	140,200	135,236	137,984
Roads, streets, walks, lighting	10,632,929	21,617,951	21,752,269
Water and wastewater expenditures	312,136	426,359	421,573
Waste management	494,615	423,113	445,615
Family and community support	226,995	232,683	251,464
Cemetery	1,000	1,000	1,000
Land use planning, zoning and development	578,146	680,609	745,300
Economic and Agricultural development	555,202	730,515	619,649
Subdivision land and development	1,108,320	308,264	382,256
Parks and recreation	1,513,679	1,524,372	361,650
Culture	74,964	74,964	71,896
Gas	8,590,955	8,837,166	7,652,629
Other	-	50,650	55,179
	27,176,910	38,473,100	36,179,363
Excess (deficiency) of revenue over expenses - before other	4,585,032	(8,067,508)	(7,607,755)
Other			
Government transfers for capital (Schedule 4)	968,000	338,443	6,820,307
Other capital contributions	623,000	2,947,592	1,768,178
Excess (deficiency) of revenues over expenses	6,176,032	(4,781,473)	980,730
Accumulated surplus - beginning of the year	255,702,782	255,702,782	254,722,052
Accumulated surplus - end of the year	\$ 261,878,814	\$ 250,921,309	\$ 255,702,782

COUNTY OF VERMILION RIVER
 Consolidated Statement of Change in Net Financial Assets (Debt)
 Year Ended December 31, 2010

	Budget (Unaudited)	2010	2009
Excess (deficiency) of revenues over expenses	\$ 6,176,032	\$ (4,781,473)	\$ 980,730
Acquisition of tangible capital assets	(5,353,540)	(5,087,681)	(11,983,482)
Proceeds on disposal of tangible capital assets	46,230	709,083	758,783
Amortization of tangible capital assets	-	12,152,876	11,742,249
(Gain) loss on sale of tangible capital assets	-	(12,685)	(46,765)
	(5,307,310)	7,761,593	470,785
Use (acquisition) of supplies inventories	-	825,326	(185,457)
Use (acquisition) of prepaid assets	-	(26,881)	114,713
	-	798,445	(70,744)
(Increase) Decrease in net debt	868,722	3,778,565	1,380,771
Net Financial Assets (Debt), beginning of year	16,304,601	16,304,601	14,923,830
Net Financial Assets (Debt), end of year	\$ 17,173,323	\$ 20,083,166	\$ 16,304,601