

**COUNTY OF VERMILION RIVER**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2011**



**Wilde and Company**

*Chartered Accountants*

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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, 2011, 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, 2011, 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 26, 2012

*Wilde & Company*  
Chartered Accountants

**COUNTY OF VERMILION RIVER**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2011**

	2011	2010
<b>Financial Assets</b>		
Cash and temporary investments (Note 3)	\$ 28,814,268	\$ 21,313,540
Receivables		
Taxes and grants in place of taxes receivable (Note 4)	401,015	371,301
Due from governments	1,745,663	341,360
Trade and other receivables	2,527,106	2,866,380
Debt charges recoverable (Note 5)	803,710	889,017
Land held for resale	754,805	850,085
Investments (Note 6)	4,246,312	3,187,733
	<b>39,292,879</b>	<b>29,819,416</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	5,471,148	4,772,768
Deposit liabilities	97,286	26,185
Deferred revenue (Note 7)	3,728,245	2,127,990
Long term debt (Note 8)	1,702,649	1,840,443
Due to Alberta East Central Water Corporation (Note 15)	6,434,007	968,864
	<b>17,433,335</b>	<b>9,736,250</b>
<b>Net Financial Assets (Debt)</b>	<b>21,859,544</b>	<b>20,083,166</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (Schedule 2)	221,557,736	225,037,255
Inventory for consumption	7,090,233	5,561,621
Prepaid expenses	286,485	239,267
	<b>228,934,454</b>	<b>230,838,143</b>
<b>Accumulated Surplus (Schedule 1)</b>	<b>\$ 250,793,998</b>	<b>\$ 250,921,309</b>

*Commitments (Note 15)*

*Contingencies (Note 16)*



**COUNTY OF VERMILION RIVER**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 2011**

	Budget (Unaudited)	2011	2010
<b>Revenue</b>			
Net municipal taxes (Schedule 3)	\$ 16,555,418	\$ 16,552,401	\$ 16,010,434
Special levies for specified municipal purposes	1,665,813	1,665,813	1,602,806
Sales to other governments	57,702	214,852	122,153
User fees and sales of goods (Schedule 7 - gas sales)	10,398,915	10,203,510	9,472,115
Government transfers for operating (Schedule 4)	1,304,798	1,749,883	2,407,975
Investment income	121,000	397,615	207,790
Penalties and costs on taxes	85,000	110,481	103,644
Rentals	33,260	41,505	48,520
Licenses, permits and fines	64,640	61,266	75,475
Gain on disposal of tangible capital assets	-	45,304	26,485
Other	68,625	510,308	328,195
	30,355,171	31,552,938	30,405,592
<b>Expenses</b>			
Administration and legislative	2,563,214	2,324,780	2,348,098
Protective Services	748,299	775,670	951,054
Emergency and disaster services	132,085	215,938	131,066
Bylaw enforcement	137,200	137,087	135,236
Roads, streets, walks, lighting	21,555,308	20,668,235	21,617,951
Water and wastewater expenditures	417,956	463,343	426,359
Waste management	462,955	405,098	423,113
Family and community support	226,995	236,273	232,683
Cemetery	1,000	-	1,000
Land use planning, zoning and development	618,390	487,898	680,609
Economic and Agricultural development	769,040	738,880	730,515
Subdivision land and development	641,524	544,422	308,264
Parks and recreation	562,019	529,161	1,524,372
Culture	78,914	77,914	74,964
Gas	9,962,750	9,326,603	8,837,166
Other	-	47,202	50,650
	38,877,649	36,978,504	38,473,100
<b>Excess (deficiency) of revenue over expenses - before other</b>	(8,522,478)	(5,425,566)	(8,067,508)
<b>Other</b>			
Government transfers for capital (Schedule 4)	5,721,709	3,469,639	338,443
Other capital contributions	1,650,000	1,828,616	2,947,592
<b>Excess (deficiency) of revenues over expenses</b>	(1,150,769)	(127,311)	(4,781,473)
<b>Accumulated surplus - beginning of the year</b>	250,921,309	250,921,309	255,702,782
<b>Accumulated surplus - end of the year</b>	\$ 249,770,540	\$ 250,793,998	\$ 250,921,309