

TOWN OF MAYERTHORPE

MAYERTHORPE, ALBERTA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

Hawkings Epp DumontLLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Town of Mayerthorpe
Mayerthorpe, Alberta

We have audited the accompanying financial statements of the Town of Mayerthorpe (the "Town"), which comprise the statement of financial position as at December 31, 2011, and the statements of operations, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of the Town of Mayerthorpe as at December 31, 2011, and the results of its operations, change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta
April 23, 2012



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TOWN OF MAYERTHORPE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
FINANCIAL ASSETS		
Cash and temporary investments	\$ -	\$ 4,965,766
Accounts receivable (Note 2)	1,782,827	921,561
Land held for resale	35,000	35,000
Long-term investments (Note 3)	<u>9,150</u>	<u>9,060</u>
	<u>1,826,977</u>	<u>5,931,387</u>
LIABILITIES		
Bank overdraft (Note 4)	258,973	-
Accounts payable and accrued liabilities (Note 5)	1,478,918	1,223,471
Deferred revenue (Note 6)	145,572	1,204,848
Long-term debt (Note 7)	<u>2,081,946</u>	<u>2,227,842</u>
	<u>3,965,409</u>	<u>4,656,161</u>
NET FINANCIAL ASSETS	<u>(2,138,432)</u>	<u>1,275,226</u>
NON-FINANCIAL ASSETS		
Inventory for consumption	180,060	167,083
Prepaid expenses and deposits	15,815	19,138
Tangible Capital Assets (Schedule 1)	<u>21,285,938</u>	<u>13,408,202</u>
	<u>21,481,813</u>	<u>13,594,423</u>
ACCUMULATED SURPLUS (Note 9)	\$ <u>19,343,381</u>	\$ <u>14,869,649</u>
CONTINGENCIES (Note 12)		

ON BEHALF OF TOWN COUNCIL:


 _____ Mayor


 _____ Deputy Mayor

TOWN OF MAYERTHORPE
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011</u> (Budget) (Note 19)	<u>2011</u> (Actual)	<u>2010</u> (Actual)
Revenue			
Net taxes for general municipal purposes (Schedule 2)	\$ 1,250,681	\$ 1,241,773	\$ 1,187,494
Sales and user charges	748,467	1,017,359	638,902
Government transfers (Schedule 3)	451,190	431,866	397,598
Franchise fees and concession contracts	42,697	43,782	40,203
Return on investments	42,000	38,936	86,182
Penalties and costs on taxes	30,000	30,816	27,847
Fines	30,200	20,328	25,812
Licenses and permits	<u>11,750</u>	<u>14,794</u>	<u>11,802</u>
	<u>2,606,985</u>	<u>2,839,654</u>	<u>2,415,840</u>
Expenses			
Roads, streets, walks and lighting	633,819	544,258	547,146
General administration	408,894	417,273	410,559
Water supply and distribution	317,288	303,739	220,228
Parks and recreation	92,164	194,390	147,515
Land use planning, zoning and development	171,835	162,320	92,039
Family and community support services	155,906	158,783	150,690
Wastewater treatment and disposal	168,894	139,151	39,994
Waste management	120,330	124,897	146,438
Fire	100,218	116,145	120,199
Council and other legislative	95,805	88,261	80,445
Bylaws enforcement	75,432	63,304	55,175
Community and agricultural services	20,831	24,171	19,913
Culture: libraries, museums and halls	16,038	16,038	16,038
Disaster and emergency services	3,685	3,874	5,151
Seniors housing	-	-	250,000
Subdivision land and development	112,250	(419)	14,238
Amortization	<u>-</u>	<u>565,434</u>	<u>421,369</u>
	<u>2,493,389</u>	<u>2,921,619</u>	<u>2,737,137</u>
Excess (Deficiency) of Revenue over Expenses			
Before Other Items	<u>113,596</u>	<u>(81,965)</u>	<u>(321,297)</u>
Other Items			
Government transfers for capital (Schedule 3)	4,340,277	4,049,882	3,573,617
Gain (loss) on disposal of capital assets	<u>-</u>	<u>505,815</u>	<u>2,110,906</u>
	<u>4,340,277</u>	<u>4,555,697</u>	<u>5,684,523</u>
Excess of Revenue over Expenses	<u>\$ 4,453,873</u>	4,473,732	5,363,226
Accumulated Surplus, Beginning of Year		<u>14,869,649</u>	<u>9,506,423</u>
Accumulated Surplus, End of Year		<u>\$ 19,343,381</u>	<u>\$ 14,869,649</u>

The accompanying notes are an integral part of these financial statements.