

# 2011 ANNUAL REPORT

Oldman River Regional Services Commission

## FINANCIAL STATEMENTS



**Year Ending  
December 31, 2011**



*OLDMAN RIVER REGIONAL SERVICES COMMISSION*

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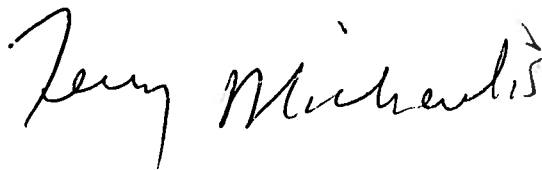
**REPORT FROM THE CHAIR*****Dear Members of the Board:***

*In spite of a challenging operating environment and slow growth across our municipalities, the Oldman River Regional Services Commission again achieved expected results due to the strengths of its Executive, its Board and the commitment of its employees.*

*We believe that good governance is a cornerstone of our success at ORRSC and we are committed to continuous improvement. We regularly review and update our practices. In 2011, we provided orientation to new Board and Executive members; we reviewed and initiated a new basic services fee; we conducted a risk assessment of operational services; we tendered and awarded audit services; set up a Regional Assessment Review Board; reviewed the Regional Advisory Committee's report to the Province; conducted budget deliberations; determined reserve allocations; attended the Community Planning Association Conference in Red Deer; updated and amended the ORRSC Bylaw and Regulations; conducted the Director's performance evaluation; and provided general guidance and advice to the Commission.*

*We have confidence in the future and while we expect the conditions in which we operate to remain challenging, we have the utmost confidence that the members and the staff of ORRSC will continue to deliver superior performance and enhance the Commission's financial condition and prospects into 2012. To this end, we are supporting the creation of a Finance Committee to ensure long-term viability and sustainability of our operations.*

*The Executive has worked diligently to make decisions in the best interests of the Commission and its member municipalities and I would like to thank them and the competent staff of ORRSC for their continued support and dedication.*



***Terry Michaelis, Chair  
Oldman River Regional Services Commission***

## BOARD OF DIRECTORS

Membership as at December 31, 2011 consisted of the following 38 municipalities, all of which had appointed members to the Board of Directors. Four Board of Directors' meetings were held between January 1 and December 31, 2011. Representation from the municipalities is listed below:

MUNICIPALITY	CURRENT MEMBER	FORMER MEMBER (part of 2011)
ARROWWOOD (Village)	Bill Graff	
BARNWELL (Village)	Jane Jensen	
BARONS (Village)	Alf Olsen	
CARDSTON (County)	Roger Houghton	
CARDSTON (Town)	Tim Court	
CARMANGAY (Village)	Doug Smith	
CHAMPION (Village)	Dick Ellis	
CLARESHOLM (Town)	Doug MacPherson	
COALDALE (Town)	Henry Pauls	
COALHURST (Town)	Marvin Slingerland	
COUTTS (Village)	Tom Butler	
COWLEY (Village)	Garry Hackler	
CROWSNEST PASS (Municipality)	Larry Mitchell / Jerry Lonsbury	
FORT MACLEOD (Town)	Gordon Wolstenholme	
GRANUM (Town)	Walter Gripping	
HILL SPRING (Village)	Monte Christensen	
LETHBRIDGE (County)	Henry Doeve	
LOMOND (Village)	Brad Koch	
MAGRATH (Town)	Dennis Quinton	
MILK RIVER (Town)	Terry Michaelis	
MILO (Village)	Rafael Zea	Laurie Duffield
NANTON (Town)	Dick Fenton	
NEWELL (County)	Anne Marie Philipsen	
NOBLEFORD (Village)	Pete Pelley	
PICTURE BUTTE (Town)	Hank Hurkens	
PINCHER CREEK (M.D. No. 9)	Bjorn Berg	Terry Yagos
PINCHER CREEK (Town)	Don Anderberg	
RANCHLAND (M.D. No. 66)	Ronald Davis	
RAYMOND (Town)	Greg Robinson	
STAVELY (Town)	Barry Johnson	
STIRLING (Village)	Gary Bikman	Mike Selk
TABER (Municipal District)	Ben Elfring	
VAUXHALL (Town)	Tony Dunphy	
VULCAN (County)	Rod Ruark	
VULCAN (Town)	Paul Taylor	
WARNER (County No. 5)	Phil Jensen	
WARNER (Village)	Dannie Lien	
WILLOW CREEK (M.D. No. 26)	Henry Van Hierden	

## CHAIR AND VICE-CHAIR

The Chair and Vice-Chair from January 1 to December 1, 2011 were:

<b>Chair</b>	– Terry Michaelis (Town of Milk River)
<b>Vice-Chair</b>	– Gordon Wolstenholme (Town of Fort Macleod)

At the December 1, 2011 Annual Organizational Board of Directors' meeting, both the Chair and Vice-Chair were re-elected to their positions for the period December 1, 2011 to December 6, 2012.

## EXECUTIVE COMMITTEE

The Executive Committee is responsible for financial and administrative concerns including budget preparation, approval of accounts, procedures and policies for hiring and dismissal of staff, and specific issues affecting administration or policy. Seven meetings were held between January 1 and December 31, 2011.

The following served on the Executive Committee from January 1 to December 1, 2011:

Terry Michaelis	– Town of Milk River ( <b>Chair</b> )
Gordon Wolstenholme	– Town of Fort Macleod ( <b>Vice-Chair</b> )
Henry Doeve	– County of Lethbridge
Henry Van Hierden	– M.D. of Willow Creek No. 26
Doug MacPherson	– Town of Claresholm
Dick Fenton	– Town of Nanton
Mike Selk	– Village of Stirling

At the December 1, 2011 Annual Organizational Board of Directors' meeting, the following members were elected to serve on the Executive Committee from December 1, 2011 to December 6, 2012:

Terry Michaelis	– Town of Milk River ( <b>Chair</b> )
Gordon Wolstenholme	– Town of Fort Macleod ( <b>Vice-Chair</b> )
Anne Marie Philipsen	– County of Newell
Henry Van Hierden	– M.D. of Willow Creek No. 26
Doug MacPherson	– Town of Claresholm
Walter Gripping	– Town of Granum
Dick Fenton	– Town of Nanton



**STAFF****CURRENT STAFF (as at December 31, 2011)**

<b>DIRECTOR</b>	– Lenze Kuiper (permanent contract)
<b>SENIOR PLANNER</b>	– Mike Burla (permanent)
<b>SENIOR PLANNER</b>	– Steve Harty (permanent contract)
<b>PLANNER</b>	– Diane Horvath (permanent contract)
<b>PLANNER</b>	– Bonnie Brunner (permanent contract)
<b>PLANNER</b>	– Gavin Scott (permanent contract)
<b>PLANNER</b>	– Jonathan Schmidt (permanent contract)
<b>PLANNER</b>	– Perry Neufeld (permanent contract)
<b>PLANNER</b>	– Michelle Greenwich (permanent contract) – effective May 1/11
<b>INTERN PLANNER</b>	– Breelyn Gray (contract)
<b>SR. GRAPHICS TECHNOLOGIST</b>	– Cal Kembel (permanent part-time contract) – effective June 1/11
<b>CAD/GIS TECHNOLOGIST</b>	– Mladen Kristic (permanent contract)
<b>GIS TECHNOLOGIST</b>	– Steven Ellert (permanent contract)
<b>GIS ANALYST</b>	– Jaime Thomas (permanent contract)
<b>GIS ANALYST</b>	– Jordan Thomas (permanent contract)
<b>SUBDIVISION TECHNICIAN</b>	– Gail Kirkman (permanent contract)
<b>BOOKKEEPER</b>	– Sherry Johnson (permanent)
<b>EXECUTIVE SECRETARY</b>	– Barb Johnson (permanent)

**FORMER STAFF (part of 2011)**

<b>ASSISTANT PLANNER</b>	– Katherine Mertz (permanent part-time contract) – to Nov. 30/11
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## WORK PROGRAM

*“Everyone has a plan – until they get punched in the face.”*

*– Mike Tyson, Boxer*

Our achievements over the past year demonstrate the strength and commitment of our staff and the resiliency of our Commission and its members. Yes, we had a plan – and yes, we took a punch to the face – a la Mike Tyson. A downturn in the economy and a lack of developer confidence led to a very poor year of realized subdivision revenues. While the Commission takes pains to soften the blows of cyclical revenue streams, this particular downturn hit us harder than expected.

Yet, we pulled ourselves up off the canvas and are extremely pleased with our efforts and our results. With subdivisions in the tank we were able to shift our focus to reviewing and preparing long-term statutory plans and land use bylaws on your behalf and we will be continuing with this important work into 2012. In 2011, to expand on our services, we have added a Regional Assessment Review Board and I am pleased to report that after some initial growing pains, we are now fully operational and clerk certified.

When I talk to my colleagues and to elected officials from around the province, I realize how truly fortunate our member municipalities are in having a shared services commission to work with. Our Commission is able to provide professional planning and GIS services at a fraction of the cost of private consultants and in-house staff; we offer continuity and certainty while avoiding both staff turnover and gaps in the delivery of those services. As a not-for-profit municipal entity we rely heavily on your membership dues and on your fee-for-service work requests and for that, once again, we thank you. When you require planning advice or mapping products you can count on us, much like we count on your commitment to the Commission and your fellow municipalities.

I also am acutely aware of how fortunate we as employees of the Commission are. We have challenging, varied and interesting work. We have solid relationships with our members built on mutual trust and respect. We have your support and that allows our staff to stay 9-rounds in the ring, despite the economy.

The Oldman River Regional Services Commission will continue to offer exceptional service and deliver value by meeting or exceeding your municipal requirements. When I wrote to you last year, I said we are living through interesting and changing times. Today, I don't see much to change this view; however, the enduring resilience and proven strength of our commission model – combined with the incredible dedication that our staff show every day – make me confident that we are on the right track and that some of our biggest milestones still lie ahead.

*– Lenze Kuiper, Director*

## MUNICIPAL PROJECTS

- **Arrowwood (Village)** – Land Use Bylaw (commenced)
- **Cardston (County)** – Municipal Development Plan Review (ongoing); Land Use Bylaw (commenced); Intermunicipal Development Plan with Town of Magrath (adopted)
- **Carmangay (Village)** – Land Use Bylaw Review (ongoing)
- **Champion (Village)** – Industrial Subdivision (completed); Land Use Bylaw Review (ongoing)
- **Coaldale (Town)** – Annexation Study (ongoing); Land Use Bylaw Review/Update (ongoing)
- **Coalhurst (Town)** – Land Use Bylaw (commenced)
- **Coutts (Village)** – Land Use Bylaw (completed and adopted)

- **Crowsnest Pass (Municipality)** – Land Use Bylaw Review (ongoing)
- **Fort Macleod (Town)** – Municipal Development Plan (completed); Land Use Bylaw (commenced)
- **Granum (Town)** – Land Use Bylaw (1<sup>st</sup> reading)
- **Lethbridge (County)** – Land Use Bylaw Review (ongoing); Intermunicipal Development Plan with City of Lethbridge Review (completed); Intermunicipal Development Plan with Village of Nobleford (commenced)
- **Magrath (Town)** – Intermunicipal Development Plan with Cardston County (ongoing); Annexation (ongoing)
- **Nanton (Town)** – Parks and Recreation Master Plan (Phase 1 - completed); Land Use Bylaw (commenced)
- **Newell (County)** – Land Use Bylaw (commenced)
- **Nobleford (Village)** – Municipal Development Plan Update (completed); Intermunicipal Development Plan with County of Lethbridge (commenced)
- **Picture Butte (Town)** – South Area Structure Plan (ongoing), South East [3A Street South] Subdivision Redesign (commenced)
- **Pincher Creek (M.D. No. 9)** – Burmis Lundbreck Corridor Area Structure Plan (commenced)
- **Pincher Creek (Town)** – Municipal Development Plan (draft prepared)
- **Raymond (Town)** – Land Use Bylaw (completed and adopted); Intermunicipal Development Plan with County of Warner Review (commenced)
- **Stavely (Town)** – Land Use Bylaw (commenced)
- **Taber (M.D.)** – East Vauxhall Area Structure Plan (ongoing); Land Use Bylaw and Municipal Development Plan Updates (ongoing)
- **Vauxhall (Town)** – Land Use Bylaw Updates (ongoing)
- **Vulcan (County)** – Intermunicipal Development Plan with Town of Vulcan (ongoing); Municipal Development Plan (ongoing)
- **Vulcan (Town)** – Intermunicipal Development Plan with Vulcan County (ongoing)
- **Warner (County No. 5)** – Intermunicipal Development Plan with Town of Raymond (commenced)

#### *Other Projects and Services:*

- Subdivision and Development Appeal Board Secretarial Assistance
- Development Officer Service for Town of Coalhurst
- Ongoing South Saskatchewan Regional Plan Document Review
- Established Regional Assessment Review Board
- Education Seminar on planning presented to Community Planning Association of Alberta

**GIS:**

- Made proposals to Cardston County, Town of Bow Island, Village of Foremost and Village of Alix
- Two new participants – Town of Bow Island and Cardston County. Cardston County is the first rural municipality to participate in the Project. The Town of High River withdrew from the GIS Project (bringing total municipalities to 38)
- Participated in Lethbridge College's Career Fair in November
- Made application under the Regional Collaboration Grant Program for "Oldman River Region GIS Project Enhancement" project – the Town of Cardston was the applicant name along with 38 partners (37 municipalities and ORRSC)
- Authored an article for a technical magazine published by the Association of Science and Engineering Technology Professionals of Alberta (ASET) titled, "Intermunicipal Cooperation in Southern Alberta: The Oldman River Region Urban GIS Project" which can also be found on the GIS website under Project Background
- Reworked the "Project Background" tab of the GIS website
- Conducted GIS training

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**SUBDIVISION**
**SUMMARY OF APPLICATIONS PROCESSED**

A total of 204 subdivision applications were processed during the 2011 calendar year. The status of these applications as at December 31, 2011:

179	–	Approved or Approved on Condition
3	–	Refused
0	–	Withdrawn or Expired
22	–	Pending

In 2011, a total of 5 subdivisions were appealed:

3	–	Refused (or Deemed Refused)
1	–	Municipal Reserve Value
1	–	Other

The outcome of the 5 appeals:

1	–	Pending
1	–	Upheld or (Upheld in Part)
3	–	Denied

**The following table shows a detailed breakdown of the subdivision applications for 2011.**



## DETAILS OF SUBDIVISION APPLICATIONS PROCESSED – 2011

### ABBREVIATIONS:

<b>A</b> – Approved	<b>Res</b> – Residential	<b>Ag</b> – Agricultural
<b>A/C</b> – Approved with conditions	<b>Com</b> – Commercial	<b>Inst</b> – Institutional
<b>R</b> – Refused	<b>Ind</b> – Industrial	<b>Rec</b> – Recreational
<b>W</b> – Withdrawn	<b>CR</b> – Country Residential	<b>Misc</b> – Miscellaneous
<b>E</b> – Expired		
<b>P</b> – Pending		

MEMBER MUNICIPALITY	SUBDIVISION APPLICATIONS	DECISION				NEWLY CREATED LOTS (By Use)								TOTAL
		A / A/C	R	W / E	P	Res	Com	Ind	CR	Ag	Inst	Rec	Misc	
Arrowwood – Village	—													
Barnwell – Village	3	3				4								4
Barons – Village	—													
Cardston – County	23	19			4		1		26	6	2		1	36
Cardston – Town	6	4			2	41					1			42
Carmanagay – Village	1				1	1								1
Champion – Village	—													
Clareholm – Town	3	3				73	1							74
Coaldale – Town	1	1				1								1
Coalhurst – Town	2	2				2								2
Coutts – Village	—													
Cowley – Village	—													
Crowsnest Pass – Municipality	6	6				8			1			50		59
Fort Macleod – Town	2	2					1		4					5
Granum – Town	—													
Hill Spring – Village	—													
Lethbridge – County	32	28	3		1	2		1	42	3	1			49

**NOTE: Lot count includes Pending Decisions as at December 31, 2011**

Financial Statements of

**OLDMAN RIVER REGIONAL  
SERVICES COMMISSION**

Year ended December 31, 2011

## Management's Responsibility for Financial Statements

The accompanying financial statements of the Oldman River Regional Services Commission (the "Commission") are the responsibility of management and have been approved by the Commission's Board. The financial statements have been prepared in conformity with Canadian generally accepted accounting principles, using management's best estimates and judgments, where appropriate. In the opinion of management, these financial statements reflect fairly the financial position, the results of its operations and changes in net assets of the Commission within reasonable limits of materiality.

A system of internal accounting and administrative controls is maintained by management to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that the financial records are properly maintained to provide accurate and reliable financial statements.

The Board is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls. The Board carries out this responsibility through regular meetings with management throughout the year to review significant accounting and auditing matters.

These financial statements have been audited, in accordance with Canadian generally accepted auditing standards, by KPMG, who were appointed by the Board. KPMG have full and unrestricted access to management and the Board to discuss their audit and related findings. The Auditors' Report outlining the scope of their examination and their opinion on the financial statements is presented on the following page.

  
\_\_\_\_\_  
Lenze Kuiper, Director

April 12, 2012





**KPMG LLP**  
**Chartered Accountants**  
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400 - 4th Avenue South  
Lethbridge AB T1J 4E1  
Canada

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Fax (403) 380-5760  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## **INDEPENDENT AUDITORS' REPORT**

To the Members of the Oldman River Regional Services Commission

We have audited the accompanying financial statements of Oldman River Regional Services Commission, which comprise the statement of financial position as at December 31, 2011, the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, and notes, comprising 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 generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' 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 these 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 our 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, we consider 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 Oldman River Regional Services Commission as at December 31, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



*Comparative Information*

The financial statements of the Oldman River Regional Services Commission as at and for the year ended December 31, 2010 were audited by another auditor who expressed an unmodified opinion on those statements on May 2, 2011.

*KPMG LLP*

Chartered Accountants

April 12, 2012  
Lethbridge, Canada

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

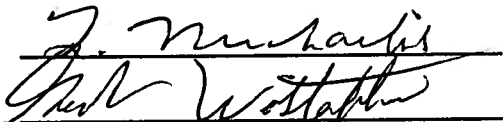
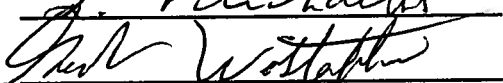
## Statement of Financial Position

December 31, 2011, with comparative figures for 2010

	2011	2010
<b>Assets</b>		
Current assets:		
Cash and short-term investments (note 3)	\$ 61,107	\$ -
Accounts receivable (note 4)	6,053	62,120
Prepaid expenses and deposits	-	2,715
	67,160	64,835
Cash not available for current operations	-	417,557
Capital assets (note 5):		
Capital assets	1,274,274	1,294,644
Less accumulated amortization	536,854	501,595
	737,420	793,049
	\$ 804,580	\$ 1,275,441
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 204,835	\$ 182,155
Deferred revenue (note 6)	2,105	5,084
	206,940	187,239
Net assets:		
Invested in capital assets	737,420	793,049
Internally restricted	-	517,508
Unrestricted	(139,780)	(222,355)
	597,640	1,088,202
Commitments (note 7)		
	\$ 804,580	\$ 1,275,441

See accompanying notes to financial statements.

On behalf of the Board:

Chairman

Vice-Chairman

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## Statement of Revenue and Expenses

Year ended December 31, 2011, with comparative figures for 2010

	Budget	2011	2010
	(Unaudited)		
Revenue:			
Municipal contributions	\$ 465,284	\$ 464,513	\$ 444,087
Subdivision fees	400,000	339,180	372,800
Service fees	200,000	141,113	201,085
GIS service fees	107,694	163,091	53,141
GIS project revenue	--	-	22,881
GIS member fees	279,800	192,167	314,384
Interest income	10,000	9,386	14,966
Other revenue	20,500	14,142	17,694
Other grant revenue	19,000	21,979	62,905
Gain on sale of capital assets	--	965	-
	1,502,278	1,346,536	1,503,943
Expenses:			
Salaries and benefits	1,455,000	1,583,195	1,467,597
Occupancy costs	55,000	34,593	40,214
Equipment	25,000	28,828	27,135
Telephone	14,500	19,015	20,957
Professional fees	20,000	18,637	36,893
Staff travel	18,000	15,851	17,217
Members' travel	13,000	13,178	17,640
Members' fees	15,000	13,074	12,827
Repairs and maintenance	10,000	12,567	6,669
Staff training and conferences	20,000	9,685	21,898
Printing and duplicating	12,500	7,192	11,998
Land titles office	5,000	6,319	5,879
Office and general	5,400	5,021	4,671
Postage	7,000	5,020	9,193
Janitorial	5,500	4,925	5,600
Advertising	9,000	4,330	10,724
Public relations	7,500	3,776	7,324
Miscellaneous	1,700	1,968	924
GIS project expenses	--	-	22,881
Bad debts	--	-	14,032
Amortization	--	49,924	59,396
	1,699,100	1,837,098	1,821,669
Deficiency of revenue over expenses	\$ (196,822)	\$ (490,562)	\$ (317,726)

See accompanying notes to financial statements



# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## Statement of Changes in Net Assets

Year ended December 31, 2011, with comparative figures for 2010

	Invested in capital assets	Internally restricted	Unrestricted	Total 2011	Total 2010
Balance, beginning of year	\$ 793,049	\$ 517,508	\$ (222,355)	\$ 1,088,202	\$ 1,405,928
Deficiency of revenue over expenses	-	-	(490,562)	(490,562)	(317,726)
Amortization of internally funded capital assets	(49,924)	-	49,924	-	-
Net changes in investment in capital assets:					
Purchase of internally funded capital assets	330	-	(330)	-	-
Net book value of capital assets disposed of	(6,035)	-	6,035	-	-
Transfers from reserve	-	(517,508)	517,508	-	-
Balance, end of year	\$ 737,420	\$ -	\$ (139,780)	\$ 597,640	\$ 1,088,202

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## Statement of Cash Flows

Year ended December 31, 2011, with comparative figures for 2010

	2011	2010
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (490,562)	\$ (317,726)
Items not involving cash:		
Amortization of capital assets	49,924	59,396
Gain on disposal of capital assets	(965)	-
Change in non-cash operating working capital:		
Accounts receivable	56,067	19,595
Prepaid expenses and deposits	2,715	(2,715)
Accounts payable and accrued liabilities	22,680	23,455
Deferred revenue	(2,979)	(23,785)
	(363,120)	(241,780)
Investments:		
Purchase of capital assets:		
- internally funded	(330)	(119,438)
Proceeds from sale of capital assets	7,000	-
Change in restricted operating cash	417,557	121,268
	424,227	1,830
Increase (decrease) in cash and cash equivalents	61,107	(239,950)
Cash and cash equivalents, beginning of year	-	239,950
Cash and cash equivalents, end of year	\$ 61,107	\$ -

See accompanying notes to financial statements.

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## Notes to Financial Statements

Year ended December 31, 2011

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The Oldman River Regional Service Commission is a regional planning commission created by an order in Council of the province of Alberta on October 21, 2003. It was created pursuant to the Municipal Government Act of Alberta. Members of the Commission are restricted to municipal authorities. The Commission is exempt from income tax under Section 149 of the Canadian Income Tax Act.

### 1. Significant accounting policies:

#### (a) Revenue recognition:

The Commission follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized, unrestricted investment income is recognized as revenue when earned.

Approval fees and sales of maps are recognized as revenue in the period in which the service is delivered or in which the transaction or events occurred that gave rise to the revenue.

Fee for service revenue is recognized as revenue in the period in which the service is delivered or in which the transactions or events that gave rise to the revenue occurred.

#### (b) Capital assets:

Capital assets are recorded at cost. The Commission uses the following basis and annual rates for amortization of capital assets:

Asset	Basis	Rate
Building	Declining balance	4%
General contents	Straight-line	20%
Other equipment	Straight-line	20%
Computer equipment	Straight-line	25%
Automotive	Declining balance	30%

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer has any long-term service potential to the commission. Any such impairment is measured by a comparison of the carrying amount of an asset to estimated residual value.

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## Notes to Financial Statements

Year ended December 31, 2011

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### 1. Significant accounting policies (continued):

#### (c) Financial instruments:

Initial measurement of financial instruments is at fair value and subsequent measurement and recognition change depending upon the classification. Financial assets classified as "held for trading" are measured at fair value with changes as financial income. "Loans and receivable", and financial liabilities classified as "other financial liabilities" are measured at amortized cost using the effective interest method.

The Commission has classified its financial assets and financial liabilities as follows:

<u>Financial assets and liabilities</u>	<u>Classification</u>
Cash and short-term investments	Held for trading
Accounts receivable	Loans and receivables
Accounts payable	Other financial liabilities
Long-term debt	Other financial liabilities

#### i) Cash and short-term investments:

The Commission classifies its cash and short-term investments as held for trading assets and values them at fair value. Fair value is determined based on quoted market values. Cash and short-term investments include cash on hand, bank balances, and short-term liquid investments with maturities of three months or less, non-current cash and investments, forms an integral part of the Agency's cash management.

#### ii) Derivative financial instruments and embedded derivatives:

In accordance with generally accepted accounting principles the Commission has adopted a policy not to recognize embedded derivatives relating to non-financial contracts. The Commission was not involved in any financial derivatives contracts.

#### iii) Financial instruments - disclosures and presentation:

The Agency has also opted to apply the CICA Handbook Section 3861 Financial Instruments - Disclosures and Presentation in place of CICA Handbook Section 3862 Financial Instruments - Disclosures and 3863 Financial Instruments - Presentation as allowed under generally accepted accounting principles.



# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## Notes to Financial Statements

Year ended December 31, 2011

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### 1. Significant accounting policies (continued):

#### (d) Capital disclosure:

The Commission defines its capital as follows:

- For operating purposes, the Commission defines capital to include working capital, unrestricted net assets and internally restricted net assets for operating expenses.
- For capital purposes, the Commission defines capital to include deferred capital contributions, long-term debt, unamortized deferred capital contributions, invested in capital assets and internally restricted net assets for capital purposes.

The Commission's objectives for managing capital are as follows:

- In the short term to safeguard the Commission's ability to continue to provide the appropriate level of services to its members.
- In the long-term to plan and ensure that it has sufficient capacity to meet the future needs of its operations.

Management and the Executive Committee monitor financial performance and the capital of the Commission to ensure that it will be able to meet the Commission's short term and long-term objectives.

#### (e) Pension expense:

The Commission participates with others in the Local Authorities Pension Plan (LAPP). This pension plan is a multi-employer defined benefit pension plan that provides pension benefits for the Commission's participating employees, based on years of service and earnings.

The Commission does not have sufficient plan information to follow the standards for defined benefit plans, therefore follows the defined contribution accounting whereby pension expense is recorded as contributions to the plan are due.

#### (f) Use of estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## Notes to Financial Statements

Year ended December 31, 2011

### 2. Accounting pronouncement:

On November 30, 2010, Canada's Accounting Standards Board ("AcSB") issued new accounting standards for Not-For-Profit Organizations ("NPOs"). NPOs will have the choice of adopting either International Financial Reporting Standards ("IFRS") or i) in the case of Government NPOs ("GNFPOs"), the Public Sector Accounting Handbook ("PSAB"), with the option to apply standards for NPOs; or ii) in the case of Non-Government NPOs, Accounting Standards for NPOs with Accounting Standards for Private Enterprises ("ASPE"). These standards are effective for years beginning on or after January 1, 2012. Management has indicated the impact of the adoption of these standards is being evaluated and is not known or reasonably estimable at this time.

### 3. Cash and short-term investments:

The major components of cash and investments are as follows:

	2011	2010
Held for trading:		
Cash	\$ 61,107	\$ -
Restricted operating cash	-	417,557
	61,107	417,557
Cash not available for current operations	-	417,557
	\$ 61,107	\$ -

### 4. Accounts receivable:

	2011	2010
Accounts receivable:		
Trade receivables	\$ 3,885	\$ 57,252
Goods and services tax	2,168	4,868
	\$ 6,053	\$ 62,120

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## Notes to Financial Statements

Year ended December 31, 2011

### 5. Capital assets:

			2011	2010
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 80,000	\$ -	\$ 80,000	\$ 80,000
Building	773,397	175,931	597,466	622,360
Leasehold improvements	20,380	20,380	-	-
General contents	251,056	220,200	30,856	43,457
Other equipment	15,844	15,844	-	-
Computer equipment	80,014	71,814	8,200	17,628
Automotive	53,583	32,685	20,898	29,604
	\$ 1,274,274	\$ 536,854	\$ 737,420	\$ 793,049

### 6. Deferred revenue:

Deferred revenue relates to provincial grant revenue of funding received that remains unspent as of the year-end in regards to expenses relating to the Municipal Internship Program for Land Use Planners.

	2011	2010
Balance, beginning of year	\$ 5,084	\$ 28,869
Less amount recognized as revenue in the year	(21,979)	(66,785)
Add amount received during the year	19,000	43,000
	\$ 2,105	\$ 5,084

### 7. Commitments:

The Commission leased equipment under agreements expiring on dates ranging from February 2015 to January, 2017. The base rent obligations under the leases for the next year is approximately \$14,566.

### 8. Economic dependence:

The Commission receives a significant portion of its revenue directly and indirectly from its members. As such the Commission is economically dependent on its members.

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## Notes to Financial Statements

Year ended December 31, 2011

### 9. 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 Commission be disclosed as follows:

	2011	2010
Total debt limit	\$ 2,691,142	\$ 3,007,886
Total debt amount	-	-
Amount of debt limit unused	\$ 2,691,142	\$ 3,007,886
Debt servicing limit	470,950	526,380
Debt servicing	-	-
Amount of debt servicing limit unused	\$ 470,950	\$ 526,380

The debt limit is calculated at 2 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.35 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 which 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.

### 10. Local Authorities Pension Plan:

Employees of Oldman River Regional Services Commission participate in the Local Authorities Pension Plan, which is one of the plans covered by the Public Sector Pension Plans Act. The Plan covers approximately 133,000 employees of approximately 500 non-government employer organizations such as municipalities, hospitals, and schools (non-teachers).

Oldman River Regional Services Commission is required to make current service contributions to the Plan of 9.49% of pensionable payroll up to the years maximum pensionable earnings under the Canada Pension Plan, and 13.13% on pensionable earnings above this amount.

Employees of Oldman River Regional Services Commission are required to make current service contributions of 8.49% of pensionable salary up to the years maximum pensionable earnings under the Canada Pension Plan, and 12.13% on pensionable salary above this amount.



# OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements

Year ended December 31, 2011

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## **10. Local Authorities Pension Plan (continued):**

Total current and past service contributions by Oldman River Regional Services Commission to the Local Authorities Pension Plan In 2011 were \$123,931 (2010 - \$107,964). Total current and past service contributions by the employees of Oldman River Regional Services Commission to the Local Authorities Pension Plan in 2011 \$109,700 (2010 - \$97,392).

At December 31, 2010; the Plan disclosed an actuarial deficit of \$4.6 billion.

## **11. Comparative figures:**

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

