

2015 ANNUAL REPORT

Oldman River Regional Services Commission

FINANCIAL STATEMENTS



**Year Ending
December 31, 2015**

<http://www.orrsc.com>



OLDMAN RIVER REGIONAL SERVICES COMMISSION

CHAIR'S MESSAGE

Dear Municipal Members:

Our Board, our Executive and our staff continued to work hard in 2015 to achieve solid results for our member municipalities. We continued our focus on member services, leadership and professional advice, financial accountability and performance. These are key areas that we know drive stronger service results and have the greatest impact on member and municipal value.

ORRSC's proven strategy — well executed by a committed and professional staff — contributed to consistent service, solid advice, good land use plans and customized web-based geographic information services for all members.

Effective municipal governance is an important foundation for ORRSC's strong performance and is fundamental to our success. Governance provides proper oversight and accountability, strengthens internal and external relationships, builds trust with our members and promotes the long-term interests of those members and ultimately their citizens.

In 2015, your Board continued its commitment to financial sustainability. In reviewing the 2015 financials, you'll see a strong balance sheet, positive cash flow and income statement.

We also continued our focus on Board training with attendance at the Community Planning Association of Alberta Conference in Red Deer and in-house workshops and information sharing sessions.

I am honoured to continue as Chair into 2016, and to welcome one new member — Barry Johnson to the Executive table. We stand to benefit from the leadership and expertise of our entire team. Also, we wish to thank departing Executive member David Hawco for his excellent contributions to the Committee in 2015.

ORRSC continues to be a model for success in the delivery of shared municipal services. This speaks to the strength and stability of our local municipal system, our decision making autonomy and our willingness to work together and pool our ever-stretched resources. With ORRSC's sound strategy and strong leaders, I have every confidence that we will continue to build on our 66-year record of success.

I would like to thank our Staff, our Board and our Municipalities around southern Alberta (along with our GIS partners in central Alberta) who ultimately help our communities to be better places. And finally, I am truly privileged to work with this team, which brings commitment and enthusiasm to work each day — and carries it forward to enrich their communities.



Gordon Wolstenholme, Chair
Oldman River Regional Services Commission

BOARD OF DIRECTORS

Membership as at December 31, 2015 consisted of the following 41 municipalities, all of which had appointed members to the Board of Directors. Three Board of Directors' meetings were held between January 1 and December 31, 2015. Representation from the municipalities is listed below:

MUNICIPALITY	CURRENT MEMBER	FORMER MEMBER (part of 2015)
Arrowwood (Village)	Bill Graff	
Barnwell (Village)	Jane Jensen	
Barons (Village)	Ed Weistra	
Bassano (Town)	Tom Rose	
Brooks (City)	Fred Rattai	
Cardston (County)	Jim Bester	
Cardston (Town)	Dennis Barnes	Dave Edmonds
Carmangay (Village)	Cecil Sabourin	
Champion (Village)	Jamie Smith	
Claresholm (Town)	Betty Fieguth	
Coaldale (Town)	Bill Chapman	
Coalhurst (Town)	Sheldon Watson	
Coutts (Village)	Ken Galts	
Cowley (Village)	Garry Hackler	
Crowsnest Pass (Municipality)	Bill Kovach & Dave Fillipuzzi	
Fort Macleod (Town)	Gordon Wolstenholme	
Glenwood (Village)	Darrell Edwards	
Granum (Town)	John Connor	
Hill Spring (Village)	Monte Christensen	
Lethbridge (County)	Henry Doeve	
Lomond (Village)	Brad Koch	
Magrath (Town)	Richard Van Ee	
Milk River (Town)	David Hawco	
Milo (Village)	Rafael Zea	
Nanton (Town)	Christophe Labrune	
Newell (County)	Clarence Amulung	Gordon Simpson
Nobleford (Village)	Pete Pelley	
Picture Butte (Town)	Henry de Kok	Teresa Feist
Pincher Creek (M.D. No. 9)	Fred Schoening	Garry Marchuk
Pincher Creek (Town)	Don Anderberg	
Ranchland (M.D. No. 66)	Ronald Davis	
Raymond (Town)	Greg Robinson	
Stavely (Town)	Barry Johnson	
Stirling (Village)	Ben Nilsson	
Taber (M.D.)	Ben Elfring	
Vauxhall (Town)	Margaret Plumtree	
Vulcan (County)	Rod Ruark	
Vulcan (Town)	Rick Howard	
Warner (County No. 5)	David Cody	
Warner (Village)	Ian Glendinning	
Willow Creek (M.D. No. 26)	Henry Van Hierden	

CHAIR AND VICE-CHAIR

The Chair and Vice-Chair from January 1 to December 3, 2015 were:

Chair	–	Gordon Wolstenholme (Town of Fort Macleod)
Vice-Chair	–	Henry Van Hierden (M.D. of Willow Creek No. 26)

At the December 3, 2015 Annual Organizational Board of Directors' meeting, both the Chair and Vice were re-elected to their positions for the period December 3, 2015 to December 1, 2016.

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, 2015.

The following served on the Executive Committee from January 1 to December 3, 2015:

Gordon Wolstenholme	–	Town of Fort Macleod (Chair)
Henry Van Hierden	–	M.D. of Willow Creek No. 26 (Vice-Chair)
Don Anderberg	–	Town of Pincher Creek
Jim Bester	–	Cardston County
Bill Chapman	–	Town of Coaldale
David Hawco	–	Town of Milk River
Tom Rose	–	Town of Bassano

At the December 3, 2015 Annual Organizational Board of Directors' meeting, the following members were elected to serve on the Executive Committee from December 3, 2015 to December 1, 2016:

Gordon Wolstenholme	–	Town of Fort Macleod (Chair)
Henry Van Hierden	–	M.D. of Willow Creek No. 26 (Vice-Chair)
Don Anderberg	–	Town of Pincher Creek
Jim Bester	–	Cardston County
Bill Chapman	–	Town of Coaldale
Tom Rose	–	Town of Bassano
Barry Johnson	–	Town of Stavelly

STAFF**CURRENT STAFF** (Years of Service) as at December 31, 2015

DIRECTOR	– Lenze Kuiper (10.67 years)
SENIOR PLANNER	– Mike Burla (36.83 years)
SENIOR PLANNER	– Steve Harty (17.86 years)
PLANNER	– Bonnie Brunner (8.83 years)
PLANNER	– Spencer Croil (2.75 years)
PLANNER	– Ryan Dyck (2.75 years)
PLANNER	– Diane Horvath (15.5 years)
PLANNER	– Gavin Scott (8.83 years)
ASSISTANT PLANNER	– Cam Klassen (1.91 years)
ASSISTANT PLANNER	– Leda Kozak Tittsworth (2.75 years)
GIS TECHNOLOGIST	– Steven Ellert (11.39 years) – 45% part-time
CAD/GIS TECHNOLOGIST	– Kaylee Kinniburgh (2.92 years)
CAD/GIS TECHNOLOGIST	– Mladen Kristic (9.67 years)
GIS ANALYST	– Jaime Thomas (10.50 years)
GIS ANALYST	– Jordan Thomas (8.53 years)
EXECUTIVE SECRETARY	– Barb Johnson (32.55 years) – 80% part-time
BOOKKEEPER	– Sherry Johnson (33.83 years)
SUBDIVISION TECHNICIAN	– Gail Kirkman (8.38 years) – 80% part-time from March 1/15
SUBDIVISION TECHNICIAN	– Jennifer Maxwell (0.16 years) – from November 1/15

DIRECTOR'S MESSAGE

2015 was a productive year for ORRSC. Our financial performance is on more stable footings and important steps continue to be taken to become a more dynamic, transparent and even better services commission. Over the past year I met many board members, municipal councils, administrators and citizens and these interactions make it clear that ORRSC is widely viewed as having a strong regional presence with excellent opportunities for delivering value and expertise. Our strategy is clear and well-understood. Our municipalities appreciate the knowledge, expertise and commitment of our professional staff and there is great pride in being one of Alberta's strongest land use planning and geographic information system providers.

For more than 65 years, ORRSC has successfully operated with a meaningful regional footprint. Today we have 41 member municipalities in addition to 12 central and southern Alberta GIS partners. We use this footprint to help all our members arrive at good land use planning decisions and allow them to see their communities in new and graphic ways. Increasingly, we add value to our member municipalities.

In recent years, municipal services around the province have experienced several difficult challenges. We are proud of our successful track record of balancing the interests of our municipalities, including elected officials, administrators, staff and communities in which we work. We have a strong foundation of integrity, trust and ethical behavior which allows us to prudently advise rural and urban municipalities of all sizes. By doing so, we hope to make your respective communities better places to live, work and play today and into the future.

In all aspects of our operations, we are committed to having a positive impact and to being full participants. Each year, we set out to focus on those areas that will have the greatest impact and drive long-term value and sustainable results. We refer to these as focus priorities:

- 1. Meeting or exceeding municipal needs;*
- 2. Achieving economic sustainability and financial transparency; and*
- 3. Being organized to serve municipalities while keeping operational costs to a minimum.*

We will continue to make progress in these areas through the guidance of a new strategic plan and business plan in 2016. I believe a quick perusal of the 2015 Financial Statements will show we are back on track and new planning initiatives in 2016 will ensure we stay on track.

Challenges of the past year include increased legislation, regulation and compliance issues. We have been responsive in addressing these changes and will continue to adapt as required. Notwithstanding increased challenges, we remain well positioned to make the necessary investments in people, processes and technology to deliver on the needs of our municipalities. We have a strong foundation to build upon; we have a shared pride in our performance; we have a successful history; and our footprint is cooperative, unique and coveted by many municipalities around the province.

At ORRSC, our staff place great value on working together and sharing a desire to serve our member municipalities. By continuing to execute and refine our strategy we are making meaningful progress.

In closing, I would like to thank all of our municipalities, our Board, our Executive, our staff – it is a privilege to work with you. Our team offers unparalleled service, advice, and a level professionalism we can all be proud of.

– Lenze Kulper, Director

MUNICIPAL PROJECTS

- Arrowwood (Village)** – Land Use Bylaw (adopted)
- Barnwell (Village)** – Intermunicipal Development Plan with M.D. of Taber (commenced)
- Bassano (Town)** – Design Concept (on hold); Intermunicipal Development Plan with County of Newell (ongoing)
- Brooks (City)** – Municipal Development Plan (ongoing)
- Cardston (County)** – Land Use Bylaw (on hold)
- Cardston (Town)** – Municipal Development Plan (completed); Land Use Bylaw (ongoing)
- Carmangay (Village)** – Compliance Review Policy (completed); Development Permit Application Standards Information Book (completed)
- Champion (Village)** – Land Use Bylaw (draft completed), Compliance Review Policy (draft)
- Claresholm (Town)** – Annexation Process (ongoing); Land Use Bylaw Update (1st reading)
- Coaldale (Town)** – Growth Study (completed); Annexation Process (ongoing)
- Coalhurst (Town)** – Annexation (completed)
- Crowsnest Pass (Municipality)** – Land Use Bylaw Amendments (ongoing)
- Fort Macleod (Town)** – Land Use Bylaw (adopted); Macleod Meadows Area Structure Plan (ongoing); Municipal Development Plan Update (adopted)
- Glenwood (Village)** – Land Use Bylaw (2nd reading)
- Granum (Town)** – Land Use Bylaw Amendments (completed)
- Lethbridge (County)** – Intermunicipal Development Plan with the Town of Picture Butte (ongoing); Industrial Land Use Study (draft completed); Pater Area Structure Plan Amendment (approved); Section 26 Area Structure Plan (commenced)
- Magrath (Town)** – Trails Plan (ongoing); Municipal Development Plan (commenced)
- Milo (Village)** – Annexation (ongoing)
- Nanton (Town)** – Parks and Recreation Master Plan (Phase 2 - draft)
- Newell (County)** – Intermunicipal Development Plan with Town of Bassano (adopted); Land Use Bylaw Review (ongoing)
- Picture Butte (Town)** – South Area Structure Plan (on hold); South East [3A Street South] Subdivision Redesign (on hold); CPR Corridor Development Plan Component 2 (completed); Land Use Bylaw (adopted); Intermunicipal Development Plan with Lethbridge County (ongoing)
- Pincher Creek (M.D. No. 9)** – Castle Mountain Area Structure Plan (draft)
- Pincher Creek (Town)** – Land Use Bylaw Review (ongoing)
- Ranchland (M.D. No. 66)** – Land Use Bylaw Review (ongoing)
- Raymond (Town)** – Annexation Report and Application (completed); Land Use Bylaw Review (ongoing)
- Stirling (Village)** – Land Use Bylaw Update (ongoing)
- Taber (M.D.)** – East Vauxhall Area Structure Plan (ongoing); Intermunicipal Development Plan with Village of Barnwell (commenced)
- Vauxhall (Town)** – Land Use Bylaw Updates (completed)
- Vulcan (County)** – Land Use Bylaw Updates (completed); Rural Multi-Jurisdictional Intermunicipal Development Plan Project (completed)

Warner (County No. 5) – Annexation Report (commenced)

Warner (Village) – Road Closure / Block Redesign (commenced)

Willow Creek (M.D. No. 26) – Municipal Development Plan (commenced)

Rural Multi-Jurisdictional Intermunicipal Development Plan Project:

- Cardston County and County of Warner No. 5 Intermunicipal Development Plan
- County of Newell and Wheatland County Intermunicipal Development Plan
- M.D. of Foothills No. 31 and M.D. of Ranchland No. 66 Intermunicipal Development Plan
- M.D. of Foothills No. 31 and Vulcan County Intermunicipal Development Plan
- M.D. of Ranchland No. 66 and M.D. of Willow Creek No. 26 Intermunicipal Development Plan
- M.D. of Willow Creek No. 26 and Cardston County Intermunicipal Development Plan
- M.D. of Willow Creek No. 26 and M.D. of Foothills No. 31 Intermunicipal Development Plan
- Vulcan County and M.D. of Willow Creek No. 26 Intermunicipal Development Plan
- Vulcan County and County of Newell Intermunicipal Development Plan
- Vulcan County and Wheatland County Intermunicipal Development Plan
- Wheatland County and M.D. of Foothills No. 31 Intermunicipal Development Plan

Other Projects and Services:

- Secretarial service for 39 Subdivision and Development Appeal Board hearings
- Clerk service for 13 Regional Assessment Review Board hearings
- Development Officer services for the Town of Coalhurst

SUBDIVISION

SUMMARY OF APPLICATIONS PROCESSED

A total of 207 subdivision applications were processed during the 2015 calendar year. The status of these applications as at December 31, 2015:

181	–	Approved or Approved on Condition
4	–	Refused
0	–	Withdrawn or Expired
22	–	Pending

In 2015, a total of 8 subdivisions were appealed:

5	–	Refused (or Deemed Refused)
3	–	Appealed Conditions/Parcel Size

The outcome of the 8 appeals was:

3	–	Upheld
4	–	Denied
0	–	Withdrawn
1	–	Pending

The following table shows a detailed breakdown of the subdivision applications for 2015.

DETAILS OF SUBDIVISION APPLICATIONS PROCESSED – 2015

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

MEMBER MUNICIPALITY	SUBDIVISION APPLICATIONS	Boundary Line Adjustment	DECISION				NEWLY CREATED LOTS (By Use)								Total
			A / A/C	R	W / E	P	Res	Com	Ind	CR	Ag	Inst	Rec	Misc	
Arrowwood (Village)	1		1				5								5
Barnwell (Village)	1		1				1								1
Barons (Village)	—														
Bassano (Town)	1		1				1								1
Brooks (City)	2	1	2				9								9
Cardston (County)	17	4	14			3	3			12	4		1		20
Cardston (Town)	1	1	1				1								1
Carmangay (Village)	—														
Champion (Village)	—														
Clareholm (Town)	—														
Coaldale (Town)	10	2	10				70	3				1			74
Coalhurst (Town)	—														
Coutts (Village)	—														
Cowley (Village)	—														
Crowsnest Pass (Municipality)	5	3	5				4					1			5
Duchess (Village)	1		1				1								1
Fort Macleod (Town)	6		6				1	1		4					6
Glenwood (Village)	—														
Granum (Town)	1		1						4						4
Hill Spring (Village)	—														

MEMBER MUNICIPALITY	SUBDIVISION APPLICATIONS	Boundary Line Adjustment	DECISION				NEWLY CREATED LOTS (By Use)									
			A / A/C	R	W / E	P	Res	Com	Ind	CR	Ag	Inst	Rec	Misc	Total	
Lethbridge (County)	37	6	29	2			6	1	1	3	30	1	2			38
Lomond (Village)	—															
Magrath (Town)	3		3					6		9			1			16
Milk River (Town)	—															
Milo (Village)	—															
Nanton (Town)	1						1	1								1
Newell (County)	14	1	14						1	1	10	3				15
Nobleford (Village)	—															
Picture Butte (Town)	4	1	4					55	6	4						65
Pincher Creek (M.D. No. 9)	15	3	12				3				10	5				15
Pincher Creek (Town)	2		2					1					1			2
Ranchland (M.D. No. 66)	—															
Raymond (Town)	4		3				1	19								19
Stavelly (Town)	2		2					1		3						4
Stirling (Village)	—															
Taber (Municipal District)	29	6	28				1	3		2	19	4		1	25	54
Vauxhall (Town)	—															
Vulcan (County)	20	3	19				1		1	1	17				1	20
Vulcan (Town)	1						1	1								1
Warner (County No. 5)	8		6				2				6	2				8
Warner (Village)	—															
Willow Creek (M.D. No. 26)	21	2	16	2			3				16	6			1	23
TOTAL	207	33	181	4	—	22	184	13	27	124	25	6	2	27	408	

NOTE: Lot count includes Pending Decisions as at December 31, 2015

Financial Statements of

**OLDMAN RIVER REGIONAL
SERVICES COMMISSION**

Year ended December 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Members of 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, 2015, 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 public sector accounting standards, including the 4200 series of standards for government not-for-profit organizations 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.

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 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 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 in our audit 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, 2015, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards, including the 4200 series of standards for government not-for-profit organizations.



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KPMG LLP

Chartered Professional Accountants

April 14, 2016
Lethbridge, Canada

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Assets		
Current assets:		
Cash	\$ 59,129	\$ -
Accounts receivable (note 3)	106,143	28,695
Prepaid expenses and deposits	6,303	7,967
	<u>171,575</u>	<u>36,662</u>
Capital assets (note 4)	635,290	651,049
	<u>\$ 806,865</u>	<u>\$ 687,711</u>

Liabilities and Net Assets

Current liabilities:		
Cheques issued in excess of funds on deposit	\$ -	\$ 34,261
Accounts payable and accrued liabilities	121,670	139,406
	<u>121,670</u>	<u>173,667</u>
Net assets:		
Unrestricted	-	(137,005)
Invested in capital assets	635,290	651,049
Internally restricted	49,905	-
	<u>685,195</u>	<u>514,044</u>
Commitments (note 6)		
	<u>\$ 806,865</u>	<u>\$ 687,711</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Members

_____ Members

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Revenue and Expenses

Year ended December 31, 2015, with comparative information for 2014

	2015 Budget	2015 Actual	2014 Actual
Revenues:			
Municipal contributions	\$ 875,000	\$ 875,845	\$ 859,486
GIS member fees	484,585	487,038	464,825
Subdivision fees	310,000	298,481	325,956
Service fees	300,000	383,240	273,859
Other grant revenue	-	-	75,165
Other revenue	13,500	16,840	16,523
Interest income	1,000	2,380	2,636
	1,984,085	2,063,824	2,018,450
Expenditures:			
Salaries and benefits	1,709,500	1,614,726	1,561,230
Equipment	50,000	34,699	35,882
Occupancy costs	36,000	30,705	37,093
Staff travel	19,000	17,422	13,160
Telephone	14,500	16,757	16,481
Repairs and maintenance	15,000	4,640	10,632
Printing and duplicating	8,000	9,330	4,356
Staff training and conferences	9,000	1,629	2,109
Professional fees	9,600	8,991	8,675
Postage	7,000	8,000	4,511
Janitorial	6,000	5,350	5,660
Advertising	4,000	5,028	4,376
Public relations	4,000	5,057	3,568
Members' fees	5,000	5,660	5,151
Land titles office	5,000	4,185	3,895
Office and general	4,000	7,730	6,136
Members' travel	8,000	6,096	12,224
Miscellaneous	1,500	4,509	2,536
Interest and bank charges	200	1,136	928
Project expenses	-	-	73,345
Rural IMDP	-	70,642	84,485
Amortization	-	37,192	36,678
	1,915,300	1,899,484	1,933,111
Excess of revenues over expenses before the undernoted item	68,785	164,340	85,339
Other income:			
Gain on sale of capital assets	-	6,811	7,589
Excess of revenues over expenses	\$ 68,785	\$ 171,151	\$ 92,928

See accompanying notes to financial statements.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Changes in Net Assets

Year ended December 31, 2015, with comparative information for 2014

	Unrestricted	Internally restricted	Invested in capital assets	Total 2015	Total 2014
Balance, beginning of year	\$ (137,005)	\$ -	\$ 651,049	\$ 514,044	\$ 421,116
Excess of revenue over expenses	171,151	-	-	171,151	92,928
Amortization of internally funded capital assets	37,192	-	(37,192)	-	-
Purchase of capital assets	(23,822)	-	23,822	-	-
Net book value of disposed capital assets	2,389	-	(2,389)	-	-
Transfers to reserve (note 9)	(49,905)	49,905	-	-	-
Balance, end of year	\$ -	\$ 49,905	\$ 635,290	\$ 685,195	\$ 514,044

See accompanying notes to financial statements.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 171,151	\$ 92,928
Items not involving cash:		
Amortization	37,192	36,678
Gain on sale of capital assets	(6,811)	(7,589)
Changes in non-cash operating working capital:		
Accounts receivable	(77,448)	61,524
Prepaid expenses and deposits	1,664	(2,027)
Accounts payable and accrued liabilities	(17,736)	(163,158)
Deferred revenue	-	(75,165)
	108,012	(56,809)
Capital activities:		
Purchase of capital assets	(23,822)	(33,431)
Proceeds on sale of capital assets	9,200	30,912
	(14,622)	(2,519)
Decrease (increase) in cash	93,390	(59,328)
Cash, beginning of year	(34,261)	25,067
Cash and short-term investments, end of year	\$ 59,129	\$ (34,261)
Cash and short-term investments consist of:		
Cash	\$ 59,129	\$ -
Cheques issued in excess of funds on deposit	-	(34,261)
	\$ 59,129	\$ (34,261)

See accompanying notes to financial statements.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements

Year ended December 31, 2015

Nature of operations:

Oldman River Regional Services Commission (the "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:

These financial statements are prepared in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations. The Commission's significant accounting policies are as follows:

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

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(b) Capital assets:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Building	Declining balance	4%
Vehicles	Declining balance	30%
Computer	Straight-line	4 years
General contents	Straight-line	5 years

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.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits, which are highly liquid with original maturities of less than three months from the date of acquisition. These financial assets are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(d) Financial instruments:

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Commission recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, bank indebtedness, accounts payable and accrued liabilities, debt and other liabilities. Unless otherwise noted, it is management's opinion that the Commission is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

Portfolio investments in equity instruments quoted in an active market and derivatives are recorded at fair value. All other financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of items in the cost or amortized cost upon initial recognition. The gain or loss arising from de-recognition of a financial instrument is recognized in the Statement of Operations. Impairment losses such as write-downs or write-offs are reported in the Statement of Operations.

There are no remeasurement gains or losses and as such, a statement of remeasurement gains and losses has not been prepared.

(e) Employee future benefits:

The Commission participates in a multi-employer defined pension plan call 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 plan is accounted for as a defined contribution plan whereby contributions are expensed as incurred.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts 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 expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of capital assets. Actual results could differ from those estimates.

(g) Contaminated Sites Liability:

On January 1, 2015, the Commission adopted PS3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis and did not result in any adjustment to the financial liabilities, capital assets or net assets of the Commission.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Recent accounting pronouncements:

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board (PSAB). In 2016, the Commission will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently.

(i) PS 2200 - Related Party Disclosures:

This section provides guidance on the definition of a related party and establishes the disclosure requirements for transactions between related parties. This standard is effective for fiscal years beginning on or after April 1, 2017.

(ii) PS 3420 - Inter- Entity Transactions:

This section provides guidance on the recognition, measurement and presentation of transactions between entities controlled by a government within the government reporting entity from the perspective of both parties. This standard is effective for fiscal years beginning on or after April 1, 2017.

(iii) PS3210 - Assets:

This section provides guidance on the various components related to the definition of an asset and establishes the related disclosure requirements. This standard is effective for fiscal years beginning on or after April 1, 2017.

(iv) PS 3320 - Contingent Assets:

This section provides a general application standard providing guidance on the definition and disclosures standards related to contingent assets. It is noted that specific types of contingent assets are excluded from this standard. This standard is effective for fiscal years beginning on or after April 1, 2017.

(v) PS 3430 - Restructure Transactions:

This section provides guidance on the recognition, measurement and presentation on restructuring transactions by both the transferor and recipients of assets or liabilities, together with related program or operating responsibilities. This section is effective for fiscal years beginning on or after April 1, 2018.

(vi) PS 3380 - Contractual Rights:

This section provides guidance on the disclosure of rights, including their nature, extent, and timing. This section is effective for years beginning on or after April 1, 2017.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Accounts receivable:

	2015	2014
Trade receivables	\$ 103,759	\$ 24,613
Goods and services tax	2,384	4,082
	\$ 106,143	\$ 28,695

4. Capital assets:

			2015
	Cost	Accumulated amortization	Net book value
Land	\$ 80,000	\$ -	\$ 80,000
Building	773,397	265,942	507,455
General contents	272,688	263,287	9,401
Other equipment	13,678	12,991	687
Vehicles	42,392	19,509	22,883
Computer	88,022	73,158	14,864
	\$ 1,270,177	\$ 634,887	\$ 635,290

			2014
	Cost	Accumulated amortization	Net book value
Land	\$ 80,000	\$ -	\$ 80,000
Building	773,397	244,798	528,599
General contents	272,233	263,201	9,032
Other equipment	13,678	12,991	687
Vehicles	53,519	41,808	11,711
Computer	88,022	67,002	21,020
	\$ 1,280,849	\$ 629,800	\$ 651,049

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Financial risks and concentration of risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Commission will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Commission manages its liquidity risk by monitoring its operating requirements. There has been no change to the risk exposures from 2014.

(b) Market risk:

Market risk is the risk that changes in market price such as interest rates will affect the Commission's income or value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters.

(c) Interest rate risk:

The Commission is exposed to interest rate risk on its fixed interest rate financial instruments and floating rate operating line of credit loan.

(d) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Commission is exposed to credit risk with respect to accounts receivable and has processes in place to monitor accounts receivable balances. The Commission believes that it is not exposed to significant credit risk arising from its financial instruments.

6. Commitments:

- (a) The Commission leased equipment under agreements expiring on dates ranging from June, 2016 to February, 2018. The base rent obligation under the leases for the next year is approximately \$10,726.
- (b) The Commission signed an agreement with BlackBridge Networks for data services. The obligation under the agreement for the next year is approximately \$4,524.
- (c) The Commission has signed contracts for electricity and natural gas for its facilities, which expire December, 2018.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

7. 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.

8. Debt limits:

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 76/2000 for the Commission be disclosed as follows:

	2015
Total debt limit	\$ 1,025,662
Total debt	-
Amount of debt limit unused	\$ 1,025,662
Debt servicing limit	\$ 205,132
Debt servicing	-
Amount of debt servicing limit unused	\$ 205,132

The debt limit is calculated at 0.5 times revenue of the municipality (as defined in Alberta Regulation 76/2000) and the debt service limit is calculated at 0.1 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.

9. Restricted net assets

Restricted net assets is comprised of the following

	2015	2014
Operating reserve fund	24,952	-
Capital reserve fund	24,953	-
	49,905	-

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

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 230,534 employees of approximately 418 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 11.39% of pensionable payroll up to the year's maximum pensionable earnings under the Canada Pension Plan, and 15.84% on pensionable earnings above this amount.

Employees of Oldman River Regional Services Commission are required to make current service contributions of 10.39% of pensionable salary up to the year's maximum pensionable earnings under the Canada Pension Plan, and 14.84% on pensionable salary above this amount.

Total current and past service contributions by Oldman River Regional Services Commission to the Local Authorities Pension Plan in 2015 were \$164,526 (2014 - \$153,167). Total current and past service contributions by the employees of Oldman River Regional Services Commission to the Local Authorities Pension Plan in 2015 were \$151,847 (2014 - \$141,944).

At December 31, 2014 the Plan disclosed an actuarial deficit of \$2.45 billion.

11. Budget information:

The budget information was approved by the Board on October 9, 2014.