

2017

ANNUAL REPORT

Oldman River Regional Services Commission

FINANCIAL STATEMENTS



**Year Ending
December 31, 2017**



OLDMAN RIVER REGIONAL SERVICES COMMISSION

CHAIR'S MESSAGE

"The Oldman River Regional Services Commission (ORRSC) is a successful example of a shared service approach to municipal land use planning."
– Alberta Municipal Affairs

Dear Members:

On behalf of the Executive, Board and Commission staff, it is our pleasure to present the 2017 Annual Report of the Oldman River Regional Services Commission (ORRSC).

Financially, ORRSC continues to meet its budgetary objectives and we are pleased to report that \$25,000 has been added to both the Capital & Operating Reserve accounts.

I am privileged to continue as Chair into 2017, and to continue work with a dedicated Executive, Board and staff. ORRSC continues to find 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 65+ years behind us I have every confidence that we will continue to build on that success.

Our core services continued to drive operations and our success in providing sound planning advice, statutory plans and GIS is underpinned by our unique leadership position in service and convenience. Our professional staff is readily available to work with your municipality and the expert advice you receive is unparalleled. These are ORRSC hallmarks that enable us to offer you value year-in year-out.

For our new Board Members, it is important to know that ORRSC provides an opportunity for both rural and urban municipalities to be heard and to shape impending changes to legislation and regulations at the provincial level, while also shaping services, programs and projects at the Commission—we truly value the input and guidance you provide.

We would like to welcome four new members—Doug Macpherson, Greg Robinson, Ian Sundquist and Morris Zeinstra to the Executive table. We stand to benefit from the leadership and expertise of each one of them. Also, we wish to thank departing Executive members Bill Chapman, Tom Rose, Henry Van Hierden and Barry Johnson for their excellent contributions to the Commission in 2017. Unfortunately, Barry passed away last fall and we wish to convey our condolences once again to his family and the Town of Stavely.

The past year saw ORRSC absorb and disseminate changes to the MGA in order to ensure your municipalities receive the correct and current interpretation of legislation and regulation. We also oversaw the delivery of new Orthophotography for our GIS members and welcomed both Brooks and Duchess to the program. A GIS Advisory Committee was also re-established to provide input and guidance to this very important shared service.

Being responsible for all member municipalities' subdivision files and statutory plans, we embarked on a large-scale data management project to reduce risk to these documents and to provide them in a digital format for easy access and migration into our GIS program. Through digital scanning we are protecting and preserving valuable data on your behalf. And lastly, our planners have been busy providing planning orientation to new councils elected in October.

The Commission continues to work hard to carry out its mandate and achieve its goals. We want to thank the dedicated team of staff and Board members, all of whom worked very hard in 2017 and remain dedicated to the ORRSC's mandate and to serving our member municipalities with professional planning, GIS and Assessment Review Board practices.



Gordon Wolstenholme, Chair



Lenze Kuiper, Director

BOARD OF DIRECTORS

Membership as at December 31, 2017 consisted of the following 41 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, 2017. Representation from the municipalities is listed below:

MUNICIPALITY	CURRENT MEMBER	FORMER MEMBER (part of 2017)
Arrowwood (Village)	Kevyn Stevenson	Bill Graff
Barnwell (Village)	Delbert Bodnarek	Jane Jensen
Barons (Village)	Ed Weistra	
Bassano (Town)	Tom Rose	
Brooks (City)	Norman Gerestein	Fred Rattai
Cardston (County)	Jim Bester	
Cardston (Town)	Richard Bengry	Dennis Barnes
Carmangay (Village)	Peggy Hovde	Stacey Hovde
Champion (Village)	Jamie Smith	
Claresholm (Town)	Doug MacPherson	Betty Fieguth
Coaldale (Town)	Butch (Henry) Pauls	Bill Chapman
Coalhurst (Town)	Heather Caldwell	Sheldon Watson
Coutts (Village)	Tanya Smith	Ken Galts
Cowley (Village)	Warren Mickels	Garry Hackler
Crowsnest Pass (Municipality)	Dave Fillipuzzi & Dean Ward	Bill Kovach
Fort Macleod (Town)	Gordon Wolstenholme	
Glenwood (Village)	Gerry Carter	Darrell Edwards, Barb Michel
Granum (Town)	Barin Beresford	John Connor
Hill Spring (Village)	Suzanne French	Monte Christensen
Lethbridge (County)	Morris Zeinstra	John Willms
Lomond (Village)	Brad Koch	
Magrath (Town)	Richard Van Ee	
Milk River (Town)	Peggy Losey	David Hawco
Milo (Village)	Louis Myers	
Nanton (Town)	Dan McLelland	Christophe Labrune
Newell (County)	Clarence Amulung	
Nobleford (Village)	Marinus de Leeuw	Pete Pelley
Picture Butte (Town)	Henry de Kok	
Pincher Creek (M.D. No. 9)	Bev Everts	Quentin Stevick
Pincher Creek (Town)	Don Anderberg	
Ranchland (M.D. No. 66)	Ronald Davis	
Raymond (Town)	Greg Robinson	
Stavely (Town)	Don Norby	Barry Johnson
Stirling (Village)	Matthew Foss	Ben Nilsson
Taber (M.D.)	Jennifer Crowson	Ben Elfring
Vauxhall (Town)	Margaret Plumtree	
Vulcan (County)	Jason Schneider	Derrick Annable
Vulcan (Town)	Lyle Magnuson	Rick Howard
Warner (County No. 5)	David Cody	
Warner (Village)	Eric Burns	Ian Glendinning
Willow Creek (M.D. No. 26)	Ian Sundquist	Henry Van Hierden

CHAIR AND VICE-CHAIR

The Chair and Vice-Chair from January 1 to December 7, 2017 were:

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

At the December 7, 2017 Annual Organizational Board of Directors' meeting, the following were elected to the positions of Chair and Vice-Chair for the period December 7, 2017 to December 6, 2018.

Chair	–	Gordon Wolstenholme (Town of Fort Macleod)
Vice-Chair	–	Jim Bester (Cardston County)

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. Six meetings were held between January 1 and December 31, 2017.

The following served on the Executive Committee from January 1 to December 7, 2017:

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

At the December 7, 2017 Annual Organizational Board of Directors' meeting, the following were elected to serve on the Executive Committee from December 7, 2017 to December 6, 2018.

Gordon Wolstenholme	–	Town of Fort Macleod (Chair)
Jim Bester	–	Cardston County (Vice-Chair)
Don Anderberg	–	Town of Pincher Creek
Doug MacPherson	–	Town of Claresholm
Ian Sundquist	–	M.D. of Willow Creek No. 26
Greg Robinson	–	Town of Raymond
Morris Zeinstra	–	Lethbridge County

STAFFSTAFF employed during 2017

DIRECTOR	Lenze Kuiper
SENIOR PLANNER	Bonnie Brunner
SENIOR PLANNER	Mike Burla
SENIOR PLANNER	Steve Harty
SENIOR PLANNER	Diane Horvath
SENIOR PLANNER	Gavin Scott
PLANNER	Ryan Dyck
PLANNER	Ian MacDougall – started January 1/17
PLANNER	Cameron Mills – started January 1/17
ASSISTANT PLANNER	Erin Graham (temporary) – started August 8/17
ASSISTANT PLANNER	Cam Klassen – resigned December 31/17
ASSISTANT PLANNER	Leda Kozak Tittsworth – resigned June 23/17
ASSISTANT PLANNER	Stacy Olsen (temporary)
GIS TECHNOLOGIST	Steven Ellert (45% part-time) – retired July 31/17
CAD/GIS TECHNOLOGIST	Mladen Kristic
CAD/GIS TECHNOLOGIST	Yueu Majok – started May 1/17
CAD/GIS TECHNOLOGIST	Kaylee Sailer
GIS ANALYST	Jaime Thomas
GIS ANALYST	Jordan Thomas
EXECUTIVE SECRETARY	Barb Johnson (80% part-time)
BOOKKEEPER	Sherry Johnson (80% part-time from March 1/17)
SUBDIVISION TECHNICIAN	Jennifer Maxwell – returned from maternity leave May 1/17

MUNICIPAL PROJECTS

Arrowwood (Village) – Intermunicipal Development Plan with Vulcan County (commenced)

Barons (Village) – Municipal Development Plan (commenced)

Bassano (Town) – Annexation (ongoing)

Brooks (City) – Municipal Development Plan (ongoing); Land Use Bylaw Amendment for Parking Requirements (ongoing)

Cardston (County) – Magrath Regional Trails Plan (completed); Land Use Bylaw (discussion commenced)

Carmangay (Village) – Municipal Development Plan (commenced)

Champion (Village) – Compliance Review Policy (draft)

Claresholm (Town) – Annexation Process (completed); Land Use Bylaw Update (completed)

Coaldale (Town) – Annexation Process (completed); East Coaldale Area Structure Plan (commenced)

Coalhurst (Town) – Municipal Development Plan (completed); Lethbridge County and Town of Coalhurst Joint Industrial Area Structure Plan (commenced)

Glenwood (Village) – Land Use Bylaw (being rewritten)

Lethbridge (County) – Intermunicipal Development Plan with Town of Picture Butte (draft); Land Use Bylaw Updates (adopted); Joint Industrial Area Structure Plan with Town of Coalhurst (commenced); Hamlet of Monarch Growth Study (commenced); Intermunicipal Development Plan with Town of Taber (commenced)

Lomond (Village) – Land Use Bylaw Amendments (adopted)

Magrath (Town) – Magrath Regional Trails Plan (completed); Municipal Development Plan (completed)

Milk River (Town) – Municipal Development Plan Update (adopted); Annexation (completed)

Milo (Village) – Land Use Bylaw (completed)

Nanton (Town) – Municipal Development Plan (ongoing)

Newell (County) – Land Use Bylaw Review (completed); M.D of Taber and County of Newell Intermunicipal Development Plan (completed)

Picture Butte (Town) – Intermunicipal Development Plan with Lethbridge County (draft)

Pincher Creek (M.D. No. 9) – Castle Mountain Area Structure Plan (draft); Wind Energy Conversion Systems Review (draft)

Ranchland (M.D. No. 66) – Land Use Bylaw Review (public hearing)

Stirling (Village) – Land Use Bylaw Update (adopted)

Taber (M.D.) – East Vauxhall Area Structure Plan (ongoing); Intermunicipal Development Plan with six adjacent rural municipalities (commenced)

Vauxhall (Town) – Municipal Development Plan (commenced)

Vulcan (County) – Intermunicipal Development Plan with Town of Vulcan (commenced); Intermunicipal Development Plan with M.D. of Taber (completed); Intermunicipal Development Plan with Village of Arrowwood (commenced)

Vulcan (Town) – Municipal Development Plan Update (completed); Intermunicipal Development Plan with Vulcan County (commenced)

Warner (County No. 5) – Annexation Report (completed); Land Use Bylaw Updates (adopted); Intermunicipal Development Plan with M.D. of Taber (commenced)

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

Willow Creek (M.D. No. 26) – Municipal Development Plan (adopted); Land Use Bylaw Review (commenced)

GIS Project:

- Successful capture of orthophotography from April-June of 2017
- City of Brooks and Village of Duchess were added to the GIS membership
- Establishment of GIS Advisory Committee

Other Projects and Services:

- Secretarial service for 21 Subdivision and Development Appeal Board hearings
- Clerk service for 6 Regional Assessment Review Board hearings
- Development Officer service for the Town of Coalhurst (January-June)
- Council planning orientations
- Modernized Municipal Government Act Review

SUBDIVISION

SUMMARY OF APPLICATIONS PROCESSED

A total of 199 subdivision applications were processed during the 2017 calendar year. The status of these applications as at December 31, 2017:

176	–	Approved or Approved on Condition
3	–	Refused
3	–	Withdrawn or Expired
17	–	Pending

A total of 4 subdivision applications from 2017 were appealed:

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

The outcome of the 4 appeals was:

3	–	Upheld
1	–	Pending

The following table shows a detailed breakdown of the subdivision applications for 2017.

DETAILS OF SUBDIVISION APPLICATIONS PROCESSED – 2017

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)	—														—
Barnwell (Village)	2		2				9								9
Barons (Village)	—														—
Bassano (Town)	1	1	1												0
Brooks (City)	1	1	1												0
Cardston (County)	21	1	18			3			4	28	9		38		79
Cardston (Town)	3	1	3				2								2
Carmangay (Village)	—														—
Champion (Village)	—														—
Claresholm (Town)	—														—
Coaldale (Town)	2		2					1	21						22
Coalhurst (Town)	2		2				52						2		54
Coutts (Village)	—														—
Cowley (Village)	—														—
Crowsnest Pass (Municipality)	5	1	5				4	2	3	1					10
Fort Macleod (Town)	3	4	3				1					3			4
Glenwood (Village)	—														—
Granum (Town)	1		1					1							1
Hill Spring (Village)	—														—

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	
Lethbridge (County)	35		33	1		1	2	1	13	35	5			3	59
Lomond (Village)	—														—
Magrath (Town)	9	1	8	1			4	1	1	2					8
Milk River (Town)	—														—
Milo (Village)	—														—
Nanton (Town)	1		1				1								1
Newell (County)	15	6	14			1	4	1		4	3			1	13
Nobleford (Village)	1		1				25				1	1		1	28
Picture Butte (Town)	2		1			1	2								2
Pincher Creek (M.D. No. 9)	4		3			1				3	1				4
Pincher Creek (Town)	—														—
Ranchland (M.D. No. 66)	—														—
Raymond (Town)	6		6				30							3	33
Stavelly (Town)	1		1				1								1
Stirling (Village)	—														—
Taber (Municipal District)	28	1	25		1	2	1		8	13	7	2			31
Vauxhall (Town)	1		1				8								8
Vulcan (County)	19		14	1	1	3	1			23	2				26
Vulcan (Town)	1	1	1												0
Warner (County No. 5)	8		6			2	3	1		7	1				12
Warner (Village)	1		1											1	1
Willow Creek (M.D. No. 26)	26	2	22		1	3			3	18	4	1			26
TOTAL	199	20	176	3	3	17	150	8	53	134	33	7	40	9	434

NOTE: Lot count includes Pending Decisions as at December 31, 2017

Financial Statements of

**OLDMAN RIVER REGIONAL
SERVICES COMMISSION**

Year ended December 31, 2017



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Lethbridge AB T1J 4E1
Canada
Tel 403-380-5700
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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, 2017, 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, 2017, 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.

KPMG LLP

Chartered Professional Accountants

April 12, 2018
Lethbridge, Canada

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Cash and short-term investments	\$ 226,434	\$ 181,094
Accounts receivable (note 3)	76,740	23,374
Prepaid expenses and deposits	13,723	13,799
	316,897	218,267
Cash not available for current operations	149,905	99,905
Capital assets (note 4)	629,759	622,939
	\$ 1,096,561	\$ 941,111

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 196,206	\$ 182,948
Deferred revenue (note 5)	43,200	-
	239,406	182,948
Net assets:		
Unrestricted	77,491	35,319
Invested in capital assets	629,759	622,939
Internally restricted	149,905	99,905
	857,155	758,163
Commitments (note 7)		
	\$ 1,096,561	\$ 941,111

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, 2017, with comparative information for 2016

	2017 Budget	2017 Actual	2016 Actual
Revenues:			
Municipal contributions	\$ 917,426	\$ 917,427	\$ 900,640
GIS member fees	512,000	554,296	514,721
Subdivision fees	305,000	347,974	310,730
Service fees	400,000	476,574	221,104
Alberta Community Partnership Grant revenue recognized (note 5)	3,000	156,800	1,890
Other revenue	15,850	14,958	17,793
Interest income	1,000	5,229	3,043
	2,154,276	2,473,258	1,969,921
Expenditures:			
Salaries and benefits	1,913,000	1,930,419	1,664,515
Equipment	59,000	55,500	38,752
Occupancy costs	36,000	33,198	32,774
Staff travel	19,000	16,610	18,782
Telephone	14,500	18,814	16,883
Repairs and maintenance	14,000	15,595	5,439
Professional fees	9,700	9,370	11,089
Staff training and conferences	9,000	6,508	3,210
Members' travel	8,000	8,541	10,184
Printing and duplicating	7,000	8,253	8,694
Postage	7,000	5,670	7,625
Members' fees	7,000	4,722	6,549
Janitorial	6,000	5,995	5,125
Advertising	5,000	6,155	6,619
Land titles office	5,000	5,924	2,854
Public relations	4,000	6,268	4,464
Office and general	4,000	5,781	4,307
Miscellaneous	1,500	1,979	2,934
Consulting	1,000	24,036	2,540
Alberta Community Partnership project expenses (note 5)	-	156,800	-
Interest and bank charges	-	612	955
Amortization	-	44,778	41,973
	2,129,700	2,371,528	1,896,267
Excess of revenues over expenses before the undernoted item	24,576	101,730	73,654
Other income (expense):			
Gain (loss) on sale of capital assets	10,000	(2,738)	(686)
Excess of revenues over expenses	\$ 34,576	\$ 98,992	\$ 72,968

See accompanying notes to financial statements.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Changes in Net Assets

Year ended December 31, 2017, with comparative information for 2016

	Unrestricted	Internally restricted	Invested in capital assets	Total 2017	Total 2016
Balance, beginning of year	\$ 35,319	\$ 99,905	\$ 622,939	\$ 758,163	\$ 685,195
Excess of revenue over expenses	98,992	-	-	98,992	72,968
Amortization of internally funded capital assets	44,778	-	(44,778)	-	-
Purchase of capital assets	(56,336)	-	56,336	-	-
Net book value of disposed capital assets	4,738	-	(4,738)	-	-
Transfers to reserve (note 10)	(50,000)	50,000	-	-	-
Balance, end of year	\$ 77,491	\$ 149,905	\$ 629,759	\$ 857,155	\$ 758,163

See accompanying notes to financial statements.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 98,992	\$ 72,968
Items not involving cash:		
Amortization	44,778	41,973
Loss on sale of capital assets	2,738	686
Changes in non-cash operating working capital:		
Accounts receivable	(53,366)	82,769
Prepaid expenses and deposits	76	(7,496)
Accounts payable and accrued liabilities	13,258	61,278
Deferred revenue	43,200	-
	149,676	252,178
Capital activities:		
Purchase of capital assets	(56,336)	(30,308)
Proceeds on sale of capital assets	2,000	-
	(54,336)	(30,308)
Increase in cash and short-term deposits	95,340	221,870
Cash and short-term deposits, beginning of year	280,999	59,129
Cash, end of year	\$ 376,339	\$ 280,999
Cash is represented by:		
Cash and short-term deposits	\$ 226,434	\$ 181,094
Cash not available for current operations	149,905	99,905
	\$ 376,339	\$ 280,999

See accompanying notes to financial statements.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements

Year ended December 31, 2017

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, 2017

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, 2017

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, 2017

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:

The Commission uses Public Sector Accounting Standards section 3260 - liability for contaminated sites. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or retroactive or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring. At December 31, 2017 the Commission did not have any liabilities associated with contaminated sites.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2017

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 2018, 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) PS 3210 - 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, 2017

3. Accounts receivable:

		2017		2016
Trade receivables	\$	64,482	\$	20,458
Goods and services tax		12,258		2,916
	\$	76,740	\$	23,374

4. Capital assets:

				2017
	Cost	Accumulated amortization		Net book value
Land	\$ 80,000	\$ -	\$	80,000
Building	773,397	305,726		467,671
General contents	307,050	290,029		17,021
Other equipment	13,678	13,097		581
Vehicles	42,392	19,509		22,883
Computer	110,116	68,513		41,603
	\$ 1,326,633	\$ 696,874	\$	629,759

				2016
	Cost	Accumulated amortization		Net book value
Land	\$ 80,000	\$ -	\$	80,000
Building	773,397	286,240		487,157
General contents	298,324	284,856		13,468
Other equipment	13,678	13,097		581
Vehicles	42,392	19,509		22,883
Computer	78,987	60,137		18,850
	\$ 1,286,778	\$ 663,839	\$	622,939

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Deferred revenue:

	2017	2016
Government contributions (1)	\$ 43,200	\$ -

(1) Government contributions in deferred revenue consists of the following:

	2016 Balance	Grants Received	Grant Revenue	2017 Balance
Alberta Community Partnership Grant (ACP)	\$ -	\$ 200,000	\$ 156,800	\$ 43,200

6. 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 2016.

(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.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2017

7. Commitments:

- (a) The Commission leased equipment under agreements expiring on dates ranging from April, 2019 to January, 2021. The base rent obligation under the leases for the next year is approximately \$3,540.
- (b) The Commission has signed contracts for electricity and natural gas for its facilities, which expire December, 2018.

8. Economic dependence:

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

9. 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:

	2017	2016
Total debt limit	\$ 1,241,792	\$ 984,961
Total debt	-	-
Debt servicing limit	\$ 248,358	196,992
Debt servicing	-	-
Amount of debt servicing limit unused	\$ 248,358	\$ 205,132

The debt limit is calculated at 0.5 times revenue of the Commission (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 Commission. Rather, the financial statements must be interpreted as a whole.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2017

10. Internally restricted net assets

Internally restricted net assets is comprised of the following:

	2017	2016
Operating reserve fund	74,952	49,952
Capital reserve fund	74,953	49,953
	149,905	99,905

11. 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 253,862 employees of approximately 417 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 2017 were \$173,832 (2016 - \$159,324). Total current and past service contributions by the employees of Oldman River Regional Services Commission to the Local Authorities Pension Plan in 2017 were \$160,492 (2016 - \$147,047).

At December 31, 2016 the Plan disclosed an actuarial deficit of \$637 million.

12. Budget information:

The budget information was approved by the Board on December 1, 2017.

13. Comparative amounts:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year's earnings.

