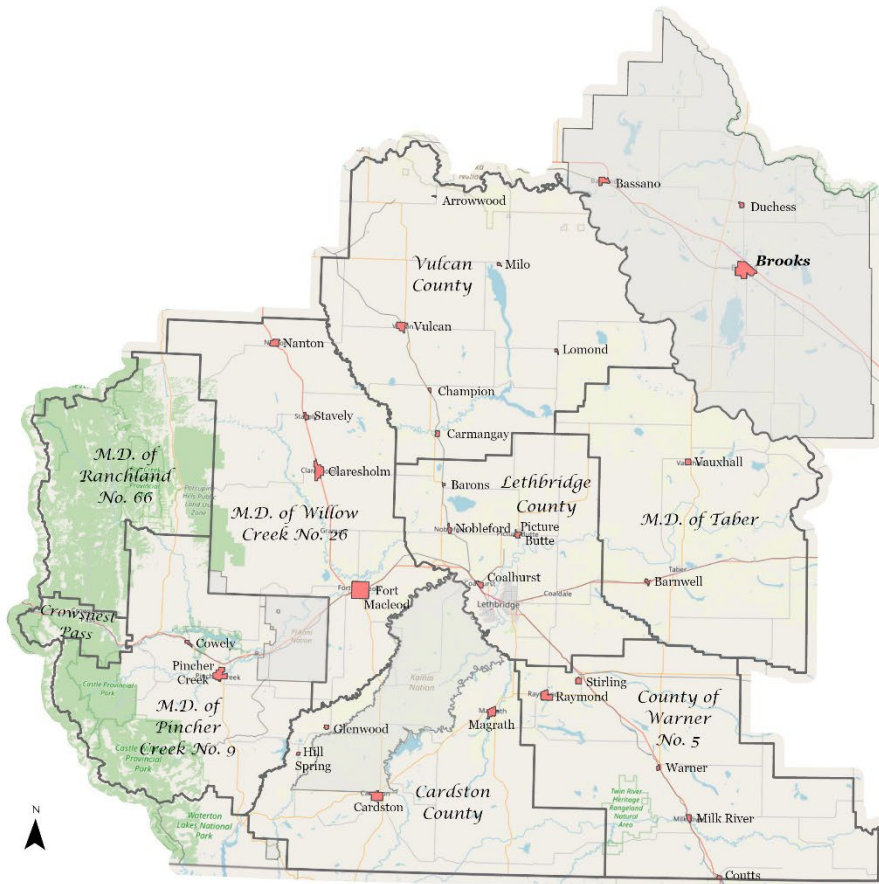


2021 ANNUAL REPORT

Oldman River Regional Services Commission



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For the year ending December 31, 2021



OLDMAN RIVER REGIONAL SERVICES COMMISSION

2021 ANNUAL REPORT

2021 AT A GLANCE

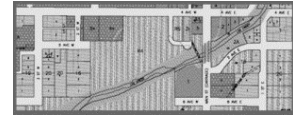
Election
2021

**VOTE
HERE**



184

Subdivisions
Approved



2

LUBs
Completed



© Can Stock Photo

12

Local SDAB
Appeals



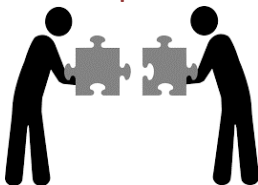
3

MDPs
Completed



10

IDPs
Completed



7

Subdivision
Appeals



109

LUB
Amendments

0

Staffing
Changes



7

Assessment
Review Board
Appeals

11

LPRT
Appeals

22

New Board
of Directors
Members

MISSION STATEMENT

The Oldman River Regional Services Commission will provide professional municipal planning, geographical information system and regional assessment review services and advice to our municipal members and their rate-payers in a professional manner befitting a non-profit entity.



OLDMAN RIVER REGIONAL SERVICES COMMISSION

2021 ANNUAL REPORT

KEY MESSAGE

By Chair Gordon Wolstenholme and Chief Administrative Officer Lenze Kuiper

To say that this year was unlike any other is an understatement! The pandemic had a huge impact on ORRSC and on our municipalities. While we did manage to keep our office open, some of our staff and services went remote, and over a year later, some of our services are still being offered remotely.

During this year, we worked very hard to adapt our services to meet the new pandemic reality. Staff and teams experimented with a variety of online models in order to engage and serve our municipal members most effectively.

We adapted and/or expanded our services to meet the identified need during the pandemic. More resources were allocated to digital, remote meetings, and presentation services. Once the pandemic began, we switched our appeal services and Executive Committee and Board of Directors meetings to an online model. In conjunction with many member municipalities, Council and MPC meetings also went online. As we slowly come out of Covid, we anticipate some form of remote work will be the norm.

Throughout the year, we continued to process subdivision applications, subdivision and development appeals, and assessment complaints while still delivering GIS services, planning advice, preparing statutory plans, land use bylaws, mapping products and engaging with ratepayers, surveyors, and engineers.

The pandemic did not stop us from upgrading services. Our GIS staff rolled out a new and improved software platform with added functionality and data inputs. Planning staff introduced a quarterly periodical based on timely issues and topics relevant to our municipalities. We continue to ensure that our services are as professional and accessible as possible.

Throughout all these challenges, ORRSC staff were unwavering in their commitment to meeting municipal needs and to providing the most efficient and cost-effective services. They worked tirelessly to meet the needs of our members. They showed their resiliency as they adapted to very different ways of working and serving the community. We want to thank all ORRSC staff for their dedication and exceptional work.

Our Executive Committee and Board of Directors supported ORRSC and continued to provide guidance ensuring delivery for all our services and by giving us the flexibility to use funds in different ways to meet the unique needs of these times.



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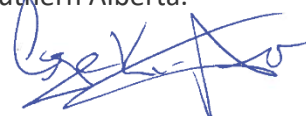
KEY MESSAGE CONT'D

This year we have had the pleasure to work with an exceptional group of people who form ORRSC's Executive Committee. They worked especially hard to support the Commission as we met the challenges of the pandemic. They provided leadership as we implemented the last stages of our strategic plan and worked hard to prepare a realistic budget and revise financial policies.

This year we had four long-time executive members leave the Board. We want to thank Jim Bester, Doug MacPherson, Jennifer Crowson and Richard Bengry for their outstanding service, leadership, and dedication. All four played key roles to ensure that strategic and fiduciary responsibilities were met.

As we continue to navigate through these complex times, it is crucial for us to strengthen our commitment to be champions of professional land use planning, affordable delivery of essential services/advice and accurate data/information. Introspection, relationship strengthening, and intentionality will continue to be the lens from which we operate.

As we look ahead, we have difficult but necessary work to do to embody our commitment to these principles. With the vision and support of our Board of Directors and incredible staff, we look forward to continuing to serve southern Alberta.



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.

Previous Executive Committee

Gordon Wolstenholme
(Town of Fort Macleod) – Chair
Jim Bester
(Cardston County) – Vice Chair
Doug MacPherson
(Town of Claresholm)
Don Anderberg
(Town of Pincher Creek)
Jennifer Crowson
(MD of Taber)
Margaret Plumtree
(Town of Vauxhall)
Ian Sundquist
(MD of Willow Creek)

Newly Elected Executive Committee

Gordon Wolstenholme
(Town of Fort Macleod) – Chair
Don Anderberg
(Town of Pincher Creek) – Vice Chair
Ian Sundquist
(MD of Willow Creek)
Christopher Northcott
(Vulcan County)
Brad Schlossberger
(Town of Claresholm)
Jesse Potrie
(Town of Coalhurst)
Neil Sieben
(Town of Raymond)



2021 ANNUAL REPORT

BOARD OF DIRECTORS From 39 Member Municipalities (Appointed October 2021)

Colin Bexte Village of Arrowwood	Gerry Baril Town of Magrath
Kent Bullock Village of Barnwell	Peggy Losey Town of Milk River
Dan Doell Village of Barons	Dean Melnyk Village of Milo
Mike Wetzstein Town of Bassano	Victor Czop Town of Nanton
Ray Juska City of Brooks	Marinus de Leeuw Town of Nobleford
Roger Houghton Cardston County	Henry de Kok Town of Picture Butte
Allan Burton Town of Cardston	Tony Bruder M.D. of Pincher Creek No. 9
Sue Dahl Village of Carmangay	Don Anderberg Town of Pincher Creek
Trevor Wagenvoort Village of Champion	Ronald L. Davis M.D. of Ranchland No. 66
Brad Schlossberger Town of Claresholm	Neil Sieben Town of Raymond
Jesse Potrie Town of Coalhurst	Don Norby Town of Stavely
Tanya Smith Village of Coutts	Matthew Foss Village of Stirling
Dave Slingerland Village of Cowley	John Turcato Municipal District of Taber
Dean Ward and Dave Filipuzzi Municipality of Crowsnest Pass	Raymond Coad Town of Vauxhall
Kole Steinley Village of Duchess	Christopher Northcott Vulcan County
Gordon Wolstenholme Town of Fort Macleod	Richard DeBolt Town of Vulcan
Mark Peterson Village of Glenwood	David Cody County of Warner No. 5
Suzanne French Village of Hill Spring	Scott Alexander Village of Warner
Morris Zeinstra Lethbridge County	Ian Sundquist M.D. of Willow Creek No. 26
Brad Koch Village of Lomond	



2021 ANNUAL REPORT

STAFFING RESOURCES

CHIEF ADMINISTRATIVE OFFICER	Lenze Kuiper (2005)
SENIOR PLANNER	Mike Burla (1978)
SENIOR PLANNER	Steve Harty (1998)
SENIOR PLANNER	Diane Horvath (2000)
SENIOR PLANNER	Bonnie Brunner (2007)
SENIOR PLANNER	Gavin Scott (2007)
PLANNER	Ryan Dyck (2013)
PLANNER	Madeleine Baldwin (2019)
PLANNER	Hailey Winder (2018)
ASSISTANT PLANNER	Max Kelly (2019)
CAD/GIS TECHNOLOGIST	Mladen Kristic (2006)
CAD/GIS TECHNOLOGIST	Kaylee Sailer (2013)
CAD/GIS TECHNOLOGIST	Yueu Majok (2017)
GIS ANALYST	Jaime Thomas (2005)
GIS ANALYST	Jordan Thomas (2006)
GIS TECHNICIAN	Carlin Groves (2019)
BOOKKEEPER	Sherry Johnson (1981)
SUBDIVISION TECHNICIAN	Jennifer Maxwell (2015)
EXECUTIVE ASSISTANT	Tara Cryderman (2020)

MUNICIPAL PROJECTS

Intermunicipal Development Plans:

- Lethbridge County and Town of Coalhurst - Completed
- MD of Pincher Creek No. 9 and Municipality of Crowsnest Pass – Completed
- MD of Pincher Creek No. 9 and Village of Cowley – Completed
- MD of Ranchland No. 66 and Municipality of Crowsnest Pass – Completed
- MD of Taber and Town of Taber – Completed
- Vulcan County and Village of Lomond – Commenced
- Vulcan County and Town of Vulcan – Completed
- Vulcan County and Village of Carmangay - Completed
- Vulcan County and Village of Arrowwood – Completed
- MD of Willow Creek No. 26 and Town of Claresholm – Completed
- MD of Willow Creek No. 26 and Town of Stavely - Completed
- MD of Willow Creek No. 26 and Town of Fort Macleod – Ongoing

Municipal Development Plans:

- Municipality of Crowsnest Pass – Completed
- Village of Duchess – Ongoing
- Lethbridge County – Draft Completed
- Village of Milo – Completed
- MD of Pincher Creek No. 9– Completed
- Town of Stavely – Completed
- Village of Stirling – Commenced



2021 ANNUAL REPORT

Land Use Bylaw:

- Town of Bassano – Land Use Bylaw No. 921/21 – Completed
- City of Brooks – Land Use Bylaw – Sign Schedule – Commenced
- Town of Fort Macleod LUB Rewrite – Ongoing
- Town of Vauxhall – Major Land Use Bylaw Amendments – Completed
- County of Warner No. 5 – Land Use Bylaw Amendments - Commenced

Other:

- City of Brooks – Northwest Area Structure Plan – Completed
- Village of Carmangay – Southwest Concept Plan – Commenced
- Town of Fort Macleod – Macleod Meadows ASP – Ongoing
- Town of Fort Macleod – Paddock Lands Concept – Ongoing
- Town of Fort Macleod - Westwinds Park Concept – Completed
- Lethbridge County and Town of Coalhurst Joint Industrial Area Structure Plan – Completed
- Lethbridge County - Hamlet of Shaughnessy Growth Study – Completed
- Lethbridge County – Hamlet of Diamond City Growth Study – Completed
- Lethbridge County – Hamlet of Fairview Growth Study – Completed
- Town of Nanton – West Nanton Concept Plan – Completed
- Town of Picture Butte – North Industrial Park Area Structure Plan – Draft Completed
- MD of Pincher Creek No. 9 – Wind Energy Conversion Systems Review – Completed

2021 ANNUAL REPORT

GIS

In 2021, the Oldman River Region GIS Project took enormous strides with the delivery of and capability with regards to GIS services for their municipal members. With the introduction of Geocortex software as the primary delivery method for the municipal GIS, all members are now using the most premier GIS software available anywhere in North America. Geocortex GIS is widely used by over 100 large municipalities in North America and is the principal GIS solution in cities such as Victoria, Kelowna, St. Albert, and Saskatoon among many more. The conversion to Geocortex was a monumental undertaking conducted by GIS staff but was certainly well worth the time and effort as all members can now benefit from the many new and improved operating features in their respective GIS systems.

In addition to the primary software enhancement to the GIS service, many more additional GIS related features and options are now readily available to the GIS group. Using the power of ArcGIS Online, ORRSC GIS staff are now able to create permanent or temporary web mapping applications that can be accessed via a municipality's own website. In 2021, ORRSC staff created individual web apps showing construction projects, historical building tours, recreation building tours, and GPS collection to name but a few.

ORRSC GIS staff also purchased a drone in 2021 and has a certified operator on staff. The drone has been used in many projects involving development and infrastructure and is yet another service that is available to all GIS members.



2021 ANNUAL REPORT

SUBDIVISION

SUMMARY OF APPLICATIONS PROCESSED

A total of 203 subdivision applications were processed during the 2021 calendar year.

The status of these applications as of December 31, 2021 are shown below:

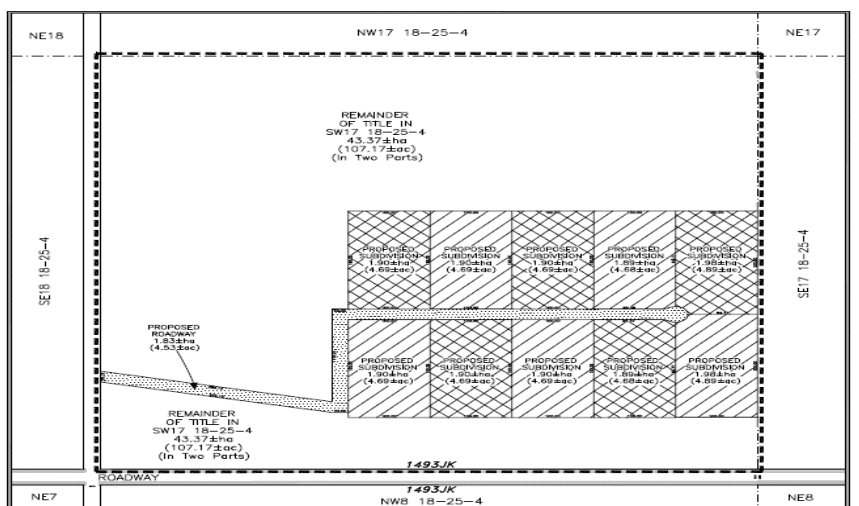
184 – Approved or Approved on Condition

3 – Refused

2 – Withdrawn or Expired

14 – Pending

There were seven subdivision applications appealed in 2021.



The following table shows a detailed breakdown of the subdivision applications for 2021.

ABBREVIATIONS:

A OR A/C –

Approved or Approved with Conditions

R – Refused

W/E – Withdrawn or Expired

P – Pending

Res – Residential

Com – Commercial

Ind – Industrial

CR – Country Residential

Ag – Agricultural

Inst – Institutional

Rec – Recreational

Misc – Miscellaneous



2021 Subdivision Statistics

MEMBER MUNICIPALITY	# of Subdivisions	Boundary Line Adj	DECISION				NEWLY CREATED LOTS (By Use)									
			A or A/C	R	W/E	P	Res	Com	Ind	CR	Ag	Inst	Rec	Misc	TOTAL	
Cardston County	22	4	19	2		1					14	10		1		25
City of Brooks	5	1	5					1	3							4
County of Warner No. 5	15	5	12			3					12	3				15
Lethbridge County	31	15	26	1	1	3	4			9	19	1				33
Municipal District of Pincher Creek No. 9	20	1	19		1		1			1	13	5	1			21
Municipal District of Ranchland No. 66	-	-														0
Municipal District of Willow Creek No. 26	23	3	22			1				17	18	1				36
Municipal District of Taber	17	6	16			1					9	2				11
Municipality of Crowsnest Pass	14	3	14					72					1	1		74
Town of Bassano	1	4	1					3								3
Town of Cardston	3	2	3					8								8
Town of Claresholm	-	-														0
Town of Coalhurst	-	-														0
Town of Fort Macleod	8	3	8					6		21			1			28
Town of Magrath	8	-	8					32			1					33
Town of Milk River	-	-														0
Town of Nanton	1	-				1	2							2		4
Town of Nobleford	3	-	2			1	2			1						3
Town of Picture Butte	2	-	1			1	4			1						5
Town of Pincher Creek	-	-														0
Town of Raymond	9	6	7			2	20								20	
Town of Stavely	1	1	1				1									1
Town of Vauxhall	-	-														0
Town of Vulcan	1	-	1						1							1
Village of Arrowwood	-	-														0
Village of Barnwell	1	-	1				1								1	
Village of Barons	-	-														0
Village of Carmangay	-	-														0
Village of Champion	2	-	2				4	1								5
Village of Coutts	-	-														0
Village of Cowley	-	-														0
Village of Duchess	-	-														0
Village of Glenwood	1	-	1				2									2
Village of Hill Spring	-	-														0
Village of Lomond	-	-														0
Village of Milo	-	-														0
Village of Stirling	1	-	1				1									1
Village of Warner	-	-														0
Vulcan County	14	3	14								17	1	1	15		34
TOTAL	203	57	184	3	2	14	164	5	50	103	23	4	19	0		368

NOTE: Lot count includes Pending Decisions as of December 31, 2021

Financial Statements of

**OLDMAN RIVER
REGIONAL SERVICES
COMMISSION**

And Independent Auditors' Report thereon

Year ended December 31, 2021



KPMG LLP
3410 Fairway Plaza Road South
Lethbridge AB T1K 7T5
Canada
Tel 403-380-5700
Fax 403-380-5760

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Oldman River Regional Services Commission

Opinion

We have audited the financial statements of Oldman River Regional Services Commission (the Commission), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2021, and its results of operations, changes in net financial assets, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. Below the signature is a single, long, horizontal, slightly wavy line.

Chartered Professional Accountants

Lethbridge, Canada

April 14, 2022

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash and short-term deposits	\$ 580,803	\$ 158,398
Accounts receivable (note 3)	66,082	66,094
Prepaid expenses and deposits	15,689	8,671
	662,574	233,163
Cash not available for current operations	342,707	340,896
Capital assets (note 4)	533,872	566,815
	\$ 1,539,153	\$ 1,140,874

Liabilities

Current liabilities:		
Accounts payable and accrued liabilities	\$ 266,194	\$ 223,945
Deferred revenue	20,000	-
	286,194	223,945
Long-term debt	40,000	-
Net assets:		
Unrestricted	336,380	9,218
Invested in capital assets	533,872	566,815
Internally restricted	342,707	340,896
	1,212,959	916,929
Commitments (note 6)		
	\$ 1,539,153	\$ 1,140,874

See accompanying notes to financial statements.

On behalf of the Board:

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	2021 Budget (note 13)	2021 Actual	2020 Actual
Revenue:			
Municipal contributions	\$ 926,320	\$ 926,318	\$ 958,555
GIS member fees	574,300	572,026	551,993
Application fees	210,000	260,410	196,765
Finalization fees	32,500	63,246	34,093
Extention fees	7,500	9,245	8,420
Service fees	400,000	729,264	410,156
Other revenue	39,300	56,977	55,152
Interest income	12,000	5,439	7,981
	2,201,920	2,622,925	2,223,115
Expenses:			
Salaries and benefits	1,983,232	2,023,814	2,009,284
Software licenses and equipment	64,000	56,783	71,197
Repairs and maintenance	15,000	37,055	37,951
Occupancy costs	35,000	36,937	33,322
Telephone	17,000	25,997	19,332
Miscellaneous	1,500	16,232	6,865
Staff travel	17,000	15,476	16,386
Public relations	2,000	12,567	3,048
Professional fees	11,000	11,480	9,980
Postage	6,000	10,803	3,029
Office and general	5,500	9,927	7,494
Printing and duplicating	7,500	6,735	4,029
Members' fees	5,000	6,700	6,944
Advertising	5,000	5,850	6,381
Consulting	-	5,519	1,491
Janitorial	6,000	5,389	5,366
Staff training and conferences	9,000	2,120	2,601
Land titles office	3,000	2,002	2,152
Members' travel	8,000	1,564	3,011
Interest and bank charges	-	585	512
Amortization	-	49,133	55,685
	2,200,732	2,342,668	2,306,060
Excess (deficiency) of revenues over expenses before the undernoted item	1,188	280,257	(82,945)
Other income:			
Gain on disposal of capital assets	-	15,773	-
Excess (deficiency) of revenues over expenses	\$ 1,188	\$ 296,030	\$ (82,945)

See accompanying notes to financial statements.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	Unrestricted	Internally restricted	Invested in capital assets	Total 2021	Total 2020
Balance, beginning of year	\$ 9,218	\$ 340,896	\$ 566,815	\$ 916,929	\$ 999,874
Excess (deficiency) of revenue over expenses	296,030	-	-	296,030	(82,945)
Amortization of internally funded capital assets	49,133	-	(49,133)	-	-
Purchase of capital assets	(23,472)	-	23,472	-	-
Net book value of disposed capital assets	7,282	-	(7,282)	-	-
Transfers to reserve (note 9)	(1,811)	1,811	-	-	-
Balance, end of year	\$ 336,380	\$ 342,707	\$ 533,872	\$ 1,212,959	\$ 916,929

See accompanying notes to financial statements.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ 296,030	\$ (82,945)
Items not involving cash:		
Amortization	49,133	55,685
Gain on disposal of capital assets	(15,773)	-
	329,390	(27,260)
Changes in non-cash operating working capital:		
Accounts receivable	12	(4,828)
Prepaid expenses and deposits	(7,018)	1,903
Accounts payable and accrued liabilities	42,249	(4,983)
Deferred revenue	20,000	-
	384,633	(35,168)
Capital activities:		
Purchase of capital assets	(23,472)	(1,747)
Proceeds on sale of capital assets	23,055	-
	(417)	(1,747)
Financing activities:		
Proceeds of long-term debt	40,000	-
Increase (decrease) in cash and short-term deposits	424,216	(36,915)
Cash and short-term deposits, beginning of year	499,294	536,209
Cash, end of year	\$ 923,510	\$ 499,294
Cash is represented by:		
Cash and short-term deposits	\$ 580,803	\$ 158,398
Cash not available for current operations	342,707	340,896
	\$ 923,510	\$ 499,294

See accompanying notes to financial statements.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements

Year ended December 31, 2021

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, 2021

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, 2021

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, 2021

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, 2021 the Commission did not have any liabilities associated with contaminated sites.

2. Future accounting pronouncements:

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board ("PSAB"). In 2022, 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 3280 - Asset retirement obligations:

This section provides guidance on how to account for and report a liability for retirement of a tangible capital asset. This section is effective for fiscal years beginning on or after April 1, 2022.

(ii) PS 3400 - Revenue:

This section provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions. This section is effective for fiscal years beginning on or after April 1, 2023.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2021

3. Accounts receivable:

	2021		2020	
Trade receivables	\$	61,150	\$	62,796
Goods and services tax		4,932		3,298
	\$	66,082	\$	66,094

4. Capital assets:

			2021	
	Cost	Accumulated amortization	Net book value	
Land	\$ 80,000	\$ -	\$	80,000
Building	773,397	376,182		397,215
General contents	275,986	264,000		11,986
Other equipment	13,678	13,097		581
Vehicles	53,411	37,822		15,589
Computer	169,849	141,348		28,501
	\$ 1,366,321	\$ 832,449	\$	533,872

			2020	
	Cost	Accumulated amortization	Net book value	
Land	\$ 80,000	\$ -	\$	80,000
Building	773,397	359,632		413,765
General contents	282,942	264,976		17,966
Other equipment	13,678	13,097		581
Vehicles	78,942	52,382		26,560
Computer	146,377	118,434		27,943
	\$ 1,375,336	\$ 808,521	\$	566,815

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2021

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 2020.

(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.

(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, 2021

6. Commitments:

- (a) The Commission leased equipment under agreements expiring on dates ranging from June, 2026 to August, 2026. The base rent obligation under the leases for the next year is approximately \$7,301.
- (b) The Commission has signed contracts for electricity and natural gas for its facilities, which expired on December 31, 2018, however it is to continue on a year to year basis until written notice of termination on December 31, 2023.

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:

	2021	2020
Total debt limit	\$ 1,311,463	\$ 1,111,557
Total debt	(40,000)	-
Amount of debt limit unused	\$ 1,271,463	1,111,557
Debt servicing limit	\$ 262,293	223,311
Debt servicing	-	-
Amount of debt servicing limit unused	\$ 262,293	\$ 223,311

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, 2021

9. Internally restricted net assets:

Internally restricted net assets is comprised of the following:

	2021	2020
Operating reserve fund	171,353	170,448
Capital reserve fund	171,354	170,448
	342,707	340,896

10. Local Authorities Pension Plan:

Employees of the 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 275,863 employees of approximately 433 non-government employer organizations such as municipalities, hospitals, and schools (non-teachers).

The Commission is required to make current service contributions to the Plan of 9.39% of pensionable payroll up to the year's maximum pensionable earnings under the Canada Pension Plan, and 13.84% on pensionable earnings above this amount.

Employees of the Commission are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable earnings under the Canada Pension Plan, and 12.84% on pensionable salary above this amount.

Total current and past service contributions by the Commission to the Local Authorities Pension Plan in 2021 were \$156,677 (2020 - \$148,445). Total current and past service contributions by the employees of the Commission to the Local Authorities Pension Plan in 2021 were \$142,045 (2020 - \$134,748).

At December 31, 2020 the Plan disclosed an actuarial surplus of \$5.0 billion.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2021

11. Contractual rights:

Contractual rights are rights of the Commission to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

The Commission has entered into agreements to provide services to municipal members. The timing and extent of the fees collected in the future depend upon the timing and extent of services provided and as such will vary in the future.

The Commission collects municipal contributions from its members, the amounts collected depend upon participation and population of member communities and as such will vary in the future.

12. Budget information:

The budget information was approved by the Board on January 7, 2021.

13. Comparative information:

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