

# 2005 ANNUAL REPORT

Oldman River Regional Services Commission

## FINANCIAL STATEMENTS



Year Ending  
December 31, 2005



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## REPORT FROM THE CHAIR

*Dear Members of the Board:*

*In the year 2005 we commemorated a half century of planning in southwestern Alberta. During these 50 years, we have had different entities provide planning services to the area. This past year we completed our second year as a regional services commission.*

*The Oldman River Regional Services Commission was established through the desire and dedication of the current and previous planning staff to align with the Municipal Government Act, which allowed the Commission to own its assets and provide a broader range of services to its member municipalities.*

*During the year 2005 we celebrated the retirement of the founding manager, Tom Golden, and the hiring of our current director, Lenze Kuiper. We also achieved a full complement of assistant planners with Cory Armfelt and Christine Khandl joining our staff, along with Jaime Thomas in the GIS department. We were fortunate to have local people educated in our university and college programs qualify for the positions.*

*The past year saw the completion of a three-year Urban GIS Project and grant approval for another year and the addition of Granum, Milo and Arrowwood to the project, as well as the development of a surcharge agreement with the Towns of High River and Taber for GIS services.*

*Moving forward into the future, the Commission will need to consider providing current and additional services in the programs of planning and GIS, and possible new ventures to attract staff to replace pending retirements and allow for adequate compensation in a competitive Alberta economy.*

*Your current Executive is committed to providing the services required by our member municipalities, and were complemented this past year with two new members, Ed Knox and Norm Baum, replacing retiring members Charlene Shearer and Doug Foxall. The Commission continues to endeavor to provide its municipal members with a competitive and sustainable service. I am thankful for the opportunity to be able to work with the dedicated Executive Committee, Board of Directors and staff of the Oldman River Regional Services Commission, and am confident in the continued success of the organization.*



**Eugene Wauters, Chair**  
**Oldman River Regional Services Commission**

## BOARD OF DIRECTORS

Membership as at December 31, 2005 consisted of the following 37 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, 2005. Representation from the municipalities is listed below:

MUNICIPALITY	CURRENT MEMBER	FORMER MEMBER (part of 2005)
ARROWWOOD – Village	Gordon Gooch	
BARNWELL – Village	Del Bodnarek	
BARONS – Village	Alf Olsen	
CARDSTON – County	Debi Charlesworth	
CARDSTON – Town	Glen Jones	
CARMANGAY – Village	Norman Baum	
CHAMPION – Village	Richard Ellis	
CLARESHOLM – Town	Doug MacPherson	
COALDALE – Town	Vic Mensch	Doug Foxall
COALHURST – Town	Ed Knox	
COUTTS – Village	Erwin Thiessen	
COWLEY – Village	Paul Bruder	
CROWSNEST PASS – Municipality	Nestor Chorney / Gary Taje	
FORT MACLEOD – Town	Gordon Wolstenholme	
GRANUM – Town	Martin Champion	
HILL SPRING – Village	Kim Schnoor	
LETHBRIDGE – County	Eugene Wauters	
LOMOND – Village	Brad Koch	
MAGRATH – Town	Russ Barnett	
MILK RIVER – Town	Terry Michaelis	
MILO – Village	Ken Vooys	
NANTON – Town	Florence Brown	
NOBLEFORD – Village	Paul Goldade	
PICTURE BUTTE – Town	Hank Hurkens	
PINCHER CREEK – M.D. No. 9	Rod Zielinski	Brian Hammond
PINCHER CREEK – Town	Bill Bradshaw	
RANCHLAND – M.D. No. 66	Ronald Davis	
RAYMOND – Town	Jim Steed	
STAVELY – Town	Barry Johnson	
STIRLING – Village	Warren Kennedy	
TABER – Municipal District	Cecil Wiest	
VAUXHALL – Town	Lois Maloney	
VULCAN – County	Charlene Shearer	
VULCAN – Town	Del Olsen	
WARNER – County No. 5	Grant Nelson	
WARNER – Village	Dennis Lagler	
WILLOW CREEK – M.D. No. 26	Brian Dahl	

## CHAIR AND VICE-CHAIR

The Chair and Vice-Chair from January 1 to December 1, 2005 were:

**Chair** – Eugene Wauters  
**Vice-Chair** – Charlene Shearer

The following were elected to the positions of Chair and Vice-Chair at the December 1, 2005 Annual Organizational Board of Directors' meeting for the period December 1, 2005 to December 7, 2006:

**Chair** – Eugene Wauters  
**Vice-Chair** – Paul Goldade

## 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. Nine meetings were held between January 1 and December 31, 2005.

The following served on the Executive Committee from January 1 to December 1, 2005:

Eugene Wauters	– County of Lethbridge ( <b>Chair</b> )
Charlene Shearer	– Vulcan County ( <b>Vice-Chair</b> )
Doug Foxall	– Town of Coaldale
Brian Dahl	– M.D. of Willow Creek No. 26
Terry Michaelis	– Town of Milk River
Erwin Thiessen	– Village of Coutts
Paul Goldade	– Village of Nobleford

At the December 1, 2005 Annual Organizational Board of Directors' meeting, the following were elected to serve on the Executive Committee from December 1, 2005 to December 7, 2006.

Eugene Wauters	– County of Lethbridge ( <b>Chair</b> )
Paul Goldade	– Village of Nobleford ( <b>Vice-Chair</b> )
Brian Dahl	– M.D. of Willow Creek No. 26
Terry Michaelis	– Town of Milk River
Erwin Thiessen	– Village of Coutts
Norman Baum	– Village of Carmangay
Ed Knox	– Town of Coalhurst

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## STAFF

### CURRENT STAFF

<b>DIRECTOR</b>	– <b>Lenze Kuiper</b> (permanent contract) – May 1/05
<b>SENIOR PLANNER</b>	– <b>Mike Burla</b> (permanent)
<b>PLANNER</b>	– <b>Steve Harty</b> (permanent contract)
<b>PLANNER</b>	– <b>Maureen Gaehring</b> (permanent contract)
<b>PLANNER</b>	– <b>Diane Horvath</b> (permanent contract)
<b>ASSISTANT PLANNER</b>	– <b>Leah Olsen</b> (permanent contract)
<b>ASSISTANT PLANNER</b>	– <b>Cory Armfelt</b> (permanent contract) – September 1/05
<b>ASSISTANT PLANNER</b>	– <b>Christine Khandl</b> (permanent contract) – September 1/05
<b>GRAPHICS TECHNOLOGIST</b>	– <b>Cal Kembel</b> (permanent)
<b>GIS TECHNOLOGIST</b>	– <b>Steven Ellert</b> (permanent contract)
<b>GIS ANALYST</b>	– <b>Jaime Thomas</b> (permanent contract) – July 4/05
<b>TECHNICAL ASSISTANT</b>	– <b>Karen Iwaasa</b> (permanent contract)
<b>BOOKKEEPER</b>	– <b>Sherry Johnson</b> (permanent)
<b>EXECUTIVE SECRETARY</b>	– <b>Barb Johnson</b> (permanent)

### FORMER STAFF (part of 2005)

<b>MANAGER</b>	– <b>Tom Golden</b> (permanent) – <u>Retired July 4/05</u>
<b>ASSISTANT PLANNER</b>	– <b>Scott Beeching</b> (contract: Jan. 1 - May 31/05)
<b>GIS ANALYST</b>	– <b>Tom Graham</b> (contract: Jan. 1 - April 29/05)
<b>GPS ASSISTANT</b>	– <b>Heather Pringle</b> (temporary: May 2/05 - December 16/05)
<b>DEVELOPMENT OFFICER</b>	– <b>Pam Colling</b> (contract: Jan. 1 - May 31/05)

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## WORK PROGRAM

### MUNICIPAL ASSISTANCE

Our focus is on providing professional land use planning advice to our 37 rural and urban member municipalities. To this end, 2005 has been both a successful and challenging year.

Our skilled planners assisted municipal councils, approval authorities and administrative staff with numerous subdivision applications, bylaw amendments, statutory plan updates, appeals and general enquiries. They spend many hours on the road meeting with ratepayers and in municipal offices meeting with councils and administrators.

Our innovative Geographic Information System staff provided quality digital and hard copy mapping products to municipalities and to our planning staff. Our GIS is entering its fourth year and is proving to be a valuable and engaging planning tool. We continue to add new features and levels of service almost weekly.



Our efficient administrative staff handled and processed a near record volume of phone calls, counter calls, subdivision applications, referrals, printing tasks and general office duties.

Challenges exist. Operational costs are increasing across Alberta, which is a concern. Rising gasoline prices, increases to utility rates and insurance coverage coupled with various inflationary pressures are having some effect on the bottom line.

Like all of you, our office building is experiencing the effects of age. We have created a short- and long-term maintenance plan to deal with future repairs and improvements.

Perhaps of greater concern is a chronic labour shortage of skilled professionals in the fields of planning and GIS. This in turn creates upward pressure on salary expectations and competitiveness.

We have been fortunate in retaining so many of our staff throughout the years and yet, conversely, retirement will shortly be an option for a few key staff. A focus for 2006 and beyond will be on succession planning and optimizing our workforce.

For many years southern Alberta has been largely immune to the pressures and constraints felt in Canada's bigger population centres, but rapid growth, increasing expectations of our public and greater population mobility is now experienced locally.

We believe we have taken actions to mitigate the effects of these challenges and are confident in our ability to plan for our and your future.

## MUNICIPAL PROJECTS

- **Village of Barnwell** – New Civic Address Scheme (commenced)
- **Cardston County** – Municipal Development Plan Review (commenced); Land Use Bylaw Review (commenced)
- **Town of Cardston** – Land Use Bylaw (draft prepared); West Area Structure Plan (commenced)
- **Town of Claresholm** – Municipal Development Plan (commenced)
- **Town of Coaldale** – North Area Structure Plan (before Council); Land Use Bylaw (adopted); West Coaldale Area Structure Plan Amendments (commenced and ongoing); Cottonwood Estates Area Structure Plan (Southwest) Review (completed)
- **Town of Coalhurst** – Annexation (commenced)
- **Municipality of Crowsnest Pass** – Highway 3 Study Phase I and II (completed)
- **Village of Hill Spring** – Land Use Bylaw (commenced)
- **County of Lethbridge** – Stormwater Management Discussion Paper (commenced)
- **Town of Nanton** – Draft Annexation Report (completed); Land Use Bylaw (amendments incorporated)
- **Town of Picture Butte** – Northridge Area Design Scheme Review (commenced)
- **M.D. of Pincher Creek No. 9** – Oldman River Reservoir Area Structure Plan (completed); Wind Energy Conversion System Review (commenced); Land Use Bylaw (consolidation)

- **Town of Pincher Creek** – Land Use Bylaw (adopted)
- **M.D. of Ranchland No. 66** – Land Use Bylaw (draft prepared)
- **Village of Stirling** – Municipal Development Plan and Land Use Bylaw Review (commenced)
- **Vulcan County** – Land Use Bylaw Amendments (completed)
- **Town of Vulcan** – Draft Land Use Bylaw (completed)
- **County of Warner No. 5** – Municipal Development Plan Review (ongoing); Hamlet Street Addressing (completed); CPR Line Subdivision and Consolidation Study (completed)
- **Oldman River Urban GIS Project** – (completed)
- **Oldman River Urban GIS Layer Project** – (grant submitted and accepted)

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## SUBDIVISION

### SUMMARY OF APPLICATIONS PROCESSED

A total of 257 subdivision applications were processed during the 2005 fiscal year. The status of these applications as at April 30, 2006:

- 250 – Decisions Made
- 5 – Withdrawn
- 2 – Pending

Decisions on the 250 applications:

- 4 – Approved (with no conditions)
- 239 – Approved with Conditions
- 7 – Refused

Of the 239 applications approved with conditions by our municipal members' subdivision authorities, 1 was appealed and a decision is pending.

Of the 7 applications refused by our municipal members' subdivision authorities, 3 were appealed and all were upheld.

<p>The following table shows a detailed breakdown of the subdivision applications for 2005.</p>
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## DETAILS OF SUBDIVISION APPLICATIONS PROCESSED – 2005

### ABBREVIATIONS:

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

MEMBER MUNICIPALITY	SUBDIVISION APPLICATIONS*	DECISION					PROPOSED USE OF LOTS APPROVED							
		A	A/C	R	W	P	Res	Com	Ind	CR	Ag	Inst	Misc	Rec
Arrowwood – Village	1		1						8					
Barnwell – Village	1		1				1							
Barons – Village	—													
Cardston – County	22		21	1						38	14			
Cardston – Town	6	1	5				6	3				2		
Carmangay – Village	1	1					1							
Champion – Village	4		4				4							
Claresholm – Town	7		7				27	2	8					
Coaldale – Town	7		6	1			73	4	1	1		3	1	2
Coalhurst – Town	5		4	1			36			1				
Coutts – Village	—													
Cowley – Village	—													
Crowsnest Pass – Municipality	14		13	1			45		1	14			3	
Fort Macleod – Town	5		5				1	1	3	35		1		
Granum – Town	2		1		1		20							
Hill Spring – Village	—													
Lethbridge – County	35		30	3	1	1	8	2	8	27	4	2		1



MEMBER MUNICIPALITY	SUBDIVISION APPLICATIONS*	DECISION					PROPOSED USE OF LOTS APPROVED							
		A	A/C	R	W	P*	Res	Com	Ind	CR	Ag	Inst	Misc	Rec
Lomond – Village	1		1						4					
Magrath – Town	4		4				14							
Milk River – Town	—													
Milo – Village	4	1	3						7					
Nanton – Town	2		2					2						
Nobleford – Village	1		1							1				
Picture Butte – Town	—													
Pincher Creek – M.D. No. 9	17		15		2		2	1	1	13	2			1
Pincher Creek – Town	8		7			1	21	3	18					
Ranchland – M.D. No. 66	—													
Raymond – Town	7		7				30	1						
Stavely – Town	1		1							1				
Stirling – Village	5		4		1		33							
Taber – Municipal District	17		17					1	1	14	4	2		
Vauxhall – Town	3		3				6	1	1					
Vulcan – County	30		30					2		28	3			
Vulcan – Town	3		3				113	2						
Warner – County No. 5	19	1	18				17			18	12			
Warner – Village	1		1					2						
Willow Creek – M.D. No. 26	24		24					1		23	1		1	
TOTAL	257	4	239	7	5	2	458	28	61	42	42	10	6	3

TOTAL NUMBER OF SUBDIVISION APPLICATIONS – 257

TOTAL NUMBER OF LOTS APPROVED – 650

**OLDMAN RIVER  
REGIONAL SERVICES COMMISSION**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

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## **AUDITORS' REPORT**

To the Members of the  
Oldman River Regional Services Commission

We have audited the balance sheet of the Oldman River Regional Services Commission as at December 31, 2005 and the related statements of operating fund revenues and expenditures, cash flows, operating capital, special reserve fund and equity in capital assets for the year then ended. These financial statements are the responsibility of the Commission's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2005 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Lethbridge, Alberta  
April 4, 2006

Chartered Accountants

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## BALANCE SHEET AS AT DECEMBER 31, 2005

		<u>2005</u>	<u>2004</u>
	<b>ASSETS</b>		
OPERATING FUND			
Cash		\$ 19,339	\$ 235,444
Accounts and accrued receivables		43,308	16,331
Term deposits		<u>177,976</u>	<u>136,028</u>
		240,623	387,803
SPECIAL RESERVE FUND			
Restricted cash and term deposits		190,437	225,711
CAPITAL FUND			
Capital assets (note 3)		<u>555,009</u>	<u>554,298</u>
		<u>\$ 986,069</u>	<u>\$ 1,167,812</u>
	<b>LIABILITIES AND EQUITY</b>		
OPERATING FUND			
Accounts payable and accrued liabilities		\$ 47,426	\$ 60,375
Deferred revenue (note 4)		55,859	242,563
Mortgage payable (note 5)		209,405	226,333
Operating capital		<u>137,339</u>	<u>84,865</u>
		450,029	614,136
SPECIAL RESERVE FUND (note 6)		190,436	225,711
CAPITAL FUND			
Equity in capital assets		<u>345,604</u>	<u>327,965</u>
		<u>\$ 986,069</u>	<u>\$ 1,167,812</u>

APPROVED BY THE AGENCY:

\_\_\_\_\_  
CHAIRMAN

\_\_\_\_\_  
VICE-CHAIRMAN

The accompanying notes and supporting schedules to which the financial statements are cross-referenced are an integral part of these financial statements.

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## STATEMENT OF OPERATING FUND REVENUES AND EXPENDITURES YEAR ENDED DECEMBER 31, 2005

	2005 Budget (Unaudited)	2005 Actual	2004 Actual
<b>REVENUES</b>			
Municipal contributions	\$ 328,333	\$ 329,017	\$ 307,876
Subdivision fees	273,000	327,825	266,063
Service fees	116,000	107,310	93,552
Interest income	15,000	15,854	14,640
Grant	-	-	12,300
Plans, publications and map sales, net (note 8)	3,000	2,503	3,622
Disposal of capital assets	-	12,095	11,630
Rental	12,675	12,675	12,675
Sundry	-	3,301	6,720
	<b>748,008</b>	<b>810,580</b>	729,078
<b>OPERATING FUND EXPENDITURES (schedule 1)</b>	<b>761,268</b>	<b>724,953</b>	697,019
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE CAPITAL EXPENDITURES AND ALLOCATIONS TO SPECIAL RESERVE</b>	<b>(13,260)</b>	<b>85,627</b>	32,059
<b>CAPITAL EXPENDITURES</b>	<b>-</b>	<b>(51,500)</b>	(21,960)
<b>ALLOCATION (TO) FROM SPECIAL RESERVE</b>			
Computer	-	4,892	4,985
Vehicle	-	8,329	8,955
Operating	13,260	1,406	-
Photocopier	-	17,364	(6,510)
Telephone	-	-	-
Leasehold improvement	-	3,284	-
	<b>13,260</b>	<b>35,275</b>	7,430
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 69,402</b>	<b>\$ 17,529</b>

The accompanying notes and supporting schedules to which the financial statements are cross-referenced are an integral part of these financial statements.



# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2005

	<u>2005</u>	<u>2004</u>
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Excess of revenues over expenditures	\$ 69,402	\$ 17,529
Allocation to special reserve	<u>3,301</u>	<u>6,510</u>
	72,703	24,039
Change in non-cash working capital balances		
Accounts receivable	(26,977)	21,893
Accounts payable and accrued liabilities	(12,949)	(6,090)
Deferred revenue	<u>(186,704)</u>	<u>71,466</u>
	<u>(153,927)</u>	<u>111,308</u>
INVESTMENTS		
Purchase of capital assets by special reserve	<u>(38,576)</u>	<u>(13,940)</u>
FINANCING		
Repayment of mortgage	<u>(16,928)</u>	<u>(20,369)</u>
INCREASE (DECREASE) IN CASH POSITION	(209,431)	76,999
CASH POSITION AT BEGINNING OF YEAR	<u>597,183</u>	<u>520,184</u>
CASH POSITION AT END OF YEAR	<u>\$ 387,752</u>	<u>\$ 597,183</u>
CONSISTING OF:		
OPERATING FUND		
Cash	\$ 19,339	\$ 235,444
Term Deposits	177,976	136,028
SPECIAL RESERVE FUND		
Term Deposits	<u>190,437</u>	<u>225,711</u>
	<u>\$ 387,752</u>	<u>\$ 597,183</u>
OTHER ITEMS:		
Interest received	<u>\$ 14,080</u>	<u>\$ 13,519</u>

The accompanying notes and supporting schedules to which the financial statements are cross-referenced are an integral part of these financial statements.

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## STATEMENT OF OPERATING CAPITAL YEAR ENDED DECEMBER 31, 2005

	<b>2005 Budget (Unaudited)</b>	<b>2005 Actual</b>	<b>2004 Actual</b>
OPERATING CAPITAL AT BEGINNING OF YEAR	<b>\$ 84,865</b>	<b>\$ 84,865</b>	<b>\$ 87,705</b>
EXCESS OF REVENUES OVER EXPENDITURES	-	<b>69,402</b>	17,529
MORTGAGE PAYMENTS MADE DURING YEAR	-	<b>(16,928)</b>	(20,369)
OPERATING CAPITAL AT END OF YEAR	<b>\$ 84,865</b>	<b>\$ 137,339</b>	<b>\$ 84,865</b>

The accompanying notes and supporting schedules to which the financial statements are cross-referenced are an integral part of these financial statements.

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## STATEMENT OF SPECIAL RESERVE FUND YEAR ENDED DECEMBER 31, 2005

	<u>2005</u>	<u>2004</u>
SPECIAL RESERVE AT BEGINNING OF YEAR	\$ 225,711	\$ 233,141
ADD:		
Allocations from operating fund	3,301	6,510
LESS:		
Share of cost of assets purchased during the year	<u>(38,576)</u>	<u>(13,940)</u>
SPECIAL RESERVE AT END OF YEAR	<u>\$ 190,436</u>	<u>\$ 225,711</u>

The accompanying notes and supporting schedules to which the financial statements are cross-referenced are an integral part of these financial statements.

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## STATEMENT OF EQUITY IN CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2005

	<u>2005</u>	<u>2004</u>
EQUITY IN CAPITAL ASSETS AT BEGINNING OF YEAR	\$ 327,965	\$ 325,910
ADD:		
Purchases during the year	51,500	21,960
Mortgage repayments during the year	16,928	20,369
Accumulated amortization of assets disposed of during the year	61,799	17,119
LESS:		
Cost of assets disposed of during the year	(69,699)	(21,912)
Amortization	<u>(42,889)</u>	<u>(35,481)</u>
EQUITY IN CAPITAL ASSETS AT END OF YEAR	<u>\$ 345,604</u>	<u>\$ 327,965</u>

The accompanying notes and supporting schedules to which the financial statements are cross-referenced are an integral part of these financial statements.

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

### 1. GENERAL

The Oldman River Regional Services Commission is registered with the Municipal Government Act whose primary role and responsibility is to provide planning assistance to its member municipalities.

### 2. SUMMARY OF ACCOUNTING POLICIES

The Commission uses accounting principles consistent with those established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Significant aspects of these accounting principles are:

#### a) Basis of Accounting

The basis of accounting followed in the financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues, and expenditures recognized in the period the goods and services are acquired and a liability is incurred or transfers due.

#### b) Capital Assets

Purchases of capital assets are recorded as an expenditure in the operating fund unless provided for by direct capital fund sources such as capital grants or allocations from special reserves.

Capital assets are recorded at cost. Assets bought at the end of the year are not amortized until the following year. Amortization is provided using the following annual rates and basis:

Building	4%	declining balance
General contents	20%	straight line, net of estimated salvage value
Other equipment	20%	straight line, net of estimated salvage value
Computer equipment	25%	straight line, net of estimated salvage value
Automotive	30%	declining balance

In the year of acquisition, only one half of the normal amortization is recorded on automotive assets.

#### c) Fund Accounting

Management funds consist of operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity account.

#### d) Revenue Recognition

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

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.

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2005

### 2. SUMMARY OF ACCOUNTING POLICIES (continued)

#### e) Financial Instruments

The Agency's financial instruments consist of cash, accounts and accrued receivables, term deposits, accounts payable and accrued liabilities, and deferred revenues. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Unless otherwise noted, the fair value of these financial instruments represents their carrying values.

#### f) Use of Estimates

The preparation of financial statements in conformity with the disclosed basis of accounting requires management to make estimates and assumptions that affect the reported amount 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 expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

### 3. CAPITAL ASSETS

	2005			2004
	Cost	Accumulated Amortization	Net	Net
Land	\$ 80,000	\$ -	\$ 80,000	\$ 80,000
Building	469,049	54,064	414,985	432,276
General contents	192,646	186,041	6,605	9,767
Other equipment	15,844	10,552	5,292	3,258
Computer equipment	87,032	57,603	29,429	11,781
Automotive	31,804	13,106	18,698	17,216
	<u>\$ 876,375</u>	<u>\$ 321,366</u>	<u>\$ 555,009</u>	<u>\$ 554,298</u>

### 4. DEFERRED REVENUE

	2005	2004
Deferred Municipal contributions	\$ 1,565	\$ 1,565
Deferred GIS grant revenue (schedule 2)	<u>54,294</u>	<u>240,998</u>
	<u>\$ 55,859</u>	<u>\$ 242,563</u>



# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2005

### 4. DEFERRED REVENUE (continued)

During the year, Oldman River Regional Services Commission received a \$0 (2004 - \$235,700) grant from the Alberta government for the Oldman River Region Urban GIS Project. This project is an agreement between 17 member and non-member municipalities. Schedule 2 is a summary of current year revenues and expenditures from this project.

### 5. LONG-TERM DEBT

	<u>2005</u>	<u>2004</u>
ATB Financial mortgage, repayable in monthly instalments of \$2,200 including interest at prime, secured by a mortgage on land and building	<u>\$ 209,405</u>	<u>\$ 226,333</u>

Principal repayments for the next five years and thereafter are estimated as follows if the loan is not demanded prior to maturity or are renegotiated at similar terms to the present loan agreement:

2006	\$ 16,300
2007	17,134
2008	18,010
2009	18,932
2010	19,900
Thereafter	<u>119,129</u>
	<u>\$ 209,405</u>

### 6. SPECIAL RESERVE FUNDS

	<u>2005</u>	<u>2004</u>
a) <u>Computer Reserve</u>		
The Commission has established a special fund for future computer expenditures	\$ 72,880	\$ 77,772
b) <u>Vehicle Reserve</u>		
The Commission has established a special fund for replacement of the vehicle used for Agency business.	30,928	39,257
c) <u>Operating Reserve</u>		
The Commission has established a special fund for future operating expenditures.	76,450	77,856

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2005

### 6. SPECIAL RESERVE FUNDS (continued)

	<u>2005</u>	<u>2004</u>
d) <u>Photocopier Reserve</u>		
The Commission has established a special fund for the replacement of the office photocopier	9,955	27,319
e) <u>Telephone Reserve</u>		
The Commission has established a special fund for the replacement of the office telephone system	223	223
f) <u>Building Improvement</u>		
The Commission has established a special fund for future leasehold improvements to the offices.	-	3,284
	<u>\$ 190,436</u>	<u>\$ 225,711</u>

### 7. INCOME TAXES

The Oldman River Regional Services Commission is exempt from income taxes under the provisions of the Income Tax Act.

### 8. MAP SALES

	<u>2005</u>	<u>2004</u>
Sale of maps	\$ 5,376	\$ 7,071
Cost of maps sold	<u>(2,873)</u>	<u>(3,449)</u>
Net	<u>\$ 2,503</u>	<u>\$ 3,622</u>

### 9. LOCAL AUTHORITIES PENSION PLAN

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

Oldman River Regional Services Commission is required to make current service contributions to the Plan of 7.400% of pensionable payroll up to the year's maximum pensionable earnings under the Canada Pension Plan, and 10.140% on pensionable earnings above this amount.

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2005

### 9. LOCAL AUTHORITIES PENSION PLAN (continued)

Employees of Oldman River Regional Services Commission are required to make current service contributions of 6.400% of pensionable salary up to the year's maximum pensionable earnings under the Canada Pension Plan, and 9.140% 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 2005 were \$38,420 (2004 - \$29,554). Total current and past service contributions by the employees of Oldman River Regional Services Commission to the Local Authorities Pension Plan in 2005 were \$33,658 (2004 - \$25,361).

At December 31, 2004, the Plan disclosed an actuarial deficit of \$1.289 billion.

### 10. BUDGET FIGURES

The budget figures have not been audited or reviewed. They have been prepared by management.

### 11. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Oldman River Regional Services Commission be disclosed as follows:

	<u>2005</u>	<u>2004</u>
Total debt limit	\$ 1,626,906	\$ 1,458,156
Total debt	<u>209,405</u>	<u>226,333</u>
Amount below prescribed debt limit	<u>\$ 1,417,501</u>	<u>\$ 1,231,823</u>
Service on debt limit	\$ 284,709	\$ 255,177
Service on debt	<u>26,400</u>	<u>30,010</u>
Amount below prescribed debt servicing limit	<u>\$ 258,309</u>	<u>\$ 225,167</u>

The debt limit is calculated at 2.0 times revenue of the Commission (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.35 times such revenue. Incurring debt beyond limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculations 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

## SCHEDULE OF OPERATING FUND EXPENDITURES YEAR ENDED DECEMBER 31, 2005

	<i>SCHEDULE 1</i>		
	2005 Budget (Unaudited)	2005 Actual	2004 Actual
<b>STAFF SALARIES</b>			
Permanent employees	\$ 499,355	\$ 503,555	\$ 462,199
Temporary employees	35,690	18,254	45,868
	<u>535,045</u>	<u>521,809</u>	<u>508,067</u>
<b>STAFF BENEFITS</b>			
Alberta Health Care	3,417	2,596	2,904
Canada Pension Plan	21,865	20,631	19,186
Extended Medical	6,762	6,370	6,237
Group Life Insurance	3,805	3,541	4,435
Local Authorities Pension Plan	29,242	27,180	22,300
Employment Insurance	12,957	11,916	11,496
	<u>78,048</u>	<u>72,234</u>	<u>66,558</u>
<b>OFFICE</b>			
Occupancy costs	<u>44,900</u>	<u>18,958</u>	<u>29,248</u>
<b>OTHER OPERATING EXPENDITURES</b>			
Accounting and audit	6,400	7,007	4,590
Advertising	5,000	7,430	4,668
Equipment rentals	4,000	3,989	4,241
Insurance	7,300	6,793	6,107
Janitor	3,000	4,719	2,760
Land titles office	2,000	2,202	1,951
Legal fees	1,500	1,201	150
Members' fees	13,125	14,031	12,809
Members' travel	7,900	8,328	6,355
Miscellaneous	1,650	1,278	1,441
Office supplies	3,700	4,238	4,364
Postage	5,000	5,163	5,688
Printing and duplicating	6,000	4,697	6,655
Public relations	5,250	8,753	5,698
Recruitment	2,500	1,637	-
Repairs and maintenance	8,500	9,000	7,641
Staff training and conferences	7,000	5,443	4,268
Staff travel	9,450	9,391	9,429
Telephone	4,000	6,652	4,331
	<u>103,275</u>	<u>111,952</u>	<u>93,146</u>
	<u>\$ 761,268</u>	<u>\$ 724,953</u>	<u>\$ 697,019</u>

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## SCHEDULE OF GEOGRAPHIC INFORMATION SYSTEM YEAR ENDED DECEMBER 31, 2005

### SCHEDULE 2

	<u>2005</u>	<u>2004</u>
<b>REVENUES</b>		
Government grants	\$ -	\$ 235,700
Interest	2,000	2,800
Municipal contributions	89,363	-
	<u>91,363</u>	<u>238,500</u>
<b>EXPENDITURES</b>		
Accounting and audit	288	1,200
Computer equipment	6,426	7,487
Computer software	3,624	-
Furniture	-	-
Land titles	300	300
Map purchases	70,435	124
Office	614	266
Printing and duplicating	-	-
Recruitment	1,021	-
Repairs and maintenance	3,225	2,051
Telephone	-	800
Training and conferences	1,466	3,334
Travel	3,042	1,084
Wages and benefits	187,626	151,952
	<u>278,067</u>	<u>168,598</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(186,704)</b>	69,902
<b>DEFERRED REVENUE, AT BEGINNING OF YEAR</b>	<u><b>240,998</b></u>	<u>171,096</u>
<b>DEFERRED REVENUE, AT END OF YEAR</b>	<u><u><b>\$ 54,294</b></u></u>	<u><u><b>\$ 240,998</b></u></u>