

2006 ANNUAL REPORT

Oldman River Regional Services Commission

FINANCIAL STATEMENTS



Year Ending
December 31, 2006



OLDMAN RIVER REGIONAL SERVICES COMMISSION

REPORT FROM THE CHAIR

Dear Members of the Board:

In 2006, we realized unprecedented growth and development within the Province of Alberta and along with the province we celebrated one of our busiest years to date. The ability of the Commission to absorb increasing workloads and deal with a myriad of municipal challenges is a testament to the quality of staff we have in place.

In any robust economy it is a challenge to retain good staff and this past year we saw one planner and two assistant planners change employers – we wish Maureen Gaehring, Christine Khandl and Cory Armfelt well in their new positions at the City of Lethbridge, at the City of Calgary and at UMA Engineering, respectively. With the above staff leaving, the opportunity to welcome new staff presents itself. If you haven't had the pleasure of meeting Mladin Kristic, Lisa Hungerford, Tanya Montague, Bonnie Brunner and Gavin Scott yet, perhaps you'll join me in welcoming them. To date these new recruits have added a wealth of knowledge and enthusiasm to the Commission.

Our Urban GIS Project has added new information layers and is seeing increased use from our municipal partners. A Data Sharing Agreement with our rural partners is now in place, allowing for the fruitful exchange of digital information between planner and municipality. Special mapping projects with various provincial agencies have also been completed providing for new revenue streams and knowledge sharing.

Lastly, a highlight from 2006 was the success of the workshop "Communities Connecting: Traveling the Road Together" organized and delivered by Commission staff.

The Commission continues to provide its municipal members with a valuable 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. The year ahead will no doubt pose many challenges, including a municipal election, but I am confident that we are facing these challenges from a strong platform of previous success.

It has been my privilege to have been involved in municipal planning for the past 15 years, this being my last year, as I am retiring from municipal politics this October. My reason for entering municipal politics was to impact planning and you have allowed me that privilege — I thank you for that opportunity.

The transition of planning during my tenure has witnessed a provincially mandated commission to a commission developed by local planners to provide the service required by the entities that administer planning municipally. This approach has proven to be very economical and successful. I commend the previous and current staff of ORRSC for their foresight and dedication to planning in southern Alberta and wish you continued success in the future.



*Eugene Wauters, Chair
Oldman River Regional Services Commission*

BOARD OF DIRECTORS

Membership as at December 31, 2006 consisted of the following 37 municipalities, all of which had appointed members to the Board of Directors. Three Board of Directors' meetings were held between January 1 and December 31, 2006. Representation from the municipalities is listed below:

MUNICIPALITY	CURRENT MEMBER	FORMER MEMBER (part of 2006)
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	
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 Campion	
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 Vooy	
NANTON – Town	Dick Fenton	Florence Brown
NOBLEFORD – Village	Paul Goldade	
PICTURE BUTTE – Town	Hank Hurkens	
PINCHER CREEK – M.D. No. 9	Rod Zielinski	
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	Derrick Annable	
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 7, 2006 were:

Chair – Eugene Wauters
Vice-Chair – Paul Goldade

At the December 7, 2006 Annual Organizational Board of Directors' meeting, both the Chair and Vice-Chair were re-elected to their positions for the period December 7, 2006 to December 6, 2007.

EXECUTIVE COMMITTEE

The Executive Committee is responsible for financial and administrative concerns including budget preparation, approval of accounts, procedures and policies for hiring and dismissal of staff, and specific issues affecting administration or policy. Seven meetings were held between January 1 and December 31, 2006.

The following served on the Executive Committee from January 1 to December 7, 2006:

Eugene Wauters	– County of Lethbridge (Chair)
Paul Goldade	– Village of Nobleford (Vice-Chair)
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

At the December 7, 2006 Annual Organizational Board of Directors' meeting, all of the foregoing members were re-elected to serve on the Executive Committee from December 7, 2006 to December 6, 2007.

STAFF

CURRENT STAFF (as at January 1, 2007)

DIRECTOR	– Lenze Kuiper (permanent contract)
SENIOR PLANNER	– Mike Burla (permanent)
PLANNER	– Steve Harty (permanent contract)
PLANNER	– Diane Horvath (permanent contract)
ASSISTANT PLANNER	– Leah Olsen (permanent contract)
ASSISTANT PLANNER	– Lisa Hungerford (permanent contract) - began October 2/06
GRAPHICS TECHNOLOGIST	– Cal Kembel (permanent)
GIS TECHNOLOGIST	– Steven Ellert (permanent contract)
GIS ANALYST	– Jaime Thomas (permanent contract)
CAD/GIS TECHNOLOGIST	– Mladen Kristic (contract) - began May 1/06
ASSISTANT GIS TECHNICIAN	– Jordan Thomas (temporary) - began Oct. 10/06
ASSISTANT GIS TECHNICIAN	– Scott Tollestrup (temporary) - began June 8/06
TECHNICAL ASSISTANT	– Karen Iwaasa (permanent contract)
BOOKKEEPER	– Sherry Johnson (permanent)
EXECUTIVE SECRETARY	– Barb Johnson (permanent)

FORMER STAFF (part of 2006)

PLANNER	– Maureen Gaehring (perm. contract) - resigned Nov. 30/06
ASSISTANT PLANNER	– Christine Khandl (permanent contract) - resigned July 31/06
ASSISTANT PLANNER	– Cory Armfelt (permanent contract) - resigned December 31/06
ASSISTANT GIS TECHNICIAN	– Nicole Chenier (temporary) - May 15 - Aug. 31/06

WORK PROGRAM

MUNICIPAL ASSISTANCE

"It is not the goal but the way there that matters, and the harder the way the more worthwhile the journey."

– Wilfred Thesiger

Wow, what an exciting year!!! We've experienced unprecedented growth in both rural and urban Alberta and we've risen to the challenge of providing professional and knowledgeable land use planning advice to all of you.

Planners assisted municipal councils, approval authorities and administrative staff with numerous subdivision applications, bylaw amendments, statutory plan updates, appeals and general inquiries. They spent many hours on the road meeting with ratepayers. They journeyed to municipal offices meeting with council and administrators.

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

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

In addition to these duties, staff organized and delivered a number of well-attended Board events including a full-day workshop.

No amount of superlatives (great, wonderful, fantastic) will do our staff justice. So I trust they'll understand when I merely say, "Thanks for contributing to our success."

The journey is not without its challenges or peril. Time is finite. Operational costs keep going up – gasoline prices climb; utility rates rise, and insurance costs increase. The building and grounds require ongoing maintenance and repair but this is not insurmountable or even unique from the situations you face in your own municipality.

Of continued 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. In response to this we are embarking on a pilot municipal planner intern program with Municipal Affairs.

Finally, we are expectant of a new provincial land use policy framework that will guide us in giving advice to you not only as individual municipalities, but as a greater region – a region of like-minded travelers reveling in the journey and not just along for the ride.

MUNICIPAL PROJECTS

Rural:

- **Cardston County** – Municipal Development Plan Review (commenced); Land Use Bylaw Review (commenced)
- **County of Lethbridge** – Stormwater Management Discussion Paper (completed)
- **County of Warner No. 5** – Municipal Development Plan Review (ongoing); New Dayton West Area Structure Plan (commenced)
- **M.D. of Pincher Creek No. 9** – Oldman River Reservoir Area Structure Plan (commenced); Wind Energy Conversion System Review (commenced); Land Use Bylaw (consolidation commenced)
- **M.D. of Ranchland No. 6** – Land Use Bylaw (completed)
- **M.D. of Taber** – Intermunicipal Development Plan (commenced)
- **Vulcan County** – Land Use Bylaw Amendments (completed)

Towns:

- **Cardston** – Land Use Bylaw (adopted); West Area Structure Plan (adopted)
- **Claresholm** – Municipal Development Plan (commenced); Annexation (completed)
- **Coaldale** – North Area Structure Plan (completed); West Coaldale Area Structure Plan (amended and adopted); Parks & Trails Master Plan (commenced)

- **Coalhurst** – Annexation (completed); Municipal Development Plan Review (completed)
- **Fort Macleod** – Municipal Development Plan Review (commenced)
- **Magrath** – Land Use Bylaw (commenced)
- **Milk River** – Area Structure Plan Design (commenced)
- **Nanton** – Annexation (commenced)
- **Picture Butte** – Northridge Area Design Scheme Review (completed; West Area Structure Plan (commenced)
- **Raymond** – Annexation (completed)
- **Vauxhall** – Subdivision Design (commenced)

Villages:

- **Arrowwood** – Subdivision Design Concept (commenced)
- **Barnwell** – Annexation (commenced); Address Scheme (adopted)
- **Hill Spring** – Land Use Bylaw (commenced)
- **Nobleford** – Municipal Development Plan Review (commenced); Subdivision Design (completed)
- **Stirling** – Municipal Development Plan and Land Use Bylaw Review (commenced); Annexation (commenced)
- **Warner** – Subdivision Design (completed)

GIS:

- **Oldman River Urban GIS Layer Project** – (commenced)
- **Oldman River Rural Data Sharing Agreement** – (commenced)

SUBDIVISION

SUMMARY OF APPLICATIONS PROCESSED

A total of 320 subdivision applications were processed during the 2006 fiscal year. The status of these applications as at April 30, 2007: Decisions Made (308); Withdrawn (6); Pending (6).

Decisions on the 308 applications: Approved with No Conditions (1); Approved with Conditions (301); Refused (6).

Of the 301 applications approved with conditions by our municipal members' subdivision authorities: 1 was appealed (denied).

Of the 6 applications refused by our municipal members' subdivision authorities: 5 were appealed (1 upheld, 4 denied).

<p>The following table shows a detailed breakdown of the subdivision applications for 2006.</p>

DETAILS OF SUBDIVISION APPLICATIONS PROCESSED – 2006

ABBREVIATIONS:

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

MEMBER MUNICIPALITY	SUBDIVISION APPLICATIONS*	DECISION					PROPOSED USE OF LOTS APPROVED							
		A	A/C	R	W	P	Res	Com	Ind	CR	Ag	P/I	Misc	Rec
Arrowwood – Village	—													
Barnwell – Village	—													
Barons – Village	—													
Cardston – County	29		27	1	1		4		5	43	6			
Cardston – Town	5		5				5			1		1		
Carmangay – Village	1		1				1							
Champion – Village	—													
Claresholm – Town	5		5				80	1		1				
Coaldale – Town	6		6				93	1	2					
Coalhurst – Town	3		2	1			2		2					
Coutts – Village	—													
Cowley – Village	1		1						1					
Crownsnest Pass – Municipality	43	1	39	1	1	1	199	5	1	46		5	1	
Fort Macleod – Town	2		2				24			4				
Granum – Town	—													
Hill Spring – Village	4		4				7							
Lethbridge – County	50		45	2	2	1	10	2	49	40	7	1		

MEMBER MUNICIPALITY	SUBDIVISION APPLICATIONS*	DECISION					PROPOSED USE OF LOTS APPROVED							
		A	A/C	R	W	P*	Res	Com	Ind	CR	Ag	P/I	Misc	Rec
Lomond – Village	—													
Magrath – Town	6	6					21		1					
Milk River – Town	—													
Milo – Village	1	1							6					
Nanton – Town	1	1					1							
Nobleford – Village	1	1					44	9						
Picture Butte – Town	1	1					27							
Pincher Creek – M.D. No. 9	23	22			1		19		2	13	2		1	3
Pincher Creek – Town	14	12		1	1		80	1	57				1	
Ranchland – M.D. No. 66	—													
Raymond – Town	7	7					45				1			
Stavely – Town	2	2							3	1				
Stirling – Village	4	4					12							
Taber – Municipal District	34	33			1		1			52	10			
Vauxhall – Town	5	5					2		3				4	
Vulcan – County	28	28					1		24	3	2			
Vulcan – Town	4	3			1		75	1	2					
Warner – County No. 5	20	20					2		18	7	13			
Warner – Village	—													
Willow Creek – M.D. No. 26	20	18	1	1				1		20	2			
TOTAL	320	1	301	6	6	6	755	21	129	267	39	22	7	3

TOTAL NUMBER OF SUBDIVISION APPLICATIONS – 320

TOTAL NUMBER OF LOTS APPROVED – 1243

**OLDMAN RIVER
REGIONAL SERVICES COMMISSION**

**FINANCIAL STATEMENTS
DECEMBER 31, 2006**

OLDMAN RIVER REGIONAL SERVICES COMMISSION

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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AUDITORS' REPORT

To the Members of the
Oldman River Regional Services Commission

We have audited the statement of financial position of the Oldman River Regional Services Commission as at December 31, 2006 and the statements of operating fund revenues and expenditures, changes in financial position, 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, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Lethbridge, Alberta
April 5, 2007

BDO Dunwoody LLP
Chartered Accountants

OLDMAN RIVER REGIONAL SERVICES COMMISSION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2006

		2006	2005
	ASSETS		
OPERATING FUND			
Cash		\$ 64,220	\$ 19,339
Accounts and accrued receivables		46,002	43,308
Term deposits (note 3)		432,916	177,976
		543,138	240,623
SPECIAL RESERVE FUND			
Restricted cash and term deposits		192,928	190,437
CAPITAL FUND			
Capital assets (note 4)		517,735	555,009
		\$ 1,253,801	\$ 986,069
	LIABILITIES AND EQUITY		
OPERATING FUND			
Accounts payable and accrued liabilities		\$ 66,538	\$ 47,426
Deferred revenue GIS (note 5)		157,463	54,294
Deferred revenue		-	1,565
Mortgage payable (note 6)		194,470	209,405
Operating capital		319,137	137,339
		737,608	450,029
SPECIAL RESERVE FUND (note 7)		192,928	190,436
CAPITAL FUND			
Equity in capital assets		323,265	345,604
		\$ 1,253,801	\$ 986,069

APPROVED BY THE COMMISSION:



 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, 2006

	Budget (Unaudited)	2006 Actual	2005 Actual
REVENUES			
Municipal contributions	\$ 345,818	\$ 345,829	\$ 329,017
Subdivision fees	273,000	512,290	327,825
Service fees	116,000	52,354	107,310
Interest income	18,200	26,466	15,854
Plans, publications and map sales, net (note 9)	3,000	4,108	2,503
Disposal of capital assets	-	-	12,095
Rental	12,675	12,675	12,675
Sundry	-	4,057	3,301
	<u>768,693</u>	<u>957,779</u>	<u>810,580</u>
OPERATING FUND EXPENDITURES (schedule 1)	<u>798,998</u>	<u>755,211</u>	<u>724,953</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE CAPITAL EXPENDITURES AND ALLOCATIONS TO SPECIAL RESERVE	<u>(30,305)</u>	<u>202,568</u>	<u>85,627</u>
CAPITAL EXPENDITURES	<u>-</u>	<u>(3,343)</u>	<u>(51,500)</u>
ALLOCATION (TO) FROM SPECIAL RESERVE			
	-	-	4,892
Vehicle	-	-	8,329
Operating	30,305	-	1,406
Photocopier	-	(2,492)	17,364
Leasehold improvement	-	-	3,284
	<u>30,305</u>	<u>(2,492)</u>	<u>35,275</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 196,733</u>	<u>\$ 69,402</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 CHANGES IN FINANCIAL POSITION YEAR ENDED DECEMBER 31, 2006

	<u>2006</u>	<u>2005</u>
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Excess of revenues over expenditures	\$ 196,733	\$ 69,402
Allocation to special reserve	2,492	3,301
	<u>199,225</u>	<u>72,703</u>
Change in non-cash working capital balances		
Accounts receivable	(2,694)	(26,977)
Accounts payable and accrued liabilities	19,112	(12,949)
Deferred revenue	101,604	(186,704)
	<u>317,247</u>	<u>(153,927)</u>
INVESTING		
Purchase of capital assets by special reserve	-	(38,576)
FINANCING		
Repayment of mortgage	(14,935)	(16,928)
INCREASE (DECREASE) IN CASH POSITION	<u>302,312</u>	<u>(209,431)</u>
CASH POSITION AT BEGINNING OF YEAR	<u>387,752</u>	<u>597,183</u>
CASH POSITION AT END OF YEAR	<u>\$ 690,064</u>	<u>\$ 387,752</u>
CONSISTING OF:		
OPERATING FUND		
Cash	\$ 64,220	\$ 19,339
Term Deposits	432,916	177,976
SPECIAL RESERVE FUND		
Term Deposits	192,928	190,437
	<u>\$ 690,064</u>	<u>\$ 387,752</u>
OTHER ITEMS:		
Interest received	<u>\$ 20,877</u>	<u>\$ 14,080</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 CHANGES IN OPERATING CAPITAL YEAR ENDED DECEMBER 31, 2006

	<u>Budget (Unaudited)</u>	<u>2006 Actual</u>	<u>2005 Actual</u>
OPERATING CAPITAL AT BEGINNING OF YEAR	\$ 137,339	\$ 137,339	\$ 84,865
EXCESS OF REVENUES OVER EXPENDITURES	-	196,733	69,402
MORTGAGE PAYMENTS MADE DURING YEAR	-	(14,935)	(16,928)
OPERATING CAPITAL AT END OF YEAR	<u>\$ 137,339</u>	<u>\$ 319,137</u>	<u>\$ 137,339</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 CHANGES IN SPECIAL RESERVE FUND YEAR ENDED DECEMBER 31, 2006

	<u>2006</u>	<u>2005</u>
SPECIAL RESERVE AT BEGINNING OF YEAR	\$ 190,436	\$ 225,711
ADD:		
Allocations from operating fund	2,492	3,301
LESS:		
Share of cost of assets purchased during the year	<u>-</u>	<u>(38,576)</u>
SPECIAL RESERVE AT END OF YEAR	<u>\$ 192,928</u>	<u>\$ 190,436</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 CHANGES IN EQUITY IN CAPITAL FUND YEAR ENDED DECEMBER 31, 2006

	<u>2006</u>	<u>2005</u>
EQUITY IN CAPITAL ASSETS AT BEGINNING OF YEAR	\$ 345,604	\$ 327,965
ADD:		
Purchases during the year	3,343	51,500
Mortgage repayments during the year	14,935	16,928
Accumulated amortization of assets disposed of during the year	12,632	61,799
LESS:		
Cost of assets disposed of during the year	(13,350)	(69,699)
Amortization	<u>(39,899)</u>	<u>(42,889)</u>
EQUITY IN CAPITAL ASSETS AT END OF YEAR	<u>\$ 323,265</u>	<u>\$ 345,604</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, 2006

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, 2006

2. SUMMARY OF ACCOUNTING POLICIES (continued)

e) Financial Instruments

The Commission'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 Commission 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. TERM DEPOSITS

Term deposits consist of guaranteed investment certificates bearing interest at 3.00% with maturity dates ranging from February 2007 to November 2009.

4. CAPITAL ASSETS

	2006			2005
	Cost	Accumulated Amortization	Net	Net
Land	\$ 80,000	\$ -	\$ 80,000	\$ 80,000
Building	469,049	70,663	398,386	414,985
General contents	189,493	181,675	7,818	6,605
Other equipment	15,844	12,882	2,962	5,292
Computer equipment	80,178	60,766	19,412	29,429
Automotive	31,804	22,647	9,157	18,698
	<u>\$ 866,368</u>	<u>\$ 348,633</u>	<u>\$ 517,735</u>	<u>\$ 555,009</u>

5. DEFERRED REVENUE

	2006	2005
Deferred Municipal contributions	\$ -	\$ 1,565
Deferred GIS grant revenue (schedule 2)	<u>157,463</u>	<u>54,294</u>
	<u>\$ 157,463</u>	<u>\$ 55,859</u>

OLDMAN RIVER REGIONAL SERVICES COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2006

5. DEFERRED REVENUE (continued)

The Oldman River Region Urban GIS project is an agreement between 25 member and non-member municipalities to assist in managing various municipal data, including land use and zoning, ownership, and infrastructure. The GIS service is not part of the Oldman River Regional Services Commission contract for planning services. Schedule 2 is a summary of current year revenues and expenditures from the project.

6. LONG-TERM DEBT

	<u>2006</u>	<u>2005</u>
ATB Financial mortgage, repayable in monthly instalments of \$2,200 including interest at prime, secured by a mortgage on land and building, with a carrying value of \$478,386	<u>\$ 194,470</u>	<u>\$ 209,405</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:

2008	\$ 16,078
2009	17,069
2010	18,122
2011	19,240
2012	20,427
Thereafter	<u>103,534</u>
	<u>\$ 194,470</u>

7. SPECIAL RESERVE FUND

The commission has established the following special funds for future expenditures:

	<u>2006</u>	<u>2005</u>
a) Computer Reserve	\$ 72,880	\$ 72,880
b) Vehicle Reserve	30,928	30,928
c) Operating Reserve	76,450	76,450
d) Photocopier Reserve	12,447	9,955
e) Telephone Reserve	223	223
f) Building Improvement	<u>-</u>	<u>-</u>
	<u>\$ 192,928</u>	<u>\$ 190,436</u>

OLDMAN RIVER REGIONAL SERVICES COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2006

8. INCOME TAXES

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

9. MAP SALES

	<u>2006</u>	<u>2005</u>
Sale of maps	\$ 6,272	\$ 5,376
Cost of maps sold	<u>(2,164)</u>	<u>(2,873)</u>
Net	<u>\$ 4,108</u>	<u>\$ 2,503</u>

10. LOCAL AUTHORITIES PENSION PLAN

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

Oldman River Regional Services Commission is required to make current service contributions to the Plan of 7.750% of pensionable payroll up to the year's maximum pensionable earnings under the Canada Pension Plan, and 10.640% on pensionable earnings above this amount.

Employees of Oldman River Regional Services Commission are required to make current service contributions of 6.750% of pensionable salary up to the year's maximum pensionable earnings under the Canada Pension Plan, and 9.640% 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 2006 were \$40,400 (2005 - \$38,420). Total current and past service contributions by the employees of Oldman River Regional Services Commission to the Local Authorities Pension Plan in 2006 were \$35,639 (2005 - \$33,658).

At December 31, 2006, the Plan disclosed an actuarial deficit of \$747 million.

11. BUDGET FIGURES

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

OLDMAN RIVER REGIONAL SERVICES COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2006

12. 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 Oldman River Regional Services Commission be disclosed as follows:

	<u>2006</u>	<u>2005</u>
Total debt limit	\$ 1,915,558	\$ 1,626,906
Total debt	<u>194,470</u>	<u>209,405</u>
Amount below prescribed debt limit	<u>\$ 1,721,088</u>	<u>\$ 1,417,501</u>
Service on debt limit	\$ 335,223	\$ 284,709
Service on debt	<u>26,400</u>	<u>26,400</u>
Amount below prescribed debt servicing limit	<u>\$ 308,823</u>	<u>\$ 258,309</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, 2006

SCHEDULE 1

	Budget (Unaudited)	2006 Actual	2005 Actual
STAFF SALARIES			
Permanent employees	\$ 552,193	\$ 522,925	\$ 503,555
Temporary employees	-	-	18,254
	<u>552,193</u>	<u>522,925</u>	<u>521,809</u>
STAFF BENEFITS			
Alberta Health Care	2,920	2,686	2,596
Canada Pension Plan	21,500	19,597	20,631
Extended Medical	6,600	7,790	6,370
Group Life Insurance	4,170	3,680	3,541
Local Authorities Pension Plan	30,840	28,604	27,180
Employment Insurance	12,300	10,610	11,916
	<u>78,330</u>	<u>72,967</u>	<u>72,234</u>
OFFICE			
Occupancy costs	<u>46,400</u>	<u>39,322</u>	<u>18,958</u>
OTHER OPERATING EXPENDITURES			
Accounting and audit	7,000	7,000	7,007
Advertising	5,000	8,242	7,430
Equipment rentals	4,000	3,567	3,989
Insurance	7,700	6,335	6,793
Janitorial	3,300	6,240	4,719
Land titles office	2,000	4,490	2,202
Legal fees	1,500	-	1,201
Members' fees	18,450	11,538	14,031
Members' travel	8,925	9,177	8,328
Miscellaneous	700	1,771	1,278
Office supplies	7,000	6,635	4,238
Postage	5,500	8,488	5,163
Printing and duplicating	6,000	6,983	4,697
Public relations	6,000	4,050	8,753
Recruitment	2,500	1,300	1,637
Repairs and maintenance	11,500	6,042	9,000
Staff training and conferences	5,500	7,154	5,443
Staff travel	13,500	12,305	9,391
Telephone	6,000	8,680	6,652
	<u>122,075</u>	<u>119,997</u>	<u>111,952</u>
	<u>\$ 798,998</u>	<u>\$ 755,211</u>	<u>\$ 724,953</u>

OLDMAN RIVER REGIONAL SERVICES COMMISSION

SCHEDULE OF GEOGRAPHIC INFORMATION SYSTEM YEAR ENDED DECEMBER 31, 2006

SCHEDULE 2

	<u>2006</u>	<u>2005</u>
REVENUES		
Interest	\$ 2,100	\$ 2,000
Municipal contributions	<u>451,012</u>	<u>89,363</u>
	<u>453,112</u>	<u>91,363</u>
EXPENDITURES		
Accounting and audit	950	288
Computer equipment	13,433	6,426
Computer software	15,474	3,624
Furniture	9,917	-
Land titles	5,783	300
Map purchases	555	70,435
Office	245	614
Printing and duplicating	69	-
Recruitment	-	1,021
Repairs and maintenance	10	3,225
Telephone	-	-
Training and conferences	5,433	1,466
Travel	6,032	3,042
Wages and benefits	<u>292,042</u>	<u>187,626</u>
	<u>349,943</u>	<u>278,067</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	103,169	(186,704)
DEFERRED REVENUE, AT BEGINNING OF YEAR	<u>54,294</u>	<u>240,998</u>
DEFERRED REVENUE, AT END OF YEAR	<u><u>\$ 157,463</u></u>	<u><u>\$ 54,294</u></u>