

2007 ANNUAL REPORT

Oldman River Regional Services Commission

FINANCIAL STATEMENTS



Year Ending
December 31, 2007

<http://www.orrsc.com>



OLDMAN RIVER REGIONAL SERVICES COMMISSION

REPORT FROM THE CHAIR***Dear Members of the Board:***

2007 was the busiest year ever for ORRSC. In subdivision processing alone, we had 506 applications and 2,220 lots were created. There were numerous statutory plans amended, reviewed and prepared. I would like to thank the staff and director for their hard work and commitment.

Increased workloads and staff resignations resulted in the need to hire five new staff members. We would like to say welcome to Gail Kirkman (Subdivision Technician), Robin Hopkins (Planning Researcher), Garrett Stevenson (Intern Planner), Marge Williams (Subdivision Assistant) and Jordan Thomas (Assistant GIS Technician) – who joined our organization.

The Commission welcomed five new urban members – Vauxhall, Barons, Champion, Carmangay and Hill Spring – to the GIS partnership.

Following the 2007 municipal elections, many councillor representatives on the Board saw changes. As a result, five new members were elected to the Executive Committee. I would like to thank, on behalf of the Commission, the past Board of Directors and Executive Committee members for their commitment and dedication. I would like to extend a special thanks to Eugene Wauters for his years of service, the last three of which were serving as Chair of ORRSC.

Many other challenges for ORRSC this past year were: the Provincial Land Use Policy Framework participation, our in-house member workshop on development initiatives, the pending Canada Revenue Agency GST ruling awaiting a decision, office building upgrades and maintenance, attracting experienced staff and providing competitive employee compensation in a limited labor force.

The new Executive Committee is working diligently to make decisions in the best interest of the Commission and I thank them and our competent staff for their support and dedication to planning.

The June 2007 Annual Bus Tour was to the Castle Mountain Ski Resort. This is a growing industry and the tour proved very informative. The tour included a most enjoyable barbeque catered by the Ski Lodge staff.

Once again, having attended the Community Planning Association of Alberta conference in Red Deer recently with Executive members Terry Michaelis and Gordon Wolstenholme, I can assure all of our members that we are front-runners in planning in Alberta. Our director and staff were given special praise from numerous other municipalities and planners. There were requests from many who were interested in joining or knowing more about us from as far away as Forestburg. While other areas in Alberta dropped their planning agencies with the 1995 cutbacks, we are most fortunate that our membership continued their support of ORRSC. The boom and growth of Alberta in recent years has magnified the problems resulting from poor or no planning. So, hats off to the membership for their support and to the excellence of the ORRSC staff.



Paul Goldade, Chair

Oldman River Regional Services Commission

BOARD OF DIRECTORS

Membership as at December 31, 2007 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, 2007. Representation from the municipalities is listed below:

MUNICIPALITY	CURRENT MEMBER	FORMER MEMBER (part of 2007)
ARROWWOOD – Village	Bill Graff	Gordon Gooch
BARNWELL – Village	Del Bodnarek	
BARONS – Village	Alf Olsen	
CARDSTON – County	Neal Miller	Debi Charlesworth
CARDSTON – Town	Robert Russell	Glen Jones
CARMANGAY – Village	Art Cogdale	Norman Baum
CHAMPION – Village	Trevor Wagenvoort	Richard Ellis
CLARESHOLM – Town	Doug MacPherson	
COALDALE – Town	Vic Mensch	
COALHURST – Town	Dennis Cassie	Ed Knox
COUTTS – Village	Tom Butler	Erwin Thiessen
COWLEY – Village	Garry Hackler	Paul Bruder
CROWSNEST PASS – Municipality	Gary Taje / Ian MacLeod	Nestor Chorney
FORT MACLEOD – Town	Gordon Wolstenholme	
GRANUM – Town	Ron Hanson	Martin Campion / Andrew Weerstra
HILL SPRING – Village	Peter Griffiths	Kim Schnoor
LETHBRIDGE – County	Hans Rutz	Eugene Wauters
LOMOND – Village	Brad Koch	
MAGRATH – Town	Dennis Quinton	Russ Barnett
MILK RIVER – Town	Terry Michaelis	
MILO – Village	Robert Phillips	Ken Vooyo
NANTON – Town	Dick Fenton	
NOBLEFORD – Village	Paul Goldade	
PICTURE BUTTE – Town	Hank Hurkens	
PINCHER CREEK – M.D. No. 9	Bjorn Berg	Rod Zielinski
PINCHER CREEK – Town	Doug Thornton	Bill Bradshaw
RANCHLAND – M.D. No. 66	Ronald Davis	
RAYMOND – Town	Jim Steed	
STAVELY – Town	Barry Johnson	
STIRLING – Village	Mike Selk	Warren Kennedy
TABER – Municipal District	Cecil Wiest	
VAUXHALL – Town	Lois Maloney	
VULCAN – County	Rod Ruark	Derrick Annable
VULCAN – Town	Roy Elmer	Del Olsen
WARNER – County No. 5	Keith Palmer	Grant Nelson
WARNER – Village	Vern Strain	Dennis Lagler
WILLOW CREEK – M.D. No. 26	Henry Van Hierden	Brian Dahl

CHAIR AND VICE-CHAIR

The Chair and Vice-Chair from January 1 to December 6, 2007 were:

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

At the December 6, 2007 Annual Organizational Board of Directors' meeting, the following were elected to these positions for the period December 6, 2007 to December 4, 2008:

Chair	– Paul Goldade (Village of Nobleford)
Vice-Chair	– Terry Michaelis (Town of Milk River)

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. Eight meetings were held between January 1 and December 31, 2007.

The following served on the Executive Committee from January 1 to December 6, 2007:

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 6, 2007 Annual Organizational Board of Directors' meeting, the following were elected to serve on the Executive Committee from December 6, 2007 to December 4, 2008.

Paul Goldade	– Village of Nobleford (Chair)
Terry Michaelis	– Town of Milk River (Vice-Chair)
Henry Van Hierden	– M.D. of Willow Creek No. 26
Doug MacPherson	– Town of Claresholm
Vic Mensch	– Town of Coaldale
Gordon Wolstenholme	– Town of Fort Macleod
Dick Fenton	– Town of Nanton

STAFF**CURRENT STAFF (as at December 31, 2007)**

DIRECTOR	- Lenze Kuiper (permanent contract)
SENIOR PLANNER	- Mike Burla (permanent)
PLANNER	- Steve Harty (permanent contract)
PLANNER	- Diane Horvath (permanent contract)
PLANNER	- Bonnie Brunner (permanent contract) – from March 1/07
PLANNER	- Gavin Scott (permanent contract) – from March 1/07
INTERN PLANNER	- Garett Stevenson (contract) – from May 14/07
PLANNING RESEARCHER	- Robin Hopkins (permanent contract) – from September 17/07
SR. GRAPHICS TECHNOLOGIST	- Cal Kembel (permanent)
GRAPHICS TECHNOLOGIST	- Mladen Kristic (permanent contract)
GIS TECHNOLOGIST	- Steven Ellert (permanent contract)
GIS ANALYST	- Jaime Thomas (permanent contract)
ASSISTANT GIS TECHNICIAN	- Jordan Thomas (temporary)
SUBDIVISION TECHNICIAN	- Gail Kirkman (permanent contract) – from June 11/07
SUBDIVISION ASSISTANT	- Marge Williams (contract) – from September 11/07
BOOKKEEPER	- Sherry Johnson (permanent)
EXECUTIVE SECRETARY	- Barb Johnson (permanent)

FORMER STAFF (part of 2007)

ASSISTANT PLANNER	- Lisa Hungerford (permanent contract) – to July 6/07
ASSISTANT PLANNER	- Tanya Montague (permanent contract) – January 5 to July 6/07
ASSISTANT PLANNER	- Leah Olsen (permanent contract) – to September 21/07
ASSISTANT GIS TECHNICIAN	- Scott Tollestrup (temporary) – to September 28/07
TECHNICAL ASSISTANT	- Karen Iwaasa (permanent contract) – to June 6/07

WORK PROGRAM

MUNICIPAL ASSISTANCE

“Planning is as natural to the process of success as its absence is to the process of failure.”

– Robin Sieger

Another busy, exciting, and rewarding year has passed and what a ride it has been!

The big question for 2007 is where are we financially? – this is a difficult question because we have yet to see the final version of our 2006 year-end financial statements and now we will be embarking on our 2007 year-end with still no answer from Revenue Canada. Thankfully, the Executive has seen a draft statement and this was a financially strong and productive year. **We are viable!** We also budget conservatively and leave ourselves with room to expand or contract as required. To the point...

Our staff have performed and responded magnificently to the third straight increase in the yearly number of subdivisions across southern Alberta; they are working on and completing various statutory plans and studies on your behalf; they have provided untold advice on land use and development to both yourselves and your constituents; they have collected new information and data and have made it available to our urban members in the GIS partnership; our staff is at your service and they are our greatest resource.

Yet, as a functioning office we face challenges as we continue to deal with rapid change and growth – we have seen staff come and go – a reflection on the opportunities available in our province and to their individual skill and knowledge as planners.

Those committed to our office and philosophy of planning and service delivery are to be commended for their dedication, perseverance and expertise. It is truly my pleasure to lead and be associated with such a fine team. Thank you for contributing to our continued success.

How do we define success – as I mentioned earlier, we are financially strong and stable. Why? First, I believe it is because we plan our expenditures wisely and we anticipate our revenues conservatively; and second, because our entire office helps prepare our budget and understands the realities, opportunities and constraints inherent to our service.

Success can also be attributed to the services we provide you – our members. We believe we offer excellent value by way of expertise, advice, education, statutory plan preparation, subdivision processing, land development and GIS delivery. We are responding to your needs and adding value to your communities.

The future may present many challenges – but rest assured that we will be with you in meeting those challenges and in representing your interests. Thank you all for a most wonderful year.

MUNICIPAL PROJECTS

Rural:

- **Cardston County** – Municipal Development Plan Review (commenced); Land Use Bylaw (draft)
- **County of Lethbridge** – Subdivision and Development Standards Review (commenced)
- **County of Newell No. 4** – Land Use Bylaw (completed); Intermunicipal Development Plan (commenced)
- **County of Warner No. 5** – Municipal Development Plan Review (ongoing); New Dayton West Area Structure Plan (adopted)

- **M.D. of Pincher Creek No. 9** – Oldman River Reservoir Area Structure Plan (completed); Wind Energy Conversion System Review (completed); Land Use Bylaw (consolidation ongoing)
- **M.D. of Willow Creek No. 26** – Land Use Bylaw (commenced)
- **M.D. of Taber** – Intermunicipal Development Plan (updated and adopted); East Vauxhall Area Structure Plan (commenced); Enchant Subdivision Design (registered); Land Use Bylaw and Municipal Development Plan Review (commenced)

Towns:

- **Cardston** – West Cardston Area Structure Plan (completed)
- **Claresholm** – Centennial Park Master Plan (commenced)
- **Coaldale** – West Coaldale Area Structure Plan (amended and adopted); Parks & Trails Master Plan (ongoing)
- **Fort Macleod** – Municipal Development Plan Review (ongoing)
- **High River** – Municipal Development Plan (commenced)
- **Magrath** – Land Use Bylaw (completed)
- **Nanton** – Annexation (completed)
- **Picture Butte** – West Area Structure Plan (completed); South Area Structure Plan (commenced); Land Use Bylaw Amendments (completed)
- **Raymond** – Municipal Development Plan (commenced)
- **Vauxhall** – Subdivision Design (ongoing)
- **Vulcan** – Area Structure Plan (commenced)

Villages:

- **Arrowwood** – Subdivision Design Concept (commenced)
- **Barnwell** – Annexation (completed)
- **Hill Spring** – Land Use Bylaw (draft)
- **Milo** – Annexation (commenced)
- **Nobleford** – Municipal Development Plan Review (commenced)
- **Stirling** – Municipal Development Plan and Land Use Bylaw Review (ongoing); Annexation (commenced)

Other Projects and Services:

- **Development Officer Training Workshop**
- **Subdivision and Development Appeal Board Training**

GIS:

- **Oldman River Urban GIS Layer Project** – 5 new municipalities added (Barons, Carmangay, Champion, Hill Spring, Vauxhall)
- **Full infrastructure collection for each of the 5 new municipalities** – Water (hydrants, isolation valves, curbstops); Sanitary (manholes, lift stations); Storm (manholes, catch basins); Road (signs)
- **Addition of 25 municipal cemeteries to the GIS Project**
- **Addition of digital format registered plans and assessment reports located within the GIS and linked to the pertinent area/parcel**
- **Project completed for the Southern Alberta Alternative Energy Group** – outlining areas within southern Alberta which may be suitable for the development of alternative energy practices
- **Conducted GIS training in member municipalities for new employees**

SUBDIVISION
SUMMARY OF APPLICATIONS PROCESSED

A total of 506 subdivision applications were processed during the 2007 calendar year. The status of these applications as at December 31, 2007:

463	–	Decisions Made
4	–	Withdrawn
39	–	Pending

Decisions on the 463 applications:

457	–	Approved
6	–	Refused

Of the 457 applications approved/approved with conditions by our municipal members' subdivision authorities, 9 were appealed:

5	–	Withdrawn
3	–	Upheld
1	–	Denied

Of the 6 applications refused by our municipal members' subdivision authorities, 4 were appealed:

2	–	Upheld
2	–	Denied

The following table shows a detailed breakdown of the subdivision applications for 2007.

Ag - Agricultural

- Agricultural
- Public/Institutional
- Miscellaneous

NEWLY CREATED LOTS (By Use)					
Ind	CR	Ag	P/I	Misc	TOTAL
					0
					9
					10
	92	8			100
					39
					0
					5
					17
1				4	218
					332
					2
					4
	3	1		1	338
5	1			1	49
					1
					7
8	42	8		2	74

MEMBER MUNICIPALITY	SUBDIVISION APPLICATIONS	DECISION				NEWLY CREATED LOTS (By Use)							TOTAL
		A or A/C	R	W	P	Res	Com	Ind	CR	Ag	P/I	Misc	
Lomond – Village	1	1						1					1
Magrath – Town	14	13			1	57		19					76
Milk River – Town	1	1				1							1
Milo – Village	0												0
Nanton – Town	11	11				93	12						105
Newell – County No. 4	38	38						1	169	10		4	184
Nobleford – Village	5	5				65							65
Picture Butte – Town	4	3			1	23			1			4	28
Pincher Creek – M.D. No. 9	29	25	2		2	14			28	12		1	55
Pincher Creek – Town	8	8				87					2	2	91
Ranchland – M.D. No. 66	0												0
Raymond – Town	10	10				56							56
Stavely – Town	3	3				29	6						35
Stirling – Village	6	6				17							17
Taber – M.D.	59	55		1	3	30			64	9		2	105
Vauxhall – Town	3	2			1	7							7
Vulcan – County	33	31			2		1		33	4		4	42
Vulcan – Town	7	6		1		11	1		3				15
Warner – County No. 5	38	37		1		5			56	14			75
Warner – Village	1	1				5							5
Willow Creek – M.D. No. 26	34	31			3	2		1	43	5		1	52
TOTAL	506	457	6	4	39	1517	33	36	535	71	2	26	2220

NOTE: Lot count includes Pending Decisions as at December 31, 2007

**OLDMAN RIVER
REGIONAL SERVICES COMMISSION**

**FINANCIAL STATEMENTS
DECEMBER 31, 2007**

OLDMAN RIVER REGIONAL SERVICES COMMISSION

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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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, 2007 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, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Lethbridge, Alberta
May 23, 2008

BDO Dunwoody LLP
Chartered Accountants

OLDMAN RIVER REGIONAL SERVICES COMMISSION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2007

	2007	2006
ASSETS		
OPERATING FUND		
Cash (note 3)	\$ 863,275	\$ 64,220
Accounts and accrued receivables	18,531	46,002
Term deposits (note 3)	108,739	432,916
	<u>990,545</u>	<u>543,138</u>
SPECIAL RESERVE FUND		
Restricted cash and term deposits (note 3)	334,495	192,928
CAPITAL FUND		
Capital assets (note 4)	520,179	517,735
	<u>\$ 1,845,219</u>	<u>\$ 1,253,801</u>
LIABILITIES AND EQUITY		
OPERATING FUND		
Accounts payable and accrued liabilities	\$ 85,951	\$ 66,538
Deferred revenue GIS (note 5)	68,342	157,463
Deferred revenue	5,100	-
Long-term debt (note 6)	169,215	194,470
Operating capital	831,152	319,137
	<u>1,159,760</u>	<u>737,608</u>
SPECIAL RESERVE FUND (note 7)	334,495	192,928
CAPITAL FUND		
Equity in capital assets	350,964	323,265
	<u>\$ 1,845,219</u>	<u>\$ 1,253,801</u>

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, 2007

	Budget (Unaudited)	2007 Actual	2006 Actual
REVENUES			
Municipal contributions	\$ 363,121	\$ 403,230	\$ 345,829
Subdivision fees	300,000	1,034,935	512,290
Service fees	101,000	113,890	52,354
Interest income	18,200	50,026	26,466
Grants	-	35,900	-
Plans, publications and map sales, net (note 9)	3,000	4,141	4,108
Disposal of capital assets	-	9,800	-
Rental	12,675	12,675	12,675
Sundry	-	5,428	4,057
	<u>797,996</u>	<u>1,670,025</u>	<u>957,779</u>
OPERATING FUND EXPENDITURES (schedule 1)	<u>873,687</u>	<u>941,306</u>	<u>755,211</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE CAPITAL EXPENDITURES AND ALLOCATIONS TO SPECIAL RESERVE	<u>(75,691)</u>	<u>728,719</u>	<u>202,568</u>
CAPITAL EXPENDITURES	<u>-</u>	<u>(49,882)</u>	<u>(3,343)</u>
NET ALLOCATION (TO) FROM SPECIAL RESERVE			
Computer	-	(11,915)	-
Vehicle	-	16,776	-
Operating	75,691	(60,000)	-
Photocopier	-	(10,428)	(2,492)
Telephone	-	(1,000)	-
Leasehold improvement	-	(75,000)	-
	<u>75,691</u>	<u>(141,567)</u>	<u>(2,492)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 537,270</u>	<u>\$ 196,733</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, 2007

	<u>2007</u>	<u>2006</u>
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Excess of revenues over expenditures	\$ 537,270	\$ 196,733
Allocation to special reserve	<u>141,567</u>	<u>2,492</u>
	678,837	199,225
Change in non-cash working capital balances		
Accounts receivable	27,471	(2,694)
Accounts payable and accrued liabilities	19,413	19,112
Deferred revenue	<u>(84,021)</u>	<u>101,604</u>
	<u>641,700</u>	<u>317,247</u>
FINANCING		
Repayment of mortgage	<u>(25,255)</u>	<u>(14,935)</u>
INCREASE (DECREASE) IN CASH POSITION	616,445	302,312
CASH POSITION AT BEGINNING OF YEAR	<u>690,064</u>	<u>387,752</u>
CASH POSITION AT END OF YEAR	<u>\$ 1,306,509</u>	<u>\$ 690,064</u>
CONSISTING OF:		
OPERATING FUND		
Cash	\$ 863,275	\$ 64,220
Term Deposits	108,739	432,916
SPECIAL RESERVE FUND		
Term Deposits	<u>334,495</u>	<u>192,928</u>
	<u>\$ 1,306,509</u>	<u>\$ 690,064</u>
OTHER ITEMS:		
Interest received	<u>\$ 65,958</u>	<u>\$ 20,877</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, 2007

	<u>2007</u>	<u>2006</u>
OPERATING CAPITAL AT BEGINNING OF YEAR	\$ 319,137	\$ 137,339
EXCESS OF REVENUES OVER EXPENDITURES	537,270	196,733
MORTGAGE PAYMENTS MADE DURING YEAR	<u>(25,255)</u>	<u>(14,935)</u>
OPERATING CAPITAL AT END OF YEAR	<u>\$ 831,152</u>	<u>\$ 319,137</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, 2007

	<u>2007</u>	<u>2006</u>
SPECIAL RESERVE AT BEGINNING OF YEAR	\$ 192,928	\$ 190,436
ADD:		
Allocations from operating fund	196,428	2,492
LESS:		
Purchase of capital assets	(44,861)	-
Mortgage payment	<u>(10,000)</u>	<u>-</u>
SPECIAL RESERVE AT END OF YEAR	<u>\$ 334,495</u>	<u>\$ 192,928</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, 2007

	<u>2007</u>	<u>2006</u>
EQUITY IN CAPITAL ASSETS AT BEGINNING OF YEAR	\$ 323,265	\$ 345,604
ADD:		
Purchases during the year	49,882	3,343
Mortgage repayments during the year	25,255	14,935
Accumulated amortization of assets disposed of during the year	18,345	12,632
LESS:		
Cost of assets disposed of during the year	(26,548)	(13,350)
Amortization	<u>(39,235)</u>	<u>(39,899)</u>
EQUITY IN CAPITAL ASSETS AT END OF YEAR	<u>\$ 350,964</u>	<u>\$ 323,265</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, 2007

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, 2007

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. CASH AND TERM DEPOSITS

	<u>2007</u>	<u>2006</u>
Cash	\$ 863,275	\$ 64,220
Term deposits	<u>108,739</u>	<u>432,916</u>
	972,014	497,136
Restricted operating cash	334,495	-
Restricted term deposits	<u>-</u>	<u>192,928</u>
Total cash and term deposits	<u>\$ 1,306,509</u>	<u>\$ 690,064</u>

Term deposits consist of guaranteed investment certificates bearing interest at 3.5% (2006 - 3.00%) with maturity dates of November 2009.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007

4. CAPITAL ASSETS

	2007			2006
	Cost	Accumulated Amortization	Net	Net
Land	\$ 80,000	\$ -	\$ 80,000	\$ 80,000
Building	469,049	86,598	382,451	398,386
General contents	190,649	183,770	6,879	7,818
Other equipment	15,844	15,213	631	2,962
Computer equipment	84,336	62,699	21,637	19,412
Automotive	49,825	21,244	28,581	9,157
	<u>\$ 889,703</u>	<u>\$ 369,524</u>	<u>\$ 520,179</u>	<u>\$ 517,735</u>

5. DEFERRED REVENUE

	2007	2006
Deferred Municipal contributions	\$ 5,100	\$ -
Deferred GIS grant revenue (schedule 2)	68,342	157,463
	<u>\$ 73,442</u>	<u>\$ 157,463</u>

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

	2007	2006
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 \$462,457.	<u>\$ 169,215</u>	<u>\$ 194,470</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	\$ 17,566
2009	17,785
2010	18,882
2011	20,046
2012	21,283
Thereafter	<u>73,653</u>
	<u>\$ 169,215</u>

OLDMAN RIVER REGIONAL SERVICES COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007

7. SPECIAL RESERVE FUND

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

	<u>2007</u>	<u>2006</u>
a) Computer Reserve	\$ 84,795	\$ 72,880
b) Vehicle Reserve	14,152	30,928
c) Operating Reserve	136,450	76,450
d) Photocopier Reserve	22,875	12,447
e) Telephone Reserve	1,223	223
f) Building Improvement	75,000	-
	<u>\$ 334,495</u>	<u>\$ 192,928</u>

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>2007</u>	<u>2006</u>
Sale of maps	\$ 7,449	\$ 6,272
Cost of maps sold	(3,308)	(2,164)
Net	<u>\$ 4,141</u>	<u>\$ 4,108</u>

OLDMAN RIVER REGIONAL SERVICES COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007

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 2007 were \$50,916 (2006 - \$40,400). Total current and past service contributions by the employees of Oldman River Regional Services Commission to the Local Authorities Pension Plan in 2007 were \$44,954 (2006 - \$35,639).

At December 31, 2006, the Plan disclosed an actuarial deficit of \$1,288.9 million.

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>2007</u>	<u>2006</u>
Total debt limit	\$ 3,340,050	\$ 1,436,669
Total debt	<u>169,215</u>	<u>194,470</u>
Amount below prescribed debt limit	<u>\$ 3,170,835</u>	<u>\$ 1,242,199</u>
Service on debt limit	\$ 584,509	\$ 239,445
Service on debt	<u>26,400</u>	<u>26,400</u>
Amount below prescribed debt servicing limit	<u>\$ 558,109</u>	<u>\$ 213,045</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, 2007

SCHEDULE 1

	Budget (Unaudited)	2007 Actual	2006 Actual
STAFF SALARIES			
Permanent employees	\$ 621,000	\$ 668,897	\$ 522,925
STAFF BENEFITS			
Alberta Health Care	3,274	3,502	2,686
Canada Pension Plan	22,000	24,179	19,597
Extended Medical	9,524	12,214	7,790
Group Life Insurance	4,819	3,452	3,680
Local Authorities Pension Plan	37,675	26,957	28,604
Employment Insurance	11,795	12,507	10,610
	89,087	82,811	72,967
OFFICE			
Occupancy costs	46,400	29,542	39,322
OTHER OPERATING EXPENDITURES			
Accounting and audit	7,000	7,569	7,000
Advertising	5,000	10,959	8,242
Equipment rentals	4,000	4,366	3,567
Insurance	7,700	8,398	6,335
Janitorial	3,300	4,370	6,240
Land titles office	2,000	5,417	4,490
Legal fees	1,500	751	-
Members' fees	15,000	12,550	11,538
Members' travel	8,000	8,063	9,177
Miscellaneous	700	1,333	1,771
Office supplies	7,000	8,175	6,635
Postage	5,500	13,591	8,488
Printing and duplicating	6,000	7,736	6,983
Public relations	6,000	9,111	4,050
Recruitment	3,000	4,163	1,300
Repairs and maintenance	11,000	10,551	6,042
Staff training and conferences	5,000	6,160	7,154
Staff travel	13,500	23,177	12,305
Telephone	6,000	13,616	8,680
	117,200	160,056	119,997
	\$ 873,687	\$ 941,306	\$ 755,211

OLDMAN RIVER REGIONAL SERVICES COMMISSION

SCHEDULE OF GEOGRAPHIC INFORMATION SYSTEM YEAR ENDED DECEMBER 31, 2007

SCHEDULE 2

	<u>2007</u>	<u>2006</u>
REVENUES		
Interest	\$ 2,236	\$ 2,100
Municipal contributions	<u>276,945</u>	<u>451,012</u>
	<u>279,181</u>	<u>453,112</u>
EXPENDITURES		
Accounting and audit	75	950
Computer equipment	-	13,433
Computer software	25,117	15,474
Furniture	-	9,917
Land titles	455	5,783
Map purchases	1,150	555
Office	50	245
Printing and duplicating	917	69
Recruitment	-	-
Repairs and maintenance	2,108	10
Telephone	-	-
Training and conferences	1,118	5,433
Travel	7,326	6,032
Wages and benefits	<u>329,986</u>	<u>292,042</u>
	<u>368,302</u>	<u>349,943</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(89,121)	103,169
DEFERRED REVENUE, AT BEGINNING OF YEAR	<u>157,463</u>	<u>54,294</u>
DEFERRED REVENUE, AT END OF YEAR	<u>\$ 68,342</u>	<u>\$ 157,463</u>