

2008 ANNUAL REPORT

Oldman River Regional Services Commission

FINANCIAL STATEMENTS



**Year Ending
December 31, 2008**

<http://www.orrsc.com>



OLDMAN RIVER REGIONAL SERVICES COMMISSION

REPORT FROM THE CHAIR

Dear Members of the Board:

ORRSC had another very successful year. Not only did it have significant subdivision processing, but a number of statutory plans were drafted, amended, reviewed, prepared and completed. I want to thank the Director and Staff for their continued commitment and excellence.

We welcomed three new staff members to the organization and the County of Newell as a new member to the Commission. This brings our staff number to 18 and our membership of municipalities to 38, covering 13,500 square miles and over 81,000 people.

In 2008 we obtained a very favorable ruling from Revenue Canada on the GST question giving the Commission the same status as its members. We paid off our building mortgage and presently are progressing with extensive repairs, upgrades and renovations. The large new meeting room will be a benefit to our members.

The Oldman River Region Urban GIS Project applied for and received a significant Provincial grant in the amount of \$517,000 for new orthophotography for 27 of its 31 urban centers, as well as equipment upgrades.

The Commission has had continuous requests for assistance and information. Our staff has been most competent and supportive in helping wherever possible. Other planning jurisdictions look to us for ideas and ways of improving their region. This is another true testament of our Commission and its successes.

The Commission wants to continue reviewing and improving services to its members. The Executive and Staff encourage each of the member municipalities and their staffs to continue close contact and discussions to ensure the greatest success.



Paul Goldade, Chair
Oldman River Regional Services Commission

BOARD OF DIRECTORS

Membership as at December 31, 2008 consisted of the following 38 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, 2008. Representation from the municipalities is listed below:

MUNICIPALITY	CURRENT MEMBER	FORMER MEMBER (part of 2008)
ARROWWOOD – Village	Bill Graff	
BARNWELL – Village	Del Bodnarek	
BARONS – Village	Alf Olsen	
CARDSTON – County	Neal Miller	
CARDSTON – Town	Tim Court	Robert Russell
CARMANGAY – Village	Kym Nichols	Art Cogdale
CHAMPION – Village	Trevor Wagenvoort	
CLARESHOLM – Town	Doug MacPherson	
COALDALE – Town	Vic Mensch	
COALHURST – Town	Dennis Cassie	
COUTTS – Village	Tom Butler	
COWLEY – Village	Garry Hackler	
CROWSNEST PASS – Municipality	Gary Taje / Ian MacLeod	
FORT MACLEOD – Town	Gordon Wolstenholme	
GRANUM – Town	Walter Gripping	Ron Hanson
HILL SPRING – Village	Angie Todd	Peter Griffiths
LETHBRIDGE – County	Hans Rutz	
LOMOND – Village	Brad Koch	
MAGRATH – Town	Dennis Quinton	
MILK RIVER – Town	Terry Michaelis	
MILO – Village	Robert Phillips	
NANTON – Town	Dick Fenton	
NEWELL – County No. 4	Anne Marie Philipsen	
NOBLEFORD – Village	Paul Goldade	
PICTURE BUTTE – Town	Hank Hurkens	
PINCHER CREEK – M.D. No. 9	John Russell	Bjorn Berg
PINCHER CREEK – Town	Doug Thornton	
RANCHLAND – M.D. No. 66	Ronald Davis	
RAYMOND – Town	Jim Steed	
STAVELY – Town	Barry Johnson	
STIRLING – Village	Mike Selk	
TABER – Municipal District	Cecil Wiest	
VAUXHALL – Town	Lois Maloney	
VULCAN – County	Rod Ruark	
VULCAN – Town	Roy Elmer	
WARNER – County No. 5	Keith Palmer	
WARNER – Village	Vern Strain	
WILLOW CREEK – M.D. No. 26	Henry Van Hierden	

CHAIR AND VICE-CHAIR

The Chair and Vice-Chair from January 1 to December 4, 2008 were:

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

At the December 4, 2008 Annual Organizational Board of Directors' meeting, both the Chair and Vice-Chair were re-elected to their positions for the period December 4, 2008 to December 3, 2009.

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, 2008.

The following served on the Executive Committee from January 1 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

At the December 4, 2008 Annual Organizational Board of Directors' meeting, the following were elected to serve on the Executive Committee from December 4, 2008 to December 3, 2009.

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
Gordon Wolstenholme	– Town of Fort Macleod
Dick Fenton	– Town of Nanton
Doug Thornton	– Town of Pincher Creek

STAFF**CURRENT STAFF (as at December 31, 2008)**

DIRECTOR	– Lenze Kuiper (permanent contract)
SENIOR PLANNER	– Mike Burla (permanent)
SENIOR PLANNER	– Steve Harty (permanent contract)
PLANNER	– Diane Horvath (permanent contract)
PLANNER	– Bonnie Brunner (permanent contract)
PLANNER	– Gavin Scott (permanent contract)
ASSISTANT PLANNER	– Katherine Mertz (permanent part-time contract) – from March 18/08
PLANNING RESEARCHER	– Robin Hopkins (permanent contract)
DEVELOPMENT OFFICER	– Rhonda Day (contract) – from February 1/08
SR. GRAPHICS TECHNOLOGIST	– Cal Kembel (permanent)
CAD/GIS TECHNOLOGIST	– Mladen Kristic (permanent contract)
GIS TECHNOLOGIST	– Steven Ellert (permanent contract)
GIS ANALYST	– Jaime Thomas (permanent contract)
GIS ANALYST	– Jordan Thomas (permanent contract)
SUBDIVISION TECHNICIAN	– Gail Kirkman (permanent contract)
SUBDIVISION ASSISTANT	– Marge Williams (part-time contract)
BOOKKEEPER	– Sherry Johnson (permanent)
EXECUTIVE SECRETARY	– Barb Johnson (permanent)

FORMER STAFF (part of 2008)

INTERN PLANNER	– Garett Stevenson (contract) – to September 19/08
ASSISTANT GIS TECHNICIAN	– Jocelyn Ellert (temporary) – April 28 to August 31/08

WORK PROGRAM

MUNICIPAL ASSISTANCE

"Observe always that everything is the result of change, and get used to thinking that there is nothing Nature loves so well as to change existing forms and make new ones of them."

– Marcus Aurelius, emperor of Rome (121-180 AD)

"It is not the strongest of the species that survive, not the most intelligent, but the one most responsive to change."

– Charles Darwin, scientist

"Destiny is not a matter of chance; but a matter of choice. It is not a thing to be waited for; it is a thing to be achieved."

– Williams Jennings Bryan, lawyer, orator, three time candidate for president (1860-1925)

"As for the future, our task is not to foresee it, but to enable it."

– Antoine de Saint Exupery, poet and pilot (1900-1944)

As 2008 came to a close it was evident that land use planning in Alberta was on the cusp of change and it follows that ORRSC, after 15 years of operation under the same business model, also requires change. The catalyst for change is the Provincial Land Use Framework and the Alberta Land Stewardship Act; a recessed (depressed?) economy and resultant competitive threats; and, the dynamic relationships we have with our member municipalities (administrative and elected official turnover, internal staff turnover, etc...).

We will be addressing change in 2009/2010 through the development of a new strategic plan, a new business plan, bylaw amendments and an updated policy manual. Our challenge is to create the best possible services commission. To that end, we will be actively seeking input and direction from all our municipalities, our board members, our executive and our staff.

In 2008, our dedicated staff worked diligently to prepare statutory plans, process subdivision applications, build GIS layers, maintain data, train users, educate development officers, and offer solid, practical advice on your behalf. The success of ORRSC is a testament to their commitment, skill and enthusiasm and I'm both pleased and proud to be a part of their team.

The future holds many unknowns and we will strive to interpret new directions in land use planning on your behalf and we will ensure we stay relevant to the needs of our members. We have a solid record of municipal service backing us up and the will and desire to address new challenges.

We thank you for your continued commitment and partnership in making 2008 another successful year, and we look forward to being your services commission into 2009 and beyond.

– Lenze Kuiper, Director

MUNICIPAL PROJECTS

Rural:

- **Cardston County** – Municipal Development Plan Review (ongoing); Land Use Bylaw (2nd reading)
- **County of Lethbridge** – Subdivision and Development Standards Review (completed); Municipal Planning Authorities Report (overview); Storm Water Management and Policy (completed)
- **County of Newell No. 4** – Intermunicipal Development Plan (final draft)

- **County of Warner No. 5** – Municipal Development Plan Review (ongoing); Land Use Bylaw Update (completed); County of Warner and Village of Stirling Intermunicipal Development Plan (amended and adopted)
- **M.D. of Pincher Creek No. 9** – M.D. of Pincher Creek and Town of Pincher Creek Intermunicipal Development Plan (commenced); Land Use Bylaw Update (completed); Wind Energy Conversion System Updates in the Land Use Bylaw and Municipal Development Plan (ongoing)
- **M.D. of Willow Creek No. 26** – Land Use Bylaw (ongoing)
- **M.D. of Taber** – East Vauxhall Area Structure Plan (commenced); Land Use Bylaw and Municipal Development Plan Review (commenced)

Towns:

- **Cardston** – East Cardston Area Redevelopment Plan (completed)
- **Claresholm** – Centennial Park Master Plan (completed); Land Use Bylaw Rewrite (commenced)
- **Coaldale** – Parks & Trails Master Plan (completed); Annexation Study (commenced)
- **Coalhurst** – Growth Study (commenced)
- **Milk River** – Land Use Bylaw Revisions (commenced)
- **Nanton** – Municipal Development Plan Update (commenced)
- **Picture Butte** – South Area Structure Plan (ongoing); Land Use Bylaw Amendments (adopted)
- **Pincher Creek** – M.D. of Pincher Creek and Town of Pincher Creek Intermunicipal Development Plan (commenced)
- **Raymond** – Municipal Development Plan (commenced)
- **Stavely** – Growth Study (commenced)
- **Vauxhall** – Land Use Bylaw Update (commenced)
- **Vulcan** – Area Structure Plan (awaiting final engineering)

Villages:

- **Barnwell** – Land Use Bylaw (commenced)
- **Hill Spring** – Land Use Bylaw (adopted)
- **Milo** – Annexation (awaiting MGB decision)
- **Nobleford** – Municipal Development Plan Review (final draft)
- **Stirling** – Municipal Development Plan and Land Use Bylaw Review (adopted); Annexation (completed); County of Warner and Village of Stirling Intermunicipal Development Plan (amended and adopted)
- **Warner** – Park Design Scheme (completed)

Other Projects and Services:

- Development Officer Training Workshop
- Community Planning Association (Red Deer) Education Seminar

- Subdivision and Development Appeal Board Secretarial Assistance
- Orientation for Municipal Councils on the Planning Process
- Development Officer Service for Towns of Coalhurst and Magrath

GIS:

- One new participant – Municipality of Crowsnest Pass (bringing total number to 31, servicing a population of 65,233)
- GPS data collection continued over the summer – with collection of location as well as photos of playground equipment
- Conducted GIS training in member municipalities for new employees/participants
- GIS presentation at GeoAlberta in November
- Submitted application to Municipal Affairs for 2009 Orthophotography Project
- Converted main GIS database from Microsoft Access to SQL
- Updated GIS home page
- Made presentation to Village of Rosemary

SUBDIVISION

SUMMARY OF APPLICATIONS PROCESSED

A total of 354 subdivision applications were processed during the 2008 calendar year. The status of these applications as at December 31, 2008 was:

- 332 – Approved or Approved on Condition
- 5 – Refused
- 1 – Withdrawn
- 16 – Pending

In 2008, a total of 7 subdivisions were appealed:

- 3 – Refusals
- 4 – Approvals on Condition

The outcome of the 7 appeals was:

- 1 – Withdrawn
- 3 – Denied
- 3 – Upheld

The following table shows a detailed breakdown of the subdivision applications for 2008.

DETAILS OF SUBDIVISION APPLICATIONS PROCESSED – 2008

ABBREVIATIONS:

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

MEMBER MUNICIPALITY	SUBDIVISION APPLICATIONS	DECISION				NEWLY CREATED LOTS (By Use)								TOTAL
		A / A/C	R	W	P	Res	Com	Ind	CR	Ag	Inst	Rec	Misc	
Arrowwood – Village	—													
Barnwell – Village	8	7	1			64		1		1				66
Barons – Village	1	1				7								7
Cardston – County	42	39	1	1	1		1		95	12				108
Cardston – Town	7	7				78	2							80
Carmangay – Village	3	3				3			2					5
Champion – Village	1	1				19								19
Claresholm – Town	5	5				19		1						20
Coaldale – Town	7	7				110	1						3	114
Coalhurst – Town	—													
Coutts – Village	—													
Cowley – Village	1	1				1								1
Crowsnest Pass – Municipality	17	16			1	43	4		16			1	1	65
Fort Macleod – Town	4	4				2	8			2			1	13
Granum – Town	—													
Hill Spring – Village	2	2				2								2
Lethbridge – County	43	42	1			14		9	71	7	2			103

MEMBER MUNICIPALITY	SUBDIVISION APPLICATIONS	DECISION				NEWLY CREATED LOTS (By Use)								
		A / A/C	R	W	P	Res	Com	Ind	CR	Ag	Inst	Rec	Misc	TOTAL
Lomond – Village	1				1	1								1
Magrath – Town	5	4			1	9								9
Milk River – Town	2	2				2								2
Milo – Village	1	1						5						5
Nanton – Town	2	2				2								2
Newell – County No. 4	32	31			1		1		39	8				48
Nobleford – Village	—													
Picture Butte – Town	2	2				30								30
Pincher Creek – M.D. No. 9	27	24			3	6			12	7	1	3	1	30
Pincher Creek – Town	3	3				1		2						3
Ranchland – M.D. No. 66	—													
Raymond – Town	8	7			1	75								75
Stavely – Town	2	2				42				1				43
Stirling – Village	5	4			1	8								8
Taber – M.D.	35	34	1			56		1	40	2			26	125
Vauxhall – Town	2	2					5	3						8
Vulcan – County	29	29				27			26	3				56
Vulcan – Town	3	2	1			5								5
Warner – County No. 5	25	24			1				42	3				45
Warner – Village	4	4				10					1			11
Willow Creek – M.D. No. 26	25	20			5			3	36	2				41
TOTAL	354	332	5	1	16	636	22	25	379	48	4	4	32	1150

NOTE: Lot count includes Pending Decisions as at December 31, 2008

**OLDMAN RIVER
REGIONAL SERVICES COMMISSION**

**FINANCIAL STATEMENTS
DECEMBER 31, 2008**

OLDMAN RIVER REGIONAL SERVICES COMMISSION

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

CONTENTS

Auditors' Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Operating Fund Revenues and Expenditures	3
Statement of Changes in Financial Position	4
Statement of Changes in Operating Capital	5
Statement of Changes in Special Reserve Fund	6
Statement of Changes in Equity in Capital Fund	7
Notes to Financial Statements	8
Schedule of Operating Fund Expenditures	14
Schedule of Geographic Information System	15



BDO Dunwoody LLP
Chartered Accountants
and Advisors

200 Commerce Court
220-3rd Avenue South
Lethbridge Alberta Canada T1J 0G9
Telephone: 403-328-5292
Fax: 403-328-9534
www.bdo.ca

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, 2008 and the related 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, 2008 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.


Chartered Accountants

Lethbridge, Alberta
April 3, 2009

OLDMAN RIVER REGIONAL SERVICES COMMISSION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
OPERATING FUND		
Cash and term deposits (note 3)	\$ 367,530	\$ 972,014
Accounts and accrued receivables	<u>548,084</u>	<u>18,531</u>
	915,614	990,545
SPECIAL RESERVE FUND		
Restricted cash and term deposits (note 3)	695,056	334,495
CAPITAL FUND		
Capital assets (note 4)	<u>536,589</u>	<u>520,179</u>
	<u>\$ 2,147,259</u>	<u>\$ 1,845,219</u>
LIABILITIES AND EQUITY		
OPERATING FUND		
Accounts payable and accrued liabilities	\$ 97,966	\$ 85,951
Deferred revenue GIS (note 5)	422,032	68,342
Deferred revenue	-	5,100
Long-term debt (note 6)	-	169,215
Operating capital	<u>395,616</u>	<u>831,152</u>
	915,614	1,159,760
SPECIAL RESERVE FUND (note 7)	695,056	334,495
CAPITAL FUND		
Equity in capital assets	<u>536,589</u>	<u>350,964</u>
	<u>\$ 2,147,259</u>	<u>\$ 1,845,219</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, 2008

	Budget (Unaudited)	2008 Actual	2007 Actual
REVENUE			
Municipal contributions	\$ 421,277	\$ 421,159	\$ 403,230
Subdivision fees	600,000	600,678	1,034,935
Service fees	160,000	69,033	113,890
Interest income	18,200	42,884	50,026
Grants	19,000	24,100	35,900
Plans, publications and map sales, net (note 9)	6,000	7,094	4,141
Disposal of capital assets	-	18,855	9,800
Rental	12,675	8,370	12,675
Cost recoveries revenue	-	7,633	-
Sundry	1,500	3,485	5,428
	<u>1,238,652</u>	<u>1,203,291</u>	<u>1,670,025</u>
OPERATING FUND EXPENDITURES (schedule 1)	<u>1,165,300</u>	<u>1,044,241</u>	<u>941,306</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE CAPITAL EXPENDITURES AND ALLOCATIONS TO SPECIAL RESERVE	<u>73,352</u>	<u>159,050</u>	<u>728,719</u>
CAPITAL EXPENDITURES	<u>-</u>	<u>(64,810)</u>	<u>(49,882)</u>
NET ALLOCATION (TO) FROM SPECIAL RESERVE			
Computer	-	(15,000)	(11,915)
Vehicle	-	(15,310)	16,776
Operating	(73,352)	(240,055)	(60,000)
Photocopier	-	(5,196)	(10,428)
Telephone	-	(10,000)	(1,000)
Leasehold improvement	-	(75,000)	(75,000)
	<u>(73,352)</u>	<u>(360,561)</u>	<u>(141,567)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ (266,321)</u>	<u>\$ 537,270</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, 2008

	<u>2008</u>	<u>2007</u>
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Excess of revenues over expenditures	\$ (266,321)	\$ 537,270
Allocation to special reserve	<u>360,561</u>	<u>141,567</u>
	94,240	678,837
Change in non-cash working capital balances		
Accounts receivable	(529,553)	27,471
Accounts payable and accrued liabilities	12,015	19,413
Deferred revenue	<u>348,590</u>	<u>(84,021)</u>
	<u>(74,708)</u>	<u>641,700</u>
FINANCING		
Repayment of mortgage	<u>(169,215)</u>	<u>(25,255)</u>
INCREASE (DECREASE) IN CASH POSITION	(243,923)	616,445
CASH POSITION AT BEGINNING OF YEAR	<u>1,306,509</u>	<u>690,064</u>
CASH POSITION AT END OF YEAR	<u>\$ 1,062,586</u>	<u>\$ 1,306,509</u>
CONSISTING OF:		
OPERATING FUND		
Cash and term deposits	\$ 367,530	\$ 972,014
Special Reserve Fund	<u>695,056</u>	<u>334,495</u>
	<u>\$ 1,062,586</u>	<u>\$ 1,306,509</u>
OTHER ITEMS:		
Interest received	<u>\$ 42,884</u>	<u>\$ 65,958</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, 2008

	<u>2008</u>	<u>2007</u>
OPERATING CAPITAL AT BEGINNING OF YEAR	\$ 831,152	\$ 319,137
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(266,321)	537,270
MORTGAGE PAYMENTS MADE DURING YEAR	<u>(169,215)</u>	<u>(25,255)</u>
OPERATING CAPITAL AT END OF YEAR	<u>\$ 395,616</u>	<u>\$ 831,152</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, 2008

	<u>2008</u>	<u>2007</u>
SPECIAL RESERVE AT BEGINNING OF YEAR	\$ 334,495	\$ 192,928
ADD:		
Allocations from operating fund	537,270	196,428
LESS:		
Net purchase of capital assets	(7,494)	(44,861)
Mortgage payment	<u>(169,215)</u>	<u>(10,000)</u>
SPECIAL RESERVE AT END OF YEAR	<u>\$ 695,056</u>	<u>\$ 334,495</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, 2008

	<u>2008</u>	<u>2007</u>
EQUITY IN CAPITAL ASSETS AT BEGINNING OF YEAR	\$ 350,964	\$ 323,265
ADD:		
Purchases during the year	64,810	49,882
Mortgage repayments during the year	169,215	25,255
Accumulated amortization of assets disposed of during the year	33,701	18,345
LESS:		
Cost of assets disposed of during the year	(47,075)	(26,548)
Amortization	<u>(35,026)</u>	<u>(39,235)</u>
EQUITY IN CAPITAL ASSETS AT END OF YEAR	<u>\$ 536,589</u>	<u>\$ 350,964</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, 2008

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.

The Commission is exempt from income tax under Section 149 of the Canada Income Tax Act.

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 and reduces the Commissions equity in capital assets accordingly:

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.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

2. SUMMARY OF ACCOUNTING POLICIES (continued)

d) Revenue Recognition (continued)

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.

Service and member fees and sales of goods are recognized as revenue in the period in which the service is delivered or in which the transactions or events that gave rise to the revenue occurred.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

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>2008</u>	<u>2007</u>
Cash	\$ 367,530	\$ 972,014
Restricted operating cash	<u>695,056</u>	<u>334,495</u>
Total cash and term deposits	<u>\$ 1,062,586</u>	<u>\$ 1,306,509</u>

Term deposits consist of guaranteed investment certificates of \$514,191 bearing interest at rates between 2.75% and 4% (2007 - average of 3.5%) with maturity dates commencing November 2009 to September 2011.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

4. CAPITAL ASSETS

	2008			2007
	Cost	Accumulated Amortization	Net	Net
Land	\$ 80,000	\$ -	\$ 80,000	\$ 80,000
Building	504,929	103,331	401,598	382,451
General contents	190,805	185,072	5,733	6,879
Other equipment	15,844	15,844	-	631
Computer equipment	62,893	43,599	19,294	21,637
Automotive	52,966	23,002	29,964	28,581
	<u>\$ 907,437</u>	<u>\$ 370,848</u>	<u>\$ 536,589</u>	<u>\$ 520,179</u>

5. DEFERRED REVENUE

	2008	2007
Deferred Municipal contributions	\$ -	\$ 5,100
Deferred GIS grant revenue (schedule 2)	<u>422,032</u>	<u>68,342</u>
	<u>\$ 422,032</u>	<u>\$ 73,442</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

	2008	2007
ATB Financial mortgage, repaid 2008	<u>\$ -</u>	<u>\$ 169,215</u>

OLDMAN RIVER REGIONAL SERVICES COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

7. SPECIAL RESERVE FUND

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

	<u>2008</u>	<u>2007</u>
a) Computer Reserve	\$ 99,795	\$ 84,795
b) Vehicle Reserve	29,462	14,152
c) Operating Reserve	376,505	136,450
d) Photocopier Reserve	28,071	22,875
e) Telephone Reserve	11,223	1,223
f) Building Improvement	150,000	75,000
	<u>\$ 695,056</u>	<u>\$ 334,495</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>2008</u>	<u>2007</u>
Sale of maps	\$ 9,442	\$ 7,449
Cost of maps sold	<u>(2,348)</u>	<u>(3,308)</u>
Net	<u>\$ 7,094</u>	<u>\$ 4,141</u>

OLDMAN RIVER REGIONAL SERVICES COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

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 2008 were \$60,777 (2007 - \$50,916). Total current and past service contributions by the employees of Oldman River Regional Services Commission to the Local Authorities Pension Plan in 2008 were \$53,484 (2007 - \$44,954).

At December 31, 2007, the Plan disclosed an actuarial deficit of \$1,183 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:

	2008	2007
Total debt limit	\$ 2,406,582	\$ 3,340,050
Total debt	-	169,215
Amount below prescribed debt limit	<u>\$ 2,406,582</u>	<u>\$ 3,170,835</u>
Service on debt limit	\$ 421,152	\$ 584,509
Service on debt	-	26,400
Amount below prescribed debt servicing limit	<u>\$ 421,152</u>	<u>\$ 558,109</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 do not represent the financial stability of the Commission. Rather, the financial statements must be interpreted as a whole.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

12. COMMITMENTS

The commission entered into a lease agreement for office equipment that expires in June, 2013. The lease is payable in quarterly instalments of \$1,246 net of GST and any other charges. Future lease payments are as follows:

2009	\$	4,984
2010		4,984
2011		4,984
2012		4,984
2013		1,246

13. SUBSEQUENT EVENTS

On February 24, 2009 the commission entered into a contract with Integrity Builders for renovations to the Oldman Regional River Services Commission office building. The contract price is \$158,261 subject to additions and deductions pursuant to authorized change orders and allowances.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

SCHEDULE OF OPERATING FUND EXPENDITURES YEAR ENDED DECEMBER 31, 2008

SCHEDULE 1

	Budget (Unaudited)	2008 Actual	2007 Actual
STAFF SALARIES			
Permanent employees	\$ 729,000	\$ 722,608	\$ 668,897
STAFF BENEFITS			
Alberta Health Care	3,700	4,404	3,502
Canada Pension Plan	23,000	23,236	24,179
Extended Medical	7,400	13,866	12,214
Group Life Insurance	5,000	4,446	3,452
Local Authorities Pension Plan	35,000	39,534	26,957
Employment Insurance	15,000	11,693	12,507
	89,100	97,179	82,811
OFFICE			
Occupancy costs	212,400	35,737	29,542
OTHER OPERATING EXPENDITURES			
Accounting and audit	9,000	25,180	7,569
Advertising	-	7,767	10,959
Equipment rentals	4,000	17,866	4,366
Insurance	7,700	9,245	8,398
Janitorial	5,000	4,675	4,370
Land titles office	5,000	7,245	5,417
Legal fees	1,500	595	751
Members' fees	20,000	13,249	12,550
Members' travel	9,700	11,933	8,063
Miscellaneous	400	1,296	1,333
Office supplies	8,800	4,443	8,175
Postage	9,000	9,889	13,591
Printing and duplicating	11,500	10,544	7,736
Public relations	6,000	10,311	9,111
Recruitment	2,500	-	4,163
Repairs and maintenance	10,500	14,818	10,551
Staff training and conferences	7,000	9,097	6,160
Staff travel	11,200	18,539	23,177
Telephone	6,000	12,025	13,616
	134,800	188,717	160,056
	\$ 1,165,300	\$ 1,044,241	\$ 941,306

OLDMAN RIVER REGIONAL SERVICES COMMISSION

SCHEDULE OF GEOGRAPHIC INFORMATION SYSTEM YEAR ENDED DECEMBER 31, 2008

SCHEDULE 2

	<u>2008</u>	<u>2007</u>
REVENUES		
Interest	\$ 513	\$ 2,236
Cost recoveries	4,125	-
Municipal sponsorship grant	517,136	-
Municipal contributions	<u>237,228</u>	<u>276,945</u>
	<u>759,002</u>	<u>279,181</u>
EXPENDITURES		
Accounting and audit	2,018	75
Computer equipment	25,670	-
Computer software	7,548	25,117
Furniture	160	-
Land titles	1,610	455
Map purchases	100	1,150
Office	3,539	967
Repairs and maintenance	525	2,108
Field expense	1,614	-
Training and conferences	7,480	1,118
Travel	1,189	7,326
Wages and benefits	<u>353,859</u>	<u>329,986</u>
	<u>405,312</u>	<u>368,302</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	353,690	(89,121)
DEFERRED REVENUE, AT BEGINNING OF YEAR	<u>68,342</u>	<u>157,463</u>
DEFERRED REVENUE, AT END OF YEAR	<u><u>\$ 422,032</u></u>	<u><u>\$ 68,342</u></u>