

# 2009 ANNUAL REPORT

**Oldman River Regional Services Commission**

## **FINANCIAL STATEMENTS**



**Year Ending  
December 31, 2009**

<http://www.orrsc.com>



*OLDMAN RIVER REGIONAL SERVICES COMMISSION*

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**REPORT FROM THE CHAIR**

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*Dear Members of the Board:*

*The Municipal Government Act of Alberta requires municipalities to manage land use, subdivision and development by preparing bylaws and statutory long-range Municipal Development Plans, Intermunicipal Development Plans and Land Use Bylaw documents. ORRS,C established in 1955, has a proud record of achievements which have helped members to meet this requirement.*

*Our director, the planners and staff coordinated and completed a compilation of inputs from 52 municipalities in the South Saskatchewan Region. This 144-page document ~ Municipal Perspectives: Position Paper on the South Saskatchewan Regional Plan ~ covered 12 topics of importance. The Regional Advisory Committee (RAC), the Provincial Land Use Secretariat, the Ministers of the various Departments involved with the Land-Use Framework and Alberta Land Stewardship Act, numerous MLAs and the O2 consultants were most appreciative in receiving this paper with its valuable inputs.*

*The Geographic Information System (GIS) provides valuable mapping and data collection services. The orthophotography mapping project is pretty well completed. A new ORRSC website was unveiled in 2009. SouthGrow Regional Initiatives honoured ORRSC with the Excellence in Collaboration/Partnership Award.*

*Besides the special undertakings, the ORRSC staff continued with all the usual activities and tasks for the membership. Our competent staff continues to enhance awareness and delivery of the many services available to the membership.*

*The Commission wants to continue improving services and encourages each of its 38 members and their staffs to continue close contact and support, so as to ensure everyone's continued successes.*



**Paul Goldade, Chair**  
**Oldman River Regional Services Commission**

## BOARD OF DIRECTORS

Membership as at December 31, 2009 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, 2009. Representation from the municipalities is listed below:

MUNICIPALITY	CURRENT MEMBER	FORMER MEMBER (part of 2009)
ARROWWOOD – Village	Bill Graff	
BARNWELL – Village	Del Bodnarek	
BARONS – Village	Alf Olsen	
CARDSTON – County	Neal Miller	
CARDSTON – Town	Tim Court	
CARMANGAY – Village	Art Cogdale	Kym Nichols
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	
HILL SPRING – Village	Robert Wiebe	Angie Todd
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	
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	Lee Green	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	

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## CHAIR AND VICE-CHAIR

The Chair and Vice-Chair from January 1 to December 3, 2009 were:

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

At the December 3, 2009 Annual Organizational Board of Directors' meeting, both the Chair and Vice-Chair were re-elected to their positions for the period December 3, 2009 to December 2, 2010.

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## 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. Six meetings were held between January 1 and December 31, 2009.

The following served on the Executive Committee from January 1 to December 3, 2009:

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

At the December 3, 2009 Annual Organizational Board of Directors' meeting, all of the above members were re-elected to serve on the Executive Committee from December 3, 2009 to December 2, 2010.

**STAFF****CURRENT STAFF (as at December 31, 2009)**

<b>DIRECTOR</b>	– <b>Lenze Kuiper</b> (permanent contract)
<b>SENIOR PLANNER</b>	– <b>Mike Burla</b> (permanent)
<b>SENIOR PLANNER</b>	– <b>Steve Harty</b> (permanent contract)
<b>PLANNER</b>	– <b>Diane Horvath</b> (permanent contract)
<b>PLANNER</b>	– <b>Bonnie Brunner</b> (permanent contract)
<b>PLANNER</b>	– <b>Gavin Scott</b> (permanent contract)
<b>PLANNER</b>	– <b>Jonathan Schmidt</b> (permanent contract) – from April 1/09
<b>ASSISTANT PLANNER</b>	– <b>Katherine Mertz</b> (permanent part-time contract)
<b>INTERN PLANNER</b>	– <b>Michelle Denis</b> (contract) – from May 4/09
<b>DEVELOPMENT OFFICER</b>	– <b>Rhonda Day</b> (contract)
<b>SR. GRAPHICS TECHNOLOGIST</b>	– <b>Cal Kembel</b> (permanent)
<b>CAD/GIS TECHNOLOGIST</b>	– <b>Mladen Kristic</b> (permanent contract)
<b>GIS TECHNOLOGIST</b>	– <b>Steven Ellert</b> (permanent contract)
<b>GIS ANALYST</b>	– <b>Jaime Thomas</b> (permanent contract)
<b>GIS ANALYST</b>	– <b>Jordan Thomas</b> (permanent contract)
<b>SUBDIVISION TECHNICIAN</b>	– <b>Gail Kirkman</b> (permanent contract)
<b>BOOKKEEPER</b>	– <b>Sherry Johnson</b> (permanent)
<b>EXECUTIVE SECRETARY</b>	– <b>Barb Johnson</b> (permanent)

**FORMER STAFF (part of 2009)**

<b>PLANNING RESEARCHER</b>	– <b>Robin Hopkins</b> (permanent contract) – to January 30/09
<b>SUBDIVISION ASSISTANT</b>	– <b>Marge Williams</b> (part-time contract) – to May 31/09



## WORK PROGRAM

### MUNICIPAL ASSISTANCE

*“Prediction is a risky business, especially when it’s about the future.”*

– Yogi Berra

The Oldman River Regional Services Commission (ORRSC) business model has served us well in 2009’s challenging environment and we believe that a few adjustments are required as economic recovery builds and as new opportunities appear. ORRSC continues to focus on its core municipal services – land use planning, geographic information systems (GIS), subdivision processing, mapping, Subdivision and Development Appeal Board hearings, and statutory plan preparation with a governance model that requires a high degree of engagement through our professional staff, board and executive. Our service model enjoys strong fundamentals, has exceptional value, operates with low cost structures and enjoys a reputation unparalleled within the province. We give good advice.

A good business model should always seek improvement. In 2009, ORRSC committed resources towards the development of a new strategic plan, a new business plan, bylaw amendments and an updated policy manual. We

sought input and direction from many of our member municipalities and we are well on our way to rolling out draft documents for your review and comment.

The changes we envision will provide our members with better and expanded services, competitive value for those services, and advocacy and representation at the provincial and regional level. We will be bringing 60 years of success and dedication to the process of moving forward and will keep your municipality’s best interests in mind and close at heart.

I wish to express gratitude, on behalf of the Board and Executive, for the important contributions of our staff in achieving successful results and receiving various accolades in a challenging operating environment. They work diligently to provide you with the best advice, the best GIS, and the best plans. They have brought communities together with strong Intermunicipal Development Plans and they have aided in resolving conflicts through the appeal process. They toiled for weeks on the preparation and delivery of *Municipal Perspectives: A Position Paper on the South Saskatchewan Regional Plan*. And, they have loved every minute of it – it shows!

Lastly, I thank you – each of our member municipalities – for your continued commitment and partnership, and we look forward to being your go-to services commission into the future.

– Lenze Kuiper, Director

### MUNICIPAL PROJECTS

#### ***Rural:***

- **Cardston County** – Municipal Development Plan Review (ongoing); Land Use Bylaw (2<sup>nd</sup> reading)
- **County of Lethbridge** – Intermunicipal Development Plan with Town of Coaldale (commenced); Integrated Community Sustainability Plan (adopted)
- **County of Newell No. 4** – Intermunicipal Development Plan with City of Brooks (adopted as Bylaw 1656-09)
- **Vulcan County** – CPR Lands Project (commenced); Intermunicipal Development Plan with Town of Vulcan (commenced)
- **County of Warner No. 5** – Municipal Development Plan Review (completed); Land Use Bylaw Update (adopted); Grouped Country Residential Policy Review (completed)

- **M.D. of Pincher Creek No. 9** – M.D. of Pincher Creek and Town of Pincher Creek Intermunicipal Development Plan (ongoing); Wind Energy Conversion System Updates in the Land Use Bylaw and Municipal Development Plan (completed)
- **M.D. of Ranchland No. 66** – Tower Policy (commenced)
- **M.D. of Willow Creek No. 26** – Land Use Bylaw (draft submitted); Intermunicipal Development Plan with Town of Nanton (commenced)
- **M.D. of Taber** – East Vauxhall Area Structure Plan (ongoing); Land Use Bylaw and Municipal Development Plan Review (ongoing); Intermunicipal Development Plan with Town of Vauxhall (commenced - 1<sup>st</sup> reading)

#### ***Towns:***

- **Cardston** – East Cardston Area Redevelopment Plan (completed)
- **Claresholm** – Land Use Bylaw Rewrite (completed as Bylaw 1525); Southwest Area Structure Plan (commenced), Municipal Development Plan Update (commenced)
- **Coaldale** – Annexation Study (commenced); Intermunicipal Development Plan with County of Lethbridge (commenced)
- **Coalhurst** – Growth Study (completed)
- **Granum** – Land Use Bylaw Review (commenced)
- **Municipality of Crowsnest Pass** – Land Use Bylaw Review (commenced)
- **Milk River** – Land Use Bylaw Revisions (completed and adopted)
- **Nanton** – Municipal Development Plan Update (completed as Bylaw 1199/08); Intermunicipal Development Plan with M.D. of Willow Creek (commenced)
- **Picture Butte** – South Area Structure Plan (ongoing)
- **Pincher Creek** – M.D. of Pincher Creek and Town of Pincher Creek Intermunicipal Development Plan (ongoing)
- **Raymond** – Municipal Development Plan (completed and adopted); New Land Use Bylaw (commenced)
- **Stavely** – Growth Study (ongoing)
- **Vauxhall** – Land Use Bylaw Update (completed and adopted); Intermunicipal Development Plan with M.D. of Taber (commenced - 1<sup>st</sup> reading)
- **Vulcan** – Area Structure Plan (completed as Bylaw 1358-08); Intermunicipal Development Plan with Vulcan County (commenced)

#### ***Villages:***

- **Barnwell** – Land Use Bylaw (adopted)
- **Coutts** – New Land Use Bylaw (commenced)
- **Champion** – Industrial Subdivision (commenced)
- **Milo** – Annexation (completed)
- **Nobleford** – Municipal Development Plan (adopted); Land Use Bylaw Review (commenced)
- **Stirling** – Land Use Bylaw Amendments (commenced)

***Other Projects and Services:***

- South Saskatchewan Regional Plan Position Paper
- Seminar on Land Titles Documents and the Subdivision Finalization Process – September 24, 2009
- Subdivision and Development Appeal Board Secretarial Assistance
- Development Officer Service for Towns of Coalhurst and Magrath

***GIS:***

- Two new participants – Village of Rosemary and Town of Olds (bringing total municipalities to 33)
- GPS data collection continued over the summer – with collection of location as well as photos of playground equipment and infrastructure components
- Conducted GIS training in member municipalities for new employees/participants as well as in-house training in new ORRSC conference room facility
- 2009 Orthophotography Project implemented – photography acquired, orthophotos delivered and authored to individual map websites
- Plotted orthophotography for the participating members
- GIS presentation to LGAA at the AUMA Convention in November
- Presentations to Parkland Community Planning Services, Town of Bassano and Village of Tilley
- Entered into agreements with the Towns of Olds, Rocky Mountain House, Innisfail and Penhold to supply web-based GIS on an interim basis

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**SUBDIVISION**
**SUMMARY OF APPLICATIONS PROCESSED**

A total of 258 subdivision applications were processed during the 2009 calendar year. The status of these applications as at December 31, 2009:

233	–	Approved or Approved on Condition
5	–	Refused
7	–	Withdrawn or Expired
13	–	Pending

In 2009, a total of 9 subdivisions were appealed:

6	–	Refused or Deemed Refused
3	–	Approved on Condition

The outcome of the 9 appeals:

1	–	Withdrawn
8	–	Upheld

**The following table shows a detailed breakdown of the subdivision applications for 2009.**



## DETAILS OF SUBDIVISION APPLICATIONS PROCESSED – 2009

### ABBREVIATIONS:

**A** – Approved  
**A/C** – Approved with conditions  
**R** – Refused  
**W** – Withdrawn  
**E** – Expired  
**P** – Pending

**Res** – Residential  
**Com** – Commercial  
**Ind** – Industrial  
**CR** – Country Residential

**Ag** – Agricultural  
**Inst** – Institutional  
**Rec** – Recreational  
**Misc** – Miscellaneous

MEMBER MUNICIPALITY	SUBDIVISION APPLICATIONS	DECISION				NEWLY CREATED LOTS (By Use)								TOTAL
		A / A/C	R	W / E	P	Res	Com	Ind	CR	Ag	Inst	Rec	Misc	
Arrowwood – Village	—													
Barnwell – Village	—													
Barons – Village	—													
Cardston – County	40	34		3	3				75	10		5		90
Cardston – Town	5	5				5	1							6
Carmangay – Village	—													
Champion – Village	3	2		1		1		2						3
Claresholm – Town	2	2				1	1				2			4
Coaldale – Town	10	10				305	1	8	1				2	317
Coalhurst – Town	1	1				17								17
Coutts – Village	—													
Cowley – Village	3	3				1	3	6						10
Crowsnest Pass – Municipality	13	11	1		1	19			27					46
Fort Macleod – Town	1	1							1					1
Granum – Town	—													
Hill Spring – Village	1	1				1								1
Lethbridge – County	38	33	4		1	4		14	26	9			2	55

MEMBER MUNICIPALITY	SUBDIVISION APPLICATIONS	DECISION				NEWLY CREATED LOTS (By Use)								
		A / A/C	R	W / E	P	Res	Com	Ind	CR	Ag	Inst	Rec	Misc	TOTAL
Lomond – Village	—													
Magrath – Town	2	1		1		4								4
Milk River – Town	—													
Milo – Village	—													
Nanton – Town	2	2				1						1		2
Newell – County No. 4	27	26			1	1		44	22	3	3			73
Nobleford – Village	1	1				62								62
Picture Butte – Town	1	1				1								1
Pincher Creek – M.D. No. 9	14	13			1				10	7		1		18
Pincher Creek – Town	1	1					2							2
Ranchland – M.D. No. 66	—													
Raymond – Town	4	4				6			1				1	8
Stavely – Town	1	1				1								1
Stirling – Village	1	1				1								1
Taber – M.D.	32	28		1	3	26			30	1				57
Vauxhall – Town	2	2				4					1			5
Vulcan – County	18	18				1		4	12	1	1		2	21
Vulcan – Town	2	2				1			3					4
Warner – County No. 5	12	11			1				13	3				16
Warner – Village	—													
Willow Creek – M.D. No. 26	21	18		1	2	1			69	1		1		72
TOTAL	258	233	5	7	13	464	8	78	290	35	7	7	8	897

NOTE: Lot count includes Pending Decisions as at December 31, 2009

**OLDMAN RIVER  
REGIONAL SERVICES COMMISSION**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

# **OLDMAN RIVER REGIONAL SERVICES COMMISSION**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009**

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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, 2009 and the statements of operations, changes in net assets and cash flows 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, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Canada LLP*  
**Chartered Accountants**

Lethbridge, Alberta  
March 25, 2010



# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u> (as restated)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and term deposits (note 4)	\$ 778,775	\$ 1,062,586
Accounts receivable	<u>81,715</u>	<u>548,084</u>
	860,490	1,610,670
<b>Property, plant and equipment</b>		
Capital assets (note 5)	<u>733,007</u>	<u>543,596</u>
<b>Total assets</b>	<u><u>\$ 1,593,497</u></u>	<u><u>\$ 2,154,266</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 158,700	\$ 97,963
Deferred revenue (note 6)	<u>28,869</u>	<u>500,655</u>
<b>Total liabilities</b>	<u>187,569</u>	<u>598,618</u>
<b>Net assets</b>		
Invested in capital assets	733,007	543,596
Internally restricted (note 7)	538,825	695,056
Unrestricted	<u>134,096</u>	<u>316,996</u>
	1,405,928	1,555,648
<b>Total liabilities and net assets</b>	<u><u>\$ 1,593,497</u></u>	<u><u>\$ 2,154,266</u></u>

APPROVED BY THE COMMISSION:

June 3, 2010

  
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 OPERATIONS YEAR ENDED DECEMBER 31, 2009

	Budget (Unaudited)	2009 Actual	2008 Actual (as restated)
<b>REVENUE</b>			
Municipal contributions	\$ 421,309	\$ 421,309	\$ 421,159
Subdivision fees	500,000	432,503	600,678
Service fees	135,000	154,786	70,272
GIS member fees	-	241,292	237,228
GIS service fees	-	29,190	4,125
GIS project revenue	-	477,774	16,481
Other grant revenue	43,000	37,011	24,100
Interest income	30,000	23,129	43,396
Other revenue	600	24,455	30,824
	<u>1,129,909</u>	<u>1,841,449</u>	<u>1,448,263</u>
<b>EXPENDITURES</b>			
Occupancy costs	171,000	35,330	44,982
Accounting and audit	13,000	16,846	26,975
Advertising	11,500	11,960	7,767
Amortization	45,000	53,174	37,208
Equipment	5,000	15,875	19,000
GIS project expenses	-	477,774	16,481
Janitorial	5,500	5,210	4,675
Land titles office	5,000	7,090	8,855
Legal fees	1,500	6,236	595
Members' fees	18,000	12,950	13,249
Members' travel	9,000	15,975	11,933
Miscellaneous	3,000	2,656	4,411
Office supplies	3,200	4,035	10,282
Postage	5,500	8,133	9,889
Printing and duplicating	3,500	9,283	10,644
Public relations	7,500	10,111	10,311
Repairs and maintenance	12,000	15,467	14,368
Salaries and benefits	938,200	1,245,638	1,173,646
Staff training and conferences	19,000	10,117	18,934
Staff travel	13,500	13,857	21,341
Telephone	10,000	13,452	12,025
Total expenditures	<u>1,299,900</u>	<u>1,991,169</u>	<u>1,477,571</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<u>(169,991)</u>	<u>(149,720)</u>	<u>(29,308)</u>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>-</u>	<u>1,555,648</u>	<u>1,584,956</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ (169,991)</u>	<u>\$ 1,405,928</u>	<u>\$ 1,555,648</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 NET ASSETS YEAR ENDED DECEMBER 31, 2009

	2009			2008
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total
				(as restated)
NET ASSETS AT BEGINNING OF YEAR	\$ 543,596	\$ 695,056	\$ 316,996	\$ 1,555,648
				\$ 1,516,611
Prior period correction (note 8)	-	-	-	68,345
Net Assets at beginning of year, as restated	543,596	695,056	316,996	1,555,648
Excess (deficiency) of revenue over expenses	(53,406)	-	(96,314)	(149,720)
Purchase of capital assets	242,817	-	(242,817)	-
Appropriated to internally restricted	-	4,269	(4,269)	-
Appropriated to unrestricted net assets	-	(160,500)	160,500	-
NET ASSETS AT END OF YEAR	\$ 733,007	\$ 538,825	\$ 134,096	\$ 1,405,928
				\$ 1,555,648

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

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
<b>CASH PROVIDED BY (USED FOR):</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ (149,720)	\$ (33,222)
Items which do not affect cash:		
Amortization of capital assets	53,174	41,122
Loss (gain) on disposal of capital assets	<u>232</u>	<u>(5,481)</u>
	(96,314)	2,419
Change in non-cash working capital balances:		
Accounts receivable	466,369	(529,553)
Accounts payable and accrued liabilities	60,737	12,015
Deferred revenue	<u>(471,786)</u>	<u>512,036</u>
	<u>(40,994)</u>	<u>(3,083)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property plant and equipment	(242,817)	(90,480)
Proceeds on disposition of capital assets	<u>-</u>	<u>18,855</u>
	<u>(242,817)</u>	<u>(71,625)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of mortgage	<u>-</u>	<u>(169,215)</u>
<b>INCREASE (DECREASE) IN CASH</b>	(283,811)	(243,923)
<b>CASH POSITION AT BEGINNING OF YEAR</b>	<u>1,062,586</u>	<u>1,306,509</u>
<b>CASH POSITION AT END OF YEAR</b>	<u>\$ 778,775</u>	<u>\$ 1,062,586</u>
<b>OTHER ITEMS:</b>		
Interest received	<u>\$ 23,128</u>	<u>\$ 43,396</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, 2009

### 1. NATURE OF THE ORGANIZATION

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 Canadian Income Tax Act.

### 2. SUMMARY OF ACCOUNTING POLICIES

The Commission uses a basis of reporting consistent with the not-for-profit organizations as defined in the Canadian Institute of Chartered Accountants Handbook section 4400. Refer to Note 3.

Significant aspects of these accounting principles are:

#### a) Basis of Presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

#### b) Budget Amounts

The budget amounts presented on the statement of operations are taken from the Commission's annual budget. Certain budget amounts have been reclassified to conform with the current year's financial statement presentation.

#### c) Capital Assets

Capital assets are recorded at cost. Amortization is provided using the following annual rates and basis and reduces the Commission's 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

Assets purchased at the end of the year are not amortized until the following year. In the year of acquisition, only one half of the normal amortization is recorded on automotive assets.



# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

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

#### d) Revenue Recognition

The Commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured.

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

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

Fee for service revenue is 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.

#### e) Financial Instruments

The Commission has classified its cash and cash equivalents as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Short-term investments have been classified as held-for-trading. Accounts payable and accrued charges are classified as other financial liabilities which are measured at amortized cost.

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 Canadian generally accepted accounting principles 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.

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

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

#### g) Pension Expenditure

The Commission participates in a multi-employer defined benefit pension plan. This plan is accounted for as a defined contribution plan.

### 3. CHANGE IN BASIS OF ACCOUNTING

Effective January 2009, the Commission changed the basis of accounting from those established by the Public Sector Accounting and Auditing Board to those consistent with Canadian generally accepted accounting principles for not-for-profit organizations as defined in the Canadian Institute of Chartered Accountants Handbook section 4400. This has impacted how the Commission records its capital assets and accounts for its special reserves. In previous periods, the Commission had expensed capital assets on the Statement of Operating Fund Revenues and Expenses and recorded accumulated amortization in the Statement of Financial Position in the Capital Fund. Under Canadian generally accepted accounting principles the Commission is now required to record capital assets and accumulated amortization on the Statement of Financial Position and record the annual amortization charge as an expense on the Statement of Operations. Change in reserves and capital are now recorded in the Statement of Net Assets. The new accounting treatment is suggested by Alberta Municipal Affairs and results in a more transparent treatment of the cost and useful life of its capital assets, and is consistent with other not-for-profit organizations, making the Commission's financial statements more comparable. Also in 2009 the Commission corrected the method of recording revenues and expenses for the GIS department.

This change in the basis of accounting has resulted in the following adjustments to the 2008 comparative figures:

#### **Statement of Operations**

2008 income as previously stated	\$	110,431
Capital purchases expensed through operations		48,619
Accounting gain on sale of assets		5,481
Amortization on assets		(37,208)
Proceeds on sale of assets		(18,855)
Net GIS revenue and expense		(137,776)
	\$	<u>(29,308)</u>

#### **Statement of Financial Position**

Increase in capital assets and invested in capital assets	\$	7,007
Increase in deferred revenue		78,623
Decrease in unrestricted net assets		<u>(78,623)</u>
Net increase in assets and liabilities	\$	<u>7,007</u>

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

### 4. CASH AND TERM DEPOSITS

	2009	2008
Cash	\$ 239,950	\$ 367,530
Restricted operating cash	538,825	695,056
Total cash and term deposits	<u>\$ 778,775</u>	<u>\$ 1,062,586</u>

Term deposits consist of guaranteed investment certificates of \$400,000 bearing interest at rates between 1.90% and 3.75% (2008 - average of 3.3%) with maturity dates commencing September 25, 2010 to November 14, 2011.

### 5. CAPITAL ASSETS

	2009			2008
	Cost	Accumulated Amortization	Net	Net
Land	\$ 80,000	\$ -	\$ 80,000	\$ 80,000
Building	686,230	126,647	559,583	401,598
Leasehold improvements	20,380	20,380	-	-
General contents	247,117	194,998	52,119	5,733
Other equipment	15,844	15,844	-	-
Computer equipment	72,669	52,339	20,330	26,301
Automotive	52,966	31,991	20,975	29,964
	<u>\$ 1,175,206</u>	<u>\$ 442,199</u>	<u>\$ 733,007</u>	<u>\$ 543,596</u>

### 6. DEFERRED REVENUE

	2009	2008
Deferred provincial grant	\$ 5,989	\$ -
Deferred GIS grant revenue	22,880	500,655
	<u>\$ 28,869</u>	<u>\$ 500,655</u>

The Commission is currently undertaking a municipal project on behalf of the Village of Nobleford for urban orthophotography under the 2008 Municipal Sponsorship Program. The deferred GIS revenue grant balance represents the remaining unspent funds for this project.

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

### 7. INTERNALLY RESTRICTED NET ASSETS

The Commission has established the following funds for future expenditures:

	2009	2008
a) Computer Reserve	\$ 99,795	\$ 99,795
b) Vehicle Reserve	29,462	29,462
c) Operating Reserve	366,005	376,505
d) Photocopier Reserve	32,340	28,071
e) Telephone Reserve	11,223	11,223
f) Building Improvement	-	150,000
	<u>\$ 538,825</u>	<u>\$ 695,056</u>

### 8. PRIOR PERIOD CORRECTION

The prior period figures have been restated to correct the overstatement of opening 2008 deferred revenue relating to the GIS project as a result of changes in the presentation of GIS revenues and expenditures. The result of the restatement has been a decrease in opening 2008 deferred revenue of \$68,342 and an increase in opening unrestricted net assets of \$68,342.

### 9. LOCAL AUTHORITIES PENSION PLAN

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

Oldman River Regional Services Commission is required to make current service contributions to the Plan of 8.46% of pensionable payroll up to the year's maximum pensionable earnings under the Canada Pension Plan, and 11.66% on pensionable earnings above this amount.

Employees of Oldman River Regional Services Commission are required to make current service contributions of 7.46% of pensionable salary up to the year's maximum pensionable earnings under the Canada Pension Plan, and 10.66% 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 2009 were \$80,224 (2008 - \$60,777). Total current and past service contributions by the employees of Oldman River Regional Services Commission to the Local Authorities Pension Plan in 2009 were \$71,702 (2008 - \$53,484).

At December 31, 2009, the Plan disclosed an actuarial deficit of \$1,289 million.

# OLDMAN RIVER REGIONAL SERVICES COMMISSION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

### 10. 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:

	2009	2008
Total debt limit	\$ 3,682,898	\$ 2,896,526
Total debt	-	-
Amount below prescribed debt limit	<u>\$ 3,682,898</u>	<u>\$ 2,896,526</u>
Service on debt limit	\$ 644,507	\$ 506,892
Service on debt	-	-
Amount below prescribed debt servicing limit	<u>\$ 644,507</u>	<u>\$ 506,892</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, 2009

### 11. COMMITMENTS

#### Equipment lease

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:

2010	\$	4,984
2011		4,984
2012		4,984
2013		1,246
	\$	<u>16,198</u>

#### Office renovations

In 2009 the Commission entered into a contract with Integrity Builders for renovations to the Oldman River Regional Services Commission office building. In 2010 the Commission will continue with Phase 2 of these renovations.

### 12. CAPITAL DISCLOSURES

The Commission considers its capital to be its net assets, restricted and unrestricted. The Commission's objectives when managing its capital are to provide sufficient funds to cover both the annual overhead expenses as well as provide long-term maintenance and replacement for the organization's capital assets. Annual budgets are developed and monitored to ensure the Commission's capital is maintained at an appropriate level.

### 13. APPROVAL OF FINANCIAL STATEMENTS

The Board and Management have approved these financial statements

### 14. COMPARATIVE FIGURES

The 2008 amounts presented for comparative purposes have been restated to reflect the changes described in Note 3 and to conform with 2009 presentation.