

2019

ANNUAL REPORT

Oldman River Regional Services Commission

FINANCIAL STATEMENTS



**Year Ending
December 31, 2019**



OLDMAN RIVER REGIONAL SERVICES COMMISSION

MESSAGE FROM THE CHAIR AND DIRECTOR

Price is what you pay; value is what you get! – Warren Buffet

The Oldman River Regional Services Commission helps communities navigate change and prepare for an uncertain future. It's not a simple task, and it gets even more complex in times of accelerating change, requiring ever-faster adaption to technological innovation, demographic shifts, political give-and-take, a changing climate and other drivers.

At ORRSC, we are asking ourselves: How can we help planners and municipalities prepare for an uncertain future and adapt to this accelerating pace of change? How can we strategically focus on the right things while creating value for planners and communities both today and into the future?

Planners need to collect, organize and communicate information to ask the right questions and pick the best techniques and arrive at manageable solutions – and to acquire the patience to deal with processes that are often iterative and political rather than linear and technical. Our staff place great value on working together to promote the public good and share a desire to promote the public well-being. Plans are written, programs established, and land-use regulations adopted to meet the common needs of residents.

With this in mind, the journey continues with the roll-out of numerous new Rural to Rural, Urban to Rural Intermunicipal Development Plans that comply with recent changes to the Municipal Government Act, with the addition of advanced technology in the form of a comprehensive overhaul of our Geographical Information System (GIS) platform, and with the formation of a Regional Subdivision and Development Appeal Board to go hand-in-hand with our Regional Assessment Review Board service.

Adding value to our core professional services and transferring that value to our member municipalities and, in turn, to your residents remains our focus.

Over the past year we've met with many board members, municipal councils, administrators and citizens and these interactions make it clear that ORRSC is widely viewed as having a strong regional presence with excellent opportunities for delivering value and expertise. Our strategy is clear and well-understood. Our municipalities appreciate the knowledge, expertise and commitment of our professional staff and there is great pride in being one of Alberta's strongest land use planning and geographic Information system providers.

These services come with a price and in challenging economic times they must also come with value!

At the Executive level, we would like to thank Jim Bester (Cardston County), Don Anderberg (Town of Pincher Creek), Doug Macpherson (Town of Claresholm), Ian Sundquist (M.D. of Willow Creek), Jennifer Crowson (M.D. of Taber) and Margret Plumtree (Town of Vauxhall) for their continued support and leadership.

In closing, we would like to thank all of our municipalities including our GIS partners to the north, our board, our executive, and our staff – it is truly a privilege to serve with all of you. Together, we can ensure our future remains bright.



Gordon Wolstenholme, Chair



Lenze Kuiper, Director

BOARD OF DIRECTORS

Membership as at December 31, 2019 consisted of the following 42 municipalities. Four Board of Directors' meetings were held between January 1 and December 31, 2019. Municipal representatives are listed below:

MUNICIPALITY	CURRENT MEMBER	FORMER MEMBER (part of 2019)
Arrowwood (Village)	Kevyn Stevenson	
Barnwell (Village)	Delbert Bodnarek	
Barons (Village)	Ed Weistra	
Bassano (Town)	Tom Rose	
Brooks (City)	Norman Gerestein	
Cardston (County)	Jim Bester	
Cardston (Town)	Richard Bengry	
Carmangay (Village)	Peggy Hovde	
Champion (Village)	Jamie Smith	
Claresholm (Town)	Doug MacPherson	
Coaldale (Town)	Butch (Henry) Pauls	
Coalhurst (Town)	Elizabeth Christensen	
Coutts (Village)	Tanya Smith	
Cowley (Village)	Warren Mickels	
Crowsnest Pass (Municipality)	Dave Fillipuzzi & Dean Ward	
Duchess (Village)	Kole Steinley	
Fort Macleod (Town)	Gordon Wolstenholme	
Glenwood (Village)	Gerry Carter	
Granum (Town)	—	Duncan McLean
Hill Spring (Village)	Suzanne French	
Lethbridge (County)	Morris Zeinstra	
Lomond (Village)	Brad Koch	
Magrath (Town)	Richard Van Ee	
Milk River (Town)	Peggy Losey	
Milo (Village)	Sheldon Walker	
Nanton (Town)	Beryl West	Dan McLelland
Newell (County)	Clarence Amulung	
Nobleford (Town)	Marinus de Leeuw	
Picture Butte (Town)	Henry de Kok	
Pincher Creek (M.D. No. 9)	Bev Everts	
Pincher Creek (Town)	Don Anderberg	
Ranchland (M.D. No. 66)	Ronald Davis	
Raymond (Town)	Stewart Foss	
Stavely (Town)	Don Norby	
Stirling (Village)	Matthew Foss	
Taber (M.D.)	Jennifer Crowson	
Vauxhall (Town)	Margaret Plumtree	
Vulcan (County)	Jason Schneider	
Vulcan (Town)	Lyle Magnuson	
Warner (County No. 5)	David Cody	
Warner (Village)	Marty Kirby	Eric Burns
Willow Creek (M.D. No. 26)	Ian Sundquist	

CHAIR AND VICE-CHAIR

The Chair and Vice-Chair from January 1 to December 5, 2019 were:

Chair	–	Gordon Wolstenholme (Town of Fort Macleod)
Vice-Chair	–	Jim Bester (Cardston County)

At the December 5, 2019 Annual Organizational Board of Directors' meeting, both the Chair and Vice-Chair were re-elected to their positions for the period December 5, 2019 to December 3, 2020.

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, 2019.

The following served on the Executive Committee from January 1 to December 5, 2019:

Gordon Wolstenholme	–	Town of Fort Macleod (Chair)
Jim Bester	–	Cardston County (Vice-Chair)
Don Anderberg	–	Town of Pincher Creek
Doug MacPherson	–	Town of Claresholm
Ian Sundquist	–	M.D. of Willow Creek No. 26
Jennifer Crowson	–	M.D. of Taber
Margaret Plumtree	–	Town of Vauxhall

At the December 5, 2019 Annual Organizational Board of Directors' meeting, all of the above were re-elected to serve on the Executive Committee from December 5, 2019 to December 3, 2020.

STAFF**STAFF Employed During 2019**

DIRECTOR	Lenze Kuiper
SENIOR PLANNER	Bonnie Brunner
SENIOR PLANNER	Mike Burla
SENIOR PLANNER	Steve Harty
SENIOR PLANNER	Diane Horvath
SENIOR PLANNER	Gavin Scott
PLANNER	Madeleine Baldwin – started December 2/19
PLANNER	Ryan Dyck (90% part-time)
PLANNER	Ian MacDougall – January 1 - March 8/19
ASSISTANT PLANNER	Erin Graham
ASSISTANT PLANNER	Max Kelly – started May 13/19
ASSISTANT PLANNER	Hailey Winder
CAD/GIS TECHNOLOGIST	Mladen Krstic
CAD/GIS TECHNOLOGIST	Yueu Majok
CAD/GIS TECHNOLOGIST	Kaylee Sailer (maternity leave starting September 1/19)
GIS ANALYST	Jaime Thomas
GIS ANALYST	Jordan Thomas
GIS TECHNICIAN	Carlin Groves (contract starting July 1/19)
EXECUTIVE SECRETARY	Barb Johnson (80% part-time)
BOOKKEEPER	Sherry Johnson (80% part-time)
SUBDIVISION TECHNICIAN	Jennifer Maxwell
MUNICIPAL PLANNING CLERK	Bonnie Andres – started January 2/19

MUNICIPAL PROJECTS

Arrowwood (Village) – Municipal Development Plan (completed); Land Use Updates (completed); Intermunicipal Development Plan with Vulcan County (ongoing)

Barnwell (Village) – Land Use Bylaw Rewrite (completed)

Barons (Village) – Intermunicipal Development Plan with Lethbridge County (commenced)

Bassano (Town) – Municipal Development Plan (commenced)

Brooks (City) – Land Use Bylaw Rewrite (commenced)

Cardston (County) – Intermunicipal Development Plan with M.D. of Pincher Creek (completed); Intermunicipal Development Plan with Town of Cardston (ongoing); Intermunicipal Development Plan with Town of Magrath Update (ongoing); Land Use Bylaw (commenced)

Cardston (Town) – Intermunicipal Development Plan with Cardston County (ongoing)

Carmangay (Village) – Municipal Development Plan (completed); Land Use Bylaw Updates (ongoing); Intermunicipal Development Plan with Vulcan County (commenced)

Champion (Village) – Intermunicipal Development Plan with Vulcan County (draft completed), Land Use Bylaw Updates (ongoing)

Claresholm (Town) – Annexation (completed); Intermunicipal Development Plan with M.D. of Willow Creek (commenced)

Coaldale (Town) – East Coaldale Area Structure Plan (ongoing); Municipal Development Plan (ongoing)

Coalhurst (Town) – Lethbridge County and Town of Coalhurst Joint Industrial Area Structure Plan (completed); Land Use Bylaw (ongoing)

Coutts (Village) – SSRP Compliance Review; Land Use Bylaw Updates - Administrative (completed); Municipal Development Plan (commenced); Intermunicipal Development Plan with County of Warner (commenced); Intermunicipal Collaborative Framework with County of Warner (commenced)

Cowley (Village) – Municipal Development Plan (ongoing)

Crowsnest Pass (Municipality) – Municipal Development Plan Background Report (ongoing); Intermunicipal Development Plan with M.D. of Ranchland No. 66 (ongoing); Intermunicipal Development Plan with M.D. of Pincher Creek (completed)

Duchess (Village) – Land Use Bylaw (commenced)

Fort Macleod (Town) – Macleod Meadows Concept Plan (ongoing); Intermunicipal Development Plan with M.D. of Willow Creek (commenced)

Glenwood (Village) – Municipal Development Plan (ongoing)

Granum (Town) – Intermunicipal Development Plan with M.D. of Willow Creek (terminated)

Hill Spring (Village) – Intermunicipal Development Plan with Cardston County (commenced)

Lethbridge (County) – Intermunicipal Development Plan with Town of Nobleford Update (adopted); Joint Industrial Area Structure Plan with Town of Coalhurst (completed); Hamlet of Turin Growth Study (completed); Hamlet of Iron Springs Growth Study (completed); Intermunicipal Development Plan with Village of Barons (commenced); Hamlet of Shaughnessy Growth Study (commenced); Hamlet of Diamond City Growth Study (commenced); Hamlets of Chin/Kipp Growth Study (commenced)

Lomond (Village) – Municipal Development Plan (ongoing); Intermunicipal Development Plan with Vulcan County (ongoing)

Magrath (Town) – Intermunicipal Development Plan with Cardston County Update (ongoing)

Milk River (Town) – SSRP Compliance Review; Land Use Bylaw Updates - Administrative (completed); Intermunicipal Development Plan with County of Warner (commenced); Intermunicipal Collaborative Framework with County of Warner (commenced)

Milo (Village) – Municipal Development Plan (ongoing); Intermunicipal Development Plan with Vulcan County (ongoing)

Nanton (Town) – Westview Concept Plan (commenced)

Newell (County) – North Headgates Area Redevelopment Plan (completed)

Nobleford (Town) – Intermunicipal Development Plan with Lethbridge County Update (completed)

Picture Butte (Town) – Industrial-Commercial Growth Study (completed); Annexation Report (completed)

Pincher Creek (M.D. No. 9) – Castle Mountain Area Structure Plan (completed); Wind Energy Conversion Systems Review (completed); Intermunicipal Development Plan with M.D. of Ranchland (completed); Intermunicipal Development Plans with Cardston County, Municipality of Crowsnest Pass, M.D. of Ranchland, and M.D. of Willow Creek (completed); Municipal Development Plan (commenced)

Pincher Creek (Town) – Land Use Bylaw (ongoing)

Ranchland (M.D. No. 66) – Intermunicipal Development Plan with M.D. of Pincher Creek (completed); Intermunicipal Development Plan with Municipality of Crowsnest Pass (ongoing)

Raymond (Town) – SSRP Compliance Review; Land Use Bylaw Updates - Administrative (completed); Intermunicipal Development Plan Amendments with County of Warner (commenced)

Stavelly (Town) – Intermunicipal Development Plan with M.D. of Willow Creek (commenced)

Stirling (Village) – SSRP Compliance Review; Intermunicipal Development Plan with County of Warner (commenced)

Taber (M.D.) – SSRP Compliance Review; Land Use Bylaw Updates - Administrative (completed); Intermunicipal Development Plan with Town of Taber (commenced)

Vauxhall (Town) – SSRP Compliance Review

Vulcan (County) – Intermunicipal Development Plan with Town of Vulcan (completed); Intermunicipal Development Plan with Village of Arrowwood (ongoing); Intermunicipal Development Plan with Village of Champion (ongoing); Intermunicipal Development Plan with Village of Milo (ongoing); Land Use Bylaw (ongoing)

Vulcan (Town) – Intermunicipal Development Plan with Vulcan County (completed)

Warner (County No. 5) – Land Use Bylaw Updates (completed); Intermunicipal Development Plans with Town of Milk River and Villages of Coutts, Stirling and Warner (commenced); Intermunicipal Development Plan with Town of Raymond Update (commenced); Intermunicipal Collaborative Frameworks with Towns of Milk River and Raymond and Villages of Coutts, Stirling and Warner (commenced)

Warner (Village) – SSRP Compliance Review; Land Use Bylaw Updates - Administrative (completed); Municipal Development Plan (ongoing); Intermunicipal Development Plan with County of Warner (commenced); Intermunicipal Collaborative Framework with County of Warner (commenced)

Willow Creek (M.D. No. 26) – Intermunicipal Development Plan with M.D. of Ranchland (completed); Land Use Bylaw (adopted); Intermunicipal Development Plan with Town of Claresholm (commenced); Intermunicipal Development Plan with Town of Fort Macleod (commenced); Intermunicipal Development Plan with Town of Staveland (commenced)

GIS Project:

- Installed new GIS software
- Started site conversion to new GIS software
- Attended five ESRI software education courses
- Installation of new server infrastructure at Whipcord
- Applied for IC grant from Municipal Affairs

Other Projects and Services:

- Secretarial service for 16 Subdivision and Development Appeal Board hearings
- Clerk service for 14 Regional Assessment Review Board hearings
- Hosted Assessment Review Board Training - April 2019
- Board Bus Tour to visit Raymond Alternative Energy Project – September 2019

SUBDIVISION

SUMMARY OF APPLICATIONS PROCESSED

A total of 177 subdivision applications were processed during the 2019 calendar year. The status of these applications as at December 31, 2019 are shown below:

158	–	Approved or Approved on Condition
1	–	Refused
1	–	Withdrawn or Expired
17	–	Pending

No subdivision applications were appealed in 2019.

The following table shows a detailed breakdown of the subdivision applications for 2019.

DETAILS OF SUBDIVISION APPLICATIONS PROCESSED – 2019

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	Boundary Line Adjustment	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)	2		2				19								19
Barons (Village)	—														
Bassano (Town)	—														
Brooks (City)	3		2			1	4	2							6
Cardston (County)	23	3	22			1	10	1	1	14	8				34
Cardston (Town)	1		1				10								10
Carraigay (Village)	1	1	1												0
Champion (Village)	1	1				1									0
Clareholm (Town)	1	2	1												0
Coaldale (Town)	3		2			1	2		1						3
Coalhurst (Town)	1		1				1								1
Coutts (Village)	—														
Cowley (Village)	—														
Crowsnest Pass (Municipality)	3	1	2			1	1			1					2
Duchess (Village)	—														
Fort Macleod (Town)	2	1	2						1						1
Glenwood (Village)	—														
Granum (Town)	—														
Hill Spring (Village)	1		1				1								1

MEMBER MUNICIPALITY	SUBDIVISION APPLICATIONS	Boundary Line Adjustment	DECISION				NEWLY CREATED LOTS (By Use)								Total
			A / A/C	R	W / E	P	Res	Com	Ind	CR	Ag	Inst	Rec	Misc	
Lethbridge (County)	27	6	23	1	1	2	2		9	33	2	4			50
Lomond (Village)	—														
Magrath (Town)	2		2				1	1							2
Milk River (Town)	—														
Milo (Village)	—														
Nanton (Town)	1		1				1								1
Newell (County)	23	6	23				1			8	12	3			24
Nobleford (Town)	—														
Picture Butte (Town)	—														
Pincher Creek (M.D. No. 9)	9		9							7	4	1	1		13
Pincher Creek (Town)	5		4			1	1	4				3			8
Ranchland (M.D. No. 66)	—														
Raymond (Town)	6		5			1	10	1							11
Stavely (Town)	—														
Stirling (Village)	1					1	3								3
Taber (M.D.)	20	2	20					3	2	16					21
Taber (M.D.) & Barnwell	1		1				1								1
Vauxhall (Town)	—														
Vulcan (County)	11	1	9			2				12					12
Vulcan (Town)	1		1						1						1
Warner (County No. 5)	10	3	9			1		1		7					8
Warner (Village)	—														
Willow Creek (M.D. No. 26)	18	1	14			4	1		1	14	2				18
TOTAL	177	28	158	1	1	17	69	13	16	112	28	11	1	0	250

NOTE: Lot count includes Pending Decisions as at December 31, 2019

Financial Statements of

**OLDMAN RIVER
REGIONAL SERVICES
COMMISSION**

And Independent Auditors' Report thereon

Year ended December 31, 2019



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Oldman River Regional Services Commission

Opinion

We have audited the financial statements of Oldman River Regional Services Commission (the Commission), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2019, and its results of operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards, including the 4200 series of standards for government not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, including the 4200 series of standards for government not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Lethbridge, Canada

April 9, 2020

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash and short-term deposits	\$ 199,447	\$ 389,683
Accounts receivable (note 4)	61,266	31,503
Prepaid expenses and deposits	10,574	10,527
	271,287	431,713
Cash not available for current operations	336,762	199,905
Capital assets (note 5)	620,754	619,638
	\$ 1,228,803	\$ 1,251,256

Liabilities

Current liabilities:		
Accounts payable and accrued liabilities	\$ 228,929	\$ 209,069
Net assets:		
Unrestricted	42,358	222,644
Invested in capital assets	620,754	619,638
Internally restricted	336,762	199,905
	999,874	1,042,187
Commitments (note 7)		
	\$ 1,228,803	\$ 1,251,256

See accompanying notes to financial statements.

On behalf of the Board:

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget	2019 Actual	2018 Actual
Revenue:			
Municipal contributions	\$ 953,084	\$ 953,084	\$ 938,079
GIS member fees	590,000	594,386	593,314
Subdivision fees	315,000	276,180	352,688
Service fees	425,000	329,623	445,603
Alberta Community Partnership Grant revenue recognized	-	-	43,200
Other revenue	26,850	63,373	13,828
Interest income	5,000	15,711	11,659
	2,314,934	2,232,357	2,398,371
Expenses:			
Salaries and benefits	2,012,000	1,963,921	1,881,894
Equipment	78,000	63,635	32,981
Occupancy costs	43,000	34,382	43,351
Repairs and maintenance	24,000	26,993	22,547
Staff travel	20,000	21,144	22,040
Telephone	17,000	20,602	20,594
Professional fees	12,500	9,880	14,789
Staff training and conferences	9,000	2,274	1,596
Printing and duplicating	8,500	6,479	9,195
Members' travel	8,000	8,103	7,230
Postage	7,000	6,500	3,816
Janitorial	6,000	6,533	6,002
Office and general	5,500	8,282	9,719
Members' fees	5,000	6,360	5,514
Advertising	5,000	5,009	4,531
Consulting	5,000	4,600	41,606
Land titles office	5,000	3,149	3,394
Public relations	4,000	8,882	6,547
Miscellaneous	2,000	12,187	2,023
Interest and bank charges	-	581	355
Alberta Community Partnership project expenses	-	-	25,850
Amortization	-	63,641	51,981
	2,276,500	2,283,137	2,217,555
Excess (deficiency) of revenues over expenses before the undernoted item	38,434	(50,780)	180,816
Other income:			
Gain on sale of capital assets	-	8,467	4,216
Excess (deficiency) of revenues over expenses	\$ 38,434	\$ (42,313)	\$ 185,032

See accompanying notes to financial statements.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Changes in Net Assets

Year ended December 31, 2019, with comparative information for 2018

	Unrestricted	Internally restricted	Invested in capital assets	Total 2019	Total 2018
Balance, beginning of year	\$ 222,644	\$ 199,905	\$ 619,638	\$ 1,042,187	\$ 857,155
Excess (deficiency) of revenue over expenses	(42,313)	-	-	(42,313)	185,032
Amortization of internally funded capital assets	63,641	-	(63,641)	-	-
Purchase of capital assets	(69,290)	-	69,290	-	-
Net book value of disposed capital assets	4,533	-	(4,533)	-	-
Transfers to reserve (note 10)	(136,857)	136,857	-	-	-
Balance, end of year	\$ 42,358	\$ 336,762	\$ 620,754	\$ 999,874	\$ 1,042,187

See accompanying notes to financial statements.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ (42,313)	\$ 185,032
Items not involving cash:		
Amortization	63,641	51,981
Gain on sale of capital assets	(8,467)	(4,216)
Changes in non-cash operating working capital:		
Accounts receivable	(29,763)	45,237
Prepaid expenses and deposits	(47)	3,196
Accounts payable and accrued liabilities	19,860	12,861
Deferred revenue	-	(43,200)
	2,911	250,891
Capital activities:		
Purchase of capital assets	(69,290)	(45,144)
Proceeds on sale of capital assets	13,000	7,500
	(56,290)	(37,644)
Increase (decrease) in cash and short-term deposits	(53,379)	213,247
Cash and short-term deposits, beginning of year	589,588	376,339
Cash, end of year	\$ 536,209	\$ 589,586
Cash is represented by:		
Cash and short-term deposits	\$ 199,447	\$ 389,683
Cash not available for current operations	336,762	199,905
	\$ 536,209	\$ 589,588

See accompanying notes to financial statements.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements

Year ended December 31, 2019

Nature of operations:

Oldman River Regional Services Commission (the "Commission") is a regional planning commission created by an order in Council of the province of Alberta on October 21, 2003. It was created pursuant to the Municipal Government Act of Alberta. Members of the Commission are restricted to municipal authorities. The Commission is exempt from income tax under Section 149 of the Canadian Income Tax Act.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations. The Commission's significant accounting policies are as follows:

(a) Revenue recognition:

The Commission follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. 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.

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

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

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(b) Capital assets:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Building	Declining balance	4%
Vehicles	Declining balance	30%
Computer	Straight-line	4 years
General contents	Straight-line	5 years

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer has any long-term service potential to the Commission. Any such impairment is measured by a comparison of the carrying amount of an asset to estimated residual value.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits, which are highly liquid with original maturities of less than three months from the date of acquisition. These financial assets are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(d) Financial instruments:

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Commission recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, bank indebtedness, accounts payable and accrued liabilities, debt and other liabilities. Unless otherwise noted, it is management's opinion that the Commission is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

Portfolio investments in equity instruments quoted in an active market and derivatives are recorded at fair value. All other financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of items in the cost or amortized cost upon initial recognition. The gain or loss arising from de-recognition of a financial instrument is recognized in the Statement of Operations. Impairment losses such as write-downs or write-offs are reported in the Statement of Operations.

There are no remeasurement gains or losses and as such, a statement of remeasurement gains and losses has not been prepared.

(e) Employee future benefits:

The Commission participates in a multi-employer defined pension plan call the Local Authorities Pension Plan (LAPP). This pension plan is a multi-employer defined benefit pension plan that provides pension benefits for the Commission's participating employees, based on years of service and earnings.

The plan is accounted for as a defined contribution plan whereby contributions are expensed as incurred.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts 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 expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of capital assets. Actual results could differ from those estimates.

(g) Contaminated sites liability:

The Commission uses Public Sector Accounting Standards section 3260 - liability for contaminated sites. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or retroactive or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring. At December 31, 2019 the Commission did not have any liabilities associated with contaminated sites.

2. Future accounting pronouncements:

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board (PSAB). In 2020, the Commission will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently.

(i) PS 3280 - Asset retirement obligations:

This section provides guidance on how to account for and report a liability for retirement of a tangible capital asset. This section is effective for fiscal years beginning on or after April 1, 2021.

(ii) PS 3400 - Revenue:

This section provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions. This section is effective for fiscal years beginning on or after April 1, 2022.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2019

3. Accounts receivable:

		2019		2018
Trade receivables	\$	56,197	\$	26,235
Goods and services tax		5,069		5,268
	\$	61,266	\$	31,503

4. Capital assets:

				2019
	Cost	Accumulated amortization		Net book value
Land	\$ 80,000	\$ -	\$	80,000
Building	773,397	342,392		431,005
General contents	281,195	260,665		20,530
Other equipment	13,678	13,097		581
Vehicles	78,942	41,000		37,942
Computer	146,377	95,681		50,696
	\$ 1,373,589	\$ 752,835	\$	620,754

				2018
	Cost	Accumulated amortization		Net book value
Land	\$ 80,000	\$ -	\$	80,000
Building	773,397	324,433		448,964
General contents	276,830	256,597		20,233
Other equipment	13,678	13,097		581
Vehicles	75,449	42,496		32,953
Computer	120,241	83,334		36,907
	\$ 1,339,595	\$ 719,957	\$	619,638

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2019

5. Financial risks and concentration of risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Commission will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Commission manages its liquidity risk by monitoring its operating requirements. There has been no change to the risk exposures from 2018.

(b) Market risk:

Market risk is the risk that changes in market price such as interest rates will affect the Commission's income or value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters.

(c) Interest rate risk:

The Commission is exposed to interest rate risk on its fixed interest rate financial instruments and floating rate operating line of credit loan.

(d) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Commission is exposed to credit risk with respect to accounts receivable and has processes in place to monitor accounts receivable balances. The Commission believes that it is not exposed to significant credit risk arising from its financial instruments.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2019

6. Commitments:

- (a) The Commission leased equipment under agreements expiring on dates ranging from April, 2019 to January, 2021. The base rent obligation under the leases for the next year is approximately \$4,324.
- (b) The Commission has signed contracts for electricity and natural gas for its facilities, which expired on December 31, 2018, however is to continue on a year to year basis until written notice of termination on December 31, 2023.

7. Economic dependence:

The Commission receives a significant portion of its revenue directly and indirectly from its members, such the Commission is economically dependent on its members.

8. Debt limits:

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 76/2000 for the Commission be disclosed as follows:

	2019	2018
Total debt limit	\$ 1,116,178	\$ 1,171,760
Total debt	-	-
Debt servicing limit	\$ 223,236	234,352
Debt servicing	-	-
Amount of debt servicing limit unused	\$ 223,236	\$ 234,352

The debt limit is calculated at 0.5 times revenue of the Commission (as defined in Alberta Regulation 76/2000) and the debt service limit is calculated at 0.1 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation 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

Notes to Financial Statements (continued)

Year ended December 31, 2019

9. Internally restricted net assets:

Internally restricted net assets is comprised of the following:

	2019	2018
Operating reserve fund	168,381	99,952
Capital reserve fund	168,381	99,953
	336,762	199,905

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 265,813 employees of approximately 421 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 9.39% of pensionable payroll up to the year's maximum pensionable earnings under the Canada Pension Plan, and 13.84% on pensionable earnings above this amount.

Employees of Oldman River Regional Services Commission are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable earnings under the Canada Pension Plan, and 12.84% 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 2019 were \$137,062 (2018 - \$143,590). Total current and past service contributions by the employees of Oldman River Regional Services Commission to the Local Authorities Pension Plan in 2019 were \$124,278 (2018 - \$131,325).

At December 31, 2018 the Plan disclosed an actuarial surplus of \$3.5 billion.

OLDMAN RIVER REGIONAL SERVICES COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2019

11. Contractual rights:

Contractual rights are rights of the Commission to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

The Commission has entered into agreements to provide services to municipal members. The timing and extent of the fees collected in the future depend upon the timing and extent of services provided and as such will vary in the future.

The Commission collects municipal contributions from its members, the amounts collected depend upon participation and population of member communities and as such will vary in the future.

12. Budget information:

The budget information was approved by the Board on December 6, 2018.

13. Subsequent event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of the approval of these financial statements, the Commission has experienced financial and operational impacts and has undertaken certain activates in relation to the COVID-19 pandemic.

At this time, uncertainty exists over future cash flows which may cause significant changes to the assets and liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.