

**Town of Olds  
Consolidated Financial Statements  
For the year ended December 31, 2006**

**Contents**

---

|   |                 |
|---|-----------------|
| <b>Auditors' Report</b>   | <b>2</b>        |
| <b>Consolidated Financial Statements</b>  |                 |
| <b>Consolidated Statement of Financial Position</b>                                       | <b>3</b>        |
| <b>Consolidated Statement of Financial Activities and<br/>    Change in Fund Balances</b> | <b>4</b>        |
| <b>Consolidated Statement of Changes in Financial<br/>    Position</b>                    | <b>5</b>        |
| <b>Notes to Consolidated Financial Statements</b>   | <b>6 - 12</b>   |
|   | <b>Schedule</b> |
| <b>Schedule of Operating Fund Activities and<br/>    Change in Fund Balances</b>          | <b>1</b>        |
| <b>Schedule of Capital Fund Activities and<br/>    Change in Fund Balances</b>            | <b>2</b>        |
| <b>Schedule of Reserves for Future Expenditures</b>                                       | <b>3</b>        |
| <b>Schedule of Equity in Capital Assets</b>   | <b>4</b>        |
| <b>Schedule of Property Taxes Levied</b>  | <b>5</b>        |
| <b>Schedule of Government Transfers</b>   | <b>6</b>        |
| <b>Schedule of Consolidated Expenditures by Object</b>                                    | <b>7</b>        |



**BDO Dunwoody LLP**  
Chartered Accountants  
and Advisors

1900, 801 - 6 Avenue S.W.  
Calgary Alberta Canada T2P 3W2  
Telephone: (403) 266-5608  
Fax: (403) 233-7833  
www.bdo.ca

---

## Auditors' Report

---

### To the Mayor and Council of Town of Olds

We have audited the consolidated statement of financial position of the Town of Olds as at December 31, 2006 and the consolidated statements of financial activities with change in fund balances and the consolidated statement of changes in financial position for the year then ended. These consolidated financial statements are the responsibility of the Municipality's management. Our responsibility is to express an opinion on these consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Town of Olds as at December 31, 2006 and the results of its financial activities and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

**Chartered Accountants**

Calgary, Alberta  
March 22, 2007

**Town of Olds**  
**Consolidated Statement of Financial Position**

December 31 2006 2005

**Assets**

**Financial Assets**

|  |                  |                  |
|--|------------------|------------------|
| Cash   | \$ 3,568,110     | \$ 3,086,102     |
| Receivables  |                  |                  |
| Taxes and grants in place of taxes receivable (Note 2) | 54,577           | 122,676          |
| Trade and other receivables (Note 3)                   | <u>2,867,801</u> | <u>1,465,851</u> |
|  | <u>6,490,488</u> | <u>4,674,629</u> |

**Physical Assets**

|                           |                      |                      |
|---------------------------|----------------------|----------------------|
| Inventory for consumption | 9,275                | -                    |
| Capital assets (Note 4)   | <u>59,456,702</u>    | <u>57,103,530</u>    |
|                           | <u>59,465,977</u>    | <u>57,103,530</u>    |
|                           | <b>\$ 65,956,465</b> | <b>\$ 61,778,159</b> |

**Liabilities and Municipal Equity**

**Liabilities**

|  |                  |                  |
|--|------------------|------------------|
| Accounts payable and accrued liabilities | \$ 1,450,504     | \$ 1,093,983     |
| Deposits and other liabilities           | 58,446           | 52,110           |
| Deferred revenue                         | 82,348           | 58,755           |
| Long-term debt (Note 5)                  | <u>5,544,923</u> | <u>5,827,781</u> |
|  | <u>7,136,221</u> | <u>7,032,629</u> |

**Municipal Equity**

**Fund Balances**

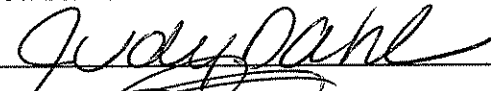
|   |                  |                  |
|---|------------------|------------------|
| Operating fund (Schedule 1)                   | 722,485          | 722,485          |
| Capital fund (Schedule 2)                     | -                | -                |
| Reserves for future expenditures (Schedule 3) | <u>4,185,980</u> | <u>2,747,296</u> |
| Total Fund balances                           | <u>4,908,465</u> | <u>3,469,781</u> |

**Equity in capital assets (Schedule 4)**

|  |                      |                      |
|--|----------------------|----------------------|
|  | <u>53,911,779</u>    | <u>51,275,749</u>    |
|  | <u>58,820,244</u>    | <u>54,745,530</u>    |
|  | <b>\$ 65,956,465</b> | <b>\$ 61,778,159</b> |

Contingencies (Note 6)

On behalf of the Council:

 Mayor

 Chief Administrative Officer

**Town of Olds**  
**Consolidated Statement of Financial Activities**  
**and Change in Fund Balances**

| For the year ended December 31  | 2006 Budget<br>(unaudited) | 2006              | 2005              |
|---|----------------------------|-------------------|-------------------|
| <b>Revenues</b>   |                            |                   |                   |
| Net municipal property taxes (Schedule 5)                             | \$ 4,475,800               | \$ 4,574,530      | \$ 4,153,346      |
| Sales to other governments  | 179,600                    | 183,429           | 113,909           |
| Sales and user fees   | 3,939,800                  | 3,746,812         | 3,774,908         |
| Government transfers (Schedule 6)                                     | 2,620,500                  | 2,442,114         | 2,427,618         |
| Proceeds from disposal of capital property                            | 25,000                     | 25,000            | 107,482           |
| Investment income   | 266,000                    | 161,117           | 52,026            |
| Penalties, costs and fines  | 140,000                    | 193,988           | 136,342           |
| Licenses and permits  | 131,000                    | 220,803           | 117,265           |
| Franchise fees  | 415,000                    | 379,595           | 418,446           |
| Developers' agreements  | 50,000                     | 173,385           | 46,460            |
| Rentals and other   | 282,300                    | 302,388           | 302,847           |
|   | <u>12,525,000</u>          | <u>12,403,161</u> | <u>11,650,649</u> |
| <b>Expenditures by function (Schedule 7 - Expenditures by Object)</b> |                            |                   |                   |
| <b>OPERATING</b>  |                            |                   |                   |
| General Government  | 865,300                    | 868,218           | 838,064           |
| Protective services   | 1,626,500                  | 1,511,735         | 1,445,162         |
| Roads, streets and other transportation services                      | 666,500                    | 673,401           | 713,786           |
| Waste and wastewater  | 2,009,100                  | 2,048,785         | 2,012,054         |
| Waste management  | 481,000                    | 487,747           | 641,642           |
| Public health and welfare   | 267,600                    | 250,110           | 257,197           |
| Planning and development  | 376,700                    | 420,326           | 311,811           |
| Recreation, parks and culture   | 2,085,360                  | 2,064,894         | 2,098,701         |
| Other   | 5,500                      | 3,231             | 13,374            |
|   | <u>8,383,560</u>           | <u>8,328,447</u>  | <u>8,331,791</u>  |
| <b>CAPITAL</b>  |                            |                   |                   |
| General Government  | 135,000                    | 56,759            | 7,319             |
| Protective services   | 77,100                     | 57,296            | 118,560           |
| Roads, streets and other transportation services                      | 1,575,300                  | 1,745,207         | 1,542,089         |
| Water and wastewater  | 916,000                    | 257,065           | 324,219           |
| Public health and welfare   | -                          | 27,146            | 34,497            |
| Planning and Development  | 15,000                     | 13,600            | 15,497            |
| Recreation, parks and culture   | 1,188,500                  | 196,099           | 457,441           |
|   | <u>3,906,900</u>           | <u>2,353,172</u>  | <u>2,499,622</u>  |
|   | <u>12,290,460</u>          | <u>10,681,619</u> | <u>10,831,413</u> |
| <b>Excess of revenues over expenditures</b>                           | 234,540                    | 1,721,542         | 819,236           |
| Repayment of long-term debt   | (262,500)                  | (282,858)         | (268,402)         |
| Transfer of land to equity in capital assets                          | -                          | -                 | (94,000)          |
|   | <u>(27,960)</u>            | <u>1,438,684</u>  | <u>456,834</u>    |
| <b>Change in fund balances</b>  | (27,960)                   | 1,438,684         | 456,834           |
| Fund balances, beginning of year                                      | <u>3,469,781</u>           | <u>3,469,781</u>  | <u>3,012,947</u>  |
| <b>Fund balances, end of year</b>                                     | \$ 3,441,821               | \$ 4,908,465      | \$ 3,469,781      |

The accompanying notes are an integral part of these consolidated financial statements.

**Town of Olds  
Consolidated Statement of  
Changes in Financial Position**

| <b>For the year ended December 31</b>             | <b>2006</b>             | <b>2005</b>             |
|---|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>       |                         |                         |
| Excess (deficiency) of revenues over expenditures |                         |                         |
| Operating financial activities (Schedule 1)       | \$ 1,860,820            | \$ 1,298,617            |
| Capital financial activities (Schedule 2)         | <u>(139,278)</u>        | <u>(479,381)</u>        |
|   | <b>1,721,542</b>        | <b>819,236</b>          |
| Changes in other working capital accounts         |                         |                         |
| Accounts receivable                               |                         |                         |
| Taxes and grants in place of property taxes       | <b>68,099</b>           | (21,046)                |
| Trade and other                                   | <b>(1,401,950)</b>      | 46,104                  |
| Inventory for consumption                         | <b>(9,275)</b>          | -                       |
| Accounts payable and accrued liabilities          | <b>356,521</b>          | 644,569                 |
| Deposits and other liabilities                    | <b>6,336</b>            | (4,159)                 |
| Deferred revenue                                  | <b>23,593</b>           | 58,755                  |
|   | <u><b>764,866</b></u>   | <u><b>1,543,459</b></u> |
| <b>Cash flows from financing activities</b>       |                         |                         |
| Repayment of long-term debt                       | <u><b>(282,858)</b></u> | <u>(268,402)</u>        |
| <b>Increase in cash and cash equivalents</b>      | <b>482,008</b>          | <b>1,275,057</b>        |
| Cash and cash equivalents, beginning of year      | <u><b>3,086,102</b></u> | <u><b>1,811,045</b></u> |
| <b>Cash and cash equivalents, end of year</b>     | <b>\$ 3,568,110</b>     | <b>\$ 3,086,102</b>     |
| <b>Represented by the following:</b>              |                         |                         |
| Cash  | <b>\$ 3,568,110</b>     | <b>\$ 3,086,102</b>     |

The accompanying notes are an integral part of these consolidated financial statements.

---

**Town of Olds**  
**Notes to Consolidated Financial Statements**

**December 31, 2006**

---

**1. Significant Accounting Policies**

---

The consolidated financial statements of the Town of Olds ( the "Town") are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, and changes in fund balances and in cash flows of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to the Council and are owned or controlled by the Town.

The schedule of property taxes levied also includes operating requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

The consolidated financial statements exclude any trust assets that may be administered for the benefit of external parties. Inter-departmental and organizational transactions and balances have been eliminated.

(b) Basis of accounting

Revenues from property taxes, utility consumption, and other goods and services are recognized in the period in which the transactions or events giving rise to the revenues occurred.

Funds from external parties and earnings thereon, restricted by agreement or legislation, are recorded as deferred revenue until used for the specified purpose.

Government transfers are recognized as revenues for the period in which transactions or events giving rise to the transfer occurred, providing the transfers are authorized, the Town has met eligibility criteria, and reasonable estimates of the amounts can be made.

Expenditures are recognized in the period the goods and services were acquired and a liability was incurred or transfers are due.

(c) Fund accounting

Management funds consist of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity account. Proceeds from sales of land held for resale are recorded as operating fund revenues.

The operating and capital funds are further segregated by functions which relate to specific areas of activity of the Town.

(d) Taxes and grants in place of taxes receivable

Taxes and grants in place of taxes receivable consist of current and non-current property tax levies which remain outstanding at December 31.

---

---

**Town of Olds**  
**Notes to Consolidated Financial Statements**

**December 31, 2006**

---

**1. Significant Accounting Policies (Continued)**

---

(e) Inventories

Inventories of materials and supplies for consumption are valued at the lower of cost or net realizable value with cost determined by the average cost method.

(f) Capital assets

Capital assets are reported as expenditures in the period they are acquired and are recorded at cost, except for donated assets which are recorded at the estimated fair value when acquired.

Government contributions for the acquisition of capital assets are recorded as capital revenue and do not reduce the related capital asset costs.

Capital assets are not depreciated.

(g) Reserves for future expenditures

Reserves are established at the discretion of Council to set aside funds for future operating and capital expenditures. Transfers to and/or from reserves are reflected as an adjustment in the equity account of the appropriate fund.

(h) Equity in capital assets

Equity in capital assets represents the Town's net investment in its total capital assets, after deducting the portion financed by third parties through debenture, bond and mortgage debts, long-term capital borrowings, capitalized leases and other capital liabilities.

(i) Over-levies and under-levies

Over-levies and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability under deferred revenue and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and property tax revenue is increased.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under levies of the prior year.

(j) Use of estimates

The preparation of financial statements in conformity with 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.

---

**Town of Olds**  
**Notes to Consolidated Financial Statements**

December 31, 2006

| 2. Taxes and Grants in Place of Taxes Receivable | 2006         | 2005          |
|--|--------------|---------------|
| Current taxes and grants in place of taxes       | \$ 45,942    | \$ 87,422     |
| Arrears taxes                                    | <u>8,635</u> | <u>35,254</u> |
|  | \$ 54,577    | \$ 122,676    |

| 3. Trade and Other Receivables                 | 2006           | 2005           |
|--|----------------|----------------|
| Utility accounts receivable                    | \$ 324,693     | \$ 215,793     |
| Goods and services tax recoverable and rebates | 69,063         | 258,183        |
| Other government receivables                   | 1,649,176      | 297,036        |
| Trade and other                                | <u>824,869</u> | <u>694,839</u> |
|  | \$ 2,867,801   | \$ 1,465,851   |

| 4. Capital Assets       | 2006             | 2005             |
|-------------------------|------------------|------------------|
| Land                    | \$ 1,143,015     | \$ 1,143,015     |
| Buildings               | 17,979,897       | 17,894,383       |
| Engineering structures  | 33,918,826       | 32,239,693       |
| Machinery and equipment | 4,808,916        | 4,220,391        |
| Vehicles                | <u>1,606,048</u> | <u>1,606,048</u> |
|                         | \$ 59,456,702    | \$ 57,103,530    |

| 5. Long-term Debt                          | 2006                | 2005                |
|--|---------------------|---------------------|
| Debentures supported by general tax levies | \$ 2,498,602        | \$ 2,685,909        |
| Debentures supported by utility rates      | <u>\$ 3,046,321</u> | <u>\$ 3,141,872</u> |
|  | <u>\$ 5,544,923</u> | <u>\$ 5,827,781</u> |

Principal and interest repayments are as follows:

|                  | Principal        | Interest         | Total            |
|------------------|------------------|------------------|------------------|
| 2007             | \$ 268,116       | \$ 320,075       | \$ 588,191       |
| 2008             | 282,569          | 306,344          | 588,913          |
| 2009             | 297,825          | 291,838          | 589,663          |
| 2010             | 244,596          | 276,944          | 521,540          |
| 2011             | 231,114          | 262,505          | 493,619          |
| Subsequent years | <u>4,220,703</u> | <u>1,864,527</u> | <u>6,085,230</u> |
|                  | \$ 5,544,923     | \$ 3,322,233     | \$ 8,867,156     |

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 3.55% to 6.25% per annum, fixed for the term of the loans, and matures in periods 2007 through 2026. Debenture debt is issued on the credit and security of the Town at large.



**Town of Olds**  
**Notes to Consolidated Financial Statements**

**December 31, 2006**

**6. Contingencies**

During 2006, the Town renewed an irrevocable loan guarantee in favour of the Alberta Treasury Branch, whereby the Town agrees to make payments on behalf of the Olds Golf Club Association in the event their loan becomes delinquent for more than 30 days. The loan in question originated in 1992 for the purpose of expanding the existing golf course. As at December 31, 2006, the Town's maximum liability under the said guarantee is \$308,982 (2005-\$334,185).

The Town is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

**7. Commitments**

The Town has agreed to lease vehicles for various periods as follows:

|  |      |    |        |
|--|------|----|--------|
|  | 2007 | \$ | 34,632 |
|  | 2008 | \$ | 34,632 |
|  | 2009 | \$ | 8,940  |

**8. Debt Limits**

Section 276(2) of the Municipal Government Act requires that debt and debt servicing limits as defined by Alberta Regulation 255/00 for the Town be disclosed as follows:

|                                       | 2006                        | 2005                |
|---------------------------------------|-----------------------------|---------------------|
| Total debt limit                      | <b>\$ 15,939,765</b>        | \$ 14,835,750       |
| Total debt                            | <b><u>5,853,905</u></b>     | <u>6,161,966</u>    |
| Amount of debt limit unused           | <b><u>\$ 10,085,860</u></b> | <u>\$ 8,673,784</u> |
| <br>                                  |                             |                     |
| Debt servicing limit                  | <b>\$ 2,656,627</b>         | \$ 2,472,625        |
| Debt servicing                        | <b><u>588,191</u></b>       | <u>620,443</u>      |
| Amount of debt servicing limit unused | <b><u>\$ 2,068,436</u></b>  | <u>\$ 1,852,182</u> |

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 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 that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

**Town of Olds**  
**Notes to Consolidated Financial Statements**

**December 31, 2006**

**9. Salary and Benefits Disclosure**

Disclosure of salaries and benefits for municipal officials and the chief administrative officer as required by Alberta Regulation 313/2000 is as follows:

|                              | Salary    | Benefits | 2006<br>Total    | 2005<br>Total |
|------------------------------|-----------|----------|------------------|---------------|
| Mayor and Council            |           |          |                  |               |
| Mayor Dahl                   | \$ 31,600 | \$ 895   | \$ <b>32,495</b> | \$ 33,202     |
| Councillor Bojda             | 16,530    | 399      | <b>16,929</b>    | 18,508        |
| Councillor Coates            | 14,290    | 338      | <b>14,628</b>    | 13,725        |
| Councillor Scott Dundas      | 14,320    | 331      | <b>14,651</b>    | 14,882        |
| Councillor Smith             | 16,430    | 394      | <b>16,824</b>    | 16,679        |
| Councillor Elaine Taylor     | 15,800    | 373      | <b>16,173</b>    | 16,271        |
| Councillor Walsh             | 15,440    | 364      | <b>15,804</b>    | 18,089        |
| Chief Administrative Officer | 121,181   | 15,142   | <b>136,323</b>   | 121,354       |

Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration.

Benefits may include:

- (a) employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships, and tuition; and
- (b) allowances and the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, car and travel allowances, conferences and memberships.

**10. Financial Instruments**

The Town's financial instruments consist of cash and temporary investments, receivables, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these financial instruments.

The Town is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes this credit risk. In addition, substantially all of the Town's cash is held with one bank, thereby exposing the Town to the risk of this institution.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

---

**Town of Olds**  
**Notes to Consolidated Financial Statements**

**December 31, 2006**

---

**11. Comparative Figures**

---

Certain comparative figures for 2005 have been reclassified to conform with the current year's presentation.

---

**12. Local Authorities Pension Plan**

---

Employees of the Town of Olds participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. The Plan services about 133,000 people and 389 employers. It is financed by employer and employee contributions and investment earnings of the LAPP Fund.

The Town of Olds is required to make current service contributions to the Plan of 7.75% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 10.64% for the excess. Employees of the Town of Olds are required to make current service contributions of 6.75% of pensionable salary up to the year's maximum pensionable salary and 9.64% on pensionable salary above this amount.

Total current and past service contributions by the Town of Olds to the Local Authorities Pension Plan in 2006 were \$122,216 (2005 - \$118,676). Total current and past service contributions by the employees of the Town of Olds to the Local Authorities Pension Plan in 2006 were \$107,186 (2005 - \$103,487).

At December 31, 2006, the Plan disclosed an actuarial deficiency of \$863.8 million.

---

**13. Statement of Cash Flow**

|               | <b>2006</b>       | <b>2005</b>       |
|---------------|-------------------|-------------------|
| Interest paid | \$ <u>337,585</u> | \$ <u>352,040</u> |

---

**14. Approval of Financial Statements**

---

Council and Management have approved these financial statements.

---

**Schedule 1**  
**Town of Olds**  
**Schedule of Operating Fund Activities**  
**and Change in Fund Balances**

| For the year ended December 31                      | 2006 Budget<br>(unaudited) | 2006               | 2005               |
|---|----------------------------|--------------------|--------------------|
| <b>Revenues</b>                                     |                            |                    |                    |
| Net municipal property taxes levied (Schedule 5)    | 4,475,800                  | \$ 4,574,530       | \$ 4,153,346       |
| Sales to other governments                          | 179,600                    | 183,429            | 113,909            |
| Sales and user fees                                 | 3,939,800                  | 3,746,812          | 3,774,908          |
| Government transfers                                | 670,300                    | 665,463            | 621,883            |
| Investment income                                   | 50,000                     | 89,981             | 52,026             |
| Penalties, costs and fines                          | 140,000                    | 193,988            | 136,342            |
| Licenses and permits                                | 131,000                    | 220,803            | 117,265            |
| Franchise fees                                      | 415,000                    | 379,595            | 418,446            |
| Rentals   | 90,700                     | 75,295             | 191,974            |
| Insurance proceeds                                  | -                          | 17,693             | -                  |
| Other   | 31,600                     | 41,678             | 50,309             |
|   | <u>10,123,800</u>          | <u>10,189,267</u>  | <u>9,630,408</u>   |
| <b>Expenditures</b>                                 |                            |                    |                    |
| Council   | 266,700                    | 263,099            | 277,271            |
| General administration                              | 598,600                    | 605,119            | 560,793            |
| Protective services                                 | 1,626,500                  | 1,511,735          | 1,445,162          |
| Roads, streets and other transportation services    | 666,500                    | 673,401            | 713,786            |
| Waste and wastewater                                | 2,009,100                  | 2,048,785          | 2,012,054          |
| Waste management                                    | 481,000                    | 487,747            | 641,642            |
| Public health and welfare                           | 267,600                    | 250,110            | 257,197            |
| Planning and development                            | 376,700                    | 420,326            | 311,811            |
| Recreation, parks and culture                       | 2,085,360                  | 2,064,894          | 2,098,701          |
| Other   | 5,500                      | 3,231              | 13,374             |
|   | <u>8,383,560</u>           | <u>8,328,447</u>   | <u>8,331,791</u>   |
| <b>Excess of revenues over expenditures</b>         | <u>1,740,240</u>           | <u>1,860,820</u>   | <u>1,298,617</u>   |
| <b>Net inter-fund transfers</b>                     |                            |                    |                    |
| Transfers from (to) operating reserves              | (73,740)                   | 24,795             | (2,911)            |
| Transfers to capital fund                           | (1,404,000)                | (1,602,757)        | (997,890)          |
| Capital debt repaid                                 | (262,500)                  | (282,858)          | (268,402)          |
|   | <u>(1,740,240)</u>         | <u>(1,860,820)</u> | <u>(1,269,203)</u> |
| <b>Change in fund balance during the year</b>       | -                          | -                  | 29,414             |
| <b>Transfer of land to equity in capital assets</b> | -                          | -                  | (94,000)           |
| <b>Change in fund balances</b>                      | -                          | -                  | (64,586)           |
| <b>Fund balance, beginning of year</b>              | <u>722,485</u>             | <u>722,485</u>     | <u>787,071</u>     |
| <b>Fund balance, end of year</b>                    | \$ 722,485                 | \$ 722,485         | \$ 722,485         |

**Schedule 2**  
**Town of Olds**  
**Schedule of Capital Fund Activities**  
**and Change in Fund Balances**

| <b>For the year ended December 31</b>            | 2006 Budget<br>(unaudited) | 2006             | 2005             |
|--|----------------------------|------------------|------------------|
| <b>Revenues</b>                                  |                            |                  |                  |
| Government transfers                             | \$ 1,950,200               | \$ 1,776,651     | \$ 1,805,735     |
| Developers' agreements                           | 50,000                     | 173,385          | 46,460           |
| Proceeds from disposal of capital property       | 25,000                     | 25,000           | 107,482          |
| Return on investments                            | 216,000                    | 71,136           | -                |
| Other  | 160,000                    | 167,722          | 60,564           |
|  | <u>2,401,200</u>           | <u>2,213,894</u> | <u>2,020,241</u> |
| <b>Expenditures</b>                              |                            |                  |                  |
| General Government                               | 135,000                    | 56,759           | 7,319            |
| Protective services                              | 77,100                     | 57,296           | 118,560          |
| Roads, streets and other transportation services | 1,575,300                  | 1,745,207        | 1,542,089        |
| Water and wastewater                             | 916,000                    | 257,065          | 324,219          |
| Public health and welfare                        | -                          | 27,146           | 34,497           |
| Planning and development                         | 15,000                     | 13,600           | 15,497           |
| Recreation, parks and culture                    | 1,188,500                  | 196,099          | 457,441          |
|  | <u>3,906,900</u>           | <u>2,353,172</u> | <u>2,499,622</u> |
| <b>Deficiency of revenues over expenditures</b>  | <u>(1,505,700)</u>         | <u>(139,278)</u> | <u>(479,381)</u> |
| <b>Net inter-fund transfers</b>                  |                            |                  |                  |
| Transfers (to) from capital reserves             | 101,700                    | (1,252,424)      | (518,509)        |
| Transfers from operating fund                    | 1,404,000                  | 1,391,702        | 997,890          |
|  | <u>1,505,700</u>           | <u>139,278</u>   | <u>479,381</u>   |
| <b>Change in fund balances</b>                   | -                          | -                | -                |
| <b>Fund balance, beginning of year</b>           | -                          | -                | -                |
| <b>Fund balance, end of year</b>                 | \$ -                       | \$ -             | \$ -             |

**Schedule 3**  
**Town of Olds**  
**Schedule of Reserves for Future Expenditures**

**For the year ended December 31, 2006**

Reserves for future operating and capital activities changed as follows:

|                                 | 2005             | Increases        | Decreases        | 2006             |
|---------------------------------|------------------|------------------|------------------|------------------|
| <b>Operating</b>                |                  |                  |                  |                  |
| WCB Dividend                    | \$ -             | \$ 11,580        | \$ -             | \$ 11,580        |
| Fire department                 | 31,176           | 4,293            | -                | 35,469           |
| Disaster Services               | 4,255            | -                | 4,255            | -                |
| Ambulance                       | -                | 19,731           | -                | 19,731           |
| Snow removal reserve            | 13,354           | -                | -                | 13,354           |
| Utilities operating reserve     | 187,910          | 15,108           | 102,756          | 100,262          |
| Perpetual care                  | 41,637           | 31,504           | -                | 73,141           |
| Planning                        | 18,392           | -                | -                | 18,392           |
| Handi-bus                       | 23,805           | -                | -                | 23,805           |
| Recreation complex              | 16,313           | -                | -                | 16,313           |
| Sports fields                   | 5,000            | -                | -                | 5,000            |
|                                 | <u>341,842</u>   | <u>82,216</u>    | <u>107,011</u>   | <u>317,047</u>   |
| <b>Capital</b>                  |                  |                  |                  |                  |
| General capital reserves        | 351,665          | 128,295          | -                | 479,960          |
| Infrastructure deficit          | 623,512          | 291,096          | 660,772          | 253,836          |
| Community projects              | 140,264          | 64,072           | 15,619           | 188,717          |
| AMIP                            | -                | 1,652,036        | 459,246          | 1,192,790        |
| New Deal                        | -                | 119,629          | 119,629          | -                |
| Software replacement            | 87,381           | 52,086           | 33,396           | 106,071          |
| Police                          | 30,000           | 30,995           | -                | 60,995           |
| Fire equipment- capital         | 218,363          | 27,096           | -                | 245,459          |
| Fire -small equipment           | 46,748           | 34,153           | 42,292           | 38,609           |
| Ambulance                       | 7,649            | 140              | 5,800            | 1,989            |
| Equipment Replacement           | -                | 31,614           | -                | 31,614           |
| Transportation                  | 21,587           | 205,532          | -                | 227,119          |
| Offsite levies - transportation | 91,654           | 102,308          | 190,000          | 3,962            |
| Airport                         | 63,598           | 1,569            | -                | 65,167           |
| Offsite levies - storm sewer    | 92,962           | 29,630           | 92,000           | 30,592           |
| Offsite levies - water          | 72,792           | 36,674           | -                | 109,466          |
| Water capital                   | 56,000           | 1,382            | 56,000           | 1,382            |
| Offsite levies - wastewater     | 51,348           | 36,035           | 13,000           | 74,383           |
| Utilities                       | 6,883            | -                | 4,144            | 2,739            |
| Sanitary sewers                 | 95,820           | 151,090          | 95,000           | 151,910          |
| Senior transportation           | 69,666           | 1,718            | -                | 71,384           |
| Signs                           | 2,763            | 68               | -                | 2,831            |
| Handi-bus                       | 27,361           | 5,089            | -                | 32,450           |
| Municipal Recreation reserve    | 67,374           | 1,662            | -                | 69,036           |
| Aquatic Centre                  | 11,458           | 164,678          | -                | 176,136          |
| Aquatic steam room              | 23,748           | 586              | -                | 24,334           |
| Recreation complex              | 55,719           | 48,262           | -                | 103,981          |
| Trails reserve                  | 64,790           | 1,598            | -                | 66,388           |
| Reserve for offsites - parks    | 14,784           | 12,313           | -                | 27,097           |
| Parks                           | -                | 18,788           | -                | 18,788           |
| Centennial Legacy               | 9,513            | 235              | -                | 9,748            |
| Old Pool Building Roof          | 52               | -                | 52               | -                |
|                                 | <u>2,405,454</u> | <u>3,250,429</u> | <u>1,786,950</u> | <u>3,868,933</u> |
|                                 | \$ 2,747,296     | \$ 3,332,645     | \$ 1,893,961     | \$ 4,185,980     |

**Schedule 4**  
**Town of Olds**  
**Schedule of Equity in Capital Assets**

| <b>For the year ended December 31</b>                                  | <b>2006</b>                 | <b>2005</b>                 |
|--|-----------------------------|-----------------------------|
| <b>Balance, beginning of year</b>                                      | <b>\$ <u>51,275,749</u></b> | <b>\$ <u>48,413,725</u></b> |
| <b>Increases</b>   |                             |                             |
| Capital assets acquired  |                             |                             |
| Land   | -                           | 94,000                      |
| Buildings  | <b>85,514</b>               | 281,153                     |
| Engineering structures   | <b>1,679,133</b>            | 1,615,702                   |
| Machinery and equipment  | <b>588,525</b>              | 547,127                     |
| Vehicles   | -                           | 55,640                      |
| Repayment of long-term debt  | <b><u>282,858</u></b>       | <b><u>268,402</u></b>       |
|  | <b><u>2,636,030</u></b>     | <b><u>2,862,024</u></b>     |
| <b>Net change during the year</b>                                      | <b><u>2,636,030</u></b>     | <b><u>2,862,024</u></b>     |
| <b>Balance, end of year</b>  | <b>\$ <u>53,911,779</u></b> | <b>\$ <u>51,275,749</u></b> |
| <b>Capital assets per consolidated statement of financial position</b> | <b>\$ <u>59,456,702</u></b> | <b>\$ <u>57,103,530</u></b> |
| <b>Less long-term debt</b>   | <b><u>(5,544,923)</u></b>   | <b><u>(5,827,781)</u></b>   |
| <b>Equity in capital assets</b>  | <b>\$ <u>53,911,779</u></b> | <b>\$ <u>51,275,749</u></b> |

The accompanying notes are an integral part of these consolidated financial statements.

**Schedule 5**  
**Town of Olds**  
**Schedule of Property Taxes Levied**

| <b>For the year ended December 31</b>        | <b>2006</b>         | <b>2005</b>         |
|--|---------------------|---------------------|
| <b>Taxation</b>                              |                     |                     |
| Real property taxes                          | \$ 6,979,617        | \$ 6,569,309        |
| Linear property taxes - power, pipe, cable   | 103,692             | 97,169              |
| Government grants in place of property taxes | 63,388              | 62,635              |
| Local improvement taxes                      | <u>29,052</u>       | <u>-</u>            |
|  | <u>7,175,749</u>    | <u>6,729,113</u>    |
| <b>Requisitions</b>                          |                     |                     |
| Alberta School Foundation Fund               | (2,520,516)         | (2,497,846)         |
| Mountain View Management Board               | <u>(80,703)</u>     | <u>(77,921)</u>     |
|  | <u>(2,601,219)</u>  | <u>(2,575,767)</u>  |
| <b>Net municipal property taxes</b>          | <b>\$ 4,574,530</b> | <b>\$ 4,153,346</b> |

The accompanying notes are an integral part of these consolidated financial statements.



---

**Schedule 6  
Town of Olds  
Schedule of Government Transfers**

---

| <b>For the year ended December 31</b>   | 2006 Budget<br>(unaudited) | <b>2006</b>          | 2005           |
|---|----------------------------|----------------------|----------------|
| <hr/>                                   |                            |                      |                |
| <b>Federal and Provincial transfers</b> |                            |                      |                |
| Shared cost agreements and grants       | \$ 2,532,300               | \$ <b>2,351,927</b>  | \$ 2,293,989   |
| <b>Local government transfers</b>       |                            |                      |                |
| Shared cost agreements and grants       | <u>88,200</u>              | <u><b>90,187</b></u> | <u>133,629</u> |
| <b>Total government transfers</b>       | <b>\$ 2,620,500</b>        | <b>\$ 2,442,114</b>  | \$ 2,427,618   |

---

**Schedule 7**  
**Town of Olds**  
**Schedule of Consolidated Expenditures by Object**

| <b>For the year ended December 31</b>      | 2006 Budget<br>(unaudited) | <b>2006</b>                 | 2005                 |
|--|----------------------------|-----------------------------|----------------------|
| <b>Expenditures</b>                        |                            |                             |                      |
| Salaries, wages and benefits               | \$ 3,131,100               | \$ <b>3,060,047</b>         | \$ 2,910,046         |
| Contracted and general services            | 1,749,600                  | <b>1,735,710</b>            | 1,980,145            |
| Purchases from other governments           | 1,575,100                  | <b>1,527,860</b>            | 1,400,534            |
| Materials, goods and utilities             | 1,153,500                  | <b>1,252,642</b>            | 1,274,720            |
| Transfers to other governments             | 36,400                     | <b>36,397</b>               | 37,132               |
| Transfers to individuals and organizations | 405,060                    | <b>379,938</b>              | 370,497              |
| Bank charges and short-term interest       | 5,500                      | <b>3,342</b>                | 6,003                |
| Interest on long-term debt                 | 327,300                    | <b>327,278</b>              | 340,065              |
| Capital assets acquired                    | 3,906,900                  | <b>2,353,172</b>            | 2,499,622            |
| Other                                      | -                          | <b>5,233</b>                | 12,649               |
|  | <u>\$ 12,290,460</u>       | <u>\$ <b>10,681,619</b></u> | <u>\$ 10,831,413</u> |