

Town of Olds
Financial Statements
For the year ended December 31, 2009

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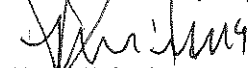
Management's Report

The Town of Olds ("the Town") 2009 financial statements, are the responsibility of management. The financial statements have been prepared by management using Canadian Generally Accepted Accounting Principles for Local Government. Financial statements are not precise as they include amounts that are based on the best estimates and judgments of management. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

Management maintains systems of accounting and administrative controls to provide reasonable assurance that the transactions are appropriately authorized, accurately recorded, that assets are properly accounted for and safeguarded and that the financial statements realistically report the Town's operating and financial results.

Town Council has approved the information contained in the financial statements.

BDO Canada LLP, Chartered Accountants, have been appointed by Town Council to audit the financial statements and provide an independent professional opinion.



Norm McInnis
Chief Administrative Officer
May 26, 2010



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BDO Canada LLP
620, 903 - 8th Avenue SW
Calgary AB T2P 0P7 Canada

Auditors' Report

To the Mayor and Councilors of the
Town of Olds

We have audited the statement of financial position of the Town of Olds (the "Town") as at December 31, 2009 and the statements of operations, change in net financial assets (debt) and cash flows for the year then ended. These financial statements are the responsibility of the Town'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 Town of Olds as at December 31, 2009 and the results of its operations, change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants

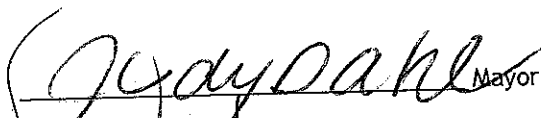
Calgary, Alberta
May 26, 2010

Town of Olds
Statement of Financial Position

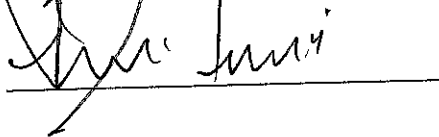
December 31	2009	2008
		(Restated Note 17)
Financial Assets		
Cash and cash equivalents	\$ 7,498,143	\$ 5,198,301
Receivables		
Taxes and grants in place of taxes receivable (Note 3)	291,288	195,793
Trade and other receivables (Note 4)	1,656,519	1,880,913
Portfolio investments	<u>130,226</u>	<u>124,551</u>
	<u>9,576,176</u>	<u>7,399,558</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 2,325,503	\$ 1,614,318
Employee future benefits (Note 12)	237,089	198,373
Deposits and other liabilities	82,540	72,014
Deferred revenue (Note 5)	1,239,656	1,140,268
Long-term debt (Note 6)	<u>5,240,675</u>	<u>5,661,704</u>
	<u>9,125,463</u>	<u>8,686,677</u>
Net Financial Assets (Debt)	<u>450,713</u>	<u>(1,287,119)</u>
Non-Financial Assets		
Tangible capital assets (Note 8)	49,398,753	46,732,635
Prepaid expenses	<u>47,995</u>	<u>3,771</u>
	<u>49,446,748</u>	<u>46,736,406</u>
Accumulated Surplus (Note 9)	\$ 49,897,461	\$ 45,449,287

Contingencies (Note 13)

On behalf of the Council:



Mayor



Chief Administrative Officer

**Town of Olds
Statement of Operations**

For the year ended December 31

Budget
2009

2009

2008

	(Note 16)		(Restated Note 17)
Revenues			
Net municipal property taxes (Schedule 3)	\$ 6,149,707	\$ 6,116,752	\$ 5,516,315
Sales to other governments	160,100	88,653	157,020
Sales and user fees	6,372,575	5,863,207	5,660,788
Government transfers for operating (Schedule 4)	1,477,497	1,131,153	927,383
Gain on sale of tangible capital assets	-	38,848	13,501
Investment income	131,250	56,714	272,872
Penalties, costs and fines	170,500	186,818	180,297
Licenses and permits	365,000	311,455	333,657
Franchise fees	505,000	557,020	531,133
Developers' agreements	-	254,476	(20,000)
Rentals and other	908,300	405,949	180,615
	<u>16,239,929</u>	<u>15,011,045</u>	<u>13,753,581</u>
Expenses (Schedule 5)			
General government	1,320,340	1,431,660	1,318,788
Protective services	1,874,962	1,947,514	1,686,539
Roads, streets and other transportation services	1,269,072	1,211,603	1,393,082
Waste and wastewater	3,237,229	2,867,929	4,258,362
Waste management	754,335	732,570	668,393
Public health and welfare	542,313	643,392	354,008
Planning and development	744,202	715,031	684,912
Recreation, parks and culture	3,189,457	3,074,060	3,310,191
Amortization of tangible capital assets	2,491,134	2,491,134	2,316,514
Other	10,000	17,049	14,432
	<u>15,433,044</u>	<u>15,131,942</u>	<u>16,005,221</u>
Excess (deficiency) of revenues over expenses - before other	806,885	(120,897)	(2,251,640)
Other			
Government transfers for capital (Schedule 4)	8,995,690	4,569,071	2,543,692
Excess of revenue over expenses	9,802,575	4,448,174	292,052
Accumulated surplus, beginning of year	45,449,287	45,449,287	45,157,235
Accumulated surplus, end of year	\$ 55,251,862	\$ 49,897,461	\$ 45,449,287

Town of Olds
Statement of Change in Net Financial Assets (Debt)

For the year ended December 31	Budget 2009	2009	2008
	(Note 16)		(Restated Note 17)
Excess of revenues over expenses	\$ 9,802,575	\$ 4,448,174	\$ 292,052
Acquisition of tangible capital assets	(12,781,778)	(5,217,358)	(2,132,277)
Amortization of tangible capital assets	2,491,134	2,491,134	2,316,514
Proceeds on disposal of tangible capital assets	-	98,956	71,624
Gain on sale of tangible capital assets	-	(38,848)	(13,501)
	<u>(488,069)</u>	<u>1,782,058</u>	<u>534,412</u>
Change in supplies inventory	-	-	9,275
Change in prepaid expenses	-	(44,226)	(2,293)
	<u>-</u>	<u>(44,226)</u>	<u>6,982</u>
Change in net financial assets	(488,069)	1,737,832	541,394
Net financial debt, beginning of year	<u>(1,287,119)</u>	<u>(1,287,119)</u>	<u>(1,828,513)</u>
Net financial assets (debt), end of year	\$ (1,775,188)	\$ 450,713	\$ (1,287,119)

**Town of Olds
Statement of
Changes in Cash Flows**

For the year ended December 31	2009	2008
		(Restated Note 17)
Cash provided by (used in)		
Operating transactions		
Excess of revenues over expenses	\$ 4,448,174	\$ 292,052
Non-cash items included in the excess of revenues over expenses		
Amortization of tangible capital assets	2,491,134	2,316,514
Gain on sale of tangible capital assets	(38,848)	(13,501)
Changes in non-cash working capital balances		
Receivables		
Taxes and grants in place of property taxes receivable	(95,495)	(109,536)
Trade and other receivables	224,394	(500,669)
Prepaid expenses	(44,226)	(2,293)
Supplies inventory	-	9,275
Accounts payable and accrued liabilities	246,130	149,185
Deposits and other liabilities	10,526	11,166
Deferred revenue	<u>99,388</u>	<u>(1,004,598)</u>
	<u>7,341,177</u>	<u>1,147,595</u>
Capital transactions		
Acquisition of tangible capital assets	(5,217,358)	(2,132,277)
Proceeds on disposal of tangible capital assets	98,956	71,624
Accounts payable related to acquisition of tangible capital assets	<u>503,771</u>	<u>183,567</u>
	<u>(4,614,631)</u>	<u>(1,877,086)</u>
Financing transactions		
Repayment of long-term debt	<u>(421,029)</u>	<u>(399,899)</u>
Investing transactions		
Purchase of portfolio investments	<u>(5,675)</u>	<u>(5,234)</u>
Increase (decrease) in cash and cash equivalents	2,299,842	(1,134,624)
Cash and cash equivalents, beginning of year	<u>5,198,301</u>	<u>6,332,925</u>
Cash and cash equivalents, end of year	\$ 7,498,143	\$ 5,198,301

December 31, 2009

1. Significant Accounting Policies

The 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) Basis of accounting

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

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

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

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

(b) 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 expenses 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. Areas containing the greatest degree of estimation include useful lives of tangible capital assets and the collectability of receivables.

(c) Cash and cash equivalents

Cash includes cash on hand and in the bank, and temporary investments with maturities of ninety days or less.

(d) Portfolio investments

Investments are recorded at cost and represent deposits with maturities greater than three months. When there is a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(e) 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.

(f) Reserves for future expenditures

Reserves are amounts set aside at Council's discretion to finance future operating and capital expenditures. Details of operating and capital reserves have been disclosed in Note 9.

December 31, 2009

1. Significant Accounting Policies - Continued

(g) Over-levies and under-levies

Over-levies and under-levies arise from the difference between the actual property tax 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 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.

(h) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provide the Change in Net Financial Assets (Debt) for the year.

(i) Tangible capital assets

Tangible capital assets are reported at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Land improvements	15 to 25 years
Buildings	25 to 50 years
Engineered structures	15 to 75 years
Machinery and equipment	5 to 40 years
Vehicles	10 years

Assets under construction are not amortized until put into use.

(ii) Cultural and historical tangible capital assets

Works of art and historical items are not recorded as capital assets, but are disclosed (Note 8).

(i) Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct return.

Town of Olds
Notes to Financial Statements

December 31, 2009

2. Bank Indebtedness

The Town has established a line of credit with the Royal Bank of Canada to a maximum of \$500,000 which bears interest at prime less 0.25%. As at December 31, 2009, \$Nil (2008- \$Nil) was drawn on this line of credit.

3. Taxes and Grants in Place of Taxes Receivable	2009	2008
Under-levies	\$ 40,864	\$ -
Current taxes and grants in place of taxes	181,900	167,841
Arrears taxes	<u>68,524</u>	<u>27,952</u>
	\$ 291,288	\$ 195,793

4. Trade and Other Receivables	2009	2008
Utility accounts receivable	\$ 657,457	\$ 781,025
Goods and services tax recoverable and rebates	166,120	307,588
Other government receivables	-	373,007
Trade and other	<u>832,942</u>	<u>419,293</u>
	\$ 1,656,519	\$ 1,880,913

5. Deferred Revenue	2009	2008
Alberta Municipal Infrastructure Program	\$ -	\$ 301,215
Municipal Sustainability Initiative	822,999	706,204
New Deal for Cities and Communities	354,162	529
Other	<u>62,495</u>	<u>132,320</u>
	\$ 1,239,656	\$ 1,140,268

6. Long-term Debt	2009	2008
Debentures supported by general tax levies	\$ 2,724,259	\$ 2,837,861
Debentures supported by utility rates	<u>2,516,416</u>	<u>2,823,843</u>
	\$ 5,240,675	\$ 5,661,704

Town of Olds
Notes to Financial Statements

December 31, 2009

6. Long-term Debt - continued

Principal and interest repayments are as follows:

	Principal	Interest	Total
2010	\$ 422,912	\$ 296,989	\$ 719,901
2011	417,647	275,547	693,194
2012	424,144	254,600	678,744
2013	259,151	234,469	493,620
2014	274,421	219,198	493,619
Subsequent years	3,442,400	1,161,970	4,604,370
	\$ 5,240,675	\$ 2,442,773	\$ 7,683,448

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 3.55% to 6.25% per annum, before Provincial subsidy, and matures in periods 2010 through 2026. For qualifying debentures, the Province of Alberta rebates 60% of interest in excess of 8%, 9% and 11% to a maximum annual rate of 12.5%, depending on the date borrowed. Debenture debt is issued on the credit and security of the Town at large.

Interest on long-term debt amounted to \$308,187 (2008 - \$328,551)

7. 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:

	2009	2008
Total debt limit	\$ 22,654,212	\$ 20,717,558
Total debt	<u>5,240,675</u>	<u>5,661,704</u>
Amount of debt limit unused	<u>\$ 17,413,537</u>	<u>\$ 15,055,854</u>
Debt servicing limit	\$ 3,775,702	\$ 3,452,926
Debt servicing	<u>719,901</u>	<u>738,341</u>
Amount of debt servicing limit unused	<u>\$ 3,055,801</u>	<u>\$ 2,714,585</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 Financial Statements

For the year ended December 31, 2009

8. Tangible Capital Assets

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Assets Under Construction	2009 Total	2008 Total (Restated Note 17)
Cost, beginning of year	\$ 2,978,042	\$ 440,833	\$ 14,222,305	\$ 62,926,429	\$ 1,734,446	\$ 1,927,435	\$ -	\$ 84,229,490	\$ 82,232,345
Additions	15,750	55,799	218,093	3,663,955	470,600	185,545	607,616	5,217,358	2,132,277
Disposals	-	-	(1,534)	-	(176,804)	-	-	(178,338)	(135,132)
Cost, end of year	2,993,792	496,632	14,438,864	66,590,384	2,028,242	2,112,980	607,616	89,268,510	84,229,490
Accumulated amortization, beginning of year	-	110,872	5,504,610	30,620,765	506,929	753,679	-	37,496,855	35,257,350
Amortization	-	23,921	356,020	1,791,944	167,798	151,451	-	2,491,134	2,316,514
Disposals	-	-	(1,534)	-	(116,698)	-	-	(118,232)	(77,009)
Accumulated amortization, end of year	-	134,793	5,859,096	32,412,709	558,029	905,130	-	39,869,757	37,496,855
Net carrying amount, end of year	\$ 2,993,792	\$ 361,839	\$ 8,579,768	\$ 34,177,675	\$ 1,470,213	\$ 1,207,850	\$ 607,616	\$ 49,398,753	\$ 46,732,635

The Town of Olds owns multiple works of artwork with historical significance which are on permanent display at various buildings throughout the town. These are not recorded as tangible capital assets in the financial statements and are not amortized.

Town of Olds
Notes to Financial Statements

December 31, 2009

9. Accumulated Surplus	2009	2008
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Accumulated surplus consists of internally restricted and unrestricted amounts and equity in tangible capital assets as follows:

Unrestricted surplus (deficit)	\$ (31,501)	\$ -
Restricted surplus		
Capital		
General capital reserves	590,864	590,320
Infrastructure deficit	252,568	141,268
Community projects	214,447	136,165
Lifecycle	32,000	-
Storm sewer	39,102	-
Software replacement	32,727	32,727
Police	26,177	26,177
Fire equipment- capital	280,654	300,896
Fire -small equipment	38,295	51,895
Fire - building	25,450	12,600
Ambulance	2,066	2,066
Equipment replacement	30,389	30,389
Transportation	222,330	235,615
Parking improvements	-	51
Offsite levies - transportation	347,183	175,867
Airport	67,700	67,700
Offsite levies - storm sewer	229,983	181,348
Offsite levies - water	285,313	219,935
Water capital	323,373	206,435
Offsite levies - wastewater	163,889	160,943
Green reserve	64,200	29,600
Waste disposal	83,279	83,279
Sanitary sewers	1,142,729	556,628
Senior transportation	74,159	74,159
Signs	7,512	2,941
Handi-bus	36,511	35,111
Municipal recreation reserve	71,719	71,719
Aquatic centre	24,528	24,528
Aquatic steam room	66,750	65,730
Recreation complex	6,917	25,676
Trails reserve	6,258	6,258
Reserve for offsite - parks	28,150	28,150
Parks	165,155	11,226
Centennial legacy	3,440	3,440
Skateboard park	4,640	4,640
Solid waste	53,661	-
	<u>\$ 5,044,118</u>	<u>\$ 3,595,482</u>

Town of Olds
Notes to Financial Statements

December 31, 2009

9. Accumulated Surplus - continued	2009	2008
Operating		
WCB dividend	4,342	16,742
General	449,560	476,494
Fire department	-	27,276
Disaster services	3,000	8,000
Human resource supplies	1,500	-
Snow removal	23,254	23,254
Utilities	41,767	41,767
Perpetual care	165,838	138,838
Planning	3,392	3,392
Handi-bus	26,613	26,613
FCSS	2,500	15,500
Sports fields	5,000	5,000
	<u>\$ 726,766</u>	<u>\$ 782,876</u>
Equity in tangible capital assets	<u>44,158,078</u>	<u>41,070,931</u>
	<u>\$ 49,897,461</u>	<u>\$ 45,449,287</u>

10. 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	2009 Total	2008 Total
Mayor and Council				
Mayor Dahl	\$ 33,370	\$ 6,113	\$ 39,483	33,476
Councilor Bull	16,790	3,351	20,141	15,155
Councilor Dobush	8,480	492	8,972	13,642
Councilor Harper	16,850	2,574	19,424	16,504
Councilor Smith	16,080	1,739	17,819	17,495
Councilor Walsh	17,720	3,529	21,249	15,316
Councilor Winfield	15,730	596	16,326	16,250
CAO	117,256	25,728	142,984	101,956

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

Benefits 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.

December 31, 2009

11. Local Authorities Pension Plan

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Public Sector Pension Plans Act. The LAPP services about 189,149 members and pensioners in addition to approximately 411 employers. It is financed by employer and employee contributions and investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenses in the year in which they become due.

The Town is required to make current service contributions to the Plan of 8.46% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.66% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 7.46% of pensionable salary up to the year's maximum pensionable salary and 10.66% on pensionable salary above this amount.

Total current service contributions by the Town to the Local Authorities Pension Plan in 2009 were \$219,727 (2008 - \$191,607). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan in 2009 were \$195,400 (2008 - \$168,615).

At December 31, 2008, the Plan disclosed an actuarial deficiency of \$4.414 billion.

12. Employee Future Benefits	2009	2008
Vacation pay	\$ 185,612	\$ 155,848
Time in lieu	<u>51,477</u>	<u>42,525</u>
	\$ 237,089	\$ 198,373

Vacation pay and time in lieu is comprised of vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

13. Contingencies

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.

December 31, 2009

14. Commitments

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

2010	\$	76,343
2011		42,214
2012		33,699
2013		7,386

ii) The Town has a commitment totaling \$2,481,340 for the completion of construction on the Town of Olds Library project.

iii) The Town is also committed to a payment of \$100,000 per year to the Community Learning Campus until 2014.

15. Financial Instruments

The Town's financial instruments consist of cash and cash equivalents, portfolio investments, taxes and grants in place of taxes receivable, trade and other receivables, accounts payable and 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 fulfil 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.

16. Budget

The Financial Plan (Budget) By-Law adopted by Council on March 9, 2009 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The Budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$ nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets (debt) represent the Financial Plan adopted by council on March 9, 2009 with adjustments as follows:

Town of Olds
Notes to Financial Statements

December 31, 2009

16. Budget - Continued

	<u>2009</u>
Financial Plan (Budget) Bylaw Surplus for the year	\$ -
Add:	
Capital expenditures	12,781,778
Less:	
Budgeted transfers from accumulated surplus	(488,069)
Amortization	<u>(2,491,134)</u>
Budget surplus per statement of operations	\$ <u>9,802,575</u>

17. Prior Period Adjustment

The Town has restated its financial statements to comply with the provisions of Sections 3150 and 1200 of the Public Sector Accounting Board Handbook and applied these on a retroactive basis. The adoption of Sections 3150 and 1200 have resulted in a number of changes to the 2008 figures presented in these financial statements due to their retroactive application. The adoption of Section 3150 requires governments to record and amortize their tangible capital assets on their financial statements. In addition, revenue from contributed assets and government grants and transfers relating to capital acquisitions has been included in income. The adoption of Section 1200 changes the presentation of operating surpluses, reserve funds and equity in capital assets, which are now grouped together and presented as "accumulated surplus". In addition, it has resulted in the reclassification of prepaid insurance to non-financial assets. These adjustments are as follows:

	<u>2008</u>
Adjustments to opening accumulated surplus:	
As previously reported	\$ 65,185,504
Adjustment to net book value of tangible capital assets	<u>(19,736,217)</u>
As restated	\$ 45,449,287
Adjustments to excess of revenues over expenses:	
As previously reported	\$ 534,412
Tangible capital asset recorded but previously expensed	2,132,277
Proceeds on sale of tangible capital assets	(71,624)
Gain on sale of tangible capital assets	13,501
Annual amortization expense	<u>(2,316,514)</u>
As restated	\$ 292,052
Adjustments to tangible capital assets:	
As previously reported	\$ 66,468,854
Adjustment to historical cost of tangible capital assets	17,760,636
Accumulated amortization recorded	<u>(37,496,855)</u>
As restated	\$ 46,732,635

Town of Olds
Notes to Financial Statements

December 31, 2009

18. Approval of Financial Statements

These financial statements were approved by Council and Administration.

19. Comparative Figures

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

Schedule 1
Town of Olds
Schedule of Reserves for Future Expenditures

For the year ended December 31, 2009

Reserves for future operating and capital activities changed as follows:

	<u>2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>2009</u>
Operating				
WCB dividend	\$ 16,742	\$ -	\$ 12,400	\$ 4,342
General	476,494	5,188	32,122	449,560
Fire department	27,276	5,749	33,025	-
Disaster services	8,000	-	5,000	3,000
Human resource supplies	-	1,500	-	1,500
Snow removal	23,254	-	-	23,254
Utilities	41,767	-	-	41,767
Perpetual care	138,838	27,000	-	165,838
Planning	3,392	-	-	3,392
Handi-bus	26,613	-	-	26,613
FCSS	15,500	2,500	15,500	2,500
Sports fields	5,000	-	-	5,000
	<u>782,876</u>	<u>41,937</u>	<u>98,047</u>	<u>726,766</u>
Capital				
General capital reserves	590,320	44,308	43,764	590,864
Infrastructure deficit	141,268	212,600	101,300	252,568
Community projects	136,165	178,282	100,000	214,447
Lifecycle	-	32,000	-	32,000
Storm sewer	-	39,102	-	39,102
Software replacement	32,727	-	-	32,727
Police	26,177	35,000	35,000	26,177
Fire equipment- capital	300,896	51,697	71,939	280,654
Fire -small equipment	51,895	47,500	61,100	38,295
Fire - building	12,600	12,850	-	25,450
Ambulance	2,066	-	-	2,066
Equipment replacement	30,389	-	-	30,389
Transportation	235,615	50,237	63,522	222,330
Parking improvements	51	-	51	-
Offsite levies - transportation	175,867	171,316	-	347,183
Airport	67,700	-	-	67,700
Offsite levies - storm sewer	181,348	48,635	-	229,983
Offsite levies - water	219,935	65,378	-	285,313
Water capital	206,435	116,938	-	323,373
Offsite levies - wastewater	160,943	2,946	-	163,889
Green reserve	29,600	34,600	-	64,200
Waste disposal	83,279	-	-	83,279
Sanitary sewers	556,628	586,101	-	1,142,729
Senior transportation	74,159	-	-	74,159
Signs	2,941	4,571	-	7,512
Handi-bus	35,111	1,400	-	36,511
Municipal recreation reserve	71,719	-	-	71,719
Aquatic centre	24,528	-	-	24,528
Aquatic steam room	65,730	1,020	-	66,750
Recreation complex	25,676	6,723	25,482	6,917
Trails reserve	6,258	-	-	6,258
Reserve for offsite - parks	28,150	-	-	28,150
Parks	11,226	176,415	22,486	165,155
Centennial legacy	3,440	-	-	3,440
Skateboard park	4,640	-	-	4,640
Solid waste	-	53,661	-	53,661
	<u>3,595,482</u>	<u>1,973,280</u>	<u>524,644</u>	<u>5,044,118</u>
	\$ 4,378,358	\$ 2,015,217	\$ 622,691	\$ 5,770,884

Schedule 2
Town of Olds
Schedule of Equity in Tangible Capital Assets

For the year ended December 31	2009	2008
		(Restated Note 17)
Balance, beginning of year	<u>\$ 41,070,931</u>	<u>\$ 40,913,392</u>
Increases		
Tangible capital assets acquired		
Land	15,750	64,021
Land improvements	55,799	82,685
Buildings	218,093	189,341
Engineered structures	3,663,955	1,400,782
Machinery and equipment	470,600	287,077
Vehicles	185,545	108,371
Assets under construction	607,616	-
Repayment of long-term debt	<u>421,031</u>	<u>399,899</u>
	<u>5,638,389</u>	<u>2,532,176</u>
Decreases		
Tangible capital asset disposals		
Machinery and equipment	(60,108)	(6,400)
Vehicles	-	(51,723)
Amortization	<u>(2,491,134)</u>	<u>(2,316,514)</u>
	<u>(2,551,242)</u>	<u>(2,374,637)</u>
Net change during the year	<u>3,087,147</u>	<u>157,539</u>
Balance, end of year	<u>\$ 44,158,078</u>	<u>\$ 41,070,931</u>
Tangible capital assets per statement of financial position	\$ 49,398,753	\$ 46,732,635
Less long-term debt	<u>(5,240,675)</u>	<u>(5,661,704)</u>
Equity in tangible capital assets	<u>\$ 44,158,078</u>	<u>\$ 41,070,931</u>

Schedule 3
Town of Olds
Schedule of Property Taxes Levied

For the year ended December 31	Budget 2009	2009	2008
Taxation			
Real property taxes	\$ 9,045,852	\$ 8,931,769	\$ 8,288,781
Linear property taxes - power, pipe, cable	-	67,638	93,241
Government grants in place of property taxes	-	45,181	50,944
Local improvement taxes	<u>9,900</u>	<u>8,305</u>	<u>6,101</u>
	<u>9,055,752</u>	<u>9,052,893</u>	<u>8,439,067</u>
Requisitions			
Alberta School Foundation Fund	(2,772,683)	(2,772,684)	(2,632,609)
Mountain View Management Board	(87,935)	(87,936)	(92,276)
Mountain View Emergency Services	<u>(45,427)</u>	<u>(75,521)</u>	<u>(197,867)</u>
	<u>(2,906,045)</u>	<u>(2,936,141)</u>	<u>(2,922,752)</u>
Net municipal property taxes	\$ 6,149,707	\$ 6,116,752	\$ 5,516,315

Schedule 4
Town of Olds

Schedule of Government Transfers

For the year ended December 31	Budget 2009	2009	2008
Transfers for operating			
Provincial government	\$ 1,210,249	\$ 859,845	\$ 732,809
Other local governments	<u>267,248</u>	<u>271,308</u>	<u>194,574</u>
	<u>1,477,497</u>	<u>1,131,153</u>	<u>927,383</u>
Transfers for capital			
Provincial government	6,317,970	4,195,229	2,543,692
Federal government	2,145,220	355,873	-
Other local governments	<u>532,500</u>	<u>17,969</u>	<u>-</u>
	<u>8,995,690</u>	<u>4,569,071</u>	<u>2,543,692</u>
Total government transfers	<u>\$ 10,473,187</u>	<u>\$ 5,700,224</u>	<u>\$ 3,471,075</u>

Schedule 5
Town of Olds
Schedule of Expenses by Object

For the year ended December 31	Budget 2009	2009	2008
			(Restated Note 16)
Expenses			
Salaries, wages and benefits	\$ 4,344,060	\$ 4,391,332	\$ 4,127,711
Contracted and general services	3,686,270	3,159,735	2,821,567
Purchases from other governments	2,183,600	2,412,162	2,144,429
Materials, goods and utilities	1,668,525	1,564,868	3,253,975
Transfers to other governments	136,908	136,908	258,650
Transfers to individuals and organizations	517,329	557,311	721,603
Bank charges and short-term interest	10,000	17,049	14,432
Interest on long-term debt	317,396	308,187	328,551
Amortization of tangible capital assets	-	2,491,134	2,316,514
Other	<u>77,822</u>	<u>93,256</u>	<u>17,789</u>
	\$ 12,941,910	\$ 15,131,942	\$ 16,005,221