

**WEST INTER LAKE DISTRICT REGIONAL
WATER SERVICES COMMISSION**

ALBERTA BEACH, ALBERTA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

Hawkings Epp Dumont LLP

Chartered Accountants

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AUDITORS' REPORT

To the Members of the Board of West Inter Lake District Regional Water Services Commission
Alberta Beach, Alberta

We have audited the statement of financial position of West Inter Lake District Regional Water Services Commission (the "Commission") as at December 31, 2009, and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Edmonton, Alberta
February 11, 2010

HAWKINGS EPP DUMONT LLP
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**MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL REPORTING**

To the Members of the Board of West Inter Lake District Regional Water Services Commission
Alberta Beach, Alberta

The management of West Inter Lake District Regional Water Services Commission prepared the supporting documents that were used to prepare these financial statements and is responsible for their reliability, completeness and integrity. They conform in all material respects to the disclosed basis of accounting described in Note 2.

Management maintains the necessary accounting and internal control systems designed to ensure: the timely production of reliable and accurate financial information, the protection of assets (to a reasonable extent) against loss or unauthorized use, and the promotion of operational efficiency. The Board oversees management's responsibilities for the financial reporting and internal control systems.

The external auditors, appointed by the Board, conducted an audit, and prepared these financial statements in accordance with Canadian generally accepted accounting principles. Management reviewed these financial statements with the auditors in detail before recommending their approval to the Board.

Alberta Beach, Alberta
February 11, 2010

John Van Doesburg, Manager

WEST INTER LAKE DISTRICT REGIONAL WATER SERVICES COMMISSION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 38,175	\$ 59,401
Government grant receivable	-	175,000
Due from Commission members	-	14,736
Goods and Services Tax receivable	<u>7,885</u>	<u>5,454</u>
	<u>\$ 46,060</u>	<u>\$ 254,591</u>
<u>LIABILITIES</u>		
Current Liabilities		
Deferred revenue	\$ 46,164	\$ 102,908
Accounts payable and accrued liabilities	2,340	78,705
Advances from Commission members	<u>-</u>	<u>100,000</u>
	<u>48,504</u>	<u>281,613</u>
<u>NET ASSETS</u>		
Unrestricted	<u>(2,444)</u>	<u>(27,022)</u>
	<u>\$ 46,060</u>	<u>\$ 254,591</u>

ON BEHALF OF THE BOARD:

_____ Director

_____ Director

WEST INTER LAKE DISTRICT REGIONAL WATER SERVICES COMMISSION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
Revenue		
Government transfers	\$ 35,187	\$ 72,092
Contributions from Commission members	45,500	14,736
Interest income	<u>7</u>	<u>15</u>
	<u>80,694</u>	<u>86,843</u>
Expenditures		
Management contract	24,583	32,237
Office	12,935	93
Administration contract	12,235	5,915
Office rent	2,400	1,000
Telephone	1,804	1,329
Professional fees	900	900
Insurance	883	-
Bank charges	376	299
Engineering fees	<u>-</u>	<u>72,092</u>
	<u>56,116</u>	<u>113,865</u>
Excess (Deficiency) of Revenue over Expenditures	24,578	(27,022)
Net Assets (Deficit), Beginning of Year	<u>(27,022)</u>	<u>-</u>
Net Assets (Deficit), End of Year	<u>\$ (2,444)</u>	<u>\$ (27,022)</u>

WEST INTER LAKE DISTRICT REGIONAL WATER SERVICES COMMISSION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
Operating Activities		
Cash from operations		
Excess (deficiency) of revenue over expenditures	\$ 24,578	\$ (27,022)
Change in non-cash working capital balances related to operations:		
Goods and Services Tax receivable	(2,431)	(5,454)
Government grant receivable	175,000	(175,000)
Due from Commission members	14,736	(14,736)
Accounts payable and accrued liabilities	(76,365)	78,705
Deferred revenue	<u>(56,744)</u>	<u>102,908</u>
	78,774	(40,599)
Financing Activities		
Advances from Commission members	<u>(100,000)</u>	<u>100,000</u>
Change in Cash During the Year	(21,226)	59,401
Cash, Beginning of Year	<u>59,401</u>	<u>-</u>
Cash, End of Year	<u>\$ 38,175</u>	<u>\$ 59,401</u>

WEST INTER LAKE DISTRICT REGIONAL WATER SERVICES COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

1. NATURE OF THE ORGANIZATION

The Commission is constituted under the *Municipal Government Act* and was approved by the Minister of Municipal Affairs on October 1, 2008, O.C. 463/2008, for the purpose of providing and operating a water supply system.

2. ACCOUNTING POLICIES

The financial statements of the Commission have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of financial statements 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 amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates. Significant aspects of the accounting policies adopted by the Commission are as follows:

(a) Revenue Recognition

Revenue is recognized in the period in which the service is delivered or in which the transactions or events occurred that gave rise to the revenue.

(b) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution.

(c) Deferred Capital Contributions

Contributions specified for capital purposes are recorded as deferred capital contributions. These deferred contributions are taken into income as the related capital costs are amortized.

3. RELATED PARTY TRANSACTIONS

The members of the Commission are considered to be related parties.

During the year, the Commission paid office rent of \$2,400 to a Commission member.

These transactions are in the normal course of operations and are measured at the exchange amounts as established and agreed to by the related parties.

WEST INTER LAKE DISTRICT REGIONAL WATER SERVICES COMMISSION

NOTES TO FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2009

4. DEBT LIMITS

Section 3 of the Alberta Regulation No. 76/2000 requires that debt and debt limits for the Commission be disclosed as follows:

	<u>2009</u>	<u>2008</u>
Total debt limit	\$ 161,388	\$ 173,686
Total debt	<u>-</u>	<u>-</u>
Unused debt limit	<u>\$ 161,388</u>	<u>\$ 173,686</u>
Service on debt limit	\$ 28,243	\$ 30,395
Service on debt	<u>-</u>	<u>-</u>
Unused service on debt limit	<u>\$ 28,243</u>	<u>\$ 30,395</u>

The debt limit is calculated at 2 times revenue of the Commission (as defined in the Alberta Regulation 76/2000) and the debt service limit is calculated as 0.35 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 Commissions that could be at a 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.

5. FINANCIAL INSTRUMENTS

The Commission's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximates their carrying values.

6. APPROVAL OF FINANCIAL STATEMENTS

Board and management have approved these financial statements.