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2008 Milestone: AAMDC and Alberta Environment Climate Change Project

On January 24, 2008, the Government of Alberta released Alberta's 2008 Climate Change Strategy. The strategy was developed through a year-long consultation process involving multiple stakeholders and members of the public. To begin this capacity building process, Alberta Environment and the AAMDC have partnered to undertake an environmental scan of climate change and energy efficiency initiatives in rural municipalities. While the ultimate goal of this project is the creation of a Rural Municipal Climate Change Action Plan to enable municipal districts and counties to contribute to greater reductions in greenhouse gas emissions, this initial phase is an effort to research the current situation and what challenges and opportunities exist in reaching a goal of reduced emissions.



President's Message Donald W. Johnson

As the AAMDC marks 100 years as Alberta's rural cornerstone, we have much to celebrate.

This year, our celebration got off to a strong start with the re-election of Ed Stelmach as Premier of Alberta. Premier Stelmach has always been a strong supporter of rural Alberta and its issues and the AAMDC is looking forward to continuing the positive relationship we built with him and his cabinet before the election.

The good news continued with the Municipality of Crowsnest Pass becoming AAMDC's 69th full member. Effective January 16, 2008, Crowsnest Pass was granted Specialized Municipality Status by an Order in Council from the Province of Alberta and became a member shortly thereafter. The AAMDC is honoured to have them as a member and I want to once again welcome them to the Association.

In July, 2008, the AAMDC hosted Rural Matters! Forging Healthy Canadian Communities. The event was a great success, bringing together delegates from across the country to discuss issues of importance to rural Canada. The feedback has been overwhelmingly positive with 97 per cent of respondents satisfied with the event. Rural Matters! effectively brought stakeholders together to network with rural peers, share perspectives and learn about issues, and develop key recommendations affecting sustainability. The AAMDC is truly honoured to have been the host organization for this event. We look forward in continuing to work with our members in forging a path towards rural sustainability.

In the spring of 2008, Minister Morton released the Draft Land Use Framework. This is one of the most significant pieces of legislation to face municipalities and Albertans in decades, and the AAMDC is actively working to ensure the voice of rural municipalities is heard. The Association participated in the working groups that provided input initially, and recently had representation as the Draft LUF was reviewed by stakeholders. In addition, as the opportunities arise, the Association is nominating representatives to sit on Regional Advisory Councils. The AAMDC has received assurance that municipalities will not lose jurisdictional control over planning, but in exercising this jurisdiction will need to align with regional plans once they are developed. We will continue to represent member interests as the final Land Use Framework is released in late 2008, as resulting legislation is drafted and implemented, and as the regional planning processes proceed.

The Association recognizes the key role rural municipalities hold as the foundation to Alberta and Canada's economic strength. We take pride in speaking for our members and advocating for the issues that matter in achieving strong and effective local government.

When we set out those many years ago, we wanted to serve the interests of our members. Today, not only do we continue to do this, but the AAMDC has become into a strong and well-respected voice for rural issues both in Alberta and across the country.

Looking ahead, we strive to maintain our commitment to excellence in meeting the diverse and changing needs of our membership.

As we embark on our next 100 years, I want to thank you all for making the AAMDC's centennial such a success.

Sincerely,

Donald W. Johnson

Executive Director's Message

Gerald Rhodes, CLGM



It has been a year of growth, leadership and celebration for the AAMDC.

In the area of growth the Association completed the purchase of its newest subsidiary company - Prairie Fuel Advisors. This purchase meant the continuation of a valuable aggregated petroleum purchasing program that has been saving local governments in Alberta, Saskatchewan, and Manitoba significant dollars with their fuel purchases for the past 13 years. With 46 million liters of fuel and just over \$30 million in sales annually it is now one of the AAMDC's flagship services. The AAMDC Trade program has grown as well to almost \$40 million in sales due to focusing on what all members, regular and associate, want and working with the suppliers to communicate the program. Lastly the Insurance program marked a significant year of growth with \$22 million in premium, the launch of the RiskPro risk management training, and the payment of almost a quarter million in RiskPro premium credits to those that participated and reduced their risk to the benefit of all in the program.

In the area of leadership the association worked with its membership to update and reconfirm its Vision, Mission, and goals as your organization – what could be more appropriate of an undertaking in the organization's centennial year? After a consultative process the membership adopted the association's new strategic plan at the Spring 2008 convention. What is key is the association reconfirmed its commitment to be both a rural and a municipal advocate – a respected voice for rural issues and rural communities. To take this leadership role further the association stepped off the beaten path and ventured into unknown territory by planning, hosting, and delivering "Rural Matters! Forging Healthy Canadian Communities" – a national symposium on rural sustainability. Organized by the association's advocacy department and delivered by the whole AAMDC team it was a highlight of the year and a national success. I thank all our partners across Canada and our sponsors, especially the province of Alberta, in helping us make Rural "Matter".

Lastly this year was a year of celebration with the association celebrating its centennial. The Centennial convention to be held in November will be a grand event to celebrate past, present, and future. The Association board gave staff the latitude to do some unique undertakings with the Centennial Commemorative Book being something that we are all looking forward to.

Amongst all this business growth, leadership, and celebration however, the association also delivered professional advocacy services representing the membership and keeping the members informed on key developments. It was in no way a quiet year with our provincial government having an election and exercising a new mandate and our federal government keeping us busy as well. Our intense involvement with the provincial Land Use Framework committees comes to mind as one of the many key issues we had to put our resources to work upon. Numerous discussion papers, toolkits, publications, and consultations were facilitated on your behalf. This was all done professionally by a committed team.

This noted I must conclude by thanking the staff team at AAMDC for their efforts in delivering service to you the members. We got caught up in a large staff transition this year with many talents moving on and many new talents and faces arriving. This said the staff simply geared down and got it done, with style I might add, and made us all proud. On behalf of the staff team at the AAMDC I congratulate the association on 100 years of success and pledge that we will continue to serve rural Alberta effectively well into the future.

Sincerely,

Gerald Rhodes



Gerald Rhodes Executive Director

Mission, Vision and Values

MISSION STATEMENT

Through the provision of advocacy, trade and insurance services, the AAMDC will assist rural municipalities achieve strong and effective local government.

VISION STATEMENT

The AAMDC is a progressive association of elected rural councils, representing the interests of rural Albertans, and committed to excellence in meeting the diverse and changing needs of its membership.

VALUES

- **Member Directed:** Based on direction from the membership, the work of the AAMDC reflects the interests and priorities of its members.
- **Accountable:** The AAMDC preserves member direction in its business and advocacy efforts.
- **Transparent:** The AAMDC conducts its business through open, honest and ethical practices.
- **Responsive:** The AAMDC is flexible and adaptive to the ever-changing interests and priorities of its members. The AAMDC provides members with innovative, value-added services.
- **Informed:** The AAMDC endeavors to be aware of and involved in issues impacting its members.
- **Credible:** The AAMDC maintains a strong reputation with its external stakeholders through effective, long-standing and collaborative relationships.



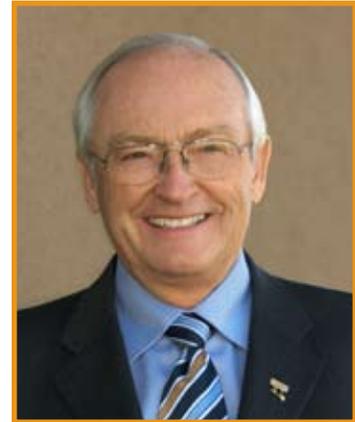
Alberta Association of Municipal Districts and Counties Annual Convention - 1942

Board of Directors



President Donald W. Johnson

Elected as AAMDC president in November 2004, Donald W. Johnson has been a councillor with the Municipal District of Taber since 1995. Don has farmed near Barnwell, Alberta since 1989 and has extensive private-sector experience in real estate, financial planning and management. As Director of Development for Mount Royal College in Calgary, he was a key liaison between the college, the provincial government and the business community. Don graduated from the University of Lethbridge with a Bachelor of Arts and science degree in geography, resource development and planning in 1972.



In his role as municipal councillor, Don Johnson is chairman of the Taber and District Regional Waste Management Authority and the Town and M.D. of Taber Fringe Area Committee and vice chair of the Municipal Planning Commission. He is also the chairman of Barons-Eureka-Warner FCSS, a program involving 16 rural and urban municipalities, and a past president of the Family and Community Support Services Association of Alberta (FCSSAA). As co-chair of the FCSS Redesign Committee, Don played a key role in developing the 1997 legislation that governs the FCSS program.

Vice President Carolyn Kolebaba

Elected to the AAMDC Board of Directors in 2005, Carolyn Kolebaba is the first woman vice president in AAMDC history.

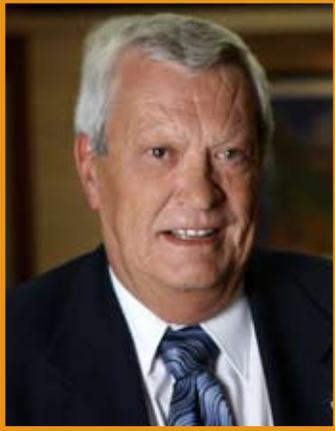
Born in Peace River, Carolyn and her husband, Mike, operate a trucking company along with their sons in Northern Sunrise County. She is an active volunteer in her community and enjoys being around people.

Carolyn entered municipal politics in 1998, and served as reeve of Northern Sunrise County from 2000 to 2004.

In her role as municipal councillor, Carolyn Kolebaba is the chair of the Peace Regional Ambulance Service, the Alberta vice president of the North West Corridor Development Committee (NCDC) joint committee, the co-chair of the Mackenzie Rail Working Group, and is on the executive of the Peace Regional Library.



Board of Directors



Director Robert (Bob) Jones

Bob was raised on a farm just east of Warner, he and his wife have one daughter and one married son. He farmed for most of his life as well as being in the fertilizer and chemical industry.

Bob was elected to municipal council in 1992 and served as Ag Service Chairman for 6 years, Deputy Reeve for 6 years and is currently in his 4th year as Reeve.

He has served on the local hospital board, school board, FCSS Chamber of Commerce, flying club, Warner ambulance and is still an active volunteer firefighter after 41 years of service.

Bob was elected as AAMDC Director of District 1 in November 2007. He believes in serving his community and county in any way possible.



Director Bob Barss

Bob Barss was raised on a family farm north of Irma, and continues to operate this farm as a mixed grain and cow/calf operation. Bob and his wife, Susan, have two daughters.

Bob was first elected to the M.D. of Wainwright council in October of 1995 and has served as reeve since 1997. He was also elected as chair of the North East Drought Committee in 1998.

Bob was elected to the AAMDC Board of Directors in 2001, as Director for District Five (Edmonton East).



Director Dwight Oliver

Dwight Oliver has served as the Reeve of Clearwater County since 2002. During this time he has served on a number of Board and Committees including Alberta Drought Management Committee, the Alberta Water Council and the Alberta Municipal Healthy and Safety Association Board.

Dwight was elected as Director to the AAMDC Board of Directors in November 2007.

Board of Directors



Director John Whaley

John Whaley was born in England, where he had a mixed farming operation for more than 20 years. He moved to Canada in 1990, and now resides in Leduc County just east of Calmar with his wife of 30 years Fiona. They have two daughters.

He is an agricultural producer and is actively involved with a variety of community organizations such as the Nisku-Leduc Rotary Club and 4-H clubs.

John is currently serving his fourth term as Leduc County Councillor. He also served three consecutive terms as Reeve of Leduc County from 2004 to 2007.

John is passionate and excited to be a part of this very diverse and dynamic region. He believes the key to being an effective leader is to listen to your team and to be aware of the issues.

John was elected as Director to the AAMDC Board of Directors in November, 2007. He feels the best possible way to represent the Pembina Zone on the AAMDC Board is to fully understand our region, its issues and what it has to offer.

John's experience and qualities will allow him to excel as the Pembina Zone Director, and he is honoured to represent this region on the AAMDC Board of Directors.



2008 Milestone: New Premier Speaks to AAMDC Spring Convention

On March 19, newly elected Alberta Premier Ed Stelmach made one of his first appearances since being re-elected at the Spring Convention. The Premier addressed the membership, speaking about the recent election and provided insight on key initiatives he expects to be implemented this term.

Director Rennie Cauchie

Together with his wife, Florence, Rennie Cauchie runs a small cow/calf operation and budding tree farm in the Crooked Creek area. Rennie was first elected councillor in the Municipal District of Greenview in 1989. He is currently chair of the Peace Library Systems Board, president of the South Peace Rural Electrification Association and a director of the East Smoky Recreation Board.

A former director of the South Peace Planning Commission and the Grande Prairie Rural Crime Watch, Rennie was the founding chair of the Peace Country Science Network and a member of the AAMDC Visioning Committee.

Rennie Cauchie was elected to a two-year term as director of the AAMDC Northern District at the fall 2004 convention.





Association Staff

Executive

Gerald Rhodes, Executive Director
Frank Johnson, Director of Finance and Business Service
Susan Valentine, Executive Administration Coordinator

Policy

Kim Heyman, Director of Advocacy and Communications
Michelle Hay, Advocacy and Resolutions Coordinator
Kate Hovland, Advocacy and Communications Analyst
Stephanie Betts, Advocacy and Communications Analyst
Chantal Duchesne, Web and Communications Coordinator
Candice Van Beers, Administration and Convention Coordinator

Accounting and Support Services

Debbie Miskiw, Manager
Lorraine Boake, Accounts Receivable
Barb Brazel, Accounts Payable
Julie Thibeault, Accounting Administrative Support
Leona Munro, Receptionist

Trade and Prairie Fuel Advisors

Duane Gladden, Manager of Marketing, Trade and Business Development
Peter Pellat, Prairie Fuel Advisors
Adele Parks, Prairie Fuel Advisors
Burgandy Goodwin, Prairie Fuel Advisors

Jubilee Insurance

David Clarke CRM, Manager of Insurance Operations
Pam Graham CRM, Risk Management Advisor
Linda Simmons CRM, Risk Management Advisor
Holly Neill CRM, Customer Service Representative
Shenaz Manji, Insurance Administration Technical Assistant
Deborah Depeel CAIB, Senior Customer Service Representative



Committees



One important function of the AAMDC's advocacy efforts includes committee involvement. The AAMDC Board members sit on a number of provincial, inter-organizational and AAMDC committees. Through their committee involvement, Board members can gain valuable information concerning current and future government initiatives, build relationships with key stakeholders, and influence policy-making.

The following is a complete list of the committees that involve participation by AAMDC Board. The mandates of a few committees have been highlighted.

- AAMDC Labour Force Strategy for Rural Municipalities
- AAMDC Standing Issues Committees – Infrastructure, Resources and Environment
- AAMDC Standing Issues Committees – Government, Finance and Economy
- AAMDC Standing Issues Committees – Social, Policy and Services
- AAMDC Surface Rights Act Review Task Force
- AAMDC-AUMA Joint Task Force on Rural-Urban Cost-Sharing Implementation Subcommittee
- AAMDC-AUMA Citizen Engagement Toolkit Advisory Group
- Agri-Environmental Partnership (AEP) Board
- Agricultural Operation Practices Act Advisory Committee (AOPA) Policy Advisory Group
- Agricultural Services Board (ASB) Resolutions Committee
- Alberta Communities Crime Prevention (ACCP) Grant Program
- Alberta Drought Management Committee (ADMC)
- Alberta Emergency Carcass Disposal Committee
- Alberta Energy and Utilities Board (AEUB) Alternate Dispute Resolutions Committee
- Alberta Energy and Utilities Board (AEUB) Advisory Committee
- Alberta Energy and Utilities Board (AEUB) Fracing of Shallow Gas or Coalbed Methane Wells
- Alberta Environmentally Sustainable Agriculture (AESA)
- Alberta Law Enforcement Response Teams Ltd. (ALERT)
- Alberta Municipal Health and Safety Association (AMHSA) Board
- Alberta Recycling Management Authority (ARMA)
- Alberta Rural Utilities Association (ARUA)
- Alberta Safety Codes Plumbing Technical Council – Private Sewage Task Group
- Alberta Safety Codes-Coordinating Committee
- Alberta Utilities Commission Act Stakeholder Advisory Committee (UCA-SAC)
- Alberta Water Council
- Barrier Free Transportation Advisory Committee
- Canada Alberta Municipal Rural Infrastructure Fund Management Committee (CAMRIF) (formerly ICAP)
- Clean Air Strategic Alliance (CASA)
- Clean Air Strategic Alliance (CASA) - CFO (Livestock) Working Group
- CBM Multi-Stakeholder Implementation Review Committee
- Drinking Water Working Group
- Electrical Utilities Act Advisory Committee
- Endangered Species Conservation Committee (ESCC)
- Environmental Protection Advisory Committee (EPAC)
- FCM National Board of Directors
- Ferruginous Hawk Recovery Team
- Fire Services Advisory Committee (FSAC)
- FireSmart - Partners in Protection
- Forest Protection Advisory Committee
- Framework for Watershed Management Planning
- Government-Industry Joint Geophysical Steering Committee
- Industry Landowner Relations Committee
- Information and Communications Technology (ICT/SuperNet) Advisory Committee
- Justice Policy Advisory Committee (provincial)
- Local Authorities Pension (LAPP)
- Local Authorities Pension Plan (LAPP) Advisory Committee

Committees

- Local Authorities Pension Plan (LAPP) Stakeholder Consultation Group
- ME first! Review Committee
- Minister's Award for Municipal Excellence
- Minister's Council on Municipal Sustainability
- Municipal Aboriginal Relationships Action Forum (MARAF – Previously AAMDC-AUMA Muni Aboriginal Workgroup)
- Municipal Excellence Review Committee
- Prairie Association of Rural Municipalities
- Provincial Aviation Strategy/AB Small Airport Strategy
- Provincial Offences Procedure Review Steering Committee (POPA)
- Provincial Policing Standards – Steering Committee
- Resource Roads Application Committee
- Rural Matters! Steering Committee and Advisory Committee
- Septage Hauler and Receiving Facility Project Steering Committee
- Septage Waste Disposal Advisory Committee
- Spatial Data Warehouse Board
- Strategic Transportation Advisory Committee (STAC)
- SuperNet First Mile Rural Task Force
- Traffic Accommodations Manuals (AIT)
- Traffic Safety Plan Advisory/ Stakeholder Committee
- Transportation Routing and Vehicle Information System (TRAVIS)
- Used Oil Management Association (UOMA)
- Woodlot Policy Forum Steering Committee

AAMDC Standing Issues Committees

The Standing Issues Committees were created to replace the need for most ad hoc committees. The committees review and provide recommendations on three main issues: infrastructure, resources and the environment; governance, finance and the economy; and social policy and services. The committee can be called at any time to better support the work of the Association and its Board.

Municipal Aboriginal Relationships Action Forum (MARAF)

MARAF was created to develop strategies and resource materials to assist municipalities and Aboriginal communities in developing more effective working relationships, determine how to foster closer partnerships in economic development and social policy, and facilitate partnerships around mutual interest and mutual gain.

Policy Advisory Group (PAG)

The PAG provides a way for stakeholders to advise on the development of policies guiding the approval and compliance processes of the Agricultural Operation Practices Act (AOPA), which establishes provincial standards for manure management for all livestock production in Alberta that are aimed at protecting the environment, while supporting the sustainable growth of the livestock industry.



Alberta Association of Municipal Districts and Counties Annual Convention - 1958

Organizational Objectives



Objective 1

Maintain an organizational structure that is flexible and adaptable to the interests and priorities of members.

Strategies

- Continually review and adapt the AAMDC structure to meet the changing interests and priorities of members.
- Develop and implement processes to effectively determine the interests and priorities of the membership.
- Develop effective recruitment, retention and training strategies to further the internal expertise needed to support the needs of members.
- Provide board members with timely support and learning opportunities to assist in meeting the needs of members.

Objective 2

Provide timely, concise and relevant information to support the decision-making and effective operations of AAMDC members.

Strategies

- Facilitate the sharing of information between members both directly and through the Association.
- Facilitate members in using different technologies to enhance communication among members and with the Association.
- Provide and identify quality learning opportunities for members.
- Work with the Alberta Rural Municipal Administrators' Association to enhance communication with municipal staff.

Objective 3

Advocate the interests and priorities of rural municipalities to other orders of government – provincial and federal.

Strategies

- Establish partnerships outside of the AAMDC membership where support for rural interests and priorities can be gained.
- Determine advocacy priorities for provincial and federal officials.
- Work with the provincial and federal governments to provide an overall rural perspective on key issues and priorities as they develop policy.

Objective 4

Promote a broader understanding and awareness of rural interests and priorities within the membership, other forms of local government, industry, and the general public.

Strategies

- Provide tools to members to support their development and tracking of resolutions.
- Develop tools and best practices to assist members in communicating their issues and priorities within the membership as well as to their citizens.
- Provide an overall rural perspective on key issues.
- Work to broaden the awareness of rural interests and priorities among urban municipal governments and Aboriginal communities.
- Represent rural interests and priorities to industry and utility organizations impacting rural Alberta.
- Represent rural interests and priorities before regulatory bodies including but not limited to the areas of telecommunications, transportation, utilities and natural resources.



Organizational Objectives

Objective 5

Through the AAMDC Trade Division provide enhanced buying power of goods and services to members.

Strategies

- Provide service offerings that meet the needs of the membership.
- Increase awareness of trade services to existing and potential members.
- Build and maintain effective relationships with suppliers.
- Investigate the establishment of new offerings and strategic partnerships to benefit members.

Objective 6

Through Jubilee Insurance Agencies Ltd. provide comprehensive and stable insurance services to members.

Strategies

- Work to improve the efficiency of administrative and cost management.
- Increase the awareness of the risk management program.
- Provide knowledgeable and timely service to members.

Membership

Membership in the AAMDC includes all of the province's incorporated rural municipalities: 65 municipal districts and counties and four Specialized Municipalities, including the recent membership of the Municipality of Crowsnest Pass. The Special Areas Board has been granted Affiliate Membership.

The AAMDC has also granted Associate Membership status to some 800 other local authorities, including seven cities, 182 towns and villages and approximately 600 other local authorities including school divisions and health authorities. Associate members may access the services offered through the AAMDC Trade Division and Jubilee Insurance, but are not formally represented by the Association and do not participate in the governance of the AAMDC.

2008 Milestone: Building on Strength

Building on Strength, the AAMDC's new three-year strategic plan, is a brief, simple and straight forward document. It encompasses six objectives; outlining an achievable strategy for the Association over the next three years. It provides the direction for our *Blueprint for Success* advocacy strategy and the action plans for the Trade Division and Jubilee Insurance. The development of this plan engaged the time, energy, and best ideas of members from across Alberta. Once again, the membership has demonstrated an understanding of our Association and a keen interest in helping to raise the bar and shape our future.



Update

The centennial year of the AAMDC also marks 53 years of service by Jubilee Insurance Agencies to its membership.

From its humble beginnings, Jubilee has evolved into one of the most respected municipal/nonprofit insurance programs in the nation. Always on the cutting edge, we were the first program to introduce formal self insurance reciprocal in the Province of Alberta back in 1986.

Last year, with the introduction of formal local government risk management training, the Jubilee RiskPro training program has helped catapult Jubilee into the international spotlight as multinational insurance companies seek to either develop or maintain long term relationships with Jubilee and its member as a result of our proactive and progressive stance.

Jubilee has recently completed the delivery of Jubilee RiskPro Module 2 to all members. Through this training members have been provided with many sought after tools as were expressed by the membership through comprehensive town hall meetings that were held province wide in the fall of 2007. Jubilee will continue to seek member input for such services going forward in conjunction with the well over one hundred years of combined insurance experience that resides with present day Jubilee staff.

Further, Jubilee has continued to provide members with respectable dividend returns through the AAMDC, while also providing members who have taken an active role in risk management implementation, with up front reductions in their insurance costs.

From a financial perspective, Jubilee remains more than healthy as a non-profit member owned service, a position that is expected to continue well into the future.

We wish to thank you as our membership for your support of the many changes that have been realized within Jubilee over the past 4 years. These changes although difficult at times, have been necessary to allow us to maintain cost effective, comprehensive insurance coverage for our municipal members along with the nearly fourteen hundred non profit groups who also benefit from a long term relationship with Jubilee.

Progress does not come without change, and with that being said we sincerely thank you for your patronage and continued support of Jubilee as we move forward into the next fifty plus years together.

2008 Milestone: Blueprint for Success: A Three-Year Operational Plan for Advocacy

In August, the AAMDC announced the release of *Blueprint for Success*. This operational document outlines the special projects, joint initiatives and core services that the advocacy department will undertake over the next three years. A brief description for each initiative is provided as well as expected outcomes. Initiatives included in *Blueprint* cover emerging issues, grant-based projects as well as go forwards stemming from resolutions and/or committee work. It is currently available to all members on the Association website (www.aamdc.com).



Trade Division

Update

It was another record year for the Trade Division, with a total sales volume of almost \$40 million.

While the division experienced growth in almost every area, the biggest news of the year, with an estimated revenue of \$414 000, was the acquisition of Prairie Fuel Advisors (PFA) and the expansion of the Fuel Supply Program.

Under the terms of the new partnership, the PFA has relocated its staff and headquarters into the AAMDC office and operate under the direction of the AAMDC Trade Division. As an acquisition, PFA is operated as a wholly owned subsidiary of the AAMDC.

In the past, PFA's extensive experience in negotiating fuel supply contracts, combined with its management skills and experience using the latest in technology advancements, has allowed PFA to successfully reduce members overall costs – all of which translate into huge wins for AAMDC Trade Members.

The objective of the Fuel Supply Program is to combat one-sided pricing advantages enjoyed by petroleum suppliers and to assist our members to purchase fuel at a lower cost, while still supporting local fuel dealers.

At present, there are 75 AAMDC members who currently purchase over 25 million litres of fuel each year, and 53 other municipalities in Saskatchewan and Manitoba who purchase an additional 16 million litres of fuel each year. Any member may join the fuel supply program at any time, subject to the requirement that the term of any existing contract for the supply of fuel be honoured. A member, if they feel that it is no longer advantageous to continue, may withdraw from their fuel supply contract at any time, without penalty.

The future continues to look bright for the Trade Division. We have just completed massive updates to our section of the website, as well as introducing the Partners in Trade and Advisor newsletters to promote and better serve our suppliers.

In the years to come, our goal remains to provide our members with the best service and lowest price possible. Here's to another record year!



16th Annual Parks & Recreation Association of Canada Conference - Edmonton, August 27 - 31, 1961

Update

In 2008, not only did the AAMDC celebrate its centennial, but the Association also took a major step forward nationally in hosting the symposium: Rural Matters! Forging Healthy Canadian Communities. A hugely successful event, Rural Matters! brought in delegates from across Canada enjoying over 70 speakers delivering a combination of plenary presentations, 35 education sessions and eight interactive workshops.

The feedback for the symposium has been overwhelmingly positive with 97 per cent of respondents satisfied with the event. More specifically, delegates were asked to rate their agreement that Rural Matters! effectively brought stakeholders together to network with rural peers (97 per cent agreed), share perspectives and learn about issues (99 per cent agreed), and develop key recommendations affecting sustainability (92 per cent agreed).

In the spring, the new-look Advocacy Report Card was released – detailing developments on all active resolutions and also provides the Government of Alberta’s responses to resolutions from the Fall 2007 Convention. These are areas of interest or concern identified by the Board of Directors as having a potential impact on the membership. The results of the report card set the tone for the continually updated Advocacy Strategy.

Throughout the year the membership continued to be served in the form of new tools, updated information and reports. This included the recent release of *Equitable Economics: Inter-municipal Financial Partnerships*.

Now more than ever municipalities are feeling increased pressure to provide a high level of service to their residents. However, providing these services is often very difficult when operating with modest budgets and limited human resources. Through inter-municipal collaboration, municipalities across Alberta can negate part of this difficulty by working together to meet the demands of citizens while retaining their autonomy. *Equitable Economics* examines three different approaches to inter-municipal agreements: cost sharing, delivery sharing and revenue sharing. An overview of these is discussed and a high level framework for constructing such agreements is provided.

In addition to these successes, the following table highlights some of the AAMDC’s other key achievements this past year:

Key Achievements

2008 SPECIAL PROJECTS

AAMDC Advisory Services Through a pre-qualification process, provide members with a list of preferred for consultants for business services. Initially, this will be done for services related to human resources, communication, information technology, tendering and training. Expected Outcomes: Completion of this project will assist in expanding the capacity of municipalities to meet their operational needs. As well, similar to other Trade Services, this will generate revenue for AAMDC.

Targeted Results	Actual Results
<ul style="list-style-type: none">Established list of preferred consultants for business services released to the AAMDC membership by Fall 2007.	<ul style="list-style-type: none">Launched the Advisory Services business offering with 11 preferred partners covering a wide variety services.Developed marketing materials including brochure, website, and e-newsletter.



Advocacy, Policy and Communications

Key Achievements

2008 SPECIAL PROJECTS

AAMDC Cost/Revenue Sharing Position Paper The development of a position paper outlining the AAMDC's official position on both cost and revenue sharing. The paper will provide definitions and recommendations. The paper will be developed through consultation with members and other key stakeholders. Expected Outcomes: Develop a collective position on revenue and cost sharing. Provide Alberta Municipal Affairs and Housing with definitions and recommendations for the implementation of cost/revenue sharing related to the MCMS report. Revise the AAMDC's cost sharing toolkit.

Targeted Results	Actual Results
<ul style="list-style-type: none"> Cost/revenue sharing position paper completed and submitted to government as Association's official position. 	<ul style="list-style-type: none"> Equitable Economics: Inter-municipal Financial Partnerships was released to the members and submitted to Municipal Affairs in April 2008. It was developed based on a draft paper issued in December 2007 that was followed by a consultation process including a survey and series of conference calls.

AAMDC Strategic Plan A guide document that combines the objectives of the policy, trade and insurance divisions, creating a holistic view of where the association is heading over three years. Expected Outcomes: Plan assists the board in making informed decisions, assist association staff in securing support/approval from the board, provide a basis for more detailed planning, explain the mandate of the association to others, assist in benchmarking and performance monitoring, stimulate change and become the building block for the next plan.

Targeted Results	Actual Results
<ul style="list-style-type: none"> Implementation of plan objectives. 	<ul style="list-style-type: none"> The AAMDC developed a new strategic plan entitled Building on Strength utilizing input from the three member Standing Committees, a member survey, the Board and staff. It was ratified at the Spring 2008 convention.



Key Achievements

2008 SPECIAL PROJECTS

Automated Road Condition Measurement Project Technology exists to collect gravel surface condition assessment through automated non-destructive data collection using accelerometer technology. This approach would provide an objective measure at a realistic cost of collection. Using automated tools, the surface condition of roads will be assessed. First, a pilot project will be conducted to establish condition levels and preferred automated tools. Then, upon its completion data collection province wide will be done. Finally, members will be trained in using the collected data for capital budget planning and tangible capital asset assessment. **Expected Outcomes:** Data from this project will provide objective data regarding road conditions across the province. This will strengthen AAMDC’s lobby efforts for increased funding for municipal infrastructure. For municipalities this data will support local capital and maintenance planning decisions as well as assist municipalities as they value transportation assets to meet the requirement for tangible capital assets.

Targeted Results	Actual Results
<ul style="list-style-type: none"> Proof of concept pilot completed in Spring 2008. 	<ul style="list-style-type: none"> The AAMDC conducting a scoping study to determine the feasibility and potential methods for assess the condition of gravel roads. Initial results indicate this methodology is already employed by some municipalities and offered by other service providers.

Comprehensive Multi-Year Septage Project In response to the recommendations within the Model Process Guide and the Septage Inventory Project, the AAMDC will engage stakeholders to implement the recommendations. The development of this strategy will be comprehensive will encompass not only the recommendations of the two projects, but also other septage-related initiatives being undertaken in the province. **Expected Outcomes:** The initiative will result in comprehensive data and tools to assist municipalities and the province in identifying, planning and managing septage issues.

Targeted Results	Actual Results
<ul style="list-style-type: none"> Form a steering committee to identify projects, assign roles and responsibility and determine funding requirements. Draft the appropriate grant requests. Depending on grant approvals, specific projects slated to start in Spring 2008 or later. 	<ul style="list-style-type: none"> Strategic advisory committee meetings in December 2007, March 2008 and June 2008. A formal grant application was submitted and approved for the Model Process pilot phase. Details of the project are being established in order to ensure municipal participants are informed and an accurate conditional grant agreement is signed. A Terms of Reference and priority initiatives worksheet were approved by the advisory committee in June 2008.



Advocacy, Policy and Communications

Key Achievements

2008 SPECIAL PROJECTS

ICSP Extended Pilots The four pillars of sustainability as identified in the ICSP Toolkit project--Environmental, Social, Cultural and Economic--have the potential for more detailed planning. AAMDC will work to identify ministries with capacity and interest in assisting with extended member pilots. Expected Outcomes: Extended pilots will build on member interest in the ICSP Toolkit and provide direct benefit to those with an interest in a specific area of sustainability. By providing the Government of Alberta with an opportunity to more closely collaborate with the membership, they will gain a more localized perspective on the impact of government initiatives.

Targeted Results	Actual Results
<ul style="list-style-type: none"> Where identified, conduct one extended pilot for each sustainability pillar. 	<ul style="list-style-type: none"> Extended pilots have been transitioned to the Advisory Services program for marketing and organization.

Integrated Community Sustainability Toolkit (ICSP) Commercialization Responds to the current long-term and strategic planning needs of municipal governments in Alberta and elsewhere as a result of the New Deal for Cities and Communities (NDCC). Expected Outcomes: Creation of an Integrated Community Sustainability Plans toolkit to assist municipalities in development of the required strategic document needed to access money under NDCC.

Targeted Results	Actual Results
<ul style="list-style-type: none"> Sale of ICSP Toolkit to 3 provincial associations. 	<ul style="list-style-type: none"> AAMDC has provided demonstrations of the ICSP Toolkit to numerous municipal organizations. While many have expressed interest in using it, many are unable to pay for the Toolkit.

Labour Force Strategy for Rural Municipalities - Implementation The recommendations from the Labour Force Strategy for Rural Municipalities are assessed for viability and acted on where feasible. Expected Outcomes: Implementation provides the foundation for further labour force development in rural Alberta.

Targeted Results	Actual Results
<ul style="list-style-type: none"> Secure funding required for full implementation of strategy recommendations. Solidify key partnerships required to successfully implement strategy (i.e. ARMAA, MAH, etc.) 	<ul style="list-style-type: none"> Created an implementation and advocacy strategy that was endorsed by the board at the December 2007 meeting. The original advisory committee was reconvened to guide implementation and set priorities for the recommendations.

Key Achievements

2008 SPECIAL PROJECTS

Landuse Framework Assistance Sustainable Resources and Development established four working groups to aid in the development of a comprehensive provincial Landuse Framework—Growth and Resource Management; Planning and Decision-Making Processes; Stewardship and Conservation; Monitoring and Evaluation. Expected Outcomes: The rural perspective and related concerns are reflected in the resulting Landuse Framework.

Targeted Results	Actual Results
<ul style="list-style-type: none"> Continued, meaningful participation in all four working groups. 	<ul style="list-style-type: none"> AAMDC staff participated in the four provincial Land Use Framework working groups. The final reports and presentations of the working groups were presented to the Minister of Alberta Sustainable Resource Development in October 2007. Upon release of the LUF, staff participated in a stakeholder working group review session and the AAMDC completed the public feedback survey.

Member Satisfaction Survey An annual survey that gathers member satisfaction levels on organizational performance and confirms the association’s current strategic direction. Expected Outcomes: A sustained high level of member satisfaction with AAMDC performance and strategic direction.

Targeted Results	Actual Results
<ul style="list-style-type: none"> Overall member satisfaction levels of 85% Board and staff review the association’s main activities annually to ensure they are aligned with its member-endorsed strategic objectives. 	<ul style="list-style-type: none"> Due to unavoidable circumstances, the member satisfaction survey was not conducted in 2007/08.

Municipal Dispute Resolution Initiative A group of selected administrators and officials from around the province are called upon by their peers to provide advice and support in resolving local conflicts. Expected Outcomes: The association is proactive in helping to address local conflicts.

Targeted Results	Actual Results
<ul style="list-style-type: none"> The association helps administer four orientation and training seminars each year and assists in the development of a strategic plan for the initiative. 	<ul style="list-style-type: none"> AAMDC staff have been involved in the administration of the Peer Network and the Advanced Dispute Resolution Education Courses. Eight ADR courses were held, a peer mentor orientation dinner was held, and an advisory committee meeting was attended by staff.



Advocacy, Policy and Communications

Key Achievements

2008 SPECIAL PROJECTS

Minister’s Council on Municipal Sustainability (MCMS) Addresses issues critical to municipal sustainability including roles, responsibility, resources and relationships. The AAMDC is leading a group that will examine the recommendations of three other working groups with a specific focus on their implications for rural and small municipalities. Expected Outcomes: Promotes general awareness of unique issues and characteristics specific to rural communities in Alberta. Provides a rural perspective on all initiatives undertaken by the Minister’s Council on Sustainability.

Targeted Results	Actual Results
<ul style="list-style-type: none"> Develop a joint Municipal Sustainability Initiative paper with the AUMA. Develop member consultation process for all MCMS recommendations. 	<ul style="list-style-type: none"> To gather member input on the MCMS report, AAMDC conducted a series of five conference calls and a survey in April 2007. AAMDC submitted its MSI recommendations to Alberta Municipal Affairs & Housing in Aug /07. While AAMDC and AUMA had several key principles in common, each organization submitted its own recommendations to meet the needs of their respective memberships.

Municipal Land Use Planning Simulation Software Geographic Information Systems (GIS) have become a standard tool of municipalities, resulting in a growth of electronically available municipal data. With this data and the need for land use planning expertise, there is an opportunity to develop a simple to use, yet powerful, forecasting tool for municipal planning decisions. Expected Outcomes: A toolkit to assist municipalities in land use planning and forecasting. This toolkit will build municipal capacity in the critical area of land use planning. As well, sale of this toolkit to municipalities outside of the AAMDC membership will generate revenue for AAMDC.

Targeted Results	Actual Results
<ul style="list-style-type: none"> Joint venture agreement signed between AAMDC, Acton Consulting and Shirwin Knowledge & Learning Systems to develop software. The toolkit development commences. 	<ul style="list-style-type: none"> In December 2007, the AAMDC submitted a proposal to Alberta Municipal Affairs and Housing (MAH) for grant funding to conduct a scoping study to determine the feasibility of developing land use simulation software. Based on feedback from MAH staff the proposal was revised, resubmitted and subsequently approved. Results are expected in Fall 2008.



Key Achievements

2008 SPECIAL PROJECTS

Rural Matters! Forging Healthy Canadian Communities / Centennial Celebration The largest rural issues symposium in Canada co-hosted with strategic partners. The Edmonton-based event features workshops, forums and keynote sessions that cover the most pressing topics affecting rural municipal governments across the country. The event is heavily supported by federal and provincial sponsorships. The association will hire a contractor for a two-year period for this activity. Strategic development of an implementation plan encompassing the goals developed at the Rural Matters! Forging Healthy Canadian Communities - National Symposium. Expected Outcomes: Delivery of a national event that focuses on the development of a series of comprehensive policy statements integral to the overall sustainability of rural Canada.

Targeted Results	Actual Results
<ul style="list-style-type: none"> Event held in Summer 2008. Event evaluation completed and presented to the Board (80% event approval rating). 	<ul style="list-style-type: none"> Rural Matters! was successfully delivered with a full agenda including 36 workshops and 7 keynote speakers. Overall the convention garnered positive reviews and met or exceeded the expectations of delegates. Respondents reported a 97% satisfaction rate overall. The conference saw 800 participants from across the county networking and discussing issues affecting rural Canada.

Rural Transportation Funding Options (RTFO) Update Work with members and government departments to update the data within the Rural Transportation Funding Options Report and adjust recommendations accordingly. Expected Outcomes: Government begins implementation of more equitable and practical infrastructure funding formulas for RTG, Local Bridge and Resource Road Programs.

Targeted Results	Actual Results
<ul style="list-style-type: none"> Updated RTFO report tabled with the Government of Alberta. 	<ul style="list-style-type: none"> MSI and the Building Canada Fund provided an injection of funding to address infrastructure needs. As a result, a review of the objectives of the RTFO was conducted and communicated to members. A broader look at all infrastructure funding programs has been slated for 2010.



Advocacy, Policy and Communications

Key Achievements

2008 JOINT INITIATIVES

Citizen Engagement Toolkit (Joint with AUMA) Assists municipal leaders in rebuilding trust in the political process and actively encouraging citizens to get involved. Expected Outcomes: New ways for citizens and businesses to get involved in local issues and local democracy are identified. Capacity for communities to participate more effectively in issues of concern is also increased.

Targeted Results	Actual Results
<ul style="list-style-type: none"> ▪ Distribution of Citizen Engagement Toolkit to members by Fall 2007. 	<ul style="list-style-type: none"> ▪ The Citizen Engagement Toolkit was released to members at the Fall 2007 convention. ▪ Training for municipal staff on using the Toolkit was conducted in Spring 2008.

Elected Officials Education/Training Program - Development and Support (Joint with AUMA) Creation and implementation of an integrated, sustainable client-driven approach to the development and support of elected officials in Alberta. Expected Outcomes: Elected officials development and support program created and implemented.

Targeted Results	Actual Results
<ul style="list-style-type: none"> ▪ Development of a governance and business plan. ▪ The training program is available in early 2008. 	<ul style="list-style-type: none"> ▪ Program officially launched at the Fall 2007 convention including the delivery of a teaser marketing campaign and a full-colour brochure. Launched the official EOEP website December 14, 2007. ▪ Governance model and business model established in January 2008. All 2008 courses are scheduled.

Technology and E-Government Toolkit (Joint with AUMA) Defines tools, techniques, process and best practices for using technology and the Internet to transform services, promote local economic vitality. Expected Outcomes: Toolkit developed that includes business models allowing municipal governments to make better decisions on IT systems, identification of potential server frameworks.

Targeted Results	Actual Results
<ul style="list-style-type: none"> ▪ Establish a committee and select a consultant to develop the toolkit. 	<ul style="list-style-type: none"> ▪ In late August 2007, a consultant was engaged to work on a scoping study for this project. ▪ The results were presented to the project sponsors in January 2008 and next steps are yet to be determined.

The Alberta Association of Municipal Districts and Counties



Financial Statements July 31, 2008

Management's Responsibility

To the Members of The Alberta Association of Municipal Districts and Counties:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgements and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors are composed primarily of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

Executive Director

Director of Finance and Business Services



The Alberta Association of Municipal Districts and Counties

Financial Statements July 31, 2008

Auditor's Report

To the Members of The Alberta Association of
Municipal Districts and Counties

We have audited the statement of financial position of The Alberta Association of Municipal Districts and Counties as at July 31, 2008 and the statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Association'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 Association as at July 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

Edmonton, Alberta
September 19, 2008

Statement of Financial Position July 31, 2008

Assets

	2008	2007
Current		
Cash	\$ -	\$ 503,844
Cash equivalents	729,056	703,888
Cash - restricted (Note 8)	442,267	435,940
Accounts receivable	5,821,480	3,834,026
Prepaid expenses	56,699	33,283
	<u>7,049,502</u>	<u>5,510,981</u>
Property and equipment (Note 6)	2,657,154	2,692,206
Investment in Jubilee Insurance Agencies Ltd. (Note 4)	908,974	1,230,554
Investment in Prairie Fuel Advisors (2008) Ltd. (Note 5)	154,282	-
	<u>\$10,769,912</u>	<u>\$ 9,433,741</u>

Liabilities

Current		
Bank Overdraft (Note 7)	\$ 1,156,686	\$ -
Accounts payable	3,761,094	3,394,916
Deferred membership fee revenue	904,255	693,229
Deferred grant revenue (Note 8)	558,389	834,788
	<u>6,380,424</u>	<u>4,922,933</u>

Net Assets

Net assets invested in property and equipment	2,657,154	2,692,206
Net assets restricted internally for dividend reserve	448,511	452,012
Unrestricted net assets	1,283,823	1,366,590
	<u>4,389,488</u>	<u>4,510,808</u>
	<u>\$ 10,769,912</u>	<u>\$ 9,433,741</u>

The Alberta Association of Municipal Districts and Counties



Financial Statements July 31, 2008

Statement of Operations for the Year Ended July 31, 2008

Statement of Cash Flows for the Year Ended July 31, 2008

	2008	2007
Revenues:		
Commissions	\$1,374,499	\$1,313,281
Convention registration and tickets	616,105	499,385
Grants	133,339	783,064
Interest	56,994	51,288
Legal expense recovery	103,772	167,625
Membership fees	694,084	660,356
Rent and licensing fees	76,500	70,200
Service charges	41,007	38,671
Sundry income	7,250	188
	<u>3,103,550</u>	<u>3,584,058</u>
Expenses:		
Advertising and promotion	38,311	46,324
Amortization	112,984	117,543
Automobile	5,968	6,629
Board and Ad hoc committees	520,331	587,996
Building operations	75,790	60,828
Computer	32,331	35,199
Consulting	1,700	15,381
Convention	525,586	428,133
Grant expenses	133,339	783,064
Insurance	17,658	20,609
Interest	4,053	5,356
Memberships and subscriptions	6,193	6,405
Office supplies	40,362	35,173
Postage	15,868	17,019
Professional fees	134,587	185,132
Salaries and benefits	874,586	809,728
Telephone	14,158	14,566
	<u>2,553,805</u>	<u>3,175,085</u>
Surplus from operations	<u>549,745</u>	<u>408,973</u>
Other income (expense):		
Dividends	677,323	464,306
Increase (decrease) in equity in Jubilee Insurance Agencies Ltd. (290,112)		259,701
Increase in equity in Prairie Fuel Advisors (2008) Ltd.	24,216	-
	<u>411,427</u>	<u>724,007</u>
Excess of revenues over expenses	<u>\$ 961,172</u>	<u>\$ 1,132,980</u>

	2008	2007
Cash was provided by (used in) operating activities:		
Excess of revenue over expenses	\$ 1,132,980	\$ 1,132,980
Add (deduct) non-cash items:		
Net income of Jubilee Insurance Agencies Ltd.	(387,212)	(724,007)
(Increase) decrease in equity of Prairie Fuel Advisors (2008) Ltd.	(24,316)	-
Amortization	112,984	117,543
	<u>662,628</u>	<u>526,516</u>
Decrease (increase) in current assets		
Accounts receivable	(1,987,454)	(100,654)
Prepaid expenses	(23,416)	3,490
Increase (decrease) in current liabilities		
Accounts payable	366,178	192,416
Deferred income	211,026	34,178
	<u>(771,038)</u>	<u>655,946</u>
Cash was provided by (used in) financing activities:		
Dividends paid	(1,082,492)	(845,312)
Cash was provided by (used in) investing activities:		
Dividends received from Jubilee Insurance Agencies Ltd.	677,323	464,306
Advances (to) from Jubilee Insurance Agencies Ltd.	31,469	(34,923)
Advances to Prairie Fuel Advisors (2008) Ltd.	(129,966)	-
Purchase of property and equipment	(77,932)	(111,128)
Decrease in deferred grant revenue	(276,399)	(241,312)
(Increase) decrease in restricted cash	(6,327)	112,051
	<u>218,168</u>	<u>188,994</u>
Decrease in cash position	(1,635,362)	(372)
Cash position, at beginning of year	1,207,732	1,208,104
Cash position, at end of year	<u>\$ (427,630)</u>	<u>\$ 1,207,732</u>
Cash position is represented by:		
Cash (Bank overdraft)	\$(1,156,686)	\$ 503,844
Cash equivalents	729,056	703,888
	<u>\$ (427,630)</u>	<u>\$ 1,207,732</u>



The Alberta Association of Municipal Districts and Counties

Financial Statements July 31, 2008

Statement of Changes in Net Assets for the Year Ended July 31, 2008

	Net assets invested in property and equipment	Net assets restricted for dividend reserve	Unrestricted net assets	2008 Total	2007 Total
Balance, at beginning of year	\$ 2,692,206	\$ 452,012	\$ 1,366,590	\$ 4,510,808	\$ 4,223,140
Excess of revenues over expenses	(112,984)	-	1,074,156	961,172	1,132,980
Internally imposed restriction	-	(3,501)	3,501	-	-
Investment in property and equipment	77,932	-	(77,932)	-	-
Dividends paid	-	-	(1,082,492)	(1,082,492)	(845,312)
Balance, at end of year	<u>\$ 2,657,154</u>	<u>\$ 448,511</u>	<u>\$ 1,283,823</u>	<u>\$ 4,389,488</u>	<u>\$ 4,510,808</u>

Notes to Financial Statements July 31, 2008

1. Nature of Operations

The Association was incorporated under the Alberta Association of Municipal Districts and Counties Act by chapter 67 of the Statutes of Alberta, 1923, which was amended by chapters 116 and 69 of the Statutes of Alberta, 1971 and 1984 respectively.

The purpose of the Alberta Association of Municipal Districts and Counties is to assist rural municipalities in their endeavours to achieve strong and effective local government.

As a not-for profit municipal association under the Income Tax Act, the Association is not subject to either federal or provincial income taxes.

2. Accounting Policies

a) Revenue Recognition

The Association follows the deferral method of accounting for membership fee income and government grants. Under this method, income is recognized as revenue in the year in which the related expenses are incurred.

Membership fee income is recognized in the year to which it applies. Fees collected prior to July 31, in respect of the next fiscal period, are recorded on the statement of financial position as deferred income.

Government grant revenue is recognized in income as related expenses are incurred. Grant revenues which have not been expended at July 31 are deferred and recorded on the balance sheet as deferred grant revenue until the related expenses are incurred.

The Alberta Association of Municipal Districts and Counties



Notes to Financial Statements July 31, 2008

2. Accounting Policies continued

Commission income is recognized as earned at the time a customer is invoiced, and collection is reasonably assured.

Dividend income is recognized at the time it is received.

Income interest is recognized when earned.

b) Property and Equipment

Property and equipment are stated at cost less accumulated amortization. In the year of acquisition, amortization is calculated at the annual rate. No amortization is taken in the year of disposal. Major renewals and betterments are capitalized, maintenance and repairs are expensed as incurred. Amortization on computer software under development is deferred until the software development is complete and put into use. Cost of property sold or otherwise disposed of or permanently impaired and the related accumulated amortization are removed from the accounts at the time of disposal or recognition of impairment and any gain or loss is included in income. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Automobile	33.3% straight line
Computer equipment	33.3% straight line
Building	2.5% straight line
Office equipment	20.0% straight line

c) Investment in Jubilee Insurance Agencies Ltd. and Prairie Fuel Advisors (2008) Ltd.

The Association records its investment in its wholly-owned subsidiaries, Jubilee Insurance Agencies Ltd. and Prairie Fuel Advisors (2008) Ltd., using the equity method.

Under the equity method, the Association's share of its subsidiaries' earnings is recorded as income and added to the carrying value of the investment shown on the statement of financial position. Dividends received are considered a return of capital and are accordingly deducted from the carrying value of the investment.

Jubilee Insurance Agencies Ltd. is a non-taxable corporation, wholly owned by the Alberta Association of Municipal Districts and Counties. The business of the corporation is to provide comprehensive and affordable insurance coverage to Alberta local authorities.

Prairie Fuel Advisors (2008) Ltd. is also a non-taxable corporation, and became a wholly owned subsidiary of the Alberta Association of Municipal Districts and Counties in 2008. The business of the corporation is to assist municipalities, school divisions and related organizations in managing their fuel costs.

d) Dividend Reserve

Approximately 20% of the previous year's net income from trading operations is appropriated for a reserve for the future payment of dividends. Each year's

reserve appropriation is held for five years and paid out to the then existing members of the Association.

e) Pension Benefits

Contributions for current and past service pension benefits are recorded as expenditures in the year in which they become due.

f) Restrictions on Net Assets

Internally restricted net assets are not available for other purposes without the approval of the Board of Directors.

g) Cash Equivalents

Cash equivalents include term deposits and short-term securities with terms to maturity of less than 90 days.

h) Financial Instruments

Held for trading:

The Association has classified the following financial assets and liabilities as held for trading: cash, cash equivalents, cash — restricted, and bank overdraft. These instruments are initially recognized as their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date and transaction costs are immediately recognized as expenses.

Held for trading financial instruments are subsequently measured at their fair market value without any deduction for transactions costs incurred on sale or other disposal. Net gains and losses arising from changes in fair value are recognized immediately in excess of revenue over expenses.

Loans and receivables:

The Association has classified the following financial assets as loans and receivables: accounts receivable. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized as expenses.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value are recognized in excess of revenue over expenses upon derecognition or impairment.

Other financial liabilities:

The Association has classified the following financial liability as other financial liabilities: accounts payable and accrued liabilities. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase and sell these items are recorded on the trade date, and transaction costs are immediately recognized as expenses.



The Alberta Association of Municipal Districts and Counties

Notes to Financial Statements July 31, 2008

2. Accounting Policies continued

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount. Net gains and losses arising from changes in fair value are recognized in excess of revenue over expenses upon derecognition or impairment.

i) Future Accounting Pronouncements Capital Disclosures

In December 2006, the Canadian Institute of Chartered Accountants issued CICA 1535 Capital Disclosures, which established standards for disclosing information about the Association's capital and how it is managed. Specifically, information should be provided to enable users of the financial statements to evaluate the Association's objectives, policies and processes for managing capital.

These standards require an entity to disclose the following

- Qualitative and descriptive information about its objectives, policies and processes for managing capital;
- Summary quantitative data about what it manages as capital;
- Whether it complied with any externally imposed capital requirements to which it is subject;
- When the entity has not complied with such requirements, the consequences of such non-compliance.

CICA 1535 is effective for fiscal periods beginning on or after October 1, 2007. Earlier adoption is encouraged. The Association does not expect the adoption of this new standard to have a material impact on its financial statements.

3. Change in Accounting Policies

Financial Instruments

Effective July 1, 2007, the Association adopted the Canadian Institute of Chartered Accountants' ("CICA") Handbook sections 3855 and 3861 and amendments to the existing presentation and disclosure standards.

Previously the Association accounted for term deposits on a historical cost basis whereby the original cost of the cash equivalents were used to value the assets for financial statement purposes. Gains and losses that arose on the sale of the term deposits were recognized in excess of revenue over expenses as they were realized.

For the year ending July 31, 2008, held for trading financial instruments are recorded at fair value, and loans and receivables and other liabilities are initially recorded at fair value with subsequent measurement occurring at amortized cost using the effective interest rate method. In the case of term deposits, the fair value is determined by the closing market values of recognized indices. Changes in the fair market value of the cash equivalents are recognized in excess of revenue over expenses in the year the change occurs.

The CICA requires these new pronouncements to be adopted on a prospective basis. Therefore, the prior year comparative figures have not been restated to conform to the current accounting policy. Additionally, as no fair value differences existed on the Association's financial instruments designated as held for trading, there was no impact on the opening net asset balances as a result of adopting the new standards.

This change in accounting policy in the current year had no effect on excess of revenue over expenses or the carrying values of assets or liabilities.

4. Investment in Jubilee Insurance Agencies Ltd.

	2008	2007
Net income of Jubilee Insurance Agencies Ltd.	\$ 387,212	\$ 724,007
Deduct dividends paid to AAMD&C	(677,323)	(464,306)
Increase (decrease) in equity for the year	(290,111)	259,701
Equity, at beginning of year	1,189,514	929,813
Equity, at end of year	899,403	1,189,514
Shares, at cost	600	600
Advances from AAMD&C	8,971	40,440
	<u>\$ 908,974</u>	<u>\$ 1,230,554</u>

A financial summary of Jubilee Insurance Agencies Ltd. as at July 31, 2008 and 2007 and for the years then ended is as follows:

	2008	2007
Financial Position		
Total assets	\$ 6,513,420	\$ 6,616,694
Total liabilities	\$ 5,613,417	\$ 5,426,580
Shareholders' equity	900,003	1,190,114
	<u>\$ 6,513,420</u>	<u>\$ 6,616,694</u>

Results of Operations

Total revenues	\$ 1,912,789	\$ 1,930,900
Total expenses	1,525,577	1,206,893
Net income	<u>\$ 387,212</u>	<u>\$ 724,007</u>

Cash Flows

Operating activities	\$ (38,962)	\$ 375,728
Financing activities	(708,795)	(429,384)
Investing activities	(46,020)	(31,449)
Decrease in cash	(793,777)	(85,105)
Cash, at beginning of year	1,860,742	1,945,847
Cash, at end of year	<u>\$ 1,006,965</u>	<u>\$ 1,860,742</u>

The Alberta Association of Municipal Districts and Counties



Notes to Financial Statements July 31, 2008

5. Investment in Prairie Fuel Advisors (2008) Ltd.

	2008
Net income of Prairie Fuel Advisors (2008) Ltd.	\$ 24,216
Deduct dividends paid to AAMD&C	nil
Increase in equity for the year	24,216
Equity, at beginning of year	nil
Equity, at end of year	24,216
Shares, at cost	100
Advances from AAMD&C	130,066
	<u>\$ 154,282</u>

A financial summary of Investment in Prairie Fuel Advisors (2008) Ltd. as at July 31, 2008 and for the year then ended is as follows:

	2008
<u>Financial Position</u>	
Total assets	\$ 882,876
Total liabilities	\$ 858,560
Shareholders' equity	24,316
	<u>\$ 882,876</u>

Results of Operations

Total revenues	\$ 73,816
Total expenses	49,600
Net income	<u>\$ 24,216</u>

Cash Flows

Operating activities	\$ 16,551
Financing activities	821,065
Investing activities	(707,246)
Increase in cash, beginning cash at end of year	<u>\$ 130,370</u>



*Alberta Association of Municipal Districts and Counties
Founding Members
Messrs. Grant, Bright, Gair, and Pinchbeck - 1908*

6. Property and Equipment

	2008			2007	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Land	\$ 260,000	\$ -	\$ 260,000	\$ 260,000	
Building	2,019,178	226,692	1,792,486	1,837,965	
Automobile	28,979	20,285	8,694	8,694	
Computer equipment	129,847	106,530	23,317	14,072	
Office equipment	247,979	223,360	24,619	70,437	
	2,685,983	576,867	2,109,116	2,191,168	
Computer software under development	548,038	-	548,038	501,038	
	<u>\$ 3,234,021</u>	<u>\$ 576,867</u>	<u>\$ 2,657,154</u>	<u>\$ 2,692,206</u>	



The Alberta Association of Municipal Districts and Counties

Notes to Financial Statements July 31, 2008

7. Bank Indebtedness

As at July 31, 2008, the Association has a line of credit with a limit of \$2,000,000 which has been drawn on throughout the year. The line of credit bears interest at prime plus 0.25% and is secured by the property.

8. Deferred Grant Revenue

Deferred grant revenue as at July 31 is as follows:

	Balance 2007	Grant Received 2008	Interest Earned 2008	Expenditures 2008	Balance 2008
Title Mapping Project	\$ 91	\$ -	\$ -	\$ 91	\$ -
Assessment Shared Services Environment Project	425,729	-	15,544	9,186	432,087
Inter-Municipal Issues Review Project	58,711	-	-	54,801	3,910
Rural/Urban Cost-sharing Committee Grant	7,052	-	-	7,052	-
Dispute Resolution Peer Network Grant	24,115	10,450	377	18,418	16,524
Septage Management Study	10,332	-	-	624	9,708
Labor Force Strategy for Rural Municipalities	15,215	-	-	5,176	10,039
Muniversity Development Program	20,000	-	-	-	20,000
Website Redevelopment Grant	33,912	-	-	12,418	21,494
Land Use Planning Simulation Software Scoping	-	50,000	-	17,640	32,360
Elected Officials Education Program	-	20,200	-	7,933	12,267
Rural Matters' National Symposium	239,631	-	-	239,631	-
	<u>\$ 834,788</u>	<u>\$ 80,650</u>	<u>\$ 15,921</u>	<u>\$ 372,970</u>	<u>\$ 558,389</u>

The grants received on the Dispute Resolution Peer Network Grant and the Elected Officials Education Program are comprised of seminar registrations received.

Cash in the amount of \$442,267 (2007 - \$435,940) is restricted for expenditures on the above programs. As a result, these funds have been disclosed separately.

Cash flows arising from the above grants (held in trust) are as follows:

	2008	2007
Grants received and interest earned	\$ 96,571	\$ 541,752
Grant expenditures	414,090	\$ 741,944

9. Future Employee Benefits

The Association participates in the Local Authorities Pension Plan, a multi-employer pension plan, with other local authorities and approved bodies. The plan is a contributory defined benefit plan administered by the Local Authorities Pension Plan Corporation, which pays pension and other benefits on behalf of the employer.

Current and prior service costs, included in these financial statements, are funded by the Association and its employees at rates which are expected to provide for all benefits payable under the Plan. The rates for the Association are 1.0% higher than for the employees. Both employer and employee current and prior services paid to July 31, 2008 were \$87,280 (2007 - \$70,010).

As the Plan is a multi-employer plan, it is not possible to determine, on an individual basis, each employer's potential unfunded liability or surplus. At December 31, 2007 the Plan had an actuarial deficit of \$1,183,334,000 which is expected to be eliminated within the next 15 years from employer and employee contributions and investment earnings.

The Alberta Association of Municipal Districts and Counties



Notes to Financial Statements July 31, 2008

10. Commitments

The Association's total obligations under various operating leases for office equipment are as follows:

2009	\$24,573
2010	24,573
2011	24,573
2012	24,573
2013	24,573

11. Financial Instruments

All significant financial assets, financial liabilities and equity instruments of the Association are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. It is management's opinion that the Association is not exposed to significant interest, currency, cash flow, price, or credit risk except as otherwise disclosed.

Risk management policy

The Association, as part of operations, has established a policy of closely aligning expenditures to the budget and keeping unrestricted funds secure for future use as risk management objectives. In seeking to meet these objectives, the Association follows a risk management policy approved by its Board of Directors. This policy includes keeping excess unrestricted funds in secure, fixed income investments as well as using strict budgets to monitor its expenditures.

Fair value disclosure

The carrying amount of bank overdraft, cash-restricted, cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their fair value due to the short-term maturities of these items.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through purchasing securities with fixed interest rates and short term maturities. The Association is exposed to interest rate risk primarily relating to its term deposits, which are at fixed interest rates and mature within one year.

12. Related Party Transactions

During the year the Association rented office space to Jubilee Insurance Agencies Ltd., its wholly owned subsidiary, for total consideration of \$45,000 plus GST (2007 - \$40,200 plus GST). In addition, the Association charged a licensing fee to Jubilee Insurance Agencies Ltd. for the use of the enterprise business software, for a total consideration of \$31,500 plus GST (2007 - \$30,000). The Association also sells a variety of goods and services from third party suppliers through its co-operative operations to Jubilee Insurance Agencies Ltd. These goods and services, as well as the rent and licensing fee are provided in the

normal course of operations and are measured at fair value.

The Association also purchases insurance coverage from Jubilee Insurance Agencies Ltd. in the normal course of operations at fair value. Total premiums paid were \$54,033 (2007 - \$63,606).

13. Guarantee

As at July 31, 2008, the Association has guaranteed the demand credit facility of Prairie Fuels Advisors (2008) Ltd., a wholly-owned subsidiary, up to a maximum amount of \$690,999. Payment under this guarantee, which will remain in place until June 30, 2013, is required in the event of default by Prairie Fuel Advisors (2008) Ltd. As at July 31, 2008, no liability has been recorded associated with this guarantee. The guarantee is secured by a Land Mortgage Amending Agreement increasing the principal sum of \$2,755,000.

14. Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the valuation of property and equipment and accrued liabilities. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

15. Cash Flows

The Association uses the indirect method of reporting cash flows. During the year cash flows arising from interest and dividends were as follows:

	2008	2007
Interest received	\$ 57,533	\$ 53,438
Interest paid	\$ 714	\$ 5,357
Dividends received	\$ 677,323	\$ 464,306
Dividends paid	\$1,082,492	\$ 845,312



Jubilee Insurance Agencies Ltd.

Financial Statements July 31, 2008

Auditor's Report

To the Shareholder of Jubilee Insurance Agencies Ltd.

We have audited the balance sheet of Jubilee Insurance Agencies Ltd. as at July 31, 2008 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Company'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 company as at July 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

Edmonton, Alberta
September 19, 2008

Balance Sheet July 31, 2008

Assets

	2008	2007
Current		
Cash	\$ 616,917	\$ 1,425,656
Cash equivalents	450,048	435,086
Accounts receivable	5,337,279	4,672,010
Prepaid expenses	34,814	34,847
	<u>6,439,058</u>	<u>6,567,599</u>
Property and equipment (Note 4)	74,362	49,095
	<u>\$ 6,513,420</u>	<u>\$ 6,616,694</u>

Liabilities

Current		
Accounts payable and accrued liabilities	\$ 5,604,449	\$ 5,386,140
Due to the Alberta Association of Municipal Districts and Counties	8,968	40,440
	<u>5,613,417</u>	<u>5,426,580</u>

Shareholder's Equity

Share capital		
Authorized:		
200 common shares		
Issued:		
6 common shares	600	600
Retained earnings	899,403	1,189,514
	<u>900,003</u>	<u>1,190,114</u>
	<u>\$ 6,513,420</u>	<u>\$ 6,616,694</u>

Jubilee Insurance Agencies Ltd.



Financial Statements July 31, 2008

Statement of Income for the Year Ended July 31, 2008

	2008	2007
Revenue:		
Commissions	\$ 1,225,084	\$ 1,185,447
Administration fees	617,263	606,878
Interest	70,442	87,050
Seminars	-	11,525
External contributions	-	40,000
	<u>1,912,789</u>	<u>1,930,900</u>
Expenses:		
Amortization	20,753	16,434
Automobile	12,311	12,19
Bad debts	3,299	2,707
Board and executive	11,833	13,954
Computer	73,991	65,037
Insurance	76,294	78,879
Loss prevention	16,838	15,295
Office	39,300	31,707
Postage	10,240	11,708
Professional fees	22,945	22,397
Rent	47,438	42,612
Risk Pro premium credit	236,412	50,572
Salaries and benefits	759,144	643,023
Seminars and Risk Pro program	33,521	39,017
Service fee	150,000	150,000
Telephone	11,258	11,353
	<u>1,525,577</u>	<u>1,206,893</u>
Net income	<u>\$ 387,212</u>	<u>\$ 724,007</u>

Statement of Cash Flows for the Year Ended July 31, 2008

	2008	2007
Cash was provided by (used for) operating activities:		
Net income	\$ 387,212	\$ 724,007
Add (deduct) items not requiring an outlay of cash		
Amortization	20,753	16,434
	<u>407,965</u>	<u>740,441</u>
Decrease (increase) in current assets		
Accounts receivable	(665,269)	(1,093,271)
Prepaid expenses	33	(1,133)
Increase in current liabilities		
Accounts payable and accrued liabilities	218,309	729,691
	<u>(38,962)</u>	<u>375,728</u>
Cash was provided by (used for) financing activities:		
Advances from (to) The Alberta Association of Municipal Districts and Counties	(31,472)	34,922
Dividends paid to The Alberta Association of Municipal Districts and Counties	(677,323)	(464,306)
	<u>(708,795)</u>	<u>(429,384)</u>
Cash was provided by (used for) investing activities:		
Purchase of property and equipment	(46,020)	(31,449)
	<u>(46,020)</u>	<u>(31,449)</u>

Statement of Retained Earnings for the Year Ended July 31, 2008

	2008	2007
Retained earnings, at beginning of year	\$ 1,189,514	\$ 929,813
Net Income	387,212	724,007
	<u>1,576,726</u>	<u>1,653,820</u>
Dividends paid to The Alberta Association of Municipal Districts and Counties	(677,323)	(464,306)
Retained earnings, at end of year	<u>\$ 899,403</u>	<u>\$ 1,189,514</u>

Decrease in cash	(793,777)	(85,105)
Cash, at beginning of year	1,860,742	1,945,847
Cash, at end of year	<u>\$ 1,066,965</u>	<u>\$ 1,860,742</u>
Cash is represented by:		
Cash	\$ 616,917	\$ 1,425,656
Cash equivalents (term deposits)	450,048	435,086
	<u>\$ 1,066,965</u>	<u>\$ 1,860,742</u>



Jubilee Insurance Agencies Ltd.

Notes to Financial Statements July 31, 2008

1. Nature of Operations

Jubilee Insurance Agencies ("Jubilee") is a not-for-profit corporation, wholly-owned by the Alberta Association of Municipal Districts and Counties. The business of the corporation is to provide comprehensive and affordable insurance coverage to Alberta local authorities.

2. Accounting Policies

a) Revenue Recognition

Commission and administration fee income is recognized as revenue when an insurance policy is renewed or executed, and collection is reasonably assured.

Interest income is recognized as revenue when earned.

Seminar income is recognized when received.

b) Property and Equipment

Property and equipment are stated at cost less accumulated amortization. In the year of acquisition, amortization is calculated at the annual rate. No amortization is taken in the year of disposal. Major renewals and betterments are capitalized, maintenance and repairs are expensed as incurred. Cost of property sold or otherwise disposed of or permanently impaired and the related accumulated amortization are removed from the accounts at the time of disposal or recognition of impairment and any gain or loss is included in income. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Automobile	33.3% straight line
Computer equipment	33.3% straight line
Office equipment	20.0% straight line

c) Income Taxes

The Company is exempt from the payment of federal and provincial income taxes under the Canadian Income Tax Act because it is a wholly-owned subsidiary of a municipal association.

d) Pension Benefits

Contributions for current and past service pension benefits are recorded as expenditures in the year in which they become due.

e) Cash Equivalents

Cash equivalents consist of bank term deposits which are recorded at cost plus accrued interest and are due September 4, 2008.

f) Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the valuation of property and equipment, amortization and accrued liabilities. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

g) Financial Instruments

Held for trading:

The Company has classified the following financial assets and liabilities as held for trading: cash, cash equivalents, cash — restricted, and bank overdraft. These instruments are initially recognized as their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date and transaction costs are immediately recognized as expenses.

Held for trading financial instruments are subsequently measured at their fair market value without any deduction for transactions costs incurred on sale or other disposal. Net gains and losses arising from changes in fair value are recognized immediately in excess of revenue over expenses.

Loans and receivables:

The Company has classified the following financial assets and receivables: accounts receivable. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized as expenses.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value are recognized in excess of revenue over expenses upon derecognition or impairment.

Other financial liabilities:

The Company has classified the following financial liabilities as other financial liabilities: accounts payable and accrued liabilities and due to the Alberta Association of Municipal Districts and Counties. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase and sell these items are recorded on the trade date, and transaction costs are immediately recognized as expenses.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount. Net gains and losses arising from changes in fair value are recognized in excess of revenue over expenses upon derecognition or impairment.

Notes to Financial Statements July 31, 2008

2. Accounting Policies continued

i) Future Accounting Pronouncements

Capital Disclosures

In December 2006, the Canadian Institute of Chartered Accountants issued CICA 1535 Capital Disclosures, which established standards for disclosing information about the Company's capital and how it is managed. Specifically, information should be provided to enable users of the financial statements to evaluate the Company's objectives, policies and processes for managing capital.

These standards require an entity to disclose the following

- Qualitative and descriptive information about its objectives, policies and processes for managing capital:
- Summary quantitative data about what it manages as capital:
- Whether it complied with any externally imposed capital requirements to which it is subject:
- When the entity has not complied with such requirements, the consequences of such non-compliance.

CICA 1535 is effective for fiscal periods beginning on or after October 1, 2007. Earlier adoption is encouraged. The Company does not expect the adoption of this new standard to have a material impact on its financial statements.

3. Change in Accounting Policies

Financial Instruments

Effective July 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants' ("CICA") Handbook sections 3855 and 3861 and amendments to the existing presentation and disclosure standards.

Previously the Company accounted for term deposits on a historical cost basis whereby the original cost of the term deposits plus transaction fees were used to value the assets for financial statement purposes. Gains and losses that arose on the sale of the term deposits were recognized in excess of revenue over expenses as they were realized.

For the year ending July 31, 2008, held for trading financial instruments are recorded at fair value, and loans and receivables and other liabilities are initially recorded at fair value with subsequent measurement occurring at amortized cost using the effective interest rate method. In the case of term deposits, the fair value is determined by the closing market values of recognized indices. Changes in the fair market value of the cash equivalents are recognized in excess of revenue over expenses in the year the change occurs.

The CICA requires these new pronouncements to be adopted on a prospective basis. Therefore, the prior year comparative figures have not been restated to conform to the current accounting policy. Additionally, as no fair value differences existed on the Company's financial instruments designated as held for trading, there was no impact on the opening net asset balances as a result of adopting the new standards.

This change in accounting policy in the current year had no effect on income or the carrying values of assets or liabilities.

4. Property and Equipment

	2008		2007	
	Cost	Accumulated Amortization	Net book Value	Net book Value
Automobile	\$ 71,737	\$ 42,248	\$ 29,489	\$ 41,220
Computer equipment	97,359	52,486	44,873	7,395
Office equipment	18,291	18,291	0	480
	<u>\$ 187,387</u>	<u>\$ 113,025</u>	<u>\$ 74,362</u>	<u>\$ 49,095</u>

5. Contingent Liability

Certain portions of commission income recorded are potentially refundable to customers if an insurance policy is cancelled. At July 31, 2008 the maximum amount of commission income potentially refundable if all insurance policies were cancelled was approximately \$377,607 (2007 - \$616,353).

6. Future Employee Benefits

The Company participates in the Local Authorities Pension Plan, a multi-employer pension plan, with other local authorities and approved bodies. The plan is a contributory defined benefit plan administered by the Local Authorities Pension Plan Corporation, which pays pension and other benefits on behalf of the employer.

Current and prior service costs, included in these financial statements, are funded by the Company and its employees at rates which are expected to provide for all benefits payable under the Plan. The rates for the Company are 1.0% higher than for the employees. Both employer and employee current and prior services paid to July 31, 2008 were \$71,411 (2007 - \$57,281).

As the Plan is a multi-employer plan, it is not possible to determine, on an individual basis, each employers' potential unfunded liability or surplus. At December 31, 2007 the Plan had an actuarial deficit of \$1,183,334,000 which is expected to be eliminated within the next 15 years from employer and employee contributions and investment earnings.

7. Related Party Transactions

The majority of the customers of Jubilee Insurance Agencies Ltd. are members of The Alberta Association of Municipal Districts and Counties. The Alberta Association of Municipal Districts and Counties owns 100% of the shares of Jubilee Insurance Agencies Ltd.

During the year the Company paid \$45,000 plus GST (2007 - \$40,200 plus GST) in rent to The Alberta Association of Municipal Districts and Counties, and \$31,500 plus GST (2007 - \$30,000) for a licensing fee for the use of the enterprise business software.

During the year the Company collected insurance premiums of \$54,033 (2007 - \$63,606) from The Alberta Association of Municipal Districts and Counties.

The Company also purchases a variety of goods and services from third party suppliers through the co-operative operations of The Alberta Association of Municipal Districts and Counties. These goods and services are provided in the normal course of operations and are measured at fair value. In addition, the Company has a payable to the Alberta Association of Municipal Districts and Counties for \$8,968. The amount is unsecured and is repayable on a monthly basis.

Notes to Financial Statements July 31, 2008

8. Financial Instruments

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. It is management's opinion that the Company is not exposed to significant interest, currency, cash flow, price, or credit risk except as otherwise disclosed.

Risk management policy

The Company, as part of operations, has established a policy of closely aligning expenditures to the budget and keeping unrestricted funds secure for future use as risk management objectives. In seeking to meet these objectives, the Company follows a risk management policy approved by its Board of Directors. This policy includes keeping excess unrestricted funds in secure, fixed income investments as well as using strict budgets to monitor its expenditures.

Fair value disclosure

The carrying amount of cash, term deposits, accounts receivable, and accounts payable and accrued liabilities and due to the Alberta Association of Municipal Districts and Counties approximate their fair value due to the short-term maturities of these items.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through purchasing securities with fixed interest rates and short term maturities. The Company is exposed to interest rate risk primarily relating to its term deposits, which are at fixed interest rates and mature within one year.

9. Cash Flows

The Company uses the indirect method of reporting cash flows. During the year cash flows arising from interest and dividends were as follows:

	2008	2007
Interest received	\$ 70,938	\$ 86,885
Dividends paid	\$ 677,323	\$ 464,306



Alberta Association of Municipal Districts and Counties 55th Annual Convention - 1908

Prairie Fuel Advisors (2008) Ltd.



Financial Statements June 1, 2008 (date of commencement of operations) to July 31, 2008

Auditor's Report

To the Shareholder of Prairie Fuel Advisors (2008) Ltd.

We have audited the balance sheet of Prairie Fuel Advisors (2008) Ltd. as at July 31, 2008 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Company'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 company as at July 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

Edmonton, Alberta
September 19, 2008

Balance Sheet July 31, 2008

Assets

Current	<u>2008</u>
Cash	\$ 30,370
Term Deposits	100,000
Accounts receivable	<u>45,260</u>
	175,630
Capital assets (Note 4)	74,558
Goodwill (Note 3)	<u>632,688</u>
	<u>\$ 882,876</u>

Liabilities

Current	
Accounts payable and accrued liabilities	\$ 37,595
Demand installment loan (Note 5)	690,999
Due to the Alberta Association of Municipal Districts and Counties	<u>129,966</u>
	<u>858,560</u>
Contingent Liability (Note 3)	

Shareholder's Equity

Share capital (Note 6)	
Retained earnings	<u>24,216</u>
	<u>24,316</u>
	<u>\$ 882,876</u>



Prairie Fuel Advisors (2008) Ltd.

Financial Statements June 1, 2008 (date of commencement of operations) to July 31, 2008

Statement of Income and Retained Earnings for the Period Ended July 31, 2008

	2008 <i>(initial 2 months)</i>
Revenue:	
Commissions	\$ 73,457
Interest	359
	<u>73,816</u>
Expenses:	
Advertising and promotion	1,897
Computer	7,677
Contracted services	15,334
Interest and bank charges	3,737
Office	1,866
Professional fees	5,731
Salaries and benefits	12,204
Travel	1,154
	<u>49,600</u>
Net income and retained earnings, at end of period	<u>\$ 24,216</u>

Statement of Cash Flows for the Period Ended July 31, 2008

	2008 <i>(initial 2 months)</i>
Cash was provided by (used for) operating activities:	
Net income	\$ 24,216
Increase in current assets	
Accounts receivable	(45,260)
Increase in current liabilities	
Accounts payable and accrued liabilities	37,595
	<u>16,551</u>
Cash was provided by (used for) financing activities:	
Advances from The Alberta Association of Municipal Districts and Counties	129,966
Advances of demand installment loan	695,000
Repayments of demand installment loan	(4,001)
Issue of share capital	100
	<u>821,065</u>
Cash was provided by (used for) investing activities:	
Purchase of capital assets	(10,117)
Purchase of business (Note 3)	(697,129)
	<u>(707,246)</u>
Increase in cash, balance end of period	<u>130,370</u>
Cash is represented by:	
Cash	\$ 30,370
Cash equivalents (term deposits)	100,000
	<u>\$ 130,370</u>

2008 Milestone: Municipal Careers Marketing Strategy

The AAMDC, in partnership with the Alberta Rural Municipal Administrators' Association (ARMAA), the Alberta Urban Municipalities Association (AUMA), the Local Government Administration Association (LGAA) and the Society of Local Government Managers (SLGM), has undertaken a project to develop a municipal careers marketing strategy. This project is closely aligned with the recommendations from AAMDC's report entitled *Workable Solutions: A Labour Force Strategy for Rural Municipalities*.

Prairie Fuel Advisors (2008) Ltd.



Notes to Financial Statements June 1, 2008 (date of commencement of operations) to July 31, 2008

1. Nature of Operations

Prairie Fuel Advisors (2008) Ltd. (the "Company") was incorporated in 2008 under the Alberta Business Corporations Act. It is a non-taxable corporation, wholly-owned by the Alberta Association of Municipal Districts and Counties.

The business of the Company is to assist municipalities, school districts and related organizations in managing their fuel costs.

2. Accounting Policies

a) Revenue Recognition

Commission income is recognized as revenue when the related fuel purchase is made, and collectability is reasonably assured.

Interest income is recognized as revenue when earned.

b) Capital Assets

Property and equipment are stated at cost less accumulated amortization. The policy of the company is to calculate amortization at the annual rate in the year of acquisition. Because the company operated for only two months to July 31, 2008, amortization has not been recorded. No amortization is taken in the year of disposal. Major renewals and betterments are capitalized, maintenance and repairs are expensed as incurred. Cost of property sold or otherwise disposed of or permanently impaired and the related accumulated amortization are removed from the accounts at the time of disposal or recognition of impairment and any gain or loss is included in income. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	33.3% straight line
Office equipment	20.0% straight line

c) Income Taxes

The Company is exempt from the payment of federal and provincial income taxes under the Canadian Income Tax Act because it is a wholly-owned subsidiary of a municipal association.

d) Pension Benefits

Contributions for current and past service pension benefits are recorded as expenditures in the year in which they become due.

e) Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the valuation of property and equipment, amortization and accrued liabilities. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

f) Financial Instruments

Held for trading:

The Company has classified the following financial assets and liabilities as held for trading: cash and term deposits. These instruments are initially recognized as their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date and transaction costs are immediately recognized as expenses.

Held for trading financial instruments are subsequently measured at their fair market value without any deduction for transactions costs incurred on sale or other disposal. Net gains and losses arising from changes in fair value are recognized immediately in excess of revenue over expenses.

Loans and receivables:

The Company has classified the following financial assets as loans and receivables: accounts receivable. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized as expenses.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value are recognized in excess of revenue over expenses upon derecognition or impairment.

Other financial liabilities:

The Company has classified the following financial liability as other financial liabilities: accounts payable and accrued liabilities, demand installment loan and due to the Alberta Association of Municipal Districts and Counties. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase and sell these items are recorded on the trade date, and transaction costs are immediately recognized as expenses.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount. Net gains and losses arising from changes in fair value are recognized in excess of revenue over expenses upon derecognition or impairment.



Prairie Fuel Advisors (2008) Ltd.

Notes to Financial Statements June 1, 2008 (date of commencement of operations) to July 31, 2008

2. Accounting Policies continued

g) Future Accounting Pronouncements

Capital Disclosures

In December 2006, the Canadian Institute of Chartered Accountants issued CICA 1535 Capital Disclosures, which established standards for disclosing information about the Company's capital and how it is managed. Specifically, information should be provided to enable users of the financial statements to evaluate the Company's objectives, policies and processes for managing capital.

These standards require an entity to disclose the following:

- Qualitative and descriptive information about its objectives, policies and processes for managing capital:
- Summary quantitative data about what it manages as capital:
- Whether it complied with any externally imposed capital requirements to which it is subject:
- When the entity has not complied with such requirements, the consequences of such non-compliance.

CICA 1535 is effective for fiscal periods beginning on or after October 1, 2007. Earlier adoption is encouraged. The Company does not expect the adoption of this new standard to have a material impact on its financial statements.

3. Business Acquisition

On June 1, 2008, the Company acquired the assets and processes which constituted the business of Prairie Fuels Association Ltd. The results of these operations have been included in these financial statements from June 1, 2008.

The aggregate purchase price was \$697,129, and including \$102,129 of transaction costs. The following is the allocation of the purchases price:

Office equipment	\$ 17,575
Computer software	46,866
Goodwill	<u>632,688</u>
	<u>697,129</u>

Included in the purchase agreement is contingent consideration in the amount of \$100,000, which is payable upon a successful proposal process for supplier and customer contracts on or before May 1, 2011, which includes specific measurable targets. This consideration will be recognized as defined in the agreement.

4. Capital Assets

	2008		
	Cost	Accumulated Amortization	Net book Value
Computer equipment	\$ 57,410	-	\$ 57,410
Office equipment	17,148	-	17,148
	<u>\$ 74,558</u>	<u>\$ -</u>	<u>\$ 74,558</u>

5. Demand Installment Loan

Demand bank loan payable due in monthly installments of \$7,700 principal and interest at Alberta Treasury Branches' prime plus ½%, due June 30, 2013; secured by a general security agreement covering all present and after acquired property, and by guarantee from the parent company, the Alberta Association of Municipal Districts and Counties.

The loan agreement requires certain financial covenants to be maintained. These covenants include a required working capital ratio, total debt to equity ratio, and a debt service coverage ratio. As at July 31, 2008, the Company is in violation of these covenants. It is management's opinion that the Company will be in compliance within one year, after a full year's operations have been included in the covenant calculation.

Scheduled principle repayments over the next five years is as follows:

2009	\$ 57,409
2010	60,312
2011	63,371
2012	66,594
2013	443,313
	<u>\$ 690,999</u>

6. Share Capital

Authorized:

Class "A" Common	Unlimited
Class "B" Common	Unlimited
Class "C" Preferred	Unlimited
Class "D" Preferred	Unlimited

Issued during the period for cash:

100 - Class "A" Common	\$100
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All shares of the Company are without nominal or par value and are non-assessable.

7. Commitments

The Company's total obligations for contracted administrative services are as follows:

2009	\$ 82,670
2010	30,000

8. Financial Instruments

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. It is management's opinion that the Company is not exposed to significant interest, currency, cash flow, price, or credit risk except as otherwise disclosed.

Risk management policy

The Company, as part of operations, has established a policy of closely aligning expenditures to the budget and keeping unrestricted funds secure for future use as risk management

Notes to Financial Statements June 1, 2008 (date of commencement of operations) to July 31, 2008

8. Financial Instruments continued

objectives. In seeking to meet these objectives, the Company follows a risk management policy approved by its Board of Directors. This policy includes keeping excess unrestricted funds in secure, fixed income investments as well as using strict budgets to monitor its expenditures.

Fair value disclosure

The carrying amount of cash, term deposits, accounts receivable, and accounts payable and accruals approximate their fair value due to the short-term maturities of these items.

Due to the Alberta Association of Municipal Districts and Counties is carried at its cost. Fair value of the financial instrument cannot be reliably estimated because there are no set terms of repayment.

The demand installment loan is carried at cost which approximates fair value due to the demand feature of the loan.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through purchasing securities with fixed interest rates and short term maturities. The Company is exposed to interest rate risk primarily relating to its term deposits and demand installment loan. The term deposits are at fixed interest rates and mature within one year, while the demand installment loan interest fluctuates with the Alberta Treasury Branches' prime lending rate as described in note 5.

Credit concentration and economic dependence

The Company transacts with three customers including the Company's parent. Each of these customers accounts for greater than 10% of revenues, and two of these customers account for all of accounts receivable. In addition, the Company transacts with two major fuel suppliers to provide the purchasing discount to its customers.

9. Related Party Transactions

During the period the Company charged its parent company, the Alberta Association of Municipal Districts and Counties \$57,704 in fuel commissions, of which \$18,531 remains in accounts receivable as at July 31, 2008. The parent also pays for and allocates various costs to the Company as part of normal operations.

In addition, the Company has a payable to its parent for \$129,966, which includes various expenses paid for on behalf of the Company, including transaction costs related to the purchase of the business. The amount is unsecured and has no specific terms of repayment.

These items were incurred in the normal course of operations and are measured at the exchange amount which equals fair value.

10. Cash Flows

The Company uses the indirect method of reporting cash flows. During the period cash flows arising from interest were as follows:

	2008
Interest paid	\$ 3,699



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Comparative Statements/Dividends

Trading Division

Comparative Statement of Sales, Income, Expenses and Dividends Declared To Members
For Ten Years Ended July 31, 2008

YEAR	SALES	GROSS INCOME	EXPENSES	NET INCOME	DIVIDENDS DECLARED TO MEMBERS
1999	24,979,852	912,408	437,500	474,908	475,960
2000	25,918,213	950,829	474,266	476,563	488,756
2001	25,982,449	902,582	571,579	331,004	368,878
2002	27,002,057	944,061	521,046	423,015	441,147
2003	28,514,984	1,003,726	648,319	355,407	402,134
2004	30,204,373	1,062,114	600,859	461,255	463,985
2005	31,715,719	1,117,768	645,668	472,100	412,960
2006	32,510,705	1,165,966	692,683	473,283	384,827
2007	37,068,179	1,315,510	909,998	405,512	409,012
2008	39,102,208	1,372,248	919,784	452,463	433,052

Jubilee Insurance Agencies Ltd.

Comparative Statement of Premiums, Income, Expenses and Dividends
Declared to Alberta Association of Municipal Districts & Counties For Ten Years Ended July 31, 2008

YEAR	PREMIUMS	GROSS INCOME	EXPENSES	NET INCOME	DIVIDENDS DECLARED TO ASSOCIATION
1999	11,934,354	839,166	416,886	422,280	428,973
2000	11,835,810	851,400	542,717	308,683	336,292
2001	10,264,768	761,912	570,766	191,146	222,810
2002	21,882,440	1,203,165	553,214	649,951	628,524
2003	17,566,274	965,828	654,741	311,087	327,259
2004	17,241,996	1,056,835	803,448	403,386	400,793
2005	18,453,990	1,250,542	1,026,748	223,794	93,901
2006	19,099,281	1,737,904	1,017,998	719,906	484,549
2007	21,061,686	1,930,900	1,206,894	724,006	699,584
2008	20,262,553	1,912,789	1,525,577	387,212	400,123

Statement of Dividends Declared



TRADE DIVISION Dividends Declared & Held In Reserve to Credit of Members For the Year Ending July 31, 2008

JUBILEE INSURANCE AGENCIES LTD. Dividends For the Year Ending July 31, 2008

	Trade Dividends Declared 2007-2008	Total Reserve Held to Credit of Members (5yr)	Total Dividends Declared 2007-2008	Total Reserve Held to Credit of Members (10yr)
M.D. of Acadia #34	134.78	235.39	850.40	778.82
County of Athabasca #12	2,363.14	3,415.86	4,679.49	4,052.33
County of Barrhead #11	3,292.14	3,167.59	2,337.78	2,354.84
Beaver County	2,658.79	3,005.43	3,059.02	3,126.97
M.D. of Big Lakes	6,023.80	3,873.23	4,333.85	3,173.51
M.D. of Bighorn #8	396.92	355.89	1,087.32	817.56
Birch Hills County	3,258.70	2,956.38	2,176.40	1,971.92
M.D. of Bonnyville #87	6,449.80	4,271.58	4,809.30	4,154.29
Brazeau County	4,204.98	3,690.14	3,218.22	2,980.07
Camrose County	3,682.42	3,134.73	3,225.03	3,462.91
Cardston County	1,325.93	1,834.35	1,974.32	1,970.51
Clear Hills County	1,019.46	1,859.98	1,979.04	1,909.18
Clearwater County	4,340.42	3,596.86	4,716.46	4,315.38
Municipality of Crowsnest Pass	1,381.56	1,203.84	858.66	406.62
Cypress County	3,486.07	4,074.09	3,900.49	3,804.71
M.D. of Fairview #136	2,200.63	1,971.44	1,390.96	1,375.39
Flagstaff County	2,826.37	3,213.90	2,613.27	2,603.67
M.D. of Foothills #31	7,669.11	7,957.76	5,332.44	4,825.17
County of Forty Mile #8	3,959.80	3,812.28	3,797.53	3,658.82
County of Grande Prairie #1	9,071.34	10,138.73	7,999.58	6,637.42
M.D. of Greenview #16	4,603.44	5,144.11	3,163.58	2,924.29
Kneehill County	3,175.62	2,704.76	3,091.83	3,068.53
Lac La Biche County	4,899.27	4,139.71	4,287.02	2,690.38
Lac Ste. Anne County	5,765.70	5,485.26	4,306.36	3,809.37
Lacombe County	5,421.15	6,799.16	3,950.05	3,810.13
Lamont County	2,459.02	2,603.31	2,171.90	2,092.37
Leduc County	5,824.60	7,361.64	5,182.72	4,767.89
M.D. of Lesser Slave River #124	2,781.43	2,886.88	1,999.03	1,789.58
County of Lethbridge	5,256.50	4,428.32	4,299.89	4,091.74
Mackenzie County	3,821.22	3,054.60	5,111.18	4,474.79
County of Minburn #27	7,233.18	4,794.73	2,091.56	2,192.88
Mountain View County	3,629.44	4,936.07	4,943.52	4,576.08
County of Newell #4	2,856.54	2,905.36	3,374.93	3,163.64
M.D. of Northern Lights #22	2,633.00	2,183.85	2,135.53	1,905.06
Northern Sunrise County	2,537.03	2,520.14	1,788.94	1,675.30



Statement of Dividends Declared

TRADE DIVISION Dividends Declared & Held In Reserve to Credit of Members For the Year Ending July 31, 2008

	Trade Dividends Declared 2007-2008	Total Reserve Held to Credit of Members (5yr)
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M.D. of Opportunity #17	5,992.03	7,644.29
County of Paintearth #18	3,486.28	3,253.22
Parkland County	7,710.91	7,135.41
M.D. of Peace #135	434.78	702.06
M.D. of Pincher Creek #9	2,108.11	2,264.27
Ponoka County	2,419.13	2,753.02
M.D. of Provost #52	1,267.04	1,582.47
M.D. of Ranchland #66	152.49	222.87
Red Deer County	1,101.94	1,466.28
M.D. of Rocky View #44	5,371.67	5,342.04
Saddle Hills County	2,166.06	2,193.43
Smoky Lake County	3,117.44	3,889.84
M.D. of Smoky River #130	1,981.76	2,167.96
M.D. of Spirit River #133	2,063.28	1,716.13
County of St. Paul #19	5,375.53	4,709.16
Starland County	5,243.06	4,168.44
County of Stettler #6	4,549.15	3,604.32
Strathcona County	17,572.49	15,433.79
Sturgeon County	9,200.28	9,130.24
M.D. of Taber	2,968.59	3,362.39
County of Thorhild #7	1,116.68	1,576.73
County of Two Hills #21	3,117.33	2,805.56
County of Vermilion River	11,704.23	8,190.53
Vulcan County	6,814.44	7,368.73
M.D. of Wainwright #61	3,689.77	3,771.52
County of Warner #5	2,392.70	2,572.88
Westlock County	4,396.92	5,046.90
County of Wetaskiwin #10	3,906.88	4,973.56
Wheatland County	4,477.88	6,274.92
M.D. of Willow Creek #26	1,846.20	2,348.39
Regional Mun. of Wood Buffalo	0.28	(0.34)
Woodlands County	2,592.08	2,874.35
Yellowhead County	3,001.82	4,460.53
AAMDC	2,322.89	2,106.22
Associate Members	164,746.56	156,225.27
	<u>433,051.98</u>	<u>423,054.73</u>

JUBILEE INSURANCE AGENCIES LTD. Dividends For the Year Ending July 31, 2008

	Total Dividends Declared 2007-2008	Total Reserve Held to Credit of Members (10yr)
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	4,207.15	3,192.77
	2,600.37	2,781.81
	7,413.88	7,429.33
	1,120.51	1,097.12
	1,837.61	1,887.70
	2,692.43	2,562.98
	2,731.23	2,663.73
	254.52	244.04
	6,012.26	6,067.89
	8,346.48	6,877.90
	2,130.68	1,892.65
	4,101.53	3,243.30
	2,002.74	2,010.08
	825.28	748.69
	4,346.07	3,899.71
	2,701.31	2,449.36
	3,783.79	3,554.03
	27,531.98	16,317.57
	5,962.48	4,924.32
	3,662.98	3,650.72
	2,105.20	2,085.93
	2,564.52	2,326.13
	4,207.42	3,835.64
	2,604.60	2,758.04
	2,659.28	2,865.93
	2,402.19	2,639.86
	3,600.31	3,279.50
	4,883.57	4,563.03
	4,811.04	4,663.09
	3,378.43	2,739.65
	—	—
	2,515.32	2,175.98
	5,118.54	4,843.38
	784.57	1,216.84
	<u>147,985.99</u>	<u>183,677.84</u>
	<u>400,123.86</u>	<u>406,578.66</u>