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The Capital Region Board was established by the Government of Alberta on April 15, 2008 with the promulgation of the Capital Region Board Regulation under the Municipal Government Act. In 2009, attending over 75 meetings, the 25 member municipalities focussed on completing the Capital Region Growth Plan: *Growing Forward*. The Growth Plan was submitted to the Province in March 2009 and further work on two Addenda to the Plan was completed by December 2009. The Growth Plan lays the foundation for the future work of the Board and member municipalities in each of the core areas of land use, intermunicipal transit, geographic information services and housing.

The agreement among member municipalities on the Growth Plan demonstrates the continued level of commitment and contributions of Board members, Board alternates and municipal administrations to the future of the Capital Region. The Government of Alberta approved the Growth Plan on March 11, 2010 and a new Capital Region Board Regulation was in place as of March 31, 2010.

The Capital Region Board Regulation requires that the Board prepare an Annual Report on its activities and financial statements for submission to the Minister of Municipal Affairs. On behalf of the Capital Region Board, the Annual Report for the year ending December 31, 2009 was prepared under our direction. Financial statements have been prepared in accordance with the Province’s Government Accountability Act and Canadian generally accepted accounting standards. All of the Board’s policy decisions, with material financial implications, as at December 31, 2009, have been considered in the preparation of this Report.

Christopher Sheard  
INTERIM CHAIR

Kathleen LeClair  
CHIEF OFFICER
VISION FOR THE CAPITAL REGION

The Capital Region is a family of diverse, interdependent communities whose energy, talent and resources are combined with insightful planning processes, sound fiscal and regulatory practices, environmental sensitivity and empathy for the underprivileged. Strong expressions of regional purpose and the ability to embrace change ensure that the social, economic, environmental and cultural well-being of the region’s current and future residents and communities is respected and sustained.
1.1 ACHIEVING OUR VISION

The Capital Region Growth Plan is the Capital Region’s growth strategy to address how we will collectively work together to manage future growth in the Region. The aim is simple, to ensure sustainability of the Region for future generations. To do this, the Plan emphasizes economic, social and environmental sustainability.

The Capital Region Growth Plan: Growing Forward is a landmark agreement among the Board’s 25 member municipalities to support a new pattern of development for many years to come. The Growth Plan represents a paradigm shift in urban development and transportation planning aimed at reducing the Region’s development footprint. This will be achieved through the implementation of a range of development densification targets that will require urban municipalities to develop a broader mix of housing and built forms to create more compact communities and support active transportation modes, including public transit, cycling and walking.

Member municipalities are committed to ensuring a sustainable future for the Region. Preserving the quality of life for present and future generations is essential. To ensure the decisions made as a Region have the desired effect, the Board is committed to putting in place monitoring and performance measures as well as understanding the cumulative effect our decisions have on the environment. At the same time, there must be a balance between the effects of industry on land, water and air quality, and the social and economic vitality of the Region.

While the Growth Plan recognizes that more of the Region’s future population and employment growth will be in Priority Growth Areas, all municipalities in the Region will experience growth. What will serve to guide the Board and the actions of member municipalities in achieving the vision are the comprehensive principles and policies that address the interrelationships among the four strategic priorities of the Growth Plan:

- Land Use
- Intermunicipal Transit
- Non-Market and Market Affordable Housing
- Geographic Information Services (GIS)
The Capital Region Board was created by the Government of Alberta through Regulation under the Municipal Government Act on April 15, 2008. The Board continues to operate under that authority. The Board is deemed to be a regional services commission for the purposes of the Freedom of Information and Protection of Privacy Act, and the Alberta Capital Finance Authority Act.

During the past year, there have been no changes in the organization, governance or mandate of the Board. The Regulation identifies the Board’s 25 member municipalities, sets out its accountability, voting structure and its powers and duties. The Regulation also sets out the Board’s mandate, which continues to be:

TO DEVELOP AND OVERSEE THE IMPLEMENTATION OF A PROPOSED REGIONAL GROWTH PLAN BASED ON AN INTEGRATED AND STRATEGIC APPROACH TO PLANNING THE FUTURE GROWTH OF THE REGION FOR THE NEXT 35 YEARS AND TO COORDINATE DECISIONS IN THE CAPITAL REGION TO SUPPORT ECONOMIC GROWTH AND STRONG COMMUNITIES AND A HEALTHY ENVIRONMENT.

It has been estimated that the population within the Region will increase by almost 620,000 to 1.7 million people within the planning horizon to 2044. Employment is expected to grow by almost 250,000 to over 860,000 jobs. This scale of growth requires not only thoughtful planning, but also a commitment to a shared vision and coordinated regional plans.
The Capital Region Growth Plan is an important step in ensuring that the Region remains globally competitive. It will enable and support sustainable growth and improve the quality of life for all citizens.

The Capital Region Board Regulation stipulates that the Capital Region Growth Plan is to become effective at a date to be determined by the Minister of Municipal Affairs. The Growth Plan (including the October 31 and December 31, 2009 Addenda) have been officially approved by the Minister of Municipal Affairs on March 11, 2010. A new Capital Region Board Regulation was effective on March 31, 2010.

2.1 WHO WE ARE

The Capital Region Board is a corporation consisting of 25 member municipalities from within the Region. Each member municipality is represented by an elected official appointed by their respective municipality. In the event a representative is not appointed, the chief elected official of the member municipality is designated as that municipality’s representative.

The member municipalities are those municipalities identified in the Capital Region Board Regulation. Member municipalities and persons appointed to represent member municipalities are listed on the next page.

In addition to the 25 elected officials from Board’s member municipalities, there is also a non-voting Government of Alberta appointee, Mr. Ivan Moore from Alberta Municipal Affairs. Mr. Moore is also a non-voting member of the Board’s Land Use Committee. The Government of Alberta has also appointed provincial representatives to each of the Board’s Intermunicipal Transit, GIS and Housing Committees.
Capital Region Board Members
(as of 12/31/09)

**Town of Beaumont**: Camille Berube
**Town of Bon Accord**: Lin VanDusen
**Town of Bruderheim**: Fred Hawryluk
**Town of Calmar**: Kirk Popik
**Town of Devon**: Anita Fisher
**City of Edmonton**: Stephen Mandel
**City of Fort Saskatchewan**: Jim Sheasgreen
**Town of Gibbons**: William Nimmo
**Lamont County**: Wayne Woldanski
**Town of Lamont**: Steven Sharun
**Leduc County**: Marvin Molzan
**City of Leduc**: Greg Krischke
**Town of Legal**: Albert St. Jean
**Town of Morinville**: Lloyd Bertschi
**Town of New Sarepta**: Carmen Fedirko
**Parkland County**: Rob Wiedeman
**Town of Redwater**: Mel Smith
**City of Spruce Grove**: Stuart Houston
**City of St. Albert**: Nolan Crouse
**Town of Stony Plain**: Ken Lemke
**Strathcona County**: Cathy Olesen
**Sturgeon County**: Donald Rigney
**Village of Thorsby**: Allan Gee
**Village of Wabamun**: Bill Purdy
**Village of Warburg**: Dawson Kohl
2.2 WHAT WE DO

The Capital Region Board exists to coordinate long range planning and decision making among the municipalities of the Capital Region. Effective planning and implementation of the four strategic priority areas identified in the Capital Region Board Regulation will engage the 25 member municipalities to:

- Plan and assist in administering projects designed to improve the quality of life for Capital Region citizens, and to act as a monitoring body for those projects;
- Establish land use practices that benefit and support diverse interdependent member municipalities where the uniqueness of its residents, communities and natural environments are respected and supported;
- Create and administer regional intermunicipal transit services that also provide special transit services for persons with disabilities;
- Encourage programs and practices which increase the availability of affordable housing throughout the Region;
- Expand regional capacity to deliver regional geographic information services that support sustainable land use, transit, and affordable housing decisions;
- Assist in coordinating the efforts and energies of the member municipalities where applicable;
- Act as a focal point for providing direction on regional projects;
- Provide insight, research and guidance, where applicable, to any and all member municipalities;
- Provide leadership to business, industry and community organizations;
- Liaise and advocate with the provincial and federal governments on issues and projects related to the Capital Region;
- Provide the public with a comprehensive single source to access when seeking information on regional projects; and
- Maximize the potential of the Region, by promoting responsible yet visionary use of its resources, and through recognizing, supporting, and facilitating the talents and efforts of its citizens.
The Board organizes its work through committees composed of elected officials appointed by the 25 member municipalities. Each committee has its own mandate and identified deliverables for each year. In 2009, the work of the committees focused on completing the Growth Plan and establishing and building partnerships in the Region. Each committee is chaired by an elected official with other members being Board members or elected officials from the 25 member municipal councils. All committees report to the Board.

Going forward, with the completion of the Growth Plan, each committee will be focused on further planning to complement the four strategic priority areas and specific implementation initiatives, as approved by the Board. Annually, the Board will review the Terms of Reference and membership of its committees.

The Board provides a venue for the Capital Region to think strategically and to work together on priorities that will stimulate economic growth for all of Alberta. We are committed to ensure our Region achieves its full economic potential and the highest quality of life possible for residents.

### CRB COMMITTEES

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<thead>
<tr>
<th>COMMITTEE</th>
<th>Advocacy &amp; Communications</th>
<th>Governance</th>
<th>Land Use</th>
<th>Transit</th>
<th>GIS</th>
<th>Housing</th>
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<td>City of Leduc</td>
<td>Strathcona County</td>
<td>City of Edmonton</td>
<td>City of St. Albert</td>
<td>Town of Morinville</td>
<td>Leduc County</td>
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In establishing the Capital Region Board, the Government of Alberta provided leadership to bring together 25 municipalities in the Region, defining the initial priorities and setting a framework that would allow each member to participate in building a plan based on effective decision making around matters of regional interest and importance.

The Province created the Capital Region Board Regulation to establish and govern the Board and its operations. In April 2008, Premier Stelmach appointed an Interim Chair, Christopher Sheard, with the authority necessary to carry out the Board’s mandate. Mr. Sheard continued to be the Interim Chair of the Board through 2009. In addition, the Government of Alberta provided an operating grant to cover the administrative costs of the Board for its first three years of operation, starting in 2008-09 fiscal year. It also mandated the development of a cost allocation formula for Board municipalities to share costs for regional projects.

Finally, under Ministerial Order No. L005/08 to the Capital Region Board Regulation, the Minister of Municipal Affairs established the Transitional Regional Evaluation Framework (TREF). TREF is the decision-making framework providing the Board with authority to review and approve municipal statutory plans of the 25 member municipalities. This Ministerial Order describes the process for decision-making, conditions under which municipal statutory plans are required to be reviewed by the Board and the criteria used to evaluate plans with respect to regional scale interests.

The Minister of Municipal Affairs retains the authority to create Ministerial Orders to direct the Board’s management, duties and functions; transitional matters related to the Capital Region Board’s Regulation; the requisition of operating and capital funds, record keeping and reporting; and any other matters deemed necessary by the Minister under the Board’s Regulation. This may extend to legislative amendments to enable the Board to carry out its mandate, and the facilitation of access by the Board to funds and to borrow from the Alberta Capital Finance Authority, for regional projects approved by the Board.
2.5 STATEMENT OF ACCOUNTABILITY

The Capital Region Board is responsible to the citizens and key stakeholders of the Capital Region, and to the Government of Alberta to ensure that the work of the Board is focused on the appropriate priorities to ensure global competitiveness and sustainability of the Region for future generations.

The Board ensures sound operations through a commitment to transparency consistent with Alberta’s Freedom of Information and Protection of Privacy Act.

1. The Board seeks broad input from the Region through consultation on matters that affect communities and the future of the Capital Region, along with seeking advice of industry, government, academia and community organizations either directly or through a Regional Blue Ribbon Panel.

2. The Board operates within a corporate governance model that includes:

   a. Preparation of a three year Business Plan, updated annually, that sets direction, establishes regional priorities, identifies performance metrics and reports on progress toward Growth Plan objectives;

   b. Adherence to fiscal management and reporting in compliance with Alberta’s Financial Administration Act and generally accepted accounting standards;

   c. Preparation of an Annual Report to the Minister of Municipal Affairs as required in the Board’s Regulation;

   d. Commitment to monitoring the implementation of the Growth Plan and reporting on performance measures related to the Board’s operations and the Growth Plan;

   e. Adherence to an “evergreening” process for updating the Growth Plan when necessary. Regular updates of the Growth Plan will take place every five years, at a minimum;

   f. Ongoing advocacy in support of regional priorities; and

   g. Communication that focuses on reporting on issues of regional interest.
2.6 DECISION MAKING STRUCTURE

2.6.1 POWERS AND DUTIES OF THE BOARD

The Capital Region Board Regulation identifies the Board’s membership, the voting structure and its powers and duties. The roles and responsibilities of the Board are to coordinate long range planning and decision making among the municipalities of the Capital Region. All municipalities must comply with the Growth Plan as approved.

It is important to note that the establishment of the Board does not change the business of municipal governments. Citizens of the Region will continue to be served by elected municipal governments, and decisions without regional implications will continue to be made locally.

The following table provides further definition of the Board’s functional responsibilities relative to the four priority areas of the Growth Plan.

2.6.2 COMMITTEE STRUCTURE

To develop the Growth Plan, the Board established working committees, comprised of elected officials. The Committees each had responsibility for the development of the assigned tasks in the four priority areas of the Growth Plan, and were required to bring forward recommendations to the Board for approval. Each committee worked to address its mandate with the assistance of Board administration, support staff and industry consultants. In many cases administrative staff of the Capital Region municipalities was engaged to provide technical advice.

A Governance Committee was created to oversee the administration of the Board, and in 2009, an Advocacy & Communications Committee was established to oversee the communications, external relations and advocacy functions of the Board.

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<th>CRB RESPONSIBILITIES</th>
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<tr>
<td>FUNCTION</td>
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<td>Land Use</td>
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<td>GIS</td>
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<td>Housing</td>
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2.6.3 VOTING STRUCTURE

The Capital Region Board Regulation stipulates that each member of the Board has one vote at a Board meeting. If a decision is made by a vote, the decision must be supported by not fewer than 17 representatives from member municipalities that collectively have at least 75 percent of the population in the Capital Region.

2.6.4 DELEGATION

Only the Board may adopt bylaws, borrow money, adopt budgets and approve financial statements but may otherwise delegate its authority.

Early in its mandate, the Board delegated to a rotating Subcommittee of Chief Administrative Officers (CAOs) of member municipalities the authority to review and approve applications for new and amended municipal statutory plans under the Transitional Regional Evaluation Framework (TREF). In the delegation order, the Board ensured that if the Subcommittee did not unanimously approve an application, the application would proceed to the full Board for decision.

This delegated authority has worked well and will continue under the Regional Evaluation Framework (REF) which will be in place in 2010.

2.6.5 BYLAWS

The Capital Region Board Regulation provides authority to the Board to make bylaws respecting its conduct and affairs, including, without limitation, rules and procedures for dealing with matters before the Board. All bylaws require the approval of the Minister of Municipal Affairs before coming into effect.
3.0 REPORT ON ACTIVITIES

The Growth Plan was completed in three stages over the course of 2009. The initial Growth Plan was submitted to the Minister of Municipal Affairs on March 31, 2009, as provided in the Board’s Regulation. On June 11, 2009, following a multi-ministerial review, the Minister of Municipal Affairs congratulated the Board on its accomplishments to March 31, 2009 and directed the Board to complete additional work under all priority areas by October 31, 2009 and December 31, 2009, respectively, in order to fulfill the Board’s mandate.

The Capital Region Growth Plan: Growing Forward represents the Capital Region’s growth strategy for the next 35 years. This is a plan aimed at ensuring the long term sustainability of the Capital Region to accommodate a growing population and employment base. A population and employment projection was completed as part of the Growth Plan and was used to inform the Plan’s Transit and Housing components.

The Growth Plan is the Capital Region’s roadmap for regional collaboration and coordination to plan for growth. It recognizes the need for the efficient use of regional infrastructure, land and other resources. Moreover, the Growth Plan provides the foundation for decisions aimed at reducing the Region’s development footprint and emphasizes building complete communities based on increasing densification of urban areas, in particular Priority Growth Areas. The effectiveness and success of the growth strategy will be measured by an improved quality of life, improved regional cooperation, a strengthening economy and the health of the environment.
During 2009, the Capital Region Board devoted considerable time and resources to its work on regional land use issues. In the June 11, 2009 letter to the Board, the Minister of Municipal Affairs directed the Board to proceed with the completion of the land use requirements outlined in the Capital Region Board Regulation.

The Land Use Principles and Policies approved by the Board in March 2009 served as the foundation for the Board’s work in the latter part of the year. The Principles and Policies allowed the Board to address outstanding issues such as the identification of Priority Growth Areas, Cluster Country Residential Areas, land supply, buffer areas, residential densities, location of regional infrastructure as well as the identification of corridors and environmentally sensitive areas.

The six principles identified in the Land Use Plan are:

1. Protect the Environment and Resources
2. Minimize Regional Footprint
3. Strengthen Communities
4. Increase Transportation Choices
5. Ensure Efficient Provision of Services
6. Support Regional Economic Development

The impact of the Land Use Principles and Policies, and other land use policies adopted by the Board, is to reduce the rate of growth in the Region’s development footprint. Moreover, these polices in conjunction with other elements of the Capital Region Growth Plan, will support a broader range of housing types at higher densities and a regional intermunicipal transit network.

3.1 LAND USE PLAN
Due to timing issues and the availability of data, the Capital Region Growth Plan submitted to the Government of Alberta in March 2009 included a population and employment projection based on an economic scenario that did not account the impact of the economic downturn that Alberta, Canada and the rest of the world experienced in 2008.

In recognition of the potential impact that changed economic circumstances may have on the Region, the Minister of Municipal Affairs directed the Board to review the population and employment assumptions. The Board was also directed to align a new projection with Alberta Finance and Enterprise estimates for national and provincial growth as well as incorporating updated population and economic data. These updated projections were used to re-assess the implications for transportation, housing and growth nodes in the Region.

A revised population and employment projection was submitted to the Government of Alberta in December 2009. The projection identified the growth in population in 35 years to reach almost 620,000 new people for a total population of 1.7 million. Employment growth over the same time horizon shows an increase of almost 250,000 new jobs in the Region.

To effectively manage this level of growth in a sustainable way, the Capital Region municipalities will be guided by the Growth Plan’s principles and policies. The overall goal is to reduce the development footprint through a different pattern of development that requires higher densities within designated areas of the Region, complete communities and a focus on transit oriented development aimed at reducing the impact of growth on the environment.

While more future growth is expected to occur within Priority Growth Areas and Cluster Country Residential Areas, each of the municipalities in the Region is expected to experience some population and employment growth over the next 35 years.
In 2009, the Regional Transit Committee’s focus was on the development of an Intermunicipal Transit Network Plan for the Capital Region. This Plan was completed on March 31, 2009 and represents a long term plan for developing an integrated regional transportation network to meet the projected growth in population and employment.

The Intermunicipal Transit Network Plan is integrated with the land use principles and policies and takes into account the Priority Growth Areas in which the largest population and employment growth will occur in future. The Region’s Land Use Plan identifies a different pattern of development to achieve higher densities over the next 35 years with greater emphasis on building complete communities to include transit oriented development making it possible to increase transportation choices and to reduce the impact of development on the environment. The benefits to the Region from this integrated approach, includes greater coordination of regional infrastructure investment decisions that consider optimal transportation modes to achieve regional service level goals.

In addition to developing the Intermunicipal Transit Network Plan, the Transit Committee oversaw the development of a cost allocation model for the municipal portion of regional transit projects. The cost allocation model was approved by the Board and submitted to the Government of Alberta as part of the October 2009 Addendum to the Growth Plan. The formula addresses the municipal portion of Regional Transit project costs, after funding from other orders of governments is considered. The regional cost allocation formula gives special consideration for smaller municipalities, minimizing the financial impact of contributing to a regional transit system while ensuring all residents have access to it.

The Regional Transit Committee completed a review and prioritization of regional transit initiatives as potential projects under the Province’s Energy and Climate Change Strategies – GreenTRIP Program. The highest priority project identified was a commuter bus transit service from Leduc, Leduc County and key employment areas within Leduc County. The Regional Transit Committee will continue to work with the Province in 2010 to secure the necessary funding to implement this service as the Board’s priority project for regional transit.
3.4 GEOGRAPHIC INFORMATION SERVICES PLAN

The goal of the Geographic Information Services (GIS) Plan is to create and expand regional capacity to deliver geographically based information and services that support sustainable land use, public transit and housing decisions through collaboration of the Board and its member municipalities.

The Plan identifies the need to invest in people, processes, data and technology to build regional decision making tools and the capability to help make efficacious policy decisions. This may be ranging from analyzing development patterns and trends, to coordinating future infrastructure investments.

The underlying objective of a regional GIS is to enable the collection, coordination and analysis of information/data to inform regional decisions and ensure that regional decisions to sustain economic growth, preserve the environment and ensure sustainable communities.

During 2009, the GIS Committee continued to work at planning for future services and data. In addition to completing the Regional GIS Plan, the Board agreed to adopt the protocols, methods, standards and terminology used by GeoDiscover Alberta. These standards are being widely adopted not only here in Alberta, but internationally as well and will ensure that a regional GIS uses the best practices available.
The Regional Housing Plan includes a broad range of actions to ensure the housing needs of the Region are met to address both current and future housing needs based on projected population and employment growth. The identification of these required actions was achieved through a comprehensive affordability and needs analysis, an inventory of existing non-market housing in the Region and a series of community and industry consultations. Affordable housing is critical to the economic prosperity and quality of life for all citizens of the Capital Region. The supply of a full range of housing for people of all income levels near regional employment centres supports strong families and communities as well as economic growth.

The Regional Housing Plan is a key component of the Capital Region Growth Plan. The Plan aims to address the important mandate element of providing a housing plan that includes recommendations for:

i. The general location of social (Non-Market) housing; and

ii. Options to increase the supply of market affordable housing.

In the fall of 2009, the Board undertook a Non-Market Housing Inventory of all municipalities in the Region. As well, the newly released Canada Mortgage and Housing Corporation (CMHC) Core Housing Needs Study was used along with newly released Statistics Canada population and income data to compile a Regional Core Housing Needs Analysis. This information was included in the December 2009 Addendum to the Growth Plan.
The Board’s Advocacy & Communications Strategy in 2009 shifted to creating more public awareness of the accomplishments of the Board and the Growth Plan. The Advocacy & Communications Committee was mandated to develop the strategic direction for regional public policy issues and to develop recommendations to support advocacy for regional priorities.

The focus in 2009 was on building the framework for the Advocacy & Communications Strategy. Building public awareness of the Board and the Growth Plan included activities such as making presentations on the Growth Plan, informing provincial and federal governments about the Growth Plan and regional priorities, and working with partners in the Region to implement the Growth Plan.

Throughout the year the Board engaged in regular communications with regional stakeholders to ensure collaboration and coordination of regional plans with the Growth Plan. A partial list of key partners in the Region include Edmonton International Airports, Alberta Industrial Heartland Association, Port Alberta, Urban Development Institute, Canadian Home Builders Association Edmonton Chapter, regional economic development organizations, North Saskatchewan Watershed Alliance, Alberta Capital Region Waste Water Commission and individual water commissions, to name a few. Ongoing consultations with key stakeholders throughout the Region ensure the priorities of the Growth Plan will move forward integrated with other planning activities in the Region and the Province.

In addition to the organizations listed above, the following organizations made presentations to the Board in 2009 and raised issues and opportunities of regional interest: Greater Edmonton Alliance, Wildlife Rehabilitation Society of Edmonton, Canadian Federation of Independent Business, Edmonton and Area Land Trust, EPCOR/AltaLink and Responsible Electricity Transmission for Albertans (RETA).
In 2009, the Governance Committee oversaw the completion of the Capital Region Growth Plan as well as the Board’s financial and administrative responsibilities.

The Governance Committee provided leadership for the selection of the Board’s Interim Chair. The Interim Chair, Christopher Sheard, originally appointed by the Premier of Alberta in April 2008, will continue as the Interim Chair for another term until March 31, 2011. The Capital Region Board is working toward a selection of an elected official to Board Chair by March 31, 2011, as provided in the Capital Region Board Regulation.

The Committee is responsible to ensure the Board and its activities are compliant with the Capital Region Board Regulation, the Province’s Financial Administration Act and the Municipal Government Act. To this end, the Governance Committee oversaw the development and approval of the Board’s 2008 Annual Report, and the preparation of quarterly reports provided to the Government of Alberta to support the Board’s annual $3 million operating grant. As part of the Committee’s financial and audit responsibilities, monthly financial statements were prepared as well as the audited financial statements for 2008 and unaudited financial statements for the period January to March 2009.

As part of sound governance and to ensure continuity of the Board’s operations, the Committee developed job descriptions for the Board Chair and the Chief Officer positions.
Under the Capital Region Board Regulation, a Transitional Regional Evaluation Framework (TREF) was adopted by Ministerial Order on April 15, 2008, (Schedule A to Ministerial Order No. L005/08). The purpose of the TREF is to ensure that municipal statutory plans are consistent with the long term regional interest and consistent with the objectives of the Growth Plan.

In 2009, the Capital Region Board, through a Subcommittee of regional CAOs, continued to review and approve municipal statutory plans within the 25 day timeframe provided in the Regulation. On average, the CRB took 18 days to process TREF applications.

Forty-one applications were submitted to the Capital Region Board between January 1 and December 31, 2009:

- Thirty-seven applications were approved (thirty-four in 2009 and three in 2010).
- Four applications were withdrawn by a member municipality.
Approval of the Capital Region Growth Plan by the Minister of Municipal Affairs will set the foundation for further work by the Board and member municipalities. The Board identified projects to be undertaken in 2010 in each of the Plan’s four priority areas including:

- A planning toolkit to build understanding of the Land Use Plan and to provide guidance on the Regional Evaluation Framework.
- A 30-year regional service plan for Intermunicipal Transit Services in the Region.
- Development of regional service standards for transit.
- The business requirements for regional GIS.
- Working with industry and community groups in the Region to address market affordable housing.

The Board’s three-year Business Plan for 2011–13 will be developed in 2010 to identify specific goals, strategic initiatives and actions to support the implementation of the Growth Plan. The strategic initiatives identified by the Board and its Committees will identify regional priorities to support the implementation of the Growth Plan.
4.1 REGULATORY & OTHER LEGISLATIVE REQUIREMENTS

In 2009, the Board’s work focused on completing Regulatory requirements, reviewing and approving municipal statutory plans under the Transitional Regional Evaluation Framework. Additional work was undertaken to respond to the ongoing responsibilities identified in the June 11, 2010 letter from the Minister of Municipal Affairs which included working with the province to determine how provincial resources and programs can support the Board and the Growth Plan.
5.0 FINANCIAL STATEMENTS

Period from January 1, 2009 to December 31, 2009
To the Members of Capital Region Board

We have audited the statement of financial position of Capital Region Board (the “Board”) as at December 31, 2009 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 Board’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 Board as at December 31, 2009 and the results of its operations and its cash flows for the year for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP
Chartered Accountants
Edmonton, Canada
February 4, 2010
# STATEMENT OF FINANCIAL POSITION

Year ended December 31, 2009, with comparative figures for 2008

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<thead>
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<th>2009</th>
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<td><strong>ASSETS:</strong></td>
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<td>946,974</td>
<td>1,218,904</td>
</tr>
<tr>
<td>Deferred lease inducement</td>
<td>24,206</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>1,208,198</strong></td>
<td><strong>1,946,356</strong></td>
</tr>
<tr>
<td><strong>NET ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>111,680</td>
<td>62,464</td>
</tr>
<tr>
<td></td>
<td><strong>111,680</strong></td>
<td><strong>62,464</strong></td>
</tr>
<tr>
<td><strong>COMMITMENTS:</strong> (note 5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>$1,319,878</strong></td>
<td><strong>$2,008,820</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
# Statement of Operations

Year ended December 31, 2009, with comparative figures for 2008

<table>
<thead>
<tr>
<th></th>
<th>2009 Budget (unaudited)</th>
<th>2009 Actual</th>
<th>2008 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution from the Province of Alberta (note 3)</td>
<td>$ 3,468,904</td>
<td>$ 3,271,930</td>
<td>$ 2,031,096</td>
</tr>
<tr>
<td>Contributed Services (note 5)</td>
<td>–</td>
<td>6,367</td>
<td>43,693</td>
</tr>
<tr>
<td>Interest Income</td>
<td>2,500</td>
<td>1,952</td>
<td>14,374</td>
</tr>
<tr>
<td><strong>Total Revenue:</strong></td>
<td>$ 3,471,404</td>
<td>$ 3,280,249</td>
<td>$ 2,089,163</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Board Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular meetings</td>
<td>$ 118,785</td>
<td>$ 88,200</td>
<td>$ 26,000</td>
</tr>
<tr>
<td>Meeting rooms</td>
<td>14,555</td>
<td>37,614</td>
<td>4,301</td>
</tr>
<tr>
<td>Food services</td>
<td>21,085</td>
<td>28,628</td>
<td>11,973</td>
</tr>
<tr>
<td>Travel</td>
<td>12,745</td>
<td>18,622</td>
<td>5,683</td>
</tr>
<tr>
<td><strong>Total Board Expenses</strong></td>
<td>$ 167,170</td>
<td>$ 173,064</td>
<td>$ 47,957</td>
</tr>
<tr>
<td><strong>Committee Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meetings</td>
<td>134,200</td>
<td>92,200</td>
<td>53,400</td>
</tr>
<tr>
<td>Travel</td>
<td>27,108</td>
<td>15,632</td>
<td>11,255</td>
</tr>
<tr>
<td>Meeting rooms</td>
<td>9,425</td>
<td>10,321</td>
<td>13,502</td>
</tr>
<tr>
<td>Food services</td>
<td>16,775</td>
<td>7,134</td>
<td>16,253</td>
</tr>
<tr>
<td><strong>Total Committee Expenses:</strong></td>
<td>$ 187,508</td>
<td>$ 125,287</td>
<td>$ 94,410</td>
</tr>
<tr>
<td><strong>Other Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consulting fees</td>
<td>1,556,356</td>
<td>1,632,925</td>
<td>1,375,927</td>
</tr>
<tr>
<td>Salaries</td>
<td>1,133,570</td>
<td>913,206</td>
<td>328,044</td>
</tr>
<tr>
<td>Office lease</td>
<td>194,400</td>
<td>143,505</td>
<td>46,841</td>
</tr>
<tr>
<td>Employment benefits</td>
<td>–</td>
<td>74,635</td>
<td>43,241</td>
</tr>
<tr>
<td>Travel</td>
<td>30,000</td>
<td>28,887</td>
<td>16,934</td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>–</td>
<td>23,593</td>
<td>9,331</td>
</tr>
<tr>
<td>Information technology</td>
<td>15,000</td>
<td>23,305</td>
<td>6,807</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>20,000</td>
<td>19,053</td>
<td>13,153</td>
</tr>
<tr>
<td>Printing</td>
<td>–</td>
<td>18,717</td>
<td>5,688</td>
</tr>
<tr>
<td>Communications</td>
<td>42,900</td>
<td>14,385</td>
<td>9,220</td>
</tr>
<tr>
<td>Office supplies</td>
<td>25,000</td>
<td>13,866</td>
<td>11,512</td>
</tr>
<tr>
<td>Administration and other</td>
<td>19,500</td>
<td>13,819</td>
<td>9,474</td>
</tr>
<tr>
<td>Audit and legal fees</td>
<td>25,000</td>
<td>12,786</td>
<td>7,980</td>
</tr>
<tr>
<td><strong>Total Other Expenses:</strong></td>
<td>$ 3,061,726</td>
<td>$ 2,932,682</td>
<td>$ 1,884,332</td>
</tr>
<tr>
<td><strong>Total Expenses:</strong></td>
<td>$ 3,416,404</td>
<td>$ 3,231,033</td>
<td>$ 2,026,689</td>
</tr>
</tbody>
</table>

**Regional Projects (note 4):**

- Contribution from the Province of Alberta: $150,000, $150,000
- Contribution from Member Municipalities: $271,691
- Project Expenses: ($150,000), ($421,691)

**Excess of Revenues over Expenses:**

$55,000, $49,216, $62,464

See accompanying notes to financial statements.
STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31, 2009, with comparative figures for 2008

<table>
<thead>
<tr>
<th></th>
<th>UNRESTRICTED</th>
<th>INVESTED IN CAPITAL ASSETS</th>
<th>2009 TOTAL</th>
<th>2008 TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, beginning of year</td>
<td>$</td>
<td>–</td>
<td>$62,464</td>
<td>–</td>
</tr>
<tr>
<td>Excess (deficiency) of revenue</td>
<td>72,809</td>
<td>(23,593)</td>
<td>49,216</td>
<td>62,464</td>
</tr>
<tr>
<td>over expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in capital assets</td>
<td>(72,809)</td>
<td>72,809</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

NET ASSETS, end of year

<table>
<thead>
<tr>
<th></th>
<th>UNRESTRICTED</th>
<th>INVESTED IN CAPITAL ASSETS</th>
<th>2009 TOTAL</th>
<th>2008 TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>–</td>
<td>$111,680</td>
<td>$62,464</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements

STATEMENT OF CASH FLOWS

Year ended December 31, 2009, with comparative figures for 2008

CASH PROVIDED BY (USED IN):

OPERATIONS:

- Excess of revenue over expenses: $49,216 ($62,464)
- Item not involving cash:
  - Amortization of capital assets: $23,593 ($9,331)
- Change in non-cash operating working capital:
  - Decrease (increase) in contributions receivable: 1,000,000 ($1,000,000)
  - Decrease (increase) in GST receivable: 7,337 (59,076)
  - Decrease (increase) in other receivables: 1,243 (1,243)
  - Decrease (increase) in prepaid expenses and deposits: 3,102 (3,437)
  - Increase (decrease) in accounts payable and accrued liabilities: (490,434) 727,452
  - Increase (decrease) in deferred contributions: (271,930) 1,218,904
  - Increase in deferred lease inducement: 24,206 -

346,333 954,395

INVESTMENTS:

- Purchase of capital assets: (72,809) (71,795)

INCREASE IN CASH

273,524 882,600

CASH, BEGINNING OF YEAR

882,600 -

CASH, end of year

$1,156,124 $882,600

See accompanying notes to financial statements
Capital Region Board (the “Board”) was established by the Capital Region Board Regulation 49/2008 (the “Regulation”) under the Municipal Government Act of the Province of Alberta on April 15, 2008. The Regulation remains in effect until December 31, 2010. The Board is a not-for-profit organization and is exempt from income taxes.

Members of the Board include elected officials of 25 participating municipalities representing 5 cities (Edmonton, St. Albert, Fort Saskatchewan, Spruce Grove and Leduc), 11 towns (Beaumont, Bon Accord, Bruderheim, Calmar, Devon, Gibbons, Lamont, Legal, Morinville, Redwater and Stony Plain), 4 villages (New Sarepta, Thorsby, Wabamun and Warburg), and 5 counties (Strathcona, Lamont, Sturgeon, Parkland and Leduc) in the Capital Region.

The Board was established by the Minister of Municipal Affairs (the “Minister”) to prepare a proposed Capital Region Growth Plan (the “Plan”), advise and make recommendations to the Minister regarding the preparation and implementation of the Plan, facilitate the resolution of issues arising from the preparation and implementation of the Plan, implement policies for the sharing of costs among the participating municipalities for regional projects of the Capital Region and carry out any other functions and duties as the Minister directs. Key elements of the Plan include development of a comprehensive, integrated regional land use plan, a regional intermunicipal transit network plan, a plan to coordinate geographic information services, and a plan regarding social and market affordable housing requirements all for the Capital Region.

In June 2009, the Minister requested that the Board complete additional work on the Growth Plan including land use, a cost allocation formula for the municipal portion of the regional transit projects, and the general location of housing and GIS. This work was completed in two separate Addenda to the Growth Plan in October and December 2009. The Board is expecting approval of the Growth Plan in the spring of 2010, along with a Regional Evaluation Framework for reviewing and approving municipal statutory plans.
1. **SIGNIFICANT ACCOUNTING POLICIES:**

   a. Financial Instruments and Risk Management:

      The Board’s financial instruments consist of cash, contributions and other receivables and accounts payable and accrued liabilities. The Board has classified its significant financial assets and financial liabilities as follows:

      - Cash is classified as held-for-trading
      - Contributions and other receivables are classified as loans and receivables; and
      - Accounts payable and accrued liabilities are classified as other financial liabilities.

      Transaction costs are recognized immediately in the statement of operations. Trade-date basis of accounting is used for financial instruments. The Board has elected to exclude the application of Section 3855 of the Canadian Institute of Chartered Accountants Handbook ("CICA") for contracts to buy or sell non-financial items and embedded derivatives within these contracts and for embedded derivatives within lease and insurance contracts.

      The Board has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, liquidity risk and price risk.

      Credit risk relates to the possibility that a loss may occur from the failure of another party to perform. Interest rate risk relates to the possibility that the fair value will change in value due to the future fluctuations in market interest rates. It is management’s opinion that the Board is not exposed to significant interest, currency or credit risk arising from its financial instruments.

   b. Capital Assets:

      Capital assets are recorded at cost. Amortization is provided using the following methods at the following annual rates:

      | ASSET             | BASIS         | RATE  |
      |-------------------|---------------|-------|
      | Furniture and equipment | Declining balance | 20%   |
      | Computer          | Declining balance | 30%   |
      | Leasehold Improvements | Straight line   | 5 years |
c. Deferred Lease Inducement:
Deferred lease inducement represents the unamortized value of an inducement received when the Board entered into a new lease arrangement in 2009 for rental of additional office space. Amortization is provided on a straight-line basis over the term of the related lease as a reduction in office rent.

d. Revenue Recognition:
The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized in revenue in the year in which the related expenses are incurred. Unrestricted amounts are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted capital contributions are recorded as deferred revenue until the amount is invested to acquire capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as revenue in the year in which the related amortization expense of the funded capital asset is recorded. Contributions of capital assets that will not be amortized are recognized as direct increases in net assets.

Contributions of materials and services that would otherwise have been purchased are recorded at their fair value.

Interest income is recorded as it is earned.

e. Capital Management:
The Board’s objectives when managing capital are to safeguard the Board’s ability to continue as a going concern, so that it can continue to provide service to its member municipalities.

The Board sets the sufficiency of capital to address the needs of its stakeholders. In order to maintain or adjust the capital structure, management looks forward to future needs and will recommend fees to its members to secure any additional capital requirements.

f. Use of Estimates:
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.
2. **CAPITAL ASSETS:**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>COST</td>
<td>ACCUMULATED AMORTIZATION</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>$26,631</td>
<td>$5,783</td>
</tr>
<tr>
<td>Computer</td>
<td>$67,380</td>
<td>$22,082</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>$50,593</td>
<td>$5,059</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$144,604</strong></td>
<td><strong>$32,924</strong></td>
</tr>
</tbody>
</table>

3. **DEFERRED CONTRIBUTIONS:**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>AMOUNTS RECEIVED</th>
<th>REVENUE RECOGNIZED</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Province of Alberta: Operations</td>
<td>$1,218,904</td>
<td>$3,000,000</td>
<td>$(3,271,930)</td>
<td>$946,974</td>
</tr>
</tbody>
</table>

An updated conditional grant agreement between the Province of Alberta and the Board was signed on May 1, 2009. The agreement provides a conditional grant in the amount of $3,000,000 (2008 - $3,250,000) to the Board. The grant, including any income earned thereon, is to be used to fund the Board’s operations and to allow it to carry out its mandated responsibilities for the period from April 1, 2009 to March 31, 2010 unless an extension is agreed to by the Minister.

4. **REGIONAL PROJECTS:**

On April 7, 2009, the Board was awarded $150,000 from the Province of Alberta’s Regional Partnerships Initiative to help complete the 2009 Edmonton Region Joint Orthophoto Initiative. This Project consisted of 22 regional partners coming together to produce aerial photography of the Capital Region with the City of Leduc acting as the project administrator. The Project, and any related income earned of grant funds are to be completed and spent by March 31, 2010. As at December 31, 2009, the 22 Consortium members have exceeded the required minimum $50,000 municipal cash contribution by committing a total of $271,691 to the Project in addition to the $150,000 contribution from the Province of Alberta. By virtue of receiving grant funding, the Board and its member municipalities were able to expand the initial scope of the Project. Subsequent to year end all required deliverables have been received from the consultant and are being distributed to the partners. Invoices totaling $421,691 have been received and paid with no outstanding balance remaining.
5. CONTRIBUTED SERVICES:

The Province of Alberta provided the services of an employee at no cost to the Board. The fair value of these services in the amount of $6,367 (2008 - $43,693) has been included in contributed services revenues and salaries expense.

6. COMMITMENTS

The Board is committed to operating leases for its office premises, a portion of which expires in 2011 and the rest in 2014. Under the terms of the lease arrangements, the Board is responsible for annual rent plus its share of operating costs as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Rent Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$127,418</td>
</tr>
<tr>
<td>2011</td>
<td>$83,114</td>
</tr>
<tr>
<td>2012</td>
<td>$60,962</td>
</tr>
<tr>
<td>2013</td>
<td>$60,962</td>
</tr>
<tr>
<td>2014</td>
<td>$25,401</td>
</tr>
<tr>
<td></td>
<td>$357,857</td>
</tr>
</tbody>
</table>

7. COMPARATIVE FIGURES:

Certain 2008 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

BE PART OF A SUSTAINABLE FUTURE.

The 2009 Capital Region Board Annual Report was printed on Mohawk Options, 100lb text/100lb cover. The paper is 100% recycled and manufactured with wind energy.
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