

Annual Report 2006

Representing the advocacy and business interests of
Alberta's urban municipalities for more than 100 years.



Insurance Services



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Alberta Urban Municipalities Association
Alberta Municipal Services Corporation



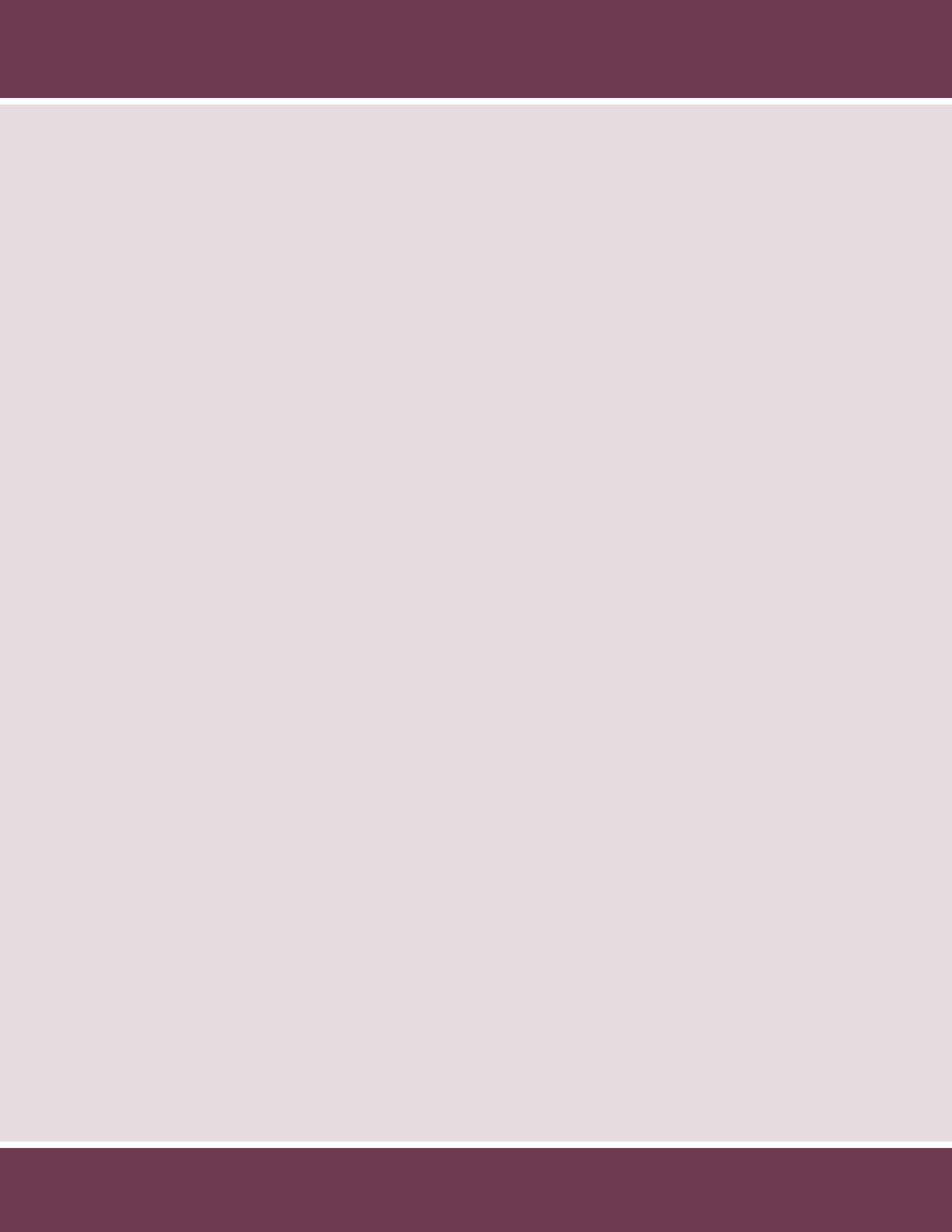


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PRESIDENT'S MESSAGE

I am pleased to report that the AUMA made significant progress on key priorities in 2006. Our very successful second President's Summit on Municipal Sustainability, held in Calgary June 15 and 16, focused on the five dimensions of sustainability (economic, environmental, social, cultural and governance) and started delegates in the right direction toward planning for the long term. During the summit we launched the final versions of the MSP Guidebook to provide municipalities with the tools they need to succeed in the vital process of developing their long-term municipal sustainability plans.

In January 2007 we moved into phase three of our Municipal Sustainability Planning project with a pilot involving five Alberta communities – the towns of Claresholm, Olds, and Pincher Creek and the villages of Thorhild and Chauvin. In the next phase we will work with these communities to share their successes, challenges and lessons learned with other municipalities.

The AUMA was part of the Minister's Council on Sustainability, which made a number of recommendations that address the long-term revenue needs of municipalities. The council's recommendations incorporated AUMA's positions on many issues including property tax, MGA, roles and responsibilities, and ambulance and police funding.

We are pleased that the provincial government has pledged \$1.4 billion annually to municipalities under the Municipal Sustainability Initiative, to be phased in over four years.

Affordable housing has become an urgent issue in Alberta due to unprecedented growth across the province and the resulting massive influx of new workers. The AUMA has recognized the increasing challenges of homelessness and lack of affordable housing for some time and we support the government's decision to investigate all types of alternatives to meet this urgent need. We will continue to urge the government to work with us to find solutions to this difficult issue.

During the Conservative Party leadership campaign, AUMA worked vigorously to engage the candidates in forums where our members could examine their stands on critical issues facing municipalities. We were very successful in this effort, most notably at the AUMA 2006 Convention in October, where we made a room available for candidates to address delegates. Clearly, the candidates felt it was critical to get their platforms across to AUMA members, as all of the candidates took us up on the opportunity.

AUMA has also been working on the development of an Elected Officials Education Program. A series of courses has been selected to be delivered over a three-year cycle.

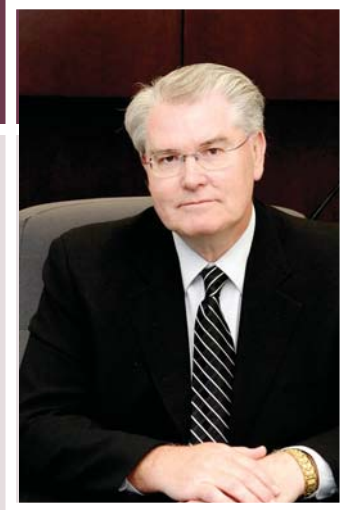
I wish to thank everyone who contributed to the progress we made on all of these important fronts this year.

Bob Hawkesworth
President



“The AUMA has recognized the increasing challenges of homelessness...”

CEO'S MESSAGE



The year 2006 was a very productive one for the AUMA. We spearheaded several initiatives to keep municipalities' concerns at the forefront during consultations on a provincial land-use framework. In October, we presented a draft policy discussion paper on this issue at the AUMA Convention and consulted with our members throughout the fall and winter of 2006-07. It became clear that multi-jurisdictional planning must be addressed before more specific land-use issues can be resolved. In February 2007, we submitted a revised position paper on multi-jurisdictional planning for consideration in the government's Land Use Framework process. We invited stakeholders to work together on these issues at the 2007 AUMA President's Summit on Land Use Planning. We are continuing to work with members and other stakeholders to resolve regional issues and develop an effective municipal land-use planning system that will complement the provincial Framework while maintaining municipal autonomy.

AUMA also developed a number of recommendations and strategies based on the Municipal Infrastructure Construction Options (CORVUS) report to address the current shortfall in capacity to deal with the municipal infrastructure deficit. These include working with the Provincial and Federal governments to increase immigration to deal with the labour shortage. AUMA entered into an agreement with the Province to prepare a toolkit to help municipalities manage immigrant workers coming into their communities. Also, a number of templates have been prepared for municipalities to use when contracting for services.

On the member services side, our wholly-owned subsidiary, the Alberta Municipal Services Corporation (AMSC), achieved a major milestone. AMSC now provides benefits to more than 10,000 municipal employees, making us the second largest municipal benefits provider in the province next to the City of Calgary, and we're still growing. Next, watch for us to become Alberta's number one municipal benefits provider.

AMSC Insurance Services Ltd. rolled out two new modules of its Risk Management Program at the October Convention. This very successful program is designed to help municipalities manage their risks, reduce claims and control their insurance costs. We're on track to introduce two more modules at the 2007 Convention.

Also in 2006, AMSC initiated an Energy Management Program to help participants in our Energy Aggregation Program better manage their energy use. We selected Golder Ecofys Solutions Ltd. to conduct an energy audit for 20 municipalities representing 32 per cent of our total energy portfolio. We estimate this first phase of the EMP will result in \$2.5 million per year in energy savings. We plan to deliver a comprehensive program to the remainder of the aggregation program participants through 2008.

AMSC is working towards implementing a more efficient and effective pension administration system for APEX, APEX Plus and RRSP programs that includes employer and employee online self-service components and enables good management and governance reporting.

On another front, progress on implementing MuniShare, AMSC's financial shared services system, is slower than we would like. We entered into this project to meet members' needs for an integrated, shared financial services software system that included key elements such as property tax, human resources, financial systems, and utilities management. We established a solid business case for the MuniShare system, received provincial financial support and exercised due diligence in selecting partners in the project. However, as the project evolved, AMSC became dissatisfied with the progress being made on implementation. Ultimately, AMSC severed the relationship. This decision was not reached lightly by the AMSC Board. AMSC continues to investigate alternative relationships with reputable business partners and assures members that development of MuniShare will continue once we have assembled the right group of partners to execute the project. We thank members for their support and patience regarding this AMSC initiative on their behalf.

We have fine-tuned our administrative structure to better ensure that our programs meet member needs. We replaced our standing committees and set up administrative advisory groups for our benefits, general insurance and energy services. These groups include a mix of elected officials and business representatives whose expertise we can draw upon to make sure we deliver these programs most effectively from a business perspective. AUMA updated its Strategic Plans and Three-year Business Plans in 2006. We also realigned the AUMA management team to better ensure effective support for board governance. Management responsibilities are now divided into four main areas: Policy and Legal, to address advocacy; Shared Services, to manage all AMSC service offerings; Corporate Services, covering communication, marketing and corporate responsibilities; and the Chief Financial Officer, responsible for all financial activities.

I congratulate AUMA members for their commitment, cooperation and hard work in 2006 toward achieving our shared goal of municipal sustainability for the long term.

John McGowan
CEO

WHAT IS THE AUMA?

The Alberta Urban Municipalities Association was founded in 1905 and represents Alberta's urban municipalities including cities, towns, villages, summer villages, and specialized municipalities, as well as Associate and Affiliate members.

AUMA is a dynamic and evolving association which represents and advocates the interests of all members to both the provincial and federal orders of government as well as other provincial and federal organizations.

Vision

The Alberta Urban Municipalities Association is valued by our membership and trusted as a voice for urban municipalities.

Mission

The Alberta Urban Municipalities Association provides leadership in advocating local government interests to all orders of government and other organizations.



AUMA's Guiding Principles

- 1** Municipal Governments must have the fiscal capacity to fulfill their mandate through:
 - Primary access to the property tax base; and
 - Sustainable, predictable, long-term sources of revenue.
- 2** The federal and provincial governments have sole responsibility for direct income redistribution programs and services.
- 3** The primary focus of urban government is to provide locally oriented services to property and people.
- 4** Each local urban council will maintain responsibility for the establishment of local standards of services to property and people.
- 5** Any new standards or requirements imposed by the provincial or federal orders of government must be fully funded by that order of government.
- 6** Amendments and changes to legislation and regulations relating to municipal governments shall only proceed when AUMA has actively participated and agreed, through meaningful input in a review process.
- 7** Responsible stewardship of our ecological systems is essential to the economic viability, quality of life, and sustainability of our community .
- 8** Quality infrastructure is critical to supporting healthy, financially sustainable communities, and strengthens the quality of life for all Albertans, and is the foundation for the Alberta Advantage.



WHAT IS THE AMSC?

The Alberta Municipal Services Corporation was established January 1, 2005 as a wholly-owned subsidiary of the AUMA to provide a higher level of service delivery to members.

Vision

The Alberta Municipal Services Corporation is the preferred service delivery provider of energy, risk and corporate management products and services for municipalities and other local government entities.

Mission

The Alberta Municipal Services Corporation designs, develops and provides shared corporate and networked products and services that address the needs of municipalities and other local government entities.

AMSC is committed to continuous improvement in both the effectiveness and efficiency of the services provided, and working to develop new shared service offerings. In addition, AMSC monitors and influences government legislation, programs, and policies that impact services, helping to keep municipalities aware of business trends and best practices that have the potential to improve local government and other government-related entities.

AMSC Values

The AMSC demonstrates its core values throughout all aspects of its business:

- 1** Trust – AMSC builds trusting relationships through honesty and integrity.
- 2** Reputation – AMSC builds a strong positive reputation through reliability and consistency.
- 3** Communication – AMSC communicates appropriately and effectively with members.
- 4** Responsiveness – AMSC establishes networks through which it listens and responds to its members.
- 5** Transparency – AMSC provides transparent and understandable service.
- 6** Accountability – AMSC is accountable for the decisions it makes.

AUMA BOARD

The AUMA Board of Directors is responsible for:

- ▶ Governing the Association;
- ▶ Adoption of the strategic and business plans and budgets of the Association;
- ▶ Developing and evaluating the specific advocacy programs and services of the Association;
- ▶ Ensuring that the powers, duties and functions of the Association are appropriately carried out;
- ▶ Carrying out the powers, duties and functions expressly given to it under the Bylaws or policies of the Association;
- ▶ Monitoring and influencing government legislation, programs, and policies which impact the membership;
- ▶ Ensuring effective, credible relations with respect to advocacy are maintained with member municipalities, the provincial and federal orders of government and other organizations;
- ▶ Apprising the membership of significant national and provincial trends and/or issues that affect local governments, taking action to ensure members' interests are known to decision-makers;
- ▶ Activating and monitoring, as the sole shareholder, the Association interest in the Alberta Municipal Services Corporation;
- ▶ Conducting an annual performance appraisal of the Chief Executive Officer.

AMSC BOARD

The Board of Directors of the Corporation is appointed by the Shareholder, the Alberta Urban Municipalities Association, from among the AUMA Board whose municipalities purchase services from AMSC and other Board members appointed. The AUMA President serves as the Chair of the Corporation.

The AMSC Board of Directors is responsible for:

- ▶ Governing the Corporation;
- ▶ Adoption of the strategic and business plans and budgets of the Corporation;
- ▶ Governing shared services programs of the Corporation;
- ▶ Adoption of a communications policy for the Corporation;
- ▶ Adoption of internal control and management information system;
- ▶ Approving new business opportunities;
- ▶ Adoption of a risk mitigation strategy which identifies the principal risks of the Corporation's business and appropriate systems to manage these risks;
- ▶ Conducting an annual performance appraisal of the Chief Executive Officer.

GOVERNANCE

2006/2007 AUMA Board of Directors

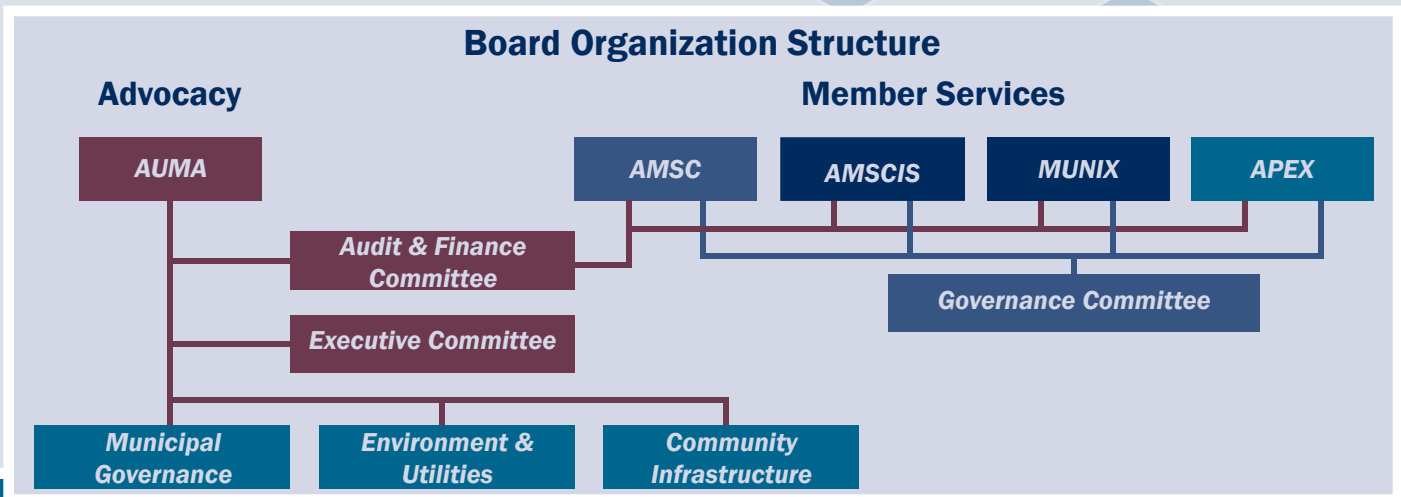
Bob Hawkesworth, Alderman	President - City of Calgary
Darren Aldous, Mayor	VP Villages & Summer Villages -Villages West - Village of Breton
Ed Gibbons, Councillor	VP Cities over 500,000 - City of Edmonton
Helen Rice, Alderman	VP Cities up to 500,000 - City of Grande Prairie
Diana McQueen, Mayor	VP Towns West - Town of Drayton Valley
Gord Lowe, Alderman	Director, Cities over 500,000 - City of Calgary
Dave Thiele, Councillor	Director, Cities over 500,000 - City of Edmonton
Ric McIver, Alderman	Directors, Cities over 500,000 - City of Calgary
Len Bracko, Councillor	Director, Cities up to 500,000 - City of St. Albert
Leslie Vaala, Alderman	Director, Cities up to 500,000 - City of Lethbridge
Lloyd Bertschi, Mayor	Director, Towns - East - Town of Morinville
Dorothy Moore, Mayor	Director, Towns - South - Town of Didsbury
Bob Clark, Mayor	Director, Villages - East - Village of Boyle
Bruce Rowe, Mayor	Director, Villages - South - Village of Beiseker
Lori Jeffery-Heaney, Mayor	Director, Summer Villages - Summer Village of Val Quentin

The following committees reported to the AUMA Board of Directors in 2006/2007:

Audit & Finance Executive Committee

Standing committees:

Municipal Governance Environment & Utilities Community Infrastructure



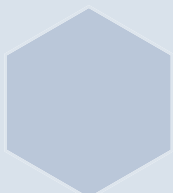
GOVERNANCE

2006/2007 AMSC Board of Directors

Bob Hawkesworth, Alderman	President - City of Calgary
Darren Aldous, Mayor	VP Villages & Summer Villages -Villages West - Village of Breton
Helen Rice, Alderman	VP Cities up to 500,000 - City of Grande Prairie
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Bob Clark, Mayor	Director, Villages - East - Village of Boyle
Bruce Rowe, Mayor	Director, Villages - South - Village of Beiseker
Lori Jeffery-Heaney, Mayor	Director, Summer Villages - Summer Village of Val Quentin

AUMA/AMSC Management Team

John McGowan	CEO
Bruce Thom	Executive Officer, Policy & Legal
Samantha Garcia	Executive Officer, Shared Services
Dan Rude	Chief Financial Officer
Wendy Graden	Senior Director, Corporate Services



AUMA PERFORMANCE MEASURES

The following measures have been established to set targets for AUMA:

Measure	Description	Last Actual		Targets		
				2007	2008	2009
Advocacy Satisfaction	Percentage of members who are 'satisfied' or 'very satisfied' with the impact of AUMA's advocacy efforts	(2006) Target 86%	Actual 90%	88%	90%	90%

Measure	Description	Last Actual		Targets		
				2007	2008	2009
Membership	Number of Regular (R), Associate (A), and Affiliate (F) AUMA members	(2006) Target R: 278 A: 226 F: 71	Actual R: 278 A: 269 F: 71	R: 278 A: 300 F: 72	R: 278 A: 400 F: 75	R: 278 A: 410 F: 75
Web site Information	Average monthly number of visitors to the AUMA web site (www.auma.ca) who visited more than once	(2006-07) Target 2100	Actual 2965	(2007-08) 3000	(2008-09) 3100	(2009-10) 3200

Measure	Description	Last Actual		Targets		
				2007	2008	2009
Board Self-Assessment	Percentage of Board members who 'agree' or 'strongly agree' that: • The Board has performed satisfactorily in the past year (P) • The budget aligns available resources in support of AUMA's Mission/Vision/Goals and the Business Plan (B)	(2006-07) Targets P: 95% B: 85%	Actuals P: 92% B: 85%	P: 90% B: 90%	P: 90% B: 90%	P: 90% B: 90%
Alignment with Toronto Stock Exchange (TSX) Governance Guidelines	Number of TSX Governance Guidelines fully met by the AUMA Board	(2006-07) Target 14 of 14	Actual 14 of 14	14 of 14	14 of 14	14 of 14
Executive Committee Self-Assessment	Percentage of Executive Committee members who are 'satisfied' or 'very satisfied' with Executive Committee performance	(2006-07) Target 80%	Actual 100%	90%	90%	90%
Financial Reporting Timeliness	Number of months that the Financial Reports are released by the 15th day of the following month without material mis-statement or omissions (February to December financial reports)	(2006) Target 11	Actual 9	11	11	11
Return on Investment	Percentage return on investments	New		Review Investment Policy and establish and a benchmark for return on investment	Meet established benchmark	Meet established benchmark

Measure	Description	Last Actual		Targets		
				2007	2008	2009
Annual Convention Satisfaction	Percentage of attendees who are 'satisfied' or 'very satisfied' with the annual convention	(2006) Target 77%	Actual 83%	79%	81%	85%
AUMA Communications	Percentage of members who are confident they receive all pertinent information from the AUMA	(2006) Target 71%	Actual 90%	73%	75%	80%

Measure	Description	Last Actual		Targets		
				2007	2008	2009
Government Relations	Number of meetings with elected and appointed government officials	(2006) Target 51	Actual 89	53	55	55

AMSC PERFORMANCE MEASURES

The following measures have been established to set targets for AMSC:

Goal 1: Municipalities Realize Financial and Organizational Gains through Aggregated Utility Services

Measure	Description	Last Actual	Targets		
			2007	2008	2009
Energy Use	Amount of energy consumed per site by municipalities participating in the Energy Aggregation Program	Baseline	10% reduction from baseline	15% reduction from baseline	15% reduction from baseline

Goal 2: Municipalities are Able to Manage Risk more effectively through AMSC Services including General Insurance

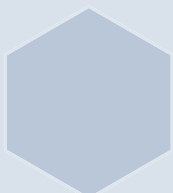
Measure	Description	Last Actual	Targets		
			2007	2008	2009
Shared Insurance Services Satisfaction	Percentage of attendees who are 'satisfied' or 'very satisfied' with shared insurance services	(2006) Target 95% Actual 77.6%	95%	95%	95%

Goal 3: Municipalities have Attractive and Competitive Benefits Services

Measure	Description	Last Actual	Targets		
			2007	2008	2009
Shared Benefits Services Participation	Number of municipal and municipally-associated organization employees who participate in shared benefits services	(2006) Target 9500 Actual 9831	10,000	11,000	11,500
Shared Benefits Services Satisfaction	Percentage of participants who are 'satisfied' or 'very satisfied' with shared benefits services	(2006) Target 97% Actual 63.3%	97%	97%	97%

Goal 4: Municipalities have meaningful Other Services available that meet their needs

Measure	Description	Last Actual	Targets		
			2007	2008	2009
Shared Other Services Satisfaction	Percentage of participants who are 'satisfied' or 'very satisfied' with shared other services	(2006) Target 95% Actual 64.8%	95%	95%	95%





Goal 5: The Boards Govern Effectively to Provide Increased Value to Members

Measure	Description	Last Actual		Targets		
				2007	2008	2009
Boards Self-Assessment	Percentage of Board members who 'agree' or 'strongly agree' that: <ul style="list-style-type: none"> The Board has performed satisfactorily in the past year (P) The Budget aligns available resources in support of AMSC's Mission/ Vision/ Goals and the Business Plan (B) 	(2006-07) Target P: 80% B: 80%	Actual P: 100% B: 89%	P: 90% B: 90%	P: 90% B: 90%	P: 90% B: 90%
Alignment with Toronto Stock Exchange (TSX) Governance Guidelines	Number of TSX Governance Guidelines fully met by the AMSC Board	(2006-07) Target 14 of 14	Actual 14 of 14	14 of 14	14 of 14	14 of 14
New Shared Services	Number of new shared services offered to municipalities	(2006) Target 1	Actual 1	1	1	1

Goal 6: Governance Committee is an Effective Leader of Member Services

Measure	Description	Last Actual		Targets		
				2007	2008	2009
Governance Committee Self-Assessment	Percentage of Governance Committee members who are 'satisfied' or 'very satisfied' with Governance Committee performance	(2006-07) Target 100%	Actual 100%	100%	100%	100%
AMSC Communication	Percentage of members who are confident they receive all pertinent business information from the AMSC	(2006) Target 78%	Actual 69%	80%	82%	85%

Goal 7: Audit and Finance Activities are Effective Accountability Tools

Measure	Description	Last Actual		Targets		
				2007	2008	2009
Financial Reporting Timeliness	Number of months that the Financial Reports are released by the 15th day of the following month without material mis-statement or omissions (February to December Financial reports)	(2006) Target 11	Actual 9	11	11	11
Return on Investment	Percentage return on investments	New		Review Investment Policy and establish a Benchmark for return on investment	Meet benchmark	Meet benchmark

AUMA ACCOMPLISHMENTS 2006

Major Initiatives

- ▶ Minister's Council on Sustainability - Lead research on Financial Restructuring in the context of municipal roles, responsibilities and resources
- ▶ Provincial Government did not take all the growth in their increase in education property tax
- ▶ AUMA completed a toolkit to help municipalities assess ambulance transfer to provincial health authorities. Province backed away from the initiative and decided to pilot two areas within the province
- ▶ AUMA amended its policy position on police funding to a base and \$35 per capita
- ▶ Completed a review of AUMA's role in EUB intervention
- ▶ Completed templates as a follow-up on a number of recommendations from the Municipal Infrastructure Construction Option Report
- ▶ Received funding from the Provincial Government to address the development of the following toolkits:
 - E Government
 - Citizen Engagement
 - Regional Strategies
 - Sustainable Planning

Elected Official Education/Training

- ▶ Business Model has been drafted
- ▶ Contracts now awarded (team building, emergency preparedness, communications and media relations, infrastructure, effective decision-making, planning and strategy, municipal leadership, economic development)

Build an Inventory of Federal Grant Programs and a Case for Renewal

- ▶ Federal inventory completed and the case for renewal transferred to the Tri-Party committee

Municipal Sustainability Planning and Infrastructure Planning

- ▶ Municipal Sustainability Planning guide and tools completed April 2006
- ▶ Municipal Sustainability Planning micro-site completed June 2006
- ▶ Workshop held March 2006
- ▶ Municipal Sustainability focus for 2006 President's Summit

Relations Between Municipal Governments and Aboriginal-First Nations Communities

- ▶ Municipal-Aboriginal Relationships Action Forum established and Terms of Reference approved

Protocol of Cooperation with Alberta Environment

- ▶ Secondment from Alberta Environment to assist with MSP Project
- ▶ AUMA provided input to number of Alberta Environment Initiatives as the related to municipalities

Welcoming and Inclusive Communities

- ▶ Toolkit created

Cost-Sharing

- ▶ Pilot Forums held in Lethbridge and Lloydminster

Trilateral Partnership Table

- ▶ Report on accomplishments to date prepared and forwarded to Trilateral Table Co-Chairs

Electronic Resolutions Database

- ▶ Completed online database including resolutions from the last three years

Land Use Planning

- ▶ Prepared and distributed policy paper
- ▶ Workshop held at Convetion



AMSC ACCOMPLISHMENTS 2006



Energy Aggregation Program

- ▶ A Scoping Study (Phase I) workshop held
- ▶ RFP completed
- ▶ Invitation to participate was sent, target of 20 municipalities reached
- ▶ Map Auction - explored and decided for long-term stability instead of auction
- ▶ Round 3 gas purchase completed
- ▶ BOSS (Building Opportunities for Savings System) review started
- ▶ Electricity portfolio balancing reviewed

General Insurance

- ▶ Additional Named Insureds (ANI) Provincial Committee
 - Sessions with members to review ANI issues held province-wide
 - Deadline extension for removal of all of the affected ANIs & AIs was granted by Superintendent in December 2006
- ▶ Work done towards implementing a new general insurance administrative software system to improve efficiencies within the administration of the customer service centre

Risk Management Education & Control Services

- ▶ Risk Modules 3&4 offered regionally and at convention
- ▶ Modules 5&6 completed
- ▶ Risk Management Manual completed
- ▶ New modules in development, including Environmental Impairment Liability, Insurance 101, Enterprise Risk Management, Disaster Recovery & Business Continuity, Seniors Housing Risk Management

Casual Legal Services

- ▶ New partner selected, contract signed - new customers have been gained
- ▶ Regular communiqués in member electronic newsletter

Benefits & Pensions Services

- ▶ Benefits software administration system updated
- ▶ Pensions Administration System - Work done towards implementing a pension administration system for APEX, APEX Plus and RRSP programs to improve the efficiency and effectiveness of administering pensions and saving plans which includes an employer and employee online access self-service components and provides good management and governance reporting.

Other

- ▶ Member satisfaction survey developed and delivered around convention
- ▶ Group RRSP in development
- ▶ Munishare continued to be explored

AUMA/AMSC JOINT ACCOMPLISHMENTS 2006

Web site redesign

- ▶ Redesign completed and successfully launched at convention

AUMA TSX ALIGNMENT

During 2006, the AUMA Board of Directors revisited the bylaws and policies of the Association. As part of the Board Self-Assessment exercise, the Board completed an analysis to determine whether the AUMA was aligned with the TSX Governance Guidelines.

TSX Governance Guideline	Is AUMA aligned?	AUMA Alignment
1. Board should explicitly assume responsibility for stewardship of the Corporation and adopt a formal mandate setting out its responsibilities. Specifically, the Board should assume responsibility for:	Yes	<ul style="list-style-type: none"> Board responsibilities set out in Bylaws and in Policy BD001 Board structure approved along with governance policies Policies are annually reviewed and approved Financial policies are annually reviewed by Audit & Finance Committee and updated as required
a. Adoption of a strategic planning process	Yes	<ul style="list-style-type: none"> Board has developed a long-term strategic plan Board annually adopts a three-year business plan which includes goals, strategies, performance measures and budget Board annually adopts one-year operational plans for all Committees, including action plans
b. Identification of principal risks, and implementing risk management system	Yes	<ul style="list-style-type: none"> Corporate Risk Management Framework has been developed and implemented
c. Succession planning, including appointing, training and monitoring senior management	Yes	<ul style="list-style-type: none"> Annual CEO performance reviews completed Professional development included in business plan Levels of management established within the organization, allowing for succession
d. A Communications policy	Yes	<ul style="list-style-type: none"> Policy BD004 addresses media relations and Policy BD005 addresses communications with members and other stakeholders A Marketing and Communications Plan is in development
e. Integrity of internal control and management systems	Yes	<ul style="list-style-type: none"> Policy FM001 addresses financial management and Policy FM003 deals with payment of honoraria and expenses Adult & Finance Committee actively reviews control systems and other related issues Management information system (PEAK) in place
2. Majority of Directors should be “unrelated” - independent from management and free from conflicting interest	Yes	<ul style="list-style-type: none"> All Directors are independent of management and the Bylaws establish conflict of interest rules
3. Disclose for each Director whether he or she is related and how that conclusion was reached	Yes	<ul style="list-style-type: none"> All Directors are independent of management and the Bylaws establish conflict of interest rules, which require disclosure Written annual report and oral reports are provided at the Annual Convention
4. Appoint a Committee composed exclusively of non-management Directors, the majority of whom are unrelated, with the responsibility of proposing new nominees to the Board and assessing Directors	Yes	<ul style="list-style-type: none"> Directors and Officers are nominated and elected by membership at the Annual Convention, there is no Nominating Committee All Regular members are involved in assessing and evaluating when nominating and electing Directors All Regular members have the right to nominate and vote for Directors
5. Implement a process for assessing the effectiveness of the Board, its Committees and individual Directors	Yes	<ul style="list-style-type: none"> The annual Board assessment includes nomination, election, and a self-assessment process Committee members are appointed annually by the Board, taking into consideration interest, previous performance, commitment, knowledge, and experience

AUMA TSX ALIGNMENT

TSX Governance Guideline	Is AUMA aligned?	AUMA Alignment
6. Provide orientation and education programs for new Directors, and continuing education for all Directors	Yes	<ul style="list-style-type: none"> • Annual orientation sessions are held for the Board • Education sessions held with Board and Committees • Annual budgeting provides funding for Director education
7. Consider the size of the Board and the impact of the number of Directors on Board effectiveness	Yes	<ul style="list-style-type: none"> • Size of the Board is prescribed in the Bylaws to enable representation of all classifications of members and all geographic areas of Alberta • Bylaws are reviewed at least every five years
8. A committee comprised solely of unrelated Directors should review compensation of senior management and Directors in light of risks and responsibilities	Yes	<ul style="list-style-type: none"> • Policy HR001 addresses human resources issues including compensation • Compensation for Board members and staff is considered annually during budget review. Staff compensation tied to provincial scales • The CEO performance appraisal is conducted by the Board annually in June at which time compensation is also reviewed
9. Committees should generally be composed of non-management Directors, the majority of whom are unrelated	Yes	<ul style="list-style-type: none"> • Policies BD002 and BD003 addresses Committees and outlines that the chair must be a Board or another elected official • Board members represent a minority on all Committees except Executive Committee • Management personnel provide professional service to Committees, although they are not Committee members • Committee members are subject to the same conflict of interest rules as Board members
10. Appoint a Committee responsible for approach to corporate governance issues	Yes	<ul style="list-style-type: none"> • Executive Committee is responsible for monitoring, reviewing and suggesting changes to corporate governance issues • Audit & Finance Committee is responsible for governance in regards to financial and risk policies
11. Define limits to management's responsibilities by developing mandates for the Board and CEO, and approving the corporate objectives which the CEO is responsible for meeting	Yes	<ul style="list-style-type: none"> • Board responsibilities are defined in the Bylaws and Policy BD001 • CEO responsibilities are generally defined in the Bylaws and specifically approved in the Position Profile and employment contracts • Corporate objectives are outlined in the three-year business plan which is adopted annually • The CEO's objectives are reviewed annually in June as part of the performance appraisal
12. Establish procedures to enable the Board to function independently of management	Yes	<ul style="list-style-type: none"> • Board is fully independent of management • Board appoints lead Director and Committee members • Board and Committees each meet on a regular basis
13. Establish an Audit Committee with a specifically defined mandate and all members being unrelated Directors	Yes	<ul style="list-style-type: none"> • Policies BDO02 and BDO03 outline Audit & Finance Committee membership and mandate • All members are independent of management and are subject to the conflict of interest rules
14. Implement a system to enable individual Directors to engage outside advisers, at the Corporation's expense	Yes	<ul style="list-style-type: none"> • Board and Committees access a substantial amount of outside independent advice on operations, policies, and processes • Board and Committee members themselves are independent advisers as they are from local councils and administrators • Individual legal advice, for example, may be provided when considering conflict of interest or similar situations

AMSC TSX ALIGNMENT

During 2006, the AMSC Board of Directors revisited the bylaws and policies for the Corporation. As part of the Board Self-Assessment exercise, the Board completed an analysis to determine whether the AMSC was aligned with the TSX Governance Guidelines.

TSX Governance Guideline	Is AUMA aligned?	AUMA Alignment
1. Board should explicitly assume responsibility for stewardship of the Corporation and adopt a formal mandate setting out its responsibilities. Specifically, the Board should assume responsibility for:	Yes	<ul style="list-style-type: none"> Board responsibilities set out in Bylaws and in Policy BD001 Board structure approved along with governance policies Policies are annually reviewed and approved Financial policies are annually reviewed by Audit & Finance Committee and updated as required
a. Adoption of a strategic planning process	Yes	<ul style="list-style-type: none"> Board has developed a long-term strategic plan Board annually adopts a three-year business plan which includes goals, strategies, performance measures and budget Board annually adopts one-year operational plans for all Committees, including action plans
b. Identification of principal risks, and implementing risk management system	Yes	<ul style="list-style-type: none"> Corporate Risk Management Framework has been developed and implemented
c. Succession planning, including appointing, training and monitoring senior management	Yes	<ul style="list-style-type: none"> Annual CEO performance reviews completed Professional development included in business plan Levels of management established within the organization, allowing for succession
d. A Communications policy	Yes	<ul style="list-style-type: none"> Policy BD004 addresses media relations A Marketing and Communications Plan is in development
e. Integrity of internal control and management systems	Yes	<ul style="list-style-type: none"> Policy FM001 addresses financial management and Policy FM003 deals with payment of honoraria and expenses Adult & Finance Committee actively reviews control systems and other related issues Management information system (PEAK) in place
2. Majority of Directors should be “unrelated” - independent from management and free from conflicting interest	Yes	<ul style="list-style-type: none"> All Directors are independent of management and the Bylaws establish conflict of interest rules
3. Disclose for each Director whether he or she is related and how that conclusion was reached	Yes	<ul style="list-style-type: none"> All Directors are independent of management and the Bylaws establish conflict of interest rules, which require disclosure Written annual report and oral reports are provided at the Annual Convention
4. Appoint a Committee composed exclusively of non-management Directors, the majority of whom are unrelated, with the responsibility of proposing new nominees to the Board and assessing Directors	Yes	<ul style="list-style-type: none"> Board are appointed by AUMA from among the AUMA Directors whose municipalities purchase services from AMSC and other members of the AUMA Board as that Board may decide to appoint, there is no Nominating Committee The AUMA President and Vice-Presidents serve as the Chair and Vice-Chairs of AMSC AUMA Directors are nominated and elected by the Regular membership at the AUMA Annual Convention All Regular members are involved in assessing and evaluating when nominating and electing AUMA Directors All Regular members have the right to nominate and vote for AUMA directors
5. Implement a process for assessing the effectiveness of the Board, its Committees and individual Directors	Yes	<ul style="list-style-type: none"> The annual Board assessment includes nomination, election, and a self-assessment process Committee members are appointed annually by the Board, taking into consideration interest, previous performance, commitment, knowledge, and experience

AMSC TSX ALIGNMENT

TSX Governance Guideline	Is AUMA aligned?	AUMA Alignment
6. Provide orientation and education programs for new Directors, and continuing education for all Directors	Yes	<ul style="list-style-type: none"> • Annual orientation sessions are held for the Board • Education sessions held with Board and Committees • Annual budgeting provides funding for Director education
7. Consider the size of the Board and the impact of the number of Directors on Board effectiveness	Yes	<ul style="list-style-type: none"> • Board of Directors is appointed annually by the shareholder the AUMA • Size of Board is limited to the AUMA Board of Directors whose municipalities purchase services from AMSC and other such members of the AUMA Board as that Board may decide to appoint
8. A committee comprised solely of unrelated Directors should review compensation of senior management and Directors in light of risks and responsibilities	Yes	<ul style="list-style-type: none"> • Policy HR001 addresses human resources issues including compensation • Compensation for Board members and staff is considered annually during budget review. Staff compensation tied to provincial scales • The CEO performance appraisal is conducted by the Board annually in June at which time compensation is also reviewed • Insurance coverage is provided for Board members and staff and is reviewed annually with underwriters
9. Committees should generally be composed of non-management Directors, the majority of whom are unrelated	Yes	<ul style="list-style-type: none"> • Policies BD002 and BD003 addresses Committees and outlines that the chair must be a Board or another elected official • Board members represent a minority on all Committees except Executive Committee • Management personnel provide professional service to Committees, although they are not Committee members • Committee members are subject to the same conflict of interest rules as Board members
10. Appoint a Committee responsible for approach to corporate governance issues	Yes	<ul style="list-style-type: none"> • A corporate Governance Committee was established with the responsibility of monitoring, reviewing, and suggesting changes to corporate governance issues • Audit & Finance Committee is responsible for governance in regards to financial and risk policies
11. Define limits to management's responsibilities by developing mandates for the Board and CEO, and approving the corporate objectives which the CEO is responsible for meeting	Yes	<ul style="list-style-type: none"> • Board responsibilities are defined in the Bylaws and Policy BD001 • CEO responsibilities are generally defined in the Bylaws and specifically approved in the Position Profile and employment contracts • Corporate objectives are outlined in the three-year business plan which is adopted annually • The CEO's objectives are reviewed annually in June as part of the performance appraisal
12. Establish procedures to enable the Board to function independently of management	Yes	<ul style="list-style-type: none"> • Board is fully independent of management • Board appoints lead Director and Committee members • Board and Committees each meet on a regular basis
13. Establish an Audit Committee with a specifically defined mandate and all members being unrelated Directors	Yes	<ul style="list-style-type: none"> • Policies BD002 and BD003 outline Audit & Finance Committee membership and mandate • All members are independent of management and are subject to the conflict of interest rules
14. Implement a system to enable individual Directors to engage outside advisers, at the Corporation's expense	Yes	<ul style="list-style-type: none"> • Board and Committees access a substantial amount of outside independent advice on operations, policies, and processes • Board and Committee members themselves are independent advisers as they are from local councils and administrators • Individual legal advice, for example, may be provided when considering conflict of interest or similar situations

**Alberta Urban Municipalities Association
Consolidated Financial Statements
Year Ended December 31, 2006**

AUDITORS' REPORT

To the Members of Alberta Urban Municipalities Association

We have audited the consolidated statement of financial position of Alberta Urban Municipalities Association as at December 31, 2006 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These consolidated financial statements are the responsibility of the association's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the association as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Edmonton, Alberta
March 20, 2007

Alberta Urban Municipalities Association
Consolidated Statement of Financial Position
December 31, 2006

	2006	2005
ASSETS		
CURRENT		
Cash (Note 4)	\$ 4,973,763	\$ 3,809,408
Marketable securities (Market value \$4,102,811: 2005 \$2,873,487) (Note 4)	4,079,113	2,726,713
Accounts receivable	2,390,589	1,073,142
Current portion of long term receivable (Note 7)	117,954	111,655
	11,561,419	7,720,918
INVESTMENTS (Note 5)	10,117,533	10,922,912
PROPERTY, BUILDING AND EQUIPMENT (Note 6)	2,091,253	2,044,455
LONG TERM RECEIVABLE (Note 7)	767,946	885,900
DEFERRED COSTS	111,982	-
	\$ 24,650,133	\$ 21,574,185
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 890,313	\$ 1,411,646
Property reciprocal liability (Note 8)	138,596	138,596
ALAIRE liability (Note 9)	430,256	430,256
Deferred revenue (Note 10)	2,563,664	791,573
Current portion of long term debt (Note 11)	128,389	151,894
	4,151,218	2,923,965
LONG TERM DEBT (Note 11)	1,566,685	1,806,973
DEFERRED CONTRIBUTIONS (Note 12)	4,352,309	3,054,781
	10,070,212	7,785,719
NET ASSETS		
Net assets restricted for benefits surplus fund (Note 13)	10,586,130	10,742,458
Net assets invested in property, building and equipment	1,194,918	996,228
Net assets internally restricted (Note 14)	497,670	497,670
Unrestricted net assets	2,301,203	1,552,110
	14,579,921	13,788,466
	\$ 24,650,133	\$ 21,574,185

COMMITMENTS (Note 15)

CONTINGENT LIABILITY (Note 16)

APPROVED BY THE BOARD

**Alberta Urban Municipalities Association
Consolidated Statement of Operations
Year Ended December 31, 2006**

	2006	2005
REVENUE		
Convention	\$ 908,248	\$ 857,945
Energy aggregation	327,727	322,905
Grants and energy management (Note 12 and 18)	1,583,603	1,439,043
Insurance premiums	43,592,497	35,753,582
Investment	721,506	355,561
Management and administration fees (Note 17)	873,252	731,568
Membership fees	866,300	815,940
Membership services	214,954	220,373
Other	92,795	287,950
Workshops, seminars and president's summit	92,115	307,955
	49,272,997	41,092,822
EXPENSES		
Amortization	224,904	229,996
Bad debts	7,167	1,044
Board and committees	434,934	446,925
Broker fees	366,900	361,292
Building operations	132,044	85,182
Building valuation and risk management programs	-	54,719
Convention	638,287	717,495
Electronic communication and promotion	95,689	153,850
Energy aggregation	28,188	-
Equipment lease and maintenance	442,263	166,640
Grants and energy management (Note 18)	1,583,603	1,439,043
Insurance	65,450	41,610
Interest on long term debt	54,627	63,798
Legal and accounting	142,772	265,713
Office administration	109,963	122,275
Other	34,512	101,469
Program development	169,710	-
Salaries, consultants and staffing (Note 20)	2,916,931	2,442,257
Subscriptions and memberships	23,944	22,899
Telephone	98,284	80,439
Travel	87,025	103,964
Underwriter fees	40,782,111	33,588,678
Urban perspective	13,249	53,461
Workshops and seminars	77,877	309,179
	48,530,434	40,851,928
INCOME FROM OPERATIONS	742,563	240,894
BENEFITS SURPLUS FUND INCOME (EXPENSES)		
Benefits surplus	(8,156)	1,077,376
Investment	107,713	168,349
Benefits system development cost	(50,665)	(490,032)
	48,892	755,693
NET INCOME	\$ 791,455	\$ 996,587

Alberta Urban Municipalities Association
Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2006

	Net assets at beginning of year	Excess of revenues over (under) expenses	Transfer to investment in property, building and equipment	Transfers	Net assets at end of year
Net assets restricted for benefits surplus fund	\$ 10,742,458	\$ 48,892	\$ -	\$(205,220)	\$ 10,586,130
Net assets invested in property, building and equipment	996,228	(250,859)	-	449,549	1,194,918
Net assets internally restricted	497,670	-	-	-	497,670
Unrestricted net assets	1,552,110	993,422	-	(244,329)	2,301,203
	\$13,788,466	\$ 791,455	\$ -	\$ -	\$ 14,579,921

**Alberta Urban Municipalities Association
Consolidated Statement of Cash Flows
Year Ended December 31, 2006**

	2006	2005
OPERATING ACTIVITIES		
Net income	\$ 791,455	\$ 996,587
Items not affecting cash:		
Amortization	250,859	254,368
Gain on disposal of equipment	-	(1,777)
	1,042,314	1,249,178
Changes in non cash working capital:		
Accounts receivable	(1,317,447)	1,043,444
Accounts payable and accrued liabilities	(521,330)	860,485
Deferred revenue	1,772,089	(839,899)
Deferred contributions	1,297,528	605,546
	1,230,840	1,669,576
Cash flow from operating activities	2,273,154	2,918,754
INVESTING ACTIVITIES		
Purchase of property and equipment	(297,657)	(408,296)
Proceeds on disposal of equipment	-	12,197
Long term receivable	111,654	105,694
Sale (purchase) of investments, net	(547,021)	(934,510)
Deferred costs	(111,982)	-
Cash flow used by investing activities	(845,006)	(1,224,915)
FINANCING ACTIVITY		
Net decrease in long term debt	(263,793)	(149,067)
Cash flow used by financing activity	(263,793)	(149,067)
INCREASE IN CASH FLOW	1,164,355	1,544,772
Cash - beginning of year	3,809,408	2,264,636
CASH - END OF YEAR	\$ 4,973,763	\$ 3,809,408
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest paid	\$ 54,627	\$ 63,798

Alberta Urban Municipalities Association

Notes to Consolidated Financial Statements

Year Ended December 31, 2006

1. DESCRIPTION OF OPERATIONS

Alberta Urban Municipalities Association (AUMA) is a non taxable provincial organization aimed to provide leadership in advocating local government interests to the provincial government and other organizations, and to provide services that address the needs of its members. The organization is incorporated under the Societies Act of Alberta, as a not for profit organization.

These consolidated financial statements consist of the assets, liabilities, net assets and operations of AUMA, Alberta Municipal Services Corporation (AMSC), a wholly owned subsidiary of AUMA and AMSC Insurance Services Ltd. (AMSCIS), a wholly owned subsidiary of AMSC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement uncertainty

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of consolidated financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Assets under capital lease

Leases which transfer substantially all the benefits and risks of ownership of the leased asset to the association are capitalized.

Assets under capital lease are amortized over their estimated useful lives using the same rates and basis used for similar assets.

Method of accounting

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

Property, building and equipment

Property, building and equipment are stated at cost less accumulated amortization. Property, building and equipment are amortized over their estimated useful lives at the following rates and methods:

Building	4%	straight line method
Equipment	20%	straight line method
Computer equipment	25%	straight line method
Computer software	33%	straight line method
Furniture and fixtures	20%	straight line method
Office equipment under capital lease	33.33%	straight line method
Electronic voting equipment	16.67%	straight line method

Alberta Urban Municipalities Association
Notes to Consolidated Financial Statements
Year Ended December 31, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue recognition

Membership fees are recognized at the beginning of each fiscal year when they are invoiced.

Insurance and benefit premiums written are deferred as unearned premiums and are taken into income as earned on a pro rata basis over the terms of the underlying policies. All policies exchanged are for periods ending on December 31, 2006.

Energy aggregation income is recorded when it is earned and membership services income is recorded at the time the service is rendered in the normal course of business.

Investments

Short term investments are carried at the lower of cost and market value.

Long term investments are recorded at cost.

Deferred costs

Deferred costs consist of software licenses for the Munishare program. These costs will be expensed over the life of the software licenses when the Munishare program is implemented.

3. FINANCIAL INSTRUMENTS

The association's financial instruments consist of cash, marketable securities, accounts receivable, investments, long term receivable, accounts payable and accrued liabilities and long term debt. It is management's opinion that the association is not exposed to any significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts of financial instruments disclosed on the consolidated statement of financial position as current assets and current liabilities approximate their fair values due to their short term maturities unless otherwise indicated. The carrying amount of long term debt approximates its fair value because the interest rate, repayment term and security associated with this debt are comparable to terms and conditions currently available in the industry. The fair value of investments carried at cost is undeterminable as the ultimate realization of this asset is subject to future events which cannot be predicted. The carrying amount of the long term receivable approximates its fair value because the interest rate and repayment term associated with this receivable is comparable to terms and conditions currently available in the industry.

Alberta Urban Municipalities Association
Notes to Consolidated Financial Statements
Year Ended December 31, 2006

4. MARKETABLE SECURITIES

Marketable securities are comprised of cash, stocks and bonds with effective interest rates of 2.75% to 5.0% and maturity dates from 2007 to 2015.

Cash and marketable securities include those for which the use of is restricted to the payment of direct costs related to deferred contributions and the property reciprocal liability. Restricted cash and marketable securities are as follows:

	2006	2005
Restricted liabilities		
Property reciprocal liability (Note 8)	\$ 138,596	\$ 138,596
Deferred contributions (Note 12)	4,352,309	3,054,781
	\$ 4,490,905	\$ 3,193,377
Comprised of:		
Restricted cash balance	\$ 411,792	\$ 466,664
Restricted marketable securities	4,079,113	2,726,713
	\$ 4,490,905	\$ 3,193,377

5. INVESTMENTS

Investments are comprised of cash, stocks and bonds with effective interest rates from 2.75% to 6.1% and maturity dates from 2007 to 2015. The use of these investments is restricted primarily to fund net assets restricted for benefits surplus fund. The market value is \$10,280,840 (2005 \$10,873,009).

6. PROPERTY, BUILDING AND EQUIPMENT

	Cost	Accumulated amortization	2006 Net book value	2005 Net book value
Land	\$ 205,000	\$ -	\$ 205,000	\$ 205,000
Building	1,948,512	561,100	1,387,412	1,420,183
Equipment	107,798	67,304	40,494	60,979
Computer equipment	521,196	262,694	258,502	60,774
Computer software	141,572	138,105	3,467	10,586
Furniture and fixtures	255,108	180,245	74,863	107,962
Office equipment under capital lease	157,244	141,144	16,100	57,096
Electronic voting equipment	155,742	50,327	105,415	121,875
	\$ 3,492,172	\$ 1,400,919	\$ 2,091,253	\$ 2,044,455

Alberta Urban Municipalities Association
Notes to Consolidated Financial Statements
Year Ended December 31, 2006

7. LONG TERM RECEIVABLE

The Benefits Surplus Fund made a loan in 2003 to the general fund for building addition and renovations. This is represented by a long term receivable as part of the Benefits Surplus Fund.

The Benefits Surplus Fund loan will be repaid in monthly installments of \$13,645, including interest at 5.5%. The full amount of the receivable will be repaid by June, 2013.

	2006	2005
Benefits Surplus Fund Building long term receivable (Note 11)	\$ 885,900	\$ 997,555
Amount receivable within one year	(117,954)	(111,655)
	\$ 767,946	\$ 885,900

8. PROPERTY RECIPROCAL LIABILITY

The property reciprocal liability represents refunds received by the association.

9. ALAIRE LIABILITY (COMMONLY REFERRED TO AS "JOINT VENTURE AGREEMENT")

The ALAIRE liability represents funds received by the association from contributing members which are to be distributed back to those members or to ALAIRE.

10. DEFERRED REVENUE

	2006	2005
Munishare system		
Balance, beginning of year	\$ 755,376	\$ -
Contributions	-	755,376
Refund of contribution	(29,000)	-
Revenue recognized during the year	-	-
	726,376	755,376
Other deferred revenue		-
Employee group benefits	1,629,437	-
Appraisal services	39,163	-
Supreme Court of Canada Intervener Case	-	36,197
Convention funds	30,200	-
Loss prevention	138,488	-
	1,837,288	36,197
	\$ 2,563,664	\$ 791,573

Contributions received for the Munishare system are deferred until customer implementation. Employee group benefits represent the subsequent (January, 2007) month's premiums, invoiced in December 2006.

**Alberta Urban Municipalities Association
Notes to Consolidated Financial Statements
Year Ended December 31, 2006**

11. LONG TERM DEBT

	2006	2005
Liability for unpaid claims in Administration Services Only (ASO) self insured benefits plan is unsecured and non interest bearing	\$ 759,178	\$ 881,987
Liability for APEX Plus funds held in trust	39,562	28,652
AUMA Benefits Surplus Fund, monthly payments of \$13,645 including interest at 5.5%, due June 2013, unsecured (Note 7)	885,900	997,555
Capital lease obligations, bearing interest at rates ranging from 4.4% to 10% and monthly payments of \$1,950 plus one annual payment of \$19,854	10,434	50,673
	1,695,074	1,958,867
Amounts payable within one year	(128,389)	(151,894)
	\$ 1,566,685	\$ 1,806,973

Principal repayment terms are approximately:

2007	\$ 128,389
2008	124,584
2009	131,611
2010	139,035
2011	146,878
Thereafter	<u>1,024,577</u>
	<u>\$ 1,695,074</u>

The Board authorized the Benefits Surplus Fund to make a loan in 2003 to the general fund for the purpose of the building addition and renovations. This is represented by the long term receivable as part of the Benefits Surplus Fund and a long term debt for building additions as a liability of the general fund.

Alberta Urban Municipalities Association
Notes to Consolidated Financial Statements
Year Ended December 31, 2006

12. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for special projects. The contributions will be recognized in the same year the expenses are recorded. Changes in deferred contribution balances are as follows:

	Balance, beginning of year	Add: Contributions (transfers) in excess of refunds	Less: Revenue recognized in the year	Balance, end of year
Restricted government grants				
Asset information	\$ 794,537	\$ 19,882	\$ 226,009	\$ 588,410
Municipal infrastructure	18,112	769	-	18,881
Title mapping	1,580	19	1,599	-
M.E. First	69,990	-	28,089	41,901
One Window	278,217	8,754	-	286,971
Munishare	973,242	1,266,257	1,059,292	1,180,207
Other restricted contributions				
Energy management	661,888	347,990	62,469	947,409
Loss prevention	147,331	(147,331)	-	-
Appraisal services	109,884	(109,884)	-	-
SSPG grant	-	152,000	110,811	41,189
Urban and rural cost sharing	-	50,675	29,848	20,827
Municipalities against racism	-	25,000	20,036	4,964
Citizen's engagement toolkit	-	200,000	-	200,000
Collaborative regional study	-	250,000	-	250,000
Technology toolkit	-	300,000	-	300,000
Alberta environment SREM	-	17,000	5,000	12,000
Training for elected officials	-	500,000	40,450	459,550
	\$ 3,054,781	\$ 2,881,131	\$ 1,583,603	\$ 4,352,309

Alberta Urban Municipalities Association
Notes to Consolidated Financial Statements
Year Ended December 31, 2006

13. NET ASSETS RESTRICTED FOR BENEFITS SURPLUS FUND

The Benefits Surplus Fund is subject to internally imposed restrictions stipulating that the resources be maintained to stabilize rate charges to participants and support benefit programs.

This fund has been established to account for surpluses arising from experience gains and reserves returned from the benefits insurance program. The refundable surplus from the benefits program is determined annually at June 30. Accordingly, the balance does not include experience gains or losses of the last six months. The association recognizes interest earnings from the Benefits Surplus Fund except the interest earned on the reserves for non taxable benefits in operating revenue.

The Benefits Surplus Fund is comprised of the following reserves:

	2006	2005
Reserves for non-taxable benefits		
Rate Stabilization Fund	\$ 1,231,507	\$ 1,989,433
Benefits Program Support Reserve	308,368	484,671
Reserves for self insurance (ASO)		
Self insured Plan Reserve	2,831,418	2,853,450
ASO deposit	120,000	80,000
Benefits Program Support Reserve	707,855	-
Reserves for taxable benefits		
Rate Stabilization Fund	4,413,861	4,361,783
Benefits Program Support Reserve	973,121	973,121
	\$ 10,586,130	\$ 10,742,458

14. NET ASSETS INTERNALLY RESTRICTED

AUMA has appropriated funds from operations for internal purposes. These internally restricted amounts are not available for other purposes without approval of the Board of Directors. The nature and changes to these balances are as follows:

	Balance, beginning of year	Transfer to reserves	Transfer from reserves	Balance, end of year
Capital reserves				
Facility	\$ 14,376	\$ -	\$ -	\$ 14,376
Equipment replacement	86,631	-	-	86,631
Operating reserves				
Convention	200,000	-	-	200,000
Interest stabilization	196,663	-	-	196,663
	\$ 497,670	\$ -	\$ -	\$ 497,670

The facility reserve is for future extensions and major renovations or to be applied towards the acquisition or lease of a new extended facility.

The equipment replacement reserve is to fund capital acquisitions of equipment.

The convention reserve is to offset years of cash deficits from the convention and trade show.

The interest stabilization reserve is to supplement actual interest earnings in years when they fall short of the budgeted interest earnings.

Alberta Urban Municipalities Association
Notes to Consolidated Financial Statements
Year Ended December 31, 2006

15. COMMITMENTS

The Association entered into an agreement with Nexen Marketing (Nexen) in which Nexen is to bill customers of AMSC and remit amounts to AMSC for services AMSC has provided in aggregating, reporting and monitoring, and establishing and administering an energy management program. The services and remittances are at a rate of \$1.10 per MWh of electrical energy and \$0.125 per GJ of natural gas. This contractual obligation expires December 31, 2008. Total amount received from these services during 2006 was \$327,727 (2005 - \$322,905) for aggregation administration and \$347,990 (2005 - \$347,920) for energy management of which \$285,521 (2005 - \$259,751) has been reported as deferred contributions (Note 12).

The Association has entered into an agreement with Lloyd Sadd to provide insurance brokerage services for a variable amount calculated as a percentage of net general insurance premiums. Payments in any given year range from \$225,000 - \$400,000, dependent upon insurance premiums actually collected. The contract may be terminated upon 90 days notice from either party. Total broker fees paid during the year was \$366,900 (2005 - \$361,292).

AMSCIS has entered into a group benefits program review consulting contract for which it is committed to paying \$65,000 in 2007.

AMSCIS has entered into a building valuation contract which required payment of \$70,721 (2005 - \$16,192). These fees are calculated based on a per diem rate with the contract being capable of being terminated with thirty days notice.

AMSCIS has entered into an agreement to lease the licensing of a Group Benefits Plan Administration software application. This agreement expires on August 3, 2010. The annual payment for the benefit software application is approximately \$185,000.

AMSC entered into an agreement for casual legal services. This agreement is for three years and expires on April 18, 2009. Fees are based on work provided.

AMSC entered into two agreements for computer server hosting services. AMSC is committed to paying \$94,356 per year for the first agreement and the agreement expires on June 30, 2011. For the second agreement, AMSC is committed to paying \$98,964 per year and the agreement expires on January 31, 2011.

AMSC entered into a consulting contract for which it is committed to paying \$155,650 in 2007 with respect to the development of an Energy Management Program for its members.

The Association has leased office equipment with remaining lease terms of up to four years. Minimum future lease payments are as follows:

2007	\$ 22,313
2008	22,313
2009	5,132
	<u>\$ 49,758</u>

**Alberta Urban Municipalities Association
Notes to Consolidated Financial Statements
Year Ended December 31, 2006**

16. CONTINGENT LIABILITY

The company has served notice of default and terminated the contract with their partner in the Munishare project. The partner has in turn expressed their displeasure with the contract termination, and has informed the company that their further courses of action may include a lawsuit. It is not possible to assess the company's potential liability, if any, resulting from this. Given the circumstances with the company's partner in the Munishare project, the project is in danger of being discontinued. If the project was to cease, the company's potential loss on the project would be \$111,982 for the cost of the software licenses, \$204,369 for the purchase of computer equipment for the project and approximately \$270,000 for the cancellation of computer server services.

17. RELATED PARTY TRANSACTIONS

Alberta Municipal Insurance Exchange (MUNIX) is a self insurance exchange for municipal members. MUNIX and AUMA are under common significant influence and are therefore related parties. During the year, AUMA provided management and administration services to MUNIX in the amount of \$873,252 (2005 - \$731,568). MUNIX provided insurance services to AMSCIS in the amount of \$9,818,561 (2005 - \$6,653,294). The amount receivable from MUNIX at year end was \$46,286 (2005 - \$88,937). The amount payable to MUNIX at year end was \$2,154 (2005 - \$71,832).

APEX is a supplementary pension plan trust. AUMA and APEX share common Board of Director members. APEX is subject to significant influence and is therefore a related party. During the year, AUMA paid \$25,407 (2005 - \$25,133) to APEX for pension contributions for its employees. At year end, AUMA owes \$1,301 (2005 - \$11,115) as accounts payable to APEX.

These transactions are measured at the exchange amount and are in the normal course of operations.

18. GRANTS AND ENERGY MANAGEMENT REVENUE AND EXPENDITURES

Revenue from deferred contributions is recognized as expenditures are made for a specific project. The special projects revenue includes revenue recognized from conditional grant agreements and from other special projects of the association.

The revenues and expenditures for these projects are as follows:

	2006		2005	
	Expenditures	Revenue	Expenditures	Revenue
Restricted government grants				
Asset project	\$ 226,009	\$ 226,009	\$ 563,876	\$ 563,876
Title Mapping project	1,599	1,599	73,887	73,887
ME First	28,089	28,089	10	10
Munishare	1,059,292	1,059,292	679,664	679,664
SSPG grant	110,811	110,811	-	-
Urban and rural cost sharing	29,848	29,848	-	-
Municipalities against racism	20,036	20,036	-	-
Alberta Environment SREM	5,000	5,000	-	-
Training for elected officials	40,450	40,450	-	-
Subtotal	1,521,134	1,521,134	1,317,437	1,317,437
Energy Management	62,469	62,469	121,606	121,606
	\$ 1,583,603	\$ 1,583,603	\$ 1,439,043	\$ 1,439,043

**Alberta Urban Municipalities Association
Notes to Consolidated Financial Statements
Year Ended December 31, 2006**

19. PLAN CONTRIBUTIONS

During the year, the association made employer contributions to three plans, totaling \$108,093 (2005 - \$95,733).

The employer contribution rates for the Local Authorities Pension Plan (LAPP) increased from 7.4% in 2005 to 7.75% in 2006 on earnings up to the yearly maximum pensionable earnings (YMPE). The LAPP rates for earnings above the YMPE up to the salary cap increased from 10.14% in 2005 to 10.64% in 2006.

The contribution rates for the APEX Supplementary Pension Plan remained unchanged at 2.5% for employee contributions and 3.0% for employer contributions. The contribution rates for APEX Plus are entirely employer funded and are determined by actuarial valuation.

20. SALARIES, CONSULTANTS AND STAFFING

The amounts expended on salaries and consultants are as follows:

	2006	2005
Salaries and staffing	\$ 2,417,927	\$ 1,959,990
Consultants	499,004	482,267
	\$ 2,916,931	\$ 2,442,257

**Alberta Urban Municipalities Association
Notes to Consolidated Financial Statements
Year Ended December 31, 2006**

21. ALBERTA MUNICIPAL INSURANCE EXCHANGE

Alberta Urban Municipalities Association (AUMA) and Alberta Municipal Insurance Exchange (MUNIX) are under common significant influence. MUNIX is a self insurance exchange for members of AUMA. MUNIX was formed under the Reciprocal Insurance Exchange Agreement for Municipalities in the Province of Alberta dated January 1, 2002, by various municipalities subscribing to the agreement.

MUNIX has not been consolidated in AUMA's financial statements. The financial statements of MUNIX are available on request. Financial summaries of this unconsolidated entity as at December 31 and for the years then ended are as follows:

	2006	2005
Financial Position		
Total assets	\$ 18,563,268	\$ 14,108,609
Total liabilities	\$ 14,264,104	\$ 10,024,718
Total surplus	4,299,164	4,083,891
	\$ 18,563,268	\$ 14,108,609
Results of Operations		
Total revenues	\$ 9,788,669	\$ 7,087,777
Total direct costs	8,315,116	5,942,451
Total expenses	1,258,280	1,050,358
Net income	\$ 215,273	\$ 94,968
Cash Flows		
Cash from operations	\$ 4,438,734	\$ 896,295
Cash from investing activities	(4,013,755)	(5,872,782)
Increase (decrease) in cash	\$ 424,979	\$ (4,976,487)

Alberta Urban Municipalities Association
Notes to Consolidated Financial Statements
Year Ended December 31, 2006

2006

	Alberta Urban Municipalities Association	Alberta Municipal Services Corporation	AMSC Insurance Services Ltd.	Consolidation Eliminations	Consolidated Totals
FINANCIAL POSITION					
Total assets	\$ 19,620,932	\$ 2,110,554	\$ 4,967,004	\$ (2,048,357)	\$ 24,650,133
Total liabilities	6,586,039	1,731,402	3,800,928	(2,048,157)	10,070,212
Total net assets	13,034,893	379,152	1,166,076	(200)	14,579,921
	<u>\$ 19,620,932</u>	<u>\$ 2,110,554</u>	<u>\$ 4,967,004</u>	<u>\$ (2,048,357)</u>	<u>\$ 24,650,133</u>
RESULTS OF OPERATIONS					
Total revenues	\$ 6,577,429	\$ 1,172,119	\$ 43,714,261	\$ (2,190,812)	\$ 49,272,997
Total expenses	6,528,060	649,118	42,719,068	(1,365,812)	48,530,434
Benefits surplus fund income	107,713	-	(58,821)	-	48,892
Net income	<u>\$ 157,082</u>	<u>\$ 523,001</u>	<u>\$ 936,372</u>	<u>\$ (825,000)</u>	<u>\$ 791,455</u>
CASH FLOWS					
Cash from operations	\$ 1,336,424	\$ 1,490,597	\$ 1,279,468	\$ (1,833,335)	\$ 2,273,154
Cash from investing activities	(1,374,181)	(316,351)	(40,000)	885,526	(845,006)
Cash from financing activities	(263,793)	(165,000)	(782,809)	947,809	(263,793)
Increase (decrease) in cash	<u>\$ (301,550)</u>	<u>\$ 1,009,246</u>	<u>\$ 456,659</u>	<u>\$ -</u>	<u>\$ 1,164,355</u>

2005

	Alberta Urban Municipalities Association	Alberta Municipal Services Corporation	AMSC Insurance Services Ltd.	Consolidation Eliminations	Consolidated Totals
FINANCIAL POSITION					
Total assets	\$ 18,814,332	\$ 1,148,361	\$ 2,309,300	\$ (697,808)	\$ 21,574,185
Total liabilities	5,936,521	1,127,210	1,419,596	(697,608)	7,785,719
Total net assets	12,877,811	21,151	889,704	(200)	13,788,466
	<u>\$ 18,814,332</u>	<u>\$ 1,148,361</u>	<u>\$ 2,309,300</u>	<u>\$ (697,808)</u>	<u>\$ 21,574,185</u>
RESULTS OF OPERATIONS					
Total revenues	\$ 6,279,267	\$ 824,145	\$ 35,808,629	\$ (1,819,219)	\$ 41,092,822
Total expenses	6,345,581	513,094	35,232,472	(1,239,219)	40,851,928
Benefits surplus fund income	168,349	-	587,344	-	755,693
Net income	<u>\$ 102,035</u>	<u>\$ 311,051</u>	<u>\$ 1,163,501</u>	<u>\$ (580,000)</u>	<u>\$ 996,587</u>
CASH FLOWS					
Cash from operations	\$ 1,054,491	\$ 769,225	\$ 1,675,040	\$ (580,002)	\$ 2,918,754
Cash from investing activities	(1,144,917)	-	(80,000)	2	(1,224,915)
Cash from financing activities	(149,067)	(290,000)	(290,000)	580,000	(149,067)
Increase (decrease) in cash	<u>\$ (239,493)</u>	<u>\$ 479,225</u>	<u>\$ 1,305,040</u>	<u>\$ -</u>	<u>\$ 1,544,772</u>

**ALBERTA MUNICIPAL INSURANCE EXCHANGE (MUNIX)
Financial Statements
Year Ended December 31, 2006**

AUDITORS' REPORT

To the Subscribers of Alberta Municipal Insurance Exchange (MUNIX)

We have audited the balance sheet of Alberta Municipal Insurance Exchange (MUNIX) as at December 31, 2006 and the statements of operations, surplus and cash flows for the year then ended. These financial statements are the responsibility of the Exchange'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 Exchange as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Edmonton, Alberta
February 2, 2007

ALBERTA MUNICIPAL INSURANCE EXCHANGE (MUNIX)

Balance Sheet

December 31, 2006

	2006	2005
ASSETS		
CURRENT		
Cash	\$ 335,353	\$ -
Accounts receivable	179,749	74,672
Marketable securities (Note 5)	18,034,091	14,020,337
Prepaid expenses	14,075	13,600
	\$ 18,563,268	\$ 14,108,609
LIABILITIES		
CURRENT		
Bank indebtedness, cheques issued in excess of cash	\$ -	\$ 89,626
Accounts payable and accrued liabilities	246,775	452,647
Internal claims adjustment expense reserve (Note 6)	260,000	143,000
Premium taxes payable	273,657	199,599
Provision for claims incurred but not reported (Note 6)	4,154,000	3,794,000
Case reserves (Note 6)	9,329,672	5,345,846
	14,264,104	10,024,718
SURPLUS		
Restricted reserve rate stabilization (Note 7)	2,515,160	2,515,160
Minimum surplus (Note 7)	50,000	50,000
Additional surplus (Note 7)	1,734,004	1,518,731
	4,299,164	4,083,891
	\$ 18,563,268	\$ 14,108,609

APPROVED BY THE BOARD

ALBERTA MUNICIPAL INSURANCE EXCHANGE (MUNIX)

Statement of Operations

Year Ended December 31, 2006

	2006	2005
REVENUE		
Premiums (Note 10)	\$ 9,121,900	\$ 6,653,294
DIRECT COSTS		
Incurred losses and expenses (Note 6)	7,924,459	5,726,852
Internal claims adjustment expenses	117,000	16,000
Premium taxes	273,657	199,599
	8,315,116	5,942,451
	806,784	710,843
EXPENSES		
Administration	43,937	17,924
Amortization	-	1,950
Consulting fees	26,674	8,391
Insurance	50,945	38,267
Management fees (Note 9)	873,254	731,568
Professional fees	59,490	43,820
Promotion and marketing	13,261	42,937
Property valuation fees	125,175	32,380
Risk control program	18,339	91,445
System support	35,393	34,240
Travel	11,812	7,436
	1,258,280	1,050,358
NET BEFORE OTHER INCOME	(451,496)	(339,515)
OTHER INCOME		
Investment	621,282	434,483
Other	45,487	-
	666,769	434,483
NET INCOME	\$ 215,273	\$ 94,968

ALBERTA MUNICIPAL INSURANCE EXCHANGE (MUNIX)

Statement of Surplus

Year Ended December 31, 2006

	2006			2005
	Restricted Reserve - Rate Stabilization	Minimum Surplus	Additional Surplus	Total
At Beginning of Year	\$2,515,160	\$50,000	\$1,518,731	\$4,083,891
Net Income	-	-	215,273	215,273
At End of Year	\$2,515,160	\$50,000	\$1,734,004	\$4,299,164

Statement of Cash Flows

Year Ended December 31, 2006

	2006	2005
OPERATING ACTIVITIES		
Net income	\$ 215,273	\$ 94,967
Item not affecting cash:		
Amortization	-	1,950
	215,273	96,917
Changes in non cash working capital:		
Accounts receivable	(105,077)	(72,432)
Accounts payable and accrued liabilities	(205,870)	173,916
Prepaid expenses	(475)	(740)
Internal claims adjustment expense reserve	117,000	16,000
Premium taxes payable	74,058	(28,460)
Provision for claims incurred but not reported	360,000	676,000
Case reserves	3,983,825	35,094
	4,223,461	799,378
Cash flow from operating activities	4,438,734	896,295
INVESTING ACTIVITIES		
Marketable securities	(4,013,755)	(5,872,782)
Cash flow used by investing activities	(4,013,755)	(5,872,782)
INCREASE (DECREASE) IN CASH FLOW	424,979	(4,976,487)
Cash (deficiency) - Beginning of year	(89,626)	4,886,861
CASH (BANK INDEBTEDNESS)-END OF YEAR	\$ 335,353	\$ (89,626)

ALBERTA MUNICIPAL INSURANCE EXCHANGE (MUNIX)

Notes to Financial Statements

Year Ended December 31, 2006

1. DESCRIPTION OF BUSINESS

Alberta Municipal Insurance Exchange (MUNIX) was formed under the Reciprocal Insurance Exchange Agreement for Municipalities in the Province of Alberta dated January 1, 2002, by the various municipalities subscribing to the agreement. The Exchange commenced operations on January 1, 2002.

2. ROLE OF ACTUARY AND AUDITOR

The actuary is appointed by the Board of Directors pursuant to the Alberta Insurance Act. Among the appointed actuary's responsibilities is the requirement to carry out an annual valuation of the Exchange's policy liabilities in accordance with accepted actuarial practice and regulatory requirements for the purpose of reporting to the subscribers and regulators. In performing this valuation, the appointed actuary makes use of information provided by management and uses the work of the external auditor in verifying the underlying policy and investment data used in the valuation. Examination of the supporting data for accuracy and completeness is an important element of the valuation process. The report of the appointed actuary outlines the scope of the valuation and contains the actuary's opinion regarding the appropriateness of the policy liabilities.

The external auditor has been appointed by the Board of Directors to conduct an independent and objective audit of the financial statements of the Exchange in accordance with Canadian generally accepted auditing standards and report thereon to the subscribers. In carrying out the audit, the auditor also makes use of the work of the appointed actuary and his report on the Exchange's policy liabilities. The auditor's report outlines the scope of the audit and contains the audit opinion.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement uncertainty

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The precise value of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of approximations which have been made using careful judgement. Actual results could differ from those approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Marketable securities

The Exchange's investments are stated at cost. The investment cost is reduced to reflect any permanent impairment in value.

Gains and losses on disposal of investments are taken into income when realized.

Revenue recognition

Premiums written are deferred as unearned premiums and are taken into income as earned on a pro rata basis over the terms of the underlying policies. All policies exchanged are for periods ending on December 31, 2006.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Provision for unpaid claims

The provision for unpaid claims is the estimated cost of investigating and setting claims incurred up to the balance sheet date, and consists of case reserve estimates, estimates of claims incurred but not reported, and related investigation, settlement and adjustment expense.

Since the amounts are necessarily based on estimates of future trends in claim severity and other factors, which could vary as the claims are settled, the ultimate liability may be more or less than the estimated amounts. Although it is not possible to measure the degree of variability inherent in such estimates, management believes that the reserve for unpaid claims is adequate. The estimates are periodically reviewed by an actuary and, as adjustments to these liabilities become necessary, they are reflected in current operations. The provision for unpaid claims is carried at discounted values to consider the time value of money.

Provisions for claims incurred but not reported (IBNR)

IBNR is the difference between projected ultimate claim losses and expenses and the amount currently established as case reserves. IBNR represents a provision for adverse development on existing claims as well as a provision for the existence of unknown claims as at December 31, 2006. The IBNR is carried at discounted values to consider the time value of money.

Reserves required

The Alberta Regulatory Commission requires that an appropriation of surplus be made for certain assets considered non-admitted for regulatory purposes. As at December 31, 2006, there were no non-admitted assets.

4. FINANCIAL INSTRUMENTS

The Exchange's financial instruments consist of cash, marketable securities, accounts receivable, accounts payable and accrued liabilities, case reserves, premium taxes payable and provision for claims incurred but not reported. It is management's opinion that the Exchange is not exposed to any significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts of financial instruments disclosed on the balance sheet approximate their fair values due to their short term maturities.

5. MARKETABLE SECURITIES

The quoted market value of the marketable securities is \$18,252,679 (2005 - \$14,129,653).

ALBERTA MUNICIPAL INSURANCE EXCHANGE (MUNIX)

Notes to Financial Statements

Year Ended December 31, 2006

6. PROVISION FOR UNPAID CLAIMS AND ADJUSTMENT EXPENSES

Nature of unpaid claims

The establishment of the provision for unpaid claims and adjustment expenses is based on known facts and interpretation of circumstances and is therefore a complex and dynamic process influenced by a large variety of factors. These factors include the Exchange's experience with similar cases and historical trends involving claim payment patterns, loss payments, pending levels of unpaid claims, claims severity and claim frequency patterns.

Other factors include the continually evolving and changing regulatory and legal environment, actuarial studies, professional experience and expertise of the Exchange's consultants retained to handle individual claims, the quality of the data used for projection purposes, existing claims management practices including claims handling and settlement practices, the effect of inflationary trends on future claims settlement costs, court decisions, economic conditions and public attitudes. In addition, time can be a critical part of the provision determination, since the longer span between the incidence of a loss and the payment or settlement of the claims, the more variable the ultimate settlement amount can be.

Consequently, the establishment of the provision for unpaid claims and adjustment expenses process relies on the judgment and opinions of a number of individuals, on historical precedent and trends, on prevailing legal, economic, social and regulatory trends and on expectations as to future developments. The process of determining the provisions necessarily involves risks that the actual results will deviate, perhaps substantially, from the best estimates made. All such deviations will cause corresponding changes in amounts receivable from subscribers and in related balances.

The net provision for unpaid claims and adjustment expenses consist of the case reserves on known claims, the provision for incurred but not reported claims less the reinsurers' share of the unpaid claims, adjustment expenses including an amount for internal claims adjustment expenses and a factor for deviations in the estimated results.

The net provision for unpaid claims and adjustment expenses are reflected in the following three accounts on the balance sheet:

	2006	2005
Case reserves	\$ 9,329,672	\$ 5,345,846
Provision for claims incurred but not reported	4,154,000	3,794,000
Internal claims adjustment expense reserve (ILAE)	260,000	143,000
	\$ 13,743,672	\$ 9,282,846

Activity in net provision for unpaid claims and adjustment expenses, is summarized as follows:

Net provision for unpaid claims and adjustment expenses, beginning of year	\$ 9,282,846	\$ 8,555,752
Increase (decrease) in prior claims estimates	512,127	(508,411)
Provision for losses on 2006 claims	7,412,332	6,235,263
Incurred losses and expenses	7,924,459	5,726,852
Paid in 2006 on claims occurring in prior years	(2,421,416)	(2,072,495)
Paid in 2006 on current year claims	(1,159,217)	(2,943,263)
Increase in ILAE reserve	117,000	16,000
Net provision for unpaid claims and adjustment expenses, end of year	\$ 13,743,672	\$ 9,282,846

ALBERTA MUNICIPAL INSURANCE EXCHANGE (MUNIX)

Notes to Financial Statements

Year Ended December 31, 2006

7. SURPLUS

The surplus represents contributions made by subscribers and the excess of revenue over expenses, and may be used to cover potential future catastrophic claims, reduce future premiums or be paid out to subscribers.

A rate stabilization reserve fund has been established by the directors with the balance established at \$2,515,160 as at December 31, 2006.

The minimum surplus funds are held in accordance with The Insurance Act of Alberta which requires the Exchange to maintain a minimum surplus or guarantee fund in excess of liabilities, in cash or approved securities, of at least \$50,000.

8. INCOME TAXES

As the Exchange is exempt from income taxes, no provision for income taxes has been recorded in these financial statements.

9. RELATED PARTY TRANSACTION

Alberta Urban Municipalities Association (AUMA) and Alberta Municipal Insurance Exchange (MUNIX) are under common significant influence and are therefore related parties. During the year AUMA provided management and administration services to MUNIX in the amount of \$873,254 (2005 - \$731,568). These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. PREMIUMS

	2006	2005
Gross premiums	\$ 10,133,371	\$ 9,131,868
Participation credits	(696,661)	(2,240,599)
Risk management credits	(314,810)	(237,975)
Net premiums	\$ 9,121,900	\$ 6,653,294

**APEX Supplementary Pension Plan
Financial Statements
Year Ended December 31, 2006**

AUDITORS' REPORT

To the Board of Trustees of APEX Supplementary Pension Plan

We have audited the statement of net assets available for benefits and accrued benefits of the APEX Supplementary Pension Plan as at December 31, 2006 and the statements of changes in net assets available for benefits and changes in accrued benefits for the year then ended. These financial statements are the responsibility of the Plan'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 net assets available for benefits and accrued benefits of the Plan as at December 31, 2006 and the changes in net assets available for benefits and changes in accrued benefits for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Edmonton, Alberta
March 23, 2007

APEX Supplementary Pension Plan
Statement of Net Assets Available for Benefits and Accrued Benefits
December 31, 2006

	2006	2005
Net Assets Available for Benefits		
Assets		
Cash	\$ 48,676	\$1,344,943
Investments (Note 4)	6,141,752	2,635,355
Contributions receivable	237,940	140,619
Accounts receivable	628	2,950
	6,428,996	4,123,867
Liabilities		
Accounts payable and accrued liabilities	77,731	57,254
Net assets available for benefits	6,351,265	4,066,613
Accrued Benefits		
Actuarial value of accrued benefits	5,221,780	3,298,810
Actuarial Surplus	\$1,129,485	\$ 767,803

Commitment (Note 9)

APEX SUPPLEMENTARY PENSION PLAN
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2006

	2006	2005
Increase in Assets		
Contributions (Note 5)	\$ 2,161,432	\$ 1,762,311
Net investment income	545,023	266,025
	2,706,455	2,028,336
Decrease in Assets		
Refunds to members	300,892	97,423
Plan expenses		
Interest and bank charges	54	-
Insurance	5,145	5,945
Pension filing fee	2,390	1,890
Professional fees (Note 6)	112,707	111,016
Supplies	-	308
Travel	615	-
	421,803	216,582
Increase in Net Assets	2,284,652	1,811,754
Net Assets Available for Benefits at Beginning of Year	4,066,613	2,254,859
Net Assets Available for Benefits at End of Year	\$ 6,351,265	\$ 4,066,613

Statement of Changes in Accrued Benefits
Year Ended December 31, 2006

	2006	2005
Increase in Accrued Benefits		
Current service cost	\$ 1,764,041	\$ 1,441,890
Interest	271,245	169,202
Actuarial losses (gains)	188,576	(60,302)
	2,223,862	1,550,790
Decrease in Accrued Benefits		
Benefits paid including interest	300,892	97,423
Net Increase in Accrued Benefits	1,922,970	1,453,367
Accrued Benefits at Beginning of Year	3,298,810	1,845,443
Accrued Benefits at End of Year	\$ 5,221,780	\$ 3,298,810

APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements

Year Ended December 31, 2006

1. DESCRIPTION OF THE PLAN

The following description of the APEX Supplementary Pension Plan (the Plan) is a summary only. For a complete description of the Plan, reference should be made to APEX Supplementary Pension Plan Administrative Guide, AUMA/APEX Supplementary Pension Plan Handbook and APEX Governance Board Agreement, Plan Text and Participation Agreement.

The APEX Supplementary Pension Plan was established on January 1, 2003 to enhance and supplement the Local Authorities Pension Plan (LAPP) for senior management staff of participating municipalities in Alberta.

The APEX Supplementary Pension Plan is a voluntary, contributory, defined benefit pension plan designed to bring senior income pensions in participating municipalities closer to those of management employees in provincial and federal governments.

The Plan is a registered plan with the Canada Revenue Agency and the Alberta Provincial Government under provisions of the Alberta Employment Pensions Plan Act.

The key enhancements for the Plan include a full 2% of the participating member's best five consecutive earnings and a two-third pension to the surviving pension partner on the participating member's death. The pension benefits payable during the first 10 years of retirement provide that the balance of that period shall be paid to the beneficiary of the participating member in the event of death of the participating member.

The APEX Supplementary Pension Plan is for contributory service on and following January 1, 2003. The Plan contributions are cost shared by employer and employee and are based on pensionable earnings up to \$105,556 based on current Canada Revenue Agency maximum annual pension accrual of \$2,111.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The statements provide information about the net assets available in the Plan to meet future benefit payments and are prepared to assist Plan members and others in reviewing the activities of the Plan for the year.

Measurement uncertainty

In preparing these financial statements, estimates and assumptions are used in circumstances where the actual values are unknown. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Measurement uncertainty exists in the calculation of the Plan's actuarial value of accrued benefits. Uncertainty arises because the Plan's actual experience may differ, perhaps significantly, from assumptions used in the calculation.

While best estimates have been used in the calculation of the Plan's actuarial value of accrued benefits, management considers it is possible, based on existing knowledge, that changes in future conditions in the near term could require a material change in the recognized amounts. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

APEX SUPPLEMENTARY PENSION PLAN
Notes to the Financial Statements
Year Ended December 31, 2006

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments

Investments are stated at market value. The fair value of investments is based on closing market quotations as of December 31.

Contributions

Contributions from members are recorded in the period the payroll deduction is made.

Income taxes

APEX Supplementary Pension Plan is a Registered Pension Trust as defined in the Income Tax Act and is not subject to income taxes.

3. FINANCIAL INSTRUMENTS

The Plan's financial instruments consist of cash, investments, contributions receivable, accounts receivable and accounts payable and accrued liabilities. It is management's opinion that the Plan is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts of financial instruments disclosed on the statement of net assets available for benefits and accrued benefits as assets and liabilities approximate their fair values due to their short term maturities.

The fair value of investments is undeterminable as the ultimate realization of this asset is subject to future events which cannot be predicted.

4. INVESTMENTS

Investments, at market value, consist of the following mutual funds managed by a third party.

	2006	2005
Balanced	\$ 3,071,667	\$ 1,319,193
Diversified	2,211,478	953,323
Money market	270,520	114,051
Mortgage	276,035	116,445
Real estate	312,052	132,343
	\$ 6,141,752	\$ 2,635,355

5. CONTRIBUTIONS

	2006	2005
Employers	\$ 1,178,963	\$ 961,233
Employees	982,469	801,078
	\$ 2,161,432	\$ 1,762,311

APEX SUPPLEMENTARY PENSION PLAN
Notes to the Financial Statements
Year Ended December 31, 2006

6. PROFESSIONAL FEES

	2006	2005
Professional fees incurred	\$ 117,491	\$ 127,816
Startup fee to participating members	(4,784)	(16,800)
	\$ 112,707	\$ 111,016

Professional fees are comprised of plan expenses incurred for actuary services, legal services and audit services. Netted against these expenses are one time startup fees charged to a participating member organization to cover the initial costs associated with the commencement and registrations of APEX Supplementary Pension Plan. These startup fees are recorded as a recovery of expenses in the year the participating member organization registers with the Plan.

7. ACTUARIAL VALUE OF ACCRUED BENEFITS

An actuarial valuation of the Plan was made as of December 31, 2006 by Morneau Sobeco, a firm of consulting actuaries. The present value of accrued pension benefits was determined using the projected benefits method prorated on service using the best estimates assumptions as follows:

Interest	6.75%	per annum
Salary increases	3.5%	per annum
Inflation	2.5%	per annum
Indexing of annual pension	60%	of inflation per annum
Increase in year's maximum pensionable earnings	3.5%	per annum
Income Tax Act maximum pension	2005	\$2,000
	2006	\$2,111
	2007	\$2,222
	2008	\$2,333
	2009	\$2,444
	2010	and subsequent years 3.5% per annum
Interest credited on employee contributions	2.5%	per annum
Retirement	100%	retirement at age 60

8. FUNDING POLICY

In accordance with the Trust Agreement, participating members are required to contribute 2.5% of their pensionable salary to the Plan. The employer is required to provide the balance of the funding (currently 3%), based on actuarial valuations, necessary to ensure that benefits will be fully provided for at retirement. The most recent actuarial valuation for funding purposes was prepared by Morneau Sobeco as of December 31, 2006.

9. COMMITMENT

The Plan is committed to monthly payments of \$2,083 per month plus GST to Morneau Sobeco for monthly general administration costs.

10. RELATED PARTY TRANSACTIONS

Alberta Urban Municipalities Association (AUMA) and APEX Supplementary Pension Plan (APEX) share common Board of Director members. APEX is subject to significant influence and is therefore a related party.

AUMA Membership - Regular Members

Cities
 Airdrie
 Brooks
 Calgary
 Camrose
 Cold Lake
 Edmonton
 Fort Saskatchewan
 Grande Prairie
 Leduc
 Lethbridge
 Lloydminster
 Medicine Hat
 Red Deer
 Spruce Grove
 St. Albert
 Wetaskiwin

Towns
 Athabasca
 Banff
 Barrhead
 Bashaw
 Bassano
 Beaumont
 Beaverlodge
 Bentley
 Black Diamond
 Blackfalds
 Bon Accord
 Bonnyville
 Bow Island
 Bowden
 Bruderheim
 Calmar
 Canmore
 Cardston
 Carstairs
 Castor
 Chestermere
 Claresholm
 Coaldale
 Coalhurst
 Cochrane
 Coronation
 Crossfield
 Daysland
 Devon
 Didsbury
 Drayton Valley
 Drumheller
 Eckville
 Edson
 Elk Point
 Fairview
 Falher
 Fort MacLeod
 Fox Creek
 Gibbons
 Grande Cache
 Granum
 Grimshaw
 Hanna
 Hardisty
 High Level
 High Prairie
 High River
 Hinton
 Innisfail
 Irricana
 Killam
 Lac La Biche
 Lacombe
 Lamont
 Legal
 Magrath
 Manning
 Mayerthorpe
 McLennan
 Milk River
 Millet
 Morinville
 Mundare
 Municipality of
 Crownsnest Pass
 Nanton
 Okotoks
 Olds
 Onoway
 Oyen
 Peace River
 Penhold
 Picture Butte
 Pincher Creek
 Ponoka
 Provost
 Rainbow Lake
 Raymond
 Redcliff
 Redwater
 Rimbey
 Rocky Mountain House
 Sedgewick
 Sexsmith
 Slave Lake
 Smoky Lake
 Spirit River
 St. Paul
 Stavely
 Stettler
 Stony Plain
 Strathmore
 Sundre
 Swan Hills
 Sylvan Lake
 Taber
 Three Hills
 Tofield
 Townsite of Redwood
 Meadows
 Trochu
 Turner Valley
 Two Hills
 Valleyview
 Vauxhall
 Vegreville
 Vermilion
 Viking
 Vulcan
 Wainwright
 Wembley
 Westlock
 Whitecourt

Villages
 Acme
 Alberta Beach
 Alix
 Alliance
 Amisk
 Andrew
 Barnwell
 Barons
 Bawlf
 Beiseker
 Berwyn

Big Valley
 Bittern Lake
 Botha
 Boyle
 Breton
 Carbon
 Carmangay
 Caroline
 Cereal
 Champion
 Chauvin
 Chipman
 Clifton
 Clyde
 Consort
 Coutts
 Cowley
 Cremona
 Czar
 Delburne
 Delia
 Derwent
 Dewberry
 Donaldda
 Donnelly
 Duchess
 Edberg
 Edgerton
 Elnora
 Empress
 Ferintosh
 Foremost
 Forestburg
 Gadsby
 Galahad
 Girouxville
 Glendon
 Glenwood
 Halkirk
 Hay Lakes
 Heisler
 Hill Spring
 Hines Creek
 Holden
 Hughenden
 Hussar
 Hythe
 Innisfree
 Irma
 Kinuso
 Kitscoty
 Linden
 Lomond
 Longview
 Lougheed
 Mannville
 Marwayne
 Milo
 Minburn
 Morrin
 Munson
 Myrnam
 Nampa
 New Norway
 New Sarepta
 Nobleford
 Paradise Valley
 Rockyford
 Rosalind
 Rosemary
 Rycroft
 Ryley

Sangudo
 Spring Lake
 Standard
 Stirling
 Strome
 Thorhild
 Thorsby
 Tilley
 Veteran
 Vilna
 Wabamun
 Warburg
 Warner
 Waskatenau
 Willingdon
 Youngstown

Summer Villages
 Argentia Beach
 Betula Beach
 Birch Cove
 Birchcliff
 Bondiss
 Bonnyville Beach
 Burnstick Lake
 Castle Island
 Crystal Springs
 Ghost Lake
 Golden Days
 Grandview
 Half Moon Bay
 Horseshoe Bay
 Island Lake
 Itaska Beach
 Jarvis Bay
 Kapasiwin
 Lakeview
 Larkspur
 Ma Me O Beach
 Nakamun Park
 Norglenwold
 Norris Beach
 Parkland Beach
 Pelican Narrows
 Point Allison
 Poplar Bay
 Rochon Sands
 Ross Haven
 Sandy Beach
 Seba Beach
 Silver Beach
 Silver Sands
 South Baptiste
 South View
 Sunbreaker Cove
 Sundance Beach
 Sunrise Beach
 Sunset Beach
 Sunset Point
 Val Quentin
 Waiparous
 West Baptiste
 West Cove
 White Sands
 Yellowstone

**Specialized
 Municipalities**
 Jasper
 MD of Mackenzie No.23
 RM of Wood Buffalo
 Strathcona County

Affiliate Members

ACS Public Sector Solutions
 Activation Analysis Group Inc.
 Alberta Dairy Council
 Alberta Electric System Operator
 Alberta Land Surveyors' Association
 Alberta Permit Pro
 Alberta Snowmobile Association
 Alberta Society of Engineering Technologists
 Alberta Traffic Supply Ltd.
 Alta Gas Utilities Inc.
 Altalink
 AMEC Infrastructure Limited
 AON Consulting Inc.
 APEGGA
 Armin A. Preiksaitis & Associates Ltd.
 ATCO Group
 Axia SuperNet Ltd.
 Bell Canada
 Brownlee LLP
 Bryan & Company LLP
 Canada Mortgage and Housing Corporation
 Canadian Concrete Pipe Association
 Canadian Hydro Developers Inc.
 CEO Inc.
 CGI Information Systems and Management Cons Inc.
 Civic Solutions Inc.
 Consulting Engineers of Alberta
 Culzean Consulting Inc.
 Darren W. Moroz Barrister and Solicitor
 Davis & Company
 Duncan & Craig LLP
 Eco Solutions
 Emery Jamieson LLP
 Epcor
 Field LLP
 Finning Canada
 Fort Garry Industries Ltd.
 Fortis Alberta
 George B. Cuff & Associates
 HR Group Management Consultants
 Hudson Pederson Weis & Williams
 IBI Group
 Implementation & Advisory Group Ltd.
 Integra Claims & Systems Management Inc.
 Lethbridge & District Exhibition
 Lloyd Sadd Insurance Ltd.
 MacNair Construction Products Ltd.
 McElhanney Consulting Services
 Mediaco The Presentation Company Inc.
 Morgex Insurance Group Ltd.
 Morneau Sobeco
 National Bank Financial
 Neptune Technology Group
 Nexen Marketing Inc.
 Nichols Applied Management
 Phoenix Fence Inc.
 Pommen Group
 RBC Financial Group
 Reynolds Mirth Richards & Farmer LLP
 SAP Canada
 Sharek Logan Collingwood van Leenen LLP
 Shaw Communications
 Shepell.fgi
 SCM Adjusters Canada Ltd.
 Stantec Consulting Ltd.
 Sun Life Financial
 Superior Safety Codes Inc.
 Telus Corporation
 TransCanada
 UMA Engineering Ltd.
 Waste Management
 Western Management Consultants
 Zurich North America Canada

Associate Members

AAMDC

AB Society of Recreation Facility Personnel
Acadia Foundation
Acme & District Agricultural Society
Acme Curling Club
Acme Seniors Society
Airdrie Rodeo Ranch Association
Akasu Palliative Care Society
Alberta Capital Region Alliance Ltd.
Alberta Capital Region Wastewater Commission
Alberta Environment
Alberta Motor Vehicle Industry Council
Alberta Municipal Affairs
Alberta Municipal Health & Safety Society
Alberta Recreation & Parks Society
Alberta Recycling Management Authority
Alberta Senior Citizens' Housing Society
AlbertaFirst.com Ltd.
Aquatera Utilities Inc.
Arbour Lake Residents Association Ltd.
Athabasca River Potters' Guild
Badlands Ambulance Services Society
Banff Heritage Corp
Banff Heritage Tourism Corp
Banff Public Library Board
Banff Service Industry Network
Barons-Eureka-Warner, FCSS
Barrhead & District Social Housing
Barrhead FCSS
Barrhead Public Library
Bashaw Municipal Library
Bassano Curling Club
Bawlf & District Recreation Society
Beaver Foundation
Bellecrest Community Society
Beverage Container Management Board
Bibliothèque Dentinger/Falher Library
Big Country Waste Management
Birch Hills County
Blackfalds Public Library
Bon Accord Golden Gems Club
Bonnyville Regional Fire Authority
Bonnyville Senior Citizens Society
Bow Cliff Seniors
Bow Island Curling Club
Bow Valley Agricultural Society
Bow Valley Waste Management Commission
Boys and Girls Club of Bonnyville
Brazeau Seniors Foundation
Brooks & District Ambulance Society
Calgary Centennial Arenas
Camrose & District Senior Centre
Camrose & District Support Services
Camrose Chamber of Commerce
Camrose County
Camrose Public Library
Camrose Regional Exhibition & Agricultural Society
Camrose Ski Club
Canmore Community Daycare Society
Canmore Public Library
Canmore Seniors Society
Canterbury Foundation
Capital Region Assessment Services Commission
Capital Region Northeast Water Services Commission
Capital Region Parkland Water Services
Capital Region Southwest Water Services Commission
Carbon & Area Restoration Society
Carbon Community Centre

Cardston & District Handibus Society
Cardston County
Cardston Senior Society
Castor & Dist Family & Community Support Services
Castor & District Museum Society
Castor Childcare Society
Castor Curling Club Society
Centre for Creative Arts Society of Grande Prairie
Chauvin Agricultural Society
Children's World Child Care Society of Barrhead
Chinook Arch Regional Library
Chinook Lodge Foundation
Claresholm Community Centre Society
Claresholm Meals on Wheels
Clearwater County
Clyde Fire & Rescue Society
Cochrane Library Board
Cold Lake Museum Society
Cold Lake Public Library
Cold Lake Regional Utility Services
Coleman Community Society
Community Futures Elk Island Region
County of Athabasca, No.12
County of Barrhead, No.11
County of Forty Mile, No. 8
County of Grande Prairie, No. 1
County of Minburn, No. 27
County of Newell, No. 4
County of St.Paul, No. 19
County of Stettler Housing Authority
County of Thorhild, No. 7
County of Two Hills, No. 21
County of Vermilion River
County of Warner, No. 5
County of Wetaskiwin, No. 10
Crossfield Day Camp Society
Crownsnest Pass Allied Arts Society
Crownsnest/Pincher Creek Landfill Society
Cypress County
Cypress View Foundation
D Company Armouries Foundation
Daysland & District Aging In Place Foundation
Devon Golf & Curling Club
Devon Lions Club
Devon Nordic Ski Club
Didsbury Lifeline Society
Dinosaur Valley Heritage Society
Drumheller & District Solid Waste Management Society
Drumheller Housing Administration
Drumheller Recycling Society
Early Intervention Program Valleyview
East Central 911 Call Answer Society
East Central Community Futures Development Corporation
Eastern Irrigation District
Eckville & Community Youth Foundation
Edson & District Chamber of Commerce
Edson & District Historical Society
Edson & District Public Library
Edson & District Recreation Society
Edson & District Old Timers Recreation Centre Society
Edson Cultural Heritage Organization
EnCharis Community Housing & Services
Evergreen Foundation
Fairview & District Ambulance Service
Federation of Calgary Communities
Flagstaff Family & Community Services

Foothills Foundation
Foothills Regional Emergency Medical Services
Forestburg Fitness Institute
Fort MacLeod & District Agricultural Society
Fort MacLeod Provincial Historical Society
Fort Saskatchewan Foundation
Fort Saskatchewan Public Library
Friends of the Alexandra Pool Society
Friends of the Forts FGBH Society
Galahad Health Care Centre Auxiliary Society
Galahad Public Library
Gibbons Seniors Twilight Club
Golden Years Town & Country Club
Government Studies
Grand Centre Pensioners & Senior Citizens Club
Grande Prairie Downtown Society (B.R.Z.)
Grande Prairie Piranhas Swim Club
Grande Prairie Public Library
Grande Spirit Foundation
Greater Edmonton Foundation
Greater North Foundation
Green Acres Foundation
Hanna & District Ambulance & Medical Society
Hanna & District Historical Society
Henry Kroeger Regional Water Services Commission
High Level Housing Authority
High Level Municipal Library Board
High Prairie & District Golf Club
High Prairie Museum & Historical Society
Highwood Memorial Centre
Hillside Lanes Bowling Society
Holden Agricultural Society
Holden Community Hall Society
Hussar & District Agricultural Society
Hussar Lions Club
Hussar Municipal Library
Hythe Municipal Library
Improvement District #4 Waterton Lakes National Park
Improvement District #9 Banff National Park
Jasper National Park
Kananaskis Improvement District
Killam & District Municipal Library
Kneehill Ambulance
Kneehill Historical Society
Kneehill Housing Corporation
Kryla Ukranian Dance Club
Lacombe & District FCSS
Lacombe Foundation
Lake Bonavista Community Society
Lakeland College
Lakeland Community Development Corporation
Lakeland County
Lakeland Lodge & Housing Foundation
Lakeland Music Festival
Lamont County
Leduc & District Food Bank Association
Leduc & District Regional Waste Management Authority
Leduc & District Victim Assistance Society
Leduc County
Leduc Foundation
Leduc Parents' Place Society
Leduc Public Library
Lethbridge Housing Authority
Local Authorities Pension Plan
Local Government Administration Society
MacDonald Island Park Corporation

Associate Members continued

MacKenzie Municipal Services Agency
MacKenzie Regional Waste Management Commission
Mannville & Area Performing Arts Society
Mannville Library
Marigold Library System
Marquis Foundation
MD of Big Lakes
MD of Bighorn No. 8
MD of Bonnyville No. 87
MD of Clear Hills No. 21
MD of Fairview No. 136
MD of Northern Lights No. 22
MD of Opportunity No.17
MD of Peace No. 135
MD of Ranchland No.66
MD of Rocky View No.44
MD of Spirit River No. 133
MD of St. Paul
MD of St. Paul Foundation
MD of Taber No. 14
MD of Wainwright No.61
MD of Willow Creek No.26
Meridian Foundation
Metropolitan Calgary Foundation
Milo & District Fire Society
Milo Municipal Library Board
Modular Manufactured Housing Society of AB&SK
Mosquito Creek Foundation
Mountain View County
Mountain View Regional Waste Management Commission
Mountain View Regional Water Service Commission
Mundare Curling Club
Mundare Fire Department Firefighters Society
Mundare Housing Development Corporation
Mundare Recreation Society
Mundare Senior Citizens Club
Nanton Community Bus Society
Nanton Community Memorial Centre Society
Newell Foundation
Newthorad Seniors Housing Foundation
North Peace Regional Landfill Commission
Northern Lights Library System
Northern Sunrise County
Northlands Park
Norwood Seniors Housing Society
Okotoks Air Ranch Limited Partnership
Okotoks Public Library
Oldman River Regional Services Commission
Olds & District Municipal Library
Onway Public Library
Paddle Prairie Metis Settlement
Palliser Health Region
Palliser Regional Municipal Services
Parkland Community Planning Services
Parkland County
Parkland Potter's Guild
Parkside Manor
Pass Pottery Club
Peace Citizen's Recycling Society
Peace Country Sports Club
Peace Library System
Peace River Municipal Library
Peace River Senior Citizen Club
Pioneer Housing Foundation
Piper Creek Foundation
Ponoka Community Golf Club
Ponoka Covered Wagon Handicapped Transport Society
Ponoka Family & Community Support Services
Ponoka County
Ponoka Lions Club
Ponoka Seniors Drop In Centre
Porcupine Hills Seniors Foundation
Provost & District Chamber of Commerce
Raymond & District Ambulance-Lifeline-Handibus Society
Raymond & District Seniors Club
Raymond & District Futures Society
Recycling Council of Alberta
Red Deer County
Red Deer Regional Airport Authority
Red Deer Twilight Foundation
Redcliff Historical & Museum Society
Red Willow Curling Club
Rimoka Foundation
Rocky Senior Housing Council, Westview Lodge
Rocky View Foundation
Roseridge Waste Management Services Comm
Rural Alberta Development Fund
Saddle Hills County
Safety Codes Council
Scenic Acres Community Society
Senior's Homes & Comm Housing Society Wetaskiwin
Seniors Outreach Program
Shortgrass Library System
Slave Lake Airport Services Commission
Smoky Lake County
Smoky Lake Foundation Management Body
Smoky River Regional Water Management Commission
Society of Local Government Administrators
Society of the Devon Youth Drop-In Centre
Special Areas Board
Springbank Park For All Seasons
Spruce Grove Specialized Transit Service
St. Paul Municipal Library
St. Vital Senior Club
Standard Curling Club
Stavely Golden Age Centre
Stettler Regional Child Care Centre
Stony Plain BMX Association
Stony Plain Family & Community Support Services
Stony Plain Royal Canadian Legion #256
Sturgeon County
Sturgeon Foundation
Sturgeon River Historical Society
Sundre & District EMS Society
Sylvan Lake Foundation
Taber & District Handibus Society
Taber & District Housing
Taber & District Museum Society
Taber Arts & Crafts Society
Taber Public Library Board
The Business Link
Thorhild Regional Water Service Comm
Three Hills Community Memorial Center
Three Hills Curling Club
Three Hills Golf Club
Three Hills Municipal Library
TransAlta Tri Leisure Centre
Trochu Golf & Country Club
Two Hills FCSS
Universities Academic Pension Plan
Urban Development Institute, AB Division
Urban Development Institute, Calgary Chapter
Valley Bus Society (Drumheller)
Valleyview Moto-cross Society
Vegreville FCSS
Vegreville Seniors Housing
Vegreville Transportation Services Society
Vermilion & District Housing Foundation
Vermilion Public Library
Vista Ridge Recreational Society
Wainwright & District FCSS
Wainwright Public Library
Wainwright Waste to Energy Authority
Warner Memorial Library
Wayne Community Society
West Central Planning Agency
West Hillhurst Community Society
West Yellowhead Comm Futures Development Corporation
Westend Regional Sewage Services Commission
Westridge Curling Club
Westlock & District Memorial Hall Society
Westlock Municipal Library Board
Whitcourt & Area Transit Society
Willow Creek Agricultural Society
Wood Buffalo Housing & Development Corporation
Woodlands County
Yellowhead County
Yellowhead Regional Library



www.auma.ca

www.amsc.ca

Insurance Services

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**Alberta Urban Municipalities Association
Alberta Municipal Services Corporation**