



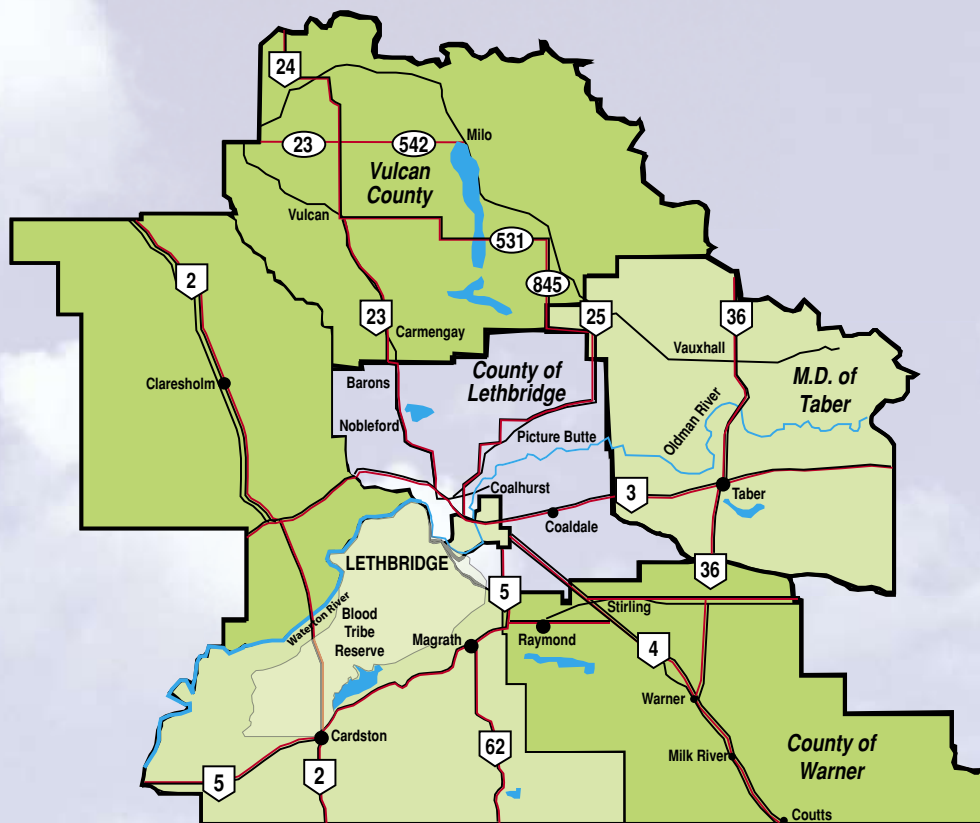
Annual Report 2006



Creating Opportunities...

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“ The best beef in the world is grown right here ”
 - Jack Heggie, Rancher, Raymond

Creating Opportunities...



Roelof Heinen, Chair

Message from the Chair

In our second year of operations, SouthGrow Regional Initiative accomplished its goals and continued to build on the opportunities for our region. Our core objectives:

- To raise awareness of our organization within and outside of our region.
- To identify the requirements and then provide economic development training to member communities.
- To build on our natural and industrial assets to attract investment into the region.
- To work together, in an atmosphere of trust and support with our member communities.

This report provides the details of the past year's key projects and initiatives. I believe our 24 communities should be proud of the results and look forward to the future growth in the region.

Together, we are stronger, more viable and effective.

SouthGrow is Creating Opportunities...

A handwritten signature in black ink that reads "Roelof Heinen".

Roelof Heinen, Chair
SouthGrow Regional Initiative



Linda Erickson, Manager and
Mary Swanek, Administrator

Message from the Manager

I am pleased with the accomplishments of the organization over the last year. The focus of the projects and the positive results are a straight reflection of the commitment of the Management Board and Committees. I acknowledge these individuals for their clear direction and important participation. I also appreciate the "team spirit" attitude and humor that is shared during the meetings. This makes my job just a bit easier and a lot more fun. The communities that make up SouthGrow communities benefit from having these valuable volunteers at the helm.

With the emphasis on quality, value and timeliness of projects SouthGrow can be assured that the roadmap has been designed to provide clear direction and opportunities for the future.

A handwritten signature in blue ink that appears to be "LE".

Linda Erickson, Manager
SouthGrow Regional Initiative



"The people have a tremendous work ethic and there is a strong culture for innovative thinking and getting the work done"

-Bill Halley, Pratt & Whitney, Lethbridge

Creating Opportunities ... in South Central Alberta



SouthGrow Regional Initiative is one of twelve regional economic development alliances in Alberta. SouthGrow is a member-driven, non-profit regional economic development alliance for south central Alberta. SouthGrow is the youngest regional economic development alliance in Alberta and was registered and incorporated on April 28, 2004 as a non-profit corporation under The Companies Act of Alberta.

Twenty-four communities, with a population of about 140,000 share the **mission** of "Creating Opportunities ... to accelerate and enhance development and sustainability for the communities of the SouthGrow Region of Alberta." These communities **envision** working together to "Sustain, Grow and Unite our region." SouthGrow's core **goals** are to:

- Foster a south central Alberta shared vision for regional economic development;
- Create new economic development opportunities in the region;
- Encourage and enhance shared services among communities through cooperation; and
- Provide south central Alberta with a unified voice on regional priorities.

Based on these core goals, SouthGrow Regional Initiative's **core businesses** are:

Strategic Collaboration

Working with member communities, industry/business, government and others to foster a south central Alberta shared vision for regional economic development and shared services opportunities and providing south central Alberta with a unified voice on regional priorities.



Marketing and Communications

SouthGrow Regional Initiative is known as an effective regional alliance for economic development and is perceived as an excellent place to live and do business.



Economic Development and Innovation

SouthGrow Regional Initiative works with member communities, regional businesses/industry and government to create new economic development opportunities in the region by targeting regional, provincial, national and international markets.



“The entrepreneurial spirit is alive and well in south central Alberta”

- Pete Lovering, Manager, Chinook Community Futures, Taber

Creating Opportunities... Through Partnership & Collaboration

Twenty-four member communities work together to enhance sustainability and prosperity for the region. Each of these communities appoints two representatives (one elected official and one designated community member) on SouthGrow's Board. Each representative is a voting member of SouthGrow. From the general membership, a Management Board of Directors is appointed or elected by ordinary resolution of the applicable members, with representation among municipalities as follows

- Each member which is a **city** may elect **one** director;
- All members which are **towns** may, as a group elect **four** directors;

- All members which are **villages** may, as a group elect **three** directors;
- All members which are **counties, municipal districts** (and which are not cities, towns or villages) may, as a group elect **one** director; and
- All members which are **First Nations Bands** may, as a group elect **one** director.

From this group the Management Board of Directors, the Executive Committee consisting of a Chair, Vice Chair, Secretary and Treasurer are elected.

Member Communities and Representatives

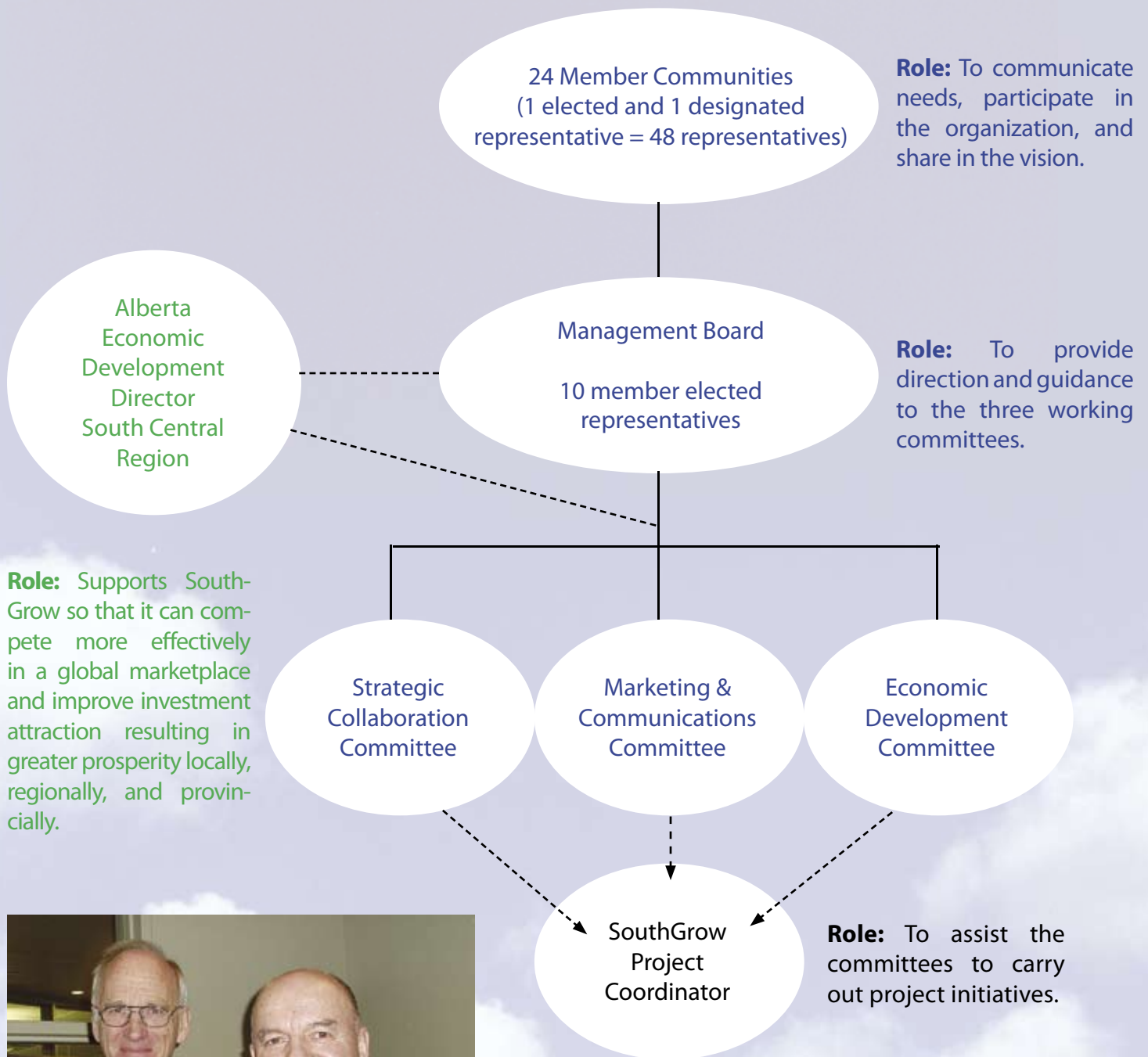
Community	Elected Officials	Designated Member	Population
Blood Tribe	Harley Frank*	Rob Crow	3,852
City of Lethbridge	Bob Tarlek* - Mayor	Cheryl Dick - CEO, Economic Development Lethbridge	77,202
County of Lethbridge	Hans Rutz - Councillor	Art Dronkelaar, Community Rep	9,930
MD of Taber	Hank Van Beers - Reeve	Margaret Bullock - Community Rep	6,012
Vulcan County	Ian Donovan - Councillor	Louise Market - Community Rep	3,778
County of Warner	Lenore Rockenbach* - Councillor	Emma Hult - Community Rep	3,798
Town of Cardston	Bob Bagozzi* - Mayor	Marian Carlson - EDO	3,475
Town of Claresholm	Rob Steel - Mayor	Gerry McGuire - Councillor	3,622
Town of Coaldale	Don Wentz - Councillor	Bev Brezina* - Community Rep	6,104
Town of Coalhurst	Blaine Pontarolo - Councillor	Ron Lagemaat - Community Rep	1,493
Town of Magrath	Patricia Dudley - Councillor		1,993
Town of Milk River	Robert Oswald - Councillor	Marietta Thielen - Community Rep	879
Town of Picture Butte	John Oosterbroek - Councillor	Roelof Heinen* - SouthGrow Chair	1,701
Town of Raymond	Danna Higa* - Councillor	Scott Barton - CAO	3,200
Town of Taber	Garth Bekkering - Councillor	Rod Yokoyama - Community Rep	7,671
Town of Vauxhall	Peter Van Uden - Councillor	Mary Belcastro - Councillor	1,112
Town of Vulcan	David Mitchell - Mayor	Emmet Meehan - Councillor	1,762
Village of Barons	Alf Olsen - Councillor	Ron Gorzitza - Mayor	296
Village of Carmangay	Norman Baum - Mayor	Art Cogdale - Councillor	261
Village of Coutts	Jamie Woodcock* - Mayor	Lori Rolfe - CAO	364
Village of Milo	Ken Vooys - Mayor	Ken Weich - Community Rep	115
Village of Nobleford	Larry Thomsen* - Councillor	Paul Goldade - Mayor	676
Village of Stirling	Don Laqua* - Councillor		877
Village of Warner	Dennis Lagler - Mayor		379
Total Population	* 10 Management Board Members		140,552



“Communities in the area work together to help raise strong families”

- Landon, Karma, Keara and Dennon Olsen, Lethbridge

Creating Opportunities...For our Membership



SouthGrow Chair, Roelof Heinen with Minister of Economic Development, Honourable Clint Dunford



“ LCC has a great reputation with excellent faculty and staff and the people in our community are truly welcoming ”

- Dr. Tracy Edwards, President, Lethbridge Community College

Creating Opportunities... for South Central Alberta

Average Individual Income

(2003) **\$30,660**

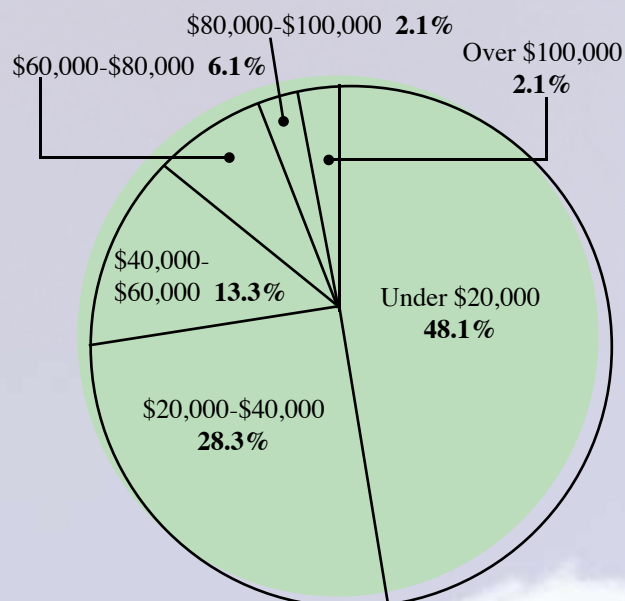
2004 Population

131,595

Population Growth %

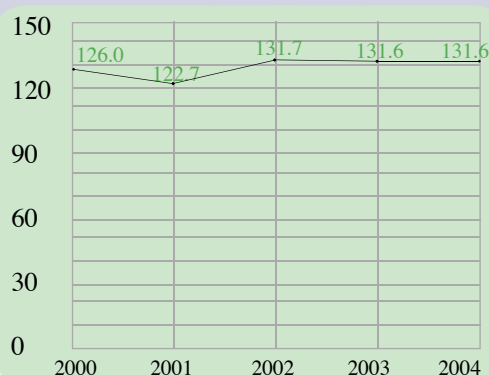
(2000-2004) **4.4%**

Average Individual
Income Range (2003)



Source: Alberta Finance - Statistics

Population (Thousands)



Source: Statistics Canada Census 2001)
All other years: Alberta Municipal Affairs

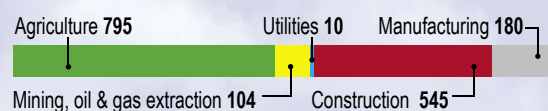
Building Permit Values ('000s C\$)

	2004	% of Prov Total
Commercial	\$35,052	2.3%
Industrial	\$6,231	1.5%
Institutional	\$32,366	7.4%
Residential	\$102,386	2.1%
Total	\$176,035	2.5%

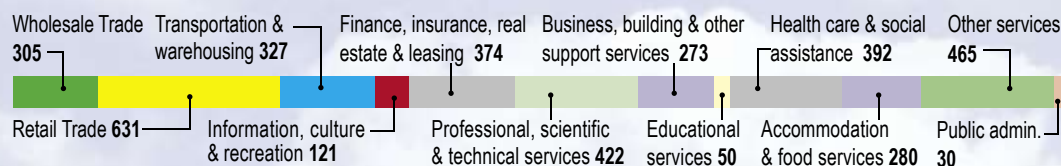
Source: Statistics Canada Census 2001)
All other years: Alberta Municipal Affairs

Establishments with Employees (2004)

Total Goods - Producing Sector 1,634



Total Services - Producing Sector 3,670



All Industries **5,304**



“The University of Lethbridge is a major source of economic, cultural, and social development in Alberta”

- Dr. Bill Cade, President, University of Lethbridge

SouthGrow... People, Products and Pride

Core Business		Initiatives
1	Strategic Collaboration <ul style="list-style-type: none"> • Develop and build regional partnerships. • Provide learning opportunities for members. 	<ul style="list-style-type: none"> • Visitations to member and non-member communities to market SouthGrow. • Visitations to Chambers, Tourism Associations and Community Futures to create awareness for SouthGrow. • Coordination of Annual General Meeting. • Member attendance at Economic Developers of Alberta Conference. • Coordinate the delivery of training opportunities for members: <ul style="list-style-type: none"> o SuperNet Training o How to Grow a Reputation for Film Friendliness o Aboriginal Awareness Workshops o Foreign Workers Readiness Training o Supporting Agriculture through Community Economic Development • Participate in Labour Market Initiative to identify jobs, skills and future projections. • Conduct an Investment Readiness Index or Opportunity Attraction Needs Assessment amongst member communities to identify gaps and requirements for future learning opportunities.
2	Marketing & Communications <ul style="list-style-type: none"> • Raise awareness of the alliance in both the internal and external market place. • Assist the region to become known as an excellent place to live and do business, resulting in investment, existing business growth and sustainability for member communities. 	<ul style="list-style-type: none"> • Market SouthGrow as an effective regional economic development alliance. • Internal Communication. • Website Enhancement. • Project Radar Screen: <ul style="list-style-type: none"> o Updating the images of the area that are on file at the Alberta Film Commission. o Development of a film friendly protocol. • SouthGrowN – People, Products and Pride Validation Study to determine the amount of support and buy-in that could be expected from local producers, retailers and consumers for a regional brand.
3	Economic Development & Innovation <ul style="list-style-type: none"> • Identify economic development and investment attraction opportunities. • Undertake joint initiatives to realize economic development and investment attraction opportunities. 	<ul style="list-style-type: none"> • Agriculture Opportunity Project <ul style="list-style-type: none"> o Market Demand Study for development of a professional commercial kitchen in the region. • Gateway to Alberta Project <ul style="list-style-type: none"> o Assessment report of the trade goods that move along the corridor. o Development of six business cases that target investment attraction opportunities. • Alternative Energy Opportunities Project <ul style="list-style-type: none"> o Municipal application options of solar energy.



Results

- 22 presentations made to communities.
- Collaboration with these partners on projects.
- 65 people attended Annual General Meeting in June.
- Representatives from 11 communities attended EDAC conference.
- 216 members participated in training initiatives coordinated by SouthGrow Regional Initiative.
- SouthGrow partnered with Alberta Human Resources and Employment and Lethbridge & District Business Development Centre to conduct a Labour Market Initiative that identifies where the jobs are, what skills are needed, and what the future projections are.
- Twenty-three communities participated in the Opportunities Attraction Needs Assessment and results identified information, tools, processes and systems required to meet the needs of site selectors and others considering investment in a member community.

- Trade Show Display Booth completed and available for use by member communities.
- 8 press releases delivered to regional media.
- Three commercials developed to promote the SouthGrow region and aired on television and radio starting in February.
- Four quarterly newsletters developed and distributed to member communities.
- Website content continuously updated.
- About 20 representatives of the region represented on the SouthGrow website as part of the "Faces of SouthGrow" campaign.
- Hundreds of up-to-date images of the area on file at the Alberta Film Commission.
- Film protocol developed, community film friendliness template developed and delivered to communities.
- RV, a major motion picture starring Robin Williams, filmed in the SouthGrow region.
- SouthGrow Validation and Feasibility Study conducted with a recommendation to "spin off" the collective branding campaign to an agency that has a mandate to market regional products and services and with the specialized skills set and dedicated staff for the marketing initiative.

- SouthGrow partnered with Alberta Agriculture, Food and Rural Development and Lethbridge & District Business Development Centre on the market demand study, which showed that there is a large demand by local producers for the development of a professional commercial kitchen in the region that would provide business training, production equipment and storage space for the producers that are ready to move their product to the next level of market access.
- A current assessment of transportation routes, good and services and logistics information of the CanAMEX Highway in relation to the SouthGrow Region was developed.
- Six business cases and opportunities were identified:
 - o Intermodal Terminal Facilities
 - o Ready Food Processing
 - o Confectionary Processing
 - o Wind Energy
 - o Bio Gas
 - o Solar Energy
- A study was conducted to investigate practical solar energy applications bringing tangible and intangible benefits to SouthGrow communities by using benchmark municipal facilities in the region.



“Southern Alberta is an area rich in opportunities”

- Marian Carlson, Cardston Economic Development and Tourism, Town of Cardston



AUDITORS' REPORT ON SUMMARIZED FINANCIAL STATEMENTS

To the Members

The accompanying summarized statement of financial position of SouthGrow Regional Initiative as at March 31, 2006 and the statements of operations and net assets are derived from the complete financial statements of SouthGrow Regional Initiative as at March 31, 2006 and for the year then ended on which we expressed an opinion without reservation in our report dated May 12, 2006. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with Canadian generally accepted auditing standards, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with Canadian generally accepted accounting principles.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the Organization's financial position, results of operations and cash flows, reference should be made to the related complete financial statements.

Signed "KPMG LLP"

Chartered Accountants

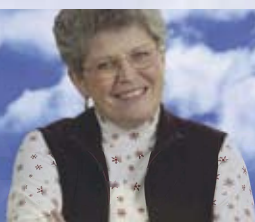
Lethbridge, Canada
May 12, 2006

SOUTHGROW REGIONAL INITIATIVE

Summarized Statement of Financial Position

March 31, 2006, with comparative figures for 2005

	2006	2005
Assets		
Cash	\$ 30,964	\$ 74,797
Accounts and other receivables	25,504	32,797
	\$ 56,468	\$ 107,594
Liabilities and Net Assets		
Accounts payable and other liabilities	\$ 7,192	\$ 49,066
Deferred contributions	--	20,754
Net assets	49,276	37,774
	\$ 56,468	\$ 107,594



“ The area has diverse heritage based culture
reflecting innovation and stability ”

- Emma Hulit, County of Warner

SOUTHGROW REGIONAL INITIATIVE

Statement of Operations and Net Assets

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Revenue:		
Member contributions	\$ 47,569	\$ 45,785
Program contributions	121,254	39,246
Other income	3,803	3,090
	172,626	88,121
Expenses:		
Strategic collaboration:		
Seminars and training	10,474	12,344
Consulting	4,527	--
Meeting expenses	1,179	710
Printing	49	--
	16,229	13,054
Marketing and communication:		
Consulting	21,632	--
Printing	14,358	3,202
Advertising	11,946	--
Website development and maintenance	1,350	7,517
Membership fees, seminars and training	628	838
Office	338	--
Meeting expenses	--	99
	50,252	11,656
Economic development and innovation:		
Consulting	62,000	9,800
Seminars and training	1,576	1,223
Sponsorship	1,500	--
Office	207	--
Travel	--	274
Meeting expenses	--	204
	65,283	11,501
Administration:		
Interest and bank charges	--	103
Accounting	1,770	1,388
Consulting	12,883	5,370
Meeting expenses	2,353	828
Office	948	2,155
Goods and services tax	4,070	1,349
Sponsorship	3,000	--
Contract bookkeeping	4,200	2,800
Seminars and training	136	--
Miscellaneous	--	143
	29,360	14,136
	161,124	50,347
Excess of revenues over expenses	\$ 11,502	\$ 37,774



“ I have many opportunities to further myself and my career ”

- Amanda Keraiff, University of Lethbridge Graduate



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