

**MOUNTAIN VIEW REGIONAL WASTE
MANAGEMENT COMMISSION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**



Box 2130
Didsbury, AB
T0M 0W0
403-335-4901



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

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

The appointed Board of Directors of Mountain View Regional Waste Management Commission are composed entirely of individuals who are neither management nor employees of the Commission. The Board has the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Board is also responsible for the appointment of the Commission's external auditors.

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

A handwritten signature in blue ink, appearing to read "M. Wuetherick".

Michael Wuetherick
Chief Administrative Officer

April 28, 2025

INDEPENDENT AUDITORS' REPORT

To the Members of Mountain View Regional Waste Management Commission

Opinion

We have audited the accompanying financial statements of Mountain View Regional Waste Management Commission (the Commission), which comprise the statement of financial position as at December 31, 2024, the statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2024, the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

(continues)

Independent Auditors' Report to the Directors of the Mountain View Regional Waste Management Commission (*continued*)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
April 28, 2025

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
Statement of Financial Position
For the Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
FINANCIAL ASSETS		
Cash (Note 2)	\$ 2,379,825	\$ 1,906,410
Accounts receivable (Note 3)	408,941	289,475
Investments (Note 4)	<u>1,049,789</u>	<u>977,703</u>
	<u>3,838,555</u>	<u>3,173,588</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	253,287	237,644
Obligations under capital lease (Note 6)	438,110	485,402
Long term debt (Note 7)	116,045	191,431
Asset retirement obligations (Note 8)	<u>1,308,658</u>	<u>1,243,735</u>
	<u>2,116,100</u>	<u>2,158,212</u>
NET FINANCIAL ASSETS	<u>1,722,455</u>	<u>1,015,376</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	4,940,698	5,133,244
Inventory for consumption	7,784	1,343
Prepaid expenses and deposits	<u>51,583</u>	<u>46,655</u>
	<u>5,000,065</u>	<u>5,181,242</u>
ACCUMULATED SURPLUS (Note 10)	<u>\$ 6,722,520</u>	<u>\$ 6,196,618</u>

ON BEHALF OF THE BOARD:


 _____ Director


 _____ Director

The accompanying notes are an integral part of these financial statements.

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2024

	<u>2024</u> (Budget) (Note 16)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
REVENUE			
Tipping fees	\$ 2,365,120	\$ 2,652,657	\$ 2,497,102
Fees for service	404,010	404,160	753,399
Recyclables	98,832	146,589	162,525
Investment income	20,250	132,349	91,081
Other	35,473	24,645	30,116
Rentals	-	3,800	3,800
	<u>2,923,685</u>	<u>3,364,200</u>	<u>3,538,023</u>
EXPENSES			
Contracted and general services	1,153,086	1,040,892	1,361,392
Salaries, wages and benefits	889,527	985,626	987,902
Amortization of tangible capital assets	513,457	542,730	606,331
Materials, goods and utilities	198,041	176,877	169,233
Accretion expense	25,000	64,923	61,702
Interest on long term debt	3,593	36,340	33,330
Interest and bank charges	12,000	14,896	12,858
Bad debts	1,000	-	-
	<u>2,795,704</u>	<u>2,862,284</u>	<u>3,232,748</u>
ANNUAL SURPLUS BEFORE OTHER INCOME	<u>127,981</u>	<u>501,916</u>	<u>305,275</u>
OTHER INCOME (EXPENSES)			
Gain on disposal of tangible capital assets	-	23,986	-
ANNUAL SURPLUS	127,981	525,902	305,275
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>6,196,618</u>	<u>6,196,618</u>	<u>5,891,343</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 6,324,599</u>	<u>\$ 6,722,520</u>	<u>\$ 6,196,618</u>

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
Statement of Changes in Net Financial Assets
For the Year Ended December 31, 2024

	<u>2024</u> (Budget) <i>(Note 16)</i>	<u>2024</u> (Actual)	<u>2023</u> (Actual)
ANNUAL SURPLUS	\$ <u>127,981</u>	\$ <u>525,902</u>	\$ <u>305,275</u>
Acquisition of tangible capital assets	(385,000)	(361,898)	(15,000)
Proceeds on disposal of tangible capital assets	-	35,700	-
Amortization of tangible capital assets	513,457	542,730	606,331
Gain on disposal of tangible capital assets	<u>-</u>	<u>(23,986)</u>	<u>-</u>
	<u>128,457</u>	<u>192,546</u>	<u>591,331</u>
Use (acquisition) of inventory for consumption	-	(6,441)	(1,343)
Use (acquisition) of prepaid expenses and deposits	<u>-</u>	<u>(4,928)</u>	<u>(3,707)</u>
	<u>-</u>	<u>(11,369)</u>	<u>(5,050)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	<u>256,438</u>	<u>707,079</u>	<u>891,556</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>1,015,376</u>	<u>1,015,376</u>	<u>123,820</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ <u><u>1,271,814</u></u>	\$ <u><u>1,722,455</u></u>	\$ <u><u>1,015,376</u></u>

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
Statement of Cash Flows
For the Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 525,902	\$ 305,275
Amortization of tangible capital assets	542,730	606,331
Asset retirement obligations accretion expense	64,923	61,702
Gain on disposal of tangible capital assets	<u>(23,986)</u>	<u>-</u>
	<u>1,109,569</u>	<u>973,308</u>
Change in non-cash working capital:		
Accounts receivable	(119,467)	249,873
Accounts payable and accrued liabilities	15,645	(939)
Inventory for consumption	(6,441)	(1,343)
Prepaid expenses and deposits	<u>(4,928)</u>	<u>(3,707)</u>
	<u>(115,191)</u>	<u>243,884</u>
	<u>994,378</u>	<u>1,217,192</u>
INVESTING ACTIVITIES		
Purchase of investments	(408,176)	(466,631)
Proceeds from disposal of investments	<u>336,089</u>	<u>383,265</u>
	<u>(72,087)</u>	<u>(83,366)</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(361,898)	(15,000)
Proceeds on disposal of tangible capital assets	<u>35,700</u>	<u>-</u>
	<u>(326,198)</u>	<u>(15,000)</u>
FINANCING ACTIVITIES		
Repayment of obligations under capital lease	(47,292)	(56,904)
Repayment of long term debt	<u>(75,386)</u>	<u>(73,841)</u>
	<u>(122,678)</u>	<u>(130,745)</u>
INCREASE IN CASH FLOWS	473,415	988,081
CASH, BEGINNING OF YEAR	<u>1,906,410</u>	<u>918,329</u>
CASH, END OF YEAR	<u>\$ 2,379,825</u>	<u>\$ 1,906,410</u>

The accompanying notes are an integral part of these financial statements.

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION

Schedule 1

**Schedule of Tangible Capital Assets
For the Year Ended December 31, 2024**

	<u>Land</u>	<u>Buildings</u>	<u>Land Improvements</u>	<u>Vehicles</u>	<u>Machinery & Equipment</u>	<u>2024</u>	<u>2023</u>
COST:							
Balance, Beginning of Year	\$ 618,217	\$ 736,377	\$ 7,604,748	\$ 258,569	\$ 3,814,807	\$ 13,032,718	\$ 13,017,718
Acquisition of tangible capital assets	-	-	-	103,882	258,016	361,898	15,000
Disposal of tangible capital assets	-	-	-	(17,506)	(19,524)	(37,030)	-
Balance, End of Year	<u>618,217</u>	<u>736,377</u>	<u>7,604,748</u>	<u>344,945</u>	<u>4,053,299</u>	<u>13,357,586</u>	<u>13,032,718</u>
ACCUMULATED AMORTIZATION:							
Balance, Beginning of Year	-	362,762	5,510,772	115,276	1,910,664	7,899,474	7,293,143
Amortization	-	24,347	179,933	30,503	307,947	542,730	606,331
Accumulated amortization on disposals	-	-	-	(17,506)	(7,810)	(25,316)	-
Balance, End of Year	-	<u>387,109</u>	<u>5,690,705</u>	<u>128,273</u>	<u>2,210,801</u>	<u>8,416,888</u>	<u>7,899,474</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 618,217</u>	<u>\$ 349,268</u>	<u>\$ 1,914,043</u>	<u>\$ 216,672</u>	<u>\$ 1,842,498</u>	<u>\$ 4,940,698</u>	<u>\$ 5,133,244</u>

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION

Notes to Financial Statements

Year Ended December 31, 2024

PURPOSE OF COMMISSION

The Mountain View Regional Waste Management Commission (the "Commission") was established under the Municipal Government Act in 2001. The Commission is authorized to provide solid waste management services for six member municipalities. The member municipalities are: the Town of Carstairs, the Town of Didsbury, the Town of Olds, the Town of Sundre, the Village of Cremona, and Mountain View County.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses, and change in financial position of the Commission.

(b) Basis of Presentation

These financial statements have been prepared in accordance with Canadian public sector accounting standards.

(c) Revenue Recognition

Government transfers are recognized as revenues when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. Government transfers are recognized as deferred revenue when amounts have been received but not all eligibility criteria have been met.

Municipal requisitions are based on an agreement where the Commission requests funding as required. The requisition amounts are allocated to each member municipality on a per capita basis.

Tipping fees, recyclables and other fees are recognized as revenue in the period in which the service is delivered or in which the transactions or events occurred that gave rise to the revenue.

Investment income is recognized as revenue in the period earned.

(d) Asset Retirement Obligations

Asset retirement obligations are legal obligations associated with the retirement tangible capital assets. Asset retirement activities include all activities related to an asset retirement obligation. These may include, but are not limited to:

- Decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- Remediation of contamination of a tangible capital asset created by its normal use;
- Post-retirement activities such as monitoring; and
- Constructing other tangible capital assets to perform post-retirement activities.

Asset retirement obligations are initially measured at the later of the date of acquisition or legislative obligation. When a liability for an asset retirement obligation is recognized, the asset retirement costs are added to the carrying amount of the related tangible capital asset in productive use and are amortized over the estimated useful life of the related tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets or for tangible capital assets no longer in productive use are expensed in the statement of operations.

(Continues)

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION

Notes to Financial Statements

Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Asset Retirement Obligations (Continued)

When the future retirement date is unknown, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability. When the future retirement date is known, a present value technique is used to measure the liability. Subsequent to the initial measurement, the asset retirement obligation is adjusted to reflect the passage of time and changes in the estimated future cash flows underlying the obligation and is recognized as an accretion expense in the statement of operations.

(e) Pension Expenditure

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

(f) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. The amounts recorded for valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets, future cash flows associated with asset retirement obligations, and accrued liabilities are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the financial statements.

(g) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of services. They have useful lives existing beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net debt for the year.

I. Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. The Commission provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. Amortization rates are as follows:

Buildings	15 - 50 years
Land improvements	10 - 40 years
Machinery and Equipment	5 - 15 years
Vehicles	5 - 10 years

In the year of acquisition and in the year of disposal, amortization is calculated at one-half the normal rates. Assets under construction are not amortized until the asset is available for productive use.

Included in land improvements are landfill cell development costs which are amortized based on the volume of landfill capacity used.

(Continues)

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION

Notes to Financial Statements

Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Non-Financial Assets (Continued)

II. Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also recorded as revenue.

III. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

IV. Inventory

Inventories of materials and supplies for consumption are valued at the lower of cost and net realizable value with cost determined by the average cost method.

(h) Change in Accounting Policies

Effective January 1, 2024, the Commission adopted Canadian public sector accounting standards PS 3400 Revenue, PS 3160 Public Private Partnerships and PSG-8 Purchased Intangible Assets. Adoption of these standards had no effect on the Commission's financial statements.

(i) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to *Public Sector Accounting Standards*. The Commission will continue to assess the impact and prepare for the adoption of these standards.

j) Financial Statement Presentation

PS 1202, Financial Statement Presentation, sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement principles are based on the concepts in the Conceptual Framework for Financial Reporting in the Public Sector. This standard is applicable to fiscal years beginning on or after April 1, 2026.

2. CASH

The Commission has a policy to restrict cash and investments sufficient to fund the asset retirement obligation. As at December 31, 2024 the asset retirement obligation liability is \$1,308,658 (2023 - \$1,243,735) as described in Note 8. The Commission plans to have sufficient cash and investments on hand to fund the obligation at the time the sites are closed, however in the interim there may be times when cash and investments are less than the asset retirement obligations. Therefore, the Board has restricted additional cash and investments to cover future asset retirement obligations, capital and recycling reserves of \$2,360,217 (2023 - \$1,803,776) Note 10. As at December 31, 2024 the Commission had \$2,379,825 and \$1,049,789 in cash and investments totaling \$3,429,614 (2023 - \$2,884,113).

The Commission has access to an operating line of credit of \$100,000 bearing interest at prime plus 0.25%. There was no amount withdrawn for 2024 or 2023. Prime rate as at December 31, 2024 was 5.45% (2023 - 7.20%).

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
Notes to Financial Statements
Year Ended December 31, 2024

3. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Trade	\$ 361,508	\$ 275,721
Goods and Services Tax recoverable	<u>47,433</u>	<u>13,754</u>
	<u>\$ 408,941</u>	<u>\$ 289,475</u>

4. INVESTMENTS

	<u>2024</u>	<u>2023</u>
Guaranteed investment certificates	<u>\$ 1,049,789</u>	<u>\$ 977,703</u>

Guaranteed investment certificates maturing between September 2025 and December 2029 (2023 - July 2024 and October 2028), with interest rates varying between 3.91% and 5.36% (2023 - 4.37% and 5.36%), with an option to convert to cash with monetary penalty. The purpose of this investment is to cover future asset retirement obligations.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Trade payables	\$ 107,604	\$ 100,302
Wages payable	88,509	90,397
Vacation accrual	<u>57,174</u>	<u>46,945</u>
	<u>\$ 253,287</u>	<u>\$ 237,644</u>

6. OBLIGATIONS UNDER CAPITAL LEASE

	<u>2024</u>	<u>2023</u>
Obligation under capital lease, repayable in \$5,689 blended monthly payments, expires May 2032, secured by the specific leased asset with a net book value of \$806,625 (2023 - \$914,175).	<u>\$ 438,110</u>	<u>\$ 485,402</u>

Minimum principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 55,456	\$ 9,565	\$ 65,021
2026	56,755	8,266	65,021
2027	58,084	6,937	65,021
2028	59,428	5,593	65,021
2029	60,836	4,185	65,021
Thereafter	<u>147,551</u>	<u>4,166</u>	<u>151,717</u>
	<u>\$ 438,110</u>	<u>\$ 38,712</u>	<u>\$ 476,822</u>

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
Notes to Financial Statements
Year Ended December 31, 2024

7. LONG TERM DEBT

			<u>2024</u>	<u>2023</u>
Debentures	Rate	Maturing		
Province of Alberta	2.081%	March 2026	\$ <u>116,045</u>	\$ <u>191,431</u>

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 76,963	\$ 2,016	\$ 78,979
2026	<u>39,082</u>	<u>407</u>	<u>39,489</u>
	<u>\$ 116,045</u>	<u>\$ 2,423</u>	<u>\$ 118,468</u>

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

	<u>2024</u>	<u>2023</u>
Total debt limit	\$ 6,728,400	\$ 7,076,046
Total debt	<u>(554,155)</u>	<u>(676,833)</u>
Total debt limits available	<u>\$ 6,174,245</u>	<u>\$ 6,399,213</u>
Service on debt limit	\$ 1,177,470	\$ 1,238,308
Service on debt	<u>(144,000)</u>	<u>(144,000)</u>
Service on debt limit available	<u>\$ 1,033,470</u>	<u>\$ 1,094,308</u>

The debt limit is calculated at 2 times revenue of the Commission (as defined in Alberta Regulation No. 76/2000) and the debt service limit is calculated at 0.35 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify commissions that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Commission. Rather, the financial statements must be interpreted as a whole.

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION

Notes to Financial Statements

Year Ended December 31, 2024

8. ASSET RETIREMENT OBLIGATIONS

Tangible capital assets with associated retirement obligations include land improvements and buildings.

The Commission has asset retirement obligations to remove various hazardous materials including, asbestos, lead, mercury, and mold from various buildings under its control. Regulations require the Commission to handle and dispose of these materials in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although the timing of the removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the Commission to remove the materials when the asset retirement activities occur.

The Commission has asset retirement obligations pursuant to the *Environmental Enhancement and Protection Act* (Alberta) to fund the closure of its landfill sites and provide for the post-closure care of the facilities. Closure and post-closure activities include the the final covering and landscaping, surface and ground water monitoring, leachate control, site inspection, and maintenance. The Commission is required to provide closure care upon closure of the landfill and to provide post-closure care for 25 years subsequent to closure.

The Commission has asset retirement obligations pursuant to the *Environmental Enhancement and Protection Act* (Alberta) to fund the future reclamation of its work sites. Reclamation activities include the final soil cover, landscaping, and visual inspection. Although, the timing of the work site reclamation is conditional on the length of time until the site is expected to be inactive, regulations create an existing obligation for the Commission to reclaim the work site when the asset retirement activity occur.

	<u>2024</u>	<u>2023</u>
Balance, Beginning of Year	\$ 1,243,735	\$ 1,182,033
Net Change for the Year		
Accretion expense	<u>64,923</u>	<u>61,702</u>
Balance, End of Year	<u>\$ 1,308,658</u>	<u>\$ 1,243,735</u>

Asset retirement obligations of \$1,308,658 (2023 - \$1,243,735) was measured using a present value technique. The present value was calculated using estimated total undiscounted cash flow amounting to \$1,710,328 (2023 - \$1,710,328), a discount rate of 5.22% (2023 - 5.22%), an annual inflation of 3.65% (2023 - 3.65%), with retirement and reclamation activities expected to be settled between 2032 and 2068.

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2024</u>	<u>2023</u>
Tangible capital assets cost (<i>Schedule 1</i>)	\$ 13,357,586	\$ 13,032,718
Accumulated amortization (<i>Schedule 1</i>)	(8,416,888)	(7,899,474)
Obligations under capital lease (<i>Note 6</i>)	(438,110)	(485,402)
Long-term debt (<i>Note 7</i>)	(116,045)	(191,431)
Asset retirement obligations (<i>Note 8</i>)	<u>(1,308,658)</u>	<u>(1,243,735)</u>
	<u>\$ 3,077,885</u>	<u>\$ 3,212,676</u>

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
Notes to Financial Statements
Year Ended December 31, 2024

10. ACCUMULATED SURPLUS

	<u>2024</u>	<u>2023</u>
Unrestricted surplus	\$ <u>1,284,418</u>	\$ <u>1,180,166</u>
Restricted surplus		
Landfill closure and post closure reserve	929,067	904,067
Recycling reserve	231,656	231,656
Capital reserve	<u>1,199,494</u>	<u>668,053</u>
Total reserves (<i>Note 2</i>)	<u>2,360,217</u>	<u>1,803,776</u>
Equity in tangible capital assets	<u>3,077,885</u>	<u>3,212,676</u>
	<u>\$ 6,722,520</u>	<u>\$ 6,196,618</u>

11. RELATED PARTY TRANSACTIONS

During the year, the Commission entered into transactions with related parties. 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. The related party transactions are summarized as follows:

As at December 31, 2024, included in accounts receivable is \$18,837 (2023 - \$20,884) due from the member municipalities. As at December 31, 2024, included in accounts payable is \$NIL (2023 - \$NIL) due to member municipalities. The amounts owing are unsecured with no specific terms of repayment and bear interest as may be determined from time to time.

In 2024, \$668,621 (2023 - \$1,072,945) of the Commission's operating revenue came from the six member municipalities, either from requisitions or for the services provided by the Commission.

In 2024, \$16,160 (2023 - \$14,497) of the Commission's operating expenses were paid to Mountain View County and the Town of Didsbury.

The Commission is economically dependent on the member municipalities, Alberta Environment and its users for funding.

12. LOCAL AUTHORITIES PENSION PLAN

Employees of the Commission participate in the Local Authorities Pension Plan (LAPP), which is covered by the *Public Sector Pension Plans Act*. LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

The Commission is required to make current service contributions to LAPP of 8.45% (2023 - 8.45%) of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 11.65% (2023 - 12.23%) for the excess. Employees of the Commission are required to make current service contributions of 7.45% (2023 - 7.45%) of pensionable earnings up to the year's maximum pensionable earnings and 10.65% (2023 - 11.23%) on pensionable earnings above this amount.

Total current and past service contributions made by the Commission to LAPP in 2024 were \$49,702 (2023 - \$42,191). Total current and past service contributions made by the employees of the Commission to the LAPP in 2024 were \$44,368 (2023 - \$37,694).

At December 31, 2023, LAPP disclosed an actuarial surplus of \$15.06 billion (2022 - \$12.67 billion).

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
Notes to Financial Statements
Year Ended December 31, 2024

13. SALARIES AND BENEFITS DISCLOSURE

Disclosures of salaries and benefits of Board members is as follows:

	<u>Salary (1)</u>	<u>Benefits (2)</u>	<u>2024 Total</u>	<u>2023 Total</u>
Board members:				
Councillor Cummings	\$ 1,418	\$ 346	\$ 1,764	\$ 959
Councillor Warnock	551	258	809	1,086
Councillor Wilcox	551	93	644	979
Councillor Miller	551	38	589	300
Councillor Moore	473	49	522	163
Councillor Hagen	158	65	223	215
Councillor Baswick	79	12	91	-
Councillor Windsor	-	-	-	489
Councillor Thompson	-	-	-	872
Councillor Harris	-	-	-	674
	<u>\$ 3,781</u>	<u>\$ 861</u>	<u>\$ 4,642</u>	<u>\$ 5,737</u>

(1) Salary includes regular base pay, bonuses, overtime, lump sums, gross honoraria, and any other direct cash remuneration.

(2) Mileage paid to councillors and CPP benefits.

14. FINANCIAL INSTRUMENTS

The Commission's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities, obligations under capital lease and long term debt. It is management's opinion that the Commission is not exposed to significant currency, credit, liquidity or market risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

(a) Credit Risk

The Commission is subject to credit risk with respect to its accounts receivable. Credit risk arises from the possibility that entities to which the Commission provides services may not fulfill their obligations. This risk is minimized by the large proportion of accounts receivable from other government entities.

(B) Interest Rate Risk

The Commission is exposed to interest rate risk to the extent that the carrying value of its obligations under capital leases and long term debt are at fixed interest rates.

15. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board and Management on April 28, 2025.

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION

Notes to Financial Statements

Year Ended December 31, 2024

16. BUDGET FIGURES

The 2024 budget figures which appear in these financial statements were approved by the Board on September 25, 2023. The budget prepared by the Commission reflects all activities including capital projects and reserves for future use. The reconciliation below is provided to encompass these items and is provided for information purposes only.

	<u>2024</u> (Budget)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
Annual surplus	\$ 127,981	\$ 525,902	\$ 305,275
Add back (deduct):			
Net transfers (to) from reserves	332,051	(556,441)	(292,543)
Proceeds on disposal of tangible capital assets	-	35,700	-
Principal debt repayments	(75,386)	(75,386)	(73,841)
Obligations under capital lease	-	(47,292)	(56,904)
Acquisition of tangible capital assets	<u>(385,000)</u>	<u>(361,898)</u>	<u>(15,000)</u>
Annual surplus (deficit)	<u>\$ (354)</u>	<u>\$ (479,415)</u>	<u>\$ (133,013)</u>