

**MOUNTAIN VIEW REGIONAL
WASTE MANAGEMENT
COMMISSION**



**AGM MEETING
May 30, 2016**

**MOUNTAIN VIEW COUNTY OFFICE
COUNCIL CHAMBERS**

AT 9:00 A.M.

AGM AGENDA

Mountain View Regional Waste Management Commission
May 30, 2016 @ 9:00 a.m.
Council Chambers, Mountain View County Office

- Item 1: Call to Order
- Item 2: Additions or Deletions of the Agenda
- Item 3: Approval of Agenda
- Item 4: Delegations
- Item 5: Approval of Minutes
 - 5.1 AGM Meeting: May 25, 2015
- Item 6: New Business
 - 6.1 Financial Statements 2015
- Item 7: Activities of the Commission
 - 7.1 Chairperson Report
 - 7.2 CAO Report
- Item 8: Next Meeting:
 - 8.1 May 2017
- Item 9: Adjournment

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT
COMMISSION

REQUEST FOR DECISION

Issue:

Minutes of May 25, 2015 AGM Meeting

Recommendation:

THAT the Commission approve the minutes of the May 25, 2015 AGM Meeting as circulated.

Comments:

Date:

May 30, 2016

Submitted By:

Pat Sliworsky, CAO

Reviewed By:



Mountain View Regional Waste Management Commission

**AGM Meeting
Mountain View County Office
9:00 a.m.
May 25, 2015**

MINUTES

In Attendance	Mary Anne Overwater	Chair, Town of Olds
	Patricia McKean	Mountain View County
	Al Gil	Town of Carstairs
	Lavar Adams	Town of Didsbury
	Verna McFadden	Town of Sundre
	Tim Hagen	Village of Cremona
Staff	Pat Sliworsky	CAO
	Kim Skelton	Office Administrator
	Greg Wiens	Mountain View County
Delegations	Angela Aalbers	Alternate, Mountain View County
	Garth Hollinger	Alternate, Town of Didsbury
	Christofer Atchison	Town of Didsbury
	Roy Brown	Town of Didsbury
	Norm McInnis	Town of Olds
	Sheila Schulz	Town of Didsbury
	Julie Oliver, CA	MNP LLP

1. CALL TO ORDER Chair Mary Anne Overwater called the meeting to order at 9:00 a.m.

2. ADDITIONS TO OR DELETIONS FROM THE AGENDA

None

3. ADOPTION OF AGENDA

**3.1 Adoption of
Agenda**

Resolution # 91-15

Moved by Lavar Adams

THAT the agenda for the May 25, 2015 AGM Meeting be adopted as presented.

CARRIED

4. DELEGATIONS

**4.1 MNP LLP –
Financial Audit
Report**

Discussed the financials.

Resolution #92-15

Moved by Tim Hagen

THAT the Financial Auditor report be accepted as information.

CARRIED

5. NEW BUSINESS

None.

6. ACTIVITIES OF THE COMMISSION

**6.1 Chairperson
Report**

Mary Anne Overwater stated that the Board has been given many challenges. There has been no change in the fees since 2011, the revenue expected from contaminated soil was not received and the prior budget was based on assumptions. There is hope that the new transportation service provider will interview current employees. The current Board is very dedicated and would like to thank all of the Directors.

Resolution #93-15

Moved by Al Gil

THAT the Chairperson report be accepted as information.

CARRIED

6.2 CAO Report

Pat Sliworsky stated that a reshaping of the existing footprint was done and added 3-4 years of life to the landfill. The Commission now has an Engineer who is doing an updated life study on the existing Landfill footprint as well as planning for the closer of the Class III area and opening up another cell in the Class II area for future waste as a 2016 project. The CAO pointed out the continued search for providing the services the Commission provides more efficiently as well as always looking for future innovative ideas to do away with landfilling.

Resolution #94-15

Moved by Patricia McKean

THAT the CAO Report be accepted as information.

CARRIED

7. NEXT MEETING

7.1 May 2016

8. ADJOURNMENT

Resolution #95-15

Moved by Lavar Adams

THAT the meeting be adjourned at 9:21 a.m.

CARRIED

Chair

CAO

**Mountain View Regional Waste
Management Commission
Financial Statements**
December 31, 2015

MANAGEMENT'S REPORT

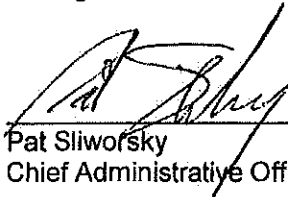
To the Members of Mountain View Regional Waste Management Commission:

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

The elected board is composed entirely of neither management nor employees of the Commission. The board has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The board is responsible for recommending the appointment of the Commission's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the board and management to discuss their audit findings. The accompanying financial statements are the responsibility of the management of Mountain View Regional Waste Management Commission.



Pat Sliwofsky
Chief Administrative Officer

April 18, 2016

Independent Auditors' Report



To the Members of the Board of Directors of Mountain View Regional Waste Management Commission:

We have audited the accompanying financial statements of Mountain View Regional Waste Management Commission, which comprise the statement of financial position as at December 31, 2015 and the statements of operations and accumulated surplus, changes in net debt, cash flows and Schedule 1 for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or misstatement.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or misstatement. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mountain View Regional Waste Management Commission as at December 31, 2015 and the results of its operations, change in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Red Deer, Alberta

April 18, 2016

MNP LLP

Chartered Professional Accountants



MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	2015	2014
	\$	\$
Financial Assets		
Cash (note 3)	1,210,241	123,311
Accounts receivable (note 4)		
Federal Government	14,849	47,997
Local Government	90,276	95,456
Trade	378,279	251,132
	<u>1,693,645</u>	<u>517,896</u>
Total Assets		
Liabilities		
Accounts payable and accrued liabilities	230,430	537,778
Obligation under capital leases (note 5)	262,160	412,410
Long term debt (note 6)	1,171,392	1,868,194
Landfill closure and post-closure liabilities (note 9)	1,162,427	1,011,776
	<u>2,826,409</u>	<u>3,830,158</u>
Total Liabilities		
Contingencies and commitments (note 15)	-	-
Subsequent events (note 18)		
Net Debt	<u>(1,132,764)</u>	<u>(3,312,262)</u>
Non-financial Assets		
Tangible capital assets (schedule 1)	4,556,258	5,994,666
Inventory	4,963	13,754
Deposits and prepaid expense	29,596	69,427
	<u>4,590,817</u>	<u>6,077,847</u>
Total Non-financial Assets		
Accumulated Surplus (note 11)	<u>3,458,053</u>	<u>2,765,585</u>

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, 2015**

	Budget 2015 \$	2015 \$	2014 \$
Revenue			
Tipping fees	3,238,500	3,505,455	3,014,944
Requisitions	1,195,600	1,195,683	349,412
Recyclables	434,500	361,588	477,367
Commercial and residential pick up	138,000	137,135	137,157
Other income	17,300	59,768	38,172
Total Revenue	<u>5,023,900</u>	<u>5,259,629</u>	<u>4,017,052</u>
Expenses			
Salaries, wages and benefits	1,806,800	1,494,938	1,846,503
Contracted and general services	1,242,100	1,327,251	1,596,135
Materials, goods and utilities	457,600	275,908	472,507
Provision for allowances	151,000	150,688	141,073
Bank charges and short-term interest	3,500	9,892	6,173
Interest on capital lease and loans	87,000	22,913	54,403
Amortization of capital assets	735,000	762,633	826,970
Write down of tangible capital assets	-	435,000	-
Loss on disposal of tangible capital assets	-	87,938	214,277
Total Expenses	<u>4,483,000</u>	<u>4,567,161</u>	<u>5,158,041</u>
Excess (Deficiency) of Revenue Over Expenses	540,900	692,468	(1,140,989)
Accumulated Surplus, Beginning of Year	<u>2,765,585</u>	<u>2,765,585</u>	<u>3,906,574</u>
Accumulated Surplus, End of Year	<u><u>3,306,485</u></u>	<u><u>3,458,053</u></u>	<u><u>2,765,585</u></u>

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

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget		
	2015	2015	2014
	\$	\$	\$
Excess (deficiency) of revenues over expenses	540,900	692,468	(1,140,989)
Amortization of capital assets	735,000	762,633	826,970
Acquisition of tangible capital assets	(130,000)	(180,265)	(952,723)
Write down of tangible capital assets	-	435,000	-
Proceeds on disposal of tangible capital assets	-	333,102	254,956
Loss on disposal of capital assets	-	87,938	214,276
Change in inventory and deposits and prepaid expenses	-	48,622	(446)
	<hr/>	<hr/>	<hr/>
Decrease (Increase) in Net Debt	1,145,900	2,179,498	(797,956)
Net Debt, Beginning of Year	<u>(3,312,262)</u>	<u>(3,312,262)</u>	<u>(2,514,306)</u>
Net Debt, End of Year	<u><u>(2,166,362)</u></u>	<u><u>(1,132,764)</u></u>	<u><u>(3,312,262)</u></u>

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

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:

	2015	2014
	\$	\$
Operating		
Excess of revenues over expenses	692,468	(1,140,989)
Non-cash charges to operations		
Amortization of capital assets	762,633	826,970
Loss on disposal of capital assets	87,938	214,276
Write down of tangible capital assets	435,000	-
Increase in landfill closure and post-closure activity	150,651	170,998
Changes in non-cash working capital		
Decrease (increase) in receivable	(88,819)	44,695
Change in accounts receivable pertaining to tangible capital assets	104,750	-
Decrease (increase) in deposits and prepaid expense	39,831	6,881
Decrease (increase) in inventory	8,791	(7,327)
Increase (decrease) in accounts payable and accrued liabilities	(307,348)	210,011
	<hr/>	<hr/>
Cash provided by operating transactions	1,885,895	325,515
Capital		
Acquisition of tangible capital assets*	(180,265)	(545,265)
Change in accounts receivable pertaining to tangible capital assets	(104,750)	-
Proceeds on disposal of tangible capital assets*	333,102	44,956
	<hr/>	<hr/>
Cash provided (used) by capital transactions	48,087	(500,309)
Investing and Financing		
Repayment of obligation under capital lease	(150,250)	(166,346)
Repayment of long term debt	(696,802)	(597,819)
Loan proceeds	-	492,082
	<hr/>	<hr/>
Cash provided (used) by investing and financing activities	(847,052)	(272,083)
	<hr/>	<hr/>
Change in Cash	1,086,930	(446,877)
Cash, Beginning of Year	<hr/>	<hr/>
	123,311	570,188
Cash, End of Year	<hr/>	<hr/>
	1,210,241	123,311

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

*During the prior year the Commission obtained machinery and equipment through a capital lease in the amount of \$197,458 and traded in assets for \$210,000. These transactions have been excluded from the statement of cash flows as they are non-cash transactions.

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT SERVICES COMMISSION
SCHEDULE OF TANGIBLE CAPITAL ASSETS (Schedule 1)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Cost:	2015				2014			
	Buildings	Machinery & Equipment	Land	Vehicles	Land Improvements			
Balance, beginning of year	1,536,148	3,000,500	916,673	2,030,408	4,221,710	11,705,439		11,533,202
Acquisition	-	120,015	-	60,250	-	180,265		952,723
Disposals	-	(612,623)	-	(674,862)	-	(1,287,485)		(780,486)
Write downs	-	-	-	-	-	-		-
Balance, end of year	1,536,148	2,507,892	916,673	1,415,796	4,221,710	10,598,219		11,705,439
Accumulated Amortization								
Balance, beginning of year	460,748	1,342,986	-	718,937	3,188,102	5,710,773		5,195,058
Annual amortization	47,004	203,461	-	166,314	345,854	762,633		826,970
Disposals	-	(434,207)	-	(432,238)	-	(866,445)		(311,255)
Write downs	-	-	-	435,000	-	435,000		-
Balance, end of year	507,752	1,112,240	-	888,013	3,533,956	6,041,961		5,710,773
Net Book Value	1,028,396	1,395,652	916,673	527,783	687,754	4,556,258		5,994,666
2014 Net Book Value	1,075,400	1,657,514	916,673	1,311,471	1,033,608	5,994,666		

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

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

1 Nature of Activities

The Mountain View Regional Waste Management 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 Towns of Carstairs, Didsbury, Olds, and Sundre, the Village of Cremona, and Mountain View County.

2 Significant Accounting Policies

The financial statements of the Mountain View Regional Waste Management Commission are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Canadian Professional Accountants of Canada. Significant aspects of the accounting policies adopted by Mountain View Regional Waste Management Commission are as follows:

a) Budget Amounts

The budget amounts presented on the statement of operations are taken from the Commission's annual budget prepared September 2014. Certain budget amounts have been reclassified to conform with the current year's financial statement presentation.

b) Revenue Recognition

Service fees and sales of goods 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.

Government transfers or grants are the transfer of monetary or tangible capital assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, and are not the result of a direct financial return. Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be determined.

c) Pension Expenditure

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

d) 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 revenue and expenditure during the period. Actual results could differ from those estimates. The landfill closure and post-closure liability, accounts receivable, and valuation, residual values and useful lives of tangible capital assets represent significant estimates in the financial statements.

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

2 Significant Accounting Policies (Continued)

e) 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 extending 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 which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less estimated residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Land Improvements	15-40
Buildings	15-40
Machinery & Equipment	5-10
Vehicles	5-8

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. 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.

ii. Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are 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 or net realizable value with cost determined by the average cost method.

f) Landfill Closure and Post-Closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the Commission is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

3 Cash

The Commission has a policy to restrict cash sufficient to fund the Landfill closure and post-closure liability. As at December 31, 2015 the landfill closure and post-closure liability is \$1,162,427 (2014 - \$1,011,776) as described in note 9. The Commission plans to have sufficient cash on hand to fund the liability at the time the sites are closed, however in the interim there may be times when cash on hand is less than the accrued closure and post-closure liability.

Mountain View Regional Waste Management Commission has access to an undrawn operating line of credit to a maximum of \$400,000 bearing interest at prime plus 0.25%.

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

4 Accounts Receivable	2015	2014
	\$	\$
Accounts Receivable consists of the following:		
Federal	14,849	47,997
Commission members	90,276	95,456
Trade	398,779	271,632
Bad debt allowance	(20,500)	(20,500)
	483,404	394,585

5 Obligations Under Capital Lease	2015	2014
	\$	\$
Leases payable by and issued in the name of the Commission include the following amounts:		
Obligations under leases, repayable \$8,017 monthly, expiring between September 2016 and June 2019, secured by the specific leased assets with a net book value of \$464,109. The interest rates range from 0.45% to 4.45% per year.		
Operating Portion of Leases	-	12,344
Capital Portion of Leases	262,160	400,066
	\$ 262,160	\$ 412,410

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	\$	\$	\$
2016	176,338	11,676	188,014
2017	35,621	5,338	40,959
2018	32,997	2,803	35,800
2019	17,204	404	17,609
	262,160	20,221	282,382

There is \$106,700 in guaranteed residual value included in 2016 repayments scheduled.

6 Long Term Debt	2015	2014
	\$	\$
Debentures	Rate	Maturing
Alberta Capital Finance Authority	1.428%	December 2016
Alberta Capital Finance Authority	4.311%	March 2017
Alberta Capital Finance Authority	1.661%	September 2017
Alberta Capital Finance Authority	1.797%	December 2018
Alberta Capital Finance Authority	1.797%	December 2018
Alberta Capital Finance Authority	1.797%	December 2018
Alberta Capital Finance Authority	1.719%	September 2019
Alberta Capital Finance Authority	1.637%	December 2019
	218,163	433,243
	50,350	82,171
	306,920	456,614
	13,759	18,184
	80,857	106,859
	104,430	138,012
	165,435	205,054
	231,478	287,028
	\$ 1,171,392	\$ 1,727,165

In the prior year there was also \$141,029 in loans from RBC which were repaid in the year.

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

6 Long Term Debt (continued)

Debenture debt is issued on the credit and security of the Commission at large.

Estimated principal and interest payments on long term debt for the next 5 years are as follows:

	Principal \$	Interest \$	Total \$
2016	565,492	18,140	583,632
2017	336,602	9,016	345,618
2018	167,579	3,867	171,446
2019	101,719	1,277	102,996
2020	-	-	-
Thereafter	-	-	-
	<u>1,171,392</u>	<u>32,300</u>	<u>1,203,692</u>

7 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 is financed by employer and employee contributions and investment earnings.

The Commission is required to make current service contributions to LAPP of 11.39% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 15.84% for the excess.

Total current service contributions by the Commission to the Local Authorities Pension Plan in 2015 were \$83,395 (2014 - \$84,620). Total current service contributions by the employees of the Commission to the Local Authorities Pension Plan in 2015 were \$76,384 (2014 - \$77,531).

At December 31, 2014, the Plan disclosed an actuarial deficit of \$2.45 Billion (2013 - \$4.86 Billion).

8 Debt Limits

2015 **2014**
\$ \$

Section 3 of Alberta regulation 76/2000 requires that debt and debt limits for the Mountain View Regional Waste Management Services Commission be disclosed as follows:

Total debt limit	10,519,258	8,034,103
Total debt	<u>1,433,552</u>	<u>2,280,604</u>
Amount of debt limit unused	<u>9,085,706</u>	<u>5,753,499</u>
Debt service limit	1,840,870	1,405,968
Total debt costs	<u>771,646</u>	<u>809,360</u>
Amount of debt servicing limit	<u>1,069,224</u>	<u>596,608</u>

The debt limit is calculated at 2 times revenue of the municipality (as defined in Alberta Regulation 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 municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

9 Landfill Closure and Post-Closure Liability

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance. A minimum of 25 years of post closure monitoring is required.

The Commission operates both a Class II and Class III landfill at its site.

	2015 \$	2014 \$
Balance Forward	1,011,776	840,778
Class II	148,906	170,964
Class III	1,745	34
Total	1,162,427	1,011,776

Class II

After 3 years of active operations of the landfill, in 2007, the Commission re-evaluated its closure and post-closure costs for its Class II landfill. Based on this re-evaluation the estimates and assumptions used to determine the closure and post-closure liability were adjusted in 2007. Using these same estimates and assumptions, an increase of \$148,906 was recorded to the liability in 2015 (2014 - \$170,964).

The Commission's liability has three components. The post closure costs which represent the costs of monitoring the landfill site for 40 years after closure, the site remediation costs which represent the costs of removing roads and buildings, and the closure costs which represent the costs of closing the active landfill area. The estimated total liability is based on the sum of discounted future cash flows for closure, site remediation and post-closure activities using a discount rate of 4% and assuming annual inflation of 3%. The estimated total liability remaining is \$2,546,993.

The remaining capacity of the site is estimated to be 763,750 cubic metres or 61%. The existing landfill site is expected to reach capacity in approximately the year 2035. The Commission's current operating plan is to have an active landfill of approximately 1 hectare and then to reclaim 1 hectare every three years. The current cost of reclaiming 1 hectare is estimated to be \$190,000. Approximately 1 hectare was capped in 2009 as part of the reclamation process.

The accrued liability portion for the post-closure and site remediation costs are based on the cumulative estimated capacity used at year end compared to the estimated total landfill capacity. The accrued liability portion in 2015 is calculated to be \$1,005,925 (2014 - \$857,019). The remaining unaccrued portion of the liability, which will be recognized over the remaining active life of the landfill is \$1,541,068.

Class III

In 2010, the Commission re-evaluated its closure and post-closure costs for its Class III landfill. Based on this re-evaluation the estimates and assumptions used to determine the closure and post-closure liability were adjusted in 2010. Using these estimates and assumptions, an increase of \$1,745 was recorded to the liability in 2015 (2014 - \$34).

Since the post-closure monitoring and site remediation costs are included with the Class II liability the closure costs represent only the costs of closing the active landfill area. The estimated total liability is based on the sum of discounted future cash flows for closure, site remediation and post-closure activities using a discount rate of 4% and assuming annual inflation of 3%. The estimated total liability remaining is \$169,823.

The remaining capacity of the site is estimated to be 8,200 cubic metres or 8%. The existing landfill site is expected to reach capacity in 2016. The Commission's current operating plan is to close and remediate the Class III portion of the landfill when it reaches capacity.

The accrued liability portion for the post-closure and site remediation costs are based on the cumulative estimated capacity used at year end compared to the estimated total landfill capacity. The accrued liability portion in 2015 is calculated to be \$156,502 (2014 - \$154,757). The remaining unaccrued portion of the liability, which will be recognized over the remaining active life of the landfill is \$13,320.

The Commission has plans to have the \$1,162,427 for settling closure and post-closure liabilities as described in note 3.

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10 Equity in Tangible Capital Assets	2015	2014
	\$	\$
Tangible Capital Assets (Schedule 1)	10,598,219	11,705,439
Accumulated Amortization (Schedule 1)	(6,041,961)	(5,710,773)
Long-term debt		
Leases (Note 5)	(262,160)	(412,410)
Loans (Note 6)	(1,171,392)	(1,868,194)
	<u>3,122,706</u>	<u>3,714,062</u>

11 Accumulated Surplus

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2015	2014
	\$	\$
Unrestricted surplus (deficit)	(530,872)	(1,079,696)
Restricted surplus	866,219	131,219
Equity in tangible capital assets (note 10)	3,122,706	3,714,062
	<u>3,458,053</u>	<u>2,765,585</u>

The Commission has established the Restricted Surplus for the future acquisition of capital asset and settlement of closure and post closure obligations.

12 Financial Instruments

The Commission's financial instruments consist of cash, 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 interest, currency, liquidity or market risks arising from these financial instruments.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Commission is exposed to interest rate price risk as its obligations under capital leases and long-term debt bear interest at fixed rates.

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.

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13 Related Parties

Unless specifically indicated all transactions with related parties are at fair market value.

Olds, Didsbury, Carstairs, Cremona, Sundre and Mountain View County

Mountain View Regional Waste Management Commission is operated jointly by the six municipalities listed above. In 2015, \$2,636,538 (2014 - \$1,552,332) of the Commission's operating revenue came from the six municipalities either from requisitions or for services provided by the Commission. At year end there were \$90,276 (2014 - \$94,249) in outstanding accounts receivable from the member municipalities.

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

14 Board Compensation

Salary and benefits disclosure

Disclosure of salaries and benefits for board members is as follows:

	Salary	Benefits	2015 Total	2014 Total
	\$	\$	\$	\$
Councillor Aalbers	351	9	360	367
Councillor Adams	5,622	336	5,958	7,309
Councillor Gil	8,644	236	8,880	3,187
Councillor Hagen	7,808	344	8,152	4,511
Councillor Harper				143
Councillor Hollinger	1,078	33	1,111	1,091
Councillor Isaac	711	33	744	
Councillor McFadden	8,578	420	8,998	4,504
Councillor McKean	9,921	455	10,376	8,069
Councillor Overwater	12,212	715	12,927	10,548
Councillor Roberts				5,708
Councillor Shi				1,071
Councillor Shulz	756	31	787	
	55,681	2,612	58,293	46,508

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

15 Contingencies and commitments

Mountain View Regional Waste Management Commission, in the conduct of its normal activities can be named as a defendant in legal proceedings. The ultimate outcome of these proceedings can often not be determined until the proceedings are completed. Should any loss result from the resolution of these proceedings or if the amount of the loss can be determined, such amounts would be expensed as they become known to the Commission. Currently, there are no determinable amounts.

At year end, the Commission was committed to purchase a compactor which was subsequently received and financed with a debenture for \$709,713.

16 Budget

The disclosed budget information is approved by the Board.

17 Approval of Financial Statements

These financial statements were approved by the Board and Management.

18 Subsequent Events

Subsequent to year end the Commission sold \$420,000 in vehicles. The Commission also committed to excavating a new cell in the Class II landfill area and capping in the Class III area with a combined contract total of \$1,038,805.