

MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION

FINANCIAL STATEMENTS

December 31, 2014

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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.

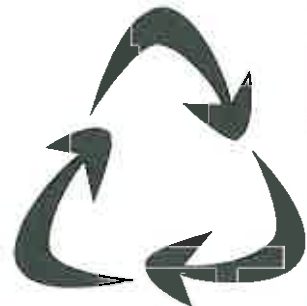
MNP LLP, an independent firm of Chartered Accountants, is appointed by the board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the board and management to discuss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



Pat Sliworsky
Chief Administrative Officer

April 29, 2015

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Didsbury, AB
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2014, and the statement of operations and accumulated surplus, changes in net debt, cash flows and Schedule 1 for the year then ended, and 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or misstatement.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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 that the audit evidence we have obtained 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, 2014, 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.

Other Matter

The financial statements of Mountain View Regional Waste Management Commission for the year ended December 31, 2013 were audited by another auditor who expressed an unmodified opinion on those statements on April 24, 2014.

Red Deer, Alberta
April 29, 2015


Chartered Accountants

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014**

	2014	2013
	\$	\$
Financial Assets		
Cash (note 3)	123,311	570,188
Accounts receivable (note 4)		
Federal	47,997	49,447
Local	95,456	168,818
Trade	251,132	221,015
	<u>517,896</u>	<u>1,009,468</u>
Liabilities		
Accounts payable and accrued liabilities	537,778	327,767
Obligations under capital lease (note 5)	412,410	381,298
Long term debt (note 6)	1,868,194	1,973,931
Landfill closure and post-closure liabilities (note 9)	1,011,776	840,778
	<u>3,830,158</u>	<u>3,523,774</u>
Total Liabilities		
	<u>3,830,158</u>	<u>3,523,774</u>
Contingencies (note 14)		
Net Debt	<u>(3,312,262)</u>	<u>(2,514,306)</u>
Non-financial Assets		
Tangible capital assets (page 8)	5,994,666	6,338,144
Inventory	13,754	6,427
Deposits and prepaid expense	69,427	76,309
	<u>6,077,847</u>	<u>6,420,880</u>
Total Non-financial Assets		
	<u>6,077,847</u>	<u>6,420,880</u>
Accumulated Surplus (note 11)	<u>2,765,585</u>	<u>3,906,574</u>

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
STATEMENT OF OPERATIONS
AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budget	2014	2013
Revenue	\$	\$	\$
Tipping fees	3,785,769	3,014,944	2,976,163
Requisitions	441,400	349,412	469,524
Recyclables	359,812	477,367	465,472
Commercial and residential pick up	112,713	137,157	129,744
Other income	8,200	38,172	18,802
	<hr/>	<hr/>	<hr/>
Total Revenue	4,707,894	4,017,052	4,059,705
	<hr/>	<hr/>	<hr/>
Expenses			
Salaries, wages and benefits	1,677,084	1,846,503	1,585,150
Contracted and general services	1,467,934	1,596,135	1,396,335
Amortization of tangible capital assets	477,295	826,970	777,262
Materials, goods and utilities	394,250	472,507	397,879
Provision for allowances	71,400	141,073	156,678
Loss on disposal of tangible capital assets	-	214,276	104,176
Interest on capital lease and loans	61,850	54,403	40,618
Bank charges and short-term interest	3,039	6,173	4,512
	<hr/>	<hr/>	<hr/>
Total Expenses	4,152,852	5,158,041	4,462,610
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenue Over Expenses	555,042	(1,140,989)	(402,905)
	<hr/>	<hr/>	<hr/>
Accumulated Surplus, Beginning of Year	3,906,574	3,906,574	4,309,479
	<hr/>	<hr/>	<hr/>
Accumulated Surplus, End of Year	4,461,616	2,765,585	3,906,574
	<hr/>	<hr/>	<hr/>

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014 \$	2013 \$
Excess (deficiency) of revenue over expenses	(1,140,989)	(402,905)
Amortization of tangible capital assets	826,970	777,262
Acquisition of tangible capital assets	(952,723)	(1,801,728)
Proceeds from the disposal of tangible capital assets	254,956	37,333
Loss on disposal of tangible capital assets	214,276	104,177
Change in inventory and deposits and prepaid expenses	<u>(446)</u>	<u>235</u>
Decrease (Increase) in Net Financial Debt	(797,956)	(1,285,626)
Net Debt, Beginning of Year	<u>(2,514,306)</u>	<u>(1,228,680)</u>
Net Debt, End of Year	<u><u>(3,312,262)</u></u>	<u><u>(2,514,306)</u></u>

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014	2013
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:	\$	\$
Operating		
Excess (deficiency) of revenues over expenses	(1,140,989)	(402,905)
Non-cash charges to operations		
Amortization of tangible capital assets	826,970	777,262
Loss on disposal of tangible capital assets	214,276	104,177
Increase in landfill closure and post-closure liability	170,998	118,579
Changes in non-cash working capital		
Decrease (increase) in receivable	44,695	21,268
Decrease (increase) in deposits and prepaid expense	6,881	(4,743)
Decrease (increase) in inventory	(7,327)	4,978
Increase (decrease) in accounts payable and accrued liabilities	210,011	151,400
Cash provided by operating transactions	<u>325,514</u>	<u>770,016</u>
Capital		
Acquisition of tangible capital assets	(545,265)	(1,576,409)
Proceeds on disposal of tangible capital assets	44,956	37,333
Cash used by capital transactions	<u>(500,309)</u>	<u>(1,539,076)</u>
Investing and Financing		
Repayment of obligations under capital lease	(166,346)	(129,448)
Repayment of long term debt	(597,819)	(408,282)
Loan proceeds	492,082	-
Proceeds from long term debt	-	971,215
Cash provided by (used in) investing and financing activities	<u>(272,082)</u>	<u>433,485</u>
Change in Cash	(446,877)	(335,574)
Cash, Beginning of Year	<u>570,188</u>	<u>905,762</u>
Cash, End of Year	<u><u>123,311</u></u>	<u><u>570,188</u></u>

Interest paid on long term debt in 2014 was \$35,721 (2013 - \$31,637).

During the year the Commission obtained machinery & 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 COMMISSION
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014
SCHEDULE 1**

Cost:	Buildings	Machinery & Equipment	Land	Vehicles	Land Improvements	2014 \$	2013 \$
Balance, beginning of year	1,434,806	3,041,248	916,673	1,919,478	4,220,997	11,533,202	10,121,998
Acquisition	142,806	561,496	-	247,708	713	952,723	1,801,728
Disposals	(41,464)	(602,244)	-	(136,778)	-	(780,486)	(390,524)
Balance, end of year	<u>1,536,148</u>	<u>3,000,500</u>	<u>916,673</u>	<u>2,030,408</u>	<u>4,221,710</u>	<u>11,705,439</u>	<u>11,533,202</u>
Accumulated Amortization:							
Balance, beginning of year	422,863	1,350,300	-	627,255	2,794,640	5,195,058	4,666,810
Annual amortization	45,639	210,009	-	177,860	393,462	826,970	777,262
Disposals	(7,754)	(217,323)	-	(86,178)	-	(311,255)	(249,014)
Balance, end of year	<u>460,748</u>	<u>1,342,986</u>	<u>-</u>	<u>718,937</u>	<u>3,188,102</u>	<u>5,710,773</u>	<u>5,195,058</u>
Net Book Value of Tangible Capital Assets	<u>1,075,400</u>	<u>1,657,514</u>	<u>916,673</u>	<u>1,311,471</u>	<u>1,033,608</u>	<u>5,994,666</u>	<u>6,338,144</u>
2013 Net Book Value of Tangible Capital Assets	<u>1,011,943</u>	<u>1,690,949</u>	<u>916,673</u>	<u>1,292,223</u>	<u>1,426,356</u>	<u>6,338,144</u>	

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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. (Note that Carstairs, Didsbury and Cremona have given notice of withdrawal from the Commission effective January 1, 2016)

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 in November 2013. 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 have been met, and reasonable estimates of the amounts can be determined. If eligibility requirements have not been met in the current period the transfer will be recorded as deferred revenue until the eligibility requirements are met.

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 and useful lives of tangible capital assets represent

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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 financial assets (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 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	3-10
Vehicles	5-10

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. Inventories

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.

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

3 Cash

The Commission has a policy to restrict cash sufficient to fund the Landfill closure and post-closure liability. As at December 31, 2014 the landfill closure and post-closure liability is \$1,011,776 (2013 - \$840,778) 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 (2013 - \$100,000) bearing interest at prime plus 0.25%.

4 Accounts Receivable

	2014	2013
	\$	\$
Accounts receivable consists of the following:		
Federal	47,997	49,447
Commission members	95,456	168,818
Trade	271,632	272,015
Bad debt allowance	(20,500)	(51,000)
	394,585	439,280

5 Obligations Under Capital Lease

	2014	2013
	\$	\$

Leases payable by and issued in the name of the Commission include the following amounts:

Obligations under leases, repayable \$13,017 monthly, expiring between May 2015 and June 2019, secured by the specific leased assets as noted below. The interest rates range from 2.55% to 5.60% per year.

Operating Portion of Leases	12,344	19,154
Capital Portion of Leases	400,066	362,144
	\$ 412,410	\$ 381,298

Asset Classification	Book Value	Amortization	Net Book Value
Vehicles	282,294	108,250	174,043
Machinery & Equipment	622,541	79,170	543,371
Total	904,835	187,421	717,414

Principal and interest payments for the next 5 years are as follows:

	Principal	Interest	Total
	\$	\$	\$
2015	122,925	15,736	138,662
2016	199,907	10,029	209,936
2017	37,060	3,986	41,048
2018	34,519	2,067	36,587
2019	17,998	296	18,294
	412,410	32,114	444,527

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

6 Long Term Debt		2014	2013
		\$	\$
	<u>Rate</u> <u>Maturing</u>		
Debentures			
Alberta Capital Finance Authority	4.311% March 2017	82,171	112,664
Alberta Capital Finance Authority	1.661% September 2017	456,614	603,852
Alberta Capital Finance Authority	1.428% December 2016	433,243	645,285
Alberta Capital Finance Authority	1.797% December 2018	18,184	22,530
Alberta Capital Finance Authority	1.797% December 2018	106,859	132,400
Alberta Capital Finance Authority	1.797% December 2018	138,012	171,000
Alberta Capital Finance Authority	1.875% June 2014	-	25,587
Alberta Capital Finance Authority	1.719% September 2019	205,054	-
Alberta Capital Finance Authority	1.637% December 2019	287,028	-
		1,727,165	1,713,318
RBC Financial Loans			
Loan	3.93% April 2016	70,733	121,404
Loan	2.82% October 2014	-	7,987
Loan	4.19% September 2014	-	26,092
Loan	3.50% June 2015	5,315	15,671
Loan	3.40% June 2017	64,981	89,459
		141,029	260,613
		1,868,194	1,973,931

The purpose of the loans is to provide Mountain View Regional Waste Management Commission with financing for the purchase of land, buildings and equipment. All ACFA Loans are payable twice a year, the RBC Financial Loans are payable monthly.

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

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
	\$		\$		\$
2015	639,119		31,579		670,698
2016	609,732		19,236		628,968
2017	350,046		9,150		359,196
2018	167,579		3,867		171,446
2019	101,719		1,277		102,996
	1,868,194		65,109		1,933,304

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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*. LAPP is financed by employer and employee contributions and investment earnings.

The Commission is required to make current service contributions to the Plan 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 were \$84,620 (2013 - \$75,421). Total current service contributions by the employees of the Commission to the Local Authorities Pension Plan were \$77,531 (2013 - \$59,404).

At December 31, 2013, the Plan disclosed an actuarial deficit of \$4.86 Billion (2012 - \$4.98 Billion).

8 Debt Limits

2014 **2013**
\$ \$

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	8,034,103	8,119,410
Total debt	2,280,604	2,355,229
Amount of debt limit unused	5,753,499	5,764,181
Debt service limit	1,405,968	1,420,897
Total debt costs	809,360	788,871
Amount of debt servicing limit	596,608	632,026

The debt limit is calculated at 2 times revenue of the commission (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 commission. 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, 2014**

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.

	2014	2013
Balance Forward	840,778	722,199
Class II	170,964	118,336
Class III	34	243
Total	1,011,776	840,778

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 \$170,964 was recorded to the liability in 2014 (2013 - \$118,336).

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 is \$2,449,032.

The remaining capacity of the site is estimated to be 811,513 cubic metres or 65% in 2014. 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 \$150,000. 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 2014 is calculated to be \$857,019 (2013 - \$686,055). The remaining unaccrued portion of the liability, which will be recognized over the remaining active life of the landfill is \$1,592,013.

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 \$34 was recorded to the liability in 2014 (2013 - \$243).

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 9,300 cubic metres or 9% (9% in 2013). The existing landfill site is expected to reach capacity in 2015. 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 2014 is calculated to be \$154,757 (2013 - \$154,723). The remaining unaccrued portion of the liability, which will be recognized over the remaining active life of the landfill is \$15,066.

The Commission plans to have the \$1,011,776 (\$840,778 in 2013) for settling closure and post-closure liabilities as described in note 3. With the operating losses in 2013 and 2014 this is not the case at the end of 2014. Requisitions were increased significantly in the 2015 budget in order to increase cash resources that can be set aside for this liability.

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

10 Equity In Tangible Capital Assets

	2014	2013
	\$	\$
Tangible Capital Assets (Schedule 1)	11,705,439	11,533,202
Accumulated Amortization (Schedule 1)	(5,710,773)	(5,195,058)
Long-term debt		
Leases (Note 5)	(412,410)	(362,144)
Loans (Note 6)	(1,868,194)	(1,973,931)
	3,714,062	4,002,069

11 Accumulated Surplus

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

	2014	2013
	\$	\$
Unrestricted surplus (deficit)	(1,079,696)	(226,714)
Restricted surplus	131,219	131,219
Equity in tangible capital assets (note 10)	3,714,062	4,002,069
	2,765,585	3,906,574

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.

Liquidity risk is the risk that the Commission will encounter difficulty in meeting obligations associated with financial liabilities. The Commission enters into transactions to purchase goods and services on credit, borrow funds and lease equipment for which repayment is required at various maturity dates.

**MOUNTAIN VIEW REGIONAL WASTE MANAGEMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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 2014, \$1,555,332 (2013 - \$1,900,500) 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 \$94,249 (2013 - \$165,846) in outstanding accounts receivable from the member municipalities.

14 Contingencies

Mountain View Regional Waste Management Commission, in the conduct of its normal activities has been named as a defendant in legal proceedings. The ultimate outcome of these proceedings cannot 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.

15 Approval of Financial Statements

These financial statements were approved by the Board and Management.