

# PROUDLY SERVING THE **LAC STE. ANNE** REGION

Alexis Nakota Sioux Nation  
Lac Ste. Anne County  
Summer Village of Birch Cove  
Summer Village of Castle Island  
Summer Village of Nakamun Park  
Summer Village of Ross Haven  
Summer Village of Sandy Beach  
Summer Village of Silver Sands  
Summer Village of South View

Summer Village of Sunrise Beach  
Summer Village of Sunset Point  
Summer Village of Val Quentin  
Summer Village of West Cove  
Summer Village of Yellowstone  
Town of Mayerthorpe  
Town of Onoway  
Village of Alberta Beach



## **BUDGET** 2020

## **AUDITED FINANCIALS** 2019

### **PLEASE NOTE**

The Highway 43 East Waste Commission was unable to host its 2020 Annual General Meeting due to Covid-19 public health restrictions.

Therefore, the 2019 Audited Financial Documents and current years budget will be made available on the websites of all member municipalities, and in hard copy format at each of their offices.

**COMMISSION FINANCIAL INFORMATION RETURN**

**For the Year Ending December 31, 2019**

**Commission Name:** Highway 43 East Waste  
Commission

**CERTIFICATION**

**The information contained in this Financial Information Return is presented fairly  
to the best of my knowledge.**

  
\_\_\_\_\_  
Signature of Duty Authorized Signing Officer

JOE DUPRESSE  
\_\_\_\_\_  
Print Name

APRIL 28/2020  
\_\_\_\_\_  
Date

**REPORT OF THE INDEPENDENT AUDITORS'  
ON ALBERTA MUNICIPAL AFFAIRS – COMMISSION FINANCIAL INFORMATION RETURN**

To the Members of the Highway 43 East Waste Commission

**Opinion**

The Alberta Municipal Affairs - Commission Financial Information Return ("Commission Financial Information Return"), which comprise the statement of financial position as at December 31, 2019 and the statements of change in accumulated surplus, financial activities by type / object, tangible capital assets supplementary detail, change in tangible capital assets, long term debt support, long term debt sources, future long term debt repayments and debt limits for the year then ended are derived from the audited financial statements of the Highway 43 East Waste Commission for the year ended December 31, 2019.

In our opinion, the accompanying Commission Financial Information Return is consistent, in all material respects, with the audited financial statements, in accordance with the requirements of Section 602.32 of the *Municipal Government Act*.

**Summary Financial Statements**

The summary financial statements do not contain all the disclosures required by Canadian public sector accounting standards. Reading the Commission Financial Information Return and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements and the auditors' report thereon. The Commission Financial Information Return and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

**The Audited Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited financial statements in our report dated April 28, 2020.

**Managements' Responsibility for the Municipal Financial Information Return**

Management is responsible for the preparation of the Commission Financial Information Return in accordance with the requirements of Section 602.32 of the *Municipal Government Act*.

**Auditors' Responsibility**

Our responsibility is to express an opinion on whether the Commission Financial Information Return is a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta  
April 28, 2020



**FINANCIAL POSITION**

**Schedule 9A**

	Total 1
<b>Assets</b>	0010
Cash and Temporary Investments .....	0020 3,091,208
Receivable From Commission Members .....	0070 48,208
Loans Receivable .....	0080
Trade and Other Receivables .....	0090 57,646
Inventory for Consumption .....	0120
Inventories Held for Resale	0130
Land .....	0140
Other .....	0150
Long Term Investments	0170
Federal Government .....	0180
Provincial Government .....	0190
Local Governments .....	0200
Other .....	0210
Other Current Assets .....	0230
Other Long Term Assets .....	0240
	0250
<b>Total Financial Assets</b>	0260 3,197,062
<b>Liabilities</b>	0270
Temporary Loans Payable .....	0280
Payable To Other Governments .....	0290 21,640
Accounts Payable & Accrued Liabilities .....	0300 21,368
Deposit Liabilities .....	0310
Deferred Revenue .....	0340
Long Term Debt .....	0350
Other Current Liabilities .....	0360
Other Long Term Liabilities .....	0370 852,092
	0380
<b>Total Liabilities</b>	0390 895,100
<b>Net Financial Assets (Net Debt)</b>	0395 2,301,962
<b>Non Financial Assets</b>	
Tangible Capital Assets.....	0400 678,811
Inventory for Consumption.....	0410
Prepaid Expenses .....	0420 276
Other.....	0430
<b>Total Non-Financial Assets</b>	0440 679,087
<b>Accumulated Surplus</b>	0450 2,981,049

**CHANGE IN ACCUMULATED SURPLUS**

**Schedule 9B**

	Unrestricted	Restricted	Equity in TCA	Total
	1	2	3	4
Accumulated Surplus - Beginning of Year	0500 1,005,431	1,152,757	683,505	2,821,693
Net Revenue (Expense)	0505 159,356			159,356
Funds Designated For Future Use	0511 -104,000	104,000		
Restricted Funds - Used for Operations	0512			
Restricted Funds - Used for TCA	0513	-73,848	73,848	
Current Year Funds Used for TCA	0514			
Donated and Contributed TCA	0516			
Disposals of TCA	0517			
Annual Amortization Expense	0518 58,542		-58,542	
Long Term Debt - Issued	0519			
Long Term Debt - Repaid	0521			
Capital Debt - Used for TCA	0522			
	0523			
Other Adjustments	0524			
Accumulated Surplus - End of Year	0525 1,119,329	1,182,909	678,811	2,981,049

**FINANCIAL ACTIVITIES BY TYPE / OBJECT**

**Schedule 9D**

		Total 1
<b>Revenues</b>	1700	
Service Fees Charged to Commission Members.....	1790	
Other Fees and User Charges .....	1800	695,547
Licenses and Permits .....	1820	
Franchise and Concession Contracts .....	1840	
Returns on Investments .....	1850	59,712
Rentals .....	1860	
Insurance Proceeds .....	1870	
Net Gain on Sale of Tangible Capital Assets .....	1880	
Contributed and Donated Assets.....	1885	
Federal Government Unconditional Transfers .....	1890	
Federal Government Conditional Transfers .....	1900	
Provincial Government Unconditional Transfers .....	1910	
Provincial Government Conditional Transfers .....	1920	
Local Government Transfers .....	1930	
Other Revenues .....	1970	2,300
<b>Total Revenue</b>	1980	757,559
<b>Expenses</b>	1990	
Salaries, Wages, and Benefits .....	2000	191,250
Contracted and General Services .....	2010	296,913
Purchases from Other Governments .....	2020	
Materials, Goods, Supplies, and Utilities .....	2030	47,915
Provision for Allowances .....	2040	
Transfers to Governments .....	2050	
Bank Charges and Short Term Interest .....	2080	3,583
Interest on Operating Long Term Debt .....	2090	
Interest on Capital Long Term Debt .....	2100	
Amortization of Tangible Capital Assets .....	2110	58,542
Net Loss on Sale of Tangible Capital Assets.....	2125	
Write Down of Tangible Capital Assets.....	2127	
Other Expenditures .....	2130	
<b>Total Expenses</b>	2140	598,203
<b>Net Revenue (Expense)</b>	2150	159,356



TANGIBLE CAPITAL ASSETS SUPPLEMENTARY DETAIL

Schedule 9F

		Capital Long Term Debt	
		Principal Additions	Principal Reductions
		1	2
General Government	2700		
Council and Other Legislative .....	2710		
General Administration .....	2720		
Other General Government.....	2730		
Protective Services	2740		
Police .....	2750		
Fire .....	2760		
Disaster and Emergency Measures .....	2770		
Ambulance and First Aid .....	2780		
Bylaws Enforcement .....	2790		
Other Protective Services.....	2800		
Transportation	2810		
Common and Equipment Pool .....	2820		
Roads, Streets, Walks, Lighting .....	2830		
Airport .....	2840		
Public Transit .....	2850		
Storm Sewers and Drainage .....	2860		
Other Transportation .....	2870		
Environmental Use and Protection	2880		
Water Supply and Distribution .....	2890		
Wastewater Treatment and Disposal .....	2900		
Waste Management .....	2910		
Other Environmental Use and Protection .....	2920		
Public Health and Welfare	2930		
Family and Community Support .....	2940		
Day Care .....	2950		
Cemeteries and Crematoriums .....	2960		
Other Public Health and Welfare .....	2970		
Planning and Development	2980		
Land Use Planning, Zoning and Development .....	2990		
Economic/Agricultural Development .....	3000		
Subdivision Land and Development .....	3010		
Public Housing Operations .....	3020		
Land, Housing and Building Rentals .....	3030		
Other Planning and Development.....	3040		
Recreation and Culture	3050		
Recreation Boards .....	3060		
Parks and Recreation .....	3070		
Culture: Libraries, Museums, Halls .....	3080		
Convention Centres .....	3090		
Other Recreation and Culture.....	3100		
Other Utilities	3105		
Gas .....	3106		
Electric .....	3107		
Other .....	3110		
<b>Total</b>	<b>3120</b>		

**CHANGE IN TANGIBLE CAPITAL ASSETS**

Schedule 9G

		Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
		1	2	3	4
<b>Tangible Capital Assets - Cost</b>					
Engineered Structures .....	3210				
Construction In Progress.....	3219				
Buildings .....	3220	215,585			215,585
Machinery and Equipment .....	3230	907,908	73,848		981,756
Land .....	3240	101,635			101,635
Land Improvements.....	3245	2,075,294			2,075,294
Vehicles .....	3250	17,305			17,305
<b>Total Capital Property Cost</b>	<b>3280</b>	<b>3,317,727</b>	<b>73,848</b>		<b>3,391,575</b>
<b>Accumulated Amortization</b>					
Engineered Structures .....	3280				
Buildings .....	3290	102,750	8,264		111,014
Machinery and Equipment .....	3300	511,428	37,237		548,665
Land .....	3310				
Land Improvements.....	3315	2,027,930	9,581		2,037,511
Vehicles .....	3320	12,114	3,460		15,574
<b>Total Accumulated Amortization</b>	<b>3330</b>	<b>2,654,222</b>	<b>58,542</b>		<b>2,712,764</b>
<b>Net Book Value of Capital Property</b>	<b>3340</b>	<b>663,505</b>			<b>678,811</b>
<b>Capital Long Term Debt (Net)</b>	<b>3350</b>				
<b>Equity in Tangible Capital Assets</b>	<b>3400</b>	<b>663,505</b>			<b>678,811</b>



**LONG TERM DEBT SUPPORT**

**Schedule 9H**

		Operating Purposes 1	Capital Purposes 2	Total 3
<b>Long Term Debt Support</b>	<b>3405</b>			
Supported by Utility Rates .....	3430			
Other .....	3440			
<b>Total Long Term Debt Principal Balance</b>	<b>3450</b>			

**LONG TERM DEBT SOURCES**

**Schedule 9I**

		Operating Purposes 1	Capital Purposes 2	Total 3
Alberta Capital Finance Authority .....	3500			
Other .....	3610			
<b>Total Long Term Debt Principal Balance</b>	<b>3620</b>			

**FUTURE LONG TERM DEBT REPAYMENTS**

**Schedule 9J**

		Operating Purposes 1	Capital Purposes 2	Total 3
<b>Principal Repayments by Year</b>	<b>3700</b>			
Current + 1 .....	3710			
Current + 2 .....	3720			
Current + 3 .....	3730			
Current + 4 .....	3740			
Current + 5 .....	3750			
Thereafter .....	3760			
<b>Total Principal</b>	<b>3770</b>			
<b>Interest by Year</b>	<b>3780</b>			
Current + 1 .....	3790			
Current + 2 .....	3800			
Current + 3 .....	3810			
Current + 4 .....	3820			
Current + 5 .....	3830			
Thereafter .....	3840			
<b>Total Interest</b>	<b>3850</b>			

**DEBT LIMIT**

**Schedule 9AA**

1

Debt Limit .....	5700	1,515,118
Total Debt .....	5710	
Debt Service Limit .....	5720	265,146
Total Debt Service Costs .....	5730	

Enter prior year Line 3450 Column 2 balance here:

EDIT LIST - PLEASE REVIEW AND CORRECT ANY ERRORS NOTED BELOW

Highway 43 East Waste Commission  
 2020 Budget  
 As of May 31, 2020 (42%)  
 2020 to 2023 Operating Budget

Categories	2019 Actual	2020 Budget	2020 Actual	% Used	2021 Budget	2022 Budget	2023 Budget
<b>General Administration</b>							
<i>Executive Committee &amp; Members</i>							
2.190.20 Executive Meetings	\$ 12,189	\$ 12,000	\$ 1,048	8.74%	\$ 12,000	\$ 12,000	\$ 12,000
2.191.20 Mileage/Expenses	\$ 6,838	\$ 5,000	\$ 249	4.98%	\$ 5,000	\$ 5,000	\$ 5,000
2.194.20 Membership Meetings	\$ -	\$ 500	\$ -	0.00%	\$ 500	\$ 500	\$ 500
2.195.20 Membership Mileage	\$ -	\$ 300	\$ -	0.00%	\$ 300	\$ 300	\$ 300
2.232.20 Seminars and Educational	\$ 3,600	\$ 5,000	\$ -	0.00%	\$ 5,000	\$ 5,000	\$ 5,000
<b>Total Executive Committee &amp; Members:</b>	<b>\$ 22,627</b>	<b>\$ 22,800</b>	<b>\$ 1,297</b>	<b>5.69%</b>	<b>\$ 22,800</b>	<b>\$ 22,800</b>	<b>\$ 22,800</b>
<i>Administration</i>							
2.220.00 Advertising	\$ -	\$ 200	\$ -	0.00%	\$ 200	\$ 200	\$ 200
2.231.00 Auditor	\$ 6,795	\$ 7,100	\$ 100	1.41%	\$ 7,100	\$ 7,100	\$ 7,100
2.230.00 Professional Services/Legal	\$ 394	\$ 500	\$ -	0.00%	\$ 500	\$ 500	\$ 500
2.118.00 Contracted Office - Lac Ste. Anne County	\$ 64,837	\$ 65,200	\$ 27,015	41.43%	\$ 65,200	\$ 65,200	\$ 65,200
2.511.00 Office Supplies/Copier Lease/Expenses	\$ 2,423	\$ 2,000	\$ 851	42.56%	\$ 2,000	\$ 2,000	\$ 2,000
2.271.00 Insurance & Registration	\$ 3,457	\$ 4,000	\$ 3,099	77.46%	\$ 4,000	\$ 4,000	\$ 4,000
2.232.00 Seminars/Educational	\$ 882	\$ 1,000	\$ 5	0.50%	\$ 1,000	\$ 1,000	\$ 1,000
2.191.00 Mileage	\$ 555	\$ 500	\$ -	0.00%	\$ 500	\$ 500	\$ 500
2.810.00 Bank Interest and Credit Card Charges	\$ 3,583	\$ 3,600	\$ 763	21.20%	\$ 3,600	\$ 3,600	\$ 3,600
2.820.00 Uncollectible Accounts	\$ -	\$ 0	\$ -	0.00%	\$ 0	\$ 0	\$ 0
2.700.30 Recycle Research and Expenses	\$ -	\$ 0	\$ -	0.00%	\$ 0	\$ 0	\$ 0
<b>Total Administration:</b>	<b>\$ 82,927</b>	<b>\$ 84,100</b>	<b>\$ 31,833</b>	<b>37.85%</b>	<b>\$ 84,100</b>	<b>\$ 84,100</b>	<b>\$ 84,100</b>
<b>Total General Administration:</b>	<b>\$ 105,554</b>	<b>\$ 106,900</b>	<b>\$ 33,131</b>	<b>30.99%</b>	<b>\$ 106,900</b>	<b>\$ 106,900</b>	<b>\$ 106,900</b>

**Highway 43 East Waste Commission  
2020 Budget  
As of May 31, 2020 (42%)  
2020 to 2023 Operating Budget**

Categories		2019 Actual	2020 Budget	2020 Actual	% Used	2021 Budget	2022 Budget	2023 Budget
<b>Main Site Operations</b>								
<b>Landfill Operating</b>								
2.250.10	Site Contracted Services	\$ 16,395	\$ 10,000	\$ 1,081	10.81%	\$ 10,000	\$ 10,000	\$ 10,000
2.260.10	Repairs/Maintenance	\$ 14,265	\$ 40,000	\$ 2,192	5.48%	\$ 40,000	\$ 40,000	\$ 40,000
2.257.00	Leachate Removal	\$ 56,200	\$ 50,000	\$ 11,720	23.44%	\$ 50,000	\$ 50,000	\$ 50,000
2.410.10	Shredding Expense	\$ -	\$ 0	\$ -	0.00%	\$ 0	\$ 0	\$ 0
2.258.00	Paint Recycling	\$ 21,016	\$ 25,000	\$ 15,345	61.38%	\$ 25,000	\$ 25,000	\$ 25,000
2.510.10	Materials and Supplies	\$ 3,744	\$ 15,000	\$ 1,848	12.32%	\$ 15,000	\$ 15,000	\$ 15,000
2.500.10	Fuel	\$ 31,056	\$ 30,000	\$ 6,645	22.15%	\$ 30,000	\$ 30,000	\$ 30,000
2.251.10	Engineering	\$ 5,184	\$ 12,000	\$ 5,437	45.30%	\$ 12,000	\$ 12,000	\$ 12,000
2.116.10	Site Wages	\$ 161,708	\$ 163,000	\$ 71,085	43.61%	\$ 163,000	\$ 163,000	\$ 163,000
2.117.10	Site Benefits	\$ 25,172	\$ 27,000	\$ 11,247	41.66%	\$ 27,000	\$ 27,000	\$ 27,000
2.273.00	Workers Compensation	\$ 4,370	\$ 6,800	\$ 1,874	27.56%	\$ 6,800	\$ 6,800	\$ 6,800
2.540.10	Utilities/Telephone/Internet	\$ 10,693	\$ 9,500	\$ 4,127	43.44%	\$ 9,500	\$ 9,500	\$ 9,500
2.191.10	Mileage & Expenses	\$ -	\$ 200	\$ -	0.00%	\$ 200	\$ 200	\$ 200
2.232.10	Seminars & Educational	\$ 591	\$ 600	\$ 276	46.02%	\$ 600	\$ 600	\$ 600
2.272.00	Land Leases	\$ 800	\$ 850	\$ 400	47.06%	\$ 850	\$ 850	\$ 850
2.630.00	Depreciation on Capital Assets	\$ 58,542	\$ 130,000	\$ 5,000	3.85%	\$ 130,000	\$ 130,000	\$ 130,000
2.600.10	Environmental Monitoring & Consulting	\$ 42,914	\$ 15,000	\$ 9,190	61.27%	\$ 15,000	\$ 15,000	\$ 15,000
<b>Total Landfill Operating:</b>		<b>\$ 452,650</b>	<b>\$ 534,950</b>	<b>\$ 147,468</b>	<b>27.57%</b>	<b>\$ 534,950</b>	<b>\$ 534,950</b>	<b>\$ 534,950</b>
<b>Capital</b>								
	Capital Projects & Expenses	\$ -	\$ 0	\$ -	0.00%	\$ 0	\$ 0	\$ 0
(2018 Cat/2019 Skidsteer)	Capital Equipment/Building/Vehicle	\$ 73,848	\$ 0	\$ -	0.00%	\$ 0	\$ 0	\$ 0
	Capital Land	\$ -	\$ 0	\$ -	0.00%	\$ 0	\$ 0	\$ 0
	Engineering Capital	\$ -	\$ 0	\$ -	0.00%	\$ 0	\$ 0	\$ 0
<b>Total Capital:</b>		<b>\$ 73,848</b>	<b>\$ 0</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**Highway 43 East Waste Commission  
2020 Budget  
As of May 31, 2020 (42%)  
2020 to 2023 Operating Budget**

Categories		2019 Actual	2020 Budget	2020 Actual	% Used	2021 Budget	2022 Budget	2023 Budget
<b>Revenue</b>								
1.551.00	Interest	\$ (59,712)	\$ (40,000)	\$ (15,822)	39.56%	\$ (40,000)	\$ (40,000)	\$ (40,000)
1.410.00	Disposal Fees	\$ (656,429)	\$ (600,000)	\$ (155,044)	25.84%	\$ (600,000)	\$ (600,000)	\$ (600,000)
1.410.10	Disposal Fees - Furniture with Springs	\$ (18,831)	\$ (17,000)	\$ (4,590)	27.00%	\$ (17,000)	\$ (17,000)	\$ (17,000)
1.410.20	Disposal Fees - Concrete	\$ (8,216)	\$ (5,600)	\$ (421)	7.51%	\$ (5,600)	\$ (5,600)	\$ (5,600)
1.510.00	Accounts Receivable Penalties	\$ (1,604)	\$ (2,000)	\$ (635)	31.74%	\$ (2,000)	\$ (2,000)	\$ (2,000)
1-553-00	Recycling	\$ (10,468)	\$ (10,000)	\$ (3,872)	38.72%	\$ (10,000)	\$ (10,000)	\$ (10,000)
1-560-00	Lease Revenue	\$ (2,300)	\$ (2,300)	\$ -	0.00%	\$ (2,300)	\$ (2,300)	\$ (2,300)
1.552.00	Other Revenue	\$ -	\$ (100)	\$ -	0.00%	\$ (100)	\$ (100)	\$ (100)
1.840.00	Grants (Scale)	\$ -	\$ (0)	\$ -	0.00%	\$ (0)	\$ (0)	\$ (0)
1.700.00	Sale of Equipment	\$ -	\$ (0)	\$ -	0.00%	\$ (0)	\$ (0)	\$ (0)
1.920.00	Transfer from Reserves - New Cat	\$ (73,848)	\$ (0)	\$ -	0.00%	\$ (0)	\$ (0)	\$ (0)
<b>Total Revenue:</b>		\$ (831,408)	\$ (677,000)	\$ (180,385)	26.64%	\$ (677,000)	\$ (677,000)	\$ (677,000)
<b>Future Requirements</b>								
2.760.40	Transfer to Site Bldg. & Scale	\$ 5,000	\$ 5,000	\$ -	0.00%	\$ 5,000	\$ 5,000	\$ 5,000
2.763.00	Transfer to Equipment Reserve	\$ 50,000	\$ 50,000	\$ -	0.00%	\$ 50,000	\$ 50,000	\$ 50,000
2.767.00	Transfer to Shredding Reserve	\$ 10,000	\$ 10,000	\$ -	0.00%	\$ 10,000	\$ 10,000	\$ 10,000
2.768.00	Transfer to Concrete Reserve	\$ 10,000	\$ 10,000	\$ -	0.00%	\$ 10,000	\$ 10,000	\$ 10,000
2.762.00	Transfer to Cell Development Reserve	\$ 29,000	\$ 29,000	\$ -	0.00%	\$ 29,000	\$ 29,000	\$ 29,000
2.793.30	Transfer to Cell Closure & Post Closure Reserve	\$ 40,000	\$ 40,000	\$ -	0.00%	\$ 40,000	\$ 40,000	\$ 40,000
	Transfers to Unrestricted Reserves	\$ 113,899	\$ 21,150	\$ -	0.00%	\$ 21,150	\$ 21,150	\$ 21,150
<b>Total Future Requirements:</b>		\$ 257,899	\$ 165,150	\$ -	0.00%	\$ 165,150	\$ 165,150	\$ 165,150
<b>Summary:</b>	<b>Total Expenditures All Categories:</b>	\$ 889,950	\$ 807,000	\$ 180,598	22.38%	\$ 807,000	\$ 807,000	\$ 807,000
	<b>Total Revenue All Categories:</b>	\$ (831,408)	\$ (677,000)	\$ (180,385)	26.64%	\$ (677,000)	\$ (677,000)	\$ (677,000)
	<b>Total (Surplus)/Deficit:</b>	\$ 58,542	\$ 130,000	\$ 214	0.16%	\$ 130,000	\$ 130,000	\$ 130,000
	<b>Less Depreciation on Capital Assets:</b>	\$ 58,542	\$ 130,000	\$ 5,000	3.85%	\$ 130,000	\$ 130,000	\$ 130,000
	<b>Net Cash Flow (Surplus) Deficit:</b>	\$ -	\$ 0	\$ (4,786)	-11965375.02%	\$ 0	\$ 0	\$ 0

**HIGHWAY 43 EAST WASTE COMMISSION  
SANGUDO, ALBERTA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

## **INDEPENDENT AUDITORS' REPORT**

To the Members of the Highway 43 East Waste Commission

### *Opinion*

We have audited the financial statements of the Highway 43 East Waste Commission (the "Commission"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2019, and the results of its operations and accumulated surplus and the changes in its net financial assets and 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 ethical responsibilities in accordance with these requirements. We believe 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 the 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 relating 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 Members of the Highway 43 East Waste Commission *(continued)*

*Auditor's Responsibility 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, 2020


**HIGHWAY 43 EAST WASTE COMMISSION**


**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 3,091,208	\$ 2,927,927
Accounts receivable	91,310	68,356
Goods and Services Tax receivable	<u>14,544</u>	<u>6,891</u>
	<u>3,197,062</u>	<u>3,003,174</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	43,008	35,587
Landfill closure and post-closure liability (Note 3)	<u>852,092</u>	<u>812,092</u>
	<u>895,100</u>	<u>847,679</u>
<b>NET FINANCIAL ASSETS</b>	<u>2,301,962</u>	<u>2,155,495</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Schedule 1)	678,811	663,505
Prepaid expenses	<u>276</u>	<u>2,693</u>
	<u>679,087</u>	<u>666,198</u>
<b>ACCUMULATED SURPLUS (Note 5)</b>	<u>\$ 2,981,049</u>	<u>\$ 2,821,693</u>

ON BEHALF OF THE COMMISSION:

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Treasurer

**HIGHWAY 43 EAST WASTE COMMISSION**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u> (Budget) (Note 10)	<u>2019</u> (Actual)	<u>2018</u> (Actual)
<b>Revenue</b>			
Disposal fees	\$ 619,500	\$ 683,475	\$ 679,536
Interest income	23,000	59,712	47,473
Recycling	20,000	10,468	14,964
Other	1,900	2,300	6,928
Penalties	<u>2,000</u>	<u>1,604</u>	<u>1,939</u>
	<u>666,400</u>	<u>757,559</u>	<u>750,840</u>
<b>Expenses</b>			
Landfill Operations			
Wages and benefits	176,915	191,250	168,989
Amortization	130,000	58,542	90,034
Leachate removal	45,000	56,200	24,770
Environmental monitoring	15,000	42,914	31,099
Cell closure costs	40,000	40,000	40,000
Contracted services	23,000	37,411	42,326
Materials and supplies	43,200	34,799	33,441
Repairs and maintenance	40,000	14,265	53,831
Telephone and utilities	8,000	10,693	9,841
Engineering services	15,000	5,184	11,637
Lease	1,000	800	840
Other	600	591	838
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>42,650</u>
	<u>537,715</u>	<u>492,649</u>	<u>550,296</u>
General and Administrative			
County management services	65,200	64,837	63,959
Executive committee	23,300	23,182	23,060
Professional fees	7,100	7,190	7,192
Bank charges	3,600	3,583	3,002
Insurance and licenses	4,000	3,457	4,237
Office supplies	2,000	2,423	1,125
Memberships and conferences	1,000	882	-
Advertising	<u>200</u>	<u>-</u>	<u>264</u>
	<u>106,400</u>	<u>105,554</u>	<u>102,839</u>
<b>Total Expenses</b>	<u>644,115</u>	<u>598,203</u>	<u>653,135</u>
<b>Excess of Revenue over Expenses</b>	22,285	159,356	97,705
<b>Accumulated Surplus, Beginning of Year</b>	<u>2,821,693</u>	<u>2,821,693</u>	<u>2,723,988</u>
<b>Accumulated Surplus, End of Year</b>	<u>\$ 2,843,978</u>	<u>\$ 2,981,049</u>	<u>\$ 2,821,693</u>

See accompanying notes to financial statements.

**HIGHWAY 43 EAST WASTE COMMISSION**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
Excess of Revenue Over Expenses	\$ 159,356	\$ 97,705
Acquisition of tangible capital assets	(73,848)	(331,000)
Proceeds on disposal of tangible capital assets	-	55,000
Amortization of tangible capital assets	58,542	90,034
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>42,650</u>
	144,050	(45,611)
Net (acquisition) use of prepaid expenses	<u>2,417</u>	<u>5</u>
<b>Increase in Net Financial Assets</b>	146,467	(45,606)
<b>Net Financial Assets, Beginning of Year</b>	<u>2,155,495</u>	<u>2,201,101</u>
<b>Net Financial Assets, End of Year</b>	<u>\$ 2,301,962</u>	<u>\$ 2,155,495</u>

**HIGHWAY 43 EAST WASTE COMMISSION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>Operating Activities</b>		
Cash from operations		
Excess of revenue over expenditures	\$ 159,356	\$ 97,705
Amortization of tangible capital assets	58,542	90,034
Loss (gain) on disposal of tangible capital assets	-	42,650
 Change in non-cash working capital balances related to operations:		
Accounts receivable	(22,954)	(14,204)
Goods and Services Tax receivable	(7,653)	3,642
Prepaid expenses	2,417	5
Accounts payable and accrued liabilities	7,421	7,358
Landfill closure and post-closure liability	<u>40,000</u>	<u>40,000</u>
	<u>237,129</u>	<u>267,190</u>
 <b>Capital Activities</b>		
Proceeds on disposal of tangible capital assets	-	55,000
Acquisition of tangible capital assets	<u>(73,848)</u>	<u>(331,000)</u>
	<u>(73,848)</u>	<u>(276,000)</u>
 <b>Change in Cash During the Year</b>	 163,281	 (8,810)
 <b>Cash, Beginning of Year</b>	 <u>2,927,927</u>	 <u>2,936,737</u>
 <b>Cash, End of Year</b>	 <u>\$ 3,091,208</u>	 <u>\$ 2,927,927</u>

**HIGHWAY 43 EAST WASTE COMMISSION**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**SCHEDULE 1**

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>2019</u>	<u>2018</u>
<b>COST:</b>							
Balance, Beginning of Year	\$ 101,635	\$ 2,075,294	\$ 215,585	\$ 907,908	\$ 17,305	\$ 3,317,727	\$ 3,265,727
Acquisition of tangible capital assets	-	-	-	73,848	-	73,848	331,000
Disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(279,000)</u>
Balance, End of Year	<u>101,635</u>	<u>2,075,294</u>	<u>215,585</u>	<u>981,756</u>	<u>17,305</u>	<u>3,391,575</u>	<u>3,317,727</u>
<b>ACCUMULATED AMORTIZATION:</b>							
Balance, Beginning of Year	-	2,027,930	102,750	511,428	12,114	2,654,222	2,745,538
Annual amortization	-	9,581	8,264	37,237	3,460	58,542	90,034
Accumulated amortization on disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(181,350)</u>
Balance, End of Year	<u>-</u>	<u>2,037,511</u>	<u>111,014</u>	<u>548,665</u>	<u>15,574</u>	<u>2,712,764</u>	<u>2,654,222</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b><u>\$ 101,635</u></b>	<b><u>\$ 37,783</u></b>	<b><u>\$ 104,571</u></b>	<b><u>\$ 433,091</u></b>	<b><u>\$ 1,731</u></b>	<b><u>\$ 678,811</u></b>	<b><u>\$ 663,505</u></b>

See accompanying notes to financial statements.

# HIGHWAY 43 EAST WASTE COMMISSION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 1. NATURE OF THE ORGANIZATION

The Commission is a regional services commission which supplies solid waste management services. It was constituted under the *Regional Waste Management Services Act* in 1994 pursuant to Ministerial Order L:078/95 and by Alberta Regulation 32/94.

### 2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards for local governments established by the Canadian Public Sector Accounting Board.

(b) Cash

Cash includes bank account and petty cash amounts that are readily converted into known amounts of cash and are subject to an insignificant change in value.

(c) Revenue Recognition

Disposal 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.

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.

Investment income is recognized as revenue when earned.

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Land improvements	10 - 25 years
Buildings	25 - 35 years
Machinery and Equipment	5 - 15 years
Vehicles	5 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Commission's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

(e) Landfill Closure and Post-Closure Liability

Pursuant to the *Alberta Environmental Protection Act*, the Commission is required to fund the closure of the landfill and provide for post-closure care of the facility. Closure and post-closure costs include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control and visual inspection. This requirement is being provided for over the estimated remaining life of the landfill site based on usage. The annual provision is reported as an operating expenditure, and the accumulated provision is reported as a liability on the statement of financial position.



**HIGHWAY 43 EAST WASTE COMMISSION**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**DECEMBER 31, 2019**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(f) Measurement Uncertainty

The preparation of the financial statements in accordance with Canadian public sector accounting standards, requires management to make estimates regarding significant items such as allowances for uncollectible receivable, amounts relating to impairment assessments and amortization of tangible capital assets, and provisions for closure and post-closure costs that affect the reported amounts 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 expenses during the reporting period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

**3. 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, ongoing environmental monitoring, and site inspections and maintenance.

The estimated total liability is recognized over the estimated useful life of these cells based on engineering reports which have determined the estimated cost of closure and post-closure care.

The Commission has not designated assets for settling closure and post-closure liabilities.

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 812,092	\$ 772,092
Additions	<u>40,000</u>	<u>40,000</u>
Balance, end of year	<u>\$ 852,092</u>	<u>\$ 812,092</u>

**4. DEBT LIMITS**

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

	<u>2019</u>	<u>2018</u>
Total debt limit	\$ 1,515,118	\$ 1,501,680
Total debt	<u>-</u>	<u>-</u>
Unused debt limit	<u>\$ 1,515,118</u>	<u>\$ 1,501,680</u>
Service on debt limit	\$ 265,146	\$ 262,794
Service on debt	<u>-</u>	<u>-</u>
Unused service on debt limit	<u>\$ 265,146</u>	<u>\$ 262,794</u>

The debt limit is calculated at 2 times revenue of the Commission (as defined in the Alberta Regulation 76/2000) and the debt service limit is calculated as 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 a 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.

**HIGHWAY 43 EAST WASTE COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2019**

**5. ACCUMULATED SURPLUS**

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

	<u>2019</u>	<u>2018</u>
Unrestricted surplus	\$ 1,119,329	\$ 1,005,431
Restricted surplus (Note 6)	1,182,909	1,152,757
Equity in tangible capital assets (Schedule 1)	<u>678,811</u>	<u>663,505</u>
	<u>\$ 2,981,049</u>	<u>\$ 2,821,693</u>

**6. RESTRICTED SURPLUS**

Reserves are established at the discretion of the Board of Directors to set aside funds for future operating and capital purposes. Transfers to and from reserves are reflected as adjustments to the respective fund. Changes in reserve balances during the year were as follows:

	<u>2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>2019</u>
Cell development	\$ 574,000	\$ 29,000	\$ -	\$ 603,000
Equipment	258,910	50,000	73,848	235,062
Building/Scale	145,238	5,000	-	150,238
Shredding	104,778	10,000	-	114,778
Concrete crushing	<u>69,831</u>	<u>10,000</u>	-	<u>79,831</u>
	<u>\$ 1,152,757</u>	<u>\$ 104,000</u>	<u>\$ 73,848</u>	<u>\$ 1,182,909</u>

**7. RELATED PARTY TRANSACTIONS**

The municipalities that are members of the Commission are considered to be related parties.

At year end, accounts receivable includes a total of \$48,208 (2018 - \$42,487) receivable from the various member municipalities and accounts payable includes \$21,640 (2018 - \$17,706) payable to Lac Ste. Anne County.

Administrative expenditures include \$64,837 (2018 - \$63,959) paid to Lac Ste. Anne County for management and administrative services.

These transactions are in the normal course of operations and are measured at the exchange amounts as established and agreed to by the related parties.

**HIGHWAY 43 EAST WASTE COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2019**

**8. COMMITMENTS**

The Commission has entered into a lease with Alberta Environmental Protection to lease certain lands for use as the main landfill site. The lease has an annual cost of \$800 and expires in 2021.

**9. FINANCIAL INSTRUMENTS**

The Commission's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. It is management's opinion that the Commission is not exposed to significant interest rate, liquidity, currency, credit, market or other price risk arising from these financial instruments. The carrying values of these financial instruments approximates their fair value.

**10. BUDGET**

The budget figures presented in these financial statements are based on the 2019 final budget adopted by the Board on December 17, 2018.

**11. SUBSEQUENT EVENT**

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization and on March 17, 2020 the Province of Alberta declared a public health emergency. Many businesses and individuals in a variety of sectors may experience an economic loss due to COVID-19 which may have a financial impact on the Commission. An estimate of the potential financial impact cannot be made at this time.