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AUDITORS' REPORT

To the Chairman and Members of the Thorhild Regional
Waste Management Services Commission

We have audited the statement of financial position of the Thorhild Regional Waste Management Services Commission as at December 31, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the commission's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Thorhild Regional Waste Management Services Commission as at December 31, 2009, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Vegreville, Alberta

May 17, 2010

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THORHILD REGIONAL WASTE MANAGEMENT SERVICES COMMISSION
STATEMENT OF FINANCIAL POSITION
As at December 31, 2009

	2009 \$	2008 \$
ASSETS		
Current		
Cash	35	63
Investments	215,419	208,021
Receivable from County of Thorhild No. 7	399,465	268,533
Receivable from Village of Thorhild	-	139,742
	<u>614,919</u>	<u>616,359</u>
Capital assets (Note 3)	12,062	12,062
Total Assets	<u>626,981</u>	<u>628,421</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	-	8,838
Landfill closure and post-closure liability (Note 4)	399,500	399,500
Total Liabilities	<u>399,500</u>	<u>408,338</u>
NET ASSETS		
Net assets internally restricted (Note 5)	215,419	208,022
Net assets invested in capital assets (Note 6)	12,062	12,062
Total Net Assets	<u>227,481</u>	<u>220,084</u>
Total Liabilities and Net Assets	<u>626,981</u>	<u>628,421</u>

See accompanying notes

THORHILD REGIONAL WASTE MANAGEMENT SERVICES COMMISSION
STATEMENT OF OPERATIONS
For the year ended December 31, 2009

	Budget \$ (Unaudited)	2009 \$	2008 \$ (Restated)
Revenue			
Service fees charged to commission members (Note 11)	677,500	197,458	232,668
Other service fees & sale of goods	10,000	5,319	9,274
Investment income		7,397	8,022
Total Revenue	687,500	210,174	249,964
Expenses			
Salaries, wages and benefits	83,000	88,990	80,430
Bin rental	32,000	33,541	32,533
Equipment charges (Note 11)	38,000	23,541	35,287
Management fees	11,000	11,000	11,000
Contracted and general services	60,000	2,335	9,280
Materials, goods and utilities	5,000	5,022	4,717
Administrative costs	9,000	6,485	9,425
Reclamation	70,000	31,863	47,211
Hauling and tipping fees	63,500	-	-
Transfer Station Operations	75,000	-	-
Total Expenses	446,500	202,777	229,883
Excess of revenues over expenses	241,000	7,397	20,081
Net assets at beginning of the year	220,084	220,084	200,003
Net assets at end of year	461,084	227,481	220,084

See accompanying notes

THORHILD REGIONAL WASTE MANAGEMENT SERVICES COMMISSION
STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2009

	Invested in Capital Assets \$	Internally Restricted \$	Un-restricted \$	2009 Total \$	2008 Total \$
Net assets at beginning of year	208,022	12,062	-	220,084	200,003
Excess (deficiency) of revenues over expenses	7,397	-	-	7,397	20,081
Net assets at end of year	215,419	12,062	-	227,481	220,084

See accompanying notes

THORHILD REGIONAL WASTE MANAGEMENT SERVICES COMMISSION
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2009

	2009 \$	2008 \$
Cash flows from Operating Activities		
Excess (deficiency) of revenue over expenditures	7,397	20,081
Net changes in non-cash operating working capital balances		
Decrease (increase) in receivable from County of Thorhild No. 7	(28)	33,011
Decrease (increase) in receivable from Village of Thorhild	-	(33,132)
Decrease (increase) in capital assets	-	(12,059)
Net cash provided by (used in) operating activities	7,369	7,901
Cash flow from Investing Activities		
Decrease (increase) in investments	(7,397)	(8,022)
Net cash provided by (used in) operating activities	(7,397)	(8,022)
Change in cash and cash equivalents during the year	(28)	(121)
Cash position at beginning of year	63	184
Cash position at end of year	35	63

See accompanying notes

THORHILD REGIONAL WASTE MANAGEMENT SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2009

1. NATURE OF THE ORGANIZATION

The Thorhild Regional Waste Management Services Commission is constituted under the *Municipal Government Act* and was approved by the Minister of Municipal Affairs on August 20, 2002 for the purpose of constructing, maintaining, controlling, managing a regional solid waste collection and disposal.

Effective April 1, 2009 the Village of Thorhild was amalgamated with the County of Thorhild No. 7.

The commission is exempt from income taxation under Section 149 of the Canada Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

The financial statements of the Thorhild Regional Waste Management Services Commission are prepared by management in accordance with Canadian generally accepted accounting principles for not-for-profit published by the Canadian Institute of Chartered Accountants ("CICA").

b) Budget Amounts

The budget amounts present on the statement of operations are taken from the commission's annual budget prepared in December 2009. Certain budget amounts have been reclassified to conform with the current year's financial presentation.

c) 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 transaction or events occurred that gave rise to the revenue.

The commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year which the related expense are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount is to be received can be reasonably estimated and collection is reasonably assured.

Contributions specified for capital purposes are recorded as deferral capital asset contributions. These differed contributions are taken into income as the related capital costs are amortized.

d) Capital Assets

Purchased capital assets are recorded to cost. Contributed capital assets are recorded at fair value at the date of contributions

Government contributions for the acquisition of capital assets are reported as a reduction to the related assets costs

Capital assets are not amortized.

THORHILD REGIONAL WASTE MANAGEMENT SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2009

e) 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 post-closure care of the facility. Closure and post-closure activities include 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

f) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions 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 revenue and expenses during the year. Actual results could differ from those estimates.

g) Financial Instruments

The financial instruments of the commission consist of cash and cash equivalents, investments, receivables, and payables. The commission has chosen not to adopt CICA Handbook Sections 3862 and 3863 however, in accordance with Section 3855 (Financial Instruments - Recognition and Measurement) of the Canadian Institute of Chartered Accountants (CICA) handbook, these financial instruments are designated and measured as follows:

<u>Financial Instruments</u>	<u>Category</u>	<u>Measurement</u>
Cash and cash equivalent	Held-for-trading	Fair value
Investments	Held-to-maturity	Fair Value
Account receivable	Loans and receivables	Amortized Cost
Accounts payable	Other financial liabilities	Amortized Cost

All financial instruments must initially be recognized at fair value on the statement of financial position. Subsequent measurement of the financial instruments is based on their category classification.

THORHILD REGIONAL WASTE MANAGEMENT SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2009

3. CAPITAL ASSETS	2009	2008
	Cost	Cost
	\$	\$
Land	3	3
Machinery, equipment and furnishings	12,059	12,059
Total capital assets	12,062	12,062

4. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

For 2003 an amount of \$50,000 per landfill for a total of \$150,000 was accrued as the post-closure liability. In 2005 an additional \$39,000 was accrued and \$105,000 was accrued in both 2006 and 2007. This figure is not based on discounted future cash flows associated with closure and post-closure activities as per the Public Sector and Auditing Handbook PS 3270. Management believes that \$399,000 adequately covers the closure and post-closure costs associated with the landfills, therefore, no additional accruals were done in 2009.

5. NET ASSETS INTERNALLY RESTRICTED

	2009	2008
	\$	\$
Capital projects reserve	215,419	208,022

The capital projects reserve is used to provide funds for specific capital equipment to convert landfills to transfer stations. Appropriations to the capital projects reserves from unrestricted net assets are established in the annual operating budget.

THORHILD REGIONAL WASTE MANAGEMENT SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2009

6. NET ASSETS INVESTED IN CAPITAL ASSETS

Net assets invested in capital assets is calculated as the following:

	2009 \$	2008 \$
Capital assets	12,062	12,062

7. DEBT LIMIT

Section 3 of the Municipal Government Act requires that debt and debt limits as defined by Alberta Government Regulation 76/2000 for Thorhild Regional Waste Management Services Commission be disclosed as follows:

	2009 \$	2008 \$
Total debt limit	420,348	483,884
Total debt	-	-
Total debt limit unused	420,348	483,884
Debt servicing limit	73,561	84,680
Debt servicing	-	-
Amount of debt servicing limit unused	73,561	84,680

The debt limit is calculated at 2.0 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 commissions that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Commission. Rather, the financial statements must be interpreted as a whole.

THORHILD REGIONAL WASTE MANAGEMENT SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2009

8. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for Board members as required by Alberta Regulation 313/2000 is as follows:

	Salary \$ (i)	Benefits & Allowances \$ (ii)	Total \$
Charles Newell	200	-	200
Henry Zolkewski	100	-	100
Kevin Grumetza	200	-	200
Shelly Hanasyk	100	-	100

- i) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration.
- ii) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

9. FINANCIAL INSTRUMENTS

The commission's financial instruments consist of cash, receivables, accounts payable and accrued liabilities. It is management's opinion that the commission is not exposed to significant interest, current or credit risk arising from these instruments.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

10. NET ASSETS

The commission manages its capital to ensure that it will be able to continue as a going concern and to provide returns to its members while ensuring the consistent delivery of services. The commission's overall strategy remain unchanged from 2009.

The capital structure of the commission consists of net assets internally restricted for operations and net assets invested in capital assets.

THORHILD REGIONAL WASTE MANAGEMENT SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2009

11. RELATED PARTY TRANSACTIONS

Effective April 1, 2009 the Village of Thorhild was amalgamated with the County of Thorhild No. 7.

Service fees are based on the budgets net operating costs of the commission and are allocated among the commission members based on actual service utilization during the year. Service fees charges to commission members are as the follows:

	2009 \$	2008 \$
County of Thorhild No. 7	198,385	199,536
Village of Thorhild	7,911	33,132
	206,296	232,668

Amounts due from the commission members are payable on receipt of the invoice and have arisen from the service fee charged during the year. Amounts due from commission members at the end of the year are as follows:

	2009 \$	2008 \$
County of Thorhild No. 7	408,303	268,533
Village of Thorhild	-	139,742
	408,303	408,275

Equipment charges of \$23,541 (2008-\$35,287) are paid to the County of Thorhild No. 7. These transactions are in the normal course of operation and are measured at exchange amount which is the amount of consideration established and agreed to by the related parties.

12. BUDGET FIGURES

Budget figures are included for information purposes only and are not audited.

13. APPROVAL OF FINANCIAL STATEMENTS

The Board and management have approved these financial statements.

14. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform to the current year's presentation.