



AGENDA
Foothills Regional Services Commission
Landfill Operations
Monday April 24, 2023 at 9:30 a.m.
Zoom Virtual Meeting

*enclosure

1. CALL TO ORDER
2. ADDITIONS TO AGENDA
3. ADOPTION OF AGENDA
4. *ACCEPTANCE OF THE FRSC MINUTES FROM PREVIOUS MEETING
Recommendation: The minutes of the meeting held on Monday March 27, 2023 be accepted as presented.
5. *ACCOUNTS PAYABLE
Recommendation: The Accounts Payable dated April 24, 2023 in the amount of \$467,419.84 be accepted for payment.
6. *TONNAGE REPORTS
Recommendation: The Tonnage Reports for the month of March 2023 be accepted as presented.
7. BUSINESS
 - A. Operations Update – Joe Angevine.
 - B. Compost Pad Closure – Joe Angevine.
 - C. Cell 7 construction project – recommendation for award – Joe Angevine.
 - D. *Statement of Operating Revenues and Expenses dated March 31, 2023 – Reg Hammond.
 - E. Electronic signature policy – Christine Hummel.
 - F. In person meeting date – Harry Riva Cambrin.
 - G. *2022 Draft Financial Statement Presentation – James Nakashima, Avail LLP. (10:00 a.m.)
 - H.
 - I. Round Table Discussion.
8. NEXT MEETING
Next scheduled meeting held on May 29, 2023. May 22, 2023 Victoria Day stat.
9. ADJOURNMENT



MINUTES
Foothills Regional Services Commission
Landfill Operations
Monday March 27, 2023 at 9:30 a.m.
Zoom Virtual Meeting

Officers: Harry Riva Cambrin, CAO
Christine Hummel, Director of Corporate Services

Directors: Delilah Miller, Chair, Foothills County Director
Rachel Swendseid, Vice-Chair, Okotoks Director
Michael Nychyk, High River Director
Dave Mitchell, Nanton Director
Hazel Martin, Diamond Valley Director

Staff: Reginald Hammond, Corporate Services Manager
Joe Angevine, Landfill Manager
Courtney Russell, Landfill Coordinator
Felicia Fairweather, Legislative Services Assistant

Guests: Don Waldorf, Foothills County Councillor

Meeting Call to Order: Chair Delilah Miller called the meeting to order at 9:31 a.m.

Additions: There were no additions to the agenda.

Agenda Adoption: **RESOLUTION 047/2023**
Moved by Director Hazel Martin that the agenda be accepted as presented.

CARRIED

Minutes: **RESOLUTION 048/2023**
Moved by Director Rachel Swendseid that the minutes of the meeting held on Monday February 27, 2023 be accepted as presented.

CARRIED

Accounts Payable: **RESOLUTION 049/2023**
Moved by Director Dave Mitchell that the accounts payable dated March 27, 2023 in the amount of \$367,469.23 be accepted for payment.

CARRIED

Tonnage Reports: **RESOLUTION 050/2023**
Moved by Director Michael Nychyk that the tonnage reports for the month of February 2023 be accepted as presented.

CARRIED

Operations Update: Joe Angevine

1. Snow melting on site, no major issues other than mud.
2. Continue to self-haul material on site for bio cover project. Pre-tender meeting to be held this week. Project will be completed this spring/summer.
3. Received approval for cell 7 from Alberta Environment and Protected Areas. Held pre-tender meeting last week, 20 contractors on site. Tenders will be reviewed by Associated Engineering and will provide recommendations.
4. Packer still down, delays in repairs. Should be back on site later this week. Continue to run rental Dozer while the Case Dozer is being repaired.



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Dozer replacement options:

Joe Angevine discussed options to purchase a used Dozer.

RESOLUTION 051/2023

Moved by Director Rachel Swendseid that the board approve the purchase of a used Caterpillar D7E LGP dozer and landfill guarding package for \$285,000, as presented.

CARRIED

Compost Pad Closure discussion:

Joe Angevine discussed.
Compost pad closure to be forwarded to the Technical Advisory Group (TAG) for further discussion and recommendations for options going forward.

Statement of Operating Revenues & Expenses:

Reginald Hammond discussed.

RESOLUTION 052/2023

Moved by Director Hazel Martin to accept the Preliminary Statement of Operating Revenues and Expenses dated February 28, 2023 as presented.

CARRIED

TAG Minutes:

RESOLUTION 053/2023

Moved by Director Michael Nychyk that the Technical Advisory Group (TAG) minutes dated December 1, 2022, be accepted for information as presented

CARRIED

2022 Reserve Transfers:

RESOLUTION 054/2023

Moved by Director Rachel Swendseid that administration transfer \$500,000 to equipment reserves for 2022 and transfer \$780,000 to Site Closure/Post Closure reserve for 2022.

CARRIED

Electronic signature Policy:

Rachel Swendseid discussed the Commission the adoption of an electronic signature policy. Christine Hummel will bring back more information to the next meeting.

Meeting in Person:

Rachel Swendseid suggested the Commission meet in person 1-2 times per year. Administration will send out a poll to the board for possible meeting date options.

There was round table discussion.

Next Meeting:

Next meeting on Monday April 24, 2023 at 9:30 a.m., by Zoom virtual meeting.



MINUTES
Foothills Regional Services Commission
Landfill Operations
Monday March 27, 2023 at 9:30 a.m.
Zoom Virtual Meeting

Adjournment: Chair Delilah Miller adjourned the meeting at 10:08 a.m.

Chairman

CAO

FOOTHILLS REGIONAL SERVICES COMMISSION
Accounts for Approval
Cheque Run dated April 24, 2023

<u>Cheque No.</u>	<u>Payable to:</u>	<u>Amount Payable</u>
7213	Calgary Metal Recycling Inc. Inv CMRI4033 - freon disposal	\$ 963.90
7214	Clean Harbors Canada Inc. Inv 1004562284 - household hazardous waste	\$ 3,830.13
7215	Fired-Up Automotive Performance and Service Inv 43886 - 724 service & repair	\$ 1,028.08
7216	Spy Design Inc. Inv 2023-0555 -signage	\$ 315.89
7217	UniFirst Canada Ltd. Inv 7573376291, 7573377831, 7573379377, 7573380942	\$ 331.34
7218	Wearpro Equipment & Supply Ltd. Inv C129820 - parts	\$ 792.03
CHEQUE TOTAL		\$ 7,261.37

EFT Payments

EFT000000000154	GFL Environmental Services - reissue EFT000000000152 bank account error \$ 348.74	
EFT000000000155	Foothills County Inv 31632, March expenses - insurance, expenses	\$ 408,811.29
EFT000000000156	Avail LLP Inv 144021 - 2022 Financial Statements	\$ 4,200.00
EFT000000000157	Gregg Distributors Co Ltd. Inv 069-083842, 069-094712, 069-095656 - shop supplies	\$ 804.30
EFT000000000158	NLR/AE Consultants Inv 3581 - 2022 annual reports	\$ 4,148.87
EFT000000000159	Geoware Inc. Inv 12499 - annual support & maintenance	\$ 19,010.25
EFT000000000160	Angevine, Joe Inv March & April/23 expenses	\$ 331.23

EFT000000000161	High River Mechanical Ltd. Inv 22724 - CVIP on unit 643	\$	2,803.84
EFT000000000162	Propane Busters Inc. Inv Fh-22 - cylinder disposal	\$	1,019.76
EFT000000000163	Iron Edge Equipment Ltd. Inv 18034, 18037 - equipment repairs	\$	11,693.64
EFT000000000164	Advantage Vac & Septic Services Inv 5179 - clean septic tanks	\$	596.10
EFT000000000165	ABC Waste Potties Ltd. Inv 32678, 32800 - portable toilet rental	\$	551.25
EFT000000000166	FANS Services Inv 47 - coffee service	\$	150.00
EFT000000000167	Sobeys Okotoks Inv 143519 - purified water	\$	41.93
EFT000000000168	Zedcor Security Solutions Corp. Inv 25479, 25218 - repairs, monitoring & equipment	\$	1,526.70
EFT000000000169	GFL Environmental Services Inc. Inv LQ01708528 - used oil & filters	\$	348.76
EFT000000000170	XL Electrical Contracting Inv 2309 - tube disposal	\$	960.22

EFT TOTAL	\$ 456,998.14
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Pre-Authorized Payments

2023-04-10	Direct Energy	\$840.26
2023-04-11	Telus Mobility	\$123.48
2023-04-14	EPCOR	\$1,697.84
2023-05-05	Xplornet	\$498.75

PAP TOTAL	\$3,160.33
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GRAND TOTAL	\$ 467,419.84
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**FOOTHILLS REGIONAL SERVICES COMMISSION
MONTHLY TONNAGE
MARCH 2023**

MONTH	HIGH RIVER	OKOTOKS	FOOTHILLS COUNTY	DIAMOND VALLEY	NANTON	COMMERCIAL	NO CHARGE TONNAGE	TOTAL TONNAGE	NUMBER OF VEHICLES
JANUARY	332.86	545.97	382.42	130.49	93.54	1,584.33	415.08	3,484.69	5,716
FEBRUARY	269.94	401.33	290.31	100.26	50.71	1,450.21	10.28	2,573.04	4,192
MARCH	326.94	508.18	338.40	105.31	46.75	2,260.19	24.99	3,610.76	5,254
APRIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
MAY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
JUNE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
JULY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
AUGUST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
SEPTEMBER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
OCTOBER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
NOVEMBER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
DECEMBER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
TOTAL	929.74	1,455.48	1,011.13	336.06	191.00	5,294.73	450.35	9,668.49	15,162
POPULATION	14,324	30,405	23,200	5,341	2,167	75,437	75,437	75,437	
Tonnes/Capita	0.06	0.05	0.04	0.06	0.09	0.07	0.01	0.13	

**FOOTHILLS REGIONAL SERVICES COMMISSION
MONTH TO YEAR COMPARISON
MARCH 2023**

	MARCH 2022	March 2023	MO. TO DATE VARIANCE	% CHANGE	YR TO DATE 2022	YR TO DATE 2023	YR TO DATE VARIANCE	% CHANGE
HIGH RIVER	390.96	326.94	-64.02	-16.38%	973.19	929.74	-43.45	-4.46%
OKOTOKS	559.58	508.18	-51.40	-9.19%	1,502.83	1,455.48	-47.35	-3.15%
FOOTHILLS COUNTY	467.70	338.40	-129.30	-27.65%	1,140.83	1,011.13	-129.70	-11.37%
DIAMOND VALLEY	168.05	105.31	-62.74	-37.33%	447.19	336.06	-111.13	-24.85%
NANTON	58.94	46.75	-12.19	-20.68%	161.93	191.00	29.07	17.95%
COMMERCIAL	2,265.16	2,260.19	-4.97	-0.22%	15,302.30	5,294.73	-10,007.57	-65.40%
NO CHARGE FILL	31.17	24.99	-6.18	-19.83%	2,298.77	450.35	-1,848.42	-80.41%
TOTALS	3,941.56	3,610.76	-330.80	-8.39%	21,827.04	9,668.49	-12,158.55	-55.70%
VEHICLES	6,467	5,254	-1,213	-18.76%	10,726	15,162	4,436	41.36%
AVG. TONNAGE/VEHICLE	0.61	0.69	0.08	12.76%	2.03	0.64	-1.40	-68.66%

**2023 BUDGET TONNAGE 70,531
% TO DATE 13.71%**

Leaves, Grass and
other compostable
Material included in
above amounts

	MARCH 2022	March 2023	MO. TO DATE VARIANCE	% CHANGE	YR TO DATE 2022	YR TO DATE 2023	YR TO DATE VARIANCE	% CHANGE
HIGH RIVER	19.19	8.53	-10.66	-55.55%	35.08	23.96	-11.12	-31.70%
OKOTOKS	24.14	15.72	-8.42	-34.88%	65.92	53.17	-12.75	-19.34%
FOOTHILLS COUNTY	38.01	13.05	-24.96	-65.67%	60.33	50.28	-10.05	-16.66%
DIAMOND VALLEY	4.34	1.43	-2.91	-67.05%	9.90	9.46	-0.44	-4.44%
NANTON	1.28	0.12	-1.16	-90.63%	2.24	1.27	-0.97	-43.30%
COMMERCIAL	59.13	70.48	11.35	19.19%	110.53	141.66	31.13	28.16%
	146.09	109.33	-36.76	-25.16%	284.00	279.80	-4.20	-1.48%

**FOOTHILLS REGIONAL SERVICES COMMISSION
COMPARISON - TRUCK AND RESIDENT HAULING
MARCH 2023**

MONTH	DIAMOND VALLEY		HIGH RIVER		FOOTHILLS COUNTY		OKOTOKS		NANTON	
	TRUCK	RESIDENT	TRUCK	RESIDENT	TRUCK	RESIDENT	TRUCK	RESIDENT	TRUCK	RESIDENT
JANUARY	88.67	41.82	255.18	77.68	19.96	362.46	310.03	235.94	53.52	40.02
FEBRUARY	70.18	30.08	206.32	63.62	22.82	267.49	251.92	149.41	39.02	11.69
MARCH	70.86	34.45	246.96	79.98	16.06	322.34	307.36	200.82	36.15	10.60
APRIL										
MAY										
JUNE										
JULY										
AUGUST										
SEPTEMBER										
OCTOBER										
NOVEMBER										
DECEMBER										
TOTAL	229.71	106.35	708.46	221.28	58.84	952.29	869.31	586.17	128.69	62.31
	68.35%	31.65%	76.20%	23.80%	5.82%	94.18%	59.73%	40.27%	67.38%	32.62%

Foothills Regional Services Commission
Landfill
Preliminary Statement of Operating Revenues and Expenses
For Month Ended March 31, 2023 (75% of year remaining)

Revenues	Month of March	2023 Budget	2023 Actual	Balance Remaining	% Left
Waste fees	\$ 309,496	\$ 5,385,456	842,279	\$ 4,543,177	84.36%
Scrap Metal/Batteries	1,193	75,000	1,193	73,808	98.41%
Hydrovac Revenue	3,435	75,000	17,997	57,003	76.00%
Other income	52	108,313	1,591	106,722	98.53%
Lease income	-	28,513	7,128	21,385	75.00%
Interest	25,291	450,000	50,803	399,197	88.71%
Composting program	-	31,350		31,350	100.00%
Gain on Sale of Equipment	-				
	\$ 339,467	\$ 6,153,632	920,991	\$ 5,232,641	85.03%
Expenses					
Wages and benefits	\$ 108,630	\$ 1,674,995	345,791	\$ 1,329,204	79.36%
Cell closure/final cover	-	100,000		100,000	100.00%
Amortization of TCA	-	869,130		869,130	100.00%
Engineering fees	8,314	163,000	8,314	154,686	94.90%
Work contracted	2,837	60,200	6,862	53,338	88.60%
Maintenance - Building	295	15,300	1,300	14,000	91.50%
Maintenance - Landfill	525	45,390	5,078	40,312	88.81%
Equipment repair and maintenance	60,543	325,000	87,657	237,343	73.03%
Fuel and oil	14,165	325,000	31,441	293,559	90.33%
Bank charges & interest	1,873	36,000	6,904	29,096	80.82%
Telephone and utilities	5,833	39,650	11,773	27,877	70.31%
Household hazardous waste program	6,137	125,000	9,438	115,562	92.45%
Small tools & supplies	2,482	30,000	5,071	24,929	83.10%
Administration services	4,583	35,000	8,750	26,250	75.00%
Memberships	-	2,300	338	1,962	85.33%
Insurance	(1,254)	44,000	222	43,778	99.49%
Wood chipping/concrete crushing	-	100,000		100,000	100.00%
Staff training	550	12,000	1,500	10,500	87.50%
Office and shop supplies	2,001	38,000	2,520	35,480	93.37%
Travel & Conference	188	5,000	282	4,718	94.36%
Composting expenses	-	8,160		8,160	100.00%
Audit and legal fees	-	13,650		13,650	100.00%
Advertising	-	9,000	1,253	7,747	86.08%
Miscellaneous	628	10,000	2,036	7,964	79.64%
Debenture interest	-	4,887		4,887	100.00%
Postage	58	2,000	208	1,793	89.63%
Bad debts	-	2,000		2,000	100.00%
Discount Ticket Sales	160	0	470	(470)	0.00%
	\$ 218,549	\$ 4,094,662	537,207	\$ 3,557,455	86.88%
Gain (Loss) before the following	\$ 120,917	\$ 2,058,970	383,784	\$ 1,675,186	
Capital expenditures					
Cap Construction	\$ 4,179	\$ 250,000	4,179	\$ 245,821	98.33%
Cell Construction	-	\$ 3,300,000	8,014	3,291,986	99.76%
Land & Improvements	-	285,000		285,000	100.00%
Trucks & Equipment	271,700	119,000	321,100	(202,100)	-169.83%
Buildings	-	50,000		50,000	100.00%
Transfer to (from) Reserve - Closure	-	500,000		500,000	100.00%
Transfer to (from) Reserve - Capital	-	(2,500,000)		(2,500,000)	100.00%
Debt payment - composting	-	47,939		47,939	100.00%
EXCESS OF REVENUES (EXPENSES)	\$ (154,961)	\$ 7,031	58,506	\$ 3,298,525	
FOR THE YEAR					

FOOTHILLS REGIONAL SERVICES COMMISSION

FINANCIAL STATEMENTS

For the year ended December 31, 2022

Draft - April 3, 2023

FOOTHILLS REGIONAL SERVICES COMMISSION
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For the year ended December 31, 2022

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Draft - April 3, 2023



INDEPENDENT AUDITOR'S REPORT

To: The Board of
Foothills Regional Services Commission

Opinion

We have audited the financial statements of the Foothills Regional Services Commission which comprise the statement of financial position as at December 31, 2022, and the statements of operations, change 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, 2022, its results of operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of 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 related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but 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:

INDEPENDENT AUDITOR'S REPORT, continued

- 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 used 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 auditor's 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 auditor's report. However, future events or conditions may cause the company 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.

Report on Other Legal and Regulatory Requirements

Debt Limit Regulation:

In accordance with Alberta Regulation 76/2000, we confirm that the Foothills Regional Services Commission is in compliance with the Debt Limit Regulation. A detailed account of the Commission's debt limit can be found in note 7.

April 24, 2023

Chartered Professional Accountants

FOOTHILLS REGIONAL SERVICES COMMISSION
STATEMENT OF FINANCIAL POSITION
As at December 31, 2022

	2022	2021
Financial assets		
Cash	\$ 6,998,748	\$ 5,208,752
Trade and other receivables (note 3)	728,206	551,510
Due from Commission members (note 4)	84,899	107,567
Investments (note 5)	20,727,133	20,450,390
	28,538,986	26,318,219
Liabilities		
Accounts payable and accrued liabilities	382,292	372,332
Landfill closure and post-closure liability (note 6)	2,176,248	2,193,244
Deferred revenue	4,156	3,772
Long-term debt (note 7)	123,841	169,754
	2,686,537	2,739,102
Net financial assets	25,852,449	23,579,117
Non-financial assets		
Prepaid expenses	42,748	41,508
Tangible capital assets (schedule 1)	10,635,516	10,646,264
	10,678,264	10,687,772
Accumulated surplus (note 8, schedule 4)	\$ 36,530,713	\$ 34,266,889

Approved on behalf of the board:

Member _____

Member _____

FOOTHILLS REGIONAL SERVICES COMMISSION
STATEMENT OF OPERATIONS
For the year ended December 31, 2022

	Budget (unaudited)	2022	2021
Revenue			
Frank Lake (schedule 2)	\$ 161,100	\$ 123,338	\$ 123,873
Landfill (schedule 3)	6,045,023	5,889,232	5,798,175
	6,206,123	6,012,570	5,922,048
Expenses			
Frank Lake (schedule 2)	255,050	196,452	212,199
Landfill (schedule 3)	4,044,044	3,552,294	3,407,873
	4,299,094	3,748,746	3,620,072
Excess of revenue over expenses	1,907,029	2,263,824	2,301,976
Accumulated surplus, beginning of year	34,266,889	34,266,889	31,964,913
Accumulated surplus, end of year	\$ 36,173,918	\$ 36,530,713	\$ 34,266,889

Draft - April 3, 2023

FOOTHILLS REGIONAL SERVICES COMMISSION
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2022

	Budget (unaudited)	2022	2021
Excess of revenue over expenses	\$ 1,907,029	\$ 2,263,824	\$ 2,301,976
Acquisition of tangible capital assets	(1,170,000)	(1,004,798)	(1,586,323)
Amortization of tangible capital assets	1,047,036	1,015,546	1,003,619
Loss on disposal of tangible capital assets	-	-	6,019
Proceeds on disposal of tangible capital assets	-	-	340,200
	(122,964)	10,748	(236,485)
Net change in prepaid expenses	-	(1,240)	(12,178)
Change in net financial assets	1,784,065	2,273,332	2,053,313
Net financial assets, beginning of year	23,579,117	23,579,117	21,525,804
Net financial assets, end of year	\$ 25,363,182	\$ 25,852,449	\$ 23,579,117

Draft - April 3, 2023

FOOTHILLS REGIONAL SERVICES COMMISSION
STATEMENT OF CASH FLOWS
For the year ended December 31, 2022

	2022	2021
Operating transactions		
Excess of revenue over expenses	\$ 2,263,824	\$ 2,301,976
Adjustments for items which do not affect cash		
Loss on disposal of tangible capital assets	-	6,019
Amortization of tangible capital assets	1,015,546	1,003,619
Closure and post closure costs	(16,996)	(2,761)
	3,262,374	3,308,853
Net change in non-cash working capital items		
Trade and other receivables	(176,696)	87,873
Due from Commission members	22,668	(38,541)
Prepaid expenses	(1,240)	(12,178)
Accounts payable and accrued liabilities	9,960	124,268
Deferred revenue	384	201
Cash provided by operating transactions	3,117,450	3,470,476
Capital transactions		
Proceeds on disposal of tangible capital assets	-	340,200
Acquisition of tangible capital assets	(1,004,798)	(1,586,323)
Cash applied to capital transactions	(1,004,798)	(1,246,123)
Investing transactions		
Change in investments	(276,743)	(2,466,683)
Financing transactions		
Repayment of long-term debt	(45,913)	(43,973)
Increase (decrease) in cash	1,789,996	(286,303)
Cash, beginning of year	5,208,752	5,495,055
Cash, end of year	\$ 6,998,748	\$ 5,208,752

FOOTHILLS REGIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

1. Nature of operations

Foothills Regional Services Commission is constituted under the Municipal Government Act and was approved by the Minister of Municipal Affairs on July 10, 1989 for the purpose of supplying sewage transmission and treatment services and waste management services.

The members of the Commission are Foothills County, the Town of High River and the Town of Okotoks. The members of the landfill operation include the preceding, as well as the Town of Black Diamond, the Town of Nanton and the Town of Turner Valley.

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

2. Significant accounting policies

The financial statements are prepared in accordance with Canadian public sector accounting standards and reflect the assets, liabilities, revenues and expenses, and change in the financial position of the Commission. Significant aspects of the accounting policies adopted by the Commission are as follows:

(a) Basis of presentation

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

(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.

Restricted investment income is recognized in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Government transfers are recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets acquired.

(c) Cash and cash equivalents

The Commission includes cash on hand, held by financial institutions in operating accounts, and temporary investments in the determination of cash.

(d) Investments

Investments are recorded at amortized cost. When there has been a loss in value that is other than a temporary decline, the investment is written down to recognize the loss.

(e) Long-term debt

Long-term debt is initially recognized net of any premiums, discounts, fees and transaction costs, with interest expense recognized using the effective interest method. Long-term debt is subsequently measured at amortized cost.

FOOTHILLS REGIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

2. Significant accounting policies, continued

- (f) Contaminated sites liability
Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.
- (g) Landfill closure and post-closure liability
Pursuant to the Alberta Environment 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.
- (h) Non-financial assets
Non-financial assets are not available to discharge existing liabilities and 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 consolidated Change in Net Financial Assets 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 of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Land improvements	25
Buildings	25
Engineered structures	35
Machinery and equipment	10
Transfer sites	10

Full annual amortization is charged in the year of acquisition and none in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

- (i) Budget amounts
The budget amounts presented on the statement of operations are taken from the Commission's annual budget. Certain budget amounts have been reclassified to conform with the current year's financial statement presentation.

FOOTHILLS REGIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

2. Significant accounting policies, continued

- (j) Valuation of financial assets and liabilities
The Commission's financial assets and financial liabilities are measured as follows:

Financial statement component	Measurement
Cash	Cost
Trade and other receivables	Lower of cost or net recoverable value
Investments	Amortized cost
Accounts payable and accrued liabilities	Cost
Long-term debt	Amortized cost

- (k) 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 expense during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

A significant area requiring the use of management's estimates was the landfill closure/post closure liability. The liability was calculated based on estimated future cash flows required to cover the costs of landfill closure and groundwater monitoring.

The effect on the financial statements of changes in such estimates in future periods could be significant.

3. Trade and other receivables

	2022	2021
Trade receivables	\$ 609,134	\$ 439,309
Interest receivable	87,251	62,194
GST receivable	31,821	50,028
Allowance for doubtful accounts	-	(21)
	\$ 728,206	\$ 551,510

FOOTHILLS REGIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

4. Due from Commission members

	2022	2021
Town of High River	\$ 33,115	\$ 53,045
Foothills County	22,190	21,744
Town of Okotoks	21,241	22,489
Town of Black Diamond	3,190	3,972
Town of Nanton	2,623	3,078
Town of Turner Valley	2,540	3,239
	\$ 84,899	\$ 107,567

5. Investments

	2022		2021	
	Cost	Market value	Cost	Market value
Treasury Board and Finance	\$ 10	\$ 10	\$ 10	\$ 10
Fixed income	20,727,123	19,455,958	20,450,380	21,247,468
	\$ 20,727,133	\$ 19,455,968	\$ 20,450,390	\$ 21,247,478

Fixed income investments consists of bonds, notes, and debentures with interest rates ranging from 1.03% to 3.61%, and maturity dates ranging from 2024 to 2032.

FOOTHILLS REGIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

6. 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.

Management estimated the total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 30 years after closure using a discount rate of 4.65% (2021 - 1.5%).

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. The existing landfill site is expected to reach capacity in 2045.

During the year, the Commission reduced the accrual for landfill closure and post-closure costs by \$16,996 (2021 - \$2,761) due to an adjustment in the estimated remaining life of the cells in use.

	2022	2021
Estimated closure costs	\$ 1,423,500	\$ 1,468,530
Estimated post-closure costs	752,748	724,714
Estimated total liability	2,176,248	2,193,244

FOOTHILLS REGIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

7. Long-term debt

	2022	2021
Debentures payable	\$ 123,841	\$ 169,754

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2023	\$ 47,939	\$ 4,887	\$ 52,826
2024	50,053	2,772	52,825
2025	25,849	564	26,413
	\$ 123,841	\$ 8,223	\$ 132,064

Debenture debt is repayable to Treasury Board and Finance and matures in 2025. The interest rate is 4.364%, before Provincial subsidy. For qualifying debentures, the Province of Alberta rebates 60% of interest in excess of 8%, 9%, and 11% to a maximum annual rate of 12.5%, depending on the date borrowed. Debenture debt is issued on the credit and security of the Commission at large.

Section 3 of Alberta Regulation 76/2000 requires that debt and debt limits for the Commission be disclosed as follows:

	2022	2021
Total debt limit	\$ 12,025,140	\$ 11,844,094
Total debt	123,841	169,754
	\$ 11,901,299	\$ 11,674,340
Debt servicing limit	\$ 2,104,400	\$ 2,072,716
Debt servicing	52,826	52,826
	\$ 2,051,574	\$ 2,019,890

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 Commissions which 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.

FOOTHILLS REGIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

8. Accumulated surplus

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

	2022	2021
Unrestricted surplus	\$ 6,908,172	\$ 6,014,513
Internally restricted surplus (reserves) (note 9)	19,110,866	17,775,866
Equity in tangible capital assets (note 10)	10,511,675	10,476,510
	<u>\$ 36,530,713</u>	<u>\$ 34,266,889</u>

9. Reserves

	2022	2021
Operating		
Site closure/replacement and trench liner	\$ 12,980,805	\$ 12,200,805
Equipment replacement	5,563,797	5,063,797
Recycling initiative	20,000	20,000
	<u>18,564,602</u>	<u>17,284,602</u>
Capital		
Equipment replacement	546,264	491,264
	<u>\$ 19,110,866</u>	<u>\$ 17,775,866</u>

10. Equity in tangible capital assets

	2022	2021
Tangible capital assets (schedule 1)	\$ 21,303,213	\$ 20,298,415
Accumulated amortization (schedule 1)	(10,667,697)	(9,652,151)
Long-term debt (note 7)	(123,841)	(169,754)
	<u>\$ 10,511,675</u>	<u>\$ 10,476,510</u>

FOOTHILLS REGIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

11. Related party transactions

Foothills County, the Town of High River, the Town of Okotoks, the Town of Black Diamond, the Town of Nanton and the Town of Turner Valley are members of the Commission and, as such, have been identified as related parties.

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

	2022	2021
Town of Okotoks	\$ 252,159	\$ 278,089
Town of High River	314,542	323,521
Town of Turner Valley	56,476	71,824
Town of Nanton	40,541	60,622
Town of Black Diamond	55,940	64,594
Foothills County	86,313	39,345
	\$ 805,971	\$ 837,995

Expenses charged by Commission members are as follows:

	2022	2021
Foothills County	\$ 2,101,523	\$ 2,304,163
Town of High River	16,694	17,268
	\$ 2,118,217	\$ 2,321,431

Accounts payable and accrued liabilities include amounts payable to:

	2022	2021
Foothills County	\$ 250,596	\$ 225,004
Town of High River	1,073	2,330
	\$ 251,669	\$ 227,334

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

FOOTHILLS REGIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

12. Financial instruments

The Commission's financial instruments consist of investments, trade and other receivables, amounts due from Commission members and accounts payable and accrued liabilities.

The Commission is exposed to credit risk on its accounts receivable. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Commission has adopted credit policies and performs regular review of customer accounts in order to reduce its credit risk.

The Commission is exposed to interest rate risk through its investment portfolio. Fluctuations in market interest rates will impact the fair value of these investments. The company minimizes interest rate risk by holding investments with varying maturity dates and interest rates.

The carrying value of these financial instruments approximates their fair value, except as noted in these financial statements.

13. Budget amounts

The 2022 budget was approved by the Commission and has been reported in the financial statements for information purposes only. The budget amounts have not been audited, reviewed, or otherwise verified.

Budgeted surplus per financial statements	\$ 1,907,029
Less: Capital expenditures	(1,170,000)
Long-term debt repayments	(45,913)
Transfers to reserves	(826,250)
Add: Frank Lake's amortization	140,200
<hr/>	
Equals: budgeted surplus	<u>\$ 5,066</u>

FOOTHILLS REGIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

14. Contaminated sites liability

The Commission did not identify any financial liabilities in 2022 (2021 - nil) as a result of contaminated sites.

15. Comparative figures

Where necessary the comparative figures for the 2021 year have been reclassified to conform with 2022 financial statement presentation.

16. Approval of financial statements

These financial statements were approved by the Board and Management.

Draft - April 3, 2023

FOOTHILLS REGIONAL SERVICES COMMISSION
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

Schedule of tangible capital assets

Schedule 1

	Land improvements	Buildings	Engineered structures	Machinery and equipment	Transfer sites	Construction in progress	2022	2021
Cost:								
Balance, beginning of year	\$ 10,236,148	\$ 1,619,910	\$ 3,280,239	\$ 4,839,956	\$ 80,262	\$ 241,900	\$ 20,298,415	\$ 19,734,745
Acquisitions	97,845	-	-	619,255	-	287,698	1,004,798	1,586,323
Disposals	-	-	-	-	-	-	-	(1,022,653)
Balance, end of year	10,333,993	1,619,910	3,280,239	5,459,211	80,262	529,598	21,303,213	20,298,415
Accumulated amortization:								
Balance, beginning of year	4,111,613	733,409	2,150,193	2,576,674	80,262	-	9,652,151	9,324,967
Annual amortization	406,106	62,015	93,721	453,704	-	-	1,015,546	1,003,619
Disposals	-	-	-	-	-	-	-	(676,435)
Balance, end of year	4,517,719	795,424	2,243,914	3,030,378	80,262	-	10,667,697	9,652,151
Net book value	\$ 5,816,274	\$ 824,486	\$ 1,036,325	\$ 2,428,833	\$ -	\$ 529,598	\$ 10,635,516	\$ 10,646,264
2021 net book value	\$ 6,124,535	\$ 886,501	\$ 1,130,046	\$ 2,263,282	\$ -	\$ 241,900	\$ 10,646,264	

Draft - April 3, 2023

FOOTHILLS REGIONAL SERVICES COMMISSION
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

Schedule of Frank Lake	Budget (Unaudited)	2022	Schedule 2 2021
Revenue			
Other service fees and sales of goods	\$ 157,400	\$ 109,458	\$ 120,400
Investment income	3,700	13,880	3,473
	161,100	123,338	123,873
Expenses			
Materials, goods and utilities	38,700	42,494	31,630
Contracted and general services	76,150	24,491	46,080
Amortization of tangible capital assets	140,200	129,467	134,489
	255,050	196,452	212,199
Deficiency of revenue over expenses	\$ (93,950)	\$ (73,114)	\$ (88,326)

Draft - April 3, 2023

FOOTHILLS REGIONAL SERVICES COMMISSION
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

Schedule of Landfill	Budget (Unaudited)	2022	Schedule 3 2021
Revenue			
Landfill service fees	\$ 5,382,170	\$ 5,099,808	\$ 5,004,952
Investment income	400,000	555,150	503,429
Other service fees and sales of goods	262,853	234,274	289,794
	6,045,023	5,889,232	5,798,175
Expenses			
Salaries, wages and benefits	1,674,995	1,423,494	1,378,356
Contracted and general services	988,000	801,880	822,572
Materials, goods and utilities	337,300	424,339	300,129
Bank charges and short-term interest	30,000	26,673	25,660
Interest on long-term debt	6,913	6,825	8,768
Closure and post-closure costs	100,000	(16,996)	(2,761)
Loss on disposal of tangible capital assets	-	-	6,019
Amortization of tangible capital assets	906,836	886,079	869,130
	4,044,044	3,552,294	3,407,873
Excess of revenue over expenses	\$ 2,000,979	\$ 2,336,938	\$ 2,390,302

FOOTHILLS REGIONAL SERVICES COMMISSION
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

Schedule of changes in accumulated surplus				Schedule 4	
	Unrestricted	Internally restricted	Equity in tangible capital assets	2022	2021
Balance, beginning of year	\$ 6,014,513	\$ 17,775,866	\$ 10,476,510	\$ 34,266,889	\$ 31,964,913
Excess of revenue over expenses	2,263,824	-	-	2,263,824	2,301,976
Unrestricted funds designated for future use	(1,335,000)	1,335,000	-	-	-
Current year funds used for tangible capital assets	(1,004,798)	-	1,004,798	-	-
Annual amortization expense	1,015,546	-	(1,015,546)	-	-
Long-term debt repaid	(45,913)	-	45,913	-	-
Change in accumulated surplus	893,659	1,335,000	35,165	2,263,824	2,301,976
Balance, end of year	\$ 6,908,172	\$ 19,110,866	\$ 10,511,675	\$ 36,530,713	\$ 34,266,889

Draft - April 3, 2023

April 24, 2023

Board of Directors
Foothills Regional Services Commission
PO Box 5605
High River, Alberta T1V 1M7

Attention: Audit Committee

Ladies and Gentlemen:

We have completed our audit of the financial statements of the Foothills Regional Services Commission for the year ended December 31, 2022. Our audit included consideration of internal control relevant to the preparation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, our review of any given control was limited and would not disclose all weaknesses in the system or all matters which an in-depth study might indicate. As you know, the maintenance of an adequate system of internal controls is the responsibility of the Board of Directors.

During the course of our audit for the year ended December 31, 2022, we identified no significant matters which may be of interest to the Board.

This communication is prepared solely for the information of the Board members and management of the Foothills Regional Services Commission and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We would like to thank Courtney Russell, Sara-Lynn Lyons and Christine Hummel, CPA, CMA, CLGM for their assistance during our audit. Thank you for the continuing opportunity to be of service to your organization and we look forward to serving you in the future. If you have any questions or concerns regarding our audit or any other issues with which you may require our assistance, please do not hesitate to contact us.

Thank you.

Yours truly,

AVAIL LLP

James Nakashima, CPA, CA, CBV

April 24, 2023

Board of Directors
Foothills Regional Services Commission
PO Box 5605
High River, Alberta T1V 1M7

Ladies and Gentlemen:

RE: 2022 ANNUAL AUDIT OF FOOTHILLS REGIONAL SERVICES COMMISSION

We are pleased to provide the following report relating to our audit of the financial statements of Foothills Regional Services Commission for the year ending December 31, 2022.

During the course of our audit we identified matters which may be of interest to the Board. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to the Board in discharging its responsibilities. Accordingly an audit would not usually identify all such matters.

The matters identified are included in this report which has been prepared solely for the information of the Board and is not intended for any other purpose. As such, we accept no responsibility to a third party who uses this report. Should any member of the audit committee or equivalent wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

Our report is intended to assist the Board in fulfilling its obligation with respect to the 2022 financial statements. We have also attached a separate communication regarding the role of the Board and our recommendations for the Board of the Commission.

We would be pleased to further discuss any of the issues addressed in the report or any other issue which may be of interest or concern to the Board.

Yours truly,

AVAIL LLP

James Nakashima, CPA, CA, CBV

Jacie Klassen, CPA
Enclosure

I. Purpose and Scope of Examination

We refer you to our communication dated March 16, 2023, which outlines the purpose and scope of our examination.

II. Results of Examination

As a result of our examination, we report that, in our opinion, the financial statements as at December 31, 2022 present fairly, in all material respects, the financial position of the Commission in accordance with Canadian public sector accounting standards.

Throughout the course of our examination, we received full co-operation from Commission officials and employees. No restrictions were imposed on the method or extent of our examination. We were given access to all records, documents and other supporting data and were furnished all information and explanations we required. In addition, we had the opportunity to discuss accounting matters with Commission officials.

III. Communication with Board

In accordance with the auditing standard "communications with those having oversight responsibility for the financial reporting process", the following matters are recommended to be communicated to the Board.

Matters to be Communicated	Reference/Comment
1. Significant Deficiencies in Internal Controls	During our audit, we did not encounter any significant deficiencies in internal controls.
2. Illegal Acts and Fraud	<p>An audit conducted in accordance with generally accepted auditing standards does not provide assurance about an entity's compliance with the laws and regulations that may affect it. These standards include, however, a requirement that the nature, extent and timing of the auditors' procedures should be designed so that, in the auditors' professional judgment, the risk of not detecting a material misstatement in the financial statements is reduced to an appropriately low level.</p> <p>However, due to the nature of illegal acts, an auditor conducting an audit in accordance with generally accepted auditing standards may not detect an illegal act, or recognize an act as being illegal, even if the effect of its consequences on the financial statements is material.</p> <p>Based on the results of our testing, we did not identify any illegal, improper or questionable payments or acts nor any acts committed with the intent to deceive, involving either misappropriation of assets or misrepresentation of financial information.</p>

3. Significant Accounting Principles and Policies	We refer you to note 2 to the financial statements for a summary of significant accounting policies adopted by the Commission.
4. Management's Judgments and Accounting Estimates	<p>There were no disagreements between management and ourselves regarding management's judgments and accounting estimates.</p> <p>Going Concern Assumption - It is now a requirement that management make an assessment each year regarding the Commission's ability to continue as a going concern. This assessment requires management to make certain judgments about the Commission's ability to meet its obligations in the foreseeable future.</p> <p>Management has advised that they are aware of no events or conditions that cast doubt upon the Commission's ability to continue as a going concern in the foreseeable future, and there is no intention to liquidate the Commission's assets or otherwise cease operations.</p>
5. Written Representation from Management	As requested, management has provided us written representations that it has fulfilled its responsibility for the preparation of the financial statements and that it has provided us with the required information for us to complete our audit.
6. Other Information in Documents Containing Audited Financial Statements	Should the Commission issue any report during the year that includes the audited financial statements, we will be required to read the unaudited information in the report prior to its release to ensure consistency with the information presented in the financial statements.
7. Disagreements with Management	There were no disagreements between management and ourselves with respect to the Commission's accounting policies or presentation and disclosure in the financial statements.
8. Difficulties Encountered in Performing the Audit	The full co-operation of management and other personnel was received during our examination.
9. Financial Statement Disclosure	There were no contentious financial statement disclosure issues.
10. Other Matters	No other matters were noted.
11. Emerging Issues	<p>FUTURE ACCOUNTING CHANGES</p> <p>The Public Sector Accounting Board has issued the following accounting standards:</p> <p><u>PSG-8 Public Sector Guideline - Purchased Intangibles</u> (effective fiscal years beginning April 1, 2023) This guideline will allow recognition of purchased intangibles as assets. Earlier adoption is permitted.</p> <p><u>PS 3450 Financial Instruments</u> (effective fiscal years beginning April 1, 2022) Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3401 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting</p>

principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

PS 3280 Asset Retirement Obligations

(effective fiscal years beginning April 1, 2022)

This standard provides guidance on how to account for and report a liability for retirement of tangible capital assets. Early adoption of this section may be mandated by the Government of Alberta, pending recommendations from the ARO working group.

PS 3400 Revenue

(effective fiscal years beginning April 1, 2023)

This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange and non-exchange (unilateral) transactions.

PS 3160 Public Private Partnerships

(effective fiscal years beginning April 1, 2023)

This standard provides guidance on the accounting for a public private partnership (P3).

PS 1202 – Financial Statement Presentation

(effective when PS 2601 and PS 3450 are adopted)

A new standard has been proposed to replace PS 1201 Financial Statement Presentation and is intended to provide an improved financial reporting framework.

Some of the key proposed changes are:

- liabilities will be separated into two categories: financial and non-financial
- the Statement of Financial Position will be restructured to present total assets followed by total liabilities to arrive at net assets
- the net debt indicator will be removed from the Statement of Financial Position and will be shown on a separate statement “Statement of Net Financial Assets or Net Financial Liabilities”
- the requirement to present a Statement of Changes in Net Financial Assets (Debt) will be removed
- other minor changes are proposed to the Statement of Cash Flows and budgeted information

Foothills Regional Services Commission
 Unadjusted Financial Statement Misstatements
 For the year ended December 31, 2022

Unadjusted Financial Statement Misstatements	Proposed Adjustments Dr (Cr)				
			Balance Sheet		
	Opening Equity	Income Statement	Assets	Liabilities	Closing Equity
Subtotal	-	-	-	-	-
Income taxes	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Draft - April 3, 2023