

FOOTHILLS REGIONAL SERVICES COMMISSION

FINANCIAL STATEMENTS

For the year ended December 31, 2022

FOOTHILLS REGIONAL SERVICES COMMISSION
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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.

Lethbridge, Alberta

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

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

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
	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)
	(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)
	<u>\$ 728,206</u>	<u>\$ 551,510</u>

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
<u>Equals: budgeted surplus</u>	<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.

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	

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)

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

Schedule of Landfill

Schedule 3

	Budget (Unaudited)	2022	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