

Leduc and District Regional Waste Management Commission
Financial Statements
December 31, 2025

Management's Responsibility

To the Board of Leduc and District Regional Waste Management Commission:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Commission. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, internal auditors, and external auditors. The Board is also responsible for recommending the appointment of the Commission's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

April 15, 2026



Chair



Vice Chair

To the Board of Leduc and District Regional Waste Management Commission:

Opinion

We have audited the financial statements of Leduc and District Regional Waste Management Commission (the "Commission"), which comprise the statement of financial position as at December 31, 2025, 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, 2025, and the results of its operations, changes in its 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:

- 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 Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Leduc, Alberta

April 15, 2026

MNP LLP

Chartered Professional Accountants

Leduc and District Regional Waste Management Commission
Statement of Financial Position

As at December 31, 2025

	2025	2024
Financial assets		
Cash	4,674,522	7,963,363
Investments (Note 4)	12,798,471	7,995,672
Trade and other accounts receivable (Note 5), (Note 8)	966,422	1,192,689
Asset held for sale (Schedule 1)	-	559,629
	18,439,415	17,711,353
Liabilities		
Asset retirement obligations (Note 6)	13,564,833	12,341,064
Accounts payable and accrued liabilities (Note 8)	697,740	524,164
	14,262,573	12,865,228
Total of financial liabilities	14,262,573	12,865,228
Net financial assets	4,176,842	4,846,125
Non-financial assets		
Tangible capital assets (Schedule 1)	24,232,445	23,948,523
Prepaid expenses	-	9,887
	24,232,445	23,958,410
Total non-financial assets	24,232,445	23,958,410
Accumulated surplus (Schedule 2)	28,409,287	28,804,535

Commitments (Note 12)

Approved on behalf of the Board of Directors


 _____ Chair


 _____ Vice Chair

The accompanying notes are an integral part of these financial statements

Leduc and District Regional Waste Management Commission

Statement of Operations

For the year ended December 31, 2025

	2025 Budget (Note 11)	2025	2024
Revenue			
Fee revenue			
Commercial and construction waste fees	3,522,795	4,152,804	3,469,662
Beneficial and impacted soil fees	293,000	886,877	419,443
Residential waste fees	518,373	602,476	534,208
Other waste fees	21,584	125,069	96,605
Investment income	425,000	521,374	743,571
Other revenue	2,500	2,448	2,479
Rebates	(177,051)	(159,234)	(147,815)
	4,606,201	6,131,814	5,118,153
Expenses			
Contract operator fees	2,368,272	2,877,647	2,413,506
Amortization	-	1,743,850	2,825,468
Water monitoring and leachate disposal	475,675	484,723	450,567
Accretion (Note 6)	-	395,092	359,448
Contracted administration fees (Note 8)	239,000	239,000	234,000
Other	186,700	207,490	190,668
Salaries and benefits	145,310	145,275	139,114
Contracted professional fees	133,100	126,378	126,513
Bird management	100,000	100,204	105,979
Conferences, training and meetings	71,200	60,390	60,791
Repairs and maintenance	60,000	50,060	85,233
Insurance	29,100	32,624	22,566
Bank charges and interest	20,000	30,544	22,162
Bad debts	15,000	18,794	41,292
Advertising and public awareness	11,000	6,768	16,048
Office supplies	8,400	8,223	7,357
	3,862,757	6,527,062	7,100,712
Operating (deficit) surplus before other items	743,444	(395,248)	(1,982,559)
Other expense			
Loss on disposal of capital assets	-	-	(905)
Excess (deficiency) of revenue over expenses	743,444	(395,248)	(1,983,464)
Accumulated surplus, beginning of year (Schedule 2)	28,804,535	28,804,535	30,787,999
Accumulated surplus, end of year (Schedule 2)	29,547,979	28,409,287	28,804,535

The accompanying notes are an integral part of these financial statements

Leduc and District Regional Waste Management Commission Statement of Change in Net Financial Assets

For the year ended December 31, 2025

	2025 <i>Budget</i> <i>(Note 11)</i>	2025	2024
Excess (deficiency) of revenue over expenses	743,444	(395,248)	(1,983,464)
Acquisition of tangible capital assets	(1,126,732)	(639,467)	(69,731)
Amortization of tangible capital assets	-	1,743,850	2,825,468
Loss on sale of tangible capital assets	-	-	905
Asset retirement obligation change in estimate	-	(828,677)	-
Use (acquisition) of prepaid expenses	-	9,887	(1,459)
Asset held for sale adjustment	-	(559,628)	559,629
Increase (decrease) in net financial assets	(383,288)	(669,283)	1,331,348
Net financial assets, beginning of year	4,846,125	4,846,125	3,514,777
Net financial assets, end of year	4,462,837	4,176,842	4,846,125

The accompanying notes are an integral part of these financial statements

Leduc and District Regional Waste Management Commission

Statement of Cash Flows

For the year ended December 31, 2025

	2025	2024
Operating activities		
Deficiency of revenue over expenses	(395,248)	(1,983,464)
Non-cash items		
Amortization	1,743,850	2,825,468
Accretion <i>(Note 6)</i>	395,092	359,448
Loss on disposal of capital assets	-	905
	1,743,694	1,202,357
Changes in working capital accounts		
Decrease in trade and other accounts receivable	226,261	23,371
Decrease (increase) in prepaid expenses and deposits	9,887	(1,457)
Increase (decrease) in accounts payable and accrued liabilities	173,583	(201,528)
	2,153,425	1,022,743
Capital activities		
Purchases of tangible capital assets	(639,467)	(1,145,647)
Investing activities		
Net increase of investments	(4,802,799)	(363,152)
Decrease in cash resources	(3,288,841)	(486,056)
Cash resources, beginning of year	7,963,363	8,449,419
Cash resources, end of year	4,674,522	7,963,363

The accompanying notes are an integral part of these financial statements

Leduc and District Regional Waste Management Commission
Schedule 1 - Schedule of Tangible Capital Assets

For the year ended December 31, 2025

	<i>Construction in progress</i>	<i>Land</i>	<i>Buildings</i>	<i>Equipment</i>	<i>Engineering structures</i>	<i>2025</i>	<i>2024</i>
Cost							
Balance, beginning of year	-	823,333	3,017,347	1,952,806	33,270,059	39,063,545	40,312,616
Acquisition of tangible capital assets	58,647	-	-	142,290	438,530	639,467	69,731
Disposal of tangible capital assets	-	-	-	-	-	-	(75,183)
Asset held for sale	-	-	-	-	-	-	(1,243,619)
Asset no longer held for sale	-	-	-	1,243,619	-	1,243,619	-
Asset retirement obligation change in estimate	-	-	-	-	828,677	828,677	-
Balance, end of year	58,647	823,333	3,017,347	3,338,715	34,537,266	41,775,308	39,063,545
Accumulated amortization							
Balance, beginning of year	-	-	1,061,439	1,352,062	12,701,521	15,115,022	13,047,824
Annual amortization	-	-	61,963	161,840	1,520,047	1,743,850	2,825,468
Accumulated amortization on disposals	-	-	-	-	-	-	(74,279)
Asset held for sale	-	-	-	-	-	-	(683,991)
Asset no longer held for sale	-	-	-	683,991	-	683,991	-
Balance, end of year	-	-	1,123,402	2,197,893	14,221,568	17,542,863	15,115,022
Net book value of tangible capital assets	58,647	823,333	1,893,945	1,140,822	20,315,698	24,232,445	23,948,523
2024 Net book value of tangible capital assets	-	823,333	1,955,908	600,744	20,568,539	23,948,523	

During the year, tangible capital assets were acquired at an aggregate cost of \$639,467 (2024 - \$69,731), of which nil remained in accounts payable at year-end (2024 - \$nil), resulting in total cash acquisitions of \$639,467 (2024 - \$1,145,647).

The Commission revised its estimate of the useful life of the East and West Landfill cells closure dates resulting in a \$828,677 increase in the landfill asset retirement obligation. The change in estimate resulted from updated engineering studies and revised assumptions related to expected closure activities, long term monitoring requirements, and inflation factors.

During the year, the Commission reclassified an asset previously classified as held for sale, with a carrying value of \$559,629, as management determined the asset would be returned to active use sometime in fiscal 2026.

Leduc and District Regional Waste Management Commission
Schedule 2 - Schedule of Changes in Accumulated Surplus (Deficit)

For the year ended December 31, 2025

	<i>Unrestricted Surplus</i>	<i>Restricted Operating Reserve (Note 10)</i>	<i>Restricted Capital Reserve (Note 10)</i>	<i>Closure-post Closure Reserve (Note 10)</i>	<i>Equity in Tangible Capital Assets (Note 9)</i>	<i>2025</i>	<i>2024</i>
Balance, beginning of year	6,247,772	9,864,829	524,845	-	12,167,089	28,804,535	30,787,999
Deficiency of revenue over expenses	(395,248)	-	-	-	-	(395,248)	(1,983,464)
Unrestricted funds designated for future use	(6,556,878)	308,008	640,094	5,608,776	-	-	-
Restricted funds for operations	149,277	(36,009)	(113,268)	-	-	-	-
Restricted funds used for tangible capital assets	-	-	(639,467)	-	639,467	-	-
Amortization of tangible capital assets	1,743,850	-	-	-	(1,743,850)	-	-
Asset retirement obligation - accretion	395,092	-	-	-	(395,092)	-	-
Change in accumulated surplus	(4,663,907)	271,999	(112,641)	5,608,776	(1,499,475)	(395,248)	(1,983,464)
Balance, end of year	1,583,865	10,136,828	412,204	5,608,776	10,667,614	28,409,287	28,804,535

Leduc and District Regional Waste Management Commission

Notes to the Financial Statements

For the year ended December 31, 2025

1. Nature of the organization

The Leduc and District Regional Waste Management Commission (the "Commission") is constituted under the *Municipal Government Act* and was established by Alberta Regulation 292/84. The Commission's main purpose is to provide waste disposal facilities and services in an efficient, environmentally responsible and socially acceptable manner, for the benefit of member municipalities. The Commission is exempt from income tax under Section 149 of the *Income Tax Act*.

2. Significant accounting policies

The financial statements of the Commission are the representations of management prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of CPA Canada. Significant aspects of the accounting policies adopted by the Commission are as follows:

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Trade and other accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Cash

Cash includes balances deposited with financial institutions.

Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized proportionately over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Commission to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2025. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Commission reviews the carrying amount of the liability. The Commission recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Commission continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Leduc and District Regional Waste Management Commission

Notes to the Financial Statements

For the year ended December 31, 2025

2. Significant accounting policies (Continued from previous page)

Revenue recognition

Revenue from transactions with performance obligations is recognized when the Commission satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time.

The Commission recognizes revenue from waste fees and other sources of revenue 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.

Income earned from investments is recorded as earned and gains and losses on the sale of investments are recorded in income on disposition. Investment premiums and discounts are amortized proportionately over the term of the respective investment.

The Commission recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Commission recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Financial instruments

The Commission recognizes its financial instruments when the Commission becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Commission may irrevocably elect to subsequently measure any financial instrument at fair value. The Commission has not made such an election during the year.

The Commission subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating excess (deficiency) of revenue over expenses. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Non-financial assets

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations.

Leduc and District Regional Waste Management Commission

Notes to the Financial Statements

For the year ended December 31, 2025

2. Significant accounting policies (Continued from previous page)

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. Contributed tangible capital assets are recorded at fair value at the date of contribution.

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

Amortization

One-half of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Years
Engineering structures	straight-line	9 -35
Equipment	straight-line	10-25
Buildings	straight-line	50

3. Change in accounting policy

Change in accounting estimate

During the year, the Commission revised its estimate of the useful life of the East and West Landfill cells closure dates. The change in estimate resulted from updated engineering studies and revised assumptions related to expected closure activities, long term monitoring requirements, and inflation factors.

This change was applied prospectively and prior year results have not been restated. The effect in the current year of this change in estimate was to increase asset retirement obligation liability by \$828,677 and to increase asset retirement obligation asset by \$828,677.

Leduc and District Regional Waste Management Commission

Notes to the Financial Statements

For the year ended December 31, 2025

4. Investments

	2025	2024
Accumulated interest receivable	466,785	450,899
Investment - at cost	12,331,686	7,544,773
	12,798,471	7,995,672

Market value at December 31, 2025 is \$12,713,807 (2024 - \$7,984,603). Investments consist of a mix of bonds with a rate of return between 2.73% and 4.48%, maturing between 2026 and 2029. The income from these investments is being reinvested as received.

5. Trade and other accounts receivable

	2025	2024
Trade receivable from member municipalities	159,148	464,554
Other receivable	572,658	634,188
Goods and services rebate receivable	234,616	93,947
	966,422	1,192,689

6. Asset retirement obligations

The Commission recognized a liability for the asset retirement obligations and a corresponding amount has been capitalized as an asset retirement costs and added to the carrying value of \$828,677 (2024 - \$nil). The asset retirement costs are amortized on a straight-line basis over the useful life of the related tangible capital assets.

The Commission estimated the amount of the liability using the discounted cash flow method. The significant assumptions used to determine the best estimate of the liability included an estimate of the estimated useful life of the asset, inflation rate of 3.00% and a risk-free rate of 3.00%.

	2025	2024
Balance, beginning of year	12,341,064	11,981,616
Accretion	395,092	359,448
Change in estimate	828,677	-
Balance, end of year	13,564,833	12,341,064

Leduc and District Regional Waste Management Commission

Notes to the Financial Statements

For the year ended December 31, 2025

7. Debt limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 76/2000 for the Commission be disclosed as follows:

	2025	2024
Total debt limit	12,263,628	10,236,306
Amount of debt limit unused	12,263,628	10,236,306
Service on debt limit	2,146,135	1,791,354
Amount of debt servicing limit unused	2,146,135	1,791,354

The debt limit is calculated at 2 times revenue of the Commission (as defined in Alberta Regulation 76/2000) and the debt service limit is calculated at 0.35 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be a financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Commission. Rather, the financial statements must be interpreted as a whole.

8. Related party transactions

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

(a) Members' charges

Included in fee revenue are charges to participating municipalities based upon usage by respective residents:

	2025	2024
City of Leduc	715,170	660,388
City of Beaumont	435,313	305,704
Town of Devon	180,441	170,062
Town of Calmar	25,816	9,971
Leduc County	21,449	31,486
	1,378,189	1,177,611

(b) Management and operating contract fees

During the year, the Commission paid \$239,000 (2024 - \$234,000) in management and administrative fees to the City of Leduc.

(c) Trade and other accounts receivable

The year end trade and other accounts receivable balance includes a total of \$159,148 (2024 - \$464,554) receivable from member municipalities.

(d) Accounts payable and accrued liabilities

The year end accounts payable and accrued liabilities balance includes a total of \$163,526 (2024 - \$166,184) owing to member municipalities.

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

Leduc and District Regional Waste Management Commission

Notes to the Financial Statements

For the year ended December 31, 2025

9. Equity in tangible capital assets

	2025	2024
Tangible capital assets (<i>Schedule 1</i>)	41,775,310	39,063,546
Accumulated amortization (<i>Schedule 1</i>)	(17,542,863)	(15,115,022)
Asset retirement obligations (<i>Note 6</i>)	(13,564,833)	(12,341,064)
Asset held for sale (<i>Schedule 1</i>)	-	559,629
	10,667,614	12,167,089

10. Restricted surplus

Surplus restricted for operating and capital activities changed as follows:

	2024	Increases	Decreases	2025
General reserve	9,364,829	308,008	(36,009)	9,636,828
Rate stabilization reserve	500,000	-	-	500,000
Capital reserve	524,845	640,094	(752,736)	412,204
Closure-post closure reserve	-	5,608,776	-	5,608,776
	10,389,674	6,556,878	(788,745)	16,157,808

General reserve

The general reserve was established to undertake projects.

Rate stabilization reserve

The rate stabilization reserve was established for the purpose of stabilizing land fill usage fees so that they remain fairly consistent on a year by year basis. The reserve will help to fund future anticipated, as well as unexpected cost increases, rather than implementing annual land fill use rate increases. The maximum balance for this reserve has been set at \$500,000.

Capital reserve

The capital reserve was established to fund major capital projects.

Closure-post closure reserve

The closure-post closure reserve was established to fund closure and post closure costs related to the landfill.

11. Budget information

The disclosed budget information has been approved by the board of the Leduc and District Regional Waste Management Commission at the board meeting held on October 16, 2024.

The Commission does not budget for amortization. Included in the actual expenses on the statement of operations is amortization of \$1,743,850 (2024 - \$2,825,468).

Included in the disclosed budget on the statement of operations is \$113,268 (2024 - \$102,800) in non-capital expenses that were approved as part of the capital budget. These expense have been reclassified from the budget for the acquisition of tangible capital assets on the statement of change in net financial assets, resulting in a corresponding reduction in the budget presented.

Not included in disclosed budget on the statement of operations is a \$206,144 (2024 - \$nil) related to budgeted post closure reserve transfers. These reserve transfers have been removed from the statement of operations, resulting in a corresponding reduction in the budget presented.

Leduc and District Regional Waste Management Commission

Notes to the Financial Statements

For the year ended December 31, 2025

12. Commitments

The Commission has entered into a management agreement with the City of Leduc, which expires on December 31, 2026.

Whissell Waste Solutions Ltd. provides operational services to the Commission under the terms of an agreement expiring on December 31, 2033. Compensation under this agreement is based on hourly rates.

The Commission has entered into an engineering consulting agreement with GHD Limited, expiring on December 30, 2027. The agreement provides for monthly compensation based on actual consultant hours worked at prescribed hourly rates.

The Commission has entered into a consulting agreement with Omni-McCann Inc., expiring on March 31, 2029, to support the Commission's environmental monitoring and reporting requirements.

The Commission has entered into a professional services agreement with Olio Inc. for the supply, installation, and ongoing software support of a landfill grade and compaction control GPS system. This agreement expires on October 31, 2030.

The Commission's commitments over the next five years are as follows:

2026	\$372,450
2027	\$130,214
2028	\$134,210
2029	\$138,353
2030	\$14,700

13. Financial Instruments

The Commission as part of its operations carries a number of financial instruments. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. As at December 31, 2025, two customers (2024 - one) accounted for 35% (2024 - 17%) of the trade and other accounts receivable balance. The Commission believes that there is no unusual exposure associated with the collection of these receivables.

Risk management

The Commission manages its credit risk by provides allowances for potentially uncollectible accounts receivable and consider credit ratings of counterparties.

14. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.