

Regional Service Commission 1
Financial Statements
December 31, 2013

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Raymond Chabot Grant Thornton

An instinct for growth™

Independent Auditor's Report

Raymond Chabot Grant Thornton
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To the Directors of
Regional Service Commission 1

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We have audited the accompanying financial statements of Regional Service Commission 1, which comprise the statement of financial position as at December 31, 2013 and the statements of operations, change in net debt and of cash flows for the first twelve month fiscal year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

The Regional Service Commission 1, discloses in its liabilities an amount of \$217,511 as accrued sick leave which have not been subject to an actuarial valuation as prescribed by PS 3255. This constitutes a departure from Canadian public sector accounting standards. The effects of this departure have not been determined. Consequently, we were unable to determine whether any adjustments to the financial position, the statement of operations, the change in net debt and to cash flows were necessary.

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Regional Service Commission 1 as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Accountants

Edmundston
May 28, 2014

Regional Service Commission 1

Statement of operations

For the first twelve month fiscal year ended December 31, 2013

	Budget (unaudited) note 18 \$	\$
Revenue		
Member charges (Page 20)	1,325,749	1,336,021
Sale of services (Page 20)	193,220	302,257
Tipping fees (Page 20)	3,155,672	3,009,527
Government transfers		71,301
Interest		37,000
Investment income		63,189
Gain on disposal of investments		104,730
Gain on disposal of tangible capital assets		1,150
Other		13,217
	<u>4,674,641</u>	<u>4,938,392</u>
Expenses		
General services (Page 21)	223,000	258,647
Collaborative services and regional planning	1,000	1,000
Local planning services (Page 22)	1,284,553	1,332,125
Solid waste services (Page 23-24)	3,823,042	3,572,653
Generation facility (Page 24)	268,787	311,970
	<u>5,600,382</u>	<u>5,476,395</u>
Annual deficit (Note 16)	<u>(925,741)</u>	<u>(538,003)</u>
Accumulated surplus, beginning of year		8,172,350
Accumulated surplus, end of year		<u>7,634,347</u>

The accompanying notes are an integral part of the financial statements.

Regional Service Commission 1

Statement of Financial Position

December 31, 2013

	\$
FINANCIAL ASSETS	
Cash (Note 3)	747,644
Trade and other receivables	
Receivables	499,622
Sales tax receivable	88,885
Province of New-Brunswick	55,000
Accrued interest	12,801
Accounts receivable from employees, government's prescribed rate	2,082
Note receivable (Note 4)	25,000
Investments (Note 5)	2,839,825
	<u>4,270,859</u>
LIABILITIES	
Bank loan (Note 6)	106,936
Trade payables and other operating liabilities (Note 7)	454,375
Deferred revenues	125,284
Accrued sick leave (Note 8)	217,511
Long-term debt (Note 9)	1,180,000
Accrued closure and post-closure costs (Note 10)	2,581,991
	<u>4,666,097</u>
NET DEBT	<u>(395,238)</u>
NON-FINANCIAL ASSETS	
Tangible capital assets (Note 14)	23,575,687
Accumulated amortization	15,559,765
	<u>8,015,922</u>
Prepaid expenses	13,663
	<u>8,029,585</u>
ACCUMULATED SURPLUS	<u><u>7,634,347</u></u>

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,

Director

Director

Regional Service Commission 1

Statement of Change in Net Debt

For the first twelve month fiscal year ended December 31, 2013

	\$
Annual deficit	<u>(538,003)</u>
Acquisition of tangible capital assets	(38,413)
Proceeds on disposal of tangible capital assets	1,150
Amortization of tangible capital assets	1,088,947
Gain on disposal of tangible capital assets	<u>(1,150)</u>
	<u>1,050,534</u>
Acquisition of prepaid expenses	(13,663)
Use of prepaid expenses	<u>16,230</u>
	2,567
Decrease in net debt	515,098
Net debt, beginning of year	<u>(910,336)</u>
Net debt, end of year	<u><u>(395,238)</u></u>

The accompanying notes are an integral part of the financial statements.

Regional Service Commission 1

Statement of Cash Flows

For the first twelve month fiscal year ended December 31, 2013

	\$
OPERATING ACTIVITIES	
Annual deficit	(538,003)
Non-cash items	
Gain on disposal of investments	(104,730)
Gain on disposal of capital tangible assets	(1,500)
Depreciation of tangible capital assets	1,088,947
Changes in working capital items	
Trade and other receivables	98,737
Trade payables and other operating liabilities	14,000
Deferred revenues	125,284
Accrued sick leave	140,094
Accrued closure and post-closure costs	133,537
Prepaid expenses	2,567
Cash flows from operating activities (a)	<u>958,933</u>
CAPITAL ACTIVITIES	
Tangible capital assets	(38,413)
Disposal of tangible capital assets	1,500
Cash flows from tangible capital activities	<u>(36,913)</u>
FINANCING ACTIVITIES	
Net change in bank loan	(884,299)
Long-term debt	750,000
Repayment of long-term debt	(388,000)
Cash flows from financing activities	<u>(522,299)</u>
Increase in cash before investment activities	<u>399,721</u>
INVESTMENT ACTIVITIES	
Term deposits	(48,097)
Purchase of investment funds	(775,576)
Proceeds from investment funds	625,095
Cash flows from investing activities	<u>(198,578)</u>
Increase in cash and cash equivalents	201,143
Cash, beginning of year	<u>546,501</u>
Cash, end of year	<u><u>747,644</u></u>

(a) Interest received during the year amounts to \$37,000. Interest paid during the year amounts to \$58,503.

The accompanying notes are an integral part of the financial statements.

Regional Service Commission 1

Notes to Financial Statements

December 31, 2013

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The Regional Service Commission 1 was established under the Regional Service Delivery Act, SNB 2012, c.37 effective January 1, 2013. The mandate of the Commission is to provide or facilitate the provision of regional planning services and solid waste disposal services to all its members and to provide a land use planning service to its members of the local service districts. The Commission also serves as a forum where its members can take cooperative actions regarding efficiency and effectiveness of police services; coordination and pooling of resources to provide emergency interventions; planning, financing and implementing regional initiatives; and facilitating shared administrative, financial or other services.

In accordance with a Ministerial Order, under Section 41 and 48 of the Regional Service Delivery Act, all assets, liabilities, rights, obligations and responsibilities of Commission de gestion enviro ressources du Nord-Ouest, La Vallée District Planning Commission, and Madawaska Planning Commission were transferred to the Commission, with the exception of an amount of \$108,469. Furthermore an amount of \$22,221 was transferred to Valley Solid Waste Commission.

2 - SIGNIFICANT ACCOUNTING POLICIES

The Commission's financial statements are based on the administration's observations, disclosed in accordance with Generally Accepted Accounting Principles for local administrations, as recommended by the Canadian Institute of Chartered Accountants (CICA) Public Sector Accounting Board (PSAB).

The financial statements presented on a PSAB basis pertain mainly to the financial situation of the Commission and to its changes. The statement of financial position includes all assets and liabilities of the Commission.

Significant aspects of the accounting policies adopted by the Commission are as follows:

Reporting entity

The financial statements reflect the assets, liabilities, revenues, expenses and changes in net debt and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Commission and which are owned by the Commission.

All interdepartments transactions and balances have been eliminated.

Budget

The budget figures contained in these financial statements were approved by the interim Board on November 7, 2012.

Use of estimates

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts recorded in the financial statements, the accompanying notes and the schedules. These estimates are based on management's best knowledge of current events and actions that the Commission may undertake in the future. Actual results may differ from these estimates.

Regional Service Commission 1

Notes to Financial Statements

December 31, 2013

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers received for which expenses are not incurred are included in deferred revenues.

Revenue recognition

Unrestricted revenues are recorded on an accrual basis and are recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Cash and cash equivalents

The Commission's policy is to present in cash and cash equivalents bank balances and investments with original maturities of three months or less.

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 annual surplus, provides the change in net debt for the year.

Tangible capital assets

Tangible capital assets acquired are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or improvement of the asset. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows.

Tangible capital assets contribution

Tangible capital assets received as contributions are recognized at their fair value at the reception date and also recognized as revenues.

Regional Service Commission 1

Notes to Financial Statements

December 31, 2013

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

	Methods	Rates and periods
Land improvements	Straight-line	40-50 years
Leasehold improvements	Straight-line	10 years
Generation facility	Straight-line	40 years
Buildings	Straight-line	40 years
Landfill cells	Straight-line	2 years
Equipment	Straight-line and diminishing balance	5-20 years and 30%
Generation equipment	Straight-line	8-12 years
Vehicles	Straight-line	6 years
Hardware	Diminishing balance	50%
Software	Diminishing balance	50%

Post employment benefits

The Commission has a sick leave benefit as documented in note 8.

Segment disclosures

The Commission is a diversified commission that provides a wide range of services. For management reporting purposes, the Commission's operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. The services are provided by departments as follows:

General services

This department is responsible for the Commission's management. This includes governance, general and financial management as well as legal matters.

Collaborative services and regional planning

This department is responsible for preparing a regional plan aiming to better coordinate and manage planning and land use in each region. More specifically, the regional plan will focus on strategies that foster sustainable development practices, that encourage planning coordination between communities, that influence and guide the location of significant infrastructure (major roadways, facilities, trails), and that enhance coordination of commercial / industrial development. The regional plan will also serve as an important tool in better managing, protecting and harmonizing urban and rural landscapes and resources.

Solid waste services

This department is responsible for providing solid waste disposal services to the Municipalities, Rural Communities and Local Service Districts within the Commission's territory. This includes the operation of the landfills and transfer stations, as well the coordination of various recycling programs, the handling of hazardous waste and the promotion of composting.

Regional Service Commission 1

Notes to Financial Statements

December 31, 2013

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Local planning services

This department is responsible for providing land use planning services to all Municipalities and Local Service Districts within the Commission's territory. This function includes the development of rural plans, the administration and enforcement of the plans, the issuance of building permits, conducting building inspections and the approval of subdivisions. The Commission encourages Local Service Districts to develop common integrated plans, where possible and appropriate. All Municipalities and Rural Communities obtain their local planning services from the Commission.

Generation facility

This department is responsible for generation of electricity.

Foreign currency translation

The Commission uses the temporal method to translate transactions denominated in a foreign currency. Under this method, monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates, except those recognized at fair value, which are translated at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the exchange rate in effect on the date they are recognized. The related exchange gains and losses are recognized in earnings for the year.

3 - CASH

	\$
Cash - restricted	440,852
Cash - unrestricted	306,792
	<u>747,644</u>

4 - NOTE RECEIVABLE

The Regional Service Commission 1 has lent \$25,000 to Coopérative d'Énergie Renouvelable du Nord-Ouest Inc. ("CERNO"). This advance will be redeemable under the following terms:

CERNO will make payments when it declares, in an annual general meeting, dividends to its members. The payment will amount to no less than 25% of the dividends declared at the annual general meeting.

In lieu of interest, the Regional Service Commission 1 will receive the same percentage declared by CERNO as dividend at its annual general meetings.

Regional Service Commission 1

Notes to Financial Statements

December 31, 2013

5 - INVESTMENTS

	\$
Fixed term deposit, 4.95%, maturing in September 2018	1,019,761
Investment funds (market value of \$2,286,684)	1,820,064
	<u>2,839,825</u>

6 - SHORT TERM BORROWING COMPLIANCE

Operating borrowing

As prescribed in the Regional Service Delivery Act, borrowing to finance operating expenses is limited to 5% of the amount budgeted for that service. With respect to a solid waste management service, the Commission shall not borrow for operating expenses more than 25% of the amount budgeted for that service. The Commission has ministerial authority for short term borrowing of a maximum amount of \$800,000 that bears interest at prime plus 1% (4%). In 2013, the Commission has complied with these restrictions.

7 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	\$
Accounts payable and accrued liabilities	126,934
Salaries payable	107,944
Accrued interest	1,726
Retiring allowances payable	39,755
Amounts payable to Local Service Districts	91,773
Amounts payable to other Regional Service Commissions	86,243
	<u>454,375</u>

8 - ACCRUED SICK LEAVE

The Regional Service Commission 1 offers to certain employees sick leave that accumulates at 1 day per month. There is no limit to the number of days that can be accumulated. An employee is not entitled to his accumulated leave if he is dismissed, laid off or resigns.

The Regional Service Commission 1 offers to other employees sick leave that accumulates at 1.25 day per month for full-time administrative and non-administrative employees. Some employees covered by this benefit may accumulate a maximum of 80 days while others can accumulate a maximum of 120 days. An employee can take a leave with pay for a duration equal to his accumulated sick leave.

Sick leave is recognized on an accrual basis according to the employees' accumulated hours and their respective hourly rate. As at December 31, 2013, the total of hours payable to employees by the Commission was 7,043. The recognized liability as at December 31, 2013 amounts to \$217,511.

The sick leave is an unfunded benefit. As such, there are no applicable assets. Benefits are paid out of general revenue as they come due. As this benefit has not been valued by an actuary, the liability has been valued according to the actual days accumulated by the employees.

Regional Service Commission 1

Notes to Financial Statements

December 31, 2013

9 - LONG TERM DEBT

New-Brunswick Municipal Finance Corporation

	\$
BI51 1.35% - 1.70%, du 2016, OIC 12-0046	750,000
BE37 2.1% - 3.15%, due 2016, OIC 10-0093	430,000
	<u>1,180,000</u>

The estimated instalments on long-term debt for the next years are \$386,000 in 2014, \$393,000 in 2015 and \$401,000 in 2016.

Approval of the Municipal Capital Borrowing Board has been obtained for all long term debt.

10 - ACCRUED CLOSURE AND POST-CLOSURE COSTS

A liability has been recognized in the financial statement for closure and post-closure costs on a capacity used basis. Expenses that will be incurred may include final cover and vegetation; completing facilities for: drainage control features; leachate, water quality and gas monitoring as well as recovery of gas. Post-closure care activities include all activities related to monitoring the site once it can no longer accept waste and may include: treatment of leachate; monitoring leachate, gas, ground and surface water; recovery of gas and ongoing maintenance of various control systems, drainage systems, and final cover.

The current value of the future cash flows for closure and post-closure activities amounts to \$45,680,751 and \$2,581,991 is recognized in the financial statements as at December 31, 2013. The Commission estimates the total landfill capacity at 2,500,000 tons of which 859,341 tons have been used. The discount rate used is 5%, the average rate on the Province of New-Brunswick long term investments. The estimated duration of the post-closure activities is 50 years. A cash amount of \$2,841,926 has been restricted for this purpose. The activities relating to this account are as follows:

	\$
Balance at the beginning	2,676,969
Interest received	48,097
Reinvested investment income	116,860
	<u>2,841,926</u>

This liability is funded with cash, a term deposit and investment funds as described below:

	\$
Cash	2,101
Fixed term deposit, 4.95%, maturing in September 2018	1,019,761
Investment funds (market value of \$2,286,684)	1,820,064
	<u>2,841,926</u>

Regional Service Commission 1

Notes to Financial Statements

December 31, 2013

11 - CONTINGENCY

In a previous year, a lawsuit in the amount of \$32,350,000 has been filed against the Commission as a result of damage incurred when a fire destroyed a building situated on the Commission's territory. According to the claim, the building was reportedly built following drawings and specifications that did not comply with the building code. In the opinion of the legal advisor, it is not possible to determine the outcome of the dispute and, if applicable, the amount the Commission might be required to pay. Accordingly, no provision has been recorded in the financial statements.

12 - COMMITMENT

The Commission is committed by a formal resolution to pay an amount of \$15,000 to the UMCE Campagne Excellence over a 3 year period ending in 2015. During the year, a payment of \$5,000 was made. The balance of \$10,000 is payable in \$5,000 installments over the next two years.

The Commission has also entered into long-term lease agreements which call for lease payments of \$114,880 for the rental of premises, office equipment and vehicles. Minimum lease payments for the next four years are \$83,839 in 2014, \$22,010 in 2015, \$7,521 in 2016 and \$1,510 in 2017.

Subject to Regulation 84-21 under the Municipal Capital Borrowing Act, the Commission shall obtain authorization prior to entering a leasing arrangement exceeding \$20,000. As at December 31, 2013, the Commission contravenes this stipulation.

13 - REPORTING TO THE PROVINCE OF NEW-BRUNSWICK

The Regional Service Commission 1 complies with PSAB accounting standards. The Commission is also required to comply with Municipal Financial Reporting Manual prescribed by the Province of New-Brunswick ("PNB").

Note 16 presents a reconciliation between fund reporting required by PNB and current year PSAB.

Regional Service Commission 1 Notes to Financial Statements

December 31, 2013

14 - CAPITAL TANGIBLE ASSETS

14 - CAPITAL TANGIBLE ASSETS

	Land	Land improvements	Leasehold improvements	Generation facility	Buildings	Cells	Equipments	generation	Vehicles	Hardware	Software	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost												
Balance, beginning of year	76,916	5,272,935	187,725	1,344,798	1,263,088	7,879,585	2,459,077	1,705,908	3,301,958	21,190	63,393	23,576,573
Add:												
Net additions during the year						35,606		2,807				38,413
Less:												
Disposals during the year									39,299			39,299
Balance, end of year	76,916	5,272,935	187,725	1,344,798	1,263,088	7,915,191	2,459,077	1,708,715	3,262,659	21,190	63,393	23,575,687
Accumulated amortization												
Balance, beginning of year		1,652,523	150,185	33,620	445,785	7,126,750	2,340,528	158,223	2,522,896	17,462	62,145	14,510,117
Add:												
Amortization during the year		109,743	18,772	33,620	31,577	447,099	37,724	163,167	244,757	1,864	624	1,088,947
Less:												
Accumulated amortization on disposals									39,299			39,299
Balance, end of year		1,762,266	168,957	67,240	477,362	7,573,849	2,378,252	321,390	2,728,354	19,326	62,769	15,559,765
Net book value capital tangible assets	76,916	3,510,669	18,768	1,277,558	785,726	341,342	80,825	1,387,325	534,305	1,864	624	8,015,922
Consists of:												
Collaborative services and regional planning			18,768				46,686			1,864	624	67,942
Solid waste services	76,916	3,510,669		1,277,558	785,726	341,342	34,139	1,387,325	534,305			5,283,097
Generation facility												2,664,883
	76,916	3,510,669	18,768	1,277,558	785,726	341,342	80,825	1,387,325	534,305	1,864	624	8,015,922

Regional Service Commission 1
Notes to Financial Statements
December 31, 2013

15 - Schedule of Segment Disclosure

	General services	Collaborative services and regional development	Solid waste services	Local planning services	Generation facility	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Member charges		45,600		1,290,421		1,336,021
Sales of services			28,123	33,075	241,059	302,257
Tipping fees			3,009,527			3,009,527
Governmental transfers	53,088		15,000	3,213		71,301
Interest			37,000			37,000
Investment income	294		62,895			63,189
Gain on disposal of investments			104,730			104,730
Gain of disposal of tangible capital assets			1,150			1,150
Other	4,563		8,654			13,217
	<u>57,945</u>	<u>45,600</u>	<u>3,267,079</u>	<u>1,326,709</u>	<u>241,059</u>	<u>4,938,392</u>
Expenses						
Salaries and benefits	161,929		1,186,981	989,128	27,649	2,365,687
Goods and services	96,718	1,000	1,474,551	301,729	87,534	1,961,532
Amortization of tangible capital assets			850,392	41,268	196,787	1,088,947
Interest			60,229			60,229
	<u>258,647</u>	<u>1,000</u>	<u>3,572,553</u>	<u>1,332,125</u>	<u>311,970</u>	<u>5,476,395</u>
Annual surplus (deficit)	<u>(200,702)</u>	<u>44,600</u>	<u>(305,574)</u>	<u>(5,416)</u>	<u>(70,911)</u>	<u>(538,003)</u>

Regional Service Commission 1

Notes to Financial Statements

December 31, 2013

16 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

Collaborative										
services operating fund	Solid waste service operating fund	Solid waste service capital fund	Local planning operating fund	Local planning capital fund	Generation facility operating fund	Generation facility capital fund	Solid waste service reserves	Generation facility capital assets reserves	Total	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
4,660	472,397	(850,883)	(24,067)	(41,268)	97,926	(196,787)	19			(538,003)
Adjustments to annual surplus (deficit) for funding requirements										
Second previous year's surplus	457,158		36							457,194
Transfers between funds										
Solid waste service operating fund to solid waste service capital fund	(35,606)	35,606								
Generation facility operating fund to generation facility capital fund					(2,807)	2,807				
Solid waste service operating fund to solid waste service capital fund	(350,000)						350,000			
Generation facility operating fund to generation facility capital assets reserves					(50,000)			50,000		
Principal payments on long-term debt	(388,000)	388,000								
Amortization expense		850,892		41,268		196,787				1,088,947
Total adjustments annual surplus (deficit)	(316,448)	1,274,498	36	41,268	(52,807)	199,594	350,000	50,000		1,546,141
Annual fund surplus (deficit)	4,660	155,949	(24,031)		45,119	2,807	350,019	50,000		1,008,138

Regional Service Commission 1

Notes to Financial Statements

December 31, 2013

17 - STATEMENT OF RESERVES

	Solid waste service capital	Generation facility capital	Local planning capital	2013
	\$	\$	\$	\$
Assets				
Cash	350,000	50,000	38,276	438,276
Fixed term deposit, 0.40 %, maturing on September 27, 2014	475			475
Amount receivable from general operating fund	16,251			16,251
Amount receivable from general capital fund	413,145			413,145
Accumulated surplus	779,871	50,000	38,276	868,147
Revenue				
Transfers from solid waste operating fund	350,000			350,000
Transfers from generation facility operating fund		50,000		50,000
Interest	19			19
	350,019	50,000		400,019
Annual surplus	350,019	50,000		400,019

Board resolution regarding transfers to and from reserves:

Moved by Allain Desjardins, seconded by Louis Labrie to open a new bank account in US dollars at Royal Bank of Canada for a Capital Reserve Fund - Bio-Gas Electric Station. To transfer from the US dollars operating account 00774-400-200-2 at Royal Bank of Canada an amount of \$50,000 into the new account. To transfer from the US dollars operating account 00774-400-200-2 at Royal Bank of Canada an amount of \$350,000 into the account 00774-400-109-5 at Royal Bank of Canada - Capital Reserve Fund - Solid Waste Service.

I hereby certify that the above is an exact translation of a board resolution adopted at a Commission meeting on December 18, 2013.

_____	_____
Name	Date
General Manager,	
Regional Service Commission 1	

Regional Service Commission 1 Notes to Financial Statements

December 31, 2013

18 - OPERATING BUDGET TO PSAB BUDGET

	General services	Collaborative services and regional development	Solid waste services	Local planning services	Generation facility	Amortization of tangible capital assets	Transfers	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Member charges		45,600		1,280,149				1,325,749
Sale of services			40,000	50,000	103,220			193,220
Tipping fees			3,155,672					3,155,672
Transfers	223,000						(223,000)	
Second previous year surplus			457,158	36			(457,194)	
	223,000	45,600	3,652,830	1,330,185	103,220		(680,194)	4,674,641
Expenses								
Governance	33,500							33,500
Administration	189,500							189,500
Collaborative services and regional development		44,600	650,570	256,782	31,220		(223,000)	949,672
Solid waste services		1,000						1,000
Local planning services			2,401,860			850,892		3,252,752
Generation facility				1,053,403		41,268		1,094,671
Repayment of long-term debt					72,000	196,787		268,787
Transfer from General fund to Capital fund			388,000				(388,000)	
Transfer from Solid waste fund to Capital fund				20,000			(20,000)	
Transfer from Solid waste fund to Capital asset reserve			184,500				(184,500)	
Transfer from Solid waste fund to General reserve fund			17,900				(17,900)	
			10,000				(10,000)	
	223,000	45,600	3,652,830	1,330,185	103,220	1,088,947	(843,400)	5,600,382
						(1,088,947)	163,206	(925,741)

Regional Service Commission 1

Schedules

For the first twelve month fiscal year ended December 31, 2013

	\$	\$
MEMBERS CHARGES		
Collaborative services and regional development	45,600	45,600
Local planning services	<u>1,280,149</u>	<u>1,290,421</u>
	<u>1,325,749</u>	<u>1,336,021</u>
SALES OF SERVICES		
Local planning services	50,000	33,075
Solid waste services	40,000	28,123
Generation facility	<u>103,220</u>	<u>241,059</u>
	<u>193,220</u>	<u>302,257</u>
TIPPING FEES		
User charges	2,970,672	2,834,164
Collection	160,000	155,442
Construction and demolition	<u>25,000</u>	<u>19,921</u>
	<u>3,155,672</u>	<u>3,009,527</u>

Regional Service Commission 1

Schedules

For the first twelve month fiscal year ended December 31, 2013

	\$	\$
GENERAL SERVICES		
Governance		
Board members		
Fees	18,000	1,150
Travels	8,000	9,046
Training	1,500	954
Other	6,000	22,993
	<u>33,500</u>	<u>34,143</u>
Administration		
Senior management		
Salaries and fringe benefits	132,000	161,929
Travels	11,000	10,406
Training	1,000	763
	<u>144,000</u>	<u>173,098</u>
Other administrative services		
Advertising	7,500	341
Miscellaneous consumables and supplies		3,147
Telecommunications	2,000	8,731
Printing and photocopying	6,000	1,791
Stand-up expenses	30,000	24,980
Professional fees		5,406
Hardware and software		602
Rent		6,408
	<u>45,500</u>	<u>51,406</u>
	<u>223,000</u>	<u>258,647</u>

Regional Service Commission 1

Schedules

For the first twelve month fiscal year ended December 31, 2013

	\$	\$
LOCAL PLANNING SERVICES		
Administration		
Miscellaneous consumables and supplies	2,650	3,222
Printing and photocopies	10,000	5,899
Telecommunications	15,000	19,001
Rent and building occupancy expenses	117,192	111,362
Legal fees	1,000	
Advertising		226
Insurances	27,000	57,573
Professional fees	2,200	17,486
Memberships		1,034
Other	14,840	14,451
	<u>189,882</u>	<u>230,254</u>
Planning services		
Salaries and fringe benefits	628,298	663,374
Travels	8,000	14,935
Training	4,000	1,375
Maps and documents	500	
Sig and Planet fees	1,000	1,273
Planning advisory committee	7,000	9,620
Other	10,000	9,899
	<u>658,798</u>	<u>700,476</u>
Inspection services		
Salaries and fringe benefits	371,375	325,754
Travels		30,442
Training	5,000	2,834
Advertising	1,000	
Maps and documents	500	
Sig and Planet fees	1,000	723
Planning advisory committee	7,000	
Other	6,230	374
	<u>392,105</u>	<u>360,127</u>
Financial services		
Bank fees	2,500	
Amortization of tangible capital fixed assets	41,268	41,268
	<u>43,768</u>	<u>41,268</u>
	<u>1,284,553</u>	<u>1,332,125</u>

Regional Service Commission 1

Schedules

For the first twelve month fiscal year ended December 31, 2013

	\$	\$
SOLID WASTE SERVICES		
Administration		
Salaries and fringe benefits	267,020	360,234
Travels	42,500	28,481
Training	12,500	2,773
Group insurance	35,120	69,713
Pension plan	53,180	45,411
Office supplies	11,000	5,610
Printing and photocopies	6,950	3,635
Telecommunications	25,000	22,094
Professional fees	65,000	96,551
Equipment	15,000	26,587
Advertising	45,000	11,483
Travels and accomodations	5,000	293
Special projects		22,544
Cells		1,376
Water treatment		3,464
Maintenance		2,931
Discount on debenture		3,786
Amortization of tangible fixed assets	850,892	850,892
Other	2,500	2,135
Closure and post-closure expenses	138,200	133,537
	<u>1,574,862</u>	<u>1,693,530</u>
Operations		
Station and building		
Salaries and fringe benefits	112,600	153,815
Electricity	72,500	59,943
Insurance	75,000	91,136
Taxes	44,000	43,945
Heating	2,500	606
Maintenance	245,000	136,456
	<u>551,600</u>	<u>485,901</u>
Machinery and equipment		
Rental	5,000	67
Fuel	180,000	186,650
Supplies	60,000	2,409
	<u>245,000</u>	<u>189,126</u>
Landfill operations		
Salaries and fringe benefits	789,400	557,108
Leachate and sloughing management	125,000	107,308
Technical services	75,000	40,316
	<u>989,400</u>	<u>704,732</u>

Regional Service Commission 1

Schedules

For the first twelve month fiscal year ended December 31, 2013

	\$	\$
Scale house		
Salaries and fringe benefits	41,330	53,423
Waste diversion		
Salaries and fringe benefits	72,350	62,401
Recycling	168,500	157,264
	240,850	219,665
Composting program		
Active demonstration site	1,500	
Composters	10,000	2,619
Other	1,000	
	12,500	2,619
Hazardous household waste		
Special projects	110,000	70,197
	2,080,680	1,655,466
Financial services		
Ongoing projects	12,500	21,785
Interest on bank loan and capital projects	45,000	21,686
Bank fees		16,758
Exchange loss		94,231
	57,500	154,460
	3,823,042	3,573,653
GENERATION FACILITY	\$	\$
Operations		
Salaries and fringe benefits	27,000	27,649
Maintenance	45,000	62,046
Professional fees		20,443
Telecommunications		605
Electricity		3,179
Office supplies		1,118
Equipment rental		47
Travels		96
Amortization of capital fixed assets	196,787	196,787
	268,787	311,970