

**Northwest Regional Service
Commission**

**Financial Statements
December 31, 2014**

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Operations	4
Statement of Change in Net Financial Assets (Net Debt)	5
Statement of Cash Flows	6
Statement of Financial Position	7
Notes to Financial Statements	8 - 21
Schedules	22 - 27



Raymond Chabot Grant Thornton

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Independent Auditor's Report

Raymond Chabot Grant Thornton
507 Victoria Street
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To the members of the board of directors of
Northwest Regional Service Commission

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We have audited the accompanying financial statements of Northwest Regional Service Commission, which comprise the statement of financial position as at December 31, 2014 and the statements of operations, statement of change in net financial assets (net debt) and statement of cash flows for the 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 Northwest Regional Service Commission, discloses in its liabilities an amount of \$167,593 (\$217,511 as at December 31, 2013) 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. This has also led us to express a qualified opinion on the financial statements for the year ended December 31, 2013. 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 financial assets (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 Northwest Regional Service Commission as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Raymond Chabot Grant Thornton LLP

CPA, CA

Edmundston
May 7, 2015

Northwest Regional Service Commission

Statement of operations

Year ended December 31, 2014

	2014		2013
	Budget (unaudited) (note 19)	Total	Total
	\$	\$	\$
Revenue			
Member charges (Page 22)	1,367,512	1,395,821	1,336,021
Sale of services (Page 22)	265,000	233,419	302,257
Tipping fees (Page 22)	3,117,501	3,032,251	3,009,527
Government transfers		36,381	71,301
Interest		43,802	37,000
Investment income		97,645	63,189
Gain on disposal of investments		228,660	104,730
Gain on disposal of tangible capital assets		4,536	1,150
Other	10,000	18,346	13,217
	<u>4,760,013</u>	<u>5,090,861</u>	<u>4,938,392</u>
Expenses			
General services (Page 23)	371,834	363,796	258,647
Local planning services (Page 24-25)	1,246,450	1,045,870	1,332,125
Solide waste services (Page 26-27)	3,259,536	2,955,040	3,573,653
Generation facility (Page 27)	287,650	275,020	311,970
	<u>5,165,470</u>	<u>4,639,726</u>	<u>5,476,395</u>
Annual earning (deficit) (note 17)	<u>(405,457)</u>	451,135	(538,003)
Accumulated surplus, beginning of year		<u>7,582,725</u>	<u>8,120,728</u>
Accumulated surplus, end of year		<u>8,033,860</u>	<u>7,582,725</u>

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

Northwest Regional Service Commission

Statement of Change in Net Financial Assets (Net Debt)

Year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Annual earning (deficit)	451,135	(538,003)
Acquisition of tangible capital assets	(78,847)	(38,413)
Proceeds on disposal of tangible capital assets	4,536	1,150
Amortization of tangible capital assets	868,541	1,088,947
Gain on disposal of tangible capital assets	(4,536)	(1,150)
	<u>789,694</u>	<u>1,050,534</u>
Acquisition of prepaid expenses	(14,152)	(13,663)
Use of prepaid expenses	13,663	16,231
	(489)	2,568
Decrease in net debt	1,240,340	515,099
Net debt, beginning of year	(446,860)	(961,959)
Net financial assets (net debt), end of year	<u>793,480</u>	<u>(446,860)</u>

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

Northwest Regional Service Commission

Statement of Cash Flows

Year ended December 31, 2014

	2014	2013
	\$	\$
OPERATING ACTIVITIES		
Annual earning (deficit)	451,135	(538,003)
Non-cash items		
Gain on disposal of investments	(228,660)	(104,730)
Gain on disposal of tangible capital assets	(4,536)	(1,150)
Depreciation of tangible capital assets	868,541	1,088,947
Changes in working capital items		
Trade and other receivables	(13,236)	98,737
Trade payables and other operating liabilities	(102,934)	14,000
Deferred revenues	(103,743)	125,284
Accrued sick leave	(49,918)	140,094
Accrued closure and post-closure costs	140,185	133,537
Prepaid expenses	(489)	2,567
Cash flows from operating activities (a)	956,345	959,283
CAPITAL ACTIVITIES		
Tangible capital assets	(78,847)	(38,413)
Disposal of tangible capital assets	4,536	1,150
Cash flows from tangible capital activities	(74,311)	(37,263)
FINANCING ACTIVITIES		
Net change in bank loan	(106,936)	(884,299)
Long-term debt		750,000
Repayment of long-term debt	(386,000)	(388,000)
Cash flows from financing activities	(492,936)	(522,299)
Increase in cash before investment activities	389,098	399,721
INVESTMENT ACTIVITIES		
Term deposits	(50,477)	(48,097)
Purchase of investment funds	(1,086,178)	(775,576)
Proceeds from investment funds	1,045,508	625,095
Cash flows from investing activities	(91,147)	(198,578)
Increase in cash and cash equivalents	297,951	201,143
Cash, beginning of year	747,644	546,501
Cash, end of year	1,045,595	747,644

(a) Interest received during the year amounts to \$43,802 (\$37,000 as at December 31, 2013). Interest paid during the year amounts to \$46,165 (\$58,503 as at December 31, 2013).

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

Northwest Regional Service Commission

Statement of Financial Position

December 31, 2014

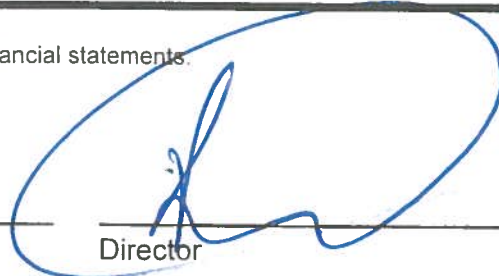
	2014	2013
	\$	\$
FINANCIAL ASSETS		
Cash (Note 3)	1,045,595	747,644
Trade and other receivables		
Receivables	593,408	499,622
Sales tax receivable	29,983	88,885
Province of New-Brunswick	34,690	55,000
Accrued interest	12,801	12,801
Accounts receivable from employees, government's prescribed rate	745	2,082
Note receivable (Note 4)	25,000	25,000
Investments (Note 5)	3,159,632	2,839,825
	<u>4,901,854</u>	<u>4,270,859</u>
LIABILITIES		
Bank loan (Note 6)		106,936
Trade payables and other operating liabilities (Note 7)	403,064	505,998
Deferred revenues	21,541	125,283
Accrued sick leave (Note 8)	167,593	217,511
Long-term debt (Note 9)	794,000	1,180,000
Accrued closure and post-closure costs (Note 10)	2,722,176	2,581,991
	<u>4,108,374</u>	<u>4,717,719</u>
NET FINANCIAL ASSETS (NET DEBT)	793,480	(446,860)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 15)	23,649,993	23,575,687
Accumulated amortization	16,423,764	15,559,765
	<u>7,226,229</u>	<u>8,015,922</u>
Prepaid expenses	14,152	13,663
	<u>7,240,381</u>	<u>8,029,585</u>
ACCUMULATED SURPLUS	<u>8,033,861</u>	<u>7,582,725</u>

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

On behalf of the Board,



Director



Director

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2014

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The Northwest Regional Service Commission mandate 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.

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 CPA Canada Public Sector Accounting handbook.

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 financial assets (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 Board on December 18, 2013.

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.

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.

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2014

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 financial assets (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.

	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.

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2014

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2014

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	2014	2013
	\$	\$
Cash - restricted	662,512	440,852
Cash - unrestricted	383,083	306,792
	<u>1,045,595</u>	<u>747,644</u>

4 - NOTE RECEIVABLE

The Northwest Regional Service Commission 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 Northwest Regional Service Commission will receive the same percentage declared by CERNO as dividend at its annual general meetings.

5 - INVESTMENTS

	2014	2013
	\$	\$
Fixed term deposit, 4.95%, maturing in September 2018	1,070,239	1,019,761
Investment funds (market value of \$2,723,597; \$2,286,684 as at December 31, 2013)	2,089,393	1,820,064
	<u>3,159,632</u>	<u>2,839,825</u>

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2014

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 2014, the Commission has complied with these restrictions.

7 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	2014	2013
	\$	\$
Accounts payable and accrued liabilities	147,677	126,934
Salaries payable	112,859	107,944
Accrued interest	1,227	1,726
Retiring allowances payable		39,755
Amounts payable to Local Service Districts	141,301	91,773
Amounts payable to other Regional Service Commissions		137,865
	<u>403,064</u>	<u>505,997</u>

8 - ACCRUED SICK LEAVE

The Northwest Regional Service Commission 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 Northwest Regional Service Commission 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, 2014, the total of hours payable to employees by the Commission was 5,518. The recognized liability as at December 31, 2014 amounts to \$167,593 (\$217,511 as at December 31, 2013).

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.

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2014

9 - LONG TERM DEBT

New-Brunswick Municipal Finance Corporation

	2014	2013
	\$	\$
BI51 1.35% - 1.70%, due 2016, OIC 12-0046	504,000	750,000
BE37 2.1% - 3.15%, due 2016, OIC 10-0093	290,000	430,000
	<u>794,000</u>	<u>1,180,000</u>

The estimated instalments on long-term debt for the next years are \$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 \$2,722,176 is recognized in the financial statements as at December 31, 2014. The Commission estimates the total landfill capacity at 2,500,000 tons of which 905,918 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 \$3,159,632 has been restricted for this purpose. The activities relating to this account are as follows:

	2014	2013
	\$	\$
Balance at the beginning	2,841,926	2,676,969
Interest received	50,478	48,097
Reinvested investment income	267,228	116,860
	<u>3,159,632</u>	<u>2,841,926</u>

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

	2014	2013
	\$	\$
Cash		2,101
Fixed term deposit, 4.95%, maturing in September 2018	1,070,239	1,019,761
Investment funds (market value of \$2,286,684; \$2,723,597 as at December 31, 2013)	2,089,393	1,820,064
	<u>3,159,632</u>	<u>2,841,926</u>

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2014

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 entered into long-term lease agreements which call for lease payments of \$31,041 for the rental of premises, office equipment and vehicles. Minimum lease payments for the next three years are \$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, 2014, the Commission contravenes this stipulation.

13 - REPORTING TO THE PROVINCE OF NEW-BRUNSWICK

The Northwest Regional Service Commission 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 17 presents a reconciliation between fund reporting required by PNB and current year PSAB.

14 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2014

15 - CAPITAL TANGIBLE ASSETS

	Land \$	Land improvements \$	Leasehold improvements \$	Generation facility \$	Buildings \$	Cells \$	Equipments \$	Equipment for generation \$	Vehicles \$	Hardware \$	Software \$	Total 2014 \$	Total 2013 \$
Cost													
Balance, beginning 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	63,389	23,575,683	23,576,573
Add													
Net additions during the year				39,947		38,899						78,846	38,413
Less													
Disposals during the year							4,005			531		4,536	39,299
Balance, end of year	76,916	5,272,935	187,725	1,384,745	1,263,088	7,954,090	2,455,072	1,708,715	3,262,659	20,659	63,389	23,649,993	23,575,687
Accumulated amortization													
Balance, beginning of year		1,762,266	168,951	67,240	477,362	7,573,849	2,378,252	321,390	2,728,354	19,326	62,769	15,559,759	14,510,117
Add													
Amortization during the year		109,743	18,774	34,119	31,577	278,472	29,638	163,343	201,631	932	312	868,541	1,088,947
Less													
Accumulated amortization on disposals							4,005			531		4,536	39,299
Balance, end of year		1,872,009	187,725	101,359	508,939	7,852,321	2,403,885	484,733	2,929,985	19,727	63,081	16,423,764	15,659,765
Net book value capital tangible assets	76,916	3,400,926		1,283,386	754,149	101,769	51,187	1,223,982	332,674	932	308	7,226,229	8,015,922
Consists of													
Collaborative services and regional planning							32,680			932	308	33,920	67,942
Solid waste services	76,916	3,400,926		1,283,386	754,149	101,769	18,507	1,223,982	332,674			4,684,941	5,283,097
Generation facility	76,916	3,400,926		1,283,386	754,149	101,769	51,187	1,223,982	332,674	932	308	7,226,229	8,015,922

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2014

16 - Schedule of Segment Disclosure

	General services	Collaborative services and regional development	Solid waste services	Local planning services	Generation facility	Total 2014	Total 2013
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Member charges		46,701		1,349,120		1,395,821	1,336,022
Sales of services			40,665	24,669	168,085	233,419	302,257
Tipping fees			3,032,251			3,032,251	3,009,527
Governmental transfers	392		34,689	1,300		36,381	71,301
Interest			43,797	5		43,802	37,000
Investment income	300		97,345		5	97,645	63,189
Gain on disposal of investments			228,654	1		228,660	104,730
Gain of disposal of tangible capital assets				4,536		4,536	1,150
Other			10,542	7,804		18,346	13,217
	692	46,701	3,487,943	1,387,435	168,090	5,090,861	4,938,393
Expenses							
Salaries and benefits	264,886		961,814	699,593	27,913	1,954,206	2,365,687
Goods and services	98,910		1,291,080	330,906	64,992	1,785,888	1,961,532
Amortization of tangible capital assets			671,053	15,371	182,115	868,539	1,088,947
Interest			30,511			30,511	60,230
Other			582			582	
	363,796		2,955,040	1,045,870	275,020	4,639,726	5,476,396
Annual surplus (deficit)	(363,104)	46,701	532,903	341,565	(106,930)	451,135	(538,003)

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2014

17 - 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 capital assets reserve	Local planning capital assets reserve	Local planning reserve	Total
Annual surplus (deficit)	(160)	1,062,715	(671,053)	240,903	(15,371)	16,127	(182,115)	80	5	4	451,135
Adjustments to annual surplus (deficit) for funding requirements											
Second previous year's deficit		(211,309)									(211,309)
Transfers between funds											
Solid waste service operating fund to solid waste service capital fund		(38,899)	38,899								
Generation facility operating fund to generation facility capital fund						(39,947)	39,947				
Solid waste service operating fund to solid waste service capital assets reserve		(150,000)						150,000			
Local planning operating fund to local planning capital assets reserve				(20,000)					20,000		
Local planning operating fund to local planning reserve				(46,000)						46,000	
Principal payments on long-term debt		(386,000)	386,000								
Amortization expense			671,053		15,371		182,115				868,539
Total adjustments annual surplus (deficit)		(786,208)	1,095,952	(66,000)	15,371	(39,947)	222,062	150,000	20,005	46,004	657,230
Annual fund surplus (deficit)	(160)	276,507	424,899	174,903		(23,820)	39,947	150,000	20,005	46,004	1,108,365

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2014

18 - STATEMENT OF RESERVES

	Solid waste service capital assets reserves	Generation facility capital assets reserve	Local planning capital assets reserve	General local planning reserve	2014	2013
	\$	\$	\$	\$	\$	\$
Assets						
Cash	540,280	55,740	20,000	46,000	662,020	438,276
Fixed term deposit, 1.05 %, maturing on September 27, 2015	490				490	475
Amount receivable from general operating fund	16,251			16,251	16,251	16,251
Amount receivable from general capital fund	413,145			413,145	413,145	413,145
	<u>970,166</u>	<u>55,740</u>	<u>20,000</u>	<u>475,396</u>	<u>1,091,906</u>	<u>868,147</u>
Accumulated surplus						
Revenue						
Transfers from solid waste operating fund	150,000		20,000	46,000	150,000	350,000
Transfers from generation facility operating fund	40,215	5,735			66,000	50,000
Exchange gain	80	5	1	3	45,950	19
Interest	<u>190,295</u>	<u>5,740</u>	<u>20,001</u>	<u>46,003</u>	<u>262,039</u>	<u>400,019</u>
Expenses						
Transfer from local planning fund				38,280	38,280	
Annual surplus	<u>190,295</u>	<u>5,740</u>	<u>20,001</u>	<u>7,723</u>	<u>223,759</u>	<u>400,019</u>

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2014

18 - STATEMENT OF RESERVES (Continued)

Board resolution regarding transfers to and from reserves:

Moved by Renaud Ouellette, seconded by Jocelyn Sirois it was resolved that since a surplus predicting in the local planning service, the Commission adopt the creation of reserve fund for local planning in the amount of \$66,000 or maximum amount allowed 5% of the operating budget of the local planning of the current year. The distribution of funds will be a maximum of \$10,000 in an operating reserve fund: \$20,000 in a capital assets reserve: \$16,000 in a legal fees reserve and \$20,000 in a special projects reserve. New bank accounts for the local planning section should be created for this purpose for each reserves fund separately.

I hereby certify that the above is an exact translation of a board resolution adopted at a Commission meeting on November 26, 2014.



Name



Date

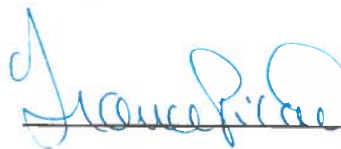
General Manager,

Northwest Regional Service Commission

Board resolution regarding transfers to and from reserves:

Moved by Renaud Ouellette, seconded by Alain Martel it was resolved that since a surplus predicting in the solid waste service, the Commission adopt the transfer of \$150,000 to a capital assets reserve at the Royal Bank of Canada, account # 005 00774-1006774. The transfer was done on December 23, 2014 approved by the president and the General Manager.

I hereby certify that the above is an exact translation of a board resolution adopted at a Commission meeting on February 4, 2015.



Name



Date

General Manager,

Northwest Regional Service Commission

Northwest Regional Service Commission

Notes to Financial Statements

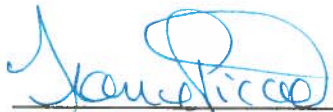
December 31, 2014

18 - STATEMENT OF RESERVES (Continued)

Board resolution regarding transfers to and from reserves:

Northwest Regional Service Commission approves the closing of all accounts at the Caisse Populaire du Madawaska Ltée, for the local planning service account # 3154 and Inspection service, account # 3330 and transfer the current account balances in the operating account of the Northwest Regional Service Commission account # 29434, to reimburse DSLS the full amount of \$21,519.85. The total amount of \$57,775.15 will be divided and distributed to municipalities according to their seven municipalities on a percent contribution; Baker Brook, Clair, Edmundston, Baker Lake, Rivière-Verte, St-François, St-Hilaire, for the total amount of \$79,295 following the review and approval of the Province of NB financial statements ending December 31, 2012 of the Madawaska Planning Commission.

I hereby certify that the above is an exact translation of a board resolution adopted at a Commission meeting on March 26, 2014.

 27 mai 2015.

Name

Date

General Manager,

Northwest Regional Service Commission

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2014

19 - 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		46,700		1,320,812				1,367,512
Sale of services					225,000			225,000
Tipping fees			3,157,501					3,157,501
Transfers	361,834						(361,834)	
Other revenues	10,000							10,000
	371,834	46,700	3,157,501	1,320,812	225,000		(361,834)	4,760,013
Expenses								
Governance	34,639							34,639
Administration	337,195	46,700	140,656	115,626	58,852		(361,834)	337,195
Solid waste services			2,286,976			840,000	132,560	3,259,536
Local planning services				1,202,436		41,264	2,750	1,246,450
Generation facility					91,038	196,612		287,650
Interest			32,560				(32,560)	
Other financial expense				2,750			(2,750)	
Repayment of long-term debt			386,000				(386,000)	
Transfer from generation facility to capital assets reserve					65,110		(65,110)	
Transfer from generation facility to general reserve fund					10,000		(10,000)	
Closure fund			100,000				(100,000)	
Previous year's deficit			211,309				(211,309)	
	371,834	46,700	3,157,501	1,320,812	225,000	1,077,876	(1,034,253)	5,165,470
						(1,077,876)	672,419	(405,457)

Northwest Regional Service Commission

Schedules

Year ended December 31, 2014

		2014	2013
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
MEMBERS CHARGES			
Collaborative services and regional development	46,700	46,701	45,600
Local planning services	1,320,812	1,349,120	1,290,421
	<u>1,367,512</u>	<u>1,395,821</u>	<u>1,336,021</u>
SALES OF SERVICES			
Local planning services		24,669	33,075
Solid waste services	40,000	40,665	28,123
Generation facility	225,000	168,085	241,059
	<u>265,000</u>	<u>233,419</u>	<u>302,257</u>
TIPPING FEES			
User charges	2,932,501	2,878,606	2,834,164
Collection	160,000	138,578	155,442
Construction and demolition	25,000	15,067	19,921
	<u>3,117,501</u>	<u>3,032,251</u>	<u>3,009,527</u>

Northwest Regional Service Commission

Schedules

Year ended December 31, 2014

	2014		2013
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
GENERAL SERVICES			
Governance			
Board members			
Fees	18,200	17,929	1,150
Travels	8,939	7,973	9,046
Training	1,500		954
Other	6,000	1,200	22,993
	<u>34,639</u>	<u>27,102</u>	<u>34,143</u>
Administration			
Senior management			
Salaries and fringe benefits	260,195	264,886	161,929
Travels	12,000	8,796	10,406
Training	1,000	469	763
	<u>273,195</u>	<u>274,151</u>	<u>173,098</u>
Other administrative services			
Advertising	7,000	96	341
Miscellaneous consumables and supplies	2,000	4,430	3,147
Telecommunications	6,000	5,904	8,731
Insurance		14,775	
Printing and photocopying	2,000	3,705	1,791
Stand-up expenses			24,980
Professional fees	30,000	21,059	5,406
Hardware and software	5,000	1,589	602
Rent	12,000	10,985	6,408
	<u>64,000</u>	<u>62,543</u>	<u>51,406</u>
	<u>371,834</u>	<u>363,796</u>	<u>258,647</u>

Northwest Regional Service Commission

Schedules

Year ended December 31, 2014

		2014	2013
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
LOCAL PLANNING SERVICES			
Administration			
Insurances	23,506	76,773	57,573
Professional fees	2,200	1,369	17,486
Legal fees		1,570	
Rent and building occupancy expenses	130,173	111,483	111,362
Miscellaneous consumables and supplies	18,000	18,221	3,222
Printing and photocopies	4,000	1,712	5,899
Telecommunications	22,000	24,627	19,001
Post	2,900	903	4,303
Parking	2,685	2,552	2,457
Equipment leasing	9,000	4,273	4,760
Maintenance and repair	1,200	1,218	711
Advertising		4,116	226
Association fees and subscription	5,000	3,350	3,253
	<u>220,664</u>	<u>252,167</u>	<u>230,253</u>
Planning services			
Salaries and fringe benefits	559,148	461,105	663,373
Travels	16,800	10,771	14,700
Training	8,000	3,209	1,375
Maps and documents	800	120	
Sig and Planet fees	3,720		1,273
Planning advisory committee		2,702	9,620
Development review and adjustment committee	12,000	5,558	160
Conference and convention	900	2,529	75
Hardware and Software	3,600	3,125	978
External contract and service	6,600	12,100	8,701
Others	6,000	5,327	220
	<u>617,568</u>	<u>506,546</u>	<u>700,475</u>

Northwest Regional Service Commission

Schedules

Year ended December 31, 2014

		2014	2013
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
<i>Inspection services</i>			
Salaries and fringe benefits	304,680	238,488	325,754
Travels	32,600	22,711	30,442
Training	12,600	3,051	2,834
Hardware and software	2,400	2,547	204
Maps and documents	800	664	
Sig and Planet fees	2,720		722
External service contract	4,400		
Others	4,000	4,325	173
	<u>364,200</u>	<u>271,786</u>	<u>360,129</u>
<i>Financial services</i>			
Bank fees	2,750		
Amortization of tangible capital assets	41,268	15,371	41,268
	<u>44,018</u>	<u>15,371</u>	<u>41,268</u>
	<u>1,246,450</u>	<u>1,045,870</u>	<u>1,332,125</u>

Northwest Regional Service Commission

Schedules

Year ended December 31, 2014

		2014	2013
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
SOLID WASTE SERVICES			
Administration			
Salaries and fringe benefits	210,898	215,603	360,234
Travels	40,000	28,893	28,481
Training	7,500	1,630	2,773
Group insurance	94,323	61,349	69,713
Pension plan		12,841	45,411
Office supplies	23,500	7,545	5,610
Printing and photocopies	6,950	3,520	3,635
Telecommunications	25,000	20,000	22,094
Professional fees	65,000	55,106	96,551
Equipment		24,982	26,587
Advertising	25,000	12,229	11,483
Travels and accommodations			293
Special projects		16,430	22,544
Cells			1,376
Water treatment		3,662	3,464
Maintenance		17,589	2,931
Discount on debenture			3,786
Others	2,500	4,132	2,135
	<u>500,671</u>	<u>485,511</u>	<u>709,101</u>
Operations			
Station and building			
Salaries and fringe benefits	112,600	164,836	205,657
Electricity	72,500	67,318	59,943
Insurance	55,000	27,642	39,293
Taxes	51,000	43,296	43,945
Heating	3,000	197	606
Maintenance	220,000	152,104	136,456
	<u>514,100</u>	<u>455,393</u>	<u>485,900</u>
Machinery and equipment			
Rental	5,000	8,652	67
Fuel	175,000	200,501	186,650
Supplies	50,000	1,830	2,409
	<u>230,000</u>	<u>210,983</u>	<u>189,126</u>
Landfill operations			
Salaries and fringe benefits	487,974	476,127	557,108
Leachate and sloughing management	115,000	124,074	107,308
Technical services	65,000	8,242	40,316
	<u>667,974</u>	<u>608,443</u>	<u>704,732</u>
Scale house			
Salaries and fringe benefits	88,365	44,959	53,423

Northwest Regional Service Commission

Schedules

Year ended December 31, 2014

	2014		2013
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
<i>Waste diversion</i>			
Salaries and fringe benefits	54,366	60,289	62,401
Recycling	168,500	171,738	157,264
	222,866	232,027	219,665
<i>Composting program</i>			
Composters	3,000	2,704	2,619
<i>Hazardous household waste</i>			
Special projects	60,000	64,819	70,197
	1,786,305	1,619,328	1,725,662
<i>Financial services</i>			
Ongoing projects	12,500	10,951	21,785
Bad debt		582	
Bank fees		15,155	16,758
Closure fund	100,000	140,186	133,537
Amortization of tangible capital assets	840,000	671,053	850,892
Interest on long-term debt	20,060	19,560	21,686
Exchange loss (gain)		(7,286)	94,232
	972,560	850,201	1,138,890
	3,259,536	2,955,040	3,573,653
GENERATION FACILITY			
<i>Operations</i>			
Salaries and fringe benefits	39,788	27,913	27,649
Maintenance and repair	51,250	38,439	62,046
Professional fees		15,734	20,443
Telecommunications		494	605
Insurance		2,547	
Electricity		4,513	3,179
Office supplies		60	1,118
Lease equipment		2,926	47
Travels		279	96
Amortization of tangible capital assets	196,612	182,115	196,787
	287,650	275,020	311,970

