

**Northwest Regional Service
Commission**

**Financial Statements
December 31, 2019**

Independent Auditor's Report	2 - 4
Financial Statements	
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
Statement of Financial Position	8
Notes to Financial Statements	9 - 21
Schedules	22 - 28



**Raymond Chabot
Grant Thornton**

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Independent Auditor's Report

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To the members of the board of directors of
Northwest Regional Service Commission

Qualified opinion

We have audited the financial statements (hereafter the "financial statements") of Northwest Regional Service Commission (hereafter "the Commission"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, statement of change in net financial assets and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies, and the schedules.

In our opinion, except for the effects of the matter described in the "Basis for qualified opinion" section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2019, and the results of its operations, the change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for qualified opinion

The Northwest Regional Service Commission, discloses in its liabilities an amount of \$228,501 as accrued sick leave and attribution for long-term services 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, 2018. 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 and to cash flows were necessary.

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 qualified opinion.

Observation – Financial information established for tax purposes

We draw attention to the fact that the Commission includes certain information in its financial statements that is not required under Canadian public sector accounting standards. This information, prepared in accordance with the standards model prescribed by the Municipal Financial Reporting Guide for the Province of New Brunswick presented on pages 19 and 21, relates to the determination of the surplus (deficit) for the year. Our opinion is not modified in respect of this matter.

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.

Raymond Chabot Grant Thornton LLP
Chartered Professional Accountants

Edmundston
June 18, 2020

Northwest Regional Service Commission

Statement of operations

Year ended December 31, 2019

	2019		2018
	Budget (unaudited) (note 19)	Total	Total
	\$	\$	\$
Revenue			
Member charges (Page 22)	907,855	907,858	1,004,991
Sale of services (Page 22)	310,000	222,440	224,463
Tipping fees (Page 22)	3,155,199	3,507,806	3,114,304
Government transfers		73,665	88,867
Interest		2,552	3,011
Investment income		91,939	114,157
Gain on disposal of investments		3,245	301,974
Gain on disposal of tangible capital assets		711	12,183
Other revenues	10,617	806,569	90,977
	<u>4,383,671</u>	<u>5,616,785</u>	<u>4,954,927</u>
Expenses			
General services (Page 23)	409,396	328,967	354,398
Collaborative services and regional planning (Page 24)	95,995	139,059	121,288
Local planning services (Pages 24 - 25)	729,449	714,395	1,019,635
Solide waste services (Pages 26 - 27)	3,219,452	4,283,005	2,944,489
Generation facility (Page 28)	390,678	286,653	531,323
Other shared services (Page 28)	36,569	36,569	33,198
	<u>4,881,539</u>	<u>5,788,648</u>	<u>5,004,331</u>
Annual deficit (Note 17)	<u>(497,868)</u>	(171,863)	(49,404)
Accumulated surplus, beginning of year		8,937,588	8,986,992
Accumulated surplus, end of year		<u>8,765,725</u>	<u>8,937,588</u>

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

Northwest Regional Service Commission

Statement of Change in Net Financial Assets

Year ended December 31, 2019

	2019		2018
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
Annual deficit	(497,868)	(171,863)	(49,404)
Acquisition of tangible capital assets	(3,030,000)	(564,859)	(847,322)
Proceeds on disposal of tangible capital assets		711	12,183
Amortization of tangible capital assets	1,004,801	1,201,865	909,139
Gain on disposal of tangible capital assets		(711)	(12,183)
	(2,025,199)	637,006	61,817
Acquisition of inventories		(41,882)	
Acquisition of prepaid expenses		(70,986)	(54,763)
Use of prepaid expenses		54,763	3,536
	-	(58,105)	(51,227)
Increase (decrease) in net financial assets	(2,025,199)	407,038	(38,814)
Net financial assets, beginning of year	1,234,343	1,234,343	1,273,157
Net financial assets, end of year	(790,856)	1,641,381	1,234,343

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

Northwest Regional Service Commission

Statement of Cash Flows

Year ended December 31, 2019

	2019 \$	2018 \$
OPERATING ACTIVITIES		
Annual deficit	(171,863)	(49,404)
Non-cash items		
Amortization of tangible capital assets	1,201,865	909,139
Gain on disposal of investments	(3,245)	(301,974)
Gain on disposal of tangible capital assets	(711)	(12,183)
Changes in working capital items		
Trade and other receivables	(775,835)	(157,920)
Trade payables and other operating liabilities	(165,186)	185,391
Accrued sick leave	14,949	(25,153)
Attribution for long-term services	16,194	26,456
Accrued closure and post-closure costs	145,940	143,225
Inventories	(41,882)	
Prepaid expenses	(16,223)	(51,227)
Cash flows from operating activities (a)	<u>204,003</u>	<u>666,350</u>
CAPITAL ACTIVITIES		
Tangible capital assets	(564,859)	(847,322)
Disposal of tangible capital assets	711	12,183
Cash flows from tangible capital activities	<u>(564,148)</u>	<u>(835,139)</u>
FINANCING ACTIVITIES		
Net change in bank loan	1,750,080	289,448
Repayment of long-term debt	(200,000)	(197,000)
Cash flows from financing activities	<u>1,550,080</u>	<u>92,448</u>
Increase (decrease) in cash before investment activities	<u>1,189,935</u>	<u>(76,341)</u>
INVESTMENT ACTIVITIES		
Term deposits		1,237,167
Purchase of investment funds	(4,437,956)	(4,368,112)
Proceeds from investment funds	4,371,356	2,989,170
Cash flows from investing activities	<u>(66,600)</u>	<u>(141,775)</u>
Increase (decrease) in cash	<u>1,123,335</u>	<u>(218,116)</u>
Cash, beginning of year	<u>1,047,353</u>	<u>1,265,469</u>
Cash, end of period	<u>2,170,688</u>	<u>1,047,353</u>

(a) Interest received during the year amounts to \$2,552 (\$3,011 as at December 31, 2018). Interest paid during the year amounts to \$10,655 (\$15,762 as at December 31, 2018).

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

Northwest Regional Service Commission


Statement of Financial Position

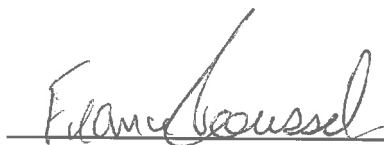
December 31, 2019

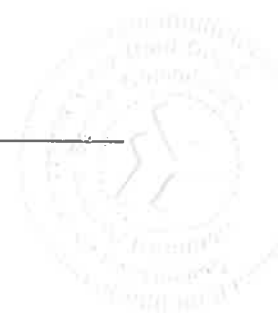
	2016 \$	2015 \$
FINANCIAL ASSETS		
Cash (Note 3)	2,170,688	1,047,353
Trade and other receivables		
Receivables	370,587	415,718
Sales tax receivable	47,121	67,767
Province of New-Brunswick	48,423	45,004
City and Municipality	887,796	
Accrued interest	14,081	
Insurance claim receivable		63,684
Note receivable (Note 4)	25,000	25,000
Investments (Note 10)	4,437,956	4,368,111
	<u>8,001,652</u>	<u>6,032,637</u>
LIABILITIES		
Bank loan (Note 5)	2,088,031	337,951
Trade payables and other operating liabilities (Note 6)	206,350	371,536
Accrued sick leave (Note 7)	185,851	170,902
Attribution for long-term services (Note 8)	42,650	26,456
Long-term debt (Note 9)	408,000	608,000
Accrued closure and post-closure costs (Note 10)	3,429,389	3,283,449
	<u>6,360,271</u>	<u>4,798,294</u>
NET FINANCIAL ASSETS	<u>1,641,381</u>	<u>1,234,343</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 15)	25,331,545	24,803,519
Accumulated amortization	18,320,069	17,155,037
	<u>7,011,476</u>	<u>7,648,482</u>
Inventories	41,882	
Prepaid expenses	70,986	54,763
	<u>112,868</u>	<u>54,763</u>
	<u>7,124,344</u>	<u>7,703,245</u>
ACCUMULATED SURPLUS	<u>8,765,725</u>	<u>8,937,588</u>

The accompanying notes and schedules 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, 2019

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 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 November 28, 2018.

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, 2019

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.

Other revenues are recognized when they are realized.

Cash and cash equivalents

The Commission's policy is to present in cash and cash equivalents bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn, and investments with a maximum maturity of three months from the acquisition date or redeemable at any time without penalty.

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 for the year.

Évaluation des stocks

Inventories are valued at the lower of cost and net realizable value. The cost is determined using the first in, first out method.

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 diminishing balance and 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.

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2019

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 7 and an attribution for long-term services 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.

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2019

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Municipalities, Communities and Rural Community obtain their local planning services from the Commission except for the City of Edmundston, the Town of Grand Falls and the Village of Drummond.

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

	<u>2019</u>	<u>2018</u>
	\$	\$
Cash - restricted	1,124,314	1,116,790
Cash (bank overdraft) - unrestricted	1,046,374	(69,437)
	<u>2,170,688</u>	<u>1,047,353</u>

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2019

4 - NOTE RECEIVABLE

The Northwest Regional Service Commission has lented \$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 - SHORT TERM BORROWING COMPLIANCE

Temporary capital loan

The Commission has the ministerial authority # 19-0006 for short-term capital borrowing.

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 1.5% (5.45%). In 2019, the Commission has complied with these restrictions.

Interfund borrowing

The Municipal Financial Reporting Manual requires that short-term interfund borrowings be repaid in next year unless the borrowing is for a capital project. The amounts payable between funds are compliance with the requirements.

6 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	2019	2018
	\$	\$
Accounts payable and accrued liabilities	104,893	232,035
Salaries and vacation payable	65,902	64,507
Accrued interest	505	703
Amounts payable to Local Service Districts and municipalities	35,050	74,291
	<u>206,350</u>	<u>371,536</u>

Northwest Regional Service Commission Notes to Financial Statements

December 31, 2019

7 - ACCRUED SICK LEAVE

The Northwest Regional Service Commission offers to employees sick leave that accumulates at 1.25 day per month for full-time administrative and non-administrative employees. Employees covered by this benefit may 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 a accrual basis according to the employees' accumulated hours and their respective hourly rate. As at December 31, 2019, the total of hours payable to employees by the Commission was 6,380.

The sick leave is an unfunded benefit. As such, there are no applicable assets since February 28, 2018. Benefits are paid out of general revenue as they come due. Amounts accumulated prior to February 28, 2018 are payable to employees upon departure at 100% for solid waste and generation facility services employees and 50% for collaborative, regional planning and local planning services employees .

As this benefit has not been valued by an actuary, the liability has been valued according to the actual days accumulated by the employees.

8 - ATTRIBUTION FOR LONG-TERM SERVICES

Employees of Northwest Regional Service Commission are eligible for these benefits after 20 years of known service. Eligible employees are entitled to a severance pay of one week salaries per year of service. Accumulated benefits are payable in the year in which the employees stop working for the Commission, either because they retire or because they leave on good terms with the employer. During the year, no amount was disbursed in long service awards. The provision has been based on the actual number of years of employment of eligible employees.

As of December 31, 2019, 7 employees were eligible for this benefit. Years of service range from 21 to 22 years.

9 - LONG TERM DEBT

New-Brunswick Municipal Finance Corporation

	2019	2018
	\$	\$
BP39 1.2% - 2%, due 2021, OIC 16-0002 and OIC 16-0044	<u>408,000</u>	<u>608,000</u>

The estimated instalments on long-term debt for the next years are \$202,000 in 2020 and \$206,000 in 2021.

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

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2019

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 \$3,429,389 is recognized in the financial statements as at December 31, 2019. The Commission estimates the total landfill capacity at 2,500,000 tons of which 1,141,373 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 \$4,437,956 has been restricted for this purpose. The activities relating to this account are as follows:

	2018	2017
	\$	\$
Balance at the beginning	4,368,111	3,924,362
Interest received		42,980
Reinvested investment income	69,845	400,769
	<u>4,437,956</u>	<u>4,368,111</u>

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

	2018	2017
	\$	\$
Investment funds (market value of \$6,177,304; \$4,314,084 as at December 31, 2018)	<u>4,437,956</u>	<u>4,368,111</u>

11 - COMMITMENT

The Commission entered into long-term lease agreements, maturing at different dates between February 2021 and March 2021, which call for lease payments of \$79,269 for the rental of premises and office equipment. Minimum lease payments for the next two years are \$67,746 in 2020 and \$11,523 in 2021.

12 - 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.

Northwest Regional Service Commission Notes to Financial Statements

December 31, 2019

13 - SUBSEQUENT EVENT

Subsequent to year-end, an outbreak of a new strain of coronavirus (COVID-19) resulted in a major global health crisis which continues to have impacts on the global economy and the financial markets at the date of completion of the financial statements.

These events are likely to cause significant changes to the assets or liabilities in the coming year or to have a significant impact on future operations. Following these events, the Company has taken and will continue to take action to minimize the impact. However, it is impossible to determine the financial implications of these events for the moment.

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, 2019

15 - TANGIBLE CAPITAL ASSETS

	Land \$	Land improvements \$	Generation facility \$	Buildings \$	Cells \$	Equipments \$	Equipment for generation \$	Vehicles \$	Hardware \$	Software \$	Total 2017 \$	Total 2016 \$
Cost												
Balance, beginning of year	76,916	5,272,935	1,766,891	1,263,087	9,130,526	1,297,700	1,708,716	4,198,099	25,268	63,389	24,803,517	23,985,183
Add:												
Net additions during the year			290,396	127,912	68,497			78,054			564,859	847,322
Less:												
Disposals during the year								36,831			36,831	32,986
Balance, end of year	76,916	5,272,935	2,057,287	1,390,999	9,199,023	1,297,700	1,708,716	4,239,322	25,268	63,389	25,331,545	24,803,519
Accumulated amortization												
Balance, beginning of year		2,310,982	264,911	635,247	8,301,493	892,771	1,138,105	3,523,387	24,767	63,374	17,155,037	16,276,884
Add:												
Amortization during the year		109,743	47,809	33,176	577,060	76,066	163,343	194,413	243	10	1,201,863	908,139
Less:												
Accumulated amortization on disposals								36,831			36,831	32,986
Balance, end of year		2,420,725	312,720	668,423	8,878,553	968,837	1,301,448	3,680,969	25,010	63,384	18,320,069	17,155,037
Net book value capital tangible assets	76,916	2,852,210	1,744,567	722,576	320,470	328,863	407,268	558,353	248	5	7,011,476	7,648,482
Consists of:												
Collaborative services												
regional planning						21,163			248	5	21,416	30,737
Solid waste services	76,916	2,852,210	1,744,567	722,576	320,470	307,700	407,268	558,353			4,838,225	5,545,154
Generation facility											2,151,935	2,072,591
	76,916	2,852,210	1,744,567	722,576	320,470	328,863	407,268	558,353	248	5	7,011,476	7,648,482

Northwest Regional Service Commission
Notes to Financial Statements
December 31, 2019

16 - SCHEDULE OF SEGMENT DISCLOSURE

	General services	Collaborative services and regional development	Solid waste services	Local planning services	Generation facility	Other shared services	Total 2019	Total 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Member charges		125,278		746,011		36,569	907,858	1,004,991
Sales of services				4,332	218,108		222,440	224,463
Tipping fees			3,507,806				3,507,806	3,114,304
Governmental transfers		6,110		67,556			73,666	88,867
Interest			2,552				2,552	3,011
Investment income			91,939				91,939	114,157
Gain on disposal of investments			3,245				3,245	301,974
Gain of disposal of tangible capital assets			511	200			711	12,183
Other revenues			795,564	11,005			806,569	90,977
		131,388	4,401,617	829,104	218,108	36,569	5,616,786	4,954,927
Expenses								
Salaries and benefits	232,089	127,933	1,154,742	513,479	48,370		2,076,613	2,198,894
Goods and services	96,879	11,127	2,122,928	191,593	27,131		2,449,658	1,847,506
Amortization of tangible capital assets			981,390	9,323	211,152		1,201,865	909,139
Interest			23,944				23,944	15,594
Others						36,569	36,569	33,198
	328,968	139,060	4,283,004	714,395	286,653	36,569	5,788,649	5,004,331
Annual surplus (deficit)	(328,968)	(7,672)	118,613	114,709	(68,545)	(171,863)	(49,404)	

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2019

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	Reserve funds (note 18)	Total
Annual surplus (deficit)	\$ (33,384)	\$ 776,119	\$ (944,181)	\$ 100,316	\$ (9,323)	\$ 142,198	\$ (211,152)	\$ 7,524	\$ (171,863)
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus									
Transfers between funds	2,697	271,565		1,132		4,176			279,570
Solid waste service operating fund to solid waste service capital fund		(274,464)	274,464						
Generation facility operating fund to generation facility capital fund						(290,395)	290,395		
Principal payments on long-term debt		(200,000)	200,000						
Accrued sick leave	5,445	9,727		12,558	9,323	(287)	211,152		27,443
Amortization expense									1,201,865
Total adjustments annual surplus (deficit)	8,142	(193,172)	1,456,964	13,690	9,323	(296,506)	501,547		1,508,878
Annual fund surplus (deficit)	(25,222)	582,947	511,673	114,006		(144,308)	290,395	7,524	1,337,015

Northwest Regional Service Commission
Notes to Financial Statements
December 31, 2019

18 - STATEMENT OF RESERVES

	Solid waste service capital assets reserves	Generation facility capital assets reserve	Local planning capital assets reserve	General local planning reserve	2019	2018
	\$	\$	\$	\$	\$	\$
Cash and accumulated surplus	886,280	112,669	65,147	60,228	1,124,314	1,116,790
Revenue						
Transfers from solid waste operating fund						96,149
Interest	7,052	409	33	30	7,524	9,055
Expenses						
Transfer from solid waste capital fund	7,052	409	33	30	7,524	105,204
						350,000
						350,000
Annual surplus (deficit)	7,052	409	33	30	7,524	(244,796)

The balance of the general local planning reserve does not respect the 5% limit of the budgeted expenditures for the previous fiscal year under the Province of New Brunswick Regulation 97-145.

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2019

19 - OPERATING BUDGET TO PSAB BUDGET

	General services	Collaborative services and regional development	Local planning services	Solid waste services	Generation facility	Other shared services	Amortization of tangible capital assets	Transfers	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue									
Member charges									
Sale of services		125,276	746,010		310,000	36,569			907,855
Tipping fees									310,000
Transfers	409,396			3,155,199				(409,396)	3,155,199
Second previous year's surplus		2,697	1,132	271,565	4,176			(279,570)	
Other revenues				10,617					10,617
	409,396	127,973	747,142	3,437,381	314,176	36,569		(688,966)	4,383,671
Expenses									
Governance									
Administration	37,425	31,978	29,431	347,987				(37,425)	409,396
Regional development	371,971		125,561	429,902	46,000			(973,434)	
Generation facility		95,995							95,995
Local planning services			592,150		142,079		202,599	46,000	390,678
Solid waste services							11,738	125,561	729,449
Interest				1,961,286			790,464	467,702	3,219,452
Other financial expense				24,500				(24,500)	
Repayment of long-term debt				13,300				(13,300)	
Transfer from solid waste services to capital assets reserve				200,000				(200,000)	
Transfer from generation facility to capital assets reserve				100,000				(100,000)	
Transfer from solid waste services to capital assets reserve					100,000			(100,000)	
Transfer from generation facility to capital assets reserve				345,406				(345,406)	
Transfer from solid waste services to operation reserve assets					26,097			(26,097)	
Other services				15,000				(15,000)	
						36,569			36,569
	409,396	127,973	747,142	3,437,381	314,176	36,569	1,004,801	(1,195,899)	4,881,539
							(1,004,801)	506,933	(497,868)

Northwest Regional Service Commission

Schedules

Year ended December 31, 2019

	2019		2018
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
MEMBERS CHARGES			
Collaborative services and regional development	125,276	125,278	119,328
Local planning services	746,010	746,011	852,465
Other shared services	36,569	36,569	33,198
	<u>907,855</u>	<u>907,858</u>	<u>1,004,991</u>
SALES OF SERVICES			
Local planning services		4,332	7,779
Generation facility	310,000	218,108	216,684
	<u>310,000</u>	<u>222,440</u>	<u>224,463</u>
TIPPING FEES			
User charges	2,905,199	2,976,437	2,649,113
Recovering material	235,000	497,168	438,240
Construction and demolition	15,000	34,201	26,951
	<u>3,155,199</u>	<u>3,507,806</u>	<u>3,114,304</u>

Northwest Regional Service Commission

Schedules

Year ended December 31, 2019

		2019	2018
	Budget (unaudited) \$	Actual \$	Actual \$
GENERAL SERVICES			
Governance			
Board members			
Fees	19,925	23,093	17,074
Travel expenses	10,000	10,903	7,488
Training	1,500	535	
Other	6,000		
	<u>37,425</u>	<u>34,531</u>	<u>24,562</u>
Administration			
Senior management			
Salaries and fringe benefits	287,610	231,693	264,572
Travel expenses	12,120	2,180	17,760
Training	3,641	1,904	352
	<u>303,371</u>	<u>235,777</u>	<u>282,684</u>
Other administrative services			
Advertising	2,000	5,498	1,645
Office supplies	5,000	5,103	4,421
Telecommunications	6,500	5,060	4,555
Printing and photocopies	6,300	6,700	4,764
Translation fees	3,000	3,653	2,280
Professional fees	27,300	6,092	14,280
Hardware and software	5,000	9,924	1,706
Rent	13,500	16,629	13,501
	<u>68,600</u>	<u>58,659</u>	<u>47,152</u>
	<u>409,396</u>	<u>328,967</u>	<u>354,398</u>

Northwest Regional Service Commission

Schedules

Year ended December 31, 2019

		2019	2018
	Budget (unaudited) \$	Actual \$	Actual \$
COLLABORATIVE SERVICES AND REGIONAL PLANNING			
Salaries and fringe benefits	78,880	127,931	95,611
Administration	1,790	1,057	6,771
Travel expenses	3,275	2,112	5,001
Training	250	320	336
Leasing fees	8,150	4,566	5,028
Advertising	550	302	1,513
Telecommunications	2,000	1,130	627
Professional fees	500	1,470	1,203
Membership fees and association			2,142
External contracts and services	250	157	717
Maintenance and repair	350	14	614
Translation			1,725
	<u>95,995</u>	<u>139,059</u>	<u>121,288</u>
LOCAL PLANNING SERVICES			
Administration			
Professional fees	1,000	5,880	2,064
Legal fees	2,000	1,454	6,860
Rent and building occupancy expenses	73,350	71,541	82,692
Office supplies	7,039	6,320	10,435
Printing and photocopies	8,000	4,098	3,655
Telecommunications	9,600	9,796	10,374
Post office expenses	2,000	804	1,756
Parking	3,360	2,560	3,582
Equipment leasing	912	294	616
Maintenance and repair	2,000	189	386
Advertising	3,500	3,527	3,434
Association fees and subscription	300	306	275
External contract and service	12,500	13,197	11,860
	<u>125,561</u>	<u>119,966</u>	<u>137,989</u>

Northwest Regional Service Commission

Schedules

Year ended December 31, 2019

		2019	2018
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
<i>Planning services</i>			
Salaries and fringe benefits	247,100	238,492	444,039
Travel expenses	13,000	9,959	9,694
Insurance	11,500	8,136	10,179
Training	2,000	2,558	1,047
Maps and documents	500	19	302
Sig and Planet fees	1,200	1,225	1,056
Planning advisory committee	6,560	6,345	7,449
Equipment and furniture	3,500	91	5,681
Conference and convention	6,000	1,322	5,994
Hardware and software	2,200	2,075	1,756
Dispute settlement			70,000
Others	100		
	<u>293,660</u>	<u>270,222</u>	<u>557,197</u>
<i>Inspection services</i>			
Salaries and fringe benefits	247,890	274,987	267,875
Travel expenses	19,000	21,494	20,440
Insurance	13,000	9,550	11,248
Training	6,950	4,848	5,463
Hardware and software	1,000	913	363
Maps and documents	1,150	14	678
Conference and convention	4,000	1,032	2,192
Equipment and furniture	3,000		2,763
Sig and Planet fees	1,500	1,332	1,241
Others	1,000	714	622
	<u>298,490</u>	<u>314,884</u>	<u>312,885</u>
<i>Financial services</i>			
Amortization of tangible capital assets	11,738	9,323	11,564
	<u>729,449</u>	<u>714,395</u>	<u>1,019,635</u>

Northwest Regional Service Commission

Schedules

Year ended December 31, 2019

		2019	2018
	Budget (unaudited) \$	Actual \$	Actual \$
SOLID WASTE SERVICES			
Administration			
Salaries and fringe benefits	242,902	265,257	220,573
Travel expenses	22,500	17,003	10,696
Insurance	37,000	30,940	22,455
Training	10,000	5,508	6,071
Office supplies	10,000	6,999	7,010
Printing and photocopies	6,000	4,906	4,833
Telecommunications	20,000	14,006	15,704
Professional fees	40,000	29,680	48,720
Equipment	10,000	1,842	6,427
Advertising	30,000	45,047	19,722
Rent	1,500	1,500	6,000
	<u>429,902</u>	<u>422,688</u>	<u>368,211</u>
Operations			
Station and building			
Salaries and fringe benefits	183,920	200,003	201,668
Electricity	60,000	84,390	86,003
Property Tax	55,000	51,625	50,193
Maintenance	45,000	21,313	17,851
	<u>343,920</u>	<u>357,331</u>	<u>355,715</u>
Machinery and equipment			
Equipment - furniture	8,000	730	1,542
Repair and maintenance	210,000	226,980	177,379
Fuel	180,000	192,406	201,690
	<u>398,000</u>	<u>420,846</u>	<u>380,611</u>
Landfill operations			
Salaries and fringe benefits	598,066	546,155	525,276
Leachate and sloughing management	70,000	62,075	70,936
Ground and cell maintenance	40,000	43,183	29,033
Equipment - furniture	30,000	36,082	40,333
Technical services	115,000	57,968	9,883
	<u>853,066</u>	<u>745,463</u>	<u>675,461</u>

Northwest Regional Service Commission

Schedules

Year ended December 31, 2019

		2019	2018
	Budget (unaudited) \$	Actual \$	Actual \$
Scale house			
Salaries and fringe benefits	62,365	61,822	67,187
Repair and maintenance	6,000	808	808
	<u>68,365</u>	<u>62,630</u>	<u>67,995</u>
Waste diversion			
Salaries and fringe benefits	78,390	81,505	74,165
Recycling	164,545	219,145	135,928
		769,634	701
Maintenance and repair	5,000	1,955	7,182
	<u>247,935</u>	<u>1,072,239</u>	<u>217,976</u>
Composting program			
Composters	10,000	376	9,482
Hazardous household waste			
Special projects		11,193	11,195
Supplies and equipment rental	10,000	16,364	16,744
Elimination	30,000	26,678	27,952
	<u>40,000</u>	<u>54,235</u>	<u>55,891</u>
	<u>2,391,188</u>	<u>3,135,808</u>	<u>2,131,342</u>
Financial services			
Interest on bank loan	13,500	13,487	2,547
Bad debt (recovery)		(11,195)	(20,507)
Bank fees	13,300	11,323	11,269
Closure fund		145,940	143,225
Amortization of tangible capital assets	790,464	981,390	690,634
Interest on long-term debt	11,000	10,457	13,047
Exchange gain		(3,475)	(27,068)
	<u>828,264</u>	<u>1,147,927</u>	<u>813,147</u>
	<u>3,219,452</u>	<u>4,283,735</u>	<u>2,944,489</u>

Northwest Regional Service Commission

Schedules

Year ended December 31, 2019

		2019	2018
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
GENERATION FACILITY			
<i>Operations</i>			
Salaries and fringe benefits	50,079	48,370	41,501
Maintenance and repair	85,000	23,667	276,160
Professional fees	40,000		489
Telecommunications			140
Electricity	6,000	2,362	5,348
Equipment leasing		156	195
Travel expenses	2,000	946	550
Training	5,000		
Amortization of tangible capital assets	202,599	211,152	206,940
	<u>390,678</u>	<u>286,653</u>	<u>531,323</u>
OTHER SHARED SERVICES			
<i>Economical development</i>			
Core leadership team of the Acadia of the lands and forests	36,569	36,569	33,198