

**Northwest Regional Service
Commission**

**Financial Statements
December 31, 2020**

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Independent Auditor's Report

**Raymond Chabot
Grant Thornton LLP**
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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, 2020, 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, 2020, 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 \$252,224 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, 2019. 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 18 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
April 28, 2021

Northwest Regional Service Commission

Statement of operations

Year ended 31 décembre 2020

	2020		2019
	Budget (unaudited) (note 17)	Total	Total
	\$	\$	\$
Revenue			
Member charges (Page 22)	1 014 869	1 014 871	907 858
Sale of services (Page 22)	450 000	306 344	222 440
Tipping fees (Page 22)	3 421 413	3 782 379	3 507 806
Government transfers	27 549	246 013	73 665
Interest		8 605	2 552
Investment income		121 399	91 939
Gain on disposal of investments		45 864	3 245
Gain on disposal of tangible capital assets		13 930	711
Other revenues	10 617	35 120	806 569
	4 924 448	5 574 525	5 616 785
Expenses			
General services (Page 23)	460 560	337 752	328 967
Collaborative services and regional planning (Page 24)	85 285	165 387	139 059
Local planning services (Pages 24 - 25)	863 685	866 249	714 395
Solide waste services (Pages 26 - 27)	3 381 718	3 187 268	4 283 005
Generation facility (Page 28)	400 000	255 559	286 653
Other shared services (Page 28)	33 914	33 914	36 569
	5 225 162	4 846 129	5 788 648
Annual deficit (Note 15)	(300 714)	728 396	(171 863)
Accumulated surplus, beginning of year		8 765 725	8 937 588
Accumulated surplus, end of year		9 494 121	8 765 725

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 31 décembre 2020

	2020		2019
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
Annual surplus (deficit)	(300 714)	728 396	(171 863)
Acquisition of tangible capital assets	(752 000)	(2 154 912)	(564 859)
Proceeds on disposal of tangible capital assets		15 016	711
Amortization of tangible capital assets	853 571	921 189	1 201 865
Gain on disposal of tangible capital assets		(13 930)	(711)
	101 571	(1 232 637)	637 006
Acquisition of inventories		(14 310)	(41 882)
Use of inventories		41 882	
Acquisition of prepaid expenses		(5 017)	(70 986)
Use of prepaid expenses		70 986	54 763
		93 541	(58 105)
Increase (decrease) in net financial assets	101 571	(410 700)	407 038
Net financial assets, beginning of year	1 641 381	1 641 381	1 234 343
Net financial assets, end of year	1 742 952	1 230 681	1 641 381

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

Northwest Regional Service Commission

Statement of Cash Flows

Year ended 31 décembre 2020

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Annual surplus (deficit)	728 396	(171 863)
Non-cash items		
Amortization of tangible capital assets	921 189	1 201 865
Gain on disposal of investments	(45 864)	(3 245)
Gain on disposal of tangible capital assets	(13 930)	(711)
Changes in working capital items		
Trade and other receivables	224 164	(775 835)
Trade payables and other operating liabilities	770 969	(165 186)
Holdbacks payable	227 730	
Accrued sick leave	3 817	14 949
Attribution for long-term services	19 906	16 194
Accrued closure and post-closure costs	149 354	145 940
Inventories	27 573	(41 882)
Prepaid expenses	65 969	(16 223)
Cash flows from operating activities (a)	<u>3 079 273</u>	<u>204 003</u>
CAPITAL ACTIVITIES		
Tangible capital assets	(2 154 912)	(564 859)
Disposal of tangible capital assets	15 016	711
Cash flows from tangible capital activities	<u>(2 139 896)</u>	<u>(564 148)</u>
FINANCING ACTIVITIES		
Net change in bank loan	(88 031)	1 750 080
Repayment of long-term debt	(202 000)	(200 000)
Cash flows from financing activities	<u>(290 031)</u>	<u>1 550 080</u>
Increase in cash before investment activities	<u>649 346</u>	<u>1 189 935</u>
INVESTMENT ACTIVITIES		
Purchase of investment funds	(4 569 588)	(4 437 956)
Proceeds from investment funds	4 483 820	4 371 356
Cash flows from investing activities	<u>(85 768)</u>	<u>(66 600)</u>
Increase (decrease) in cash	<u>563 578</u>	<u>1 123 335</u>
Cash, beginning of year	<u>2 170 688</u>	<u>1 047 353</u>
Cash, end of period	<u>2 734 266</u>	<u>2 170 688</u>

(a) Interest received during the year amounts to \$8,605 (\$2,552 as at December 31, 2019). Interest paid during the year amounts to \$7,655 (\$10,655 as at December 31, 2019).

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

Northwest Regional Service Commission

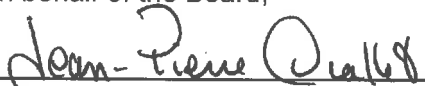
Statement of Financial Position


31 décembre 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash (Note 3)	2 734 266	2 170 688
Trade and other receivables		
Receivables	545 738	370 587
Sales tax receivable	139 605	47 121
Province of New-Brunswick	71 217	48 423
City and Municipality	370 619	887 796
Accrued interest	16 665	14 081
Note receivable (Note 4)	25 000	25 000
Investments (Note 10)	4 569 588	4 437 956
	<u>8 472 698</u>	<u>8 001 652</u>
LIABILITIES		
Bank loan (Note 5)	2 000 000	2 088 031
Trade payables and other operating liabilities (Note 6)	977 319	206 350
Holdbacks payable	227 731	
Accrued sick leave (Note 7)	189 668	185 851
Attribution for long-term services (Note 8)	62 556	42 650
Long-term debt (Note 9)	206 000	408 000
Accrued closure and post-closure costs (Note 10)	3 578 743	3 429 389
	<u>7 242 017</u>	<u>6 360 271</u>
NET FINANCIAL ASSETS	<u>1 230 681</u>	<u>1 641 381</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 13)	27 254 174	25 331 545
Accumulated amortization	19 010 062	18 320 069
	<u>8 244 112</u>	<u>7 011 476</u>
Inventories	14 311	41 882
Prepaid expenses	5 017	70 986
	<u>19 328</u>	<u>112 868</u>
ACCUMULATED SURPLUS	<u>8 263 440</u>	<u>7 124 344</u>
	<u>9 494 121</u>	<u>8 765 725</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

31 décembre 2020

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 October 30, 2019.

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

31 décembre 2020

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.

Inventory valuation

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

31 décembre 2020

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

31 décembre 2020

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 Rural Community of St-André, the City of St-Leonard, 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

	2020	2019
	\$	\$
Cash - restricted	1 511 321	1 124 314
Cash (bank overdraft) - unrestricted	1 222 945	1 046 374
	<u>2 734 266</u>	<u>2 170 688</u>

Northwest Regional Service Commission

Notes to Financial Statements

31 décembre 2020

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% (3.95%; 5.45% as at December 31, 2019). In 2020, 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 in compliance with the requirements.

6 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	2020	2019
	\$	\$
Accounts payable and accrued liabilities	844 675	104 893
Salaries and vacation payable	66 773	65 902
Accrued interest	272	505
Amounts payable to Local Service Districts and municipalities	65 599	35 050
	<u>977 319</u>	<u>206 350</u>

Northwest Regional Service Commission Notes to Financial Statements

31 décembre 2020

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 113 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, 2020, the total of hours payable to employees by the Commission was 5,600.

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, 2020, 7 employees were eligible for this benefit. Years of service range from 22 to 23 years.

9 - LONG TERM DEBT

New-Brunswick Municipal Finance Corporation

	<u>2020</u>	<u>2019</u>
	\$	\$
BP39 1.2% - 2%, due 2021, OIC 16-0002 and OIC 16-0044	<u>206 000</u>	<u>408 000</u>

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

Northwest Regional Service Commission

Notes to Financial Statements

31 décembre 2020

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 \$3,578,743 is recognized in the financial statements as at December 31, 2020. The Commission estimates the total landfill capacity at 2,500,000 tons of which 1,191,041 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 \$4,569,588 has been restricted for this purpose. The activities relating to this account are as follows:

	2020	2019
	\$	\$
Balance at the beginning	4 437 956	4 368 111
Reinvested investment income	131 632	69 845
	<u>4 569 588</u>	<u>4 437 956</u>

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

	2020	2019
	\$	\$
Investment funds (market value of \$5,436,367; \$6,177,304 as at December 31, 2019)	<u>4 569 588</u>	<u>4 437 956</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 \$11,523 for the rental of premises and office equipment. Minimum lease payments for the next year is \$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 15 presents a reconciliation between fund reporting required by PNB and current year PSAB.

Northwest Regional Service Commission

Notes to Financial Statements

31 décembre 2020

13 - TANGIBLE CAPITAL ASSETS

	Land	Land improvements	Land	Generation facility	Generation facility	Buildings	Cells	Equipments	Equipment for generation	Vehicles	Hardware and software	Total 2020	Total 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost													
Balance, beginning 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	88 647	25 331 545	24 803 517	
Add:													
Net additions during the year				5 355	1 487 668	92 084	37 402		465 920	16 950	2 154 912	564 859	
Less:													
Disposals during the year							2 012		205 013	25 258	232 283	36 831	
Balance, end of year	76 916	5 272 935		2 106 820	2 878 667	9 291 107	1 333 090	1 708 716	4 500 229	80 339	27 254 174	25 331 545	
Accumulated amortization													
Balance, beginning of year		2 420 724		312 720	668 423	8 878 553	968 839	1 301 448	3 680 967	88 395	18 320 069	17 155 037	
Add:													
Amortization during the year		109 743		268	32 510	303 346	78 438	100 843	239 746	4 241	921 189	1 201 863	
Less:													
Accumulated amortization on disposals							1 172		205 013	25 011	231 196	36 831	
Balance, end of year		2 530 467		364 774	700 933	9 181 899	1 046 105	1 402 291	3 715 700	67 625	19 010 062	18 320 089	
Net book value tangible assets	76 916	2 742 468		5 087	2 177 734	109 208	286 985	306 425	784 529	12 714	8 244 112	7 011 476	
Consists of:													
Collaborative services and regional planning				5 087			41 574			12 714	59 375	21 416	
Solid waste services	76 916	2 742 468			2 177 734	109 208	245 411		784 529		6 136 266	4 838 225	
Generation facility								306 425			2 048 471	2 151 835	
	76 916	2 742 468		5 087	2 177 734	109 208	286 985	306 425	784 529	12 714	8 244 112	7 011 476	

Northwest Regional Service Commission Notes to Financial Statements

31 décembre 2020

14 - SCHEDULE OF SEGMENT DISCLOSURE

	General services	Collaborative services and regional development	Solid waste services	Local planning services	Generation facility	Other shared services	Total 2020	Total 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Member charges		143 472		837 485		33 914	1 014 871	907 858
Sales of services				7 395	298 949		306 344	222 440
Tipping fees			3 782 379				3 782 379	3 507 806
Governmental transfers		91 095	137 494	17 424			246 013	73 665
Interest			8 605				8 605	2 552
Investment income			121 399				121 399	91 939
Gain on disposal of investments			45 864				45 864	3 245
Gain (loss) of disposal of tangible capital assets		(870)	14 800				13 930	711
Other revenues		3 101	31 125	894			35 120	806 569
		236 798	4 141 666	863 198	298 949	33 914	5 574 525	5 616 785
Expenses								
Salaries and benefits	268 005	71 585	1 101 039	638 526	45 747		2 124 902	2 076 613
Goods and services	69 747	93 802	1 288 943	212 292	56 915		1 721 699	2 449 657
Amortization of tangible capital assets			752 861	15 431	152 897		921 189	1 201 865
Interest			44 425				44 425	23 944
Others						33 914	33 914	36 569
	337 752	165 387	3 187 268	866 249	255 559	33 914	4 846 129	5 788 648
Annual surplus (deficit)	(337 752)	71 411	954 398	(3 051)	43 390		728 396	(171 863)

Northwest Regional Service Commission

Notes to Financial Statements

31 décembre 2020

15 - 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)	\$ 45 066	\$ 1 395 558	\$ (752 862)	\$ (11 938)	\$ (15 431)	\$ 196 286	\$ (152 897)	\$ 24 674	\$ 728 396
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus									
Transfers between funds	(51 711)	585 287		24 697		(105 288)			452 985
Solid waste service operating fund to solid waste service capital fund		(2 050 901)	2 050 901						
Local planning operating fund to local planning capital fund				(54 478)	54 478				
Generation facility operating fund to generation facility capital fund						(49 533)	49 533		
Solid waste service operating fund to solid waste service reserve fund		(345 406)						345 406	
Generation facility operating fund to generation facility capital fund						(26 097)		26 097	
Local planning operating fund to local planning capital fund				9 170				(9 170)	
Principal payments on long-term debt		(202 000)	202 000			8 756			19 166
Accrued sick leave	(4 970)	(8 652)		24 062	15 431		152 897		921 189
Amortization expense			752 861						
Total adjustments annual surplus (deficit)	(55 681)	(2 021 702)	3 005 762	3 451	69 909	(172 162)	202 430	362 333	1 393 340
Annual fund surplus (deficit)	(11 615)	(626 144)	2 252 900	(6 547)	54 478	24 124	49 533	387 007	2 121 736

Northwest Regional Service Commission

Notes to Financial Statements

31 décembre 2020

16 - STATEMENT OF RESERVES

	Solid waste service capital assets reserves	Generation facility capital assets reserve	Local planning capital assets reserve	General local planning reserve	2020	2019
	\$	\$	\$	\$	\$	\$
Cash and accumulated surplus (deficit)	1 231 686	163 369	65 180	51 086	1 511 321	1 124 314
Revenue						
Transfers from solid waste operating fund	345 406				345 406	
Transfers from generation facility operating fund		26 097			26 097	
Interest	24 613		33	27	24 673	7 524
	370 019	26 097	33	27	396 176	7 524
Expenses						
Transfer to general local planning operating fund				9 170	9 170	
				9 170	9 170	
Annual surplus (deficit)	370 019	26 097	33	(9 143)	387 006	7 524

Northwest Regional Service Commission

Notes to Financial Statements

31 décembre 2020

16 - STATEMENT OF RESERVES (Continued)

Board resolution regarding transfers to and from reserves:

That the NWRSC authorize the transfert of \$345,406 from current account folio 29434 EOP to GIC#10000001N7V1Y at a rate of 1.10% cashable after 1 year at Scotiabank- capital reserve fund for the solid waste sector as adopted in the 2019 budget.

That the NWRSC authorize the transfer of \$26,097 from current account folio 29434 EOP to GIC#10000001N7SSr at a rate of 0.95% cashable at any times at Scotiabank - capital reserve fund for the biogas sector as adopted in the 2019 budget.

There transfers of funds were approved by email sent to Scotiabank on May 19, 2020, by two signing officers, Mr. Jean-Pierre Ouellet and Mr France Roussel.

I hereby certify that the above is an exact translation of a board resolution adopted at a Commission meeting on June 3, 2020.

Jean-Pierre Ouellet 28 Avril 2021
Name

Date

President,

That the NWRSC authorize the transfert of \$9,170 from account folio 10254 ES-1 at Uni Coopération Financière into our RBC accounts as follows : folio 100-444-9 (\$1,375.50) which is the reserve fund for sick leave and severance pay payments for the governance sector, representing 15% of the total amount, since local planning funds 15% of governance sector and into our account folio 100-677-4 (reserve fund for sick leave and severance pay payments for the development sector) (\$7,794.50), representing the balance of the total amount of \$9,170. These transfers were made at the recommendation by Raymond Chabot Grant Thornton to the effect that our Uni folio account 10254 ES-1 was overfunded by \$9,170 (it must not exceed 5% of the previous year's budget).

I hereby certify that the above is an exact translation of a board resolution adopted at a Commission meeting on September 9, 2020.

Jean-Pierre Ouellet 28 Avril 2021
Name

Date

President,

Northwest Regional Service Commission

Notes to Financial Statements

31 décembre 2020

17 - 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									1 014 869
Sale of services		143 470	837 485		450 000	33 914			450 000
Tipping fees				3 421 413					3 421 413
Government transfers		4 450	23 099						27 549
Transfers	460 560							(460 560)	
Second previous year's surplus			24 697	585 287				(609 984)	
Other revenues		25 000		10 617				(25 000)	10 617
	460 560	172 920	885 281	4 017 317	450 000	33 914		(1 095 544)	4 924 448
Expenses									
Governance	38 500	35 924	33 160	391 476				(38 500)	460 560
Administration	422 060		125 461	459 600	43 000			(1 050 121)	
Regional development		85 285							85 285
Generation facility					150 000				400 000
Local planning services			726 660				207 000	43 000	863 685
Solid waste services				2 251 611			11 564	125 461	3 381 718
Interest							635 007	495 100	
Other financial expense				22 000				(22 000)	
Repayment of long-term debt				13 500				(13 500)	
Transfer from solid waste services to capital assets reserve				202 000				(202 000)	
Transfer from generation facility to capital assets reserve				677 130				(677 130)	
					151 712			(151 712)	
Previous year's deficit		51 711			105 288			(156 999)	33 914
Other services									
	460 560	172 920	885 281	4 017 317	450 000	33 914	853 571	(1 648 401)	5 225 162
							(853 571)	552 857	(300 714)

Northwest Regional Service Commission

Schedules

Year ended 31 décembre 2020

	2020		2019
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
MEMBERS CHARGES			
Collaborative services and regional development	143 470	143 471	125 278
Local planning services	837 485	837 486	746 011
Other shared services	33 914	33 914	36 569
	1 014 869	1 014 871	907 858
SALES OF SERVICES			
Local planning services		7 395	4 332
Generation facility	450 000	298 949	218 108
	450 000	306 344	222 440
TIPPING FEES			
User charges	3 171 413	3 302 247	2 976 437
Recovering material	235 000	462 258	497 168
Construction and demolition	15 000	17 874	34 201
	3 421 413	3 782 379	3 507 806

Northwest Regional Service Commission

Schedules

Year ended 31 décembre 2020

		2020	2019
	Budget (unaudited) \$	Actual \$	Actual \$
GENERAL SERVICES			
Governance			
<i>Board members</i>			
Fees	21 000	13 155	23 093
Travel expenses	11 000	3 964	10 903
Training	500		535
Other	6 000		
	<u>38 500</u>	<u>17 119</u>	<u>34 531</u>
Administration			
<i>Senior management</i>			
Salaries and fringe benefits	360 000	268 005	231 693
Travel expenses	14 960	4 908	2 180
Training	500	3 893	1 904
	<u>375 460</u>	<u>276 806</u>	<u>235 777</u>
<i>Other administrative services</i>			
Advertising	2 000	3 035	5 498
Office supplies	5 000	9 836	5 103
Telecommunications	6 000	4 102	5 060
Printing and photocopies	5 800	2 479	6 699
Translation fees	3 000	3 698	3 653
Professional fees	6 300	3 559	6 092
Hardware and software	5 000	1 726	9 924
Covid-19 related expenses		1 586	
Rent	13 500	13 806	16 630
	<u>46 600</u>	<u>43 827</u>	<u>58 659</u>
	<u>460 560</u>	<u>337 752</u>	<u>328 967</u>

Northwest Regional Service Commission

Schedules

Year ended 31 décembre 2020

	2020		2019
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
COLLABORATIVE SERVICES AND REGIONAL PLANNING			
Salaries and fringe benefits	67 765	71 585	125 789
Administration	2 204	3 675	1 058
Travel expenses	3 182	2 078	2 112
Training	220	105	320
Leasing fees	8 150	7 906	4 566
Advertising	385	408	302
Telecommunications	1 056	873	1 130
Professional fees	200	77 103	1 470
Membership fees and association	132		2 142
External contracts and services	1 375	1 145	157
Maintenance and repair	616	509	13
	85 285	165 387	139 059
LOCAL PLANNING SERVICES			
Administration			
Professional fees	1 800	675	5 880
Legal fees	2 000	29 278	1 454
Rent and building occupancy expenses	72 450	70 929	71 541
Office supplies	7 039	6 311	6 320
Printing and photocopies	8 000	6 450	4 098
Telecommunications	9 600	10 187	9 796
Post office expenses	2 000	1 626	804
Parking	3 360	2 520	2 560
Equipment leasing	912	214	294
Maintenance and repair	2 000	3 770	189
Advertising	3 500	3 725	3 527
Association fees and subscription	300	220	306
External contract and service	12 500	10 299	13 197
	125 461	146 204	119 966

Northwest Regional Service Commission

Schedules

Year ended 31 décembre 2020

		2020	2019
	Budget (unaudited) \$	Actual \$	Actual \$
Planning services			
Salaries and fringe benefits	368 000	353 026	168 492
Travel expenses	13 000	6 114	9 959
Insurance	11 500	9 988	8 136
Training	2 000	493	2 558
Maps and documents	500		19
Sig and Planet fees	1 200	1 286	1 225
Planning advisory committee	6 560	4 611	6 345
Equipment and furniture	3 500	805	91
Conference and convention	6 000		1 322
Hardware and software	2 200	2 679	2 075
Dispute settlement			70 000
Others	100	55	
	<u>414 560</u>	<u>379 057</u>	<u>270 222</u>
Inspection services			
Salaries and fringe benefits	259 500	285 500	274 986
Travel expenses	21 000	17 134	21 494
Insurance	13 000	12 345	9 550
Training	6 950	3 835	4 848
Hardware and software	1 000	1 928	913
Maps and documents	1 150		14
Conference and convention	4 000	2 500	1 032
Equipment and furniture	3 000		
Sig and Planet fees	1 500	1 497	1 331
Others	1 000	818	716
	<u>312 100</u>	<u>325 557</u>	<u>314 884</u>
Financial services			
Amortization of tangible capital assets	11 564	15 431	9 323
	<u>863 685</u>	<u>866 249</u>	<u>714 395</u>

Northwest Regional Service Commission

Schedules

Year ended 31 décembre 2020

		2020	2019
	Budget (unaudited) \$	Actual \$	Actual \$
SOLID WASTE SERVICES			
Administration			
Salaries and fringe benefits	250 000	151 343	265 257
Travel expenses	22 500	5 489	17 003
Insurance	37 000	35 706	30 940
Training	10 000	1 081	5 508
Office supplies	10 000	7 102	6 999
Printing and photocopies	6 000	5 358	4 906
Telecommunications	18 000	14 947	14 006
Professional fees	40 000	18 811	29 680
Covid Expense		5 943	
Equipment	10 000	11 427	1 842
Advertising	30 000	55 038	45 047
Rent	26 100	2 173	1 500
	459 600	314 418	422 688
Operations			
Station and building			
Salaries and fringe benefits	190 000	204 132	200 003
Electricity	85 000	91 334	84 390
Property Tax	55 000	52 104	51 625
Maintenance	45 000	9 446	21 313
	375 000	357 016	357 331
Machinery and equipment			
Equipment - furniture	8 000	3 577	730
Repair and maintenance	220 000	232 418	226 980
Fuel	200 000	153 177	192 406
	428 000	389 172	420 116
Landfill operations			
Salaries and fringe benefits	715 110	625 010	546 155
Leachate and sloughing management	70 000	79 032	62 075
Ground and cell maintenance	40 000	61 669	43 183
Equipment - furniture	35 000	33 848	36 082
Technical services	115 000	59 905	57 968
	975 110	859 464	745 463

Northwest Regional Service Commission

Schedules

Year ended 31 décembre 2020

	2020		2019
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
Scale house			
Salaries and fringe benefits	65 000	49 808	61 822
Repair and maintenance	6 000	2 404	808
	<u>71 000</u>	<u>52 212</u>	<u>62 630</u>
Waste diversion			
Salaries and fringe benefits	82 500	70 746	81 505
Recycling	260 000	71 734	219 145
Bacs purchase		35 272	769 634
Maintenance and repair	5 000	15 873	1 955
	<u>347 500</u>	<u>193 625</u>	<u>1 072 239</u>
Composting program			
Composters	10 000	13 636	376
Hazardous household waste			
Special projects		13 760	11 193
Supplies and equipment rental	15 000	20 711	16 364
Elimination	30 000	23 512	26 678
	<u>45 000</u>	<u>57 983</u>	<u>54 235</u>
	<u>2 711 210</u>	<u>2 237 526</u>	<u>3 135 078</u>
Financial services			
Interest on bank loan	14 000	37 003	13 487
Bad debt (recovery)		(13 762)	(11 195)
Bank fees	13 500	13 133	11 323
Closure fund		149 354	145 940
Amortization of tangible capital assets	635 007	752 861	981 390
Interest on long-term debt	8 001	7 422	10 457
Exchange loss (gain)		3 731	(3 475)
	<u>670 508</u>	<u>949 742</u>	<u>1 147 927</u>
	<u>3 381 718</u>	<u>3 187 268</u>	<u>4 283 005</u>

Northwest Regional Service Commission

Schedules

Year ended 31 décembre 2020

	2020		2019
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
GENERATION FACILITY			
<i>Operations</i>			
Salaries and fringe benefits	52 000	45 747	48 372
Maintenance and repair	90 000	47 667	23 667
Professional fees	40 000		
Electricity	3 000	8 386	2 361
Equipment leasing		158	155
Travel expenses	3 000	704	946
Training	5 000		
Amortization of tangible capital assets	207 000	152 897	211 152
	400 000	255 559	286 653
OTHER SHARED SERVICES			
<i>Economical development</i>			
Core leadership team of the Acadia of the lands and forests	33 914	33 914	36 569