

**Northwest Regional Service
Commission**

**Financial Statements
December 31, 2021**

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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 of Northwest Regional Service Commission (hereafter "the Commission"), which comprise the statement of financial position as at December 31, 2021, and the statement of operations, statement of change in net debt 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, 2021, 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 \$302,826 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, 2020. 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 22, 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 Brant Thornton LLP
Chartered Professional Accountants

Edmundston
May 25, 2022

Northwest Regional Service Commission

Statement of operations

Year ended December 31, 2021

		2021	2020
	Budget (unaudited) (note 17)	Total	Total
	\$	\$	\$
Revenue			
Member charges (Page 23)	955,002	955,002	1,014,871
Sale of services (Page 23)	400,000	189,026	306,344
Tipping fees (Page 23)	3,359,775	4,006,553	3,782,379
Government transfers	25,000	161,891	246,013
Interest		2,909	8,605
Investment income		128,288	121,399
Gain on disposal of investments		145,520	45,864
Gain on disposal of tangible capital assets		3,000	13,930
Other revenues	38,000	51,295	35,120
	<u>4,777,777</u>	<u>5,643,484</u>	<u>5,574,525</u>
Expenses			
General services (Page 24)	463,060	389,558	337,752
Collaborative services and regional planning (Page 25)	112,566	119,458	165,387
Local planning services (Pages 25 - 26)	932,730	918,945	866,249
Solide waste services (Pages 27 - 28)	3,697,734	3,536,947	3,187,268
Generation facility (Page 29)	489,488	306,315	255,559
Other shared services (Page 29)			33,914
	<u>5,695,578</u>	<u>5,271,223</u>	<u>4,846,129</u>
Annual surplus (deficit) (Note 15)	<u>(917,801)</u>	372,261	728,396
Accumulated surplus, beginning of year		9,494,121	8,765,725
Accumulated surplus, end of year		<u>9,866,382</u>	<u>9,494,121</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, 2021

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	<u>(unaudited)</u>		
	\$	\$	\$
Annual surplus (deficit)	<u>(917,801)</u>	<u>372,261</u>	<u>728,396</u>
Acquisition of tangible capital assets	<u>(1,051,000)</u>	<u>(1,200,757)</u>	<u>(2,154,912)</u>
Proceeds on disposal of tangible capital assets		<u>3,000</u>	<u>15,016</u>
Amortization of tangible capital assets	<u>921,189</u>	<u>983,993</u>	<u>921,189</u>
Gain on disposal of tangible capital assets		<u>(3,000)</u>	<u>(13,930)</u>
	<u>(129,811)</u>	<u>(216,764)</u>	<u>(1,232,637)</u>
Acquisition of inventories		<u>(6,413)</u>	<u>(14,310)</u>
Use of inventories		<u>14,311</u>	<u>41,882</u>
Acquisition of prepaid expenses		<u>(5,392)</u>	<u>(5,017)</u>
Use of prepaid expenses		<u>5,017</u>	<u>70,986</u>
	<u>-</u>	<u>7,523</u>	<u>93,541</u>
Increase (decrease) in net financial assets	<u>(129,811)</u>	<u>163,020</u>	<u>(410,700)</u>
Net financial assets, beginning of year	<u>1,230,681</u>	<u>1,230,681</u>	<u>1,641,381</u>
Net financial assets, end of year	<u>1,100,870</u>	<u>1,393,701</u>	<u>1,230,681</u>

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, 2021

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Annual surplus	372,261	728,396
Non-cash items		
Gain on disposal of investments	(145,520)	(45,864)
Gain on disposal of tangible capital assets	(3,000)	(13,930)
Amortization of tangible capital assets	983,993	921,189
Changes in working capital items		
Trade and other receivables	315,382	224,164
Note receivable	25,000	
Trade payables and other operating liabilities	(542,296)	770,969
Holdbacks payable	(200,608)	227,730
Accrued sick leave	30,164	3,817
Attribution for long-term services	20,438	19,906
Accrued closure and post-closure costs	162,697	149,354
Inventories	7,898	27,573
Prepaid expenses	(375)	65,969
Cash flows from operating activities (a)	<u>1,026,034</u>	<u>3,079,273</u>
CAPITAL ACTIVITIES		
Tangible capital assets	(1,200,757)	(2,154,912)
Disposal of tangible capital assets	<u>3,000</u>	<u>15,016</u>
Cash flows from tangible capital activities	<u>(1,197,757)</u>	<u>(2,139,896)</u>
FINANCING ACTIVITIES		
Net change in bank loan	(2,000,000)	(88,031)
Long-term debt	2,000,000	
Repayment of long-term debt	<u>(206,000)</u>	<u>(202,000)</u>
Cash flows from financing activities	<u>(206,000)</u>	<u>(290,031)</u>
Increase (decrease) in cash before investment activities	<u>(377,723)</u>	<u>649,346</u>
INVESTMENT ACTIVITIES		
Purchase of investment funds	(511,117)	(4,569,588)
Proceeds from investment funds	<u>395,159</u>	<u>4,483,820</u>
Cash flows from investing activities	<u>(115,958)</u>	<u>(85,768)</u>
Increase (decrease) in cash	<u>(493,681)</u>	<u>563,578</u>
Cash, beginning of year	<u>2,734,266</u>	<u>2,170,688</u>
Cash, end of period	<u>2,240,585</u>	<u>2,734,266</u>

(a) Interest received during the year amounts to \$2,909 (\$8,605 as at December 31, 2020). Interest paid during the year amounts to \$15,409 (\$7,655 as at December 31, 2020).

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

Northwest Regional Service Commission

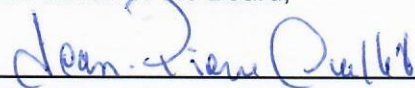
Statement of Financial Position

December 31, 2021

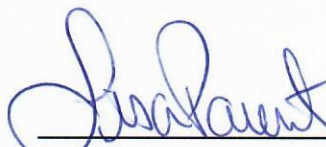
	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash (Note 3)	2,240,585	2,734,266
Trade and other receivables		
Receivables	465,265	545,738
Sales tax receivable	1,334	139,605
Province of New-Brunswick	82,365	71,217
City and Municipality	277,965	370,619
Accrued interest	1,533	16,665
Note receivable (Note 4)		25,000
Investments (Note 10)	4,831,066	4,569,588
	<u>7,900,113</u>	<u>8,472,698</u>
LIABILITIES		
Bank loan (Note 5)		2,000,000
Trade payables and other operating liabilities (Note 6)	435,023	977,319
Holdbacks payable	27,123	227,731
Accrued sick leave (Note 7)	219,832	189,668
Attribution for long-term services (Note 8)	82,994	62,556
Long-term debt (Note 9)	2,000,000	206,000
Accrued closure and post-closure costs (Note 10)	3,741,440	3,578,743
	<u>6,506,412</u>	<u>7,242,017</u>
NET FINANCIAL ASSETS	<u>1,393,701</u>	<u>1,230,681</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 13)	28,389,838	27,254,174
Accumulated amortization	19,928,962	19,010,062
	<u>8,460,876</u>	<u>8,244,112</u>
Inventories	6,413	14,311
Prepaid expenses	5,392	5,017
	<u>11,805</u>	<u>19,328</u>
	<u>8,472,681</u>	<u>8,263,440</u>
ACCUMULATED SURPLUS	<u>9,866,382</u>	<u>9,494,121</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, 2021

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 September 30, 2020.

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, 2021

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

December 31, 2021

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, 2021

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Cash - restricted	1,672,151	1,511,321
Cash - unrestricted	568,434	1,222,945
	<u>2,240,585</u>	<u>2,734,266</u>

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2021

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.

As at December 31, 2021, the Commission provisioned this amount.

5 - SHORT TERM BORROWING COMPLIANCE

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%; 3.95% as at December 31, 2020). In 2021, 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

	2021	2020
	\$	\$
Accounts payable and accrued liabilities	267,982	844,675
Salaries and vacation payable	103,958	66,773
Accrued interest	272	272
Amounts payable to Local Service Districts and municipalities	62,811	65,599
	<u>435,023</u>	<u>977,319</u>

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2021

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 an accrual basis according to the employees' accumulated hours and their respective hourly rate. As at December 31, 2021, the total of hours payable to employees by the Commission was 7,358.

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, 2021, 8 employees were eligible for this benefit. Years of service range from 21 to 24 years.

9 - LONG TERM DEBT

New-Brunswick Municipal Finance Corporation

	<u>2021</u>	<u>2020</u>
	\$	\$
BP39 1.2% - 2%, due 2021, OIC 16-0002 and OIC 16-0044		206,000
BZ44 0.3% - 2.3%, due 2031, OIC 19-0006	<u>2,000,000</u>	
	<u>2,000,000</u>	<u>206,000</u>

The estimated instalments on long-term debt for the next years are \$283,000 in 2022, \$283,000 in 2023, \$286,000 in 2024, \$288,000 in 2025 and \$291,000 in 2026.

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, 2021

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 \$3,741,440 is recognized in the financial statements as at December 31, 2021. The Commission estimates the total landfill capacity at 2,500,000 tons of which 1,245,260 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 \$4,831,066 has been restricted for this purpose. The activities relating to this account are as follows:

	2020	2019
	\$	\$
Balance at the beginning	4,569,588	4,437,956
Reinvested investment income	261,478	131,632
	<u>4,831,066</u>	<u>4,569,588</u>

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

	2020	2019
	\$	\$
Investment funds	<u>4,831,066</u>	<u>4,569,588</u>

11 - COMMITMENT

The Commission entered into a long-term lease agreement maturing in March 2031 which calls for lease payments of \$687,406 for the rental of premises.

Mimimun lease payments for the next years are \$69,037 in 2022, \$70,843 in 2023, \$71,843 in 2024, \$73,282 in 2024 and \$74,773 in 2026.

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

December 31, 2021

13 - TANGIBLE CAPITAL ASSETS

	Land \$	Land improvements \$	Leasehold improvement \$	Generation facility \$	Buildings \$	Cells \$	Equipments \$	Equipment for generation \$	Vehicles \$	Hardware and software \$	Total 2021 \$	Total 2020 \$
Cost												
Balance, beginning of year	76,916	5,272,935	5,355	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
Add:												
Net additions during the year			5,697	1,552	119,404	919,163	85,620		64,055	5,266	1,200,757	2,154,912
Less:												
Disposals during the year							6,893		58,200		65,093	232,283
Balance, end of year	76,916	5,272,935	11,052	2,108,372	2,998,071	10,210,270	1,411,817	1,708,716	4,506,084	85,605	28,389,838	27,254,174
Accumulated amortization												
Balance, beginning of year		2,530,467	268	364,774	700,933	9,181,899	1,046,105	1,402,291	3,715,700	67,625	19,010,062	18,320,069
Add:												
Amortization during the year		109,743	821	52,691	73,459	292,959	62,070	100,667	283,908	7,675	983,993	921,189
Less:												
Accumulated amortization on disposals							6,893		58,200		65,093	231,196
Balance, end of year		2,640,210	1,089	417,465	774,392	9,474,858	1,101,282	1,502,958	3,941,408	75,300	19,928,962	19,010,062
Net book value tangible capital assets	76,916	2,632,725	9,963	1,690,907	2,223,679	735,412	310,535	205,758	564,676	10,305	8,460,876	8,244,112
Consists of:												
Collaborative services and regional planning	76,916	2,632,725	9,963		2,223,679	735,412	96,398		564,676	10,305	116,666	59,375
Solid waste services				1,690,907			214,137				6,447,545	6,136,266
Generation facility				1,690,907	2,223,679	735,412	310,535	205,758	564,676		1,896,665	2,048,471
	76,916	2,632,725	9,963		2,223,679	735,412	310,535	205,758	564,676	10,305	8,460,876	8,244,112

Northwest Regional Service Commission Notes to Financial Statements

December 31, 2021

14 - SCHEDULE OF SEGMENT DISCLOSURE

	General services	Collaborative services and regional development	Solid waste services	Local planning services	Generation facility	Total 2021	Total 2020
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Member charges		123,909		831,093		955,002	1,014,871
Sales of services				2,890	186,136	189,026	306,344
Tipping fees			4,006,553			4,006,553	3,782,379
Governmental transfers	3,460	47,535	86,833	24,063		161,891	246,013
Interest			2,909			2,909	8,605
Investment income			128,288			128,288	121,399
Gain on disposal of investments			145,520			145,520	45,864
Gain of disposal of tangible capital assets			3,000			3,000	13,930
Other revenues			51,295			51,295	35,120
	3,460	171,444	4,424,398	858,046	186,136	5,643,484	5,574,525
Expenses							
Salaries and benefits	307,179	84,046	1,037,162	694,070	51,435	2,173,892	2,124,902
Goods and services	82,379	35,412	1,656,629	203,906	101,522	2,079,848	1,721,699
Amortization of tangible capital assets			809,666	20,969	153,358	983,993	921,189
Interest			33,490			33,490	44,425
Others							33,914
	389,558	119,458	3,536,947	918,945	306,315	5,271,223	4,846,129
Annual surplus (deficit)	(386,098)	51,986	887,451	(60,899)	(120,179)	372,261	728,396

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2021

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 16)	Total
Annual surplus (deficit)	\$ 21,870	\$ 1,341,793	\$ (809,667)	\$ (67,787)	\$ (20,969)	\$ 30,006	\$ (153,358)	\$ 30,373	\$ 372,261
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus	(25,222)	582,947		114,006		(144,308)			527,423
Transfers between funds									
Solid waste service operating fund to solid waste service capital fund		(752,718)	752,718						
Local planning operating fund to local planning capital fund				(6,487)	6,487				
Generation facility operating fund to generation facility capital fund						(1,552)	1,552		
Solid waste service operating fund to solid waste service reserve fund		(377,130)						377,130	
Generation facility operating fund to generation facility capital reserve fund						(151,712)		151,712	
Solid waste service reserve fund to solid waste service capital fund			440,000					(440,000)	
Correction of a transfer between the solid waste service operating fund to solid waste service capital fund for 2020		1,100,000							1,100,000
Principal payments on long-term debt		(206,000)	206,000						
Accrued sick leave	9,865	2,318	809,666	11,530	20,969	3,910	153,358		27,623
Amortization expense									983,893
Total adjustments annual surplus (deficit)	(15,357)	349,417	2,208,384	119,049	27,456	(283,662)	154,910	88,842	2,639,039
Annual fund surplus	6,513	1,691,210	1,398,717	51,262	6,487	(263,656)	1,552	119,215	3,011,300

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2021

16 - STATEMENT OF RESERVES

	Solid waste service capital assets reserves	Generation facility capital assets reserve	Local planning capital assets reserve	General local planning reserve	2021	2020
	\$	\$	\$	\$	\$	\$
Cash and accumulated surplus	1,262,182	293,646	65,212	51,111	1,672,151	1,511,321
Revenue	418,745				418,745	345,406
Transfers from solid waste operating fund		151,712			151,712	
Transfers from generation facility operating fund	27,138	3,178	32	25	30,373	24,673
Interests	445,883	154,890	32	25	600,830	396,176
Expenses						
Transfer to general local planning operating fund	440,000				440,000	9,170
Transfer to solid waste service capital fund	440,000				440,000	9,170
Annual surplus	5,883	154,890	32	25	160,830	387,006

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2021

16 - STATEMENT OF RESERVES (Continued)

Board resolution regarding transfers to and from reserves:

Upon motion duly made by Mr. France Roussel, seconded by Mr. Roger Levesque and unanimously carried, it was

RESOLVED

Solid Waste Sector

That the NWRSC authorize the transfer of \$377,130 from our Uni Coopération Financière folio 29434 EOP current account to the Solid Waste sector capital reserve fund at Scotiabank. This amount will be transferred via cheque # 10340. The amount in the 2020 budget was \$677,130.

However, since in 2020 we paid our capital costs out of our working capital, \$652,000 of which was supposed to have been paid out of the capital reserve fund, we invested \$377,130 instead of withdrawing \$652,000 from the capital reserve fund and reinvesting \$677,130, which would have given us a net investment of \$25,130.

So we invested an additional \$352,000.

As well, the total invested in the capital reserve fund will be \$401,742.61, because we're going to add GIC #10000001PBSW3, with an initial value of \$24,541.06, which we invested on June 4, 2020, and which matured on December 4, 2020, with a final value of \$24,612.61.

This sum of \$401,742.61 will be invested at Scotiabank in a new GIC (guaranteed investment certificate) for a period of 1 year, redeemable at any time, at a rate of 0.30%, the best available rate.

Biogas Sector

That the NWRSC authorize the transfer of \$151,712 from our Uni folio 29434 EOP current account to the Biogas sector capital reserve fund as adopted in the 2020 budget. This sum will be transferred via cheque #10341 and invested at Scotiabank in a new GIC (guaranteed investment certificate) for a period of 1 year, redeemable at any time, at a rate of 0.30%, the best available rate.

Upon motion duly made by Mr. Marcel Deschênes, seconded by Mrs Nicole Somers and unanimously carried, it was

RESOLVED

For the Solid Waste Sector

The 2021 budget stated that we were supposed to transfer \$650,000 from the solid waste sector capital reserve fund to cover our acquisition of assets for a total of \$1,033,000. Since we have received a large bill from F.R. Liner for cell # 10 totalling \$441,699.46, I suggest that we transfer \$440,000 for now from our solid waste sector capital reserve fund to our operating fund. This would avoid interest fees on the line of credit and stabilize our operating fund.

Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2021

16 - STATEMENT OF RESERVES (Continued)

Upon motion duly made by Mrs Roseline Pelletier, seconded by Mr. Marcel Levesque and unanimously carried, it was

RESOLVED

For the Solid Waste Sector

That the CSRNO authorize the transfer of \$41,615 from current account folio 29434 EOP to the capital reserve fund in account # 33993 04866 12 at Scotiabank as stated in the 2021 budget.

That the CSRNO authorize GIC # 1RG91T (capital reserve fund) at Scotiabank, in the amount of \$349,754.15, which matured on November 22, 2021, to be reinvested with the rest of the capital reserve fund of \$468,685.91. The amount in question is in dual rate investment account # 33993 04866 12. The current rate is 0.35%, which is the highest rate for investments that can be cashed at any time.

I hereby certify that the above are exact translations of board resolutions adopted at Commission's meeting on January 27, 2021, September 22, 2021 and November 24, 2021.

Joan-Pierre Desjardins

May 26, 2022

Name

Date

President



Northwest Regional Service Commission

Notes to Financial Statements

December 31, 2021

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									955,002
Sale of services		123,907	831,095		400,000				400,000
Tipping fees				3,359,775					3,359,775
Government transfers		25,000							25,000
Transfers	463,060				80,438			(543,498)	
Second previous year's surplus			114,006	582,947				(696,953)	
Other revenues		25,000		13,000					38,000
	463,060	173,907	945,101	3,955,722	480,438			(1,240,451)	4,777,777
Expenses									
Governance	40,000	36,119	33,340	393,601				(40,000)	463,060
Administration	423,060		135,951	486,600	18,000			(1,063,611)	
Regional development		112,566							112,566
Generation facility					318,130		153,358	18,000	489,488
Local planning services			775,810				20,969	135,951	932,730
Solid waste services				2,344,848			809,666	543,220	3,697,734
Interest				42,120				(42,120)	
Other financial expense				14,500				(14,500)	
Repayment of long-term debt				552,000				(552,000)	
Transfer from solid waste services to capital assets reserve				41,615				(41,615)	
Transfer from solid waste services to generation facility				80,				(80,438)	
Previous year's deficit		25,222			144,308			(169,530)	
	463,060	173,907	945,101	3,955,722	480,438		983,993	(1,306,643)	5,695,578
							(983,993)	66,192	(917,801)

Northwest Regional Service Commission

Schedules

Year ended December 31, 2021

		2021	2020
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
MEMBERS CHARGES			
Collaborative services and regional development	123,906	123,909	143,471
Local planning services	831,096	831,093	837,486
Other shared services			33,914
	955,002	955,002	1,014,871
SALES OF SERVICES			
Local planning services		2,890	7,395
Generation facility	400,000	186,136	298,949
	400,000	189,026	306,344
TIPPING FEES			
User charges	3,091,275	3,390,790	3,302,247
Recovering material	253,500	584,440	462,258
Construction and demolition	15,000	31,323	17,874
	3,359,775	4,006,553	3,782,379

Northwest Regional Service Commission

Schedules

Year ended December 31, 2021

		2021	2020
	Budget (unaudited) \$	Actual \$	Actual \$
GENERAL SERVICES			
Governance			
Board members			
Fees	23,500	21,554	13,155
Travel expenses	11,000	3,284	3,368
Training	500		
Other	5,000		
	<u>40,000</u>	<u>24,838</u>	<u>16,523</u>
Administration			
Senior management			
Salaries and fringe benefits	250,000	188,218	176,571
Travel expenses	10,260	6,375	4,908
Training	3,700	1,128	3,893
	<u>263,960</u>	<u>195,721</u>	<u>185,372</u>
Financial management			
Salaries and fringe benefits	109,500	118,961	91,433
Travel expenses	500	559	597
Training	500		
	<u>110,500</u>	<u>119,520</u>	<u>92,030</u>
Other administrative services			
Advertising	2,000	4,010	3,035
Office supplies	5,000	5,044	6,035
Telecommunications	5,000	4,423	4,102
Printing and photocopies	5,500	3,394	2,479
Translation fees	3,600	2,557	3,698
Professional fees	4,500	9,495	3,559
Hardware and software	7,000	5,689	1,726
Covid-19 related expenses		1,468	5,387
Rent	16,000	13,399	13,806
	<u>48,600</u>	<u>49,479</u>	<u>43,827</u>
	<u>463,060</u>	<u>389,558</u>	<u>337,752</u>

Northwest Regional Service Commission

Schedules

Year ended December 31, 2021

		2021	2020
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
COLLABORATIVE SERVICES AND REGIONAL PLANNING			
Salaries and fringe benefits	69,132	84,046	71,585
Administration	2,587	1,999	3,675
Travel expenses	3,382	1,812	2,078
Training	220	88	105
Leasing fees	8,520	8,105	7,906
Advertising	500	504	408
Telecommunications	1,170	1,421	873
Professional fees	25,000	19,431	77,103
External contracts and services	1,400	1,884	1,145
Maintenance and repair	655	168	509
	112,566	119,458	165,387
LOCAL PLANNING SERVICES			
Administration			
Professional fees	1,800	3,064	675
Legal fees	7,000	2,975	29,278
Rent and building occupancy expenses	74,000	72,682	70,929
Office supplies	7,039	5,136	6,311
Printing and photocopies	6,000	3,850	6,450
Telecommunications	11,700	12,784	10,187
Post office expenses	1,500	1,667	1,626
Parking	4,700	3,219	2,520
Equipment leasing	912	265	214
Maintenance and repair	2,000	442	3,770
Advertising	5,000	4,539	3,725
Association fees and subscription	300	275	220
External contract and service	14,000	16,953	10,299
	135,951	127,851	146,204

Northwest Regional Service Commission

Schedules

Year ended December 31, 2021

		2021	2020
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
Planning services			
Salaries and fringe benefits	380,000	384,024	353,026
Travel expenses	15,000	8,355	6,114
Insurance	13,000	8,864	9,988
Training	2,000	795	493
Maps and documents	500		
Sig and Planet fees	1,600	948	1,286
Planning advisory committee	6,560	4,390	4,611
Equipment and furniture	3,500	1,067	805
Conference and convention	6,000	55	
Hardware and software	9,750	6,078	2,679
Others	500		55
	<u>438,410</u>	<u>414,576</u>	<u>379,057</u>
Inspection services			
Salaries and fringe benefits	272,000	310,046	285,499
Travel expenses	23,000	19,725	17,134
Insurance	14,300	11,607	12,345
Training	6,950	4,183	3,835
Hardware and software	9,750	4,872	1,928
Maps and documents	1,150	214	
Conference and convention	4,000		2,500
Equipment and furniture	3,000	1,608	
Sig and Planet fees	1,500	1,781	1,498
Others	1,750	1,513	818
	<u>337,400</u>	<u>355,549</u>	<u>325,557</u>
Financial services			
Amortization of tangible capital assets	20,969	20,969	15,431
	<u>932,730</u>	<u>918,945</u>	<u>866,249</u>

Northwest Regional Service Commission

Schedules

Year ended December 31, 2021

		2021	2020
	Budget (unaudited) \$	Actual \$	Actual \$
SOLID WASTE SERVICES			
Administration			
Salaries and fringe benefits	263,500	218,993	151,343
Travel expenses	22,500	8,672	5,489
Insurance	45,000	96,693	35,706
Training	10,000	3,080	1,081
Office supplies	9,000	13,154	7,102
Printing and photocopies	6,500	8,472	5,358
Telecommunications	18,000	15,980	14,947
Professional fees	40,000	44,832	18,811
Covid Expense		2,445	5,943
Equipment	13,500	15,567	11,427
Advertising	34,500	64,684	55,038
Rent	26,100		2,173
	<u>488,600</u>	<u>492,572</u>	<u>314,418</u>
Operations			
Station and building			
Salaries and fringe benefits	192,000	200,690	204,132
Electricity	86,700	98,500	91,334
Property Tax	68,148	64,359	52,104
Maintenance	30,000	28,464	9,446
	<u>376,848</u>	<u>392,013</u>	<u>357,016</u>
Machinery and equipment			
Equipment - furniture	8,000	5,698	3,577
Repair and maintenance	230,000	219,953	232,418
Fuel	215,000	178,340	153,177
	<u>453,000</u>	<u>403,991</u>	<u>389,172</u>
Landfill operations			
Salaries and fringe benefits	740,000	617,479	625,010
Leachate and sloughing management	70,000	76,186	79,032
Ground and cell maintenance	60,000	25,635	61,669
Equipment - furniture	40,000	34,792	33,848
Equipment leasing		3,247	723
Water treatment	50,000	21,811	32,010
Technical services	65,000	27,777	27,172
	<u>1,025,000</u>	<u>806,927</u>	<u>859,464</u>

Northwest Regional Service Commission

Schedules

Year ended December 31, 2021

		2021	2020
	Budget (unaudited) \$	Actual \$	Actual \$
Scale house			
Salaries and fringe benefits	67,000	69,709	49,808
Repair and maintenance	6,000	835	2,404
	<u>73,000</u>	<u>70,544</u>	<u>52,212</u>
Waste diversion			
Salaries and fringe benefits	85,000	77,413	70,746
Recycling	275,000	161,918	71,734
Bacs purchase	5,000	16,492	35,272
Maintenance and repair			15,873
	<u>365,000</u>	<u>255,823</u>	<u>193,625</u>
Composting program			
Composters	5,000	30	13,636
Hazardous household waste			
Special projects			13,760
Supplies and equipment rental	15,000	21,918	20,711
Elimination	30,000	32,038	23,512
	<u>45,000</u>	<u>53,956</u>	<u>57,983</u>
	<u>2,831,448</u>	<u>2,475,856</u>	<u>2,237,526</u>
Financial services			
Interest on bank loan	14,000	18,081	37,003
Bad debt (recovery)		25,000	(13,762)
Bank fees	14,500	18,234	13,133
Closure fund		162,697	149,354
Amortization of tangible capital assets	809,666	809,666	752,861
Interest on long-term debt	28,120	15,409	7,422
Exchange loss (gain)		(2,723)	3,731
	<u>866,286</u>	<u>1,061,091</u>	<u>949,742</u>
	<u>3,697,734</u>	<u>3,536,947</u>	<u>3,187,268</u>

Northwest Regional Service Commission

Schedules

Year ended December 31, 2021

		2021	2020
	Budget	Actual	Actual
	(unaudited)		
	\$	\$	\$
GENERATION FACILITY			
<i>Operations</i>			
Salaries and fringe benefits	52,000	51,434	45,747
Maintenance and repair	260,000	94,765	47,667
Professional fees	15,000		
Electricity	3,000	5,804	8,386
Equipment leasing	130	211	158
Travel expenses	2,000	743	704
Training	4,000		
Amortization of tangible capital assets	153,358	153,358	152,897
	489,488	306,315	255,559
OTHER SHARED SERVICES			
<i>Economical development</i>			
Core leadership team of the Acadia of the lands and forests			33,914