

**Northwest Regional Service  
Commission**

**Financial Statements  
December 31, 2022**

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## **Independent Auditor's Report**

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

### **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, 2022, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2022, 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 opinion**

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 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 20 and 24, 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 Cholet Grant Thornton LLP*

Chartered Professional Accountants

Edmundston  
June 4, 2023

# Northwest Regional Service Commission

## Statement of operations

Year ended December 31, 2022

	2022		2021
	Budget (unaudited) (note 18)	Total	Total
	\$	\$	\$
<b>Revenue</b>			
Member charges (Page 25)	1,042,048	1,042,047	955,002
Sale of services (Page 25)	399,981	514,052	192,606
Tipping fees (Page 25)	4,004,758	4,010,992	4,006,553
Government transfers	215,000	307,899	161,891
Interest	6,000	7,633	4,342
Investment income	6,000	131,039	126,854
Gain on disposal of investments		55,733	145,520
Gain on disposal of tangible capital assets		227,563	3,174
Legal fees charges to the province		22,810	
Other revenues	21,500	23,473	47,542
	<u>5,695,287</u>	<u>6,343,241</u>	<u>5,643,484</u>
<b>Expenses</b>			
General services (Page 26)	417,786	455,002	389,558
Collaborative services and regional planning (Page 27)	195,283	298,288	119,458
Local planning services (Pages 27 - 28)	937,354	928,814	918,945
Solide waste services (Pages 29 - 30)	4,122,473	4,563,156	3,536,947
Generation facility (Page 31)	306,484	354,897	306,315
Economic development (Page 31)		9,164	
Community development (Page 31)		60,186	
Regional transportation (Page 31)		967	
	<u>5,979,380</u>	<u>6,670,474</u>	<u>5,271,223</u>
Annual surplus (deficit) (Note 15)	<u>(284,093)</u>	<u>(327,233)</u>	372,261
Accumulated surplus, beginning of year		9,866,382	9,494,121
Accumulated surplus, end of year		<u>9,539,149</u>	<u>9,866,382</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, 2022

		2022	2021
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
Annual surplus (deficit)	(284,093)	(327,233)	372,261
Acquisition of tangible capital assets	(1,525,000)	(2,271,317)	(1,200,757)
Proceeds on disposal of tangible capital assets		281,401	3,000
Amortization of tangible capital assets	1,189,275	1,192,173	983,993
Gain on disposal of tangible capital assets		(227,189)	(3,000)
	(335,725)	(1,024,932)	(216,764)
Acquisition of inventories		(3,922)	(6,413)
Use of inventories		6,413	14,311
Acquisition of prepaid expenses		(35,267)	(5,392)
Use of prepaid expenses		5,392	5,017
	-	(27,384)	7,523
Increase (decrease) in net financial assets	(619,818)	(1,379,549)	163,020
Net financial assets, beginning of year	1,100,870	1,393,701	1,230,681
Net financial assets, end of year	481,052	14,152	1,393,701

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, 2022

	2022	2021
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	(327,233)	372,261
Non-cash items		
Investment fund revenues reinvested	(123,279)	
Gain on disposal of investments	(55,733)	(145,520)
Gain on disposal of tangible capital assets	(227,189)	(3,000)
Amortization of tangible capital assets	1,192,173	983,993
Changes in working capital items		
Trade and other receivables	92,069	315,382
Note receivable		25,000
Trade payables and other operating liabilities	(84,665)	(542,296)
Deferred revenues	87,370	
Holdbacks payable	(27,123)	(200,608)
Accrued sick leave	46,361	30,164
Attribution for long-term services	29,263	20,438
Accrued closure and post-closure costs	692,879	162,697
Inventories	2,491	7,898
Prepaid expenses	(29,875)	(375)
Cash flows from operating activities (a)	<u>1,267,509</u>	<u>1,026,034</u>
<b>CAPITAL ACTIVITIES</b>		
Tangible capital assets	(2,271,317)	(1,200,757)
Disposal of tangible capital assets	281,401	3,000
Cash flows from tangible capital activities	<u>(1,989,916)</u>	<u>(1,197,757)</u>
<b>FINANCING ACTIVITIES</b>		
Net change in bank loan		(2,000,000)
Long-term debt	370,000	2,000,000
Repayment of long-term debt	(283,000)	(206,000)
Cash flows from financing activities	<u>87,000</u>	<u>(206,000)</u>
Decrease in cash before investment activities	<u>(635,407)</u>	<u>(377,723)</u>
<b>INVESTMENT ACTIVITIES</b>		
Purchase of investment funds	(274,448)	(511,117)
Proceeds from investment funds	275,120	395,159
Cash flows from investing activities	<u>672</u>	<u>(115,958)</u>
<b>Decrease in cash</b>	<u>(634,735)</u>	<u>(493,681)</u>
Cash, beginning of year	2,240,585	2,734,266
Cash, end of period	<u>1,605,850</u>	<u>2,240,585</u>

(a) Interest received during the year amounts to \$19,482 (\$19,474 as at December 31, 2021). Interest paid during the year amounts to \$22,153 (\$15,409 as at December 31, 2021).

# Northwest Regional Service Commission


## Statement of Financial Position

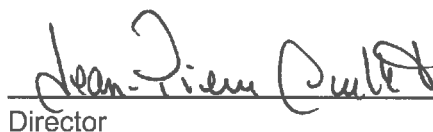
December 31, 2022

	2020	2019
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (Note 3)	1,605,850	2,240,585
Trade and other receivables		
Receivables	440,697	465,265
Sales tax receivable		1,334
Province of New-Brunswick	110,386	82,365
City and Municipality	185,310	277,965
Accrued interest		1,533
Investments (Note 10)	5,009,406	4,831,066
	<u>7,351,649</u>	<u>7,900,113</u>
<b>LIABILITIES</b>		
Trade payables and other operating liabilities (Note 6)	350,358	435,023
Deferred revenues	87,370	
Holdbacks payable		27,123
Accrued sick leave (Note 7)	266,193	219,832
Attribution for long-term services (Note 8)	112,257	82,994
Long-term debt (Note 9)	2,087,000	2,000,000
Accrued closure and post-closure costs (Note 10)	4,434,319	3,741,440
	<u>7,337,497</u>	<u>6,506,412</u>
<b>NET FINANCIAL ASSETS</b>	<u>14,152</u>	<u>1,393,701</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 13)	28,761,959	28,389,838
Accumulated amortization	<u>19,276,151</u>	<u>19,928,962</u>
	9,485,808	8,460,876
Inventories	3,922	6,413
Prepaid expenses	35,267	5,392
	<u>39,189</u>	<u>11,805</u>
<b>ACCUMULATED SURPLUS</b>	<u>9,524,997</u>	<u>8,472,681</u>
	<u>9,539,149</u>	<u>9,866,382</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, 2022

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### **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 27, 2021.

#### **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.

#### **Revenue recognition**

##### *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, 2022

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### **2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Revenue recognition (Continued)**

##### *Member charges*

Member charges dues are recorded and passed by resolution.

##### *Other revenues*

Revenue from sales of services and tipping fees are recognized when the service is provided and gives rise to a receivable.

##### *Net investment income*

Investment transaction are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting.

Net investment income includes interest income, income from the interest in net income of mutual funds and the gain realized on the disposal of portfolio investment.

#### **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, 2022

**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, 2022

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### **2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Segment disclosures (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.

##### Economic development

This department is responsible for the regional growth.

##### Community development

This department is responsible for ensuring a cohesive regional vision and plan for housing, newcomer settlement services and the promotion of diversity, social inclusion and healthy communities.

##### Regional transportation

This department is responsible for implementing strategies and services to better serve residents with different means of transportation.

#### **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.

**Northwest Regional Service Commission**  
**Notes to Financial Statements**  
December 31, 2022

**3 - CASH**

	<u>2022</u>	<u>2021</u>
	\$	\$
Cash - restricted	881,790	1,672,151
Cash - unrestricted	724,060	568,434
	<u>1,605,850</u>	<u>2,240,585</u>

**4 - NOTE RECEIVABLE**

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

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

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

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% (7.95%; 3.95% as at December 31, 2021). In 2022, 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**

	<u>2022</u>	<u>2021</u>
	\$	\$
Accounts payable and accrued liabilities	170,936	267,982
Salaries and vacation payable	108,154	103,958
Indirect taxes	6,432	
Accrued interest	272	272
Amounts payable to Local Service Districts and municipalities	64,564	62,811
	<u>350,358</u>	<u>435,023</u>

## Northwest Regional Service Commission Notes to Financial Statements

December 31, 2022

### 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 112 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, 2022, the total of hours payable to employees by the Commission was 8,652.

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 at December 31, 2022, an actuarial valuation was made.

The assumptions used are those which the Commission's management considers to be the most likely and are as follows:

#### Non-vested sick leave

	<u>2022</u>
Annual salary increases	2 %
Annual discount rate	4.52 %
Probability of excess usage	27.10 %
Excess sick used per person per year	68,35
Total net excess (hours)	18,52
Mortality	None
Termination of employment	None
Retirement age	Age 65 or one year after the valuation date if already over 65 years old
Actuarial cost method	Project until credit pro-rated on service to retirement

#### Vested sick leave

	<u>2022</u>
Annual salary increases	2 %
Annual discount rate	4.52 %
Accumulated sick time earned	1.5 days per month
Mortality	None
Termination of employment	None
Retirement age	Age 65 or one year after the valuation date if already over 65 years old
Actuarial cost method	Project until credit pro-rated on service to retirement

## Northwest Regional Service Commission Notes to Financial Statements

December 31, 2022

### 7 - ACCRUED SICK LEAVE (Continued)

As at December 31, 2022, non-vested accrued liability recorded in the books equals \$141,847 as supplied by NRSC. The difference between this accrued liability and the accrued benefit obligation for the non-vested sick leave benefit is to be amortized over the expected average service lifetime (EARSL) for the non-vested sick leave benefit and included in the 2023 expense calculations.

As at December 31, 2022, vested sick leave accrued liability recorded on the books equals \$124,346 as supplied by NRSC. The difference between this accrued liability and the accrued benefit obligation for the vested sick leave benefit is to be amortized over the expected average service lifetime (EARSL) for the vested sick leave benefit and included in the 2023 expense calculations

#### Results

##### Non-vested sick leave

	<u>2022</u>
Accrued benefit obligation	\$134,300
Annual current service cost	\$21,000
EARSL	21.1

##### Vested sick leave

	<u>2022</u>
Accrued benefit obligation	\$55,900
Annual current service cost	\$3,300
EARSL	18.0

### 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-term service awards. The provision has been based on the actual number of years of employment of eligible employees.

As of December 31, 2022, 6 employees were eligible for this benefit. Years of service range from 21 to 25 years.

As at December 31, 2022, an actuarial valuation was made.

The assumptions used are those which the Commission's management considers to be the most likely and are as follows:

	<u>2022</u>
Annual salary increases	2 %
Annual discount rate	4.52 %
Mortality	None
Termination of employment	None
Retirement age	Age 65 or one year after the valuation date if already over 65 years old
Actuarial cost method	Project until credit pro-rated on service

## Northwest Regional Service Commission Notes to Financial Statements

December 31, 2022

### 8 - ATTRIBUTION FOR LONG-TERM SERVICES (Continued)

The December 31, 2022, accrued liability recorded on NRSC's books equals \$112,256 as verified by NRSC. The difference between this accrued liability and the actual valuation liability as calculated as at December 31, 2022 is amortized and included in the 2023 expense calculations.

#### Results

	<u>2022</u>
Accrued benefit obligation	\$107,400
Annual current service cost	\$21,500
EARSL	21.1

### 9 - LONG TERM DEBT

New-Brunswick Municipal Finance Corporation

	<u>2022</u>	<u>2021</u>
	\$	\$
CC27 3.95 % - 4.7 %, due in December 2027, OIC 22-0024	<b>370,000</b>	
BZ44 0.3% - 2.3%, due in June 2031, OIC 19-0006	<b>1,717,000</b>	2,000,000
	<b><u>2,087,000</u></b>	<b><u>2,000,000</u></b>

The estimated instalments on long-term debt for the next five years are \$351,000 in 2023, \$357,000 in 2024, \$362,000 in 2025, \$368,000 in 2026 and \$190,000 in 2027.

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

### 10 - ACCRUED CLOSURE AND POST-CLOSURE COSTS

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

The current value of the future cash flows for closure and post-closure activities amounts to \$45,680,751 and \$4,434,319 is recognized in the financial statements as at December 31, 2022. The Commission estimates the total landfill capacity at 2,500,000 tons of which 1,389,000 tons have been used. The discount rate used is 4.5%, which is 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 \$5,009,406 has been restricted for this purpose.



## Northwest Regional Service Commission

### Notes to Financial Statements

December 31, 2022

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#### **11 - COMMITMENT**

The Commission entered into a long-term lease agreement maturing in March 2031 which calls for lease payments of \$618,369 for the rental of premises.

Minimum lease payments for the next five years are \$70,394 in 2023, \$71,843 in 2024, \$73,282 in 2024, \$74,773 in 2026 and \$76,275 in 2027.

#### **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"). The differences in the accounting standards comprise the accounting for tangible capital assets, interfunds transfers and accrued sick leaves. The PSAB also require the consolidation of all the funds.

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, 2022

**13 - TANGIBLE CAPITAL ASSETS**

	Land	Land improvements	Leasehold improvement	Generation facility	Buildings	Cells	Equipments	Equipments for generation facility	Vehicles	Hardware and software	Total 2021	Total 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost												
Balance, beginning 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
Add:												
Net additions during the year			11,362	127,608	86,685	73,663	1,500,139	441,195		30,665	2,271,317	1,200,757
Less:												
Disposals during the year									1,895,446	3,750	1,899,196	65,093
Balance, end of year	76,916	5,272,935	22,414	2,235,980	3,084,756	10,283,933	2,911,956	2,149,911	2,610,638	112,520	28,761,959	28,389,838
Accumulated amortization												
Balance, beginning 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
Add:												
Amortization during the year		109,743	1,674	54,306	76,036	524,036	135,199	128,067	150,994	12,118	1,192,173	983,993
Less:												
Accumulated amortization on disposals									1,842,641	2,343	1,844,984	65,093
Balance, end of year		2,749,953	2,763	471,771	850,428	9,998,894	1,236,481	1,631,025	2,249,761	85,075	19,276,151	19,928,962
Net book value tangible capital assets	76,916	2,522,982	19,651	1,764,209	2,234,328	285,039	1,675,475	518,886	360,877	27,445	9,485,808	8,460,876
Consists of:												
Collaborative services			19,651				142,229			27,445	189,325	116,666
regional planning					2,234,328	285,039	1,533,246		360,877		7,013,388	6,447,545
Solid waste services	76,916	2,522,982		1,764,209				518,886			2,283,095	1,896,665
Generation facility			19,651	1,764,209	2,234,328	285,039	1,675,475	518,886	360,877	27,445	9,485,808	8,460,876

# Northwest Regional Service Commission

## Notes to Financial Statements

December 31, 2022

### 14 - SCHEDULE OF SEGMENT DISCLOSURE

	Economical development	Community development	Regional transport	General services	Collaborative services and regional development	Solid waste services	Local planning services	Generation facility	Total 2022	Total 2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>										
Member charges					121,149		920,898		1,042,047	955,002
Sales of services					39,518		43,389	431,145	514,052	192,606
Tipping fees						4,010,992			4,010,992	4,006,553
Governmental transfers	8,191	46,381		22,300	106,528	80,166	6,783	37,550	307,899	161,891
Interest						7,315	318		7,633	4,342
Investment income						125,921		5,118	131,039	126,854
Gain on disposal of investments						55,733			55,733	145,520
Gain of disposal of tangible capital assets						228,195	(632)		227,563	3,174
Frais aux usagers - Eau et égouts							22,810		22,810	
Other revenues						23,473			23,473	47,542
	8,191	46,381		22,300	267,195	4,531,795	993,566	473,813	6,343,241	5,643,484
<b>Expenses</b>										
Salaries and benefits		30,909		341,907	237,032	1,389,286	658,024	52,939	2,710,097	2,173,892
Goods and services	7,087	28,456	967	110,739	60,604	2,156,838	253,377	119,585	2,737,653	2,079,848
Amortization of tangible capital assets	2,077	821		2,356	652	986,481	17,413	182,373	1,192,173	983,993
Interest						30,551			30,551	33,490
Others										
	9,164	60,186	967	455,002	298,288	4,563,156	928,814	354,897	6,670,474	5,271,223
Annual surplus (deficit)	(973)	(13,805)	(967)	(432,702)	(31,093)	(31,361)	64,752	118,916	(327,233)	372,261

# Northwest Regional Service Commission

## Notes to Financial Statements

December 31, 2022

### 15 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

	Collaborative services operating fund	Collaborative services capital 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
Annual surplus (deficit)	\$ (64,192)	\$ (652)	\$ 207,231	\$ (616,481)	\$ 50,956	\$ (17,413)	\$ 295,797	\$ (182,373)
Adjustments to annual surplus (deficit) for funding requirements								
Second previous year's surplus (deficit)	(11,615)		(626,144)		(8,547)		24,124	
Transfers between funds								
Solid waste service operating fund to solid waste service capital fund			(492,482)	492,482				
Local planning operating fund to local planning capital fund					(14,049)	14,049		
Generation facility operating fund to generation facility capital fund							(531,253)	531,253
Collaborative services operating fund to collaborative services capital fund	(8,389)	8,389						
Solid waste service reserve fund to solid waste service capital fund				800,000				
Economic development operating fund to economic development capital fund								
Community development operating fund to community development capital fund								
Principal payments on long-term debt								
Accrued sick leave	15,423		(283,000)	283,000	15,850	17,413	(1,390)	182,373
Amortization expense	(4,581)	652	13,387	986,481				
Total adjustments annual surplus (deficit)	(68,773)	9,041	(1,386,239)	2,561,963	(6,746)	31,462	(508,519)	713,626
Annual fund surplus (deficit)	(68,773)	8,389	(1,181,008)	1,945,482	44,210	14,049	(212,722)	531,253

# Northwest Regional Service Commission

## Notes to Financial Statements

December 31, 2022

### 16 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) (CONTINUED)

	Economic development operating fund	Economic development capital fund	Community development operating fund	Community development capital fund	Regional transportation operating fund	Reserve funds (note 17)	Total
	\$	\$	\$	\$	\$	\$	\$
Annual surplus (deficit)	1,104	(2,077)	(12,984)	(821)	(967)	15,639	(327,233)
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)							(622,182)
Transfers between funds							
Solid waste service operating fund to solid waste service capital fund							
Local planning operating fund to local planning capital fund							
Generation facility operating fund to generation facility capital fund							
Collaborative services operating fund to collaborative services capital fund							
Solid waste service reserve fund to solid waste service capital fund						(800,000)	
Economic development operating fund to economic development capital fund	(3,284)	3,284					
Community development operating fund to community development capital fund			(8,309)	8,309			
Principal payments on long-term debt							
Accrued sick leave	1,394						44,664
Amortization expense		2,077		821			1,189,817
Total adjustments annual surplus (deficit)	(1,890)	5,361	(8,309)	9,130		(800,000)	612,299
Annual fund surplus (deficit)	(786)	3,284	(21,293)	8,309	(967)	(784,361)	285,066

**Northwest Regional Service Commission**  
**Notes to Financial Statements**  
December 31, 2022

**17 - STATEMENT OF RESERVES**

	Solid waste service capital assets reserves	Generation facility capital assets reserve	Local planning capital assets reserve	General local planning reserve	2022	2021
	\$	\$	\$	\$	\$	\$
Cash and accumulated surplus	472,274	299,138	59,241	51,137	881,790	1,672,151
<b>Revenue</b>						
Transfers from solid waste operating fund						418,745
Transfers from generation facility operating fund						151,712
Interests	10,093	5,492	29	25	15,639	30,373
	10,093	5,492	29	25	15,639	600,830
<b>Expenses</b>						
Transfer to general local planning capital fund	800,000		6,000		6,000	440,000
Transfer to solid waste service capital fund	800,000		6,000		806,000	440,000
	(789,907)	5,492	(5,371)	25	(790,361)	160,830
<b>Annual surplus (deficit)</b>						

# Northwest Regional Service Commission

## Notes to Financial Statements

December 31, 2022

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### 17 - STATEMENT OF RESERVES (Continued)

Board resolution regarding transfers to and from reserves:

Upon motion duly made by Mrs Nicole Somers, seconded by Mrs Sylvie Girard and unanimously carried, it was :

RESOLVED

Solid Waste Sector

That the NWRSC authorize a withdrawal of \$800,000 from solid waste sector capital reserve fund for the refurbishment of the compactor as provided for in the 2022 budget.

Upon motion duly made by Mrs Roseline Pelletier, seconded by Mrs Sylvie Girard and unanimously carried, it was :

RESOLVED

For the local planning sector

That the CSRNO authorize a withdrawal of \$6,000 from capital reserve fund, whose current balance is \$65,215.13 to Uni Coopération Financière folio 10254- ES-2, and this amount is to be deposited in our current folio account 29434 EOP. This will allow us to reconfigure the network to further secure our data and improve the reliability of the entire system. This purchase would allow us to no longer encounter connection problems that we are currently experiencing during our zoom meetings as well as with our telephone system which is now an internet line. The total cost of the new system will be approximately \$8,031,60. The local planning portion should be \$6,023.70, and \$6,000 would be used to cover that portion. The balance of \$2,007.90 will be covered by governance and is an integral part of the budget.

I hereby certify that the above are exact translations of board resolutions adopted at Commission's meetings on January 26 and February 23, 2022.



Name

2023-06-05

Date

President

# Northwest Regional Service Commission

## Notes to Financial Statements

December 31, 2022

### 18 - OPERATING BUDGET TO PSAB BUDGET (UNAUDITED)

	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
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>									
Member charges									1,042,048
Sale of services		121,150	920,898		395,981				399,981
Tipping fees				4,004,758					4,004,758
Government transfers									215,000
Transfers	415,430	117,500	37,500	60,000				(715,424)	
Interest				299,994					
				12,000					12,000
Second previous year's surplus					24,124			(24,124)	
Other revenues				21,500					21,500
	415,430	238,650	958,398	4,398,252	424,105			(739,548)	5,695,287
<b>Expenses</b>									
Governance	40,000			353,116				(415,430)	40,001
Administration	375,430	32,404	29,911	516,168	17,000		2,356		1,054,534
Regional development			143,580				652		195,283
Generation facility		194,631					182,373		289,484
Local planning services					107,111		17,413		793,773
Solid waste services			776,360				986,481		3,555,652
Interest				2,569,171					33,153
Other financial expenses				33,153				(283,000)	
Repayment of long-term debt				17,500				(299,994)	
Transfer from generation facility to generation facility operating reserve				283,000					17,500
Previous year's deficit		11,615	8,547	626,144				(646,306)	
	415,430	238,650	958,398	4,398,252	424,105		1,189,275	(1,644,730)	5,979,380
							(1,189,275)	905,182	(284,093)



# Northwest Regional Service Commission

## Schedules

Year ended December 31, 2022

		2022	2021
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
<b>MEMBERS CHARGES</b>			
Collaborative services and regional development	121,151	121,149	123,909
Local planning services	920,897	920,898	831,093
	<u>1,042,048</u>	<u>1,042,047</u>	<u>955,002</u>
<b>SALES OF SERVICES</b>			
Local planning services		43,389	6,470
Solid waste services		39,518	
Generation facility	399,981	431,145	186,136
	<u>399,981</u>	<u>514,052</u>	<u>192,606</u>
<b>TIPPING FEES</b>			
User charges	3,384,358	3,589,013	3,390,790
Recovering material	585,400	400,019	577,662
Construction and demolition	35,000	21,960	38,101
	<u>4,004,758</u>	<u>4,010,992</u>	<u>4,006,553</u>

# Northwest Regional Service Commission Schedules

Year ended December 31, 2022

	<b>2022</b>		<b>2021</b>
	<b>Budget (unaudited)</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>GENERAL SERVICES</b>			
<b>Governance</b>			
<b>Board members</b>			
Fees	23,500	19,909	21,554
Travel expenses	11,000	6,309	3,933
Training	500	348	
Other	5,000		
	<u>40,000</u>	<u>26,566</u>	<u>25,487</u>
<b>Administration</b>			
<b>Senior management</b>			
Salaries and fringe benefits	303,000	341,907	307,178
Travel expenses	11,810	16,567	6,286
Training	4,200	6,086	1,128
	<u>319,010</u>	<u>364,560</u>	<u>314,592</u>
<b>Other administrative services</b>			
Advertising	5,000	2,870	4,010
Office supplies	6,000	8,125	5,044
Telecommunications	5,000	4,719	4,423
Printing and photocopies	5,500	1,581	3,394
Translation fees	4,000	3,214	2,557
Professional fees	7,480	544	9,495
Hardware and software	7,120	6,465	5,689
Expenses related to Covid-19			1,468
Rent	16,320	13,670	13,399
Implementation fees		20,332	
Amortization of tangible capital assets	2,356	2,356	
	<u>58,776</u>	<u>63,876</u>	<u>49,479</u>
	<u>417,786</u>	<u>455,002</u>	<u>389,558</u>

# Northwest Regional Service Commission Schedules

Year ended December 31, 2022

		2022	2021
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
<b>COLLABORATIVE SERVICES AND REGIONAL PLANNING</b>			
Salaries and fringe benefits	147,132	237,032	82,464
Administration	2,385	6,232	1,999
Travel expenses	3,522	7,104	1,812
Training	200	895	88
Leasing fees	9,800	8,173	8,105
Advertising	500	442	504
Telecommunications	1,300	2,799	1,421
Professional fees	26,000	26,022	19,431
External contracts and services	1,450	7,614	1,884
Maintenance and repair	655	202	168
Insurance	1,687	1,121	1,582
Amortization of tangible capital assets	652	652	
	<b>195,283</b>	<b>298,288</b>	<b>119,458</b>
<b>LOCAL PLANNING SERVICES</b>			
<b>Administration</b>			
Professional fees	1,800	1,132	3,064
Legal fees	10,000	30,881	2,975
Rent and building occupancy expenses	75,480	73,930	72,682
Office supplies	7,000	3,962	5,136
Printing and photocopies	6,500	4,507	3,850
Telecommunications	13,000	13,066	12,784
Post office expenses	1,800	1,957	1,667
Parking	5,800	4,024	3,219
Equipment leasing	900	1,150	265
Maintenance and repair	2,000	1,077	442
Advertising	5,000	1,609	4,539
Association fees and subscription	300	193	275
External contracts and services	14,000	15,117	16,953
	<b>143,580</b>	<b>152,605</b>	<b>127,851</b>

# Northwest Regional Service Commission

## Schedules

Year ended December 31, 2022

	<b>2022</b>		<b>2021</b>
	<b>Budget (unaudited)</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><i>Planning services</i></b>			
Salaries and fringe benefits	360,200	366,230	384,024
Travel expenses	16,001	11,861	8,355
Insurance	18,423	15,463	8,864
Training	2,000	2,427	795
Maps and documents	250	309	
Membership fees	1,200	1,433	948
Planning advisory committee	6,560	7,024	4,390
Equipment and furniture	3,500	612	1,067
Conference and convention	6,000	3,028	54
Hardware and software	2,500	8,610	6,078
Site supplies	750	131	
	<b>417,384</b>	<b>417,128</b>	<b>414,575</b>
<b><i>Inspection services</i></b>			
Salaries and fringe benefits	298,220	291,794	310,046
Travel expenses	24,000	28,927	19,725
Insurance	17,007	8,276	11,607
Training	6,950	1,119	4,183
Maps and documents	500		214
Membership fees	1,800	1,085	1,781
Equipment and furniture	3,000	561	1,608
Conference and convention	4,000	2,218	
Hardware and software	1,500	6,463	4,872
Others	2,000	1,225	1,513
	<b>358,977</b>	<b>341,668</b>	<b>355,549</b>
<b><i>Financial services</i></b>			
Amortization of tangible capital assets	17,413	17,413	20,969
	<b>937,354</b>	<b>928,814</b>	<b>918,944</b>

# Northwest Regional Service Commission

## Schedules

Year ended December 31, 2022

		2022	2021
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
<b>SOLID WASTE SERVICES</b>			
<b>Administration</b>			
Salaries and fringe benefits	285,000	285,832	218,993
Travel expenses	21,000	15,673	8,672
Insurance	82,668	105,861	96,693
Training	7,500	9,563	3,080
Office supplies	9,000	9,625	13,154
Printing and photocopies	6,500	2,562	8,472
Telecommunications	18,000	14,514	15,980
Professional fees	40,000	46,112	44,832
Equipments	11,500	14,159	15,567
Covid expenses			2,444
Advertising	37,000	30,504	64,684
External contracts and services		1,904	
	<u>518,168</u>	<u>536,309</u>	<u>492,571</u>
<b>Operations</b>			
<b>Station and building</b>			
Salaries and fringe benefits	195,000	199,498	200,690
Electricity	88,700	95,828	98,500
Property taxes	75,000	63,353	64,359
Repair and maintenance	27,000	7,164	28,464
	<u>385,700</u>	<u>365,843</u>	<u>392,013</u>
<b>Machinery and equipment</b>			
Equipment - supplies	6,000	260	5,698
Repair and maintenance	230,000	219,176	219,953
Fuel	215,000	231,711	178,340
	<u>451,000</u>	<u>451,147</u>	<u>403,991</u>
<b>Landfill operations</b>			
Salaries and fringe benefits	925,000	744,971	617,479
Leachate and sloughing management	75,000	81,056	76,186
Ground and cell maintenance	60,000	83,563	25,635
Equipment - supplies	35,000	31,030	34,792
Equipment leasing		2,775	3,247
Water treatment	95,000	29,076	21,811
Technical services	55,000	23,337	27,778
	<u>1,245,000</u>	<u>995,808</u>	<u>806,928</u>

# Northwest Regional Service Commission

## Schedules

Year ended December 31, 2022

	<b>2022</b>		<b>2021</b>
	<b>Budget (unaudited)</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Scale house</b>			
Salaries and fringe benefits	67,371	72,891	69,709
Repair and maintenance	6,000	960	835
	<u>73,371</u>	<u>73,851</u>	<u>70,544</u>
<b>Waste diversion</b>			
Salaries and fringe benefits	87,100	86,094	77,413
Recycling	275,000	187,840	161,918
Bin purchases		2,491	16,492
	<u>362,100</u>	<u>276,425</u>	<u>255,823</u>
<b>Composting program</b>			
Composters	5,000	845	30
<b>Hazardous household waste</b>			
Supplies and equipment rental	20,000	33,876	21,918
Elimination	25,000	88,907	32,038
	<u>45,000</u>	<u>122,783</u>	<u>53,956</u>
	<u>3,085,339</u>	<u>2,823,011</u>	<u>2,475,856</u>
<b>Financial services</b>			
Interest on bank loan	11,000	8,398	18,081
Bad debt		16,995	25,000
Bank fees	17,500	20,240	18,233
Closure fund		692,879	162,697
Amortization of tangible capital assets	986,481	986,481	809,666
Interest on long-term debt	22,153	22,153	15,409
Discount on debenture		1,908	14,727
Exchange gain		(8,909)	(2,723)
	<u>1,037,134</u>	<u>1,740,145</u>	<u>1,061,090</u>
	<u>4,122,473</u>	<u>4,563,156</u>	<u>3,536,946</u>

# Northwest Regional Service Commission Schedules

Year ended December 31, 2022

		2022	2021
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
<b>GENERATION FACILITY</b>			
<i>Operations</i>			
Salaries and fringe benefits	53,981	52,938	51,434
Maintenance and repair	50,000	115,826	94,765
Professional fees	10,000		
Electricity	7,000	2,578	5,804
Equipment leasing	130	310	211
Travel expenses	1,000	872	743
Training	2,000		
Amortization of tangible capital assets	182,373	182,373	153,358
	<u>306,484</u>	<u>354,897</u>	<u>306,315</u>
<b>ECONOMIC DEVELOPMENT</b>			
<i>Administration</i>			
Professional fees		6,374	
Office supplies		237	
Promotion		2,077	
Amortization of tangible capital assets		476	
		<u>9,164</u>	
<b>COMMUNITY DEVELOPMENT</b>			
<i>Administration</i>			
Salaries and fringe benefits		30,909	
Office supplies		12,221	
Professional fees		9,042	
Promotion		3,076	
Telecommunications		631	
Rent		1,504	
Travel expenses		1,221	
Training		570	
Parking		191	
Amortization of tangible capital assets		821	
		<u>60,186</u>	
<b>REGIONAL TRANSPORTATION</b>			
<i>Administration</i>			
Promotion		967	
		<u>967</u>	