

**REGIONAL SERVICE COMMISSION 8**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

# REGIONAL SERVICE COMMISSION 8

DECEMBER 31, 2020

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## INDEPENDENT AUDITORS' REPORT

To the Trustee of the Regional Service Commission 8

### *Opinion*

We have audited the consolidated financial statements of the Regional Service Commission 8 (The "Commission"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2020, and the results of its operations 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 Auditors' Responsibilities for the Audit of the consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)*

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 consolidated 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 auditors' report to the related disclosures in the consolidated 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated 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.

CHARTERED PROFESSIONAL ACCOUNTANTS

May 27, 2021  
Saint John, NB

# REGIONAL SERVICE COMMISSION 8

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash (Notes 4 and 5)	\$ 372,746	\$ 315,726
Accounts receivable	156,329	135,681
HST receivable	<u>13,386</u>	<u>28,429</u>
	<u>\$ 542,461</u>	<u>\$ 479,836</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>183,234</u>	<u>130,930</u>
<b>NET FINANCIAL ASSETS</b>	<u>359,227</u>	<u>348,906</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 9)	146,892	125,981
Accumulated amortization (Note 9)	<u>(52,278)</u>	<u>(32,810)</u>
	94,614	93,171
Prepaid expenses	<u>4,220</u>	<u>-</u>
	<u>98,834</u>	<u>93,171</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 458,061</u>	<u>\$ 442,077</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 7)</b>		

**APPROVED BY:**

Brenda L. Knight Trustee

# REGIONAL SERVICE COMMISSION 8

## CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u> Under (Over)	<u>2020</u> Budget (Note 13)	<u>2020</u> Actual	<u>2019</u> Actual
<b>REVENUE</b> (Notes 10 and 14)				
Cooperative and regional planning services	\$ 750	\$ 118,496	\$ 117,746	\$ 94,993
Local planning services	1,500	613,597	612,097	525,825
Solid waste services	(195,364)	1,679,025	1,874,389	1,755,448
Other	(770)	-	770	99
Interest	<u>(5)</u>	<u>-</u>	<u>5</u>	<u>-</u>
	<u>(193,889)</u>	<u>2,411,118</u>	<u>2,605,007</u>	<u>2,376,365</u>
<b>EXPENDITURE</b> (Notes 10 and 14)				
Corporate services	20,869	522,880	502,011	445,324
Cooperative and regional planning services	1,000	1,000	-	253
Local planning services	23,638	398,347	374,709	364,408
Solid waste services	<u>(127,590)</u>	<u>1,584,713</u>	<u>1,712,303</u>	<u>1,545,231</u>
	<u>(82,083)</u>	<u>2,506,940</u>	<u>2,589,023</u>	<u>2,355,216</u>
<b>ANNUAL SURPLUS (DEFICIT) FOR THE YEAR</b> (Note 11)	\$ <u>111,806</u>	\$ <u>(95,822)</u>	15,984	21,149
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>			<u>442,077</u>	<u>420,928</u>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>			\$ <u>458,061</u>	\$ <u>442,077</u>

# REGIONAL SERVICE COMMISSION 8

## CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

AS AT DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
Annual surplus	\$ 15,984	\$ 21,149
Acquisition of tangible capital assets	(20,911)	(57,854)
Amortization of tangible capital assets	<u>19,468</u>	<u>11,988</u>
	<u>14,541</u>	<u>(24,717)</u>
Use of prepaid expenses	-	3,000
Acquisition of prepaid expenses	<u>(4,220)</u>	<u>-</u>
	<u>(4,220)</u>	<u>3,000</u>
Increase (decrease) in net financial assets	10,321	(21,717)
Net financial assets, beginning of year	<u>348,906</u>	<u>370,623</u>
Net financial assets, end of year	<u>\$ 359,227</u>	<u>\$ 348,906</u>

**APPROVED BY:**

Brenda L. Knight Trustee

# REGIONAL SERVICE COMMISSION 8

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 15,984	\$ 21,149
Amortization of tangible capital assets	19,468	11,988
Accounts receivable	(20,648)	46,570
HST receivable	15,043	(18,748)
Accounts payable and accrued liabilities	52,304	(16,327)
Prepaid expenses	<u>(4,220)</u>	<u>3,000</u>
	<u>77,931</u>	<u>47,632</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	<u>(20,911)</u>	<u>(57,854)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	57,020	(10,222)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>315,726</u>	<u>325,948</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 372,746</u>	<u>\$ 315,726</u>



# REGIONAL SERVICE COMMISSION 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 1. PURPOSE OF THE ORGANIZATION

The Regional Service Commission 8 (the "Commission") was established per regulation 2012-91 under Regional Service Delivery Act by the order of the Minister of Environment and Local Government which came into force on January 1, 2013. Under the direction of the Minister of Environment and Local Government, all assets, liabilities, rights, obligations, powers and responsibilities of the Royal District Planning Commission and the Kings County Region Solid Waste Commission were transferred to the Commission.

The Commission provides services such as preparation of land use plans, development and building approvals and building inspections to two municipalities and several local service districts. The Commission also oversees the operation of a solid waste transfer station for Kings County, New Brunswick that had been operated by Sussex Waste Management Ltd. under a 20 year agreement that expired December 31, 2015. All of the infrastructure assets and equipment owned and utilized by Sussex Waste Management Ltd. over the term of the operating agreement were acquired for \$1 on January 1, 2016, when the Commission assumed operational control of the transfer station.

The Commission is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Commission are the representations of management, prepared in accordance with Canadian generally accepted accounting principles for local government, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The focus of Public Sector Accounting Standards ("PSAS") financial statements is on the financial position of the Commission and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Commission.

Significant aspects of the accounting policies adopted by the Commission are as follows:

#### Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net assets and cash flows of the Commission.

Interdepartmental and organizational transactions and balances are eliminated.

For management reporting purposes, the Commission's operating 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 Commission's services are provided by departments as follows:

# REGIONAL SERVICE COMMISSION 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Reporting Entity (cont'd)

##### Corporate Services

Responsible for Board functions, financial management and administration.

##### Cooperative and Regional Planning Services

Responsible for regional planning, policing, collaboration, emergency measures and infrastructure planning.

##### Solid Waste Services

Responsible for the provision of waste disposal.

##### Local Planning Services

Responsible for the preparation of land use plans, building approvals and inspections.

#### Budget

The budget figures contained in these financial statements were approved by the Trustee on November 12, 2019 and were submitted to the Minister of Environment and Local Government on November 12, 2019.

#### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equity instruments with actively traded markets are reported at fair value, with any unrealized gains or losses reported in annual surplus (deficit). All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks.

#### Harmonized Sales Tax (HST)

The Commission claims input tax credits (ITCs) for HST paid on eligible expenses.

# REGIONAL SERVICE COMMISSION 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Revenue Recognition

The Commission recognizes revenue from services when they are rendered, when the fees are fixed or determinable, and when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

Tipping fees are recorded when the waste is delivered to the Commission and when collection is reasonably assured. Recycling commodity sales are recognized upon the delivery of the recyclables to the customers and when collectability of proceeds is reasonably assured.

Cooperative and regional planning services and local planning services represent charges to local municipalities and local services districts in the area. They are based on a predetermined rate and are recorded on an accrual basis.

Other revenue is recorded when it is earned.

#### Expenditure Recognition

Expenditures are recorded on an accrual basis.

#### Measurement Uncertainty

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results may differ from these estimates.

Examples of significant estimates include:

- the allowance for doubtful accounts;
- providing for amortization of tangible capital assets;
- the estimated useful lives of tangible capital assets; and
- the recoverability of tangible capital assets.

#### Capital Reserves

The use of the Capital Reserve Funds is restricted to capital expenditures. The intention is to use these funds for future expenditures and reduce future borrowing requirements.

#### Operating Reserves

The use of these funds is restricted to payment of operating expenses.

The maximum amount of the Local Operating Reserve Fund is limited to 5% of the total budgeted expenditures in the previous fiscal year. The Local Operating Reserve Fund is currently not in compliance with this requirement.

The maximum amount of the Solid Waste Operating Reserve Fund is limited to 25% of the total budgeted expenditures in the previous fiscal year. The Solid Waste Operating Reserve Fund is currently in compliance with this requirement.

# REGIONAL SERVICE COMMISSION 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset, less any residual value when applicable, is amortized on a straight-line or declining balance basis over the estimated useful lives as follows:

<u>Asset type</u>	<u>Method</u>
Equipment	5 years straight-line
Computers	55% declining balance
Building improvements	4% declining balance

The Commission regularly reviews its capital assets to eliminate obsolete items.

Assets under construction are not amortized until the asset is available for productive use.

The Town of Sussex has indemnified the Commission for all liability for any environmental contamination which may exist on or within the land which may have occurred or will occur from the Town's adjacent landfill site. As such, the Commission has no post-closure liability.

### 3. FINANCIAL INSTRUMENTS

The Commission is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Commission's risk exposure and concentration as of December 31, 2020.

#### Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Commission is exposed to credit risk from customers. In order to reduce its credit risk, the Commission reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. At December 31, 2020, the Provincial Department of the Environment and Local Government accounted for 19.64% of the accounts receivable. The remaining balance was spread over a significant number of customers which minimizes concentration of credit risk.

#### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Commission is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, accounts payable and accrued liabilities and other obligations.

#### Currency Risk

Currency risk is the risk to the Commission's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Commission is not exposed to foreign currency risk as it does not hold foreign currencies.

# REGIONAL SERVICE COMMISSION 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 4. FUNDS

Internally restricted funds include the (a) Local Planning Operating Reserve Fund which will be used to carry out planning operation projects, (b) Collaborative Regional Planning Operating Reserve Fund which will be used for regional planning, policing, collaboration emergency measures and infrastructure planning, (c) Local Planning Capital Reserve Fund which will be used to purchase and replace various tangible capital assets, (d) Solid Waste Operating Reserve Fund which will be used to carry out solid waste operation projects and (e) Solid Waste Capital Reserve Fund which will be used to purchase and replace various tangible capital assets.

### 5. CASH

	<u>2020</u>	<u>2019</u>
Cash - reserve funds	\$ 376,572	\$ 302,441
Cash (bank indebtedness) - unrestricted	<u>(3,826)</u>	<u>13,285</u>
	<u>\$ 372,746</u>	<u>\$ 315,726</u>

### 6. BANK LOAN

The bank loan, authorized in the amount of \$120,000, bears interest at the prime rate and is unsecured. As at December 31, 2020, the facility is unused.

### 7. CONTINGENCIES AND COMMITMENTS

The Commission rents premises under a lease agreement which expires October 31, 2028. The lease provides for monthly installments in advance in the amount of \$3,908 plus HST.

The Commission entered into a lease for a vehicle under a three year lease agreement which expires July 31, 2022. This lease has been accounted for as an operating lease.

The Commission has an agreement with a transportation company to haul solid waste originating from the transfer station to Southeast Regional Services Commission at a cost of \$15,969 per month plus HST. This agreement expires December 31, 2021.

The future minimum payments over the next five years are as follows:

2021	\$ 246,106
2022	51,319
2023	46,902
2024	46,902
2025	46,902

# REGIONAL SERVICE COMMISSION 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 8. GENERAL FUND SURPLUS

The Regional Commission Act requires that the surplus of the Solid Waste Services Fund, the Local Planning Services Fund and the Cooperative and Regional Planning Services Fund, as per the funding basis of accounting, to be absorbed into Operating Budgets of the second ensuing year; the balance of the surplus at the end of the year consists of:

	<u>2020</u>	<u>2019</u>
2020 Surplus	\$ 34,974	\$ -
2019 Surplus	51,192	51,192
2018 Surplus	<u>-</u>	<u>95,822</u>
	<u>\$ 86,166</u>	<u>\$ 147,014</u>

**REGIONAL SERVICE COMMISSION 8**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**9. SCHEDULE OF TANGIBLE CAPITAL ASSETS**

<b>COST</b>	<b>Land</b>	<b>Equipment</b>	<b>Computers</b>	<b>Building Improvements</b>	<b>2020 Total</b>	<b>2019 Total</b>
Balance - beginning of year	\$ 28,340	\$ 45,825	\$ 18,568	\$ 33,248	\$ 125,981	\$ 68,127
Add: Net additions during the year	-	-	20,911	-	20,911	57,854
Less: Disposals during the year	-	-	-	-	-	-
Balance - end of year	<u>28,340</u>	<u>45,825</u>	<u>39,472</u>	<u>33,248</u>	<u>146,892</u>	<u>125,981</u>
<b>ACCUMULATED AMORTIZATION</b>						
Balance - beginning of year	-	21,789	10,355	665	32,810	20,822
Add: Amortization during the year	-	7,898	10,267	1,303	19,468	11,988
Less: Accumulated amortization on disposals	-	-	-	-	-	-
Balance - end of year	-	<u>29,687</u>	<u>20,623</u>	<u>1,968</u>	<u>52,278</u>	<u>32,810</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 28,340</u>	<u>\$ 16,138</u>	<u>\$ 18,856</u>	<u>\$ 31,280</u>	<u>\$ 94,614</u>	<u>\$ 93,171</u>
Consists of:						
Solid Waste Assets	\$ 28,340	\$ 16,138	\$ -	\$ 31,280	\$ 75,758	\$ 84,085
Local Planning Assets	-	-	18,856	-	18,856	9,086
	<u>\$ 28,340</u>	<u>\$ 16,138</u>	<u>\$ 18,856</u>	<u>\$ 31,280</u>	<u>\$ 94,614</u>	<u>\$ 93,171</u>

# REGIONAL SERVICE COMMISSION 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 10. SCHEDULE OF SEGMENT DISCLOSURE

	<u>Solid Waste Services</u>	<u>Corporate Services</u>	<u>Local Planning Services</u>	<u>Cooperative and Regional Planning Services</u>	<u>2020 Consolidated</u>	<u>2019 Consolidated</u>
<b>REVENUE</b>						
Member charges	\$ 975,021	\$ -	\$ 612,097	\$ 115,496	\$ 1,702,614	\$ 1,571,168
Sales of services	863,315	-	-	-	863,315	767,375
Government transfers	36,053	-	-	-	36,053	34,723
Other	-	-	770	2,250	3,020	3,099
Interest	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>-</u>
	<u>1,874,394</u>	<u>-</u>	<u>612,867</u>	<u>117,746</u>	<u>2,605,007</u>	<u>2,376,365</u>
<b>EXPENDITURE</b>						
Salaries and benefits	354,447	358,734	334,849	-	1,048,030	911,628
Tipping fees	939,445	-	-	-	939,445	799,195
Goods and services	410,084	143,277	28,719	-	582,080	632,405
Amortization	<u>8,327</u>	<u>-</u>	<u>11,141</u>	<u>-</u>	<u>19,468</u>	<u>11,988</u>
	<u>1,712,303</u>	<u>502,011</u>	<u>374,709</u>	<u>-</u>	<u>2,589,023</u>	<u>2,355,216</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<u>\$ 162,091</u>	<u>\$ (502,011)</u>	<u>\$ 238,158</u>	<u>\$ 117,746</u>	<u>\$ 15,984</u>	<u>\$ 21,149</u>



**REGIONAL SERVICE COMMISSION 8**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**11. RECONCILIATION OF ANNUAL SURPLUS**

	<u>Solid Waste Services Fund</u>	<u>Local Planning Services Fund</u>	<u>Cooperative and Regional Planning Services Fund</u>	<u>Corporate Services Fund</u>	<u>Capital Fund</u>	<u>Reserve Funds</u>	<u>Total</u>
2020 annual surplus (deficit)	\$ 162,091	\$ 238,158	\$ 117,746	\$ (502,011)	\$ -	\$ -	\$ 15,984
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus	35,658	44,690	15,474	-	-	-	95,822
Transfers between funds							
Transfer from Solid Waste Services Fund to Corporate Services Fund	(180,724)	-	-	180,724	-	-	-
Transfer from Local Planning Services Fund to Corporate Services Fund	-	(220,885)	-	220,885	-	-	-
Transfer from Cooperative and Regional Planning Services Fund to Corporate Services Fund	-	-	(100,402)	100,402	-	-	-
Transfer from Solid Waste Services Fund to Solid Waste Capital Reserve Fund	(50,000)	-	-	-	-	50,000	-
Transfer from Solid Waste Services Fund to Solid Waste Operating Reserve Fund	(10,000)	-	-	-	-	10,000	-
Transfer from Local Planning Services Fund to Local Planning Operating Reserve Fund	-	(32,000)	-	-	-	32,000	-
Transfer from Cooperative and Regional Planning Services Fund to Cooperative and Regional Planning Services Operating Reserve Fund	-	-	(4,300)	-	-	4,300	-
Capital asset purchased by Local Planning Capital Reserve Fund	-	-	-	-	22,328	(22,328)	-
Amortization expense	8,327	11,141	-	-	-	-	19,468
Total adjustments to 2020 annual surplus (deficit)	<u>(196,739)</u>	<u>(197,054)</u>	<u>(89,228)</u>	<u>502,011</u>	<u>22,328</u>	<u>73,972</u>	<u>115,290</u>
Annual surplus (deficit) for funding requirements	<u>\$ (34,648)</u>	<u>\$ 41,104</u>	<u>\$ 28,518</u>	<u>\$ -</u>	<u>\$ 22,328</u>	<u>\$ 73,972</u>	<u>\$ 131,274</u>

**REGIONAL SERVICE COMMISSION 8**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**12. STATEMENT OF RESERVES**

	<u>Local Planning Operating Reserve</u>	<u>Cooperative and Regional Planning Operating Reserve</u>	<u>Local Planning Capital Reserve</u>	<u>Solid Waste Operating Reserve</u>	<u>Solid Waste Capital Reserve</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>							
Cash	\$ 65,800	\$ 17,229	\$ 86,811	\$ 36,732	\$ 170,000	\$ 376,572	\$ 302,441
<b>ACCUMULATED SURPLUS</b>	\$ 65,800	\$ 17,229	\$ 86,811	\$ 36,732	\$ 170,000	\$ 376,572	\$ 302,441
<b>REVENUE</b>							
Transfer from Solid Waste Services Fund to Solid Waste Capital Reserve Fund	-	-	-	-	\$ 50,000	\$ 50,000	\$ 60,000
Transfer from Solid Waste Services Fund to Solid Waste Operating Reserve Fund	-	-	-	10,000	-	10,000	10,000
Transfer from Local Planning Services Fund to Local Planning Operating Reserve Fund	32,000	-	-	-	-	32,000	30,000
Transfer from Cooperative and Regional Planning Services Fund to Cooperative and Regional Planning Operating Reserve Fund	-	4,300	-	-	-	4,300	5,929
<b>TOTAL</b>	<u>32,000</u>	<u>4,300</u>	<u>-</u>	<u>10,000</u>	<u>50,000</u>	<u>96,300</u>	<u>105,929</u>
<b>EXPENDITURES</b>							
Transfers to Capital Fund from Reserve Fund	-	-	22,328	-	-	22,328	9,188
	-	-	22,328	-	-	22,328	9,188
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 32,000</u>	<u>\$ 4,300</u>	<u>\$ (22,328)</u>	<u>\$ 10,000</u>	<u>\$ 50,000</u>	<u>\$ 73,972</u>	<u>\$ 96,741</u>

# REGIONAL SERVICE COMMISSION 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 12. STATEMENT OF RESERVES (cont'd)

Resolutions regarding transfer to and from reserves:

Motion to approve transfer of \$4,300 from the Cooperative and Regional Planning Services Fund to the Cooperative and Regional Planning Reserve Fund by Trustee.

Motion to approve transfer of \$32,000 from the Local Planning Services Fund to the Local Planning Operating Reserve Fund by Trustee.

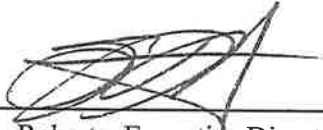
Motion to approve transfer of \$10,000 from the Solid Waste Services Fund to the Solid Waste Operating Reserve Fund by Trustee.

Motion to approve transfer of \$50,000 from the Solid Waste Services Fund to the Solid Waste Capital Reserve Fund by Trustee.

Motion to approve purchase of IT upgrades and software associated with the previous purchase of the new server, coupled with the construction of a new office and related equipment for new Planner position of \$13,528 from the Local Planning Reserve Fund by Trustee.

Motion to approve purchase of IT equipment and software to enhance corporate security and operational efficiency of \$8,800 from the Local Planning Reserve Fund by Trustee.

I hereby certify that the above are true and exact copies of resolutions adopted at Commission meetings.



Steve Roberts, Executive Director  
REGIONAL SERVICE COMMISSION # 8

Date

May 27, 2021

# REGIONAL SERVICE COMMISSION 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 13. OPERATING BUDGET TO PSA BUDGET

	Corporate Services Budget	Cooperative and Regional Planning Services Budget	Local Planning Services Budget	Solid Waste Services Budget	Subtotal	Amortization of Tangible Capital Assets	Principal Debt Repayments	Transfers	Total
<b>REVENUE</b>									
Member charges	\$ -	\$ 115,496	\$ 612,097	\$ 550,000	\$ 1,277,593	\$ -	\$ -	\$ -	\$ 1,277,593
Sales of services	-	-	-	715,000	715,000	-	-	-	715,000
Government transfers	-	-	-	380,706	380,706	-	-	-	380,706
Transfer from own and other funds	519,880	-	-	-	519,880	-	-	(519,880)	-
Surplus of the second previous year	-	15,474	44,690	35,658	95,822	-	-	(95,822)	-
Other revenue	<u>3,000</u>	<u>-</u>	<u>1,500</u>	<u>33,319</u>	<u>37,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,819</u>
	<u>522,880</u>	<u>130,970</u>	<u>658,287</u>	<u>1,714,683</u>	<u>3,026,820</u>	<u>-</u>	<u>-</u>	<u>(615,702)</u>	<u>2,411,118</u>
<b>EXPENDITURES</b>									
Governance	35,150	-	-	-	35,150	-	-	-	35,150
Administration	479,730	129,970	334,818	561,043	1,505,561	-	-	(539,348)	966,213
Regional planning	-	500	-	-	500	-	-	-	500
Regional sport, recreation and culture infrastructure	-	500	-	-	500	-	-	-	500
Planning and building inspection services	-	-	323,469	-	323,469	11,141	-	-	334,610
Operations - Solid Waste Service	-	-	-	1,153,640	1,153,640	8,327	-	-	1,161,967
Other financing charges	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
	<u>522,880</u>	<u>130,970</u>	<u>658,287</u>	<u>1,714,683</u>	<u>3,026,820</u>	<u>19,468</u>	<u>-</u>	<u>(539,348)</u>	<u>2,506,940</u>
Surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,468)</u>	<u>\$ -</u>	<u>\$ (76,354)</u>	<u>\$ (95,822)</u>

# REGIONAL SERVICE COMMISSION 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 14. REVENUE AND EXPENDITURES SUPPORT

	<u>2020</u> Under (Over)	<u>2020</u> Budget	<u>2020</u> Actual	<u>2019</u> Actual
<b><u>REVENUE</u></b>				
<b>COOPERATIVE AND REGIONAL PLANNING SERVICES</b>				
Member charges	\$ -	\$ 115,496	\$ 115,496	\$ 91,993
Rental income	<u>750</u>	<u>3,000</u>	<u>2,250</u>	<u>3,000</u>
	<u>\$ 750</u>	<u>\$ 118,496</u>	<u>\$ 117,746</u>	<u>\$ 94,993</u>
<b>LOCAL PLANNING SERVICES</b>				
Member charges	\$ -	\$ 612,097	\$ 612,097	\$ 525,825
Other (GIS/Planning)	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,500</u>	<u>\$ 613,597</u>	<u>\$ 612,097</u>	<u>\$ 525,825</u>
<b>SOLID WASTE SERVICES</b>				
Member charges	\$ (44,315)	\$ 930,706	\$ 975,021	\$ 953,350
Industrial, commercial and institutional	(107,075)	715,000	822,075	731,215
Recycling	(7,843)	33,319	41,162	36,160
Other	<u>(36,131)</u>	<u>-</u>	<u>36,131</u>	<u>34,723</u>
	<u>\$ (195,364)</u>	<u>\$ 1,679,025</u>	<u>\$ 1,874,389</u>	<u>\$ 1,755,448</u>
<b><u>EXPENDITURES</u></b>				
<b>CORPORATE SERVICES</b>				
<b>Governance</b>				
Board Members				
Honorariums	\$ (6,694)	\$ 12,750	\$ 19,444	\$ 1,395
Travel	5,000	5,000	-	58
Training and development	1,000	1,000	-	-
Meeting expenses	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>137</u>
	<u>1,306</u>	<u>20,750</u>	<u>19,444</u>	<u>1,590</u>
<b>Administration</b>				
Executive Director's Office:				
Personnel				
Salaries and benefits	4,439	343,730	339,291	286,348
Travel	1,630	3,500	1,870	4,032
Training and development	(662)	1,000	1,662	581
Memberships	(151)	1,200	1,351	671
Financial Management				
External audit and accounting fees	-	10,000	10,000	9,120
Bank charges	1,833	8,000	6,167	6,606

# REGIONAL SERVICE COMMISSION 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 14. REVENUE AND EXPENDITURES SUPPORT (cont'd)

	2020 Under (Over)	2020 Budget	2020 Actual	2019 Actual
<b>CORPORATE SERVICES (cont'd)</b>				
Other Administrative Services:				
Advertising and public relations	(101)	1,000	1,101	1,336
Liability insurance	(3,877)	13,500	17,377	19,059
Professional and consulting services	5,838	7,000	1,162	12,842
Office building	(8,912)	40,000	48,912	41,714
Legal services	1,939	3,000	1,061	977
Office equipment	185	12,000	11,815	12,520
Office supplies	(1,566)	4,000	5,566	4,553
Postage and courier	717	2,000	1,283	1,139
Telephone	(2,521)	9,000	11,521	9,683
Software and website	7	5,000	4,993	5,503
Subscriptions	88	300	212	270
Miscellaneous	1,407	2,500	1,093	3,825
Technology allowance	14,400	14,400	-	600
Business services	699	9,000	8,301	11,658
Hydro	4,171	12,000	7,829	10,697
	19,563	502,130	482,567	443,734
	\$ 20,869	\$ 522,880	\$ 502,011	\$ 445,324

### COOPERATIVE AND REGIONAL PLANNING SERVICES

#### Administration

Regional planning	\$ 500	\$ 500	\$ -	\$ 198
Regional Sports, Recreation and Culture Infrastructure planning and cost-sharing	500	500	-	55
	\$ 1,000	\$ 1,000	\$ -	\$ 253

# REGIONAL SERVICE COMMISSION 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 14. REVENUE AND EXPENDITURES SUPPORT (cont'd)

	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>
	Under (Over)	Budget	Actual	Actual
<b>LOCAL PLANNING SERVICES</b>				
<b>Administration</b>				
Personnel				
Salaries and benefits	\$ 14,788	\$ 64,078	\$ 49,290	\$ 80,429
Travel	637	1,000	363	1,032
Training and development	1,500	1,500	-	1,176
Membership	650	1,300	650	616
Telephone	19	1,500	1,481	1,379
Advertising and public relations (recovery)	(10)	-	10	500
Professional/consulting services	(4,591)	-	4,591	16,727
Professional and consulting services software	480	4,500	4,020	3,707
Miscellaneous	<u>(104)</u>	<u>1,000</u>	<u>1,104</u>	<u>828</u>
	<u>13,369</u>	<u>74,878</u>	<u>61,509</u>	<u>106,394</u>
<b>Planning Services</b>				
Personnel				
Salaries and benefits	(924)	102,437	103,361	38,856
Travel	(79)	-	79	-
Training and development	1,000	1,000	-	-
Advertising	2,750	2,750	-	-
Maps and reference material	(54)	500	554	459
Registration of by-law and regulations	(85)	-	85	85
Memberships	(658)	-	658	73
Amortization	<u>(11,141)</u>	<u>-</u>	<u>11,141</u>	<u>5,699</u>
	<u>(9,191)</u>	<u>106,687</u>	<u>115,878</u>	<u>45,172</u>
<b>Inspection Services</b>				
Personnel				
Salaries and benefits	9,684	191,882	182,198	183,417
Travel	2,096	12,500	10,404	21,107
Training and development	5,175	6,500	1,325	4,062
Map and reference material	(43)	500	543	459
Memberships	(268)	900	1,168	887
PRAC	<u>2,816</u>	<u>4,500</u>	<u>1,684</u>	<u>2,910</u>
	<u>19,460</u>	<u>216,782</u>	<u>197,322</u>	<u>212,842</u>
	<u>\$ 23,638</u>	<u>\$ 398,347</u>	<u>\$ 374,709</u>	<u>\$ 364,408</u>

# REGIONAL SERVICE COMMISSION 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 14. REVENUE AND EXPENDITURES SUPPORT (cont'd)

	2020 Under (Over)	2020 Budget	2020 Actual	2019 Actual
<b>SOLID WASTE SERVICES</b>				
<b>Administration</b>				
Accounting and financial consulting	\$ 4,121	\$ 10,000	\$ 5,879	\$ 6,277
Bad debts	(6,434)	-	6,434	-
Illegal dumping sites - site investigation, clean-up	1,000	1,000	-	-
Free events	298	1,000	702	1,191
Advertising - all events	(2,579)	1,000	3,579	885
Repair and maintenance	3,328	13,500	10,172	5,643
Waste management committee	1,000	1,000	-	9
Public education	7,436	8,000	564	648
Amortization	<u>(8,327)</u>	<u>-</u>	<u>8,327</u>	<u>6,289</u>
	<u>(157)</u>	<u>35,500</u>	<u>35,657</u>	<u>20,942</u>
<b>Hazardous Household Waste</b>				
Battery recycling program - collection and disposal	1,360	2,000	640	439
Other - environmental trust fund	<u>(40,089)</u>	<u>-</u>	<u>40,089</u>	<u>34,764</u>
	<u>(38,729)</u>	<u>2,000</u>	<u>40,729</u>	<u>35,203</u>
<b>Operations</b>				
Salaries and benefits	32,626	387,073	354,447	321,182
Tipping fees	(106,105)	833,340	939,445	799,195
Scales	10,864	13,500	2,636	7,673
Equipment leases	2,476	230,000	227,524	266,340
Fuel	6,489	19,000	12,511	17,678
Repairs and maintenance	(37,433)	11,300	48,733	26,084
Property taxes	(43)	22,000	22,043	21,733
Office	(1,821)	12,500	14,321	11,215
Utilities	1,804	7,000	5,196	5,851
Travel	1,086	1,500	414	1,510
Training	1,357	2,000	643	2,621
Insurance	<u>(4)</u>	<u>8,000</u>	<u>8,004</u>	<u>8,004</u>
	<u>(88,704)</u>	<u>1,547,213</u>	<u>1,635,917</u>	<u>1,489,086</u>
	<u>\$ (127,590)</u>	<u>\$ 1,584,713</u>	<u>\$ 1,712,303</u>	<u>\$ 1,545,231</u>