

REGIONAL SERVICE COMMISSION 8
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019

REGIONAL SERVICE COMMISSION 8

DECEMBER 31, 2019

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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, 2019, 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, 2019, 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

Saint John, NB
June 22, 2020


REGIONAL SERVICE COMMISSION 8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash (Notes 4 and 5)	\$ 315,726	\$ 325,948
Accounts receivable	135,681	182,251
HST receivable	<u>28,429</u>	<u>9,681</u>
	<u>\$ 479,836</u>	<u>\$ 517,880</u>
LIABILITIES		
Accounts payable and accrued liabilities	<u>130,930</u>	<u>147,257</u>
NET FINANCIAL ASSETS	<u>348,906</u>	<u>370,623</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	125,981	68,127
Accumulated amortization (Note 10)	<u>(32,810)</u>	<u>(20,822)</u>
Prepaid expenses	<u>93,171</u>	<u>47,305</u>
	<u>93,171</u>	<u>50,305</u>
ACCUMULATED SURPLUS	<u>\$ 442,077</u>	<u>\$ 420,928</u>
COMMITMENTS AND CONTINGENCIES (Note 7)		

APPROVED BY:

 Trustee

REGIONAL SERVICE COMMISSION 8

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u> Under (Over)	<u>2019</u> Budget (Note 14)	<u>2019</u> Actual	<u>2018</u> Actual
REVENUE (Notes 11 and 15)				
Cooperative and regional planning services	\$ 847	\$ 95,840	\$ 94,993	\$ 130,275
Local planning services	3,000	528,825	525,825	623,382
Solid waste services	(153,313)	1,602,135	1,755,448	1,742,620
Other	(99)	-	99	692
Interest	-	-	-	7
Gain on disposal of tangible capital assets	-	-	-	6,000
	<u>(149,565)</u>	<u>2,226,800</u>	<u>2,376,365</u>	<u>2,502,976</u>
EXPENDITURE (Notes 11 and 15)				
Corporate services	28,040	473,364	445,324	431,078
Cooperative and regional planning services	747	1,000	253	29,040
Local planning services	18,826	383,234	364,408	419,563
Solid waste services	<u>(52,045)</u>	<u>1,493,186</u>	<u>1,545,231</u>	<u>1,512,745</u>
	<u>(4,432)</u>	<u>2,350,784</u>	<u>2,355,216</u>	<u>2,392,426</u>
ANNUAL SURPLUS (DEFICIT) FOR THE YEAR (Note 12)	<u>\$ 145,133</u>	<u>\$ (123,984)</u>	21,149	110,550
ACCUMULATED SURPLUS - BEGINNING OF YEAR			<u>420,928</u>	<u>310,378</u>
ACCUMULATED SURPLUS - END OF YEAR			<u>\$ 442,077</u>	<u>\$ 420,928</u>

REGIONAL SERVICE COMMISSION 8

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

AS AT DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
Annual surplus	\$ 21,149	\$ 110,550
Acquisition of tangible capital assets	(57,854)	-
Amortization of tangible capital assets	<u>11,988</u>	<u>7,794</u>
	<u>(24,717)</u>	<u>118,344</u>
Use of prepaids	3,000	3,717
Acquisition of prepaid expenses	<u>-</u>	<u>(3,000)</u>
	<u>3,000</u>	<u>717</u>
Increase (decrease) in net financial assets	(21,717)	119,061
Net financial assets, beginning of year	<u>370,623</u>	<u>251,562</u>
Net financial assets, end of year	<u>\$ 348,906</u>	<u>\$ 370,623</u>

APPROVED BY:

Brenda J. Haight Trustee

REGIONAL SERVICE COMMISSION 8

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
OPERATING TRANSACTIONS		
Annual surplus	\$ 21,149	\$ 110,550
Amortization of tangible capital assets	11,988	7,794
Accounts receivable	46,570	(108,076)
HST receivable	(18,748)	34,242
Accounts payable and accrued liabilities	(16,327)	14,096
Deferred contributions	-	(20,050)
Prepaid expenses	<u>3,000</u>	<u>717</u>
	<u>47,632</u>	<u>39,273</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	<u>(57,854)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,222)	39,273
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>325,948</u>	<u>286,675</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 315,726</u>	<u>\$ 325,948</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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, 2019

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 March 5, 2019 and were submitted to the Minister of Environment and Local Government on March 5, 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, 2019

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.

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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, 2019.

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, 2019, the Provincial Department of the Environment and Local Government accounted for 17.56% 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, 2019

4. FUNDS

The Commission has four internally restricted funds, which are disclosed in the following note below (Note 5).

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>2019</u>	<u>2018</u>
Cash - reserve funds	\$ 302,441	\$ 205,700
Cash - unrestricted	<u>13,285</u>	<u>120,248</u>
	<u>\$ 315,726</u>	<u>\$ 325,948</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, 2019 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:

2020	\$ 246,106
2021	246,106
2022	51,319
2023	46,902
2024	46,902

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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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>2019</u>	<u>2018</u>
2019 Surplus	\$ 157,121	\$ -
2018 Surplus	120,822	120,822
2017 Surplus	<u>-</u>	<u>123,984</u>
	<u>\$ 277,943</u>	<u>\$ 244,806</u>

9. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus (“COVID-19”) as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial assets and condition of the Commission in future periods.

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

10. SCHEDULE OF TANGIBLE CAPITAL ASSETS

COST	<u>Land</u>	<u>Equipment</u>	<u>Computers</u>	<u>Building Improvements</u>	<u>2019 Total</u>	<u>2018 Total</u>
Balance - beginning of year	\$ 28,340	\$ 31,820	\$ 7,967	\$ -	\$ 68,127	\$ 68,127
Add: Net additions during the year	-	14,005	10,601	33,248	57,854	-
Less: Disposals during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance - end of year	<u>28,340</u>	<u>45,825</u>	<u>18,568</u>	<u>33,248</u>	<u>125,981</u>	<u>68,127</u>
ACCUMULATED AMORTIZATION						
Balance - beginning of year	-	14,024	6,798	-	20,822	13,028
Add: Amortization during the year	-	7,764	3,559	665	11,988	7,794
Less: Accumulated amortization on disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance - end of year	<u>-</u>	<u>21,788</u>	<u>10,357</u>	<u>665</u>	<u>32,810</u>	<u>20,822</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 28,340</u>	<u>\$ 24,037</u>	<u>\$ 8,211</u>	<u>\$ 32,583</u>	<u>\$ 93,171</u>	<u>\$ 47,305</u>
Consists of:						
Solid Waste Assets	\$ 28,340	\$ 23,162	\$ -	\$ 32,583	\$ 84,085	\$ 43,121
Local Planning Assets	<u>-</u>	<u>875</u>	<u>8,211</u>	<u>-</u>	<u>9,086</u>	<u>4,184</u>
	<u>\$ 28,340</u>	<u>\$ 24,037</u>	<u>\$ 8,211</u>	<u>\$ 32,583</u>	<u>\$ 93,171</u>	<u>\$ 47,305</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

11. SCHEDULE OF SEGMENT DISCLOSURE

	<u>Solid Waste</u> <u>Services</u>	<u>Corporate</u> <u>Services</u>	<u>Local</u> <u>Planning</u> <u>Services</u>	<u>Cooperative</u> <u>and Regional</u> <u>Planning</u> <u>Services</u>	<u>2019</u> <u>Consolidated</u>	<u>2018</u> <u>Consolidated</u>
REVENUE						
Member charges	\$ 953,350	\$ -	\$ 525,825	\$ 91,993	\$ 1,571,168	\$ 1,658,094
Sales of services	767,375	-	-	-	767,375	807,645
Government transfers	34,723	-	-	-	34,723	27,538
Other	-	-	99	3,000	3,099	9,692
Interest	-	-	-	-	-	7
	<u>1,755,448</u>	<u>-</u>	<u>525,924</u>	<u>94,993</u>	<u>2,376,365</u>	<u>2,502,976</u>
EXPENDITURE						
Salaries and benefits	321,182	287,744	302,702	-	911,628	938,784
Tipping fees	799,195	-	-	-	799,195	795,011
Goods and services	418,565	157,580	56,007	253	632,405	650,837
Amortization	6,289	-	5,699	-	11,988	7,794
	<u>1,545,231</u>	<u>445,324</u>	<u>364,408</u>	<u>253</u>	<u>2,355,216</u>	<u>2,392,426</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ 210,217</u>	<u>\$ (445,324)</u>	<u>\$ 161,516</u>	<u>\$ 94,740</u>	<u>\$ 21,149</u>	<u>\$ 110,550</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

12. RECONCILIATION OF ANNUAL SURPLUS

	<u>Solid Waste</u> <u>Services</u> <u>Fund</u>	<u>Local</u> <u>Planning</u> <u>Services Fund</u>	<u>Cooperative</u> <u>and Regional</u> <u>Planning</u> <u>Services Fund</u>	<u>Corporate</u> <u>Services</u> <u>Fund</u>	<u>Capital</u> <u>Fund</u>	<u>Reserve</u> <u>Funds</u>	<u>Total</u>
2019 annual surplus (deficit)	\$ 210,217	\$ 161,516	\$ 94,740	\$ (445,324)	\$ -	\$ -	\$ 21,149
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus	8,642	89,591	25,751	-	-	-	123,984
Transfers between funds							
Transfer from Solid Waste Services Fund to Corporate Services Fund	(160,317)	-	-	160,317	-	-	-
Transfer from Local Planning Services Fund to Corporate Services Fund	-	(195,943)	-	195,943	-	-	-
Transfer from Cooperative and Regional Planning Services Fund to Corporate Services Fund	-	-	(89,064)	89,064	-	-	-
Transfer from Solid Waste Services Fund to Solid Waste Capital Reserve Fund	(60,000)	-	-	-	-	60,000	-
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	-	(30,000)	-	-	-	30,000	-
Transfer from Cooperative and Regional Planning Services Fund to Cooperative and Regional Planning Services Operating Reserve Fund	-	-	(5,929)	-	-	5,929	-
Capital asset purchased by Local Planning Capital Reserve Fund	-	-	-	-	9,188	(9,188)	-
Amortization expense	6,289	5,699	-	-	-	-	11,988
Total adjustments to 2019 annual surplus (deficit)	<u>(215,386)</u>	<u>(130,653)</u>	<u>(69,242)</u>	<u>445,324</u>	<u>9,188</u>	<u>96,741</u>	<u>135,972</u>
Annual surplus (deficit) for funding requirements	<u>\$ (5,169)</u>	<u>\$ 30,863</u>	<u>\$ 25,498</u>	<u>\$ -</u>	<u>\$ 9,188</u>	<u>\$ 96,741</u>	<u>\$ 157,121</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

13. STATEMENT OF RESERVES

	Local Planning Operating Reserve	Cooperative and Regional Planning Operating Reserve	Local Planning Capital Reserve	Solid Waste Operating Reserve	Solid Waste Capital Reserve	2019	2018
ASSETS							
Cash	\$ <u>33,800</u>	\$ <u>12,929</u>	\$ <u>108,980</u>	\$ <u>26,732</u>	\$ <u>120,000</u>	\$ <u>302,441</u>	\$ <u>205,700</u>
ACCUMULATED SURPLUS	\$ <u>33,800</u>	\$ <u>12,929</u>	\$ <u>108,980</u>	\$ <u>26,732</u>	\$ <u>120,000</u>	\$ <u>302,441</u>	\$ <u>205,700</u>
REVENUE							
Transfer from Solid Waste Services Fund to Solid Waste Capital Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000	\$ 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	30,000	-	-	-	-	30,000	-
Transfer from Cooperative and Regional Planning Services Fund to Cooperative and Regional Planning Operating Reserve Fund	-	5,929	-	-	-	5,929	-
Total	<u>30,000</u> <u>5,929</u>	<u>-</u> <u>5,929</u>	<u>10,000</u> <u>10,000</u>	<u>60,000</u> <u>60,000</u>	<u>105,929</u> <u>105,929</u>	<u>50,000</u> <u>50,000</u>	<u>-</u> <u>-</u>
EXPENDITURES							
Transfers to Local Planning Operating Fund	-	-	-	-	-	-	25,000
Transfers to Capital Fund from Reserve Fund	-	-	9,188	-	-	9,188	-
	-	-	9,188	-	-	9,188	25,000
ANNUAL SURPLUS (DEFICIT)	\$ <u>30,000</u>	\$ <u>5,929</u>	\$ <u>(9,188)</u>	\$ <u>10,000</u>	\$ <u>60,000</u>	\$ <u>96,741</u>	\$ <u>25,000</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

13. STATEMENT OF RESERVES (cont'd)

Resolutions regarding transfer to and from reserves:

Motion to approve transfer of \$5,929 from the Cooperative and Regional Planning Services Fund to the Cooperative and Regional Planning Reserve Fund by Trustee.

Motion to approve transfer of \$30,000 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 \$60,000 from the Solid Waste Services Fund to the Solid Waste Capital Reserve Fund by Trustee.

Motion to approve purchase of a new server and required IT upgrades related to the new server at a cost of \$9,188.29 by Trustee.

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

DocuSigned by:

Steve Roberts

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Steve Roberts, Executive Director
REGIONAL SERVICE COMMISSION # 8

June 22, 2020

Date

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

14. 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
REVENUE									
Member charges	\$ -	\$ 92,840	\$ 525,825	\$ 550,000	\$ 1,168,665	\$ -	\$ -	\$ -	\$ 1,168,665
Sales of services	-	-	-	645,000	645,000	-	-	-	645,000
Government transfers	-	-	-	380,706	380,706	-	-	-	380,706
Transfer from own and other funds	470,364	-	-	-	470,364	-	-	(470,364)	-
Surplus of the second previous year	-	25,751	89,591	8,642	123,984	-	-	(123,984)	-
Other revenue	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>26,429</u>	<u>32,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,429</u>
	<u>473,364</u>	<u>118,591</u>	<u>618,416</u>	<u>1,610,777</u>	<u>2,821,148</u>	<u>-</u>	<u>-</u>	<u>(594,348)</u>	<u>2,226,800</u>
EXPENDITURES									
Governance	38,615	-	-	-	38,615	-	-	-	38,615
Administration	426,749	117,591	358,890	458,852	1,362,082	-	-	(482,352)	879,730
Regional planning	-	500	-	-	500	-	-	-	500
Regional sport, recreation and culture infrastructure	-	500	-	-	500	-	-	-	500
Planning and building inspection services	-	-	259,526	-	259,526	5,699	-	-	265,225
Operations - Solid Waste Service	-	-	-	1,151,925	1,151,925	6,289	-	-	1,158,214
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>473,364</u>	<u>118,591</u>	<u>618,416</u>	<u>1,610,777</u>	<u>2,821,148</u>	<u>11,988</u>	<u>-</u>	<u>(482,352)</u>	<u>2,350,784</u>
Surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,988)</u>	<u>\$ -</u>	<u>\$ (111,996)</u>	<u>\$ (123,984)</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

15. REVENUE AND EXPENDITURES SUPPORT

	<u>2019</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>
	Under (Over)	Budget	Actual	Actual
<u>REVENUE</u>				
COOPERATIVE AND REGIONAL PLANNING SERVICES				
Member charges	\$ 847	\$ 92,840	\$ 91,993	\$ 99,235
Rental income	-	3,000	3,000	3,000
Hampton Recreational Fund	-	-	-	28,040
	<u>\$ 847</u>	<u>\$ 95,840</u>	<u>\$ 94,993</u>	<u>\$ 130,275</u>
LOCAL PLANNING SERVICES				
Member charges	\$ -	\$ 525,825	\$ 525,825	\$ 623,382
Other (GIS/Planning)	3,000	3,000	-	-
	<u>\$ 3,000</u>	<u>\$ 528,825</u>	<u>\$ 525,825</u>	<u>\$ 623,382</u>
SOLID WASTE SERVICES				
Member charges	\$ (22,644)	\$ 930,706	\$ 953,350	\$ 935,477
Industrial, commercial and institutional	(86,215)	645,000	731,215	717,991
Recycling	(9,731)	26,429	36,160	58,994
Other	(34,723)	-	34,723	30,158
	<u>\$ (153,313)</u>	<u>\$ 1,602,135</u>	<u>\$ 1,755,448</u>	<u>\$ 1,742,620</u>
<u>EXPENDITURES</u>				
CORPORATE SERVICES				
Governance				
Board Members				
Honorariums	\$ 13,380	\$ 14,775	\$ 1,395	\$ 14,971
Travel	4,942	5,000	58	4,525
Training and development	1,000	1,000	-	-
Meeting expenses	1,863	2,000	137	1,798
	<u>21,185</u>	<u>22,775</u>	<u>1,590</u>	<u>21,294</u>
Administration				
Executive Director's Office:				
Personnel				
Salaries and benefits	4,701	291,049	286,348	238,551
Travel	(532)	3,500	4,032	4,182
Training and development	419	1,000	581	931
Memberships	529	1,200	671	342
Financial Management				
External audit and accounting fees	(120)	9,000	9,120	9,120
Bank charges	1,394	8,000	6,606	6,151

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

15. REVENUE AND EXPENDITURES SUPPORT (cont'd)

	<u>2019</u> Under (Over)	<u>2019</u> Budget	<u>2019</u> Actual	<u>2018</u> Actual
CORPORATE SERVICES (cont'd)				
Other Administrative Services:				
Advertising and public relations	(836)	500	1,336	502
Liability insurance	(6,059)	13,000	19,059	14,767
Professional and consulting services	158	13,000	12,842	20,955
Office building	(1,714)	40,000	41,714	41,859
Legal services	2,023	3,000	977	1,718
Office equipment	(3,020)	9,500	12,520	10,910
Office supplies	(1,053)	3,500	4,553	3,593
Postage and courier	1,361	2,500	1,139	1,738
Telephone	(683)	9,000	9,683	10,137
Software and website	(1,303)	4,200	5,503	3,324
Subscriptions	30	300	270	263
Miscellaneous	(2,325)	1,500	3,825	5,347
Technology allowance	15,240	15,840	600	14,520
Business services	(2,658)	9,000	11,658	9,462
Hydro	<u>1,303</u>	<u>12,000</u>	<u>10,697</u>	<u>11,412</u>
	<u>6,855</u>	<u>450,589</u>	<u>443,734</u>	<u>409,784</u>
	<u>\$ 28,040</u>	<u>\$ 473,364</u>	<u>\$ 445,324</u>	<u>\$ 431,078</u>

COOPERATIVE AND REGIONAL PLANNING SERVICES

Administration

Regional planning	\$ 302	\$ 500	\$ 198	\$ 500
Regional Sports, Recreation and Culture Infrastructure planning and cost-sharing	445	500	55	500
Hampton Recreational Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,040</u>
	<u>\$ 747</u>	<u>\$ 1,000</u>	<u>\$ 253</u>	<u>\$ 29,040</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

15. REVENUE AND EXPENDITURES SUPPORT (cont'd)

	<u>2019</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>
	Under (Over)	Budget	Actual	Actual
LOCAL PLANNING SERVICES				
Administration				
Personnel				
Salaries and benefits	\$ 2,129	\$ 82,558	\$ 80,429	\$ 139,383
Travel	(32)	1,000	1,032	1,133
Training and development	1,324	2,500	1,176	922
Membership	284	900	616	842
Telephone	121	1,500	1,379	1,258
Advertising and public relations (recovery)	(500)	-	500	(113)
Professional/consulting services	13,273	30,000	16,727	-
Professional and consulting services software	543	4,250	3,707	3,707
Miscellaneous	172	1,000	828	1,065
	<u>17,314</u>	<u>123,708</u>	<u>106,394</u>	<u>148,197</u>
Planning Services				
Personnel				
Salaries and benefits	396	39,252	38,856	37,725
Travel	250	250	-	39
Training and development	250	250	-	518
Advertising	2,500	2,500	-	557
Maps and reference material	41	500	459	450
Registration of by-law and regulations	(85)	-	85	170
Memberships	(73)	-	73	73
Amortization	(5,699)	-	5,699	3,571
	<u>(2,420)</u>	<u>42,752</u>	<u>45,172</u>	<u>43,103</u>
Inspection Services				
Personnel				
Salaries and benefits	8,657	192,074	183,417	204,813
Travel	(5,857)	15,250	21,107	17,354
Training and development	(512)	3,550	4,062	2,120
Map and reference material	41	500	459	450
Memberships	13	900	887	1,074
PRAC	1,590	4,500	2,910	2,452
	<u>3,932</u>	<u>216,774</u>	<u>212,842</u>	<u>228,263</u>
	<u>\$ 18,826</u>	<u>\$ 383,234</u>	<u>\$ 364,408</u>	<u>\$ 419,563</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

15. REVENUE AND EXPENDITURES SUPPORT (cont'd)

	<u>2019</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>
	Under (Over)	Budget	Actual	Actual
SOLID WASTE SERVICES				
Administration				
Accounting and financial consulting	\$ 12,223	\$ 18,500	\$ 6,277	\$ 2,000
Illegal dumping sites - site investigation, clean-up	1,000	1,000	-	678
Free events	1,809	3,000	1,191	3,000
Advertising - all events	115	1,000	885	660
Repair and maintenance	7,857	13,500	5,643	9,450
Waste management committee	991	1,000	9	351
Public education	352	1,000	648	1,000
Amortization	<u>(6,289)</u>	<u>-</u>	<u>6,289</u>	<u>4,223</u>
	<u>18,058</u>	<u>39,000</u>	<u>20,942</u>	<u>21,362</u>
Hazardous Household Waste				
Battery recycling program - collection and disposal	561	1,000	439	658
Other - environmental trust fund	<u>(34,764)</u>	<u>-</u>	<u>34,764</u>	<u>27,162</u>
	<u>(34,203)</u>	<u>1,000</u>	<u>35,203</u>	<u>27,820</u>
Operations				
Salaries and benefits	(25,421)	295,761	321,182	303,342
Tipping fees	(32,070)	767,125	799,195	795,011
Scales	5,827	13,500	7,673	11,631
Equipment leases	5,660	272,000	266,340	265,115
Fuel	1,322	19,000	17,678	18,781
Repairs and maintenance	6,716	32,800	26,084	19,798
Property taxes	267	22,000	21,733	21,075
Office	1,285	12,500	11,215	12,240
Utilities	1,149	7,000	5,851	5,971
Travel	(10)	1,500	1,510	1,030
Training	(621)	2,000	2,621	1,565
Insurance	<u>(4)</u>	<u>8,000</u>	<u>8,004</u>	<u>8,004</u>
	<u>(35,900)</u>	<u>1,453,186</u>	<u>1,489,086</u>	<u>1,463,563</u>
	<u>\$ (52,045)</u>	<u>\$ 1,493,186</u>	<u>\$ 1,545,231</u>	<u>\$ 1,512,745</u>