

REGIONAL SERVICE COMMISSION 8

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

REGIONAL SERVICE COMMISSION 8

DECEMBER 31, 2018

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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, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, changes in net debt 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, 2018, 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
May 16, 2019

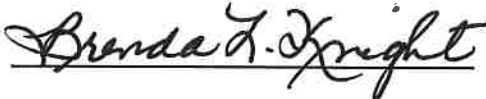
REGIONAL SERVICE COMMISSION 8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
FINANCIAL ASSETS		
Cash (Notes 4 and 5)	\$ 325,948	\$ 286,675
Accounts receivable	182,251	74,175
HST receivable	<u>9,681</u>	<u>43,923</u>
	<u>\$ 517,880</u>	<u>\$ 404,773</u>
LIABILITIES		
Accounts payable and accrued liabilities	147,258	133,162
Deferred contributions (Note 7)	<u>-</u>	<u>20,050</u>
	<u>147,258</u>	<u>153,212</u>
NET FINANCIAL ASSETS	<u>370,622</u>	<u>251,562</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	68,127	68,127
Accumulated amortization (Note 9)	<u>(20,822)</u>	<u>(13,028)</u>
	47,305	55,099
Prepaid expenses	<u>3,000</u>	<u>3,717</u>
	<u>50,305</u>	<u>58,816</u>
ACCUMULATED SURPLUS	<u>\$ 420,928</u>	<u>\$ 310,378</u>
COMMITMENTS AND CONTINGENCIES (Note 7)		

APPROVED BY:

 Trustee

REGIONAL SERVICE COMMISSION 8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
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COMMITMENTS AND CONTINGENCIES (Note 7)		

APPROVED BY:

_____ Trustee

REGIONAL SERVICE COMMISSION 8

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u> Under (Over)	<u>2018</u> Budget (Note 13)	<u>2018</u> Actual	<u>2017</u> Actual
REVENUE (Notes 10 and 14)				
Cooperative and regional planning services	\$ (28,040)	\$ 102,235	\$ 130,275	\$ 152,641
Local planning services	2,900	626,282	623,382	549,126
Solid waste services	(120,279)	1,622,341	1,742,620	1,606,601
Other	(692)	-	692	936
Interest	(7)	-	7	-
Gain on disposal of tangible capital assets	<u>(6,000)</u>	<u>-</u>	<u>6,000</u>	<u>-</u>
	<u>(146,118)</u>	<u>2,350,858</u>	<u>2,502,976</u>	<u>2,309,304</u>
EXPENDITURE (Notes 10 and 14)				
Corporate services	(17,873)	413,205	431,078	382,614
Cooperative and regional planning services	(28,040)	1,000	29,040	63,737
Local planning services	5,876	425,439	419,563	389,302
Solid waste services	<u>(64,660)</u>	<u>1,448,085</u>	<u>1,512,745</u>	<u>1,468,038</u>
	<u>(104,697)</u>	<u>2,287,729</u>	<u>2,392,426</u>	<u>2,303,691</u>
ANNUAL SURPLUS (DEFICIT) FOR THE YEAR (Note 11)				
	<u>\$ 47,421</u>	<u>\$ 63,129</u>	110,550	5,613
ACCUMULATED SURPLUS - BEGINNING OF YEAR				
			<u>310,378</u>	<u>304,765</u>
ACCUMULATED SURPLUS - END OF YEAR				
			<u>\$ 420,928</u>	<u>\$ 310,378</u>

REGIONAL SERVICE COMMISSION 8

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

AS AT DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
Annual surplus (deficit)	\$ 110,550	\$ 5,613
Acquisition of tangible capital assets	-	(21,116)
Amortization of tangible capital assets	<u>7,794</u>	<u>7,429</u>
	<u>118,344</u>	<u>(8,074)</u>
Acquisition of prepaid expenses	3,717	8,109
Use of prepaid expenses	<u>(3,000)</u>	<u>(3,717)</u>
	<u>717</u>	<u>4,392</u>
Increase (decrease) in net financial assets	119,061	(3,682)
Net financial assets, beginning of year	<u>251,562</u>	<u>255,244</u>
Net financial assets, end of year	<u>\$ 370,622</u>	<u>\$ 251,562</u>

APPROVED BY:

Grenda L. Knight Trustee

REGIONAL SERVICE COMMISSION 8

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
OPERATING TRANSACTIONS		
Annual surplus	\$ 110,550	\$ 5,613
Amortization of tangible capital assets	7,794	7,429
Accounts receivable	(108,076)	45,393
HST receivable	34,242	(29,249)
Accounts payable and accrued liabilities	14,096	13,292
Deferred contributions	(20,050)	(29,695)
Prepaid expenses	<u>717</u>	<u>4,392</u>
	<u>39,273</u>	<u>17,175</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	<u>-</u>	<u>(21,116)</u>
FINANCING TRANSACTIONS		
Bank loan	<u>-</u>	<u>(40,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	39,273	(43,941)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>286,675</u>	<u>330,615</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 325,948</u>	<u>\$ 286,675</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

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 lease that expired December 31, 2015. Beginning January 1, 2016, the Commission has taken over the ownership and operations 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, 2018

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 Board of Directors on November 28, 2017 and were submitted to the Minister of Environment and Local Government on November 28, 2017.

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, 2018

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 collectibility 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, 2018

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

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, 2018.

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, 2018, the Provincial Department of the Environment and Local Government accounted for 31.8% 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, 2018

4. FUNDS

The Commission has four internally restricted funds. Cash disclosure has been expanded to reflect the current year's presentation (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, and (d) Solid Waste Operating Reserve Fund which will be used to carry out solid waste operation projects.

5. CASH

	<u>2018</u>	<u>2017</u>
Cash - reserve funds	\$ 205,700	\$ 180,700
Cash - restricted	-	20,050
Cash - unrestricted	<u>120,248</u>	<u>85,925</u>
	<u>\$ 325,948</u>	<u>\$ 286,675</u>

6. BANK LOAN

The bank loan, authorized in the amount of \$120,000, bears interest at the prime rate and is unsecured.

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 \$3,333 plus HST. The future minimum payments over the next five years are as follows:

2019	\$ 40,000
2020	40,000
2021	40,000
2022	40,000
2023	40,000

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

8. GENERAL FUND SURPLUS (DEFICIT)

The Regional Commission Act requires that the surplus (deficits) 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 (deficits) at the end of the year consists of:

	<u>2018</u>	<u>2017</u>
2018 Surplus	\$ 120,822	\$ -
2017 Surplus	138,984	138,984
2016 Deficit	<u>-</u>	<u>(8,543)</u>
	<u>\$ 259,806</u>	<u>\$ 130,441</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

9. SCHEDULE OF TANGIBLE CAPITAL ASSETS

COST	<u>Land</u>	<u>Equipment</u>	<u>Computers</u>	<u>2018 Total</u>	<u>2017 Total</u>
Balance - beginning of year	\$ 28,340	\$ 31,820	\$ 7,967	\$ 68,127	\$ 47,011
Add: Net additions during the year	-	-	-	-	21,116
Less: Disposals during the year	-	-	-	-	-
Balance - end of year	<u>28,340</u>	<u>31,820</u>	<u>7,967</u>	<u>68,127</u>	<u>68,127</u>
ACCUMULATED AMORTIZATION					
Balance - beginning of year	-	7,660	5,368	13,028	5,599
Add: Amortization during the year	-	6,364	1,430	7,794	7,429
Less: Accumulated amortization on disposals	-	-	-	-	-
Balance - end of year	<u>-</u>	<u>14,024</u>	<u>6,798</u>	<u>20,822</u>	<u>13,028</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 28,340</u>	<u>\$ 17,796</u>	<u>\$ 1,169</u>	<u>\$ 47,305</u>	<u>\$ 55,099</u>
Consists of:					
Solid Waste Assets	\$ 28,340	\$ 14,781	\$ -	\$ 43,121	\$ 49,456
Local Planning Assets	-	<u>3,015</u>	<u>1,169</u>	<u>4,184</u>	<u>5,643</u>
	<u>\$ 28,340</u>	<u>\$ 17,796</u>	<u>\$ 1,169</u>	<u>\$ 47,305</u>	<u>\$ 55,099</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

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>2018 Consolidated</u>	<u>2017 Consolidated</u>
REVENUE						
Member charges	\$ 935,477	-	\$ 623,382	\$ 99,235	\$ 1,658,094	\$ 1,574,246
Sales of services	807,143	-	-	28,040	835,183	734,122
Other	6,000	-	692	3,000	9,692	936
Interest	-	-	7	-	7	-
	<u>1,748,620</u>	<u>-</u>	<u>624,081</u>	<u>130,275</u>	<u>2,502,976</u>	<u>2,309,304</u>
EXPENDITURE						
Salaries and benefits	303,342	253,521	381,921	-	938,784	869,279
Tipping fees	795,011	-	-	-	795,011	734,936
Goods and services	410,169	177,557	34,071	29,040	650,837	692,047
Amortization	4,223	-	3,571	-	7,794	7,429
	<u>1,512,745</u>	<u>431,078</u>	<u>419,563</u>	<u>29,040</u>	<u>2,392,426</u>	<u>2,303,691</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ 235,875</u>	<u>\$ (431,078)</u>	<u>\$ 204,518</u>	<u>\$ 101,235</u>	<u>\$ 110,550</u>	<u>\$ 5,613</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

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>
2018 annual surplus (deficit)	\$ 235,875	\$ 204,518	\$ 101,235	\$ (431,078)	\$ -	\$ -	\$ 110,550
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus	748	1,275	455	-	-	-	2,478
Transfers between funds							
Transfer from Solid Waste Services Fund to Corporate Services Fund	(155,188)	-	-	155,188	-	-	-
Transfer from Local Planning Services Fund to Corporate Services Fund	-	(189,674)	-	189,674	-	-	-
Transfer from Cooperative and Regional Planning Services Fund to Corporate Services Fund	-	-	(86,216)	86,216	-	-	-
Transfer from Solid Waste Services Fund to Solid Waste Capital Reserve	(50,000)	-	-	-	-	50,000	-
Transfer from Local Planning Services Operating Reserve to Local Planning Services Fund	-	25,000	-	-	-	(25,000)	-
Amortization expense	4,223	3,571	-	-	-	-	7,794
Total adjustments to 2018 annual surplus (deficit)	(200,217)	(159,828)	(85,761)	431,078	-	25,000	10,272
Annual surplus for funding requirements	<u>\$ 35,658</u>	<u>\$ 44,690</u>	<u>\$ 15,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 120,822</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

12. STATEMENT OF RESERVES

	Local Planning Operating Reserve	Local Collaborative Regional Planning Operating Reserve	Local Planning Capital Reserve	Solid Waste Operating Reserve	Solid Waste Capital Reserve	<u>2018</u>	<u>2017</u>
ASSETS							
Cash	\$ <u>3,800</u>	\$ <u>7,000</u>	\$ <u>118,168</u>	\$ <u>16,732</u>	\$ <u>60,000</u>	\$ <u>205,700</u>	\$ <u>180,700</u>
ACCUMULATED SURPLUS							
	\$ <u>3,800</u>	\$ <u>7,000</u>	\$ <u>118,168</u>	\$ <u>16,732</u>	\$ <u>60,000</u>	\$ <u>205,700</u>	\$ <u>180,700</u>
REVENUE							
Transfer from Solid Waste Services Fund to Solid Waste Capital Reserve Fund	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>50,000</u>	\$ <u>50,000</u>	\$ <u>15,000</u>
EXPENDITURE							
Transfers to Local Planning Operating Fund	25,000	-	-	-	-	25,000	-
Transfers to Capital Fund from Reserve Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,588</u>
	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>3,588</u>
ANNUAL SURPLUS (DEFICIT)							
	\$ <u>(25,000)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>50,000</u>	\$ <u>25,000</u>	\$ <u>11,412</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

12. STATEMENT OF RESERVES (cont'd)

Resolutions regarding transfer to and from reserves:

Motion to take \$25,000 from the Local Planning Operating Reserve by Director Coleman, seconded by Director Boye;

Motion to deposit \$50,000 in Solid Waste Capital Reserve by Director Booth, seconded by Director Shay.

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

May 16, 2019.

Date

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

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
REVENUE									
Member charges	\$ -	\$ 99,235	\$ 623,282	\$ 605,000	\$ 1,327,517	\$ -	\$ -	\$ -	\$ 1,327,517
Sales of services	-	-	-	610,000	610,000	-	-	-	610,000
Government transfers	-	-	-	380,706	380,706	-	-	-	380,706
Transfer from own and other funds	410,205	-	25,000	-	435,205	-	-	(435,205)	-
Other revenue	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>26,635</u>	<u>32,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,635</u>
	<u>413,205</u>	<u>99,235</u>	<u>651,282</u>	<u>1,622,341</u>	<u>2,786,063</u>	<u>-</u>	<u>-</u>	<u>(435,205)</u>	<u>2,350,858</u>
EXPENDITURES									
Governance	38,615	-	-	-	38,615	-	-	-	38,615
Administration	366,590	82,042	321,203	483,419	1,253,254	-	-	(417,999)	835,255
Regional planning	-	500	-	-	500	-	-	-	500
Regional emergency measures planning	-	-	-	-	-	-	-	-	-
Regional sport, recreation and culture infrastructure	-	500	-	-	500	-	-	-	500
Planning and building inspection services	-	-	284,725	-	284,725	3,571	-	-	288,296
Operations - solid waste service	-	-	-	1,112,340	1,112,340	4,223	-	-	1,116,563
Other financing charges	8,000	-	-	-	8,000	-	-	-	8,000
Second previous year deficit	<u>-</u>	<u>16,193</u>	<u>45,354</u>	<u>26,582</u>	<u>88,129</u>	<u>-</u>	<u>-</u>	<u>(88,129)</u>	<u>-</u>
	<u>413,205</u>	<u>99,235</u>	<u>651,282</u>	<u>1,622,341</u>	<u>2,786,063</u>	<u>7,794</u>	<u>-</u>	<u>(506,128)</u>	<u>2,287,729</u>
Surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,794)</u>	<u>\$ -</u>	<u>\$ 70,923</u>	<u>\$ 63,129</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

14. REVENUE AND EXPENDITURES SUPPORT

	<u>2018</u> Under (Over)	<u>2018</u> Budget	<u>2018</u> Actual	<u>2017</u> Actual
<u>REVENUE</u>				
COOPERATIVE AND REGIONAL PLANNING SERVICES				
Member charges	\$ -	\$ 99,235	\$ 99,235	\$ 86,696
Waterford Youth Centre	-	-	-	2,500
Rental income	-	3,000	3,000	-
Hampton Recreational Fund	<u>(28,040)</u>	<u>-</u>	<u>28,040</u>	<u>63,445</u>
	<u>\$ (28,040)</u>	<u>\$ 102,235</u>	<u>\$ 130,275</u>	<u>\$ 152,641</u>
LOCAL PLANNING SERVICES				
Member charges	\$ (100)	\$ 623,282	\$ 623,382	\$ 549,126
Other (GIS/Planning)	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 2,900</u>	<u>\$ 626,282</u>	<u>\$ 623,382</u>	<u>\$ 549,126</u>
SOLID WASTE SERVICES				
Member charges	\$ 50,229	\$ 985,706	\$ 935,477	\$ 938,424
Industrial, commercial and institutional	(107,991)	610,000	717,991	542,619
Recycling	(32,359)	26,635	58,994	58,387
Other	<u>(30,158)</u>	<u>-</u>	<u>30,158</u>	<u>67,171</u>
	<u>\$ (120,279)</u>	<u>\$ 1,622,341</u>	<u>\$ 1,742,620</u>	<u>\$ 1,606,601</u>
<u>EXPENDITURES</u>				
CORPORATE SERVICES				
Governance				
Board Members				
Honorariums	\$ (196)	\$ 14,775	\$ 14,971	\$ 16,590
Travel	475	5,000	4,525	4,899
Training and development	1,000	1,000	-	582
Meeting expenses	<u>202</u>	<u>2,000</u>	<u>1,798</u>	<u>1,861</u>
	<u>1,481</u>	<u>22,775</u>	<u>21,294</u>	<u>23,932</u>
Administration				
Executive Director's Office:				
Personnel				
Salaries and benefits	(12,511)	226,040	238,551	199,161
Travel	(682)	3,500	4,182	4,557
Training and development	69	1,000	931	378
Memberships	158	500	342	354
Financial Management				
External audit and accounting fees	(120)	9,000	9,120	13,599
Bank charges	1,849	8,000	6,151	7,876

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

14. REVENUE AND EXPENDITURES SUPPORT (cont'd)

	<u>2018</u> Under (Over)	<u>2018</u> Budget	<u>2018</u> Actual	<u>2017</u> Actual
CORPORATE SERVICES (cont'd)				
Other Administrative Services:				
Advertising and public relations	(2)	500	502	75
Liability insurance	(1,767)	13,000	14,767	21,174
Professional and consulting services	(7,955)	13,000	20,955	6,006
Office building	691	42,550	41,859	37,543
Legal services	282	2,000	1,718	313
Office equipment	90	11,000	10,910	11,006
Office supplies	(93)	3,500	3,593	3,163
Postage and courier	(238)	1,500	1,738	1,292
Telephone	(1,137)	9,000	10,137	9,050
Software and website	876	4,200	3,324	3,960
Subscriptions	37	300	263	212
Miscellaneous	(347)	5,000	5,347	2,824
Technology allowance	1,320	15,840	14,520	15,120
Business services	(1,462)	8,000	9,462	9,523
Hydro	1,588	13,000	11,412	11,496
	<u>(19,354)</u>	<u>390,430</u>	<u>409,784</u>	<u>358,682</u>
	<u>\$ (17,873)</u>	<u>\$ 413,205</u>	<u>\$ 431,078</u>	<u>\$ 382,614</u>

COOPERATIVE AND REGIONAL PLANNING SERVICES

Administration

Regional planning	\$ -	\$ 500	\$ 500	\$ -
Regional Emergency Measures Planning	-	-	-	-
Regional Sports, Recreation and Culture Infrastructure planning and cost-sharing	-	500	500	292
Waterford Youth Centre	-	-	-	-
Hampton Recreational Fund	<u>(28,040)</u>	<u>-</u>	<u>28,040</u>	<u>63,445</u>
	<u>\$ (28,040)</u>	<u>\$ 1,000</u>	<u>\$ 29,040</u>	<u>\$ 63,737</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

14. REVENUE AND EXPENDITURES SUPPORT (cont'd)

	<u>2018</u>	<u>2018</u>	<u>2018</u>	<u>2017</u>
	Under (Over)	Budget	Actual	Actual
LOCAL PLANNING SERVICES				
Administration				
Personnel				
Salaries and benefits	\$ (9,819)	\$ 129,564	\$ 139,383	\$ 125,383
Travel	(133)	1,000	1,133	912
Training and development	1,578	2,500	922	1,341
Membership	58	900	842	211
Telephone	242	1,500	1,258	1,481
Advertising and public relations	113	-	(113)	-
Professional and consulting services software	543	4,250	3,707	3,707
Miscellaneous	<u>(65)</u>	<u>1,000</u>	<u>1,065</u>	<u>587</u>
	<u>(7,483)</u>	<u>140,714</u>	<u>148,197</u>	<u>133,622</u>
Planning Services				
Personnel				
Salaries and benefits	516	38,241	37,725	37,061
Travel	211	250	39	180
Training and development	(268)	250	518	627
Advertising	3,193	3,750	557	1,090
Maps and reference material	50	500	450	450
Registration of by-law and regulations	(170)	-	170	255
Memberships	(73)	-	73	-
Amortization	<u>(3,571)</u>	<u>-</u>	<u>3,571</u>	<u>5,318</u>
	<u>(112)</u>	<u>42,991</u>	<u>43,103</u>	<u>44,981</u>
Inspection Services				
Personnel				
Salaries and benefits	13,021	217,834	204,813	184,378
Travel	(2,604)	14,750	17,354	17,595
Training and development	1,130	3,250	2,120	2,091
Map and reference material	50	500	450	450
Memberships	(174)	900	1,074	667
PRAC	<u>2,048</u>	<u>4,500</u>	<u>2,452</u>	<u>5,518</u>
	<u>13,471</u>	<u>241,734</u>	<u>228,263</u>	<u>210,699</u>
	<u>\$ 5,876</u>	<u>\$ 425,439</u>	<u>\$ 419,563</u>	<u>\$ 389,302</u>

REGIONAL SERVICE COMMISSION 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

14. REVENUE AND EXPENDITURES SUPPORT (cont'd)

	<u>2018</u> Under (Over)	<u>2018</u> Budget	<u>2018</u> Actual	<u>2017</u> Actual
SOLID WASTE SERVICES				
Administration				
Accounting and financial consulting	\$ -	\$ 2,000	\$ 2,000	\$ 2,489
Bad debts	-	-	-	162
Illegal dumping sites - site investigation, clean-up	322	1,000	678	118
Free events	-	3,000	3,000	1,454
Advertising - all events	340	1,000	660	405
Repair and maintenance	50	9,500	9,450	9,101
Waste management committee	649	1,000	351	308
Public education	-	1,000	1,000	-
Amortization	<u>(4,223)</u>	<u>-</u>	<u>4,223</u>	<u>2,112</u>
	<u>(2,862)</u>	<u>18,500</u>	<u>21,362</u>	<u>16,149</u>
Hazardous Household Waste				
Battery recycling program - collection and disposal	342	1,000	658	1,540
Other - environmental trust fund	<u>(27,162)</u>	<u>-</u>	<u>27,162</u>	<u>62,481</u>
	<u>(26,820)</u>	<u>1,000</u>	<u>27,820</u>	<u>64,021</u>
Operations				
Salaries and benefits	3,403	306,745	303,342	306,706
Tipping fees	(42,971)	752,040	795,011	734,937
Scales	(2,131)	9,500	11,631	7,411
Equipment leases	6,885	272,000	265,115	266,336
Fuel	(1,781)	17,000	18,781	16,098
Repairs and maintenance	(498)	19,300	19,798	17,169
Property taxes	925	22,000	21,075	20,977
Office	260	12,500	12,240	9,634
Utilities	29	6,000	5,971	5,970
Travel	470	1,500	1,030	968
Training	435	2,000	1,565	1,662
Insurance	<u>(4)</u>	<u>8,000</u>	<u>8,004</u>	<u>-</u>
	<u>(34,978)</u>	<u>1,428,585</u>	<u>1,463,563</u>	<u>1,387,868</u>
	<u>\$ (64,660)</u>	<u>\$ 1,448,085</u>	<u>\$ 1,512,745</u>	<u>\$ 1,468,038</u>