

**Regional Service Commission 11**

**Audited Financial Statements**

**December 31, 2018**

# Regional Service Commission 11

December 31, 2018

## Contents

	Page
Independent Auditors' Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Operations and Accumulated Surplus	4
Statement of Changes in Net Debt	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 16
Schedule 1: Schedule of Tangible Capital Assets	17 - 18
Schedule 2: Schedule of Reconciliation of Annual Surplus	19 - 22
Schedule 3: Schedule of Segment Disclosure	23 - 24
Schedule 4: Schedule of Statement of Reserves	25 - 26
Schedule 5: Schedule of Operating Budget to PSA Budget	27 - 28
Schedule 6: Schedule of Revenue and Expenditures	29 - 31

## Independent Auditors' Report

To the Commissioners of  
**Regional Service Commission 11**

### *Opinion*

We have audited the financial statements of Regional Service Commission 11 (the "Commission"), which comprise the statement of financial position as at December 31, 2018, and the statement of operations, accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**MacMillan Lawrence & Lawrence**  
*Chartered Professional Accountants*

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Fredericton, NB  
April 2, 2019

*MacMillan Lawrence & Lawrence*

Chartered Professional Accountants

# Regional Service Commission 11

## Statement of Financial Position

December 31, 2018

	2018	2017
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	\$ 3,456,947	\$ 3,574,365
Receivables (Note 4)	1,419,491	914,868
Loan receivable (Note 5)	95,755	99,372
Inventory	39,475	62,151
Interest receivable	10,933	-
Investments (Note 6)	3,220,072	3,118,833
	8,242,673	7,769,589
<b>Liabilities</b>		
Payables and accruals	1,152,681	969,741
Funds held in trust (Note 16)	107,077	106,031
Retiring allowance (Note 10)	603,537	638,000
Long term debt (Note 8)	4,160,000	3,927,000
Accrued post-closing costs (Note 7)	3,473,053	3,417,772
	9,496,348	9,058,544
<b>Net debt</b>	(1,253,675)	(1,288,955)
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	12,334,918	11,860,125
Prepaid expenses	130,512	120,718
Deferred financing charges	16,597	20,340
	12,482,027	12,001,183
<b>Accumulated surplus</b>	\$ 11,228,352	\$ 10,712,228

See accompanying notes to financial statements

Contingencies and commitments (Note 13 & 14)

Approved by the Commission:

Original Signed by Judy Wilson-Shee  
\_\_\_\_\_ Member

Original Signed by Mike Chamberlain  
\_\_\_\_\_ Member

# Regional Service Commission 11

## Statement of Operations and Accumulated Surplus

Year ended December 31, 2018

	(Unaudited) Budget 2018	Actual 2018	Actual 2017
<b>Revenue</b>			
Sale of services (Schedule 6)	\$ 5,972,950	\$ 6,269,915	\$ 5,855,303
Member charges (Schedule 6)	4,215,823	4,161,102	4,049,023
Other (Schedule 6)	109,000	142,304	110,638
Grants (Schedule 6)	-	27,905	23,685
Interest	10,100	77,845	31,351
	10,307,873	10,679,071	10,070,000
<b>Expenditures</b>			
Administration (Schedule 6)	2,313,821	2,140,581	1,960,269
Fiscal services	116,195	117,695	113,761
Governance (Schedule 6)	75,250	52,534	58,027
Planning and building inspection services (Schedule 6)	738,237	726,000	685,619
Post-closing costs (Note 7)	195,880	3,312	306,428
Regional policing collaboration	7,500	-	-
Regional sport, recreation and culture	10,000	-	-
Solid waste services (Schedule 6)	7,813,976	6,945,300	7,078,239
	11,270,859	9,985,422	10,202,343
<b>Annual (deficit) surplus before unrealized (losses) gain on investments</b>	(962,986)	693,649	(132,343)
Unrealized (losses) gain on investments		(177,525)	43,777
<b>Annual surplus (deficit)</b>		516,124	(88,566)
Accumulated surplus, beginning of year		10,712,228	10,800,794
<b>Accumulated surplus, end of year</b>		\$ 11,228,352	\$ 10,712,228

See accompanying notes to financial statements

# Regional Service Commission 11

## Statement of Changes in Net Debt

Year ended December 31, 2018

	2018	2017
Annual surplus (deficit)	\$ 516,124	\$ (88,566)
Acquisition of tangible capital assets	(1,949,145)	(1,119,118)
Writedown of tangible capital assets	-	8,415
Amortization of tangible capital assets	1,474,352	1,698,411
	41,331	499,142
Change in deferred financing charges	3,743	3,733
Change in prepaid expenses	(9,794)	41,251
Decrease in net debt	35,280	544,126
Net debt, beginning of the year	(1,288,955)	(1,833,081)
<b>Net debt, end of year</b>	<b>\$ (1,253,675)</b>	<b>\$ (1,288,955)</b>

See accompanying notes to financial statements

# Regional Service Commission 11

## Statement of Cash Flows

Year ended December 31, 2018

	2018	2017
Increase (decrease) in cash and cash equivalents		
<b>Operating activities</b>		
Annual surplus (deficit)	\$ 516,124	\$ (88,566)
Amortization of tangible capital assets	1,474,352	1,698,411
Gain on disposal of tangible capital assets	(79,750)	(46,584)
Unrealized loss (gain) on investments	177,525	(43,777)
	<u>2,088,251</u>	<u>1,519,484</u>
<b>Change in non-cash working capital</b>		
Receivables	(504,623)	(53,643)
Interest receivable	(10,933)	-
Loan receivable	3,617	(99,372)
Inventory	22,676	(27,889)
Payables and accruals	182,940	(175,875)
Funds held in trust	1,046	470
Retiring allowance	(34,463)	68,000
Accrued post-closing costs	55,281	337,424
Deferred finance charges	3,743	3,733
Prepaid expenses	(9,794)	41,251
	<u>(290,510)</u>	<u>94,099</u>
Cash flows provided by operating activities	<u>1,797,741</u>	<u>1,613,583</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(1,949,145)	(1,119,118)
Proceeds from disposal of tangible capital assets	79,750	55,000
Cash flows used in capital activities	<u>(1,869,395)</u>	<u>(1,064,118)</u>
<b>Financing activities</b>		
Long term debt (net)	233,000	(378,000)
Cash flows provided by (used in) financing activities	<u>233,000</u>	<u>(378,000)</u>
<b>Investing activities</b>		
Investments (net)	(278,764)	(220,705)
Cash flows used in investing activities	<u>(278,764)</u>	<u>(220,705)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(117,418)</u>	<u>(49,240)</u>
Cash and cash equivalents, beginning of year	<u>3,574,365</u>	<u>3,623,605</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 3,456,947</u>	<u>\$ 3,574,365</u>

See accompanying notes to financial statements

# Regional Service Commission 11

## Notes to Financial Statements

**December 31, 2018**

---

### 1. Nature of operations

The Commission was established under a special act of the New Brunswick legislature with a mandate to provide or facilitate the provision of regional planning services and solid waste disposal services to all its members, and to all its members that are local service districts, a land use planning service. Regional Service Commission 11 (the "Commission") was created effective January 1, 2013.

In accordance with a Ministerial Order, Sections 41 and 48 of the *Regional Service Delivery Act*, SNB 2012, c.37 effective January 1, 2013, all assets, liabilities, rights, obligations, powers and responsibilities of the Fredericton Region Solid Waste Commission and the Rural Planning District Commission, with the exception of \$4,146 in capital assets, are transferred to and become the assets, liabilities, rights, obligations, powers and responsibilities of Regional Service Commission 11.

### 2. Significant accounting policies

#### **Basis of accounting**

The financial statements of the Commission have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

#### **Reporting entity**

The financial statements of the Commission reflect the assets, liabilities, revenues and expenses and changes in net debt and cash flows of the reporting entity. Inter-fund balances and transactions have been eliminated.

#### **Revenue recognition**

Revenues are recognized as they are earned and measurable. Tipping fees are recorded when the waste is delivered to the landfill facility and when collection is reasonably assured. Recycling commodity sales are recognized upon shipment of the recyclables to the customer and when collectability is reasonably assured. Planning fees are recognized as they are earned or upon issuance of a permit.

#### **Financial instruments**

The Commission initially measures its financial assets and financial liabilities at fair value. The Commission subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents, receivables and investments.

Financial liabilities measured at amortized cost include payables and accruals and long term debt.

Financial assets measured at fair value include investment in balanced funds and term deposits.

The fair value of investments in balanced funds are determined by reference to the latest closing transactional net asset value of each respective balanced fund.

# Regional Service Commission 11

## Notes to Financial Statements

December 31, 2018

---

### 2. Significant accounting policies (continued)

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with original maturities of ninety days or less.

#### Inventory

Inventory held for sale is valued at the lower of cost and net realizable value with cost being determined on the first-in, first-out basis.

#### Investments

Investments are managed in accordance with the New Brunswick Trustees Act.

#### Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

#### 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 is amortized on a straight line basis over the estimated useful life as follows:

	<u>Useful Lives</u>
Land	Indefinite
Land improvements:	
Paving	20 years
Fencing	10 years
Gas collection system	20 years
Landfill cells	Estimated capacity of cell
Buildings	15 - 40 years
Machinery and equipment	5 - 40 years
Vehicles	5 years
Electronic equipment	5 years
Furniture and fixtures	10 years

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

#### Deferred financing charges

Financing charges related to the issuance of long term debt are deferred and amortized over the terms of the related debt.

#### Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

# Regional Service Commission 11

## Notes to Financial Statements

**December 31, 2018**

---

### 2. Significant accounting policies (continued)

#### **Expense recognition**

Expenses are recorded on the accrual basis as they are incurred and measurable based on the receipt of goods or services and legal obligation to pay.

#### **Landfill closure and post closure liability**

The Commission accrues landfill closure and post-closure care requirements that include final covering and landscaping of the landfill, pumping of ground water and leachate from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions using the best information available to management as documented in Note 7.

Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate when applicable.

#### **Segmented information**

The Commission's operations are broken down into five distinct areas which encompass a wide range of services. For management reporting purposes, the Commission's operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Commission services are provided by departments as follows:

#### **Co-operative and Regional Planning**

This department is responsible for providing its members with a forum in order to initiate cooperative action among its members, which include discussions with respect to regional planning, regional policing collaboration, regional emergency measures planning, regional sport, recreation and culture infrastructure planning and cost-sharing.

#### **Local Planning Services**

This department is responsible to oversee building inspection, development and planning services.

#### **Landfill Operations**

This department is responsible for the acceptance and disposition of waste received at the landfill site, including, but not limited to, garbage, construction and demolition waste, and household hazardous waste.

#### **SWD Recycling**

This department is responsible for the collection and acceptance of recyclable material, including its sorting and subsequent sale.

#### **Power Generation**

This department is responsible for the generation of electricity which is sold to the New Brunswick Power Commission.

# Regional Service Commission 11

## Notes to Financial Statements

**December 31, 2018**

---

### 2. Significant accounting policies (continued)

#### Employee future benefits

The Commission has a sick leave benefit as documented in Note 9.

Certain Commission employees, having five years of continuous service, are entitled to a retirement allowance of five days for each full year of continuous service not exceeding 125 days at the employee's regular rate of compensation at retirement. The liability is actuarially determined as documented in Note 10.

The Commission provides a defined contribution money purchase pension plan for eligible planning and development employees. The amount of the member's benefit is not determined until the time the benefit is provided. The Commission's responsibility is limited to matching contribution to a maximum of 5.0% to 7.0% of gross pay of the employee and upon retirement the Commission has no further responsibility to the plan. Total benefit expense for the year ended December 31, 2018 was \$49,675 (2017 - \$48,798).

The Commission's solid waste employees are members of the City of Fredericton Shared Risk Pension Plan, which is a multi-employer shared risk pension plan. The plan is accounted for as a defined contribution plan in accordance with Public Sector Accounting Handbook PS3250 - Retirement Benefits.

#### Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates include assumptions used in estimating useful lives of tangible capital assets, landfill closure and post-closure liability and in performing actuarial valuations of employee future benefits. 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 those estimates.

### 3. Cash and cash equivalents

	<b>2018</b>	<b>2017</b>
Cash and cash equivalents - restricted	\$ 2,921,145	\$ 1,901,564
Cash and cash equivalents - unrestricted	535,802	1,672,801
	<b>\$ 3,456,947</b>	<b>\$ 3,574,365</b>

The Commission has a revolving line of credit of \$300,000, which was not utilized at December 31, 2018. Interest at prime less 0.5% secured by letter from the Chairman of the Commission, under seal, authorizing the Commission to borrow for the purpose of bridging normal member funding and financing receivables.

# Regional Service Commission 11

## Notes to Financial Statements

**December 31, 2018**

### 4. Receivables

	2018	2017
Planning and development	\$ -	\$ 1,076
Solid waste	1,080,351	692,697
Recycling	87,403	40,077
Power generation	57,563	75,508
HST rebate	194,174	105,510
	\$ 1,419,491	\$ 914,868

### 5. Loan receivable

	2018	2017
Amount due from Elmtree Environmental Ltd. of \$100,000 at 0% repayable over a maximum of six years, repayable \$1 per tonne added to the tonnage fee until the loan is repaid. After three years if \$50,000 has not been repaid the difference between the \$50,000 and the payments to date is due. Upon maturity, August 2023, any remaining unpaid balance is due. Annual interest at the daily prime bank commercial lending rate plus 2% will accrue upon default.	\$ 95,755	\$ 99,372
Less principal due within one year	4,152	4,152
	\$ 91,603	\$ 95,220

Estimated principal payments due in each of the next five years, include:

	2019	2020	2021	2022	2023
	\$ 4,152	\$ 41,603	\$ 4,152	\$ 4,152	\$ 41,696

### 6. Investments

	2018		2017	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Cash	\$ 93,632	\$ 93,632	\$ 265,853	\$ 265,853
Balanced funds	3,247,855	3,126,440	2,796,870	2,852,980
	\$ 3,341,487	\$ 3,220,072	\$ 3,062,723	\$ 3,118,833

The balance of cash and balanced funds is restricted for future closure and post closure costs.

# Regional Service Commission 11

## Notes to Financial Statements

**December 31, 2018**

---

### 7. Accrued post-closing costs

The Commission is responsible for the continued monitoring and treatment of the site following its closure. During the year, the Commission completed a comprehensive review of the landfill site and a new post-closure analysis was completed resulting in a reduction adjustment of \$223,510 to the post-closure liability.

The accrued liability for post-closing costs has been determined based on estimated post-closing costs of \$566,750 (2017 - \$503,100) per year, in future dollars, for a period of 30 years commencing in 2037.

Post-closing costs are discounted at a rate of 4.84% (6.85% nominal rate less 2.01% assumed inflation) for a current estimate of \$16,696,785 (2017 - \$16,874,084) required by the end of 2036 to fund post closure expenses.

At December 31, 2018 the capacity of the landfill had been estimated at 2,755,569 (2017 - 2,750,423) metric tonnes of which 1,454,284 (2017 - 1,525,000) metric tonnes remains unused as at December 31, 2018.

At December 31, 2018 the estimated post closure liability is \$3,473,053 (2017 - \$3,417,772) of which the Commission has funded with cash and balanced funds with a cost of \$3,341,487 (2017 - \$3,062,723) and with a market value of \$3,220,072 (2017 - \$3,118,833) for a shortfall of \$252,981 (2017 - \$298,939) based on market value at year end. Investment detail is documented in Note 6.

### 8. Long term debt

New Brunswick Municipal Finance Corporation	2018	2017
Debtures:		
B152 1.35% - 3.25%, due 2023, OIC 11-0005	\$ 1,907,000	\$ 2,261,000
BL47 1.2% - 2.15%, due 2019, OIC 14-0003	91,000	181,000
BO50 1.45% - 2.0%, due 2021, OIC 15-0046	146,000	193,000
BP40 1.20% - 2.0%, due 2021, OIC 06-0011, 16-0003	685,000	907,000
BR46 1.65% - 2.35%, due 2022, OIC 16-0003, 17-0041	311,000	385,000
BU41 2.55% - 2.95%, due 2023, OIC 18-0001	1,020,000	-
	<u>\$ 4,160,000</u>	<u>\$ 3,927,000</u>

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

Principal payments required in each of the next five years are as follows:

2019	2020	2021	2022	2023
<u>\$ 996,000</u>	<u>\$ 923,000</u>	<u>\$ 945,000</u>	<u>\$ 682,000</u>	<u>\$ 614,000</u>

# Regional Service Commission 11

## Notes to Financial Statements

**December 31, 2018**

---

### 9. Accrued sick leave

The Commission provides sick leave that accumulates at 1.25 days per month for full-time employees. These employees can accumulate a maximum of 150 sick days for planning and development division employees and 200 sick days for solid waste division employees.

An actuarial valuation was performed on the 53 employee plan in accordance with PS 3255 at December 31, 2017. The actuarial method used was the Projected Unit Credit pro-rated on service to expected usage. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the Commission's best estimate.

The following summarizes the major assumptions in the valuation:

- annual salary increase is 2.0%;
- the discount rate used to determine the accrued benefit obligation is 3.07%;
- retirement age is 60; and
- estimated average excess utilization rate of sick leave varies with age.

The sick leave is an unfunded benefit. As such, there are no applicable assets. Benefits are paid out of general revenue as they come due.

The unfunded liability was \$89,518 on December 31, 2018 (2017 - \$124,300).

### 10. Retiring allowance

Solid waste division employees of the Commission become eligible for a retiring allowance after five years of full-time consecutive service. Qualifying employees are entitled to five days of regular pay for each full year of continuous employment to a maximum of 125 days. The accrued benefit becomes payable in the year an employee ceases working for the Commission by retirement. The Commission paid a retirement allowance of \$87,963 during the year (2017 - \$12,449).

### 11. Pension plan

The Commission's solid waste employees are members of the City of Fredericton Shared Risk Plan, which is a Shared Risk Pension Plan in accordance with the New Brunswick Pension Benefits Act. The Plan is administered by an independent Board of Trustees. Under the Plan, contributions are made by the Plan members and Regional Service Commission 11. The Plan was created effective March 31, 2013.

Plan members contribute at a rate of 9% of pensionable earnings. The Commission matches these contributions to form the Plan's Initial Contributions. In addition, the Commission is making Temporary Contributions in the amount of 4.25% of pensionable earnings for at least 10 years and at most 15 years beginning March 31, 2013. As per the Plan's Funding Policy, contributions may increase or decrease by 2.25% of payroll for both the Commission and the employees should certain funding levels be reached.

# Regional Service Commission 11

## Notes to Financial Statements

**December 31, 2018**

---

### 11. Pension plan (continued)

For service up to and including March 31, 2013, benefits accrue at a rate of 1.3% on the first \$5,000 of earnings and 2.0% on the remainder of pensionable earnings, to a maximum benefit of \$2,000 per year of pensionable service. For this period of pre-conversion service, benefits are available on an unreduced basis for members who retire on or after age 55 and whose age plus service total at least 80. For service after March 31, 2013, benefits accrued at a rate of 1.8% of pensionable earnings. For this period of post-conversion service, benefits are available on an unreduced basis for members who retire on or after age 65.

The last actuarial valuation of the Plan was conducted as at March 31, 2018. At that date, the open group funded ratio of the Plan was 114.5%.

Contributions to the plan in 2018 totalled \$552,512 (2017 - \$600,011).

### 12. Financial instrument risk management

#### (a) Credit risk

Credit risk is the risk of financial loss to the Commission if a debtor fails to make payments of interest and principal when due. The Commission is exposed to this risk relating to its debt holdings in its post closure investment fund.

The maximum exposure to credit risk and concentration of this risk with respect to debt holdings is referred to in Note 6.

The Commission is subject to credit risk through receivables. The Commission minimizes credit risk through ongoing credit management.

#### (b) Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in the market interest rates of long-term debt with fixed interest rates only affects net income if such debt is measured at fair value. All of the Commission's fixed rate long-term debt is carried at amortized cost and therefore is not subject to interest rate risk. The balanced fund faces interest rate risk and income risk.

#### (c) Currency risk

Currency risk relates to the Commission operating in different currencies and converting non Canadian earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur. All foreign currency transactions during the year have been made during the normal course of operations. The Commission does not hold foreign currency reserves, investments, or receivables at year end.

#### (d) Liquidity risk:

Liquidity risk is the risk that the Commission will encounter difficulty in meeting obligations associated with financial liabilities. The Commission is exposed to this risk mainly in respect of its payables and accruals and long term debt.

# Regional Service Commission 11

## Notes to Financial Statements

**December 31, 2018**

---

### 13. Contingency

The Commission previously entered into an agreement covering a ten year period commencing October 1, 1994 with a one time five year renewal option, to rent a portion of landfill property for use as a hydrocarbon contaminated soil remediation facility. The income from this project was being placed in a reserve account for future capital acquisitions (Note 16).

After the five year extension renewal option, exercised in 2004, expired September 2009 the lease was subject to litigation. The Commission settled the litigation effective August 14, 2017.

Under the terms of the Settlement, both parties have undertakings to perform. It is management's estimate that the remaining costs associated with the Settlement is \$100,000 (2017 - \$170,000). This amount has been accrued in the financial statements as of December 31, 2018. Actual settlement costs may be materially different.

### 14. Commitments

The Commission has entered into an agreement retro-active to September 2013 to rent a portion of landfill property for use as a hydrocarbon contaminated soil remediation facility. Terms of the agreement allow for the renewal of the lease every five years. Rent is \$2,850 per month plus \$2.75 per tonne of soil.

The Commission rents office space for its planning and development division under an operating lease agreement covering the period of October 1, 2018 to September 30, 2025. The minimum annual lease payments for the next five years are as follows:

2019	2020	2021	2022	2023
\$ 114,862	\$ 114,862	\$ 120,083	\$ 120,083	\$ 125,304

### 15. Short term borrowings compliance

#### Operating borrowing

As prescribed in the Regional Service Delivery Act, borrowing to finance operating expenses is limited to 5% of the amount budgeted for that service. With respect to a solid waste management service, the Commission shall not borrow for operating expenses more than 25% of the amount budgeted for that service. In 2018 the Commission has complied with these restrictions.

#### Inter-fund borrowing

The Municipal Financial Reporting Manual requires the short-term inter-fund borrowings to be repaid in the next year unless the borrowing is for a capital project. The amounts payable between funds are in compliance with the requirements.

# Regional Service Commission 11

## Notes to Financial Statements

**December 31, 2018**

---

**16. Funds held in trust**

Represents funds held in trust by the Commission to cover any cleanup costs which may be required to support the tenant's obligation to remediate their leased land as referred to in Note 13. In the event that these trust funds drop below \$100,000 as a result of payment for non-hydrocarbon remediation costs the tenant is obligated to pay an additional \$2 per tonne until the trust fund once again reaches \$100,000.

**17. Budget**

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Commission has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by the Board.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 5 - Schedule of Operating Budget to PSA Budget.

# Regional Service Commission 11

## Schedule 1: Schedule of Tangible Capital Assets

### Year ended December 31, 2018

	Land	Land improvements	Buildings	Machinery and equipment	Vehicles	Electronic equipment	Furniture and fixtures	Assets under construction	2018
<b>Cost</b>									
Balance, beginning of year	\$ 539,511	\$ 3,457,887	\$ 5,128,608	\$ 15,263,475	\$ 566,318	\$ 182,136	\$ 116,178	\$ 37,498	\$ 25,291,611
Add:									
Additions and transfers during the year	-	474,635	-	1,395,943	93,352	22,713	-	(37,498)	1,949,145
Less:									
Disposals and writedowns	-	-	-	(660,606)	-	-	-	-	(660,606)
<b>Balance, end of year</b>	<b>539,511</b>	<b>3,932,522</b>	<b>5,128,608</b>	<b>15,998,812</b>	<b>659,670</b>	<b>204,849</b>	<b>116,178</b>	<b>-</b>	<b>26,580,150</b>
<b>Accumulated amortization</b>									
Balance, beginning of year	-	2,496,083	1,919,904	8,475,156	339,009	106,784	94,550	-	13,431,486
Add:									
Amortization during the year	-	362,420	131,112	885,369	65,245	24,316	5,890	-	1,474,352
Less:									
Accumulated amortization on disposals and writedowns	-	-	-	(660,606)	-	-	-	-	(660,606)
<b>Balance, end of year</b>	<b>-</b>	<b>2,858,503</b>	<b>2,051,016</b>	<b>8,699,919</b>	<b>404,254</b>	<b>131,100</b>	<b>100,440</b>	<b>-</b>	<b>14,245,232</b>
<b>Net book value of tangible capital assets</b>	<b>\$ 539,511</b>	<b>\$ 1,074,019</b>	<b>\$ 3,077,592</b>	<b>\$ 7,298,893</b>	<b>\$ 255,416</b>	<b>\$ 73,749</b>	<b>\$ 15,738</b>	<b>\$ -</b>	<b>\$ 12,334,918</b>
<b>Consists of:</b>									
Local planning assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,205	\$ 10,679	\$ -	\$ 24,884
Landfill assets	539,511	1,058,073	829,056	3,816,900	87,654	50,846	4,203	-	6,386,243
Recycle assets	-	15,946	2,244,187	96,368	167,762	8,698	856	-	2,533,817
Power generation assets	-	-	4,349	3,385,625	-	-	-	-	3,389,974
	\$ 539,511	\$ 1,074,019	\$ 3,077,592	\$ 7,298,893	\$ 255,416	\$ 73,749	\$ 15,738	\$ -	\$ 12,334,918

# Regional Service Commission 11

## Schedule 1: Schedule of Tangible Capital Assets

### Year ended December 31, 2017

	Land	Land improvements	Buildings	Machinery and equipment	Vehicles	Electronic equipment	Furniture and fixtures	Assets under construction	2017
<b>Cost</b>									
Balance, beginning of year	\$ 539,511	\$ 2,898,561	\$ 5,128,608	\$ 15,135,492	\$ 555,182	\$ 154,041	\$ 103,855	\$ -	\$ 24,515,250
Add:									
Additions and transfers during the year	-	559,326	-	216,392	239,657	53,922	12,323	37,498	1,119,118
Less:									
Disposals and write downs	-	-	-	(88,409)	(228,521)	(25,827)	-	-	(342,757)
<b>Balance, end of year</b>	<b>539,511</b>	<b>3,457,887</b>	<b>5,128,608</b>	<b>15,263,475</b>	<b>566,318</b>	<b>182,136</b>	<b>116,178</b>	<b>37,498</b>	<b>25,291,611</b>
<b>Accumulated amortization</b>									
Balance, beginning of year	-	1,801,217	1,788,792	7,768,288	498,711	121,132	89,276	-	12,067,416
Add:									
Amortization during the year	-	694,866	131,112	795,277	60,404	11,478	5,274	-	1,698,411
Less:									
Accumulated amortization on disposals and writedowns	-	-	-	(88,409)	(220,106)	(25,826)	-	-	(334,341)
<b>Balance, end of year</b>	<b>-</b>	<b>2,496,083</b>	<b>1,919,904</b>	<b>8,475,156</b>	<b>339,009</b>	<b>106,784</b>	<b>94,550</b>	<b>-</b>	<b>13,431,486</b>
<b>Net book value of tangible capital assets</b>	<b>\$ 539,511</b>	<b>\$ 961,804</b>	<b>\$ 3,208,704</b>	<b>\$ 6,788,319</b>	<b>\$ 227,309</b>	<b>\$ 75,352</b>	<b>\$ 21,628</b>	<b>\$ 37,498</b>	<b>\$ 11,860,125</b>
<b>Consists of:</b>									
Local planning assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,434	\$ 12,253	\$ -	\$ 19,687
Landfill assets	539,511	943,984	889,295	3,243,003	11,617	56,735	4,849	37,498	5,726,492
Recycle assets	-	17,820	2,314,760	138,595	215,692	11,183	4,526	-	2,702,576
Power generation assets	-	-	4,649	3,406,721	-	-	-	-	3,411,370
	\$ 539,511	\$ 961,804	\$ 3,208,704	\$ 6,788,319	\$ 227,309	\$ 75,352	\$ 21,628	\$ 37,498	\$ 11,860,125

# Regional Service Commission 11

## Schedule 2: Schedule of Reconciliation of Annual Surplus

Year ended December 31, 2018

	Co-operative and Regional Planning Operating Fund	Local Planning Operating Fund	Solid Waste Operating Fund	Generation Operating Fund	Local Planning Capital Fund	Solid Waste Capital Fund	Sub-total Carry Forward
2018 annual surplus (deficit)	\$ 12,245	\$ 27,068	\$ 1,736,082	\$ 198,024	\$ (5,882)	\$ (1,136,157)	\$ 831,380
<b>Adjustments to annual surplus (deficit) for funding requirements</b>							
Second previous year's surplus (deficit)	24,499	339	562,847	81,975	-	-	669,660
Transfer between funds							
Transfer elimination	-	-	(1,012,410)	-	-	-	(1,012,410)
Transfer elimination - capital asset additions	-	(11,080)	(1,627,146)	(310,918)	11,080	1,627,146	(310,918)
Long-term debt principal repayment	-	-	(433,000)	(354,000)	-	433,000	(354,000)
Issuance of new debt	-	-	1,020,000	-	-	(1,020,000)	-
Change in sick leave accrual	-	3,801	30,981	-	-	-	34,782
Amortization expense	-	-	-	-	5,882	1,136,157	1,142,039
Unrealized gain on marketable securities	-	-	177,525	-	-	-	177,525
<b>Total adjustments to 2018 annual surplus (deficit)</b>	\$ 24,499	\$ (6,940)	\$ (1,281,203)	\$ (582,943)	\$ 16,962	\$ 2,176,303	\$ 346,678
	\$ 36,744	\$ 20,128	\$ 454,879	\$ (384,919)	\$ 11,080	\$ 1,040,146	\$ 1,178,058
2018 annual surplus per PNB requirements	\$ 36,744	\$ 20,128	\$ 454,879	\$ (384,919)			

Continued

# Regional Service Commission 11

## Schedule 2: Schedule of Reconciliation of Annual Surplus (Continued)

Year ended December 31, 2018

	Sub-total Carry Forward	Generation Capital Fund	Local Planning Operating Reserve Fund	Solid Waste Operating Reserve Fund	Solid Waste Capital Reserve Fund	Generation Capital Reserve Fund	Total
2018 annual surplus (deficit)	\$ 831,380	\$ (332,313)	\$ -	\$ 4,082	\$ 11,348	\$ 1,627	\$ 516,124
<b>Adjustments to annual surplus (deficit) for funding requirements</b>							
Second previous year's surplus (deficit)	669,660	-	-	-	-	-	669,660
Transfer between funds							
Transfer elimination	(1,012,410)	-	-	-	1,012,410	-	-
Transfer elimination - capital asset additions	(310,918)	310,918	-	-	-	-	-
Long-term debt principal repayment	(354,000)	354,000	-	-	-	-	-
Issuance of new debt	-	-	-	-	-	-	-
Change in sick leave accrual	34,782	-	-	-	-	-	34,782
Amortization expense	1,142,039	332,313	-	-	-	-	1,474,352
Unrealized gain on marketable securities	177,525	-	-	-	-	-	177,525
<b>Total adjustments to 2018 annual surplus (deficit)</b>	\$ 346,678	\$ 997,231	\$ -	\$ -	\$ 1,012,410	\$ -	\$ 2,356,319
	\$ 1,178,058	\$ 664,918	\$ -	\$ 4,082	\$ 1,023,758	\$ 1,627	\$ 2,872,443

# Regional Service Commission 11

## Schedule 2: Schedule of Reconciliation of Annual Surplus

### Year ended December 31, 2017

	Co-operative and Regional Planning Operating Fund	Local Planning Operating Fund	Solid Waste Operating Fund	Generation Operating Fund	Local Planning Capital Fund	Solid Waste Capital Fund	Sub-total Carry Forward
2017 annual surplus (deficit)	\$ 11,831	\$ 75,014	\$ 1,049,779	\$ 466,432	\$ 309	\$ (1,405,914)	\$ 197,451
<b>Adjustments to annual surplus (deficit) for funding requirements</b>							
Second previous year's surplus (deficit)	14,035	14,580	101,826	120,294	-	-	250,735
Transfer between funds							
Transfer elimination	-	(700)	-	(100,000)	-	210,000	109,300
Transfer elimination - capital asset additions	-	(15,751)	(508,365)	-	15,751	508,365	-
Long-term debt principal repayment	-	-	(417,000)	(346,000)	-	417,000	(346,000)
Issuance of new debt	-	-	-	-	-	-	-
Change in sick leave accrual	-	(4,728)	18,283	-	-	-	13,555
Amortization expense	-	-	-	-	(309)	1,397,499	1,397,190
Writedown of tangible capital assets	-	-	-	-	-	8,415	8,415
Unrealized loss on marketable securities	-	-	(43,777)	-	-	-	(43,777)
<b>Total adjustments to 2017 annual surplus (deficit)</b>	\$ 14,035	\$ (6,599)	\$ (849,033)	\$ (325,706)	\$ 15,442	\$ 2,541,279	\$ 1,389,418
	\$ 25,866	\$ 68,415	\$ 200,746	\$ 140,726	\$ 15,751	\$ 1,135,365	\$ 1,586,869
2017 annual surplus per PNB requirements	\$ 25,866	\$ 68,415	\$ 200,746	\$ 140,726			

Continued

# Regional Service Commission 11

## Schedule 2: Schedule of Reconciliation of Annual Surplus (Continued)

Year ended December 31, 2017

	Sub-total Carry Forward	Generation Capital Fund	Local Planning Operating Reserve Fund	Solid Waste Operating Reserve Fund	Solid Waste Capital Reserve Fund	Generation Capital Reserve Fund	Total
2017 annual surplus (deficit)	\$ 197,451	\$ (301,221)	\$ -	\$ 1,829	\$ 12,937	\$ 438	\$ (88,566)
<b>Adjustments to annual surplus (deficit) for funding requirements</b>							
Second previous year's surplus (deficit)	250,735	-	-	-	-	-	250,735
Transfer between funds							
Transfer elimination	109,300	-	700	-	(210,000)	100,000	-
Transfer elimination - capital asset additions	-	-	-	-	-	-	-
Long-term debt principal repayment	(346,000)	346,000	-	-	-	-	-
Issuance of new debt	-	-	-	-	-	-	-
Change in sick leave accrual	13,555	-	-	-	-	-	13,555
Amortization expense	1,397,190	301,221	-	-	-	-	1,698,411
Writedown of tangible capital assets	8,415	-	-	-	-	-	8,415
Unrealized loss on marketable securities	(43,777)	-	-	-	-	-	(43,777)
<b>Total adjustments to 2017 annual surplus (deficit)</b>	\$ 1,389,418	\$ 647,221	\$ 700	\$ -	\$ (210,000)	\$ 100,000	\$ 1,927,339
	\$ 1,586,869	\$ 346,000	\$ 700	\$ 1,829	\$ (197,063)	\$ 100,438	\$ 1,838,773

# Regional Service Commission 11

## Schedule 3: Schedule of Segment Disclosure

Year ended December 31, 2018

	Co-operative and Regional Planning	Local Planning	Landfill	SWD Recycling	Power Generation	2018
<b>Revenue</b>						
Member charges	\$ 82,443	\$ 1,314,582	\$ 2,764,077	\$ -	\$ -	\$ 4,161,102
Sale of services	-	-	5,065,822	594,501	609,592	6,269,915
Other	-	5,500	136,804	-	-	142,304
Grants	-	-	27,905	-	-	27,905
Interest	-	1,725	73,565	-	2,555	77,845
	82,443	1,321,807	8,068,173	594,501	612,147	10,679,071
<b>Expenditures</b>						
Salaries and benefits	37,905	1,018,044	2,386,453	833,219	91,194	4,366,815
Operating expenses	32,293	276,696	3,055,207	420,988	258,914	4,044,098
Amortization	-	5,882	967,394	168,763	332,313	1,474,352
Interest	-	-	23,305	14,465	62,387	100,157
	70,198	1,300,622	6,432,359	1,437,435	744,808	9,985,422
Unrealized loss on investments	-	-	(177,525)	-	-	(177,525)
<b>Annual surplus (deficit)</b>	\$ 12,245	\$ 21,185	\$ 1,458,289	\$ (842,934)	\$ (132,661)	\$ 516,124

# Regional Service Commission 11

## Schedule 3: Schedule of Segment Disclosure

Year ended December 31, 2017

	Co-operative and Regional Planning	Local Planning	Landfill	SWD Recycling	Power Generation	2017
<b>Revenue</b>						
Member charges	\$ 74,141	\$ 1,277,237	\$ 2,697,645	\$ -	\$ -	\$ 4,049,023
Sale of services	-	-	4,471,342	555,399	828,562	5,855,303
Other	-	20,132	32,082	58,424	-	110,638
Grants	-	-	23,685	-	-	23,685
Interest	-	763	29,720	-	868	31,351
	74,141	1,298,132	7,254,474	613,823	829,430	10,070,000
<b>Expenditures</b>						
Salaries and benefits	36,957	980,193	2,539,025	751,499	86,701	4,394,375
Operating expenses	25,353	242,925	3,099,811	427,616	206,087	4,001,792
Amortization	-	(309)	1,233,805	163,694	301,221	1,698,411
Interest	-	-	27,506	2,072	69,772	99,350
Other	-	-	8,415	-	-	8,415
	62,310	1,222,809	6,908,562	1,344,881	663,781	10,202,343
Unrealized gain on investments	-	-	43,777	-	-	43,777
<b>Annual (deficit) surplus</b>	\$ 11,831	\$ 75,323	\$ 389,689	\$ (731,058)	\$ 165,649	\$ (88,566)

# Regional Service Commission 11

## Schedule 4: Schedule of Statement of Reserves

Year ended December 31, 2018

	Local Planning Operating Reserve	Local Planning Capital Reserve	Solid Waste Operating Reserve	Solid Waste Capital Reserve	Generation Capital Reserve	2018 Total
<b>Assets</b>						
Cash	\$ 25,000	\$ 8,000	\$ 392,922	\$ 2,221,382	\$ 166,764	\$ 2,814,068
Interest receivable	-	-	-	10,933	-	10,933
	25,000	8,000	392,922	2,232,315	166,764	2,825,001
<b>Accumulated surplus</b>	\$ 25,000	\$ 8,000	\$ 392,922	\$ 2,232,315	\$ 166,764	\$ 2,825,001
<b>Revenue</b>						
Operating fund transfer	\$ -	\$ -	\$ -	\$ 1,012,410	\$ -	\$ 1,012,410
Interest	-	-	4,082	11,348	1,627	17,057
	-	-	4,082	1,023,758	1,627	1,029,467
<b>Expenditures</b>	-	-	-	-	-	-
<b>Annual surplus (deficit)</b>	\$ -	\$ -	\$ 4,082	\$ 1,023,758	\$ 1,627	\$ 1,029,467

### Resolutions regarding transfers to and from reserves:

Motion: Be it resolved that Regional Service Commission 11 transfer a total of \$1,012,410 from the Solid Waste Operating Fund to the Solid Waste Capital Reserve Fund. Motion by Peter Morrison, seconded by Mike Blaney.

I hereby certify that the above are true and exact copies of resolutions adopted at a Commission meeting on December 20, 2018.

Original Signed by D. R. Fitzgerald

April 2, 2019

D.R. Fitzgerald  
Executive Director, Regional Service Commission 11

Date

# Regional Service Commission 11

## Schedule 4: Schedule of Statement of Reserves

Year ended December 31, 2017

	Local Planning Operating Reserve	Local Planning Capital Reserve	Solid Waste Operating Reserve	Solid Waste Capital Reserve	Generation Capital Reserve	2017 Total
<b>Assets</b>						
Cash	\$ 25,000	\$ 8,000	\$ 388,840	\$ 1,208,557	\$ 165,137	\$ 1,795,534
	25,000	8,000	388,840	1,208,557	165,137	1,795,534
<b>Accumulated surplus</b>	\$ 25,000	\$ 8,000	\$ 388,840	\$ 1,208,557	\$ 165,137	\$ 1,795,534
<b>Revenue</b>						
Operating fund transfer	\$ 700	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,700
Interest	-	-	1,829	12,937	438	15,204
	700	-	1,829	12,937	100,438	115,904
<b>Expenditures</b>	-	-	-	210,000	-	210,000
<b>Annual surplus (deficit)</b>	\$ 700	\$ -	\$ 1,829	\$ (197,063)	\$ 100,438	\$ (94,096)

### Resolutions regarding transfers to and from reserves:

Motion: Be it resolved that Regional Service Commission 11 transfer a total of \$700 from the Local Planning Services Operating Fund to the Local Planning Services Operating Reserve Fund. Motion by Mike Chamberlain, seconded by Don Gould.

Motion: Be it resolved that Regional Service Commission 11 transfer a total of \$100,000 from the Generation Facility Operating Fund to the Generation Facility Capital Reserve Fund. Motion by Mike Chamberlain, seconded by Mike Blaney.

Motion: Be it resolved that Regional Service Commission 11 transfer a total of \$210,000 from the Solid Waste Services Capital Reserve Fund to the Solid Waste Services Capital Fund. Motion by Mike Chamberlain, seconded by Peter Morrison.

I hereby certify that the above are true and exact copies of resolutions adopted at a Commission meeting on December 19, 2017.

Original Signed by D. R. Fitzgerald

\_\_\_\_\_  
D.R. Fitzgerald  
Executive Director, Regional Service Commission 11

April 2, 2019

\_\_\_\_\_  
Date

# Regional Service Commission 11

## Schedule 5: Schedule of Operating Budget to PSA Budget

Year ended December 31, 2018

	Corporate Services Operating Budget	Co-operative and Regional Planning Operating Budget	Local Planning Operating Budget	Solid Waste Operating Budget	Generation Facility Operating Budget	Amortization TCA	Other Sick Leave	Transfers	Total
<b>Revenue</b>									
Member charges	\$ -	\$ 82,443	\$ 1,314,580	\$ 2,818,800	\$ -	\$ -	\$ -	\$ -	\$ 4,215,823
Sale of services	-	-	-	4,912,950	1,100,000	-	-	-	6,012,950
Transfer from own or other fund	558,637	-	-	-	-	-	-	(558,637)	-
Interest	-	-	3,000	6,700	400	-	-	-	10,100
Surplus (deficit) of second previous year	-	24,499	339	562,847	81,975	-	-	(669,660)	-
Other revenue	-	-	-	69,000	-	-	-	-	69,000
	558,637	106,942	1,317,919	8,370,297	1,182,375	-	-	(1,228,297)	10,307,873
<b>Expenditures</b>									
Governance	75,250	-	-	-	-	-	-	-	75,250
Administration	476,513	89,442	577,410	1,590,478	18,615	-	-	(558,637)	2,193,821
Regional policing collaboration	-	7,500	-	-	-	-	-	-	7,500
Regional sport, recreation and culture infrastructure planning and cost sharing	-	10,000	-	-	-	-	-	-	10,000
Planning & building inspection services	-	-	730,309	-	-	3,928	4,000	-	738,237
Solid waste services	-	-	-	5,987,093	746,045	1,792,338	8,500	(600,000)	7,933,976
Post-closing costs	-	-	-	195,880	-	-	-	-	195,880
Fiscal services									
Interest	-	-	-	33,336	58,645	-	-	-	91,981
Other financing charges	6,874	-	4,500	3,000	3,840	-	-	-	18,214
Other fiscal services	-	-	-	6,000	-	-	-	-	6,000
Transfer to Capital Fund	-	-	5,000	554,510	354,000	-	-	(913,510)	-
Transfer to Operating Reserve Fund	-	-	700	-	-	-	-	(700)	-
Transfer to Capital Reserve Fund	-	-	-	-	1,230	-	-	(1,230)	-
	558,637	106,942	1,317,919	8,370,297	1,182,375	1,796,266	12,500	(2,074,077)	11,270,859
<b>Surplus (deficit)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,796,266)	\$ (12,500)	\$ 845,780	\$ (962,986)

# Regional Service Commission 11

## Schedule 5: Schedule of Operating Budget to PSA Budget

Year ended December 31, 2017

	Corporate Services Operating Budget	Co-operative and Regional Planning Operating Budget	Local Planning Operating Budget	Solid Waste Operating Budget	Generation Facility Operating Budget	Amortization TCA	Other Sick Leave	Transfers	Total
<b>Revenue</b>									
Member charges	\$ -	\$ 74,142	\$ 1,274,347	\$ 2,898,924	\$ -	\$ -	\$ -	\$ -	\$ 4,247,413
Sale of services	-	-	-	4,595,990	1,100,000	-	-	-	5,695,990
Transfer from own or other fund	507,245	-	-	-	-	-	-	(507,245)	-
Interest	-	-	3,000	6,960	660	-	-	-	10,620
Surplus (deficit) of second previous year	-	14,035	14,580	101,826	120,294	-	-	(250,735)	-
Other revenue	-	-	-	55,000	-	-	-	-	55,000
	507,245	88,177	1,291,927	7,658,700	1,220,954	-	-	(757,980)	10,009,023
<b>Expenditures</b>									
Governance	62,500	-	-	-	-	-	-	-	62,500
Administration	437,978	65,677	551,822	1,435,407	9,200	-	-	(507,245)	1,992,839
Regional planning	-	10,000	-	-	-	-	-	-	10,000
Regional policing collaboration	-	2,500	-	-	-	-	-	-	2,500
Regional sport, recreation and culture infrastructure planning and cost sharing	-	10,000	-	-	-	-	-	-	10,000
Planning & building inspection services	-	-	730,905	-	-	9,142	1,000	-	741,047
Solid waste services	-	-	-	5,462,359	326,089	1,598,600	2,000	-	7,389,048
Post-closing costs	-	-	-	191,250	-	-	-	-	191,250
Fiscal services									
Interest	-	-	-	64,475	70,000	-	-	-	134,475
Other financing charges	6,767	-	3,000	2,500	4,240	-	-	-	16,507
Other fiscal services	-	-	-	6,000	-	-	-	-	6,000
Transfer to Capital Fund	-	-	5,500	496,709	346,000	-	-	(799,709)	48,500
Transfer to Operating Reserve Fund	-	-	700	-	-	-	-	(700)	-
Transfer to Capital Reserve Fund	-	-	-	-	465,425	-	-	(465,425)	-
	507,245	88,177	1,291,927	7,658,700	1,220,954	1,607,742	3,000	(1,773,079)	10,604,666
<b>Surplus (deficit)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,607,742)	\$ (3,000)	\$ 1,015,099	\$ (595,643)

# Regional Service Commission 11

## Schedule 6 - Schedule of Revenue and Expenditures

Year ended December 31, 2018

	(Unaudited) Budget 2018	Actual 2018	Actual 2017
<b>Revenue</b>			
<b>Sale of services</b>			
Industrial/Commercial/Institutional tipping fees	\$ 4,005,200	\$ 4,729,258	\$ 4,187,019
Construction and demolition	255,000	233,437	253,913
Recycling materials	544,000	594,501	555,399
Power generation	1,100,000	609,592	828,562
Other	68,750	103,127	30,410
	<u>\$ 5,972,950</u>	<u>\$ 6,269,915</u>	<u>\$ 5,855,303</u>
<b>Member charges</b>			
Cooperative and regional planning fees	\$ 82,443	\$ 82,443	\$ 74,141
Local planning and inspection services fees	1,314,580	1,314,582	1,277,237
Tipping fees	2,818,800	2,764,077	2,697,645
	<u>\$ 4,215,823</u>	<u>\$ 4,161,102</u>	<u>\$ 4,049,023</u>
<b>Other</b>			
Gain on disposal of capital assets	\$ 69,000	\$ 79,750	\$ 46,584
Other (Planning and Development)	-	5,500	20,132
Other (Solid Waste)	40,000	57,054	43,922
	<u>\$ 109,000</u>	<u>\$ 142,304</u>	<u>\$ 110,638</u>
<b>Grants</b>			
ETF (Solid Waste)	\$ -	\$ 27,905	\$ 23,685
<b>Expenditures</b>			
<b>Administration</b>			
Executive Director's office	\$ 242,511	\$ 239,283	\$ 235,591
<i>Financial management</i>			
External audit	19,900	20,380	22,460
Personnel	121,402	72,352	90,613
Professional services - Sub-contract personnel	8,000	60,000	16,653
	<u>149,302</u>	<u>152,732</u>	<u>129,726</u>
<i>Other</i>			
Liability insurance	46,700	46,457	45,340
Professional services	8,000	14,782	400
Public relations	2,500	-	-
Office expense	14,000	23,521	10,263
Legal services	6,000	-	1,841
Translation	7,500	2,429	2,461
	<u>84,700</u>	<u>87,189</u>	<u>60,305</u>

# Regional Service Commission 11

## Schedule 6 - Schedule of Revenue and Expenditures (Continued)

Year ended December 31, 2018

	(Unaudited) Budget 2018	Actual 2018	Actual 2017
<i>Administration</i>			
Local planning office	260,074	255,779	251,263
Liability insurance	1,000	1,092	1,073
Professional services	2,000	300	357
Public relations	1,000	-	442
Office expense	131,712	137,513	122,979
HST	9,500	8,773	8,243
Legal services	5,000	-	-
	410,286	403,457	384,357
<i>Administration</i>			
Solid waste office	755,822	671,349	582,273
Liability insurance	155,000	163,816	152,564
Professional services	116,500	58,855	60,390
Public relations and education	112,000	121,702	120,380
Environmental Trust Fund	-	17,782	23,685
Office expense	115,000	131,394	118,586
Legal services	25,000	-	8,782
HST	140,000	84,629	76,091
	1,419,322	1,249,527	1,142,751
<i>Administration</i>			
Generation facility	7,700	8,393	7,539
	7,700	8,393	7,539
	\$ 2,313,821	\$ 2,140,581	\$ 1,960,269
<b>Governance</b>			
Honorariums	\$ 51,250	\$ 41,144	\$ 41,250
Travel	13,500	7,363	11,152
Meetings	10,500	4,027	5,625
	\$ 75,250	\$ 52,534	\$ 58,027
<b>Planning and Building Inspection Services</b>			
<i>Planning services</i>			
Personnel	\$ 393,925	\$ 400,135	\$ 378,237
Advertising	7,000	63	951
Planning advisory committee	19,200	15,358	14,766
Amortization	1,964	5,882	(309)
Sick leave	4,000	(3,801)	(4,728)
Other	4,500	6,916	3,589
	430,589	424,553	392,506

# Regional Service Commission 11

## Schedule 6 - Schedule of Revenue and Expenditures (Continued)

Year ended December 31, 2018

	(Unaudited) Budget 2018	Actual 2018	Actual 2017
<i>Inspection Services</i>			
Personnel	303,884	301,447	290,622
Supplies	1,800	-	2,491
Amortization	1,964	-	-
	307,648	301,447	293,113
	\$ 738,237	\$ 726,000	\$ 685,619
<b>Solid Waste Services</b>			
Station and building	\$ 344,500	\$ 481,815	\$ 318,649
Machinery and equipment	1,073,625	909,655	888,311
Landfill operations	2,184,998	2,196,563	2,409,101
Scale house	281,962	272,757	237,032
Waste diversion	1,217,100	1,174,150	1,081,866
Hazardous household waste	164,908	141,739	141,028
Sick leave	8,500	(30,981)	18,283
Amortization	1,492,338	1,136,157	1,397,499
	6,767,931	6,281,855	6,491,769
<i>Generation facility</i>			
Personnel	103,045	91,194	86,701
Machinery and equipment	643,000	239,938	198,548
Amortization	300,000	332,313	301,221
	1,046,045	663,445	586,470
	\$ 7,813,976	\$ 6,945,300	\$ 7,078,239