SOUTHWEST NEW BRUNSWICK SERVICE COMMISSION

2015

ANNUAL REPORT

Table of Contents:

"The Southwest New Brunswick Service Commission is dedicated to providing effective and efficient services to our Region."

www.snbsc.ca

Joint Message from the Chair and the Executive Director:

April 28, 2016

Dear Southwest New Brunswick Service Commission Stakeholders:

On behalf of the Board of Directors and the staff of the Southwest New Brunswick Service Commission, we are pleased to present this Annual Report for Fiscal and Calendar Year 2015.

As is normally the case at this commission, 2015 was another action packed year filled with both challenges and successes. As the public should expect, your Board of Directors and commission staff remained focused on our mandate and did not allow any distractions to impede the commission's progress.

The Board is a big believer in the old adage; "Plan your work and work your plan." Our directors know that great planning, collaboration, and focus are the key elements needed in order to perform our mission in a cost-effective manner while continuing to foster trust and co-operation between and among all of our communities.

It has been said that when you want to get things done, you should connect with busy people. At this commission we have busy people - not just on the Board but also on our many Board committees. These committees did outstanding work that enabled the Board to act in a timely fashion where opportunities were identified. But that's only part of the success equation; something else is needed. We needed people to be both busy and smart, and were fortunate to have no shortage of smart, innovative, and dedicated directors at our Board table over the past year.

We would be remiss if we did not specifically acknowledge the governance challenges that this Board faced in 2015. While this was a difficult time, we are pleased to say that our Board members and Alternates took the high road in how they conducted themselves and managed this situation. We want to thank and commend them for their steadfast adherence to our Code of Conduct and for upholding the democratic principles that underpin any civil society.

Thanks in large measure to this approach, the Board was still able to work effectively and diligently in 2015 as it continued to break down barriers, implement strategies and accomplish goals.

We would like to highlight some of those accomplishments;

- this commission has the only truly community – based Community Policing Committee in New Brunswick with representatives from throughout the region actively engaged in exploring and addressing the policing needs of the incorporated and unincorporated communities within the SNBSC territory. Collaboration of all member communities, in partnership with the RCMP and other policing agencies, continues to empower the SNBSC to act on its own behalf.

- this commission has in place an EMO Planning Partnership Committee that is addressing the preparedness and partnership needs of the region. This committee hosted a workshop during the past year that reviewed the impacts of past "states of emergency" in the region with the goal of developing an action plan that would be a best practice for the future. No other Regional Service Commission in the province has taken on a proactive role and initiative of such magnitude.

- this commission endorsed and supported the work of the Southwest New Brunswick Transportation Authority to establish a rural transportation system in Charlotte County. No other RSC has had progress in pursuing a rural transportation system comparable to our very own Transit Authority. With a solid business case, Rural Lynx Rurale is a model very worthy of implementation across New Brunswick.

- the continuing work of this commission, through a voluntary Communications Committee, will result in improved communications infrastructure within our region, most especially on the islands. This initiative has started to bear fruit and concrete progress on that front is expected to be announced in the near future.

- this commission approved a 2016 budget that was strongly supported and likewise held cost increases to the absolute minimum. Further, the Board continued to be fully engaged in seeking to understand the short and long term financial challenges this commission faces, like most others, and which it needs to manage very carefully as we go forward.

These outcomes are the result of diligent actions, positive thinking and the aggressive pursuit of making things happen. Such successes are only possible because they were supported by a united Board representing the 30,000 people living within our region. This is a testament to the

These outcomes are the result of diligent actions, positive thinking and the aggressive pursuit of making things happen. Such successes are only possible because they were supported by a united Board representing the 30,000 people living within our region. This is a testament to the resilience and determination of your Board. We already sense that this progress will continue as we move forward into 2016 and beyond.

With sincere appreciation, we would like to acknowledge the outstanding effort of the very small but extremely hard working staff of this commission. Regardless of the size and complexity of the challenges they faced, they have always risen to those challenges on our behalf.

As mentioned we are very thankful for the work and support of Board and Committee members. We would especially like to thank those citizens from throughout the region who are not part of our Board but joined committees to assist in their important work during the past year. These unsung heroes brought their unique expertise to these committees and contributed greatly to their success.

We would also like to recognize the commitment of our two LSD Alternates, Annette Townes and Dennis Blair, for their active role and contribution at our Board table.

Although our region consists of a diverse mix of several centres and dozens of smaller communities, there is a sense of cohesiveness in southwest New Brunswick that is rarely matched elsewhere. Nowhere is this more evident than at the commission Board table today. The public can rest assured that directors on the Board of this commission are doing their best to deliver value to the citizens of this region. The road to collaboration is not easy or always attainable.

Lastly, we want to thank all members of the public who took the time to come to our Annual Meeting. Your interest in knowing more about your service commission and how it works is very encouraging to all directors and staff.

Sincerely,

Frank M. Carroll, Chair

Frank Tenhave, Executive Director

Values and Priorities:

This regional service commission continues to operate under the guiding principles outlined in the 2013 document; *"Report to the Southwest New Brunswick Service Commission: Priority Setting Workshop Outcome and Findings – Part I and II"*, which was unanimously endorsed by the Board of the day.

The Key Values of the commission as identified in that document are;

Honest, trustworthy;

Accountable, responsible, open, transparent;

Integrity;

Risk-taking, innovative, visionary;

Making a difference; Leadership

Similarly, the priorities identified in that document continued to form part of the focus of the commission's work. Those Priorities are;

1) Maintain an affordable, balanced budget

2) Review and determine asset amalgamation and other cost-sharing opportunities within Emergency Services (Police, Fire and Emergency, such as off-road rescue)

3) Increase regional lobbying efforts and work toward improved rapport with the Region's MPs and MLAs.

4) Seek ways to expand existing partnerships to improve the region's Tourism marketing

5) Continue discussions focused on - regional transportation, economic development and land-use planning

Helpful as these priorities have been over the past couple of years, much has changed in the relatively short period of time that the commission has been in existence. Given that, it is expected that the Board may revisit and update its priorities sometime within the near future.

Governance:

As prescribed by a formula in the legislation that created the Regional Service Commissions, the Southwest New Brunswick Service Commission has a 17 member Board of Directors which cumulatively speaks for the entire region and all its residents. Irrespective of the location they come from, Board members are duty bound to come to the Board table to work in the best interest of the region as a whole.

2015 Board Members:

Carla Brown, LSD Advisory Committee Chair for St. David

Dan Dow, LSD Advisory Committee Chair for Western Charlotte

Darrell Weare, LSD Advisory Committee Chair for Bayside

Dennis Green, Mayor of the Village of Grand Manan

Frank Carroll (Chair), Mayor of the Village of McAdam

James Tubbs, LSD Advisory Committee Chair for Dumbarton

Garry Christie, LSD Advisory Committee Chair for St. Patrick

John Quartermain, Mayor of the Town of St. Stephen

David Szemerda, LSD Advisory Committee Chair for Pennfield

Sharon Tucker, Mayor of the Town of St. George

Stan Choptiany, Mayor of the Town of St. Andrews

Stephen Smart, Mayor of the Rural Community of Campobello Island

Heather Hatt, LSD Advisory Committee Chair for Fundy Bay

Terry James, Mayor of the Village of Blacks Harbour

Joyce Wright, LSD Advisory Committee Chair for Dennis Weston

Wade Greenlaw, LSD Advisory Committee Chair for Dufferin

Winston Gamblin, Mayor of the Village of Harvey

In order to ensure that all jurisdictions can have consistent representation at Board meetings, the provincial government has stipulated that all Deputy Mayors can act as an Alternate for their mayor at meetings of the Board. They were;

2015 Municipal Alternates:

Natalie Harris, Deputy Mayor of Blacks Harbour

Robert Moses, Deputy Mayor of Grand Manan

Greg Swim, Deputy Mayor of McAdam

Derek Hatt, Deputy Mayor of St. George

Ronald Goodine, Deputy Mayor of Harvey

Catherine Akagi, Deputy Mayor of St. Andrews

Allen MacEachern, Deputy Mayor of St. Stephen

Kevin Sawtelle, Deputy Mayor of Rural Community of Campobello Island

Two additional LSD Advisory Committee Chairs were designated to act as Alternates for any LSD member on the Board that is not able to attend. They were;

2015 LSD Alternates:

Dennis Blair, LSD Advisory Committee Chair for McAdam

Annette Townes, LSD Advisory Committee Chair for St. James

Committees:

The Commission is required to form Standing Committees and may have a variety of other Optional Committees as it deems necessary. All of these committees are growing in importance in getting the commission's business completed in a timely fashion. The following are the 2015 list committees for this commission;

- Finance and Audit Committee
- Human Resource Committee
- Community Policing Committee
- Planning Management Committee
- Technical Advisory Committee
- Executive Committee
- EMO Planning Partnership Committee
- Ad Hoc Procedural Bylaws Review Committee

These committees meet as often as the business they are tasked with requires, with some meeting monthly or more frequently while others meet only two or three times during the year. All committees have the mandate to make recommendations to the Board but it is only the full Board that has the power to approve and enact the recommended actions coming from committees.

The One Exception: The Planning Review and Adjustment Committee (PRAC)

Unlike all the other committees that are under the normal control of the Board, this Board has only administrative responsibility for this committee. It operates under its own set of Procedural Bylaws as prescribed by the Province. The administrative responsibility of the commission is to;

1) ensure that this committee is in place, it has its positions filled, and it is carrying out its duties

2) perform the accounting and financial management required for such a committee to operate

3) be the mechanism through which the PRAC can adjust its bylaws in order to better fulfil its mandate

This is a totally independent committee that is tasked with providing arm's length review and decision-making on land-use planning issues within our region, with this commission having no influence on those decisions. Currently our PRAC provides such services to only the unincorporated areas (both LSD and unorganized) within our region.

Mandate and Progress:

The Regional Service Commission structure was put in place with a clearly defined mandate set out by the Provincial Government, specifically the Department of Environment and Local Government. However it should be noted that, beyond the pre-existing planning and solid waste services that were absorbed into the new commission structures, the commissions have no authority from the Province enabling them to force any fundamental changes or "additional" services within their regions. Currently any such initiatives require the "voluntary" participation and approval of the Board. The following, taken directly from documentation prepared by the Department of Environment and Local Government, describes what the commissions are responsible for delivering followed by a commentary regarding where this commission is relative to it:

Regional Planning

The Regional Service Commissions are responsible for the development of a Regional Plan, the aim of which is better-coordinated and managed development and land use within each of the 12 regions.

- Similar to the report made last year, the Southwest New Brunswick Service Commission continues to consider the creation of a regional plan to be a critically important component for enabling this commission to be much more effective.
- However, for a second year this item, which was formerly a priority with the Province when the commissions were set up, remains in limbo. Without any clear direction from the Province, nothing further can be done on this mandated service. This impacts the ability of the commission to make progress on a number of other fronts.

Local Planning in Local Service Districts

The Regional Service Commissions provide land use planning services to all Local Service Districts.

- The Southwest New Brunswick Service Commission continues to provide building inspection and development services to our unincorporated areas only. However there have been discussions with a few municipalities concerning the commission providing such services to them and that dialogue is ongoing.

- Stemming from the situation with respect to regional planning previously noted, the commission does not have the in-house capability to provide any significant planning services to LSDs or anyone else. The cost of obtaining such capability is considered an unnecessary expense until there is direction on regional planning from the province and/or until there is enough demand for such services (with a corresponding cost recovery opportunity) to justify additional staff to provide the service.
- Given the lack of direction from the province on regional planning, the commission is not actively pursuing any LSD rural plans. That cost may be unnecessary and a waste of taxpayer dollars without knowing the exact direction that regional planning will go in. The longer this situation persists the more problematic this will become, should there be requests to have such planning services in the near future.

Solid Waste Management

The Regional Service Commissions provide solid waste disposal services to the Municipalities, Rural Communities and Local Service Districts within their respective regions, a role previously performed by the Solid Waste Commissions.

- The Southwest New Brunswick Service Commission continues to provide solid waste services to our region via the Hemlock Knoll landfill. This facility also provides services to customers in the Saint John River Valley (RSC12) as well as to customers in Maine. Tonnage from these customers located outside of our region plays a critical role in maintaining the current cost structure for operating this capital intensive business.
- Opportunities to expand this outside business are being pursued and that effort is beginning to show positive results. Recent developments in Maine (Bangor) may result in our landfill being a more competitive option for solid waste disposal and thus our tonnage from eastern Maine could continue to increase.
- The current funding model for the Hemlock Knoll landfill is under stress. This is primarily due to the successful recycling initiatives that have diverted ever increasing amounts of waste out of the landfills and to the general decline in waste volume, which is a reflection of the economy at this time. This has resulted in declining tipping fees coming in to pay the costs of this capital-intensive solid waste disposal service while increasing the costs of the recycling service. This issue is expected to be a priority for the Board in the near future.

Regional Policing Collaboration

The Regional Service Commissions serve as a forum through which the effectiveness and efficiency of policing services is reviewed and evaluated on a regional basis.

- The Southwest New Brunswick Service Commission has had a Community Policing Committee in place very early in its existence. It is modelled after a structure that was in place in the greater Fredericton area for many years prior to the creation of the RSC s. This committee has been very effective in identifying issues of concern within the region and providing input to the region's police force (RCMP) regarding these concerns.
- This committee and its work continues to be recognized as the most effective such committee within all of the 12 RSCs in the Province at this point in time.

Regional Emergency Measures Planning

The Regional Service Commissions serve as the vehicle through which Municipalities, Rural Communities and Local Service Districts can plan, coordinate and pool resources on a regional basis in order to enable effective responses to emergencies.

-The Southwest New Brunswick Service Commission formed an EMO Planning Partnership Committee, which was successful in getting a first regional EMO plan completed. Even though the committee met its mandate, it chose to continue to expand its work area in response to both public and committee member ongoing concerns.

- It held a very successful EMO Workshop for the region's key stakeholders where areas of concern were identified and priorities set. The results of this ground- breaking regional workshop now form the basis for the committee's developing action plan to address these priorities going forward.

Regional Sport, Recreational, and Cultural Infrastructure Planning and Cost-Sharing

The Regional Service Commissions are responsible for facilitating the planning and cost sharing of major sport, recreational and cultural facilities within each of their respective regions.

- The Southwest New Brunswick Service Commission has briefly looked at this service but given the differing opinions at the Board table, it has not yet reached any agreement on what, if any, role it will play in this service at this time. This issue may come back to the Board table in the near future for further discussion.

- This current situation illustrates the voluntary nature of commissions and if the Board chooses not to pursue this portion of its mandate at this time that is its prerogative.

Additional Services

The Regional Service Commissions can also provide other services as supported by their member communities on either a regional (all commission members) or sub-regional basis (one or more interested members, depending on the service).

- The Southwest New Brunswick Service Commission continues to work closely with its affiliated Transportation Committee and has been a partner in investigating the demand and feasibility of a rural bus service that would initially serve the coastal area (along Route 1) and connect to Saint John.

- This transportation initiative resulted in the Southwest New Brunswick Transit Authority being established, and a thorough and cost -effective business plan being developed. Permits required from the EUB to put such a service in place are in the process of being applied for and the investigation of potential operating funding support from the Province via the Gas Tax Fund and other sources was completed. This project has been presented to the current government. It should be noted that New Brunswick is the only province in Canada that does not directly fund the operational costs of rural transportation services.

- While other commissions are working on somewhat similar services for their regions, this commission is definitely in a leadership position within the province for potentially providing a regional transportation service.

- Through the work of an Ad Hoc Committee, this commission did a thorough investigation of the potential cost savings of implementing a regional animal control service. The result of this work was the determination that the commission could not replace the current variety of service providers with a single service provider that resulted in a clear cost saving. Given this finding, this potential service was no longer considered viable.

- Again, both these approaches to additional services demonstrates the voluntary nature of adding service and the prudent policy decisions of the Board which were the result of taking a business approach and doing the appropriate cost-benefit analysis before committing taxpayer dollars.

Service Arrangements

As in the past the Southwest New Brunswick Service Commission continued to explore potential cost savings opportunities and agreements with our communities for cost sharing on services and infrastructure.

- As villages and towns become even more financially challenged, their cost reduction needs become more pressing. The commission may be able to provide some lower cost services to them than they can provide themselves. Some examples might include; accounting services, payroll services, legal services, and so on.

- However, it should be noted that these possibilities have been explored more than once by this commission. There is difficulty in finding a critical base of demand for such services (i.e. revenue stream) upon which to justify the hiring of additional staff to meet limited specific needs. This has been a barrier to progress on that front thus far in this commission's history.

- Similarly, there have been preliminary discussions with other commissions about possible shared services as a means to provide a service to our region at a lower cost than could be provided by this commission alone. Those discussions are ongoing and it is hoped that such an opportunity might be identified soon.

Collaboration on Regional Issues

One of the most important roles of the Southwest New Brunswick Service Commission is to collaborate on regional issues and service decisions. In response to such a mandate, this commission took the following actions on behalf of the citizens of this region;

- The commission took a proactive approach and public stand against the decision of the Province to close two court houses and one Service New Brunswick office within our region. This commission strongly viewed this loss of such services as being very detrimental to the long-term viability of the region.
- Our commission contributed $5000.00 toward this region's legal challenge of the courthouse closures. That legal challenge continues to work its way through the justice system.

2015 Meeting Attendance:

Community	Representative	Attendance
Town of St. Andrews	Stan Choptiany	9 of 11
	Catherine Akagi	2 of 11
Town of St. George	Sharon Tucker	6 of 11
	Derek Hatt	0 of 11
Town of St. Stephen	John Quatermain	8 of 11
	Allen MacEachern	1 of 11
Village of Blacks Harbour	Terry James	10 of 11
	Natalie Harris	0 of 11
Village of Grand Manan	Dennis Green	1 of 11
	Robert Moses	0 of 11
Village of Harvey	Winston Gamblin	11 of 11
	Ronald Goodine	0 of 11
Village of McAdam	Frank Carroll	11 of 11
	Greg Swim	0 of 11
Campobello Island Rural Community	Stephen Smart	0 of 11
	Kevin Sawtelle	0 of 11
Local Service Districts	Carla Brown	10 of 11
	Dan Dow	7 of 11
	Darrell Weare	4 of 11
	James Tubbs	11 of 11
	Garry Christie	11 of 11
	David Szemerda	8 of 11
	Heather Hatt	7 of 11
	Joyce Wright	9 of 11
	Wade Greenlaw	9 of 11
	Dennis Blair	11 of 11
	Annette Townes	8 of 11

2015 Board Member and Alternates Expenses:

Board Members	Representing	Per diems paid 2015	Expenses paid for 2015	Total per diems & expenses for 2015
Carla Brown	Local Service District	$900.00	$920.12	$1,820.12
Dan Dow	Local Service District	$700.00	$1,199.91	$1,899.91
Darrell Weare	Local Service District	$300.00	$328.59	$628.59
Dennis Green	Village of Grand Manan	$0.00	$0.00	$0.00
Frank Carroll	Village of McAdam	$1,375.00	$2,713.51	$4,088.51
James Tubbs	Local Service District	$900.00	$728.39	$1,628.39
Garry Christie	Local Service District	$1,100.00	$1,393.96	$2,493.96
John Quartermain	Town of St. Stephen	$400.00	$90.07	$490.07
David Szemerda	Local Service District	$0.00	$0.00	$0.00
Sharon Tucker	Town of St. George	$600.00	$429.44	$1,029.44
Stan Choptiany	Town of St. Andrews	$900.00	$614.31	$1,514.31
Stephen Smart	Campobello Island Rural Community	$0.00	$0.00	$0.00
Heather Hatt	Local Service District	$800.00	$776.38	$1,576.38
Terry James	Village of Blacks Harbour	$1,100.00	$2,473.16	$3,573.16
Joyce Wright	Local Service District	$1,100.00	$435.02	$1,535.02
Wade Greenlaw	Local Service District	$400.00	$210.64	$610.64
Winston Gamblin	Village of Harvey	$1,100.00	$1,092.12	$2,192.12

Alternates:

Dennis Blair	Local Service District	$1,100.00	$1,310.62	$2,410.62
Annette Townes	Local Service District	$800.00	$569.84	$1,369.84
Catherine Akagi	Town of St. Andrews	$200.00	$50.29	$250.29
Allen MacEachern	Town of St. Stephen	$0.00	$0.00	$0.00

INDEPENDENT AUDITORS' REPORT

To the Members of Southwest New Brunswick Service Commission

Report on the Financial Statements

I have audited the accompanying financial statements of Southwest New Brunswick Service Commission, which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statement of operations, consolidated statement of remeasurement gains and losses, consolidated statement of changes in net assets and consolidated statement of cash flows for the years ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for the Public Sector, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Southwest New Brunswick Service Commission as at December 31, 2015 and its financial performance, its changes in net assetst and its cash flows for the year then ended in accordance with Canadian Accounting Standards for the Public Sector.

JW Bogart

Chartered Professional Accountant

Gagetown, New Brunswick
April 21, 2016

Southwest New Brunswick Service Commission
Financial Statements
Year Ended December 31, 2015

Southwest New Brunswick Service Commission

Index to the Financial Statements

Year Ended December 31, 2015

Contents

Southwest New Brunswick Service Commission
Consolidated Statement of Operations
Year Ended December 31, 2015

	2015 (Unaudited) Budget (Note 19)	2015 Actual	Restated 2014 Actual
Revenue			
Member charges	$ 1,268,146	$ 1,285,457	$ 1,262,072
Sales of services	2,069,300	2,387,696	2,285,227
Government transfers	13,500	14,607	16,026
Other revenues	6,700	6,720	6,720
Interest	50,000	68,708	86,108
Gain on sale of investments		45,761	12,528
Gain on disposal of tangible capital assets	-	95,786	40,203
	3,407,646	3,904,735	3,708,884
Expenditures			
Cooperative and regional planning services	99,682	81,480	56,631
Local planning services	352,680	344,428	324,440
Solid waste services	3,861,938	3,716,908	3,784,671
Loss on disposal of tangible capital assets		-	-
Loss on sale of investments		-	-
	4,314,300	4,142,816	4,165,742
Annual operating deficit (Note 19)	$ (906,654)	(238,081)	(456,858)
Accumulated operating surplus			
Beginning of year			
As previously reported		12,591,069	12,970,868
Adjustment of prior years (Note 16)		(195,408)	(118,349)
As restated		12,395,661	12,852,519
End of year		$ 12,157,580	$ 12,395,661

See accompanying notes to the consolidated financial statements

Southwest New Brunswick Service Commission
Consolidated Statement of Remeasurement Gains and Losses
Year Ended December 31, 2015

	2015	Restated 2014
Unrealized gains (losses) attributable to:		
Foreign exchange	$ 6,594	$ 6,449
Portfolio investments	(35,649)	83,138
Amounts reclassified to the statement of operations		
Realized foreign exchange losses (gains)	(6,449)	-
Realized losses (gains) on portfolio investments	(45,761)	(12,528)
Net remeasurement gains (losses) for the year	(81,265)	77,059
Accumulated remeasurement gains (losses)		
Beginning of year		
As previously reported	-	-
Adjustment of prior years (Note 16)	195,408	118,349
As restated	195,408	118,349
End of year	$ 114,143	$ 195,408

See accompanying notes to the consolidated financial statements

Southwest New Brunswick Service Commission
Consolidated Statement of Financial Position
As at December 31, 2015

	2015	2014
Financial assets		
Cash (Note 3)	$ 3,025,304	$ 2,703,131
Receivables		
General (Note 4)	426,793	404,099
Due from federal government and its agencies (Note 5)	19,004	212,277
Due from Province of New Brunswick (Note 6)	63,282	56,083
Portfolio investments (Note 7)	1,486,141	1,452,505
	5,020,524	4,828,095
Liabilities		
Bank Indebtedness	-	55,789
Accounts payable and accrued liabilities	249,978	200,477
Due to federal government and its agencies	25,390	30,267
Due to Province of New Brunswick	176,597	161,862
Closure and post-closure liability (Note 8)	1,562,318	1,413,307
	2,014,283	1,861,702
NET ASSETS	3,006,241	2,966,393
Non-Financial Assets		
Tangible capital assets (Note 17)	29,450,253	28,843,343
Accumulated amortization	(20,242,142)	(19,292,492)
	9,208,111	9,550,851
Inventory of supplies	17,055	21,475
Prepaid expenses	40,316	52,350
	9,265,482	9,624,676
ACCUMULATED SURPLUS	$ 12,271,723	$ 12,591,069
Accumulated surplus is comprised of:		
Accumulated operating surplus	$ 12,157,580	$ 12,395,661
Accumulated remeasurement gains	114,143	195,408
	$ 12,271,723	$ 12,591,069

See accompanying notes to the consolidated financial statements

On behalf of the Commission

Approved by:

Commissioner ______________________

Commissioner ______________________

Southwest New Brunswick Service Commission
Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2015

	2015	Restated 2014
Annual operating deficit	$ (238,081)	$ (456,858)
Add (deduct) :		
Acquisition of tangible capital assets	(748,462)	(1,456,434)
Proceeds on disposal of tangible capital assets	95,786	40,203
Amortization of tangible capital assets	1,091,202	1,138,188
(Gain) loss on sale of tangible capital assets	(95,786)	(40,203)
Acquisition of inventories		(3,352)
Consumption of inventories	4,420	
Acquisition of prepaid assets		(18,225)
Use of prepaid assets	12,034	-
	121,113	(796,681)
Net remeasurement gains (losses)	(81,265)	77,059
Increase (decrease) in net assets	39,848	(719,622)
Net Assets		
Beginning of the year	2,966,393	3,686,015
End of the year	$ 3,006,241	$ 2,966,393

Southwest New Brunswick Service Commission
Consolidated Statement of Cash Flows
Year Ended December 31, 2015

	2015	Restated 2014
Increase (decrease) in cash and cash equivalents		
Operating transactions		
Annual operating deficit	$ (238,081)	$ (456,858)
Loss (gain) on disposal of tangible capital assets	(95,786)	(40,203)
Loss (gain) on sale of investments	(45,761)	(12,528)
Amortization of tangible capital assets	1,091,202	1,138,188
Receivable - General	(22,549)	(40,958)
Receivable - Federal Government and its agencies	193,273	(129,692)
Receivable - Province of New Brunswick	(7,199)	1,942
Accounts payable and accrued liabilities	49,501	39,554
Due to federal government and its agencies	(4,877)	16,214
Due to Province of New Brunswick	14,735	(7,139)
Closure and post-closure liability	149,011	137,413
Change in inventory/prepaid expenses	16,454	(21,577)
	1,099,923	624,356
Capital transactions		
Acquisition of tangible capital assets	(748,462)	(1,456,434)
Proceeds on sale of tangible capital assets	95,786	40,203
	(652,676)	(1,416,231)
Investing transactions		
Proceeds on sale of investments	408,274	340,274
Purchase of investments	(477,559)	(330,729)
	(69,285)	9,545
Net (decrease) increase in cash and cash equivalents	377,962	(782,330)
Cash and cash equivalents		
Beginning of year	2,647,342	3,429,672
End of year	$ 3,025,304	$ 2,647,342

1. Purpose of the Organization

The Southwest New Brunswick Service Commission was established under the Regional Service Delivery Act and New Brunswick Regulation 2012-91 including limits of its regional boundaries .
Section 38 of the Regional Service Delivery Act came into force on January 1, 2013 which dissolved the former Southwest Solid Waste Commission and by Ministerial Order under section 41 transferred all assets, liabilities, rights, obligations, powers and responsibilities of the former regional solid waste commission to the regional service commission.
Section 45 of the Regional Service Delivery Act came into force on January 1,2013 which dissolved the former District Planning Commissions established under the Community Planning Act and by Ministerial Order under section 48 transferred all assets, liabilities, rights, obligations, powers and responsibilities of the former rural district planning commission to the regional service commission.
The business and affairs of the Commission is directed and controlled by a board of directors in accordance with Regional Service Delivery Act. The Board is comprised of (a) the mayors of each municicality or rural community and (b) where a member of the Commission is a local service district; at large representative chosen by and in accordance with New Brunswick Regulation 2012-109.

The Commission's mandate is as follows:

(a) To provide solid waste disposal services to municipalities and local service districts.
(b) To develop regional planning strategies that foster sustainable development practices, encourage a coordinated development between communities that influence and guide the placement of important infrastructure while serving as a tool for better protection, management and harmonization of urban and rural landscapes and resources.
(c) To provide land use planning services to all local service districts and any municipality that wants to receive the service.
(d) The Commission will be a source for communities to plan, coordinate and pool resources on a regional basis to enable a more effective response to emergencies.

2. Summary of significant accounting policies

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

The focus of Public Sector Accounting (PSA) 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.

No other entities have been included in these consolidated financial statements.

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 debt and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Commission and which are owned or controlled by the Commission.

Interdepartmental and organizational transactions and balances are eliminated.

2. Summary of significant accounting policies (continued)

Budget

The budget figures contained in these financial statements were approved by the Commission on December 11, 2014.

Revenue recognition

(a) Solid waste tipping fees are recorded when waste is delivered to the landfill facility and collection is reasonably assured.
(b) Sales of recycleable materials are recorded when delivered to the customer and collection is reasonably assured
(c) Cooperative and regional planning service member charges are recorded when services are provided and collection is reasonably assured.
(d) Local planning service member charges are recorded when services are provided and collection is reasonably assured.
(e) Investment and other income are recorded on the accrual basis.

Expenditure recognition

Expenditures are recorded on the accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

Solid waste landfill closure and post-closure liability

The Commission follows the CPA Canada PSA 3270 standards to account for and report the liability for closure and post-closure care of a solid waste landfill site. Closure activities include final cover and vegetation, drainage control features, and facilities for leachate monitoring, water quality monitoring and monitoring / recovery of gas. Post-closure care activities include all activities related to monitoring the site once it can no longer accept waste including acquisition of additional land for buffer zones, treatment and monitoring of leachate, monitoring ground and surface water, gas monitoring and recovery, and on-going maintenance of control systems, drainage systems and final cover.

The liability is recognized as the landfill site's capacity is used. Usage is measured on a volumetric basis.

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles 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 consolidated financial statements and the reported amount of revenues and expenses 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 those estimates.

2. Summary of significant accounting policies (continued)

Financial instruments

The Commission follows the provisions of CPA Canada PS 3450 standards.

Measurement of financial instruments

The commission initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The commission subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and pooled investment funds that are quoted in an active market, which are measured at fair value. Changes in fair value of portfolio investments are recognized in remeasurement gains and losses.

Financial assets measured at amortized cost include cash, guaranteed investment certificates, trade receivables, accrued investment income, due from the federal goverment and its agencies and due from the Province of New Brunswick.

Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

The commission recognizes its transaction costs in operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Foreign currency tranlation

The Commission follows the provisions of CPA Canada PS 2601 standards.

Each asset, liability and amount reported in the statement of operations arising from a foreign currency transaction is translated into Canadian dollars at the exchange rate in effect at the transaction date.

At each financial statement date, the following balances denominated in a foreign currency are remeasured to reflect the exchange rate in effect at that date.

(a) Monetary assets and monetary liabilities

(b) Non-monetary items included in the fair value category of financial instruments

Exchange gains or losses arising prior to settlement are recognized in the statement remeasurement gains and losses. In the period of settlement, the cumulative amount of remeasurement gains and losses is reversed in the statement of remeasurement gains and losses and an exchange gain or loss measured in relation to the exchange rate at the date of initial recognition is recognized in the statement of operations.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, short term deposits with original maturities of three months or less and bank overdrafts.

	2015	2014
Cash on hand and balances with banks	$ 3,025,304	$ 2,703,131
Bank overdraft	-	(55,789)
	$ 3,025,304	$ 2,647,342

2. Summary of significant accounting policies (continued)

Tangible capital assets

The Commission follows the provisions of CPA Canada PSA 3150 standards: 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. Donated or contributed tangible capital assets are recorded at their fair market value at the date of construction or contribution. Amortization shall begin in July of the year in which the costs were incurred. No amortization is recorded in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

Asset type	Estimated useful life
Buildings	40 years
Roads and utility supply	20 years
Landfill site	25 years
Gas collection system	15 years
Containment cells	5 years
Vehicles	6 years
Heavy equipment	6 - 15 years
Equipment	7 years

Contributed goods and services

With the exception of tangible capital assets which are recognized at their fair market value, the value of contributed goods and services are not recognized in the financial statements.

Inventory of supplies

Inventory is valued at the lower of cost and net replacement cost with cost being determined on the average cost basis.

Post-employment benefits and compensated absences

The Commission does not have any employee future benefit plans or obligations.

2. Summary of significant accounting policies (continued)

Segmented information

The Commission provides waste disposal, local planning and cooperative and regional planning services for the geographic area of Region 10. 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. Services are provided by departments as follows:

Solid waste services

This department provides solid waste disposal services to the Municipalities, Rural Communities and Local Service Districts. This includes the operation of various recycling programs, the handling of hazardous waste and public education programs.

Local planning services

This department provides land use planning services to all local service districts and any municipality that does not currently have the service. This service includes the development of rural plans, the administration and enforcement of the plans, the issuance of building permits, conducting building inspections, and the approval of subdivisions, etc. The Commission encourages local service districts to develop common integrated plans, where possible and appropriate.

Cooperative and regional planning services

Regional Planning

The Regional Service Commission is responsible for the development of a Regional Plan, the aim of which would be to better coordinate and manage development and land use within the region. More specifically, the Regional Plan will focus on strategies that focus sustainable development practices, that encourage coordinated development between communities, that influence and guide the location of significant infrastructure (e.g., major roadways, facilities, trails), and that enhance coordination of commercial/industrial development. The Regional Plan will also serve as an important tool in better managing, protecting and harmonizing urban and rural landscapes and resources.

Regional Policing Collaboration

The Regional Service Commission will serve as a forum through which the effectiveness and efficiency of policing services is reviewed and evaluated on a regional basis. In addition, the Commission will identify issues of common concern within the region and provide direction on priorities for policing services. In addition, the Regional Service Commission will identify ways in which police forces within a region can work together to share costs, reduce duplication and generally build stronger linkages with one another

Regional Emergency Measures Planning

The Regional Service Commission will serve as the vehicle through which Municipalities, Rural Communities and Local Service Districts will plan, coordinate and pool resources on a regional basis in order to enable more effective responses to emergency situations. This will involve working closely with the New Brunswick Emergency Measures Organization (NB EMO) to develop regional emergency protocols (specifying mutual assistance agreements between communities), providing assistance in developing and maintaining local emergency measures plans, and facilitating training initiatives for regional and inter-regional emergency responses.

Regional Sport, Recreational, and Cultural Infrastructure Planning and Cost-Sharing

The Regional Service Commission is responsible for facilitating the planning and cost-sharing of major sport, recreational and cultural facilities within the region.

The Commission is the entity through which Municipalities, Rural Communities and Local Service Districts come together to identify and reach consensus on the need, the scope and the financing required for such new facilities (could include the expansion/renovation of existing facilities). Such agreements could be developed by the Commission on a fully regional or on a sub-regional basis and would cover both initial capital and ongoing operational costs. In order to secure provincial funding, the project proponents will be required to obtain support from those communities expected to benefit from the facilities.

The commission is required to meet any provincial or other established standards associated with the services

3. Cash

	2015	2014
Restricted - Capital Reserve Fund	$ 2,474,666	$ 2,417,196
Restricted - Operating Reserve Fund	130,211	150,165
Restricted - Closure and Post-closure liability	109,664	134,659
Unrestricted	310,763	1,111
	$ 3,025,304	$ 2,703,131

4. Receivables

	2015	2014
Trade	$ 410,904	$ 374,808
Accrued investment income	15,889	29,291
	$ 426,793	$ 404,099

5. Due from federal government and its agencies

	2015	2014
Canada Revenue Agency (HST refund)	$ 19,004	$ 212,277

6. Due from Province of New Brunswick

	2015	2014
Province of New Brunswick - solid waste tipping fees	$ 51,049	$ 44,810
Environmental Trust Fund	12,233	11,273
	$ 63,282	$ 56,083

7. Portfolio investments

	2015	2014
Restricted - Closure and Post-closure liability	$ 1,486,141	$ 1,452,505

These investments are comprised as follows:

	2015		2014	
	Book Value	Fair Value	Book Value	Fair Value
Guaranteed investment certificates	$ 410,217	$ 410,217	$ 342,969	$ 342,969
Canadian common shares	311,588	336,664	373,714	446,465
Foreign shares	83,807	92,399	4,602	5,793
Pooled investment funds	572,981	646,862	542,261	657,278
	$ 1,378,593	$ 1,486,141	$ 1,263,546	$ 1,452,505

Fair values have been determined based on quoted market rates provided by the investment management firm.

Guaranteed investment certificates issued by banks and trust companies bear interest at rates ranging from 1.56% to 3.45% with maturity dates ranging from 2016 to 2020.

The Commission has pooled investment funds representing both domestic and foreign sources.

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2015

8. Solid waste landfill closure and post-closure liability

Paragraphs 19(12) and 19(13) of the Regional Service Delivery Act require the Commission to provide for the future costs of closing the landfill site and monitoring the site for a period of time after closing. The final year of operation is estimated to be 2047 with closure and post-closure activities occurring over a thirty year period from 2048 until 2077.

The liability is recognized as the landfill site's capacity is used. Usage is measured on a volumetric basis. Based on 32 years of remaining landfill life and average annual volume of 63,400 cubic meters, the remaining capacity of the site is estimated to be 2,028,800 cubic meters.

An engineering study was completed in 2013 and calculated that the footprint of the landfill site would be 18.5 hectares at the end of the landfill's useful life. A previous engineering study in 2002 had estimated a larger footprint. This footprint reduction resulted in a significant reduction in estimated future closure and post-closure costs.

No costing study has ever been prepared to estimate the future annual closure and post-closure costs. In 2002, the New Brunswick Department of Environment and Local Government had provided a flat rate estimate of $ 18,750 per hectare which has been adjusted for a 2% rate of inflation. In 2010, the Commission installed a gas collection and monitoring system as part of the future closure process. Incurring these costs prior to the actual closure date is expected to reduce the liability for future closure and post-closure costs.

The estimated future cash flows associated with closure and post-closure activities were discounted at a rate of 4.5% resulting in a total estimated net present value expenditure of $ 4,355,897

The solid waste landfill closure and post-closure liability has been calculated as follows:

	2015	2014
Total discounted future cash flows associated with closure and post-closure activities	$ 4,355,897	$ 4,168,322
Multiplied by cumulative capacity used (cubic meters)	1,134,613	1,073,287
Divided by total estimated capacity (cubic meters)	3,163,413	3,165,487
	1,562,318	1,413,307
Less; expenditures previously recognized	1,413,307	1,275,894
Increase to recognized liability	$ 149,011	$ 137,413

The Commission has designated specific investments and accrued investment income to settle closure and post-closure care liabilities as follows:

	2015	2014
Cash held in investment accounts	$ 109,664	$ 134,659
Guaranteed investment certificates	410,217	342,969
Canadian common shares	336,664	446,465
Foreign securities	92,399	5,793
Pooled investment funds	646,862	657,278
Accrued investment income	14,419	27,110
	$ 1,610,225	$ 1,614,274

Guaranteed investment certificates issued by banks and trust companies bear interest at rates ranging from 1.56% to 3.45% with maturity dates ranging from 2016 to 2020.

9. Measurement uncertainty

The Commission estimated the future costs of closing the landfill site and monitoring the site for a period of thirty years after closing based on assumptions about future events. The landfill closure and post-closure liability recorded in the financial statements will require adjustment if the following significant assumptions change:

(1) A costing study determines future annual closure and post-closure cost estimates differ.
(2) The estimated 2% rate of inflation or 4.5% discount rate differs.
(3) The total capacity of the landfill has been determined based on 32 years of remaining landfill life and average annual volume of 63,400 cubic meters. Due to the large potential landfill area available for cell construction, the site has the potential for higher total capacity should annual volume increase significantly or the operating period be extended. Due to reduced regional population and rising environmental awareness, there is a risk of reduced waste volume affecting future operations.
(4) The final year of operation is estimated to be 2047 with closure and post-closure activities occurring from 2048 until 2077. The landfill site has the potential to operate for a longer time period.

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2015

10. Contingencies

In the normal course of operations, the Commission becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2015 cannot be predicted with certainty, it is the opinion of management that resolution of these matters will not have a material adverse effect as the Commission maintains insurance coverage in amounts considered appropriate.

11. Short-term borrowings compliance

Interim capital borrowing

The Commission has no outstanding ministerial authority for short-term capital borrowings.

Operating borrowing

As prescribed in the Regional Service Delivery Act Regulation 2012-109, borrowing for operating expenses is limited to 5% of the Commission's operating budget for that service and borrowing for operating expenses of a solid waste management service is limited to 25% of the operating budget for that service.

In 2015, the Commission has complied with these restrictions.

Inter-fund borrowing

The Municipal Financial Reporting Manual requires that short-term inter-fund borrowings be repaid in the next year unless the borrowing is for a capital project. Interfund borrowing is in compliance with the requirements.

12. Surplus / deficit reconciliation

	2015	2014
Net financial assets	$ 3,006,241	$ 2,966,393
Adjustments:		
Unrealized loss (gain) on portfolio investments	(107,549)	(188,958)
Inventory of supplies	17,055	21,475
Prepaid expenses	40,316	52,350
Current net assets	$ 2,956,063	$ 2,851,260
Composition of current net assets		
2013 Solid Waste Fund Surplus	$ -	$ 31,913
2013 Cooperative & Regional Planning Fund Surplus	-	20,246
2013 Local Planning Fund Deficit	-	(3,010)
2014 Solid Waste Fund Surplus	170,921	170,921
2014 Cooperative & Regional Planning Fund Surplus	8,204	8,204
2014 Local Planning Fund Surplus	53,444	53,444
2015 Solid Waste Fund Surplus	80,203	
2015 Cooperative & Regional Planning Fund Surplus	18,569	
2015 Local Planning Fund Surplus	18,375	
Reserve Fund balances	2,606,347	2,569,542
	$ 2,956,063	$ 2,851,260

13. 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 risk exposure and concentration of risks at December 31, 2015

Credit risk

Credit risk arises from the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligations. The Commission is exposed to credit risk from customers. In order to reduce its risk, the Commission reviews new customers' credit history before extending credit and conducts regular reviews of its existing customers' credit performance. Sales to the government sector accounted for 52.6% of total member charges and sale of services.The remaining sales are represented by a significant number of diverse customers.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Commission has portfolio investments, held, as common shares and pooled investment funds, totalling $ 1,075,925 representing both domestic and foreign sources. These investments are held to fund the closure and post-closure liability and are subject to fluctuations in stock market prices whether caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash balances earn interest at floating interest rates and guaranteed investment certificates earn interest at fixed rates ranging from 1.56% to 3.45% with maturities form 2016 to 2020. Due to the low interest rates earned on cash balances, management believes that interest rate risk is low.

Currency risk

Currency risk arises from the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Commission denominates credit sales to customers from the United States in U.S. dollars and has portfolio investments which have foreign investment content. At yearend, accounts receivable from United States customers totalled $ 133,919 and the foreign content of portfolio investments was $ 289,012 in the U.S.A. and $ 43,700 worldwide. The commission does not hedge its foreign currency risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty meeting its obligations associated with financial liabilities. The Commission has significant working capital held in accounts receivable from customers but management believes that cash flow will be sufficient to settle financial liabilities as required. If liquidity difficulties arise, the Commission has the ability to borrow for operating and capital purposes.

14 Employee future benefits

The Commission provides sick leave time up to 15 days per year for full-time employees. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave. Accumulated sick leave benefit does not vest and it does not carryover to the next year.Accordingly, there is no liability at yearend.

The Commission contributes monthly to an employee RRSP benefit plan. The Commission matches employee contributions to a specified percentage of earnings. The full cost of the plan payments are recognized monthly and there is no liability at yearend.

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2015

15 Comparative figures

Certain of the 2014 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year

16 Adjustment of prior years

In compliance with CPA Canada PS 1201.031, the financial statements have been restated to report a statement of remeasurement gains and losses

	December 31 2014	December 31 2013
Amounts from statement of operations transferred to statement of remeasurement gains and losses		
Exchange gains or losses arising prior to settlement recognized in the statement remeasurement gains and losses.		
Unrealized foreign exchange gains	$ 6,449	$ -
Unrealized gains (losses) on portfolio investments	83,138	$ 114,058
In the period of settlement, the cumulative amount of remeasurement gains and losses reversed in the statement of remeasurement gains and losses and an exchange gain or loss measured in relation to the exchange rate at the date of initial recognition is recognized in the statement of operations.		
Realized losses (gains) on portfolio investments	(12,528)	$ 4,291
	$ 77,059	$ 118,349

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2015

17. Schedule of Tangible Capital Assets

	Land	Buildings	Vehicles	Heavy Equipment	Light Equipment	Infrastructure: Roads and Utility Supply	Infrastructure: Landfill Gas Collection System	Infrastructure: Containment Cells	Infrastructure: Landfill Site	Assets Under Construction	2015 Total	2014 Total
COST												
Balance, beginning of year	$ 373,913	$ 3,009,961	$ 281,730	$ 5,285,682	$ 367,210	$ 1,465,815	$ 1,792,439	$ 7,666,413	$ 8,487,169	$ 113,011	$ 28,843,343	$ 27,795,215
Add:												
Net additions during the year	-	-	-	359,837	41,940	-	-	-	-	346,685	748,462	1,456,434
Less:												
Disposals during the year	-	-	-	(141,552)	-	-	-	-	-	-	(141,552)	(408,306)
Balance, end of year	373,913	3,009,961	281,730	5,503,967	409,150	1,465,815	1,792,439	7,666,413	8,487,169	459,696	29,450,253	28,843,343
ACCUMULATED AMORTIZATION												
Balance, beginning of year	-	1,253,267	244,050	4,363,988	325,719	1,343,749	640,568	5,724,692	5,396,459	-	19,292,492	18,562,610
Add:												
Amortization during the year	-	60,432	15,072	214,010	26,123	73,291	119,496	243,291	339,487	-	1,091,202	1,138,188
Less:												
Accumulated amortization on disposals	-	-	-	(141,552)	-	-	-	-	-	-	(141,552)	(408,306)
Balance, end of year	-	1,313,699	259,122	4,436,446	351,842	1,417,040	760,064	5,967,983	5,735,946	-	20,242,142	19,292,492
NET BOOK VALUE OF TANGIBLE CAPITAL	$ 373,913	$ 1,696,262	$ 22,608	$ 1,067,521	$ 57,308	$ 48,775	$ 1,032,375	$ 1,698,430	$ 2,751,223	$ 459,696	$ 9,208,111	$ 9,550,851
Consists of:												
Local Planning assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Regional and Cooperative Planning assets	-	-	-	-	-	-	-	-	-	-	-	-
Solid Waste assets	373,913	1,696,262	22,608	1,067,521	57,308	48,775	1,032,375	1,698,430	2,751,223	459,696	9,208,111	9,550,851
	$ 373,913	$ 1,696,262	$ 22,608	$ 1,067,521	$ 57,308	$ 48,775	$ 1,032,375	$ 1,698,430	$ 2,751,223	$ 459,696	$ 9,208,111	$ 9,550,851

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2015

18. Schedule of Segment Disclosure

	Solid Waste Services	Cooperative & Regional Planning Services	Local Planning Services	2015 Consolidated	Restated 2014 Consolidated
Revenues					
Member charges	850,631	$ 79,436	$ 355,390	$ 1,285,457	$ 1,262,072
Sales of services	2,378,371	-	9,325	2,387,696	2,285,227
Government transfers	14,607	-	-	14,607	16,026
Other revenues	6,720	-	-	6,720	6,720
Interest	67,243	366	1,099	68,708	86,108
Gain on sale of investments	45,761	-	-	45,761	12,528
Gain on disposal of tangible capital assets	95,786	-	-	95,786	40,203
	3,459,119	79,802	365,814	3,904,735	3,708,884
Expenses					
Salaries and benefits	1,204,320	47,392	249,171	1,500,883	1,522,593
Goods and services	1,421,216	34,088	95,257	1,550,561	1,504,791
Amortization	1,091,202	-	-	1,091,202	1,138,188
Interest	170			170	170
Other	-	-	-	-	-
	3,716,908	81,480	344,428	4,142,816	4,165,742
Surplus (deficit) for the year	$ (257,789)	$ (1,678)	$ 21,386	$ (238,081)	$ (456,858)

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2015

19. Reconciliation of Annual Surplus

	Solid Waste Operating Fund	Cooperative & Regional Planning Operating Fund	Local Planning Operating Fund	Solid Waste Capital Fund	Solid Waste Capital Reserve Fund	Solid Waste Operating Reserve Fund	Total
2015 annual surplus (deficit)	$ 717,822	$ (1,677)	$ 21,385	$ (995,416)	$ 19,784	$ 21	$ (238,081)
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	31,913	20,246	(3,010)				49,149
Transfers between funds							-
Transfer from solid waste operating fund to the solid waste capital reserve fund	(300,000)			-	300,000		-
Transfer from solid waste operating reserve fund to the solid waste operating fund	150,000					(150,000)	-
Transfer from solid waste operating fund to the solid waste operating reserve fund	(130,000)					130,000	-
Transfer from solid waste capital reserve fund to the solid waste capital fund				263,000	(263,000)	-	-
Transfer from solid waste operating fund to the solid waste capital fund	(485,462)			485,462			-
Reduction in unrealized foreign exchange gain	144						144
Loss <gain> on disposal of tangible capital assets				(95,786)			(95,786)
Proceeds from disposal of tangible capital assets	95,786						95,786
Amortization expense				1,091,202			1,091,202
Total adjustments to annual surplus (deficit)	(637,619)	20,246	(3,010)	1,743,878	37,000	(20,000)	1,140,495
2015 annual fund surplus (deficit) per PNB requirements	$ 80,203	$ 18,569	$ 18,375	$ 748,462	$ 56,784	$ (19,979)	$ 902,414

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2015

20. Statement of Reserves

	Solid Waste Capital Reserve	Solid Waste Operating Reserve	2015 Total	2014 Total
Assets				
Cash	$ 2,474,666	$ 130,211	$ 2,604,877	$ 2,567,361
Accrued investment income	1,470	-	1,470	2,181
	$ 2,476,136	$ 130,211	$ 2,606,347	$ 2,569,542
Accumulated Surplus	$ 2,476,136	$ 130,211	$ 2,606,347	$ 2,569,542
Revenue				
Transfer from Solid Waste Operating Fund	$ 300,000	$ 130,000	$ 430,000	$ 1,050,000
Interest	19,814	21	19,835	20,298
	319,814	130,021	449,835	1,070,298
Expenditures				
Transfer to Solid Waste Operating Fund	-	150,000	150,000	-
Transfer to Solid Waste Capital Fund	263,000	-	263,000	-
Bank service fees	30	-	30	24
	263,030	150,000	413,030	24
Annual Surplus	56,784	(19,979)	36,805	1,070,274
Accumulated Surplus				
Beginning of year	2,419,352	150,190	2,569,542	1,499,268
End of year	$ 2,476,136	$ 130,211	$ 2,606,347	$ 2,569,542

Reserve funds are invested in interest bearing bank accounts.

20. Statement of Reserves (continued)

Commission resolutions regarding transfers to and from reserves:

January 22, 2015

15-16 It was moved by W. Gamblin, seconded by W. Greenlaw to transfer $150,000.00 from the Solid Waste Reserve Fund to the Solid Waste Operating Fund. CARRIED.

April 23, 2015

15-48 It was moved by D. Dow, seconded by J. Wright that the Finance and Audit Committee recommends that the SNBSC transfer $106,000.00 from the Solid Waste Capital Reserve Fund for the D5 Dozer purchase. CARRIED.

June 25, 2015

13-57 It was moved by D. Dow, seconded by J. Tubbs to transfer $157,000.00 from the Solid Waste Capital Reserve Fund for the Case 721 loader purchase. CARRIED.

December 1. 2015

15-75 It was moved by W. Gamblin, seconded by J. Wright that the amount of $ 130,000 be moved from the Solid Waste Operating Account to the Solid Waste Operating Reserve Fund. CARRIED.

December 14. 2015

15-83 It was moved by W. Gamblin, seconded by W. Greenlaw that the amount of $ 300,000 be moved from the Solid Waste Operating Account to the Solid Waste Capital Reserve Fund. CARRIED.

Frank Tenhave
Executive Director
Southwest New Brunswick Service Commission

April 28, 2016
Date

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2015

21. Operating Budget to PSA Budget

	Corporate Services Budget	Cooperative & Regional Planning Budget	Local Planning Budget	Solid Waste Budget	Subtotal	Amortization TCA	Transfers	Total
Revenue								
Member charges	$ -	$ 79,436	$ 355,390	$ 833,320	$ 1,268,146	$ -	$ -	$ 1,268,146
Sales of services	-	-	300	2,069,000	2,069,300	-	-	2,069,300
Government transfers	-			13,500	13,500	-	-	13,500
Other revenues				6,700	6,700	-	-	6,700
Interest	-			50,000	50,000	-	-	50,000
Transfers from own and other funds	449,900	-	-	-	449,900	-	(449,900)	-
Surplus of second previous year	-	20,246	-	31,913	52,159	-	(52,159)	-
	449,900	99,682	355,690	3,004,433	3,909,705	-	(502,059)	3,407,646
Expenditures								
Governance	45,700				45,700	-	-	45,700
Administration	404,200	74,182	169,880	448,138	1,096,400	-	(449,900)	646,500
Regional planning		8,000			8,000	-	-	8,000
Regional policing collaboration		3,500			3,500	-	-	3,500
Regional emergency measures planning		1,500			1,500	-	-	1,500
Regional sport, recreation & culture infrastructure planning & cost-sharing		500			500	-	-	500
Other Services Provided to All Members		12,000			12,000			12,000
Planning and building inspection services			180,300		180,300	-	-	180,300
Operations - Solid Waste Service				2,213,800	2,213,800	1,100,000	-	3,313,800
Financial Services								
- Other Financing Charges	-		2,500	3,000	5,500	-	-	5,500
- Transfer to the Capital Fund - Asset Acquisition				242,495	242,495	-	(242,495)	-
Closure & Post-closure expense				81,000	81,000	-	-	81,000
Second previous year deficit			3,010		3,010	-	(3,010)	-
Other Fiscal services				16,000	16,000	-	-	16,000
	449,900	99,682	355,690	3,004,433	3,909,705	1,100,000	(695,405)	4,314,300
Surplus (Deficit)	$ -	$ -	$ -	$ -	$ -	$ (1,100,000)	$ 193,346	$ (906,654)

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2015

22. Revenue and Expense Support

	2015 (Unaudited) Budget	2015 Actual	Restated 2014 Actual
Revenue			
Member charges			
Cooperative and regional planning services	$ 79,436	$ 79,436	$ 64,430
Local planning services	355,390	355,390	359,175
Solid waste tipping fees	833,320	850,631	838,467
Total member charges	$ 1,268,146	$ 1,285,457	$ 1,262,072
Sales of services			
Local planning services			
Local planning fees	$ 300	$ 9,325	$ 18,709
Solid waste services			
Tipping fees from other sources			
Industrial, commercial,institutional	847,000	807,309	882,822
Construction and demolition	70,000	106,210	83,977
Other regional service commissions	510,000	569,206	533,050
Foreign sources	575,000	698,433	654,290
Special waste			
Cover material	40,000	80,514	69,368
Acid rock	-	77,012	-
Recycling			
Fiber	23,000	29,615	32,592
Metals	2,000	4,191	2,190
Paints	1,000	1,544	1,100
Plastics	1,000	2,482	-
Contracted collection service	-	-	5,480
Other	-	1,855	1,649
Total sales of services	$ 2,069,300	$ 2,387,696	$ 2,285,227
Government transfers			
Environmental Trust Fund	$ 12,000	$ 12,959	$ 13,426
Province of New Brunswick - Employment	1,500	1,648	2,600
Total government transfers	$ 13,500	$ 14,607	$ 16,026
Other revenues			
Rental	6,700	6,720	6,720
Total other revenues	$ 6,700	$ 6,720	$ 6,720

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2015

22. Revenue and Expense Support (continued)

	2015		2014
	(Unaudited) Budget	Actual	Actual
Expenditures			
Corporate Services			
Governance			
Board Members			
Honorariums	$ 19,500	$ 13,875	$ 15,810
Travel	12,200	12,087	13,965
Training and development	4,000	-	-
Other	10,000	9,715	7,137
Total Govenance	45,700	35,677	36,912
Administration			
Executive Director's Office			
Salaries and benefits	174,000	166,312	173,025
Travel	4,000	5,335	4,709
Training and development	1,500	640	1,782
Other	3,000	123	1,812
Human Resources	1,200	2,578	2,444
Financial Management			
Salaries and benefits	93,000	116,270	106,538
Travel	2,500	674	2,535
Training and development	2,000	2,321	960
External audit fees	15,000	12,411	18,012
Other Administrative Services			
Advertising and public relations	3,000	635	2,128
Liability insurance	12,500	13,400	12,745
Professional services	2,500	1,760	-
Legal services	10,000	34,895	60
Office building	37,000	33,106	29,688
Office equipment and supplies	10,000	9,405	9,641
Printing and copying	4,000	3,541	4,288
Telecommunications	14,000	10,882	12,111
Other	15,000	11,818	10,993
Total Administration	404,200	426,106	393,471
Total Corporate Services Expenditures	$ 449,900	$ 461,783	$ 430,383
Allocated to:			
Cooperative and Regional Planning Services	$ 74,182	$ 61,728	$ 51,102
Local Planning Services	99,580	86,543	100,637
Solid Waste Services	276,138	313,512	278,644
	$ 449,900	$ 461,783	$ 430,383

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2015

22. Revenue and Expense Support (continued)

	2015 (Unaudited) Budget	2015 Actual	2014 Actual
Expenditures			
Cooperative and Regional Planning Services			
Allocation from Corporate Services	$ 74,182	$ 61,728	$ 51,102
Regional Planning			
Administration	2,500	1,920	1,930
Travel	500	160	41
Professional services	5,000	-	-
	8,000	2,080	1,971
Regional Policing Collaboration			
Administration	1,000	499	797
Travel	1,000	295	486
Other	1,500	5,696	686
	3,500	6,490	1,969
Regional Emergency Measures Planning			
Administration	500	224	148
Travel	1,000	853	1,441
	1,500	1,077	1,589
Regional Sport, Recreation and Culture: Infrastructure Planning and Cost-Sharing			
Administration	500	-	-
Other Services Provided to All Members			
Regional transportation project	12,000	10,105	
Total Cooperative and Regional Planning Services Expenditures	$ 99,682	$ 81,480	$ 56,631
Expenditures			
Local Planning Services			
Administration			
Allocation from Corporate Services	$ 99,580	$ 86,543	$ 100,637
Director's Office			
Salaries and benefits	34,000	74,250	72,022
Travel	2,000	597	498
Training and development	1,000	94	990
Other Administrative Services			
Advertising and public relations	500	629	-
Liability insurance	4,000	3,188	3,000
Professional services	500	1,433	719
Legal services	5,000	2,632	-
Office building	15,500	25,255	16,207
Office equipment and supplies	2,000	4,258	7,320
Printing and copying	2,000	1,279	803
Telecommunications	3,000	4,630	1,791
Other	800	400	390
Total Administration	169,880	205,188	204,377

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2015

22. Revenue and Expense Support (continued)

	2015		2014
	(Unaudited) Budget	Actual	Actual
Planning and Building Inspection Services			
Planning Services			
Salaries and benefits	49,000	9,838	9,632
Travel	500	-	-
Training and development	2,000	675	253
Maps and reference material	500	-	234
GIS operating and planet	1,800	1,802	1,817
Advertising	1,000	85	61
Planning review and adjustment committee	2,000	977	2,106
	56,800	13,377	14,103
Inspection Services			
Salaries and benefits	114,000	114,380	96,302
Travel	4,000	4,724	4,866
Training and development	4,500	2,847	2,328
Maps and reference material	1,000	312	-
	123,500	122,263	103,496
Total Planning and Building Inspection Services	180,300	135,640	117,599
Fiscal Services			
Other Financing Charges			
Banking service charge	2,500	3,600	2,464
Total Local Planning Expenditures	$ 352,680	$ 344,428	$ 324,440

Expenditures			
Solid waste services			
Administration			
Allocation from Corporate Services	$ 276,138	$ 313,512	$ 278,644
Director's Office			
Salaries and benefits	102,000	104,703	100,477
Travel	-	-	
Training and development	10,000	851	2,397
Technical advisory committee	1,000	1,298	502
Other Administrative Services			
Liability insurance	20,000	15,185	15,228
Office equipment and supplies	12,000	11,217	14,673
Telecommunications	10,000	5,736	6,874
Public education	17,000	10,709	8,724
Total Administration	448,138	463,211	427,519

22. Revenue and Expense Support (continued)

	2015		2014
	(Unaudited) Budget	Actual	Actual
Solid waste services			
Operations			
Station and buildings			
Repairs and maintenance	80,000	22,558	48,774
Electricity	17,500	16,224	16,317
Janitorial	7,000	6,380	6,230
Insurance	15,000	15,931	15,006
Property taxes	66,000	74,548	65,684
Other	20,000	15,456	22,942
Amortization	24,000	24,759	24,759
Machinery and equipment			
Small equipment	30,000	16,383	19,867
Fuel	200,000	170,183	180,605
Repairs and maintenance	200,000	291,480	264,252
Insurance	15,000	14,619	13,912
Amortization	220,000	211,341	252,195
Landfill operations			
Personnel	867,000	682,091	761,449
Small equipment	10,000	-	-
Site and road maintenance	60,000	29,722	45,941
Monitoring	80,000	103,479	88,606
Site security and safety	27,000	18,927	25,308
Cells	10,000	1,327	1,086
Leachate & siltation management	58,000	91,841	81,483
Gas emission management	20,000	11,231	11,126
Amortization	778,000	775,564	775,564
Scale house			
Personnel	37,000	48,786	50,469
Small equipment	2,500	4,099	1,307
Waste diversion			
Personnel	159,000	175,534	152,080
Recycling	96,000	76,812	90,819
Collection	110,800	93,255	80,019
Equipment maintenance	11,000	4,530	4,752
Amortization	78,000	79,538	85,670
Hazardous household waste			
Personnel	9,000	8,719	8,353
Disposal	6,000	1,396	6,139
Total solid waste operations	3,313,800	3,086,713	3,200,714

22. Revenue and Expense Support (continued)

	2015		2014
	(Unaudited) Budget	Actual	Actual
Fiscal Services			
Interest			
Current operations	-	225	170
Other Financing Charges			
Banking service charge	3,000	2,671	2,858
Other Fiscal Services			
Bad debt	1,000	-	732
Closure & post-closure expense	81,000	149,011	137,413
Investment management fees	15,000	15,077	15,265
Total fiscal services	100,000	166,984	156,438
Total Solid Waste Expenditures	$ 3,861,938	$ 3,716,908	$ 3,784,671