SOUTHWEST NEW BRUNSWICK SERVICE COMMISSION

2014

ANNUAL REPORT

Table of Contents:

Message from the Chair:

April, 2015

Dear Southwest New Brunswick Service Commission Stakeholders:

On behalf of the Board of Directors and the staff of the Southwest New Brunswick Regional Service Commission, I am pleased to present this Annual Report for Fiscal Year 2014.

The past year at the SNBSC has been one which has generated considerable debate and analysis resulting in many significant and sometimes difficult decisions being made. Times of change are always times of anxiety, but also of great opportunity and hope. As directors we have needed to learn and unlearn more things more quickly then we ever have before. Like many other Regional Service Commissions across the province we are expending considerable time and effort trying to fulfil our mandate and thus show our relevance to the lives of the nearly 30,000 people living within our region. Even as we struggle with this, a new Provincial Government is reviewing the current role and structure of the RSCs and so further changes are likely.

Specifically, our challenge during the past year at SNBSC has been to define the range of relevant and valuable services to be undertaken in order to perform our mission in a cost -effective manner that fosters trust and co-operation between and among our communities. I believe that the status quo is no longer an option. Like it or not, this is the new world in which we live so more than ever this must be a time to work together at all levels in order to break down barriers, implement appropriate work plans and accomplish goals that serve to address the needs of citizens in a cost- effective manner.

The cornerstone of a truly democratic system of governance, when it is working properly, is that it ensures that the will of the majority is moving progressively and relentlessly forward. In that regard, perhaps we have started to "turn the corner" at the SNBSC as demonstrated by the following;

- Board priorities such as regional transportation, communication services, economic development and land use planning are being addressed
- An appreciation and understanding of the needs and concerns of the region as a whole is shared at the Board table.
- And, there is greater strength and unity in the working relationships among directors.

I hope that this progress continues as we move forward into 2015 and beyond.

With sincere appreciation, I would like to acknowledge the outstanding effort of Frank Tenhave, our Executive Director and the very small but extremely hard-working staff of SNBSC. Regardless of the size and complexity of the challenges they faced, they have always risen to those challenges on our behalf.

Board committees at SNBSC have done likewise in their oversight responsibilities, and I would especially like to thank those citizens from throughout the region who have joined committees to assist in their important work during the past year.

In closing, I join the Board in recognizing the untiring commitment of Board members who have retired over the past year, and thank them for their service; Pat Dodd, Nick Cleghorn, Susan Farquharson, Vern Faulkner, Frank McCallum and Larry Parker. I also wish to offer a sincere welcome to the new directors that have joined the Board as of Jan.1, 2015: Dennis Blair- LSD of McAdam, Wade Greenlaw - LSD of Dufferin, David Szemerda - LSD of Pennfield, Annette Townes - LSD of Saint James, James Tubbs - LSD of Dumbarton, Joyce Wright - LSD of Dennis – Weston.

I will end with one final thought;

Organizations that earn a place in the hearts of the people they serve don't rest on their laurels, or on tradition. In setting priorities, we as leaders need to value provocative disruption and progressive change more than the superficial harmony and comfort of an often ineffective status quo.

Sincerely,

Frank M. Carroll

Values and Priorities:

In 2013 this commission developed its goals during a facilitated process involving the entire Board. By extension, these are believed to be those held by the majority of the population living within this region and served by this commission.

The result of that process was the *"Report to the Southwest New Brunswick Service Commission: Priority Setting Workshop Outcome and Findings – Part I and II"* unanimously endorsed by the Board.

That document continues to provide the guiding principles of this organization;

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

As with any organization, while identified priorities such as these are helpful, the reality of the ever-changing landscape within which commissions operate caused some of these priorities to be put on the back burner while others got full attention. It may be appropriate for the Board to revisit these priorities sometime in the near future and re-evaluate their utility in today's setting.

Governance:

As prescribed by a formula in the legislation that created the Regional Service Commissions, a 17 member Board of Directors cumulatively speak for the entire region and all its residents. Irrespective of the region 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.

2014 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

Frank McCallum, LSD Advisory Committee Chair for Beaver Harbour

Garry Christie, LSD Advisory Committee Chair for St. Patrick

John Quartermain, Mayor of the Town of St. Stephen

Pat Dodd, 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

Sue Farquharson, LSD Advisory Committee Chair for Lepreau

Terry James, Mayor of the Village of Blacks Harbour

Vern Faulkner, LSD Advisory Committee Chair for Dennis Weston

Larry Parker, LSD Advisory Committee Chair for Dufferin

Winston Gamblin, Mayor of the Village of Harvey

Note that 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.

Note that one "Alternate", i.e. LSD Advisory Committee Chair Larry Parker, moved into a full Board member position as a result of the resignation of another LSD Board member. Heather Hatt, remained the remaining person designated to act as alternate for any LSD member on the Board that is not able to attend.

Committees:

The Commission is required to form Standing Committees. These committees are key to getting the commissions business done in a timely fashion;

- Executive Committee
- Finance and Audit Committee
- Community Policing Committee
- Planning Management Committee
- Technical Advisory Committee

These committees meet as often as the business they are tasked with required; with some meeting monthly or more frequently while others meeting two or three times during the year.

While not a committee that is under the normal control of the Board, this Board and commission has administrative responsibility for the;

- Planning Review and Adjustment Committee, which operates under its own bylaws as prescribed by the Province, tasked with providing arm's length review and decision-making on land-use planning issues within our region.

Progress re; Mandated Services:

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. The following taken directly from documentation prepared by that Department, describes what the commissions are responsible for delivering:

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.

- The Southwest New Brunswick Regional Service Commission considers the creation of a regional plan a critically important component for the effectiveness of the commissions. However, this item, while a priority with the Province when the commissions were set up, is now in limbo and so without any clear direction from the Province, nothing further can be done on this mandated service.

Local Planning in Local Service Districts

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

- To date the Southwest New Brunswick Regional Service Commission has provided building inspection and development services to our LSDs only. However, thus far this commission does not have the in-house capability to provide any significant planning services to LSDs. This could prove to be problematic should there be requests to have such 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.

- Southwest New Brunswick Regional Service Commission provides solid waste services via the Hemlock Knoll landfill station. This facility provides such services to customers in the Saint John River Valley (RSC12) as well to customers in Maine. Tonnage from these customers outside of our region plays a critical role in maintaining the favourable economics of operating such a capital intensive business. Opportunities to expand this outside business are being pursued.

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 Regional Service Commission - Community Policing Committee Model 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 is recognized as the most effective such committee within the Province at this point.

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 eventually getting a first regional EMO plan completed. It is now posted on the commission's website and is to be updated regularly as it is always viewed as a work-in-progress. In addition this committee put a great deal of effort into an initiative to create a useful EMO flyer and distribute it to residents. This effort was only partially successful whereas it has not yet been distributed throughout the entire region.

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 Regional 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 is likely to come back to the Board table in the near future for further discussion.

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 has worked 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 Rte 1) and connecting to Saint John. This facilitation role has been helpful in getting this project on the Province's radar screen and a possible pilot project is hoped for.

Service Arrangements

Based on the future direction of Southwest New Brunswick Regional Service Commission we do have the authority to facilitate and oversee arrangements and agreements between communities for cost sharing on services and infrastructure.

- This will be important as future cost reduction needs become more pressing. Possible examples would include; accounting services to municipalities; payroll services, and so on. This commission has played a leading role in researching if there is any way that the region might consolidate its animal control funding and service, and thus perhaps get a better service at a lower cost. That work continues.

Collaboration on Regional Issues

One of the most important roles of the new Southwest New Brunswick Regional Service Commission is to collaborate on regional issues and service decisions such as:

- Making regional planning decisions on the location of community-based infrastructure or land use, which affects more than one community.
- Accessing or applying for provincial and federal funding, where applicable, to benefit region-wide service delivery.

Board Member and Alternates Expenses for 2014:

Board Members	Representing	Per diems paid 2014	Expenses paid 2014	Total Per diems & Expenses for 2014
Darrell Weare	Local Service District	$1,300.00	$1,201.21	$2,501.21
Carla Brown	Local Service District	$1,300.00	$919.11	$2,219.11
Daniel Dow	Local Service District	$1,350.00	$1,008.83	$2,358.83
Dennis Green	Village of Grand Manan	$0.00	$0.00	$0.00
Frank Carroll	Village of McAdam	$1,525.00	$2,992.41	$4,517.41
Frank McCallum	Local Service District	$1,000.00	$665.35	$1,665.35
Garry Christie	Local Service District	$1,180.00	$1,116.58	$2,296.58
John Quatermain	Town of St. Stephen	$0.00	$0.00	$0.00
K. Vern Faulkner	Local Service District	$1,000.00	$388.32	$1,388.32
Patricia Dodd	Local Service District	$1,100.00	$878.76	$1,978.76
Sharon Tucker	Town of St. George	$600.00	$227.31	$827.31
Stanley Choptiany	Town of St. Andrews	$1,000.00	$1,057.89	$2,057.89
Stephen Smart	Campobello Rural Community	$0.00	$0.00	$0.00
Susan Farquharson	Local Service District	$855.00	$969.79	$1,824.79
Terry James	Village of Blacks Harbour	$1,300.00	$1,443.63	$2,743.63
Winston Gamblin	Village of Harvey	$1,400.00	$1,197.05	$2,597.05

Alternates				
Larry Parker	LSD of Dufferin	$0.00	$0.00	$0.00
Heather Hatt	LSD of Fundy Bay	$700.00	$563.85	$1,263.85
Catherine Akagi	Town of St. Andrews	$200.00	$49.50	$249.50

James Bogart CPA, CA
194 Tilley Road
Gagetown, NB
E5M 1H8

March 13, 2015

Southwest New Brunswick Service Commission
PO Box 70
St. Stephen, NB
E3L 2W9

Re: Audit of 2014 Financial Statements

Dear Board of Directors:

I am required to communicate at least annually with you regarding significant matters arising from my audit.

The objective of my audit was to obtain reasonable assurance that the financial statements were free of material misstatement. My audit was not designed for the purpose of identifying matters to communicate. Accordingly, my audit would not usually identify all such matters that may be of interest to the Board of Directors and it is inappropriate to conclude that no such matters exist.

Significant audit findings identified during the course of my audit for the year ended December 31,2014 are outlined below.

:

- Misstatements, other than trivial errors
  - None
- Misstatements, other than trivial errors not recorded by management:
  - None
- Misstatements that may cause future financial statements to be materially misstated;
  - None
- Significant unusual transactions:
  - None
- Significant matters affecting the preparation of the financial statements and financial statement disclosures.
  - None

I did not identify:

- Any material change in the preparation process for management estimates or in the nature of disclosures made in the financial statements.
- Any other significant matters that should be brought to your attention.

- Fraud or illegal or possibly illegal acts, other than ones considered inconsequential.

  I did not identify:

  - Matters raising questions regarding the honesty and integrity of management.
  - Fraud or suspected fraud involving management, employees or others.
  - Illegal or possibly illegal acts.

- Material weaknesses in internal control:
  I did identify weakness in the design or implementation of internal control over the undernoted. This has now been corrected and no errors were discovered.

  Payroll

  Banking

- Related party transactions:
  I did not identify any related party transactions that are not in the normal course of operations that involve significant judgments made by management concerning measurement or disclosure.

- Accounting policies:
  Significant accounting policies are described in note 1 to the financial statements. I did not identify in the course of my audit:

  - Existence of acceptable alternative policies and methods (other than already discussed with you and management).
  - Any material changes in selection or application of accounting policies or preparation of management estimates.
  - Any accounting policies in controversial or emerging areas.

- Dealings with management:

  - I received full cooperation from management and employees.
  - There were no serious difficulties encountered while performing the audit.
  - I had no disagreements with management. All auditing, accounting and presentation issues were resolved to my satisfaction.
  - I am not aware of any consultations by management with other accountants regarding accounting or auditing matters.
  - I did not discuss with management any major issues in connection with my appointment as auditors.

This communication is prepared solely for your information and is not intended for any other purpose.

I accept no responsibility to a third party who uses this communication.

Yours truly,

James Bogart

James Bogart, CPA, CA

Southwest New Brunswick Service Commission

Financial Statements

Year Ended December 31, 2014

Southwest New Brunswick Service Commission

Index to the Financial Statements

Year Ended December 31, 2014

Contents

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, 2014 and the consolidated statement of operations, consolidated statement of changes in net debt and consolidated statement of cash flows for the year ended December 31, 2014, 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, 2014 and its financial performance, its changes in net debt and its cash flows for the year then ended in accordance with Canadian accounting standards for the public sector.

Other Matters

Without modifying my opinion, I draw attention to the 2013 corresponding financial information. I was not engaged to report on this financial information and as such has not been audited by me.

James Bogart
CPA, CA

Gagetown, New Brunswick
March 13, 2015

Southwest New Brunswick Service Commission
Consolidated Statement of Operations
Year Ended December 31, 2014

	2014 (Unaudited) Budget (Note 19)	2014 Actual	2013 Actual
Revenue			
Member charges	$ 1,229,755	$ 1,262,072	$ 1,171,722
Sales of services	2,076,000	2,291,676	2,207,024
Government transfers	3,000	16,026	49,765
Other revenues		6,720	296,371
Interest	50,000	86,108	63,459
Gain on sale of investments		12,528	
Gain on disposal of tangible capital assets	-	40,203	-
	3,358,755	3,715,333	3,788,341
Expenditures			
Cooperative and regional planning services	64,430	56,631	51,331
Local planning services	359,175	324,440	291,457
Solid waste services	4,105,224	3,784,671	3,488,110
Loss on disposal of tangible capital assets		-	25,494
Loss on sale of investments		-	4,291
	4,528,829	4,165,742	3,860,683
Annual deficit before unrealized gain on portfolio investments	(1,170,074)	(450,409)	(72,342)
Unrealized gain on portfolio investments	-	70,610	118,348
Annual deficit (Note 17)	$ (1,170,074)	(379,799)	46,006
Accumulated surplus			
Beginning of year		12,970,868	12,924,862
End of year		$ 12,591,069	$ 12,970,868

Southwest New Brunswick Service Commission
Consolidated Statement of Financial Position
As at December 31, 2014

		2014		2013
Financial assets				
Cash (Note 3)	$	2,703,131	$	3,429,672
Receivables				
General (Note 4)		404,099		356,692
Due from federal government and its agencies (Note 5)		212,277		82,585
Due from Province of New Brunswick (Note 6)		56,083		58,025
Portfolio investments (Note 7)		1,452,505		1,378,912
		4,828,095		5,305,886
Liabilities				
Bank Indebtedness		55,789		-
Accounts payable and accrued liabilities		230,744		174,976
Due to Province of New Brunswick		161,862		169,001
Closure and post-closure liability (Note 8)		1,413,307		1,275,894
		1,861,702		1,619,871
NET ASSETS		2,966,393		3,686,015
Non-Financial Assets				
Tangible capital assets (Note 15)		28,843,343		27,795,215
Accumulated amortization		(19,292,492)		(18,562,610)
		9,550,851		9,232,605
Inventory of supplies		21,475		18,123
Prepaid expenses		52,350		34,125
		9,624,676		9,284,853
ACCUMULATED SURPLUS	$	12,591,069	$	12,970,868

On behalf of the Commission

Approved by:

Commissioner Tom Carroll

Commissioner Harry Christie

Southwest New Brunswick Service Commission
Consolidated Statement of Changes in Net Debt
Year Ended December 31, 2014

	2014	2013
Annual surplus (deficit)	$ (379,799)	$ 46,006
Add (deduct) :		
Acquisition of tangible capital assets	(1,456,434)	-
Proceeds on disposal of tangible capital assets	40,203	11,878
Amortization of tangible capital assets	1,138,188	1,129,835
(Gain) loss on sale of tangible capital assets	(40,203)	25,494
Acquisition of inventories	(3,352)	(18,123)
Acquisition of prepaid assets	(18,225)	
Use of prepaid assets		20,588
(Increase) decrease in Net Assets	(719,622)	1,215,678
Net Assets, beginning of the year	3,686,015	-
Transfer received under Ministerial order	-	2,470,337
	3,686,015	2,470,337
Net Assets, end of the year	$ 2,966,393	$ 3,686,015

Southwest New Brunswick Service Commission
Consolidated Statement of Cash Flows
Year Ended December 31, 2014

	2014	2013
Increase (decrease) in cash and cash equivalents		
Operating transactions		
Annual deficit	$ (379,799)	$ 46,006
Loss (gain) on disposal of tangible capital assets	(40,203)	25,494
Loss (gain) on sale of investments	(12,528)	4,291
Unrealized gain (loss) on portfolio investments	(70,610)	(118,348)
Amortization of tangible capital assets	1,138,188	1,129,835
Receivable - General	(47,407)	(224)
Receivable - Federal Government and its agencies	(129,692)	75,419
Receivable - Province of New Brunswick	1,942	(18,913)
Accounts payable and accrued liabilities	55,768	117,315
Due to Province of New Brunswick	(7,139)	169,001
Closure and post-closure liability	137,413	(285,201)
Change in inventory/prepaid expenses	(21,577)	2,465
	624,356	1,147,140
Capital transactions		
Acquisition of tangible capital assets	(1,456,434)	-
Proceeds on sale of tangible capital assets	40,203	11,878
	(1,416,231)	11,878
Investing transactions		
Proceeds on sale of investments	340,274	118,229
Purchase of investments	(330,729)	(114,793)
	9,545	3,436
Net (decrease) increase in cash and cash equivalents	(782,330)	1,162,454
Cash and cash equivalents		
Beginning of year	3,429,672	
Transfer received under Ministerial order	-	2,267,218
	3,429,672	2,267,218
End of year	$ 2,647,342	$ 3,429,672

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2014

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.

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2014

2. Summary of significant accounting policies (continued)

Budget

The budget figures contained in these financial statements were approved by the Commission on November 28, 2013.

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

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 are recognized in operations

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 transactions

The Commission uses the temporal method to translate its foreign currency transactions. Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Items appearing in the current year's income statement, except for inventories and amortization translated at historical rate, are translated at exchange rate in effect at the transaction date. Exchange gains and losses are included in the income statement.

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.

	2014	2013
Cash on hand and balances with banks	$ 2,703,131	$ 3,429,672
Bank overdraft	(55,789)	
	$ 2,647,342	$ 3,429,672

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

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2014

3. Cash

		2014		2013
Restricted - Capital Reserve Fund	$	2,417,196	$	1,499,103
Restricted - Operating Reserve Fund		150,165		165
Restricted - Closure and Post-closure liability		134,659		103,367
Unrestricted		1,111		1,827,037
	$	2,703,131	$	3,429,672

4. Receivables

		2014		2013
Trade	$	374,808	$	328,805
Accrued investment income		29,291		27,887
	$	404,099	$	356,692

5. Due from federal government and its agencies

		2014		2013
Canada Revenue Agency (HST refund)	$	212,277	$	82,585

6. Due from Province of New Brunswick

		2014		2013
Province of New Brunswick - solid waste tipping fees	$	44,810	$	36,494
Environmental Trust Fund		11,273		21,531
	$	56,083	$	58,025

7. Portfolio investments

		2014		2013
Restricted - Closure and Post-closure liability	$	1,278,648	$	1,172,527
Unrestricted		173,857		206,385
	$	1,452,505	$	1,378,912

These investments are comprised as follows:

		2014				2013		
		Book Value		Fair Value		Book Value		Fair Value
Guaranteed investment certificates	$	342,969	$	342,969	$	319,417	$	319,417
Canadian common shares		373,714		446,465		360,098		396,397
Foreign securities		4,602		5,793		-		-
Pooled investment funds		542,261		657,278		581,049		663,098
	$	1,263,546	$	1,452,505	$	1,260,564	$	1,378,912

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 2.31% to 3.55% with maturity dates ranging from 2015 to 2019.

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, 2014

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 33 years of remaining landfill life and average annual volume of 63,400 cubic meters, the remaining capacity of the site is estimated to be 2,092,200 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 has 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 expenditure of $ 4,168,322

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

	2014	2013
Estimated total expenditure	$ 4,168,322	$ 3,988,825
Multiplied by cumulative capacity used (cubic meters)	1,073,287	1,013,465
Divided by total estimated capacity (cubic meters)	3,165,487	3,168,396
	1,413,307	1,275,894
Less; expenditures previously recognized	1,275,894	1,561,095
Increase (decrease) to recognized liability	$ 137,413	$ (285,201)

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

	2014	2013
Cash held in investment accounts	$ 134,659	$ 103,367
Guaranteed investment certificates	169,112	113,032
Canadian common shares	446,465	396,397
Foreign securities	5,793	-
Pooled investment funds	657,278	663,098
	$ 1,413,307	$ 1,275,894

Guaranteed investment certificates issued by banks and trust companies bear interest at rates ranging from 2.31% to 3.55% with maturity dates ranging from 2015 to 2019.

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 33 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.
(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.

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, 2014 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 2014, 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

	2014	2013
Net financial assets	$ 2,966,393	$ 3,686,015
Adjustments:		
Unrealized loss (gain) on portfolio investments	(188,958)	(118,348)
Inventory of supplies	21,475	18,123
Prepaid expenses	52,350	34,125
Current net assets	$ 2,851,260	$ 3,619,915
Composition of current net assets		
2012 Solid Waste Fund Surplus		2,071,498
2013 Solid Waste Fund Surplus	31,913	31,913
2013 Cooperative & Regional Planning Fund Surplus	20,246	20,246
2013 Local Planning Fund Deficit	(3,010)	(3,010)
2014 Solid Waste Fund Surplus	170,921	
2014 Cooperative & Regional Planning Fund Surplus	8,204	
2014 Local Planning Fund Surplus	53,444	
Reserve Fund balances	2,569,542	1,499,268
	$ 2,851,260	$ 3,619,915

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, 2014

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 56.0% of total member fees and sale of services and 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 $ 1,102,544 representing both domestic and foreign sources. These investments are held to fund the closure and post-closure liability and are subject 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. 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 $ 110,571 and the foreign content of portfolio investments was $ 126,561 in the U.S.A. and $ 63,984 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 9 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. The Commission has a group insurance plan which provides short-term disability benefits after a one week off work if the employee qualifies. 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, 2014

15. Schedule of Tangible Capital Assets

						Infrastructure				Assets		
	Land	Buildings	Vehicles	Heavy Equipment	Light Equipment	Roads and Utility Supply	Landfill Gas Collection System	Containment Cells	Landfill Site	Under Construction	2014 Total	2013 Total
COST												
Balance, beginning of year	$ 373,913	$ 3,009,961	$ 299,841	$ 5,342,836	$ 351,179	$ 1,465,815	$ 1,792,439	$ 6,672,062	$ 8,487,169	$ -	$ 27,795,215	$ 27,861,835
Add:												
Net additions during the year	-	-	-	333,041	16,031	-	-	994,351	-	113,011	1,456,434	-
Less:												
Disposals during the year	-	-	(18,111)	(390,195)	-	-	-	-	-	-	(408,306)	(66,620)
Balance, end 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
ACCUMULATED AMORTIZATION												
Balance, beginning of year	-	1,192,834	212,963	4,532,472	294,437	1,270,458	521,072	5,481,401	5,056,973	-	18,562,610	17,462,021
Add:												
Amortization during the year	-	60,433	49,198	221,711	31,282	73,291	119,496	243,291	339,486	-	1,138,188	1,129,835
Less:												
Accumulated amortization on disposals	-	-	(18,111)	(390,195)		-	-	-	-	-	(408,306)	(29,246)
Balance, end 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
NET BOOK VALUE OF TANGIBLE CAPITAL	$ 373,913	$ 1,756,694	$ 37,680	$ 921,694	$ 41,491	$ 122,066	$ 1,151,871	$ 1,941,721	$ 3,090,710	$ 113,011	$ 9,550,851	$ 9,232,605
Consists of:												
Local Planning assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Regional and Cooperative Planning assets	-	-	-	-	-	-	-	-	-	-	-	-
Solid Waste assets	373,913	1,756,694	37,680	921,694	41,491	122,066	1,151,871	1,941,721	3,090,710	113,011	9,550,851	9,232,605
	$ 373,913	$ 1,756,694	$ 37,680	$ 921,694	$ 41,491	$ 122,066	$ 1,151,871	$ 1,941,721	$ 3,090,710	$ 113,011	$ 9,550,851	$ 9,232,605

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2014

16. Schedule of Segment Disclosure

	Solid Waste Services	Cooperative & Regional Planning Services	Local Planning Services	2014 Consolidated	2013 Consolidated
Revenues					
Member charges	$ 838,467	$ 64,430	$ 359,175	$ 1,262,072	$ 1,171,722
Sales of services	2,272,967	-	18,709	2,291,676	2,207,024
Government transfers	16,026	-	-	16,026	49,765
Other revenues	6,720	-	-	6,720	296,371
Interest	85,703	405	-	86,108	63,459
Gain on sale of investments	12,528	-	-	12,528	-
Gain on disposal of tangible capital assets	40,203	-	-	40,203	-
Unrealized gain on portfolio investments	70,610	-	-	70,610	118,348
	3,343,224	64,835	377,884	3,785,943	3,906,689
Expenses					
Salaries and benefits	1,235,126	39,037	248,430	1,522,593	1,513,044
Goods and services	1,411,187	17,594	76,010	1,504,791	1,188,019
Amortization	1,138,188	-	-	1,138,188	1,129,835
Interest	170			170	-
Other	-	-	-	-	29,785
	3,784,671	56,631	324,440	4,165,742	3,860,683
Surplus (deficit) for the year	$ (441,447)	$ 8,204	$ 53,444	$ (379,799)	$ 46,006

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2014

17. 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
2014 annual surplus (deficit)	$ 636,264	$ 8,204	$ 53,444	$ (1,097,985)	$ 20,249	$ 25	$ (379,799)
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	2,071,498	-	-				2,071,498
Transfers between funds							-
Transfer from solid waste operating fund to the solid waste capital reserve fund	(900,000)			-	900,000		-
Transfer from solid waste operating fund to the solid waste operating reserve fund	(150,000)					150,000	-
Transfer from solid waste operating fund to the solid waste capital fund	(1,456,434)			1,456,434			
Loss <gain> on disposal of tangible capital assets				(40,203)			(40,203)
Proceeds from disposal of tangible capital assets	40,203						40,203
Unrealized gain on portfolio investments	(70,610)						(70,610)
Amortization expense				1,138,188			1,138,188
Total adjustments to annual surplus (deficit)	(465,343)	-	-	2,554,419	900,000	150,000	3,139,076
2014 annual fund surplus (deficit) per PNB requirements	$ 170,921	$ 8,204	$ 53,444	$ 1,456,434	$ 920,249	$ 150,025	$ 2,759,277

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2014

18. Statement of Reserves

	Solid Waste Capital Reserve	Solid Waste Operating Reserve	2014 Total	2013 Total
Assets				
Cash	$ 2,417,196	$ 150,165	$ 2,567,361	$ 1,499,268
Accrued investment income	2,156	25	2,181	-
	$ 2,419,352	$ 150,190	$ 2,569,542	$ 1,499,268
Accumulated Surplus	$ 2,419,352	$ 150,190	$ 2,569,542	$ 1,499,268
Revenue				
Transfer from Solid Waste Operating Fund	$ 900,000	$ 150,000	$ 1,050,000	$ -
Interest	20,273	25	20,298	19,503
	920,273	150,025	1,070,298	19,503
Expenditures				
Bank service fees	24	-	24	44
	24	-	24	44
Annual Surplus	920,249	150,025	1,070,274	19,459
Accumulated Surplus				
Beginning of year	1,499,103	165	1,499,268	-
Transfer received under Ministerial order	-	-	-	1,479,809
	1,499,103	165	1,499,268	1,479,809
End of year	$ 2,419,352	$ 150,190	$ 2,569,542	$ 1,499,268

Reserve funds are invested in interest bearing bank accounts.

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2014

18. Statement of Reserves (continued)

Commission resolutions regarding transfers to and from reserves:

October 23, 2014

13-234 It was moved by W. Gamblin, seconded by F. McCallum to approve the transferring of $150,000.00 from the Solid Waste's Operating Fund to the Solid Waste's Operating Reserve Fund. CARRIED.

13-236 It was moved by W. Gamblin, seconded by S. Choptiany to transfer $500,000.00 from the Solid Waste's Operating Fund to the Solid Waste's Capital Reserve Fund. CARRIED.

December 2. 2014

13-253 It was moved by W. Gamblin, seconded by F. McCallum to transfer $400,000.00 from the Solid Waste Operation Fund to the Solid Waste Capital Reserve Fund. CARRIED.

Frank Tenhave
Executive Director
Southwest New Brunswick Service Commission

Mar. 25/2015
Date

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2014

19. 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	$ -	$ 64,430	$ 359,175	$ 806,150	$ 1,229,755	$ -	$ -	$ 1,229,755
Sales of services	-	-	-	2,076,000	2,076,000	-	-	2,076,000
Government transfers	-			3,000	3,000	-	-	3,000
Transfers from own and other funds	-			-	-	-	-	-
Interest	-			50,000	50,000	-	-	50,000
Transfers from own and other funds	447,000	-	-	-	447,000	-	(447,000)	-
Surplus of second previous year	-	-	-	2,202,724	2,202,724	-	(2,202,724)	-
	447,000	64,430	359,175	5,137,874	6,008,479	-	(2,649,724)	3,358,755
Expenditures								
Governance	49,000				49,000	-	-	49,000
Administration	397,500	52,430	180,225	465,070	1,095,225	-	(447,000)	648,225
Regional planning		6,000			6,000	-	-	6,000
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		1,000			1,000	-	-	1,000
Planning and building inspection services			176,450		176,450	-	-	176,450
Operations - Solid Waste Service				2,075,554	2,075,554	1,362,600	-	3,438,154
Financial Services								
- Other Financing Charges	500		2,500	5,000	8,000	-	-	8,000
- Transfer to the Capital Fund - Asset Acquisition				1,015,000	1,015,000	-	(1,015,000)	-
- Transfer to the Capital Reserve				1,230,250	1,230,250	-	(1,230,250)	-
- Transfer to the Operating Reserve				150,000	150,000	-	(150,000)	-
Closure & Post-closure expense				196,000	196,000	-	-	196,000
Other Fiscal services				1,000	1,000	-	-	1,000
	447,000	64,430	359,175	5,137,874	6,008,479	1,362,600	(2,842,250)	4,528,829
Surplus (Deficit)	$ -	$ -	$ -	$ -	$ -	$ (1,362,600)	$ 192,526	$ (1,170,074)

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2014

20. Revenue and Expense Support

	2014		2013
	(Unaudited) Budget	Actual	Actual
Revenue			
Member charges			
Cooperative and regional planning services	$ 64,430	$ 64,430	$ 70,502
Local planning services	359,175	359,175	254,214
Solid waste tipping fees	806,150	838,467	847,006
Total member charges	$ 1,229,755	$ 1,262,072	$ 1,171,722
Sales of services			
Local planning services			
Local planning fees	$ -	$ 18,709	$ 350
Solid waste services			
Tipping fees from other sources			
Industrial, commercial,institutional	800,000	882,822	809,185
Construction and demolition	90,000	83,977	113,995
Other regional service commissions	510,000	533,050	564,773
Foreign sources	610,000	660,739	596,716
Special waste	40,000	69,368	63,534
Recycling			
Fiber	23,000	32,592	39,899
Metals	3,000	2,190	1,844
Paints	-	1,100	1,074
Plastics	-	-	1,486
Contracted collection service	-	5,480	11,540
Other	-	1,649	2,628
Total sales of services	$ 2,076,000	$ 2,291,676	$ 2,207,024
Government transfers			
Environmental Trust Fund	$ -	$ 13,426	$ 39,565
Province of New Brunswick - HR manual	-	-	5,000
Province of New Brunswick - Employment	3,000	2,600	1,200
Province of New Brunswick - Website	-	-	4,000
Total government transfers	$ 3,000	$ 16,026	$ 49,765
Other revenues			
Regional Service Commissions - HR manual	$ -	$ -	$ 4,450
Closure & post-closure (Note 8)	-	-	285,201
Rental	-	6,720	6,720
Total other revenues	$ -	$ 6,720	$ 296,371

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2014

20. Revenue and Expense Support (continued)

	2014 (Unaudited) Budget	2014 Actual	2013 Actual
Expenditures			
Corporate Services			
Governance			
Board Members			
Honorariums	$ 24,000	$ 15,810	$ 17,640
Travel	12,000	13,965	13,063
Training and development	4,000	-	2,515
Other	9,000	7,137	7,159
Total Govenance	49,000	36,912	40,377
Administration			
Executive Director's Office			
Salaries and benefits	180,000	173,025	170,392
Travel	4,000	4,709	4,061
Training and development	1,500	1,782	419
Other	3,000	1,812	156
Human Resources	1,200	2,444	9,614
Financial Management			
Salaries and benefits	66,000	106,538	65,694
Travel	500	2,535	90
Training and development	1,000	960	
External audit fees	20,000	18,012	21,077
External accounting fees	10,000	-	22,638
Other Administrative Services			
Advertising and public relations	3,000	2,128	337
Liability insurance	11,300	12,745	12,002
Professional services	3,000	-	-
Legal services	25,000	60	4,951
Office building	30,000	29,688	25,990
Office equipment and supplies	5,000	9,641	4,759
Printing and copying	5,000	4,288	-
Telecommunications	13,000	12,111	10,823
Other	15,000	10,993	1,166
Total Administration	397,500	393,471	354,169
Fiscal Services			
Other Financing Charges			
Banking service charge	500	-	-
Total Corporate Services Expenditures	$ 447,000	$ 430,383	$ 394,546
Allocated to:			
Cooperative and Regional Planning Services	$ 52,430	$ 51,102	$ 47,586
Local Planning Services	119,500	100,637	84,472
Solid Waste Services	275,070	278,644	262,488
	$ 447,000	$ 430,383	$ 394,546

Southwest New Brunswick Service Commission
Notes to the Consolidated Financial Statements
December 31, 2014

20. Revenue and Expense Support (continued)

	2014		2013
	(Unaudited) Budget	Actual	Actual
Expenditures			
Cooperative and Regional Planning Services			
Allocation from Corporate Services	$ 52,430	$ 51,102	$ 47,586
Regional Planning			
Administration	500	1,930	2,401
Travel	500	41	268
Professional services	5,000	-	-
	6,000	1,971	2,669
Regional Policing Collaboration			
Administration	500	797	866
Travel	1,000	486	210
Other	2,000	686	-
	3,500	1,969	1,076
Regional Emergency Measures Planning			
Administration	500	148	-
Travel	1,000	1,441	-
	1,500	1,589	-
Regional Sport, Recreation and Culture: Infrastructure Planning and Cost-Sharing			
Administration	500	-	-
Travel	500	-	-
	1,000	-	-
Total Cooperative and Regional Planning Services Expenditures	$ 64,430	$ 56,631	$ 51,331

	2014 Budget	2014 Actual	2013 Actual
Expenditures			
Local Planning Services			
Administration			
Allocation from Corporate Services	$ 119,500	$ 100,637	$ 84,472
Director's Office			
Salaries and benefits	35,000	33,492	33,461
Travel	2,375	498	241
Training and development	-	990	265
Other Administrative Services			
Advertising and public relations	600	-	191
Liability insurance	4,000	3,000	3,495
Professional services	500	719	-
Legal services	1,000	-	2,348
Office building	10,750	16,207	15,529
Office equipment and supplies	1,000	7,320	1,099
Printing and copying	1,700	803	636
Telecommunications	2,800	1,791	1,711
Other	1,000	390	-
Total Administration	180,225	165,847	143,448

20. Revenue and Expense Support (continued)

	2014		2013
	(Unaudited) Budget	Actual	Actual
Planning and Building Inspection Services			
Planning Services			
Salaries and benefits	46,000	48,162	48,886
Travel	1,000	-	27
Training and development	500	253	3,002
Maps and reference material	500	234	-
GIS operating and planet	-	1,817	1,817
Advertising	1,000	61	85
Planning review and adjustment committee	10,000	2,106	725
	59,000	52,633	54,542
Inspection Services			
Salaries and benefits	104,250	96,302	86,966
Travel	6,000	4,866	4,001
Training and development	3,000	2,328	92
Maps and reference material	1,200	-	81
GIS operating and planet	3,000	-	-
	117,450	103,496	91,140
Total Planning and Building Inspection Services	176,450	156,129	145,682
Fiscal Services			
Other Financing Charges			
Banking service charge	2,500	2,464	2,327
Total Local Planning Expenditures	$ 359,175	$ 324,440	$ 291,457

Expenditures			
Solid waste services			
Administration			
Allocation from Corporate Services	$ 275,070	$ 278,644	$ 262,488
Director's Office			
Salaries and benefits	105,000	100,477	100,385
Travel	-	502	-
Training and development	15,000	2,397	3,682
Other Administrative Services			
Liability insurance	16,000	15,228	15,538
Legal services	-	-	146
Office equipment and supplies	-	14,673	13,441
Telecommunications	14,000	6,874	3,962
Other	25,000	-	-
Public education	15,000	8,724	11,339
Total Administration	465,070	427,519	410,981

20. Revenue and Expense Support (continued)

	2014 (Unaudited) Budget	2014 Actual	2013 Actual
Solid waste services			
Operations			
Station and buildings			
Repairs and maintenance	117,000	48,774	-
Electricity	27,500	16,317	14,773
Janitorial	17,000	6,230	-
Insurance	15,000	15,006	11,995
Property taxes	25,000	65,684	66,035
Other	23,000	22,942	17,353
Amortization	30,000	24,759	32,794
Machinery and equipment			
Small equipment	37,000	19,867	-
Fuel	230,000	180,605	171,418
Repairs and maintenance	146,000	264,252	173,294
Insurance	17,000	13,912	17,010
Amortization	400,000	252,195	261,789
Landfill operations			
Personnel	685,454	761,449	799,145
Small equipment	2,000	-	-
Site and road maintenance	38,000	45,941	58,755
Monitoring	70,000	88,606	82,125
Site security and safety	22,000	25,308	17,935
Special waste handling	10,000	-	-
Cells	16,000	1,086	13,621
Leachate & siltation management	50,000	81,483	51,401
Gas emission management	10,000	11,126	9,097
Amortization	842,600	775,564	743,450
Scale house			
Personnel	42,400	50,469	43,131
Small equipment	2,000	1,307	2,144
Waste diversion			
Personnel	269,400	152,080	156,321
Recycling	40,000	90,819	55,779
Collection	62,000	80,019	106,232
Equipment maintenance	27,800	4,752	2,598
Other	60,000		-
Amortization	90,000	85,670	91,802
Hazardous household waste			
Personnel	8,000	8,353	8,663
Collection	2,000	-	-
Disposal	4,000	6,139	1,675
Total solid waste operations	3,438,154	3,200,714	3,010,335

20. Revenue and Expense Support (continued)

	2014		2013
	(Unaudited) Budget	Actual	Actual
Fiscal Services			
Interest			
Current operations	-	170	-
Other Financing Charges			
Banking service charge	5,000	2,858	2,982
Other Fiscal Services			
Bad debt	1,000	732	49,309
Closure & post-closure expense	196,000	137,413	-
Investment management fees	-	15,265	14,503
Total fiscal services	202,000	156,438	66,794
Total Solid Waste Expenditures	$ 4,105,224	$ 3,784,671	$ 3,488,110