

**WESTERN VALLEY REGIONAL SERVICE COMMISSION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

WESTERN VALLEY REGIONAL SERVICE COMMISSION

FINANCIAL STATEMENTS

DECEMBER 31, 2018

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Independent Auditor's Report

Financial Statements

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## **Independent Auditor's Report**

To the Members of  
Western Valley Regional Service Commission

### *Opinion*

We have audited the financial statements of Western Valley Regional Service Commission, which comprise the statement of financial position as at December 31, 2018, and the statements of operations and accumulated surplus, change in net financial assets, cash flows and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

### *Basis for Opinion*

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

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

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

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

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

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

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

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

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

*Renahan Mc Cain + Associates*

**Chartered Professional Accountants**

**Woodstock, New Brunswick  
May 23, 2019**

WESTERN VALLEY REGIONAL SERVICE COMMISSION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
<b>Financial Assets</b>		
Cash	\$ 362,323	\$ 264,562
Funds held in trust, Wolastog Valley Trail	97,253	-
Accounts receivable (Note 3)	145,691	67,867
Term deposits (Note 4)	248,163	478,045
	<u>853,430</u>	<u>810,474</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	140,818	107,110
Deferred revenue (Note 6)	39,503	-
Funds held in trust, Wolastog Valley Trail	97,253	-
Long-term debt (Note 7)	450,000	-
	<u>727,574</u>	<u>107,110</u>
<b>Net financial assets</b>	<u>125,856</u>	<u>703,364</u>
<b>Non-financial Assets</b>		
Tangible capital assets (Note 11)	719,970	89,050
Prepaid expenses (Note 8)	602	4,569
	<u>720,572</u>	<u>93,619</u>
<b>Accumulated Surplus</b>	<u>\$ 846,428</u>	<u>\$ 796,983</u>

Approved on behalf of the Western Valley Regional Service Commission

\_\_\_\_\_, Chairman

\_\_\_\_\_, Treasurer

The accompanying notes are an integral part of the financial statements

WESTERN VALLEY REGIONAL SERVICE COMMISSION  
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
<b>Surplus (Deficit)</b>	<b>\$ 49,444</b>	<b>\$ 123,835</b>
Acquisition of tangible capital assets	(818,446)	-
Amortization of tangible capital assets	187,527	24,123
	<b>(630,919)</b>	<b>24,123</b>
Acquisition of prepaid asset	3,967	-
Decrease in prepaid expenses	-	439
	<b>3,967</b>	<b>439</b>
(Decrease) increase in net financial assets	<b>(577,508)</b>	<b>148,397</b>
Net financial assets at beginning of year	<b>703,364</b>	<b>554,967</b>
<b>Net financial assets at end of year</b>	<b>\$ 125,856</b>	<b>\$ 703,364</b>

The accompanying notes are an integral part of the financial statements

WESTERN VALLEY REGIONAL SERVICE COMMISSION  
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Budget	2018 Actual	2017 Actual
<b>Revenue</b>			
Member charges	\$ 1,720,585	\$ 1,719,021	\$ 1,542,279
Sale of services	1,056,091	1,360,808	1,218,578
Government grants	30,000	117,997	68,654
Interest	-	5,662	4,038
	<u>2,806,676</u>	<u>3,203,488</u>	<u>2,833,549</u>
<b>Expenditures</b>			
Solid Waste Services	2,434,624	2,481,825	2,211,804
Local Planning Services	425,537	563,339	405,114
Cooperative and Regional Planning Services	55,373	65,550	46,742
Regional Recreation	70,305	43,330	46,054
	<u>2,985,839</u>	<u>3,154,044</u>	<u>2,709,714</u>
<b>Surplus (Deficit)</b>	<b>(179,163)</b>	<b>49,444</b>	<b>123,835</b>
<b>Accumulated surplus at beginning of year</b>	<b>-</b>	<b>796,983</b>	<b>673,148</b>
<b>Accumulated surplus at end of year</b>	<b>\$ (179,163)</b>	<b>\$ 846,427</b>	<b>\$ 796,983</b>

The accompanying notes are an integral part of the financial statements

WESTERN VALLEY REGIONAL SERVICE COMMISSION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
<b>Cash flows from</b>		
<b>Operating activities</b>		
Surplus	\$ 49,444	\$ 123,835
Items not affecting cash		
Amortization	187,527	24,123
	<u>236,971</u>	<u>147,958</u>
Change in non-cash operating working capital		
Accounts receivable	(77,824)	(15,278)
Prepaid expenses	3,967	439
Term deposits	229,882	(70,052)
Accounts payable	33,709	(77,268)
Deferred revenue	39,503	-
Funds held in trust	97,253	-
	<u>563,461</u>	<u>(14,201)</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(818,447)	-
<b>Financing activities</b>		
Proceeds of short-term debt	600,000	-
Repayment of short-term debt	(600,000)	-
Proceeds of long-term debt	450,000	-
	<u>450,000</u>	<u>-</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<u>195,014</u>	<u>(14,201)</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>264,562</u>	<u>278,763</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 459,576</u>	<u>\$ 264,562</u>
<b>Represented by</b>		
Cash	\$ 362,323	\$ 264,562
Funds held in trust	97,253	-
	<u>\$ 459,576</u>	<u>\$ 264,562</u>

The accompanying notes are an integral part of the financial statements



WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

**1. Description of the organization**

On January 1st, 2013, Regional Service Commission 12 was established as a body corporate, pursuant to the provisions of the Regional Service Delivery Act, Statutes of New Brunswick 2012, Chapter 37, and the Regulations made there under. The Commission is mandated to provide or facilitate the services of regional planning and solid waste to all its members, and a land use planning service to its members that are local service districts. It is also mandated to provide a forum in order to initiate cooperative action amongst its members.

**2. Basis of Presentation and Significant Accounting Policies**

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

**(a) Segmented information**

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

Solid Waste Services

The Commission provides solid waste management services including education and promotion of recycling and composting programs to its members.

Local Planning Services

This department of the Commission prepares, administers and enforces rural plans and zoning, subdivision approvals, and building and development inspections for its members.

Regional and Cooperative Planning Services

The Commission is responsible for the development of a regional plan, facilitating collaboration on regional issues such as making regional planning decisions on the location of community-based infrastructure or land use, accessing or applying for provincial and federal funding and working together to seek new investments within the region.

Regional Recreation Services (Other Shared Services)

The development, planning and financing of regional initiative, including common or regional sport, recreational and cultural facilities. The recreation division of WVRSC includes the implementation of the Regional Recreation Master Plan adopted by WVRSC April 12, 2016.

Corporate Services

This department is responsible for the management and administration of the Commission.

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

**2. Basis of Presentation and Significant Accounting Policies (continued)**

**(b) Deferred revenue**

Funding is recorded as deferred revenue if it has been restricted by the government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

**(c) Net assets**

The Commission's financial statements are presented so as to highlight net assets as the measurement of financial position. The net assets of the Commission are determined by its financial assets less its liabilities. Net assets are comprised of two components, non-financial assets and accumulated surplus.

**(d) Reporting entity**

The financial statements reflect the assets, liabilities, revenues, expenditures and net assets 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.

**(e) Budget**

The budget figures contained in these financial statements were approved by the Board of Directors on November 9, 2017.

**(f) Revenue recognition**

Operating and recycling fees are recorded when the waste is delivered to either the landfill facility and/or to the transfer station and when collection is reasonably assured.

Landfill fees are recorded as revenue and offset by a corresponding expenditure to reflect the overall cost to the Commission for waste.

Government transfers (both operating and capital) received under the terms of contribution agreements with the federal and provincial governments are recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria is met.

Other revenue is recorded when it is earned, and collection is reasonably assured.

**(g) Expenditure recognition**

Expenditures are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the statement of financial position date.

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

**2. Basis of Presentation and Significant Accounting Policies (continued)**

**(h) Financial instruments**

The Commission's financial instruments consist of cash, accounts receivable, term deposits, accounts payable and accrued liabilities and long-term debt. Unless otherwise noted, it is the Board's opinion that the Commission is not exposed to any significant interest or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

**(i) Use of estimates**

The preparation of the financial statements in conformity with public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**(j) Reserve funds**

Certain amounts, as approved by Commission Board, are set aside in reserve funds for future operating and capital purposes. Transfers to and from reserve funds are recorded as an adjustment within accumulated surplus. A schedule of reserves is included as supplementary information to show the reserve fund balances.

**(k) Cash**

Cash and cash equivalents include petty cash.

**(l) Investments**

Term deposits are recorded at cost plus accrued interest.

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

**2. Basis of Presentation and Significant Accounting Policies (continued)**

**(m) Tangible capital assets**

Tangible capital assets (TCAs) are items that can be physically touched, will be useful for a period greater than one year and will be used by the Commission on a regular basis.

Effective January 1, 2013, the Commission adopted the provisions of PSA Section 3150 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. Capital assets in excess of the capitalization threshold of \$2,000 are recorded as tangible capital assets while expenditures below the threshold amount are expensed in the year acquired. Amortization begins in the year of acquisition.

Amortization is provided on the straight-line basis over the estimated useful life of the asset as follows:

Recycling equipment	5-10 years	Straight line
Office equipment	5-20 years	Straight line

**(n) Asset classification**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not intended for sale in the ordinary course of operations. Non-financial assets typically include tangible capital assets, prepaid expenses and inventories of supplies.

**3. Accounts receivable**

	2018	2017
Trade receivables	\$ 115,173	\$ 46,281
HST receivable	30,518	21,586
	<u>\$ 145,691</u>	<u>\$ 67,867</u>

**4. Term deposits**

The investments consist of guaranteed investment certificates with maturity dates ranging from February 28, 2019 to June 19, 2019 and interest rates ranging from 1.05% to 2.33%.

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

**5. Accounts payable and accrued liabilities**

	<b>2018</b>	<b>2017</b>
Province of New Brunswick	\$ 24,505	\$ 21,980
Trade payables and accrued liabilities	73,494	50,746
Accrued interest payable	364	-
Recycling contract holdback payable	13,544	17,182
Receiver General - payroll liabilities	10,931	8,547
Miscellaneous short term liability	7,117	8,655
Accrued sick time liability	10,863	-
	<b>\$ 140,818</b>	<b>\$ 107,110</b>

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**6. Deferred revenue**

	December 31, 2017	Funding received, 2018	Revenue recognized, 2018	December 31, 2018
<b>Provincial government</b>				
Regional Recreation Development	\$ -	\$ 37,500	\$ (15,625)	\$ 21,875
Solid Waste Reduction & Public Education Campaign	-	70,000	(52,372)	17,628
	<b>\$ -</b>	<b>\$ 107,500</b>	<b>\$ (67,997)</b>	<b>\$ 39,503</b>

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Deferred revenue amounts from provincial governments represent the unspent portions of funding received during the fiscal year. These amounts will remain in deferred revenue until the revenue recognition criteria are met.

**7. Long-term debt**

	<b>2018</b>	<b>2017</b>
NB Municipal Finance Corporation Debenture #BU 45-2018 (Recycle carts) - interest at 2.55% to 2.85% per annum, calculated semi-annually, due December 2022.	<b>\$ 450,000</b>	<b>\$ -</b>

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**WESTERN VALLEY REGIONAL SERVICE COMMISSION**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**7. Long-term debt, continued**

Principal portion of long-term debt due within the next five years:

2019	\$	108,000	
2020		111,000	
2021		114,000	
2022		117,000	
		<hr/>	
		\$	450,000

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**8. Prepaid expenses**

	2018		2017
Rent	\$ -	\$	3,919
WCB	602		530
Other	-		120
		<hr/>	
		\$	602
		\$	4,569

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**9. Accrued sick time**

The Commission provides sick leave that accumulates at 1.25 days per calendar month for full-time, permanent employees. These employees can accumulate a maximum of 150 sick days.

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

The unfunded liability was approximately \$10,863 at year end.

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

**10. Commitments**

1. As a result of a Ministerial Order dated March 13, 2014, the Commission acquired a contract with J.S. Bellis Ltd., whereby J.S. Bellis Ltd. will provide solid waste management services, including the disposal of solid waste originating in the Commission, and to enter into written agreements related to solid waste. This contract came into effect on January 1, 2015 and will expire on December 31, 2021.

2. An agreement was made on July 1, 2013 for the collection and processing services of dry recyclable materials between the Commission and J.S.Bellis Ltd. This contract expired on June 30, 2018 and has yet to be renewed as at the audit report date. Collection and processing services have continued during the contract renewal process.

3. A solid waste disposal agreement between Southwest Regional Service Commission, Northwest Regional Service Commission and Western Valley Regional Service Commission expires December 31, 2027. This agreement includes a provision for the delivery of waste to be split on a 50/50 basis plus or minus 5% between the landfills operated by Southwest Regional Service Commission and Northwest Regional Service Commission.

4. The Commission has entered into agreements to provide local planning services to various communities with varying expiration dates.

5. The Commission rents office space under an operating lease agreement covering the period October 1, 2016 to September 30, 2026. The lease commitment in aggregate is \$470,330. The minimum annual lease payments are as follows:

2019	\$47,033
2020	\$47,033
2021	\$47,033
2022	\$47,033
2023	\$47,033

WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

**11. Schedule of Tangible Capital Assets**

<u>Cost</u>	Recycling equipment	Office equipment	Miscellaneous equipment	2018	2017
Balance, beginning of year	\$ 166,254	\$ 32,178	\$ 3,620	\$ 202,052	\$ 202,052
Additions and transfers during the year	811,542	3,200	3,705	818,447	-
Disposals and write-downs	-	-	-	-	-
<b>Balance, end of year</b>	<b>\$ 977,796</b>	<b>\$ 35,378</b>	<b>\$ 7,325</b>	<b>\$ 1,020,499</b>	<b>\$ 202,052</b>
<u>Accumulated amortization</u>					
Balance, beginning of year	\$ 101,930	\$ 9,986	\$ 1,086	\$ 113,002	\$ 88,879
Amortization	182,694	3,368	1,465	187,527	24,123
Disposals	-	-	-	-	-
<b>Balance, end of year</b>	<b>\$ 284,624</b>	<b>\$ 13,354</b>	<b>\$ 2,551</b>	<b>\$ 300,529</b>	<b>\$ 113,002</b>
<b>Net book value of tangible capital assets</b>	<b>\$ 693,172</b>	<b>\$ 22,024</b>	<b>\$ 4,774</b>	<b>\$ 719,970</b>	<b>\$ 89,050</b>



WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

**12. Schedule of Segmented Disclosure**

	Solid Waste	Local Planning	Cooperative and Regional Planning	Regional Recreation (Other Shared Services)	Corporate Services	2018	2017
<b>Revenue</b>							
Member charges	\$ 1,336,928	\$ 321,902	\$ 44,500	\$ 15,691	\$ -	\$ 1,719,021	\$ 1,542,279
Sale of services	1,217,713	143,095	-	-	-	1,360,808	1,218,578
Government grants	77,372	-	25,000	15,625	-	117,997	68,654
Interest	3,602	1,786	12	262	-	5,662	4,038
Other	-	-	-	-	-	-	-
	<b>2,635,615</b>	<b>466,783</b>	<b>69,512</b>	<b>31,578</b>	<b>-</b>	<b>3,203,488</b>	<b>2,833,549</b>
<b>Expenditures</b>							
Salaries and benefits	50,435	294,033	-	36,365	-	380,833	237,146
Operating expenses	2,248,049	266,799	63,869	6,966	-	2,585,683	2,448,446
Amortization	183,341	2,506	1,681	-	-	187,528	24,112
	<b>2,481,825</b>	<b>563,338</b>	<b>65,550</b>	<b>43,331</b>	<b>-</b>	<b>3,154,044</b>	<b>2,709,714</b>
<b>Surplus (deficit)</b>	<b>\$ 153,790</b>	<b>\$ (96,555)</b>	<b>\$ 3,962</b>	<b>\$ (11,753)</b>	<b>\$ -</b>	<b>\$ 49,444</b>	<b>\$ 123,835</b>

WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

13. Schedule of annual surplus reconciliation

	Solid Waste Operating Fund	Local Planning Operating Fund	Cooperative and Regional Planning Operating Fund	Regional Recreation (Other Shared Services)	Corporate Services	2018	2017
<b>2018 annual surplus (deficit) per PSAB</b>	\$ 153,790	\$ (96,555)	\$ 3,962	\$ (11,753)	\$ -	\$ 49,444	\$ 123,835
<b>Adjustments to annual surplus for funding requirements</b>							
Second previous year's surplus	(1,736)	100,596	9,193	24,615	-	132,668	19,313
As previously stated	(1,736)	100,596	9,193	24,615	-	132,668	19,313
As restated							
<b>Transfers between funds</b>							
Transfer from solid waste services to solid waste capital reserve fund	(100,000)	-	-	-	-	(100,000)	(54,000)
Transfer from solid waste services to solid waste operating reserve fund	(54,000)	-	-	-	-	(54,000)	-
Transfer from solid waste capital reserve fund to solid waste services	278,421	-	-	-	-	278,421	(30,000)
Transfer from solid waste operating reserve fund to solid waste services	108,389	-	-	-	-	108,389	16,581
Transfer of reserve interest	(1,646)	(1,009)	(12)	(262)	-	(2,929)	(2,632)
Amortization expense	183,341	2,506	1,680	-	-	187,527	24,122
Purchase of tangible capital assets	(813,462)	(640)	(4,345)	-	-	(818,447)	-
Proceeds of long-term debt	450,000	-	-	-	-	450,000	-
Provision for sick leave accrual	4,007	5,607	913	336	-	10,863	-
Total adjustments to annual surplus (deficit)	53,314	107,060	7,429	24,689	-	192,492	(26,616)
<b>2018 annual fund surplus (deficit)</b>	\$ 207,104	\$ 10,505	\$ 11,391	\$ 12,936	\$ -	\$ 241,936	\$ 97,219

WESTERN VALLEY REGIONAL SERVICE COMMISSION

SCHEDULE OF RESERVES  
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

14. Statement of reserves

	Solid Waste Operating Reserve Fund	Capital Reserve Fund	Planning Operating Reserve Fund	Planning Capital Reserve Fund	Co-Operative and Regional Planning Operating Reserve	Co-Operative and Regional Planning Capital Reserve	Regional Recreation Capital Reserve	2018	2017
<b>Assets</b>									
Term deposits	\$ 54,037	\$ 100,068	\$ 18,274	\$ 44,381	\$ -	\$ 1,133	\$ 30,271	\$ 248,163	\$ 478,045
Due from General Operating Fund	-	-	-	-	-	-	-	-	-
Accumulated reserve	\$ 54,037	\$ 100,068	\$ 18,274	\$ 44,381	\$ -	\$ 1,133	\$ 30,271	\$ 248,163	\$ 478,045
<b>Revenue</b>									
Interest earned in current year	\$ 505	\$ 1,140	\$ 223	\$ 786	\$ -	\$ 12	\$ 262	\$ 2,929	\$ 2,632
Transfers from Operating Funds	54,000	100,000	-	-	-	-	-	154,000	84,000
	54,505	101,140	223	786	-	12	262	156,929	86,632
<b>Expenditures</b>									
Transfers to Operating Funds	108,389	-	-	-	-	-	-	108,389	16,581
Transfers to Capital Funds	-	278,421	-	-	-	-	-	278,421	-
	108,389	278,421	-	-	-	-	-	386,810	16,581
Annual Reserve	\$ (53,884)	\$ (177,281)	\$ 223	\$ 786	\$ -	\$ 12	\$ 262	\$ (229,881)	\$ 70,051

Name of Investment	Principal Amount	Interest Rate	Date of Maturity	Name of Investment	Principal Amount	Interest Rate	Date of Maturity
BNS Short Term Non-Redeemable	\$ 54,000	2.26%	21/03/2019	BNS Cashable GIC	\$ 1,384	1.05%	28/02/2019
BNS Short Term Non-Redeemable	\$ 100,000	2.26%	21/03/2019	BNS Cashable GIC	\$ 1,123	1.05%	28/02/2019
BNS Short Term Non-Redeemable	\$ 30,246	2.33%	19/06/2019	BNS Cashable GIC	\$ 12,558	1.30%	19/04/2019
BNS Short Term Non-Redeemable	\$ 4,197	2.31%	03/06/2019	BNS Cashable GIC	\$ 44,181	2.24%	19/04/2019

WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

**15. Statement of reserve transfers**

A motion was made by Jim Kennedy and seconded by Alexis Fenner to:

Allocate all Solid Waste Capital Reserve Funds (\$278,421) to the Solid Waste Operating Fund.

A motion was made by Jim Kennedy and seconded by Joseph Weston to:

Allocate all Solid Waste Operating Reserve Funds (\$108,389) to the Solid Waste Operating Fund.

A motion was made by Troy Stone and seconded by Sheila Cummings to:

Allocate \$100,000 to Solid Waste Capital Reserve Fund.

A motion was made by Troy Stone and seconded by Tina Pelkey to:

Allocate \$54,000 to Solid Waste Operating Reserve Fund.

I hereby certify the above statements are true and exact copies of resolutions adopted at a Board of Directors meetings on April 19, 2018 and December 18, 2018.

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Katelyn McGrath  
Executive Director/Planning Director  
Western Valley Regional Service Commission

May 23, 2019

WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018  
(Unaudited)

16. Schedule of operating budget to PSA budget

	Solid Waste Operating Budget	Local Planning Operating Budget	Cooperative and Regional Planning Budget	Corporate Operating Budget	Regional Recreation (Other Shared Services)	TCA Amortization	Transfers	2018	2017
<b>Revenue</b>									
Member charges	1,337,960	322,435	44,500	-	15,690	-	-	\$ 1,720,585	\$ 1,553,138
Transfers from own and other funds	-	-	-	211,713	-	-	(211,713)	-	-
Sale of services	1,056,091	-	-	-	-	-	-	1,056,091	1,011,586
Government transfers	-	-	-	-	30,000	-	-	30,000	40,300
Surplus of second previous year	-	100,596	9,193	-	24,615	-	(134,404)	-	-
Other revenue	-	-	-	-	-	-	-	-	-
	2,394,051	423,031	53,693	211,713	70,305	-	(346,117)	2,806,676	2,605,024
<b>Expenditures</b>									
Governance	-	-	-	21,750	-	-	(21,750)	-	-
Administration	219,303	128,413	42,343	188,763	70,305	-	(188,763)	460,364	380,780
Fiscal services	180,533	-	-	1,200	-	-	(142,232)	39,501	-
Operations - Solid Waste Service	1,992,479	-	-	-	-	183,341	-	2,175,820	2,020,683
Planning and building inspection services	-	294,618	-	-	-	2,506	-	297,124	237,549
Regional planning	-	-	5,000	-	-	1,680	-	6,680	5,000
Regional policing collaboration	-	-	6,350	-	-	-	-	6,350	3,725
Regional emergency measures planning	-	-	-	-	-	-	-	-	-
Regional emergency recreation & culture	-	-	-	-	-	-	-	-	-
infrastructure planning & cost sharing	-	-	-	-	-	-	-	-	-
Allocation to other programs	-	-	-	-	-	-	-	-	-
Second previous year deficit	1,736	-	-	-	-	-	(1,736)	-	-
	2,394,051	423,031	53,693	211,713	70,305	187,527	(354,481)	2,985,839	2,647,737
<b>Surplus (deficit)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (187,527)	\$ 8,364	\$ (179,163)	\$ (42,713)

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**WESTERN VALLEY REGIONAL SERVICE COMMISSION**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**17. Revenue and expense support - Solid Waste Services**

	<b>2018</b>	<b>2018</b>	<b>2017</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenue</b>			
Landfill fees (member tipping fees)	\$ 1,337,960	\$ 1,336,928	\$ 1,133,549
Landfill fees (tipping fees from other sources) and recycling fees	1,056,091	1,217,713	1,083,243
Government grants	-	77,372	31,154
Interest	-	3,602	1,863
	<b>2,394,051</b>	<b>2,635,615</b>	<b>2,249,809</b>
<b>Expenditures</b>			
Landfill costs	1,687,397	1,709,382	1,779,260
Recycling - collection and processing	230,062	224,338	156,798
Amortization	183,341	183,341	20,819
Share of corporate service expenses	127,028	110,217	117,675
Recycle cart storage and distribution	-	74,746	-
Household hazardous waste program	50,000	52,384	50,177
Wages and benefits	58,900	50,435	43,036
Advertising and marketing	23,300	40,058	16,582
Interest on long-term debt	39,501	11,388	-
Rent	9,675	9,219	9,120
Insurance	3,200	4,103	2,923
Solid waste advisory committee	-	2,595	4,417
Repairs and maintenance	3,020	2,330	3,460
Professional fees	5,000	2,302	3,605
Travel, training and development	11,500	2,204	2,321
Office and miscellaneous	1,700	1,562	1,060
Telephone	1,000	1,221	551
	<b>2,434,624</b>	<b>2,481,825</b>	<b>2,211,804</b>
<b>Surplus (Deficit)</b>	<b>\$ (40,573)</b>	<b>\$ 153,790</b>	<b>\$ 38,005</b>

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**WESTERN VALLEY REGIONAL SERVICE COMMISSION**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**18. Revenue and expense support - Local Planning Services**

	2018 Budget	2018 Actual	2017 Actual
<b>Revenue</b>			
Local planning and inspection fees	\$ 322,435	\$ 321,902	\$ 338,227
Building permit fees	-	143,095	135,335
Interest	-	1,786	2,120
	<u>322,435</u>	<u>466,783</u>	<u>475,682</u>
<b>Expenditures</b>			
Wages and benefits	285,158	294,033	158,374
Building permit fees	-	143,095	135,335
Share of corporate services	42,343	36,739	39,225
Rent and building expenses	29,000	26,968	26,887
Office expenses	10,500	16,796	10,118
Training	11,330	11,335	2,659
Travel and meetings	13,200	8,217	7,811
Professional fees	4,000	7,614	5,595
Planning Review and Advisory Committee	8,700	5,010	5,088
Telephone	4,200	3,133	2,244
Insurance	3,200	3,103	2,923
Amortization	2,506	2,506	2,435
Advertising	4,400	1,930	2,615
GIS and SNB services	2,000	1,639	1,723
Memberships	5,000	1,221	2,082
	<u>425,537</u>	<u>563,339</u>	<u>405,114</u>
<b>Surplus (Deficit)</b>	<u>\$ (103,102)</u>	<u>\$ (96,555)</u>	<u>\$ 70,568</u>

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

**19. Revenue and expense support - Cooperative and Regional Planning Services**

	<b>2018 Budget</b>		<b>2018 Actual</b>		<b>2017 Actual</b>
<b>Revenue</b>					
Cooperative and regional planning fees	\$ 44,500	\$	44,500	\$	48,153
Government grants	-		25,000		-
Interest income	-		12		46
	<b>44,500</b>		<b>69,512</b>		<b>48,199</b>
<b>Expenditures</b>					
Share of corporate services	42,343		36,739		39,225
Regional planning	5,000		25,000		4,120
Regional police committee	6,350		2,130		2,529
Amortization	1,680		1,681		868
	<b>55,373</b>		<b>65,550</b>		<b>46,742</b>
<b>Surplus</b>	<b>\$ (10,873)</b>	<b>\$</b>	<b>3,962</b>	<b>\$</b>	<b>1,457</b>

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

**20. Revenue and expense support - Regional Recreation (Other Shared Services)**

	<b>2018 Budget</b>		<b>2018 Actual</b>		<b>2017 Actual</b>
<b>Revenue</b>					
Member charges	\$ 15,690	\$	15,691	\$	22,350
Grant revenue	30,000		15,625		37,500
Interest income	-		262		9
	<b>45,690</b>		<b>31,578</b>		<b>59,859</b>
<b>Expenditures</b>					
Wages and benefits	56,300		36,365		35,736
Travel and meetings	6,000		3,214		3,237
Advertising	3,475		1,292		2,283
Materials and supplies	1,530		1,114		1,565
Training	650		875		240
Telephone	600		470		560
Mapping	-		-		2,347
Office expenses	1,750		-		86
	<b>70,305</b>		<b>43,330</b>		<b>46,054</b>
<b>Surplus (deficit)</b>	<b>\$ (24,615)</b>	<b>\$</b>	<b>(11,752)</b>	<b>\$</b>	<b>13,805</b>

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**WESTERN VALLEY REGIONAL SERVICE COMMISSION**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**21. Revenue and expense support - Corporate Services**

	<b>2018 Budget</b>	<b>2018 Actual</b>	<b>2017 Actual</b>
<b>Revenue</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Wages and benefits	147,563	130,463	138,430
Governance expenses	21,750	16,718	18,334
Office expenses	10,500	10,539	11,444
Rent	9,675	9,907	9,826
Professional fees	10,825	9,282	7,923
Insurance	3,200	3,103	2,923
Telephone	2,300	1,974	2,160
Interest and bank charges	1,200	1,075	794
Travel and meetings	2,500	390	1,026
Memberships	-	244	352
Advertising	1,700	-	2,913
Miscellaneous	500	-	-
Transfer to Cooperative & Regional Planning Services	(42,342)	(36,739)	(39,225)
Transfer to Local Planning Services	(42,342)	(36,739)	(39,225)
Transfer to Solid Waste Services	(127,029)	(110,217)	(117,675)
	-	-	-
<b>Surplus</b>	\$ -	\$ -	\$ -

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