

# **WESTERN VALLEY REGIONAL SERVICE COMMISSION**

## **FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

FINANCIAL STATEMENTS

DECEMBER 31, 2019

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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, 2019, 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, 2019, 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.

*Renéhan McCain + Associates*

**Chartered Professional Accountants**

**Woodstock, New Brunswick  
May 28, 2020**

WESTERN VALLEY REGIONAL SERVICE COMMISSION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
<b>Financial Assets</b>		
Cash	\$ 512,585	\$ 362,323
Funds held in trust, Wolastog Valley Trail	840,390	97,253
Accounts receivable (Note 5)	267,379	145,691
Term deposits (Note 6)	244,769	248,163
	<u>1,865,123</u>	<u>853,430</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	280,956	140,819
Funds held in trust, Wolastog Valley Trail	840,390	97,253
Deferred revenue (Note 8)	18,743	39,503
Long-term debt (Note 9)	342,000	450,000
	<u>1,482,089</u>	<u>727,575</u>
<b>Net financial assets</b>	<u>383,034</u>	<u>125,855</u>
<b>Non-financial Assets</b>		
Tangible capital assets (Note 13)	467,177	719,970
Prepaid expenses (Note 8)	5,747	602
Inventory (Note 4)	4,401	-
	<u>477,325</u>	<u>720,572</u>
<b>Accumulated Surplus</b>	<u>\$ 860,359</u>	<u>\$ 846,427</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, 2019

	2019	2018
<b>Surplus (Deficit)</b>	<b>\$ 13,932</b>	<b>\$ 49,444</b>
Acquisition of tangible capital assets	-	(818,446)
Amortization of tangible capital assets	159,410	187,527
Disposal of tangible capital assets	93,383	-
	<b>252,793</b>	<b>(630,920)</b>
Acquisition of prepaid asset	<b>(5,145)</b>	3,967
Acquisition of inventory	<b>(4,401)</b>	-
Increase (decrease) in net financial assets	<b>257,179</b>	<b>(577,509)</b>
Net financial assets at beginning of year	<b>125,855</b>	<b>703,364</b>
<b>Net financial assets at end of year</b>	<b>\$ 383,034</b>	<b>\$ 125,855</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, 2019

	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>Revenue</b>			
Member charges	\$ 1,791,892	\$ 1,674,611	\$ 1,719,021
Sale of services	1,242,949	1,358,700	1,360,808
Government grants	21,875	95,501	117,997
Interest	-	13,237	5,662
	<b>3,056,716</b>	<b>3,142,049</b>	<b>3,203,488</b>
<b>Expenditures</b>			
Solid Waste Services	2,612,374	2,515,787	2,481,825
Local Planning Services	481,013	473,895	563,339
Cooperative and Regional Planning Services	18,530	29,742	65,550
Regional Recreation	97,120	108,693	43,330
Corporate Services	241,210	-	-
	<b>3,450,247</b>	<b>3,128,117</b>	<b>3,154,044</b>
<b>Surplus (Deficit)</b>	<b>(393,531)</b>	<b>13,932</b>	<b>49,444</b>
<b>Accumulated surplus at beginning of year</b>	<b>-</b>	<b>846,427</b>	<b>796,983</b>
<b>Accumulated surplus at end of year</b>	<b>\$ (393,531)</b>	<b>\$ 860,359</b>	<b>\$ 846,427</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, 2019

	2019	2018
<b>Cash flows from</b>		
<b>Operating activities</b>		
Surplus	\$ 13,932	\$ 49,444
Items not affecting cash		
Amortization	159,411	187,527
Loss on disposal of tangible capital assets	44,766	-
	<u>218,109</u>	<u>236,971</u>
Change in non-cash operating working capital		
Accounts receivable	(121,688)	(77,824)
Inventory	(4,401)	-
Prepaid expenses	(5,145)	3,967
Term deposits	3,394	229,882
Accounts payable	140,136	33,709
Deferred revenue	(20,760)	39,503
Funds held in trust	743,137	97,253
	<u>952,782</u>	<u>563,461</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	-	(818,447)
Proceeds on disposal of tangible capital assets	48,617	-
	<u>48,617</u>	<u>(818,447)</u>
<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
Repayment of long-term debt	(108,000)	-
	<u>(108,000)</u>	<u>450,000</u>
<b>Increase in cash and cash equivalents</b>	<u>893,399</u>	<u>195,014</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>459,576</u>	<u>264,562</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,352,975</u>	<u>\$ 459,576</u>
<b>Represented by</b>		
Cash	\$ 512,585	\$ 362,323
Funds held in trust	840,390	97,253
	<u>\$ 1,352,975</u>	<u>\$ 459,576</u>

The accompanying notes are an integral part of the financial statements



WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

**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, 2019

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

**(b) Inventory**

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the normal course of business.

**(c) 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.

**(d) 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.

**(e) 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.

**(f) Budget**

The budget figures contained in these financial statements were approved by the Board of Directors on November 15, 2018.

**(g) 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.

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

**(h) 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.

**(i) 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.

**(j) 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.

**(k) 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.

**(l) Cash**

Cash and cash equivalents include petty cash.

**(m) 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, 2019

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

**(n) 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

**(o) 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. Subsequent Event**

Since December 31, 2019, the outbreak of the COVID-19 virus, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the travel bans, self-imposed quarantine periods, social and physical distancing, have caused disruptions to businesses locally, nationally and globally. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of this world economic event is unknown and therefore, the impact on this Commission, if any, is not determinable.

**4. Inventory**

	2019	2018
Green cone systems	\$ 4,401	\$ -

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

**5. Accounts receivable**

	<b>2019</b>	<b>2018</b>
Trade receivables	\$ 219,988	\$ 115,173
HST receivable	47,391	30,518
	<b>\$ 267,379</b>	<b>\$ 145,691</b>

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**6. Term deposits**

The investments consist of guaranteed investment certificates with maturity dates ranging from January 22, 2020 to June 19, 2020 and interest rates ranging from 1.88% to 1.97%.

**7. Accounts payable and accrued liabilities**

	<b>2019</b>	<b>2018</b>
Trade payables and accrued liabilities	\$ 252,850	\$ 97,999
Accrued interest payable	282	364
Recycling contract holdback payable	-	13,544
Receiver General - payroll liabilities	9,466	10,931
Miscellaneous short term liability	7,117	7,117
Accrued sick time liability	11,244	10,863
	<b>\$ 280,959</b>	<b>\$ 140,818</b>

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**WESTERN VALLEY REGIONAL SERVICE COMMISSION**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**8. Deferred revenue**

	December 31, 2018	Funding received, 2019	Revenue recognized, 2019	December 31, 2019
<b>Provincial government</b>				
Regional Recreation Development	\$ 21,875	\$ -	\$ (21,875)	\$ -
Solid Waste Reduction & Public Education Campaign	17,628	-	(17,628)	-
Climate Change Adaptation	-	35,000	(16,257)	<b>18,743</b>
	<b>\$ 39,503</b>	<b>\$ 35,000</b>	<b>\$ (55,760)</b>	<b>\$ 18,743</b>

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.

**9. Long-term debt**

	2019	2018
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>\$ 342,000</b>	<b>\$ 450,000</b>

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

2020	<b>\$ 111,000</b>
2021	<b>114,000</b>
2022	<b>117,000</b>
	<b>\$ 342,000</b>

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

**10. Prepaid expenses**

	2019		2018
Rent	\$ 3,554	\$	-
WCB	2,193		602
	\$ 5,747	\$	602

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**11. 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 \$11,244 at year end.

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

**12. 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 entered into an agreement on August 14, 2019 with the Province of New Brunswick to support the ongoing development of the Wolastoq Valley Trail/Saint John River Valley Trail in the amount of \$900,000. The agreement expires on March 31, 2021.

6. 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:

2020	\$47,033
2021	\$47,033
2022	\$47,033
2023	\$47,033
2024	\$47,033



WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

**13. Schedule of Tangible Capital Assets**

	<b>Recycling equipment</b>	<b>Office equipment</b>	<b>Miscellaneous equipment</b>	<b>2019</b>	<b>2018</b>
<b><u>Cost</u></b>					
Balance, beginning of year	\$ 977,796	\$ 35,378	\$ 7,325	\$ 1,020,499	\$ 202,052
Additions and transfers during the year	-	-	-	-	818,447
Disposals and write-downs	(135,930)	-	-	(135,930)	-
<b>Balance, end of year</b>	<b>\$ 841,866</b>	<b>\$ 35,378</b>	<b>\$ 7,325</b>	<b>\$ 884,569</b>	<b>\$ 1,020,499</b>
<b><u>Accumulated amortization</u></b>					
Balance, beginning of year	\$ 284,624	\$ 13,354	\$ 2,551	\$ 300,529	\$ 113,002
Amortization	154,578	3,368	1,465	159,411	187,527
Disposals	(42,548)	-	-	(42,548)	-
<b>Balance, end of year</b>	<b>\$ 396,654</b>	<b>\$ 16,722</b>	<b>\$ 4,016</b>	<b>\$ 417,392</b>	<b>\$ 300,529</b>
<b>Net book value of tangible capital assets</b>	<b>\$ 445,212</b>	<b>\$ 18,656</b>	<b>\$ 3,309</b>	<b>\$ 467,177</b>	<b>\$ 719,970</b>

WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

**14. Schedule of Segmented Disclosure**

	Solid Waste	Local Planning	Cooperative and Regional Planning	Regional Recreation (Other Shared Services)	Corporate Services	2019	2018
<b>Revenue</b>							
Member charges	\$ 1,222,289	\$ 383,768	\$ 12,443	\$ 56,111	\$ -	\$ 1,674,611	\$ 1,719,021
Sale of services	1,216,720	141,980	-	-	-	1,358,700	1,360,808
Government grants	57,368	-	16,257	21,875	-	95,500	117,997
Interest	11,661	1,229	22	326	-	13,238	5,662
Other	-	-	-	-	-	-	-
	<hr/> 2,508,038	<hr/> 526,977	<hr/> 28,722	<hr/> 78,312	<hr/> -	<hr/> 3,142,049	<hr/> 3,203,488
<b>Expenditures</b>							
Salaries and benefits	44,066	208,485	-	18,526	-	271,077	380,833
Operating expenses	2,316,443	262,850	28,223	90,113	-	2,697,629	2,585,683
Amortization	155,278	2,560	1,519	54	-	159,411	187,528
	<hr/> 2,515,787	<hr/> 473,895	<hr/> 29,742	<hr/> 108,693	<hr/> -	<hr/> 3,128,117	<hr/> 3,154,044
<b>Surplus (deficit)</b>	<hr/> <b>\$ (7,749)</b>	<hr/> <b>\$ 53,082</b>	<hr/> <b>\$ (1,020)</b>	<hr/> <b>\$ (30,381)</b>	<hr/> <b>\$ -</b>	<hr/> <b>\$ 13,932</b>	<hr/> <b>\$ 49,444</b>

WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

**15. 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	2019	2018
<b>2019 annual surplus (deficit) per PSAB</b>	\$ (7,749)	\$ 53,082	\$ (1,020)	\$ (30,381)	\$ -	\$ 13,932	\$ 49,444
<b>Adjustments to annual surplus for funding requirements</b>							
Second previous year's surplus							
As previously stated	(1,878)	94,151	4,569	377	-	97,219	132,668
As restated	(1,878)	94,151	4,569	377	-	97,219	132,668
Transfers between funds							
Transfer from regional recreation reserve fund to regional recreation services	-	-	-	30,597	-	30,597	-
Transfer from solid waste services to solid waste capital reserve fund	-	-	-	-	-	-	(100,000)
Transfer from solid waste services to solid waste operating reserve fund	(22,500)	-	-	-	-	(22,500)	(54,000)
Transfer from solid waste capital reserve fund to solid waste services	-	-	-	-	-	-	278,421
Transfer from solid waste operating reserve fund to solid waste services	-	-	-	-	-	-	108,389
Transfer of reserve interest	(3,126)	(1,229)	(22)	(326)	-	(4,703)	(2,929)
Amortization expense	155,278	2,560	1,519	53	-	159,410	187,527
Disposal of tangible capital assets	93,383	-	-	-	-	93,383	-
Purchase of tangible capital assets	-	-	-	-	-	-	(818,447)
Long-term debt principal repayment	(108,000)	-	-	-	-	(108,000)	-
Proceeds of long-term debt	-	-	-	-	-	-	450,000
Provision for sick leave accrual	(280)	965	16	(320)	-	381	10,863
<b>Total adjustments to annual surplus (deficit)</b>	<b>112,877</b>	<b>96,447</b>	<b>6,082</b>	<b>30,381</b>	<b>-</b>	<b>245,787</b>	<b>192,492</b>
<b>2019 annual fund surplus (deficit)</b>	<b>\$ 105,128</b>	<b>\$ 149,529</b>	<b>\$ 5,062</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 259,719</b>	<b>\$ 241,936</b>

WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

**16. Statement of reserves**

<u>Assets</u>	<b>Solid Waste Operating Reserve Fund</b>	<b>Solid Waste Capital Reserve Fund</b>	<b>Planning Operating Reserve Fund</b>	<b>Planning Capital Reserve Fund</b>	<b>Co-Operative and Regional Planning Operating Reserve</b>	<b>Co-Operative and Regional Planning Capital Reserve</b>	<b>Regional Recreation Capital Reserve</b>	<b>2019</b>	<b>2018</b>
Term deposits	\$ 77,642	\$ 102,089	\$ 18,608	\$ 45,276	\$ -	\$ 1,154	\$ -	\$ 244,769	\$ 248,163
Due from General Operating Fund	-	-	-	-	-	-	-	-	-
Accumulated reserve	\$ 77,642	\$ 102,089	\$ 18,608	\$ 45,276	\$ -	\$ 1,154	\$ -	\$ 244,769	\$ 248,163
<b>Revenue</b>									
Interest earned in current year	\$ 1,106	\$ 2,020	\$ 334	\$ 895	\$ -	\$ 21	\$ 327	\$ 4,703	\$ 2,929
Transfers from Operating Funds	22,500	-	-	-	-	-	-	22,500	154,000
	23,606	2,020	334	895	-	21	327	27,203	156,929
<b>Expenditures</b>									
Transfers to Operating Funds	-	-	-	-	-	-	30,597	30,597	108,389
Transfers to Capital Funds	-	-	-	-	-	-	-	-	278,421
	-	-	-	-	-	-	30,597	30,597	386,810
Annual Reserve	\$ 23,606	\$ 2,020	\$ 334	\$ 895	\$ -	\$ 21	\$ (30,270)	\$ (3,394)	\$ (229,881)

<b>Name of Investment</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Date of Maturity</b>	<b>Name of Investment</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Date of Maturity</b>
BNS Short Term Non-Redeemable	\$ 55,131	1.95%	17/06/2020	BNS Cashable GIC	\$ 1,422	1.88%	02/03/2020
BNS Short Term Non-Redeemable	\$ 102,094	1.95%	17/06/2020	BNS Cashable GIC	\$ 1,154	1.88%	02/03/2020
BNS Short Term Non-Redeemable	\$ 22,516	1.97%	19/06/2020	BNS Cashable GIC	\$ 12,894	1.93%	22/01/2020
BNS Short Term Non-Redeemable	\$ 4,292	1.90%	04/03/2020	BNS Cashable GIC	\$ 45,279	1.93%	22/01/2020

WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

**17. Statement of reserve transfers**

A motion was made by Arthur Slipp and seconded by Sheila Cummings to:

Allocate \$22,500 to the Solid Waste Operating Fund.

A motion was made by Brian Hayden and seconded by Alexis Fenner to:

Allocate all Regional Recreation Capital Reserve Funds (\$30,597) to the Regional Recreation Operating Fund.

I hereby certify the above statements are true and exact copies of resolutions adopted at a Board of Directors meetings on March 7, 2019 and December 17, 2019.

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

May 28, 2020

WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

(Unaudited)

**18. Schedule of operating budget to PSA budget**

	<b>Solid Waste Operating Budget</b>	<b>Local Planning Operating Budget</b>	<b>Cooperative and Regional Planning Operating Budget</b>	<b>Corporate Services Operating Budget</b>	<b>Regional Recreation (Other Shared Services)</b>	<b>Amortization TCA</b>	<b>Transfers</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>									
Member charges	1,320,334	384,301	12,443	-	74,814	-	-	\$ 1,791,892	\$ 1,720,585
Transfers from own and other funds	-	-	-	241,210	-	-	(241,210)	-	-
Sale of services	1,242,949	-	-	-	-	-	-	1,242,949	1,056,091
Government transfers	-	-	-	-	21,875	-	-	21,875	30,000
Surplus of second previous year	-	94,152	4,568	-	377	-	(99,097)	-	-
Other revenue	-	-	-	-	-	-	-	-	-
	<b>2,563,283</b>	<b>478,453</b>	<b>17,011</b>	<b>241,210</b>	<b>97,066</b>	<b>-</b>	<b>(340,307)</b>	<b>3,056,716</b>	<b>2,806,676</b>
<b>Expenditures</b>									
Governance	-	-	-	18,800	-	-	-	18,800	-
Administration	247,087	127,803	12,061	220,910	97,066	-	-	704,927	460,364
Fiscal services	127,090	-	-	1,500	-	-	(104,309)	24,281	39,501
Operations - Solid Waste Service	2,187,228	-	-	-	-	155,278	-	2,342,506	2,175,820
Planning and building inspection services	-	350,650	-	-	-	2,560	-	353,210	297,124
Regional planning	-	-	1,000	-	-	1,519	-	2,519	6,680
Regional policing collaboration	-	-	3,950	-	-	-	-	3,950	6,350
Regional emergency measures planning	-	-	-	-	-	-	-	-	-
Regional sport, recreation & culture infrastructure planning & cost sharing	-	-	-	-	-	54	-	54	-
Allocation to other programs	-	-	-	-	-	-	-	-	-
Second previous year deficit	1,878	-	-	-	-	-	(1,878)	-	-
	<b>2,563,283</b>	<b>478,453</b>	<b>17,011</b>	<b>241,210</b>	<b>97,066</b>	<b>159,411</b>	<b>(106,187)</b>	<b>3,450,247</b>	<b>2,985,839</b>
<b>Surplus (deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (159,411)</b>	<b>\$ (234,120)</b>	<b>\$ (393,531)</b>	<b>\$ (179,163)</b>

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenue</b>			
Landfill fees (member tipping fees)	\$ 1,320,334	\$ 1,222,289	\$ 1,336,928
Landfill fees (tipping fees from other sources) and recycling fees	1,242,949	1,216,720	1,217,713
Government grants	-	57,368	77,372
Interest	-	11,661	3,602
	<b>2,563,283</b>	<b>2,508,038</b>	<b>2,635,615</b>
<b>Expenditures</b>			
Landfill costs	1,916,736	1,822,217	1,709,382
Recycling - collection and processing	198,542	157,876	224,338
Amortization	155,278	155,278	183,341
Share of corporate service expenses	156,787	127,063	110,217
Household hazardous waste program	55,300	84,800	52,384
Loss on disposal of tangible capital assets	-	44,766	-
Wages and benefits	51,500	44,066	50,435
Advertising and marketing	27,000	37,887	40,058
Interest on long-term debt	22,781	12,028	11,388
Recycle cart storage and distribution	-	8,846	74,746
Rent	6,700	6,618	9,219
Office and miscellaneous	1,700	3,896	1,562
Insurance	3,200	3,157	4,103
Repairs and maintenance	1,650	2,798	2,330
Travel, training and development	4,500	2,632	2,204
Solid waste advisory committee	7,500	1,176	2,595
Telephone	700	683	1,221
Professional fees	2,500	-	2,302
	<b>2,612,374</b>	<b>2,515,787</b>	<b>2,481,825</b>
<b>Surplus (Deficit)</b>	<b>\$ (49,091)</b>	<b>\$ (7,749)</b>	<b>\$ 153,790</b>

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

	<b>2019</b>		<b>2019</b>		<b>2018</b>
	<b>Budget</b>		<b>Actual</b>		<b>Actual</b>
<b>Revenue</b>					
Local planning and inspection fees	\$ 384,301	\$	383,768	\$	321,902
Building permit fees	-		141,980		143,095
Interest	-		1,229		1,786
	<b>384,301</b>		<b>526,977</b>		<b>466,783</b>
<b>Expenditures</b>					
Wages and benefits	290,550		208,485		294,032
Building permit fees	-		141,980		143,095
Share of corporate services	60,303		48,870		36,739
Rent and building expenses	29,000		26,241		26,968
Office expenses	30,700		11,336		16,796
Training	16,600		9,945		11,335
Travel and meetings	16,600		8,689		8,152
Planning Review and Advisory Committee	8,700		4,067		5,076
Telephone	3,000		3,482		3,133
Insurance	3,200		3,157		3,103
Amortization	2,560		2,560		2,506
GIS and SNB services	6,500		1,903		1,639
Memberships	3,800		1,638		1,221
Professional fees	7,000		782		7,614
Advertising	2,500		760		1,930
	<b>481,013</b>		<b>473,895</b>		<b>563,339</b>
<b>Surplus (Deficit)</b>	<b>\$ (96,712)</b>	<b>\$</b>	<b>53,082</b>	<b>\$</b>	<b>(96,556)</b>

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

	<b>2019 Budget</b>		<b>2019 Actual</b>		<b>2018 Actual</b>
<b>Revenue</b>					
Cooperative and regional planning fees	\$ 12,443	\$	12,443	\$	44,500
Government grants	-		16,257		25,000
Interest income	-		22		12
	<b>12,443</b>		<b>28,722</b>		<b>69,512</b>
<b>Expenditures</b>					
Regional planning	1,000		16,257		25,000
Share of corporate services	12,061		9,774		36,739
Amortization	1,519		1,519		1,681
Regional police committee	3,950		2,192		2,130
	<b>18,530</b>		<b>29,742</b>		<b>65,550</b>
<b>Surplus (deficit)</b>	<b>\$ (6,087)</b>	<b>\$</b>	<b>(1,020)</b>	<b>\$</b>	<b>3,962</b>

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>Revenue</b>			
Member charges	\$ 74,814	\$ 56,111	\$ 15,691
Grant revenue	21,875	21,875	15,625
Interest income	-	326	262
	<b>96,689</b>	<b>78,312</b>	<b>31,578</b>
<b>Expenditures</b>			
Surplus refunded to members	-	43,751	-
Community projects	-	30,000	-
Wages and benefits	56,500	18,526	36,365
Share of corporate services	12,061	9,774	-
Grants	-	4,000	-
Travel and meetings	12,000	1,444	3,214
Telephone	600	576	470
Materials and supplies	3,780	568	1,114
Amortization	54	54	-
Advertising	4,475	-	1,292
Training	650	-	875
Work plan costs	7,000	-	-
	<b>97,120</b>	<b>108,693</b>	<b>43,330</b>
<b>Deficit</b>	<b>\$ (431)</b>	<b>\$ (30,381)</b>	<b>\$ (11,752)</b>

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WESTERN VALLEY REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>Revenue</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Wages and benefits	172,710	142,597	130,463
Rent	14,000	13,235	9,907
Office expenses	10,800	12,115	10,540
Governance expenses	18,800	10,492	16,718
Professional fees	13,500	9,524	9,282
Insurance	3,200	3,157	3,103
Telephone	2,200	2,436	1,974
Interest and bank charges	1,500	1,040	1,074
Travel and meetings	4,000	737	390
Memberships	500	148	244
Transfer to Regional Recreation	-	(9,774)	-
Transfer to Cooperative & Regional Planning Services	-	(9,774)	(36,739)
Transfer to Local Planning Services	-	(48,870)	(36,739)
Transfer to Solid Waste Services	-	(127,063)	(110,217)
	<b>241,210</b>	<b>-</b>	<b>-</b>
<b>Surplus</b>	<b>\$ (241,210)</b>	<b>\$ -</b>	<b>\$ -</b>

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