

**CHALEUR REGIONAL SERVICES COMMISSION**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2013**

**CHALEUR REGIONAL SERVICES COMMISSION  
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

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## INDEPENDANT AUDITOR'S REPORT

To the members of the Chaleur Regional Services Commission,

We have audited the accompanying consolidated financial statements of the Chaleur Regional Services Commission, which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, 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 consolidated financial statements in accordance with Public Sector accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Public Sector accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Chaleur Regional Services Commission as at December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Public Sector accounting principles.

*EPR - Bathurst / Péninsule*

**EPR - BATHURST / PÉNINSULE  
CERTIFIED GENERAL ACCOUNTANTS**

Bathurst, New Brunswick  
May 9, 2014

**CHALEUR REGIONAL SERVICES COMMISSION  
CONSOLIDATED STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2013**

	Unaudited Budget (Note 21)	2013 Actual
<b>REVENUES</b>		
Sale of services	\$ 3,392,409	\$ 3,525,092
Member charges	1,541,275	1,499,005
Other	20,000	49,816
Intérêts	2,500	10,225
	<b>4,956,184</b>	<b>5,084,138</b>
<b>EXPENDITURES</b>		
Administration	712,463	668,997
Fiscal services	98,297	86,203
Governance	28,500	42,583
Planning and building inspection services	400,318	359,882
Post-closing costs	220,227	277,329
Solid waste services	3,294,655	3,214,902
	<b>4,754,460</b>	<b>4,649,896</b>
ANNUAL SURPLUS (Note 18)	201,724	434,242
ACCUMULATED SURPLUS, AT BEGINNING OF YEAR		8,517,656
ACCUMULATED SURPLUS, END OF YEAR		<b>\$ 8,951,898</b>

The accompanying notes are an integral part of these financial statements

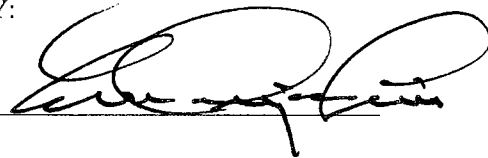


**CHALEUR REGIONAL SERVICES COMMISSION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2013**

	2013
<b>FINANCIAL ASSETS</b>	
Cash (Note 3)	\$ 945,193
Accounts Receivable	639,128
Receivable from Government Agencies (Note 4)	272,431
Investments (Note 5)	539,091
Assets for Education and Communication Plan (Note 6)	181,999
Funds held in trust (Note 7)	65,419
Assets for site closure and post-closure care (Note 8)	3,689,311
	<u>6,332,572</u>
<b>LIABILITIES</b>	
Bank loan (Note 9)	443,474
Accounts payable and accrued liabilities	620,254
Long term debt (Note 10)	2,508,000
Accrued sick leave (Note 11)	123,564
Post employment benefits payable (Note 12)	77,000
Deferred revenues (Note 13)	199,993
Funds held in trust (Note 7)	65,419
Site closure and post-closure liability (Note 14)	3,434,464
	<u>7,472,168</u>
<b>NET DEBT</b>	(1,139,596)
<b>NON-FINANCIAL ASSETS</b>	
Tangible capital assets (Note 17)	26,234,099
Accumulated amortization	(16,207,274)
	<u>10,026,825</u>
Prepaid expenses	64,669
	<u>10,091,494</u>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 8,951,898</b>

APPROVED BY:

Administrator:



Administrator:



The accompanying notes are an integral part of these financial statements



**CHALEUR REGIONAL SERVICES COMMISSION  
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT  
YEAR ENDED DECEMBER 31, 2013**

	<b>2013</b>
Annual surplus	\$ 434,242
Acquisition of tangible capital assets	(2,370,490)
Amortization of tangible capital assets	932,070
	(1,004,178)
Acquisition of prepaid expenses	(117,141)
	(117,141)
Increase in Net Debt	(1,121,319)
Net Debt, beginning of the year	(18,277)
<b>NET DEBT, END OF THE YEAR</b>	<b>\$ (1,139,596)</b>

The accompanying notes are an integral part of these financial statements



**CHALEUR REGIONAL SERVICES COMMISSION  
CONSOLIDATED STATEMENT OF CASH FLOW  
YEAR ENDED DECEMBER 31, 2013**

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	<b>2013</b>
<b>OPERATING TRANSACTIONS</b>	
Annual surplus	\$ 434,242
Amortization of tangible capital assets	932,070
Receivable - General	(161,819)
Receivable - Federal Gouvernement and its agencies	(116,432)
Change in inventory / prepaid expenses	(39,338)
Accounts payable and accrued liabilities	28,735
Change in deferred revenue	(4,466)
Assets for Education and Communication Plan	4,466
Assets for site closure and post-closure care	(375,894)
Site closure and post-closure liability	339,651
Accrued sick leave	54,664
Post employment benefits payable	(9,700)
	<b>1,086,179</b>
<b>CAPITAL TRANSACTIONS</b>	
Acquisition of tangible capital assets	\$ (2,370,490)
	<b>(2,370,490)</b>
<b>FINANCING TRANSACTIONS</b>	
Bank loan	443,474
Long-term debt	603,000
	<b>1,046,474</b>
<b>INVESTING TRANSACTIONS</b>	
Investments	(57,290)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(295,127)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	1,240,320
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<b>\$ 945,193</b>

The accompanying notes are an integral part of these financial statements



**CHALEUR REGIONAL SERVICES COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**1. PURPOSE OF THE ORGANIZATION**

Chaleur Regional Services Commission was formed on January 1, 2013, resulting from a process of reform of local governance. The Commission's role is to ensure or improve the delivery of services required for different locations, facilitate service agreements between them and facilitate regional collaboration. Mandatory services offered by CSR are regional planning, local planning in the case of DSL, the management of solid waste, emergency planning measures and the collaboration of police, planning and cost sharing of regional infrastructure for sport, leisure and culture; other services could be added to this list.

In accordance with a Ministerial Order, Sections 41 and 48 of the *Regional Service Delivery Act*, SNB 2012, c.37 effective January 1, 2013, all assets, liabilities, rights, obligations, powers and responsibilities of the Nepisiguit-Chaleur Solid Waste Commission and the Belledune District Planning Commission are transferred to and become the assets, liabilities, rights, obligations, powers and responsibilities of the Chaleur Regional Services Commission.

**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 Canadian Institute of Chartered Accountants.

The focus of 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.

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 flow 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.

**Budget**

The budget figures contained in these financial statements were approved by the Council on November 16, 2012 and the Minister of Local Government on January 15, 2013.

**Revenue Recognition**

a) Unrestricted revenue are recorded on an accrual basis and are recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

b) Other revenue is recorded when it is earned.



**CHALEUR REGIONAL SERVICES COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Expenditures Recognition

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

Deferred Revenue

Deferred revenue represent funds received for specific purposes for which the related expenditures have not yet been incurred.

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 amounts 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.

Financial instruments

The Commission's financial instruments consist of cash, accounts receivable, due from the Federal Government, payables and accruals and long-term debt. Unless otherwise noted, it is management's opinion that the Commission is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

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

Cash and cash equivalents

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

Tangible capital assets

Effective January 1, 2011, 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. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

**CHALEUR REGIONAL SERVICES COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

<u>Asset type</u>	<u>Years</u>
Land	N/A
Facilities	20 - 40 years
Transportation	26 - 47 years
Machinery and equipment	5 - 47 years
Fleet	6 - 20 years
Computer hardware, software and communication equipment	5 years
Land improvements	27 - 30 years
Waste management	
Landfill cells	2.5 years
Leachate collection system	28 - 43 years
Treatment process	27 - 47 years

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

The Commission has a capitalization threshold of \$5,000. Any item purchased under this threshold is recorded as an expense in the year the item is acquired. Only exception: groups of assets of a similar nature.

All grants, donations from subdivision developers and other third party contribution are recorded as income in the year the expenditure for the capital asset is incurred. The full cost of the asset is capitalized during the year the asset is substantially complete and put into use.

**Segmented information**

The Commission provides a wide range of services to its residents. 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:

General services

This department is responsible for the overall governance and financial administration of the Commission. This includes council functions, general and financial management, legal matters and compliance with legislation as well as civic relations.

Environmental development services

This department is responsible for planning and zoning, community development, tourism and other development and promotion services.

Solid waste management services

This department is responsible for the provision of waste collection and disposal.

**Post employment benefits**

The Commission recognizes its obligations under post employment benefit plans and the related costs, net of plan assets. The Commission has a sick leave benefit as documented in Note 11 and pension plan as documented in Note 12.

**CHALEUR REGIONAL SERVICES COMMISSION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**3. CASH**

2013

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Cash - unrestricted	\$ 945,193
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**4. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES**

2013

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Canada Revenue Agency (HST refund)	\$ 272,431
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**5. INVESTMENTS**

2013

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Term deposit, 1.33 %, maturing on July 14, 2014	\$ 353,644
Term deposit, 1.00 %, maturing on June 6, 2014	180,370
Term deposit, 1.32 %, maturing on November 16, 2014	5,077

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\$ 539,091

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**6. ASSETS FOR EDUCATION AND COMMUNICATION PLAN**

2013

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Cash and term deposits	\$ 295,860
Accrued interest receivable	5,884
Payable to the general operating fund	(119,745)

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\$ 181,999

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As required by the Department of Environment and in compliance with the May 10, 1995 Solid Waste Agreement entered into the Commission, the Restigouche Solid Waste Corporation, the Commission de gestion des déchets solides de la Péninsule acadienne and the Northumberland Solid Waste Commission, the above amounts are restricted for the purpose of jointly establishing an education and communication plan. The Commission must obtain written authorization from the Minister of Environment before disbursing any of these funds.

The term deposits bear interest at rates varying from 0.90% to 1.80% and matures in 2014.

These externally restricted inflows are reported as deferred revenues and are recognized as revenues in the period the resources are used for the purpose specified above.

During the current year, no expenditures were incurred for the establishment of an education and communication plan.

**CHALEUR REGIONAL SERVICES COMMISSION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**7. FUNDS HELD IN TRUST**

The Commission has entered into an agreement with Elmtree Environmental Ltd. for the operation of a hydrocarbon soil bio-remediation facility. According to this agreement, Elmtree Environmental Ltd. must create a special environmental reserve fund which is to be held in trust by the Commission. The funds held in trust represent the balance of the special environmental reserve fund as of December 31, 2013.

**8. ASSETS FOR SITE CLOSURE AND POST-CLOSURE CARE**

	<b>2013</b>
Term deposit, 3.00%, maturing on November 15, 2018	\$ 3,675,483
Accrued interest receivable	13,828
	<b>\$ 3,689,311</b>

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The asset for site closure and post-closure care exceeds restricted liability by \$254,847 (\$218,604 in 2012). This excess represents the current year excess of revenue over expenses and will be eliminated by reducing the transfer of funds in 2014.

**9. BANK LOAN**

The Commission has an authorized line of credit of \$700,000 for the Operating Fund, which is unused at December 31, 2013.

The Commission has an authorized line of credit of \$2,424,000 for its Capital Fund which \$1,980,526 is unused at December 31, 2013. Approval of the Municipal Capital Borrowing Board has been obtained for the bank indebtedness reported on the statement of financial position.

**10. LONG-TERM DEBT**

	<b>2013</b>
New Brunswick Municipal Finance Corporation	
Serial of 4.15% to 4.45%, maturing in December 2016, AV 60 - 2006	\$ 86,000
Serial of 1.50% to 3.85%, maturing in November 2020, BD 52 - 2010	586,000
Serial of 1.35% to 3.45%, maturing in December 2021, BF 47 - 2011	261,000
Serial of 1.35% to 3.80%, maturing in November 2032, BH 48 - 2012	855,000
Serial of 1.25% to 3.70%, maturing in November 2023, BJ 47 - 2013	720,000
	<b>\$ 2,508,000</b>

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**CHALEUR REGIONAL SERVICES COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**10. LONG-TERM DEBT (CONTINUED)**

Approval from the Municipal Capital Borrowing Board has been obtained for the above long-term debt.

2010 Issue of \$683,000:

On November 19, 2020, \$327,000 is to be refinanced for a term not exceeding ten years.

2011 Issue of \$284,000:

On December 5, 2021, \$158,000 is to be refinanced for a term not exceeding ten years.

Principal payments required during the next five years are as follows:

2014	\$	186,000
2015	\$	189,000
2016	\$	193,000
2017	\$	168,000
2018	\$	171,000

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**11. ACCRUED SICK LEAVE**

The Commission provides sick leave that accumulates at 1.25 to 1.5 days per month for all full-time employees. Employees can accumulate a maximum of 120 to 240 days. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave.

Upon retirement, an amount equal from 50% to 100% of the accumulated sick days up to a maximum of 2 to 6 months will be credited to an account at the current rate of pay.

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

The following summarizes the major assumptions in the valuation:

- annual salary increase is 3%;
- the discount rate used to determine the accrued benefit obligation is 3.40%;
- the proportion of earned sick days used each year is 28% to 39%;
- termination of employment varies by individual;
- no mortality assumed; and
- retirement age is 60, or one year after the valuation date if age 60 or over.

The unfunded liability was \$68,900 on December 31, 2012; and \$93,064 on December 31, 2013. The liability for January 1, 2011 was recorded as a prior period adjustment on the adoption of PSA.

**CHALEUR REGIONAL SERVICES COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**12. POST EMPLOYMENT BENEFITS PAYABLE**

The Commission sponsors a contributory defined benefit pension plan for substantially all of its employees, under the NB MEPP. Employees make contributions equal to 7.60% of their salary and the Commission contributes an amount equal to employee contribution amounts.

The Commission contributed \$70,000 in 2012 (estimated to have contributed \$72,500 in 2013). Total benefit payments to retirees during 2012 were \$22,900 (estimated to have been \$25,500 in 2013).

Actuarial valuations for accounting purposes are performed every three years using the benefit accrual method. The most recent actuarial valuation was prepared at December 31, 2011 and at that time the pension plan had an accrued benefit obligation of \$796,500. The Commission was in a net funded position as follows for December 31, 2011:

	<b>Estimated 2013</b>
Fair market value of plan assets	\$ 917,400
Accrued benefit obligation	1,077,300
Funded status	(159,900)
Unamortized actuarial gains	(82,900)
Accounting pension liability	(77,000)

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the Commission's best estimates.

The following summarizes the major assumptions in the valuation:

- the expected inflation rate is 2.35%;
- the discount rate used to determine the accrued benefit obligation is 5.50%;
- the expected rate of return is 5.50%;
- retirement age is 70% at earliest retirement age without reduction and remainder at age 65.

	<b>Estimated 2013</b>
Employer current service cost	\$ 44,400
Interest on accrued benefit obligation	53,800
Expected return on assets	(44,700)
Experience loss / gain	5,900
Pension expense	<b>\$ 59,400</b>

**CHALEUR REGIONAL SERVICES COMMISSION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**13. DEFERRED REVENUE**

	<b>2013</b>
Education and Communication plan	\$ 181,994
Funds restricted for translation purposes	17,999
	<b>\$ 199,993</b>

**14. SITE CLOSURE AND POST-CLOSURE LIABILITY**

The Commission is responsible for the continued monitoring and treatment of the site following its closure.

The accrued liability of post-closing costs has been determined based on estimated post-closing costs of \$31,539,931 (2012 - \$31,539,331), in future dollars required by the end of December 31, 2039 to fund post closure expenses.

Post-closing costs are discounted at a rate of 5.5% for a present value of \$7,839,652 (2012 - \$7,430,950).

At December 31, 2013, the capacity of the landfill had been estimated at 4,025,848 metric tonnes of which 2,262,000 (2012 - 2,349,000) metric tonnes remains unused as at December 31, 2013.

At December 31, 2013 the estimated post closure liability is \$3,434,464 (2012 - \$3,094,813) of which the Commission has funded with term deposits with market value of \$3,675,483 (2012 - \$3,313,398) with mature November 15, 2018 for a surplus of \$254,847 (2012 - \$218,604).

Investment detail is as follows:

	<b>December 31, 2013</b>	
	<b>Amortized cost</b>	<b>Fair value</b>
Term deposit	<b>\$ 3,675,483</b>	<b>\$ 3,675,483</b>

Fair values have been determined based on quoted market rates supplied by Caisse Populaire Chaleur.

Details of significant terms and conditions, exposure to interest rate and credit risk on bonds and term deposits are as follows:

	<b>Interest receivable Basis</b>	<b>Effective rate (%)</b>
Term deposit	at maturity	3.00 %

The maximum exposure to credit risk would be the fair value as indicated above.

In 2009, an independent study was performed to re-evaluate the site capacity, the site's remaining life and the estimated total expenditure for site closure and post-closure care. The site closure and post-closure liability was adjusted based on the new information provided by the study.

**15. REPORTING TO THE PROVINCE OF NEW BRUNSWICK**

The Commission complies with PSAB accounting standards. The Commission is also required to comply with the Municipal Financial Reporting Manual prescribed by the Province of New Brunswick. Differences in accounting policies include the methodology for accounting Tangible Capital Assets, and government transfers. PSAB also requires full consolidation of funds.

**16. SHORT TERM BORROWINGS COMPLIANCE**

Operating borrowing

As prescribed in the *Regional Service Delivery Act*, borrowing to finance operating expenses is limited to 5% of the amount budgeted for that service. With respect to a solid waste management service, the Commission shall not borrow for operating expenses more than 25% of the amount budgeted for that service. In 2013, the Commission has complied with these restrictions.

Inter-fund borrowing

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



**CHALEUR REGIONAL SERVICES COMMISSION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**17. SCHEDULE OF TANGIBLE CAPITAL ASSETS**

	Land	Facilities	Fleet	Land improvements	Computer	Machinery and equipment	Transportation	Waste management	Total
<b>Cost:</b>									
Balance, beginning of year	\$ 159,089	\$ 1,286,303	\$ 233,077	\$ 178,710	\$ 25,950	\$ 2,433,391	\$ 3,111,817	\$ 16,435,272	\$ 23,863,609
Net additions during the year	-	-	-	-	-	111,181	-	2,259,309	2,370,490
Balance, end of year	159,089	1,286,303	233,077	178,710	25,950	2,544,572	3,111,817	18,694,581	26,234,099
<b>Accumulated amortization :</b>									
Balance, beginning of year	-	372,165	163,168	26,385	20,387	1,239,328	958,127	12,495,644	15,275,204
Add :									
Amortization during the year	-	39,503	12,950	6,952	5,563	150,703	89,808	626,591	932,070
Balance, end of year	-	411,668	176,118	33,337	25,950	1,390,031	1,047,935	13,122,235	16,207,274

<b>Net book value of tangible capital assets</b>	\$ 159,089	\$ 874,635	\$ 56,959	\$ 145,373	\$ -	\$ 1,154,541	\$ 2,063,882	\$ 5,572,346	\$ 10,026,825
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Consists of:

Local Planning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landfill assets	159,089	874,635	56,959	145,373	2,063,882	-	-	5,572,346	10,026,825
	\$ 159,089	\$ 874,635	\$ 56,959	\$ 145,373	\$ 2,063,882	\$ -	\$ -	\$ 5,572,346	\$ 10,026,825

**CHALEUR REGIONAL SERVICES COMMISSION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**18. RECONCILIATION OF ANNUAL SURPLUS**

	Co-operative planning	Development and planning	Solid waste management	General Reserve Fund Operating	General Reserve Fund Capital	Total
2013 annual surplus (deficit)	\$ (138,203)	\$ 64,680	\$ 502,829	\$ 24	\$ 4,912	\$ 434,242
Adjustments to annual surplus (deficit) for funding requirements						
Second previous year's surplus	-	-	17,338	-	-	17,338
Transfer between funds						
From the General Operating Fund to the Operating Reserve Fund	-	-	(40,000)	40,000	-	-
From the General Operating Fund to the Capital Reserve Fund	-	-	(1,074,132)	-	1,074,132	-
Long-term debt principal repayment	-	-	(117,000)	-	-	(117,000)
Allocation to Corporate services	156,530	(25,007)	(131,523)	-	-	-
Amortization expenses	-	5,563	926,507	-	-	932,070
Total adjustments to 2013 annual surplus (deficit)	156,530	(19,444)	(418,810)	40,000	1,074,132	832,408
<b>2013 annual surplus</b>	<b>\$ 18,327</b>	<b>\$ 45,236</b>	<b>\$ 84,019</b>	<b>\$ 40,024</b>	<b>\$ 1,079,044</b>	<b>\$ 1,266,650</b>

**CHALEUR REGIONAL SERVICES COMMISSION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**19. SCHEDULE OF SEGMENT DISCLOSURE**

	Co-operative and regional planning	Local planning	Solid waste management	Total
<b>REVENUES</b>				
General Services	\$ -	\$ -	\$ 3,525,092	\$ 3,525,092
Development and Planning Services	55,811	499,730	943,464	1,499,005
Solid Waste Management Services	-	904	48,912	49,816
Recycling and Composting	-	-	10,225	10,225
	55,811	500,634	4,527,693	5,084,138
<b>EXPENSES</b>				
Salaries and benefits	93,865	341,033	1,368,805	1,803,703
Goods and services	100,149	86,801	1,349,706	1,536,656
Amortization	-	5,563	926,507	932,070
Interest	-	-	61,301	61,301
Other	-	2,557	313,609	316,166
	194,014	435,954	4,019,928	4,649,896
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>\$ (138,203)</b>	<b>\$ 64,680</b>	<b>\$ 507,765</b>	<b>\$ 434,242</b>

**CHALEUR REGIONAL SERVICES COMMISSION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**20. STATEMENT OF RESERVES**

	Development and Planning General Reserve Fund		Solid Waste Management General Reserve Fund		Total
	Operating	Capital	Operating	Capital	
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ 282,511	\$ -	\$ 282,511
Term deposits	193,836	-	-	390,883	584,719
Accrued interest receivable	-	-	-	2,608	2,608
Receivable from General Operating Fund	-	-	40,000	1,114,132	1,154,132
	<b>\$ 193,836</b>		<b>\$ 322,511</b>	<b>\$ 1,507,623</b>	<b>\$ 2,023,970</b>
<b>LIABILITIES AND SURPLUS</b>					
Payable to General Operating Fund	\$ 193,836	\$ -	\$ -	\$ -	\$ 193,836
Accumulated surplus, beginning of year	-	-	322,511	1,507,623	1,830,134
	<b>\$ 193,836</b>		<b>\$ 322,511</b>	<b>\$ 1,507,623</b>	<b>\$ 2,023,970</b>
<b>REVENUES</b>					
Transfers from General Operating Fund	\$ -	\$ -	\$ 40,000	\$ 1,074,132	\$ 1,114,132
Interests	-	-	-	4,912	4,912
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,000</b>	<b>\$ 1,079,044</b>	<b>\$ 1,119,044</b>
<b>EXPENDITURES</b>					
Bank fees	-	-	24	-	24
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,976</b>	<b>\$ 1,079,044</b>	<b>\$ 1,119,020</b>

**CHALEUR REGIONAL SERVICES COMMISSION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**21. OPERATING BUDGET TO PSA BUDGET**

	Co-operative and regional planning	Local planning	Solid Waste management	Amortization of Capital assets	Transfers	Total
<b>REVENUES</b>						
Sale of services	\$ -	\$ -	\$ 3,392,409	\$ -	\$ -	\$ 3,392,409
Member charges	195,500	498,512	1,003,793	-	(156,530)	1,541,275
Other revenues	-	-	20,000	-	-	20,000
Interest	-	-	2,500	-	-	2,500
Surplus	-	-	17,338	-	(17,338)	-
	195,500	498,512	4,436,040	-	(173,868)	4,956,184
<b>EXPENDITURES</b>						
Administration	167,000	78,750	598,236	-	(131,523)	712,463
Governance	28,500	-	-	-	-	28,500
Planning and building inspection services	-	419,762	-	5,563	(25,007)	400,318
Post-closing costs	-	-	220,227	-	-	220,227
Solid waste services	-	-	2,368,148	926,507	-	3,294,655
Financial services	-	-	-	-	-	-
Interest	-	-	62,497	-	-	62,497
Long term debt	-	-	117,000	-	(117,000)	-
Other financing charges	-	-	35,800	-	-	35,800
Transfer to General Operating reserve fund	-	-	30,000	-	(30,000)	-
Transfer to General Capital reserve fund	-	-	1,004,132	-	(1,004,132)	-
	195,500	498,512	4,436,040	932,070	(1,307,662)	4,754,460
<b>Excédent (déficit)</b>	\$ -	\$ -	\$ -	\$ (932,070)	\$ 1,133,794	\$ 201,724

**CHALEUR REGIONAL SERVICES COMMISSION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**22 . REVENUES AND EXPENSES SUPPORT (CONTINUED)**

	Unaudited Budget	2013 Actual
<b>REVENUES</b>		
<b>SALE OF SERVICES</b>		
Industrial, Commercial and Institutional tipping fees	\$ 2,849,009	\$ 2,971,111
Construction and demolition	264,000	250,344
Recycling materials	279,400	303,637
	<b>\$ 3,392,409</b>	<b>\$ 3,525,092</b>
<b>MEMBER CHARGES</b>		
Cooperative and regional planning fees	38,970	55,811
Local planning and inspection services fees	498,512	499,730
Tipping fees	1,003,793	943,464
	<b>\$ 1,541,275</b>	<b>\$ 1,499,005</b>
<b>OTHER</b>		
Other - Planning and Development	\$ -	\$ 904
Other - Solid Waste	20,000	48,912
	<b>\$ 20,000</b>	<b>\$ 49,816</b>

**CHALEUR REGIONAL SERVICES COMMISSION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**22 . REVENUES AND EXPENSES SUPPORT (CONTINUED)**

	<b>Unaudited Budget</b>	<b>2013 Actual</b>
<b>EXPENDITURES</b>		
<b>ADMINISTRATION</b>		
Executive Director's office	\$ 108,000	\$ 93,865
Financial management		
External audit	15,000	13,446
Other		
Liability insurance	5,000	4,053
Professional services	2,000	1,698
Public relations	6,000	3,753
Office expenses	4,000	9,394
Translation	27,000	25,222
	44,000	44,120
Administration - Local planning		
Professional services	-	8,877
Public relations	21,500	14,201
Office expenses	57,250	51,424
	78,750	74,502
Administration - Solid waste		
Solid waste office	276,512	294,245
Liability insurance	79,201	40,487
Professional services	21,000	35,485
Office expenses	90,000	72,847
	466,713	443,064
	<b>\$ 712,463</b>	<b>\$ 668,997</b>

**CHALEUR REGIONAL SERVICES COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**22 . REVENUES AND EXPENSES SUPPORT (CONTINUED)**

	Unaudited Budget	2013 Actual
<b>FISCAL SERVICES</b>		
Interest and bank fees	\$ 29,500	\$ 18,485
Interest on long terme debt	62,497	61,302
Bad debts	1,000	-
Cost of financing	5,300	6,416
	<b>\$ 98,297</b>	<b>\$ 86,203</b>
<b>GOVERNANCE</b>		
Honorariums	\$ 20,500	\$ 25,910
Travel	5,000	4,007
Meetings	3,000	12,666
	<b>\$ 28,500</b>	<b>\$ 42,583</b>
<b>PLANNING AND BUILDING INSPECTION SERVICES</b>		
Planning services		
Personnel	\$ 385,004	\$ 341,033
Advertising	251	142
Plannign advisory committee	7,500	8,439
Amortization	5,563	5,563
Other	2,000	4,705
	400,318	359,882
Inspection services		
	<b>\$ 400,318</b>	<b>\$ 359,882</b>



**CHALEUR REGIONAL SERVICES COMMISSION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**22 . REVENUES AND EXPENSES SUPPORT (CONTINUED)**

	<b>Unaudited Budget</b>	<b>2013 Actual</b>
<b>SOLID WASTE SERVICES</b>		
Station and building	\$ 348,000	\$ 337,490
Machinery and equipment	411,000	381,953
Landfill operations	427,400	339,409
Scale house	36,500	43,241
Waste diversion	59,000	55,845
Hazardous household waste	12,000	16,786
Other - Environmental Trust Fund	-	39,111
Amortization	926,507	926,507
	<b>2,220,407</b>	<b>2,140,342</b>
<b>Generation facility</b>		
Personnel	1,074,248	1,074,560
	<b>1,074,248</b>	<b>1,074,560</b>
	<b>\$ 3,294,655</b>	<b>\$ 3,214,902</b>