

**SOUTHEAST REGIONAL SERVICE
COMMISSION**

ANNUAL FINANCIAL REPORT

Year ended December 31, 2017



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working world

SOUTHEAST REGIONAL SERVICE COMMISSION

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INDEPENDENT AUDITORS' REPORT

To the Board of directors,

We have audited the accompanying financial statements of the SOUTHEAST REGIONAL SERVICE COMMISSION, which comprise the statement of financial position as at December 31, 2017 and the statements of operations and accumulated surplus, change in net debt and cash flow 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 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the SOUTHEAST REGIONAL SERVICE COMMISSION as at December 31, 2017 and the results of its operations, its change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Ernst & Young LLP

Dieppe, Canada
May 29, 2018

Chartered Professional Accountants

SOUTHEAST REGIONAL SERVICE COMMISSION

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended December 31,

		2017 Budget (note 3)	2017 Actual	2016 Actual
REVENUE				
	Schedule			
Solid waste	A	\$ 13,727,858	\$ 13,708,715	\$ 13,392,480
Local planning	B	1,789,552	1,789,552	1,747,235
Regional planning	C	106,815	255,659	218,067
Administration	D	11,000	-	13,001
Electricity	E	208,459	224,147	-
Dangerous and unsightly premises	F	168,072	168,072	-
Interest revenue from reserve funds		-	74,548	92,404
Gain on disposal of tangible capital assets		-	207,400	479
		16,011,756	16,428,093	15,463,666
EXPENSES				
Solid waste	A	10,738,615	10,138,094	9,914,470
Local planning	B	1,746,280	1,641,965	1,625,637
Regional planning	C	99,439	223,063	156,511
Administration	D	794,348	764,485	685,011
Electricity	E	221,406	174,750	65,027
Dangerous and unsightly premises	F	168,072	-	-
Amortization of tangible capital assets		1,575,595	3,489,670	3,612,999
Change in landfill post-closure liability (note 9)		-	64,144	252,601
		15,343,755	16,496,171	16,312,256
ANNUAL DEFICIT (note 4)		\$ 668,001	(68,078)	(848,590)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		N/A	19,872,206	20,720,796
ACCUMULATED SURPLUS, END OF YEAR		N/A	\$ 19,804,128	\$ 19,872,206

The accompanying notes are an integral part of the financial statements.

SOUTHEAST REGIONAL SERVICE COMMISSION

STATEMENT OF CHANGE IN NET DEBT

Year ended December 31,

	2017 Budget	2017 Actual	2016 Actual
ANNUAL DEFICIT	\$ 668,001	\$ (68,078)	\$ (848,590)
RELATING TO TANGIBLE CAPITAL ASSETS			
Acquisition of tangible capital assets	(3,761,000)	(6,219,979)	(2,094,541)
Net change in work in progress	-	996,492	(2,326,138)
Proceeds on disposal of tangible capital assets	-	267,503	55,000
Amortization of tangible capital assets	1,575,595	3,489,670	3,612,999
Gain on disposal of tangible capital assets	-	(207,400)	(479)
	(2,185,405)	(1,673,714)	(753,159)
CHANGE IN NET DEBT	\$ (1,517,404)	(1,741,792)	(1,601,749)
NET DEBT, BEGINNING OF YEAR	N/A	(1,938,840)	(337,091)
NET DEBT, END OF YEAR	N/A	\$ (3,680,632)	\$ (1,938,840)

The accompanying notes are an integral part of the financial statements.

SOUTHEAST REGIONAL SERVICE COMMISSION

STATEMENT OF FINANCIAL POSITION

December 31,

2017

2016

FINANCIAL ASSETS

Cash	\$ 8,698,579	\$ 11,205,617
Accounts receivable (note 5)	1,584,305	1,609,083
Term deposit (2.15%, maturing in August 2022) (note 11)	1,500,000	1,453,801
Inventory	109,438	55,180
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	11,892,322	14,323,681

LIABILITIES

Accounts payable (note 6)	2,239,172	2,772,264
Deferred revenue	31,496	74,115
Long-term debt (note 7)	11,100,000	11,278,000
Landfill post-closure liability (note 9)	2,202,286	2,138,142
	<hr/>	<hr/>
	15,572,954	16,262,521

NET DEBT

(3,680,632) (1,938,840)

NON-FINANCIAL ASSETS

Tangible capital assets (note 10)	21,881,492	19,211,286
Work in progress	1,603,268	2,599,760
	<hr/>	<hr/>
	23,484,760	21,811,046

ACCUMULATED SURPLUS

\$ 19,804,128 \$ 19,872,206

COMMITMENTS (note 13)

The accompanying notes are an integral part of the financial statements.

APPROVED BY

....., Director

....., Director

SOUTHEAST REGIONAL SERVICE COMMISSION

STATEMENT OF CASH FLOW

Year ended December 31,

2017

2016

OPERATING ACTIVITIES

Annual deficit	\$ (68,078)	\$ (848,590)
Items not affecting cash:		
Gain on disposal of tangible capital assets	(207,400)	(479)
Amortization of tangible capital assets	3,489,670	3,612,999
Change in landfill post-closure liability	64,144	252,601
	<hr/>	<hr/>
	3,278,336	3,016,531
Net change in non-cash items:		
Accounts receivable	24,778	(220,363)
Inventory	(54,258)	32,156
Accounts payable	(533,092)	1,298,371
Deferred revenue	(42,619)	25,682
	<hr/>	<hr/>
	2,673,145	4,152,377

CAPITAL ACTIVITIES

Acquisition of tangible capital assets	(6,219,979)	(2,094,541)
Proceeds of disposal of tangible capital assets	267,503	55,000
Net change in work in progress	996,492	(2,326,138)
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	(4,955,984)	(4,365,679)

INVESTING ACTIVITIES

Net change in investments	(46,199)	(30,491)
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FINANCING ACTIVITIES

Additional financing	1,219,000	5,380,000
Repayment of long-term debt	(1,397,000)	(1,364,000)
	<hr/>	<hr/>
	(178,000)	4,016,000

NET CHANGE IN CASH (2,507,038) 3,772,207

CASH, BEGINNING OF YEAR 11,205,617 7,433,410

CASH, END OF YEAR \$ 8,698,579 \$ 11,205,617

Additional information on the statement of cash flow (note 12)

The accompanying notes are an integral part of the financial statements.

SOUTHEAST REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

The Southeast Regional Service Commission (Commission) was incorporated in 2013 under the Regional Service Delivery Act. The Commission serves the southeast region of New Brunswick, including 39 different municipalities and local service districts. The Commission is governed by a 19-member board including representatives from the incorporated municipalities as well as the local service districts. The Commission provides waste treatment and land planning services and is exempt from income tax under the Income Tax Act of Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared by management in accordance with Canadian public sector accounting (PSA) standards as set out in the Public Sector Accounting Handbook of the Chartered Professional Accountants of Canada (CPA Canada), which constitute generally accepted accounting principles (GAAP) for local governments. The Commission also complies with the Municipal Financial Reporting Manual (MFRM) of the Province of New Brunswick (PNB). The MFRM does not conflict with the Handbook for the preparation of the financial statements but requires some additional disclosures and prescribes a different basis for the preparation of the Commission's budget.

Reporting entity

The financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt and accumulated surplus of the reporting entity. The reporting entity is comprised of all funds of the Commission's operations. Inter-fund balances and transactions have been eliminated.

Budget

The budget figures contained in Schedules G to M of the financial statements were approved by the Board of directors on October 26, 2016.

Use of estimates

The presentation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Commission's estimates relate to the landfill post-closure liability and the amortization of the capital assets.

Revenue recognition

Revenue is recorded using the accrual basis of accounting. Revenue received prior to being earned is recorded as deferred revenue until it is earned.

SOUTHEAST REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense recognition

Expenses are recorded using the accrual basis of accounting, as they are incurred and measurable based on receipt of goods or services and/or obligation to pay.

Financial instruments

All financial instruments are recorded initially at fair value and subsequently at amortized cost.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the normal course of operations.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost of tangible capital assets is amortized on a straight-line basis over the following estimated useful lives:

Land improvements	10 years
Buildings	25 years
Waste treatment equipment	2 to 20 years
Vehicles	5 to 10 years
Computer equipment	5 to 10 years
Roads	10 years

Work in progress is not amortized until it is available for productive use.

Impairment

Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the tangible capital asset no longer contributes to the Commission's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value. Impairment is assessed by comparing the carrying amount to the estimate of the value of the asset's remaining service potential to the Commission. Any impairment results in a write-down of the asset and a charge to income during the year. An impairment loss is not reversed if the long-term value of the asset subsequently increases.

SOUTHEAST REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Inventory is recorded at the lower of cost and net realizable value, the cost being determined using the market value less a normal profit margin.

Landfill post-closure liability

The Commission has a legal obligation under provincial environmental law to provide post-closure care for its landfill. The Commission records a post-closure liability as the landfill site's capacity is used. The post-closure liability is re-measured annually at the best estimate of the total expenditure required to settle the present obligation as at the date of the statement of financial position, using a discount rate that coincides with the timing of the expected cash flows required to settle the obligation. Changes in the liability due to the passage of time or to other factors are recognized as an expense in the statement of operations and accumulated surplus.

At each year-end, the post-closure liability is reviewed and adjusted to reflect the updated best estimate of the liability. Such adjustments may result from changes in the assumptions used to estimate the undiscounted cash flows required to settle the obligation, including changes in estimated probabilities, amounts and timing of settlement, as well as changes in the legal requirements of the obligation and in the discount rate. These changes are recognized as an increase or decrease in the carrying amount of the post-closure liability.

Pension plan

The Commission provides a defined contribution pension plan to its employees. Pension costs related to current services are charged to expenses for the period during which contributions are made by the employer.

SOUTHEAST REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

3. RECONCILIATION OF BUDGET

The budgets for the operating funds are prepared on the basis required by the MFRM of the PNB. The following is a reconciliation of these budgets with the budget prepared in accordance with the PSA standards that is presented on the statement of operations and accumulated surplus.

	Operating budget	Second previous year's surplus/deficit	Other	Inter-fund transfers	Transfers to/from reserve funds	Total per PSA standards
Revenue						
Solid waste	\$ 14,029,793	\$ (301,935)	\$ -	\$ -	-	\$ 13,727,858
Local planning	1,824,615	(35,063)	-	-	-	1,789,552
Regional planning	122,939	(16,124)	-	-	-	106,815
Administration	794,348	-	-	(783,348)	-	11,000
Electricity	208,459	-	-	-	-	208,459
Dangerous and unsightly premises	168,072	-	-	-	-	168,072
	17,148,226	(353,122)	-	(783,348)	-	16,011,756
Expenses						
Solid waste	14,029,793	-	(2,548,000) ¹	(603,178)	(140,000)	10,738,615
Local planning	1,824,615	-	-	(78,335)	-	1,746,280
Regional planning	122,939	-	-	(23,500)	-	99,439
Administration	794,348	-	-	-	-	794,348
Electricity	641,215	(41,474)	(300,000) ²	(78,335)	-	221,406
Dangerous and unsightly premises	168,072	-	-	-	-	168,072
Amortization	-	-	1,575,595 ³	-	-	1,575,595
	17,580,982	(41,474)	(1,272,405)	(783,348)	(140,000)	15,343,755
Annual surplus (deficit)	\$ (432,756)	\$ (311,648)	\$ 1,272,405	\$ -	\$ 140,000	\$ 668,001

1 - This amount includes \$1,059,000 for debt repayment and \$1,489,000 for capital expenditures contributed by the operating funds.

2 - This amount is for debt repayment.

3 - Amortization expense is budgeted for PSA purposes but is not budgeted under fund accounting.

SOUTHEAST REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

4. RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

	Solid Waste Fund	Local Planning Fund	Regional Planning Fund	Corporate Operating Fund	Electricity Operating Fund	Dangerous and Unsanitary Premises Fund	Capital Fund	Reserve Funds	Total
Annual fund surplus (deficit)	\$ 426,195	\$ 76,201	\$ 25,786	\$ -	\$ (424,026)	\$ -	\$ 2,759,453	\$ 933,775	\$ 3,797,384
Adjustments to annual surplus (deficit) for PSA requirements									
Capital assets - amortization	-	-	-	-	-	-	(3,489,670)	-	(3,489,670)
Second previous year's surplus (deficit)	(301,935)	(35,063)	(16,124)	-	41,474	-	-	-	(311,648)
Post-closure liability Inter-fund transfers	-	-	-	-	-	-	-	(64,144)	(64,144)
Capital expenditures	1,155,053	-	-	-	-	-	(1,155,053)	-	-
Long-term debt repayment	1,041,500	-	-	-	355,500	-	(1,397,000)	-	-
Reserve funds	661,155	30,000	-	-	-	168,072	-	(859,227)	-
Corporate expenditures	588,653	76,449	22,934	(764,485)	76,449	-	-	-	-
Net adjustments to annual surplus (deficit)	3,144,426	71,386	6,810	(764,485)	473,423	168,072	(6,041,723)	(923,371)	(3,865,462)
Annual surplus (deficit) in accordance with PSA standards	\$ 3,570,621	\$ 147,587	\$ 32,596	\$ (764,485)	\$ 49,397	\$ 168,072	\$ (3,282,270)	\$ 10,404	\$ (68,078)

SOUTHEAST REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

5. ACCOUNTS RECEIVABLE	2017	2016
Trade receivables	\$ 910,119	\$ 886,205
Receivables from other governments	222,847	285,132
Sales tax receivable	437,821	423,676
Accrued interest receivable	13,518	14,070
	\$ 1,584,305	\$ 1,609,083

6. ACCOUNTS PAYABLE	2017	2016
Trade payables	\$ 1,772,644	\$ 2,274,158
Payables to other governments	194,383	220,446
Wages payable	108,254	116,513
Source deductions payable	36,655	35,364
Other accrued liabilities	127,236	125,783
	\$ 2,239,172	\$ 2,772,264

7. LONG-TERM DEBT	2017	2016
Debentures, New Brunswick Municipal Finance Corporation		
1.05% - 3.90%, maturing in 2035, OIC #14-0008 and 14-0061	\$ 3,063,000	\$ 3,752,000
1.20% - 3.70%, maturing in 2034, OIC #14-0008	1,965,000	2,146,000
1.20% - 2.95%, maturing in 2026, OIC #14-0008, 14-0061 and 15-0097	4,853,000	5,380,000
1.65% - 2.35%, maturing in 2022, OIC #15-0097 and 16-0089	1,219,000	-
	\$ 11,100,000	\$ 11,278,000

Approval of the Municipal Capital Borrowing Board has been obtained for the debentures. Principal payments required for the next five years are as follows:

2018 - \$ 1,319,000
2019 - \$ 1,338,000
2020 - \$ 1,256,000
2021 - \$ 1,087,000
2022 - \$ 1,050,000

SOUTHEAST REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

8. BORROWINGS COMPLIANCE

Operating borrowing

As prescribed by the Regional Service Delivery Act, borrowing to finance operating fund operations is limited to 5% of the Commission's operating budget, except for the solid waste management service, for which the borrowing is limited to 25% of the amount budgeted for that service. In 2017, the Commission complied with these restrictions.

9. ACCRUED LANDFILL POST-CLOSURE LIABILITY

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

The accrued liability for post-closure costs has been determined based on estimated total expenditures of \$29.7 million over 30 years, commencing after the landfill reaches full capacity in 2060 and ending in 2089. Post-closure costs were determined using an annual inflation rate of 2% and are discounted at a rate of 3%. All estimates are unchanged from 2016.

The total capacity of the landfill has been estimated at 1.202 million square metres, of which 469,000 (2016 - 469,000) square metres have been used, leaving 733,000 (2016 - 733,000) square metres available. As such, the landfill is estimated to be 39% full (2016 - 39%).

The accrued liability has been increased by \$64,144 in 2017 (2016 - \$252,601). This amount has been charged to income during the year. The balance of the accrued liability at December 31, 2017 is \$2,202,286 (2016 - \$2,138,142).

This liability will be settled by the assets of the post-closure reserve fund in note 11.

SOUTHEAST REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

10. TANGIBLE CAPITAL ASSETS	2017					2016				
	Land	Land improvements	Buildings	Waste treatment equipment	Vehicles	Computer equipment	Roads	Total	Total	Total
Cost										
Balance, beginning of year	\$ 3,267,600	\$ 779,902	\$ 9,684,669	\$ 34,547,460	\$ 570,344	\$ 59,953	\$ 2,575,742	\$ 51,485,670	\$ 49,520,783	
Acquisitions	-	-	-	5,540,730	213,747	-	465,502	6,219,979	2,094,541	
Dispositions	-	-	-	(405,821)	(44,095)	-	-	(449,916)	(129,654)	
Balance, end of year	3,267,600	779,902	9,684,669	39,682,369	739,996	59,953	3,041,244	57,255,733	51,485,670	
Accumulated amortization										
Balance, beginning of year	-	589,816	3,581,104	25,872,036	428,088	48,612	1,754,728	32,274,384	28,736,518	
Amortization	-	77,990	387,387	2,665,948	71,346	6,150	280,849	3,489,670	3,612,999	
Dispositions	-	-	-	(348,169)	(41,644)	-	-	(389,813)	(75,133)	
Balance, end of year	-	667,806	3,968,491	28,189,815	457,790	54,762	2,035,577	35,374,241	32,274,384	
Net book value of tangible capital assets	\$ 3,267,600	\$ 112,096	\$ 5,716,178	\$ 11,492,554	\$ 282,206	\$ 5,191	\$ 1,005,667	\$ 21,881,492	\$ 19,211,286	

Fully amortized assets with a total cost of \$21,044,990 (2016 - \$19,168,273) are included in waste treatment equipment, vehicles and computer equipment because they are still in use.

SOUTHEAST REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

11. RESERVE FUNDS				2017			2016
	Operating Reserve Fund	Capital Reserve Fund	Post- Closure Reserve Fund	Total			Total
Assets							
Accrued interest receivable	\$ -	\$ -	\$ 13,519	\$ 13,519	\$		14,070
Term deposit	-	-	1,500,000	1,500,000			1,453,801
Due from Solid Waste Fund	523,301	2,597,843	1,007,246	4,128,390			3,240,263
	\$ 523,301	\$ 2,597,843	\$ 2,520,765	\$ 5,641,909	\$		4,708,134
Accumulated surplus							
Balance at beginning of year	\$ 270,942	\$ 2,108,879	\$ 2,328,313	\$ 4,708,134	\$		5,678,185
Investment income	3,287	18,809	52,452	74,548			92,404
Transfer from (to) Solid Waste Fund	51,000	470,155	140,000	661,155			(838,455)
Transfer from Local Planning Fund	30,000	-	-	30,000			45,000
Transfer to Capital Fund	-	-	-	-			(269,000)
Transfer from Dangerous and Unightly Premises Fund	168,072	-	-	168,072			-
	\$ 523,301	\$ 2,597,843	\$ 2,520,765	\$ 5,641,909	\$		4,708,134

The Operating Reserve Fund was established for the payment of operating expenditures. The Capital Reserve Fund was established for the payment of capital expenditures. The Post-Closure Reserve Fund was established for the payment of expenditures to be incurred after closure of the landfill. All transfers to and from these reserve funds must be made by a resolution of the board of directors.

Transfers to/from reserve funds

The transfers were authorized by the board of directors through resolutions dated October 24, 2017 and November 28, 2017.

SOUTHEAST REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

12. ADDITIONAL INFORMATION ON THE STATEMENT OF CASH FLOW

Cash flows related to operating activities include the following elements:

	2017		2016
Interest received	\$ 127,201	\$	97,726
Interest paid	\$ 268,148	\$	172,496

13. COMMITMENTS

The Commission has contract commitments until 2025 for the rental of premises and until 2020 for the rental of equipment. The balance of the commitments under these contracts is \$589,566. Minimum payments under these commitments over the next five years are as follows:

2018 - \$ 119,318
2019 - \$ 103,306
2020 - \$ 69,350
2021 - \$ 68,993
2022 - \$ 69,635

14. PENSION PLAN

During the year, the Commission contributed \$340,536 (2016 - \$236,783) to the pension plan. The Commission's contributions are equal to 8% of the employees' earnings.

SOUTHEAST REGIONAL SERVICE COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

15. FINANCIAL INSTRUMENTS

The Commission provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit evaluations of its clients and reviews the credit background of new clients. The Commission is not exposed to any significant risk with respect to a single client.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission is exposed to this risk on its term deposit and its long-term debt because they bear interest at fixed rates.

Management believes that the Commission is not exposed to any other significant risks arising from its financial instruments.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation used in the current year.

SOUTHEAST REGIONAL SERVICE COMMISSION

SCHEDULE A - OTHER INFORMATION

Year ended December 31,

	2017 Budget (note 3)	2017 Actual	2016 Actual
A - SOLID WASTE			
REVENUE			
Municipal waste	\$ 3,707,199	\$ 3,707,200	\$ 3,678,808
Municipal transport	167,146	167,146	165,978
Municipal education	167,146	167,146	165,978
Solid waste treatment	7,724,705	7,514,344	7,311,542
Construction & demolition waste treatment	450,000	225,684	335,018
Recycling	1,268,261	1,462,190	1,305,441
Rental income	124,914	126,468	123,556
Equipment rental income	30,600	20,870	26,690
Third party materials processing	72,787	113,157	137,585
Provincial government grants	-	20,000	113,489
Interest revenue	5,100	52,101	5,614
Other income	10,000	132,409	22,781
	13,727,858	13,708,715	13,392,480
OPERATING EXPENSES			
Advertising	42,360	9,996	10,427
Bad debts	2,400	13,420	12,860
Bank charges and collection fees	58,700	16,995	33,577
Computer maintenance	120,161	212,130	80,402
Education events	82,000	141,207	177,253
Electricity	346,273	374,283	342,345
Equipment rental and leasing	9,078	11,621	16,375
Equipment washing	4,080	1,765	2,741
Fuel	425,368	407,406	411,863
Insurance	122,500	124,345	109,876
Legal fees	8,405	20,098	31,860
Maintenance	836,908	927,384	898,247
Meals and entertainment	12,856	7,039	6,568
Meetings	3,570	1,949	2,522
Memberships and subscriptions	6,120	4,292	4,876
Miscellaneous	2,000	8,939	9,338
Monitoring	104,450	83,985	80,609
Office supplies	26,520	35,392	40,238
Postage and courier	3,876	5,323	4,742
Professional services	112,000	98,669	200,367
Property taxes	208,500	199,405	196,163
	\$ 2,538,125	\$ 2,705,643	\$ 2,673,249

SOUTHEAST REGIONAL SERVICE COMMISSION

SCHEDULE A - OTHER INFORMATION

Year ended December 31,

2017
Budget
(note 3)

2017
Actual

2016
Actual

A - SOLID WASTE (continued)

OPERATING EXPENSES (continued)

Carried forward	\$ 2,538,125	\$ 2,705,643	\$ 2,673,249
Purchases of fibre (recovery)	24,581	(50,543)	48,109
Repair and maintenance - roads	156,335	82,684	83,205
Supplies	387,028	380,969	369,102
Telephone	35,700	53,144	32,993
Training and development	33,180	25,074	32,462
Translation	6,202	2,062	2,685
Transport subsidy	129,814	129,814	128,947
Vehicle registration	1,122	1,247	1,827
Waste disposal costs	323,773	272,704	242,969
Waste without charge	1,836	1,261	1,637
Wages and fringe benefits	5,380,809	4,860,690	3,916,236
Contracted staffing	1,419,110	1,464,601	2,193,761
Interest on long-term debt	259,000	201,663	174,621
Discount on debentures	42,000	7,081	12,667
	10,738,615	10,138,094	9,914,470
Excess of revenues over expenses	\$ 2,989,243	\$ 3,570,621	\$ 3,478,010

SOUTHEAST REGIONAL SERVICE COMMISSION

SCHEDULE B - OTHER INFORMATION

Year ended December 31,

2017
Budget
(note 3)

2017
Actual

2016
Actual

B - LOCAL PLANNING

REVENUE

Local planning municipal contributions	\$ 1,789,552	\$ 1,789,552	\$ 1,732,205
Other income	-	-	15,030
	1,789,552	1,789,552	1,747,235

OPERATING EXPENSES

Advertising	3,821	361	724
Computer maintenance	42,200	38,462	49,981
GIS Planet fees	1,500	1,518	1,497
Insurance	14,205	12,858	13,530
Leasing	14,217	11,988	14,809
Legal fees	15,000	6,195	3,040
Memberships and subscriptions	6,660	7,075	5,282
Miscellaneous	558	-	100
Office supplies	20,800	32,287	17,276
Per diems	13,950	11,449	9,576
Postage and courier	2,874	3,063	2,601
Rent	128,040	115,006	113,051
Telephone	22,100	23,778	36,874
Training	21,000	23,101	23,565
Translation and meeting expenses	22,845	23,573	26,352
Travel	39,705	34,972	32,187
Wages and fringe benefits	1,376,805	1,296,279	1,275,192
	1,746,280	1,641,965	1,625,637

Excess of revenues over expenses	\$ 43,272	\$ 147,587	\$ 121,598
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SOUTHEAST REGIONAL SERVICE COMMISSION

SCHEDULE C - OTHER INFORMATION

Year ended December 31,

2017
Budget
(note 3)

2017
Actual

2016
Actual

C - REGIONAL PLANNING

REVENUE

Regional planning municipal contributions	\$ 106,815	\$ 106,815	\$ 95,353
Other income	-	148,844	122,714
	106,815	255,659	218,067

OPERATING EXPENSES

Climate change and public transportation projects	3,000	48,777	57,662
Miscellaneous	6,000	-	-
Recreation asset mapping and connectivity	28,000	87,086	43,989
Wages and fringe benefits	62,439	87,200	54,860
	99,439	223,063	156,511

Excess of revenues over expenses	\$ 7,376	\$ 32,596	\$ 61,556
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SOUTHEAST REGIONAL SERVICE COMMISSION

SCHEDULE D - OTHER INFORMATION

Year ended December 31,

	2017 Budget (note 3)	2017 Actual	2016 Actual
D - ADMINISTRATION			
REVENUE			
Other income	\$ 11,000	\$ -	\$ 13,001
OPERATING EXPENSES			
Audit	25,000	37,794	24,978
Advertising	1,000	2,338	1,685
Computer maintenance	32,000	30,576	32,268
Insurance	4,735	4,286	4,510
Legal fees	2,500	600	1,686
Office supplies	12,500	12,500	22,045
Per diems	61,000	59,342	50,442
Rent	23,000	19,318	17,394
Telephone	4,600	4,761	4,580
Training and memberships	31,768	15,402	23,189
Translation and meeting expenses	28,000	21,543	23,592
Travel	13,900	11,675	10,575
Wages and fringe benefits	554,345	544,350	468,067
	794,348	764,485	685,011
Excess of expenses over revenues	\$ (783,348)	\$ (764,485)	\$ (672,010)

SOUTHEAST REGIONAL SERVICE COMMISSION

SCHEDULE E - OTHER INFORMATION

Year ended December 31,

2017
Budget
(note 3)

2017
Actual

2016
Actual

E - ELECTRICITY

REVENUE	\$	208,459	\$	224,147	\$	-
OPERATING EXPENSES						
Electricity		7,880		7,311		6,819
Insurance		-		3,637		-
Maintenance		11,403		37,259		13,525
Monitoring		5,123		1,779		-
Professional services		-		3,214		5,390
Supplies		4,000		24,490		4,190
Training		-		3,064		-
Wages and fringe benefits		30,000		27,340		-
Interest on long-term debt		163,000		66,656		4,389
Discount on debentures		-		-		30,714
		221,406		174,750		- 65,027
Excess of revenues over expenses (expenses over revenues)	\$	(12,947)	\$	49,397	\$	(65,027)

SOUTHEAST REGIONAL SERVICE COMMISSION

SCHEDULE F - OTHER INFORMATION

Year ended December 31,

2017
Budget
(note 3)

**2017
Actual**

2016
Actual

F - DANGEROUS & UNSIGHTLY PREMISES

REVENUE	\$	168,072	\$	168,072	\$	-
<hr/>						
OPERATING EXPENSES						
Supplies		15,000		-		-
Travel		22,500		-		-
Wages and fringe benefits		130,572		-		-
		168,072		-		-
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Excess of revenues over expenses	\$	-	\$	168,072	\$	-

FUND ACCOUNTING

SOUTHEAST REGIONAL SERVICE COMMISSION

SCHEDULE G - OTHER INFORMATION

Year ended December 31,

2017
Budget
(note 3)

2017
Actual

2016
Actual

G - SOLID WASTE FUND

REVENUE

Municipal waste	\$ 3,707,199	\$ 3,707,200	\$ 3,678,808
Municipal transport	167,146	167,146	165,978
Municipal education	167,146	167,146	165,978
Solid waste treatment	7,724,705	7,514,344	7,311,542
Construction & demolition waste treatment	450,000	225,684	335,018
Recycling	1,268,261	1,462,190	1,305,441
Rental income	124,914	126,468	123,556
Equipment rental income	30,600	20,870	26,690
Third party materials processing	72,787	113,157	137,585
Provincial government grants	-	20,000	113,489
Interest revenue	5,100	52,101	5,614
Other income	10,000	132,409	22,781
Second previous year's surplus	301,935	301,935	175,033
Transfer from operating reserve	-	-	660,000
Transfer from post-closure reserve	-	-	2,254,989
	14,029,793	14,010,650	16,482,502

OPERATING EXPENSES

Advertising	42,360	9,996	10,427
Bad debts	2,400	13,420	12,860
Bank charges and collection fees	58,700	16,995	33,577
Computer maintenance	120,161	212,130	80,402
Education events	82,000	141,207	177,253
Electricity	346,273	374,283	342,345
Equipment rental and leasing	9,078	11,621	16,375
Equipment washing	4,080	1,765	2,741
Fuel	425,368	407,406	411,863
Insurance	122,500	124,345	109,876
Legal fees	8,405	20,098	31,860
Maintenance	836,908	927,384	898,247
Meals and entertainment	12,856	7,039	6,568
Meetings	3,570	1,949	2,522
Memberships and subscriptions	6,120	4,292	4,876
Miscellaneous	2,000	8,939	9,338
Monitoring	104,450	83,985	80,609
Office supplies	26,520	35,392	40,238
Carry forward	\$ 2,213,749	\$ 2,402,246	\$ 2,271,977

SOUTHEAST REGIONAL SERVICE COMMISSION

SCHEDULE H - OTHER INFORMATION

Year ended December 31,

2017
Budget
(note 3)

2017
Actual

2016
Actual

H - SOLID WASTE FUND (continued)

OPERATING EXPENSES (continued)

Carried forward	\$	2,213,749	\$	2,402,246	\$	2,271,977
Postage and courier		3,876		5,323		4,742
Professional services		112,000		98,669		200,367
Property taxes		208,500		199,405		196,163
Purchases of fibre (recovery)		24,581		(50,543)		48,109
Repairs and maintenance - roads		156,335		82,684		83,205
Supplies		387,028		380,969		369,102
Telephone		35,700		53,144		32,993
Training and development		33,180		25,074		32,462
Translation		6,202		2,062		2,685
Transport subsidy		129,814		129,814		128,947
Vehicle registration		1,122		1,247		1,827
Waste disposal costs		323,773		272,704		242,969
Waste without charge		1,836		1,261		1,637
Wages and fringe benefits		5,380,809		4,860,690		3,916,236
Contracted staffing		1,419,110		1,464,601		2,193,761
Interest on long-term debt		259,000		201,663		174,621
Discount on debentures		42,000		7,081		12,667
Long-term debt repayment		1,059,000		1,041,500		1,364,000
Allocation of corporate services		603,178		588,653		537,610
Capital expenditures contributed by operating fund		1,489,000		1,155,053		2,450,115
Transfer to capital reserve		-		470,155		1,737,000
Transfer to operating reserve		-		51,000		200,000
Transfer to post-closure reserve		140,000		140,000		139,534
		14,029,793		13,584,455		16,342,729
Excess of revenues over expenses	\$	-	\$	426,195	\$	139,773

SOUTHEAST REGIONAL SERVICE COMMISSION

SCHEDULE I - OTHER INFORMATION

Year ended December 31,

	2017 Budget (note 3)	2017 Actual	2016 Actual
I - LOCAL PLANNING FUND			
REVENUE			
Local planning municipal contributions	\$ 1,789,552	\$ 1,789,552	\$ 1,732,205
Other income	-	-	15,030
Second previous year's surplus	35,063	35,063	34,519
	1,824,615	1,824,615	1,781,754
OPERATING EXPENSES			
Advertising	3,821	361	724
Computer maintenance	42,200	38,462	49,981
GIS Planet fees	1,500	1,518	1,497
Insurance	14,205	12,858	13,530
Leasing	14,217	11,988	14,809
Legal fees	15,000	6,195	3,040
Memberships and subscriptions	6,660	7,075	5,282
Miscellaneous	558	-	100
Office supplies	20,800	32,287	17,276
Per diems	13,950	11,449	9,576
Postage and courier	2,874	3,063	2,601
Rent	128,040	115,006	113,051
Telephone	22,100	23,778	36,874
Training	21,000	23,101	23,565
Translation and meeting expenses	22,845	23,573	26,352
Travel	39,705	34,972	32,187
Wages and fringe benefits	1,376,805	1,296,279	1,275,192
Allocation of corporate services	78,335	76,449	67,200
Transfer to operating reserve	-	30,000	45,000
	1,824,615	1,748,414	1,737,837
Excess of revenues over expenses	\$ -	\$ 76,201	\$ 43,917

SOUTHEAST REGIONAL SERVICE COMMISSION

SCHEDULE J - OTHER INFORMATION

Year ended December 31,

2017
Budget
(note 3)

2017
Actual

2016
Actual

J - REGIONAL PLANNING FUND

REVENUE

Regional planning municipal contributions	\$ 106,815	\$ 106,815	\$ 95,353
Other income	-	148,844	122,714
Second previous year's surplus	16,124	16,124	20,282
	122,939	271,783	238,349

OPERATING EXPENSES

Climate change and public transportation projects	3,000	48,777	57,662
Miscellaneous	6,000	-	-
Recreation asset mapping and connectivity	28,000	87,086	43,989
Wages and fringe benefits	62,439	87,200	54,860
Allocation of corporate services	23,500	22,934	67,200
	122,939	245,997	223,711

Excess of revenues over expenses	\$ -	\$ 25,786	\$ 14,638
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SOUTHEAST REGIONAL SERVICE COMMISSION

SCHEDULE K - OTHER INFORMATION

Year ended December 31,

2017
Budget
(note 3)

2017
Actual

2016
Actual

K - CORPORATE OPERATING FUND

REVENUE

Contributions from other funds	\$ 783,348	\$ 764,485	\$ 672,010
Other income	11,000	-	13,001
	<u>794,348</u>	<u>764,485</u>	<u>685,011</u>

OPERATING EXPENSES

Audit	25,000	37,794	24,978
Advertising	1,000	2,338	1,685
Computer maintenance	32,000	30,576	32,268
Insurance	4,735	4,286	4,510
Legal fees	2,500	600	1,686
Office supplies	12,500	12,500	22,045
Per diems	61,000	59,342	50,442
Rent	23,000	19,318	17,394
Telephone	4,600	4,761	4,580
Training and memberships	31,768	15,402	23,189
Translation and meeting expenses	28,000	21,543	23,592
Travel	13,900	11,675	10,575
Wages and fringe benefits	554,345	544,350	468,067
	<u>794,348</u>	<u>764,485</u>	<u>685,011</u>

Excess of revenues over expenses	\$ -	\$ -	\$ -
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SOUTHEAST REGIONAL SERVICE COMMISSION

SCHEDULE L - OTHER INFORMATION

Year ended December 31,

2017
Budget
(note 3)

2017
Actual

2016
Actual

L - ELECTRICITY FUND

REVENUE	\$	208,459	\$	224,147	\$	-
OPERATING EXPENSES						
Electricity		7,880		7,311		6,819
Insurance		-		3,637		-
Maintenance		11,403		37,259		13,525
Monitoring		5,123		1,779		-
Professional services		-		3,214		5,390
Supplies		4,000		24,490		4,190
Training		-		3,064		-
Wages and fringe benefits		30,000		27,340		-
Interest on long-term debt		163,000		66,656		4,389
Discount on debentures		-		-		30,714
Allocation of corporate services		78,335		76,449		-
Second previous year's deficit		41,474		41,474		-
Long-term debt repayment		300,000		355,500		-
		641,215		648,173		65,027
Excess of expenses over revenues	\$	(432,756)	\$	(424,026)	\$	(65,027)

SOUTHEAST REGIONAL SERVICE COMMISSION

SCHEDULE M - OTHER INFORMATION

Year ended December 31,

2017
Budget
(note 3)

2017
Actual

2016
Actual

M - DANGEROUS & UNSIGHTLY PREMISES FUND

	2017 Budget (note 3)	2017 Actual	2016 Actual
REVENUE	\$ 168,072	\$ 168,072	\$ -
OPERATING EXPENSES			
Supplies	22,500	-	-
Travel	15,000	-	-
Wages and fringe benefits	130,572	-	-
Transfer to operating reserve	-	168,072	-
	168,072	168,072	-
Excess of revenues over expenses	\$ -	\$ -	\$ -

