REGIONAL SERVICE COMMISSION 11
COMMISSION DE SERVICES RÉGIONAUX 11

ANNUAL REPORT 2018

contents

Chairperson's Report

On behalf of the Board of Directors of Regional Service Commission 11, I am pleased to present to you the 2018 Annual Report. On the pages that follow you will find reports from the Board's committee chairs, reports from our operating divisions covering the year and our audited financial statements.

2018 was a year of change in the composition of the Board with four directors stepping down midway through their term. We welcomed new Mayors from Minto, Hanwell and Fredericton Junction as well as a new director from the unincorporated areas.

In 2017, the Board adopted a resolution supporting the Fredericton International Airport's terminal expansion project and wrote to both levels of government encouraging them to make the requested funding available. We were pleased in May of this year to see that an agreement between the parties had been reached to fund that expansion. A vibrant airport with the capacity for growth is important to our whole region.

Many of our communities were negatively impacted by the spring flood in 2018. The Commission was able to support these communities by having additional household hazardous waste events in the impacted areas as well as remote sessions for impacted property owners by our planning and development staff.

Late in 2018 a large multi-national firm made application to the province to build and operate a large transfer station in the Saint John area. The firm's plan is to collect commercial (ICI) garbage and ship to a landfill in Nova Scotia.

7.1%

Region 11 population growth has increased 7.1 per cent; ahead of Province of New Brunswick (**2.9**) and Canada (**5.9**).

24.6%

of Region 11 residents hold a university certificate or diploma at a bachelor level or above.

48,530

There were 48,530 dwellings in Region 11; 53 per cent of dwellings were constructed prior to 1981.

ICI garbage accounts for the majority of tonnage at the Province's landfills and this is the case in our region, with it being approximately 66% of total tonnage. Since this private sector operation would not be carrying costs for recycling and household hazardous waste materials it is expected that the planned operation will have a noticeable cost advantage over the NB landfills. The loss of this tonnage would result in sizable increases in our tipping fees.

After reflection, the Board wrote the Province requesting it enact legislation or regulation to forbid the export of garbage from New Brunswick. Other RSCs made similar representations and the Department of Environment advised that a condition was placed on the applicant to file a notice of this application with all RSCs concurrent with submission to the Province so we would have an opportunity to make our comments. To date the company has not filed such a notice.

In closing I would like to express my sincere appreciation for the support and efforts of my colleagues on the Board and the committee chairs for their excellent work. It has been my privilege to be your Chair.

Judy Wilson-Shee

Audit Committee Report

The Audit Committee performs an important function on behalf of the Board and the public. It is tasked with managing risk and it primarily fulfills this role by overseeing the work of the Commission's external auditors and ensuring that the work of the auditors is independent of management. It is the only committee of the Board on which the Executive Director is not an ex-officio member.

The committee met twice in connection with the preparation and delivery of the audited financial statements included in this report.

The first meeting focused on the audit plan that was developed by our auditors MacMillan Lawrence and Lawrence which we found to be satisfactory. We also held an in-camera session with the firm to discuss any potential areas of concern with management. I am pleased to report there were none.

At the second meeting we reviewed the draft audit report and satisfied ourselves that the work was carried out in accordance with the plan. We also reviewed the results of the audit in detail and agreed the committee would recommend adoption of the audit report to the Board. We also agreed to recommend that the Board appoint MacMillan Lawrence and Lawrence as the Commission's auditors for the 2019 fiscal year.

I was fortunate to be supported by a committee which was diligent in preparing for meetings and participated whole-heartedly.

I want to take this opportunity to thank the committee members for their assistance and support.

Members of the Committee are:
Daryl Prince – Vice Chair
Robert Powell
Mike Chamberlain
Bev Forbes

Dale Mowry – Audit Committee Chair

34%

of NB public administration workers are located in Region 11.

25.4%

Public and social services employs 25.4 per cent of residents including education, health care and waste management.

$6,000

The average household income in Region 11 is higher than the provincial average by over $6,000.

Community Policing Committee Report

The Community Policing Committee's purpose is to provide the region's communities a forum for cooperative action with respect to the efficiency and effectiveness of policing services. The committee members meet with RCMP detachment commanders as well as Mayors and LSD Advisory Committee Chairs or their representatives.

These sessions allow for a "Community Policing approach" to be taken in the delivery of protective services in Region 11. Community Policing focuses on building ties between law enforcement agencies and the communities they serve so that strategies for reducing crime and disorder can be developed collaboratively. In short, it recognizes that everyone has a responsibility in crime reduction efforts, not just uniformed officers.

During the year the committee heard from the RCMP about a number of issues that challenge or will challenge service delivery. Two legislative changes are considered significant. The changes to the administration of domestic violence situations have proven to take much more time than was previously the case.

Additionally the management of impaired driving due to the legalization of cannabis presents timing and resource challenges. All law enforcement agencies in the country are moving as quickly as they can to have an appropriate number of Drug Recognition Experts qualified. This training is expensive and time consuming. Additionally it is expected that in the near term there will be more litigation of these incidents as case law is established.

The committee was surprised to hear that on a per capita basis New Brunswick has the most mental health calls in the country and within the province Region 11 has more of these potentially dangerous and time consuming calls than any other region.

In 2018 regional policing became a topic of interest throughout the province and the committee is overseeing the Board's examination of this development. The Board was briefed on the different models in use in our region and the costs of each approach. In response to our interest in this development, as well as that of the Miramichi and Chaleur regions, combined with developments in some municipal forces, the Department of Public Safety announced early in 2019 that it would undertake a province wide consultation on the sustainability and structure of law enforcement. The committee will be monitoring this closely in the coming year.

My sincere thanks go out to the committee members, as well as the region's detachment commanders, Sergeants Andrea Gallant and Andrew Griffiths.

The committee members were:
Ian Kitchen– Vice Chair
Mike Blaney
Don Fitzgerald (ex-officio)
Dale Mowry
Eleanor Lindsay

Peter Morrison – Community Policing Committee Chair

Finance and Budget Committee Report

The Finance and Budget Committee of the Board is tasked with developing and recommending to the Board an annual budget and monitoring financial management of the Commission, including the operating results of the various divisions. During 2018 the committee met nine times in exercising this mandate.

The committee presented its budget recommendation to the Board on September 6th and during the required 45 day evaluation period staff of the Commission reviewed the budget proposal with municipal officials and chairs of the region's advisory committees. On October 25th the Board adopted the budget proposal without amendment.

In previous reports the requirement to provide sufficient funds to pay for the managing of the landfill site after closure has been discussed.

During 2018 an updated analysis of the funding required to meet this obligation in 2037 was completed. This analysis and a review of the investment performance of our fund led the committee to recommend to the Board a new Investment Policy Statement which it approved. While this new investment strategy is more aggressive than its predecessor it mirrors the strategies of large Canadian sector pension funds and as such would be considered a conservative approach to long term investing. Since the adoption of this strategy we have seen an improvement in the post closure fund's return.

Solid waste management is a capital intensive activity and our operations are no exception. During the year the committee reviewed the asset management plan and capital reserve policy for the division. The asset management plan lays out a replacement schedule for all of the main pieces of equipment the Commission owns and the capital reserve policy establishes a minimum level of cash to be held to deal with unanticipated equipment failures or timing differences between acquisition and financing. The Board subsequently adopted the committee's recommendations in these regards.

Building on the asset management plan and reserve policy the committee then developed and recommended a five year financial plan to the Board which was adopted. While there will undoubtedly be unforeseen developments in the coming five years, we are confident that this plan positions the organization to be well prepared for that uncertainty.

I want to express my appreciation to the committee members for their contribution to the committee's work. The members are:

Peter Morrison – Vice Chair
Leo Kolijn
Don Fitzgerald (ex-officio)
John Bigger
Daryl Prince

Mike Blaney – Finance and Budget Committee Chair

Governance Committee Report

The majority of Region 11 residents have a regular place of work, to which they must travel.

10%

Some 10 per cent don't have a fixed work place.

5%

Just over five per cent work from home.

89%

of residents travel to work by vehicles.

21.2

The average commute time in Region 11 is 21.2 minutes.

The Governance Committee's function is to ensure that the Board is operating appropriately and efficiently. It does this by focusing on three important duties:

1. annually it reviews the By-laws of the Commission and makes recommendations for any changes it believes are prudent;
2. each year it manages a self-evaluation process and recommends such activities it deems appropriate; and
3. monitoring training practices for Directors and in collaboration with the Executive Director ensuring an orientation process is in place for new Directors.

The Committee met on three occasions to deal with the 2018 program of work.

The By-law review resulted in two changes of more or less a housekeeping nature. The description of the duties of the Community Policing Committee were updated to reflect current practices and an obligation was placed on Directors who were participating electronically to confirm they were alone when the Board enters closed sessions.

In reviewing the results of the 2017 self-assessment the Committee noted that in all cases, except two, the responses were more favourable than the result from the previous year. In the two cases where there was a decline, it was not seen as significant. It was also observed that in all cases there was a relatively narrow range of answers indicating the Board generally has a common opinion.

The principle finding of the self-assessment was that Directors wished to be more knowledgeable about the operations of the Solid Waste Division. Following direction from the Committee I am pleased to report that during the summer months two tours were arranged for Directors which allowed time for both a history of the operations and a discussion on the current state of events. All Directors who attended found the sessions helpful.

I want to take this opportunity to thank the committee members for their assistance and support.

The committee members were:
Judy Wilson-Shee (ex-officio)
Debby Peck
Don Fitzgerald (ex-officio)
Mark Foreman

Carson Atkinson – Governance Committee Chair

Planning Management Committee Report

This will be the last report of the committee since the 2019 updating of the Commission's by-laws dissolved the committee.

When the Planning Management Committee was struck in 2013 it was in recognition of the fact that less than half of the Directors represented communities which received their planning services from the RSC. This committee represented a separate and distinct "customer group" which deserved its own oversight in this area of operations.

Now seven years later the situation is quite different. All but three of the Directors represent communities which receive their planning services from the Commission. By adjusting the by-laws to ensure that the membership of the Finance Committee does not include majority representation from non-planning communities we were able to remove a layer of bureaucracy and duplication. Going forward the activities on which this committee reports will be handled by the Finance Committee. Additionally, this change will eliminate possible confusion with the Planning Review and Adjustment Committee.

As described elsewhere in this report 2018 was a busy year for our planning group and I am pleased to report that the Commission responded well to increased business levels which were then magnified by the unfortunate flooding our region experienced in the Spring.

I want to thank my colleagues on the committee who without exception were well prepared and performed the work in an excellent manner.

The committee members were:
Eleanor Lindsay – Vice Chair
Debby Peck
Don Fitzgerald (ex-officio)
Mike Chamberlain
Ian Kitchen

Bev Forbes – Planning Management Committee Chair

Planning Review and Adjustment Committee

The Planning Review and Adjustment Committee is a standing committee of the Board appointed pursuant to the provisions of the Community Planning Act with specific legislative advisory and decision making authorities and duties outlined in the Act. Committee members serve in an “at-large” capacity rather than as representatives of the communities in which they live.

The committee makes decisions and offers recommendations as appropriate on land use applications in the region’s unincorporated area as well as from the following municipalities:
Cambridge-Narrows
Chipman
Fredericton Junction
Gagetown
Hanwell
Millville
Minto
Nackawic
Stanley
Tracy

The committee meetings are open to the public and are typically held on the last Tuesday of the month. Additionally, the committee makes recommendations to Councils and or the Minister of Environment and Local Government on re-zonings. There were 13 rezonings in 2018 compared to 1 rezoning in 2017. In 2018 the committee met 8 times and considered 37 applications.

There was only one contentious application in 2018 with significant public feedback from an application for a dog training facility to be located in a residential subdivision in Rusagonis. The applicant was turned down by the committee and the applicant tried to appeal this decision, but was turned down by the Provincial Planning Appeals Board.

I would like to thank all the members of the committee and the Commission staff for their dedication in 2018.

Tom Nisbet
Chairperson,PRAC

Members of the committee were:
Peter Corey
Mike Chamberlain
Bernie Hoganson
Eldon Hunter
Susan Jonah
Paul Milburn
Carman Nason
Colin Trail
Daryl Prince
Scott Smith
Brian Toole

Solid Waste Division (SWD)

The Solid Waste Division of Regional Service Commission 11 is now 33 years old.

It's been over three decades since the landfill site was founded and the changes have been significant over its years of service to the community.

From remarkably simple beginnings of accepting regional waste to expanded services and sustainability of environmental protection and leadership, the SWD continues its course toward the future. SWD continues to thrive as an environmental leader, building off its lists of provincial firsts including:

- First regional sanitary landfill in New Brunswick;
- First blue and grey curbside recycle collection;
- First landfill gas management system;
- First landfill to bale its garbage;
- First to construct a recycling facility;
- First to develop a household hazardous waste program;
- First landfill gas collection system process in Canada to be verified allowing it to see carbon credits on the international Blue Registry.

Under RSC11's umbrella and leadership, SWD experienced another strong year of progress, showing sustainability and efficiency at the region's landfill site.

Despite a second consecutive summer of dry weather and an early winter frost, SWD employees were able to keep cell development and other projects on course for a challenging, yet effective, 2018.

SWD's operation and environmental protection pursuits remain paramount for a coverage area of some 125-square kilometres.

8,742

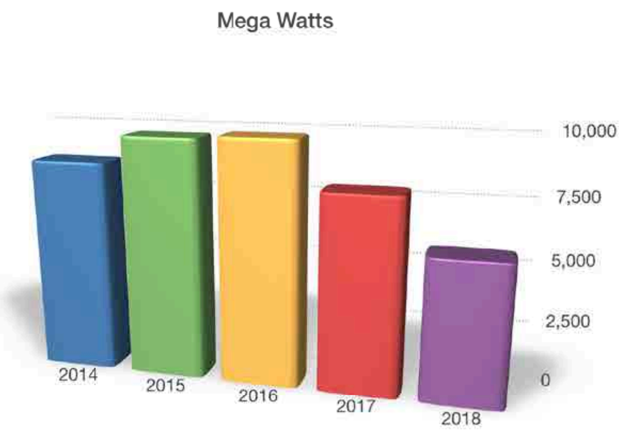
Metric tonnes handled by the SWD Materials Recovery Facility

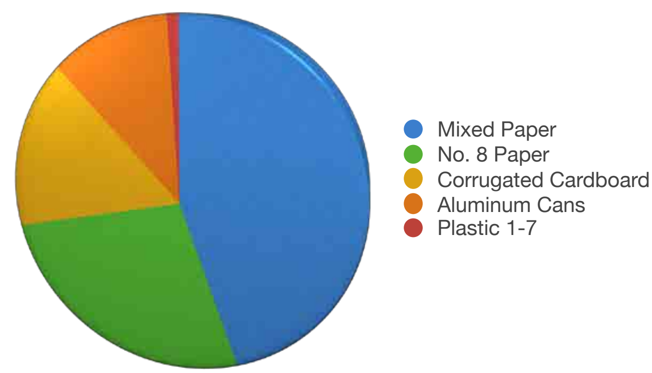
4

Four successful Household Hazardous Waste region-wide collection days were held in Gagetown, Cambridge-Narrows, Chipman and Kingsclear

4,700

Vehicles passed over SWD's scales.





Garbage, household hazardous waste, landfill gas to energy, recycle and construction and demolition all reflected SWD's continued commitment to the environment.

SWD also accommodated residents affected by the severe regional flooding. Tipping fee was waived for residents bringing in flood-related items and, in conjunction with New Brunswick Department of Environment, SWD was compensated for the no charge service that was capped July 31. Despite challenges of increased volume accommodated, SWD adapted and played a key role in properly disposing flood-related items.

It was a difficult period of time for the residents affected by Mother Nature, but through communication with all parties involved, a relationship of trust was built by those bringing in debris, many departing with emotional staples of their lives and turning to RSC11 and SWD for help.

Household Hazardous Waste continues to flourish and an increased effort on recycling was also part of 2018's commitment to the public including adding a fourth regional event to the calendar to help flood-related collection.

Landfill Gas to Energy

With the second straight dry summer, the SWD's landfill gas to energy plant produced 5,712 Mega Watts in 2018, down from 8,000 Mega Watts the previous year.

Water is required to help garbage decompose in the landfill cell areas. With the severe lack of rain during the late spring and summer months, that garbage was unable to decompose as normal into methane gas. The field did not generate its usual amount of gas without the water, resulting in lower than anticipated Mega Watts.

In the coming year we will be putting in 17 new wells to optimize our gas collection field using vertical rather than horizontal wells.

The energy plant produces enough energy to power approximately 2,300 homes. It eliminates between 45,000 and 60,000 tonnes of greenhouse gas in the air per year.

Despite the environmental circumstances, the landfill gas to energy product is a viable entity that is truly a green project.

Material Recovery Facility and Recycling

The overall tonnage handled by the Materials Recovery Facility (MRF) was 8,472 metric tonnes in 2018.

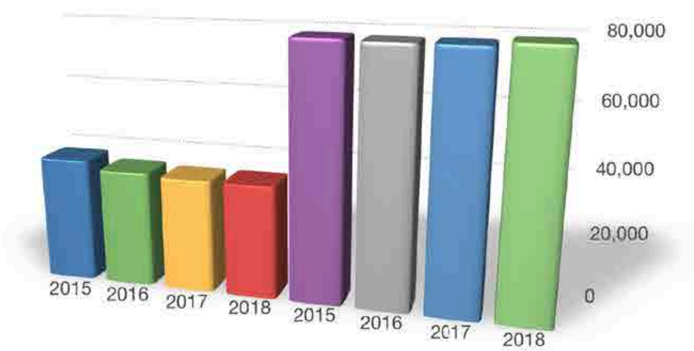
Revenues totalling $6,108 were received on five and 10-cent refundables during the year.

The MRF accepts mixed paper, aluminum cans, No. 8 paper, corrugated cardboard and plastics No. 1 through 7.

Items are baled into approximate 700-kilogram bales and sold across the world.

We continued sending product to China, the world's largest importer. With the dual sorting practice of grey and blue box recycling, product is sorted at home before being sorted again at SWD. That approach allows for clean and consistent product to be shipped world-wide including China.

SWD actually experienced higher recycling yields in 2018.



Diversion

SWD diverted some 600 tonnes of scrap metal in 2018, 300 tonnes of wood and brush and just over 6,000 tonnes in construction and demolition.

There were 3,500 tonnes of methane diverted through landfill gas to energy plant, the single largest embedded energy project in the province with the reduction of 60,000 carbon equivalent tonnes plus 8,472 tonnes from SWD's Material Recovery Facility was diverted.

These figures do not include commercial sectors.

Residential diversion rate was 35 per cent.

Household Hazardous Waste

Household hazardous waste can be dropped off at the landfill site each Wednesday and Saturday during operation. It is a no charge service for residential HHW only. There were also four full staffed remote HHW collection days through May to October to allow region-wide residents the opportunity to have their items properly disposed.

HHW hours were extended due to the severe flooding in the region.

In 2018, HHW remotes were held in Gagetown, Cambridge-Narrows, Chipman and Kingsclear. The remote HHW events are advantageous to those living in the outlying areas. Almost 900 vehicles were recorded in 2018 visiting the four remote sites allowing for easier residential access as opposed to making a special trip to the landfill site each Wednesday or Saturday.

Just under 4,700 vehicles crossed the SWD scales for HHW drop-off in 2018. The schedule for 2019 HHW events will be announced in early spring.

Labpack total weight was 35,120 kilograms. Items included in labpack are lighter fluid, swimming pool chemicals, Drano and paint thinners which are separated and stored in 45-gallon drums. Paint received totalled 79,000 litres. Waste oil was 22,200 litres and total volume yielded 101,510 litres diverted from the landfill site.

Landfill

The tipping fee for 2018 was $87.50. Garbage intake for 2018 was 84,335 metric tonnes.

The fee was up from $85 in 2017 and 78,340 metric tonnes were yielded.

Past rates/tonnage figures show:

- 2008 81,636 $66.00
- 2009 79,835 $66.00
- 2010 81,345 $69.00
- 2011 81,864 $74.00
- 2012 78,230 $74.00
- 2013 79,019 $74.00
- 2014 79,898 $79.00
- 2015 76,867 $80.50
- 2016 75,767 $82.50

Construction and Demolition

Waste that comes from construction and demolition is kept out of the main engineered landfill site. Instead, construction and demolition material is diverted to its own special area.

The reason to separate the construction material from regular waste is two-fold. The first is the size of some of the items such as large pieces of concrete. These large portions of concrete cannot be baled without damaging the machinery and would take up a significant amount of space in the landfill. The second reason is some of the items are recyclable such as metals (ie. copper and steel). By keeping construction and demolition waste separate, the lifespan of the landfill is prolonged.

The tipping fee for 2018 was $43.75, exactly half of the price of the regular tipping fee. The intake for the year was 5,526 metric tonnes.

Leachate Treatment Pond

The landfill has a leachate treatment pond which was constructed in 2000. The pond receives leachate generated in the landfill cells and provides treatment through biological activity supported by an aeration system. Leachate remains in the pond for approximately 127 days prior to discharge to the Fredericton Area Pollution Control Commission for final treatment. In 2018, a total of 88,333,041 litres of treated liquid were discharged from the treatment pond.

Ash Cell

A cell designed for the disposal of ash generated by the University of New Brunswick's physical plant was constructed in 2001. UNB reimburses the landfill for capital and operational costs associated with the ash cell. In 2018, 1,957.50 metric tonnes of ash were received from UNB. The revenue was $170,302.50.

Public Relations & Education

The SWD continued its foray into cinema advertising and moved into digital advertising and also moved into television for the first time, creating a tremendously successful landfill gas to energy commercial showcase and milk recycling campaigns.

Recycling advertising continued, but SWD is moving toward the new generation of digital campaigns to target audiences in specific areas of the region with recycling, household hazardous waste and Recycle Hotline number information.

There were 41 classroom visits from K to fifth-year university students and an additional 38 tours to the landfill site were held from a variety of visitors.

SWD also has its own YouTube site where recycle videos, landfill gas to energy and other environmental shorts are available for schools. The YouTube channel and website videos are shown to classes with a mix of real and animated scenes.

SWD continues to advertise in numerous locations and through various events across the region to enhance recognition of its services and Recycle Hotline number at 453-9938.

Planning and Development Services

The 2018 year saw increased levels of activity coupled with staff changes. The planning division welcomed 2 new planners to fill vacancies and a new enforcement officer came on board as a result of a retirement. Despite these changes, service levels were maintained in the face of increased business levels.

During the year rural plans were created for Millville and Maugerville/Sheffield. As well, rural plans for Canning, Fredericton Junction, Stanley and Estey's Bridge were reviewed. The Regional Profile was also completed with the inclusion of the last data release from Statistics Canada from the 2016 census.

During 2018 there were 13 rezoning and amendment applications evaluated, including an amendment to the Chipman Rural Plan to allow backyard chickens in residential zones, and an amendment to the Canning Local Service District Rural Plan to strengthen the development in a floodplain section of the plan. Only one of the rezoning applications was denied.

We assisted 5 municipalities with the development of new by-laws related to animal control and trail usage. We dealt with 122 enforcement cases of which twelve were in the unsightly category.

The record May flood impacted our region. We established "pop up" offices in Douglas Harbour, Millcove, and the Village of Gagetown to help local affected residents get direction on rebuilding and demolition work. The Department of Environment also assisted us at these sites.

The Village of Chipman was surrounded by flood water and completely isolated from the rest of the province. In our region over 800 homes had their power shut off and in most communities this flood was the highest on record. There were 189 building permits related to the May flood for 2018 which represented unanticipated effort for our staff.

Major developments in the region during the year included large barns in the Burtts Corner area, extensions to fire halls in Burtts Corner and Douglas Harbour, a food bank in Stanley, several dome structures in a campground in Waterborough, the Hanwell municipal building, as well as several commercial and industrial buildings in the Hanwell industrial park.

A total of 422 building permits were issued for a value of $52,589,908 in 2018. This required 869 inspections.

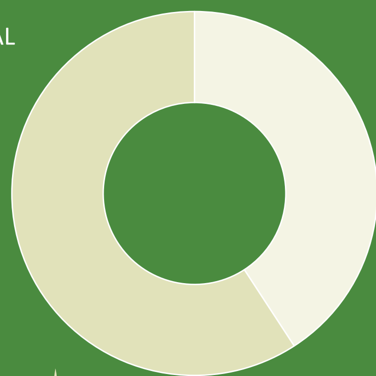
Village of Cambridge-Narrows

25 PERMITS ISSUED
$ 1,176,200 CONSTRUCTION VALUE

PERMITS ISSUED by Type

41% RESIDENTIAL

59% OTHER



VALUE OF PERMIT by Type

RESIDENTIAL	4	$480,000
OTHER	21	$696,200

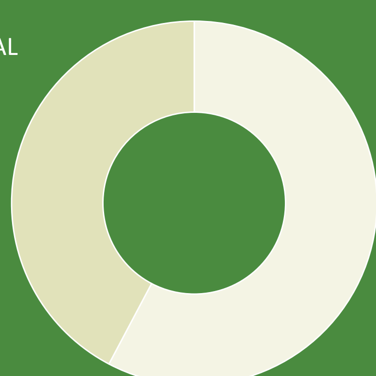
Village of Chipman

18 PERMITS ISSUED
$ 866,047 CONSTRUCTION VALUE

PERMITS ISSUED by Type

58% RESIDENTIAL

42% OTHER



VALUE OF PERMIT by Type

RESIDENTIAL	5	$500,000
OTHER	13	$366,047

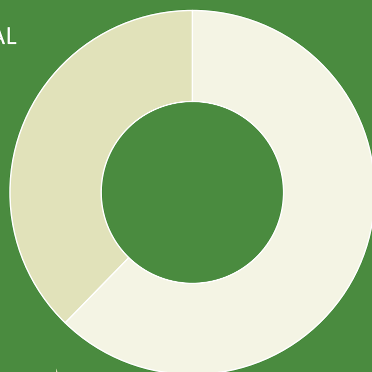
Village of Fredericton Junction

10 PERMITS ISSUED
$ 353,200 CONSTRUCTION VALUE

PERMITS ISSUED by Type

62% RESIDENTIAL

38% OTHER



VALUE OF PERMIT by Type

RESIDENTIAL	2	$220,000
OTHER	8	$133,200

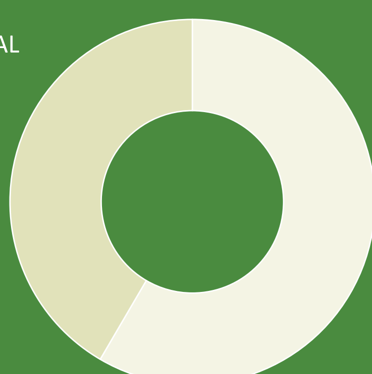
Village of Gagetown

16 PERMITS ISSUED
$ 909,280 CONSTRUCTION VALUE

PERMITS ISSUED by Type

58% RESIDENTIAL

42% OTHER



VALUE OF PERMIT by Type

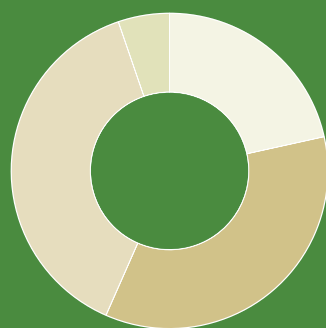
RESIDENTIAL	3	$531,280
OTHER	13	$378,000

Rural Community of Hanwell

41 PERMITS ISSUED
$ 7,806,581 CONSTRUCTION VALUE

PERMITS ISSUED by Type

22%	RESIDENTIAL
35%	INSTITUTIONAL
38%	COMMERCIAL
5%	OTHER



VALUE OF PERMIT by Type

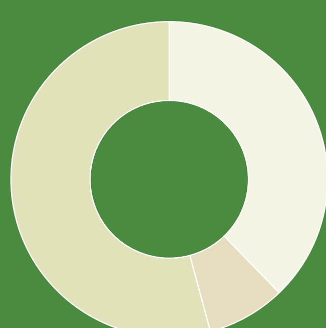
RESIDENTIAL	8	$1,680,000
INSTITUTIONAL	1	$2,737,331
COMMERCIAL	13	$2,979,500
OTHER	19	$409,750

Village of Minto

33 PERMITS ISSUED
$ 873,131 CONSTRUCTION VALUE

PERMITS ISSUED by Type

38%	RESIDENTIAL
8%	COMMERCIAL
54%	OTHER



VALUE OF PERMIT by Type

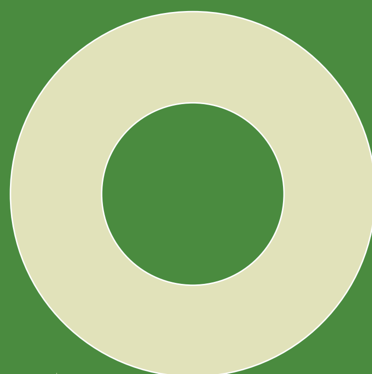
RESIDENTIAL	4	$330,000
COMMERCIAL	1	$70,000
OTHER	28	$473,131

Village of Millville

2 PERMITS ISSUED
$ 124,500 CONSTRUCTION VALUE

PERMITS ISSUED by Type

100% OTHER



VALUE OF PERMIT by Type

OTHER	2	$124,500

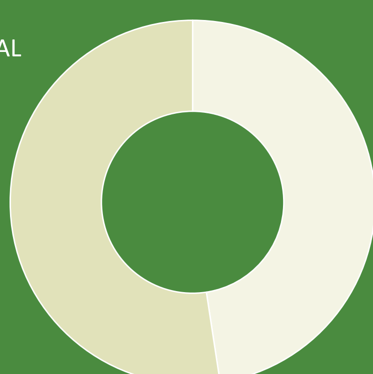
Town of Nackawic

15 PERMITS ISSUED
$ 523,200 CONSTRUCTION VALUE

PERMITS ISSUED by Type

48% RESIDENTIAL

52% OTHER



VALUE OF PERMIT by Type

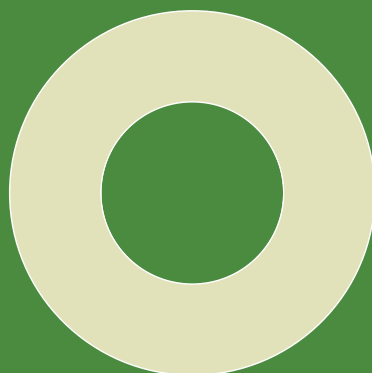
RESIDENTIAL	2	$249,000
OTHER	13	$274,200

Village of Stanley

2 PERMITS ISSUED
$ 253,000 CONSTRUCTION VALUE

PERMITS ISSUED by Type

38% OTHER



VALUE OF PERMIT by Type

OTHER	2	$253,000

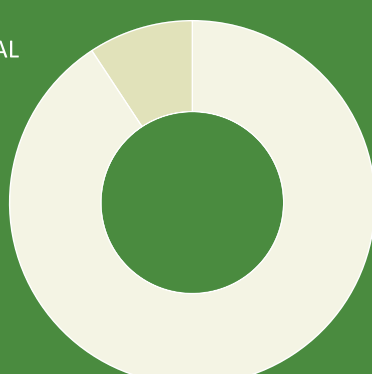
Village of Tracy

5 PERMITS ISSUED
$ 264,500 CONSTRUCTION VALUE

PERMITS ISSUED by Type

91% RESIDENTIAL

9% OTHER



VALUE OF PERMIT by Type

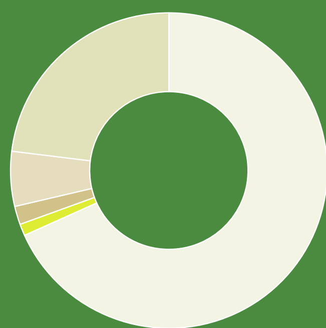
RESIDENTIAL	2	$240,000
OTHER	3	$24,500

Unincorporated Areas

552 PERMITS ISSUED
$ 40,103,708 CONSTRUCTION VALUE

PERMITS ISSUED by Type

68%	RESIDENTIAL
1%	MULTI-UNIT
2%	INSTITUTIONAL
6%	COMMERCIAL
23%	OTHER



VALUE OF PERMIT by Type

RESIDENTIAL	187	$27,373,725
MULTI-UNIT	3	$480,000
INSTITUTIONAL	3	$754,000
COMMERCIAL	8	$2,255,328
OTHER	351	$9,240,655

Spring 2018 Flood Information

Village of Cambridge-Narrows

BUILDING PERMITS	2	$15,600
TOTAL	2	$15,600

LSD of Blissville

BUILDING PERMITS	1	$12,000
TOTAL	1	$12,000

Village of Chipman

BUILDING PERMITS	1	$4,300
TOTAL	1	$4,300

LSD of Rusagonis-Waasis

DEVELOPMENT PERMITS	3	$9,600
TOTAL	3	$9,600

Village of Gagetown

BUILDING PERMITS	5	$200,000
DEVELOPMENT PERMITS	1	$2,000
ELECTRICAL WAIVERS	1	$25
TOTAL	7	$202,025

LSD of Chipman

BUILDING PERMITS	1	$50,000
DEVELOPMENT PERMITS	1	$3,700
ELECTRICAL WAIVERS	1	$25
TOTAL	3	$53,725

LSD of Cambridge

BUILDING PERMITS	24	$1,159,000
DEVELOPMENT PERMITS	9	$30,500
CIVIC PLATES	1	$25
ELECTRICAL WAIVERS	2	$50
TOTAL	36	$1,189,575

LSD of Maugerville

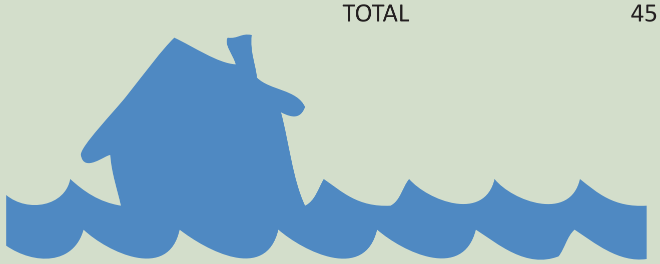
BUILDING PERMITS	7	$363,000
DEVELOPMENT PERMITS	4	$27,150
CIVIC PLATES	3	$90
ELECTRICAL WAIVERS	5	$125
TOTAL	19	$390,365

LSD of Burton

BUILDING PERMITS	1	$30,000
VARIANCES	1	$250
TOTAL	1	$30,250

LSD of Canning

BUILDING PERMITS	19	$935,000
DEVELOPMENT PERMITS	9	$36,450
CIVIC PLATES	1	$30
ELECTRICAL WAIVERS	15	$375
VARIANCES	1	$250
TOTAL	45	$972,105



Spring 2018 Flood Information

LSD of Sheffield

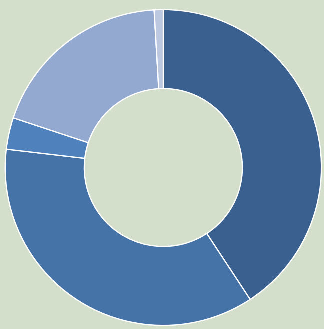
BUILDING PERMITS	12	$427,500
DEVELOPMENT PERMITS	9	$40,494
CIVIC PLATES	2	$60
ELECTRICAL WAIVERS	5	$125
TOTAL	28	$468,179

LSD of Waterborough

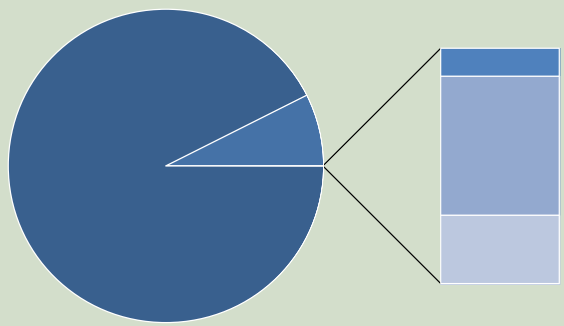
BUILDING PERMITS	15	$576,000
DEVELOPMENT PERMITS	15	$153,150
ELECTRICAL WAIVERS	12	$300
TOTAL	42	$729,450

TOTALS

Breakdown by QUANTITY



Breakdown by VALUE



BUILDING PERMITS	88	$3,772,400
DEVELOPMENT PERMITS	78	$301,244
CIVIC PLATES	7	$205
ELECTRICAL WAIVERS	41	$1,025
VARIANCES	2	$500
TOTAL	**216**	**$4,075,374**

Appendix A

Member Communities

Village of Cambridge-Narrows	Village of Chipman	City of Fredericton
Village of Fredericton Junction	Village of Gagetown	Village of Millville
Village of Minto	Town of Nackawic	Village of New Maryland
Town of Oromocto	Village of Stanley	Village of Tracy
Rural Community of Hanwell	Parish of Bright	Parish of Burton
Parish of Cambridge	Parish of Canning	Parish of Chipman
Parish of Clarendon	Parish of Dumfries	Estey's Bridge
Parish of Douglas	Upper Gagetown	Parish of Gladstone
Hampstead	Parish of Blissville	Keswick Ridge
Parish of Kingsclear	Parish of Lincoln	Parish of Maugerville
Parish of New Maryland	Noonan	Parish of Northfield
Parish of Prince William	Parish of Queensbury	Rusagonis-Waasis
Parish of Saint Marys	Parish of Sheffield	Parish of Southampton
Parish of Stanley	Parish of Waterborough	Wirral-Enniskillen

Appendix B

Directors Expenses

DIRECTOR	REPRESENTING	EXPENSES
Carson Atkinson	Chipman	$2,498.11
Michael Blaney	Gagetown	$2,895.62
Mike Chamberlain	Local Service Districts	$2,970.71
Blair Cummings	Cambridge-Narrows	$1,503.92
Beverly Forbes	Millville	$2,347.27
Mark Foreman	Stanley	$2,261.52
Donald Gould	Minto	$1,581.67
Ian Kitchen	Nackawic	$2,255.06
Eleanor Lindsay	Local Service Districts	$1,524.17
Chris Melvin	Hanwell	$923.30
John Bigger	Fredericton Junction	$1,666.09
Peter Morrison	Local Service Districts	$3,371.26
Dale Mowry	Tracy	$2,856.96
Mike O'Brien	Fredericton	$128.13
Debby Peck	Local Service Districts	$2,374.95
Robert Powell	Oromocto	$2,652.56
Daryl Prince	Local Service Districts	$2,647.58
Scott Smith	Local Service Districts	$1,175.89
Judy Wilson-Shee	New Maryland	$2,448.68
Leo Kolijn	Local Service Districts	$665.25
Erica Barnett	Minto	$384.39

ALTERNATES	REPRESENTING	EXPENSES
Gerard Daly	Local Service Districts	$297.26
Barb McDonald	Stanley	$169.13
Darren MacKenzie	Hanwell	$128.13
Kate Rogers	Fredericton	$1,033.32
Dave Morrison	Hanwell	$413.91
Steven Hicks	Fredericton	$916.59

Members of the Board are paid $128.13 per meeting ($153.75 for the Chair) and are reimbursed for mileage at a rate of 41 cents per kilometer.

Meal allowances of up to $37.50 per day are also available when on Commission business.

Appendix C

Meeting Attendance

COMMUNITY	REPRESENTATIVE	MEETINGS
Cambridge-Narrows	Blair Cummings	7 of 12
Chipman	Carson Atkinson	10 of 12
Fredericton	Mike O'Brien	1 of 12
	Kate Rogers	2 of 5
	Steven Hicks	7 of 7
Fredericton Junction	John Bigger	6 of 12
Gagetown	Mike Blaney	12 of 12
Hanwell	Chris Melvin	5 of 8
	Darren MacKenzie	1 of 8
	David Morrison	4 of 12
Millville	Bev Forbes	12 of 12
Minto	Donald Gould	5 of 5
	Erica Barnett	3 of 12
Nackawic	Ian Kitchen	11 of 12
New Maryland	Judy Wilson -Shee	12 of 12
Oromocto	Robert Powell	12 of 12
Stanley	Mark Foreman	9 of 12
	Barb McDonald	1 of 12
Tracy	Dale Mowry	12 of 12
LSD Representatives	Mike Chamberlain	10 of 12
	Eleanor Lindsay	9 of 12
	Peter Morrison	11 of 12
	Debby Peck	11 of 12
	Daryl Prince	9 of 12
	Scott Smith	5 of 5
	Leo Kolijn	6 of 7
	Gerard Daly	1 of 5

Appendix D

PRAC Expenses 2018

	PER DIEM	MILEAGE	MEALS	TOTAL
Bernie Hoganson	$900.00	$461.25	$175.50	$1,536.75
Brian Toole	$600.00	$344.40	-	$944.40
Carmen Nason	$400.00	$113.16	-	$513.16
Colin Trail	$600.00	$428.04		$1,028.04
Daryl Prince	$900.00	$369.00	$175.50	$1,444.50
Eldon Hunter	$850.00	$345.70	-	$1,195.70
John T. Nisbet	$1,200.00	$606.80	-	$1,806.80
Mike Chamberlain	$1,000.00	$243.54	-	$1,243.54
Paul Milburn	$900.00	$203.36	-	$1,103.36
Peter Corey	$700.00	$172.20	-	$872.20
Scott Smith	$1,000.00	$200.74	$19.50	$1,220.24
Susan Jonah	$900.00	$232.63	$97.50	$1,230.13
	$9,950.00	$3,720.82	$468.00	$14,138.82

Regional Service Commission 11

Audited Financial Statements

December 31, 2018

MacMillan Lawrence & Lawrence
Chartered Professional Accountants

Regional Service Commission 11

December 31, 2018

Contents

Independent Auditors' Report

To the Commissioners of
Regional Service Commission 11

Opinion

We have audited the financial statements of Regional Service Commission 11 (the "Commission"), which comprise the statement of financial position as at December 31, 2018, and the statement of operations, accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2018, and its financial performance 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.

MacMillan Lawrence & Lawrence

Fredericton, NB
April 2, 2019

Chartered Professional Accountants

Regional Service Commission 11

Statement of Financial Position

December 31, 2018

		2018		2017
Financial assets				
Cash and cash equivalents (Note 3)	$	3,456,947	$	3,574,365
Receivables (Note 4)		1,419,491		914,868
Loan receivable (Note 5)		95,755		99,372
Inventory		39,475		62,151
Interest receivable		10,933		-
Investments (Note 6)		3,220,072		3,118,833
		8,242,673		7,769,589
Liabilities				
Payables and accruals		1,152,681		969,741
Funds held in trust (Note 16)		107,077		106,031
Retiring allowance (Note 10)		603,537		638,000
Long term debt (Note 8)		4,160,000		3,927,000
Accrued post-closing costs (Note 7)		3,473,053		3,417,772
		9,496,348		9,058,544
Net debt		(1,253,675)		(1,288,955)
Non-financial assets				
Tangible capital assets (Schedule 1)		12,334,918		11,860,125
Prepaid expenses		130,512		120,718
Deferred financing charges		16,597		20,340
		12,482,027		12,001,183
Accumulated surplus	$	11,228,352	$	10,712,228

See accompanying notes to financial statements

Contingencies and commitments (Note 13 & 14)

Approved by the Commission:

Original Signed by Judy Wilson-Shee
______________________________ Member

Original Signed by Mike Chamberlain
______________________________ Member

Regional Service Commission 11

Statement of Operations and Accumulated Surplus

Year ended December 31, 2018

	(Unaudited) Budget 2018	Actual 2018	Actual 2017
Revenue			
Sale of services (Schedule 6)	$ 5,972,950	$ 6,269,915	$ 5,855,303
Member charges (Schedule 6)	4,215,823	4,161,102	4,049,023
Other (Schedule 6)	109,000	142,304	110,638
Grants (Schedule 6)	-	27,905	23,685
Interest	10,100	77,845	31,351
	10,307,873	10,679,071	10,070,000
Expenditures			
Administration (Schedule 6)	2,313,821	2,140,581	1,960,269
Fiscal services	116,195	117,695	113,761
Governance (Schedule 6)	75,250	52,534	58,027
Planning and building inspection services (Schedule 6)	738,237	726,000	685,619
Post-closing costs (Note 7)	195,880	3,312	306,428
Regional policing collaboration	7,500	-	-
Regional sport, recreation and culture	10,000	-	-
Solid waste services (Schedule 6)	7,813,976	6,945,300	7,078,239
	11,270,859	9,985,422	10,202,343
Annual (deficit) surplus before unrealized (losses) gain on investments	(962,986)	693,649	(132,343)
Unrealized (losses) gain on investments		(177,525)	43,777
Annual surplus (deficit)		516,124	(88,566)
Accumulated surplus, beginning of year		10,712,228	10,800,794
Accumulated surplus, end of year		$ 11,228,352	$ 10,712,228

See accompanying notes to financial statements

Regional Service Commission 11

Statement of Changes in Net Debt

Year ended December 31, 2018

	2018	2017
Annual surplus (deficit)	$ 516,124	$ (88,566)
Acquisition of tangible capital assets	(1,949,145)	(1,119,118)
Writedown of tangible capital assets	-	8,415
Amortization of tangible capital assets	1,474,352	1,698,411
	41,331	499,142
Change in deferred financing charges	3,743	3,733
Change in prepaid expenses	(9,794)	41,251
Decrease in net debt	35,280	544,126
Net debt, beginning of the year	(1,288,955)	(1,833,081)
Net debt, end of year	$ (1,253,675)	$ (1,288,955)

See accompanying notes to financial statements

Regional Service Commission 11

Statement of Cash Flows

Year ended December 31, 2018

	2018	2017
Increase (decrease) in cash and cash equivalents		
Operating activities		
Annual surplus (deficit)	$ 516,124	$ (88,566)
Amortization of tangible capital assets	1,474,352	1,698,411
Gain on disposal of tangible capital assets	(79,750)	(46,584)
Unrealized loss (gain) on investments	177,525	(43,777)
	2,088,251	1,519,484
Change in non-cash working capital		
Receivables	(504,623)	(53,643)
Interest receivable	(10,933)	-
Loan receivable	3,617	(99,372)
Inventory	22,676	(27,889)
Payables and accruals	182,940	(175,875)
Funds held in trust	1,046	470
Retiring allowance	(34,463)	68,000
Accrued post-closing costs	55,281	337,424
Deferred finance charges	3,743	3,733
Prepaid expenses	(9,794)	41,251
	(290,510)	94,099
Cash flows provided by operating activities	1,797,741	1,613,583
Capital activities		
Acquisition of tangible capital assets	(1,949,145)	(1,119,118)
Proceeds from disposal of tangible capital assets	79,750	55,000
Cash flows used in capital activities	(1,869,395)	(1,064,118)
Financing activities		
Long term debt (net)	233,000	(378,000)
Cash flows provided by (used in) financing activities	233,000	(378,000)
Investing activities		
Investments (net)	(278,764)	(220,705)
Cash flows used in investing activities	(278,764)	(220,705)
Net decrease in cash and cash equivalents	(117,418)	(49,240)
Cash and cash equivalents, beginning of year	3,574,365	3,623,605
Cash and cash equivalents, end of year	$ 3,456,947	$ 3,574,365

See accompanying notes to financial statements

1. Nature of operations

The Commission was established under a special act of the New Brunswick legislature with a mandate to provide or facilitate the provision of regional planning services and solid waste disposal services to all its members, and to all its members that are local service districts, a land use planning service. Regional Service Commission 11 (the "Commission") was created effective January 1, 2013.

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 Fredericton Region Solid Waste Commission and the Rural Planning District Commission, with the exception of $4,146 in capital assets, are transferred to and become the assets, liabilities, rights, obligations, powers and responsibilities of Regional Service Commission 11.

2. Significant accounting policies

Basis of accounting
The financial statements of the Commission have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

Reporting entity
The financial statements of the Commission reflect the assets, liabilities, revenues and expenses and changes in net debt and cash flows of the reporting entity. Inter-fund balances and transactions have been eliminated.

Revenue recognition
Revenues are recognized as they are earned and measurable. Tipping fees are recorded when the waste is delivered to the landfill facility and when collection is reasonably assured. Recycling commodity sales are recognized upon shipment of the recyclables to the customer and when collectability is reasonably assured. Planning fees are recognized as they are earned or upon issuance of a permit.

Financial instruments
The Commission initially measures its financial assets and financial liabilities at fair value. The Commission subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents, receivables and investments.

Financial liabilities measured at amortized cost include payables and accruals and long term debt.

Financial assets measured at fair value include investment in balanced funds and term deposits.

The fair value of investments in balanced funds are determined by reference to the latest closing transactional net asset value of each respective balanced fund.

2. Significant accounting policies (continued)

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

Inventory
Inventory held for sale is valued at the lower of cost and net realizable value with cost being determined on the first-in, first-out basis.

Investments
Investments are managed in accordance with the New Brunswick Trustees Act.

Non-financial assets
Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

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:

	Useful Lives
Land	Indefinite
Land improvements:	
Paving	20 years
Fencing	10 years
Gas collection system	20 years
Landfill cells	Estimated capacity of cell
Buildings	15 - 40 years
Machinery and equipment	5 - 40 years
Vehicles	5 years
Electronic equipment	5 years
Furniture and fixtures	10 years

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

Deferred financing charges
Financing charges related to the issuance of long term debt are deferred and amortized over the terms of the related debt.

Leases
Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

2. Significant accounting policies (continued)

Expense recognition
Expenses are recorded on the accrual basis as they are incurred and measurable based on the receipt of goods or services and legal obligation to pay.

Landfill closure and post closure liability
The Commission accrues landfill closure and post-closure care requirements that include final covering and landscaping of the landfill, pumping of ground water and leachate from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions using the best information available to management as documented in Note 7.

Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate when applicable.

Segmented information
The Commission's operations are broken down into five distinct areas which encompass a wide range of services. 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:

Co-operative and Regional Planning
This department is responsible for providing its members with a forum in order to initiate cooperative action among its members, which include discussions with respect to regional planning, regional policing collaboration, regional emergency measures planning, regional sport, recreation and culture infrastructure planning and cost-sharing.

Local Planning Services
This department is responsible to oversee building inspection, development and planning services.

Landfill Operations
This department is responsible for the acceptance and disposition of waste received at the landfill site, including, but not limited to, garbage, construction and demolition waste, and household hazardous waste.

SWD Recycling
This department is responsible for the collection and acceptance of recyclable material, including its sorting and subsequent sale.

Power Generation
This department is responsible for the generation of electricity which is sold to the New Brunswick Power Commission.

2. Significant accounting policies (continued)

Employee future benefits
The Commission has a sick leave benefit as documented in Note 9.

Certain Commission employees, having five years of continuous service, are entitled to a retirement allowance of five days for each full year of continuous service not exceeding 125 days at the employee's regular rate of compensation at retirement. The liability is actuarially determined as documented in Note 10.

The Commission provides a defined contribution money purchase pension plan for eligible planning and development employees. The amount of the member's benefit is not determined until the time the benefit is provided. The Commission's responsibility is limited to matching contribution to a maximum of 5.0% to 7.0% of gross pay of the employee and upon retirement the Commission has no further responsibility to the plan. Total benefit expense for the year ended December 31, 2018 was $49,675 (2017 - $48,798).

The Commission's solid waste employees are members of the City of Fredericton Shared Risk Pension Plan, which is a multi-employer shared risk pension plan. The plan is accounted for as a defined contribution plan in accordance with Public Sector Accounting Handbook PS3250 - Retirement Benefits.

Use of estimates
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates include assumptions used in estimating useful lives of tangible capital assets, landfill closure and post-closure liability and in performing actuarial valuations of employee future benefits. 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.

3. Cash and cash equivalents

	2018	2017
Cash and cash equivalents - restricted	$ 2,921,145	$ 1,901,564
Cash and cash equivalents - unrestricted	535,802	1,672,801
	$ 3,456,947	$ 3,574,365

The Commission has a revolving line of credit of $300,000, which was not utilized at December 31, 2018. Interest at prime less 0.5% secured by letter from the Chairman of the Commission, under seal, authorizing the Commission to borrow for the purpose of bridging normal member funding and financing receivables.

4. Receivables

	2018	2017
Planning and development	$ -	$ 1,076
Solid waste	1,080,351	692,697
Recycling	87,403	40,077
Power generation	57,563	75,508
HST rebate	194,174	105,510
	$ 1,419,491	$ 914,868

5. Loan receivable

	2018	2017
Amount due from Elmtree Environmental Ltd. of $100,000 at 0% repayable over a maximum of six years, repayable $1 per tonne added to the tonnage fee until the loan is repaid. After three years if $50,000 has not been repaid the difference between the $50,000 and the payments to date is due. Upon maturity, August 2023, any remaining unpaid balance is due. Annual interest at the daily prime bank commercial lending rate plus 2% will accrue upon default.	$ 95,755	$ 99,372
Less principal due within one year	4,152	4,152
	$ 91,603	$ 95,220

Estimated principal payments due in each of the next five years, include:

2019	2020	2021	2022	2023
$ 4,152	$ 41,603	$ 4,152	$ 4,152	$ 41,696

6. Investments

	2018		2017	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Cash	$ 93,632	$ 93,632	$ 265,853	$ 265,853
Balanced funds	3,247,855	3,126,440	2,796,870	2,852,980
	$ 3,341,487	$ 3,220,072	$ 3,062,723	$ 3,118,833

The balance of cash and balanced funds is restricted for future closure and post closure costs.

7. Accrued post-closing costs

The Commission is responsible for the continued monitoring and treatment of the site following its closure. During the year, the Commission completed a comprehensive review of the landfill site and a new post-closure analysis was completed resulting in a reduction adjustment of $223,510 to the post-closure liability.

The accrued liability for post-closing costs has been determined based on estimated post-closing costs of $566,750 (2017 - $503,100) per year, in future dollars, for a period of 30 years commencing in 2037.

Post-closing costs are discounted at a rate of 4.84% (6.85% nominal rate less 2.01% assumed inflation) for a current estimate of $16,696,785 (2017 - $16,874,084) required by the end of 2036 to fund post closure expenses.

At December 31, 2018 the capacity of the landfill had been estimated at 2,755,569 (2017 - 2,750,423) metric tonnes of which 1,454,284 (2017 - 1,525,000) metric tonnes remains unused as at December 31, 2018.

At December 31, 2018 the estimated post closure liability is $3,473,053 (2017 - $3,417,772) of which the Commission has funded with cash and balanced funds with a cost of $3,341,487 (2017 - $3,062,723) and with a market value of $3,220,072 (2017 - $3,118,833) for a shortfall of $252,981 (2017 - $298,939) based on market value at year end. Investment detail is documented in Note 6.

8. Long term debt

New Brunswick Municipal Finance Corporation	2018	2017
Debentures:		
B152 1.35% - 3.25%, due 2023, OIC 11-0005	$ 1,907,000	$ 2,261,000
BL47 1.2% - 2.15%, due 2019, OIC 14-0003	91,000	181,000
BO50 1.45% - 2.0%, due 2021, OIC 15-0046	146,000	193,000
BP40 1.20% - 2.0%, due 2021, OIC 06-0011, 16-0003	685,000	907,000
BR46 1.65% - 2.35%, due 2022, OIC 16-0003, 17-0041	311,000	385,000
BU41 2.55% - 2.95%, due 2023, OIC 18-0001	1,020,000	-
	$ 4,160,000	$ 3,927,000

Approval of the Municipal Capital Borrowing Board has been obtained for all long term debt.

Principal payments required in each of the next five years are as follows:

2019	2020	2021	2022	2023
$ 996,000	$ 923,000	$ 945,000	$ 682,000	$ 614,000

9. Accrued sick leave

The Commission provides sick leave that accumulates at 1.25 days per month for full-time employees. These employees can accumulate a maximum of 150 sick days for planning and development division employees and 200 sick days for solid waste division employees.

An actuarial valuation was performed on the 53 employee plan in accordance with PS 3255 at December 31, 2017. The actuarial method used was 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 estimate.

The following summarizes the major assumptions in the valuation:

- annual salary increase is 2.0%;
- the discount rate used to determine the accrued benefit obligation is 3.07%;
- retirement age is 60; and
- estimated average excess utilization rate of sick leave varies with age.

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 $89,518 on December 31, 2018 (2017 - $124,300).

10. Retiring allowance

Solid waste division employees of the Commission become eligible for a retiring allowance after five years of full-time consecutive service. Qualifying employees are entitled to five days of regular pay for each full year of continuous employment to a maximum of 125 days. The accrued benefit becomes payable in the year an employee ceases working for the Commission by retirement. The Commission paid a retirement allowance of $87,963 during the year (2017 - $12,449).

11. Pension plan

The Commission's solid waste employees are members of the City of Fredericton Shared Risk Plan, which is a Shared Risk Pension Plan in accordance with the New Brunswick Pension Benefits Act. The Plan is administered by an independent Board of Trustees. Under the Plan, contributions are made by the Plan members and Regional Service Commission 11. The Plan was created effective March 31, 2013.

Plan members contribute at a rate of 9% of pensionable earnings. The Commission matches these contributions to form the Plan's Initial Contributions. In addition, the Commission is making Temporary Contributions in the amount of 4.25% of pensionable earnings for at least 10 years and at most 15 years beginning March 31, 2013. As per the Plan's Funding Policy, contributions may increase or decrease by 2.25% of payroll for both the Commission and the employees should certain funding levels be reached.

11. Pension plan (continued)

For service up to and including March 31, 2013, benefits accrue at a rate of 1.3% on the first $5,000 of earnings and 2.0% on the remainder of pensionable earnings, to a maximum benefit of $2,000 per year of pensionable service. For this period of pre-conversion service, benefits are available on an unreduced basis for members who retire on or after age 55 and whose age plus service total at least 80. For service after March 31, 2013, benefits accrued at a rate of 1.8% of pensionable earnings. For this period of post-conversion service, benefits are available on an unreduced basis for members who retire on or after age 65.

The last actuarial valuation of the Plan was conducted as at March 31, 2018. At that date, the open group funded ratio of the Plan was 114.5%.

Contributions to the plan in 2018 totalled $552,512 (2017 - $600,011).

12. Financial instrument risk management

(a) Credit risk

Credit risk is the risk of financial loss to the Commission if a debtor fails to make payments of interest and principal when due. The Commission is exposed to this risk relating to its debt holdings in its post closure investment fund.

The maximum exposure to credit risk and concentration of this risk with respect to debt holdings is referred to in Note 6.

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

(b) Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in the market interest rates of long-term debt with fixed interest rates only affects net income if such debt is measured at fair value. All of the Commission's fixed rate long-term debt is carried at amortized cost and therefore is not subject to interest rate risk. The balanced fund faces interest rate risk and income risk.

(c) Currency risk

Currency risk relates to the Commission operating in different currencies and converting non Canadian earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur. All foreign currency transactions during the year have been made during the normal course of operations. The Commission does not hold foreign currency reserves, investments, or receivables at year end.

(d) Liquidity risk:

Liquidity risk is the risk that the Commission will encounter difficulty in meeting obligations associated with financial liabilities. The Commission is exposed to this risk mainly in respect of its payables and accruals and long term debt.

13. Contingency

The Commission previously entered into an agreement covering a ten year period commencing October 1, 1994 with a one time five year renewal option, to rent a portion of landfill property for use as a hydrocarbon contaminated soil remediation facility. The income from this project was being placed in a reserve account for future capital acquisitions (Note 16).

After the five year extension renewal option, exercised in 2004, expired September 2009 the lease was subject to litigation. The Commission settled the litigation effective August 14, 2017.

Under the terms of the Settlement, both parties have undertakings to perform. It is management's estimate that the remaining costs associated with the Settlement is $100,000 (2017 - $170,000). This amount has been accrued in the financial statements as of December 31, 2018. Actual settlement costs may be materially different.

14. Commitments

The Commission has entered into an agreement retro-active to September 2013 to rent a portion of landfill property for use as a hydrocarbon contaminated soil remediation facility. Terms of the agreement allow for the renewal of the lease every five years. Rent is $2,850 per month plus $2.75 per tonne of soil.

The Commission rents office space for its planning and development division under an operating lease agreement covering the period of October 1, 2018 to September 30, 2025. The minimum annual lease payments for the next five years are as follows:

2019	2020	2021	2022	2023
$ 114,862	$ 114,862	$ 120,083	$ 120,083	$ 125,304

15. 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 2018 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.

16. Funds held in trust

Represents funds held in trust by the Commission to cover any cleanup costs which may be required to support the tenant's obligation to remediate their leased land as referred to in Note 13. In the event that these trust funds drop below $100,000 as a result of payment for non-hydrocarbon remediation costs the tenant is obligated to pay an additional $2 per tonne until the trust fund once again reaches $100,000.

17. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Commission has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by the Board.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 5 - Schedule of Operating Budget to PSA Budget.

Regional Service Commission 11

Schedule 1: Schedule of Tangible Capital Assets

Year ended December 31, 2018

	Land	Land improvements	Buildings	Machinery and equipment	Vehicles	Electronic equipment	Furniture and fixtures	Assets under construction	2018
Cost									
Balance, beginning of year	$ 539,511	$ 3,457,887	$ 5,128,608	$ 15,263,475	$ 566,318	$ 182,136	$ 116,178	$ 37,498	$ 25,291,611
Add:									
Additions and transfers during the year	-	474,635	-	1,395,943	93,352	22,713	-	(37,498)	1,949,145
Less:									
Disposals and writedowns	-	-	-	(660,606)	-	-	-	-	(660,606)
Balance, end of year	539,511	3,932,522	5,128,608	15,998,812	659,670	204,849	116,178	-	26,580,150
Accumulated amortization									
Balance, beginning of year	-	2,496,083	1,919,904	8,475,156	339,009	106,784	94,550	-	13,431,486
Add:									
Amortization during the year	-	362,420	131,112	885,369	65,245	24,316	5,890	-	1,474,352
Less:									
Accumulated amortization on disposals and writedowns	-	-	-	(660,606)	-	-	-	-	(660,606)
Balance, end of year	-	2,858,503	2,051,016	8,699,919	404,254	131,100	100,440	-	14,245,232
Net book value of tangible capital assets	$ 539,511	$ 1,074,019	$ 3,077,592	$ 7,298,893	$ 255,416	$ 73,749	$ 15,738	$ -	$ 12,334,918
Consists of:									
Local planning assets	$ -	$ -	$ -	$ -	$ -	$ 14,205	$ 10,679	$ -	$ 24,884
Landfill assets	539,511	1,058,073	829,056	3,816,900	87,654	50,846	4,203	-	6,386,243
Recycle assets	-	15,946	2,244,187	96,368	167,762	8,698	856	-	2,533,817
Power generation assets	-	-	4,349	3,385,625	-	-	-	-	3,389,974
	$ 539,511	$ 1,074,019	$ 3,077,592	$ 7,298,893	$ 255,416	$ 73,749	$ 15,738	$ -	$ 12,334,918

Regional Service Commission 11

Schedule 1: Schedule of Tangible Capital Assets

Year ended December 31, 2017

	Land	Land improvements	Buildings	Machinery and equipment	Vehicles	Electronic equipment	Furniture and fixtures	Assets under construction	2017
Cost									
Balance, beginning of year	$ 539,511	$ 2,898,561	$ 5,128,608	$ 15,135,492	$ 555,182	$ 154,041	$ 103,855	$ -	$ 24,515,250
Add:									
Additions and transfers during the year	-	559,326	-	216,392	239,657	53,922	12,323	37,498	1,119,118
Less:									
Disposals and write downs	-	-	-	(88,409)	(228,521)	(25,827)	-	-	(342,757)
Balance, end of year	539,511	3,457,887	5,128,608	15,263,475	566,318	182,136	116,178	37,498	25,291,611
Accumulated amortization									
Balance, beginning of year	-	1,801,217	1,788,792	7,768,288	498,711	121,132	89,276	-	12,067,416
Add:									
Amortization during the year	-	694,866	131,112	795,277	60,404	11,478	5,274	-	1,698,411
Less:									
Accumulated amortization on disposals and writedowns	-	-	-	(88,409)	(220,106)	(25,826)	-	-	(334,341)
Balance, end of year	-	2,496,083	1,919,904	8,475,156	339,009	106,784	94,550	-	13,431,486
Net book value of tangible capital assets	$ 539,511	$ 961,804	$ 3,208,704	$ 6,788,319	$ 227,309	$ 75,352	$ 21,628	$ 37,498	$ 11,860,125
Consists of:									
Local planning assets	$ -	$ -	$ -	$ -	$ -	$ 7,434	$ 12,253	$ -	$ 19,687
Landfill assets	539,511	943,984	889,295	3,243,003	11,617	56,735	4,849	37,498	5,726,492
Recycle assets	-	17,820	2,314,760	138,595	215,692	11,183	4,526	-	2,702,576
Power generation assets	-	-	4,649	3,406,721	-	-	-	-	3,411,370
	$ 539,511	$ 961,804	$ 3,208,704	$ 6,788,319	$ 227,309	$ 75,352	$ 21,628	$ 37,498	$ 11,860,125

Regional Service Commission 11

Schedule 2: Schedule of Reconciliation of Annual Surplus

Year ended December 31, 2018

	Co-operative and Regional Planning Operating Fund	Local Planning Operating Fund	Solid Waste Operating Fund	Generation Operating Fund	Local Planning Capital Fund	Solid Waste Capital Fund	Sub-total Carry Forward
2018 annual surplus (deficit)	$ 12,245	$ 27,068	$ 1,736,082	$ 198,024	$ (5,882)	$ (1,136,157)	$ 831,380
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	24,499	339	562,847	81,975	-	-	669,660
Transfer between funds							
Transfer elimination	-	-	(1,012,410)	-	-	-	(1,012,410)
Transfer elimination - capital asset additions	-	(11,080)	(1,627,146)	(310,918)	11,080	1,627,146	(310,918)
Long-term debt principal repayment	-	-	(433,000)	(354,000)	-	433,000	(354,000)
Issuance of new debt	-	-	1,020,000	-	-	(1,020,000)	-
Change in sick leave accrual	-	3,801	30,981	-	-	-	34,782
Amortization expense	-	-	-	-	5,882	1,136,157	1,142,039
Unrealized gain on marketable securities	-	-	177,525	-	-	-	177,525
Total adjustments to 2018 annual surplus (deficit)	$ 24,499	$ (6,940)	$ (1,281,203)	$ (582,943)	$ 16,962	$ 2,176,303	$ 346,678
	$ 36,744	$ 20,128	$ 454,879	$ (384,919)	$ 11,080	$ 1,040,146	$ 1,178,058
2018 annual surplus per PNB requirements	$ 36,744	$ 20,128	$ 454,879	$ (384,919)			

Continued

Regional Service Commission 11

Schedule 2: Schedule of Reconciliation of Annual Surplus (Continued)

Year ended December 31, 2018

	Sub-total Carry Forward	Generation Capital Fund	Local Planning Operating Reserve Fund	Solid Waste Operating Reserve Fund	Solid Waste Capital Reserve Fund	Generation Capital Reserve Fund	Total
2018 annual surplus (deficit)	$ 831,380	$ (332,313)	$ -	$ 4,082	$ 11,348	$ 1,627	$ 516,124
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	669,660	-	-	-	-	-	669,660
Transfer between funds							
Transfer elimination	(1,012,410)	-	-	-	1,012,410	-	-
Transfer elimination - capital asset additions	(310,918)	310,918	-	-	-	-	-
Long-term debt principal repayment	(354,000)	354,000	-	-	-	-	-
Issuance of new debt	-	-	-	-	-	-	-
Change in sick leave accrual	34,782	-	-	-	-	-	34,782
Amortization expense	1,142,039	332,313	-	-	-	-	1,474,352
Unrealized gain on marketable securities	177,525	-	-	-	-	-	177,525
Total adjustments to 2018 annual surplus (deficit)	$ 346,678	$ 997,231	$ -	$ -	$ 1,012,410	$ -	$ 2,356,319
	$ 1,178,058	$ 664,918	$ -	$ 4,082	$ 1,023,758	$ 1,627	$ 2,872,443

Regional Service Commission 11

Schedule 2: Schedule of Reconciliation of Annual Surplus

Year ended December 31, 2017

	Co-operative and Regional Planning Operating Fund	Local Planning Operating Fund	Solid Waste Operating Fund	Generation Operating Fund	Local Planning Capital Fund	Solid Waste Capital Fund	Sub-total Carry Forward
2017 annual surplus (deficit)	$ 11,831	$ 75,014	$ 1,049,779	$ 466,432	$ 309	$ (1,405,914)	$ 197,451
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	14,035	14,580	101,826	120,294	-	-	250,735
Transfer between funds							
Transfer elimination	-	(700)	-	(100,000)	-	210,000	109,300
Transfer elimination - capital asset additions	-	(15,751)	(508,365)	-	15,751	508,365	-
Long-term debt principal repayment	-	-	(417,000)	(346,000)	-	417,000	(346,000)
Issuance of new debt	-	-	-	-	-	-	-
Change in sick leave accrual	-	(4,728)	18,283	-	-	-	13,555
Amortization expense	-	-	-	-	(309)	1,397,499	1,397,190
Writedown of tangible capital assets	-	-	-	-	-	8,415	8,415
Unrealized loss on marketable securities	-	-	(43,777)	-	-	-	(43,777)
Total adjustments to 2017 annual surplus (deficit)	$ 14,035	$ (6,599)	$ (849,033)	$ (325,706)	$ 15,442	$ 2,541,279	$ 1,389,418
	$ 25,866	$ 68,415	$ 200,746	$ 140,726	$ 15,751	$ 1,135,365	$ 1,586,869
2017 annual surplus per PNB requirements	$ 25,866	$ 68,415	$ 200,746	$ 140,726			

Continued

Regional Service Commission 11

Schedule 2: Schedule of Reconciliation of Annual Surplus (Continued)

Year ended December 31, 2017

	Sub-total Carry Forward	Generation Capital Fund	Local Planning Operating Reserve Fund	Solid Waste Operating Reserve Fund	Solid Waste Capital Reserve Fund	Generation Capital Reserve Fund	Total
2017 annual surplus (deficit)	$ 197,451	$ (301,221)	$ -	$ 1,829	$ 12,937	$ 438	$ (88,566)
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	250,735	-	-	-	-	-	250,735
Transfer between funds							
Transfer elimination	109,300	-	700	-	(210,000)	100,000	-
Transfer elimination - capital asset additions	-	-	-	-	-	-	-
Long-term debt principal repayment	(346,000)	346,000	-	-	-	-	-
Issuance of new debt	-	-	-	-	-	-	-
Change in sick leave accrual	13,555	-	-	-	-	-	13,555
Amortization expense	1,397,190	301,221	-	-	-	-	1,698,411
Writedown of tangible capital assets	8,415	-	-	-	-	-	8,415
Unrealized loss on marketable securities	(43,777)	-	-	-	-	-	(43,777)
Total adjustments to 2017 annual surplus (deficit)	$ 1,389,418	$ 647,221	$ 700	$ -	$ (210,000)	$ 100,000	$ 1,927,339
	$ 1,586,869	$ 346,000	$ 700	$ 1,829	$ (197,063)	$ 100,438	$ 1,838,773

Regional Service Commission 11

Schedule 3: Schedule of Segment Disclosure

Year ended December 31, 2018

	Co-operative and Regional Planning	Local Planning	Landfill	SWD Recycling	Power Generation	2018
Revenue						
Member charges	$ 82,443	$ 1,314,582	$ 2,764,077	$ -	$ -	$ 4,161,102
Sale of services	-	-	5,065,822	594,501	609,592	6,269,915
Other	-	5,500	136,804	-	-	142,304
Grants	-	-	27,905	-	-	27,905
Interest	-	1,725	73,565	-	2,555	77,845
	82,443	1,321,807	8,068,173	594,501	612,147	10,679,071
Expenditures						
Salaries and benefits	37,905	1,018,044	2,386,453	833,219	91,194	4,366,815
Operating expenses	32,293	276,696	3,055,207	420,988	258,914	4,044,098
Amortization	-	5,882	967,394	168,763	332,313	1,474,352
Interest	-	-	23,305	14,465	62,387	100,157
	70,198	1,300,622	6,432,359	1,437,435	744,808	9,985,422
Unrealized loss on investments	-	-	(177,525)	-	-	(177,525)
Annual surplus (deficit)	$ 12,245	$ 21,185	$ 1,458,289	$ (842,934)	$ (132,661)	$ 516,124

Regional Service Commission 11

Schedule 3: Schedule of Segment Disclosure

Year ended December 31, 2017

	Co-operative and Regional Planning	Local Planning	Landfill	SWD Recycling	Power Generation	2017
Revenue						
Member charges	$ 74,141	$ 1,277,237	$ 2,697,645	$ -	$ -	$ 4,049,023
Sale of services	-	-	4,471,342	555,399	828,562	5,855,303
Other	-	20,132	32,082	58,424	-	110,638
Grants	-	-	23,685	-	-	23,685
Interest	-	763	29,720	-	868	31,351
	74,141	1,298,132	7,254,474	613,823	829,430	10,070,000
Expenditures						
Salaries and benefits	36,957	980,193	2,539,025	751,499	86,701	4,394,375
Operating expenses	25,353	242,925	3,099,811	427,616	206,087	4,001,792
Amortization	-	(309)	1,233,805	163,694	301,221	1,698,411
Interest	-	-	27,506	2,072	69,772	99,350
Other	-	-	8,415	-	-	8,415
	62,310	1,222,809	6,908,562	1,344,881	663,781	10,202,343
Unrealized gain on investments	-	-	43,777	-	-	43,777
Annual (deficit) surplus	$ 11,831	$ 75,323	$ 389,689	$ (731,058)	$ 165,649	$ (88,566)

Regional Service Commission 11

Schedule 4: Schedule of Statement of Reserves

Year ended December 31, 2018

	Local Planning Operating Reserve	Local Planning Capital Reserve	Solid Waste Operating Reserve	Solid Waste Capital Reserve	Generation Capital Reserve	2018 Total
Assets						
Cash	$ 25,000	$ 8,000	$ 392,922	$ 2,221,382	$ 166,764	$ 2,814,068
Interest receivable	-	-	-	10,933	-	10,933
	25,000	8,000	392,922	2,232,315	166,764	2,825,001
Accumulated surplus	$ 25,000	$ 8,000	$ 392,922	$ 2,232,315	$ 166,764	$ 2,825,001
Revenue						
Operating fund transfer	$ -	$ -	$ -	$ 1,012,410	$ -	$ 1,012,410
Interest	-	-	4,082	11,348	1,627	17,057
	-	-	4,082	1,023,758	1,627	1,029,467
Expenditures	-	-	-	-	-	-
Annual surplus (deficit)	$ -	$ -	$ 4,082	$ 1,023,758	$ 1,627	$ 1,029,467

Resolutions regarding transfers to and from reserves:

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $1,012,410 from the Solid Waste Operating Fund to the Solid Waste Capital Reserve Fund. Motion by Peter Morrison, seconded by Mike Blaney.

I hereby certify that the above are true and exact copies of resolutions adopted at a Commission meeting on December 20, 2018.

Original Signed by D. R. Fitzgerald

D.R. Fitzgerald
Executive Director, Regional Service Commission 11

April 2, 2019

Date

Regional Service Commission 11

Schedule 4: Schedule of Statement of Reserves

Year ended December 31, 2017

	Local Planning Operating Reserve	Local Planning Capital Reserve	Solid Waste Operating Reserve	Solid Waste Capital Reserve	Generation Capital Reserve	2017 Total
Assets						
Cash	$ 25,000	$ 8,000	$ 388,840	$ 1,208,557	$ 165,137	$ 1,795,534
	25,000	8,000	388,840	1,208,557	165,137	1,795,534
Accumulated surplus	$ 25,000	$ 8,000	$ 388,840	$ 1,208,557	$ 165,137	$ 1,795,534
Revenue						
Operating fund transfer	$ 700	$ -	$ -	$ -	$ 100,000	$ 100,700
Interest	-	-	1,829	12,937	438	15,204
	700	-	1,829	12,937	100,438	115,904
Expenditures	-	-	-	210,000	-	210,000
Annual surplus (deficit)	$ 700	$ -	$ 1,829	$ (197,063)	$ 100,438	$ (94,096)

Resolutions regarding transfers to and from reserves:

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $700 from the Local Planning Services Operating Fund to the Local Planning Services Operating Reserve Fund. Motion by Mike Chamberlain, seconded by Don Gould.

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $100,000 from the Generation Facility Operating Fund to the Generation Facility Capital Reserve Fund. Motion by Mike Chamberlain, seconded by Mike Blaney.

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $210,000 from the Solid Waste Services Capital Reserve Fund to the Solid Waste Services Capital Fund. Motion by Mike Chamberlain, seconded by Peter Morrison.

I hereby certify that the above are true and exact copies of resolutions adopted at a Commission meeting on December 19, 2017.

Original Signed by D. R. Fitzgerald

D.R. Fitzgerald
Executive Director, Regional Service Commission 11

April 2, 2019

Date

Regional Service Commission 11

Schedule 5: Schedule of Operating Budget to PSA Budget

Year ended December 31, 2018

	Corporate Services Operating Budget	Co-operative and Regional Planning Operating Budget	Local Planning Operating Budget	Solid Waste Operating Budget	Generation Facility Operating Budget	Amortization TCA	Other Sick Leave	Transfers	Total
Revenue									
Member charges	$ -	$ 82,443	$ 1,314,580	$ 2,818,800	$ -	$ -	$ -	$ -	$ 4,215,823
Sale of services	-	-	-	4,912,950	1,100,000	-	-	-	6,012,950
Transfer from own or other fund	558,637	-	-	-	-	-	-	(558,637)	-
Interest	-	-	3,000	6,700	400	-	-	-	10,100
Surplus (deficit) of second previous year	-	24,499	339	562,847	81,975	-	-	(669,660)	-
Other revenue	-	-	-	69,000	-	-	-	-	69,000
	558,637	106,942	1,317,919	8,370,297	1,182,375	-	-	(1,228,297)	10,307,873
Expenditures									
Governance	75,250	-	-	-	-	-	-	-	75,250
Administration	476,513	89,442	577,410	1,590,478	18,615	-	-	(558,637)	2,193,821
Regional policing collaboration	-	7,500	-	-	-	-	-	-	7,500
Regional sport, recreation and culture infrastructure planning and cost sharing	-	10,000	-	-	-	-	-	-	10,000
Planning & building inspection services	-	-	730,309	-	-	3,928	4,000	-	738,237
Solid waste services	-	-	-	5,987,093	746,045	1,792,338	8,500	(600,000)	7,933,976
Post-closing costs	-	-	-	195,880	-	-	-	-	195,880
Fiscal services									
Interest	-	-	-	33,336	58,645	-	-	-	91,981
Other financing charges	6,874	-	4,500	3,000	3,840	-	-	-	18,214
Other fiscal services	-	-	-	6,000	-	-	-	-	6,000
Transfer to Capital Fund	-	-	5,000	554,510	354,000	-	-	(913,510)	-
Transfer to Operating Reserve Fund	-	-	700	-	-	-	-	(700)	-
Transfer to Capital Reserve Fund	-	-	-	-	1,230	-	-	(1,230)	-
	558,637	106,942	1,317,919	8,370,297	1,182,375	1,796,266	12,500	(2,074,077)	11,270,859
Surplus (deficit)	$ -	$ -	$ -	$ -	$ -	$ (1,796,266)	$ (12,500)	$ 845,780	$ (962,986)

Regional Service Commission 11

Schedule 5: Schedule of Operating Budget to PSA Budget

Year ended December 31, 2017

	Corporate Services Operating Budget	Co-operative and Regional Planning Operating Budget	Local Planning Operating Budget	Solid Waste Operating Budget	Generation Facility Operating Budget	Amortization TCA	Other Sick Leave	Transfers	Total
Revenue									
Member charges	$ -	$ 74,142	$ 1,274,347	$ 2,898,924	$ -	$ -	$ -	$ -	$ 4,247,413
Sale of services	-	-	-	4,595,990	1,100,000	-	-	-	5,695,990
Transfer from own or other fund	507,245	-	-	-	-	-	-	(507,245)	-
Interest	-	-	3,000	6,960	660	-	-	-	10,620
Surplus (deficit) of second previous year	-	14,035	14,580	101,826	120,294	-	-	(250,735)	-
Other revenue	-	-	-	55,000	-	-	-	-	55,000
	507,245	88,177	1,291,927	7,658,700	1,220,954	-	-	(757,980)	10,009,023
Expenditures									
Governance	62,500	-	-	-	-	-	-	-	62,500
Administration	437,978	65,677	551,822	1,435,407	9,200	-	-	(507,245)	1,992,839
Regional planning	-	10,000	-	-	-	-	-	-	10,000
Regional policing collaboration	-	2,500	-	-	-	-	-	-	2,500
Regional sport, recreation and culture infrastructure planning and cost sharing	-	10,000	-	-	-	-	-	-	10,000
Planning & building inspection services	-	-	730,905	-	-	9,142	1,000	-	741,047
Solid waste services	-	-	-	5,462,359	326,089	1,598,600	2,000	-	7,389,048
Post-closing costs	-	-	-	191,250	-	-	-	-	191,250
Fiscal services									
Interest	-	-	-	64,475	70,000	-	-	-	134,475
Other financing charges	6,767	-	3,000	2,500	4,240	-	-	-	16,507
Other fiscal services	-	-	-	6,000	-	-	-	-	6,000
Transfer to Capital Fund	-	-	5,500	496,709	346,000	-	-	(799,709)	48,500
Transfer to Operating Reserve Fund	-	-	700	-	-	-	-	(700)	-
Transfer to Capital Reserve Fund	-	-	-	-	465,425	-	-	(465,425)	-
	507,245	88,177	1,291,927	7,658,700	1,220,954	1,607,742	3,000	(1,773,079)	10,604,666
Surplus (deficit)	$ -	$ -	$ -	$ -	$ -	$ (1,607,742)	$ (3,000)	$ 1,015,099	$ (595,643)

Regional Service Commission 11

Schedule 6 - Schedule of Revenue and Expenditures

Year ended December 31, 2018

	(Unaudited) Budget 2018	Actual 2018	Actual 2017
Revenue			
Sale of services			
Industrial/Commercial/Institutional tipping fees	$ 4,005,200	$ 4,729,258	$ 4,187,019
Construction and demolition	255,000	233,437	253,913
Recycling materials	544,000	594,501	555,399
Power generation	1,100,000	609,592	828,562
Other	68,750	103,127	30,410
	$ 5,972,950	$ 6,269,915	$ 5,855,303
Member charges			
Cooperative and regional planning fees	$ 82,443	$ 82,443	$ 74,141
Local planning and inspection services fees	1,314,580	1,314,582	1,277,237
Tipping fees	2,818,800	2,764,077	2,697,645
	$ 4,215,823	$ 4,161,102	$ 4,049,023
Other			
Gain on disposal of capital assets	$ 69,000	$ 79,750	$ 46,584
Other (Planning and Development)	-	5,500	20,132
Other (Solid Waste)	40,000	57,054	43,922
	$ 109,000	$ 142,304	$ 110,638
Grants			
ETF (Solid Waste)	$ -	$ 27,905	$ 23,685
Expenditures			
Administration			
Executive Director's office	$ 242,511	$ 239,283	$ 235,591
Financial management			
External audit	19,900	20,380	22,460
Personnel	121,402	72,352	90,613
Professional services - Sub-contract personnel	8,000	60,000	16,653
	149,302	152,732	129,726
Other			
Liability insurance	46,700	46,457	45,340
Professional services	8,000	14,782	400
Public relations	2,500	-	-
Office expense	14,000	23,521	10,263
Legal services	6,000	-	1,841
Translation	7,500	2,429	2,461
	84,700	87,189	60,305

Regional Service Commission 11

Schedule 6 - Schedule of Revenue and Expenditures (Continued)

Year ended December 31, 2018

	(Unaudited) Budget 2018	Actual 2018	Actual 2017
Administration			
Local planning office	260,074	255,779	251,263
Liability insurance	1,000	1,092	1,073
Professional services	2,000	300	357
Public relations	1,000	-	442
Office expense	131,712	137,513	122,979
HST	9,500	8,773	8,243
Legal services	5,000	-	-
	410,286	403,457	384,357
Administration			
Solid waste office	755,822	671,349	582,273
Liability insurance	155,000	163,816	152,564
Professional services	116,500	58,855	60,390
Public relations and education	112,000	121,702	120,380
Environmental Trust Fund	-	17,782	23,685
Office expense	115,000	131,394	118,586
Legal services	25,000	-	8,782
HST	140,000	84,629	76,091
	1,419,322	1,249,527	1,142,751
Administration			
Generation facility	7,700	8,393	7,539
	7,700	8,393	7,539
	$ 2,313,821	$ 2,140,581	$ 1,960,269
Governance			
Honorariums	$ 51,250	$ 41,144	$ 41,250
Travel	13,500	7,363	11,152
Meetings	10,500	4,027	5,625
	$ 75,250	$ 52,534	$ 58,027
Planning and Building Inspection Services			
Planning services			
Personnel	$ 393,925	$ 400,135	$ 378,237
Advertising	7,000	63	951
Planning advisory committee	19,200	15,358	14,766
Amortization	1,964	5,882	(309)
Sick leave	4,000	(3,801)	(4,728)
Other	4,500	6,916	3,589
	430,589	424,553	392,506

Regional Service Commission 11

Schedule 6 - Schedule of Revenue and Expenditures (Continued)

Year ended December 31, 2018

	(Unaudited) Budget 2018	Actual 2018	Actual 2017
Inspection Services			
Personnel	303,884	301,447	290,622
Supplies	1,800	-	2,491
Amortization	1,964	-	-
	307,648	301,447	293,113
	$ 738,237	$ 726,000	$ 685,619
Solid Waste Services			
Station and building	$ 344,500	$ 481,815	$ 318,649
Machinery and equipment	1,073,625	909,655	888,311
Landfill operations	2,184,998	2,196,563	2,409,101
Scale house	281,962	272,757	237,032
Waste diversion	1,217,100	1,174,150	1,081,866
Hazardous household waste	164,908	141,739	141,028
Sick leave	8,500	(30,981)	18,283
Amortization	1,492,338	1,136,157	1,397,499
	6,767,931	6,281,855	6,491,769
Generation facility			
Personnel	103,045	91,194	86,701
Machinery and equipment	643,000	239,938	198,548
Amortization	300,000	332,313	301,221
	1,046,045	663,445	586,470
	$ 7,813,976	$ 6,945,300	$ 7,078,239

Regional Service Commission 11

Audited Financial Statements

December 31, 2018

MacMillan Lawrence & Lawrence
Chartered Professional Accountants

Regional Service Commission 11

December 31, 2018

Contents

Independent Auditors' Report

To the Commissioners of
Regional Service Commission 11

Opinion

We have audited the financial statements of Regional Service Commission 11 (the "Commission"), which comprise the statement of financial position as at December 31, 2018, and the statement of operations, accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2018, and its financial performance 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.

MacMillan Lawrence & Lawrence

Fredericton, NB
April 2, 2019

Chartered Professional Accountants

Regional Service Commission 11

Statement of Financial Position

December 31, 2018

	2018	2017
Financial assets		
Cash and cash equivalents (Note 3)	$ 3,456,947	$ 3,574,365
Receivables (Note 4)	1,419,491	914,868
Loan receivable (Note 5)	95,755	99,372
Inventory	39,475	62,151
Interest receivable	10,933	-
Investments (Note 6)	3,220,072	3,118,833
	8,242,673	7,769,589
Liabilities		
Payables and accruals	1,152,681	969,741
Funds held in trust (Note 16)	107,077	106,031
Retiring allowance (Note 10)	603,537	638,000
Long term debt (Note 8)	4,160,000	3,927,000
Accrued post-closing costs (Note 7)	3,473,053	3,417,772
	9,496,348	9,058,544
Net debt	(1,253,675)	(1,288,955)
Non-financial assets		
Tangible capital assets (Schedule 1)	12,334,918	11,860,125
Prepaid expenses	130,512	120,718
Deferred financing charges	16,597	20,340
	12,482,027	12,001,183
Accumulated surplus	$ 11,228,352	$ 10,712,228

See accompanying notes to financial statements

Contingencies and commitments (Note 13 & 14)

Approved by the Commission:

Original Signed by Judy Wilson-Shee
______________________ Member

Original Signed by Mike Chamberlain
______________________ Member

Regional Service Commission 11

Statement of Operations and Accumulated Surplus

Year ended December 31, 2018

	(Unaudited) Budget 2018	Actual 2018	Actual 2017
Revenue			
Sale of services (Schedule 6)	$ 5,972,950	$ 6,269,915	$ 5,855,303
Member charges (Schedule 6)	4,215,823	4,161,102	4,049,023
Other (Schedule 6)	109,000	142,304	110,638
Grants (Schedule 6)	-	27,905	23,685
Interest	10,100	77,845	31,351
	10,307,873	10,679,071	10,070,000
Expenditures			
Administration (Schedule 6)	2,313,821	2,140,581	1,960,269
Fiscal services	116,195	117,695	113,761
Governance (Schedule 6)	75,250	52,534	58,027
Planning and building inspection services (Schedule 6)	738,237	726,000	685,619
Post-closing costs (Note 7)	195,880	3,312	306,428
Regional policing collaboration	7,500	-	-
Regional sport, recreation and culture	10,000	-	-
Solid waste services (Schedule 6)	7,813,976	6,945,300	7,078,239
	11,270,859	9,985,422	10,202,343
Annual (deficit) surplus before unrealized (losses) gain on investments	(962,986)	693,649	(132,343)
Unrealized (losses) gain on investments		(177,525)	43,777
Annual surplus (deficit)		516,124	(88,566)
Accumulated surplus, beginning of year		10,712,228	10,800,794
Accumulated surplus, end of year		$ 11,228,352	$ 10,712,228

See accompanying notes to financial statements

Regional Service Commission 11

Statement of Changes in Net Debt

Year ended December 31, 2018

	2018	2017
Annual surplus (deficit)	$ 516,124	$ (88,566)
Acquisition of tangible capital assets	(1,949,145)	(1,119,118)
Writedown of tangible capital assets	-	8,415
Amortization of tangible capital assets	1,474,352	1,698,411
	41,331	499,142
Change in deferred financing charges	3,743	3,733
Change in prepaid expenses	(9,794)	41,251
Decrease in net debt	35,280	544,126
Net debt, beginning of the year	(1,288,955)	(1,833,081)
Net debt, end of year	$ (1,253,675)	$ (1,288,955)

See accompanying notes to financial statements

Regional Service Commission 11

Statement of Cash Flows

Year ended December 31, 2018

	2018	2017
Increase (decrease) in cash and cash equivalents		
Operating activities		
Annual surplus (deficit)	$ 516,124	$ (88,566)
Amortization of tangible capital assets	1,474,352	1,698,411
Gain on disposal of tangible capital assets	(79,750)	(46,584)
Unrealized loss (gain) on investments	177,525	(43,777)
	2,088,251	1,519,484
Change in non-cash working capital		
Receivables	(504,623)	(53,643)
Interest receivable	(10,933)	-
Loan receivable	3,617	(99,372)
Inventory	22,676	(27,889)
Payables and accruals	182,940	(175,875)
Funds held in trust	1,046	470
Retiring allowance	(34,463)	68,000
Accrued post-closing costs	55,281	337,424
Deferred finance charges	3,743	3,733
Prepaid expenses	(9,794)	41,251
	(290,510)	94,099
Cash flows provided by operating activities	1,797,741	1,613,583
Capital activities		
Acquisition of tangible capital assets	(1,949,145)	(1,119,118)
Proceeds from disposal of tangible capital assets	79,750	55,000
Cash flows used in capital activities	(1,869,395)	(1,064,118)
Financing activities		
Long term debt (net)	233,000	(378,000)
Cash flows provided by (used in) financing activities	233,000	(378,000)
Investing activities		
Investments (net)	(278,764)	(220,705)
Cash flows used in investing activities	(278,764)	(220,705)
Net decrease in cash and cash equivalents	(117,418)	(49,240)
Cash and cash equivalents, beginning of year	3,574,365	3,623,605
Cash and cash equivalents, end of year	$ 3,456,947	$ 3,574,365

See accompanying notes to financial statements

1. Nature of operations

The Commission was established under a special act of the New Brunswick legislature with a mandate to provide or facilitate the provision of regional planning services and solid waste disposal services to all its members, and to all its members that are local service districts, a land use planning service. Regional Service Commission 11 (the "Commission") was created effective January 1, 2013.

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 Fredericton Region Solid Waste Commission and the Rural Planning District Commission, with the exception of $4,146 in capital assets, are transferred to and become the assets, liabilities, rights, obligations, powers and responsibilities of Regional Service Commission 11.

2. Significant accounting policies

Basis of accounting
The financial statements of the Commission have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

Reporting entity
The financial statements of the Commission reflect the assets, liabilities, revenues and expenses and changes in net debt and cash flows of the reporting entity. Inter-fund balances and transactions have been eliminated.

Revenue recognition
Revenues are recognized as they are earned and measurable. Tipping fees are recorded when the waste is delivered to the landfill facility and when collection is reasonably assured. Recycling commodity sales are recognized upon shipment of the recyclables to the customer and when collectability is reasonably assured. Planning fees are recognized as they are earned or upon issuance of a permit.

Financial instruments
The Commission initially measures its financial assets and financial liabilities at fair value. The Commission subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents, receivables and investments.

Financial liabilities measured at amortized cost include payables and accruals and long term debt.

Financial assets measured at fair value include investment in balanced funds and term deposits.

The fair value of investments in balanced funds are determined by reference to the latest closing transactional net asset value of each respective balanced fund.

2. Significant accounting policies (continued)

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

Inventory
Inventory held for sale is valued at the lower of cost and net realizable value with cost being determined on the first-in, first-out basis.

Investments
Investments are managed in accordance with the New Brunswick Trustees Act.

Non-financial assets
Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

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:

	Useful Lives
Land	Indefinite
Land improvements:	
Paving	20 years
Fencing	10 years
Gas collection system	20 years
Landfill cells	Estimated capacity of cell
Buildings	15 - 40 years
Machinery and equipment	5 - 40 years
Vehicles	5 years
Electronic equipment	5 years
Furniture and fixtures	10 years

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

Deferred financing charges
Financing charges related to the issuance of long term debt are deferred and amortized over the terms of the related debt.

Leases
Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

2. Significant accounting policies (continued)

Expense recognition
Expenses are recorded on the accrual basis as they are incurred and measurable based on the receipt of goods or services and legal obligation to pay.

Landfill closure and post closure liability
The Commission accrues landfill closure and post-closure care requirements that include final covering and landscaping of the landfill, pumping of ground water and leachate from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions using the best information available to management as documented in Note 7.

Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate when applicable.

Segmented information
The Commission's operations are broken down into five distinct areas which encompass a wide range of services. 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:

Co-operative and Regional Planning
This department is responsible for providing its members with a forum in order to initiate cooperative action among its members, which include discussions with respect to regional planning, regional policing collaboration, regional emergency measures planning, regional sport, recreation and culture infrastructure planning and cost-sharing.

Local Planning Services
This department is responsible to oversee building inspection, development and planning services.

Landfill Operations
This department is responsible for the acceptance and disposition of waste received at the landfill site, including, but not limited to, garbage, construction and demolition waste, and household hazardous waste.

SWD Recycling
This department is responsible for the collection and acceptance of recyclable material, including its sorting and subsequent sale.

Power Generation
This department is responsible for the generation of electricity which is sold to the New Brunswick Power Commission.

2. Significant accounting policies (continued)

Employee future benefits
The Commission has a sick leave benefit as documented in Note 9.

Certain Commission employees, having five years of continuous service, are entitled to a retirement allowance of five days for each full year of continuous service not exceeding 125 days at the employee's regular rate of compensation at retirement. The liability is actuarially determined as documented in Note 10.

The Commission provides a defined contribution money purchase pension plan for eligible planning and development employees. The amount of the member's benefit is not determined until the time the benefit is provided. The Commission's responsibility is limited to matching contribution to a maximum of 5.0% to 7.0% of gross pay of the employee and upon retirement the Commission has no further responsibility to the plan. Total benefit expense for the year ended December 31, 2018 was $49,675 (2017 - $48,798).

The Commission's solid waste employees are members of the City of Fredericton Shared Risk Pension Plan, which is a multi-employer shared risk pension plan. The plan is accounted for as a defined contribution plan in accordance with Public Sector Accounting Handbook PS3250 - Retirement Benefits.

Use of estimates
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates include assumptions used in estimating useful lives of tangible capital assets, landfill closure and post-closure liability and in performing actuarial valuations of employee future benefits. 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.

3. Cash and cash equivalents

	2018	2017
Cash and cash equivalents - restricted	$ 2,921,145	$ 1,901,564
Cash and cash equivalents - unrestricted	535,802	1,672,801
	$ 3,456,947	$ 3,574,365

The Commission has a revolving line of credit of $300,000, which was not utilized at December 31, 2018. Interest at prime less 0.5% secured by letter from the Chairman of the Commission, under seal, authorizing the Commission to borrow for the purpose of bridging normal member funding and financing receivables.

4. Receivables

		2018		2017
Planning and development	$	-	$	1,076
Solid waste		1,080,351		692,697
Recycling		87,403		40,077
Power generation		57,563		75,508
HST rebate		194,174		105,510
	$	1,419,491	$	914,868

5. Loan receivable

		2018		2017
Amount due from Elmtree Environmental Ltd. of $100,000 at 0% repayable over a maximum of six years, repayable $1 per tonne added to the tonnage fee until the loan is repaid. After three years if $50,000 has not been repaid the difference between the $50,000 and the payments to date is due. Upon maturity, August 2023, any remaining unpaid balance is due. Annual interest at the daily prime bank commercial lending rate plus 2% will accrue upon default.	$	95,755	$	99,372
Less principal due within one year		4,152		4,152
	$	91,603	$	95,220

Estimated principal payments due in each of the next five years, include:

2019	2020	2021	2022	2023
$ 4,152	$ 41,603	$ 4,152	$ 4,152	$ 41,696

6. Investments

	2018		2017	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Cash	$ 93,632	$ 93,632	$ 265,853	$ 265,853
Balanced funds	3,247,855	3,126,440	2,796,870	2,852,980
	$ 3,341,487	$ 3,220,072	$ 3,062,723	$ 3,118,833

The balance of cash and balanced funds is restricted for future closure and post closure costs.

7. Accrued post-closing costs

The Commission is responsible for the continued monitoring and treatment of the site following its closure. During the year, the Commission completed a comprehensive review of the landfill site and a new post-closure analysis was completed resulting in a reduction adjustment of $223,510 to the post-closure liability.

The accrued liability for post-closing costs has been determined based on estimated post-closing costs of $566,750 (2017 - $503,100) per year, in future dollars, for a period of 30 years commencing in 2037.

Post-closing costs are discounted at a rate of 4.84% (6.85% nominal rate less 2.01% assumed inflation) for a current estimate of $16,696,785 (2017 - $16,874,084) required by the end of 2036 to fund post closure expenses.

At December 31, 2018 the capacity of the landfill had been estimated at 2,755,569 (2017 - 2,750,423) metric tonnes of which 1,454,284 (2017 - 1,525,000) metric tonnes remains unused as at December 31, 2018.

At December 31, 2018 the estimated post closure liability is $3,473,053 (2017 - $3,417,772) of which the Commission has funded with cash and balanced funds with a cost of $3,341,487 (2017 - $3,062,723) and with a market value of $3,220,072 (2017 - $3,118,833) for a shortfall of $252,981 (2017 - $298,939) based on market value at year end. Investment detail is documented in Note 6.

8. Long term debt

New Brunswick Municipal Finance Corporation	2018	2017
Debentures:		
B152 1.35% - 3.25%, due 2023, OIC 11-0005	$ 1,907,000	$ 2,261,000
BL47 1.2% - 2.15%, due 2019, OIC 14-0003	91,000	181,000
BO50 1.45% - 2.0%, due 2021, OIC 15-0046	146,000	193,000
BP40 1.20% - 2.0%, due 2021, OIC 06-0011, 16-0003	685,000	907,000
BR46 1.65% - 2.35%, due 2022, OIC 16-0003, 17-0041	311,000	385,000
BU41 2.55% - 2.95%, due 2023, OIC 18-0001	1,020,000	-
	$ 4,160,000	$ 3,927,000

Approval of the Municipal Capital Borrowing Board has been obtained for all long term debt.

Principal payments required in each of the next five years are as follows:

2019	2020	2021	2022	2023
$ 996,000	$ 923,000	$ 945,000	$ 682,000	$ 614,000

9. Accrued sick leave

The Commission provides sick leave that accumulates at 1.25 days per month for full-time employees. These employees can accumulate a maximum of 150 sick days for planning and development division employees and 200 sick days for solid waste division employees.

An actuarial valuation was performed on the 53 employee plan in accordance with PS 3255 at December 31, 2017. The actuarial method used was 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 estimate.

The following summarizes the major assumptions in the valuation:

- annual salary increase is 2.0%;
- the discount rate used to determine the accrued benefit obligation is 3.07%;
- retirement age is 60; and
- estimated average excess utilization rate of sick leave varies with age.

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 $89,518 on December 31, 2018 (2017 - $124,300).

10. Retiring allowance

Solid waste division employees of the Commission become eligible for a retiring allowance after five years of full-time consecutive service. Qualifying employees are entitled to five days of regular pay for each full year of continuous employment to a maximum of 125 days. The accrued benefit becomes payable in the year an employee ceases working for the Commission by retirement. The Commission paid a retirement allowance of $87,963 during the year (2017 - $12,449).

11. Pension plan

The Commission's solid waste employees are members of the City of Fredericton Shared Risk Plan, which is a Shared Risk Pension Plan in accordance with the New Brunswick Pension Benefits Act. The Plan is administered by an independent Board of Trustees. Under the Plan, contributions are made by the Plan members and Regional Service Commission 11. The Plan was created effective March 31, 2013.

Plan members contribute at a rate of 9% of pensionable earnings. The Commission matches these contributions to form the Plan's Initial Contributions. In addition, the Commission is making Temporary Contributions in the amount of 4.25% of pensionable earnings for at least 10 years and at most 15 years beginning March 31, 2013. As per the Plan's Funding Policy, contributions may increase or decrease by 2.25% of payroll for both the Commission and the employees should certain funding levels be reached.

11. Pension plan (continued)

For service up to and including March 31, 2013, benefits accrue at a rate of 1.3% on the first $5,000 of earnings and 2.0% on the remainder of pensionable earnings, to a maximum benefit of $2,000 per year of pensionable service. For this period of pre-conversion service, benefits are available on an unreduced basis for members who retire on or after age 55 and whose age plus service total at least 80. For service after March 31, 2013, benefits accrued at a rate of 1.8% of pensionable earnings. For this period of post-conversion service, benefits are available on an unreduced basis for members who retire on or after age 65.

The last actuarial valuation of the Plan was conducted as at March 31, 2018. At that date, the open group funded ratio of the Plan was 114.5%.

Contributions to the plan in 2018 totalled $552,512 (2017 - $600,011).

12. Financial instrument risk management

(a) Credit risk

Credit risk is the risk of financial loss to the Commission if a debtor fails to make payments of interest and principal when due. The Commission is exposed to this risk relating to its debt holdings in its post closure investment fund.

The maximum exposure to credit risk and concentration of this risk with respect to debt holdings is referred to in Note 6.

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

(b) Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in the market interest rates of long-term debt with fixed interest rates only affects net income if such debt is measured at fair value. All of the Commission's fixed rate long-term debt is carried at amortized cost and therefore is not subject to interest rate risk. The balanced fund faces interest rate risk and income risk.

(c) Currency risk

Currency risk relates to the Commission operating in different currencies and converting non Canadian earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur. All foreign currency transactions during the year have been made during the normal course of operations. The Commission does not hold foreign currency reserves, investments, or receivables at year end.

(d) Liquidity risk:

Liquidity risk is the risk that the Commission will encounter difficulty in meeting obligations associated with financial liabilities. The Commission is exposed to this risk mainly in respect of its payables and accruals and long term debt.

13. Contingency

The Commission previously entered into an agreement covering a ten year period commencing October 1, 1994 with a one time five year renewal option, to rent a portion of landfill property for use as a hydrocarbon contaminated soil remediation facility. The income from this project was being placed in a reserve account for future capital acquisitions (Note 16).

After the five year extension renewal option, exercised in 2004, expired September 2009 the lease was subject to litigation. The Commission settled the litigation effective August 14, 2017.

Under the terms of the Settlement, both parties have undertakings to perform. It is management's estimate that the remaining costs associated with the Settlement is $100,000 (2017 - $170,000). This amount has been accrued in the financial statements as of December 31, 2018. Actual settlement costs may be materially different.

14. Commitments

The Commission has entered into an agreement retro-active to September 2013 to rent a portion of landfill property for use as a hydrocarbon contaminated soil remediation facility. Terms of the agreement allow for the renewal of the lease every five years. Rent is $2,850 per month plus $2.75 per tonne of soil.

The Commission rents office space for its planning and development division under an operating lease agreement covering the period of October 1, 2018 to September 30, 2025. The minimum annual lease payments for the next five years are as follows:

2019	2020	2021	2022	2023
$ 114,862	$ 114,862	$ 120,083	$ 120,083	$ 125,304

15. 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 2018 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.

16. Funds held in trust

Represents funds held in trust by the Commission to cover any cleanup costs which may be required to support the tenant's obligation to remediate their leased land as referred to in Note 13. In the event that these trust funds drop below $100,000 as a result of payment for non-hydrocarbon remediation costs the tenant is obligated to pay an additional $2 per tonne until the trust fund once again reaches $100,000.

17. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Commission has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by the Board.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 5 - Schedule of Operating Budget to PSA Budget.

Regional Service Commission 11

Schedule 1: Schedule of Tangible Capital Assets

Year ended December 31, 2018

	Land	Land improvements	Buildings	Machinery and equipment	Vehicles	Electronic equipment	Furniture and fixtures	Assets under construction	2018
Cost									
Balance, beginning of year	$ 539,511	$ 3,457,887	$ 5,128,608	$ 15,263,475	$ 566,318	$ 182,136	$ 116,178	$ 37,498	$ 25,291,611
Add:									
Additions and transfers during the year	-	474,635	-	1,395,943	93,352	22,713	-	(37,498)	1,949,145
Less:									
Disposals and writedowns	-	-	-	(660,606)	-	-	-	-	(660,606)
Balance, end of year	539,511	3,932,522	5,128,608	15,998,812	659,670	204,849	116,178	-	26,580,150
Accumulated amortization									
Balance, beginning of year	-	2,496,083	1,919,904	8,475,156	339,009	106,784	94,550	-	13,431,486
Add:									
Amortization during the year	-	362,420	131,112	885,369	65,245	24,316	5,890	-	1,474,352
Less:									
Accumulated amortization on disposals and writedowns	-	-	-	(660,606)	-	-	-	-	(660,606)
Balance, end of year	-	2,858,503	2,051,016	8,699,919	404,254	131,100	100,440	-	14,245,232
Net book value of tangible capital assets	$ 539,511	$ 1,074,019	$ 3,077,592	$ 7,298,893	$ 255,416	$ 73,749	$ 15,738	$ -	$ 12,334,918
Consists of:									
Local planning assets	$ -	$ -	$ -	$ -	$ -	$ 14,205	$ 10,679	$ -	$ 24,884
Landfill assets	539,511	1,058,073	829,056	3,816,900	87,654	50,846	4,203	-	6,386,243
Recycle assets	-	15,946	2,244,187	96,368	167,762	8,698	856	-	2,533,817
Power generation assets	-	-	4,349	3,385,625	-	-	-	-	3,389,974
	$ 539,511	$ 1,074,019	$ 3,077,592	$ 7,298,893	$ 255,416	$ 73,749	$ 15,738	$ -	$ 12,334,918

Regional Service Commission 11

Schedule 1: Schedule of Tangible Capital Assets

Year ended December 31, 2017

	Land	Land improvements	Buildings	Machinery and equipment	Vehicles	Electronic equipment	Furniture and fixtures	Assets under construction	2017
Cost									
Balance, beginning of year	$ 539,511	$ 2,898,561	$ 5,128,608	$ 15,135,492	$ 555,182	$ 154,041	$ 103,855	$ -	$ 24,515,250
Add:									
Additions and transfers during the year	-	559,326	-	216,392	239,657	53,922	12,323	37,498	1,119,118
Less:									
Disposals and write downs	-	-	-	(88,409)	(228,521)	(25,827)	-	-	(342,757)
Balance, end of year	539,511	3,457,887	5,128,608	15,263,475	566,318	182,136	116,178	37,498	25,291,611
Accumulated amortization									
Balance, beginning of year	-	1,801,217	1,788,792	7,768,288	498,711	121,132	89,276	-	12,067,416
Add:									
Amortization during the year	-	694,866	131,112	795,277	60,404	11,478	5,274	-	1,698,411
Less:									
Accumulated amortization on disposals and writedowns	-	-	-	(88,409)	(220,106)	(25,826)	-	-	(334,341)
Balance, end of year	-	2,496,083	1,919,904	8,475,156	339,009	106,784	94,550	-	13,431,486
Net book value of tangible capital assets	$ 539,511	$ 961,804	$ 3,208,704	$ 6,788,319	$ 227,309	$ 75,352	$ 21,628	$ 37,498	$ 11,860,125
Consists of:									
Local planning assets	$ -	$ -	$ -	$ -	$ -	$ 7,434	$ 12,253	$ -	$ 19,687
Landfill assets	539,511	943,984	889,295	3,243,003	11,617	56,735	4,849	37,498	5,726,492
Recycle assets	-	17,820	2,314,760	138,595	215,692	11,183	4,526	-	2,702,576
Power generation assets	-	-	4,649	3,406,721	-	-	-	-	3,411,370
	$ 539,511	$ 961,804	$ 3,208,704	$ 6,788,319	$ 227,309	$ 75,352	$ 21,628	$ 37,498	$ 11,860,125

Regional Service Commission 11

Schedule 2: Schedule of Reconciliation of Annual Surplus

Year ended December 31, 2018

	Co-operative and Regional Planning Operating Fund	Local Planning Operating Fund	Solid Waste Operating Fund	Generation Operating Fund	Local Planning Capital Fund	Solid Waste Capital Fund	Sub-total Carry Forward
2018 annual surplus (deficit)	$ 12,245	$ 27,068	$ 1,736,082	$ 198,024	$ (5,882)	$ (1,136,157)	$ 831,380
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	24,499	339	562,847	81,975	-	-	669,660
Transfer between funds							
Transfer elimination	-	-	(1,012,410)	-	-	-	(1,012,410)
Transfer elimination - capital asset additions	-	(11,080)	(1,627,146)	(310,918)	11,080	1,627,146	(310,918)
Long-term debt principal repayment	-	-	(433,000)	(354,000)	-	433,000	(354,000)
Issuance of new debt	-	-	1,020,000	-	-	(1,020,000)	-
Change in sick leave accrual	-	3,801	30,981	-	-	-	34,782
Amortization expense	-	-	-	-	5,882	1,136,157	1,142,039
Unrealized gain on marketable securities	-	-	177,525	-	-	-	177,525
Total adjustments to 2018 annual surplus (deficit)	$ 24,499	$ (6,940)	$ (1,281,203)	$ (582,943)	$ 16,962	$ 2,176,303	$ 346,678
	$ 36,744	$ 20,128	$ 454,879	$ (384,919)	$ 11,080	$ 1,040,146	$ 1,178,058
2018 annual surplus per PNB requirements	$ 36,744	$ 20,128	$ 454,879	$ (384,919)			

Continued

Regional Service Commission 11

Schedule 2: Schedule of Reconciliation of Annual Surplus (Continued)

Year ended December 31, 2018

	Sub-total Carry Forward	Generation Capital Fund	Local Planning Operating Reserve Fund	Solid Waste Operating Reserve Fund	Solid Waste Capital Reserve Fund	Generation Capital Reserve Fund	Total
2018 annual surplus (deficit)	$ 831,380	$ (332,313)	$ -	$ 4,082	$ 11,348	$ 1,627	$ 516,124
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	669,660	-	-	-	-	-	669,660
Transfer between funds							
Transfer elimination	(1,012,410)	-	-	-	1,012,410	-	-
Transfer elimination - capital asset additions	(310,918)	310,918	-	-	-	-	-
Long-term debt principal repayment	(354,000)	354,000	-	-	-	-	-
Issuance of new debt	-	-	-	-	-	-	-
Change in sick leave accrual	34,782	-	-	-	-	-	34,782
Amortization expense	1,142,039	332,313	-	-	-	-	1,474,352
Unrealized gain on marketable securities	177,525	-	-	-	-	-	177,525
Total adjustments to 2018 annual surplus (deficit)	$ 346,678	$ 997,231	$ -	$ -	$ 1,012,410	$ -	$ 2,356,319
	$ 1,178,058	$ 664,918	$ -	$ 4,082	$ 1,023,758	$ 1,627	$ 2,872,443

Regional Service Commission 11

Schedule 2: Schedule of Reconciliation of Annual Surplus

Year ended December 31, 2017

	Co-operative and Regional Planning Operating Fund	Local Planning Operating Fund	Solid Waste Operating Fund	Generation Operating Fund	Local Planning Capital Fund	Solid Waste Capital Fund	Sub-total Carry Forward
2017 annual surplus (deficit)	$ 11,831	$ 75,014	$ 1,049,779	$ 466,432	$ 309	$ (1,405,914)	$ 197,451
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	14,035	14,580	101,826	120,294	-	-	250,735
Transfer between funds							
Transfer elimination	-	(700)	-	(100,000)	-	210,000	109,300
Transfer elimination - capital asset additions	-	(15,751)	(508,365)	-	15,751	508,365	-
Long-term debt principal repayment	-	-	(417,000)	(346,000)	-	417,000	(346,000)
Issuance of new debt	-	-	-	-	-	-	-
Change in sick leave accrual	-	(4,728)	18,283	-	-	-	13,555
Amortization expense	-	-	-	-	(309)	1,397,499	1,397,190
Writedown of tangible capital assets	-	-	-	-	-	8,415	8,415
Unrealized loss on marketable securities	-	-	(43,777)	-	-	-	(43,777)
Total adjustments to 2017 annual surplus (deficit)	$ 14,035	$ (6,599)	$ (849,033)	$ (325,706)	$ 15,442	$ 2,541,279	$ 1,389,418
	$ 25,866	$ 68,415	$ 200,746	$ 140,726	$ 15,751	$ 1,135,365	$ 1,586,869
2017 annual surplus per PNB requirements	$ 25,866	$ 68,415	$ 200,746	$ 140,726			

Continued

Regional Service Commission 11

Schedule 2: Schedule of Reconciliation of Annual Surplus (Continued)

Year ended December 31, 2017

	Sub-total Carry Forward	Generation Capital Fund	Local Planning Operating Reserve Fund	Solid Waste Operating Reserve Fund	Solid Waste Capital Reserve Fund	Generation Capital Reserve Fund	Total
2017 annual surplus (deficit)	$ 197,451	$ (301,221)	$ -	$ 1,829	$ 12,937	$ 438	$ (88,566)
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	250,735	-	-	-	-	-	250,735
Transfer between funds							
Transfer elimination	109,300	-	700	-	(210,000)	100,000	-
Transfer elimination - capital asset additions	-	-	-	-	-	-	-
Long-term debt principal repayment	(346,000)	346,000	-	-	-	-	-
Issuance of new debt	-	-	-	-	-	-	-
Change in sick leave accrual	13,555	-	-	-	-	-	13,555
Amortization expense	1,397,190	301,221	-	-	-	-	1,698,411
Writedown of tangible capital assets	8,415	-	-	-	-	-	8,415
Unrealized loss on marketable securities	(43,777)	-	-	-	-	-	(43,777)
Total adjustments to 2017 annual surplus (deficit)	$ 1,389,418	$ 647,221	$ 700	$ -	$ (210,000)	$ 100,000	$ 1,927,339
	$ 1,586,869	$ 346,000	$ 700	$ 1,829	$ (197,063)	$ 100,438	$ 1,838,773

Regional Service Commission 11

Schedule 3: Schedule of Segment Disclosure

Year ended December 31, 2018

	Co-operative and Regional Planning	Local Planning	Landfill	SWD Recycling	Power Generation	2018
Revenue						
Member charges	$ 82,443	$ 1,314,582	$ 2,764,077	$ -	$ -	$ 4,161,102
Sale of services	-	-	5,065,822	594,501	609,592	6,269,915
Other	-	5,500	136,804	-	-	142,304
Grants	-	-	27,905	-	-	27,905
Interest	-	1,725	73,565	-	2,555	77,845
	82,443	1,321,807	8,068,173	594,501	612,147	10,679,071
Expenditures						
Salaries and benefits	37,905	1,018,044	2,386,453	833,219	91,194	4,366,815
Operating expenses	32,293	276,696	3,055,207	420,988	258,914	4,044,098
Amortization	-	5,882	967,394	168,763	332,313	1,474,352
Interest	-	-	23,305	14,465	62,387	100,157
	70,198	1,300,622	6,432,359	1,437,435	744,808	9,985,422
Unrealized loss on investments	-	-	(177,525)	-	-	(177,525)
Annual surplus (deficit)	$ 12,245	$ 21,185	$ 1,458,289	$ (842,934)	$ (132,661)	$ 516,124

Regional Service Commission 11

Schedule 3: Schedule of Segment Disclosure

Year ended December 31, 2017

	Co-operative and Regional Planning	Local Planning	Landfill	SWD Recycling	Power Generation	2017
Revenue						
Member charges	$ 74,141	$ 1,277,237	$ 2,697,645	$ -	$ -	$ 4,049,023
Sale of services	-	-	4,471,342	555,399	828,562	5,855,303
Other	-	20,132	32,082	58,424	-	110,638
Grants	-	-	23,685	-	-	23,685
Interest	-	763	29,720	-	868	31,351
	74,141	1,298,132	7,254,474	613,823	829,430	10,070,000
Expenditures						
Salaries and benefits	36,957	980,193	2,539,025	751,499	86,701	4,394,375
Operating expenses	25,353	242,925	3,099,811	427,616	206,087	4,001,792
Amortization	-	(309)	1,233,805	163,694	301,221	1,698,411
Interest	-	-	27,506	2,072	69,772	99,350
Other	-	-	8,415	-	-	8,415
	62,310	1,222,809	6,908,562	1,344,881	663,781	10,202,343
Unrealized gain on investments	-	-	43,777	-	-	43,777
Annual (deficit) surplus	$ 11,831	$ 75,323	$ 389,689	$ (731,058)	$ 165,649	$ (88,566)

Regional Service Commission 11

Schedule 4: Schedule of Statement of Reserves

Year ended December 31, 2018

	Local Planning Operating Reserve	Local Planning Capital Reserve	Solid Waste Operating Reserve	Solid Waste Capital Reserve	Generation Capital Reserve	2018 Total
Assets						
Cash	$ 25,000	$ 8,000	$ 392,922	$ 2,221,382	$ 166,764	$ 2,814,068
Interest receivable	-	-	-	10,933	-	10,933
	25,000	8,000	392,922	2,232,315	166,764	2,825,001
Accumulated surplus	$ 25,000	$ 8,000	$ 392,922	$ 2,232,315	$ 166,764	$ 2,825,001
Revenue						
Operating fund transfer	$ -	$ -	$ -	$ 1,012,410	$ -	$ 1,012,410
Interest	-	-	4,082	11,348	1,627	17,057
	-	-	4,082	1,023,758	1,627	1,029,467
Expenditures	-	-	-	-	-	-
Annual surplus (deficit)	$ -	$ -	$ 4,082	$ 1,023,758	$ 1,627	$ 1,029,467

Resolutions regarding transfers to and from reserves:

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $1,012,410 from the Solid Waste Operating Fund to the Solid Waste Capital Reserve Fund. Motion by Peter Morrison, seconded by Mike Blaney.

I hereby certify that the above are true and exact copies of resolutions adopted at a Commission meeting on December 20, 2018.

Original Signed by D. R. Fitzgerald

D.R. Fitzgerald
Executive Director, Regional Service Commission 11

April 2, 2019

Date

Regional Service Commission 11

Schedule 4: Schedule of Statement of Reserves

Year ended December 31, 2017

	Local Planning Operating Reserve	Local Planning Capital Reserve	Solid Waste Operating Reserve	Solid Waste Capital Reserve	Generation Capital Reserve	2017 Total
Assets						
Cash	$ 25,000	$ 8,000	$ 388,840	$ 1,208,557	$ 165,137	$ 1,795,534
	25,000	8,000	388,840	1,208,557	165,137	1,795,534
Accumulated surplus	$ 25,000	$ 8,000	$ 388,840	$ 1,208,557	$ 165,137	$ 1,795,534
Revenue						
Operating fund transfer	$ 700	$ -	$ -	$ -	$ 100,000	$ 100,700
Interest	-	-	1,829	12,937	438	15,204
	700	-	1,829	12,937	100,438	115,904
Expenditures	-	-	-	210,000	-	210,000
Annual surplus (deficit)	$ 700	$ -	$ 1,829	$ (197,063)	$ 100,438	$ (94,096)

Resolutions regarding transfers to and from reserves:

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $700 from the Local Planning Services Operating Fund to the Local Planning Services Operating Reserve Fund. Motion by Mike Chamberlain, seconded by Don Gould.

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $100,000 from the Generation Facility Operating Fund to the Generation Facility Capital Reserve Fund. Motion by Mike Chamberlain, seconded by Mike Blaney.

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $210,000 from the Solid Waste Services Capital Reserve Fund to the Solid Waste Services Capital Fund. Motion by Mike Chamberlain, seconded by Peter Morrison.

I hereby certify that the above are true and exact copies of resolutions adopted at a Commission meeting on December 19, 2017.

Original Signed by D. R. Fitzgerald

D.R. Fitzgerald
Executive Director, Regional Service Commission 11

April 2, 2019

Date

Regional Service Commission 11

Schedule 5: Schedule of Operating Budget to PSA Budget

Year ended December 31, 2018

	Corporate Services Operating Budget	Co-operative and Regional Planning Operating Budget	Local Planning Operating Budget	Solid Waste Operating Budget	Generation Facility Operating Budget	Amortization TCA	Other Sick Leave	Transfers	Total
Revenue									
Member charges	$ -	$ 82,443	$ 1,314,580	$ 2,818,800	$ -	$ -	$ -	$ -	$ 4,215,823
Sale of services	-	-	-	4,912,950	1,100,000	-	-	-	6,012,950
Transfer from own or other fund	558,637	-	-	-	-	-	-	(558,637)	-
Interest	-	-	3,000	6,700	400	-	-	-	10,100
Surplus (deficit) of second previous year	-	24,499	339	562,847	81,975	-	-	(669,660)	-
Other revenue	-	-	-	69,000	-	-	-	-	69,000
	558,637	106,942	1,317,919	8,370,297	1,182,375	-	-	(1,228,297)	10,307,873
Expenditures									
Governance	75,250	-	-	-	-	-	-	-	75,250
Administration	476,513	89,442	577,410	1,590,478	18,615	-	-	(558,637)	2,193,821
Regional policing collaboration	-	7,500	-	-	-	-	-	-	7,500
Regional sport, recreation and culture infrastructure planning and cost sharing	-	10,000	-	-	-	-	-	-	10,000
Planning & building inspection services	-	-	730,309	-	-	3,928	4,000	-	738,237
Solid waste services	-	-	-	5,987,093	746,045	1,792,338	8,500	(600,000)	7,933,976
Post-closing costs	-	-	-	195,880	-	-	-	-	195,880
Fiscal services									
Interest	-	-	-	33,336	58,645	-	-	-	91,981
Other financing charges	6,874	-	4,500	3,000	3,840	-	-	-	18,214
Other fiscal services	-	-	-	6,000	-	-	-	-	6,000
Transfer to Capital Fund	-	-	5,000	554,510	354,000	-	-	(913,510)	-
Transfer to Operating Reserve Fund	-	-	700	-	-	-	-	(700)	-
Transfer to Capital Reserve Fund	-	-	-	-	1,230	-	-	(1,230)	-
	558,637	106,942	1,317,919	8,370,297	1,182,375	1,796,266	12,500	(2,074,077)	11,270,859
Surplus (deficit)	$ -	$ -	$ -	$ -	$ -	$ (1,796,266)	$ (12,500)	$ 845,780	$ (962,986)

Regional Service Commission 11

Schedule 5: Schedule of Operating Budget to PSA Budget

Year ended December 31, 2017

	Corporate Services Operating Budget	Co-operative and Regional Planning Operating Budget	Local Planning Operating Budget	Solid Waste Operating Budget	Generation Facility Operating Budget	Amortization TCA	Other Sick Leave	Transfers	Total
Revenue									
Member charges	$ -	$ 74,142	$ 1,274,347	$ 2,898,924	$ -	$ -	$ -	$ -	$ 4,247,413
Sale of services	-	-	-	4,595,990	1,100,000	-	-	-	5,695,990
Transfer from own or other fund	507,245	-	-	-	-	-	-	(507,245)	-
Interest	-	-	3,000	6,960	660	-	-	-	10,620
Surplus (deficit) of second previous year	-	14,035	14,580	101,826	120,294	-	-	(250,735)	-
Other revenue	-	-	-	55,000	-	-	-	-	55,000
	507,245	88,177	1,291,927	7,658,700	1,220,954	-	-	(757,980)	10,009,023
Expenditures									
Governance	62,500	-	-	-	-	-	-	-	62,500
Administration	437,978	65,677	551,822	1,435,407	9,200	-	-	(507,245)	1,992,839
Regional planning	-	10,000	-	-	-	-	-	-	10,000
Regional policing collaboration	-	2,500	-	-	-	-	-	-	2,500
Regional sport, recreation and culture infrastructure planning and cost sharing	-	10,000	-	-	-	-	-	-	10,000
Planning & building inspection services	-	-	730,905	-	-	9,142	1,000	-	741,047
Solid waste services	-	-	-	5,462,359	326,089	1,598,600	2,000	-	7,389,048
Post-closing costs	-	-	-	191,250	-	-	-	-	191,250
Fiscal services									
Interest	-	-	-	64,475	70,000	-	-	-	134,475
Other financing charges	6,767	-	3,000	2,500	4,240	-	-	-	16,507
Other fiscal services	-	-	-	6,000	-	-	-	-	6,000
Transfer to Capital Fund	-	-	5,500	496,709	346,000	-	-	(799,709)	48,500
Transfer to Operating Reserve Fund	-	-	700	-	-	-	-	(700)	-
Transfer to Capital Reserve Fund	-	-	-	-	465,425	-	-	(465,425)	-
	507,245	88,177	1,291,927	7,658,700	1,220,954	1,607,742	3,000	(1,773,079)	10,604,666
Surplus (deficit)	**$ -**	$ -	$ -	$ -	$ -	$ (1,607,742)	$ (3,000)	$ 1,015,099	$ (595,643)

Regional Service Commission 11

Schedule 6 - Schedule of Revenue and Expenditures

Year ended December 31, 2018

	(Unaudited) Budget 2018	Actual 2018	Actual 2017
Revenue			
Sale of services			
Industrial/Commercial/Institutional tipping fees	$ 4,005,200	$ 4,729,258	$ 4,187,019
Construction and demolition	255,000	233,437	253,913
Recycling materials	544,000	594,501	555,399
Power generation	1,100,000	609,592	828,562
Other	68,750	103,127	30,410
	$ 5,972,950	$ 6,269,915	$ 5,855,303
Member charges			
Cooperative and regional planning fees	$ 82,443	$ 82,443	$ 74,141
Local planning and inspection services fees	1,314,580	1,314,582	1,277,237
Tipping fees	2,818,800	2,764,077	2,697,645
	$ 4,215,823	$ 4,161,102	$ 4,049,023
Other			
Gain on disposal of capital assets	$ 69,000	$ 79,750	$ 46,584
Other (Planning and Development)	-	5,500	20,132
Other (Solid Waste)	40,000	57,054	43,922
	$ 109,000	$ 142,304	$ 110,638
Grants			
ETF (Solid Waste)	$ -	$ 27,905	$ 23,685
Expenditures			
Administration			
Executive Director's office	$ 242,511	$ 239,283	$ 235,591
Financial management			
External audit	19,900	20,380	22,460
Personnel	121,402	72,352	90,613
Professional services - Sub-contract personnel	8,000	60,000	16,653
	149,302	152,732	129,726
Other			
Liability insurance	46,700	46,457	45,340
Professional services	8,000	14,782	400
Public relations	2,500	-	-
Office expense	14,000	23,521	10,263
Legal services	6,000	-	1,841
Translation	7,500	2,429	2,461
	84,700	87,189	60,305

Regional Service Commission 11

Schedule 6 - Schedule of Revenue and Expenditures (Continued)

Year ended December 31, 2018

	(Unaudited) Budget 2018	Actual 2018	Actual 2017
Administration			
Local planning office	260,074	255,779	251,263
Liability insurance	1,000	1,092	1,073
Professional services	2,000	300	357
Public relations	1,000	-	442
Office expense	131,712	137,513	122,979
HST	9,500	8,773	8,243
Legal services	5,000	-	-
	410,286	403,457	384,357
Administration			
Solid waste office	755,822	671,349	582,273
Liability insurance	155,000	163,816	152,564
Professional services	116,500	58,855	60,390
Public relations and education	112,000	121,702	120,380
Environmental Trust Fund	-	17,782	23,685
Office expense	115,000	131,394	118,586
Legal services	25,000	-	8,782
HST	140,000	84,629	76,091
	1,419,322	1,249,527	1,142,751
Administration			
Generation facility	7,700	8,393	7,539
	7,700	8,393	7,539
	$ 2,313,821	$ 2,140,581	$ 1,960,269
Governance			
Honorariums	$ 51,250	$ 41,144	$ 41,250
Travel	13,500	7,363	11,152
Meetings	10,500	4,027	5,625
	$ 75,250	$ 52,534	$ 58,027
Planning and Building Inspection Services			
Planning services			
Personnel	$ 393,925	$ 400,135	$ 378,237
Advertising	7,000	63	951
Planning advisory committee	19,200	15,358	14,766
Amortization	1,964	5,882	(309)
Sick leave	4,000	(3,801)	(4,728)
Other	4,500	6,916	3,589
	430,589	424,553	392,506

	(Unaudited) Budget 2018	Actual 2018	Actual 2017
Inspection Services			
Personnel	303,884	301,447	290,622
Supplies	1,800	-	2,491
Amortization	1,964	-	-
	307,648	301,447	293,113
	$ 738,237	$ 726,000	$ 685,619

	(Unaudited) Budget 2018	Actual 2018	Actual 2017
Solid Waste Services			
Station and building	$ 344,500	$ 481,815	$ 318,649
Machinery and equipment	1,073,625	909,655	888,311
Landfill operations	2,184,998	2,196,563	2,409,101
Scale house	281,962	272,757	237,032
Waste diversion	1,217,100	1,174,150	1,081,866
Hazardous household waste	164,908	141,739	141,028
Sick leave	8,500	(30,981)	18,283
Amortization	1,492,338	1,136,157	1,397,499
	6,767,931	6,281,855	6,491,769
Generation facility			
Personnel	103,045	91,194	86,701
Machinery and equipment	643,000	239,938	198,548
Amortization	300,000	332,313	301,221
	1,046,045	663,445	586,470
	$ 7,813,976	$ 6,945,300	$ 7,078,239