

Central Newfoundland  
Waste Management



## Central Regional Service Board

### 2010 Annual Report



## Message from the Chairperson

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I am very pleased to present the first Annual Report on the 2010 Business Plan for the Central Regional Service Board. The Central Regional Service Board tabled a one-year plan to bring the board in line with the rest of government who are halfway through their current planning cycle (2008-11). This plan covered the period from January 1, 2010 to December 31, 2010. The CRSB is a category 2 government entity within the context of the province's *Transparency and Accountability Act*.

In preparing its Business Plan, careful consideration was given to the strategic directions of government, as communicated by the Minister of Municipal Affairs. During 2010, the Board made contributions to both of the Minister's strategic directions: *Strengthened Municipal Capacity* and *Increased Regional Sustainability*. With regard to *Increased Regional Sustainability*, the Board contributed to two components: *regional service delivery* and *waste management*. With regard to *Strengthened Municipal Capacity*, the Board made a contribution to *regional governance*.

The Board made these contributions by making significant strides on its strategic issue: Implementation of the Provincial Waste Management Strategy. In particular, significant progress was made on construction of the new regional full-service waste management site at Norris Arm North, and seven new local waste management facilities. The Board contributed to regional governance by planning and executing regional waste management services through the regional representation structure of the Board.

My signature below is indicative of the entire Board's accountability for the preparation of this report and the results reported.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Scott". The signature is written in a cursive, slightly stylized font.

Allan Scott  
Chair, Central Regional Service Board

## **Table of Contents**

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1. Overview .....	3
2. Mandate .....	5
3. Lines of Business.....	6
4. Values .....	7
5. Primary Clients.....	8
6. Shared Commitments .....	9
7. Highlights and Accomplishments .....	10
8. Vision .....	11
9. Mission .....	12
Progress and Accomplishments .....	12
10. Report on Performance .....	13
11. Opportunities and Challenges Ahead.....	16
Appendix A: Legislated Mandate.....	17
Appendix B: Financial Statements.....	20

## 1.0 Overview

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The Central Regional Service Board was announced February 2008 and the first appointments to this Board were made in December 2008. The Central Regional Service Board is governed under the Provincial *Regional Service Boards Act* and has adopted Central Newfoundland Governance Model. Its power includes the construction and operation of the regional Solid Waste disposal site and seven local Waste Management Facilities. It is empowered to set and charge user fees on municipal authorities, local service districts and unincorporated areas, benefited by a regional facility and other entities as required.

The Board shall meet no fewer than 6 times a year for the disposition of general business. Special board meetings may be called by the Chairperson, or on the written request of four members.

The Board's Governance Model delineates the number of members and representation of towns and zones within the board's geographic boundaries. As per the Governance Model a full board includes, a Chairperson and twelve Board members. Listed below are the current Board members. The boundaries of the Central Regional Service Board are from Terra Nova National Park (park included) in the East, Buchan's in the West and Fogo Island/Twillingate in the North (see map, page 5). Coast of Bays is not within the Central Regional Service Board boundaries.

The current Board members are as follows:

Name	Town/Zone Represented
Mr. Allan Scott	Chairperson
Mr. Clayton Boone	Buchan's Junction (Zone 1)
Mr. Robert Elliott	Point Leamington (Zone 2)
Mr. Larry Peddle	New World Island/Twillingate (Zone 3)
Mr. Gerald McKenna	Fogo Island (Zone 4)
Vacant	Gander Bay (Zone 5)
Mr. G. Clyde Pickett	New-Wes-Valley/Indian Bay (Zone 6)
Mr. Glenn Arnold	Terra Nova Area (Zone 7)
Mr. Bruce Moores	Town of Grand Falls – Windsor
Mr. Derrick Luff	Local Service District – Centroid Area
Mr. Angus McLoughlin	Norris Arm/Norris Arm North
Mr. Harold Edison	Towns of Bishops Falls/Botwood/Lewisporte
Ms. Nicole Lanning	Town of Gander

The Central Regional Service Board's Office is now located at the Regional site, Route 3-01-09 Norris Arm North Access Road and is staffed with a Manager and an Executive Assistant/Finance. Contact information: Ph: 709 653-2900; Fax: 709 653 – 2920; Email: info@cnwmc.com

## Budget and Expenditures

The Board's budget for 2010 was \$50,320,917. Actual expenditures for operations were \$752,594 and an additional \$21,329,632 for the acquisition of Capital assets. For further details, the Board's 2010 Audit Report is attached as Appendix B.

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## Board Boundaries and Amount of Waste per Year

### Regional Site (Centroid)

Route 3-01-09

Norris Arm North Access Road

### Local Waste Management Facilities

Buchans Area – Zone 1

Point Leamington Area– Zone 2

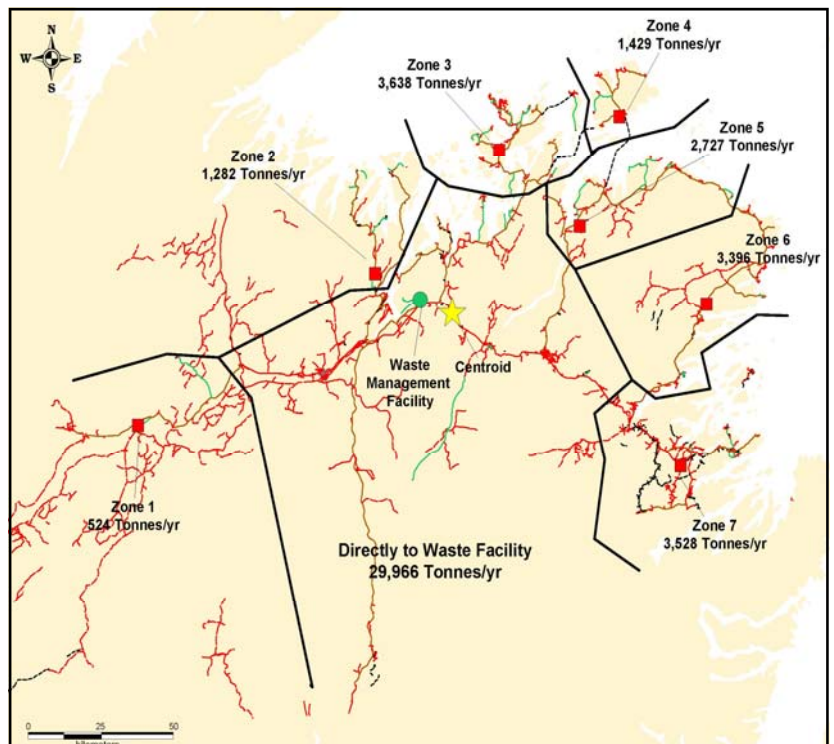
New World Island/Twillingate – Zone 3

Fogo Island – Zone 4

Gander Bay – Zone 5

Indian Bay – Zone 6

Terra Nova – Zone 7



## 2.0 Mandate

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In accordance with section 3 of the *Central Regional Service Board Regulations* the mandate for the Central Regional Service Board is to

- construct, acquire, maintain and operate solid waste disposal sites and solid waste management facilities and systems within the central region

The boundaries of the Central Regional Service Board are from Terra Nova National Park (park included) in the East, Buchan's in the West and Fogo Island/Twillingate in the North. Coast of Bays is not within the CRSB.

To view the regulations in their entirety from which the Board derives its mandate, please see Appendix A (Central Regional Service Board Regulation)

The entire *Regional Service Board Act* may be accessed through the House of Assembly website at [www.assembly.nl.ca/legislation](http://www.assembly.nl.ca/legislation).

## **3.0 Lines of Business**

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### **1) Education and Promotion of the Provincial Waste Management Strategy within the area of Central Newfoundland:**

The Board oversees the education of the Central region's 75,000 residents and business community regarding the new waste disposal system, such as how and when it will come on stream and any costs associated with the services. The Board will educate the public and business community through meetings with the local Chamber of Commerce and community councils and developing and distributing marketing materials for residents and commercial businesses outlining the collection system. The Board will continue to provide educational materials to the local councils and general public. The CRSB will continue along with Multi Material Stewardship Board to encourage the use of the Green Depots and backyard/community composting.

### **2) Operation and management of regional solid waste disposal sites:**

The Board oversees the construction of the central regional site at Norris Arm North and 7 local waste management facilities (transfer stations). As well, the Board monitors the day to day operations of these sites. In addition, the Board oversees the operation of an interim waste management facility at Fogo Island.

## 4.0 Values

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The Central Regional Service Board is committed to continuously educating our citizens about our modern, environmentally friendly Waste Management System that we have adopted here in Central Newfoundland. The values of the Board offer a guiding framework for all employees as they work in their various capacities. As such, the following have been identified by the CRSB as the core values as we work to achieve the objectives set out in this plan.

**Professionalism**

Each individual is committed to providing quality services through the efficient use of our resources while keeping costs down.

**Respect for the environment**

Each individual will carry out day to day activities keeping in view at all times the conservation and preservation of the environment, carrying out the protection and preservation activities promoted by the Board to its clients.

**Respect**

Each individual will treat people with courtesy and tolerance.

**Innovation**

Each individual will seek out new and better ways to maximize revenue opportunities while minimizing operational costs.

Each individual will seek out new and better ways to dispose of waste.



## **5.0 Primary Clients**

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The Central Regional Service Board identifies its primary clients as those individuals, groups, or organizations who are the principal users and/or beneficiaries of the Board's lines of business, and include the following:

- Communities within the Central Region
- Local Waste Management Authorities and Committees
- All residents of Central Newfoundland
- All institutional, commercial and industrial entities in Central Newfoundland.

With the inclusion of all our user groups, the Central Regional Service Board will bring to Central Newfoundland a modern, efficient, environmentally friendly Waste Management System. Only with good direction and cooperation from all, will we meet the goals and objectives of the Provincial Waste Management Strategy and make our Province a cleaner and safer place to live.

## 6.0 Shared Commitments

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The Central Regional Service Board works closely with a number of major partners on the implementation of the Central Newfoundland Waste Management Strategy, including several Government departments. The Department of Municipal Affairs provides funding towards the construction of the regional and local waste management sites, and assists with engineering project management. The Board works in cooperation with the Department of Environment and Conservation to ensure compliance with all environmental regulations. The Department of Government Services provides guidance to ensure closeout of existing dumpsites meet all Government regulations.

The Multi Material Stewardship Board (MMSB) has been an important partner in providing operational funding identified under the Regional Capacity Building Program, including funding towards education and promotion of new waste management practices and systems under the Central Newfoundland Waste Management Strategy.

By working with Government departments and the MMSB, the Central Regional Service Board has contributed to Government's strategic direction of *Increased Regional Sustainability*, specifically the *Regional Service Delivery* and *Waste Management* components.

The Board also considers communities, businesses and general public to be critical partners. Through their engagement in educational initiatives, and active participation in new waste management practices, they are essential to ensuring that the Central Newfoundland Waste Management Strategy is met. By working with these community partners, the Central Regional Service Board has contributed to Government's strategic direction of *Increased Regional Sustainability*, specifically the *Waste Management* component.

## **7.0 Highlights and Accomplishments**

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Through its work in planning and implementing waste management services for the Central region, the Central Regional Service Board contributed to Government's strategic direction of *Strengthened Municipal Capacity*, specifically the *Regional Governance* component. The 13-member Board has representation from towns, local service districts and unincorporated areas throughout the region. The Board met nine times during 2010 to carry out its mandate.

## 8.0 Vision

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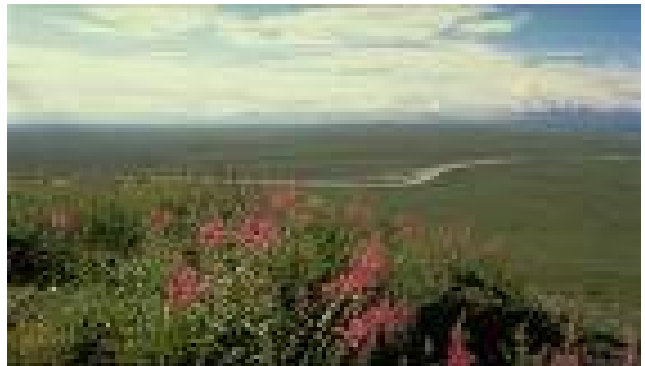
*The vision of the Central Regional Service Board is of a clean and healthy environment in Central Newfoundland founded on a professional, modern waste management system that incorporates effective waste diversion practices and behaviours on the part of residents, businesses and communities in the Central region.*

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**Today**



**Tomorrow**



## 9.0 Mission

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Given that the Board tabled a one-year plan for 2010, and the mission for a government entity is for 6 years, the Board did not develop its own mission for 2010. The Board determined that it could contribute to the mission of the Department of Municipal Affairs during the one year covered by our plan. Below is the Municipal Affairs' mission and the indicators toward which the Central Regional Service Board has contributed:

By March 31, 2011, the Department of Municipal Affairs will have improved the efficiency of municipal service delivery.

**Measure:** Improved efficiency of municipal service delivery

**Indicators:**

- Increased investment in regional service delivery of solid waste disposal sites

### **Progress and Accomplishments**

The Board has contributed to improved efficiency of municipal service delivery in the Central region through its wise management of funding received from the Department of Municipal Affairs to develop regional solid waste management sites. Approximately half of the Board's 2010 capital funding was used towards the construction of a new regional full-service waste management site at Norris Arm North. This included construction of the Board's new administrative office, opened in October 2010. The remainder of the capital funding was used towards the construction of seven new local waste management facilities. The Board is pleased to report that construction of these local facilities is substantially complete.

The Central Regional Service Board has tabled a 3-year plan for 2011 -13 which includes a new mission. It will report on this mission in subsequent annual reports.

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## **10.0 Report on Performance**

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### **Issue: Implementation of the Provincial Waste Management Strategy:**

In May 2007, Government announced the implementation of the \$200 million multi-year Provincial Solid Waste Management Strategy to ensure effective and efficient management of solid waste in Newfoundland and Labrador. The Central Regional Service Board has developed its own regional waste management strategy and plays the lead role in implementing the Provincial Strategy in the central region of the Province. In developing its Business Plan for 2010, the Board took into consideration the strategic directions of the Department of Municipal Affairs, as designated in the Department's 2008-11 Strategic Plan. Through implementation of the Provincial Waste Management Strategy, the Board contributed to the Department's strategic direction of *Increased Regional Sustainability*. In particular the Board contributed to two components: *regional service delivery* and *waste management*.

The Central Regional Service Board continued in 2010 the extensive capital construction required to help meet the Provincial Waste Management Strategy. In order for the Board to complete its capital mandate and become fully operational, three years of construction is required (2010-2012 inclusive). The goal for 2010 was Capital in nature and will be a continuous process for the next several years to meet the Provincial Waste Management Strategy.

The Central Regional Service Board also worked closely to assist communities in preparing the closeout of the existing 42 dumpsites in Central Newfoundland. Coordination between the communities, the Department of Government Services, the Department of Municipal Affairs, and MMSB is essential to close down these sites and to begin operations at the regional site in 2011. These important steps prepared for the new era of the operation of a modern, environmentally friendly Waste Management System for Central Newfoundland. These steps brought closer the goals and objectives of a full, province-wide, modern Waste Management System.

The CRSB also continued its education process to the communities, businesses and general public in Central Newfoundland to help streamline the new system of Waste Management. The education component is key for a smooth transition to the modern Waste Management System required to meet the goals of the Provincial and Central Waste Management Strategies.

**Central Regional Service Board - 2010 Annual Report**

**Objective 1:** By December 31, 2010 the Central Regional Service Board will have continued the implementation of the Central Waste Management Strategy to contribute to the Provincial Waste Management Strategy, within the central region of the Province.

**Measure:** Continued the implementation of the Provincial Waste Management Strategy within the central region of the Province.

**Indicators:**

- Managed the ongoing construction at the Central Regional Waste Management site and the seven local waste management facilities

For 2010 the following levels of construction have been completed:

Regional Site:

Clearing and Grubbing	100%
Roads	100%
Wells	52%
Landfill	95%
Landscaping	0%
Paving	3%
Power	97%
Telecommunications	76%
Buildings	
- Administration	
- Scale House	
- Garage	94%
Leachate Treatment	16%
Compost	0%
Access Roads & site Work	88%
Signage	4%
Metals	45%
Household Hazardous Waste	3%

Total Expenditure 2010 - \$14 million

Local Waste Management Facilities:

Clearing and Grubbing	100%
Buildings	95%
Civil Works	99%

Total Expenditure 2010 - \$12 Million.

## Central Regional Service Board - 2010 Annual Report

- Operational policies and procedures developed

Central Regional Service Board has been facilitating the development of operational policies and procedures in preparation for commencement of operations at the regional site and the seven transfer stations in 2011. No policies and procedures were completed in 2010, due to several factors. First, construction at the regional site did not proceed as quickly as anticipated. As the Board needs to seek advice on a number of operational issues from its engineering consultant following completion of construction, policies and procedures related to these issues could not be finalized. Second, it was underestimated the time required to develop policies and procedures regarding what materials needed to be disposed of in a lined versus an unlined landfill. The Board is still in discussions with the Department of Environment and Conservation about these regulatory and operational issues. Policies and procedures will be finalized in 2011 prior to the commencement of operations.

- Facilitated the closure of existing dumpsites within the Central region of Newfoundland.

In 2010, Central Regional Service Board undertook activities which will facilitate the closure of the 42 existing dumpsites in Central Newfoundland in 2011. The Board has discussed with the Department of Government Services, Department of Municipal Affairs and MMSB, a strategy for closeout in 2011. This strategy will streamline closeout to meet the requirements of all Provincial Government departments involved in this process.

- Implemented a comprehensive public education campaign for the Central Waste Management System

In 2010, Central Regional Service Board met with representatives from Central Newfoundland communities, municipalities and Government agencies. Marketing pieces such as a newsletter, 2010 and 2011 calendars, and Wet/Dry brochures for residential and commercial waste, were developed and distributed for the education plan in Central.

- Assisted towns in the development of the environmental closure plans of the dumpsites.

Central Regional Service Board continued to facilitate with the towns in Central Newfoundland the environmental closure plan for the existing 42 dumpsites, all scheduled to be closed late 2011. The Board assisted with the environmental closure plans by holding discussions with the municipalities responsible for the local dumpsites and by keeping the Department of Municipal Affairs, the Department of Government Services, and MMSB apprised of issues arising from these discussions.



## **11.0 Opportunities and Challenges Ahead**

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2011 will be a very significant year for the Central Regional Service Board, as it brings into operation the regional waste management services at the Regional site, and begins operations at the seven (7) Local Waste Management Transfer Stations.

At the Regional and Local Waste Management Transfer sites, several construction tenders need to be awarded to prepare for the Fall 2011 opening. These include:

1. Design, build and install the required Data Management System.  
This will provide the necessary link between the Regional site and Local Waste Management Transfer sites for gathering and distribution of required information for invoicing and regular report writing required by Government.
2. Design and equip the Leachate Controls building  
This is the final piece for leachate control at the Regional site.
3. Public Drop Off to be completed at the Regional Site
4. House Hold Hazardous Waste facilities to be completed
5. Landscaping
6. Paving
7. Signage for TCH, Route 3-1-09 and other sites.

Appropriate authorities will be sought in accordance with the *Public Tendering Act*.

The Board also needs to purchase equipment including: compactor, back hoes, trailers and other rolling stock. Human resource activities will include filling all the required positions and providing the training required for the new Waste Management System.

To complement these activities the Board will conduct continuous public education on the Central Newfoundland Waste Management Strategy.

## Appendix A

### Legislated Mandate

## **Central Regional Service Board - 2010 Annual Report**

NEWFOUNDLAND AND LABRADOR  
REGULATION 54/08

*Central Regional Service Board Regulations*  
under the  
*Regional Service Boards Act*

(Filed September 30, 2008 )

Under the authority of section 9 of the *Regional Service Boards Act*, I make the following regulations.

Dated at St. John's , September 30, 2008 .

Dave Denine  
Minister of Municipal Affairs

### **REGULATIONS**

Analysis

[1. Short title](#)

[2. Definition](#)

[3. Prescribed services](#)

[4. User fees](#)

[5. Withdrawal of service](#)

#### **Short title**

1. These regulations may be cited as the *Central Regional Service Board Regulations* .

[Back to Top](#)

#### **Definition**

2. In these regulations, "board" means the Central Regional Service Board.

[Back to Top](#)

#### **Prescribed services**

3. The board has the power to construct, acquire, maintain and operate solid waste disposal sites and solid waste management facilities and systems within the central region.

[Back to Top](#)

#### **User fees**

## **Central Regional Service Board - 2010 Annual Report**

4. (1) The board has power to charge user fees to a municipality, local service district or unincorporated area in the Central Region as constituted by section 2 of the *Central Regional Service Board Order* , or another municipality, local service district, unincorporated area or other user of a facility or service provided by the board.

(2) An amount owing under subsection (1) is a debt due to the board and the board may recover it by civil action in a court.

[Back to Top](#)

### **Withdrawal of service**

5. The board may stop providing a service to a user of it where the user fails to comply with a policy of the board respecting the service.

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Appendix B  
Financial Statements

**CENTRAL REGIONAL SERVICE BOARD**  
*(Central Newfoundland Regional Waste Management Authority)*

**Financial Statements**  
**For the Year Ended December 31, 2010**

## STATEMENT OF RESPONSIBILITY

The accompanying Financial Statements are the responsibility of the management of the *Central Regional Service Board* and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board has met with management and its external auditors to review a draft of the financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized consolidated financial statements.

*BDO Canada LLP, Chartered Accountants* as the Board's appointed external auditors, have audited the Financial Statements. The Auditors' report is addressed to the Board of Directors and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Financial Statements are free of material misstatement and present fairly the financial position and results of the Board in accordance with Canadian generally accepted accounting principles.

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*Allan Scott*  
Board Chair

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*Glen Arnold*  
Treasurer



Tel: 709 466 1515  
Fax: 709 466 1510  
www.bdo.ca

BDO Canada LLP  
221D Memorial Drive  
Clareville NL A5A 1R3 Canada

## Independent Auditors' Report

To the Board of Directors of the  
**CENTRAL REGIONAL SERVICE BOARD**

We have audited the accompanying financial statements of the Central Regional Service Board, which comprise the statement of financial position as at December 31, 2010, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Central Regional Service Board as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The comparative figures were reviewed by Belanger Clarke Follett and McGettigan whose practice now operates under BDO Canada LLP.

**Clareville, Newfoundland and Labrador**  
**April 19, 2011**

**Chartered Accountants**



**CENTRAL REGIONAL SERVICE BOARD**  
**Financial Statements**  
**For the Year Ended December 31, 2010**

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Statement of Financial Position	1
Statement of Operations	2
Statement of Change in Net Financial Assets (Net Debt)	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Schedule 1 - Schedule of Tangible Capital Assets	9

**CENTRAL REGIONAL SERVICE BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2010**

	<b>2010</b>	<b>2009</b>
<b>FINANCIAL ASSETS</b>		
Cash (Note 3)	\$ 1,089,767	\$ 172,384
Amounts receivable (Note 4)	5,597,248	1,908,944
	\$ 6,687,015	\$ 2,081,328
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 5,209,592	\$ 2,562,130
Deferred revenue (Note 6)	59,624	59,815
	5,269,216	2,621,945
 <b>NET FINANCIAL ASSETS (NET DEBT)</b>	\$ 1,417,799	\$ (540,617)
 <b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 30,043,730	\$ 8,714,098
 <b>ACCUMULATED SURPLUS</b>	\$ 31,461,529	\$ 8,173,481

Approved on behalf of Board:

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Treasurer

Contingent liability (Note 7)

**CENTRAL REGIONAL SERVICE BOARD**  
**STATEMENT OF OPERATIONS**  
**Year Ended December 31, 2010**

	<u>2010 Actual</u>	<u>2009 Actual</u>
<b>REVENUE</b>		
Department of Municipal Affairs - capital	\$ 23,820,475	\$ 7,547,651
Department of Municipal Affairs - operating	16,205	62,479
Multi Materials Stewardship Board grant	177,589	158,911
Department of Human Resources, Labour and Employment grant	9,000	8,943
Other	26,960	5,034
	<u>24,050,229</u>	<u>7,783,018</u>
<b>EXPENSES</b>		
Advertising and promotion	19,424	35,451
Business licenses and memberships	1,275	1,460
Directors fees	4,804	16,055
Heat and light	4,561	
Insurance	7,095	3,000
Interest and bank charges	868	773
Legal fees	65,602	
Legal settlement (Note 7)	49,775	
Meetings and conventions	6,729	16,115
Fogo Island waste management expense	418,264	223,606
Office	2,719	2,567
Rental	19,387	23,927
Repairs and maintenance	758	
Salaries and wages	126,463	82,835
Telephone	5,699	5,022
Travel	19,171	28,977
	<u>752,594</u>	<u>439,788</u>
<b>ANNUAL SURPLUS</b>	<b>23,297,635</b>	<b>7,343,230</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>8,173,481</b>	<b>830,251</b>
Adjustment to operating fund - prior period	<u>(9,587)</u>	
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u><b>\$ 31,461,529</b></u>	<u><b>\$ 8,173,481</b></u>

**CENTRAL REGIONAL SERVICE BOARD**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS(NET DEBT)**  
**Year Ended December 31, 2010**

	<u>2010 Actual</u>	<u>2009 Actual</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 23,297,635</u>	<u>\$ 7,343,230</u>
Acquisition of tangible capital assets	(21,329,632)	(7,875,766)
Adjustment to operating fund	<u>(9,587)</u>	<u>                    </u>
	<u>(21,339,219)</u>	<u>(7,875,766)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>1,958,416</b>	<b>(532,536)</b>
<b>NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR</b>	<u>(540,617)</u>	<u>(8,081)</u>
<b>NET FINANCIAL ASSETS (NET DEBT), END OF YEAR</b>	<u><u>\$ 1,417,799</u></u>	<u><u>\$ (540,617)</u></u>

**CENTRAL REGIONAL SERVICE BOARD**  
**STATEMENT OF CASH FLOWS**  
Year Ended December 31, 2010

	<u>2010</u>	<u>2009</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 23,297,635	\$ 7,343,230
Changes in non-cash items:		
Amounts receivable	(3,688,304)	(1,605,818)
Accounts payable and accrued liabilities	2,647,462	2,069,453
Deferred revenue	(191)	59,811
Adjustment to operating fund	(9,587)	
Cash provided by operating transactions	<u>22,247,015</u>	<u>7,866,676</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	<u>(21,329,632)</u>	<u>(7,875,766)</u>
Cash applied to capital transactions	<u>(21,329,632)</u>	<u>(7,875,766)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>917,383</b>	<b>(9,090)</b>
<b>CASH, BEGINNING OF YEAR</b>	<u>172,384</u>	<u>181,474</u>
<b>CASH, END OF YEAR</b>	<u><u>\$ 1,089,767</u></u>	<u><u>\$ 172,384</u></u>

**CENTRAL REGIONAL SERVICE BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at December 31, 2010**

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**1. Status of the Board**

The Central Regional Service Board was created under the authority of Regional Service Board Act on February 26, 2008. The Board operates under the name *Central Newfoundland Waste Management Authority*, and is responsible for the maintenance and operation of solid waste disposal sites and solid waste management facilities within the central region of Newfoundland.

The Board is exempt from income tax under the Income Tax Act of Canada.

**2. Significant Accounting Policies**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies:

**a) Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

**b) 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 (expenses over revenue), provides the change in net financial assets for the year.

**c) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Assets under construction are not amortized until the asset is put into use and one-half of the annual amortization is charged in the year of acquisition and in the year of disposal. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

**CENTRAL REGIONAL SERVICE BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at December 31, 2010**

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**General Tangible Capital Assets**

Land	Indefinite
Land Improvements	10 to 50 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Term of lease
Vehicles and Equipment	
Vehicles	5 years
Machinery, equipment and furniture	5 years
Maintenance and road construction equipment	10 years
Computer Hardware and Software	4 years
Furniture & Fixtures	5 years

**Infrastructure Assets**

Transportation	
Land	Indefinite
Road surface	5 to 20 years
Road grade	30 years
Bridges	30 to 50 years
Water and Sewer	
Land	Indefinite
Land improvements	50 years
Buildings	25 to 40 years
Underground networks	15 to 100 years
Machinery and equipment	15 years

**d) Revenue Recognition**

Revenues are recognized as earned and when collection is reasonably assured.

**e) Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

**CENTRAL REGIONAL SERVICE BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
As at December 31, 2010**

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**3. Cash and Temporary Investments**

Cash is comprised of the following:

	<u>2010</u>	<u>2009</u>
Cash - operating bank accounts	\$ 19,170	\$ 23,242
Cash - capital bank account	\$ 1,010,973	\$ 109,328
Cash - Fogo Island bank account	<u>59,624</u>	<u>39,814</u>
	<u>\$ 1,089,767</u>	<u>\$ 172,384</u>

**4. Amounts Receivable**

	<u>2010</u>	<u>2009</u>
Department of Municipal Affairs - capital	\$ 5,233,695	\$ 1,527,666
Harmonized sales tax	\$ 363,313	\$ 374,385
Other	<u>240</u>	<u>6,893</u>
	<u>\$ 5,597,248</u>	<u>\$ 1,908,944</u>

**5. Accounts payable and accrued liabilities**

Accounts payable and accrued liabilities relates to capital construction of regional disposal sites and facilities.

**6. Deferred revenue**

Deferred revenue relates to funds advanced for the Fogo Island Waste Site.

**7. Contingencies**

During the prior year, the Board received a statement of claim from a contractor claiming wrongful termination of a contract. The outcome is unknown at the date of audit report.

**8. Financial Instruments**

The Board, as part of its operations, carries a number of financial instruments. It is management's opinion the Board is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.



**CENTRAL REGIONAL SERVICE BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
As at December 31, 2010**

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**9. Changes in Accounting Policies**

The Board has restated its financial statements to comply with the adoption of generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB).

	<u>2010</u>	<u>2009</u>
Opening fund balances:		
Nominal Surplus - Operating Fund	\$ 8,155	\$ (11,030)
Surplus - Capital Fund	<u>8,165,326</u>	<u>841,281</u>
Opening accumulated surplus, all funds, as previously reported	\$ 8,173,481	\$ 830,251
Adjustments:		
Tangible capital assets	30,043,730	838,328
Fixed assets in the capital funds	(30,043,730)	(838,328)
Adjustment to operating fund	<u>(9,587)</u>	<u></u>
Opening non-accumulated surplus, restated	\$ 8,163,894	\$ 830,251
Annual surplus	<u>23,297,635</u>	<u>7,343,230</u>
Accumulated surplus, end of year	<u>\$ 31,461,529</u>	<u>\$ 8,173,481</u>

**CENTRAL REGIONAL SERVICE BOARD**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
Year Ended December 31, 2010

**SCHEDULE 1**

	General Capital Assets		Infrastructure				Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Roads, Streets, and Bridges	Recycling and collection	Land Fill Site	Compost and Treatment Facilities	2010	2009
<b>Cost</b>								
Opening costs	1,772,963	2,043,780	4,371,608		142,197	383,550	8,714,098	838,328
Additions during the year	2,032,630	9,877,072	1,088,285	462,556	5,789,608	2,079,481	21,329,632	7,875,770
Disposals and write downs	-	-	-	-	-	-	-	-
Closing costs	<b>3,805,593</b>	<b>11,920,852</b>	<b>5,459,893</b>	<b>462,556</b>	<b>5,931,805</b>	<b>2,463,031</b>	<b>30,043,730</b>	<b>8,714,098</b>
<b>Accumulated Amortization</b>								
Opening accum'd amortization	-	-	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	-	-
Disposals and write downs	-	-	-	-	-	-	-	-
Closing accum'd amortization	-	-	-	-	-	-	-	-
Net Book Value of Tangible Capital Assets	<b>3,805,593</b>	<b>11,920,852</b>	<b>5,459,893</b>	<b>462,556</b>	<b>5,931,805</b>	<b>2,463,031</b>	<b>30,043,730</b>	<b>8,714,098</b>