



Central Regional Service Board

2013 Annual Report



Message from the Chairperson



I am very pleased to present the third Annual Report on the 2011-13 Business Plan for the Central Regional Service Board (‘CRSB’). This report covers the period January 1, 2013 to December 31, 2013. 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 and Intergovernmental Affairs. During 2013, the Board made contributions to the Minister’s strategic directions: *Appropriate Infrastructure Investment* and *Local Government Sustainability*. With regard to *Appropriate Infrastructure Investment*, the Board contributed to the component: *Solid Waste Management*. With regard to *Local Government Sustainability*, the Board made a contribution to *Community Cooperation*.

The Board made these contributions by making significant strides on its two strategic issues: Waste Management and Curb Side Collection. On the Waste Management side, the Regional Site and seven local waste management sites were in full operations for the residents in Central Newfoundland. At the end of 2013, 40 local dump sites were officially closed out, leaving only three to close out in 2014.

In late 2013 CRSB’s Curb Side Collection program continued to expand. As the material recovery program (blue bag program) commences, additional towns will begin to use the CRSB collection program.

The Board met nine times in 2013 to carry out its mandate and work towards its goals and objectives.

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 'Allan Scott', written over a horizontal line.

Allan Scott
Chair, Central Regional Service Board

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1.0 Overview

The Central Regional Service Board was created February 2008. The Board’s marketing name is Central Newfoundland Waste Management (CNWM). The Central Regional Service Board (CRSB) is governed under the Provincial *Regional Service Boards Act, 2012* and the Board developed the Central Newfoundland Governance Model to ensure representation of residents of the region served by the Board. The Board’s 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 to municipal authorities, local service districts, unincorporated areas, and other entities benefitting from a regional facility and other waste management services provided by the Board.

The CRSB also provides a Curb Side Collection program for 71 towns and 16,078 homes. We presently operate 10 collection trucks.

The Board shall meet no fewer than six 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 1 on page 4). Coast of Bays is not within the Central Regional Service Board boundaries.

The Board members are as follows:

Name	Town/Zone Represented
Mr. Allan Scott	Chairperson
Mr. Keith Higdon	Buchan’s Junction (Zone 1)
Mr. Robert Elliott	Point Leamington (Zone 2)
Mr. Terry Breault	New World Island/Twillingate (Zone 3)
Mr. Andrew Shea	Fogo Island (Zone 4)
Mr. Sam Winsor	Gander Bay (Zone 5)
Mr. Winston Perry	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. Bryan King	Towns of Bishops Falls/Botwood/Lewisporte
Mr. Claude Elliott	Town of Gander

Contact information:

The Board Office is located at the Regional site, Route 3-01-09 Norris Arm North Access Road.

PO Box 254
Norris Arm, NL
A0G 3M0
Ph: (709) 653 2900
Fax: (709) 653 2920
Email: info@cnwmc.com
Website www.cnwmc.com

Staffing Levels:

Nineteen men and four women are employed with waste disposal and an additional nine men are employed in waste collection.

Budget and Expenditures 2013

BUDGET

Operating \$10,807,203

EXPENDITURES

Operating \$6,641,260

Capital \$4,165,943

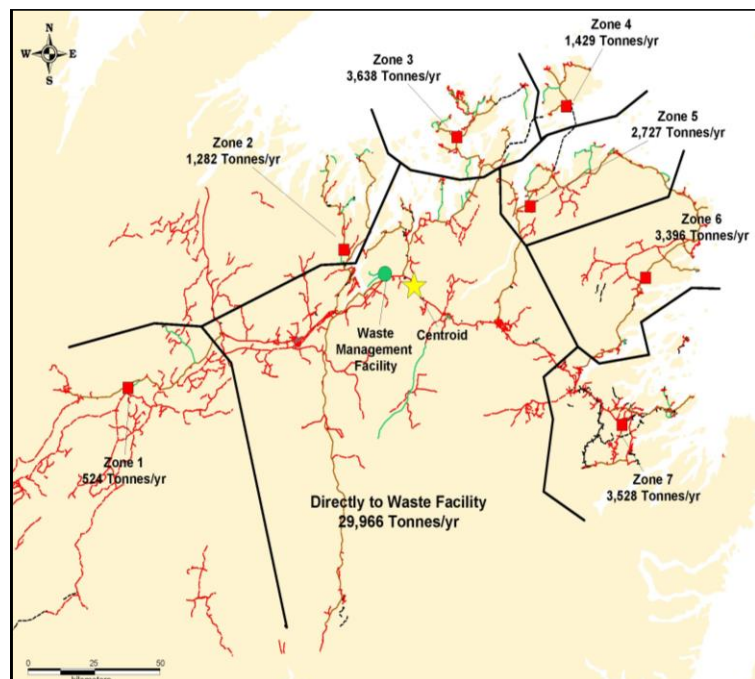
The board’s audited financial statements are available in Appendix B.

Board Boundaries

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

Map 1 Central Region Service Board Boundaries



2.0 Mandate

In accordance with section 3 of the *Central Regional Service Board Regulations, 2013* the mandate for the Central Regional Service Board is to

- construct, acquire, maintain and operate a solid waste management system 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 Regulations, 2013*)

The entire *Regional Service Board Act, 2012* may be accessed through the House of Assembly website at www.assembly.nl.ca/legislation.

3.0 Lines of Business

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 70,500 residents and business community regarding the new waste disposal system and any costs associated with the services. The Board educates the public and business community through meetings with the local Chambers of Commerce and community councils and by 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, through local and provincial newspapers, radio, the CRSB website www.cnwmc.com, and the annual information calendar. The CRSB will continue along with the Multi Material Stewardship Board to encourage their program including the use of the Green Depots and backyard/community composting.

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

The Board oversees the continued construction and operations of the Central regional site at Norris Arm North and seven local waste management facilities (transfer stations). As well, the Board monitors the day to day operations of these sites.

4.0 Values

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 report.

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

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; and,
- 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

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 and Intergovernmental 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. Service NL provides guidance to ensure closeout of existing dumpsites meets 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 Waste Management Strategy.

By working with government departments and the MMSB, the Central Regional Service Board has contributed to Government's strategic directions of *Appropriate Infrastructure Investment and Local Government Sustainability*.

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 Waste Management Strategy is met.

7.0 Vision

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.

Today



Tomorrow



8.0 Mission

In 2011, the Board tabled a three year plan (January 1, 2011 – December 31, 2013). As part of this plan, the Board developed a mission for the period January 1, 2011 to December 31, 2016:

By December 31, 2016, the Central Regional Service Board will have improved municipal waste management services to achieve a cleaner and healthier environment.

Measure: Improved municipal waste management services

Indicators:

- Implemented waste management strategies consistent with modern environmental standards
- Increased waste diversion by 50% in compliance with the Provincial Waste Management Strategy

Progress and Accomplishments

The Board has contributed to improved municipal waste management service in the Central region through its wise management of funding received from the Department of Municipal and Intergovernmental Affairs to develop regional solid waste management sites. Capital funding was used towards the continued construction of a new regional full service waste management site at Norris Arm North and towards the completion of the seven new local waste management facilities.

In February 2012, the Central Regional Site commenced operation by accepting waste from all residents of its region and disposing of it into a modern day engineered landfill with leachate treatment.

A request for proposals for the Material Recovery Facility equipment was developed and a successful bidder identified. Once the equipment requirements were established, the building was designed to accommodate the equipment. It is anticipated that the Material Recovery Facility will be ready for operation in 2015. This facility will be instrumental in increasing waste diversion.

The CRSB will continue its participation in the selection of a compost process and site with the Department of Municipal and Intergovernmental Affairs.

9.0 Report on Performance

Issue 1: Waste Management:

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 2011 - 2013, the Board took into consideration the strategic directions of the Department of Municipal and Intergovernmental Affairs, as designated in the department's 2011-2014 Strategic Plan. Through implementation of the Provincial Waste Management Strategy, the Board contributed to the department's strategic direction of *Appropriate Infrastructure Investment*. Specifically, the Board contributed to the component: *Solid Waste Management*.

In 2011, construction of the Central Newfoundland Regional Site and seven Local Waste Management Facilities (LWMF) were completed and being ready to commence operations.

In July 2011, the LWMF site was open on Fogo Island and the three local dumpsites on Fogo and Change Islands were closed. All residential and commercial waste for the interim was being diverted to the Gander landfill site.

On February 6, 2012, the Central Newfoundland Waste Management Site became operational, the regional site open, and by the end of April, all seven LWMF sites were open. All residents and commercial stakeholders in the region are now engaged in the new waste management system in Central Newfoundland.

Forty of the 43 local dumps sites are now closed to operations. The exceptions were Cottrell's Cove and St. Brendan's; Gander remained open for septic services only.

Goal: By December 31, 2013, the Central Regional Service Board will have implemented a modern, environmentally friendly waste management system.

Measure: Implemented a modern, environmentally friendly waste management system

Indicators:

- Commenced operation of waste management sites

By the end of the reporting period, the regional waste management site and the seven local waste management sites were in operation. The engineered lined landfill and leachate control is now accepting all residential and commercial waste.

The Public Drop Off area began the separation of residential waste; the residential Household Hazardous Waste (HHW) program was introduced; and a Waste Paint program with Product Care commenced.

During this reporting period, the construction, demolition and bulk laydown area was operational and the Construction and Demolition burial site was ready for operation.

All seven LWMF provide the same services as the Regional site for rural Central Newfoundland, with materials being transferred to the Regional site for processing or buried.

- Implemented waste diversion initiatives

Over the past three years, implemented CRSB waste diversions included: the separation of Residential Household Hazardous Waste, a Waste Paint Program installed through Product Care, an association that is responsible to oversee the Newfoundland and Labrador paint recycling program. Materials such as metals, tires, wood fiber, clean gravel, and soils were no longer being buried and were being recycled or reused.

- Implemented waste management strategies consistent with modern environmental standards

By December 31, 2013, CRSB was in line with the Provincial and Central Regionals Waste Management Strategies established in 2008. All scheduled unlined landfill sites were closed and a modern waste management system operated in the Central Newfoundland Region.

Waste diversions were brought on line beginning with the reduction of materials going into the landfill site.

- Promoted waste management consistent with modern environmentally friendly practices

By December 31, 2013, CRSB had a modern website: www.cnwmc.com. Annual calendars were produced and distributed to the residents and businesses of Central Newfoundland. Magnets containing Household Hazardous Waste information were produced and distributed. Regional meetings with community and town councils promoted the activities of the new waste

management system. Radio ads and newsprint were used to help provide the marketing of the new Waste Management System.

2013 Objective: By December 31, 2013 the Central Regional Service Board will have expanded waste diversion.

Measure: Expanded waste diversion

Indicators:

Commenced separation of Household Hazardous Waste materials at the Regional Site and seven local waste management facilities.

In May 2013, CRSB introduced the Household Hazardous Waste (HHW) Program. Approved HHW containers were placed at the seven Local Waste Management Facility sites and four were located at the Regional site. The annual calendar, specific marketing materials, along with the upgraded website, radio ads and newsprint all contributed to the marketing program for this indicator. A waste paint program was also introduced, and an e-waste program was being reviewed.

Design of Material Recovery (Recycling) Facility completed.

In Spring 2013, CRSB in consultation with Bae NewPlan Group and the Department of Municipal and Intergovernmental Affairs approved the design of the new Material Recovery Facility. With this approval, tenders were designed and advertised for the required civil work, construction of the Material Recovery Facility and the equipment required for the separation of recyclable materials.

Contract awarded for the construction of Material Recovery (Recycling) Facility.

In Summer 2013, CRSB awarded contracts for the civil work, for the construction of the Material Recovery facility building and for the equipment for source separation of recyclable materials.

Commenced construction of the Material Recovery (Recycling) Facility.

In Summer 2013, CRSB, through its consulting firm, oversaw the civil work and the construction of the Material Recovery Facility building.

Continued close out of remaining local dump sites.

By Winter 2013, CRSB, through its consulting firm, oversaw the close out of 40 of a total of 43 local dump sites. The exception, St. Brendan's 90% complete, the Exploits Regional site and Gander landfill – scheduled for Fall 2014. These close outs fall under the guidance of both the

Department of Environment and Conservation and the Department of Municipal and Intergovernmental Affairs.

Issue 2: Curb Side Collection

Pilot projects were ongoing on the New World Island and Fogo – Change Island for the residential curb side collection program.

In 2012, the Central Regional Service Board identified options for curb side collection in the central region. The board assessed opportunities for curb side collection, selected areas for expansion and began curb side collection in select areas of the region.

The Board also acquired additional resources for curb side collection in the region. Following the acceptance of a Business Plan by the Department of Municipal and Intergovernmental Affairs, the Board purchased ten 37 cubic yard, split stream collection trucks and now collects residential waste from 71 towns (16,078 homes) in the CRSB region. Having these vehicles collect residential waste regionally versus by community allows one truck to collect from several communities before travelling the long distance to dispose of the waste. This action has reduced the greenhouse gases (GHG) from vehicle emissions due to this practice.

Through the pilot project and the Board's examination of the curb side collection issue, the Board contributed to the Department of Municipal and Intergovernmental Affairs' strategic direction of *Local Government Sustainability*, specifically the *Community Cooperation* component.

Goal: By December 31, 2013, the Central Regional Service Board will have addressed curb side collection.

Measure: Addressed curb side collection

Indicators:

- **Consulted with communities**

In 2010 and 2011, the Board carried out a pilot project in the New World Island area. The Board entered into an agreement with most of the New World Island communities to provide an integrated system for residential waste collection. Communities were consulted prior to the pilot to assess their needs and again at the end of the pilot to assess their

satisfaction. Communities involved with the program were very pleased with the services.

The Board conducted a series of regional meetings, letter writing and electronic communications to inform other communities of the pilot outcomes and to see if other communities were interested in participating in the regional curbside waste collection program.

- **Completed and evaluated pilot project**

In September 2011, operational and financial aspects of the pilot project were evaluated, including: the number of residences serviced, labor and equipment expenditures, fee structure and revenues. The project demonstrated that it was more efficient and effective, especially for smaller communities, to have residential waste collected on a regional basis. The Board used this information to garner residential support for expanding its curbside collection program and to secure provincial funding to attain ten new split stream collection trucks.

- **Worked with communities to address curb side collection**

Over the past three years, the Board continued to improve and promote its residential curb side collection program through stakeholder consultations, such as regional meetings held twice a year and direct contact with town councils and staff. In 2013, the Board conducted a full review of curb side collection services to determine if all potential customer needs were addressed. Results of working with communities include: setting maximum weights and sizes per bag, appropriate locations for collections and a recommended number of bags per household.

2013 Objective: By December 31, 2013 the CRSB will have addressed curb side Collection Options

Measure: Addressed Curb Side Collection

Indicators:

- **Additional communities in Central Newfoundland having curb side collection provided by CRSB**

CRSB continued to improve and promote its Residential Curb side collection program. Only one additional town requested the service increasing CRSB numbers to 71 towns, 16,078 households and 40,219 persons. Several communities' outlined interest in the program but are waiting until the blue bag separation program begins in Fall 2014.

- **The costs and revenues identified in the Business Plan with the implementation of the Curb Side Collection program in line with the actuals after a full year of operation**

CRSB reviewed the 2013 operational cost and revenues. Based on the review, the residential curb side collection rates increased from \$72 per household per year to \$74. As

such, this brings the projected costs and revenues associated with implementation of the curb side collection program in line with the actuals after a full year.

- **Full review of curb side collection services to determine if all potential customer needs are addressed.**

CRSB continued regional meetings with the communities in Central Newfoundland and discussed the future needs of the Residential curb Side collection program. As well, direct contact was made with the communities involved with this program, through our regional meeting. At this meeting, CRSB reviewed the curb side collection services with the communities and discussed whether customer needs were being addressed. All communities are very pleased with the services.

10.0 Opportunities and Challenges Ahead

2014 will bring another significant year for the Board. Refining and reviewing the operations will continue to be an important tool to magnify opportunities and reduce risk.

2014 will bring the following challenges:

Completion and start-up of the new material recovery (recycling) facility

This facility is expected to be operational in late 2014. With its facility in operation, residents will begin separation of their residential waste into dry-stream recyclables and wet-stream organics. The challenge will be to find the most effective and cost efficient way to operate this facility so as to keep cost to users down.

Compost facility

The Board is participating in the Province's Request for Proposal process for composting options. This review will be completed in Spring 2014. The results of this study are expected to identify the composting options for the Province and the cost associated with each option and the impact it will have on operations in Central Newfoundland.

2014 will bring the following opportunities:

Electronic Products Recycling Association E-Waste Collection Program

The regional site and seven local waste management facilities will begin the collection and separation of e-waste products. The product will be shipped to facilities for disassembly and reuse. E-Waste will be a revenue generator.

Close out of all 43 local waste sites

Liabilities associated with the old waste sites rest with the municipalities. To reduce costs and ensure compliance with Department of Environment and Conservation regulations, the Board was requested to co-ordinate all closeouts.

All sites are classified according to close out requirements and survey and tender packages are developed for each group of sites in the particular regions. Contracts were awarded and supervised under a client agreement with the Board. All local waste sites are expected to close out by the end of 2014.

Public Education

The Board will continue to provide public education. This will come in the form of regional meetings, updating the website and using local radio stations and print media. Consideration will be given to staffing a position to conduct public education. Communication is the key to a successful and effective operation.

Appendix A

Legislated Mandate

NEWFOUNDLAND AND LABRADOR REGULATION 7/13

Central Regional Service Board Regulations, 2013
under the
Regional Service Boards Act, 2012

(Filed January 23, 2013)

Under the authority of section 19 of the *Regional Service Boards Act, 2012* , I make the following regulations.

Dated at St. John's , January 15, 2013.

Kevin O'Brien
Minister of Municipal and Intergovernmental Affairs

REGULATIONS

Analysis

Short title

1. These regulations may be cited as the *Central Regional Service Board Regulations, 2013* .

Definition

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

Prescribed services

3. The board has the power to construct, acquire, maintain and operate a waste management system within the Central Region.

Recovery of debt

4. An amount owing under section 24 of the Act is a debt due to the board and the board may recover it by civil action in a court.

Withdrawal of service

5. The board may stop providing a service to a municipal authority, user or other person where the municipal authority, user or other person fails to comply with a policy of the board respecting the service.

6. **The *Central Regional Service Board Regulations* , Newfoundland and Labrador Regulation 54/08, are repealed.**

Appendix B
Financial Statements

2013 Audit

CENTRAL REGIONAL SERVICE BOARD

(Operating as Central Newfoundland Regional Waste Management Authority)

Financial Statements

Year Ended December 31, 2013

CENTRAL REGIONAL SERVICE BOARD
(Operating as Central Newfoundland Regional Waste Management Authority)
Index to Financial Statements
Year Ended December 31, 2013

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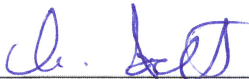
Management's Responsibility for Financial Reporting

The accompanying Financial Statements are the responsibility of the management of the Central Regional Services 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 of the Authority 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 financial statements.

Richard Power, FCA as the Board's appointed external auditors, have audited the Financial Statements. The Auditor's Report is addressed to the Directors of the Central Regional Service Board 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 Municipality in accordance with Canadian generally accepted accounting principles.



Mr Allan Scott, Chair



Mr Ed Evans, Manager

Norris Arm, NL
June 27, 2014



Richard Power, FCA

221E Memorial Drive
Clarenville, NL
A5A 1R3

Tel 709.433.3060
Fax 709.433.3166

INDEPENDENT AUDITOR'S REPORT

To the Directors of Central Regional Service Board

I have audited the accompanying financial statements of Central Regional Service Board, which comprise the statement of financial position as at December 31, 2013, statements of operations, change in net financial position 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Central Regional Services Board as at December 31, 2013 and the results of its operations, change in net financial position and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

The financial statements for the year ended December 31, 2012 were audited by another accounting firm and are presented for comparative purposes only.

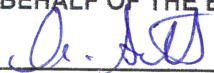
Clarenville, Newfoundland and Labrador
June 27, 2014

CHARTERED ACCOUNTANT

CENTRAL REGIONAL SERVICE BOARD
(Operating as Central Newfoundland Regional Waste Management Authority)
Statement of Financial Position
December 31, 2013

	2013	2012
FINANCIAL ASSETS		
Cash (Note 4)	\$ 2,686,364	\$ 4,004,388
Short term Investments	14,962,245	19,893,300
Accounts receivable (Note 5)	1,407,777	1,057,149
	\$ 19,056,386	\$ 24,954,837
LIABILITIES		
CURRENT		
Accounts payable	\$ 1,475,674	\$ 1,996,231
Deferred income	14,974,449	22,362,335
Landfill closure and post closure care (Note 9)	286,000	143,000
	16,736,123	24,501,566
NET FINANCIAL ASSETS	2,320,263	453,271
NON FINANCIAL ASSETS		
Tangible capital assets	47,381,297	45,515,370
ACCUMULATED SURPLUS	\$ 49,701,560	\$ 45,968,641

ON BEHALF OF THE BOARD


 _____ Chairperson


 _____ Treasurer

The accompanying notes are integral part of these financial statements

CENTRAL REGIONAL SERVICE BOARD
(Operating as Central Newfoundland Regional Waste Management Authority)
Statement of Operations
Year Ended December 31, 2013

	2013	2012
REVENUES		
Collections fees	\$ 1,159,264	\$ 419,147
Disposal fees	4,513,783	3,795,931
Other	78,861	50,838
Municipal operating grant	-	7,790
Department of Municipal Affairs - capital grants	7,387,885	6,299,454
Interest income	377,092	110,358
	13,516,885	10,683,518
EXPENSES		
Amortization	2,853,561	2,161,856
Advertising and promotion	46,312	217,373
Bad debts	32,327	-
Insurance	103,175	83,305
Interest and bank charges	4,543	3,172
Memberships	7,727	5,667
Office	31,142	24,683
Transportation services	475,190	-
Material handling	36,058	219
Landfill expenses	51,194	39,297
Dump site closure expense	2,360,130	737,733
Fogo Island waste	-	18,606
Landfill closure & post-closure care	143,000	143,000
Professional fees	392,559	341,447
Repairs and maintenance	462,385	529,413
Salaries and wages	1,692,551	1,055,131
Telephone	92,798	70,169
Travel	57,057	28,698
Legal settlements (Note 10)	301,849	993
Utilities	133,818	104,830
Vehicle	506,590	335,710
	9,783,966	5,901,302
Annual surplus	3,732,919	4,782,216
Accumulated Surplus, beginning of year	45,968,641	41,186,425
Accumulated Surplus - end of year	\$ 49,701,560	\$ 45,968,641

The accompanying notes are integral part of these financial statements

CENTRAL REGIONAL SERVICE BOARD
(Operating as Central Newfoundland Regional Waste Management Authority)
Statement of Change in Net Financial Assets
Year Ended December 31, 2013

	2013	2012
Annual Surplus	\$ 3,732,919	\$ 4,782,216
Amortization of tangible capital assets	2,853,561	2,161,856
Acquisition of tangible capital assets	(4,813,488)	(6,310,999)
Changes in Net Financial Assets	\$ 1,772,992	\$ 633,073
Net Financial Assets		
Beginning of year	453,271	(179,802)
End of year	\$ 2,226,263	\$ 453,271

The accompanying notes are integral part of these financial statements

CENTRAL REGIONAL SERVICE BOARD
(Operating as Central Newfoundland Regional Waste Management Authority)
Statement of Cash Flows
Year Ended December 31, 2013

	2013	2012 <i>(Revised)</i>
OPERATING ACTIVITIES		
Net earnings	\$ 3,732,919	\$ 4,782,216
Item not affecting cash:		
Amortization of tangible capital assets	2,853,561	2,161,856
	6,586,480	6,944,072
Changes in non-cash working capital:		
Accounts receivable	(350,628)	153,300
Accounts payable	(520,557)	(4,931,388)
Deferred income	(7,387,886)	17,173,861
Landfill closure and post closure care	143,000	143,000
	(8,116,071)	12,538,773
Cash flow from (used by) operating activities	(1,529,591)	19,482,845
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(4,813,488)	(6,310,999)
Purchase of long term investments	(15,962,245)	(19,893,300)
Proceeds from sale of long term investments	20,987,300	6,819,025
Cash flow from (used by) investing activities	211,567	(19,385,274)
INCREASE (DECREASE) IN CASH FLOW	(1,318,024)	97,571
Cash - beginning of year	4,004,388	3,906,817
CASH - END OF YEAR	\$ 2,686,364	\$ 4,004,388

The accompanying notes are integral part of these financial statements

CENTRAL REGIONAL SERVICE BOARD
(Operating as Central Newfoundland Regional Waste Management Authority)
Notes to Financial Statements
Year Ended December 31, 2013

1. Nature of operations

The Central Regional Service Board was created under the authority of the Regional Service Board Act on February 26, 2008. The Board operates under the name Central Newfoundland Regional 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. Summary of significant accounting policies

Basis of Presentation

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:

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.

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.

Revenue recognition policy

Service revenue is recognized when delivery has occurred or services have been rendered, persuasive evidence of an agreement exists, the price is fixed or determinable, and collectibility is reasonably assured.

Government transfers are recognized as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, the amount can be reasonably estimated, any eligibility criteria have been met and there are no stipulations that give rise to a possible obligation.

Landfill Closure and Post-closure Care

Landfill closure and post-closure care costs are recognized annually as the landfill site's capacity is used, with usage being measured on a metric ton basis. The estimated total expenditure represents the sum of the estimated cash flows associated with closure and post-closure care activities, discounted at a rate equal to the estimated average long-term borrowing rate available to the Board.

(continues)

CENTRAL REGIONAL SERVICE BOARD
(Operating as Central Newfoundland Regional Waste Management Authority)
Notes to Financial Statements
Year Ended December 31, 2013

2. Summary of significant accounting policies (continued)

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.

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:

Land	Indefinite	straight-line method
Land improvements	10 to 50 years	straight-line method
Buildings	25 to 40 years	straight-line method
Machinery and equipment	5 to 10 years	straight-line method
Computer hardware and software	4 years	straight-line method
Furniture and fixtures	5 years	straight-line method
Road surface	5 to 20 years	straight-line method
Road grade	30 years	straight-line method

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

3. Cash

	2013	2012
Cash is comprised of the following		
Cash - operating bank account	\$ 985,917	\$ 1,814,260
Cash - capital bank account	1,700,447	2,180,152
Cash - Fogo Island bank account	-	9,976
	\$ 2,686,364	\$ 4,004,388

CENTRAL REGIONAL SERVICE BOARD
(Operating as Central Newfoundland Regional Waste Management Authority)
Notes to Financial Statements
Year Ended December 31, 2013

4. SHORT TERM INVESTMENTS

Short investments consist of guarantee investment certificates with a maturity date of less than a year. Short term investments are restricted for the following purposes.

	2013	2012
Capital projects	\$ 12,239,849	\$ 19,059,964
Capital reserve	1,873,675	-
Vendor security bond	848,721	833,336
	\$ 14,962,245	\$ 19,893,300

Capital projects relates to funds advanced by the Department of Municipal Affairs for capital projects for the completion of facilities and other capital projects.

Capital reserve relates to replacement of equipment, collection trucks and landfill cell construction and capping. The board reserved \$1,873,675 in 2014 for its capital reserve.

Contract security to vendor relates to a contract performance bond from a vendor.

5. Accounts receivable

	2013	2012
Operating	\$ 1,194,395	\$ 973,036
Harmonized sales tax	213,382	84,113
	\$ 1,407,777	\$ 1,057,149

6. Accounts payable

	2013	2012
Contract security to vendor	\$ 848,520	\$ 833,134
Capital construction of regional disposal sites and facilities	388,517	916,552
Accounts payable and accrued liabilities	191,893	246,545
Employee deductions payable	46,744	-
	\$ 1,475,674	\$ 1,996,231

7. Deferred revenue

Deferred revenue relates to funds advanced from the Department of Municipal Affairs for future capital expenditure.

CENTRAL REGIONAL SERVICE BOARD
(Operating as Central Newfoundland Regional Waste Management Authority)
Notes to Financial Statements
Year Ended December 31, 2013

8. Financial instruments

The Municipality, as part of its operations, carries a number of financial instruments. It is management's opinion the Municipality 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.

9. Landfill closure and post-closure care

The Board operates one solid waste landfill site. Phase 1 of the landfill site began accepting solid waste in 2012. The agreement with the Province of Newfoundland and Labrador for the operations of the landfill sites require that the Board take responsibility for certain obligations regard closure and post-closure care of each site.

Closure activities include all activities related to closing the landfill site. Through a proactive closure plan, many closure costs will be incurred on an on-going basis and will be included in the yearly fiscal operating budget. Taking this into consideration, it is assumed that closure costs incurred at the actual closure date will be reduced significantly.

Post-closure activities include all activities related to monitoring the site once it can no longer accept waste. These costs are expected to last for an indeterminate time period, but at a minimum, would exceed 15 years.

10. Legal settlement

In 2013, the Board received in legal judgment regarding a statement of claim for additional costs to have been caused by the Central Regional Service Board in connection with the construction of seven waste management facilities by Bluebird Investments Ltd. The judgemental awarded to the contractor \$301,849 which included the judgemental award, taxes and legal costs.

SCHEDULE 1

CENTRAL REGIONAL SERVICE BOARD
 SCHEDULE OF TANGIBLE CAPITAL ASSETS
 YEAR ENDED DECEMBER 31, 2013

Cost	Buildings and Leasehold Improvements		Motor Vehicles and Heavy Equipment		Furniture and Fixtures		Computers and Data Management	
	Land and Land Improvements	Buildings and Leasehold Improvements	Motor Vehicles and Heavy Equipment	Asphalt and Parking Areas	Furniture and Fixtures	Computers and Data Management	2013	2012
Opening costs	10,825,263	18,947,476	7,538,654	9,534,151	150,112	681,570	47,677,226	41,366,227
Additions during the year	896	2,701,726	702,562	1,338,339	-	69,966	4,813,488	6,310,999
Disposals and write downs	-	-	94,000	-	-	-	94,000	-
Closing costs	<u>10,826,159</u>	<u>21,649,202</u>	<u>8,147,216</u>	<u>10,872,490</u>	<u>150,112</u>	<u>751,536</u>	<u>52,396,714</u>	<u>47,677,226</u>
Accumulated Amortization								
Opening accum'd amortization	15,509	684,348	479,403	849,028	20,182	113,387	2,161,856	-
Amortization	23,141	811,934	788,993	1,020,332	30,022	179,138	2,853,561	2,161,857
Disposals and write downs	-	-	-	-	-	-	-	-
Closing accum'd amortization	<u>38,650</u>	<u>1,496,281</u>	<u>1,268,397</u>	<u>1,869,360</u>	<u>50,204</u>	<u>292,526</u>	<u>5,015,417</u>	<u>2,161,857</u>
Net Book Value of Tangible Capital Assets	<u>10,787,509</u>	<u>20,152,921</u>	<u>6,878,819</u>	<u>9,003,130</u>	<u>99,907</u>	<u>459,011</u>	<u>47,381,297</u>	<u>45,515,369</u>

The accompanying notes are integral part of these financial statements

CENTRAL REGIONAL SERVICE BOARD
STATEMENT OF OPERATIONS BY PROGRAM
YEAR ENDED DECEMBER 31, 2013

	Disposal Program	Collections Program	Capital	Total
	\$	\$	\$	\$
REVENUE				
Collections	\$ -	\$ 1,159,253	\$ -	\$ 1,159,253
Disposal	4,514,034	-	-	4,514,034
Grants	-	-	7,387,885	7,387,885
Interest	-	-	377,092	377,092
Other	77,021	1,600	-	78,621
	<u>4,591,055</u>	<u>1,160,853</u>	<u>7,764,977</u>	<u>13,516,886</u>
EXPENSES				
Advertising	46,312	-	-	46,312
Amortization	-	-	2,853,561	2,853,561
Bad debt	32,327	-	-	32,327
Dumpsite closure	-	-	2,360,130	2,360,130
Fuel	275,835	230,756	-	506,590
Insurance	106,225	-	-	106,225
Landfill closure and post closure	-	-	143,000	143,000
Legal settlements	-	-	301,849	301,849
Maintenance materials and supplies	407,864	54,521	-	462,385
Other	95,382	32,401	-	127,783
Professional fees	190,462	527	201,403	392,391
Transportation of waste	475,190	-	-	475,190
Travel	41,636	15,421	-	57,057
Utilities	223,900	2,716	-	226,616
Wages	1,226,964	465,587	-	1,692,551
	<u>3,122,095</u>	<u>801,929</u>	<u>5,859,942</u>	<u>9,783,966</u>
Surplus (Deficit)	<u>\$ 1,468,960</u>	<u>\$ 358,924</u>	<u>\$ 1,905,035</u>	<u>\$ 3,732,919</u>

See Note 4 for Capital Reserve.

The accompanying notes are integral part of these financial statements