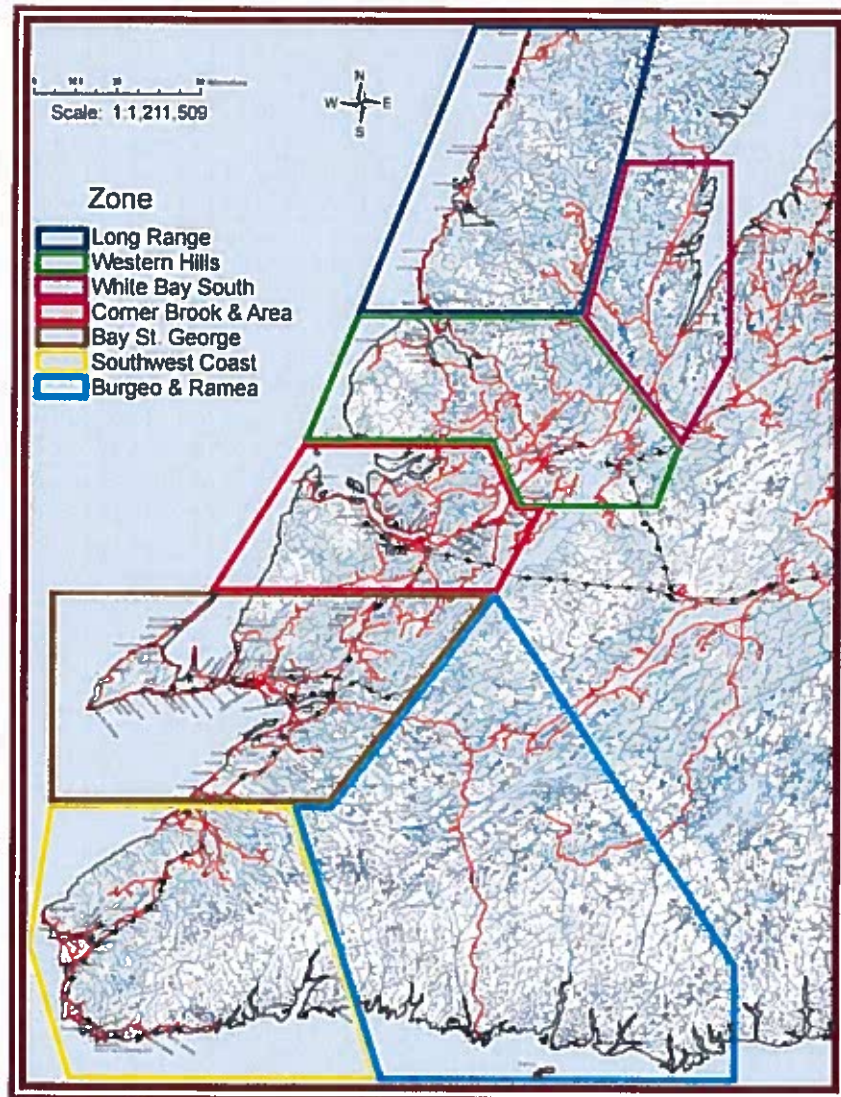


## Western Regional Service Board 2014 Annual Report



DOC/2015/04462

Ms. Sandra Barnes.  
Clerk of the House of Assembly  
East Block, Confederation Building

Dear Ms. Barnes:

On behalf of Minister Hutchings, I wish to re-table the 2014-15 annual report of the Western Regional Service Board, which was originally tabled June 30, 2015. The only change to this report is the addition of the signed audited financial statement of the Western Regional Service Board, as required by the *Regional Service Board Act* and the *Transparency and Accountability Act*.

Sincerely,

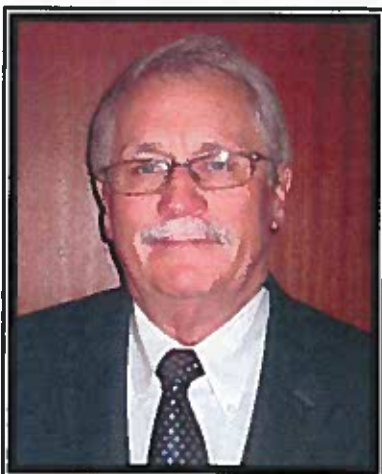


**COLLEEN JANES**  
Deputy Minister for Municipal Affairs

Enclosures

## Message from the Chairperson

---



I am pleased to present the Annual Report for the Western Regional Service Board as per the requirements of the *Transparency and Accountability Act*. The Western Regional Service Board (WRSB) is considered a Category 2 government entity under the province's *Transparency and Accountability Act*.

In preparing the WRSB Business Plan, careful consideration was given to strategic directions of government, as communicated by the Minister of Municipal and Intergovernmental Affairs. In particular, the board make contributions to the following strategic directions:

Strengthened Municipal Capacity and Strengthened Support for Municipal Government. With respect to Strengthened Municipal Capacity, the board contributed to the municipal infrastructure component by implementing a modern waste management system. With regard to Support for Municipal Government, the board contributed to the regional cooperation component by bringing together elected representatives from all seven sub-regions of the Western Region with the common purpose of implementing a waste management program for the whole region. As a regional entity, the board enables cooperation of all communities in the region with a common purpose of equality of cost and services with respect to waste management throughout the region and in this way we are strengthening support for Municipal Government and Municipal Capacity.

As Chair of the Board, my signature below is indicative of the Board's overall accountability for the preparation of the 2014 Annual Report and the accountability of the actual results reported herein.

Sincerely,

A handwritten signature in black ink, appearing to read "Donovan F. Downer". The signature is fluid and cursive.

Donovan F. Downer, PhD  
Chair, Western Regional Service Board

## **Table of Contents**

---

1. Overview .....	Page 4
2. Mandate .....	Page 9
3. Lines of Business .....	Page 10
4. Shared Commitments .....	Page 11
5. Highlights and Accomplishments .....	Page 11
6. Vision .....	Page 12
7. Mission .....	Page 12
8. Report on Performance.....	Page 13
9. Opportunities and Challenges.....	Page 17
Appendix A: Legislated Mandate .....	Page 18
Appendix B: Financial Statements .....	Page 19

## **1. Overview**

---

The board's focus is to provide an environmentally sound and economically reasonable waste management program in the Western Region. Our board is dedicated to providing all residents of Western Newfoundland with an affordable and universal fee structure regardless of Western's unique challenges. With the continued support and cooperation from communities, sub-regional committees, and numerous government agencies, this will become a reality.

All seven of the Western sub-regions have consolidated and effectively closed down the smaller, waste sites (15 sites closed to date). There is now only one shared landfill/waste site being used in each of these seven sub-regions. This has been a major task and cooperation between the WRSB office, sub-regional committees and government has been integral in achieving this endeavour.

The ultimate goal for the board is to maintain full operation of the Western waste management program, provide curbside collection (own or contract), operate transfer stations and public drop-offs, and manage all waste streams in Western Newfoundland.

The board's boundaries span more geographic area than any other Regional Service Board (RSB) on the Island of Newfoundland. It includes everything West of Jackson's Arm and the Beaches; reaching North to Bellburns and South to Port aux Basques and Isle au Morte and continuing east to include Burgeo, Ramea, Grey River and Francois.

There are approximately 82 communities (city, towns and local service districts) in the region and many unincorporated areas. The total population is estimated to be between 75,000 and 77,000 people.

The table on the following page shows the board's Governance Model as well as a listing of all communities, populations and the board members who represent each area.

**Western Regional Service Board Governance Model:**

Zone	Geographic	# Members
Southwest Coast (population 8,000)	<u>LSDs:</u> Benois Siding, Upper Ferry, O'Regan's East, Great Codroy, Searston, St. Andrew's, Tompkins, Cape Ray, Fox Roost-Margaree and Diamond Cove. Possible extension to La Poile. <u>Municipalities:</u> Burnt Islands, Channel-Port aux Basques, Isle aux Morts, and Rose Blanche-Harbour Le Cou.	1 member Bruce Burton
Bay St. George (Population 19,000)	<u>LSDs:</u> Barchois Brook, Bay St. George South, Black Duck, Black Duck Brook - Winterhouse, Campbell's Creek, Flat Bay West, Fox Island River - Point au Mal, Mainland, Mattis Point, Piccadilly Head, Piccadilly Slant - Abraham's Cove, Sheaves Cove, Ship Cove - Lower Cove - Jerry's Nose, St. Teresa, Three Rock Cove and West Bay <u>Municipalities:</u> Cape St. George, Gallants, Kippens, Lourdes, Port au Port East, Port au Port West - Aguathuna - Felix Cove, St. George's, Stephenville and Stephenville Crossing,	2 members Robert Cormier Ken Meade
Burgeo (population 2,500)	<u>LSDs:</u> Grey River. Possible extension to Francois. <u>Municipalities:</u> Burgeo and Ramea.	1 member Barbara Barter
Long Range (population 5,000)	<u>LSDs:</u> Portland Creek <u>Municipalities:</u> Bellburns, Cow Head, Daniel's Harbour, Norris Point, Parson's Pond, Rocky Harbour and St. Paul's.	1 member Vacant
White Bay South (population 1,500)	<u>LSDs:</u> Beaches, Pollard's Point and Sop's Arm. <u>Municipalities:</u> Hampden and Jackson's Arm.	1 member Eli Bishop
Deer Lake Area (population 8,200)	<u>LSDs:</u> St. Jude's <u>Municipalities:</u> Cormack, Deer Lake, Glenburnie-Birchy Head-Shoal Brook, Howley, Reidville, Trout River and Woody Point.	1 member Roger Barrett
Corner Brook (population 20,000)	City of Corner Brook	2 members Bernd Staeben Keith Cormier
North/South Bay of Islands (Population 7,800)	<u>Municipalities:</u> Cox's Cove, Frenchman's Cove, Gillams, Hughes Brook, Humber Arm South, Irishtown-Summerside, Lark Harbour, McIver's, Meadows, Mt. Moriah and York Harbour.	1 member Anthony Blanchard
Humber Valley Communities (Population 5,100)	<u>LSDs:</u> Little Rapids and Pynn's Brook <u>Municipalities:</u> Massey Drive, Pasadena and Steady Brook.	1 member Leona Gillette

The regional service board was created by Order on January 29, 2013 and board members were appointed in February 2014 following the Western Regional Service Board Governance Model.

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

The board is governed by the *Regional Service Board Act, 2012* and many of the procedures of this board are governed within the Act. The Minister of Municipal and Intergovernmental Affairs made the official board appointments based on the Western Regional Service Board Governance model (see previous chart for board member names).

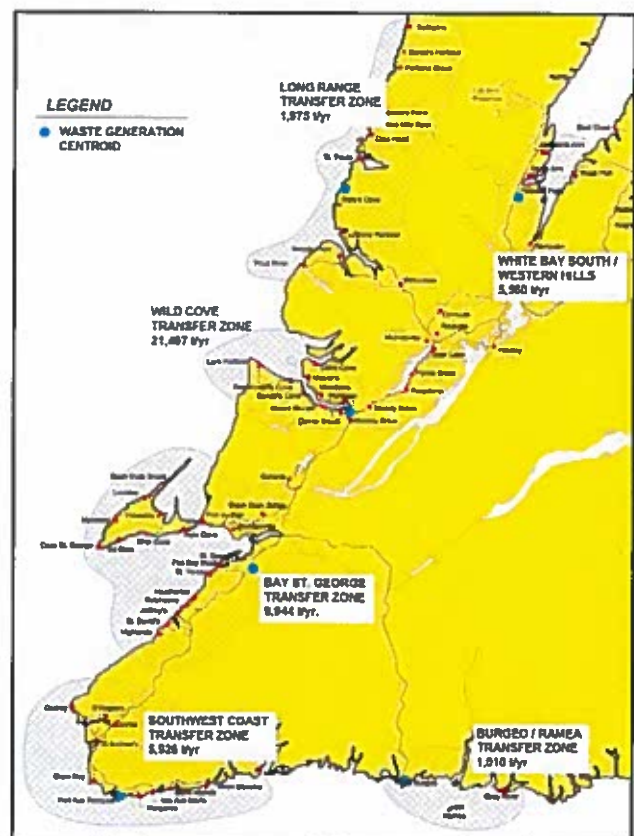
The board has a minimum of 6 meetings per year with special board meetings called if necessary. Three standing committees have been created; the Governance Committee; the Finance and Audit Committee; and the Policy and Procedures Committee. These committees meet at least quarterly to discuss and bring forward recommendations to the board based on the issues under their purview. A draft Terms of Reference document has been developed by the Governance Committee for the board to follow.

There is also a Technical Committee composed of members of the WRSB, WRSB staff, consultant, City of Corner Brook Representative and government representatives who meet the morning of the regular WRSB meeting dates to go over the technical aspect of items and forward their recommendations to be presented to the board that evening.

### Boundaries and estimated waste generated (tonnage) per year

#### Local Waste Management Facilities

- 1). Long Range
  - Rocky Harbour
- 2). White Bay South / Western Hills
  - Hampden Junction
- 3). Corner Brook & Areas
  - Wild Cove/Corner Brook
- 4). Bay St. George
  - St. Georges
- 5). Southwest Coast
  - Channel/Port aux Basques
- 6). Burgeo & Areas
  - Burgeo



## BUDGET AND EXPENDITURES

The Western Regional Service Board (WRSB) had a 2014 operational budget of approximately 1.9 million dollars.

This amount comprised of \$225,000 from MMSB from the Capacity Building Program with the remainder from tipping fees at a base rate of \$40.12/tonne. Due to the fact that the WRSB took over operations of two waste disposal sites, we also took over a surplus and deficit in these areas. This prompted a change in the rates to increase slightly in one area and decrease slightly in another area. Based on received tonnage in 2014, we expect to be very close to these projections.

The Western Regional Service Board (WRSB) had a 2014 Capital budget of approximately 1 million dollars. All capital money spent in 2014 was provide by the Provincial Government (Department of Municipal and Intergovernmental Affairs) and was allocated for engineering and consultant services for development of the RFQ, RFP, land acquisitions, data management system, landfill closures shown in the table below:

Contractor	Project Name	Total
World Office / Strong Eng.	Western Data Mgmt System	321,667.45
Bae NewPlan Group	Eng. Services, RFP Evaluation & Mgmt for Western Data System	13,407.46
	Western Environmental Registration & Crown Lands	28,615.36
	Western Interim Site Takeovers	29,135.99
CBCL Limited	Owner's Prime Consultant Services	308,848.33
Meridian Engineering Inc.	Western Waste Site Closures, ENGINEERING COMPONENT	44,527.65
Meridian Engineering Inc.	Western Waste Site Closures, CONSTRUCTION TENDERS	183,045.97
GMK Equipment Rentals Ltd.	PACKAGE B - Rose Blanche, Codroy Valley, South Branch & BSG South	102,146.35
	<b>TOTAL</b>	<b>1,031,394.56</b>



**CONTACT INFORMATION:**

In 2014 the Western Regional Waste Management Office was comprised of 4 employees:

- Chairperson – Dr. Don Downer
- Executive Director – Mr. Jason King
- Executive Assistant – Ms. Pauline Anderson
- Office Support/Relief – Ms. Amanda Skeard

19-21 West Street, Suite 25

Corner Brook, NL A2H 2Y6

Ph: (709) 632-2922

Fax: (709) 632-2204

Email: [info@wrwm.ca](mailto:info@wrwm.ca)

## 2. Mandate

---

The Western Regional Service Board is mandated with facilitating the implementation of the Provincial Waste Management Strategy (PWMS) in the Western Region of the province. Specifically, in accordance with section 3 of the *Western Regional Service Board Regulations*, the board "has the power to construct, acquire, maintain and operate a waste management system within the Western Region."

As part of its mandate, the board's activities include:

- Collaborating with communities in the region to close all smaller unlined landfill sites and incinerators.
- Providing all residents of Western Newfoundland with a cost efficient and environmentally sound means of disposing their waste.
- Implementing initiatives that will reduce the amount of waste going to landfills by 50%.
- Providing collection of source separated waste to be recycled, composted and disposed of in provincially approved engineered lined landfills.
- Recycling and disposal of construction and demolition, metal and bulk waste.
- Engaging the Industrial, Commercial and Institutional (ICI) sector, keeping in mind the same environmental and economic goals.
- Pursuant to section 24 of the *Regional Services Board Act, 2012*:

*24. (1) The expenses of a board may be defrayed out of revenue generated by the assessment of fees from:*

*(a) municipal authorities governed by that board or persons who occupy real property, either as owners or tenants of the property, in municipal authorities governed by that board;*

*(b) persons who occupy real property, either as owners or tenants of the property, in unincorporated areas governed by that board; and*

*(c) users of facilities and services.*

*(2) For the purpose of subsection (1), a tenant does not include a lodger or a boarder.*

*(3) The methods of raising revenue referred to in subsection (1), as well as the date when the money being raised as revenue is due and payable, shall be imposed or varied by a resolution of the board.*

*(4) Fees referred to in subsection (1) remain in effect and are due according to the nature of the fee and its method of payment, until the resolution of the board imposing it has been cancelled.*

The legislation from which the board derives its mandate may be accessed through the House of Assembly website at: [www.assembly.nl.ca/legislation](http://www.assembly.nl.ca/legislation).

### **3. Lines of Business**

---

#### **1) Waste Diversion programs**

The board plans and implements a waste management program that provides and supports diversion opportunities for all residents of the Western region. This is supported with educational services in the form of educational documents and sessions regarding household waste separation and other reduction and diversion techniques.

#### **2) Operation of transfer stations and public drop-off sites**

The board oversees the construction of transfer stations in Rocky Harbour, Hampden Junction, Wild Cove, St. Georges, Channel-Port aux Basques, and Burgeo as well as the development of public drop-off sites in Portland Creek, Bonne Bay South and Port au Port. It falls under the board's and the office's purview to oversee and maintain the day to day operations of all these sites as well as manage the operations or contracts regarding waste diversion programs and a detailed transportation system of waste from the Western Region to the Central Waste Management site at Norris Arm North.

#### **3) Curb Side Collection program**

The board investigates methods of providing curbside collection of source separated waste to be recycled, composted or disposed of in a provincially approved engineered lined landfill. Recycling and disposal of construction & demolition, metal and bulk waste is to be considered in the same manner, keeping in mind the environmental and economic goals.

## **6. Shared Commitments**

---

The Western Regional Service Board works closely with several major partners in its attempt to implement a modern waste management strategy in Western Newfoundland.

There are several Government departments that the WRSB works closely with including The Department of Municipal and Intergovernmental Affairs (MIGA), The Department of Environment and Conservation (E&C) and Service NL (SNL). MIGA is providing the capital funding for the project and is involved in the planning and development as well. E&C and SNL work closely with the WRSB as the regulators for current operations and to ensure environmental regulation compliance in the development and implementation of the Western program.

The Multi-Material Stewardship Board (MMSB) has worked very closely with the WRSB in both providing financial assistance in the form of their Capacity Building Funds and for Household Hazardous Waste programs. They have also been a partner in providing education and assistance in media and public relations and providing funding to attend their forums, seminars and training opportunities.

The communities, business and general public are also considered valued and critical partners. By participating and accepting new waste management practices these groups provide valuable input and feedback on our ongoing progress and operations. This reflects and increased the Government's strategic direction components of *Regional Cooperation* and *Municipal Infrastructure*.

## **7. Highlights and Accomplishments**

---

Through its work in planning and implementing waste management service in the Western Regional, Western Regional Service Board has greatly contributed to the Government's strategic direction components of *Municipal Infrastructure* and *Regional Cooperation*. The WRSB has operationally closed 17 waste management sites within the seven Western Sub-regions and consolidated to one waste site in each sub-region. We have environmentally closed/decommissioned 11 of these sites in 2014. We have implemented new modern waste management practices at the sites to make the waste management process more efficient and promote the government's strategic directions. Although our timeline on construction planning was not completed in 2014 and has moved into 2015, this delay was necessary in order for the WRSB to ensure due diligence was served and the most efficient system/process is chosen for the people of Western Newfoundland.

## **8. Vision**

---

The vision of the Western Regional Service Board is of an innovative, professional, economic and environmentally sound waste management program for the people of Western Newfoundland.

## **9. Mission**

---

By December 31, 2016 the Western Regional Service Board will have enhanced waste management services in the region.

## **10. Report on Performance**

---

### **ISSUE 1: Waste Management and Diversion Strategy**

In an effort to meet the goals of the PWMS, the Western Regional Service Board has begun to plan the strategy for the Western Region.

Over the next three years the board will design, build and implement a modern, efficient and cost effective waste management and diversion strategy in the Western Region.

With cooperation from the Provincial Government in providing the capital infrastructure funding, the board intends to design and build the infrastructure needed to provide this service and implement a diversion and waste management program that will successfully achieve all the goals of the PWMS and do so in a cost efficient manner.

In carrying out the goals and objectives of this issue, the board will contribute to the "municipal infrastructure" component of Government's strategic direction "Strengthened Support for Municipal Governments" and the "regional cooperation" component of the strategic direction "Strengthened Municipal Capacity."

**Goal:** By December 31, 2016, the Western Regional Service Board will have designed and implemented a modern, efficient and cost effective waste management and diversion program in the Western region.

**Objective 1:** By December 31, 2014, the Western Regional Service Board will have acquired the design/build proponent by Request for Proposal (RFP) process with Prime Consultant to construct six transfer stations and three public drop off sites for bulk waste.

**Measure:** Acquired design/build proponent by RFP process with Prime Consultant.

**Indicators:**

- Finalized pre-design components of the Western Program (ie. waste streams and destinations, land acquisition).
  - By December 31, 2014 the WRSB substantially completed the pre-design components for the Western Program with respect to the Design Build Request for Proposals (RFP). The three (3) public drop off facilities were removed from this project as they were delaying the larger infrastructure project, specifically due to the delay in land acquisition for these locations.

- Initialized and completed Request for Qualifications\* RFQ/RFP process for design/build proponent.
  - The RFQ Process was completed within 2014. Due to the complexity of the review required and the scheduling conflicts of the evaluation committee, the RFP process was not underway until after December 31, 2014.
- Completed RFP process and awarded successful bidder.
  - This indicator was not completed as there was a delay in issuing the RFP. Expected to be awarded in late summer or early fall 2015.

**Objective 2:** By December 31, 2015, the Western Regional Service Board will have commenced infrastructure construction and identified required equipment procurement.

**Measure:** Commenced infrastructure construction and identified required equipment procurement

**Indicators:**

- Preferred Proponent selected and contract signed
- Preferred Proponent complete design, mobilize and begin site preparation and construction
- Review of required equipment completed and procurement process developed.

\*Note: The 2014-17 Business Plan included the term "Request for Quote" in the Objective 1 indicators; this was an error and the correct terminology is used above.

## **ISSUE 2: Interim Operational Take-over of Consolidated Sub-regional Programs**

The Western Regional Service Board, in an attempt to further the PWMS to consolidate current solid waste management programs and close smaller unlined landfills, will take over the administrative operation of several interim sub-regional sites.

This is an attempt to provide a uniform fee structure for the western residents and commercial sector, and provide the board valuable scale data, trends, etc., and continue the goals of closing smaller landfill sites.

The board has decided to move forward with a Data Management System similar to that of the Central Regional Service Board. Although this system was originally planned to be installed upon the implementation of the final Western Model, we are moving forward on incorporating it into these interim operations.

In carrying out the goals and objectives of this issue, the board will contribute to the "regional cooperation" component of the strategic direction "Strengthened Municipal Capacity."

**Goal:** By December 31, 2016, the Western Regional Service Board will have completely consolidated all sub-regions and acquired full administrative responsibility of waste management sites and programs.

**Objective 1:** By December 31, 2014, the Western Regional Services Board will have assumed full administrative responsibility of the operation of the Wild Cove and St. Georges waste site.

**Measure:** Assumed full administrative responsibility of the operation of the Wild Cove and St. Georges waste site.



**Indicators:**

- Implemented uniform fee structure for all users.
  - Uniform base rate of \$40.12 was implemented for all users of the Wild Cove and St. George's sites. Due to deficit and surplus within the respective areas, that base rate was adjusted accordingly. Any residents outside of these areas using landfills not currently operated by WRWM continued with their own fee structures.
- Implemented same level of service for all users.
  - Operational and environmental standards were provided to all users of the Wild Cove and St. George's sites. These included RFID card system, weight scale system, public drop-off areas, etc. Any residents outside of these areas using landfills not currently operated by WRWM continued with their own operations.
- Implemented data management system to monitor, regulate, record and maintain services.
  - Main office in Corner Brook was upgraded with a server and software installation for the data management system. Both the Wild Cove and St. George's sites received upgrades and training for implementation of the data management system.

By December 31, 2014 the WRSB had taken over full operations of the Wild Cove and St. Georges land fill operations and was responsible for operations and fees collections. The RFID card system was implemented in both areas and tipping fees were charged by the WRSB for all users of each site. Due to the fact that the WRSB adopted two separate ongoing operations and consolidated them into one, there was some differences between regions regarding tipping fee structure, but a uniform base rate was established. Both sites were operating under operational contracts and both areas were indeed being provided the same level of service in most respects.

**Objective 2:** By December 31, 2015, the Western Regional Services Board will have assumed administrative responsibility of other sub-regional interim waste sites.

**Measure:** Administrative responsibility of other sub-regional interim waste sites assumed

**Indicators:**

- Completed review and cost analysis of service extension to other sub-regions
- Began communication and education with sub regions involved
- Implemented infrastructure to provide same level of service as other sub-regions (Scales, RFID Card equipment etc...)
- Implemented administrative requirements for sites

## **11. Opportunities and Challenges**

---

### **Public Education**

- **Opportunities:**

- The development of the strategy for waste management in Western Newfoundland has taken considerable work and time. With the completion of the RFP process in 2015 the WRSB will have the ability to begin promoting to the public and all users of the facilities what they can expect in the way of infrastructure, waste stream separation, diversion options etc...

- **Challenges:**

- Changing negative attitudes and overcoming false information about this project will be a significant challenge in 2015. The WRSB looks forward to being able to inform the public of what is to come and what to look forward to in implementing this program; however, they realize how challenging it will be with ongoing criticism and the lack of knowledge that currently exists.

### **Organizational Growth**

- **Opportunities:**

- The WRSB office expects to hire additional staff in 2015 and increase the knowledge base of all involved (Board and Staff). This organization has an opportunity to be an environmental leader and its members to advance waste management, diversion and environmental stewardship. Also to increase the positive footprint this organization can have on the area it serves.

- **Challenges:**

- The rate in which the WRSB is growing is exceptional. Opportunities with such growth go hand in hand with challenges. Staff and Board members will have steep learning curves and a level of inexperience as any new organization would experience. This will be met with determined and dedicated work ethic and a passion and drive of all involved to make this organization successful.

# Appendix A: Legislated Mandate

---

## NEWFOUNDLAND AND LABRADOR REGULATION 10/13

*Western Regional Service Board Order*  
under the  
*Regional Service Boards Act, 2012*  
(O.C. 2013-017)

(Filed January 29, 2013)

Under the authority of section 3 of the *Regional Service Boards Act, 2012*, the Lieutenant-Governor in Council, on the recommendation of the Minister of Municipal Affairs, makes the following Order.

Dated at St. John's, January 29, 2013.

Paula Burt  
Deputy Clerk of the Executive Council

### ORDER

#### *Analysis*

1. Short title
2. Creation of region
3. Establishment of board

#### **Short title**

1. This Order may be cited as the *Western Regional Service Board Order*.

[Back to Top](#)

#### **Creation of region**

2. The city, towns, local service districts and unincorporated areas in the western portion of the Island of Newfoundland situated south and west of a line drawn from Bellburns to Jackson's Arm to The Beaches to Ramea, as well as the local service district of Grey River, are constituted as a region with the name of the Western Region.

[Back to Top](#)

#### **Establishment of board**

3. The Western Regional Service Board is established for the region with the purpose of providing regional services in accordance with the Act.

©Queen's Printer

**WESTERN REGIONAL SERVICE BOARD**  
*(Operating as Western Newfoundland Regional Waste  
Management Authority)*

**Financial Statements**  
**For the Year Ended December 31, 2014**

**WESTERN REGIONAL SERVICE BOARD**  
**Financial Statements**  
**For the Year Ended December 31, 2014**

---

Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Operations and Accumulated Surplus	3
Statement of Change in Net Financial Assets (Net Debt)	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 10
Schedule 1 - Schedule of Tangible Capital Assets	11



Tel: 709 634 1590  
Fax: 709 634 1599  
www.bdo.ca

BDO Canada LLP  
50 Main Street, Suite 300  
Corner Brook NL A2H 1C4 Canada

## Independent Auditor's Report

To the Board of Directors of the Western Regional Service Board

We have audited the accompanying financial statements of the Western Regional Service Board, which comprise the statement of financial position as at December 31, 2014, and the statements of operations and surplus, change 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 Western Regional Service Board as at December 31, 2014 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Corner Brook, Newfoundland and Labrador  
August 21, 2015

*BDO Canada LLP*  
Chartered Professional Accountants

1

**WESTERN REGIONAL SERVICE BOARD  
STATEMENT OF FINANCIAL POSITION  
As at December 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 587,716	\$ 147,025
Cash - restricted (Note 2)	4,977,583	-
Accounts receivable (Note 3)	523,763	6,024
	<u>6,089,062</u>	<u>153,049</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 4)	1,132,005	17,636
Deferred revenue (Note 5)	4,546,908	112,500
	<u>5,678,913</u>	<u>130,136</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>410,149</u>	<u>22,913</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	263,856	3,262
<b>ACCUMULATED SURPLUS</b>	<u>674,005</u>	<u>26,175</u>

Approved on behalf of Board:



Chairperson



Treasurer

**WESTERN REGIONAL SERVICE BOARD**  
**STATEMENT OF OPERATIONS AND SURPLUS**  
Year Ended December 31, 2014

	Budget 2014	2014 Actual	2013 Actual
<b>OPERATING REVENUE</b>			
Operations	\$ 1,723,484	\$ 1,709,408	\$ 262,841
Interest	-	8,645	251
	<u>1,723,484</u>	<u>1,718,053</u>	<u>263,092</u>
<b>GOVERNMENT TRANSFERS (Note 5)</b>			
Multi Materials Stewardship Board - core funding	225,000	234,584	57,616
Department of Municipal Affairs - operating	-	-	65,000
Government of Newfoundland & Labrador - capital	-	307,434	-
Government of Newfoundland & Labrador	-	1,260,888	166,545
	<u>225,000</u>	<u>1,802,906</u>	<u>289,161</u>
<b>TOTAL REVENUE</b>	<u>1,948,484</u>	<u>3,520,959</u>	<u>552,252</u>
<b>EXPENSES</b>			
Advertising and promotion	34,286	5,757	2,052
Amortization (Schedule 1)	-	46,840	363
Bad debts	-	7,180	-
Engineering fees	-	-	291,285
Insurance	2,905	4,566	-
Interest and bank charges	-	2,308	20
Contract costs for landfill	878,095	1,239,932	-
Miscellaneous	3,500	1,189	5,118
Office	8,095	19,850	10,693
Professional fees	14,286	32,556	11,265
Project costs	-	1,260,888	-
Rent	20,000	22,572	21,457
Repairs and maintenance	-	5,745	-
Salaries and wages	279,600	194,960	129,485
Site operation expenses	660,622	-	-
Telephone	7,619	8,419	7,553
Travel	39,476	20,367	46,786
	<u>1,948,484</u>	<u>2,873,129</u>	<u>526,077</u>
<b>ANNUAL SURPLUS</b>	<u>-</u>	<u>647,830</u>	<u>26,175</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>\$ 26,175</u>	<u>\$ 26,175</u>	<u>-</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 26,175</u>	<u>\$ 674,005</u>	<u>\$ 26,175</u>

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



**WESTERN REGIONAL SERVICE BOARD  
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
Year Ended December 31, 2014**

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
<b>ANNUAL SURPLUS</b>	<u>\$ -</u>	<u>\$ 647,830</u>	<u>\$ 26,175</u>
Acquisition of tangible capital assets (Schedule 1)	-	(307,434)	(3,625)
Amortization of tangible capital assets (Schedule 1)	-	46,840	363
	<u>-</u>	<u>(260,594)</u>	<u>(3,262)</u>
<b>CHANGE IN NET FINANCIAL ASSETS (NET DEBT)</b>	-	387,236	22,913
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>22,913</u>	<u>22,913</u>	<u>-</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$ 22,913</u>	<u>\$ 410,149</u>	<u>\$ 22,913</u>

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

**WESTERN REGIONAL SERVICE BOARD  
STATEMENT OF CASH FLOWS  
Year Ended December 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 647,830	\$ 26,175
Add: Amortization of capital assets	46,840	363
	<u>694,670</u>	<u>26,538</u>
Changes in non-cash items:		
Increase in accounts receivable	(517,739)	(6,024)
Increase in accounts payable and accrued liabilities	1,114,369	17,636
Increase in deferred revenue	4,434,408	112,500
	<u>5,725,708</u>	<u>150,650</u>
<b>CASH PROVIDED BY OPERATING TRANSACTIONS</b>		
<b>CAPITAL TRANSACTIONS</b>		
Purchase of tangible capital assets	(307,434)	(3,625)
	<u>(307,434)</u>	<u>(3,625)</u>
<b>CASH USED BY CAPITAL TRANSACTIONS</b>		
<b>INCREASE IN CASH</b>	5,418,274	147,025
<b>CASH, BEGINNING OF YEAR</b>	<u>147,025</u>	<u>-</u>
<b>CASH, END OF YEAR</b>	<u>\$ 5,565,299</u>	<u>\$ 147,025</u>
<b>CASH CONSISTS OF:</b>		
Cash	587,716	147,025
Restricted Cash	4,977,583	-
	<u>\$ 5,565,299</u>	<u>\$ 147,025</u>

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

**WESTERN REGIONAL SERVICE BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
As at December 31, 2014**

---

**1. Significant Accounting Policies**

**a) Nature of Operations**

The Western Regional Service Board ("the Board") was created under the authority of Regional Service Board Act on January 29, 2013. The Board operates under the name Western Newfoundland Waste Management Authority, and is responsible for the maintenance and operation of solid waste disposal sites and solid waste management facilities within the Western region of Newfoundland.

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

**b) Basis of Accounting**

The financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Public Sector Accounting Board (PSAB), of the Chartered Professional Accountants of Canada.

**c) Use of Estimates**

The preparation of financial statements in conformity with Canadian public sector accounting principles 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.

**d) Revenue Recognition**

Tipping fee revenue is recognized when the customer has been invoiced. At this time, revenue is deemed to be collectible, measurable, and performance has occurred.

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

**WESTERN REGIONAL SERVICE BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
As at December 31, 2014**

---

**1. Significant Accounting Policies (continued)**

**e) 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 using the following rates and methods:

**General Tangible Capital Assets**

Computer Hardware and Software	30%
Furniture & Fixtures	20%

**f) Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for the use in provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

**g) Financial Instruments**

The board classifies its financial instruments at either fair value or amortized cost. The Board's accounting policy for each category is as follows:

**Fair Value**

This category normally includes equity instruments quoted in an active market and other assets or liabilities designated into the fair value category,. At year end, the Board had no assets or liabilities included in the fair value category.

Assets in this category are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. Transactions costs related to financial instruments in the fair value category are expensed as incurred.

**WESTERN REGIONAL SERVICE BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
As at December 31, 2014**

---

**1. Significant Accounting Policies (continued)**

**Fair Value (continued)**

When a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in the accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

**Amortized cost**

This category includes cash, accounts receivable, accounts payable and accrued liabilities. They are initially recorded at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets, except for contributions, which are initially recognized at fair value. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

**2. Restricted Cash**

Restricted cash consists of funds to be spent on government approved expenses. These funds will be disbursed over multiple fiscal years.

**3. Accounts receivable**

	2014	2013
Harmonized sales tax	122,883	5,440
Accounts receivable - Trade	408,060	584
	530,943	6,024
Less allowances for doubtful amounts	(7,180)	-
	\$ 523,763	\$ 6,024

**WESTERN REGIONAL SERVICE BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
As at December 31, 2014**

<b>4. Accounts payable and accrued liabilities</b>	<b>2014</b>	<b>2013</b>
Accounts payable - trade	481,149	-
Accounts payable - capital	642,680	-
Employee deductions payable	8,176	1,744
Accruals	-	15,892
	<b>\$ 1,132,005</b>	<b>\$ 17,636</b>

**5. Deferred revenue and government transfers**

Deferred revenue relates to funds advanced from the Province of Newfoundland & Labrador for future capital and operational expenditure.

	<b>Balance 12/31/2013</b>	<b>Funding Received</b>	<b>Revenue Recognized</b>	<b>Balance 12/31/2014</b>
Government of Newfoundland & Labrador	-	5,500,000	1,123,046	4,376,954
Government of Newfoundland & Labrador		169,954	-	169,954
Government of Newfoundland & Labrador		137,842	137,842	-
Government of Newfoundland & Labrador			307,434	-
Multi-Materials Stewardship Board	112,500	122,084	234,584	-
	<b>112,500</b>	<b>5,929,880</b>	<b>1,802,906</b>	<b>4,546,908</b>

During the year the Board received a transfer from the province of Newfoundland and Labrador for ongoing capital and non-capital projects. According to the stipulations in the funding agreement any unspent funding at the end of the project must be repaid. As of year end, \$4,376,954 of the funding was unspent and as a result the Board has recognized it as a liability in the statement of financial position.

**WESTERN REGIONAL SERVICE BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
As at December 31, 2014**

---

9

**6. Financial Instruments**

The board is exposed through their operations to the following financial risks:

**Credit Risk:**

Credit risk is the risk of financial loss for the Board if a debtor fails to make payments of interest and principal when due. The Board is exposed to normal credit relating primarily to its cash and accounts receivable. The Board holds its cash with insured and regulated banks. In the event of a default, the entire cash balance is insured and would be recovered.

Accounts receivable are amounts due directly from customers and from municipalities which are serviced by the board. Credit risk is mitigated by the financial approval process. The Board measures its exposure to credit risk based on how long the amounts have been outstanding. The amounts outstanding at year end include \$48,660 over 60 days. The maximum exposure to credit risk is \$408,060. In 2013 the Board was not exposed to credit risk on any of its financial instruments.

**Liquidity Risk:**

Liquidity risk is the risk that the Board will not be able to meet all cash outflow obligations as they come due. The Board mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting. The Board's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. At year end, all trade accounts payable and accrued liabilities totalling \$489,325 are due within 30 days. In 2013 the Board was not exposed to liquidity risk on any of its financial instruments.

**7. Comparative Figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

10

WESTERN REGIONAL SERVICE BOARD  
 SCHEDULE 1

WESTERN REGIONAL SERVICE BOARD  
 SCHEDULE OF TANGIBLE CAPITAL ASSETS  
 Year Ended December 31, 2014

Cost	Computers and Software		2013
	Equipment	2014	
Opening costs	3,625	3,625	-
Additions during the year	-	307,434	3,625
Disposals and write downs	-	-	-
Closing costs	3,625	311,059	3,625
<b>Accumulated Amortization</b>			
Opening accumulated amortization	363	363	-
Amortization	725	46,115	363
Disposals and write downs	-	-	-
Closing accumulated amortization	1,088	47,203	363
<b>Net Book Value of Tangible Capital Assets</b>	<b>2,537</b>	<b>261,319</b>	<b>3,262</b>