

CENTRAL REGIONAL SERVICE BOARD
(Central Newfoundland Regional Waste Management Authority)
Financial Statements
Year Ended December 31, 2009

Belanger Clarke
Follett & McGettigan
CHARTERED ACCOUNTANTS · BUSINESS ADVISORS

CENTRAL REGIONAL SERVICE BOARD
(Central Newfoundland Regional Waste Management Authority)
Index to Financial Statements
Year Ended December 31, 2009

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AUDITORS' REPORT

To the Directors of Central Regional Service Board (Central Newfoundland Regional Waste Management Authority)

We have audited the statement of financial position of Central Regional Service Board as at December 31, 2009 and Central Regional Service Board - capital fund as at December 31, 2008 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended. These financial statements are the responsibility of the board's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the board as at December 31, 2009 and December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Clarenville, Newfoundland and Labrador
April 13, 2010

CHARTERED ACCOUNTANTS

CENTRAL REGIONAL SERVICE BOARD
Operating as Central Regional Newfoundland Waste Authority
Statement of Financial Position
As at December 31, 2009 and December 31, 2008

	(Unaudited) - See Note 8					
	Operating	Capital	2009	Operating	Capital	2008
ASSETS						
CURRENT						
Cash (Note 4)	\$ 63,056	\$ 109,328	\$ 172,384	\$ 45,999	\$ 135,475	\$ 181,474
Accounts receivable (Note 5)	6,893	1,527,666	1,534,559	300,139	300,139	300,139
Harmonized sales tax recoverable	4,863	369,522	374,385	2,987	-	2,987
	74,812	2,006,516	2,081,328	48,986	435,614	484,600
CAPITAL ASSETS (Note 6)		8,714,098	8,714,098	838,328	838,328	838,328
	\$ 74,812	\$ 10,720,614	\$ 10,795,426	\$ 48,986	\$ 1,273,942	\$ 1,322,928
LIABILITIES AND NET ASSETS						
CURRENT						
Accounts payable and accrued liabilities	\$ 6,842	\$ 2,555,288	\$ 2,562,130	\$ 60,016	\$ 432,661	\$ 492,677
Deferred income (Note 7)	59,815		59,815			
	66,657	2,555,288	2,621,945	60,016	432,661	492,677
NET ASSETS						
Unrestricted net assets	8,155		8,155			0
Net assets invested in capital assets		8,165,326	8,165,326	(11,030)	841,281	830,251
	\$ 74,812	\$ 10,720,614	\$ 10,795,426	\$ 48,986	\$ 1,273,942	\$ 1,322,928
ON BEHALF OF THE BOARD						
	Chairperson			Treasurer		

See accompanying notes to financial statements.
Belanger Clarke Follett & McGettigan, Chartered Accountants

CENTRAL REGIONAL SERVICE BOARD
Operating as Central Regional Newfoundland Waste Authority
Statement of Changes in Net Assets
Year Ended December 31, 2009 and December 31, 2008

	(Unaudited) - See Note 8			
	Unrestricted Net Assets	Net Assets invested in Capital Assets	Unrestricted Net Assets	Net Assets invested Assets
	2009	2009	2008	2008
NET ASSETS - BEGINNING OF YEAR	\$ (11,030)	\$ 841,281	\$ 830,251	
Excess of revenues over expenses	19,185	7,324,045	7,343,230	(11,030)
NET ASSETS - END OF YEAR	\$ 8,155	\$ 8,165,326	\$ 8,173,481	\$ 841,281
			\$ (11,030)	\$ 830,251

See accompanying notes to financial statements.
Belanger Clarke Follett & McGettigan, Chartered Accountants

CENTRAL REGIONAL SERVICE BOARD
Operating as Central Regional Newfoundland Waste Authority
Statement of Revenues and Expenditures
Year Ended December 31, 2009 and December 31, 2008

	(Unaudited) - See Note 8			
	2009	2009	2008	2008
	Operations	Capital	Operations	Capital
REVENUES				
Department of Municipal Affairs – capital		\$ 7,547,651		\$ 1,030,791
Department of Municipal Affairs - operating	\$ 62,479			\$ 1,030,791
Multi Materials Stewardship Board grants	158,911		173,500	
Other	4,848			173,500
Service Canada - grants	8,943			
	<u>235,181</u>	<u>7,547,651</u>	<u>173,500</u>	<u>1,030,791</u>
		<u>7,782,832</u>		<u>1,204,291</u>
EXPENSES				
Advertising and promotion	35,451			
Business taxes, licenses and memberships	804		169	
Capital expenditure - current year		223,606		189,510
Directors fees	16,055		27,740	
Insurance	3,000			27,740
Interest and bank charges	587			
Meetings and conventions	16,115		5,164	
Memberships	656			5,164
Office	2,567		3,542	
Rental	23,927		14,360	
Salaries and wages	82,835		115,586	
Telephone	5,022		2,778	
Travel	28,977		15,191	
	<u>215,996</u>	<u>223,606</u>	<u>184,530</u>	<u>374,040</u>
		<u>439,788</u>		<u>374,040</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 19,185</u>	<u>\$ 7,324,045</u>	<u>\$ (11,030)</u>	<u>\$ 841,281</u>
		<u>\$ 7,343,230</u>		<u>\$ 830,251</u>

See accompanying notes to financial statements.

Belanger Clarke Follett & McGettigan, Chartered Accountants

CENTRAL REGIONAL SERVICE BOARD
Operating as Central Regional Newfoundland Waste Authority
Statement of Cash Flows
Year Ended December 31, 2009

	(Unaudited) - See Note 8					
	Operating	Capital	2009	Operating	Capital	2008
OPERATING ACTIVITIES						
Excess of revenues over expenses	\$ 19,185	\$ 7,324,045	\$ 7,343,230	\$ (11,030)	\$ 841,281	\$ 830,251
Changes in non-cash working capital:						
Accounts receivable	(6,893)	(1,227,527)	(1,234,420)		(300,139)	(300,139)
Accounts payable and accrued liabilities	(53,174)	2,122,627	2,069,453	60,016	432,661	492,677
Deferred income	59,815		59,815			
HST payable (receivable)	(1,876)	(369,522)	(371,398)	(2,987)		(2,987)
	(2,128)	525,578	523,450	57,029	132,522	189,551
Cash flow from operating activities	17,057	7,849,623	7,866,680	45,999	973,803	1,019,802
INVESTING ACTIVITIES						
Purchase of capital assets		(7,875,766)	(7,875,766)		(838,328)	(838,328)
INCREASE (DECREASE) IN CASH FLOW	17,057	(26,143)	(9,086)	45,999	135,475	181,474
Cash - beginning of year	45,999	135,475	181,474			
CASH - END OF YEAR	\$ 63,056	\$ 109,332	\$ 172,388	\$ 45,999	\$ 135,475	\$ 181,474

See accompanying notes to financial statements.
Belanger Clarke Follett & McGettigan, Chartered Accountants

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

Notes to Financial Statements

Year Ended December 31, 2009

1. DESCRIPTION OF OPERATIONS

Central Newfoundland Services Board is incorporated under the Regional Services Boards Act with a mandate to construct, acquire, maintain and operate solid waste disposal sites and solid waste management facilities and systems within the central region of Newfoundland. The corporation is exempt from income tax by virtue of Paragraph 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Land improvements	straight-line method
Buildings	straight-line method
Equipment	straight-line method
Leasehold improvements	straight-line method
Roads	straight-line method
Wells	straight-line method
Land fill site	straight-line method
Utilities infrastructure	straight-line method
Leachate treatment facility	straight-line method
Compost facility	straight-line method

Revenue recognition

Revenue is recorded on the accrual basis.

Measurement uncertainty

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

3. FINANCIAL INSTRUMENTS

The corporation's financial instruments consist of cash and bank, accounts receivable, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

4. CASH

	<u>2009</u>	<u>2008</u>
Operations		
Cash - operating bank account	\$ 63,056	\$ 45,999

(continues)

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

Notes to Financial Statements
Year Ended December 31, 2009

4. CASH (continued)

Capital

Cash - capital bank account	\$	109,328	\$	-
Cash held by third party		-		135,475
		\$ 109,328		\$ 135,475
		\$ 172,384		\$ 181,474

Cash held by third party relates to the Town of Gander who provided accounting and banking services in 2008 and 2009 for capital expenditure.

5. ACCOUNTS RECEIVABLE

		2009		2008
Operations				
Services Canada	\$	6,653	\$	-
Other		240		-
		\$ 6,893		\$ -
Capital				
Department of Municipal affairs		\$ 1,527,666		\$ 300,139
		\$ 1,534,559		\$ 300,139

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2009 Net book value	2008 Net book value
Land improvements	\$ 1,772,963	\$ -	\$ 1,772,963	\$ 838,328
Buildings	2,043,780	-	2,043,780	-
Roads	4,371,608	-	4,371,608	-
Wells	16,837	-	16,837	-
Land fill site	125,360	-	125,360	-
Utilities infrastructure	179,586	-	179,586	-
Leachate treatment facility	41,983	-	41,983	-
Compost facility	161,981	-	161,981	-
	\$ 8,714,098	\$ -	\$ 8,714,098	\$ 838,328

7. DEFERRED INCOME

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

CENTRAL REGIONAL SERVICE BOARD
(Central Newfoundland Regional Waste Management Authority)
Notes to Financial Statements
Year Ended December 31, 2009

8. CONTINGENT LIABILITY

During 2009, a statement of claim was filed by a contractor regarding a dispute over a contract for land clearing. Subsequent to year end, the board agreed to a payment of \$52,080 as a settlement to the statement of claim. However, the contractor is proceeding with court action seeking further settlement. A final settlement amount is undeterminable at the audit report date.

9. COMPARATIVE FIGURES

Prior to the current year, the activities performed by the board were summarized internally and were not the subject of an assurance engagement. These amounts are presented for comparative purposes. The opening net assets figure was obtained from the internal statements.
