

CENTRAL REGIONAL SERVICE BOARD

Financial Statements

Year Ended December 31, 2023

CENTRAL REGIONAL SERVICE BOARD

Index to Financial Statements

Year Ended December 31, 2023

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations and Accumulated Surplus	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 12
Schedule of Tangible Capital Assets (<i>Schedule 1</i>)	13
Reconciliation of the Financial Budget to PSAB Budget (<i>Schedule 2</i>)	14
Statement of Operations by Program	15

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Central Regional Service Board have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Central Regional Service Board's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Finance Committee. The Finance Committee is appointed by the Board and meets periodically with management and the directors' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Finance Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the directors, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the directors by Richard K Power, CPA, Professional Corporation, in accordance with Canadian public sector accounting standards (PSAS).


Mr Robert Elliott, Chairperson
Mr Edward Evans, CAO

Norris Arm, NL
May 27, 2024



INDEPENDENT AUDITOR'S REPORT

To the Directors of Central Regional Service Board

Opinion

I have audited the financial statements of Central Regional Service Board (the organization), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the organization in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:


(continues)

Independent Auditor's Report to the To the Directors of Central Regional Service Board (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Clarenville, Newfoundland and Labrador
May 27, 2024

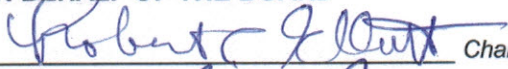
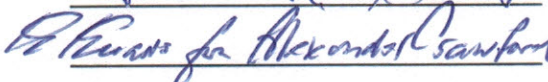


Chartered Professional Accountant
Richard K Power, FCPA, Professional Corporation

CENTRAL REGIONAL SERVICE BOARD**Statement of Financial Position****December 31, 2023**

	2023	2022
FINANCIAL ASSETS		
Cash (Note 2)	\$ 950,552	\$ 1,233,146
Accounts receivable (Note 3)	1,484,420	1,731,407
Long term investments (Note 4)	5,001,662	4,198,223
	7,436,634	7,162,776
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	860,432	1,026,648
Current portion of long term debt (Note 6)	150,000	150,000
Long term debt (Note 6)	1,650,000	1,787,500
Landfill closure and post closure care (Note 7)	1,859,000	1,716,000
Deferred capital reserve (Note 8)	372,960	293,628
	4,892,392	4,973,776
NET FINANCIAL ASSETS	2,544,242	2,189,000
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	39,849,927	42,466,882
ACCUMULATED SURPLUS	\$ 42,394,169	\$ 44,655,882

ON BEHALF OF THE BOARD

 Chairperson
 Treasurer

CENTRAL REGIONAL SERVICE BOARD
Statement of Operations and Accumulated Surplus
Year Ended December 31, 2023

	Budget (Schedule 2) 2023	2023	2022
REVENUES			
Collections fees	\$ 1,691,730	\$ 1,677,040	\$ 1,544,882
Disposal fees (Note 10)	6,787,502	6,312,521	6,284,569
Grants	483,995	483,995	638,916
Interest income	106,039	106,039	19,025
Other (Note 11)	1,755,163	83,534	91,917
	10,824,429	8,663,129	8,579,309
EXPENSES			
Advertising and promotion	60,000	27,113	25,912
Amortization	3,224,655	3,224,655	3,576,986
Bad debts	-	123,768	(77,890)
Environmental landfill expenses	29,886	78,864	100,339
Fuel and related transportation services	244,213	242,328	183,391
Household hazardous waste handling	35,000	60,012	43,184
Insurance	199,500	169,981	169,934
Interest and bank charges	8,500	17,104	15,268
Interest on long term debt	124,802	124,802	38,347
Landfill closure & post-closure care	143,000	143,000	143,000
Material recovery facility	1,098,120	1,062,675	991,031
Memberships	5,000	3,364	1,146
Office	39,000	27,695	31,588
Professional fees	132,000	200,834	129,661
Repairs and maintenance	1,414,500	1,566,547	1,306,039
Salaries and wages	3,117,842	3,024,501	2,929,292
Telephone	75,000	64,010	71,505
Travel	36,600	33,737	32,850
Utilities	150,000	104,320	114,508
Vehicle	686,811	625,532	671,556
Wood fibre expense	-	-	305,319
	10,824,429	10,924,842	10,802,966
ANNUAL DEFICIT	-	(2,261,713)	(2,223,657)
ACCUMULATED SURPLUS - BEGINNING OF YEAR	44,655,882	44,655,882	46,879,539
ACCUMULATED SURPLUS - END OF YEAR	\$ 44,655,882	\$ 42,394,169	\$ 44,655,882

The accompanying notes are an integral part of these financial statements

CENTRAL REGIONAL SERVICE BOARD**Statement of Changes in Net Financial Assets****Year Ended December 31, 2023**

	Budget (Schedule 2) 2023	2023	2022
ANNUAL DEFICIT	\$ -	\$ (2,261,713)	\$ (2,223,657)
Amortization of tangible capital assets	3,224,655	3,224,655	3,576,986
Purchase of tangible capital assets	-	(607,700)	(1,809,890)
	3,224,655	2,616,955	1,767,096
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	3,224,655	355,242	(456,561)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	2,189,000	2,189,000	2,645,561
NET FINANCIAL ASSETS - END OF YEAR	\$ 5,413,655	\$ 2,544,242	\$ 2,189,000

The accompanying notes are an integral part of these financial statements

CENTRAL REGIONAL SERVICE BOARD**Statement of Cash Flows****Year Ended December 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Annual Deficit	\$ (2,261,713)	\$ (2,223,657)
Item not affecting cash:		
Amortization of tangible capital assets	3,224,655	3,576,986
	962,942	1,353,329
Changes in non-cash working capital:		
Accounts receivable	246,987	(399,956)
Accounts payable	(166,216)	177,932
Landfill closure and post closure care	143,000	143,000
	223,771	(79,024)
Cash flow from operating activities	1,186,713	1,274,305
CAPITAL ACTIVITY		
Purchase of tangible capital assets	(607,700)	(1,809,890)
Purchase of long term investments	(954,218)	(1,214,375)
Proceeds from sale of long term investments	150,779	1,811,100
Cash flow used by capital activity	(1,411,139)	(1,213,165)
FINANCING ACTIVITIES		
Deferred capital reserve	79,332	80,151
Repayment of long term debt	(137,500)	(150,000)
Cash flow used by financing activities	(58,168)	(69,849)
DECREASE IN CASH FLOW	(282,594)	(8,709)
Cash - beginning of year	1,233,146	1,241,855
CASH - END OF YEAR	\$ 950,552	\$ 1,233,146
CASH CONSISTS OF:		
Cash - operating bank account	\$ 666,539	\$ 949,133
Cash - capital bank account	284,013	284,013
	\$ 950,552	\$ 1,233,146

The accompanying notes are an integral part of these financial statements

CENTRAL REGIONAL SERVICE BOARD

Notes to Financial Statements

Year Ended December 31, 2023

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 and is designated a municipality under the Excise Tax Act of Canada.

2. Summary of significant accounting policies

Basis of presentation

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

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

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 collectability 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

Notes to Financial Statements

Year Ended December 31, 2023

2. Summary of significant accounting policies (continued)

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.

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.

3. Accounts receivable

	2023	2022
Trade accounts receivable	\$ 1,513,812	\$ 1,605,398
Harmonized sales tax	146,491	181,225
	1,660,303	1,786,623
Allowance for Doubtful Accounts	(175,883)	(55,216)
	\$ 1,484,420	\$ 1,731,407

CENTRAL REGIONAL SERVICE BOARD

Notes to Financial Statements

Year Ended December 31, 2023

4. Long term investments

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

	2023	2022
Capital projects	\$ 390,740	\$ 383,162
Capital reserve - Landfill equipment	872,766	525,736
Capital reserve - Collection equipment	1,398,585	1,184,784
Capital reserve - Landfill construction	864,965	722,910
Capital reserve - Landfill close and post closure	1,142,558	1,080,504
Capital reserve - MRF	332,048	301,127
	\$ 5,001,662	\$ 4,198,223

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

Capital reserves relates to replacement of equipment, collection trucks and landfill cell construction and capping. The board reserved \$851,610 including interest in 2023 for its capital reserves. During the year, \$50,434 was drawn down from the collection truck reserve and \$100,345 from the material recycling facility reserve.

5. Accounts payable and accrued liabilities

	2023	2022
Accounts payable	\$ 482,227	\$ 705,557
Accruals	378,205	321,091
	\$ 860,432	\$ 1,026,648

6. Long term debt

	2023	2022
Bank of Montreal loan bearing interest at 5.9% per annum, repayable in monthly principal payments of \$12,500 plus interest. The loan matures on November 30, 2035 and is secured by a government guarantee by the Province of Newfoundland and Labrador.	\$ 1,800,000	\$ 1,937,500
Amounts payable within one year	(150,000)	(150,000)
	\$ 1,650,000	\$ 1,787,500

Principal repayment terms are approximately:

(continues)

CENTRAL REGIONAL SERVICE BOARD

Notes to Financial Statements

Year Ended December 31, 2023

6. Long term debt (continued)

2024	\$ 150,000
2025	150,000
2026	150,000
2027	150,000
2028	150,000
Thereafter	900,000
	<u>\$ 1,650,000</u>

7. 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.

As of December 31, 2023, cash reserves of \$1,142,558 (2022 - \$1,080,504) (Note 4) were set aside for closure and post-closure activities. The Board recognizes a future liability for closure and post-closure care costs. The liability is based on the best available information at the reporting date, which include estimated total capacity of the landfill, estimated capacity used and expected future cash outflows as outlined in the Board's proactive closure plan. The amount estimated and accrued at December 31, 2023 for the current year closure and post-closure liability is \$143,000 (2022 - \$143,000). The total amount accrued for future liability for closure and post-closure care costs is \$1,859,000 (2022 - \$1,716,000).

8. Deferred capital reserve

Deferred capital reserve relates to funds received from the Western Regional Service Board as a reserve for equipment replacement. No funds from the reserve were utilized during the year.

9. Financial instruments

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

CENTRAL REGIONAL SERVICE BOARD**Notes to Financial Statements****Year Ended December 31, 2023****10. Disposal fees**

	2023	2022
Disposal	\$ 6,000,062	\$ 5,670,524
Sale of recyclable materials	312,459	614,045
	\$ 6,312,521	\$ 6,284,569

11. Other revenue

	2023	2022
Water specialist grant	\$ 80,000	\$ 80,000
Other	3,534	11,917
	\$ 83,534	\$ 91,917

CENTRAL REGIONAL SERVICE BOARD
Schedule of Tangible Capital Assets
Year Ended December 31, 2023

(Schedule 1)

	General Capital Assets					Totals	
	Land and Improvements	Buildings	Vehicles and Heavy Equipment	Roads and Parking Areas	Furniture and Fixtures	Computers and Data Management	
Cost							
Opening cost	\$ 21,916,963	\$ 27,647,631	\$ 22,391,722	\$ 11,840,763	\$ 150,112	\$ 766,360	\$ 84,713,551
Additions during the year	-	567,577	28,649	-	-	11,474	607,700
Closing costs	21,916,963	28,215,208	22,420,371	11,840,763	150,112	777,834	85,321,251
Accumulated Amortization							
Opening accum'd amortization	2,057,936	11,365,952	16,279,555	11,628,605	150,112	764,507	38,669,683
Amortization	472,944	1,135,797	1,416,124	196,501	-	3,287	3,224,653
Closing accum'd amortization	2,530,880	12,501,749	17,695,679	11,825,106	150,112	767,794	45,471,323
Net Book Value of TCA	\$ 19,386,083	\$ 15,713,459	\$ 4,724,692	\$ 15,657	\$ -	\$ 10,040	\$ 39,849,927
							\$ 42,466,882

The accompanying notes are an integral part of these financial statements

CENTRAL REGIONAL SERVICE BOARD**Reconciliation of the Financial Budget to PSAB Budget****(Schedule 2)****Year Ended December 31, 2023**

	Budget	PSAB Changes	PSAB Budget
Revenue			
Collections	\$ 1,691,730	\$ -	\$ 1,691,730
Disposal	6,787,502	-	6,787,502
Grants	-	483,995	483,995
Interest	-	106,039	106,039
Other	-	1,755,163	1,755,163
	8,479,232	2,345,197	10,824,429
Expenses			
Advertising and promotion	60,000	-	60,000
Amortization	-	3,224,655	3,224,655
Environment landfill expenses	29,886	-	29,886
Fuel and related transportation services	244,213	-	244,213
Household hazardous waste handling	35,000	-	35,000
Insurance	199,500	-	199,500
Interest and bank charges	8,500	-	8,500
Interest on long term debt	-	124,802	124,802
Landfill closure and post closure	-	143,000	143,000
Material recycling facility	1,098,120	-	1,098,120
Memberships	5,000	-	5,000
Office	39,000	-	39,000
Professional fees	132,000	-	132,000
Repairs and maintenance	1,414,500	-	1,414,500
Salaries and wages	3,117,842	-	3,117,842
Telephone	75,000	-	75,000
Utilities	150,000	-	150,000
Vehicle	686,811	-	686,811
Travel	36,600	-	36,600
Capital reserves	596,460	(596,460)	-
Loan repayment	190,800	(190,800)	-
	8,119,232	2,705,197	10,824,429
Revised budget	\$ 360,000	\$ (360,000)	\$ -

The accompanying notes are an integral part of these financial statements

	Disposal Program			Collection Program			Capital			Total	
	2023	2022		2023	2022		2023	2022		2023	2022
REVENUE											
Collections											
Disposal fees	\$ 6,312,521	\$ 6,284,569		\$ 1,677,040	\$ 1,544,882		\$ 1,677,040	\$ 1,544,882			
Grants							483,995	638,916		6,312,521	6,284,569
Interest							106,039	19,025		483,995	638,916
Other	83,534	91,917								106,039	19,025
										83,534	91,917
Total revenue	6,396,055	6,376,486		1,677,040	1,544,882		590,034	657,941		8,663,129	8,579,309
EXPENSES											
Advertising and promotion	18,927	18,693		8,186	7,219					27,113	25,912
Amortization							3,224,655	3,576,986		3,224,655	3,576,986
Bad debt	123,768	(77,890)								123,768	77,890
Environment landfill expenses	45,474	74,606		33,390	25,733					78,864	100,339
Fuel and related transportation services	242,328	183,391								242,328	183,391
Household hazardous waste handling	60,012	43,184								60,012	43,184
Insurance	143,633	146,934		26,348	23,000					169,981	169,934
Interest and bank charges	17,104	15,268								17,104	15,268
Interest on long term debt	124,802	38,347								124,802	38,347
Landfill closure and post closure	143,000	143,000								143,000	143,000
Material recycling facility	1,062,675	991,031								1,062,675	991,031
Memberships	3,364	1,146								3,364	1,146
Office	27,695	31,325			263					27,695	31,588
Professional fees	200,834	129,661					200,834			200,834	129,661
Repairs and maintenance	1,282,818	1,117,123		283,729	188,916					1,566,547	1,306,039
Salaries and wages	2,152,764	2,146,598		871,737	782,694					3,024,501	2,929,292
Telephone	58,607	60,488		5,403	11,017					64,010	71,505
Travel	32,693	32,067		1,044	783					33,737	32,850
Utilities	104,320	114,508								104,320	114,508
Vehicle	275,223	314,511		350,309	357,045					625,532	671,556
Wood fibre expense	-	305,319								-	305,319
	6,120,041	5,829,309		1,580,146	1,396,671		3,224,655	3,576,986		10,924,842	10,802,966
Surplus (Deficit) per Statement of Operations	276,014	547,177		96,894	148,211		(2,634,621)	(2,919,045)		(2,261,713)	(2,223,657)
Capital reserve allocation (See Note 4)											
Equipment	507,342	734,226		250,000	250,000					757,342	984,226
Landfill construction	154,845	206,460								154,845	206,460
	662,187	940,686		250,000	250,000					912,187	1,190,686
Surplus (Deficit) after capital reserve allocation	\$ (386,173)	\$ (393,509)		\$ (153,106)	\$ (101,789)		\$ (2,634,621)	\$ (2,919,045)		(3,173,900)	(3,414,343)

The accompanying notes are an integral part of these financial statements