

Northern Peninsula Regional Service Board

2014 Annual Report



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Message from the Chairperson

In accordance with *the Transparency and Accountability Act* requirements for category two entities, I am pleased to submit the Northern Peninsula Regional Service Board's annual report for the period January 1, 2014 to December 31, 2014.

I am pleased to report that the board has made significant efforts on both of its business plan issues: Waste Management and Fire Services. The board is pleased to have implemented programs for prevention and remediation of illegal dumping. Further, the board continues to increase the effectiveness of its Fire Services through the acquisition of new equipment and conducting extensive training for firefighters.

As Chair, my signature indicates that all members of the Northern Peninsula Regional Service Board are accountable for the results reported in this document. I am very pleased with the Board's accomplishments during the past year. I look forward to continued progress on addressing issues of importance to the people of the Northern Peninsula in 2015.



Doug Mills
Chairperson, Northern Peninsula Regional Service Board

1.0 Overview

The Northern Peninsula Regional Service Board (the 'board') is the product of the successful actions of a concerned group of community volunteers: The Northern Peninsula Waste Management Committee.

This Committee began with eleven volunteer members and one coordinator. The members represented the communities of Castors River South to Goose Cove East.

In 2004, Authority Status was given to the former Northern Peninsula Waste Management Committee. Renamed the Northern Peninsula Regional Service Board, the board now operates under the authority of the *Regional Services Board Act, 2012* and associated regulations to provide waste management services to a defined region. The original boundaries for the Board on the Northern Peninsula are from Cook's Harbour to Goose Cove (sub-region 1) and from Main Brook to Englee (sub-region 2). On April 10, 2008, the Provincial Government announced that Authority Status was also extended from Eddies Cove East to Castors River (sub-region 3). In January 2013, the Northern Peninsula Regional Service Board again extended operations to include Eddie's Cove West to River of Ponds (sub-region 4).

In developing and providing waste management services, the Northern Peninsula Regional Service Board has gained ownership of four regional landfill sites, four compactor trucks, two pick-up trucks, one tractor, one excavator and one crawler loader.

The Board comprises of local government representatives and has the ability to impose fees as necessary to finance its operations. Its membership consists of 13 people including Doug Mills who serves as Chairperson. The current board members are as follows:

Sub-region 1:

Mrs. Iris Decker, Ship Cove
Mr. Gerald Hillier, St. Lunaire-Griquet
Mr. Ralph Hedderson, St. Anthony

Sub-region 2:

Mr. Rudy Porter, Englee
Mrs. Lynn Ellsworth, Roddickton
Mr. Leander Pligrim, Main Brook

Sub-region 3:

Mrs. Maggie Chambers, Flower's Cove
Mr. Cecil Hughes, Green Island Brook
Mr. Andre Myers, Bird Cove

Sub-region 4:

Mr. Lloyd Bennett, Hawkes Bay
Mr. Kirby Spence, Port aux Choix
Mr. Tony Ryan, Port Saunders

In addition to providing waste management services, the board also provides fire services to a portion of the Strait of Belle Isle, from Anchor Point to Eddies Cove East, inclusive. In addition to providing fire services, the Northern Peninsula Regional Service Board has gained ownership and operates the fire station located in Flower's Cove. The Board also operates the fire station in Green Island Cove and owns two fire trucks, one rescue truck and one snowbulance.

A subcommittee has been set up to oversee the daily management of fire services under the umbrella of the board. The seven member subcommittee has representation from the

Board and the regional fire department, including: Chairperson; Meggie Chambers, Cecil Hughes, Hank Diamond, Wallace Genge and Andre Myers.

The board is staffed by 12 employees and receives funding from the Multi-Materials Stewardship Board (MMSB) to support the General Manager's salary, office expenses as well as Board Members and General Managers travel expenses.

Budget and Expenditures

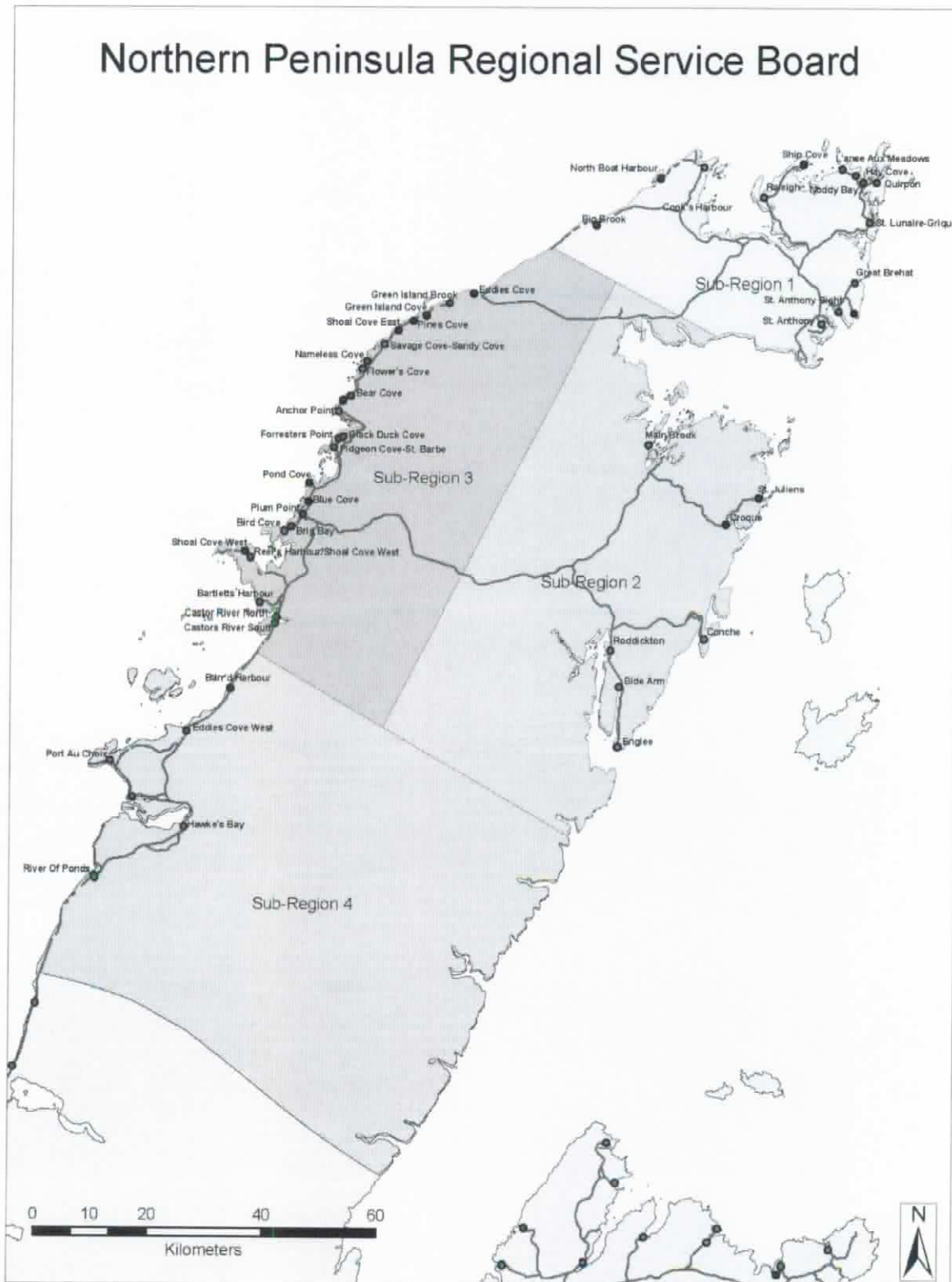
The Board is accountable for all funds received from government as well as Residential and Commercial user fees. Each year audited financial statements are prepared.

The Board's total budget for revenue and expenditures for 2014 for Waste Management was \$528,143. NorPen's total budget revenue and expenditures for 2014 for Fire Services was \$72,341. The board's audited financial statements for 2014 are contained in Appendix A.

The Board's total budget for 2014 is \$925,426.

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2.0 Mandate

Pursuant to section 3 of the *Northern Peninsula Regional Service Board Order*, the Northern Peninsula Regional Service Board was established for the region for the purpose of providing regional services in accordance with the *Regional Services Board Act, 2012*. In accordance with section 3 of the *Northern Peninsula Regional Service Board Regulations, 2013*, the following prescribed services are set out for the Board:

- The Board has the power to construct, acquire, maintain and operate a waste management system within the Northern Peninsula Region;
- The Board has the power to provide fire protection services to the portion of the Northern Peninsula Region defined as the towns, local service districts and unincorporated areas from Eddies Cove in the north to Anchor Point in the south.

The *Regional Service Board Act, 2012*, the *Northern Peninsula Regional Service Board Regulations, 2013* and the *Northern Peninsula Regional Service Board Order*, from which the Board derives its mandate, may be accessed through the House of Assembly website at www.assembly.nl.ca/legislation.

3.0 Lines of Business

1. 1. Waste Management

a) Waste Collection:

The Board operates a weekly waste collection system for residents, non-profit organizations, and some businesses. The Board has three compactor trucks, and three operators to carry out this service. It also responds to special collection requests, where possible. The Board sets and collects user fees for its waste collection services.

b) Operation and Management of Landfill Sites:

The Board operates three landfill sites, which includes maintaining the sites by pushing off and covering waste weekly. It establishes and collects tipping fees for businesses using these sites.

c) Waste Diversion:

The Board establishes mechanisms to divert selected materials from landfills, through recycling or other measures. Hazardous wastes are also diverted from landfills through special collections and proper disposal.

2. Public Education

The Board undertakes public education activities regarding waste management including newsletters, a variety of presentations/promotions for interest groups, e.g. schools, presentations at municipal meetings, conventions; and information provided to the media. School children are a very important interest group, with presentations being tailored to each grade level, to complement their lesson plans.

3. Fire Protection Services

The Board operates the Strait's Volunteer Fire Department, serving communities from Anchor Point to Eddies Cove East. This includes the fire hall, fire truck and equipment based in Flower's Cove. The Board also operates the fire station in Green Island Cove and is responsible for collection of fees to support the service.

3.0 Vision

The vision of the Northern Peninsula Regional Service Board is of a healthy and safe environment for the present and the future, ensured by conservation and protection through solid waste management and fire protection services.

4.0 Mission

This mission is the focus of the Board for two planning cycles, covering the period 2011–16. The

The following mission statement, measures and indicators will assist the Board and the public in monitoring and evaluating the Board's success:

By December 31, 2016, the Northern Peninsula Regional Service Board will have improved the efficiency of regional service delivery in fire services and waste management towards a healthy and safe environment.

Measure: Improved efficiency of regional service delivery in fire services and waste management.

Indicators:

- Increased waste diversion within the region.
- Improved fire services within the region.

5.0 Shared Commitments

Multi Material Stewardship Board

The Multi Material Stewardship Board (MMSB) has provided funding to the Board to carry out a verity of initiatives to advance the Provincial Solid Waste Management Strategy on the Northern Peninsula.

Waste Diversion

Partnership formed with local entrepreneur, Calvin Colbourne, to divert waste from local landfill site.

Community Support

Partner with local organizations, Sandy Cove, Anchor Point, Green Island Cove and Flower's Cove Lion's Clubs; gave financial support; St. Barbe Co-op, and Hilltop Minni Mart sold tickets in aid of the fire department which enabled the Board to move forward on its commitments

6.0 Highlights and Accomplishments

Electronic Waste

NorPen formed a partnership with Electronic Products Recycling Association. In which they provided the funds to purchase a trailer to store electronic waste. This trailer is located at the landfill site in subregion 4. NorPen is currently in discussions with Product Care to expand this program to divert paint from the landfill.

Fire Truck

NorPen received funds in the amount of \$264,600.80 from Government for the purchase of a 2015 pumper truck.

Fire Protection Equipment

NorPen received funds in the amount of \$6,737.01 from Government for the purchase of 4 Self Contained Breathing Apparatus.

Car Trailer

NorPen received funds in the amount of \$5000.00 from International Grenfell Association for the purchase of a 20 ft. Enclosed Car Trailer.

Waste Diversion

Partnership formed with local entrepreneur to divert 12 ton of shrimp shells from landfill site. Shrimp shells composted and used in local garden and greenhouse.

7.0 Report on Performance

The plan identified two strategic issues that guided its work for these three years. The goals identified for each issue reflect the results expected in the 3-year timeframe, while the objectives provide annual benchmarks. This report describes progress during the first year of the Board's 2014-16 Business plan.

Issue 1: Waste Management

The Government of Newfoundland and Labrador's Provincial Solid Waste Management Strategy (the 'strategy') is designed to ensure effective and efficient management of solid waste in Newfoundland and Labrador. The strategy is founded on five guiding principles:

- Diversion of 50% of waste going for disposal
- Establishment of waste management regions and regional management
- Development of modern standards and technology
- Maximization of economic and employment opportunities
- Public education.

Throughout 2014, the Board focused significant effort on addressing illegal dumping. Illegal dumping can impact our region's economy as unsightly garbage discourages visitors to our communities, hiking trails and beaches. Illegal dumping can also cause health concerns as toxic waste leaches into the ground contaminating water and soil killing plants and animals. Illegal dumping may also encourage rodents. Illegal dumping must be cleaned up by the Board and this is costly to all residents.

In 2014, the Northern Peninsula Regional Service Board carried out activities to prevent illegal dumping. These activities included public awareness initiatives to encourage residents to become environmentally friendly and to deliver all waste to the regional landfill. Prevention efforts also included implementing and publicizing an illegal dumping program as a means of discouraging potential offenders from dumping and engaging the public in reporting offenders. Cameras were installed in places where illegal dumping was identified by municipal partners. Periodically the images were reviewed, offences were investigated and charges were laid.

In 2014, the Northern Peninsula Regional Service Board carried out activities to remediate illegal dumping. These activities included consulting and partnering with stakeholders to establish an illegal dumping program in which offenders are made accountable for their actions. The Board has also engaged an Engineering consultant to develop a long term waste infrastructure plan that will make legal disposal of waste more accessible to the public.

Goal 1: By December 31, 2016, the Northern Peninsula Regional Service Board will have improved waste management services within the region in line with the Provincial Waste Management Strategy.

Objective 1: By December 31, 2014, the Northern Peninsula Regional Service Board will have implemented programs for the prevention and remediation of illegal dumping.

Measure: Implemented programs for prevention and remediation of illegal dumping.

Indicators:

Created public awareness initiatives.

In 2014 the Board:

- Published an article in the local paper informing residents that cameras were installed at sites where dumping was known to occur.
- Maintained its website to raise awareness and promote appropriate waste disposal. In 2014, the site was updated to include information about illegal dumping program.
- Issued an annual newsletter.
- Conducted waste disposal meetings with five municipalities.

During the summer an illegal dumping program was implemented. Cameras were installed in strategic places where illegal dumping was identified. Staff would visit these areas and if new waste was noted SD cards would be removed and viewed for evidence to see if further investigation was necessary. The Program was successful and charges were laid against an individual under the Environment Protection Act. A press release was held and pictures were released and inserted in the local paper to create awareness.

Illegal dumping creates a bad picture for anyone visiting our communities, hiking our trails, walking on our beaches. It also can leach contaminate drinking water, damage/harm our plants and animals, health risk and create rodent problems.

To eliminate this NorPen encourages everyone to become environmental friendly and deliver all waste to the regional landfills.

Consulted with stakeholders

In 2014, the Board consulted with:

- Fourteen Municipalities to identify illegal dumping
- Service Newfoundland and Labrador to investigate ten illegal dumping sites.
- The RCMP to lay charges against offenders of illegal dumping. Two charges were laid in 2014.

Engaged engineering consultant to develop long term infrastructure plan for transfer station(s) and public drop off facility for bulk waste

- In 2014, on behalf of the Board the Department of Municipal and Intergovernmental Affairs tendered for an engineer firm to develop a waste management infrastructure plan. The Department of Municipal and Intergovernmental Affairs and Board awarded the contract to SNC-Lavalin BAE Newplan Group Ltd.

Objective 2: By December 31, 2015, the Northern Peninsula Regional Service Board will have investigated options for waste diversion measures.

Measure: Investigated options for waste diversion measures.

Indicators:

- Consulted with stakeholders on waste diversion measures
- Identified waste diversion measures
- Developed a plan to initiate waste diversion measures

Issue 2: Fire Services

Municipalities within the Province are increasingly challenged to efficiently and effectively provide essential services. This is especially true for small municipalities and local service districts in rural areas where the cost of delivering municipal services is steadily increasing at a time when municipal revenues are decreasing. Over the past number of years, a number of communities have strengthened their local governance simply through a sharing of services to achieve greater financial viability and greater efficiency in service delivery.

In 2014 the Northern Peninsula Regional Service Board contributed to the Departments strategic direction of "Strengthened Municipal Capacity" and "Strengthened Support for Municipal Governments " by providing regional fire services to some areas of the region. The Board operated the Strait's Volunteer Fire Department and collects fire protection fees throughout the

service region.

Goal 1: **By December 31, 2016, the Northern Peninsula Regional Service Board will have reviewed options to upgrade the existing fire station.**

Objective 1: By December 31, 2014, the Northern Peninsula Regional Service Board will have developed a floor plan for upgrades to the existing fire station.

Measure: Developed a floor plan of upgrades to existing fire station.

Indicators:

Consulted with engineers to develop a budget and floor plan.

- Initial contact was made with an engineering firm, Atlantic Engineering Consultants that suggested since this is a non-profit organization project management from within the organization would be the most cost efficient approach. The fire chief conducted research in regards to specifications, budget and floor plans which was viewed by an existing subcommittee that is in place to oversee the daily management of fire services under the umbrella of NorPen. The plan was approved by the subcommittee and the will manage the project.

Identified sources of funding.

- In 2014, the Board consulted with the Department of Municipal and Intergovernmental Affairs to request funding for the upgrades to the fire station be provided by the Capital Works program. Capital Works Program approvals will be announced in 2015.

Consulted with stakeholders throughout the region

- Consulted with Town of Flower's Cove requesting permission to occupy land for purpose of extension of fire station.
- Consulted with Crown Lands to identify and confirm ownership of land.

Objective 2: By December 31, 2015, the Northern Peninsula Regional Service Board will have conducted a financial report to upgrade the existing fire station.

Measure: Conducted a financial report to upgrade the existing fire station.

Indicators:

- Completed an estimated cost report
 - Submitted funding application with finalized financial report to the Department of Municipal and Intergovernmental Affairs.
-

8.0 Opportunities and Challenges Ahead

Opportunities

Integrate waste management strategies into school curriculum creating awareness for students and families of the benefits of recycling and composting. Staff plans to initiate discussions with teachers and school administrators to suggest integrating the benefits of recycling and composting into school curriculum.

School presentations of ways and benefits of recycling presented by NorPen staff in a classroom setting.

General public being educated on ways of diverting waste from the landfills through media such as newsletters, website, posters and public presentations.

Challenges

Costs to operate and maintain equipment is high due to not having adequate technology to detect and diagnose mechanical failure within the service area.

Employee recruitment and retention is difficult due to expertise and training required to operate equipment such as double axel compactor trucks, excavators and dozers etc.

Weather creates problems due to compactors being parked outside in extremely cold temperatures. During the coldest months of December to February we connect them to hydro. However, this does not guarantee that they will start. This often delays or cancels regular waste collections causing frustration for NorPen and the general public.

Northern Peninsula Regional Service Board

St. Anthony, NL

Financial Statements

December 31, 2014

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10. Notes to Financial Statements

Auditor's Report**To the Board Members of the
Northern Peninsula Regional Service Board**

We have audited the accompanying financial statements of Northern Peninsula Regional Service Board, which comprise the statement of financial position as at December 31, 2014, and the statement of operations, statement of changes in net assets and cash flow statement 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 generally accepted accounting principles for non-for-profit organizations, 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 of 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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.

Unqualified opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of Northern Peninsula Regional Service Board as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

May 19, 2015
Stephenville, NL



Auditor

Northern Peninsula Regional Service Board
(Incorporated Under The Laws of Newfoundland)
Balance Sheet
December 31, 2014

Assets

	<u>2014</u>	<u>2013</u>
<u>Current</u>		
Cash	\$ 320,300	\$ 255,839
Receivables	<u>109,022</u>	<u>192,610</u>
	<u>429,322</u>	<u>448,449</u>
<u>Property, Plant and Equipment - (Note 4)</u>	<u>431,391</u>	<u>580,832</u>
	<u>\$ 860,713</u>	<u>\$ 1,029,281</u>

Liabilities

<u>Current</u>		
Accounts payable	\$ 6,252	\$ 24,274
Government remittance payable	<u>1,862</u>	<u>3,425</u>
	<u>8,114</u>	<u>27,699</u>

Equity

<u>Surplus</u>	<u>852,599</u>	<u>1,001,582</u>
	<u>\$ 860,713</u>	<u>\$ 1,029,281</u>

Signed on Behalf of the Board:

Director: 

Director: 

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

Northern Peninsula Regional Services Board
 (Incorporated Under The Laws of Newfoundland)
 Statement of Revenue and Surplus
 For the period ended December 31, 2014

	<u>2014</u>	<u>2013</u>
<u>Revenue</u>		
Land fill operating (Schedule 1)	\$ (34,007)	\$ 263,844
Fire services (Schedule 2)	1,253	57,841
Capacity building	<u> --</u>	<u> (24)</u>
	<u>(32,754)</u>	<u>321,661</u>
<u>Expenses</u>		
Administration (Schedule 3)	<u>116,229</u>	<u>129,577</u>
	 (148,983)	 192,084
<u>Surplus, Beginning of Year</u>	<u>1,001,582</u>	<u>809,498</u>
<u>Surplus, End of Year</u>	<u>\$ 852,599</u>	<u>\$ 1,001,582</u>

The accompanying notes are an integral part of these financial statements

Northern Peninsula Regional Service Board
(Incorporated Under The Laws of Newfoundland)
Statement of Cash Flows
For the year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
<i>Cash Provided By (Used In)</i>		
<u>Operating Activities</u>		
Cash received from customers	\$ 1,142,701	\$ 1,289,934
Cash paid to suppliers and employees	(1,073,969)	(1,008,426)
Interest paid	<u>(2,271)</u>	<u>(3,033)</u>
	<u>64,461</u>	<u>278,475</u>
<u>Investing Activities</u>		
Purchase of property, plant & equipment	<u>--</u>	<u>(198,387)</u>
<u>Increase (Decrease) in Cash</u>	64,461	80,088
<u>Cash, Beginning of Year</u>	<u>255,839</u>	<u>175,751</u>
<u>Cash, End of Year</u>	<u>\$ 320,300</u>	<u>\$ 255,839</u>

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

Northern Peninsula Regional Service Board
Schedule 1
Land Fill Operation
For the year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
<u>Revenue</u>		
Collection Fees	\$ 880,489	\$ 881,009
Interest	11,601	17,868
Multi Material Stewardship Board	1,200	6,781
Other Government Grants	1,922	197,271
Other Income	<u>5,315</u>	<u>44,950</u>
	<u>900,527</u>	<u>1,147,879</u>
<u>Expenses</u>		
Amortization	113,570	118,096
Insurance	31,420	32,099
Landfill Operation	110,193	125,251
Office	--	293
Spring Clean Up	1,906	5,779
Supplies	2,007	2,316
Vehicle	209,675	172,577
Wages & Benefits	<u>465,763</u>	<u>427,624</u>
	<u>934,534</u>	<u>884,035</u>
<u>Surplus (Deficit)</u>	<u>\$ (34,007)</u>	<u>\$ 263,844</u>

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

Northern Peninsula Regional Service Board
Schedule 2
Fire Services
For the year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
<u>Revenue</u>		
Fire Services Fees	\$ 86,556	\$ 83,910
Grant	1,412	42,576
Other	--	7,673
Fundraising	<u>10,618</u>	<u>33,016</u>
	<u>98,586</u>	<u>167,175</u>
<u>Expenses</u>		
Accident expense	22	--
Advertising	671	1,168
Amortization	35,472	40,423
Dues & Fees	300	300
Heat & Lights	6,546	5,136
Insurance	297	469
Office	705	1,665
Rent	6,908	--
Repairs & Maintenance	9,785	6,447
Supplies	21,134	38,095
Telephone	2,890	2,725
Training	4,139	7,855
Travel	2,755	1,480
Vehicle	<u>5,709</u>	<u>3,571</u>
	<u>97,333</u>	<u>109,334</u>
<u>Surplus</u>	<u>\$ 1,253</u>	<u>\$ 57,841</u>

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

Northern Peninsula Regional Service Board
Schedule 3
Administration
For the year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
<u>Administration</u>		
Amortization	\$ 399	\$ 545
Bank Charges	1,771	2,502
Bad Debt	22,059	12,569
Miscellaneous	13,844	7,710
Office	10,166	8,986
Public Education	1,775	5,432
Rent	14,193	14,157
Telephone	7,226	7,139
Travel	36,904	58,467
Wages & Benefits	<u>7,892</u>	<u>12,070</u>
	<u>\$ 116,229</u>	<u>\$ 129,577</u>

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

Northern Peninsula Regional Service Board
 Schedule 4
 Capacity Building
 For the year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Grant	\$ 60,000	\$ 60,000
Expenses		
Advertising	3,601	1,607
Bank charges	500	531
Office	1,520	1,398
Supplies	500	579
Telephone	2,800	2,842
Travel	3,500	4,098
Rent	2,400	6,329
Wages and benefits	<u>45,179</u>	<u>42,640</u>
	<u>60,000</u>	<u>60,024</u>
Surplus(Deficit)	<u>\$ --</u>	<u>\$ (24)</u>

The accompanying notes are integral part of these financial statements.

Northern Peninsula Regional Service Board
Notes To Financial Statements
December 31, 2014

Nature Of Business

Northern Peninsula Regional Service Board is a non profit company incorporated under the laws of Newfoundland and Labrador. Its main business is collection of household waste and provision of Fire Services within the Northern Peninsula of Newfoundland and Labrador.

1. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises (ASPE).

(a) Cash and cash equivalents:

Cash is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

(b) Revenue recognition:

Revenue is recognized when the customers are levied for services, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

(c) Use of Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the estimated useful lives of property, plant and equipment and intangible assets, the valuation allowances for accounts receivable, and the valuation of inventories. Actual results could differ from those estimates.

(d) Property, plant and equipment:

Amortization is provided using the declining balance method at the following rates:

Building	4%
Containers	20%
Fire Truck	30%
Furniture & Equipment	20 & 30%
Sanitation Vehicles	30%
Tractors	30%
Vehicles	30%
Excavations	30%

Northern Peninsula Regional Service Board
Notes To Financial Statements
December 31, 2014

2. Cash

	<u>2014</u>	<u>2013</u>
Cash on hand	\$ 252	\$ 5,353
Cash on deposit	354,226	273,492
Cheques issued and outstanding	<u>(34,178)</u>	<u>(23,006)</u>
	<u>\$ 320,300</u>	<u>\$ 255,839</u>

3. Accounts Receivable

	<u>2014</u>	<u>2013</u>
Trade	\$ 120,902	\$ 186,837
HST	9,894	18,079
Allowance for doubtful accounts	<u>(21,774)</u>	<u>(12,306)</u>
	<u>\$ 109,022</u>	<u>\$ 192,610</u>

During the year, the Company recorded impairments of \$9,468 (2013 - \$1,716) and is included in bad debt expense.

4. Property, Plant & Equipment

	<u>2014</u>			<u>2013</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Building	\$ 44,458	\$ 7,453	\$ 37,005	\$ 38,546
Containers	17,034	12,009	5,025	6,281
Fire Truck	198,708	166,850	31,858	45,512
Furniture & Equip	166,530	84,258	82,272	102,947
Sanitation Vehicles	819,905	656,945	162,960	227,460
Tractor	13,000	11,517	1,483	2,119
Vehicle	68,070	52,069	16,001	22,859
Excavator	<u>150,120</u>	<u>55,333</u>	<u>94,787</u>	<u>135,108</u>
	<u>\$1,477,825</u>	<u>\$1,046,434</u>	<u>\$ 431,391</u>	<u>\$ 580,832</u>

Northern Peninsula Regional Service Board
Notes To Financial Statements
December 31, 2014

5. Financial Risk and Concentration of Risk

(a) *Credit risk:*

Credit risk refers to the risk that customers may default on their contractual obligations resulting in a financial loss. The accounts receivable are due from various individuals from the region. There has been no change to the risk exposures from 2013.

(b) *Liquidity risk:*

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company's exposure to liquidity risk is dependant on the sale of inventory, collection of accounts receivable and obligations or raising of funds to meet commitments and sustain operations. Cash flow from operations provides a substantial portion of the Company's cash requirements. Management is of the opinion that illquidity risk is not a significant risk and there has been no change to the exposures from 2013.

6. Other

Grants received to purchase property, plant and equipment is recorded a revenue in the year it was received.