



Central Regional Service Board

2011 Annual Report



Message from the Chairperson



I am very pleased to present the first Annual Report on the 2011-13 Business Plan for the Central Regional Service Board (CRSB). This report covers the period January 1, 2011 to December 31, 2011. The CRSB is a category 2 government entity within the context of the Province's *Transparency and Accountability Act*.

In preparing its Business Plan, careful consideration was given to the strategic directions of government, as communicated by the Minister of Municipal Affairs. During 2011, the Board made contributions to both of the Minister's strategic directions: *Appropriate Infrastructure Investment* and *Local Government Sustainability*. With regard to *Appropriate Infrastructure Investment*, the Board contributed to the component: *Solid Waste Management*. With regard to *Local Government Sustainability*, the Board made a contribution to *Community Cooperation*.

The Board made these contributions by making significant strides on its two strategic issues: Waste Management and Curb Side Collection. In particular, significant progress was made on construction of the new regional full-service waste management site at Norris Arm North, and seven new local waste management facilities. The Board contributed to Community Cooperation by working with communities on the pilot project for curb side collection on New World Island. We are pleased to report that due to the success of the pilot, the Board will continue its curb side collection services in the area.

The Board met 9 times in 2011 to carry out its mandate and work towards its goals and objectives.

My signature below is indicative of the entire Board's accountability for the preparation of this report and the results reported.

Sincerely,

A handwritten signature in blue ink, appearing to read "A. Scott".

Allan Scott
Chair, Central Regional Service Board

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1.0 Overview

The Central Regional Service Board was announced February 2008 and the first appointments to this Board were made in December 2008. The Central Regional Service Board is governed under the Provincial *Regional Service Boards Act* and the Board developed the Central Newfoundland Governance Model to ensure representation of residents of the region served by the Board. The Board's power includes the construction and operation of the regional solid waste disposal site and seven local Waste Management Facilities. It is empowered to set and charge user fees on municipal authorities, local service districts, unincorporated areas, and other entities benefited by a regional facility and other waste management services provided by the Board.

The Board shall meet no fewer than 6 times a year for the disposition of general business. Special board meetings may be called by the Chairperson, or on the written request of four members.

The Board's Governance Model delineates the number of members and representation of towns and zones within the board's geographic boundaries. As per the Governance Model a full board includes, a Chairperson and twelve Board members. Listed below are the current Board members. The boundaries of the Central Regional Service Board are from Terra Nova National Park (park included) in the East, Buchan's in the West and Fogo Island/Twillingate in the North (see map, page 4). Coast of Bays is not within the Central Regional Service Board boundaries.

The current Board members are as follows:

Name	Town/Zone Represented
Mr. Allan Scott	Chairperson
Vacant	Buchan's Junction (Zone 1)
Mr. Robert Elliott	Point Leamington (Zone 2)
Mr. Larry Peddle	New World Island/Twillingate (Zone 3)
Mr. Gerald McKenna	Fogo Island (Zone 4)
Mr. Sam Winsor	Gander Bay (Zone 5)
Mr. G. Clyde Pickett	New-Wes-Valley/Indian Bay (Zone 6)
Mr. Glenn Arnold	Terra Nova Area (Zone 7)
Mr. Bruce Moores	Town of Grand Falls – Windsor
Mr. Derrick Luff	Local Service District – Centroid Area
Mr. Angus McLoughlin	Norris Arm/Norris Arm North
Mr. Derek White	Towns of Bishops Falls/Botwood/Lewisporte
Ms. Nicole Lanning	Town of Gander

The Central Regional Service Board's Office is now located at the Regional site, Route 3-01-09 Norris Arm North Access Road and is staffed with a Manager, Executive Assistant/Finance, and Administrative Assistant/Receptionist. Two waste management collectors were employed in the pilot project.

Contact information: Ph: 709 653-2900; Fax: 709 653 – 2920; Email: info@cnwmc.com

Budget and Expenditures

The Board's budget for 2011 was \$11,506,515. Expenditures reflected \$7,200,000 in capital and \$411,000 in operation. The 2011 audited financial statements are contained in Appendix B.

Board Boundaries and Amount of Waste per Year

Regional Site (Centroid)

Route 3-01-09

Norris Arm North Access Road

Local Waste Management Facilities

Buchans Area – Zone 1

Point Leamington Area– Zone 2

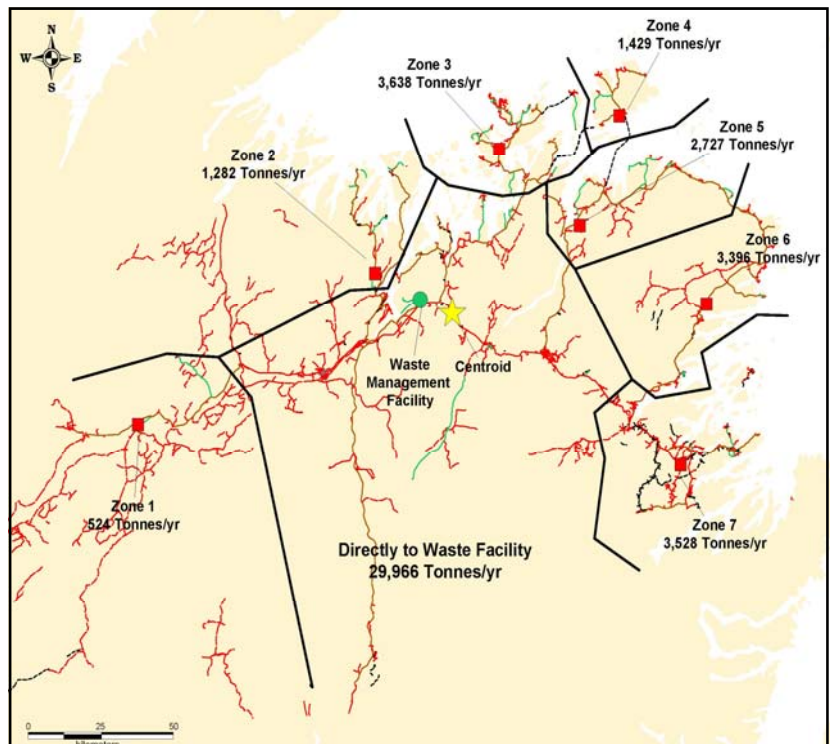
New World Island/Twillingate – Zone 3

Fogo Island – Zone 4

Gander Bay – Zone 5

Indian Bay – Zone 6

Terra Nova – Zone 7



2.0 Mandate

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

- construct, acquire, maintain and operate solid waste disposal sites and solid waste management facilities and systems within the central region

The boundaries of the Central Regional Service Board are from Terra Nova National Park (park included) in the East, Buchan's in the West and Fogo Island/Twillingate in the North. Coast of Bays is not within the CRSB.

To view the regulations in their entirety from which the Board derives its mandate, please see Appendix A (Central Regional Service Board Regulations)

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

3.0 Lines of Business

1) Education and Promotion of the Provincial Waste Management Strategy within the area of Central Newfoundland:

The Board oversees the education of the Central region's 75,000 residents and business community regarding the new waste disposal system, such as how and when it will come on stream and any costs associated with the services. The Board educates the public and business community through meetings with the local Chambers of Commerce and community councils and developing and distributing marketing materials for residents and commercial businesses outlining the collection system. The Board will continue to provide educational materials to the local councils and general public, through local and provincial newspapers, radio, the Central Regional Service Board web site www.cnwmc.com, and the annual information calendar. The Central Regional Service Board will continue along with the Multi Material Stewardship Board to encourage the use of the Green Depots and backyard/community composting.

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

The Board oversees the construction of the Central regional site at Norris Arm North and 7 local waste management facilities (transfer stations). As well, the Board monitors the day to day operations of these sites. In addition, the Board oversees the operation of an interim waste management facility at Fogo Island.

4.0 Values

The Central Regional Service Board is committed to continuously educating our citizens about our modern, environmentally friendly Waste Management System that we have adopted here in Central Newfoundland. The values of the Board offer a guiding framework for all employees as they work in their various capacities. As such, the following have been identified by the CRSB as the core values as we work to achieve the objectives set out in this plan.

Professionalism

Each individual is committed to providing quality services through the efficient use of our resources while keeping costs down.

Respect for the environment

Each individual will carry out day to day activities keeping in view at all times the conservation and preservation of the environment, carrying out the protection and preservation activities promoted by the Board to its clients.

Respect

Each individual will treat people with courtesy and tolerance.

Innovation

Each individual will seek out new and better ways to maximize revenue opportunities while minimizing operational costs.

Each individual will seek out new and better ways to dispose of waste.

5.0 Primary Clients

The Central Regional Service Board identifies its primary clients as those individuals, groups, or organizations who are the principal users and/or beneficiaries of the Board's lines of business, and include the following:

- Communities within the Central Region
- Local Waste Management Authorities and Committees
- All residents of Central Newfoundland
- All institutional, commercial and industrial entities in Central Newfoundland.

With the inclusion of all our user groups, the Central Regional Service Board will bring to Central Newfoundland a modern, efficient, environmentally friendly Waste Management System. Only with good direction and cooperation from all, will we meet the goals and objectives of the Provincial Waste Management Strategy and make our Province a cleaner and safer place to live.

6.0 Shared Commitments

The Central Regional Service Board works closely with a number of major partners on the implementation of the Central Newfoundland Waste Management Strategy, including several Government departments. The Department of Municipal Affairs provides funding towards the construction of the regional and local waste management sites, and assists with engineering project management. The Board works in cooperation with the Department of Environment and Conservation to ensure compliance with all environmental regulations. Service NL provides guidance to ensure closeout of existing dumpsites meets all Government regulations.

The Multi Material Stewardship Board (MMSB) has been an important partner in providing operational funding identified under the Regional Capacity Building Program, including funding towards education and promotion of new waste management practices and systems under the Central Newfoundland Waste Management Strategy.

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

The Board also considers communities, businesses and general public to be critical partners. Through their engagement in educational initiatives, and active participation in new waste management practices, they are essential to ensuring that the Central Newfoundland Waste Management Strategy is met.

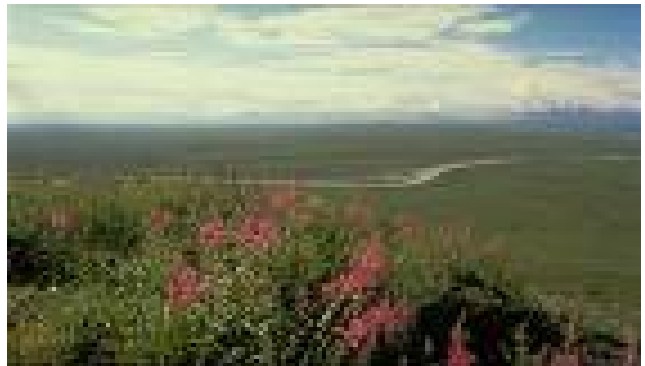
7.0 Vision

The vision of the Central Regional Service Board is of a clean and healthy environment in Central Newfoundland founded on a professional, modern waste management system that incorporates effective waste diversion practices and behaviours on the part of residents, businesses and communities in the Central region.

Today



Tomorrow



8.0 Mission

In 2011, the Board tabled a three (3) year plan (January 1, 2011 – December 31, 2013). As part of this plan, the Board developed a mission for the period January 1, 2011 to December 31, 2016:

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

Measure: Improved municipal waste management services

Indicators:

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

Progress and Accomplishments

The Board has contributed to improved municipal waste management service in the Central region through its wise management of funding received from the Department of Municipal Affairs to develop regional solid waste management sites. Capital funding was used towards the continued construction of a new regional full service waste management site at Norris Arm North and towards the completion of the seven (7) new local waste management facilities.

9.0 Report on Performance

Issue 1: Waste Management:

In May 2007, Government announced the implementation of the \$200 million multi-year Provincial Solid Waste Management Strategy to ensure effective and efficient management of solid waste in Newfoundland and Labrador. The Central Regional Service Board has developed its own regional waste management strategy and plays the lead role in implementing the Provincial Strategy in the central region of the Province. In developing its Business Plan for 2011 - 2013, the Board took into consideration the strategic directions of the Department of Municipal Affairs, as designated in the Department's 2011-2014 Strategic Plan. Through implementation of the Provincial Waste Management Strategy, the Board contributed to the Department's strategic direction of *Appropriate Infrastructure Investment*. Specifically the Board contributed to the component: *Solid Waste Management*.

The Central Regional Service Board continued in 2011 the extensive capital construction required to help meet the Provincial Waste Management Strategy. In order for the Board to complete its capital mandate and become fully operational, three additional years of construction are required (2012-2014 inclusive). The objective for 2011 was capital in nature and will be a continuous process for the next several years to meet the Provincial Waste Management Strategy.

The Central Regional Service Board also worked closely to assist communities in preparing the closeout of the existing 42 dumpsites in Central Newfoundland. Coordination between the communities, Service NL, and the Department of Municipal Affairs, is essential to close down these sites and to begin operations at the regional site in 2012. These important steps prepared for the new era of the operation of a modern, environmentally friendly waste management system for Central Newfoundland. These steps brought closer the goals and objectives of a full, province-wide, modern waste management system.

The Central Regional Service Board also continued its education process to the communities, businesses and general public in Central Newfoundland to help streamline the new system of waste management. The education component is key for a smooth transition to the modern waste management system required to meet the goals of the Provincial and Central Waste Management Strategies.

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

Objective 1: By December 31, 2011 the Central Regional Service Board will have commenced operation of the waste management system.

Measure: Commenced operation of waste management system

Indicators:

- Commenced operation of regional engineered landfill site

By December 31, 2011 the following levels of construction have been completed:

Regional Site:

Clearing and Grubbing	100%
Roads	100%
Wells	100%
Landfill	100%
Landscaping	0%
Paving	98%
Power	100%
Telecommunications	96%
Buildings	
- Administration	
- Scale House	
- Garage	98%
Leachate Treatment	80%
Compost	1%
MRF	1%
Access Roads & site Work	100%
Signage	15%
Metals	45%
Household Hazardous Waste	5%
Furniture	88%
Computers	14%
Litter Fencing	29%
Fuel Storage	26%

In addition, the Board purchased the following heavy equipment necessary to put the site into operation: compactor, dozer, excavator, loader, trailer and roll on – roll off stock.

While construction of the regional site was completed in 2011, the Board underestimated the time it would take to finish the leachate protection system and for tendering and shipment of key pieces of heavy equipment, thus operations could not commence by December 31, 2011.

- Commenced operation of seven (7) local waste management facilities

By December 31, 2011 the following levels of construction have been completed:

Local Waste Management Facilities:

Clearing and Grubbing	100%
Buildings	96%
Civil Works	100%
Paving	2%
Operations Manuals	18%

Total Expenditure 2011 - \$ 7,600,000

In addition, the Board purchased back hoes and trailers, heavy equipment necessary to put the transfer stations into operation.

In July 2011, the local waste management facility on Fogo (Zone 4) began operations. The dumpsites on Fogo and Change Islands were closed and waste is being transferred to the local dump site in Gander for disposal. As the regional site was not operational by December 31, 2011, the remaining transfer stations could not commence operations. Once the regional site becomes operational, the Board plans to phase in start up of the remaining local waste management facilities, with all facilities becoming operational by the Winter/Spring 2012.

- Commenced operation of construction and demolition/bulk materials facility

The construction of Construction and Demolition/bulk Material facilities was completed and ready for operations. However, since operation of this facility was dependent upon commencement of operations at the regional site, start-up was delayed until the regional site commences operations in January 2012.

- Developed and distributed education materials

The 2012 educational calendar was completed. The calendar shows tipping fees, location of Local Waste management facilities, hours of operation and overall operation layout, as well as educating the public about good waste management practices. The calendar was not distributed in 2011 as planned, as the Board decided it would be more effective to postpone distribution to January 2012 to coincide with the start-up of operations at the regional site. The Central Regional Service Board web site was upgraded to include the operational procedure for Fogo and the regional site.

- Implemented Household Hazardous Waste program

Household Hazardous Waste program is going through fundamental changes with the introduction of Government sponsored waste paint and e-waste programs will be ready by July 2012. In order to ensure that the Board's Household Hazardous Waste program is consistent with Government policy, the Board decided to delay commencement of this program until 2012.

Discussion of Results

The Board made significant strides towards a monumental undertaking – finalizing construction and bringing into operation a modern regional waste management facility to serve the communities of Central Newfoundland. Construction of the Regional engineered landfill site and the seven transfer stations was completed. The heavy equipment needed to operate all sites was purchased. However, the Regional site at Norris Arm was not ready for operations in 2011 as construction and completion of the engineered landfill was longer than initially anticipated. In addition, the delivery of landfill equipment was delayed until early 2012, and the leachate protection system was not yet operational. The Regional site will be ready for operation in January 2012.

Bringing the local waste management facilities into full operation was dependent upon the Regional site being ready to commence operations. As a result, these facilities will become operational in the Winter/Spring of 2012.

While the Board was not completely successful in meeting its objective to commence operation of the waste management system, it will complete any unfinished work in early 2012. In addition to completing this work, planned accomplishments for 2012 are as follows:

Objective 2: By December 31, 2012 the Central Regional Service Board will have commenced waste diversion

Measure: Commenced Waste Diversion

Indicators:

- Commenced operation of regional engineered landfill site
- Commenced operation of seven (7) local waste management facilities
- Commenced separation of construction and demolition/bulk materials at the Regional Site and seven (7) local waste management facilities

- Commenced separation of Household Hazardous Waste materials at the Regional Site and seven (7) local waste management facilities
- Commenced construction of the Materials Recovery (Recycling) Facility
- Developed and distributed educational materials
- Continued the closeout of the local dump sites

Issue 2: Curb Side Collection

In 2010 and 2011, the Central Regional Service Board carried out a pilot project in the New World Island area to review the aspect of Curb Side Collection. Under the pilot project, the Board entered into an agreement with most of the New World Island towns and local service districts to provide an integrated system for collecting all of the residential solid waste in the area. Upon completion of the pilot project, the Board assessed the pilot to determine what role, if any, the Board could play with regard to the Curb Side Collection aspect of waste management. The Board was pleased to learn that it could successfully operate regional curb side collection of residential waste. The Board plans to pursue expanding its curb side collection services in other areas of the Central region.

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

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

Objective 1: By December 31, 2011 the Central Regional Service Board will have finalized a curb side collection pilot project

Measure: Finalized a curb side collection pilot project

Indicators:

- Completed curb side collection pilot project

Commencing in September 2010, the Central Regional Service Board began a pilot project whereby the Board provided curb side collection services to residents of the towns and local service districts on New World Island. The pilot phase of curb side collection project was completed in August 2011.

- Evaluated pilot project

Throughout the pilot period, financial statistics were maintained, and operational

factors were reviewed. In September 2011, operational and financial aspects of the pilot project were evaluated, including number of residences served, labour and equipment expenditures, fee structure and revenues.

- Developed evaluation report

An evaluation report was completed and presented for the Board's consideration in October 2011. Based on the results documented in the "Pilot Project Report," the Board deemed the pilot a success and continued its delivery of curb side collection services in New World Island area. In addition, the Board plans to expand its curb side collection services to other areas where feasible. A copy of the evaluation report is contained in Appendix C.

Objective 2: By December 31, 2012 the Central Regional Service Board will have identified options for curb side collection

Measure: Identified options for curb side collection

Indicators:

- Assessed opportunities for expanded curb side collection
- Selected areas for expansion of curb side collection services
- Acquired resources for expansion of curb side collection services
- Began curb side collection in selected areas in Central Newfoundland

10.0 Opportunities and Challenges Ahead

The coming year, 2012, will be very significant for the Central Regional Service Board, as it brings into operation the regional waste management services at the regional site, and begins operations at the seven (7) local waste management transfer stations. With a significant number of new staff coming on board, it will be a challenge to ensure that everyone is properly trained, and that operations are proceeding smoothly.

At the regional and local waste management transfer sites, several construction tenders need to be awarded to prepare for the Winter 2012 opening. These include:

1. Install the required data management system.
This will provide the necessary link between the regional site and local waste management transfer sites for gathering and distribution of required information for invoicing and regular report writing required by Government.
2. Design and equip the leachate controls building.
This is the final piece for leachate control at the regional site.
3. Public drop off to be completed at the regional site
4. Household Hazardous Waste facilities to be completed
5. Landscaping at the regional site and (7) local waste management facilities
6. Paving at the regional site and (7) local waste management facilities
7. Signage for TCH, Route 3-1-09 and other sites.

Appropriate authorities will be sought in accordance with the *Public Tendering Act*.

To complement these activities, the Board will conduct continuous public education on the Central Newfoundland Waste Management Strategy, using local radio stations, local newspapers and the Board's web site.

The Board looks forward to the opportunity to bring the regional site and the local waste management transfer stations into operation in 2012, which will provide the foundation for a modern waste management system in the Central region.

Appendix A
Legislated Mandate

**NEWFOUNDLAND AND LABRADOR
REGULATION 54/08**

Central Regional Service Board Regulations
under the
Regional Service Boards Act

(Filed September 30, 2008)

Under the authority of section 9 of the *Regional Service Boards Act*, I make the following regulations.

Dated at St. John's , September 30, 2008 .

Dave Denine
Minister of Municipal Affairs

REGULATIONS

Analysis

Short title

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

Definition

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

Prescribed services

3. The board has the power to construct, acquire, maintain and operate solid waste disposal sites and solid waste management facilities and systems within the central region.

User fees

4. (1) The board has power to charge user fees to a municipality, local service district or unincorporated area in the Central Region as constituted by section 2 of the *Central Regional Service Board Order* , or another municipality, local service district, unincorporated area or other user of a facility or service provided by the board.

- (2) An amount owing under subsection (1) is a debt due to the board and the board may recover it by civil action in a court.

Withdrawal of service

5. The board may stop providing a service to a user of it where the user fails to comply with a policy of the board respecting the service.

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Appendix B
Financial Statements
2011 Audit

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

Financial Statements
For the Year Ended December 31, 2011

**CENTRAL REGIONAL SERVICE BOARD
Financial Statements
For the Year Ended December 31, 2011**

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STATEMENT OF RESPONSIBILITY

The accompanying Financial Statements are the responsibility of the management of the *Central Regional Service Board* and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board has met with management and its external auditors to review a draft of the financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized consolidated financial statements.

BDO Canada LLP, Chartered Accountants as the Board's appointed external auditors, have audited the Financial Statements. The Auditors' report is addressed to the Board of Directors and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Financial Statements are free of material misstatement and present fairly the financial position and results of the Board in accordance with Canadian generally accepted accounting principles.

Allan Scott
Board Chair

Glenn Arnold
Treasurer



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BDO Canada LLP
221D Memorial Drive
Clarenville NL A5A 1R3 Canada

Independent Auditors' Report

To the Board of Directors of the Central Regional Service Board

We have audited the accompanying financial statements of the Central Regional Service Board, which comprise the statement of financial position as at December 31, 2011, and the statements of operations, changes 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 Central Regional Service Board as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting

Clarenville, Newfoundland and Labrador
June 14, 2012


Chartered Accountants

**CENTRAL REGIONAL SERVICE BOARD
STATEMENT OF FINANCIAL POSITION
As at December 31, 2011**

	2011	2010
FINANCIAL ASSETS		
Cash (Note 3)	\$ 3,906,817	\$ 1,089,767
Short term investments	6,818,925	
Amounts receivable (Note 4)	1,210,449	5,597,248
	\$ 11,936,191	\$ 6,687,015
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 6,927,519	\$ 5,209,592
Deferred revenue (Note 6)	5,188,474	59,624
	12,115,993	5,269,216
NET FINANCIAL ASSETS (Net Debt)	\$ (179,802)	\$ 1,417,799
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 41,366,227	\$ 30,043,730
ACCUMULATED SURPLUS	\$ 41,186,425	\$ 31,461,529

Approved on behalf of Board:

Chairperson

Treasurer

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

**CENTRAL REGIONAL SERVICE BOARD
STATEMENT OF OPERATIONS
Year Ended December 31, 2011**

	2011 Actual	2010 Actual
REVENUE		
Department of Municipal Affairs - capital	\$ 10,443,226	\$ 23,820,475
Department of Municipal Affairs - operating	28,445	16,205
Multi Materials Stewardship Board grant	170,855	177,589
Department of Human Resources, Labour and Employment grant	6,005	9,000
Collections fees	179,649	22,217
Interest	87,201	
Other	6,387	4,743
	<u>10,921,768</u>	<u>24,050,229</u>
EXPENSES		
Advertising and promotion	13,933	10,742
Business licenses and memberships	16,760	1,275
Engineering fees	175,669	5,287
Fogo Island waste management expense	62,629	412,496
Insurance	35,162	7,095
Interest and bank charges	350	1,350
Legal fees	60,668	65,602
Legal settlement (Note 7)	497,259	49,775
Meetings and conventions	11,500	6,729
Office	4,411	2,719
Professional fees	3,294	8,681
Rental		19,387
Repairs and maintenance	11,881	758
Salaries and wages	211,965	131,267
Telephone	36,202	5,699
Travel	20,937	19,171
Utilities	34,252	4,561
	<u>1,196,872</u>	<u>752,594</u>
ANNUAL SURPLUS	9,724,896	23,297,635
ACCUMULATED SURPLUS, BEGINNING OF YEAR	31,461,529	8,173,481
Adjustment to operating fund - prior period	-	(9,587)
ACCUMULATED SURPLUS, END OF YEAR	\$ 41,186,425	\$ 31,461,529

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

CENTRAL REGIONAL SERVICE BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
 Year Ended December 31, 2011

	2011 Actual	2010 Actual
ANNUAL SURPLUS	\$ 9,724,896	\$ 23,297,635
Acquisition of tangible capital assets	(11,322,497)	(21,329,632)
Adjustment to operating fund		(9,587)
	(11,322,497)	(21,339,219)
CHANGE IN NET FINANCIAL ASSETS	(1,597,601)	1,958,416
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR	1,417,799	(540,617)
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	\$ (179,802)	\$ 1,417,799

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

**CENTRAL REGIONAL SERVICE BOARD
STATEMENT OF CASH FLOWS
Year Ended December 31, 2011**

	<u>2011</u>	<u>2010</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 9,724,896	\$ 23,297,635
Changes in non-cash items:		
Amounts receivable	4,386,799	(3,688,304)
Accounts payable and accrued liabilities	1,717,927	2,647,462
Deferred revenue	5,128,850	(191)
Short term investments	(6,818,925)	
Adjustment to operating fund		(9,587)
Cash provided by operating transactions	<u>14,139,547</u>	<u>22,247,015</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	<u>(11,322,497)</u>	<u>(21,329,632)</u>
Cash applied to capital transactions	<u>(11,322,497)</u>	<u>(21,329,632)</u>
INCREASE (DECREASE) IN CASH	2,817,050	917,383
CASH, BEGINNING OF YEAR	<u>1,089,767</u>	<u>171,384</u>
CASH, END OF YEAR	<u>\$ 3,906,817</u>	<u>\$ 1,088,767</u>

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

**CENTRAL REGIONAL SERVICE BOARD
NOTES TO THE FINANCIAL STATEMENTS
As at December 31, 2011**

1. Status of the Board

The Central Regional Service Board was created under the authority of Regional Service Board Act on February 26, 2008. The Board operates under the name *Central Newfoundland Waste Management Authority*, and is responsible for the maintenance and operation of solid waste disposal sites and solid waste management facilities within the central region of Newfoundland.

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

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies:

a) 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.

b) 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 (expenses over revenue), provides the change in net financial assets for the year.

c) 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:

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 50 years
Buildings	25 to 40 years
Vehicles and Equipment	
Vehicles	5 years

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

**CENTRAL REGIONAL SERVICE BOARD
NOTES TO THE FINANCIAL STATEMENTS
As at December 31, 2011**

Machinery, equipment and furniture	5 years
Maintenance and road construction equipment	10 years
Computer Hardware and Software	4 years
Furniture & Fixtures	5 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	5 to 20 years
Road grade	30 years

d) Revenue Recognition

Revenue is recognized when the significant risks and rewards of ownership have been completed and there are no significant obligations remaining, persuasive evidence of an arrangement exists and collectibility is reasonably assured.

e) Measurement Uncertainty

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.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term highly liquid investments] that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

g) Short term investments

Short investments include guarantee investment certificates recorded at the lower of cost or market value.

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

**CENTRAL REGIONAL SERVICE BOARD
NOTES TO THE FINANCIAL STATEMENTS
As at December 31, 2011**

3. Cash

Cash is comprised of the following:

	<u>2011</u>	<u>2010</u>
Cash - operating bank accounts	\$ 45,542	\$ 19,170
Cash - capital bank account	3,834,128	1,010,973
Cash - Fogo Island bank account	27,147	59,624
	<u>\$ 3,906,817</u>	<u>\$ 1,089,767</u>

4. Amounts Receivable

	<u>2011</u>	<u>2010</u>
Department of Municipal Affairs - capital	\$ 1,038,803	\$ 5,233,695
Harmonized sales tax	142,100	363,313
Other	29,546	240
	<u>\$ 1,210,449</u>	<u>\$ 5,597,248</u>

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities relates to capital construction of regional disposal sites and facilities.

6. Deferred revenue

Deferred revenue relates to funds advanced for capital expenditure and the Fogo Island Waste Site.

7. Legal settlement

Subsequent to yearend, the Board received a legal judgment regarding a statement of claim related for wrongful termination of a contract. The judgment awarded \$561,088 to the contractor which includes the judgment award, taxes and legal costs. The amount of \$497,259 has been recorded in the current year (2010 - \$49,775). These amount are net of HST rebate.

8. 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.

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

SCHEDULE 1
CENTRAL REGIONAL SERVICE BOARD
SCHEDULE OF TANGIBLE CAPITAL ASSETS
 Year Ended December 31, 2011

Cost	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Motor Vehicles	Roads, Streets, and Bridges	Recycling and collection	Land Fill Site	Compost and Treatment Facilities	2011	2010	
Opening costs	3,805,593	11,920,852	-	5,459,893	462,556	5,931,805	2,463,031	30,043,730	8,714,098	
Additions during the year	-	2,116,399	2,378,781	3,530,193	217,892	959,207	2,120,025	11,322,497	21,329,632	
Disposals and write downs	-	-	-	-	-	-	-	-	-	
Closing costs	3,805,593	14,037,251	2,378,781	8,990,086	680,448	6,891,012	4,583,056	41,366,227	30,043,730	
Accumulated Amortization										
Opening accum'd amortization	-	-	-	-	-	-	-	-	-	
Amortization	-	-	-	-	-	-	-	-	-	
Disposals and write downs	-	-	-	-	-	-	-	-	-	
Closing accum'd amortization	-	-	-	-	-	-	-	-	-	
Net Book Value of Tangible Capital Assets	3,805,593	14,037,251	2,378,781	8,990,086	680,448	6,891,012	4,583,056	41,366,227	30,043,730	

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

Appendix C
Pilot Project Report



Central Newfoundland Waste Management

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**New World Island Pilot Project - Waste Collection
Annual Report - September 2011**

October 28, 2011

September 1, 2010, CRSB began a pilot project for waste collection on New World Island. A M.O.U. between CRSB and NWIWDI was signed which put in place a collection process of Residential Solid Waste from the existing Town's; LSD's, etc attached to NWIWDI and dispose at the existing landfill site in the Summerford area for a six (6) month period. The intent was to provide a service, review costs, and eventually move into collection system with a split stream truck (wet/dry) and deliver to the Local Waste Management site in Zone 3.

The CRSB charged \$70.00 per household per year for collection. Monthly invoicing was based on \$5.84 per household per month for a monthly total of \$ 5,506.67. Both CRSB and NWIWDI agreed on the number of households in each community being served totaling 944 households. NWIWDI was responsible for collecting Waste Management fees from the residence.

CRSB acquired three (3) second-hand compactor trucks to be used for this project. With the age of the trucks there were several minor issues with maintenance and repairs. Other concerns that were identified and rectified were size of some roads, turn around areas and placing of garbage containers for curb side collection. The first six (6) months of the pilot project ran extremely well. In March 2011 CRSB met with NWIWMC and requested:

- an extension of the M.O.U. until such time as the split stream (Wet/Dry) system comes into operation;
- A fuel surcharge to offset any rising fuel costs;
- A clause to handle any major/costly repairs to the collection truck
- A review on the number of houses being serviced by the pilot project. CRSB understood that there were a number of seasonal homes that are not charged for at this time.

As of June 1, 2011 CRSB initiated billing for 1000 homes in the serviced area. Annual invoice would be \$70,000; monthly cost \$5,833.33.

To date this pilot project has been operating very well. Issues with the trucks still arise due to the trucks age. We anticipate expanding this project to other areas in Zone 3 which will maximize the usage and capacity of the compactor truck.

Attached is a financial report on the Revenues and Expenditures for this project. All revenues were from Collection fees from the NWMWMC; expenditures include Payroll; Fuel; Maintenance and Repairs; Insurance and other.

SUMMARY:

The NWI region was recognized as the most challenging and expensive region in Central to collect waste. It takes 22 hours (24 in winter conditions) to collect waste from 1000 homes. 330 kms traveled in 22 hours, fuel averaged 330/wk. The average tonnage per household in this region was .53 tonne.

The piece missing from the financial picture was the replacement of a collection truck; valued at \$40,000/yr. The real cost from this part of the region for collection is \$75.00 per household per year. With the participation of all Central Newfoundland, \$70.00 per household in 2011 is a good figure.