

**Valley Region Solid Waste-Resource  
Management Authority  
Financial Statements**

*March 31, 2025*

**Valley Region Solid Waste-Resource Management Authority**  
**Financial Statements**

*For the year ended March 31, 2025*

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To the Municipal Parties of Valley Region Solid Waste - Resource Management Authority:

### Opinion

We have audited the financial statements of Valley Region Solid Waste - Resource Management Authority (the "Authority"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and accumulated surplus, remeasurement gains and losses, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2025, and the results of its operations, its remeasurement gains and losses, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

In preparing the financial statements, management is responsible for assessing the Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 our 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 Authority'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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority 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.

We 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 we identify during our audit.

Sydney, Nova Scotia  
June 18, 2025

**MNP LLP**  
Chartered Professional Accountants

## **Management's Responsibility for the Financial Statements**

The accompanying financial statements of the Valley Region Solid Waste-Resource Management Authority (the "Authority") are the responsibility of the Authority's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies is described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Authority's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by MNP LLP, independent external auditors appointed by the Authority. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's financial statements.

  
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Andrew Garrett, General Manager

**Valley Region Solid Waste-Resource Management Authority**  
**Statement of Financial Position**

As at March 31, 2025

	2025	2024
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents – operating fund	\$ 948,309	\$ 1,583,304
Cash and cash equivalents – equipment reserve fund	281,715	320,171
Accounts receivable (Note 3)	471,798	882,656
Portfolio investments – capital reserve fund (Note 4)	3,303,493	2,738,144
	<u>5,005,315</u>	<u>5,524,275</u>
<b>FINANCIAL LIABILITIES</b>		
Trade payables	1,807,124	1,035,587
Accrued liabilities	111,691	135,096
Accrued employee liabilities	268,612	240,178
Term financing (Note 6)	1,999,536	1,731,210
Annual surplus payable to municipal parties (Note 7)	797,460	1,466,007
	<u>4,984,423</u>	<u>4,608,078</u>
<b>NET FINANCIAL ASSETS</b>	<u>20,892</u>	<u>916,197</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 8)	4,517,760	3,282,864
Prepaid expenses	153,508	146,369
	<u>4,671,268</u>	<u>3,429,233</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 4,692,160</u>	<u>\$ 4,345,430</u>
Comprised of:		
Accumulated surplus (Note 17)	\$ 4,376,654	\$ 4,211,899
Accumulated remeasurement gains	315,506	133,531
	<u>\$ 4,692,160</u>	<u>\$ 4,345,430</u>

Contractual obligations and commitments (Note 9)

See accompanying notes to financial statements.

On behalf of the Valley Region Solid Waste-Resource Management Authority

 Chairperson

 General Manager

# Valley Region Solid Waste-Resource Management Authority

## Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2025*

	Budget	2025	2024
<b>REVENUES</b>			
Municipal contributions	\$ 6,859,565	\$ 6,859,564	\$ 6,621,586
West management centre	451,768	540,437	455,534
East management centre	2,630,485	2,785,972	3,020,676
Investment income	—	109,597	74,143
Administration	613,700	900,620	778,262
Communications and enforcement	267,984	276,483	274,683
Divert NS approved programs	67,000	98,588	68,452
Wind turbine	42,998	16,116	23,196
Municipal service agreement	1,033,000	1,054,024	959,271
	11,966,500	12,641,401	12,275,803
<b>EXPENSES</b>			
General administration	796,784	834,265	860,534
Fiscal services	114,347	65,136	96,694
West management centre	644,226	561,289	592,234
East management centre	1,495,709	1,427,954	1,623,525
Residential collection	2,922,891	2,966,225	2,828,582
Construction and demolition debris processing	182,947	378,520	134,067
Recyclable processing and transportation	816,225	755,399	712,347
Organics processing and transportation	1,075,838	1,054,560	1,114,198
Residuals processing and transportation (Note 9(a))	2,448,562	2,367,127	1,256,310
Communications and enforcement	585,897	526,989	582,310
Wind turbine	23,179	8,223	12,405
Information technology	55,779	43,820	58,479
Household hazardous waste	214,632	181,180	190,304
	11,377,016	11,170,687	10,022,068
Annual surplus before other items	589,484	1,470,714	2,253,735
<b>OTHER INCOME (EXPENSES)</b>			
Amortization of tangible capital assets	—	(546,722)	(548,718)
Gain on disposal of tangible capital assets	—	118,440	133,050
Gain on investments	—	—	1,391
<b>ANNUAL SURPLUS</b>	589,484	1,042,432	1,839,458
<b>ANNUAL SURPLUS PAYABLE TO MUNICIPAL PARTIES</b>		(877,677)	(1,466,007)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		4,211,899	3,838,448
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		\$ 4,376,654	\$ 4,211,899

See accompanying notes to financial statements.

**Valley Region Solid Waste-Resource Management Authority**  
**Statement of Remeasurement Gains and Losses**

*For the year ended March 31, 2025*

	2025	2024
<b>ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF YEAR</b>	\$ 133,531	\$ 110,479
Net remeasurements during the year		
Gains realized during the year, reclassified to the statement of operations and accumulated surplus	-	(1,391)
Changes in market value of portfolio investments traded in an active market	181,975	24,443
	181,975	23,052
<b>ACCUMULATED REMEASUREMENT GAINS, END OF YEAR</b>	\$ 315,506	\$ 133,531
Comprised of:		
Market value of portfolio investments	\$ 3,303,493	\$ 2,738,144
Cost of portfolio investments	(2,987,987)	(2,604,613)
	\$ 315,506	\$ 133,531

See accompanying notes to financial statements.



**Valley Region Solid Waste-Resource Management Authority**  
**Statement of Changes in Net Financial Assets**

*For the year ended March 31, 2025*

	Budget	2025	2024
<b>ANNUAL SURPLUS</b>	\$ 589,484	\$ 1,042,432	\$ 1,839,458
Annual surplus payable to municipal parties (Note 7)	—	(797,460)	(1,466,007)
Adjustment to prior year surplus payable to municipal parties	—	(80,217)	—
	589,484	164,755	373,451
Change in tangible capital assets			
Acquisition of tangible capital assets	(2,540,000)	(1,781,618)	(276,901)
Amortization of tangible capital assets	—	546,722	548,718
Gain on disposal of tangible capital assets	—	(118,440)	(133,050)
Proceeds on sale of tangible capital assets	—	118,440	245,594
<b>NET CHANGE IN TANGIBLE CAPITAL ASSETS</b>	(2,540,000)	(1,234,896)	384,361
Change in other non-financial assets			
Increase in prepaid expenses	—	(7,139)	(146,369)
Net remeasurement gains, during the year	—	181,975	23,052
<b>CHANGE IN NET FINANCIAL ASSETS DURING THE YEAR</b>	(1,950,516)	(895,305)	634,495
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		916,197	281,702
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		\$ 20,892	\$ 916,197

See accompanying notes to financial statements.

**Valley Region Solid Waste-Resource Management Authority**  
**Statement of Cash Flows**  
*For the year ended March 31, 2025*

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Annual surplus	\$ 1,042,432	\$ 1,839,458
Items not involving cash		
Amortization of tangible capital assets	546,722	548,718
Gain on disposal of tangible capital assets	(118,440)	(133,050)
Gain on disposal of investments	—	(1,391)
	1,470,714	2,253,735
Net change in non-cash working capital balances related to operations (Note 11)	1,180,285	(703,850)
Net cash generated from operations	2,650,999	1,549,885
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term financing	(275,646)	(368,005)
Proceeds from term financing	543,972	—
	268,326	(368,005)
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Purchase of portfolio investments	(8,419)	(229,254)
Proceeds on disposal of portfolio investments	66,000	103,100
Increase in accrued investment income receivable	304	(2,216)
Repayment of surplus to related parties	(1,546,224)	(371,902)
	(1,488,339)	(500,272)
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Net acquisitions of tangible capital assets	(1,781,618)	(276,901)
Proceeds on disposal of tangible capital assets	118,440	245,594
	(1,663,178)	(31,307)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(232,192)	650,031
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	2,241,758	1,591,457
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 2,009,566	\$ 2,241,758
Represented by		
Cash and cash equivalents – operating fund	\$ 948,309	\$ 1,583,304
Cash and cash equivalents – equipment reserve	281,715	320,171
Investment cash and cash equivalents – capital reserve fund (Note 4)	779,542	338,283
	\$ 2,009,566	\$ 2,241,758

See accompanying notes to financial statements.

# Valley Region Solid Waste-Resource Management Authority

## Notes to Financial Statements

For the year ended March 31, 2025

The Valley Region Solid Waste-Resource Management Authority (the "Authority") was established through an intermunicipal services agreement by the Municipality of the County of Kings and the Towns of Berwick, Kentville, Middleton, Annapolis Royal and Wolfville (the "Municipal Parties"). It was created for the purpose of managing all solid waste resources in the Valley Region.

The percentage of contributions by each municipal party are based on population and uniform assessment. The following table summarizes each municipal parties' percentage of interest for the years ended March 31, 2025 and 2024:

	2025	2024
Municipality of the County of Kings	74.03%	74.04%
Town of Kentville	10.26	10.24
Town of Wolfville	8.76	8.80
Town of Berwick	3.45	3.42
Town of Middleton	2.44	2.45
Town of Annapolis Royal	1.06	1.05

The Authority is required under its surplus disbursement policy to redistribute any surplus operating funds to its municipal parties unless the board permits the retention of the surplus by motion and likewise the municipal parties are required to fund any operating deficits. The Authority's annual surplus payable to the municipal parties is detailed in Note 7.

### 1. ECONOMIC DEPENDENCE

As described above, the Authority is an inter-municipal service corporation dependent on funding from its municipal parties so its ability to continue as a viable operation is dependent on maintaining this funding.

**Valley Region Solid Waste-Resource Management Authority**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

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**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of presentation**

These financial statements of the Authority have been prepared, in all material respects, in accordance with Canadian public sector accounting standards.

**(b) Basis of fund accounting**

These financial statements reflect the assets, liabilities, revenues, expenses, changes in fund balances and changes in financial position of the reporting entity. Interfund and organizational transactions and balances are eliminated. The funds are:

- General Operating Fund
- Capital Reserve Fund
- Equipment Reserve Fund
- Capital Fund

**(c) Basis of accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

**(d) Cash and cash equivalents**

Cash and cash equivalents consists of cash on hand, balances with financial institutions and highly liquid investments with original maturities of three months or less.

**(e) Interest capitalization**

The Authority does not capitalize interest costs associated with the acquisition or construction of tangible capital assets.

**(f) Fund accounting**

The resources and operations of the Authority are comprised of the general operating, capital reserve, equipment reserve and capital funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

**(g) Government transfers**

Municipal and other government transfers are recognized in the financial statements when the transfer is authorized and eligibility criteria have been met except, when and to the extent stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require the funds be used only for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

**Valley Region Solid Waste-Resource Management Authority**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Items requiring the use of estimates include the valuation of accounts receivable which are stated after evaluation as to their collectability, an appropriate allowance for doubtful accounts is provided where necessary and the estimated accruals for the asset retirement obligation, C&D disposal and sick benefits. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported annual surplus in the years in which they become known.

**(i) Financial instruments**

All financial instruments are measured using either the amortized cost method or the fair value method. Financial instruments included in the amortized cost category are initially recorded at fair market value and subsequently recorded at either cost or amortized cost using the effective interest rate method. Transaction costs are included in the initial cost of financial instruments recognized using the cost method.

Financial instruments included in the fair value category are initially recorded at fair value with each subsequent change in fair value recognized in the statement of remeasurement gains and losses until such time that the financial instrument is unrecognized. When the financial instrument is unrecognized the accumulated remeasurement gain or loss is reversed and recognized on the statement of operations. Transaction costs associated with financial instruments in the fair value category are expensed when incurred.

Accounts receivable, trade payables, accrued liabilities, surplus payable to municipal parties, and term financing are recorded using the cost method. Cash and portfolio investments are recorded using the fair value method utilizing quoted prices in active markets to determine the fair value.

**(j) 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 operating surplus or deficit, the net remeasurement gains or losses, and transfers with the municipal parties provides for the change in net financial debt for the year.

**Valley Region Solid Waste-Resource Management Authority**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(k) Tangible capital assets**

Tangible capital assets are recorded at cost which includes all costs directly attributable to the acquisition, construction, development, installation or betterment of the assets. The cost, less residual value of the tangible capital assets, are amortized on a straight-line basis over their estimated useful lives, as disclosed in Note 8. Amortization is calculated at one-half the annual rate in the years of acquisition and disposal. Assets under construction are not amortized until the asset is available for use.

**(l) Impairment of tangible capital assets**

Service producing tangible capital assets are tested for recoverability whenever events or changes in circumstances indicate there is a change in their ability to provide future services. An impairment loss is recognized on service providing assets when the asset no longer contributes to the Authority's ability to provide services resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its future service potential.

Income producing tangible capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

**(m) Revenue recognition**

The east and west management centre revenues are made up of tipping fees, scale rentals, the sale of materials such as metals, and other miscellaneous revenues. Tipping fees are recognized as revenues as solid waste is dropped off at either management centre. Scale rental revenues are recognized as the scales are used by the lessee. The sale of materials is recognized as revenues when the materials are received by the purchaser.

**(n) Asset retirement obligation**

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) The past transaction or event giving rise to the liability has occurred;
- c) It is expected that future economic benefits will be given up; and
- d) A reasonable estimate of the amount can be made.

The liability associated with the rehabilitation/closure plan requirements contained in the approvals for construction and operation of waste transfer stations between the Authority and the Province of Nova Scotia has been recognized based on estimated future expenses of the asset retirement.

**Valley Region Solid Waste-Resource Management Authority**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

**3. ACCOUNTS RECEIVABLE**

	2025	2024
Tipping fees and other trade receivables	\$ 291,650	\$ 437,070
Municipal party receivables (Note 10)	525	336
Chester landfill net operating receivable	–	76,983
Divert NS receivable	58,555	78,670
Public service bodies' rebate receivable	121,068	289,597
	<b>\$ 471,798</b>	<b>\$ 882,656</b>

**4. PORTFOLIO INVESTMENTS – CAPITAL RESERVE FUND**

	2025	2024
Investments, at cost	\$ 2,198,983	\$ 2,256,564
Accrued investment income	9,462	9,766
Accumulated remeasurement gains	315,506	133,531
	<b>2,523,951</b>	<b>2,399,861</b>
Investment cash and cash equivalents	779,542	338,283
	<b>\$ 3,303,493</b>	<b>\$ 2,738,144</b>

**5. BANK INDEBTEDNESS**

As at March 31, 2025, the Authority has an available, non-revolving, demand instalment loan in the amount of \$2,105,000 of which \$Nil has been drawn. Repayable in monthly payments of interest only. The bridge loan bears interest at the bank's prime rate minus 0.75% per annum, is secured by a security agreement granting a first security in all present and after acquired personal property, and is guaranteed by the following municipal partners with supporting corporate or other resolution in an amount that is limited to the following:

The Municipality of the County of Kings	\$ 1,555,990
Town of Kentville	215,352
Town of Wolfville	186,301
Town of Berwick	72,205
Town of Middleton	52,417
Town of Annapolis Royal	22,735

Other security includes a Temporary Borrowing Resolution with Ministerial Approval.

The prime rate of interest as at March 31, 2025 is 4.95% (2024 – 6.95%).

**Valley Region Solid Waste-Resource Management Authority**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

**6. TERM FINANCING**

	2025	2024
Debenture 37-A-1, amortized and maturing in November 2027, repayable in equal annual instalments of \$133,034 plus interest paid semi-annually at rates varying from 2.62% to 3.07%. Secured by a guarantee from the municipal parties as detailed below.	\$ 399,096	\$ 532,130
Debenture 38-A-1, amortized to and maturing in May 2028, repayable in equal annual instalments of principal of \$96,038 plus interest to May 2023 and \$18,273 plus Interest thereafter. Interest rates vary from 2.88% to 3.30%. Secured by a guarantee from the municipal parties as detailed below.	73,087	91,360
Debenture 41-A-1, amortized and maturing in May 2036, repayable in equal annual installments of \$35,943 until May 2026 and \$28,301 until May 2036, plus interest paid semi-annually at varying rates from .57% to 2.81%. Secured by a guarantee from the municipal parties as detailed below.	354,902	390,845
Debenture 42-A-1, amortized and maturing through repayable equal annual installments of \$88,396 until May 2027, \$63,947 until May 2032 and \$8,711 until May 2037, plus interest paid semi-annually at varying rates from 2.57% to 4.12%. Secured by a guarantee from the municipal parties as detailed below.	628,479	716,875
Debenture 44-A-1, amortized and maturing through repayable equal annual installments of \$69,880 until May 2029, \$21,469 until May 2034 and \$17,447 until May 2039, plus interest paid semi-annually at varying rates from 4.36% to 5.03%. Secured by a guarantee from the municipal parties as detailed below.	543,972	—
	\$ 1,999,536	\$ 1,731,210

Principal payments required in each of the next five years and thereafter on debt held as at March 31, 2025 are as follows:

2025	\$ 345,526
2026	345,528
2027	337,881
2028	180,396
2029	162,127
Thereafter	628,078



**Valley Region Solid Waste-Resource Management Authority**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

**6. TERM FINANCING (CONTINUED)**

The outstanding debentures are guaranteed in the following proportions by the municipal parties:

	37-A-1	38-A-1	41-A-1	42-A-1	44-A-1
Municipality of the County of Kings	58.13%	74.71%	74.56%	74.69%	73.54 %
Municipality of the County of Annapolis	20.71	—	—	—	—
Town of Kentville	7.84	9.95	10.05	9.99	10.30
Town of Wolfville	6.46	8.26	8.31	8.24	9.58
Town of Berwick	2.74	3.53	3.53	3.53	3.17
Town of Middleton	2.00	2.55	2.50	2.51	2.15
Municipality of the District of West Hants	1.33	—	—	—	—
Town of Annapolis Royal	0.79	1.00	1.05	1.04	1.25

The Authority also has access to a credit card with a limit of \$20,000 bearing interest at 19.99%. At March 31, 2025 and March 31, 2024 this credit card had a balance of \$Nil.

**7. ANNUAL SURPLUS PAYABLE TO MUNICIPAL PARTIES**

For the purpose of the Authority's surplus disbursement policy, the operating fund annual surplus owing to the municipal parties is calculated as follows:

	2025	2024
Annual surplus	\$ 1,042,432	\$ 1,839,458
Add amortization of tangible capital assets	546,722	548,718
Less:		
Principal repayment of debts	(275,646)	(368,005)
Capital and equipment reserve fund transfer	(432,278)	(499,064)
Surplus of the capital and equipment reserve funds	(83,770)	(55,100)
Annual surplus payable to municipal parties	\$ 797,460	\$ 1,466,007

In unusual or extenuating circumstances, the Authority's operating surplus/deficit policy allows it to retain its annual surplus when it is in the best interest of the Authority and a motion is passed with a majority vote. If the Authority retains the surplus in a subsequent fiscal year, the retention must be reapproved. When a surplus is retained, the funds cannot be used for normal operational or capital expenditures.

**Valley Region Solid Waste-Resource Management Authority**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

**8. TANGIBLE CAPITAL ASSETS**

	Rate (in years)	COST		ACCUMULATED AMORTIZATION			NET BOOK VALUE	
		Opening	Ending	Additions (Disposals)	Opening	Ending	2025	2024
Land								
Eastern management centre		\$ 252,907	\$ 252,907	\$ -	\$ -	\$ -	\$ 252,907	\$ 252,907
Western management centre		41,246	41,246	-	-	-	41,246	41,246
Buildings								
Eastern management centre	25	3,869,180	3,869,180	-	3,675,438	3,719,167	150,013	193,742
Western management centre	25	2,828,705	2,828,705	-	2,610,002	2,635,321	193,384	218,703
Administration building	25	2,033,005	2,033,005	-	934,349	1,014,626	1,018,379	1,098,656
Cart storage building	25	284,139	284,139	-	111,058	122,424	161,715	173,081
Balers	15	-	60,357	60,357	-	4,024	56,333	-
Concrete slab	10	-	45,427	45,427	-	4,543	40,884	-
Computer system upgrade	5	161,266	170,338	9,072	66,522	29,617	74,199	94,744
Scales	10	226,645	226,645	-	170,468	193,133	33,512	56,177
Seasonal drop off bins	10	-	261,702	261,702	-	26,170	235,532	-
Utility trailer	10	48,682	48,682	-	10,300	15,168	33,514	38,382
HHW depots	10	69,627	69,627	-	69,627	69,627	-	-
Signage	10	5,138	5,138	-	4,368	4,882	256	770
Trucks	5-10	803,666	455,214	(348,452)	643,362	346,492	108,722	160,304
Loader	10	943,598	2,131,446	1,187,848	461,460	672,803	1,458,643	482,138
Retaining walls	20	3,707	3,707	-	2,369	2,554	1,153	1,338
Compaction equipment	10	134,878	134,878	-	132,949	134,878	-	1,929
Wind turbine	20	571,816	571,816	-	243,022	271,613	300,203	328,794
Capital works in progress	-	139,953	357,165	217,212	-	-	357,165	139,953
		<b>\$ 12,418,158</b>	<b>\$ 13,851,324</b>	<b>\$ 1,433,166</b>	<b>\$ 9,135,294</b>	<b>\$ 9,333,584</b>	<b>\$ 4,517,760</b>	<b>\$ 3,282,864</b>

**Valley Region Solid Waste-Resource Management Authority**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

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**9. CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

The Authority has entered into the following long-term agreements to meet their mandate of providing solid waste management services to residents of the municipal parties:

**(a) Disposal of residual solid waste**

The Authority has entered into a twenty-year contract, expiring March 31, 2036, with the Municipality of the District of Chester (the "Municipality") for the disposal of residual solid waste at its Kaizer Meadow landfill at a per tonne tipping fee. Included in the residuals processing and transportation expense is \$1,759,807 related to this contract.

**(b) Collection and transportation of source separated solid waste**

The Authority has entered into a five-year contract for the collection and transportation of source separated solid waste. The contract includes the monthly cost of curbside collection and transportation and the per tonne cost of spring and fall clean up and leaf collection. The contract expires on March 31, 2025. For the year ended March 31, 2025, the Authority paid \$2,779,042 (2024 - \$2,668,474) in relation to this contract. The amounts reported are net of HST rebates.

**(c) Organics composting**

The Authority has entered into an eleven-year contract for the composting of organic solid waste collected through its source separated curbside program and requires for all organics to be sent exclusively to this contractor. The contract is set to expire March 31, 2029, subject to a per tonne price review for year six (6) of the contract, pursuant to the terms of the agreement. For the year ended March 31, 2025, the Authority paid \$1,053,821 (2024 - \$1,105,860) in relation to this contract. The amounts reported are net of HST rebates.

**(d) Recyclables processing**

The Authority has entered into a ten-year contract for the processing of recyclable solid waste at the eastern and western management centres. This contract is set to expire on March 31, 2028. For the year ended March 31, 2025, the Authority paid \$713,115 (2024 - \$657,214) in relation to this contract. The amounts reported are net of HST rebates.

**(e) Transportation of source separated solid waste**

The Authority has entered into a five-year contract for the transportation of source separated solid waste. The contract includes the per tonne cost of transporting compacted solid waste from the eastern and western management centres and expires on March 31, 2025. For the year ended March 31, 2025, the Authority paid \$607,321 (2024 - \$616,718) in relation to this contract. The amounts reported are net of HST rebates.

**Valley Region Solid Waste-Resource Management Authority**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

**10. RELATED PARTY BALANCES & TRANSACTIONS**

Included in revenues for the current period are \$6,859,564 (2024 - \$6,621,586) of contributions and \$12,395 (2024 - \$9,113) of tipping fees from related municipal parties. The contributions and sales were in the normal course of operations and measured at the exchange amount, which is the amount consideration established and agreed to by the related parties.

At the end of the year, included in accounts receivable are amounts due from related parties as follows:

The Municipality of the County of Kings	\$	72
Town of Kentville		453
<b>Total amounts due from related parties</b>	<b>\$</b>	<b>525</b>

At the end of the year, included in trade payables are amounts due to related parties as follows:

The Municipality of the County of Kings	\$	104,312
<b>Total amounts due to related parties</b>	<b>\$</b>	<b>104,312</b>

**11. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS**

	2025	2024
Change in cash resulting from:		
Accounts receivable	\$ 410,858	\$ (427,348)
Trade payables	771,537	459,753
Accrued liabilities	(23,405)	(611,542)
Accrued employee liabilities	28,434	21,656
Prepaid expenses	(7,139)	(146,369)
	<b>\$ 1,180,285</b>	<b>\$ (703,850)</b>

**Valley Region Solid Waste-Resource Management Authority**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

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**12. BUDGET INFORMATION**

The Authority's budget is prepared on a break-even cash flow basis to align with the intermunicipal services agreement. The budget presented on the statement of operations and accumulated surplus differ from the approved budget as follows:

	2025	2024
Term financing principal repayments	\$ 275,646	\$ 368,005
Transfers to the capital reserve fund	313,838	285,308
	<u>\$ 589,484</u>	<u>\$ 653,313</u>

The disclosed budget information has been approved by the Interim IMSA Board at the board meeting on January 17, 2024.

**13. INTERNALLY RESTRICTED RESERVE FUNDS**

**Capital reserve fund**

The Authority has committed to fund a capital reserve for the purpose of financing future significant repairs or replacement of the eastern and western management centres, as agreed to by the municipal parties. This agreement stipulates estimated annual contributions from 2011 to 2025.

The capital reserve fund agreement outlines contributions to continue through to 2025 with an annual increase of 10%. The capital reserve fund cash is restricted for this purpose. The funds in the capital reserve are held in an interest-bearing account with the CIBC and in investments with Scotia Wealth Management.

**Equipment reserve fund**

The Authority has established an equipment reserve fund for the purpose of financing the cost of future equipment replacements. The reserve is funded by proceeds from the sale of surplus equipment. There are no budgeted annual transfers to the equipment reserve fund. The funds are held in an interest-bearing account with the CIBC.

**Valley Region Solid Waste-Resource Management Authority**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

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**14. PENSION**

Certain employees of the Authority are members of the Municipality of the County of Kings defined contribution pension plan. The Authority matches employee contributions equal to 8% of gross wages to the pension plan. During the year, the Authority contributed \$321,776 (2024 - \$293,345) to the pension plan.

**15. FINANCIAL INSTRUMENTS**

The following are the significant risks the Authority is exposed to through its financial instruments:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Authority's main credit risks relate to its tipping fees and other trade receivables. In order to reduce its credit risk, the Authority has adopted credit policies which include credit checks on specified customers. No change in risk from prior year.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's portfolio investments in publicly traded securities expose the Authority to market risk as such investments are subject to price changes in the open market.

(c) Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting its obligations associated with its financial liabilities as they become due. The Authority is exposed to liquidity risks mainly from its trade payables and surplus payable to the municipal parties. The Authority's ability to meet its obligations depends on the receipt of funds whether in the form of revenue, advances from municipal parties and the deferral of the surplus payable.

# Valley Region Solid Waste-Resource Management Authority

## Notes to Financial Statements

For the year ended March 31, 2025

### 16. CLASSIFICATION OF EXPENDITURES BY OBJECT

	2025	2024
Debt financing costs	\$ 61,492	\$ 56,773
Office, supplies and other operating	831,962	1,148,133
Professional services	64,297	103,232
Salaries, wages and benefits	2,566,309	2,480,983
Significant contract services	7,571,186	6,150,895
Utilities	74,005	82,052
	11,169,251	10,022,068
Amortization of tangible capital assets	546,722	548,718
Total expenditures	\$ 11,715,973	\$ 10,570,786

### 17. ACCUMULATED SURPLUS

	General Operating Fund	Capital Reserve Fund	Equipment Reserve Fund	Investment in Capital Assets	2025 Total	2024 Total
Opening balance	\$ 88,828	\$ 2,604,613	\$ 320,171	\$ 1,198,287	\$ 4,211,899	\$ 3,838,448
Annual surplus (deficit)	1,503,384	68,150	15,620	(546,722)	1,042,432	1,839,458
Surplus payable to the municipal parties	(797,460)	—	—	(80,217)	(877,677)	(1,466,007)
Repayment of term financing	(275,646)	—	—	275,646	—	—
Approved transfer	(313,838)	313,838	—	—	—	—
Transfer for capital additions	—	—	(174,724)	174,724	—	—
Proceeds on disposal of capital assets	(118,440)	—	118,440	—	—	—
Closing balance	\$ 88,828	\$ 2,986,601	\$ 279,507	\$ 1,021,718	\$ 4,376,654	\$ 4,211,899

### 18. REMUNERATION

Pursuant to the Public Sector Compensation Disclosure Act, the Authority is required to disclose individuals with compensation greater than \$100,000. These individuals are as follows:

	2025	2024
General Manager, Andrew Garrett	\$ 126,089	\$ 119,743

### 19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation.