



Mayor: Rowan Caseley  
Chief Administrator Officer: Geoff Baker  
Deputy Administrator: Wendy MacKinnon  
*Incorporated 1914*

August 12, 2020

Allison MacEwen, Director  
Island Regulatory and Appeals Commission  
PO Box 577  
National Bank Tower, 134 Kent Street  
Charlottetown, PEI  
C1A 7L1

**Re: Water and Pollution Control Corporation Rate Increase Application**

Dear Mrs. MacEwen:

A meeting of the Kensington Town Council was held on Monday, July 13, 2020 and by way of a motion passed by Council, I have been directed to submit the attached water and sewer rate study to the Island Regulatory and Appeals Commission as application for a water and sewer rate increase effective January 1, 2021.

If you have any questions or concerns or would like to discuss this matter further please do not hesitate to contact the undersigned at 836-3781.

Best Regards,

Geoff Baker  
Chief Administrative Officer  
Town of Kensington

Utility Name: Town of Kensington Water and Pollution Control Corporation

**Rate Filing Prepared for Submission  
to The Island Regulatory & Appeals Commission**

Contact Name: Geoff Baker  
Utility Address: PO Box 418  
Kensington, PEI  
C0B 1M0  
Telephone: 902-836-3781  
Email: townmanager@townofkensington.com  
Date: August 12, 2020

In accordance with Sections 9 and 15 of the *Water and Sewerage Act*, following is the Utility's application for a rate review.

1. Background information about the Utility (year established, description of system, current number of customers), and the overall reason(s) for the request for a rate change.

The Kensington Water and Pollution Control Corporation was established in January, 1992. The Kensington  
WPCC currently has 678 customers billed on a monthly basis consisting of 216 metered customers.  
The utility is requesting a rate increase to minimize the operating and cash flow deficits on the sewer and water.  
The Town of Kensington's sewage collection and treatment infrastructure consists of  
three lift stations and two waste stabilization lagoons with approximately 10 km of collection mains and force  
mains. Approximately 60 % of the Town's sewer mains are constructed of concrete with the remaining  
approximately 40% consisting of PVC piping. The Town's water supply is provided by four wells.  
All water supplied goes to a central location where flow is monitored and all supply is disinfected with chlorine.  
A 300,000 gallon water tower is located at the top of Gerald McCarville Dr.

2. Proposed capital projects or anticipated significant expenditures in the next 2-5 years.

Type of Project/Expenditure	Utility's Expected Cost	Year
1. <u>Please refer to attached for project list</u>	<u></u>	<u></u>
2. <u></u>	<u></u>	<u></u>
3. <u></u>	<u></u>	<u></u>
4. <u></u>	<u></u>	<u></u>

3. PROJECTED depreciation expenses for future expenditures.

	Description	Utility's NET Cost	Proj Depr Exp	Year
1.	Please refer to attached			
2.				
3.				
4.				

4. PROJECTED interest expenses on long-term debt for future projects/purchases.

	Description	Loan Amount	Interest Rate	Proj Yrly Int Payment	Year
1.	Please refer to attached				
2.					
3.					
4.					

5. a. Statement of actual revenue and expenditures and forecasted data – WITHOUT RATE RELIEF. (Any projected depreciation and/or interest expenses indicated in 3 & 4 above are included.) To complete Statement of Revenues and Expenses (without rate change) For Click Here For WATER OR Here For SEWER.

- b. Statement of actual revenue and expenditures and forecasted data – WITH RATE RELIEF AS PROPOSED BY THE UTILITY. (Any projected depreciation and/or interest expenses indicated in 3 & 4 above are included.) To complete Statement of Revenues and Expenses (with rate changed) CLICK HERE for WATER or HERE for SEWER.

6. Revenue and expenditure accounts that have increased or decreased by substantial amounts.

Account # \_\_\_\_\_ Account Name \_\_\_\_\_

Explanation for Change \_\_\_\_\_

\_\_\_\_\_

#6. Continued

Account # \_\_\_\_\_ Account Name \_\_\_\_\_

Explanation for Change \_\_\_\_\_  
\_\_\_\_\_

Account # \_\_\_\_\_ Account Name \_\_\_\_\_

Explanation for Change \_\_\_\_\_  
\_\_\_\_\_

Account # \_\_\_\_\_ Account Name \_\_\_\_\_

Explanation for Change \_\_\_\_\_  
\_\_\_\_\_

7. Utility customer information.

Customer Category	# of Customers	# of Units Billed
Water Flat Rate	458	460.2
Sewer Flat Rate	466	484.2
Water Metered	217	445.93
Sewer Metered	214	444.93
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

8. Projected number of new customers over the next 2-3 years.

PROJECTED:

Year	Customer Category	# of Customers	# of Units Billed
2020/21	Flat Rate and Metered	6	5.4
2021/22	Flat Rate and Metered	6	5.4
2022/23	Flat Rate and Metered	6	5.4

9. Proposed amortization period to recover any accumulated deficit.

Deficit Amount (\$)	# of Yrs Recovery	Yrly Payment	Int Rate	Yrly Int Pmt	Start Year

Note: The proposed yearly repayment amount(s), including yearly interest, should be included in the projected expenditures in the statement of revenue and expenditures prepared under #5 above.

10. Utility's current rate, proposed rate and proposed effective date.

Current Annual Rate (per Single-Family Dwelling):

Proposed Annual Rate (per Single-Family Dwelling):

Proposed Effective Date:

Utility's Billing Cycle:

11. Information on any prior communication by the Utility to its ratepayers on the proposed rate changes.

The Town of Kensington has passed a motion of council at the July 13, 2020 Council meeting to submit an application to IRAC for a water and sewer rate increase and an article in the Guardian on June 29, 2020.

12. Other information relevant to the rate filing.

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In addition, the following items are attached to, and form part of, this submission:

13. ☒ A copy of the Utility Board's minute(s) giving authorization to prepare the rate application;
14. ☒ A copy of the Bylaw creating the Utility, pursuant to Section 38.1 of the *Municipalities Act*; and
15. ☒ A copy of the Utility's most recent audited financial statements.

**Town of Kensington**  
**2020 - 2025 Proposed 5 year Capital Plan**

Project/Category	Estimated Cost	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>WATER</b>							
<b>Wellfield Systems 4 Log Reduction 1.2%</b>	\$354,870.00	\$354,870.00	\$353,447.68	\$352,025.36	\$350,603.04	\$349,180.72	\$347,758.41
Depreciation		\$4,258.44	\$4,258.44	\$4,258.44	\$4,258.44	\$4,258.44	\$4,258.44
Water Rate Depreciation= cost - funding support(66.6%) X 1.2%	\$1,422.32	\$1,422.32	\$1,422.32	\$1,422.32	\$1,422.32	\$1,422.32	\$1,422.32
<b>Wellfield Security Fencing 5% (Gas tax funding - No Borrowing)</b>	\$20,228.00	\$20,228.00	\$19,890.19	\$19,552.38	\$19,214.58	\$18,876.77	\$18,538.96
Depreciation		\$1,011.40	\$1,011.40	\$1,011.40	\$1,011.40	\$1,011.40	\$1,011.40
Water Rate Depreciation= cost - funding support(66.6%) X 5%	\$337.81	\$337.81	\$337.81	\$337.81	\$337.81	\$337.81	\$337.81
<b>Wellfield Generator 5% ( Municipal Gas tax funding - No Borrowing)</b>	\$38,500.00	\$38,500.00	\$37,857.05	\$37,214.10	\$36,571.15	\$35,928.20	\$35,285.25
Depreciation		\$1,925.00	\$1,925.00	\$1,925.00	\$1,925.00	\$1,925.00	\$1,925.00
Water Rate Depreciation= cost - funding support(66.6%) X 5%	\$642.95	\$642.95	\$642.95	\$642.95	\$642.95	\$642.95	\$642.95
<b>Water Meter Upgrades 5%</b>	\$50,000.00	\$50,000.00	\$49,165.00	\$48,330.00	\$47,495.00	\$46,660.00	\$45,825.00
Depreciation		\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
Water Rate Depreciation= cost - funding support(66.6%) X 5%	\$835.00	\$835.00	\$835.00	\$835.00	\$835.00	\$835.00	\$835.00
<b>Chlorination Building - Window and Door Replacement 5% (No Borrowing)</b>	\$2,000.00	\$2,000.00	\$1,966.60	\$1,933.20	\$1,899.80	\$1,866.40	\$1,833.00
Depreciation		\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Water Rate Depreciation= cost - funding support(66.6%) X 5%	\$33.40	\$33.40	\$33.40	\$33.40	\$33.40	\$33.40	\$33.40
<b>Wellfield Signage 5% (No Borrowing)</b>	\$2,500.00	\$2,500.00	\$2,458.25	\$2,416.50	\$2,374.75	\$2,333.00	\$2,291.25
Depreciation		\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
Water Rate Depreciation= cost - funding support(66.6%) X 5%	\$41.75	\$41.75	\$41.75	\$41.75	\$41.75	\$41.75	\$41.75
<b>Broadway Street South Water Main Extension 1.2%</b>	\$782,000.00		\$782,000.00	\$778,865.74	\$775,731.49	\$772,597.23	\$769,462.98
Depreciation			\$9,384.00	\$9,384.00	\$9,384.00	\$9,384.00	\$9,384.00
Water Rate Depreciation= cost - funding support(66.6%) X 1.2%	\$3,134.26		\$3,134.26	\$3,134.26	\$3,134.26	\$3,134.26	\$3,134.26
<b>Miscellaneous Annual Capital Projects Water 1.2% (No Borrowing)</b>			\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
Depreciation			\$600.00	\$600.00	\$600.00	\$600.00	\$600.00
Water Rate Depreciation (No Funding Support)			\$600.00	\$600.00	\$600.00	\$600.00	\$600.00
<b>Water Depreciation</b>		\$9,919.84	\$19,903.84	\$19,903.84	\$19,903.84	\$19,903.84	\$19,903.84
<b>Water Rate Depreciation allowing for Support Funding</b>		\$3,313.23	\$7,047.48	\$7,047.48	\$7,047.48	\$7,047.48	\$7,047.48
<b>New Loan Amount</b>	\$404,870.00	\$782,000.00					\$1,186,870.00
<b>Loan Balance before 66%</b>	\$404,870.00	\$919,655.80	\$398,029.57	\$382,108.39	\$366,187.20	\$350,266.02	
<b>Less 2/3 funding payments</b>	\$267,214.20	\$516,120.00	\$0.00	\$0.00	\$0.00	\$0.00	\$783,334.20
<b>Less principle payment</b>		\$5,506.23	\$15,921.18	\$15,921.18	\$15,921.18	\$15,921.18	\$15,921.18
<b>Year end Loan Balance</b>	\$137,655.80	\$398,029.57	\$382,108.39	\$366,187.20	\$350,266.02	\$334,344.84	
<b>Annual Interest 3%</b>	\$4,129.67	\$11,940.89	\$11,463.25	\$10,985.62	\$10,507.98	\$10,030.35	
<b>Annual Principle Payment</b>	\$5,506.23	\$15,921.18	\$15,921.18	\$15,921.18	\$15,921.18	\$15,921.18	



**Town of Kensington**  
**2020 - 2025 Proposed 5 year Capital Plan**

Project/Category	Estimated Cost	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>SEWER</b>							
<b>Lagoon Upgrades 1.2%</b>	\$530,800.00	\$530,800.00	\$524,430.40	\$518,060.80	\$511,691.20	\$505,321.60	\$498,952.00
Depreciation		\$6,369.60	\$6,369.60	\$6,369.60	\$6,369.60	\$6,369.60	\$6,369.60
SEWER Rate Depreciation= cost - funding support(66.6%) X 1.2%	\$2,127.45	\$2,127.45	\$2,127.45	\$2,127.45	\$2,127.45	\$2,127.45	\$2,127.45
<b>Aeration Blowers VFD 5%</b>	\$60,000.00	\$60,000.00	\$57,000.00	\$54,000.00	\$51,000.00	\$48,000.00	\$45,000.00
Depreciation		\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
SEWER Rate Depreciation= cost - funding support(66.6%) X 5%	\$1,002.00	\$1,002.00	\$1,002.00	\$1,002.00	\$1,002.00	\$1,002.00	\$1,002.00
<b>Building - Roof and Eavestroughing Replacment 5%</b>	\$10,000.00	\$10,000.00	\$9,500.00	\$9,000.00	\$8,500.00	\$8,000.00	\$7,500.00
Depreciation		\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
SEWER Rate Depreciation= cost - funding support(66.6%) X 5%	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00
<b>Sewer Main Replacement 1.2%</b>	\$500,000.00				\$500,000.00		
Accumulated capital expenditure less depreciation					\$500,000.00	\$494,000.00	\$488,072.00
Depreciation					\$6,000.00	\$5,928.00	\$5,856.86
SEWER Rate Depreciation= cost - funding support(66.6%) X 1.2%					\$2,004.00	\$1,979.95	\$1,979.95
<b>Miscellaneous Annual Capital Projects Sewer 1.2% (No Borrowing)</b>			\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
Depreciation		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Water Rate Depreciation (No Funding Support)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Sewer Depreciation</b>		\$9,869.60	\$9,869.60	\$9,869.60	\$15,869.60	\$15,797.60	\$15,726.46
<b>Sewer Depreciation with funding support allowed</b>		\$3,296.45	\$3,296.45	\$3,296.45	\$5,300.45	\$5,276.40	\$5,276.40
<b>Loan Amount</b>	\$600,800.00				\$500,000.00		\$1,100,800.00
<b>Loan Balance</b>	\$600,800.00	\$204,272.00	\$196,101.12	\$687,930.24	\$349,759.36	\$335,768.99	
<b>Less 2/3 funding payments</b>	\$396,528.00	\$0.00	\$0.00	\$330,000.00	\$0.00	\$0.00	\$726,528.00
<b>Less principle payment</b>		\$8,170.88	\$8,170.88	\$8,170.88	\$13,990.37	\$13,990.37	
<b>Year End Loan Balance</b>	\$204,272.00	\$196,101.12	\$187,930.24	\$349,759.36	\$335,768.99	\$321,778.61	
<b>Annual Interest 3%</b>	\$6,128.16	\$5,883.03	\$5,637.91	\$10,492.78	\$10,073.07	\$9,653.36	
<b>Annual Principle Payment</b>	\$8,170.88	\$8,170.88	\$8,170.88	\$13,990.37	\$13,990.37	\$13,990.37	



## SEWER

Utility Name: Town of Kensington Water and Pollution Control Corporation

## Statement of Revenue and Expenditures (WITHOUT RATE CHANGE)

\$ 680	# of Sewer Customers
\$ 929	# of Prop Units Billed
	# of Feet of Frontage

PER YEAR	Current	Proposed	Diff %	Diff \$
Flat Rate	\$ 354	\$ 354	0	\$ 0.50
Ftg Rate/Ft			#DIV/0!	\$ -

			WITHOUT RATE CHG							
			Actual 2018	Actual 2019/20	Proj 2020/21	Proj 2021/22	Proj 2022/23	Proj 2023/24	Proj 2024/25	Proj 2025/26
REVENUES										
521	Flat Rate Revenues	\$ 393,060	\$ 324,930	\$ 335,166	\$ 336,842	\$ 338,526	\$ 340,219	\$ 341,920	\$ 343,629	
522	Measured Revenues									
523	Revenues from Public Authorities									
525	Interdepartmental Revenues									
530	Frontage Rates									
531	Sale of Sludge									
532	Delayed Payment Charges									
534	Rents from Sewer Property									
536	Other Sewer Revenues									
TOTAL REVENUES		\$ 393,060	\$ 324,930	\$ 335,166	\$ 336,842	\$ 338,526	\$ 340,219	\$ 341,920	\$ 343,629	
EXPENDITURES										
Operating	700 Salaries and Wages – Oper Emp									
	705 Materials and Supplies									
	710 Repairs and Maintenance	52,290	67,872	46,800	47,736	48,691	49,665	50,658	51,671	
	715 Rentals									
	720 Power or Electricity	10,622	16,588	15,600	15,912	16,230	16,555	16,886	17,224	
	725 Chemicals									
		62,912	84,460	62,400	63,648	64,921	66,219	67,544	68,895	
General	750 Salaries and Wages – Admin Emp	187,500	150,000	202,800	206,856	210,993	215,213	219,517	223,908	
	755 Employee Pensions and Benefits			-	-	-	-	-	-	
	760 Office Supplies and Other	2,210	2,160	2,203	2,247	2,292	2,338	2,385	2,432	
	761 Interest and Bank Service Charges	4,693	3,881	3,600	3,672	3,745	3,820	3,897	3,975	
	765 Contractual Services			-	-	-	-	-	-	
	770 Transportation Expenses			-	-	-	-	-	-	
	775 Insurance			-	-	-	-	-	-	
	780 Amortization – Rate Case Expense			-	-	-	-	-	-	
	785 Regulatory Commission Fees			-	-	-	-	-	-	
	790 Miscellaneous Expenses	8,919	6,562	6,420	6,548	6,679	6,813	6,949	7,088	
	795 Bad Debt Expense			-	-	-	-	-	-	
	Honorariums	1,857	575							
	Professional Fees	3,048	3,969	4,000	4,080	4,162	4,245	4,330	4,416	
	Professional Development			-					-	
		208,227	167,147	219,023	223,403	227,871	232,429	237,077	241,819	
Other	902 Small Tools Written Off									
	903 Depreciation Expenses (Sch 9A)	45,937	28,190	31,486	32,086	32,086	34,090	34,066	34,066	
	904 Interest on Long-Term Debt	35,786	22,110	21,600	27,993	27,748	32,603	32,183	31,763	
		81,723	50,300	53,086	60,079	59,834	66,693	66,249	65,829	
TOTAL EXPENDITURES		\$ 352,862	\$ 301,907	\$ 334,509	\$ 347,130	\$ 352,626	\$ 365,341	\$ 370,870	\$ 376,543	
Net Income (Loss) Year		\$ 40,198	\$ 23,023	\$ 657	\$ (10,289)	\$ (14,100)	\$ (25,123)	\$ (28,950)	-\$ 32,913	
Cumulative Surp (Def)		\$ (47,872)	\$ (24,849)	\$ (24,192)	\$ (34,480)	\$ (48,581)	\$ (73,703)	\$ (102,654)	-\$ 135,567	
Conversion to Cash										
Add: Amortization		\$45,937	\$28,190	\$31,486	\$32,086	\$32,086	\$34,090	\$34,066	\$34,066	
Less: Principal Repayments		-\$54,073	-\$43,258	-\$51,429	-\$51,429	-\$51,429	-\$57,249	-\$57,249	-\$57,249	
Net Income (Loss) Year		\$32,062	\$7,955	-\$19,286	-\$29,632	-\$33,443	-\$48,282	-\$52,133	-\$56,096	
Cumulative Surp (Def)			\$40,017	\$20,731	-\$8,900	-\$42,344	-\$90,625	-\$142,759	-\$198,855	



Utility Name:

Town of Kensington Water and Pollution Control Corporation

## Statement of Revenue and Expenditures (WITH RATE CHANGE)

		Current		FORECAST					
680.00	# of Sewer Customers	PER YEAR	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
929.13	# of Prop Units Billed	Flat Rate	\$343.20	\$353.52	\$364.13	\$375.05	\$386.30	\$397.89	\$409.83
	# of Feet of Frontage	Ftg Rate/Ft							
% Rate Change Proposed				3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

		15 mths	12 mths	CURRENT	WITH RATE CHANGE					
		Actual	Actual	BUDGET	Proj	Proj	Proj	Proj	Proj	
		2018	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2024/25	
REVENUES										
521	Flat Rate Revenues	\$ 393,060	\$ 324,930	\$ 335,166	\$ 345,221	\$ 355,578	\$ 366,245	\$ 377,232	\$ 388,549	
522	Measured Revenues									
523	Revenues from Public Authorities									
525	Interdepartmental Revenues									
530	Frontage Rates									
531	Sale of Sludge									
532	Delayed Payment Charges									
534	Rents from Sewer Property									
536	Other Sewer Revenues									
	TOTAL REVENUES	\$ 393,060	\$ 324,930	\$ 335,166	\$ 345,221	\$ 355,578	\$ 366,245	\$ 377,232	\$ 388,549	
EXPENDITURES										
Operating	700	Salaries and Wages – Oper Emp								
	705	Materials and Supplies								
	710	Repairs and Maintenance	52,290	67,872	46,800	47,736	48,691	49,665	50,658	51,671
	715	Rentals								
	720	Power or Electricity	10,622	16,588	15,600	15,912	16,230	16,555	16,886	17,224
	725	Chemicals	62,912	84,460	62,400	63,648	64,921	66,219	67,544	68,895
General	750	Salaries and Wages – Admin Emp	187,500	150,000	202,800	206,856	210,993	215,213	219,517	223,908
	755	Employee Pensions and Benefits			–	–	–	–	–	–
	760	Office Supplies and Other	2,210	2,160	2,203	2,247	2,292	2,338	2,385	2,432
	761	Interest and Bank Service Charges	4,693	3,881	3,600	3,672	3,745	3,820	3,897	3,975
	765	Contractual Services			–	–	–	–	–	–
	770	Transportation Expenses			–	–	–	–	–	–
	775	Insurance			–	–	–	–	–	–
	780	Amortization – Rate Case Expense			–	–	–	–	–	–
	785	Regulatory Commission Fees			–	–	–	–	–	–
	790	Miscellaneous Expenses	8,919	6,562	6,420	6,548	6,679	6,813	6,949	7,088
	795	Bad Debt Expense			–	–	–	–	–	–
Other		Honorariums	1,857	575						
		Professional Fees	3,048	3,969	4,000	4,080	4,162	4,245	4,330	4,416
		Professional Development				–	–	–	–	–
	902	Small Tools Written Off								
	903	Depreciation Expenses (Sch 9A)	45,937	28,190	31,486	31,486	31,486	33,490	33,466	33,466
	904	Interest on Long-Term Debt	35,786	22,110	21,600	27,993	27,748	32,603	32,183	31,763
			81,723	50,300	53,086	59,479	59,234	66,093	65,649	65,230
TOTAL EXPENDITURES		\$ 352,862	\$ 301,907	\$ 334,509	\$ 346,531	\$ 352,027	\$ 364,742	\$ 370,271	\$ 375,943	
Net Income (Loss) Year		\$ 40,198	\$ 23,023	\$ 657	\$ (1,310)	\$ 3,551	\$ 1,503	\$ 6,962	\$ 12,606	
Cumulative Surp (Def)		\$ (47,872)	\$ (24,849)	\$ (24,192)	\$ (25,502)	\$ (21,952)	\$ (20,448)	\$ (13,487)	\$ (881)	
Conversion to Cash										
Add: Amortization		\$45,937	\$28,190	\$38,060	\$38,060	\$38,060	\$44,060	\$43,988	\$43,916	
Less: Principal Repayments		\$54,073	\$43,258	\$51,429	\$51,429	\$51,429	\$57,249	\$57,249	\$57,249	
Net Income (Loss) Year		\$32,062	\$7,955	–\$12,713	–\$14,680	–\$9,819	–\$11,686	–\$6,300	–\$726	
Cumulative Surp (Def)			\$40,017	\$27,304	\$12,624	\$2,806	–\$8,880	–\$15,180	–\$15,906	



Utility Name: Town of Kensington Water and Pollution Control Corporation

## Statement of Revenue and Expenditures (WITHOUT RATE CHANGE)

\$ 675	# of Water Customers
\$ 906	# of Prop Units Billed
	# of Feet of Frontage

PER YEAR	Current	Proposed	Diff %	Diff \$
Flat Rate	\$ 238	\$ 238	0	\$ -
Ftg Rate/Ft			#DIV/0!	\$ -

				WITHOUT RATE CHANGE								
				Actual	Actual	Proj	Proj	Proj	Proj	Proj		
				2018	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	
REVENUES												
460	Unmetered Water Revenues			\$ 203,938	\$ 210,815	\$ 215,913	\$ 226,709	\$ 238,044	\$ 249,946	\$ 262,444	\$ 275,566	
461	Metered Water Revenues					\$ -						
462	Fire Protection Revenues			55,944	55,944	\$ 72,912	\$ 72,912	\$ 72,912	\$ 72,912	\$ 72,912	\$ 72,912	
464	Other Sales to Public Authorities					\$ -						
465	Sales to Irrigation Customers					\$ -						
470	Delayed Payment Charges					\$ -						
471	Miscellaneous Service Revenues					\$ -						
474	Other Water Revenues			2,756	2,582	\$ 2,160	\$ 2,268	\$ 2,381	\$ 2,500	\$ 2,625	\$ 2,757	
TOTAL REVENUES				\$ 262,638	\$ 269,340	\$ 290,985	\$ 301,889	\$ 313,337	\$ 325,359	\$ 337,981	\$ 351,235	
EXPENDITURES												
Operating	600	Salaries and Wages – Oper Emp										
	605	Materials and Supplies										
	610	Repairs and Maintenance			12,428	28,074	10,800	11,016	11,236	11,461	11,690	
	615	Rentals					-	-	-	-	-	
	620	Power or Electricity			20,774	18,948	18,000	18,360	18,727	19,102	19,484	
	625	Chemicals			2,108	1,777	1,800	1,836	1,873	1,910	1,948	
	630	Water Testing and Analysis			7,142	7,511	5,160	5,263	5,368	5,476	5,585	
				42,452	56,310	35,760	36,475	37,205	37,949	38,708	39,482	
General	650	Salaries and Wages – Admin Emp			187,500	150,000	202,800	206,856	210,993	215,213	219,517	223,908
	655	Employee Pensions and Benefits					-	-	-	-	-	-
	660	Office Supplies & Other Office Exp			2,433	1,601	1,633	1,666	1,699	1,733	1,768	
	661	Interest and Bank Service Charges			4,694	3,882	3,540	3,611	3,683	3,757	3,832	
	665	Contractual Services					-	-	-	-	-	
	670	Transportation Expenses					-	-	-	-	-	
	675	Insurance					-	-	-	-	-	
	680	Amortization – Rate Case Expense					-	-	-	-	-	
	685	Regulatory Commission Fees					-	-	-	-	-	
	690	Miscellaneous Expenses			7,586	6,226	6,420	6,548	6,679	6,813	6,949	
	695	Bad Debt Expense					-	-	-	-	-	
				1,857	575	-	-	-	-	-		
				3,048	3,969	4,000	4,080	4,162	4,245	4,330		
						-	-	-	-	-		
				207,118	166,253	218,393	222,761	227,216	231,761	236,396	241,124	
Other	802	Small Tools Written Off										
	803	Depreciation Expenses (Sch 9A)			28,314	22,651	25,964	29,698	29,698	29,698	29,698	
	804	Interest on Long–Term Debt			35,786	30,584	30,000	42,525	42,047	41,570	40,614	
					64,100	53,235	55,964	72,223	71,745	71,268	70,790	
TOTAL EXPENDITURES				\$ 313,670	\$ 275,797	\$ 310,117	\$ 331,459	\$ 336,166	\$ 340,977	\$ 345,894	\$ 350,918	
Net Income (Loss) Year				\$ (51,032)	\$ (6,457)	\$ (19,132)	\$ (29,571)	\$ (22,828)	\$ (15,619)	\$ (7,912)	\$ 317	
Cumulative Surp (Def)				\$ 55,009	\$ 48,552	\$ 29,420	\$ (151)	\$ (22,979)	\$ (38,598)	\$ (46,510)	\$ (46,194)	

## Conversion to Cash

Add: Amortization	\$28,314	\$22,651	\$25,964	\$29,698	\$29,698	\$29,698	\$29,698	\$29,698
Less: Principal Repayments	-\$54,073	-\$42,258	-\$47,764	-\$58,179	-\$58,179	-\$58,179	-\$58,179	-\$58,179
Net Income (Loss) Year	-\$76,791	-\$26,064	-\$40,932	-\$58,052	-\$51,309	-\$44,100	-\$36,393	-\$28,164
Cumulative Surp (Def)		-\$102,855	-\$143,787	-\$201,839	-\$253,148	-\$297,248	-\$333,641	-\$361,806



Utility Name:

Town of Kensington Water and Pollution Control Corporation

WATER

## Statement of Revenue and Expenditures (WITH RATE CHANGE)

## Statement of Revenue and Expenditures (WITH RATE CHANGE)

675.00	# of Water Customers
906.13	# of Prop Units Billed
	# of Feet of Frontage

PER YEAR	FORECAST					
	2019/20	Current	2021/22	2022/23	2023/24	2024/25
	\$ 234.60	\$ 238.08	\$ 252.36	\$ 267.51	\$ 283.56	\$ 300.57
Ftg Rate/Ft						
	1.50%	6.00%	6.00%	6.00%	6.00%	6.00%

		15 mths	12 mths	12 mths	WITH RATE CHANGE				
		Actual 2018	Actual 2019/20	Budget 2020/21	Proj 2021/22	Proj 2022/23	Proj 2023/24	Proj 2024/25	Proj 2024/25
REVENUES									
460	Unmetered Water Revenues	\$ 203,938	\$ 210,815	\$ 215,913	\$ 228,868	\$ 242,600	\$ 257,156	\$ 272,585	\$ 288,940
461	Metered Water Revenues			\$ -					
462	Fire Protection Revenues	55,944	55,944	\$ 72,912	\$ 72,912	\$ 72,912	\$ 72,912	\$ 72,912	\$ 72,912
464	Other Sales to Public Authorities			\$ -					
465	Sales to Irrigation Customers			\$ -					
470	Delayed Payment Charges			\$ -					
471	Miscellaneous Service Revenues			\$ -					
474	Other Water Revenues	2,756	2,582	\$ 2,160	\$ 2,268	\$ 2,381	\$ 2,500	\$ 2,625	\$ 2,757
TOTAL REVENUES		\$ 262,638	\$ 269,341	\$ 290,985	\$ 304,048	\$ 317,893	\$ 332,568	\$ 348,123	\$ 364,609
EXPENDITURES									
Operating	600 Salaries and Wages - Oper Emp								
	605 Materials and Supplies								
	610 Repairs and Maintenance	12,428	28,074	10,800	11,016	11,236	11,461	11,690	11,924
	615 Rentals			-	-	-	-	-	-
	620 Power or Electricity	20,774	18,948	18,000	18,360	18,727	19,102	19,484	19,873
	625 Chemicals	2,108	1,777	1,800	1,836	1,873	1,910	1,948	1,987
	630 Water Testing and Analysis	7,142	7,511	5,160	5,263	5,368	5,476	5,585	5,697
		42,452	56,310	35,760	36,475	37,205	37,949	38,708	39,482
General	650 Salaries and Wages - Admin Emp	187,500	150,000	202,800	206,856	210,993	215,213	219,517	223,908
	655 Employee Pensions and Benefits			-	-	-	-	-	-
	660 Office Supplies & Other Office Exp	2,433	1,601	1,633	1,666	1,699	1,733	1,768	1,803
	661 Interest and Bank Service Charges	4,694	3,882	3,540	3,611	3,683	3,757	3,832	3,908
	665 Contractual Services			-	-	-	-	-	-
	670 Transportation Expenses			-	-	-	-	-	-
	675 Insurance			-	-	-	-	-	-
	680 Amortization - Rate Case Expense			-	-	-	-	-	-
	685 Regulatory Commission Fees			-	-	-	-	-	-
	690 Miscellaneous Expenses	7,586	6,226	6,420	6,548	6,679	6,813	6,949	7,088
	695 Bad Debt Expense			-	-	-	-	-	-
		1,857	575						
		3,048	3,969	4,000	4,080	4,162	4,245	4,330	4,416
					-	-	-	-	-
		207,118	166,253	218,393	222,761	227,216	231,760	236,396	241,124
Other	802 Small Tools Written Off								
	803 Depreciation Expenses (Sch 9A)	28,314	22,651	25,964	29,698	29,698	29,698	29,698	29,698
	804 Interest on Long-Term Debt	35,786	30,584	30,000	42,525	42,047	41,570	41,092	40,614
		64,100	53,235	55,964	72,223	71,746	71,268	70,790	70,313
TOTAL EXPENDITURES		\$ 313,670	\$ 275,798	\$ 310,117	\$ 331,459	\$ 336,167	\$ 340,977	\$ 345,894	\$ 350,918
Net Income (Loss) Year		\$ (51,032)	\$ (6,457)	\$ (19,132)	\$ (27,412)	\$ (18,273)	\$ (8,409)	\$ 2,229	\$ 13,691
Cumulative Surp (Def)		\$ 55,009	\$ 48,552	\$ 29,420	\$ 2,008	\$ (16,265)	\$ (24,674)	\$ (22,445)	\$ (8,754)

## Conversion to Cash

Add: Amortization	\$28,314	\$22,651	\$32,571	\$42,555	\$42,555	\$42,555	\$42,555	\$42,555
Principal Repayments	\$54,073	\$42,258	\$47,764	\$58,179	\$58,179	\$58,179	\$58,179	\$58,179
Net Income (Loss) Year	-\$76,791	-\$26,064	-\$34,326	-\$43,036	-\$33,898	-\$24,034	-\$13,396	-\$1,934
Cumulative Surp (Def)	#####	-\$137,181	-\$180,217	-\$214,115	-\$238,148	-\$251,544	-\$253,478	

**Town of Kensington  
Minutes of Regular Council Meeting  
Monday, July 13, 2020  
7:00 PM**

**Council Members Present:** Mayor Rowan Caseley; Councillors: Toombs, Bernard, Spencer and Mann

**Staff Members Present:** Chief Administrative Officer, Geoff Baker; Deputy Chief Administrative Officer, Wendy MacKinnon; Administrative Assistant, Kim Caseley; Police Chief, Lewie Sutherland

**Regrets:** Deputy Mayor Pickering  
Councillor Gallant

**Visitors:** Alison Jenkins – Journal Pioneer

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**1. Calling of Meeting to Order**

1.1 Mayor Caseley called the meeting to order at 7:00 PM and welcomed Council members, staff and visitors to the July meeting of Kensington Town Council.

**2. Approval of Tentative Agenda**

2.1 *Moved by Councillor Toombs, seconded by Councillor Bernard to approve the tentative agenda for the July 13, 2020 regular meeting of Town Council. Unanimously carried.*

**3. Declaration of Conflict of Interest**

3.1 Councillor Spencer declared a conflict with item 8.1.2 – Town Hall Window Replacement.

**4. Delegations / Presentations**

4.1 *Nil.*

**5. Approval of Minutes of Previous Meeting**

5.1 *Moved by Councillor Spencer, seconded by Councillor Bernard to approve the minutes from the June 8, 2020 regular meeting of Town Council. Unanimously carried.*

**6. Business Arising from Minutes**

**6.1 June 8, 2020 Regular Meeting**

6.1.1 Mr. Baker confirmed that a second quote was received for the replacement of the paver stones at the Town Hall and the contract was awarded.

## **7. Reports**

### **7.1 Chief Administrative Officer Report**

**7.1.1** *Moved by Councillor Toombs, seconded by Councillor Spencer to adopt the July 2020 CAO Report as prepared by CAO, Geoff Baker. Unanimously carried.*

**7.1.2** Councillor Spencer requested that the installation of gravel/stone in the basement of the Train Station be completed. Mr. Baker will request quotes to have a contractor complete this project. Mayor Caseley noted that with the recent upgrades to the facility, it is anticipated that the basement will be dryer.

**7.1.3** Councillor Toombs inquired if there was a start date for the Victoria Street W sidewalk replacement. Mr. Baker confirmed that the recent update from the Province indicates a start time of September.

### **7.2 Fire Department Statistical Report**

**7.2.1** *Moved by Councillor Bernard, seconded by Councillor Spencer to approve the May 2020 Fire Statistical report as prepared by Fire Chief, Rodney Hickey. Unanimously carried.*

### **7.3 Police Department Statistical Report**

**7.3.1** *Moved by Councillor Toombs, seconded by Councillor Bernard to approve the May 2020 Police Statistical Report as prepared by Chief Sutherland. Unanimously carried.*

### **7.4 Development Permit Summary Report**

**7.4.1** *Moved by Councillor Spencer, seconded by Councillor Toombs to approve the July 2020 Development Permit Summary Report. Unanimously carried.*

### **7.5 Bills List**

**7.5.1** *Moved by Councillor Mann, seconded by Councillor Spencer to approve the May 2020 Bills in the amount of \$204,685.87. Unanimously carried.*

### **7.6 Summary Income Statement**

**7.6.1** *Moved by Councillor Toombs, seconded by Councillor Mann to approve the Summary Income Statement for the month of May 2020. Unanimously carried.*

### **7.7 Credit Union Centre Report**

**7.7.1** *Moved by Councillor Spencer, seconded by Councillor Bernard to approve the Credit Union Centre report for the month of May 2020. Unanimously carried.*

**7.7.2** Councillor Spencer noted that the stairwell into the Fitplex is dark and

recommended that additional light be installed.

## **7.8 Mayor's Report**

**7.8.1** *Moved by Councillor Spencer seconded by Councillor Toombs to approve the Mayors report for the month of July 2020 as presented by Mayor Caseley. Unanimously carried.*

**7.8.2** Mayor Caseley discussed the installation of signage at the location of the new Kensington Business Park. Staff will have signage installed to advise the public that the Business Park project is proceeding.

**7.8.3** Council discussed the relocation of the commercial garbage dumpsters at the Kensington Railyards.

*Moved by Councillor Spencer, seconded by Councillor Mann to relocate the commercial garbage dumpsters at the Kensington Railyards to the grassed area behind the freight shed. Unanimously carried.*

**7.8.4** Mayor and Council discussed the future planning and possibility of the installation of water meters for all customers, including residential areas. Councillor Mann suggested that a starting point could be to install meters in new builds. Future discussion will be held on this issue.

## **7.9 Federation of PEI Municipalities (FPEIM) Report**

**7.9.1** Details regarding the semi-annual meeting are still to be determined.

**7.9.2** FPEIM is working on details for their annual meeting with Minister Fox.

## **7.10 Heart of the Island Initiative (STEP) Report**

**7.10.1** *Nil*

## **7.11 Kensington Area Chamber of Commerce (KACC) Report**

**7.11.1** Kris Diane has joined the Chamber of Commerce as a summer student.

## **7.12 PEI 55 Plus Games**

**7.12.1** *Nil.*

## **8. New Business**

### **8.1 Request for Decisions**

#### **8.1.1 Proposed Water and Sewer Rate Increase - 2021-2025**

**8.1.1.1** *Moved by Councillor Spencer, seconded by Councillor Bernard*

***BE IT RESOLVED THAT Kensington Town Council authorize staff***



*to proceed with the submittal of an application to the Island Regulatory and Appeals Commission for a 5-year incremental water and sewer rate increase as follows:*

<b>Date</b>	<b>Sewer Service (Monthly Rate)</b>	<b>Water Service (Monthly Rate)</b>	<b>Combined Service (Monthly Rate)</b>
<i>Current</i>	\$29.46	\$19.84	<b>\$49.30</b>
Jan 1, 2021	\$30.34	\$21.03	<b>\$51.37</b>
Jan 1, 2022	\$31.25	\$22.29	<b>\$53.54</b>
Jan 1, 2023	\$32.19	\$23.63	<b>\$55.82</b>
Jan 1, 2024	\$33.16	\$25.05	<b>\$58.21</b>
Jan 1, 2025	\$34.15	\$26.55	<b>\$60.70</b>

*Unanimously carried.*

*Councillor Spencer declared a conflict and excused himself from the Council Chamber at 7:36 pm.*

#### **8.1.2 Town Hall Window Replacement**

##### **8.1.2.1 Moved by Councillor Bernard, seconded by Councillor Toombs**

***BE IT RESOLVED THAT Town Council award a contract for the Town Hall Window Replacement project to Kent Building Supplies as per their quote in the amount of \$14,203.37 including HST.***

*Unanimously carried.*

*Councillor Spencer returned to the Council Chamber at 7:38 pm.*

#### **8.1.3 New Deal for Cities and Communities (Gas Tax) Funds Re-Profiling**

##### **8.1.3.1 Moved by Councillor Toombs, seconded by Councillor Spencer**

***BE IT RESOLVED THAT Town Council authorize the CAO to proceed with re-profiling funds within the Town's Capital Investment Plan as follows:***

- Train Station/Boardwalk Upgrades and Replacement budget increased to \$302,130.85.***
- Barrett Street/Broadway Street Sidewalk Replacement budget decreased by \$18,500.00.***

- *Playground Equipment renamed to “Parks and Recreation Improvements – Various” with a budget decrease of \$15,310.86.*
- *Removal of the Wellfield Security Fencing project.*
- *Wellfield Emergency Back-up Power budget increased by \$4,000.00.*

*Unanimously carried.*

#### **8.1.4 Train Station Mechanical Upgrades**

##### **8.1.4.1 Moved by Councillor Bernard, seconded by Councillor Toombs**

*BE IT RESOLVED THAT Town Council award a contract to Capital T Electric to complete the Mechanical Upgrades Project at the Kensington Train Station as per their tender dated July 9, 2020 in the amount of \$18,500.00 plus HST.*

*Unanimously carried.*

#### **8.1.5 Railyards Boardwalk Replacement/Gazebo Upgrades**

##### **8.1.5.1 Moved by Councillor Toombs, seconded by Councillor Mann**

*BE IT RESOLVED THAT Kensington Town Council award a contract to Carpenters 2018 Inc. to complete the Train Station/Railyards Upgrades and Replacement project to facilitate the replacement of the remainder of the boardwalk and upgrades to the Gazebo, as per their tender dated July 9, 2020 in the amount of \$64,620.85 plus HST.*

*Unanimously carried.*

*CAO, Geoff Baker declared a conflict and excused himself from the Council Chamber at 7:52 pm.*

*Councillor Bernard excused herself from the Council Meeting at 7:56 pm.*

##### **8.1.5.2 Council discussed a request from Go!Fish Eatery to extend the boardwalk along the east side of their building and the Schurman Centennial Gazebo.**

*Moved by Councillor Spencer, seconded by Councillor Toombs to extend the boardwalk along the east side of the Go!Fish Eatery (James Mullally Blacksmith Shop) and the Schurman Centennial Gazebo.*

*0 for 3 against – Motion defeated.*

*CAO, Geoff Baker returned to the Council Chamber at 7:58 pm.*

#### **8.1.6 2020 Annual Sidewalk Maintenance**

**8.1.6.1 Moved by Councillor Mann, seconded by Councillor Toombs**

***BE IT RESOLVED THAT Town Council award a contract to Owen MacDonald Construction for the Town's Annual 2020 Sidewalk Maintenance as per their quote dated June 26, 2020 in the amount of \$29,300.00 plus HST.***

***Unanimously carried.***

**8.2 2020/21 Draft Audited Financial Statements**

**8.2.1 Moved by Councillor Toombs, seconded by Councillor Mann to approve the 2019/2020 Audited Financial Statements as prepared by Arsenault Best Cameron Ellis Chartered Accountants. Unanimously carried.**

**8.3 Other Matters**

**8.3.1** Council discussed the possibility of holding a modified Harvest Festival parade in August. Staff were directed to consult with the Provincial Department of Health and other local festivals.

**8.3.2** Mayor Caseley congratulated the 2020 Youth of the Year, Lauren Ferguson and Citizen of the Year, Marlene Turner. They were presented their awards at the Canada Day Celebration on July 1.

**8.3.3** Councillor Spencer requested that staff look at tidying the North side of the Train Station. Mr. Baker suggested that the Town consult with the operators of the Island Stone Pub to determine the best solution.

**8.3.4** Councillor Spencer inquired about the installation of No Parking signage along Pleasant Street; Mayor Caseley will speak with Chief Sutherland and report to Council.

**8.3.5** Councillor Spencer requested that the trees at the corner of North St. & School Street be trimmed; Mr. Baker will follow up.

**9. Correspondence**

**9.1** A copy of the Commons Debates for the late Gerald McCarville, from Hon. Wayne Easter.

**9.2** A donation request from the PEI Humane Society in leu of their Annual Golf Tournament.

***Moved by Councillor Toombs, seconded by Councillor Mann to donate \$100.00 to the PEI Humane Society. Unanimously carried.***

**9.3** An email from the PEI United Way with information on their "211 PEI" service. Staff will contact them to obtain promotional materials.

- 9.4 An email from Saltscapes Lifestyle magazine with information to advertise in their August/September issue. *No action.*
- 9.5 A thank you email from Kids Help Phone for the Towns recent donation.
- 9.6 A letter from Choose Happiness Yoga with information on their new business opening on July 2, located at 61 Broadway Street N.
- 9.7 An update from the Kensington Senior Surfers.

10. **In-Camera**

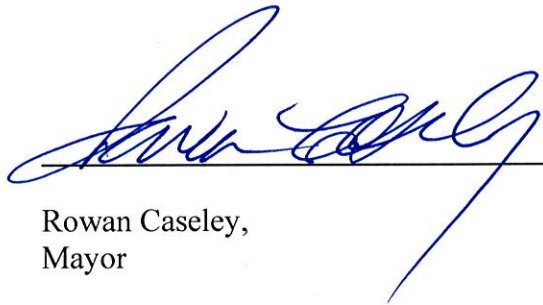
10.1 *Nil*

11. **Adjournment**

*Moved by Councillor Toombs, seconded by Councillor Spencer to adjourn the meeting at 8:19 PM. Unanimously carried.*

A handwritten signature in blue ink, appearing to be 'GB', written over a horizontal line.

Geoff Baker,  
CAO

A handwritten signature in blue ink, appearing to be 'Rowan Caseley', written over a horizontal line.

Rowan Caseley,  
Mayor

A BY-LAW TO ESTABLISH

THE TOWN OF KENSINGTON WATER AND POLLUTION CONTROL CORPORATION

WHEREAS the Council of the Town of Kensington has determined that it will provide, pursuant to clause 31 (g) and (k) of the Municipalities Act, R.S. P.E.I. 1974, Cap. M 15, 2, as amended, sewage collection and treatment and water distribution and purification.

THEREFORE pursuant to Section 38.1 of the Municipalities Act,

BE IT ENACTED by Council as follows:

THE TOWN OF KENSINGTON

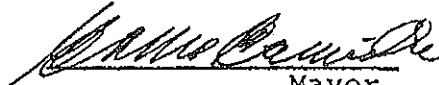
WATER AND POLLUTION CONTROL CORPORATION BY-LAW

1. This by-law may be cited as the Town of Kensington Water and Sewerage Utility By-law,
2. In this by-law:
  - (a) "Council" means the Council of the Town of Kensington;
  - (b) "Corporation" means the Town of Kensington Water and Pollution Control Corporation established herein;
  - (c) "Customer" means a person, firm or corporation who or which requests or is supplied with water and sewerage service at a specific location or locations;
  - (d) "Director" means a director of the corporation and includes the chairman;
  - (e) "Municipality" means the municipality of the Town of Kensington.
3. This by-law applies to the establishment and operation of a municipal sewage collection and treatment and water distribution and purification corporation for the Town of Kensington.
4.
  - (1) There is hereby established the Town of Kensington Water and Pollution Control Corporation.
  - (2) The Corporation shall be composed of a Board of Directors comprised of four or more members appointed from Council by the Mayor.
  - (3) One of the Directors shall be appointed by the Council as its "Chairman."

- (4) The Directors of the Corporation shall have terms of office during good behaviour the same as their Council term at the time of their appointment, but may be removed at any time by the Mayor.
  - (5) The Directors of the Corporation shall receive such remuneration as may be determined by the Council.
  - (6) At meetings of the corporation, three directors constitute a quorum over which the Chairman, if present, shall preside, and in the absence of the Chairman, one of the other Directors appointed by the Chairman may preside.
  - (7) Decisions of the Board of Directors shall be determined by the majority vote.
  - (8) In the case of equal division of opinion of the Directors, the matter shall be referred to the Council, whose decision is binding on the Corporation.
  - (9) The Chairman is the Chief Executive Officer of the Corporation and has supervision over and direction of the work and the staff of the Corporation.
5. The Corporation shall have the following functions:
- (a) Constructing, altering, extending, managing and controlling a system for providing the service of water and sewerage to the residents of the Municipality and, with the approval of Council, residents of areas adjacent to the municipality;
  - (b) Acquiring, alienating, holding and disposing of real or personal property;
  - (c) Engaging and paying personnel;
  - (d) Financing, with the approval of Council, any of its undertakings; and
  - (e) Assessing, charging and collecting rates and charges for services provided to any customer.
6. The Corporation shall levy such user rates or frontage charges as may be approved by the Island Regulatory and Appeals Board.
7. The Corporation shall maintain its accounts separate from the accounts of the Council or the Municipality.

8. The fiscal year of the Corporation shall be from 1 January to 31 December.
9. The Directors of the Corporation and any person acting on their instructions or authority are not personally liable for any loss or damage suffered by any person by reason of any act done by any of them in good faith in the exercise or purported exercise of the powers conferred under this by-law.
10. This by-law comes into force on the 20th day of January, 1992.

TOWN OF KENSINGTON

  
Mayor

  
Town Clerk

First Reading - January 13, 1992

Second Reading and Proclaimed Law in the  
Town of Kensington, January 20, 1992





**Charlottetown**

**Prince Edward Island**

## **ANNUAL REPORT**

**- OF -**

**Town of Kensington - Water and Sewerage Corporation**

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**FOR THE YEAR ENDED**

**MARCH 31, 2020**

Information on this Form is collected pursuant to the *Water & Sewerage Act* and will be used by the Commission in the administration of the said *Act*. For additional information, contact the Commission at 902-892-3501 or by email at [info@irac.pe.ca](mailto:info@irac.pe.ca).

**MUNICIPALITY OF Town of Kensington - Water and Sewerage Corpora**

**REPORT TO THE ISLAND REGULATORY AND APPEALS COMMISSION**

**OF PRINCE EDWARD ISLAND**

**FOR THE YEAR ENDED MARCH 31, 2020**

**GENERAL INSTRUCTIONS**

- All questions and financial statements which form part of this report must be completed. Explanations must be provided if information is not given.
- Each municipality/utility should make its report out in duplicate, keeping one copy for reference purposes in case correspondence with regard to this report becomes necessary.
- A copy of the municipality's annual audited financial statement for the last fiscal period should accompany this report.
- This report must be completed and mailed in order to arrive at the Commission not later than the 30th of June.

- For accounting instructions and account codes, refer to the Commission's Accounting Manual - *Uniform System of Accounts for Municipal Utilities 1998* or *Quick Reference Guide* under Accounting Information for Utilities at: <http://www.irac.pe.ca/utilities/>.

**MUNICIPALITY OF Town of Kensington - Water and Sewerage Corpora**  
**REPORT TO THE ISLAND REGULATORY AND APPEALS COMMISSION**  
**OF PRINCE EDWARD ISLAND**  
**FOR THE YEAR ENDED MARCH 31, 2020**

***Schedule 1***

**UTILITY INFORMATION**

Chairman of Sewer and/or Water Committee: Mr. Rowan Caseley

CAO/Administrator: Mr. Geoffrey Baker

Office Tel Number: 902-836-3781 Office Fax Number: 902-836-3741

Office Address: 55 Victoria Street, Kensington, PE

Office Hours: Mon to Fri 8:30am - 4:30pm Email: [mail@townofkensington.com](mailto:mail@townofkensington.com)

Name of Person Making this Report: \_\_\_\_\_

\_\_\_\_\_  
Signature

***Schedule 2***

**MODIFICATIONS AND EXTENSIONS**

Briefly outline all modifications and extensions carried out during the year including number of feet of sewer line and water mains laid (excluding service connections).

None

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

***Schedule 3***

**CUSTOMERS**

Number of Customers	<u>Sewer</u> <u>466</u>	<u>Water</u> <u>458</u>
Number of Proportionate Units Billed	<u>484.2</u>	<u>460.2</u>
Number of Metered Customers/Proportionate Units	<u>214</u>	<u>217</u>
Number of Feet on Which Frontage Rates are Charged	<u>N/A</u>	

**Schedule 4 - Sewer**MUNICIPALITY OF Town of Kensington - Water and Sewerage Corporati**STATEMENT OF REVENUE AND EXPENDITURES - SEWER  
YEAR ENDED MARCH 31, 2020****Operating**

## Revenues

521	Flat Rate Revenues	\$	324,930	
522	Measured Revenues			
523	Revenues from Public Authorities			
525	Interdepartmental Revenues			
530	Frontage Rates			
531	Sale of Sludge			
532	Delayed Payment Charges			
534	Rents from Sewer Property			
536	Other Sewer Revenues			
				<u>\$ 324,930</u>

## Operating Expenses

700	Salaries and Wages - Operational Employees	575		
705	Materials and Supplies			
710	Repairs and Maintenance	68,514		
715	Rentals			
720	Power or Electricity	16,588		
725	Chemicals			
				<u>85,677</u>

## General Expenses

750	Salaries and Wages - Administrative Employees			
755	Employee Pensions and Benefits			
760	Office Supplies and Other Office Expenses	2,160		
761	Interest and Bank Service Charges	3,881		
765	Contractual Services	4,710		
770	Transportation Expenses			
775	Insurance			
780	Amortization - Rate Case Expense			
785	Regulatory Commission Fees			
790	Miscellaneous Expenses	5,180		
795	Bad Debt Expense			
				<u>15,931</u>

## Allocations from other departments

	Allocation from Town Centre			
	Allocation from General Government	75,600		
	Allocation from Public Works	74,400		
				<u>150,000</u>

Operating Income (Loss) 73,323

**Non-Operating Income and Expenses**

902	Small Tools Written Off During the Year			
903	Depreciation Expenses - Schedule 9A	31,101		
904	Interest on Long-Term Debt	22,110		
				<u>53,211</u>

Other Income (See Guide)

Net Income (Loss) \$ 20,112Surplus (Deficit) January 1 (5,702)Surplus (Deficit) December 31 \$ 14,410

**Schedule 4 - Water****MUNICIPALITY OF Town of Kensington - Water and Sewerage Corporat****STATEMENT OF REVENUE AND EXPENDITURES - WATER  
YEAR ENDED MARCH 31, 2020****Operating**

## Revenues

460	Unmetered Water Revenues	\$	210,815	
461	Metered Water Revenues			
462	Fire Protection Revenues			
464	Other Sales to Public Authorities			
465	Sales to Irrigation Customers			
470	Delayed Payment Charges			
471	Miscellaneous Service Revenues			
474	Other Water Revenues		<u>2,582</u>	<u>\$ 213,396</u>

## Operating Expenses

600	Salaries and Wages - Operational Employees		575	
605	Materials and Supplies			
610	Repairs and Maintenance		28,074	
615	Rentals			
620	Power or Electricity		18,949	
625	Chemicals			
630	Water Testing and Analysis		<u>9,288</u>	<u>56,885</u>

## General Expenses

650	Salaries and Wages - Administrative Employees			
655	Employee Pensions and Benefits			
660	Office Supplies and Other Office Expenses		1,601	
661	Interest and Bank Service Charges		3,882	
665	Contractual Services		3,969	
670	Transportation Expenses			
675	Insurance			
680	Amortization - Rate Case Expense			
685	Regulatory Commission Fees			
690	Miscellaneous Expenses		6,226	
695	Bad Debt Expense			<u>15,678</u>

## Allocations from other departments

	Allocation from Town Centre			
	Allocation from General Government		75,600	
	Allocation from Public Works		<u>74,400</u>	<u>150,000</u>

Operating Income (Loss) (9,167)

**Non-Operating Income and Expenses**

802	Small Tools Written Off During the Year			
803	Depreciation Expenses - Schedule 9A		2,374	
804	Interest on Long-Term Debt		<u>30,584</u>	<u>32,958</u>

## Other Income (See Guide)

Net Income (Loss) \$ (42,125)

Surplus (Deficit) January 1 (29,402)

Surplus (Deficit) December 31 \$ (71,527)

**ACCOUNTS RECEIVABLE DATA**  
**YEAR ENDED MARCH 31, 2020**

**Schedule 7**

**MUNICIPALITY OF Town of Kensington - Water and Sewerage Corporation**

**SEWER AND/OR WATER REVENUE FUND  
BALANCE SHEET  
YEAR ENDED MARCH 31, 2020**

**ASSETS**

Cash		\$	2,270
Investments (temporary)			
Customer accounts receivable - arrears, Schedule 6	\$	46,736	
Less: Allowance for uncollectable accounts			46,736
Other accounts receivable			22,276
Due from other funds (specify)			238,765
Plant materials and supplies			
Prepaid expenses			6,362
Deferred charges			
Other assets (specify)			
		\$	<u>316,409</u>

**LIABILITIES AND SURPLUS**

Bank loans and overdrafts		\$	50
Accounts payable			28,193
Accrued liabilities			
Due to other funds (specify)			345,282
Other liabilities			
	Subtotal		<u>373,525</u>
Surplus (Deficit)			<u>(57,116)</u>
		\$	<u>316,409</u>



**Schedule 8**

MUNICIPALITY OF Town of Kensington - Water and Sewerage Corpora

**SEWER AND/OR WATER CAPITAL AND LOAN FUND  
BALANCE SHEET**

**YEAR ENDED MARCH 31, 2020**

**ASSETS**

Cash		\$	
Due from other funds (specify)			
Other (specify)			
	Subtotal		<u>-</u>
Sewer system - undepreciated cost - Schedule 9A			2,026,027
Water system - undepreciated cost - Schedule 9A			<u>2,448,930</u>
	Subtotal		<u>4,474,957</u>
		\$	<u><u>4,474,957</u></u>

**LIABILITIES AND CONTRIBUTIONS IN AID OF CONSTRUCTION**

Long-term debt - Schedule 10		\$	1,434,733
Bank loans			
Accounts payable			
Due to other funds (specify)			<u>238,765</u>
	Subtotal		<u>1,673,498</u>
Sewer system - contributions in aid of construction - Schedule 9B			1,299,601
Water system - contributions in aid of construction - Schedule 9B			<u>1,501,858</u>
	Subtotal		<u>2,801,459</u>
		\$	<u><u>4,474,957</u></u>

## Schedule 9A - Sewer

**Municipality of**

**of Kensington - Water and Sewerage Corporation**

**Sewer and/or Water Capital and Loan Fund**

**Analysis of Sewer System**

**Schedule of Depreciation**

**Year Ended March 31, 2020**

	1	2	3	4	5	6	7	8	9	10
				(1 + 2 - 3)		(4 x 5)			(6 + 7 - 8)	(4 - 9)
	Cost			Cost	Depreciation		Depreciation	Deductions	Depreciation	Undepreciated
	January 1	Additions	Deductions	December 31	Rate	Depreciation	Reserve	to	Reserve	Cost
	January 1	Additions	Deductions	December 31	Rate	Depreciation	January 1	Reserve	December 31	December 31

Collection Plant

					%					
353 Land and Land Rights	\$ 1,293			\$ 1,293		\$ -			\$ -	\$ 1,293
354 Structures and Improvements	231,214	7,160		238,374	1.2	2,860	54,443		57,304	181,070
360 Collection Sewers, Force, Gravity and Special	1,542,302	7,753		1,550,055	1.2	18,650	329,489		348,139	1,201,916
389 Other Miscellaneous Equipment				-		-			-	-
Other (Specify)				-		-			-	-

System Pumping Plant

353 Land and Land Rights				-		-			-	-
354 Structures and Improvements	609,814			609,814	1.2	7,318	90,634		97,952	511,862
371 Pumping Equipment	22,171			22,171	5.0	1,110	19,130		20,239	1,932
389 Other Miscellaneous Equipment	118,703			118,703	5.0	5,422	100,300		105,722	12,981
Other (Specify)				-		-			-	-

Treatment and Disposal Plant

380 Treatment and Disposal Equipment	574,166			574,166	5.0	28,708	465,980		494,689	79,477
381 Plant Sewers	66,513			66,513	5.0	3,326	57,373		60,699	5,814
382 Outfall Sewer Lines	14,508			14,508	1.2	174	10,467		10,641	3,867
389 Other Miscellaneous Equipment				-		-			-	-
Other (Specify)				-		-			-	-

General Plant

390 Office Furniture and Equipment				-	10.0	-			-	-
391 Transportation Equipment				-	20.0	-			-	-
392 Stores Equipment				-	20.0	-			-	-
393 Tools, Shop and Garage Equipment	35,286			35,286	12.0	349	9,123		9,472	25,814
Other (Specify)				-		-			-	-

Totals

\$ 3,215,970	\$ 14,913	\$ -	\$ 3,230,883			\$ 67,917	\$ 1,136,939	\$ -	\$ 1,204,856	\$ 2,026,027
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Less: Amortization - Contributions in Aid of Construction

(Taken from Column 6 of Schedule 9B - Sewer) 36,815

Net Depreciation Line 903 \$ 31,101

## Schedule 9B - Sewer

Municipality of

of Kensington - Water and Sewerage Corporal  
Sewer and/or Water Capital and Loan Fund

Analysis of Sewer System

Contributions in Aid of Construction

Year Ended March 31, 2020

	1	2	3	4	5	6	7	8	9	10
				(1 + 2 - 3)		(4 x 5)			(6 + 7 - 8)	(4 - 9)
	Contributions			Contributions	Amortization		Amortization	Deductions	Amortization	Net
	January 1	Additions	Deductions	December 31	Rate	Amortization	Reserve	to	Reserve	Contributions
	January 1	Additions	Deductions	December 31	Rate	Amortization	January 1	Reserve	December 31	December 31
<u>Collection Plant</u>										
				%						
353 Land and Land Rights				\$ -		\$ -			\$ -	\$ -
354 Structures and Improvements	144,158	5,251		149,409	1.2	1,793	29,253		31,046	118,363
360 Collection Sewers, Force, Gravity and Special	764,651			764,651	1.2	9,176	144,625		153,801	610,850
389 Other Miscellaneous Equipment				-		-			-	-
Other (Specify)				-		-			-	-
<u>System Pumping Plant</u>										
353 Land and Land Rights				-		-			-	-
354 Structures and Improvements	576,066			576,066	1.2	6,913	71,528		78,441	497,625
371 Pumping Equipment	15,169			15,169	5.0	758	9,430		10,188	4,981
389 Other Miscellaneous Equipment	-			-		-	-		-	-
Other (Specify)	69,401			69,401		-	43,168		43,168	26,233
<u>Treatment and Disposal Plant</u>										
380 Treatment and Disposal Equipment	352,586			352,586	5.0	17,629	299,694		317,324	35,262
381 Plant Sewers	45,509			45,509	1.2	546	38,676		39,223	6,286
382 Outfall Sewer Lines				-	1.2	-			-	-
389 Other Miscellaneous Equipment				-		-			-	-
Other (Specify)				-		-			-	-
<u>General Plant</u>										
390 Office Furniture and Equipment				-	10.0	-			-	-
391 Transportation Equipment				-	20.0	-			-	-
392 Stores Equipment				-	20.0	-			-	-
393 Tools, Shop and Garage Equipment				-	20.0	-			-	-
Other (Specify)				-		-			-	-
Totals	\$ 1,967,540	\$ 5,251	\$ -	\$ 1,972,791		\$ 36,815	\$ 636,374	\$ -	\$ 673,189	\$ 1,299,601

Schedule 9A - Sewer

## Schedule 9A - Water

Municipality of  
 i of Kensington - Water and Sewerage Corporal  
 Sewer and/or Water Capital and Loan Fund  
 Analysis of Water System  
 Schedule of Depreciation  
 Year Ended March 31, 2020

	1	2	3	4	5	6	7	8	9	10
				(1 + 2 - 3)		(4 x 5)			(6 + 7 - 8)	(4 - 9)
	Cost	Additions	Deductions	Cost	Depreciation	Depreciation	Depreciation	Deductions	Depreciation	Undepreciated
	January 1			December 31	Rate		Reserve	to	Reserve	Cost
							January 1	Reserve	December 31	December 31
<u>Source of Supply Plant</u>	%									
303 Land and Land Rights	\$ 2,336			\$ 2,336		\$ -			\$ -	\$ 2,336
304 Structures and Improvements	-			-	1.2	-			-	-
305 Collecting & Impounding Reservoirs	262,909			262,909	1.2	3,141	66,902		70,043	192,866
307 Wells and Springs	235,641			235,641	1.2	2,828	38,683		41,510	194,131
309 Supply Mains				-	1.2	-			-	-
Other (Specify)				-		-			-	-
<u>Pumping Plant</u>										
303 Land and Land Rights				-	1.2	-			-	-
304 Structures and Improvements	8,540			8,540	1.2	125	1,273		1,399	7,141
311 Pumping Equipment	33,335			33,335	5.0	1,667	22,248		23,915	9,420
Other (Specify)				-		-			-	-
<u>Water Treatment Plant</u>										
320 Water Treatment Equipment				-	5.0	-			-	-
Other				-		-			-	-
<u>Transmission and Distribution Plant</u>										
303 Land and Land Rights				-		-			-	-
331 Transmission & Distribution Mains	2,747,924	19,640		2,767,564	1.2	33,208	705,780		738,988	2,028,576
333 Services	7,077			7,077	2.0	143	5,194		5,336	1,741
334 Meters & Meter Installations	-			-	5.0	-	-		-	-
335 Hydrants	13,973			13,973	2.0	279	4,242		4,522	9,451
Other (Specify)				-		-			-	-
<u>General Plant</u>										
340 Office Furniture and Equipment				-	10.0	-			-	-
341 Transportation Equipment				-	20.0	-			-	-
342 Stores Equipment				-	20.0	-			-	-
343 Tools, Shop and Garage Equipment	25,428			25,428	20.0	1,983	20,177		22,160	3,268
347 Miscellaneous Equipment				-		-			-	-
348 Other Tangible Property				-		-			-	-
Other (Specify)				-		-			-	-
Totals	\$ 3,337,163	\$ 19,640	\$ -	\$ 3,356,803		\$ 43,374	\$ 864,499	\$ -	\$ 907,873	\$ 2,448,930

Less: Amortization - Contributions in Aid of Construction  
 (Taken from Column 6 of Schedule 9B - Water)

40,999

Net Depreciation

Line 803

\$ 2,374

## Schedule 9B - Water

**Municipality of**  
**City of Kensington - Water and Sewerage Corporation**  
**Sewer and/or Water Capital and Loan Fund**  
**Analysis of Water System**  
**Contributions in Aid of Construction**  
**Year Ended March 31, 2020**

	1	2	3	4	5	6	7	8	9	10
				(1 + 2 - 3)		(4 x 5)			(6 + 7 - 8)	(4 - 9)
	Contributions	Additions	Deductions	Contributions	Amortization	Amortization	Amortization	Deductions	Amortization	Net
	January 1			December 31	Rate		Reserve	to	Reserve	Contributions
							January 1	Reserve	December 31	December 31
<b>Source of Supply Plant</b>	%									
303 Land and Land Rights	\$ 1,558			\$ 1,558		\$ -			\$ -	\$ 1,558
304 Structures and Improvements	-			-	1.2	-			-	-
305 Collecting & Impounding Reservoirs	33,333			33,333	1.2	400	8,400		8,800	24,533
307 Wells and Springs	129,234			129,234	1.2	1,551	20,693		22,244	106,990
309 Supply Mains				-	1.2	-			-	-
Other (Specify)				-		-			-	-
<b>Pumping Plant</b>										
303 Land and Land Rights				-		-			-	-
304 Structures and Improvements	4,425			4,425	1.2	53	742		795	3,630
311 Pumping Equipment	18,184			18,184	5.0	909	12,726		13,635	4,549
Other (Specify)				-		-			-	-
<b>Water Treatment Plant</b>										
320 Water Treatment Equipment				-	5.0	-			-	-
Other				-		-			-	-
<b>Transmission and Distribution Plant</b>										
303 Land and Land Rights				-		-			-	-
331 Transmission & Distribution Mains				-	1.2	-			-	-
333 Services	1,889,902	14,401		1,904,303	2.0	38,086	505,619		543,705	1,360,598
334 Meters & Meter Installations				-	5.0	-			-	-
335 Hydrants				-	2.0	-			-	-
Other (Specify)				-		-			-	-
<b>General Plant</b>										
340 Office Furniture and Equipment				-	10.0	-			-	-
341 Transportation Equipment				-	20.0	-			-	-
342 Stores Equipment				-	20.0	-			-	-
343 Tools, Shop and Garage Equipment				-	20.0	-			-	-
347 Miscellaneous Equipment				-		-			-	-
348 Other Tangible Property				-		-			-	-
Other (Specify)				-		-			-	-
<b>Totals</b>	<b>\$ 2,076,636</b>	<b>\$ 14,401</b>	<b>\$ -</b>	<b>\$ 2,091,037</b>		<b>\$ 40,999</b>	<b>\$ 548,180</b>	<b>\$ -</b>	<b>\$ 589,179</b>	<b>\$ 1,501,858</b>

Schedule 9A - Water

**Schedule 10**

MUNICIPALITY OF Town of Kensington - Water and Sewerage Corporation

**SEWER AND/OR WATER CAPITAL AND LOAN FUND  
ANALYSIS OF LONG-TERM DEBT  
YEAR ENDED MARCH 31, 2020**

Description of Each Loan or Debenture Issue	Outstanding January 1	Add New Debt Incurred	Subtotal	Deduct Repayments	Outstanding December 31
<b><u>Water &amp; Sewer</u></b>					
1			\$ -		\$ -
			-		-
			-		-
			-		-
			-		-
	1,521,249		1,521,249	86,517	1,434,733
<b>COMBINED TOTALS</b>	<b>\$ 1,521,249</b>	<b>\$ -</b>	<b>\$ 1,521,249</b>	<b>\$ 86,517</b>	<b>\$ 1,434,733</b>

## **SANITARY SEWER SYSTEMS**

	<b>Rate of Straight Line Depreciation</b>
<b>COLLECTION PLANT</b>	
Structures & Improvements	1.20
Sanitary Laterals	1.20
Sewer Mains	1.20
<b>SYSTEM PUMPING PLANT</b>	
Structures & Improvements	1.20
Pumping Equipment	5.00
<b>TREATMENT PLANT</b>	
Lift Equipment	5.00
Pump Equipment	5.00
Outfalls	1.20
<b>GENERAL PLANT</b>	
Office Furniture & Equipment	10.00
Informations Systems	20.00
Transportation	20.00
Tools & Shop	20.00



## **WATER SYSTEMS**

	<b>Rate of Straight Line Depreciation</b>
<b>SOURCE OF SUPPLY PLANT</b>	
Structures & Improvements	1.20
Collecting & Impounding Reservoirs	1.20
Wells & Springs	1.20
Supply Mains	1.20
<b>PUMPING PLANT</b>	
Structures & Improvements	1.20
Electrical Pumping Equipment	5.00
Diesel Pumping Equipment	5.00
<b>WATER TREATMENT PLANT</b>	
Equipment	5.00
<b>TRANSMISSION AND DISTRIBUTION PLANT</b>	
Structures & Improvements	1.20
Transmission Mains	1.20
Distribution Mains	1.20
Services	2.00
Meters	5.00
Hydrants	2.00
Storage Reservoir	1.20
<b>GENERAL PLANT</b>	
Office Furniture & Equipment	10.00
Informations Systems	20.00
Transportation	20.00
Tools & Shop	20.00

# **Town of Kensington**

**Consolidated Financial Statements**  
**March 31, 2020**

## Management's Report

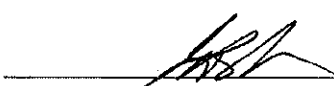
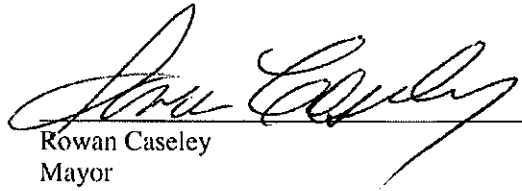
The integrity, relevance and comparability of the data in the accompanying consolidated financial statements are the responsibility of management.

The consolidated financial statements are prepared by management in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is disclosed in note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current period cannot be finalized with a certainty until future periods.

To meet its responsibility, 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 consolidated financial statements. These systems are monitored and evaluated by management.

The Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Council. The Council reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Council also discusses any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by ArsenaultBestCameronEllis, independent external auditors appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

  
\_\_\_\_\_  
Geoff Baker  
Chief Administrative Officer  
\_\_\_\_\_  
Rowan Caseley  
Mayor

July 13, 2020

**Independent Auditor's Report**

**To His Worship the Mayor and the Members of the Council of the Town of Kensington**

***Opinion***

We have audited the accompanying financial statements of Town of Kensington, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of accumulated surplus, operations, changes in net debt 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 Town of Kensington as at March 31, 2020, and the results of its operations 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 Town of Kensington 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 Town of Kensington'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 Town of Kensington or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Town of Kensington'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 Town of Kensington'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 Town of Kensington'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 Town of Kensington 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.

*Arsenault Best Cameron Ellis*

**Chartered Professional Accountants**

# Town of Kensington

## Consolidated Statement of Financial Position As at March 31, 2020

	2020 \$	2019 \$
<b>Assets</b>		
<b>Financial assets</b>		
Cash	233,575	246,110
Accounts receivable	379,595	281,139
Government contributions receivable (note 3)	19,652	-
Inventory	8,498	8,214
Restricted cash - infrastructure funding (note 3a)	387,347	190,673
<b>Total financial assets</b>	<b>1,028,667</b>	<b>726,136</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 6)	266,154	229,256
Deferred revenue (note 3)	418,675	190,673
Long-term debt (note 4)	3,071,858	2,869,052
<b>Total liabilities</b>	<b>3,756,687</b>	<b>3,288,981</b>
<b>Net debt</b>	<b>(2,728,020)</b>	<b>(2,562,845)</b>
<b>Non-financial assets</b>		
Prepaid expenses	66,206	67,032
Tangible capital assets (Schedule 2)	8,536,822	7,990,178
	<b>8,603,028</b>	<b>8,057,210</b>
<b>Accumulated surplus (note 5)</b>	<b>5,875,008</b>	<b>5,494,365</b>

On behalf of the Council

  
Mayor

  
Councilor

## **Town of Kensington**

### **Consolidated Statement of Accumulated Surplus For the year ended March 31, 2020**

	<b>(12 months) 2020 \$</b>	<b>(15 months) 2019 \$</b>
<b>Accumulated surplus - Beginning of year</b>	5,494,365	5,385,854
<b>Annual surplus</b>	380,643	108,511
<b>Accumulated surplus - End of year</b>	<u>5,875,008</u>	<u>5,494,365</u>

# Town of Kensington

## Consolidated Statement of Operations

For the year ended March 31, 2020

	(12 months) 2020 Budget (unaudited) \$	(12 months) 2020 Actual \$	(15 months) 2019 Actual \$
<b>Revenue (Schedule 1)</b>			
Property taxes (note 7)	610,502	608,300	743,374
Government transfer			
Municipal Support Grant Program	202,762	204,383	249,462
Equalization	253,380	253,388	283,540
Fire dues	207,384	208,145	259,205
Credit Union Centre	397,700	368,929	484,426
Rental	96,656	95,638	120,574
Sale of services (note 9)	444,000	461,918	526,532
Police fines	36,000	22,033	29,916
Other revenue	62,940	116,385	90,073
Water & Sewer utility	537,135	538,327	655,698
Gain on disposal of tangible capital assets	-	750	27,239
	<u>2,848,459</u>	<u>2,878,196</u>	<u>3,470,039</u>
<b>Expenses (Schedule 1)</b>			
General government	645,065	513,969	579,197
Protective - police	458,961	499,037	661,272
- fire	249,264	234,544	291,385
Sale of services	190,071	194,870	248,474
Transportation & Public Works	205,465	218,769	247,738
Credit Union Centre	397,408	404,474	491,688
Parks and recreation	107,725	108,903	126,147
Water & Sewer utility	590,480	638,150	730,868
	<u>2,844,439</u>	<u>2,812,716</u>	<u>3,376,769</u>
	<u>4,020</u>	<u>65,480</u>	<u>93,270</u>
<b>Other revenue</b>			
Infrastructure funding - water and sewer	-	19,652	-
Infrastructure funding - general	452,000	147,217	6,143
Municipal Capital Expenditures Grant - reimbursement	-	70,294	9,098
Other funding - fire equipment	-	78,000	-
	<u>452,000</u>	<u>315,163</u>	<u>15,241</u>
<b>Annual surplus</b>	<u>456,020</u>	<u>380,643</u>	<u>108,511</u>



# Town of Kensington

## Consolidated Statement of Changes in Net Debt For the year ended March 31, 2020

	(12 months) 2020 Budget (Unaudited) \$	(12 months) 2020 Actual \$	(15 months) 2019 Actual \$
<b>Annual surplus</b>	456,020	380,643	108,511
Amortization of tangible capital assets - net	375,108	411,657	485,757
Acquisition of tangible capital assets - net	(892,600)	(963,551)	(258,443)
Proceeds on disposal of tangible capital assets	-	6,000	27,239
Gain on disposal of tangible capital assets	-	(750)	(27,239)
Change in prepaid expenses - general	-	(6,808)	(46,683)
Change in prepaid expenses - water and sewer	-	7,634	8,906
	(517,492)	(545,818)	189,537
<b>Decrease (increase) in net debt</b>	(61,472)	(165,175)	298,048
<b>Net debt - Beginning of period</b>	(2,562,845)	(2,562,845)	(2,860,893)
<b>Net debt - End of period</b>	(2,624,317)	(2,728,020)	(2,562,845)

# Town of Kensington

## Consolidated Statement of Cash Flows

For the year ended March 31, 2020

	(12 months) 2020 \$	(15 months) 2019 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Annual surplus	380,643	108,511
Items not affecting cash		
Amortization	411,657	485,757
Gain on sale of tangible capital assets	(750)	(27,239)
	<u>791,550</u>	<u>567,029</u>
Net change in non-cash working capital items		
Decrease (increase) in accounts receivable	(98,456)	18,472
Increase in government contributions receivable	(19,652)	-
Increase in inventory	(284)	(1,702)
Increase in accounts payable and accrued liabilities	36,898	65,899
Increase in deferred revenue	228,002	129,554
Decrease (increase) in prepaid expenses	826	(37,777)
	<u>938,884</u>	<u>741,475</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(963,551)	(258,443)
Proceeds on disposal of tangible capital assets	6,000	27,239
	<u>(957,551)</u>	<u>(231,204)</u>
<b>Financing activities</b>		
Issuance of long-term debt	500,946	-
Debt repayment	(298,140)	(299,372)
Change in restricted cash - infrastructure funding	(196,674)	(156,839)
	<u>6,132</u>	<u>(456,211)</u>
<b>Increase (decrease) in cash</b>	<u>(12,535)</u>	<u>54,060</u>
<b>Cash - Beginning of year</b>	<u>246,110</u>	<u>192,050</u>
<b>Cash - End of year</b>	<u>233,575</u>	<u>246,110</u>

# Town of Kensington

Notes to Consolidated Financial Statements  
March 31, 2020

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## 1 Summary of significant accounting policies

The consolidated financial statements of Town of Kensington are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

### a) Basis of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and surplus/deficit of the reporting entity. The reporting entity is comprised of all organizations and committees that are accountable to the Town for administration of their financial affairs and resources, and which are owned or controlled by the Town. Interdepartmental and organizational transactions and balances are eliminated.

### b) Consolidated entities

The organizations included in the consolidated financial statements are as follows:

Town of Kensington  
The Town of Kensington Water and Pollution Control Corporation

On January 1, 2018, the Town of Kensington changed its fiscal year-end from December 31 to March 31, beginning with the March 31, 2019 reporting period.

### c) Basis of accounting

The consolidated 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 receipt of goods or services and/or the creation of a legal obligation to pay.

### d) Cash

Cash includes cash on hand and balances with banks.

### e) Restricted cash

Restricted cash is cash required to be maintained in a separate bank account and is to be used for a specific purpose.

### f) 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 normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the consolidated change in net debt for the year.

# **Town of Kensington**

## **Notes to Consolidated Financial Statements**

**March 31, 2020**

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**g) Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

**h) Management estimates**

The presentation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Significant estimates, which include employee benefit liabilities and the estimated useful life of tangible capital assets, are based on management's best information and judgment. Actual results could differ from those reported.

**h) Revenue recognition**

(i) Tax revenue consists of property tax billings which are received directly from the Province of Prince Edward Island. Taxes are billed based on the assessment rolls provided by the Province of Prince Edward Island at rates established by the Town. Taxation revenue is recorded as it is received in monthly installments from the Province of Prince Edward Island. Assessments and the related property taxes are subject to appeal to the Province of Prince Edward by residents. The Town's revenue is adjusted for any of these appeals using a yearly statement.

(ii) All other revenue is recorded when it is earned and collection is reasonably assured.

**i) Government transfers**

Revenue from governments without eligibility criteria or stipulations is recognized as revenue by the Town when the transfer is authorized. Revenue with eligibility criteria is recognized as revenue by the Town when the transfer is authorized and all eligibility criteria have been met, unless there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met. Revenue with stipulations is recognized as revenue by the Town when the transfer is authorized and all stipulations have been met.

Transfers to other organizations are recognized as an expense when they are authorized.

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2020

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### j) Fair value of financial instruments

#### (i) Measurement of financial instruments

Town of Kensington's financial instruments consist of cash, accounts receivable, government contributions receivable - infrastructure funding, restricted cash - infrastructure funding, accounts payable and accrued liabilities and long-term debt.

The Town initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. This fair value amount is then deemed to be the amortized cost of the financial instrument.

The Town subsequently measures all its financial assets and financial liabilities at amortized cost.

#### (ii) Impairment

For financial assets measured at cost or amortized cost, the Town determines whether there are indications of possible impairment. When there is an indication of impairment, and the Town determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in annual surplus. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in annual surplus.

#### (c) Risks

Transacting in financial instruments exposes the Town to certain financial risks and uncertainties. These risks include:

- i) **Interest rate risk:** The Town is exposed to interest rate risk due to the variable rate interest on their long-term debt and operating line of credit. Changes in the bank lending rates can cause fluctuations in cash flows and interest expense. The Town does not use any derivatives to manage this risk. The Town does not have any bank advances at year end.
- ii) **Credit risk:** The Town is exposed to credit risk in connection with the collection of its accounts receivable. The Town mitigates this risk by performing continuous evaluation of its accounts receivables.
- iii) **Liquidity risk:** The Town's exposure to liquidity risk is dependent on the collection of accounts receivable or raising of funds to meet commitments and sustain operations. The Town controls liquidity risk by management of working capital, cash flows and availability of borrowing facilities.

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2020

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### k) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost is amortized on a straight-line basis over the estimated useful life as follows:

Sewer system and lagoon	1.2%
Water system	1.2%
Utility vehicle	20.0%
Sewer equipment	20.0%
Water equipment	20.0%
Buildings	2.5%
Fire vehicles	6.67%
Vehicles	20.0%
Electronic equipment	25.0%
Equipment and signs	10.0%
Streets and sidewalks	6.67%
Wind turbine	5.0%

Full amount of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

All costs associated with placing an asset in service, including freight, installation costs, site preparation costs, alterations and professional fees are included in the capitalized value.

## 2 Bank indebtedness

The Town has authorized operating lines of credit of \$150,000 and \$20,000 bearing interest at prime less 0.50% and prime plus 1.00%, respectively, for the general account.

The Town also has an authorized operating line of credit of \$75,000 bearing interest at prime less 0.50% for the water and sewer corporation.

The balances of these accounts at March 31, 2020 were nil (2019 - nil).

The Town has provided a borrowing resolution, as required by the bank.

At March 31, 2020, prime rate was 2.45%.

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2020

### 3 Deferred revenue

	Infrastructure funding \$	ICIP \$	Other funding \$	2020 Total \$	2019 Total \$
Deferred revenue - Beginning of year	190,673	-	-	190,673	33,834
Government contributions received or receivable	296,198	19,652	73,627	389,477	163,082
Other funding received:					
Interest income	5,394	-	-	5,394	-
Eligible expenditures incurred	(104,918)	(19,652)	(42,299)	(166,869)	(6,243)
Deferred revenue - End of year	387,347	-	31,328	418,675	190,673

The Town has received funds which are restricted for expenditure on eligible projects. The following are a list of the outstanding agreements:

- a) Agreement on the Transfer of Federal Gas Tax Revenues (Infrastructure funding)  
Through the New Deal for Cities and Communities and the Municipal Strategic Component Project, the Town will prepare, for approval by the government regulating body, a Capital Investment Plan which details expenditures for approved projects. The funding for this agreement is maintained in a separate bank account.
- a) Investing in Canada Infrastructure Program (ICIP)  
Through two separate agreements signed in July 2019 and August 2019, respectively, the Town will receive partial funding to help cover expenditures on upgrades to their lagoon and well field.
- c) Other funding  
Through a Community Revitalization Program Funding (CRPF) Agreement signed in September 2019, the Town received funding from the Province of Prince Edward Island to help cover expenditures on a specific project.

The Town also received a grant from the Province of Prince Edward Island for supplying and installing PROs mobile computers in Police cars, e-ticketing software and printers.

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2020

### 4 Long-term debt

	2020 \$	2019 \$
<b>The Town of Kensington</b>		
Prime less 0.30% term loan, Bank of Nova Scotia, maturing in 2021, amortized to 2029, repayable in monthly principal installments of \$2,287 plus interest, obtained to finance a fire hall. As security, the Town has provided a borrowing resolution.	235,552	262,995
Prime less 0.30% term loan, Bank of Nova Scotia, maturing in 2021, amortized to 2029, repayable in monthly principal installments of \$11,859 plus interest, obtained to fund general capital expenditures under the operating fund of previous years. As security, the Town has provided a borrowing resolution.	785,422	927,735
Prime less 0.30% term loan, Bank of Nova Scotia, maturing in 2025, amortized to 2040, repayable in monthly principal installments of \$1,011 plus interest, obtained to fund the purchase of a firetruck for the fire department. As security, the Town has provided a borrowing resolution.	49,500	-
Prime less 0.30% term loan, Bank of Nova Scotia, maturing in 2025, amortized to 2040, repayable in monthly principal installments of \$187 plus interest, obtained to fund the purchase of a firetruck for the fire department. As security, the Town has provided a borrowing resolution.	32,000	-
Prime less 0.30% term loan, Bank of Nova Scotia, maturing in 2025, amortized to 2045, repayable in monthly principal installments of \$1,867 plus interest, obtained to fund general construction of a new business park. As security, the Town has provided a borrowing resolution.	406,479	-
3.89% term loan, Credit Union, maturing in 2022, amortized to 2028, repayable in monthly principal installments of \$1,700 plus interest. As security, the Town has provided a promissory note.	59,209	76,937
3.69% term loan, Credit Union, maturing in 2021, amortized to 2026, repayable in annual installments of \$14,000 including principle and interest. As security, the Town has provided a promissory note.	68,963	80,136
	<u>1,637,125</u>	<u>1,347,803</u>
<b>The Town of Kensington Water and Pollution Control Corporation</b>		
Prime less 0.30% term loan, Bank of Nova Scotia, maturing in 2021, amortized to 2036, repayable in monthly principal installments of \$7,210 plus interest, obtained to finance capital expenditures under the Utility Fund of previous years. As security, the Town has provided a borrowing resolution.	1,434,733	1,521,249
	<u>3,071,858</u>	<u>2,869,052</u>



# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2020

Principal repayments in each of the next five years are due as follows:

	General \$	Fire Department \$	Water & Sewerage \$	Total \$
2021	897,185	249,935	1,434,733	2,581,853
2022	61,209	14,383	-	75,592
2023	22,400	14,383	-	36,783
2024	22,400	14,383	-	36,783
2025	316,879	23,968	-	340,847
	<u>1,320,073</u>	<u>317,052</u>	<u>1,434,733</u>	<u>3,071,858</u>

Bank of Nova Scotia prime rate at March 31, 2020 was 2.45% (March 31, 2019 - 3.95%).

### 5 Accumulated surplus

	2020 \$	2019 \$
<b>Municipal position</b>		
Operating funds	6,075,528	5,653,733
Water & Sewer utility funds	(57,116)	(35,104)
Reserve fund - Fire department	313,520	242,681
Reserve fund - Credit Union Centre	(456,924)	(366,945)
	<u>5,875,008</u>	<u>5,494,365</u>
 Reserve fund - Fire department		
Balance - Beginning of year	242,681	220,316
Changes during the year	70,839	22,365
	<u>313,520</u>	<u>242,681</u>
 Reserve fund - Credit Union Centre		
Balance - Beginning of year	(366,945)	(304,947)
Changes during the year	(89,979)	(61,998)
	<u>(456,924)</u>	<u>(366,945)</u>

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2020

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### 6 Other employment benefits

#### Accumulated sick leave

Full time employees accumulate sick leave at the rate of 1.25 days per month. For service prior to January 1, 2013 employees are entitled to carry forward any unused portion of earned sick leave. At March 31, 2020, the recorded liability for unused sick leave, that is required to be paid out upon severance or retirement, amounted to \$86,556 (March 31, 2019 - \$93,250) and is included in accounts payable and accrued liabilities. No actuarial valuation has been performed pertaining to this liability. Effective January 1, 2013, the policy changed to provide for an annual payout of the sick leave.

#### Accumulated vacation

Full time employees accumulate vacation at the following rates: 0.83 days per month for 1-3 years of service; 1.25 days per month for 3-5 years of service; 1.67 days per month for greater than 5 years of service; and 2.08 days per month for greater than 10 years of service. In the event the employee does not use all earned vacation in a given year, the unused portion can be carried forward to a maximum of 10 days. As of March 31, 2020, the liability for unused vacation amounted to \$23,250 (March 31, 2019 - \$21,012) and is included in accounts payable and accrued liabilities.

#### RRSP matching

The Town matches employees' RRSP contributions to a maximum of 5% of their wages. The total expense for the Town's portion of the RRSP matching is as follows:

	(12 months) 2020 \$	(15 months) 2019 \$
RRSP payments expensed	23,557	29,272

### 7 Property taxes

	(12 months) 2020 \$	(15 months) 2019 \$
Commercial property tax	164,962	204,044
Non-commercial property tax	443,338	539,330
	608,300	743,374

### 8 Rate regulation

The Town is subject to rate regulation on the sewerage and water utility provided to residents in Prince Edward Island under the Island Regulatory Appeals Commission Act. The purpose of this Act, which is administered by the Island Regulatory and Appeals Commission (IRAC), is to regulate the rate municipalities may charge for sewerage and water utility provided to residents within Prince Edward Island and to ensure at all times a just and reasonable price for sewerage and water services. Changes in sewerage and water utility rates can only be implemented with the approval from IRAC.

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2020

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### 9 Contractual agreement

The Town has entered into an agreement to provide employment security-related services for a private company until 2021. During the year, the Town earned \$461,918 (March 31, 2019 - \$526,532) of revenue from this contract.

### 10 Segment disclosure

The Town is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes the Town's operations and activities are organized and reported by segment. Segments were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Town services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

#### General government services

This department is responsible for the overall financial and local government administration. Its tasks include accounts payable and receivables, budgets and financial statements, administration and maintenance of bylaws.

#### Police services

This department is responsible for police protection for its residents.

#### Fire services

This department is responsible for fire protection for its residents and surrounding areas.

#### Sale of services

This department is responsible for management of a contract to provide employment security-related services for a private company.

#### Transportation services and public works

This department is responsible for the maintenance of specialized roads within its jurisdiction.

#### Parks and recreation services

This department is responsible for promoting and offering recreation opportunities and activities to the Town's residents.

#### Credit Union Centre

This department is responsible for maintenance and operations of the rink, Fitplex, ball fields, and coordinating special events.

#### Water and sewer utility

This department is responsible for the maintenance and operations of water and sewer services provided to residents and other customers.

Internally generated revenues and expenses are eliminated on a consolidated basis.

# Town of Kensington

## Consolidated Schedule of Segment Disclosures

For the year ended March 31, 2020

### Schedule 1

	General Government \$	Police \$	Fire \$	Sales of Services \$	Transportation & Public Works \$	Parks & Recreation \$	Credit Union Centre \$	Total General \$	Water and Sewer Utility \$	Elimination \$	(12 months) 2020 Consolidated \$
<b>Revenues</b>											
Property taxes	608,300	-	-	-	-	-	-	608,300	-	-	608,300
Government transfer											
Municipal Support											
Grant Program	204,383	-	-	-	-	-	-	204,383	-	-	204,383
Equalization	253,388	-	-	-	-	-	-	253,388	-	-	253,388
Fire dues	-	-	250,025	-	-	-	-	250,025	-	(41,880)	208,145
Community Gardens											
Complex	-	-	-	-	-	-	378,929	378,929	-	(10,000)	368,929
Rental	95,638	-	-	-	-	-	-	95,638	-	-	95,638
Sales of services	-	-	-	461,918	-	-	-	461,918	-	-	461,918
Police fines	-	22,033	-	-	-	-	-	22,033	-	-	22,033
Other revenue	109,990	-	-	-	-	6,395	-	116,385	-	-	116,385
Water & Sewer utility	-	-	-	-	-	-	-	-	594,271	(55,944)	538,327
Gain on disposal of tangible capital assets	750	-	-	-	-	-	-	750	-	-	750
	1,272,449	22,033	250,025	461,918	-	6,395	378,929	2,391,749	594,271	(107,824)	2,878,196
<b>Expenditures</b>											
Salaries and benefits (note 6)	79,150	376,662	42,000	192,331	26,925	16,850	155,620	889,538	300,000	-	1,189,538
Goods and services	463,894	101,202	100,580	2,539	90,482	56,659	202,538	1,017,894	174,171	(107,824)	1,084,241
Amortization	46,418	20,315	83,018	-	98,515	13,607	38,499	300,372	111,285	-	411,657
Interest	32,331	858	8,946	-	2,847	624	7,817	53,423	52,694	-	106,117
Other	-	-	-	-	-	21,163	-	21,163	-	-	21,163
	621,793	499,037	234,544	194,870	218,769	108,903	404,474	2,282,390	638,150	(107,824)	2,812,716
	650,656	(477,004)	15,481	267,048	(218,769)	(102,508)	(25,545)	109,359	(43,879)	-	65,480

# Town of Kensington

## Consolidated Schedule of Segment Disclosures

For the 15-month period ended March 31, 2019

### Schedule 1

	General Government \$	Police \$	Fire \$	Sales of Services \$	Transportation & Public Works \$	Parks & Recreation \$	Credit Union Centre \$	Total General \$	Water and Sewer Utility \$	Elimination \$	(15 months) 2019 Consolidated \$
<b>Revenues</b>											
Property taxes	743,374	-	-	-	-	-	-	743,374	-	-	743,374
Government transfer											
Municipal Support											
Grant Program	249,462	-	-	-	-	-	-	249,462	-	-	249,462
Equalization	283,540	-	-	-	-	-	-	283,540	-	-	283,540
Fire dues	-	-	311,555	-	-	-	-	311,555	-	(52,350)	259,205
Community Gardens											
Complex	-	-	-	-	-	-	506,426	506,426	-	(22,000)	484,426
Rental	120,574	-	-	-	-	-	-	120,574	-	-	120,574
Sales of services	-	-	-	526,532	-	-	-	526,532	-	-	526,532
Police fines	-	29,916	-	-	-	-	-	29,916	-	-	29,916
Other revenue	85,188	-	-	-	-	4,885	-	90,073	-	-	90,073
Water & Sewer utility	-	-	-	-	-	-	-	-	725,628	(69,930)	655,698
Gain on disposal of tangible capital assets	27,239	-	-	-	-	-	-	27,239	-	-	27,239
	1,509,377	29,916	311,555	526,532	-	4,885	506,426	2,888,691	725,628	(144,280)	3,470,039
<b>Expenditures</b>											
Salaries and benefits (note 6)	118,443	526,312	52,500	245,017	7,952	15,309	186,342	1,151,875	375,000	-	1,526,875
Goods and services	509,133	112,781	131,022	3,457	110,965	80,697	256,818	1,204,873	145,709	(144,280)	1,206,302
Amortization	55,944	20,878	95,073	-	124,506	11,133	39,637	347,171	138,587	-	485,758
Interest	39,957	1,301	12,790	-	4,315	946	8,891	68,200	71,572	-	139,772
Other	-	-	-	-	-	18,062	-	18,062	-	-	18,062
	723,477	661,272	291,385	248,474	247,738	126,147	491,688	2,790,181	730,868	(144,280)	3,376,769
	785,900	(631,356)	20,170	278,058	(247,738)	(121,262)	14,738	98,510	(5,240)	-	93,270

# Town of Kensington

## Schedule of Tangible Capital Assets

For the year ended March 31, 2020

## Schedule 2

	Cost 2020				Accumulated amortization 2020				2020
	Beginning \$	Additions \$	Disposals/ Transfers \$	Ending \$	Beginning \$	Amortization \$	Disposals/ Transfers \$	Ending \$	Net book value \$
Land, buildings and wind turbine	3,400,653	635,512	-	4,036,165	1,593,046	56,480	-	1,649,526	2,386,639
Streets and sidewalks	1,593,826	-	-	1,593,826	652,598	60,780	-	713,378	880,448
Vehicles	187,131	22,438	7,000	202,569	150,865	17,486	1,750	166,601	35,968
Fire vehicles	829,406	171,181	-	1,000,587	656,122	47,612	-	703,734	296,853
Equipment and signs	1,585,125	99,867	-	1,684,992	1,101,392	118,014	-	1,219,406	465,586
Water & sewer systems and equipment	6,549,504	34,553	-	6,584,057	2,001,444	111,285	-	2,112,729	4,471,328
	14,145,645	963,551	7,000	15,102,196	6,155,467	411,657	1,750	6,565,374	8,536,822

# Town of Kensington

## Schedule of Tangible Capital Assets

For the 15-month period ended March 31, 2019

Schedule 2

	Cost 2019				Accumulated amortization 2019				2019
	Beginning \$	Additions \$	Disposals/ Transfers \$	Ending \$	Beginning \$	Amortization \$	Disposals/ Transfers \$	Ending \$	Net book Value \$
Land, buildings and wind turbine	3,375,429	25,224	-	3,400,653	1,518,253	74,793	-	1,593,046	1,807,607
Streets and sidewalks	1,575,489	18,337	-	1,593,826	576,691	75,907	-	652,598	941,228
Vehicles	176,483	38,273	27,625	187,131	157,136	21,354	27,625	150,865	36,266
Fire vehicles	829,406	-	-	829,406	605,265	50,857	-	656,122	173,284
Equipment and signs	1,422,653	162,472	-	1,585,125	977,133	124,259	-	1,101,392	483,733
Water & sewer systems and equipment	6,535,367	14,137	-	6,549,504	1,862,857	138,587	-	2,001,444	4,548,060
	13,914,827	258,443	27,625	14,145,645	5,697,335	485,757	27,625	6,155,467	7,990,178