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July 15, 2024

Mr. Sam Clow,

The Island Regulatory & Appeals Commission

5th Floor, Suite 501

National Bank Tower

Charlottetown, PE C1A 7N1

Dear Mr. Clow:

RE: Rural Municipality of Wellington Sewer Rate Increase

Please find enclosed two copies of the application for a rate increase for the Wellington Sewer Utility Corporation.

On June 20, 2024, the Council of the Rural Municipality of Wellington passed a resolution to make an application to IRAC to increase the Wellington Sewer Utility rates and charges from its present annual rate of \$ 200.00 per single family unit. The proposed rate change will be done over the next three years which would see an increase of 10% for 2025, 10% for 2026, and 5% for 2027.

As you are well aware, the Wellington Sewer Utility has not changed its rates since 2010.

Our current billing system is for the period January 1 to December 31 of each year with one invoice sent to customers before April 30 of each year.

If you have any questions or concerns, please do not hesitate to call.

Yours sincerely,

Jean-Pierre Arsenault

CAO

Encls.

Utility Name: _____

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

Contact Name: _____

Utility Address: _____

Telephone: _____

Email: _____

Date: _____

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.

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

	Type of Project/Expenditure	Utility's Expected Cost	Year
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

3. PROJECTED depreciation expenses for future expenditures.

	Description	Utility's NET Cost	Proj Depr Exp	Year
1.	_____	_____	_____	_____
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.	_____	_____	_____	_____	_____
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
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

PROJECTED:

Year	Customer Category	# of Customers	# of Units Billed
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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.

12. Other information relevant to the rate filing.

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.

**RURAL MUNICIPALITY OF WELLINGTON
COUNCIL MONTHLY MEETING MINUTES
JUNE 20, 2024**

Present: Irene MacCaull, Albert Arsenault, Jeannette Gallant, Jason Maddix, Kelly Richard

Also present : Jean-Pierre Arsenault, CAO

Absent : Moira McGuire

Extract of the Minutes

6(e) IRAC Report

CAO Jean-Pierre Arsenault presented a report to the Council members of the municipality reflecting the present financial situation of the Wellington Sewer Utility Inc. and where it will be in the upcoming fiscal years if no reasonable rate increase is applied.

Moved by Jason Maddix and seconded by Albert Arsenault that the Wellington Sewer Utility Inc. send an application to IRAC to increase the sewer rates by 10% for 2025, by 10% for 2026, and by 5% for 2027.

Motion Carried

Statement of Revenue and Expenditures (WITHOUT RATE CHANGE)

	Per Year	Current	Proposed	Effective	Diff %	Diff \$
177 # of Sewer Customers	Flat Rate	\$ 200.00	\$ 200.00	2025-01-01	0%	\$ -
177 # of Prop Units Billed	Flat Rate	\$ 200.00	\$ 200.00	2026-01-01	0%	\$ -
n/a # of Feet of Frontage	Flat Rate	\$ 200.00	\$ 200.00	2027-01-01	0%	\$ -

	WITHOUT RATE CHANGE					
	Actual 2022-03-31	Actual 2023-03-31	Proj 2024-03-31	Proj 2025-03-31	Proj 2026-03-31	Proj 2027-03-31
REVENUES						
521 Flat Rate Revenues	\$ 64,422	\$ 50,737	\$ 51,800	\$ 52,208	\$ 52,208	52,208
522 Measured Revenues						
523 Revenues from Public Authorities						
525 Interdepartment Revenues						
530 Frontage Rates						
531 Sale of Sludge						
532 Delayed Payment Charges	760	436	480	500	525	550
534 Rents from Sewer Property						
536 Other Sewer Revenues						
TOTAL REVENUES	\$ 65,183	\$ 51,173	\$ 52,280	\$ 52,708	\$ 52,733	\$ 52,758
OPERATING EXPENDITURES						
700 Salaries and Wages - Oper Emp	13,200	13,413	15,057	15,810	16,600	17,430
705 Materials and Supplies						
710 Repairs and Maintenance	10,515	10,362	18,239	19,151	20,108	21,114
715 Rentals						
720 Power or Electricity	2,386	2,539	4,473	2,666	2,799	2,939
725 Chemicals						
	26,101	26,314	37,769	37,627	39,508	41,483
GENERAL EXPENDITURES						
750 Salaries & Wages - Admin Emp	4,200	4,200	4,200	4,200	4,200	4,410
755 Employee Pensions & Benefits						
760 Office Supplies and Other	1,415	1,218				
761 Interest & Bank Service Charges	51	89	83	85	90	95
765 Contractual Services			774	800	900	945
770 Transportation Expenses						
775 Insurance	906	983	1,484	1,558	1,636	1,718
780 Amortization - Rate Case Expense	30,080	32,043	26,086	25,671	25,267	26,530
785 Regulatory Commission Fees	637	637	691	726	762	800
790 Miscellaneous Expenses			1,775	1,864	1,957	2,055
795 Bad Debt Expense	-	919				
	37,289	40,089	35,093	34,904	34,812	36,552
OTHER						
902 Small Tools Written Off						
903 Depreciation Expenses (Sch 9A)						
904 Interest on long - Term Debt	7,379	8,144	9,736	11,806	10,703	9,474
	7,379	8,144	9,736	11,806	10,703	9,474
TOTAL EXPENDITURES	\$ 70,768	\$ 74,547	82,598	84,336	85,023	87,510
Net Income (Loss) Year	-\$ 5,585	-\$ 23,374	- 30,318	- 31,628	- 32,290	- 34,752
Cumulative Surp (Def)	-\$ 125,433	-\$ 148,807	-\$ 179,125	-\$ 210,753	-\$ 243,043	-\$ 277,795

Statement of Revenue and Expenditures (WITH RATE CHANGE)

	Per Year	Current	Proposed	Effective	Diff %	Diff \$	
177 # of Sewer Customers	Flat Rate	\$ 200.00	\$ 220.00	2025-04-01	10%	\$ 20.00	
177 # of Prop Units Billed	Flat Rate	\$ 200.00	\$ 242.00	2026-04-01	10%	\$ 42.00	
n/a # of Feet of Frontage	Flat Rate	\$ 200.00	\$ 254.00	2027-04-01	5%	\$ 54.00	

	WITH RATE CHANGE						
	Actual	Actual	Proj	Proj	Proj	Proj	Proj
	2022-03-31	2023-03-31	2024-03-31	2025-03-31	2026-03-31	2027-03-31	2028-03-31
REVENUES							
521 Flat Rate Revenues	\$ 64,422	\$ 50,737	\$ 51,800	\$ 52,208	\$ 57,429	63,172	\$ 66,330
522 Measured Revenues							
523 Revenues from Public Authorities							
525 Interdepartment Revenues							
530 Frontage Rates							
531 Sale of Sludge							
532 Delayed Payment Charges	760	436	480	500	525	550	575
534 Rents from Sewer Property							
536 Other Sewer Revenues							
TOTAL REVENUES	\$ 65,183	\$ 51,173	\$ 52,280	\$ 52,708	\$ 57,954	\$ 63,722	\$ 66,905
OPERATING EXPENDITURES							
700 Salaries and Wages - Oper Emp	13,200	13,413	15,057	15,810	16,600	17,430	18,302
705 Materials and Supplies							
710 Repairs and Maintenance	10,515	10,362	18,239	19,151	20,108	21,114	22,170
715 Rentals							
720 Power or Electricity	2,386	2,539	4,473	2,666	2,799	2,939	3,086
725 Chemicals							
	26,101	26,314	37,769	37,627	39,508	41,483	43,558
GENERAL EXPENDITURES							
750 Salaries & Wages - Admin Emp	4,200	4,200	4,200	4,200	4,200	4,410	4,631
755 Employee Pensions & Benefits							
760 Office Supplies and Other	1,415	1,218					
761 Interest & Bank Service Charges	51	89	83	87	92	96	101
765 Contractual Services			774	813	853	896	941
770 Transportation Expenses							
775 Insurance	906	983	1,484	1,558	1,636	1,718	1,804
780 Amortization - Rate Case Expense	30,080	32,043	26,086	25,671	25,267	26,530	25,000
785 Regulatory Commission Fees	637	637	691	726	762	800	840
790 Miscellaneous Expenses			1,775	1,864	1,957	2,055	2,158
795 Bad Debt Expense	-	919					
	37,289	40,089	35,093	34,918	34,767	36,505	35,473
OTHER							
902 Small Tools Written Off							
903 Depreciation Expenses (Sch 9A)							
904 Interest on long - Term Debt	7,379	8,144	9,736	11,806	10,703	9,474	8,181
	7,379	8,144	9,736	11,806	10,703	9,474	8,181
TOTAL EXPENDITURES	\$ 70,768	\$ 74,547	82,598	84,351	84,978	87,463	87,212
Net Income (Loss) Year	-\$ 5,585	-\$ 23,374	- 30,318	- 31,643	- 27,024	- 23,741	- 20,307
Cumulative Surp (Def)	-\$ 125,433	-\$ 148,807	-\$ 179,125	-\$ 210,768	-\$ 237,792	-\$ 261,533	-\$ 281,840

Sewer utility:	Cost beginning of year 2022	Additions	Disposals & Write-downs	Cost end of year	Accum. Amort. beginning of year	Disposals & Write-downs	Amortization	Accum. Amort. end of year	Net book value 2022
Sewer system	1,235,218	97,752	-	1,332,970	228,645	-	15,409	244,054	1,088,916
Pumping station	52,067	43,340	-	95,407	35,364	-	2,858	38,222	57,185
Lagoon	984,415	-	-	984,415	130,457	-	11,813	142,270	842,145

	Cost beginning of year 2023	Additions	Disposals & Write-downs	Cost end of year	Accum. Amort. beginning of year	Disposals & Write-downs	Amortization	Accum. Amort. end of year	Net book value 2023
Sewer system	1,332,970	48,989	-	1,381,959	244,054	-	16,290	260,344	1,121,615
Pumping station	95,407	-	-	95,407	38,222	-	3,942	42,164	53,243
Lagoon	984,415	-	-	984,415	142,270	-	11,813	154,083	830,332

	Cost beginning of year 2024	Additions	Disposals & Write-downs	Cost end of year	Accum. Amort. beginning of year	Disposals & Write-downs	Amortization	Accum. Amort. end of year	Net book value 2024
Sewer system	1,381,959	-	-	1,381,959	260,344	-	13,459	273,803	1,108,156
Pumping station	95,407	-	-	95,407	42,164	-	2,662	44,826	50,581
Lagoon	984,415	-	-	984,415	154,083	-	9,964	164,047	820,368

	Cost beginning of year 2025	Additions	Disposals & Write-downs	Cost end of year	Accum. Amort. beginning of year	Disposals & Write-downs	Amortization	Accum. Amort. end of year	Net book value 2025
Sewer system	1,381,959	-	-	1,381,959	273,803	-	13,298	287,101	1,094,858
Pumping station	95,407	-	-	95,407	44,826	-	2,529	47,355	48,052
Lagoon	984,415	-	-	984,415	164,047	-	9,844	173,891	810,524

	Cost beginning of year 2026	Additions	Disposals & Write-downs	Cost end of year	Accum. Amort. beginning of year	Disposals & Write-downs	Amortization	Accum. Amort. end of year	Net book value 2026
Sewer system	1,381,959	-	-	1,381,959	287,101	-	13,138	300,240	1,081,719
Pumping station	95,407	-	-	95,407	47,355	-	2,403	49,758	45,649
Lagoon	984,415	-	-	984,415	173,891	-	9,726	183,618	800,797

	Cost beginning of year 2027	Additions	Disposals & Write-downs	Cost end of year	Accum. Amort. beginning of year	Disposals & Write-downs	Amortization	Accum. Amort. end of year	Net book value 2027
Sewer system	1,381,959	-	-	1,381,959	300,240	-	12,981	313,220	1,068,739
Pumping station	95,407	-	-	95,407	49,758	-	2,282	52,040	43,367
Lagoon	984,415	-	-	984,415	183,618	-	9,610	193,227	791,188

RURAL MUNICIPALITY OF WELLINGTON
Consolidated Financial Statements
March 31, 2023

RURAL MUNICIPALITY OF WELLINGTON
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March 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Rural Municipality of Wellington are the responsibility of management and have been prepared in accordance with Canadian Accounting Standards for the Public Sector. A summary of the significant accounting policies are described in the consolidated financial statements. The preparation of consolidated 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.

Mayor and Council meet with management and the external auditors to review the consolidated financial statements and discuss 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 MRSB Chartered Professional Accountants Inc., 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 consolidated financial statements.


Mayor

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors of Rural Municipality of Wellington

Opinion

We have audited the consolidated financial statements of Rural Municipality of Wellington (the Municipality), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of changes in accumulated surplus, operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at March 31, 2023, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian Accounting Standards for the Public Sector.

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 Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with ethical requirements that are relevant to our audit of the consolidated 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.

Other Matter

The consolidated financial statements for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 18, 2022.

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

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

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

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

(continues)

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

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

MRSB Chartered Professional Accountants Inc.

MRSB CHARTERED PROFESSIONAL ACCOUNTANTS INC.

Charlottetown, PE

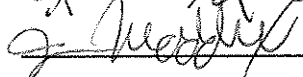
October 12, 2023

RURAL MUNICIPALITY OF WELLINGTON
Consolidated Statement of Financial Position
March 31, 2023

	2023	2022
Assets		
Cash and cash equivalents		
Unrestricted	\$ 628,627	\$ 534,041
Restricted	50,959	-
Accounts receivable (Note 3)	61,361	134,803
	<u>740,947</u>	<u>668,844</u>
Liabilities		
Accounts payable and accrued liabilities	65,325	70,267
Deferred revenue (Note 4)	30,137	-
Long term debt (Note 5)	218,685	302,056
	<u>314,147</u>	<u>372,323</u>
Net Financial Assets (Statement 7)	<u>426,800</u>	<u>296,521</u>
Non-financial assets		
Prepaid expense	12,783	12,892
Land held for resale	5,810	5,810
Tangible capital assets (Schedules 1 and 2)	3,922,161	3,885,468
Intangible assets (Note 6)	39,600	44,550
	<u>3,980,354</u>	<u>3,948,720</u>
Accumulated surplus (Statement 5)	<u>\$ 4,407,154</u>	<u>\$ 4,245,241</u>

On behalf of Council

 Mayor

 Councillor

Notes 1 to 18 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF WELLINGTON
Consolidated Statement of Changes in Accumulated Surplus
Year Ended March 31, 2023

	2023	2022
Accumulated surplus - beginning of year		
As previously reported	\$ 4,245,241	\$ 3,828,177
Prior period adjustments (Note 11)	-	156,368
As restated	4,245,241	3,984,545
Annual surplus (Statement 6)	161,913	260,696
Accumulated surplus - end of year (Note 9)	\$ 4,407,154	\$ 4,245,241

Notes 1 to 18 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF WELLINGTON
Consolidated Statement of Operations
Year Ended March 31, 2023

	Budget 2023	Actual 2023	Actual 2022
Revenues			
Municipality (Schedule 3)	\$ 211,099	\$ 259,773	\$ 236,516
Sewer (Schedule 5)	52,060	51,173	65,182
Fire (Schedule 6)	195,600	222,439	213,038
	<u>458,759</u>	<u>533,385</u>	<u>514,736</u>
Expenditures			
Municipality (Schedule 3)	172,347	283,966	234,671
Sewer (Schedule 5)	30,930	74,547	70,769
Fire (Schedule 6)	115,400	226,809	188,333
	<u>318,677</u>	<u>585,322</u>	<u>493,773</u>
Operating surplus (deficit)	<u>140,082</u>	<u>(51,937)</u>	<u>20,963</u>
Other revenues			
Municipality (Schedule 3)	25,000	100,793	67,015
Sewer (Schedule 5)	40,000	45,526	134,568
Fire (Schedule 6)	4,425	67,531	38,150
	<u>69,425</u>	<u>213,850</u>	<u>239,733</u>
Annual surplus	<u>\$ 209,507</u>	<u>\$ 161,913</u>	<u>\$ 260,696</u>

Notes 1 to 18 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF WELLINGTON
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2023

	Budget 2023	Actual 2023	Actual 2022
Annual surplus	\$ 209,507	\$ 161,913	\$ 260,696
Amortization of tangible capital assets	-	187,361	173,643
Amortization of intangible assets	-	4,950	4,950
Purchase of tangible capital assets	(125,061)	(224,056)	(235,810)
Purchase of intangible assets	-	-	(49,500)
Prior period adjustments	-	-	156,368
Decrease (increase) in prepaid expense	-	111	(1,819)
	<u>(125,061)</u>	<u>(31,634)</u>	<u>47,832</u>
Increase in net financial assets	84,446	130,279	308,528
Net financial assets (debt) - beginning of year	296,521	296,521	(12,007)
Net financial assets - end of year	\$ 380,967	\$ 426,800	\$ 296,521

Notes 1 to 18 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF WELLINGTON
Consolidated Statement of Cash Flows
Year Ended March 31, 2023

	2023	2022
Cash flows from operating activities		
Annual surplus	\$ 161,913	\$ 260,696
Items not affecting cash:		
Amortization of property and equipment	187,361	173,643
Amortization of intangible assets	4,950	4,950
Prior period adjustments	-	156,368
	<u>354,224</u>	<u>595,657</u>
Changes in non-cash working capital:		
Accounts receivable	73,442	(61,869)
Prepaid expense	109	(1,819)
Accounts payable and accrued liabilities	(4,939)	42,785
Deferred revenue	30,137	(30,043)
	<u>98,749</u>	<u>(50,946)</u>
	<u>452,973</u>	<u>544,711</u>
Cash flows from capital activities		
Purchase of tangible capital assets	(224,056)	(235,810)
Purchase of intangible assets	-	(49,500)
	<u>(224,056)</u>	<u>(285,310)</u>
Cash flows from financing activity		
Repayment of long term debt	(83,372)	(63,586)
Increase in cash	<u>145,545</u>	<u>195,815</u>
Cash - beginning of year	<u>534,041</u>	<u>338,226</u>
Cash - end of year	<u>\$ 679,586</u>	<u>\$ 534,041</u>
Cash consists of:		
Unrestricted	\$ 628,627	\$ 534,041
Restricted	50,959	-
	<u>\$ 679,586</u>	<u>\$ 534,041</u>

Notes 1 to 18 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF WELLINGTON
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

1. DESCRIPTION OF BUSINESS

The Rural Municipality of Wellington (the "Municipality") is incorporated under the PEI Municipalities Act. The Municipality is a non-profit organization under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements of the Rural Municipality of Wellington have been prepared by management in accordance with Canadian Accounting Standards for the Public Sector.

These consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs and in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the year when the related expenditures are incurred, services are performed or the tangible capital assets are acquired.

Basis of consolidation

These consolidated financial statements for the Rural Municipality of Wellington reflect the assets, liabilities, revenues, expenditures, and annual surplus of all funds of the Municipality. The Municipality is comprised of all organizations and committees accountable to the Municipality for the administration of their financial affairs and resources. Included with the municipality is the following:

Wellington Sewerage Disposal Utility

Wellington Fire Department

Cash

Cash is comprised of cash on hand, cash in banks and restricted cash.

Accounts receivable

Accounts receivable arise from sewer dues, fire dues, miscellaneous receivables, grants receivable, and Harmonized Sales Tax receivable. An allowance for bad debts has been calculated through discussions with management, assessment of the other circumstances influencing the collectibility of amounts, and using historical loss experience. Amounts deemed uncollectible are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

Land held for resale

Land held for resale is recorded at the lower of cost or net realizable value. Costs include costs for land acquisition and improvements required to prepare land for servicing. Related development costs incurred to provide infrastructure are recorded as physical assets under the respective function.

(continues)

RURAL MUNICIPALITY OF WELLINGTON
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis over the following number of years and rates:

<u>Municipality</u>	
Land	N/A
Land improvements	20 years
Park	15 years
Buildings	40 years
Equipment	10 years
Furniture and equipment	5 years
Fire equipment	10 years
Fire vehicles	15 years
<u>Sewer</u>	
Sewerage system	1.2%
Pumping station	5%
Lagoon	1.2%

Amortization rates for sewer assets were established using the estimated useful life of the asset in accordance with the Island Regulatory and Appeals Commission guidelines.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use. At year end, land improvements of \$55,208 were not amortized as they were not available for use.

Intangible assets

The intangible assets consists of an asset management plan and is being amortized on a straight-line basis over their estimated useful life of ten years.

Impairment of long lived assets

The Municipality tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Consolidated Statement of Operations. As at March 31, 2023, no asset retirement obligations have been identified by management.

(continues)

RURAL MUNICIPALITY OF WELLINGTON
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for the 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 annual surplus, provides the consolidated change in net financial assets for the year.

Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the consolidated financial statements as revenue in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates on the amounts can be determined.

Revenue recognition

Property tax billings are based on the assessed value of real property in the Municipality and are payable in each calendar year. Municipal tax rates are reviewed, established, and approved annually by the Council. These revenues are recognized when monthly billings come due.

Sewer dues are charged based on rates approved by the Island Regulatory and Appeals Commission (IRAC). These charges are assessed annually and are recognized when billings come due.

The Municipality follows the deferral method of accounting for grants and contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred, with recognition of excess amounts being deferred until the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in surplus. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments that are subsequently measured at amortized cost are shown as an adjustment to the carrying value of the related financial instrument.

(continues)

RURAL MUNICIPALITY OF WELLINGTON
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Management estimates

The presentation of the consolidated financial statements in conformity with Canadian Accounting Standards for the Public Sector requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those reported. The following are areas in which management makes significant accounting estimates:

- The amounts recorded for amortization of tangible capital assets on the consolidated statement of operations is subject to Management's assessment of the estimated useful life of the tangible capital assets;
- The recognized amounts of potential claims and liabilities depend on Management's assessment of future costs and the probability these events will occur.

3. ACCOUNTS RECEIVABLE

	2023	2022
Municipal Capital Expenditure Grant	\$ 20,369	\$ 17,212
Sewer dues	16,381	16,496
Government grants	16,316	-
Fire dues	8,203	5,123
HST	92	8,600
Canada Community Building Fund	-	32,737
Federation of Canadian Municipalities grant	-	45,000
Miscellaneous grants	-	9,635
	\$ 61,361	\$ 134,803

4. DEFERRED REVENUE

	2023	2022
Rent	\$ 18,638	\$ -
Canada Community Building Fund	11,499	-
	\$ 30,137	\$ -

Under the Canada Community Building Fund, the Municipality is allocated funding for the years March 31, 2020 to 2024. These funds, along with interest earned, must be used for eligible infrastructure and capacity building projects. Any funds received under this program, including interest earned, but not yet spent are recognized as deferred revenue at the end of the year.

During the year, the Municipality received Canada Community Building Funding of \$108,464, earned interest of \$964 and incurred eligible capital expenditures of \$65,192.

RURAL MUNICIPALITY OF WELLINGTON
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

5. LONG TERM DEBT

	2023	2022
<u>Fire</u>		
Provincial Credit Union Limited - prime; repayable in monthly installments of \$2,508 fixed principal payment plus interest. The loan was paid out in September 2023.	\$ 50,143	\$ 119,884
<u>Sewer</u>		
Provincial Credit Union Limited - 5.69%; repayable in monthly blended installments of \$1,905. The loan matures on October 30, 2032.	168,542	182,172
	\$ 218,685	\$ 302,056

Principal repayments of long term debt are expected to be repaid over the next five years as follows:

2024	\$ 63,732
2025	14,411
2026	15,252
2027	16,143
2028	17,086
	\$ 126,624

6. INTANGIBLE ASSETS

	2023	2022
Asset management plan	\$ 49,500	\$ 49,500
Accumulated amortization	(9,900)	(4,950)
	\$ 39,600	\$ 44,550

7. GOVERNMENT TRANSFERS FOR OPERATIONS

	2023	2022
<u>Municipality</u>		
Equalization grant	\$ 51,034	\$ 64,673
Skills PEI	4,615	-
Jobs for Youth	4,560	4,322
Canada summer jobs	2,192	2,730
Canada Winter Games	3,500	-
Grant in lieu of property tax	3,118	3,126
Active Transportation	-	10,000
Municipal growth study	-	1,615
	\$ 69,019	\$ 86,466

RURAL MUNICIPALITY OF WELLINGTON
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

8. GOVERNMENT TRANSFERS FOR CAPITAL

	<u>2023</u>	<u>2022</u>
<u>Municipality</u>		
Canada Community Building Fund	\$ 24,120	\$ 15,843
Atlantic Canada Opportunities Agency	23,050	-
Active Transportation	20,000	-
PEI Infrastructure program	15,326	-
Municipal Capital Expenditure Grant	13,335	6,172
Efficiency PEI	4,962	-
Asset management grant	-	45,000
	<u>100,793</u>	<u>67,015</u>
 <u>Sewer</u>		
Canada Community Building Fund	41,072	104,230
Municipal Capital Expenditure Grant	4,454	-
Climate change grant	-	30,338
	<u>45,526</u>	<u>134,568</u>
 <u>Fire</u>		
Community Revitalization Rural Growth Initiative	30,968	23,912
Department of Justice	20,000	-
Minister of Fisheries and Communities	10,000	-
Municipal Capital Expenditures Grant	6,563	-
Atlantic Opportunities Agency	-	14,238
	<u>67,531</u>	<u>38,150</u>
	<u>\$ 213,850</u>	<u>\$ 239,733</u>

9. ACCUMULATED SURPLUS

	<u>2023</u>	<u>2022</u>
Unrestricted surplus	\$ 703,678	\$ 661,829
Investment in tangible capital assets (Note 10)	3,703,476	3,583,412
	<u>\$ 4,407,154</u>	<u>\$ 4,245,241</u>

RURAL MUNICIPALITY OF WELLINGTON
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

10. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	2023	2022
Tangible capital assets - Schedules 1 and 2	\$ 6,110,961	\$ 5,886,905
Accumulated amortization - Schedules 1 and 2	(2,188,800)	(2,001,437)
Long term debt (Note 5)	(218,685)	(302,056)
	\$ 3,703,476	\$ 3,583,412

11. PRIOR PERIOD ADJUSTMENTS

The prior years numbers have been adjusted to reflect a decrease for gas tax funding for capital assets of \$184,157 for municipality and an increase of \$48,066 for sewer. Surplus has also been adjusted for an understatement in accounts receivable of \$32,737 for the municipality and an overstatement in accounts receivable of \$12,460 for the sewer. Prior period numbers were also adjusted to reflect capitalization of intangible assets for asset management plan of \$49,500 and amortization of \$4,950.

12. LINE OF CREDIT AVAILABILITY

Rural Municipality of Wellington has an approved line of credit with Provincial Credit Union Limited of \$20,000 which was not utilized at the year end and has renewal date of September 30, 2026.

13. BUDGET FIGURES

A reconciliation of the 2023 fiscal operating budget prepared by Council to the budget figures disclosed in the consolidated financial statements is as follows:

	2023
Rural Municipality of Wellington budgeted annual deficit	\$ (13,578)
Wellington Sewer Utility Corporation budgeted annual surplus	-
Wellington Fire Department budgeted annual surplus	-
Add: Debt retirement	63,000
Add: Capital expenditures	90,660
Add: Capital funding	69,425
	\$ 209,507

The budget figures provided on Statements 6 and 7 and Schedules 3 - 6 have not been audited or reviewed by the external auditor.

RURAL MUNICIPALITY OF WELLINGTON
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

14. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and long term debt.

The Municipality is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Municipality's risk exposure and concentration as of March 31, 2023.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Municipality is exposed to credit risk from residents. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Municipality has a significant number of residents which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Municipality is exposed to this risk mainly in respect of its receipt of funds from its residents and other related sources, long term debt, and accounts payable.

15. RATE REGULATION

The Sewer Utility is subject to rate regulation on sewer utility rates in Prince Edward Island in accordance with the Water and Sewerage Act. The purpose of this Act, which is administered by the Island Regulatory and Appeals Commission (IRAC), is to regulate the water and wastewater utility rates within the Province of Prince Edward Island.

Utility rates and charges are fixed and determined in accordance with the generally accepted public utility practices after taking into consideration local conditions and circumstances. The Municipality may apply for changes to sewer utility rates with IRAC. The Commission will review these requests and adjust the price accordingly.

16. SEGMENT DISCLOSURES

The Municipality is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes, the Municipality's operations and activities are organized and reported by segment. The major segments are as follows:

Sewer Utility

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

Fire Department

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

General Government

This segment is responsible for the overall financial and local government administration. Its tasks include, but are not limited to, daily accounting functions, preparation and coordination of annual audited consolidated financial statements, development of the annual budget, human resource functions for the entire municipality, maintenance of bylaws and policies, oversight of public works, maintenance of municipal facilities and administration of municipal services.

RURAL MUNICIPALITY OF WELLINGTON
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

17. SUBSEQUENT EVENTS

Subsequent to the fiscal year end, the municipality paid off the fire truck loan, purchased a new fire truck and entered into a new loan agreement for \$398,264 with Provincial Credit Union Limited.

18. COMPARATIVE FIGURES

The prior year comparative figures were audited by another firm of public accountants. Some of the comparative figures have been reclassified to conform to the current year's presentation

RURAL MUNICIPALITY OF WELLINGTON
Schedules to Consolidated Financial Statements
Tangible Capital Assets
Year Ended March 31, 2023
(Schedule 1)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
Municipality	\$ 35,828	\$ 5	\$ -	\$ 35,833	\$ -	\$ -	\$ -	\$ -	\$ 35,833
Land improvements	643,121	55,208	-	698,329	202,772	31,446	-	234,218	464,111
Park	99,743	-	-	99,743	48,287	6,620	-	54,907	44,836
Buildings	1,263,244	39,380	-	1,302,624	444,683	32,567	-	477,250	825,374
Furniture and equipment	74,862	8,283	-	83,145	71,851	2,946	-	74,797	8,348
Fire equipment	387,750	72,191	-	459,941	222,979	33,766	-	256,745	203,196
Fire vehicles	969,565	-	-	969,565	586,319	47,973	-	634,292	335,273
	\$ 3,474,113	\$ 175,067	\$ -	\$ 3,649,180	\$ 1,576,891	\$ 155,318	\$ -	\$ 1,732,209	\$ 1,916,971
Sewer and Water									
Sewerage system	\$ 1,332,970	\$ 48,989	\$ -	\$ 1,381,959	\$ 244,054	\$ 16,290	\$ -	\$ 260,344	\$ 1,121,615
Pumping station	95,407	-	-	95,407	38,222	3,942	-	42,164	53,243
Lagoon	984,415	-	-	984,415	142,270	11,813	-	154,083	830,332
	\$ 2,412,792	\$ 48,989	\$ -	\$ 2,461,781	\$ 424,546	\$ 32,045	\$ -	\$ 456,591	\$ 2,005,190
Total Tangible Capital Assets	\$ 5,886,905	\$ 224,056	\$ -	\$ 6,110,961	\$ 2,001,437	\$ 187,361	\$ -	\$ 2,188,800	\$ 3,922,161

Notes 1 - 18 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF WELLINGTON
Schedules to Financial Statements
Tangible Capital Assets
Year Ended March 31, 2022
(Schedule 2)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
Municipality	\$ 35,828	\$ -	\$ -	\$ 35,828	\$ -	\$ -	\$ -	\$ -	\$ 35,828
Land									
Land improvements	628,928	14,193	-	643,121	171,326	31,446	-	202,772	440,349
Park	97,660	2,083	-	99,743	41,738	6,549	-	48,287	51,456
Buildings	1,233,363	29,881	-	1,263,244	413,474	31,209	-	444,683	818,561
Furniture and equipment	73,508	1,354	-	74,862	69,945	1,906	-	71,851	3,011
Fire equipment	340,543	47,207	-	387,750	198,499	24,480	-	222,979	164,771
Fire vehicles	969,565	-	-	969,565	538,346	47,973	-	586,319	383,246
	\$ 3,379,395	\$ 94,718	\$ -	\$ 3,474,113	\$ 1,433,328	\$ 143,563	\$ -	\$ 1,576,891	\$ 1,897,222
Sewer and Water									
Sewerage system	\$ 1,235,218	\$ 97,752	\$ -	\$ 1,332,970	\$ 228,645	\$ 15,409	\$ -	\$ 244,054	\$ 1,088,916
Pumping station	52,067	43,340	-	95,407	35,364	2,858	-	38,222	57,185
Lagoon	984,415	-	-	984,415	130,457	11,813	-	142,270	842,145
	\$ 2,271,700	\$ 141,092	\$ -	\$ 2,412,792	\$ 394,466	\$ 30,080	\$ -	\$ 424,546	\$ 1,988,246
Total Tangible Capital Assets	\$ 5,651,095	\$ 235,810	\$ -	\$ 5,886,905	\$ 1,827,794	\$ 173,643	\$ -	\$ 2,001,437	\$ 3,885,468

Notes 1 - 18 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF WELLINGTON

Statement of Operations - Municipality

(Schedule 3)

Year Ended March 31, 2023

	Budget 2023	Actual 2023	Actual 2022
Revenues			
Property tax	\$ 129,615	\$ 137,140	\$ 121,590
Government transfers for operations (Note 7)	59,034	69,019	86,466
Rental	3,500	17,229	1,983
Fundraising	8,000	12,461	10,814
CAO salary funding	-	10,534	-
Administrative fees	9,200	9,200	9,200
Interest	1,000	4,127	1,630
Building permits	200	63	138
Miscellaneous	550	-	4,695
	<u>211,099</u>	<u>259,773</u>	<u>236,516</u>
Expenditures			
Administration (Schedule 4)	46,385	57,262	37,694
Facilities and public properties (Schedule 4)	82,120	183,135	153,485
Other municipal services (Schedule 4)	43,842	43,569	43,492
	<u>172,347</u>	<u>283,966</u>	<u>234,671</u>
Operating surplus (deficit)	<u>38,752</u>	<u>(24,193)</u>	<u>1,845</u>
Other			
Government transfers for capital (Note 8)	25,000	100,793	67,015
Annual surplus	<u>\$ 63,752</u>	<u>\$ 76,600</u>	<u>\$ 68,860</u>

Notes 1 to 18 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF WELLINGTON

Statement of Operations - Municipality

(Schedule 4)

Year Ended March 31, 2023

	Budget 2023	Actual 2023	Actual 2022
Administration			
Advertising	\$ 2,200	\$ 2,874	\$ 1,345
Bingo	5,000	6,131	6,950
Contract services - administrator	25,335	34,516	14,640
Councillor honorariums	7,950	7,751	7,060
Interest and bank charges	400	376	237
Office	2,500	2,828	2,966
Projects	-	770	1,650
Telephone	3,000	2,016	2,846
	<u>46,385</u>	<u>57,262</u>	<u>37,694</u>
Facilities and public properties			
Amortization of intangible assets	-	4,950	4,950
Amortization of tangible capital assets	-	73,579	71,111
Canada Day and other activities	1,000	4,243	(12)
Electricity	3,000	4,859	2,730
Garbage removal	1,900	2,101	1,771
Grass cutting	5,800	10,165	7,610
Heat	4,000	3,570	5,253
Insurance	6,940	7,742	6,035
Janitorial and maintenance custom work	9,000	4,239	6,947
Maintenance - General & Vanier	3,500	4,522	5,408
Maintenance - recreation	8,000	17,338	6,125
Property tax	5,430	5,307	5,252
Snow removal	10,000	13,823	8,322
Street lights	11,550	13,065	12,285
Wages and wage levies - students	12,000	13,632	9,698
	<u>82,120</u>	<u>183,135</u>	<u>153,485</u>
Other municipal services			
Asset management	1,500	-	-
Donations and bursaries	3,350	746	5,491
Dues and fees	1,150	1,351	2,193
Emergency management	1,000	93	713
Fire Protection	21,842	21,842	21,227
Municipal elections	-	150	-
Professional fees	15,000	19,387	13,868
	<u>43,842</u>	<u>43,569</u>	<u>43,492</u>
	<u>\$ 172,347</u>	<u>\$ 283,966</u>	<u>\$ 234,671</u>

Notes 1 to 18 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF WELLINGTON

Statement of Operations - Sewer

(Schedule 5)

Year Ended March 31, 2023

	Budget 2023	Actual 2023	Actual 2022
Revenues			
Sewer rate assessments	\$ 51,560	\$ 50,737	\$ 64,422
Miscellaneous	500	436	760
	<u>52,060</u>	<u>51,173</u>	<u>65,182</u>
Expenditures			
Administration	4,500	4,200	4,200
Amortization of tangible capital assets	-	32,043	30,080
Bad debts	-	919	-
Dues and fees	760	637	637
Electricity	2,500	2,539	2,386
Insurance	940	983	906
Interest and bank charges	100	89	51
Interest on long term debt	-	8,144	7,379
Office	2,200	1,218	1,415
Operator	12,000	13,413	13,200
Repairs and maintenance	7,930	10,362	10,515
	<u>30,930</u>	<u>74,547</u>	<u>70,769</u>
Operating surplus (deficit)	<u>21,130</u>	<u>(23,374)</u>	<u>(5,587)</u>
Other			
Government transfers for capital (Note 8)	40,000	45,526	134,568
Annual surplus	<u>\$ 61,130</u>	<u>\$ 22,152</u>	<u>\$ 128,981</u>

Notes 1 to 18 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF WELLINGTON

Statement of Operations - Fire

(Schedule 6)

Year Ended March 31, 2023

	Budget 2023	Actual 2023	Actual 2022
Revenues			
Fire dues	\$ 191,000	\$ 194,355	\$ 188,327
Fundraising	3,000	25,989	23,095
Truck rental	1,600	2,087	1,600
Interest	-	8	16
	<u>195,600</u>	<u>222,439</u>	<u>213,038</u>
Expenditures			
Administration fee	5,000	5,000	5,000
Amortization of tangible capital assets	-	81,739	72,453
Building maintenance	2,000	1,168	4,100
Dues and fees	2,000	1,940	1,915
Electricity	6,000	6,236	5,417
Heat	5,000	8,035	6,605
Honorariums	25,000	25,000	25,000
Insurance	16,000	18,443	16,350
Interest on long term debt	-	3,723	3,811
Medical supplies	1,000	588	734
Message centre	3,000	2,753	2,903
Office and other	6,000	6,567	4,410
Property tax	-	3,118	3,126
Repairs and maintenance	1,500	997	-
Sewer dues	300	300	600
Snow removal	3,000	8,391	1,797
Supplies	8,500	25,115	18,352
Telephone	3,700	3,525	2,928
Training	17,400	9,862	4,958
Truck fuel	5,500	7,801	3,129
Truck repairs	4,500	6,508	4,745
	<u>115,400</u>	<u>226,809</u>	<u>188,333</u>
Operating surplus (deficit)	<u>80,200</u>	<u>(4,370)</u>	<u>24,705</u>
Other			
Government transfers for capital (Note 8)	4,425	67,531	38,150
	<u>\$ 84,625</u>	<u>\$ 63,161</u>	<u>\$ 62,855</u>

Notes 1 to 18 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF WELLINGTON
Schedules to Consolidated Financial Statements
Segment Disclosures
Year Ended March 31, 2023

(Schedule 7)

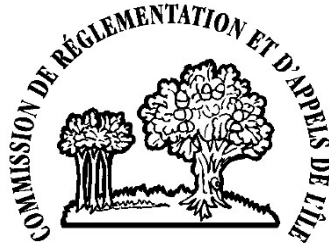
	Municipality	Sewer	Fire Department	Elimination	Consolidated 2023
Revenues					
Property taxes	\$ 137,140	\$ -	\$ -	\$ -	\$ 137,140
CAO salary funding	10,534	-	-	-	10,534
Government transfers for operations	69,019	-	-	-	69,019
Rent	17,229	-	-	-	17,229
Fundraising	12,461	-	25,989	-	38,450
Administrative fees	9,200	-	-	(9,200)	-
Interest	4,127	-	8	-	4,135
Building permits	63	-	-	-	63
Sewer revenue	-	50,737	-	(1,400)	49,337
Miscellaneous	-	436	-	-	436
Fire dues	-	-	194,355	(21,842)	172,513
Truck rental	-	-	2,087	-	2,087
	<u>259,773</u>	<u>51,173</u>	<u>222,439</u>	<u>(32,442)</u>	<u>500,943</u>
Expenditures					
Salaries and benefits	55,899	-	25,000	-	80,899
Goods and services	154,112	34,271	116,347	(32,442)	272,288
Amortization of tangible capital assets	73,579	32,043	81,739	-	187,361
Interest	376	8,233	3,723	-	12,332
	<u>283,966</u>	<u>74,547</u>	<u>226,809</u>	<u>(32,442)</u>	<u>552,880</u>
Operating surplus (deficit)	(24,193)	(23,374)	(4,370)	-	(51,937)
Government transfers for capital	100,793	45,526	67,531	-	213,850
Annual surplus	\$ 76,600	\$ 22,152	\$ 63,161	\$ -	\$ 161,913

Notes 1 to 18 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF WELLINGTON
Schedules to Consolidated Financial Statements (Schedule 8)
Segment Disclosures
Year Ended March 31, 2022

	Municipality	Sewer	Fire Department	Elimination	Consolidated 2022
Revenues					
Property taxes	\$ 121,590	\$ -	\$ -	\$ -	\$ 121,590
Government transfers for operations	86,466	-	-	-	86,466
Rent	1,983	-	-	-	1,983
Fundraising	10,814	-	23,095	-	33,909
Administrative fees	9,200	-	-	(9,200)	-
Interest	1,630	-	16	-	1,646
Building permits	138	-	-	-	138
Sewer revenue	-	64,422	-	(1,400)	63,022
Miscellaneous	4,695	760	-	-	5,455
Fire dues	-	-	188,327	(21,227)	167,100
Truck rental	-	-	1,600	-	1,600
	<u>236,516</u>	<u>65,182</u>	<u>213,038</u>	<u>(31,827)</u>	<u>482,909</u>
Expenditures					
Salaries and benefits	31,398	-	25,000	-	56,398
Goods and services	131,925	33,259	87,069	(31,827)	220,426
Amortization of tangible capital assets	71,111	30,080	72,453	-	173,644
Interest	237	7,430	3,811	-	11,478
	<u>234,671</u>	<u>70,769</u>	<u>188,333</u>	<u>(31,827)</u>	<u>461,946</u>
Operating surplus (deficit)	1,845	(5,587)	24,705	-	20,963
Government transfers for capital	67,015	134,568	38,150	-	239,733
Annual surplus	<u>\$ 68,860</u>	<u>\$ 128,981</u>	<u>\$ 62,855</u>	<u>\$ -</u>	<u>\$ 260,696</u>

Notes 1 to 18 are an integral part of these consolidated financial statements



**THE ISLAND REGULATORY AND
APPEALS COMMISSION**
Prince Edward Island
Île-du-Prince-Édouard
CANADA

Charlottetown

Prince Edward Island

ANNUAL REPORT

- OF -

Rural Municipality of Wellington

FOR THE YEAR ENDED

MARCH 31, 2023

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.

MUNICIPALITY OF Wellington

REPORT TO THE ISLAND REGULATORY AND APPEALS COMMISSION
OF PRINCE EDWARD ISLAND
FOR THE YEAR ENDED MARCH 31, 2023

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/>.

REPORT TO THE ISLAND REGULATORY AND APPEALS COMMISSION
OF PRINCE EDWARD ISLAND
FOR THE YEAR ENDED MARCH 31, 2023

Schedule 1

UTILITY INFORMATION

Chairman of Sewer and/or Water Committee: _____

CAO/Administrator: Imelda Arsenault

Office Tel Number: 902-854-2920 Office Fax Number: 902-854-2920

Office Address: PO Box 26
Wellington, PE, C0B 2E0

Office Hours: Wed 10am-12pm & Thurs 6pm-7pm Email: villagewellingtonpei@gmail.com

Name of Person Making this Report: MRSB Chartered Professional Accountants

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).

During the current fiscal year there were no upgrades to the sewer lines and water mains

Schedule 3

CUSTOMERS

	Sewer	Water
Number of Customers	<u>141</u>	_____
Number of Proportionate Units Billed	<u>257.8</u>	_____
Number of Metered Customers/Proportionate Units	_____	_____

Number of Feet on Which Frontage Rates are Charged _____

Schedule 4 - Sewer

MUNICIPALITY Wellington

STATEMENT OF REVENUE AND EXPENDITURES - SEWER
YEAR ENDED MARCH 31, 2023

Operating

Revenues

521	Flat Rate Revenues	\$	51,448	
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		436	\$ 51,884

Operating Expenses

700	Salaries and Wages - Operational Employees			
705	Materials and Supplies			
710	Repairs and Maintenance		23,775	
715	Rentals			
720	Power or Electricity		2,539	
725	Chemicals			26,314

General Expenses

750	Salaries and Wages - Administrative Employees			
755	Employee Pensions and Benefits			
760	Office Supplies and Other Office Expenses		5,418	
761	Interest and Bank Service Charges		89	
765	Contractual Services			
770	Transportation Expenses			
775	Insurance		983	
780	Amortization - Rate Case Expense			
785	Regulatory Commission Fees		637	
790	Miscellaneous Expenses		-	
795	Bad Debt Expense		919	8,046

Operating Income (Loss) 17,524

Non-Operating Income and Expenses

902	Small Tools Written Off During the Year			
903	Depreciation Expenses - Schedule 9A		9,077	
904	Interest on Long-Term Debt		8,144	17,221

Other Income (See Guide)

Net Income (Loss) \$ 303

Surplus (Deficit) April 1 76,752

Surplus (Deficit) March 31 \$ 77,055

Schedule 4 - Water

MUNICIPALITY Wellington

STATEMENT OF REVENUE AND EXPENDITURES - WATER
YEAR ENDED MARCH 31, 2023

Operating

Revenues

460	Unmetered Water Revenues		
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		\$ -

Operating Expenses

600	Salaries and Wages - Operational Employees		
605	Materials and Supplies		
610	Repairs and Maintenance		
615	Rentals		
620	Power or Electricity		
625	Chemicals		
630	Water Testing and Analysis		-

General Expenses

650	Salaries and Wages - Administrative Employees		
655	Employee Pensions and Benefits		
660	Office Supplies and Other Office Expenses		
661	Interest and Bank Service Charges		
665	Contractual Services		
670	Transportation Expenses		
675	Insurance		
680	Amortization - Rate Case Expense		
685	Regulatory Commission Fees		
690	Miscellaneous Expenses		
695	Bad Debt Expense		-

Operating Income (Loss)			-
-------------------------	--	--	---

Non-Operating Income and Expenses

802	Small Tools Written Off During the Year		
803	Depreciation Expenses - Schedule 9A	-	
804	Interest on Long-Term Debt		-

Other Income (See Guide)			
--------------------------	--	--	--

Net Income (Loss)			\$ -
-------------------	--	--	------

Surplus (Deficit) April 1			
---------------------------	--	--	--

Surplus (Deficit) March 31

\$ -

Schedule 7

MUNICIPALITY Wellington

**SEWER AND/OR WATER REVENUE FUND
BALANCE SHEET
YEAR ENDED MARCH 31, 2023**

ASSETS

Cash		\$	22
Investments (temporary)			
Customer accounts receivable - arrears, Schedule 6	\$	3,332	
Less: Allowance for uncollectable accounts			3,332
Other accounts receivable			17,596
Due from other funds (specify)			235,329
Plant materials and supplies			
Prepaid expenses			349
Deferred charges			
Other assets (specify)			
		\$	<u>256,628</u>

LIABILITIES AND SURPLUS

Bank loans and overdrafts		\$	
Accounts payable			2,026
Accrued liabilities			663
Due to other funds (specify)			176,884
Other liabilities			-
	Subtotal		<u>179,573</u>
Surplus (Deficit)			<u>77,055</u>
		\$	<u>256,628</u>

Schedule 8

MUNICIPALITY Wellington

**SEWER AND/OR WATER CAPITAL AND LOAN FUND
BALANCE SHEET
YEAR ENDED MARCH 31, 2023**

ASSETS

Cash		\$	
Due from other funds (specify)			
Other (specify)			
	Subtotal		<u>-</u>
Sewer system - undepreciated cost - Schedule 9A			1,955,367
Water system - undepreciated cost - Schedule 9A			-
	Subtotal		<u>1,955,367</u>
		\$	<u>1,955,367</u>

LIABILITIES AND CONTRIBUTIONS IN AID OF CONSTRUCTION

Long-term debt - Schedule 10		\$	168,542
Bank loans			
Accounts payable			
Due to other funds (specify)			235,329
	Subtotal		<u>403,871</u>
Sewer system - contributions in aid of construction - Schedule 9B			1,551,496
Water system - contributions in aid of construction - Schedule 9B			-
	Subtotal		<u>1,551,496</u>
		\$	<u>1,955,367</u>

Schedule 9A - Sewer

Municipality of
Wellington
Sewer and/or Water Capital and Loan Fund
Analysis of Sewer System
Schedule of Depreciation
Year Ended March 31, 2023

	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
	April 1	Additions	Deductions	March 31	Rate	Depreciation	Reserve	to	Reserve	Cost
							April 1	Reserve	MArch 31	March 31
<u>Collection Plant</u>										
					%					
353 Land and Land Rights	\$ -			\$ -		\$ -			\$ -	\$ -
354 Structures and Improvements	2,317,386			2,317,386	1.2	27,809	386,325		414,134	1,903,252
360 Collection Sewers, Force, Gravity and Special				-	1.2	-			-	-
389 Other Miscellaneous Equipment				-		-			-	-
Other (Specify)				-		-			-	-
<u>System Pumping Plant</u>										
353 Land and Land Rights				-		-			-	-
354 Structures and Improvements				-	1.2	-			-	-
371 Pumping Equipment	95,407			95,407	5.0	4,770	38,222		42,992	52,415
389 Other Miscellaneous Equipment				-		-			-	-
Other (Specify)				-		-			-	-
<u>Treatment and Disposal Plant</u>										
380 Treatment and Disposal Equipment				-	5.0	-			-	-
381 Plant Sewers				-	1.2	-			-	-
382 Outfall Sewer Lines				-	1.2	-			-	-
389 Other Miscellaneous Equipment				-		-			-	-
Other (Specify)				-	5.0	-			-	-
<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)		-		-	5.0	-	300		300	(300)
Totals	\$ 2,412,793	\$ -	\$ -	\$ 2,412,793		\$ 32,579	\$ 424,847	\$ -	\$ 457,426	\$ 1,955,367

Less: Amortization - Contributions in Aid of Construction
(Taken from Column 6 of Schedule 9B - Sewer) 23,502

Net Depreciation Line 903 \$ 9,077

Schedule 9B - Sewer

Municipality of
Wellington
Sewer and/or Water Capital and Loan Fund
Analysis of Sewer System
Contributions in Aid of Construction
Year Ended March 31, 2023

	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
	April 1	Additions	Deductions	March 31	Rate	Amortization	Reserve	to	Reserve	Contributions
	April 1	Additions	Deductions	March 31	Rate	Amortization	April 1	Reserve	March 31	March 31
Collection Plant										
					%					
353 Land and Land Rights				\$ -		\$ -			\$ -	\$ -
354 Structures and Improvements	1,851,869			1,851,869	1.2	22,222	289,411		311,633	1,540,236
360 Collection Sewers, Force, Gravity and Special				-	1.2	-			-	-
389 Other Miscellaneous Equipment				-		-			-	-
Other (Specify)				-		-			-	-
System Pumping Plant										
353 Land and Land Rights				-		-			-	-
354 Structures and Improvements				-	1.2	-			-	-
371 Pumping Equipment	25,599			25,599	5.0	1,280	13,059		14,339	11,260
389 Other Miscellaneous Equipment				-		-			-	-
Other (Specify)				-		-			-	-
Treatment and Disposal Plant										
380 Treatment and Disposal Equipment				-	5.0	-			-	-
381 Plant Sewers				-	1.2	-			-	-
382 Outfall Sewer Lines				-	1.2	-			-	-
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				-	20.0	-			-	-
Other (Specify)				-		-			-	-
Totals	\$ 1,877,468	\$ -	\$ -	\$ 1,877,468		\$ 23,502	\$ 302,470	\$ -	\$ 325,972	\$ 1,551,496

Schedule 9A - Sewer

Schedule 9A - Water

Municipality of
Wellington
Sewer and/or Water Capital and Loan Fund
Analysis of Water System
Schedule of Depreciation
Year Ended March 31, 2023

	1	2	3	4	5	6	7	8	9	10
				(1 + 2 - 3)		(4 x 5)	Depreciation Reserve	Deductions to Reserve	Depreciation Reserve	Undepreciated Cost
	Cost April 1	Additions	Deductions	Cost March 31	Depreciation Rate	Depreciation	April 1	Reserve	March 31	March 31
<u>Source of Supply Plant</u>										
	%									
303 Land and Land Rights				\$ -		\$ -	\$ -		\$ -	\$ -
304 Structures and Improvements				-	1.2	-			-	-
305 Collecting & Impounding Reservoirs				-	1.2	-			-	-
307 Wells and Springs				-	1.2	-			-	-
309 Supply Mains		-		-	1.2	-			-	-
Other (Specify)				-		-			-	-
<u>Pumping Plant</u>										
303 Land and Land Rights				-		-			-	-
304 Structures and Improvements				-	1.2	-			-	-
311 Pumping Equipment				-	5.0	-			-	-
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				-	1.2	-			-	-
333 Services				-	2.0	-			-	-
334 Meters & Meter Installations				-	5.0	-			-	-
335 Hydrants				-	1.2	-			-	-
Other (Specify)				-	1.2	-			-	-
<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				-	20.0	-			-	-
347 Miscellaneous Equipment				-		-			-	-
348 Other Tangible Property		-		-	5.0	-			-	-
Other (Specify)				-		-			-	-
Totals	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -

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

Net Depreciation Line 803 \$ -

Schedule 9B - Water

Municipality of
Wellington
Sewer and/or Water Capital and Loan Fund
Analysis of Water System
Contributions in Aid of Construction
Year Ended March 31, 2023

	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
	April 1			March 31	Rate		Reserve	to	Reserve	Contributions
							April 1	Reserve	March 31	March 31
<u>Source of Supply Plant</u>										
					%					
303 Land and Land Rights				\$ -		\$ -			\$ -	\$ -
304 Structures and Improvements		-		-	1.2	-			-	-
305 Collecting & Impounding Reservoirs				-	1.2	-			-	-
307 Wells and Springs				-	1.2	-			-	-
309 Supply Mains				-	1.2	-			-	-
Other (Specify)				-		-			-	-
<u>Pumping Plant</u>										
303 Land and Land Rights				-		-			-	-
304 Structures and Improvements				-	1.2	-			-	-
311 Pumping Equipment				-	5.0	-			-	-
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				-	1.2	-			-	-
333 Services				-	2.0	-			-	-
334 Meters & Meter Installations				-	5.0	-			-	-
335 Hydrants				-	2.0	-			-	-
330 Water reservoir				-	1.2	-			-	-
<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				-	20.0	-			-	-
347 Miscellaneous Equipment				-		-			-	-
348 Other Tangible Property				-		-			-	-
Other (Specify)				-		-			-	-
Totals	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -

Schedule 9A - Water

MUNICIPALITY OF Wellington

SEWER AND/OR WATER CAPITAL AND LOAN FUND
ANALYSIS OF LONG-TERM DEBT
YEAR ENDED MARCH 31, 2023

Description of Each Loan or Debenture Issue	Outstanding April 1	Add New Debt Incurred	Subtotal	Deduct Repayments	Outstanding March 31
<u>Sewer</u>					
1 3.89% Evangeline Credit	\$ 182,172		\$ 182,172	\$ 13,630	\$ 168,542
			-		-
			-		-
			-		-
			-		-
			-		-
			-		-
			-		-
			-		-
COMBINED TOTALS	\$ 182,172	\$ -	\$ 182,172	\$ 13,630	\$ 168,542

SANITARY SEWER SYSTEMS

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

WATER SYSTEMS

	Rate of Straight Line Depreciation
SOURCE OF SUPPLY PLANT	
Structures & Improvements	1.20
Collecting & Impounding Reservoirs	1.20
Wells & Springs	1.20
Supply Mains	1.20
PUMPING PLANT	
Structures & Improvements	1.20
Electrical Pumping Equipment	5.00
Diesel Pumping Equipment	5.00
WATER TREATMENT PLANT	
Equipment	5.00
TRANSMISSION AND DISTRIBUTION PLANT	
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
GENERAL PLANT	
Office Furniture & Equipment	10.00
Informations Systems	20.00
Transportation	20.00
Tools & Shop	20.00

Rural Municipality of Wellington, PEI
Rural Municipality of Wellington Sewer Utility Corporation Bylaw
Bylaw # 2022-02

BE IT ENACTED by the Rural Municipality of Wellington as follows:

1. Title

- 1.1. This bylaw shall be known and cited as the “Wellington Sewer Corporation Bylaw”.

2. Authority

- 2.1. Clause 180(b) of the *Municipal Government Act* R.S.P.E.I. 1988, Cap. M-12.1., enables Council to establish a bylaw to provide municipal public utility services.
- 2.2. Pursuant to subsection 183(1) of the *Municipal Government Act*, this public utility will be established as a controlled corporation.

3. Application

- 3.1. This Bylaw applies to Council, all members of the Board of Directors of the Corporation, and customers of the public utility.

4. Definitions

- 4.1. “Act” means the *Municipal Government Act*.
- 4.2. “Chief Administrative Officer” or “CAO” means the administrative head of the Municipality as appointed by Council under clause 86(2)(c) of the *Act*.
- 4.3. “Commission” means the Island Regulatory and Appeals Commission established under the *Island Regulatory and Appeals Commission Act* R.S.P.E.I. 1988, Cap. I-11.
- 4.4. “Controlled Corporation” means a controlled corporation as defined in the *Act*.
- 4.5. “Corporation” means the Rural Municipality of Wellington Sewer Corporation established herein.
- 4.6. “Council” means the mayor and other members of the Council of the Municipality.
- 4.7. “Customer” means a property, person, firm or corporation who or which requests, or is supplied with, sewer service at a specific location or locations.
- 4.8. “Municipality” means the Rural Municipality of Wellington.
- 4.9. “Public Utility” means a public utility as defined in the *Water and Sewerage Act* R.S.P.E.I. 1988, Cap. W-2.
- 4.10. “Quorum” is a majority of the members of the Board of Directors and must include either the chair or vice-chair.

5. Corporation Established

- 5.1. Under the authority of subsection 183(1) and pursuant to clause 183(3)(a) of the *Act*, the Council of the Rural Municipality of Wellington establishes the Rural Municipality of Wellington Sewage Corporation .
- 5.2. Pursuant to clause 183(3)(a) of the *Act*, Council shall specify the composition and functions of the controlled corporation.

6. Corporation Administration

- 6.1. Pursuant to subsection 2(1) of the *Water and Sewerage Act*, the Commission has and shall exercise general supervision and control over the Rural Municipality of Wellington Sewage Corporation.
- 6.2. The affairs of the Corporation shall be managed, in accordance with this bylaw and other applicable Acts and regulations, by the Board of Directors.
- 6.3. The Board of Directors is represented by Council.

7. Meeting Procedures

- 7.1. A quorum is required at all times for Board of Directors meetings.
- 7.2. The Chair, or in their absence, another director, shall preside over meetings of the Board of Directors.
- 7.3. The CAO or designate must be attendance at all Board meetings to ensure minutes are recorded.
- 7.4. Decisions of the Board of Directors shall be determined by majority vote.
- 7.5. 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.
- 7.6. Meetings notice shall be as outlined in the municipality's Procedural Bylaw.

8 Functions of the Corporation

- 8.5. Constructing, altering, extending, managing and controlling a system for providing the service of sewerage.

- 8.6 Acquiring, alienating, holding and disposing of real or personal property with Council approval.
- 8.7 Financing, with the approval of Council, any of its undertakings.
- 8.8 Collecting rates and charges for services provided to any customer.
- 8.9 Recommending rates and charges to Council to cover the costs of providing services.
- 8.10 With the prior approval of Council provide for service outside the municipality boundaries provided the complete cost of providing this service is borne by the party or parties requiring this service.

9 Rates, Charges and Interest

- 9.5 Pursuant to subsection 184(1) of the *Act*, Council shall by bylaw levy rates and/or frontage charges in respect of real property for the services of the public utility that are sufficient to cover the costs of providing the services of the public utility following approval of the Commission in accordance with the *Water and Sewerage Act*.
- 9.6 All overdue and unpaid rates and frontage charges bear interest from the due date at the rate prescribed in the Commission's Regulations.

10 Liens

- 10.5 Pursuant the Commission's regulations, rates or frontage charges that are overdue and unpaid, and any interest accrued, constitute a lien on the real property on which they are levied until payment in full is made.
- 10.6 Pursuant to the Commission's regulations, the lien referred to in 11.1 of this bylaw, has priority over every claim, privilege or encumbrance against the property of every person, except the Crown, and may be enforced on application to the Supreme Court for an order for the sale of the property.

11 Financial

- 11.5 As per clause 183(3)(b) of the *Act*, the Corporation shall maintain its accounts separate from the accounts of the municipality.
- 11.6 Pursuant to clause 183(3)(b) of the *Act*, the Corporation shall prepare an annual financial statement to be submitted to Council.
- 11.7 In accordance with clause 183(3)(c) of the *Act*, the Corporation shall prepare annually a financial plan to be submitted to Council which contains at a minimum:
an operating budget that includes estimates of revenues and expenditures,
- 11.8 The fiscal year of the corporation shall be from 1 April to 31 March.
- 11.9 In accordance with section 12 of the *Water and Sewerage Act*, the public utility is required to keep and render its books, accounts, records and papers accurately and

faithfully in the manner and form prescribed by the Commission and comply with all direction of the Commission relating to the books, accounts, papers and records.

- 11.10 If the Minister requires an inspection of the Corporation pursuant to subsection 216(1) of the *Act*, the Corporation shall produce all records of the Corporation for examination and inspection.

12 Complaints

- 12.5 In accordance with subsection 184(4) of the *Act*, a complaint in respect of the terms and standards of service, rates, charges or schedules or any combination of them, of the public utility, is subject to appeal to the Commission under the *Water and Sewerage Act* in accordance with that Act.

13 Repeal of Existing Bylaw

14 Effective Date

This Rural Municipality of Wellington Sewer Utility Bylaw, Bylaw # 2022-02 shall be effective on the date of approval and adoption below.

First Reading:

This Wellington Sewer Utility Corporation Bylaw, Bylaw# 2022-02, was read a first time at the Council meeting held on the _20th day of October, 2022.

This Wellington Sewer Utility Corporation Bylaw, Bylaw# 2022-02, was approved by a majority of Council members present at the Council meeting held on the 20th day of October, 2022.

Second Reading:

This Wellington Sewer Utility Corporation Bylaw, Bylaw# 2022-02, was read a second time at the Council meeting held on the __17th day of November, 2022.

This Sewer Sewer Utility Corporation Bylaw, Bylaw# 2022-02, was approved by a majority of Council members present at the Council meeting held on the _17th day of November, 2022.

Approval and Adoption by Council:

This Wellington Sewer Utility Corporation Bylaw, Bylaw# 2022-02, was adopted by a majority of Council members present at the Council meeting held on the __17th day of November, 2022.

Signatures

Mayor (signature sealed)

Chief Administrative Officer (signature sealed)

This Sewer Corporation Bylaw adopted by the Council of the Rural Municipality of Wellington on November 17, 2022 is certified to be a true copy.

Chief Administrative Officer Signature

Date

Schedule 'A' –

Note: this Schedule forms part of the bylaw and may only be amended in accordance with Part 5 Division 2 (Bylaws and Resolutions) of the Act.