



**Grant Thornton**

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The Island Regulatory  
and Appeals Commission

**Town of Souris Sewer and Water  
Utility Corporation**

**IRAC Study**

**Town of Souris Sewer and Water Utility Corporation**

75 Main Street  
Souris, PE C0A 2B0

June 11, 2009

Heather Walker, Research Analyst  
IRAC  
National Bank Tower, Suite 501  
Charlottetown, PE  
C1A 7L1

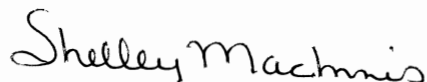
Dear Ms Walker,

Enclosed please find the Suggested Minimum Filings for the Sewer and Water Rate Increase Application for the Town of Souris Sewer and Water Utility Corporation.

1. Background information on the Utility.
2. Statements of financial activities and fund balance - actual 2007 and 2008, forecast 2009, 2010 and 2011 for both the sewer and water accounts.
3. Statements of financial activities - forecast 2009, 2010 and 2011 with and without proposed rate increases for both sewer and water accounts.
4. Brief explanation of what is contained in each revenue and expenditure account and why the amount is changing.
5. Schedule of depreciation for both the sewer and water accounts.
6. Schedule of long term debt.
7. Summary of Cash Surplus (Deficit).
8. Summary of Projected Revenue with and without rate increase for 2009, 2010 and 2011 including breakdown of current number of customers with assigned proportionate units and forecast number of proportionate units for 2009, 2010, and 2011.
9. Proposed capital expenditures to the current system in the forecasted period.
10. Proposed rate structure and effective date.
11. Copy of the Resolution from the Town of Souris giving authorization to prepare the rate application.
12. Copy of Town of Souris Sewer and Water Utility Corporation Bylaw.
13. Copy of Town of Souris consolidated audited financial statements for the year ended December 31, 2008.

If you need more information, please contact the undersigned at 902-687-2157.

Sincerely,



Shelley MacInnis, Administrator  
Town of Souris

**Town of Souris Sewer and Water Utility Corporation  
Sewer and Water Rate Increase – May 2009**

**Background Information**

The application for a change in the sewer and water rates is a result of changes to the increased costs related to the cost of financing debt repayment, salary increases, fuel and electricity costs and an overall increase in all costs to operate the utility.

The construction of the Town of Souris sewer and water system began in 1962. The sewer system is comprised of the collection system, piping, manholes, four pumping stations and a sewer treatment plant. The plant is located on Breakwater Street. Currently the treatment plant processes approximately 120,000 – 140,000 US gallons per day (USgpd) and the maximum capacity of the plant is 170,000 (USgpd).

The water system is serviced by four pumping stations with four wells. The system pumps approximately 400,000 (USgpd) and has the capabilities of providing upwards of 1,700,000 (USgpd).

Currently the town provides sewer services to 517 customers and water services to 518 customers of which 58 are metered customers.

**Town of Souris Sewer and Water Utility Corporation**  
**Statement of Financial Activities and Fund Balance - Water Account**

Year Ended December 31	2007	2008	2009	2010	2011
<b>REVENUE</b>					
<b>Water rates</b>					
Domestic	\$47,616	\$47,187	\$47,348	\$47,348	\$47,348
Metered	73,757	70,716	71,312	71,312	71,312
Flat rate	3,945	0	0	0	0
Fire protection	53,386	62,943	71,063	70,357	73,277
Delayed payment charges	903	0	750	750	750
	<u>179,607</u>	<u>180,846</u>	<u>190,473</u>	<u>189,767</u>	<u>192,688</u>
<b>EXPENDITURES</b>					
<b>OPERATING</b>					
Backhoe	3,110	3,930	2,750	2,750	2,750
Electricity	45,587	55,955	54,000	56,700	59,535
Employee benefits	3,841	4,014	1,600	1,680	1,764
Fuel	1,180	731	1,000	1,050	1,103
<b>Garage</b>					
Electricity	727	948	850	893	937
Fuel	2,231	2,356	2,250	2,363	2,481
Insurance	309	321	450	450	450
Property taxes	270	266	275	275	275
Repairs	599	2,199	1,325	1,325	1,325
Water and sewer	104	104	105	105	105
Repairs and maintenance	16,630	21,074	17,500	17,500	17,500
Supplies	828	822	850	850	850
Wages and travel allowance	34,495	38,007	41,525	43,601	45,781
	<u>109,911</u>	<u>130,727</u>	<u>124,480</u>	<u>129,541</u>	<u>134,856</u>
<b>ADMINISTRATIVE</b>					
Bank charges	11	265	300	300	300
Council fees	3,238	3,326	3,475	3,475	3,475
Doubtful accounts	474	842	50	50	50
Dues and fees	0	20	0	0	0
Insurance	1,262	1,312	1,312	1,312	1,312
Island Regulatory & Appeals Commission assessment	1,611	1,860	1,900	1,900	1,900
Office and postage	1,697	3,184	1,375	1,375	1,375
Office rent	1,800	1,800	1,800	1,800	1,800
Professional fees	4,233	4,086	4,000	4,200	4,410
Rate study	0	0	3,000	0	0
Retiring allowance	1,709	2,624	2,625	2,756	2,894
Salaries and employee benefits	26,791	28,811	29,650	31,133	32,689
Sundry	614	743	750	750	750
Telephone	769	833	600	600	600
Workers compensation insurance	925	972	1,000	1,050	1,103
	<u>45,134</u>	<u>50,678</u>	<u>51,837</u>	<u>50,701</u>	<u>52,658</u>
<b>OTHER</b>					
Depreciation and amortization	17,661	20,602	22,472	24,602	23,279
Interest on advances from the Town of Souris	13,649	11,997	12,000	12,000	12,000
Interest on long-term debt	4,381	1,339	2,414	5,209	6,920
	<u>35,691</u>	<u>33,938</u>	<u>36,885</u>	<u>41,811</u>	<u>42,199</u>
<b>TOTAL EXPENDITURES</b>	<u>190,736</u>	<u>215,343</u>	<u>213,202</u>	<u>222,053</u>	<u>229,712</u>
<b>EXCESS EXPENDITURES FOR THE YEAR</b>	<u>(\$11,129)</u>	<u>(\$34,497)</u>	<u>(\$22,729)</u>	<u>(\$32,286)</u>	<u>(\$37,025)</u>
<b>Fund Balance</b>					
Fund balance, beginning of year	\$331,454	\$320,325	\$285,828	\$263,099	\$230,813
Net expenditures	(11,129)	(34,497)	(22,729)	(32,286)	(37,025)
Fund balance, end of year	<u>\$320,325</u>	<u>\$285,828</u>	<u>\$263,099</u>	<u>\$230,813</u>	<u>\$193,788</u>

**Town of Souris Sewer and Water Utility Corporation**

**Statement of Financial Activities and Fund Balance - Sewer Account**

Year Ended December 31	2007	2008	2009	2010	2011
<b>REVENUE</b>					
Sewer rates					
Domestic	\$67,422	\$67,088	\$66,978	\$66,978	\$66,978
Metered	30,005	34,604	34,581	34,581	34,581
Flat rate	5,215	0	0	0	0
Delayed payment charges	903	263	750	750	750
Connection fees	60	67	100	100	100
	<u>103,605</u>	<u>102,022</u>	<u>102,409</u>	<u>102,409</u>	<u>102,409</u>
<b>EXPENDITURES</b>					
OPERATING					
Backhoe	3,110	3,725	2,750	2,750	2,750
Electricity	23,071	27,689	27,500	28,875	30,319
Employee benefits	3,841	4,034	1,600	1,680	1,764
Garage					
Utilities	727	1,019	850	893	937
Fuel	2,231	2,356	2,250	2,363	2,481
Insurance	309	321	450	450	450
Property taxes	270	266	275	275	275
Repairs	599	2,199	1,325	1,325	1,325
Water and sewer	104	104	105	105	105
Repairs and maintenance	16,729	10,923	15,000	15,000	15,000
Supplies	828	822	850	850	850
Wages and travel allowance	34,495	38,007	41,525	43,601	45,781
	<u>86,314</u>	<u>91,465</u>	<u>94,480</u>	<u>98,166</u>	<u>102,037</u>
ADMINISTRATIVE					
Bank charges	11	363	300	300	300
Council fees	3,238	3,326	3,475	3,475	3,475
Doubtful accounts	474	842	50	50	50
Insurance	1,262	1,312	1,312	1,312	1,312
Island Regulatory & Appeals Commission assessment	1,611	1,860	1,900	1,900	1,900
Office and postage	1,696	1,599	1,375	1,375	1,375
Office rent	1,800	1,800	1,800	1,800	1,800
Professional fees	4,233	4,086	4,000	4,200	4,410
Retiring allowance	1,709	2,624	2,625	2,756	2,894
Rate study	0	0	3,000	0	0
Salaries and employee benefits	26,791	29,016	29,650	31,133	32,689
Sundry	618	746	750	750	750
Telephone	769	762	600	600	600
Workers compensation insurance	925	972	1,000	1,050	1,103
	<u>45,137</u>	<u>49,308</u>	<u>51,837</u>	<u>50,701</u>	<u>52,658</u>
OTHER					
Depreciation and amortization	17,661	16,168	17,356	17,992	17,509
Interest on advances from the Town of Souris	13,649	11,997	12,000	12,000	12,000
Interest on long-term debt	193	1,339	2,414	5,209	6,920
	<u>31,503</u>	<u>29,504</u>	<u>31,770</u>	<u>35,201</u>	<u>36,429</u>
<b>TOTAL EXPENDITURES</b>	<u>162,954</u>	<u>170,277</u>	<u>178,087</u>	<u>184,068</u>	<u>191,124</u>
<b>EXCESS EXPENDITURES FOR THE YEAR</b>	<u>(\$59,349)</u>	<u>(\$68,255)</u>	<u>(\$75,678)</u>	<u>(\$81,660)</u>	<u>(\$88,715)</u>
<b>Fund Balance</b>					
Fund balance, beginning of year	\$331,454	\$272,105	\$203,850	\$128,172	\$46,512
Net expenditures	(59,349)	(68,255)	(75,678)	(81,660)	(88,715)
Fund balance, end of year	<u>\$272,105</u>	<u>\$203,850</u>	<u>\$128,172</u>	<u>\$46,512</u>	<u>(\$42,203)</u>

**Town of Souris Sewer and Water Utility Corporation**

**Statement of Financial Activities Forecast 2009, 2010 and 2011 - Water Account**

Year Ended December 31	Without Increase			With Increase		
	2009	2010	2011	2009	2010	2011
<b>REVENUE</b>						
Water rates						
Domestic	\$47,348	\$47,348	\$47,348	\$52,083	\$56,817	\$61,552
Metered	71,312	71,312	71,312	78,443	85,575	92,706
Fire protection	71,063	70,357	73,277	71,063	70,357	73,277
Delayed payment charges	750	750	750	750	750	750
	<u>190,473</u>	<u>189,767</u>	<u>192,688</u>	<u>202,339</u>	<u>213,499</u>	<u>228,286</u>
<b>EXPENDITURES</b>						
<b>OPERATING</b>						
Backhoe	2,750	2,750	2,750	2,750	2,750	2,750
Electricity	54,000	56,700	59,535	54,000	56,700	59,535
Employee benefits	1,600	1,680	1,764	1,600	1,680	1,764
Fuel	1,000	1,050	1,103	1,000	1,050	1,103
Garage	0	0	0	0	0	0
Electricity	850	893	937	850	893	937
Fuel	2,250	2,363	2,481	2,250	2,363	2,481
Insurance	450	450	450	450	450	450
Property taxes	275	275	275	275	275	275
Repairs	1,325	1,325	1,325	1,325	1,325	1,325
Water and sewer	105	105	105	105	105	105
Repairs and maintenance	17,500	17,500	17,500	17,500	17,500	17,500
Supplies	850	850	850	850	850	850
Wages and travel allowance	41,525	43,601	45,781	41,525	43,601	45,781
	<u>124,480</u>	<u>129,541</u>	<u>134,856</u>	<u>124,480</u>	<u>129,541</u>	<u>134,856</u>
<b>ADMINISTRATIVE</b>						
Bank charges	300	300	300	300	300	300
Council fees	3,475	3,475	3,475	3,475	3,475	3,475
Doubtful accounts	50	50	50	50	50	50
Dues and fees	0	0	0	0	0	0
Insurance	1,312	1,312	1,312	1,312	1,312	1,312
Island Regulatory & Appeals Commission assessment	1,900	1,900	1,900	1,900	1,900	1,900
Office and postage	1,375	1,375	1,375	1,375	1,375	1,375
Office rent	1,800	1,800	1,800	1,800	1,800	1,800
Professional fees	4,000	4,200	4,410	4,000	4,200	4,410
Rate study	3,000	0	0	3,000	0	0
Retiring allowance	2,625	2,756	2,894	2,625	2,756	2,894
Salaries and employee benefits	29,650	31,133	32,689	29,650	31,133	32,689
Sundry	750	750	750	750	750	750
Telephone	600	600	600	600	600	600
Workers compensation insurance	1,000	1,050	1,103	1,000	1,050	1,103
	<u>51,837</u>	<u>50,701</u>	<u>52,658</u>	<u>51,837</u>	<u>50,701</u>	<u>52,658</u>
<b>OTHER</b>						
Depreciation and amortization	22,472	24,602	23,279	22,472	24,602	23,279
Interest on advances from the Town of Souris	12,000	12,000	12,000	12,000	12,000	12,000
Interest on long-term debt	2,414	5,209	6,920	2,414	5,209	6,920
	<u>36,885</u>	<u>41,811</u>	<u>42,199</u>	<u>36,885</u>	<u>41,811</u>	<u>42,199</u>
<b>TOTAL EXPENDITURES</b>	<u>213,202</u>	<u>222,053</u>	<u>229,712</u>	<u>213,202</u>	<u>222,053</u>	<u>229,712</u>
<b>EXCESS REVENUE (EXPENDITURES) FOR THE YEAR</b>	<u>(\$22,729)</u>	<u>(\$32,286)</u>	<u>(\$37,025)</u>	<u>(\$10,863)</u>	<u>(\$8,554)</u>	<u>(\$1,427)</u>

**Town of Souris Sewer and Water Utility Corporation**

**Statement of Financial Activities Forecast 2009, 2010 and 2011 - Sewer Account**

Year Ended December 31	Without Increase			With Increase		
	2009	2010	2011	2009	2010	2011
<b>REVENUE</b>						
Sewer rates						
Domestic	\$66,978	\$66,978	\$66,978	\$87,071	\$107,164	\$127,257
Metered	34,581	34,581	34,581	44,955	55,330	65,704
Delayed payment charges	750	750	750	750	750	750
Connection fees	100	100	100	100	100	100
	<u>102,409</u>	<u>102,409</u>	<u>102,409</u>	<u>132,876</u>	<u>163,344</u>	<u>193,811</u>
<b>EXPENDITURES</b>						
<b>OPERATING</b>						
Backhoe	2,750	2,750	2,750	2,750	2,750	2,750
Electricity	27,500	28,875	30,319	27,500	28,875	30,319
Employee benefits	1,600	1,680	1,764	1,600	1,680	1,764
Garage	0	0	0	0	0	0
Utilities	850	893	937	850	893	937
Fuel	2,250	2,363	2,481	2,250	2,363	2,481
Insurance	450	450	450	450	450	450
Property taxes	275	275	275	275	275	275
Repairs	1,325	1,325	1,325	1,325	1,325	1,325
Water and sewer	105	105	105	105	105	105
Repairs and maintenance	15,000	15,000	15,000	15,000	15,000	15,000
Supplies	850	850	850	850	850	850
Wages and travel allowance	41,525	43,601	45,781	41,525	43,601	45,781
	<u>94,480</u>	<u>98,166</u>	<u>102,037</u>	<u>94,480</u>	<u>98,166</u>	<u>102,037</u>
<b>ADMINISTRATIVE</b>						
Bank charges	300	300	300	300	300	300
Council fees	3,475	3,475	3,475	3,475	3,475	3,475
Doubtful accounts	50	50	50	50	50	50
Insurance	1,312	1,312	1,312	1,312	1,312	1,312
Island Regulatory & Appeals Commission assessment	1,900	1,900	1,900	1,900	1,900	1,900
Office and postage	1,375	1,375	1,375	1,375	1,375	1,375
Office rent	1,800	1,800	1,800	1,800	1,800	1,800
Professional fees	4,000	4,200	4,410	4,000	4,200	4,410
Retiring allowance	2,625	2,756	2,894	2,625	2,756	2,894
Rate study	3,000	0	0	3,000	0	0
Salaries and employee benefits	29,650	31,133	32,689	29,650	31,133	32,689
Sundry	750	750	750	750	750	750
Telephone	600	600	600	600	600	600
Workers compensation insurance	1,000	1,050	1,103	1,000	1,050	1,103
	<u>51,837</u>	<u>50,701</u>	<u>52,658</u>	<u>51,837</u>	<u>50,701</u>	<u>52,658</u>
<b>OTHER</b>						
Depreciation and amortization	17,356	17,992	17,509	17,356	17,992	17,509
Interest on advances from the Town of Souris	12,000	12,000	12,000	12,000	12,000	12,000
Interest on long-term debt	2,414	5,209	6,920	2,414	5,209	6,920
	<u>31,770</u>	<u>35,201</u>	<u>36,429</u>	<u>31,770</u>	<u>35,201</u>	<u>36,429</u>
<b>TOTAL EXPENDITURES</b>	<u>178,087</u>	<u>184,068</u>	<u>191,124</u>	<u>178,087</u>	<u>184,068</u>	<u>191,124</u>
<b>EXCESS REVENUE (EXPENDITURES) FOR THE YEAR</b>	<u>(\$75,678)</u>	<u>(\$81,660)</u>	<u>(\$88,715)</u>	<u>(\$45,210)</u>	<u>(\$20,724)</u>	<u>\$2,688</u>

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**Town of Souris Sewer and Water Utility Corporation**  
**Sewer and Water Rate Increase - May 2009**

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**Brief explanation of what is contained in each revenue and expenditure account and why the amount is changing**

Revenue - Sewer

The projections for the sewer revenue use an increase of 30% per year in order to achieve and then maintain breakeven for the utility.

Revenue - Water

The projections for the water revenue use an increase of 10% per year in order to achieve and then maintain breakeven for the utility.

Expenditures:

For 2010 and 2011 we have projected a 5% increase for salaries, electricity, fuel and audit and accounting costs.

The remaining costs we have estimated based on the 2009 budget.

Interest on long term debt is based on the existing current loan repayment terms and estimates based on financing required to complete the infrastructure upgrades in 2009 and 2010.

Depreciation and amortization are calculated using IRAC prescribed rates on the straight line basis.

**Town of Souris Sewer and Water Utility Corporation**  
**Schedule of Depreciation - Water**

December 31	2007	2008	2009	2010	2011
<b>Capital Assets - Water</b>					
Cost					
Balance, beginning of year	\$1,465,230	\$1,496,616	\$1,728,015	\$2,195,515	\$2,855,515
Additions (disposals)	31,387	231,399	467,500	660,000	0
Balance, end of year	1,496,616	1,728,015	2,195,515	2,855,515	2,855,515
Accumulated depreciation					
Balance, beginning of year	401,542	428,998	459,088	494,788	537,898
Depreciation	27,456	30,090	35,700	43,110	41,787
Balance, end of year	428,998	459,088	494,788	537,898	579,685
Net book value	\$1,067,618	\$1,268,927	\$1,700,727	\$2,317,617	\$2,275,830
<b>Capital Grants - Water</b>					
Cost					
Balance, beginning of year	\$554,287	\$565,267	\$724,107	\$1,035,774	\$1,475,774
Additions (disposals)	10,980	158,840	311,667	440,000	-
Balance, end of year	565,267	724,107	1,035,774	1,475,774	1,475,774
Accumulated amortization					
Balance, beginning of year	76,694	84,276	93,764	106,992	125,500
Amortization	7,582	9,488	13,228	18,508	18,508
Balance, end of year	84,276	93,764	106,992	125,500	144,008
Net value	\$480,991	\$630,343	\$928,782	\$1,350,274	\$1,331,766

**Town of Souris Sewer and Water Utility Corporation**  
**Schedule of Depreciation - Sewer**

December 31	2007	2008	2009	2010	2011
<b>Capital Assets - Sewer</b>					
Cost					
Balance, beginning of year	\$1,784,928	\$1,815,270	\$2,053,296	\$2,350,296	\$2,590,296
Additions (disposals)	30,342	238,026	297,000	240,000	-
Balance, end of year	1,815,270	2,053,296	2,350,296	2,590,296	2,590,296
Accumulated depreciation					
Balance, beginning of year	492,260	525,603	561,647	601,255	643,419
Depreciation	33,343	36,044	39,608	42,164	41,681
Balance, end of year	525,603	561,647	601,255	643,419	685,101
Net book value	\$1,289,667	\$1,491,649	\$1,749,041	\$1,946,877	\$1,905,195
<b>Capital Grants - Sewer</b>					
Cost					
Balance, beginning of year	\$935,136	\$948,861	\$1,113,951	\$1,311,951	\$1,471,951
Additions (disposals)	13,725	165,089	198,000	160,000	-
Balance, end of year	948,861	1,113,951	1,311,951	1,471,951	1,471,951
Accumulated amortization					
Balance, beginning of year	188,783	206,678	226,554	248,806	272,978
Amortization	17,895	19,876	22,252	24,172	24,172
Balance, end of year	206,678	226,554	248,806	272,978	297,150
Net value	\$742,183	\$887,397	\$1,063,145	\$1,198,973	\$1,174,801

**Town of Souris Sewer and Water Utility Corporation**  
**Schedule of Long Term Debt**

December 31		2007	2008	2009	2010	2011
7.1% Canadian Imperial Bank of Commerce loan, maturing and amortized to October, 2010, payable in monthly instalments of \$1,393 including principal and interest.	Loan Balance, end of year	44,061	30,020	14,922	-	-
	Principal Payments	13,130	14,041	15,098	14,922	-
	Interest Payments	3,586	2,675	1,618	529	-
2009 loan on 2008 capital additions	Loan Balance, end of year			86,884	83,816	80,882
50% of Town's share of costs paid thru Gas Tax	Principal Payments			2,756	3,068	2,933
Total loan proceeds - \$89,640	Interest Payments			1,531	2,993	3,299
Date received - April 2009						
Assumptions:						
20 year amortization						
4% interest rate (currently on 1 year 2.53%, assumed renewed in 2010 at 4%)						
2009 loan on 2009 capital additions	Loan Balance, end of year			126,015	121,698	117,205
50% of Town's share of costs paid thru Gas Tax	Principal Payments			1,402	4,318	4,492
Total loan proceeds - \$127,417	Interest Payments			1,678	4,921	4,747
Date received - September 2009						
20 year amortization						
4% interest rate						
2010 loan on 2010 capital additions	Loan Balance, end of year				148,350	143,267
50% of Town's share of costs paid thru Gas Tax	Principal Payments				1,650	5,083
Total loan proceeds - \$150,000	Interest Payments				1,975	5,793
Date received - September 2010						
20 year amortization						
4% interest rate						
<b>Totals</b>	<b>Loan Balance</b>	<b>44,061</b>	<b>30,020</b>	<b>227,821</b>	<b>353,863</b>	<b>341,355</b>
	<b>Principal Payments</b>	<b>13,130</b>	<b>14,041</b>	<b>19,256</b>	<b>23,958</b>	<b>12,508</b>
	<b>Interest Payments</b>	<b>3,586</b>	<b>2,675</b>	<b>4,827</b>	<b>10,418</b>	<b>13,839</b>

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**Town of Souris Sewer and Water Utility Corporation****Summary of Surplus (Deficit)**

December 31	2007	2008	2009	2010	2011
<b>Sewer</b>					
Net revenue (expenditures)	\$ (59,349)	\$ (68,255)	\$ (75,678)	\$ (81,660)	(\$88,715)
Current revenue	103,605	102,022	102,409	102,409	102,409
<b>Required revenue'</b>	<b>\$ 162,954</b>	<b>\$ 170,277</b>	<b>\$ 178,087</b>	<b>\$ 184,068</b>	<b>\$ 191,124</b>

**Water**

Net revenue (expenditures)	\$ (11,129)	\$ (34,497)	\$ (22,729)	\$ (32,286)	(\$37,025)
Current revenue	179,607	180,846	190,473	189,767	192,688
<b>Required revenue</b>	<b>\$ 190,736</b>	<b>\$ 215,343</b>	<b>\$ 213,202</b>	<b>\$ 222,053</b>	<b>\$ 229,712</b>

See corresponding schedule of projected revenue

Town of Souris Sewer and Water Utility Corporation  
Sewer and Water Rate Increase - May 2009

Revenue Type	Annual Charge	# of Customers	# of Effective Units (Seasonals)	ACTUAL		Projected Revenue - Without rate increase						Projected Revenue - With rate increases					
				2008 Sewer	2008 Water	2009 Sewer	2009 Water	2010 Sewer	2010 Water	2011 Sewer	2011 Water	2009 Sewer	2009 Water	2010 Sewer	2010 Water	2011 Sewer	2011 Water
Domestic Sewer Flat Rate	\$ 162.96	460.00	411.01	66,978	47,348	66,978	47,348	66,978	47,348	66,978	47,348	87,071	52,083	107,164	56,817	127,257	61,552
Water Flat Rate	\$ 115.20	460.00	411.01														
<b>Metered - Sewer</b>																	
Meter Charge	\$ 126.36		13	1,643	140	1,643	140	1,643	140	1,643	140	2,135	2,628	3,121	3,836	4,073	182
5/8" meter	\$ 168.24		12	2,019	1,226	2,019	1,226	2,019	1,226	2,019	1,226	2,625	3,230	3,836	4,073	4,073	1,594
3/4" meter	\$ 252.36		26	6,561	1,443	6,561	1,443	6,561	1,443	6,561	1,443	8,530	10,498	12,467	12,467	12,467	1,876
1 1/2" meter	\$ 462.60		5	2,313	4,415	2,313	4,415	2,313	4,415	2,313	4,415	3,007	3,701	4,395	4,395	4,395	5,740
2" meter	\$ 714.72		10	7,147	823	7,147	823	7,147	823	7,147	823	9,291	11,436	13,580	13,580	13,580	19,070
3" meter	\$ 1,303.32		-	-	823	-	823	-	823	-	823	-	-	-	-	-	-
4" meter	\$ 2,143.92		1	2,144	741	2,144	741	2,144	741	2,144	741	2,787	3,430	4,073	4,073	4,073	5,387
5/8" meter	\$ 126.01		1	126	741	126	741	126	741	126	741	164	202	239	239	239	1,570
3/4" meter	\$ 139.12		1	139	92	139	92	139	92	139	92	181	223	264	264	264	3,087
Metered Usage	\$0.61/1000 gal		20,473,458 gal	12,489	54,707	12,489	54,707	12,489	54,707	12,489	54,707	16,235	19,982	23,729	23,729	23,729	71,119
<b>Metered - Water</b>																	
Meter Charge	\$ 139.68		1	140	140	140	140	140	140	140	140	154	168	182	182	182	239
1 1/2" meter	\$ 87.60		14	1,226	1,226	1,226	1,226	1,226	1,226	1,226	1,226	1,349	1,472	1,594	1,594	1,594	2,023
3/4" meter	\$ 111.00		13	1,443	1,443	1,443	1,443	1,443	1,443	1,443	1,443	1,587	1,732	1,876	1,876	1,876	2,412
1" meter	\$ 157.68		28	4,415	4,415	4,415	4,415	4,415	4,415	4,415	4,415	4,857	5,298	5,740	5,740	5,740	7,483
1 1/2" meter	\$ 274.32		3	823	823	823	823	823	823	823	823	905	988	1,070	1,070	1,070	1,391
2" meter	\$ 414.36		10	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,558	4,972	5,387	5,387	5,387	7,178
3" meter	\$ 741.00		1	741	741	741	741	741	741	741	741	815	889	963	963	963	1,254
4" meter	\$ 1,207.68		1	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,328	1,449	1,570	1,570	1,570	2,023
6" meter	\$ 2,374.44		1	2,374	2,374	2,374	2,374	2,374	2,374	2,374	2,374	2,612	2,849	3,087	3,087	3,087	4,012
3/4" meter	\$ 91.79		1	92	92	92	92	92	92	92	92	101	110	119	119	119	155
Metered Usage	\$0.46/1000 gal		118,927,528 gal	54,707	54,707	54,707	54,707	54,707	54,707	54,707	54,707	60,177	65,648	71,119	71,119	71,119	92,000
				101,559	118,660	101,559	118,660	101,559	118,660	101,559	118,660	132,026	130,526	162,494	142,392	192,961	154,258

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**Town of Souris Sewer and Water Utility Corporation**  
**Sewer and Water Rate Increase - May 2009**

---

**Proposed Capital Expenditures to the Current System for 2009-2011**

2009 additions will complete Phase 1 of the Main Street project. This will install new water and sewer lines along Main Street from Beach Street to Union Avenue.

The projected cost of 2009 additions is \$764,500 and will be cost shared by the Federal and Provincial Governments. The Town plans to finance its 1/3 share 50% with Gas Tax funding, 50% with a long term loan.

No new units are anticipated from this capital expenditure.

2010 additions are based on Phase 2 of the Main Street project. This will extend Phase 1's new water and sewer lines along Main Street from Union Avenue to MacPhee Avenue.

The projected cost is \$900,000 and will be cost shared by the Federal and Provincial Governments. The Town plans to finance its 1/3 share 50% with Gas Tax funding, 50% with a long term loan.

No new units are anticipated from this capital expenditure.

**Summary of Capital Expenditures, Funding Utilized, and Financing Requirements**

	<b>2009</b>	<b>2010</b>
Projected Cost	\$ 764,500	\$ 900,000
Less: 2/3's infrastructure funding utilized	<u>(509,667)</u>	<u>(600,000)</u>
	254,833	300,000
Less: 50% gas tax funding utilized	<u>(127,417)</u>	<u>(150,000)</u>
Financing required thru long term debt	<u>\$ 127,417</u>	<u>\$ 150,000</u>

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**Town of Souris Sewer and Water Utility Corporation**  
**Sewer and Water Rate Increase - May 2009**

---

**Proposed Rates with effective Date**

**Sewer**

We propose the following rate increases, based on an average increase of 30%/year (from 2008 level) for 3 years, beginning October 1, 2009.

	<b>Current</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Effective Date		October 1	October 1	October 1
Sewer Flat Rate	\$ 162.96	\$ 211.85	\$ 260.74	\$ 309.62
<b>Meter Charge</b>				
5/8" meter	\$ 126.36	\$ 164.27	\$ 202.18	\$ 240.08
3/4" meter	\$ 168.24	\$ 218.71	\$ 269.18	\$ 319.66
1" meter	\$ 252.36	\$ 328.07	\$ 403.78	\$ 479.48
1 1/2" meter	\$ 462.60	\$ 601.38	\$ 740.16	\$ 878.94
2" meter	\$ 714.72	\$ 929.14	\$ 1,143.55	\$ 1,357.97
3" meter	\$ 1,303.32	\$ 1,694.32	\$ 2,085.31	\$ 2,476.31
4" meter	\$ 2,143.92	\$ 2,787.10	\$ 3,430.27	\$ 4,073.45
5/8" meter	\$ 126.01	\$ 163.81	\$ 201.62	\$ 239.42
3/4" meter	\$ 139.12	\$ 180.86	\$ 222.59	\$ 264.33
Metered Usage	\$0.61/1000 gal	\$0.79/1000 gal	\$0.98/1000 gal	\$1.15/1000 gal

**Water**

We propose the following rate increases, based on an average increase of 10%/year (from 2008 level) for 3 years, beginning October 1, 2009.

	<b>Current</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Effective Date		October 1	October 1	October 1
Water Flat Rate	\$ 115.20	\$ 126.72	\$ 138.24	\$ 149.76
<b>Meter Charge</b>				
1 1/2" meter	\$ 139.68	\$ 153.65	\$ 167.62	\$ 181.58
5/8" meter	\$ 87.60	\$ 96.36	\$ 105.12	\$ 113.88
3/4" meter	\$ 111.00	\$ 122.10	\$ 133.20	\$ 144.30
1" meter	\$ 157.68	\$ 173.45	\$ 189.22	\$ 204.98
1 1/2" meter	\$ 274.32	\$ 301.75	\$ 329.18	\$ 356.62
2" meter	\$ 414.36	\$ 455.80	\$ 497.23	\$ 538.67
3" meter	\$ 741.00	\$ 815.10	\$ 889.20	\$ 963.30
4" meter	\$ 1,207.68	\$ 1,328.45	\$ 1,449.22	\$ 1,569.98
6" meter	\$ 2,374.44	\$ 2,611.88	\$ 2,849.33	\$ 3,086.77
3/4" meter	\$ 91.79	\$ 100.97	\$ 110.15	\$ 119.33
Metered Usage	\$0.46/1000 gal	\$0.51/1000 gal	\$0.55/1000 gal	\$0.60/1000 gal

**Combined Effect on Combined Domestic Flat Rates**

	<b>Current</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Combined Flat Rate	\$ 278.16	\$ 338.57	\$ 398.98	\$ 459.38



**SOURIS TOWN COUNCIL and  
SOURIS SEWER AND WATER UTILITY CORPORATION**

**MINUTES  
MONDAY, December 8, 2008**

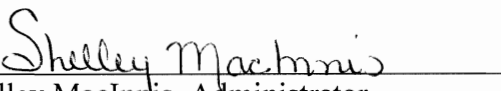
<b>Time:</b>	<b>7:00 P.M.</b>	Shelley MacInnis
<b>Location:</b>	<b>Town Hall Council Chambers 75 Main Street, Souris PEI</b>	Administrator 902-687-2157 <a href="mailto:town@sourispei.com">town@sourispei.com</a>

**Item 4.3**

**Resolution giving authorization to Grant Thornton for the preparation of IRAC sewer and water rate increase application.**

**MOTION** by Councillor Thelma MacDonald and seconded by Councillor Christina Whyatt that Souris Town Council hereby give authorization to Grant Thornton to prepare a Sewer and Water Rate Increase Proposal or Application to be submitted to Island Regulatory and Appeals Commission on behalf of the Town of Souris Sewer and Water Utility Corporation. All in favour. Motion carried.

  
\_\_\_\_\_  
Mayor Joanne Reid

  
\_\_\_\_\_  
Shelley MacInnis, Administrator

December 9, 2008



**SOURIS TOWN COUNCIL and  
SOURIS SEWER AND WATER UTILITY CORPORATION**

**MINUTES  
MONDAY, June 8, 2009**

<b>Time:</b>	<b>7:00 P.M.</b>	Shelley MacInnis Administrator 902-687-2157 <a href="mailto:town@sourispei.com">town@sourispei.com</a>
<b>Location:</b>	<b>Town Hall Council Chambers 75 Main Street, Souris PEI</b>	

**Present: Mayor Joanne Reid, Councillors Denis Thibodeau, Thelma MacDonald, Wanda Bailey, David MacDonald, Christina Whyatt and Donnie Aitken**

**1. Calling the Meeting to Order and Quorum**

Mayor Reid called the meeting to order with a quorum at 7:00pm.

**2. Agenda**

**2.1. Approval of the Agenda**

**Motion** by Councillor Whyatt and seconded by Councillor Thibodeau that the agenda be approved as circulated. All in favour; motion carried.

**2.2. Additions to the Agenda**

No additions.

**2.3. Conflict of Interest Declaration**

Part VI, Section 23 of the Municipalities Act, which maintains that no member of Council shall derive any profit or financial advantage from his/her position as a member of Council and, where a member of Council has any pecuniary interest in or is affected by any matter before the Council, shall declare his/her interest therein and abstain from voting and discussion thereon.

No conflict declared.

**3. Approval of Minutes – May 11, 2009**

**Motion** by Councillor T. MacDonald and seconded by Councillor Thibodeau to approve the minutes of May 11, 2009 council meeting as circulated. All in favour; motion carried.

**Item No.**

**6.5 IRAC W & S Rate Application – Prepared by Grant Thornton** (*attached for review and recommendation*) Motion required by Council prior to submission.

**Motion** by Councillor Thibodeau and seconded by Councillor D. MacDonald to proceed with Water & Sewer Rate Increase Application to Island Regulatory and Appeals Commission as prepared by Grant Thornton and reviewed by Town Council at this meeting. All in favour. Motion carried.

Signed by authorized representatives of the Town of Souris: June 11, 2009

Denis Thibodeau  
Deputy Mayor & Chairperson of Finance

Shelley MacInnis  
Chief Administrative Officer

BYLAW No. 88-1

BYLAW TO ESTABLISH THE TOWN OF SOURIS SEWAGE COLLECTION  
& TREATMENT AND WATER DISTRIBUTION AND PURIFICATION CORPORATION

Preamble: WHEREAS the Council of the Town of Souris has, pursuant to Section 31 (f), (g), and (k) of the Municipality Act, determined that it will provide sewage collection and treatment and water distribution and purifications services.

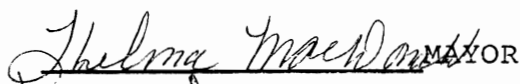
THEREFORE, pursuant to Section 38.1 of the Municipality Act, supra: Be it enacted by Council as follows:

- Title:
1. This bylaw may be cited as the Town of Souris sewage collection and Treatment and Water Distribution and Purification Utility Bylaw, Bylaw No. 88-1
  2. In this bylaw:
    - (a) "Council" means the Council of the Town of Souris.
    - (b) "Corporation" means the Souris Sewage Collection and Treatment and Water Distribution and Purification Corporation
    - (c) "Customer" means a person, firm or corporation who or which requests or is supplied with sewerage and/or water.
    - (d) "Director" means a Director of the Corporation and includes its Chairman.
    - (e) "Municipality" means a municipality of the Town of Souris.
  3. This bylaw applies to the establishment and operation of a sewage collection and treatment and Water distribution and Purification Corporation for the municipality.
  4. (1) There is hereby established the Sewage Collection and Treatment and Water Distribution and Purification Corporation.
    - (2) The Corporation shall be composed of a Board of Directors comprised of two or more members appointed from Council by the Mayor.
    - (3) One of the Directors shall be appointed by the Mayor as "Chairman" of the Corporation.
    - (4) The Directors of the Corporation shall have terms of office the same as their council term at the time of appointment, but may be removed at any time by the Mayor.
    - (5) The Directors of the Corporation may receive such remuneration as may be determined by Council.
    - (6) At meetings of the Corporation , two Directors constitute a quorum over which the Chairman of the Corporation or in his absence, a Director designated by him shall preside.

4. (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) Instructing, altering, extending, managing and controlling a system for providing the services of sewerage collection and treatment and water distribution and purification 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, new undertakings, and
  - (e) Assessing, charging and collecting rates and charges for services provided to and customer.
6. The Corporation shall levy such user rates or frontage charges as may be approved by the Public Utilities Commission.
7. The Corporation shall maintain its accounts separate from the accounts of the Council of the Municipality.
8. 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 confirmed under this bylaw.
9. The fiscal year of the Corporation shall be from January 1 to December 31.
10. This bylaw comes into force on the 9th day of May, 1988.

READ AND APPROVED FOR FIRST TIME, MONDAY, April 11, 1988  
READ AND APPROVED FOR SECOND TIME, MONDAY, May 9, 1988

TOWN OF SOURIS

  
MAYOR

TOWN OF SOURIS

Town of Souris Sewer & Water Utility Bylaw

- Bylaw #94 - 1

This bylaw is made under the authority of the Municipalities Act, Stats. P.E.I. 1983, Cap. M-15.1.

BE IT ENACTED by the Council for the Town of Souris as follows:

1.1 TITLE

This bylaw shall be known and may be cited as the Town of Souris Sewer and Water Utility Bylaw #94-1.

1.2 DEFINITIONS

In this bylaw:

- (i) "Administrator" shall mean the administrator for the Town of Souris;
- (ii) "Council" means the Council for the Town of Souris;
- (iii) "Director" means a Director of the Utility and includes its chairman;
- (iv) "Municipality" means the Town of Souris; and
- (v) "Utility" means the Town of Souris Sewer and Water Utility Corporation.

1.3 APPLICATION OF BYLAW

This bylaw applies to the continuation and operation of a sewer and water utility for the Town of Souris.

.4 CONTINUATION OF UTILITY

- (i) The Souris Sewage Collection and Treatment and Water Distribution and Purification Corporation established under Town of Souris Bylaw 88-1 is hereby continued under the name Town of Souris Sewer and Water Utility Corporation.
- (ii) The Utility shall be composed of a Board of Directors comprised of seven (7) members, all of whom shall be members of Council.
- (iii) The Mayor of Council shall serve as the Chairman of the Utility.

- (iv) The Directors of the Utility shall have terms of office the same as their Council term at the time of appointment.
- (v) The Directors of the Utility may receive such remuneration as may be determined by Council.
- (vi) At the meetings of the Utility, Five (5) directors constitute a quorum over which the chairman of the Utility, or in his absence, the Vice-Chairman of Council shall preside.
- (vii) Decisions of the Board of Directors shall be determined by majority vote of Councillors present.
- (viii) The Administrator is the Chief Administrative Officer of the Utility and in consultation with two directors appointed by Council for this purpose, has day to day supervision over and direction of the work and the staff of the Utility.

#### 1.5 FUNCTIONS OF THE UTILITY

The Utility shall have the following functions:

- (i) Constructing, altering, extending, managing and controlling a system for providing the services of sewerage collection and treatment and water distribution and purification to the residents of the Municipality and, with the approval of Council, residents of areas adjacent to the Municipality;
- (ii) Acquiring, alienating, holding and disposing of real or personal property;
- (iii) Engaging and paying personnel;
- (iv) Financing, with the approval of Council, new undertakings; and
- (v) Assessing, charging and collecting rates and charges for services provided to any customer.

#### 1.6 UTILITY RATES

The Utility shall levy such user rates or frontage charges as may be approved by the Island Regulatory and Appeals Commission.

1.7 UTILITY ACCOUNTS

The Utility shall maintain its accounts separate from the accounts of the Council and shall prepare an annual financial statement.

1.8 LIABILITY

The Directors of the Utility 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 Bylaw.

1.9 FISCAL YEAR

The Fiscal Year of the Utility shall be from January 1 to December 31.

1.10 Bylaw Number 88-1 which came into force on May 9th, 1988 is hereby repealed.


1.11 EFFECTIVE DATE

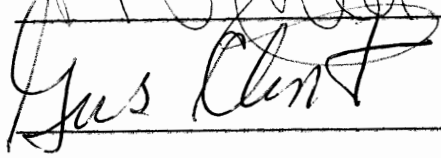
This bylaw shall come into force effective May 10, 1994.

READ A FIRST TIME, 25th Day of April, 1994

READ A SECOND TIME, 9th day of May, 1994

ENACTED BY TOWN COUNCIL, TOWN OF SOURIS

  
\_\_\_\_\_, Administrator

  
\_\_\_\_\_, Mayor



Grant Thornton

Consolidated Financial Statements

Town of Souris

December 31, 2008

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## Auditors' report

Grant Thornton LLP  
1 Bailey Drive, PO Box 70  
Montague, PE  
C0A 1R0  
T (902) 838-4121  
F (902) 838-4802  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To her Worship the Mayor and members of the Council of

Town of Souris

We have audited the consolidated statements of financial position of the Town of Souris as at December 31, 2008 and the consolidated statements of financial activities and changes in fund balances, financial position, and net assets for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Town of Souris as at December 31, 2008 and the results of its operations and changes in its financial position and net financial assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Montague, PE



March 27, 2009

Chartered accountants

# Town of Souris

## Consolidated statement of financial activities

Year ended December 31	Budget	2008	2007
<b>Revenue</b>			
General account (Page 13)	\$ 965,641	\$ 970,858	\$ 921,197
Sewer account (Page 19)	104,227	102,022	103,605
Water account (Page 21)	<u>132,616</u>	<u>117,903</u>	<u>126,221</u>
	<u>1,202,484</u>	<u>1,190,783</u>	<u>1,151,023</u>
<b>Expenditures</b>			
General account (Page 13)	682,602	652,676	633,083
Sewer account (Page 19)	160,769	170,277	162,954
Water account (Page 21)	<u>58,368</u>	<u>215,343</u>	<u>190,736</u>
	<u>901,739</u>	<u>1,038,296</u>	<u>986,773</u>
Net revenue	<u>\$ 300,745</u>	<u>152,487</u>	<u>164,250</u>
Accumulated surplus, beginning of year		<u>6,885,678</u>	<u>6,721,428</u>
Accumulated surplus, end of year		<u>\$ 7,038,165</u>	<u>\$ 6,885,678</u>

See accompanying notes to the consolidated financial statements.

# Town of Souris

## Consolidated statement of financial position

December 31 2008 2007

**Financial assets**

Cash and cash equivalents		
Unrestricted	\$ 416,998	\$ 388,378
Restricted (Note 2)	201,188	120,239
Long term investment	116,833	91,504
Receivables		
Trade	143,990	148,128
Infrastructure	<u>352,151</u>	<u>27,450</u>
	<u>1,231,160</u>	<u>775,699</u>

**Liabilities**

Payables and accruals		
Trade	205,749	174,531
Infrastructure	416,361	-
Deferred revenue (Note 2)	201,188	120,239
Long term debt (Note 3)	<u>252,411</u>	<u>287,604</u>
	<u>1,075,709</u>	<u>582,374</u>

**Net financial assets**

	<u>155,451</u>	<u>193,325</u>
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**Non-financial assets**

Prepaid expenses	33,263	8,064
Tangible capital assets (Note 4)	8,401,422	7,907,463
Contributions in aid of construction (Note 5)	<u>(1,551,971)</u>	<u>(1,223,174)</u>
	<u>6,882,714</u>	<u>6,692,353</u>

**Accumulated surplus**

	<u>\$ 7,038,165</u>	<u>\$ 6,885,678</u>
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**Municipal position**

Reserve funds (Note 6)	\$ 385,304	\$ 249,504
Operating fund surplus	1,082,968	1,156,950
Capital fund, investment in tangible capital assets	<u>5,569,893</u>	<u>5,479,224</u>

**Accumulated surplus**

	<u>\$ 7,038,165</u>	<u>\$ 6,885,678</u>
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On behalf of the Council

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Councilor

See accompanying notes to the consolidated financial statements.

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**Town of Souris****Consolidated statement of changes in financial position**

Year ended December 31

**2008****2007**

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**Increase (decrease) in cash and cash equivalents****Operating activities**

Change in accumulated surplus	\$ 152,487	\$ 164,250
Depreciation and amortization	<u>36,771</u>	<u>35,322</u>
	189,258	199,572
Change in non-cash working capital		
Receivables	(322,894)	152,212
Accrued interest	(25,329)	-
Prepays	(25,199)	1,525
Payables, accruals, and deferred revenue	<u>528,528</u>	<u>48,669</u>
	<u>344,364</u>	<u>401,978</u>

**Financing activities**

Payment of long term debt	<u>(14,041)</u>	<u>(46,406)</u>
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**Investing activities**

Retirement of tangible capital assets	-	9,694
Purchase of tangible capital assets	(560,095)	(179,460)
Contributions in aid of construction	339,341	27,450
Purchase of investments	<u>-</u>	<u>(91,504)</u>
	<u>(220,754)</u>	<u>(233,820)</u>

Net increase in cash and cash equivalents **109,569** 121,752

Cash and cash equivalents,

Beginning of year	<u>508,617</u>	<u>386,865</u>
End of year	<u>\$ 618,186</u>	<u>\$ 508,617</u>

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See accompanying notes to the consolidated financial statements.

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**Town of Souris**  
**Consolidated statement of changes in net financial**  
**assets**

Year ended December 31	2008	2007
Change in fund balances	\$ 152,487	\$ 164,250
Depreciation and amortization	36,771	35,322
Acquisition of tangible capital assets	(560,095)	(179,460)
Retirement of tangible capital assets	-	9,694
Contributions in aid of construction	339,341	27,450
Principal payments on Eastern Kings Sportsplex Ltd. loans	21,152	20,520
Amortization of Eastern Kings Sportsplex Ltd. receivable	<u>(2,331)</u>	<u>(2,331)</u>
	<u>(12,675)</u>	<u>75,445</u>
Acquisition of prepaid expenses	(33,263)	(8,064)
Use of prepaid expenses	<u>8,064</u>	<u>9,589</u>
	<u>(25,199)</u>	<u>1,525</u>
Change in net financial assets	(37,874)	76,970
Net financial assets, beginning of year	<u>193,325</u>	<u>116,355</u>
Net financial assets, end of year	<u>\$ 155,451</u>	<u>\$ 193,325</u>

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See accompanying notes to the consolidated financial statements.

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# Town of Souris

## Notes to the consolidated financial statements

December 31, 2008

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### 1. Summary of significant accounting policies

The consolidated financial statements of the Town of Souris are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Town are as follows:

#### **Reporting entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, and changes in fund balances and in financial position 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. This includes the Town of Souris Sewer and Water Utility Corporation. Interdepartmental and organizational transactions and balances are eliminated.

The financial activities of certain entities associated with the Town of Souris are considered to be separate government business enterprises and are not consolidated. The Town's transactions with these entities are recorded in the consolidated statement of financial activities. These entities include:

Eastern Kings Sportsplex Ltd.

#### **Basis of accounting**

The basis of accounting followed in the financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenditures in the period the goods and services are acquired and a liability is incurred.

#### **Fund accounting**

Funds within the consolidated financial statements consist of the operating, capital and reserve funds for both the general operations and the sewer and water utility. Transfers between funds are recorded as adjustments to the appropriate fund balance.

#### **Revenue recognition**

The accrual basis of accounting is used for all funds. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenditures are recognized as they are incurred and measurable as a result of legal obligation to pay.

The Town follows the deferral method for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses 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.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand and unrestricted and restricted balances on deposit with banks. Bank borrowings are considered to be a financing activity.

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# Town of Souris

## Notes to the consolidated financial statements

December 31, 2008

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### 1. Summary of significant accounting policies (cont'd)

#### **Tangible capital assets**

Equipment, furniture, software, buildings, and improvements with a cost in excess of \$500 and an estimated useful life of two years or more are capitalized at cost.

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.

Interest expense on capital debt incurred during the construction or renovation of an asset are included in the capitalized value.

#### **a) Tangible capital assets - general**

Capital asset purchases out of current revenue are shown as general revenue contributed to capital expenditures in the current year and recorded in the capital fund along with other capital assets. Capital assets are recorded at their original cost which includes external contributions.

#### **b) Depreciation - general**

No depreciation is recorded on capital assets for municipal accounting purposes. Depreciation of these assets is expected to be presented in the 2009 financial statements and will be calculated based on the asset's estimated useful life.

#### **c) Depreciation – sewer and water utility**

Depreciation is recorded on the straight line basis at the following annual rates as directed by the Island Regulatory and Appeals Commission:

Buildings	10.0%
Equipment	10.0%
Office equipment	10.0%
Water	1.2%, 5.0%, and 10%
Sewer	1.2%, 5.0%, and 10%

#### **d) Contributions in aid of construction**

Infrastructure and other program grants and rebates related to capital asset purchases are recorded as contributions in aid of construction on the statement of financial position and are amortized using the same method and annual rates as the related assets are depreciated.

#### **Management estimates**

The presentation of financial statements in conformity with Canadian generally accepted accounting principles 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. Actual results could differ from those reported.

#### **Reserves - general**

The reserve funds are credited by specific charges as a direct transfer from or to the funds.

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# Town of Souris

## Notes to the consolidated financial statements

December 31, 2008

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### 1. Summary of significant accounting policies (cont'd)

#### New accounting standards

##### PS 1200 – Financial statement presentation

Effective January 1, 2008, the Town adopted PS 1200 Financial Statement Presentation. This section establishes standards for recognition, presentation and disclosure in government financial statements. Governments are required to present a statement of financial position, statement of financial activities, statement of changes in net debt and a statement of changes in financial position. In addition, current year budget and actual figures are to be presented on both the statement of financial activities and the statement of changes in net assets.

#### Future accounting standards

##### PS 3150 – Tangible capital assets

This section establishes the standard for accounting and reporting on tangible capital assets in government financial statements. The financial statements are to present information on the complete stock of government tangible capital assets and related amortization to demonstrate stewardship and the cost of using those assets to deliver programs and provide services.

This Section will apply for the fiscal year beginning January 1, 2009. During the period of transition, local governments and government organizations should follow Public Sector Guideline PSG-7, Tangible Capital Assets of Local Governments.

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### 2. Deferred revenue

During the year the Town was allocated \$80,949 under the New Deal Gas Tax Funding for Incorporated Communities and the New Deal for Cities & Communities. Total proceeds of \$80,949 received by the Town as of December 31, 2008 are comprised of New Deal Gas Tax funding of \$58,580 plus interest of \$3,509, and New Deal for Cities & Communities funding of \$18,860. The Town must use their allocation of the New Deal Gas Tax funds and New Deal for Cities & Communities for eligible infrastructure and capacity building projects as outlined in the agreement dated November 30, 2007 and August 13, 2008 respectively.

	<u>2008</u>	<u>2007</u>
Deferred, beginning of year	\$ 120,239	\$ 71,574
Allocation received and interest earned during the year	<u>80,949</u>	<u>48,665</u>
Deferred, end of year	<u>\$ 201,188</u>	<u>\$ 120,239</u>

Under the Agreement on the Transfer of Federal Gas Tax Revenues through the New Deal for Cities and Communities, the Town has received funds which are restricted for expenditure on eligible projects. During the year, there were no expenditures from this funding. The Town has prepared, and the governmental regulating body has accepted, a Capital Investment Plan which details determined expenditures.

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# Town of Souris

## Notes to the consolidated financial statements

December 31, 2008

### 3. Long-term debt 2008 2007

Town of Souris

6.06% Canadian Imperial Bank of Commerce loan, maturing December, 2009, amortized to 2012, payable in monthly instalments of \$1,673 including principal and interest. \$ **66,067** \$ 80,361

Canadian Imperial Bank of Commerce loan, maturing December, 2010, amortized to 2021, payable in monthly instalments of \$1,354 including principal and interest at prime bank rate. 156,324 163,182

**222,391** 243,543

Town of Souris Sewer and Water Utility Corporation

7.1% Canadian Imperial Bank of Commerce loan, maturing and amortized to October, 2010, payable in monthly instalments of \$1,393 including principal and interest. 30,020 44,061

**\$ 252,411** **\$ 287,604**

Prime rate as of December 31, 2008 was 3.5%.

Based on current repayment amounts, principal repayments in each of the next five years are due as follows:

	<u>General</u>	<u>Sewer and Water</u>	<u>Total</u>
2009	\$ 23,826	\$ 15,098	\$ 38,924
2010	25,288	14,922	40,210
2011	26,838	-	26,838
2012	21,527	-	21,527
2013	<u>9,084</u>	<u>-</u>	<u>9,084</u>
	<b>\$ 106,563</b>	<b>\$ 30,020</b>	<b>\$ 136,583</b>

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# Town of Souris

## Notes to the consolidated financial statements

December 31, 2008

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### 4. Tangible capital assets

Effective January 1, 2007, the Town adopted Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets until Section 3150 – Tangible Capital Assets of the Public Sector Accounting Handbook comes into effect on January 1, 2009.

During 2008, the Town continued to work towards compliance with the new recommendations for accounting for tangible assets.

			<u>2008</u>	<u>2007</u>
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 2,021,482	\$ -	\$ 2,021,482	\$ 1,993,790
Buildings	2,035,012	52,994	1,982,018	1,952,692
Equipment	1,625,090	44,576	1,580,514	1,566,594
Office equipment	125,194	12,623	112,571	101,706
Water	1,651,202	403,992	1,247,210	1,041,469
Sewer	<u>1,964,178</u>	<u>506,551</u>	<u>1,457,627</u>	<u>1,251,212</u>
	<u>\$ 9,422,158</u>	<u>\$ 1,020,736</u>	<u>\$ 8,401,422</u>	<u>\$ 7,907,463</u>

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### 5. Contributions in aid of construction

			<u>2008</u>	<u>2007</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Government grants	<u>\$ 1,872,289</u>	<u>\$ 320,318</u>	<u>\$ 1,551,971</u>	<u>\$ 1,223,174</u>

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### 6. Reserve funds

	<u>2008</u>	<u>2007</u>
Balance, beginning of year	\$ 249,504	\$ 228,000
Allocation from revenue	<u>135,800</u>	<u>21,504</u>
Balance, end of year	<u>\$ 385,304</u>	<u>\$ 249,504</u>
Comprising of:		
Sidewalks, streets and storm drains	\$ 88,000	\$ 88,000
Street equipment	100,000	20,000
Fire equipment and trucks	138,304	112,504
Regatta	5,000	5,000
Economic development	24,000	24,000
Fire hall	<u>30,000</u>	<u>-</u>
	<u>\$ 385,304</u>	<u>\$ 249,504</u>

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# Town of Souris

## Notes to the consolidated financial statements

December 31, 2008

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### 7. Rate regulation

The Town is subject to rate regulation on the sewer and water utilities 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 & Appeals Commission (IRAC), is to regulate the rate municipalities may charge for sewer and water utilities provided to residents within Prince Edward Island and to ensure at all times a just and reasonable price for sewer and water services. Changes in sewer and water utility rates can only be implemented with the approval from IRAC.

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### 8. Financial instruments

The Town's financial instruments consist of cash and cash equivalents, receivables, payables and accruals, deferred revenue and long term debt. Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

#### **Interest rate risk**

Interest rate risk is the potential for financial loss arising from changes in interest rates. Financial instruments that potentially subject the Town to interest rate risk include financial liabilities with floating interest rates. The Town currently has demand loans which are exposed to interest rate risk due to floating rates.

#### **Concentrations of credit risk**

Concentrations of credit risk exist if a number of customers are engaged in similar economic activities or are located in the same geographic region, and indicate the relative sensitivity of the Town's performance to developments affecting a particular segment of borrowers or geographic region. Geographic credit risk exists for the Town due to most of its service being provided in the Town of Souris. The exposure to credit risk associated with the non-performance of these customers can be directly impacted by a decline in economic conditions which would impair the customers' ability to satisfy their obligations to the Town. In order to reduce this economic risk, the Town has procedures in place whereby accounts are monitored to control the collection of amounts due to it.

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### 9. Government assistance

The Town received grants from the Employment Development Agency totalling \$13,395 (2007 - \$14,747). The grants were to offset wages and related costs during the current and prior years.

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# **Town of Souris**

## **Notes to the consolidated financial statements**

December 31, 2008

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### **10. Budget**

The budget figures have not been audited and have been included on the financial statements for comparative purposes only.

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### **11. Comparative figures**

Certain of the figures on the 2007 financial statements have been reclassified to conform to the 2008 financial statement presentation.

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### **12. Commitment**

The Town entered into an agreement during the year to purchase a fire truck in 2009 for \$242,482.

**Town of Souris**  
**General account**  
**Schedule of financial activities**

Year ended December 31	Budget	2008	2007
<b>Revenue</b>			
Municipal taxes	\$ 535,400	\$ 510,091	\$ 527,495
Provincial grants	201,951	263,780	201,951
Fire dues	98,400	97,147	85,133
Fines	10,000	6,125	8,719
Recreation grants	18,000	12,000	10,000
Interest	32,000	34,162	34,487
Rent	4,600	4,231	3,750
Matthew MacLean building - rent	37,400	40,908	40,782
License fees	1,000	1,213	887
Miscellaneous	-	224	539
Souvenir sales	1,600	164	68
Marina fees	-	-	7,108
History book sales	290	291	278
	<u>940,641</u>	<u>970,336</u>	<u>921,197</u>
<b>Expenditures (Pages 14 to 18)</b>			
Police protection	95,300	95,300	92,150
Fire department	64,600	61,982	63,415
Recreation and youth	25,150	26,461	16,063
Town improvement and beautification	8,800	7,119	6,936
Public property	21,654	20,531	22,930
General administration	194,139	177,719	156,936
Streets and sidewalks	185,874	187,970	192,966
Insurance	15,000	15,388	16,494
Economic development	500	-	111
Matthew & MacLean building	38,335	34,924	36,020
Publicity and town promotion	30,250	21,258	17,459
Marina operations	3,000	4,024	11,603
	<u>682,602</u>	<u>652,676</u>	<u>633,083</u>
Other revenue	<u>25,000</u>	<u>522</u>	<u>-</u>
Net revenue	<u>283,039</u>	<u>318,182</u>	<u>288,114</u>
<b>Financing and transfers</b>			
Capital debt retirement	-	-	(3,975)
Tangible capital assets expenditure	(216,750)	(90,669)	(119,436)
Transfers to reserves	-	(135,800)	(21,504)
Fire protection water supply	-	(62,943)	(53,386)
	<u>\$ 66,289</u>	<u>(289,412)</u>	<u>(198,301)</u>
		<b>28,770</b>	89,813
Fund balance, beginning of year		<u>259,939</u>	<u>170,126</u>
Fund balance, end of year		<u>\$ 288,709</u>	<u>\$ 259,939</u>

**Town of Souris**  
**General account**  
**Schedule of expenditures**

Year ended December 31

**2008**

**2007**

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Fire department</b>			
Wages	\$ 23,000	\$ 18,209	\$ 21,643
Electricity	3,000	3,442	2,781
Fuel – fire trucks	2,300	2,183	1,978
Sundry	1,500	4,703	1,767
Supplies and maintenance	7,500	5,237	4,872
Training	5,000	4,026	4,258
Phone system	3,000	2,521	2,630
Monitors, repairs and maintenance	1,500	77	1,097
Firemen's recreation	2,000	1,326	1,732
Telephone	-	2,293	2,114
Firemen's life insurance	4,000	4,603	4,030
Fire hall – fuel	5,000	5,398	4,583
Fire hall – maintenance	3,000	2,068	5,446
Fire trucks – maintenance	3,000	5,521	3,741
Advertising	500	97	465
Water and sewer	300	278	278
	<u>64,600</u>	<u>61,982</u>	<u>63,415</u>
Financing and transfers			
Capital asset purchases out of current revenue	<u>91,800</u>	<u>20,288</u>	<u>30,538</u>
	<u>\$ 156,400</u>	<u>\$ 82,270</u>	<u>\$ 93,953</u>
<b>Recreation and youth</b>			
Eastern Kings Sportsplex	\$ 10,600	\$ 10,467	\$ 10,679
Recreation grants	1,500	350	1,100
Miscellaneous	2,750	1,108	728
Canada Games donation	-	5,000	-
Recreational programs	500	-	-
Maintenance, repair and electricity	2,000	1,978	1,113
Property taxes	1,300	1,536	1,242
Wages and travel	6,000	6,000	-
Playground and sports equipment	500	22	1,201
	<u>25,150</u>	<u>26,461</u>	<u>16,063</u>
Financing and transfers			
Capital asset purchases out of current revenue	<u>13,250</u>	<u>-</u>	<u>1,938</u>
	<u>\$ 38,400</u>	<u>\$ 26,461</u>	<u>\$ 18,001</u>

**Town of Souris**  
**General account**  
**Schedule of expenditures**

Year ended December 31

**2008**

2007

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Public property</b>			
Fuel	\$ 9,000	\$ <b>8,271</b>	\$ 8,940
Elevator maintenance contract	1,850	<b>2,199</b>	3,146
Dump	-	<b>102</b>	-
Property taxes	3,176	<b>3,652</b>	3,176
Repairs and maintenance	4,750	<b>3,325</b>	4,789
Electricity	2,600	<b>2,704</b>	2,601
Water and sewer	<u>278</u>	<u><b>278</b></u>	<u>278</u>
	21,654	<b>20,531</b>	22,930
<b>Financing and transfers</b>			
Capital asset purchases out of current revenue	<u>109,700</u>	<u><b>47,295</b></u>	<u>55,287</u>
	<u>\$ 131,354</u>	<u>\$ <b>67,826</b></u>	<u>\$ 78,217</u>

**Town of Souris**  
**General account**  
**Schedule of expenditures**

Year ended December 31

**2008**

**2007**

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>General administration</b>			
Backhoe loan interest	\$ -	\$ -	\$ 128
Town administrator salary	41,993	42,117	36,742
Bookkeeper's salary	4,018	3,135	2,652
Staff training	2,000	1,185	2,030
Staff overtime	12,000	13,574	12,046
Development officer	10,000	3,231	9,808
Professional fees	29,000	27,258	18,269
Federation fees	2,080	2,301	2,259
Advertising	1,000	1,780	1,090
Telephone	4,672	5,058	3,588
Website development	2,000	2,370	134
Election	-	-	1,227
Events coordinator	29,576	29,376	24,833
Donations, non-sport	1,000	2,865	1,036
Bank charges	10	32	11
By-law enforcement officer	21,000	6,794	6,076
Council honoraria	12,350	12,523	12,027
Federation meeting	545	177	545
Dog control	500	97	272
Employee benefits	5,449	4,322	6,322
Office supplies	6,958	9,162	8,288
Council travel	1,800	2,379	1,982
Sundry	1,000	1,991	797
Workers' compensation insurance	1,948	1,944	1,537
Hospitality	1,500	1,623	1,438
Retiring allowances	1,140	1,750	1,139
Scholarship	600	675	660
	<u>194,139</u>	<u>177,719</u>	<u>156,936</u>
<b>Transfers</b>			
Capital asset purchases out of current revenue	<u>-</u>	<u>2,555</u>	<u>1,989</u>
	<u>\$ 194,139</u>	<u>\$ 180,274</u>	<u>\$ 158,925</u>

**Town of Souris**  
**General account**  
**Schedule of expenditures**

Year ended December 31

2008

2007

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Streets and sidewalks</b>			
Plowing and sanding of streets	\$ 59,211	\$ 57,443	\$ 54,358
Backhoe maintenance	2,000	720	870
Backhoe fuel	3,000	1,299	1,204
Maintenance and repairs	3,000	3,650	3,816
Sidewalk replacement and repairs	1,000	33	40
Grass cutting	9,975	9,684	7,693
Sweeper, tractor and holder maintenance	5,500	5,144	3,491
Garbage cans and disposal	3,950	3,817	2,903
Casual labour	5,000	8,368	16,197
Salaries and benefits	25,238	24,699	21,770
Garage maintenance and repairs	4,500	7,300	5,255
Electricity	41,500	43,994	37,111
Paving and patching	20,000	20,505	31,554
Street signs and advertising	1,000	1,314	5,893
Tree removal	500	-	500
Street decorations	500	-	311
	<u>185,874</u>	<u>187,970</u>	<u>192,966</u>
<b>Transfers</b>			
Capital debt retirement	-	-	3,975
Capital asset purchases out of current revenue	-	17,769	9,545
	<u>-</u>	<u>17,769</u>	<u>13,520</u>
	<u>\$ 185,874</u>	<u>\$ 205,739</u>	<u>\$ 206,486</u>
<b>Matthew MacLean building</b>			
Elevator maintenance and inspection	\$ 1,500	\$ 1,064	\$ 1,422
Donation to Friends of Matthew MacLean building	-	-	1,590
Water and sewer	300	217	278
Janitor	2,000	2,588	665
Garbage removal	900	1,377	900
Insurance	4,000	3,639	3,498
Advertising	1,000	336	-
Heritage room expense	1,833	-	1,500
Electricity	12,500	15,413	13,055
Property tax	4,000	3,797	3,810
Maintenance and repairs	10,302	6,493	9,302
	<u>\$ 38,335</u>	<u>\$ 34,924</u>	<u>\$ 36,020</u>

**Town of Souris**  
**General account**  
**Schedule of expenditures**

Year ended December 31

**2008**

**2007**

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Publicity and town promotion</b>			
Tourism worker	\$ 1,500	\$ -	\$ 437
Christmas parade	3,000	<b>3,000</b>	3,000
Regatta	3,000	<b>3,000</b>	3,000
Tourism literature	5,600	<b>3,835</b>	1,957
Float parade participation	2,500	<b>111</b>	2,126
Canada Day	2,500	<b>2,500</b>	2,000
Beach sign electricity	500	<b>404</b>	2,373
Sundry events	<u>11,650</u>	<u><b>8,408</b></u>	<u>2,566</u>
	30,250	<b>21,258</b>	17,459
<b>Transfers</b>			
Capital asset purchases out of current revenue	<u>2,000</u>	<u><b>2,762</b></u>	<u>1,370</u>
	<u>\$ 32,250</u>	<u>\$ 24,020</u>	<u>\$ 18,829</u>
<b>Marina operations</b>			
Bad debt expense	\$ -	\$ 114	\$ -
Electricity	-	<b>39</b>	437
Telephone/internet	-	<b>55</b>	732
Maintenance	-	<b>55</b>	1,830
Promotion	-	<b>60</b>	1,698
Office	-	<b>701</b>	175
Preseason and postseason	-	-	1,921
Insurance	-	-	1,782
Summer worker	-	-	1,248
Lease	<u>3,000</u>	<u><b>3,000</b></u>	<u>1,780</u>
	3,000	<b>4,024</b>	11,603
<b>Financing and transfers</b>			
Capital asset purchases out of current revenue	<u>-</u>	<u>-</u>	<u>18,769</u>
	<u>\$ 3,000</u>	<u>\$ 4,024</u>	<u>\$ 30,372</u>

**Town of Souris**  
**Sewer account**  
**Schedule of financial activities**

Year ended December 31	Budget	2008	2007
<b>Revenue</b>			
Sewer rates			
Domestic	\$ 67,422	\$ 67,088	\$ 67,422
Metered	35,000	34,604	30,005
Flat rate	-	-	5,215
Delayed payment charges	1,805	263	903
Connection fees	-	67	60
	<u>104,227</u>	<u>102,022</u>	<u>103,605</u>
<b>Expenditures (Page 20)</b>			
Operating	83,000	91,465	86,314
Administration	<u>45,450</u>	<u>49,308</u>	<u>45,137</u>
	<u>128,450</u>	<u>140,773</u>	<u>131,451</u>
<b>Other</b>			
Interest on long term debt	1,500	1,339	193
Interest on advances from the Town of Souris	13,750	11,997	13,649
Depreciation and amortization	<u>17,069</u>	<u>16,168</u>	<u>17,661</u>
	<u>32,319</u>	<u>29,504</u>	<u>31,503</u>
	<u>160,769</u>	<u>170,277</u>	<u>162,954</u>
Net expenditures	\$ <u>(56,542)</u>	\$ <u>(68,255)</u>	\$ <u>(59,349)</u>

**Town of Souris**  
**Sewer account**  
**Schedule of expenditures**

Year ended December 31	Budget	2008	2007
<b>Operating</b>			
Backhoe	\$ 2,750	\$ 3,725	\$ 3,110
Electricity	23,071	27,689	23,071
Employee benefits	1,750	4,034	3,841
<b>Garage</b>			
Utilities	726	1,019	727
Fuel	2,231	2,356	2,231
Insurance	308	321	309
Property taxes	270	266	270
Repairs	598	2,199	599
Water and sewer	104	104	104
Repairs and maintenance	10,154	10,923	16,729
Supplies	828	822	828
Wages and travel allowance	40,210	38,007	34,495
	<u>83,000</u>	<u>91,465</u>	<u>86,314</u>
<b>Administration</b>			
Bank charges	10	363	11
Council fees	3,238	3,326	3,238
Doubtful accounts	50	842	474
Insurance	1,262	1,312	1,262
<b>Island Regulatory &amp; Appeals</b>			
Commission assessment	1,611	1,860	1,611
Office and postage	1,909	1,599	1,696
Office rent	1,800	1,800	1,800
Professional fees	2,000	4,086	4,233
Retiring allowance	1,709	2,624	1,709
Salaries and employee benefits	28,700	29,016	26,791
Sundry	618	746	618
Telephone	1,569	762	769
Workers compensation insurance	974	972	925
	<u>45,450</u>	<u>49,308</u>	<u>45,137</u>
	<u>\$ 128,450</u>	<u>\$ 140,773</u>	<u>\$ 131,451</u>

**Town of Souris**  
**Water account**  
**Schedule of financial activities**

Year ended December 31	Budget	2008	2007
<b>Revenue</b>			
Water rates			
Domestic	\$ 47,616	\$ <b>47,187</b>	\$ 47,616
Metered	85,000	<b>70,716</b>	73,757
Flat rate	-	-	3,945
Delayed payments	-	-	903
	<u>132,616</u>	<u><b>117,903</b></u>	<u>126,221</u>
<b>Expenditures (Page 22)</b>			
Operating	113,012	<b>130,727</b>	109,911
Administration	<u>45,653</u>	<u><b>50,678</b></u>	<u>45,134</u>
	<u>158,665</u>	<u><b>181,405</b></u>	<u>155,045</u>
<b>Other</b>			
Interest on long term debt	1,500	<b>1,339</b>	4,381
Interest on advances from the Town of Souris	13,750	<b>11,997</b>	13,649
Depreciation and amortization	<u>17,069</u>	<u><b>20,602</b></u>	<u>17,661</u>
	<u>32,319</u>	<u><b>33,938</b></u>	<u>35,691</u>
	<u>190,984</u>	<u><b>215,343</b></u>	<u>190,736</u>
Net expenditures	<u>(58,368)</u>	<u><b>(97,440)</b></u>	<u>(64,515)</u>
<b>Financing and transfers</b>			
Fire protection water supply	<u>62,900</u>	<u><b>62,943</b></u>	<u>53,386</u>
Change in fund balance	<u>\$ 4,532</u>	<u>\$ <b>(34,497)</b></u>	<u>\$ (11,129)</u>

# Town of Souris

## Water account

### Schedule of expenditures

Year ended December 31	Budget	2008	2007
<b>Operating</b>			
Backhoe	\$ 2,750	\$ 3,930	\$ 3,110
Electricity	45,000	55,955	45,587
Employee benefits	1,750	4,014	3,841
Fuel	1,180	731	1,180
<b>Garage</b>			
Electricity	726	948	727
Fuel	2,231	2,356	2,231
Insurance	308	321	309
Property taxes	270	266	270
Repairs	598	2,199	599
Water and sewer	104	104	104
Repairs and maintenance	17,057	21,074	16,630
Supplies	828	822	828
Wages and travel allowance	40,210	38,007	34,495
	<u>113,012</u>	<u>130,727</u>	<u>109,911</u>
<b>Administration</b>			
Bank charges	10	265	11
Council fees	3,238	3,326	3,238
Doubtful accounts	50	842	474
Dues and fees	200	20	-
Insurance	1,262	1,312	1,262
<b>Island Regulatory &amp; Appeals</b>			
Commission assessment	1,611	1,860	1,611
Office and postage	1,909	3,184	1,697
Office rent	1,800	1,800	1,800
Professional fees	2,000	4,086	4,233
Retiring allowance	1,709	2,624	1,709
Salaries and employee benefits	28,700	28,811	26,791
Sundry	621	743	614
Telephone	1,569	833	769
Workers compensation insurance	974	972	925
	<u>45,653</u>	<u>50,678</u>	<u>45,134</u>
	<u>\$ 158,665</u>	<u>\$ 181,405</u>	<u>\$ 155,045</u>