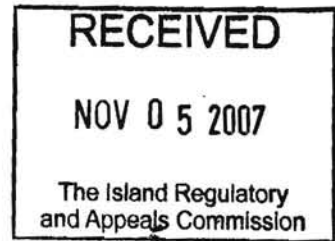


Community of Tyne Valley
P.O. Box 39
Tyne Valley, PE
C0B 2C0



Oct 11,2007

Please find enclosed a Utility Rate Application package from the Community of Tyne Valley for a Sewer Rate Increase. The Increase is needed to off set the increased cost of operating the System, due to the new Provincial Regulations.

A handwritten signature in cursive script that reads "Marie Barlow".

Marie Barlow
Administrator
Community of Tyne Valley

Community of Tyne Valley
P.O. Box 39
Tyne Valley, PE
C0B 2C0



Oct. 11, 2007

Re: Utility Rate Application:

A special Meeting was held on October 17, 1979 and it was a unanimous vote to have a two part Sewer system called "The Mini System". The concern of the residents was to clean up the Trout River which passes through the Village. In 1985 the project started and the residents in the core of the Village were hooked up to the 1st. Part of the system. The service provided for the Septic Tank owners is their tanks are pumped out every two years. Due to the lay-out of the Village and the cost entailed a complete Sewer System was not recommended at the time.

The Sewer charges are not added to the Provincial Land Taxes, therefore a Municipal invoice is sent out each year.

In the beginning there were 42.55 units hooked -up and 31.7 units with Septic tanks. In 2007 there are 97.8 Units hooked-up and 55.1 Septic.

A handwritten signature in cursive script that reads "Marie Barlow".

Marie Barlow
Administrator
Community of Tyne Valley

CONTENTS

	<u>Attachment</u>
Background information on utility	1
Statement of revenue and expenditure	2
Brief explanation of revenue and expenditure	3
Depreciation expense schedule	4
Long-term debt schedule	N/A
Breakdown of current customers	5
Forecast number of proportionate units	5
Proposed capital expenditures	None
Proposed rate structure	6
Proposed rates with effective dates	6
Minutes from Utility Board of Directors	7
Copy of Bylaw (Note - could not locate)	N/A
Copy of audited financial statements	8

Community of Tyne Valley
P.O. Box 39
Tyne Valley, PE
C0B 2C0

The Island Regulatory and
Appeals Commission
P.O. Box 577
Charlottetown, PE
C1A 7L1

Oct 11th., 2007

Re: Minutes of Utility Board

At a regular meeting of the Community of Tyne Valley on July 17th., 2007 a motion was made by Kevin Kadey and seconded by Donald Milligan that the Council prepare and present an application to the Island Regulatory Appeals Commission for a sewer rate increase.

A another motion by Frank Hansen and seconded by Rodney Darrah was made to retain Arsenault and McSweeney Chartered Accountants to assist in the application.

Marie Barlow
Marie Barlow
Administrator
Community of Tyne Valley

**COMMUNITY OF TYNE VALLEY
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31
(WITH PROPOSED RATES)**

	<u>Actual 2005</u>	<u>Actual 2006</u>	<u>Forecast 2007</u>	<u>Forecast 2008</u>
Revenue				
Flat rate charges	\$ 8,848	\$ 8,448	\$ 15,042	\$ 15,042
Interest	260	137	450	450
Recovery of GST	54	-	-	-
	<u>9,162</u>	<u>8,585</u>	<u>15,492</u>	<u>15,492</u>
Operating Expenditures				
Repairs and maintenance	5,224	15,301	11,600	11,600
Electricity	720	520	700	700
	<u>5,944</u>	<u>15,821</u>	<u>12,300</u>	<u>12,300</u>
General Expenditures				
Salary and wages - Administrative employees	460	460	600	600
Office	54	353	400	400
Interest and bank charges	44	52	50	50
Dues	441	441	450	450
Bad debt expense	-	533	-	-
	<u>999</u>	<u>1,839</u>	<u>1,500</u>	<u>1,500</u>
Operating income	<u>2,219</u>	<u>(9,075)</u>	<u>1,692</u>	<u>1,692</u>
Non-Operating Expenditures				
Depreciation	1,258	1,409	1,409	1,409
Interest on long-term debt	441	338	338	338
	<u>1,699</u>	<u>1,747</u>	<u>1,747</u>	<u>1,747</u>
Excess revenue (expenditure) for the period	<u>\$ 520</u>	<u>\$ (10,822)</u>	<u>\$ (55)</u>	<u>\$ (55)</u>

Attachment #2

COMMUNITY OF TYNE VALLEY
NOTES TO STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31

1 Explanation of revenue and expenditure

Item			
Flat rate charges	Increase based on proposed rate increase		
	Sewer	97.8 units x \$120/unit	11,736
	Septic	55.1 units x \$60/unit	3,306
			<u>15,042</u>
Interest	Increase due to higher amount of billings		
Repairs and maintenance	See Note 4		
Electricity	Rates to remain constant		
Salary and wages	Charge for administrative time		
Office	Office supplies used		
Interest and bank charges	Monthly bank charges - not expected to change		
Dues	IRAC fees - not expected to change		
Bad debt expense	Based on specific accounts - none expected		
Depreciation	See Note 3		
Interest on long-term debt	See Note 2		

2 Interest on term debt

7.50% demand loan, Evangeline Credit Union, payments are due when new sewer hookups are collected

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2007	338	-	338
2008	338	-	338

3 Depreciation and amortization

Depreciation on the sewer system is calculated using the straight-line method at the annual rate of 1.2%.

	<u>Cost</u>	<u>Rate</u>	<u>Depreciation</u>
Sewer system and lagoon	<u>251,808</u>	1.20%	3,022
Government grants related to acquisition of capital assets are amortized to income on the same basis as the related asset is depreciated			
Sewer system and lagoon	<u>134,481</u>	1.20%	<u>1,613</u>
			<u>1,409</u>

4 Repairs and maintenance

	<u>2007</u>	<u>2008</u>
Licensed maintenance person	6,000	6,000
Pumping	1,600	1,600
Maintenance - sewer lines	4,000	4,000
	<u>11,600</u>	<u>11,600</u>

Attachment #3

Schedule 9A - Sewer

Municipality of Tyne Valley

Sewer and/or Water Capital and Loan Fund
Analysis of Sewer System
Schedule of Depreciation
Year Ended December 31

	1	2	3	4	5	6	7	8	9	10
				(1 + 2 - 3)		(4 x 5)			(6 + 7 - 8)	(4 - 9)
	Cost	Additions	Deductions	Cost	Depreciation	Depreciation	Depreciation	Deductions	Depreciation	Undepreciated
	January 1			December 31	Rate		Reserve	to	Reserve	Cost
							January 1	Reserve	December 31	December 31
<u>Collection Plant</u>					%					
353 Land and Land Rights	\$	\$	\$	\$		\$	\$	\$	\$	\$
354 Structures and Improvements	156549			156549	1.2%	1879	35612		37491	119058
360 Collection Sewers, Force, Gravity and Special										
389 Other Miscellaneous Equipment	10000			10000	5.0%	0	10000		10000	0
Other (Specify)										
<u>System Pumping Plant</u>										
353 Land and Land Rights	2471			2471	0.0%	0			0	2471
354 Structures and Improvements	95259			95259	1.2%	1143	18182		19325	75934
371 Pumping Equipment										
389 Other Miscellaneous Equipment										
Other (Specify)										
<u>Treatment and Disposal Plant</u>										
380 Treatment and Disposal Equipment										
381 Plant Sewers										
382 Outfall Sewer Lines										
389 Other Miscellaneous Equipment										
Other (Specify)										
<u>General Plant</u>										
390 Office Furniture and Equipment										
391 Transportation Equipment										
392 Stores Equipment										
393 Tools, Shop and Garage Equipment										
Other (Specify)										
Totals	\$ 264,279	\$ -	\$ -	\$ 264,279	-	3,022	\$ 63,794	\$ -	\$ 66,816	\$ 197,463

Less: Amortization - Contributions in Aid of Construction

(Taken from Column 6 of Schedule 9B - Sewer) 1,595

Net Depreciation Line 903 \$ 1,427

Attachment #4

COMMUNITY OF TYNE VALLEY
CUSTOMERS AND PROPORTIONATE UNITS

	# of Customers	Equivalent unit
Current Sewer	36	97.8
Septic	56	55.1

Forecast number of units for 2007 and 2008
No change from above

Attachment #5

**COMMUNITY OF TYNE VALLEY
PROPOSED RATE STRUCTURE**

Sewer	\$120.00 per unit
Septic	\$60.00 per unit

The effective dates of the proposed rates would be July 1, 2007

Attachment #6



Monday, September 10, 2007

SITE MENU

Home

REGULATION

Auto Insurance

Lands Protection

Petroleum

Public Utilities

APPEALS

Planning

Rental

Tax

RENTAL

Residential

Rental Property

Approved: PUC Order No. S-850307

Effective: January 1, 1988

COMMUNITY OF TYNE VALLEY SANITARY SEWERAGE UTILITY TARIFF

THIS TARIFF SPECIFIES THE RATES AND CHARGES
APPLICABLE TO SERVICES PROVIDED BY THE
COMMUNITY OF TYNE VALLEY SANITARY SEWERAGE UTILITY

EFFECTIVE: JANUARY 1, 1988

SCHEDULE OF RATES AND REGULATIONS

SANITARY SEWERAGE SERVICE RATES AND CHARGES

APPLICATION:

The following schedule of rates and charges shall apply to all premises served by the sanitary sewerage utility of the Community of Tyne Valley and to all properties located within the municipality capable of being served by the existing system of the said utility.

Attachment #6

RATES:

All charges for sanitary sewerage service on the partial system are based on a single-family dwelling unit charge of \$60.00 per annum.

All charges for sanitary sewerage service on the septic system are based on a single-family dwelling unit charge of \$50.00 per annum.

Relative unit costs for other services are based on the approved schedule of proportionate charges, which is combined with the schedule of rates entitled "Community of Tyne Valley Proportionate Sewerage Charges" appended hereto.

PROPORTIONATE SEWERAGE CHARGE

TYPE OF CUSTOMER	UNIT VALUE	SEWERAGE RATE (PER YEAR)		TYPE OF CUSTOMER	UNIT VALUE	SEWERAGE RATE (PER YEAR)	
		PARTIAL	SEPTIC SYSTEM			PARTIAL	SEPTIC SYSTEM
SINGLE-FAMILY DWELLING	1.00	\$60.00	\$50.00	DOCTORS' & DENTISTS' OFFICES AND BEAUTY & BARBER SHOPS With Separate Service	1.00	\$60.00	\$50.00
INDIVIDUAL APARTMENT	0.80	\$48.00	\$40.00	Combined With Other Service	0.50	\$30.00	\$25.00
MOBILE HOME	0.70	\$42.00	\$35.00	LAUNDROMAT WITH MACHINES USING OVER 30 GALLONS PER WASH	3.00	\$180.00	\$150.00
SENIOR CITIZENS HOME, Per Unit	0.60	\$36.00	\$30.00	For First Machine	2.00	\$120.00	\$100.00
ROOMING HOUSE, BOARDING HOUSE, CONVENT, INSTITUTIONAL DORMITORY				For Second Machine	1.00	\$60.00	\$50.00
For Up to Five Persons	1.00	\$60.00	\$50.00	For Each Additional Machine			
For Each Additional Person	0.20	\$12.00	\$10.00	LAUNDROMAT WITH MACHINES USING 30 OR FEWER GALLONS PER WASH	2.00	\$120.00	\$100.00
MOTELS AND TOURIST COTTAGES				For First Machine	1.50	\$90.00	\$75.00
With Housekeeping Facilities, Each Unit	0.50	\$30.00	\$25.00	For Second Machine	0.75	\$45.00	\$37.50
With Bathroom Facilities Only, Each Unit	0.30	\$18.00	\$15.00	For Each Additional Machine			
TOURIST HOME				SERVICE STATION	1.00	\$60.00	\$50.00
For First Bathroom	1.00	\$60.00	\$50.00	Without Carwash	2.00	\$120.00	\$100.00
For Each Additional Bathroom or Washroom	0.30	\$18.00	\$15.00	With Carwash			
HOSPITAL				RESTAURANTS AND SNACK BARS	1.00	\$60.00	\$50.00
Without Laundry				For Each Ten Seats, an Additional Amount of	0.25	\$15.00	\$12.50
				PREMISES LICENSED BY THE P.E.I.			

Facilities, Per Bed	0.50	\$30.00	\$25.00	LIQUOR CONTROL COMMISSION:			
With Laundry Facilities, Per Bed	0.75	\$45.00	\$37.50	Restaurant, Lounge, Dining Room or Club	1.00	\$60.00	\$50.00
				SEAT CHARGE: Calculate 75% of			
				Fire Marshal's rating OR the actual seat count, then charge, for each five seats, an additional amount of	0.25	\$15.00	\$12.50
SCHOOLS, Per Classroom	1.00	\$60.00	\$50.00				
				DRIVE-IN RESTAURANT OR THEATRE	1.00	\$60.00	\$50.00
STORES, BANKS, CLUBS, CHURCHES, HALLS, RECREATIONAL FACILITIES AND PLACES OF BUSINESS				With Canteen			
For First Washroom				For First Washroom and Toilet	1.00	\$60.00	\$50.00
Facility	1.00	\$60.00	\$50.00	Facility			
				For Each Additional Washroom	0.50	\$30.00	\$25.00
For Each Additional Toilet or Urinal	0.50	\$30.00	\$25.00	and Toilet Facility			

COMMUNITY OF TYNE VALLEY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2006

Attachment #8

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15 Water Street
Summerside, P.E.I. C1N 1A3
Telephone (902) 436-3547
Fax Number (902) 436-0705

AUDITOR'S REPORT

To the Members of the Community Council of Tyne Valley

We have audited the revenue and capital fund balance sheets of the General and Sewer Utility Funds of the Community of Tyne Valley as at December 31, 2006 and the statements of revenue, expenditure and surplus for the year then ended. These financial statements are the responsibility of the community's 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 misstatements. 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 community as at December 31, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Summerside, P.E.I.

March 3, 2007



CHARTERED ACCOUNTANTS

**COMMUNITY OF TYNE VALLEY
GENERAL REVENUE FUND
BALANCE SHEET
DECEMBER 31, 2006**

	<u>2006</u>	<u>2005</u>
ASSETS		
Current		
Cash and term deposits	\$ 78,948	\$ 63,428
Accounts receivable (Note 2)	12,191	9,682
Prepaid insurance	<u>2,224</u>	<u>2,004</u>
	93,363	75,114
Restricted cash (Note 3)	18,000	-
Due from Sewer Utility Revenue Fund	<u>1,276</u>	<u>991</u>
	<u>\$ 112,639</u>	<u>\$ 76,105</u>
LIABILITIES AND EQUITY		
Current		
Accounts payable	\$ 62,681	\$ 2,386
Deferred revenue (Note 3)	<u>18,000</u>	<u>12,000</u>
	<u>80,681</u>	<u>14,386</u>
Equity		
Surplus		
Balance, beginning of year	61,719	65,031
Excess expenditure village operation	(14,632)	(6,243)
Excess revenue (expenditure) liquor store operation	<u>(15,129)</u>	<u>2,931</u>
Balance, end of year	<u>31,958</u>	<u>61,719</u>
	<u>\$ 112,639</u>	<u>\$ 76,105</u>

On behalf of the Council

_____ Chairperson

_____ Councillor

The accompanying notes are an integral part of these financial statements

**COMMUNITY OF TYNE VALLEY
GENERAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURE - VILLAGE
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>2006</u>	<u>2005</u>
Revenue		
Taxation	\$ 30,361	\$ 28,962
Equalization grants	7,989	7,989
Arena grant	10,000	10,000
Grants in lieu	5,000	5,000
Rental income	10,900	10,720
Interest	178	196
Recovery of GST	<u>2,422</u>	<u>1,950</u>
	<u>66,850</u>	<u>64,817</u>
Expenditure		
Administration salaries	1,500	1,500
Advertising, donations and dues	1,864	1,938
Bank charges and interest	61	112
Office and telephone	1,599	1,211
Capital expenditures	15,037	5,087
Electricity and heat	7,001	7,499
Maintenance and renovations	3,174	7,621
Taxes and insurance	3,846	3,652
Britannia Hall (Note 4)	4,867	3,359
Fire dues	6,212	6,212
Professional fees	2,841	2,193
Street lights	<u>8,480</u>	<u>5,676</u>
	56,482	46,060
Non-operating expenditure		
Community Sports Centre grant	15,000	15,000
Streetscape Improvement Plan (Note 5)	<u>10,000</u>	<u>10,000</u>
Total expenditure	<u>81,482</u>	<u>71,060</u>
Excess expenditure	\$ <u>(14,632)</u>	\$ <u>(6,243)</u>

The accompanying notes are an integral part of these financial statements

**COMMUNITY OF TYNE VALLEY
GENERAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURE - LIQUOR STORE
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>2006</u>	<u>2005</u>
Revenue		
Rentals	\$ 28,560	\$ 28,560
Interest	<u>1,063</u>	<u>650</u>
	<u>29,623</u>	<u>29,210</u>
 Expenditure		
Electricity	345	311
Interest and service charges	31	31
Maintenance	5,575	1,446
Taxes and insurance	2,649	2,449
Professional fees	750	750
Capital expenditures	17,569	-
Debt retirement - principal	12,949	15,726
- interest	<u>4,884</u>	<u>5,566</u>
	<u>44,752</u>	<u>26,279</u>
 Excess revenue (expenditure)	 \$ <u>(15,129)</u>	 \$ <u>2,931</u>

The accompanying notes are an integral part of these financial statements

COMMUNITY OF TYNE VALLEY
GENERAL CAPITAL FUND
BALANCE SHEET
DECEMBER 31, 2006

	<u>2006</u>	<u>2005</u>
ASSETS		
Land and building	\$ 104,171	\$ 104,171
Furniture and equipment	37,470	22,432
Parking area - office	6,802	6,802
Parking area - dam	15,758	15,758
Liquor store - property	293,840	235,530
Land - parkland	10,000	10,000
Sidewalk	<u>8,748</u>	<u>8,748</u>
	<u>\$ 476,789</u>	<u>\$ 403,441</u>

LIABILITIES AND EQUITY

Current		
Current portion of long-term debt	\$ 12,594	\$ 15,445
Long-term debt (Note 6)	<u>102,129</u>	<u>71,485</u>
	114,723	86,930
Equity		
Investment in capital assets (Note 7)	<u>362,066</u>	<u>316,511</u>
	<u>\$ 476,789</u>	<u>\$ 403,441</u>

On behalf of the Council

_____ Chairperson
_____ Councillor

The accompanying notes are an integral part of these financial statements

**COMMUNITY OF TYNE VALLEY
GENERAL FUNDS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006**

1. Significant Accounting Policies

(a) Revenue recognition

Major sources of revenue are recorded on an accrual basis.

(b) Expenditure recognition

Expenditures are recorded on the accrual basis except interest on long-term debt which is recorded as an expenditure when paid.

Principal payments of long-term debt are recorded as an expenditure when paid.

(c) General Capital Fund

Capital assets are recorded at cost. The Community does not record depreciation on its assets.

Capital assets purchased out of current revenue are shown as expenditures in the current year.

(d) Financial instruments

The community's financial instruments consist of cash, accounts receivable, accounts payable and long-term debt. Unless otherwise noted, the fair values of these financial instruments approximate their carrying value.

It is management's opinion that the community is not exposed to significant interest, currency or credit risks arising from these financial instruments.

(e) Use of estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**COMMUNITY OF TYNE VALLEY
GENERAL FUNDS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006**

2. Accounts Receivable

	<u>2006</u>	<u>2005</u>
Grants in leau	\$ -	\$ 5,000
GST	8,403	1,762
Rent	3,392	2,889
Other	<u>396</u>	<u>31</u>
	<u>\$ 12,191</u>	<u>\$ 9,682</u>

3. Deferred Revenue

The Community is entitled to receive \$100,000 from the Government of Canada under the New Deal for Cities and Communities program. The Community has received \$18,000 to date. These funds are to be used for environmentally sustainable infrastructure projects. The Community is required to holds the unused portion of the funds in a separate bank account or term deposit and accumulate any interest earned. During 2006 no funds were spent on qualifying projects and no interest has accumulated. The amount recorded in deferred revenue of \$18,000 will be recognized as revenue as qualifying projects are completed.

4. Britannia Hall

	<u>2006</u>	<u>2005</u>
Insurance	\$ -	\$ 1,125
Property taxes	678	665
Sewer	50	50
Utilities and telephone	<u>4,139</u>	<u>1,519</u>
	<u>\$ 4,867</u>	<u>\$ 3,359</u>

5. Streetscape Improvement Plan

During the past two years the Community has been contributing to the Tyne Valley Streetscape Improvement Plan. The other funding partners included HRSDC, PEI Department of Transportation and Public Works, ACOA and Resources West. The project's expenditures exceeded \$600,000 and included improvements to the streetscape and property of the Community. The Community's commitment to the project was \$10,000 paid in 2005 and \$10,000 paid in 2006.

**COMMUNITY OF TYNE VALLEY
GENERAL FUNDS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006**

6. Long-term Debt - General Capital Fund

	<u>2006</u>	<u>2005</u>
Evangeline Credit Union mortgage, refinanced in 2006, due in 2011, repayable in monthly installments of \$1,531 including principal and interest at prime plus 0.5%, secured by a collateral charge on the Liquor Store	\$ 114,723	\$ 82,215
Evangeline Credit Union loan, due in 2006, repaid during the year	-	4,715
	<u>114,723</u>	<u>86,930</u>
Less: current portion	<u>12,594</u>	<u>15,445</u>
	<u>\$ 102,129</u>	<u>\$ 71,485</u>

The aggregate amount of principal payments required to meet retirement provisions for the next five years is as follows: 2007 - \$12,594, 2008 - \$12,087, 2009 - \$12,897, 2010 - \$13,760, 2011 - \$63,685.

7. Investment in Capital Assets

	<u>2006</u>	<u>2005</u>
Balance, beginning of year	\$ 316,511	\$ 295,698
Additions from current revenue		
Repayment of loans	12,949	15,726
Capital expenditure - Village	15,037	5,087
Capital expenditure - Liquor Store	<u>17,569</u>	<u>-</u>
Balance, end of year	<u>\$ 362,066</u>	<u>\$ 316,511</u>

8. Contingent Liability

The Community is contingently liable for a guarantee of \$150,000 to the Evangeline Credit Union on behalf of the Tyne Valley Community Sports Centre and \$50,000 to the Evangeline Credit Union on behalf of the Tyne Valley Firemen's Club Inc.

COMMUNITY OF TYNE VALLEY
SEWER UTILITY REVENUE FUND
BALANCE SHEET
DECEMBER 31, 2006

	<u>2006</u>	<u>2005</u>
ASSETS		
Current		
Bank	\$ 237	\$ 1,336
Accounts receivable	<u>5,900</u>	<u>11,264</u>
	6,137	12,600
Due from Sewer Utility Capital Fund	<u>91,812</u>	<u>95,916</u>
	<u>\$ 97,949</u>	<u>\$ 108,516</u>
LIABILITIES AND EQUITY		
Current		
Accounts payable	\$ 42	\$ 72
Due to General Revenue Fund	<u>1,276</u>	<u>991</u>
	1,318	1,063
Equity		
Surplus	<u>96,631</u>	<u>107,453</u>
	<u>\$ 97,949</u>	<u>\$ 108,516</u>

On behalf of the Council

_____ Chairperson

_____ Councillor

The accompanying notes are an integral part of these financial statements

**COMMUNITY OF TYNE VALLEY
SEWER UTILITY REVENUE FUND
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>2006</u>	<u>2005</u>
Revenue		
Flat rate charges	\$ 8,448	\$ 8,848
Interest	137	260
Recovery of GST	-	54
	<u>8,585</u>	<u>9,162</u>
Expenditure		
Bad debt	533	-
Depreciation	1,409	1,258
Dues	441	441
Electricity	520	720
Office	353	54
Pumping	1,550	1,550
Maintenance	13,751	3,674
Salary	460	460
Interest & Bank Charges	52	44
	<u>19,069</u>	<u>8,201</u>
Debt charges		
Interest on long-term debt	338	441
	<u>19,407</u>	<u>8,642</u>
Excess revenue (expenditures)	(10,822)	520
Surplus, beginning of year	<u>107,453</u>	<u>106,933</u>
Surplus, end of year	\$ <u>96,631</u>	\$ <u>107,453</u>

The accompanying notes are an integral part of these financial statements

**COMMUNITY OF TYNE VALLEY
SEWER UTILITY CAPITAL FUND
BALANCE SHEET
DECEMBER 31, 2006**

	<u>2006</u>	<u>2005</u>
ASSETS		
Bank - reserve	\$ 173	\$ 2,868
Receivables - hookups	1,560	14,100
Sewer system and equipment (Note 2)	<u>197,463</u>	<u>200,485</u>
	<u>\$ 199,196</u>	<u>\$ 217,453</u>

LIABILITIES AND CONTRIBUTIONS IN AID OF CONSTRUCTION

Current		
Bank advances (Note 3)	\$ 4,402	\$ 4,402
Due to Sewer Utility Revenue Fund	<u>91,812</u>	<u>95,916</u>
	96,214	100,318
Contributions in aid of construction	<u>102,982</u>	<u>117,135</u>
	<u>\$ 199,196</u>	<u>\$ 217,453</u>

On behalf of the Council

_____ Chairperson
_____ Councillor

The accompanying notes are an integral part of these financial statements

**COMMUNITY OF TYNE VALLEY
SEWER UTILITY FUNDS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006**

1. Significant Accounting Policies

- (a) Revenue recognition
Major sources of revenue are recorded on the accrual basis.
- (b) Expenditure recognition
Expenditures are recorded on an accrual basis except interest on long-term debt which is recorded as an expenditure when paid.
- (c) Sewer Capital Fund
Capital assets are recorded at cost.

Depreciation on the sewer system and sewer equipment is calculated using the straight-line method at the annual rates of 1.2% and 5% respectively.

Government grants related to the acquisition of capital assets are recorded as contributions in aid of construction and amortized to income on the same basis as the related asset is depreciated

2. Sewer System and Equipment

		2006		2005
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 2,471	\$ -	\$ 2,471	\$ 2,471
Sewer system and lagoon	251,808	56,816	194,992	198,014
Sewer equipment	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 264,279</u>	<u>\$ 66,816</u>	<u>\$ 197,463</u>	<u>\$ 200,485</u>

3. Long-term Debt - Sewer Utility Fund

	2006	2005
7.25% demand loan, Evangeline Credit Union, payments are due when new sewer hookups are collected	\$ <u>4,402</u>	\$ <u>4,402</u>