

RURAL MUNICIPALITY OF VICTORIA  
REGULAR COUNCIL MEETING  
Monday July 11, 2022 – 6:30 P.M.  
730 VICTORIA ROAD, VICTORIA  
AGENDA

1. Meeting called to order
2. Approval of Agenda
3. Declaration of Conflict of Interest
4. Approval of Minutes (regular meeting June 13th, 2022)
5. Public Presentation - none
6. Business Arising From Minutes
  1. Action List from last Council meeting
  2. MSS Update
  3. Replacement of Development Officer - completed and contract signed. It did include the request for a monthly report as requested at the last meeting. Contract distributed for your information
  4. Emergency Measures Operations Plan and Fire Services Bylaw - deferred
7. Mayor's Report
8. Fire Department Report (May)
9. Committee Reports
  1. Water & Sewer Commission
    1. Progress Report from Water & Sewer Commission on the request to ensure that all properties are being billed properly
  2. Planning Board
10. CAO Report
  1. Development report
  2. Financial Update
  3. Activities report
11. Introduction of New Business
  1. Carry the Torch Nominations - requested by Councillor Jean McCardle
  2. Bus service to Victoria - Roberta MacQueen from Center for Aquaculture Technologies
  3. Reconsider the projects that are to be funded by CCBF to ensure the commitment does not exceed the maximum approved funding
  4. Resident request to replace the steps at Victoria Park
  5. Resident concerns re animal control
  6. Cheque signing – recommended to add 3<sup>rd</sup> person to general account
12. In/Out correspondence
  1. 2022/23 Wellness Grant Program
13. Public Input
14. Closed portion of meeting – if required
15. Adjournment

Motion #	Description	Moved, Seconded	For/Against	Carried	Date of Meeting
2202-31	Motion moved that the Rural Municipality of Victoria appoint Derek French as the development officer for the municipality on a one year contract and subject to extension of contract as agreed upon by both parties.	Pat Smith, Susan Oxley	6/0	Y	June 13/22
2202-32	Motion moved to extend the number of hours to pay CAO Hilary Price through June, extending it by a further 70 hours to allow for training the new Finance and Administrative Assistant.	Jean McCardle, Pat Smith	6/0	Y	June 13/22
2022-33	Motion moved that council approves the audited Consolidated Financial Statements for 2021/22.	Richard LaGrange, Jean McCardle	6/0	Y	June 13/22
2022-34	Motion moved that Keith Dewar be appointed interim Chief Administrative Officer for the Rural Municipality of Victoria, to be effective June 20, 2022.	Eric Gilbert, Richard LaGrange	6/0	Y	June 13/22
2022-35	Motion moved that Keith Dewar replaces Hilary Price as CAO re signing authority for all Scotiabank bank accounts for the Rural Municipality of Victoria, to be effective June 20, 2022.	Richard LaGrange, Jean McCardle	6/0	Y	June 13/22
2022-36	Motion moved that council approve the employment contract for Keith Dewar for the term beginning Monday, June 20, 2022 and ending Wednesday, November 30, 2022.	Eric Gilbert, Susan Oxley	6/0	Y	June 13/22

Item	Date Action Created	Complete	Date Action Completed	Notes
Action item – CAO to provide draft of MSS to councillors by Jun 14/22.	June 13/22	Y	June 14/22	n/a
Action item – Notify residents of Jun 22 meeting to review MSS draft.	June 13/22	Y	June 14/22	n/a
Action item – send a letter to Women’s Institute directing them back to the province for direction and assistance.	June 13/22		June 24/22	Approved by Keith Dewar and Eric Gilbert, Mailed via Canada post
Action item – send a letter to property owner making them aware of complaint.	June 13/22	Y	June 21/22	Approved by Keith Dewar, Mailed via Canada post
Action item – council recommends that the Water & Sewer Commission review that properties are being billed properly, based on residential/business status.	June 13/22	Y*	June 22/22	Working in minutes updated to move action to W&S Commission, however, *reviewed billing with Hilary, partial review occurs when property taxes come in (list comparison). Action item - discuss with province the Halibut PEI account - they don't fit in any one category, how to bill?
Action item - prepare for Planning board public meeting (June 27/22) & send out appropriate letters.	June 13/22	Y	June 20 & 21/22	Hilary sent letters. **Meeting rescheduled for July 6/22, ads placed in Guardian
Action item – make businesses aware that municipality will provide bathroom funding (provided by EDA grant), until August 26, 2022. Funding required @ 40hrs/week, @ \$15.50/hr, to keep washrooms open past noted date. Does business assoc. want to contribute?	June 13/22	Y	June 22/22	June 22 - Spoke to Michael Stanley, he confirmed they will likely want to pay to keep the washrooms opened and serviced. He will be in touch with the end date they would like to extend to (wants to be open for Savour Victoria).
Action item – contact Bell to find out if improvements to old phone booth are allowed.	June 13/22			June 22 - Called General Inquiries: 1-888-214-7896... directed to 1-888-248-2260, hung up after 30 minutes on hold
Action item – send quote with total for damages to driver responsible for wharf damage, with options for payment.	June 13/22			Start with getting a quote from a carpenter - Hilary to look at Coles reports to see if costs/builder is noted.
Action item - follow up with Allen Marshall on Lighthouse ramp repairs	June 13/22	Y	June 27/22	Ramp repairs complete and invoiced
Action item – ask Susan Bulman about discrepancy in fire dues entry amount. <b>Resulting action item - check with province if numbers can be retrodated, with retro pay.</b>	June 13/22	Y	June 22/22	It appears that updated amounts for dues were not submitted to province (?), resulting action item created to check for retro pay.
Resulting action item - check with province if fire department numbers can be retrodated, with retro pay.	June 22/22			June 22 - left a message with Sally Ferguson requesting verification of submission, and explanation of payments received thus far.
Action item – Mayor Keith Dewar requested that CAO send a copy of this year’s AER report to council members	June 13/22	Y	?	Completed by Hilary

Rural Municipality of Victoria, P.E.I.  
Development  
Officer Contract

**THIS AGREEMENT** made this 1<sup>st</sup> day of July, 2022

**BETWEEN:**

The Rural Municipality of Victoria (the "Employer"),

AND Derek A. French Professional Services Inc. (the "Contractor"),

in the County of Queens, and Province of Prince Edward Island:

**WHEREAS** the Employer desires to contract the services of the Contractor as the Development Officer;

**AND WHEREAS** the Contractor has agreed to accept the contractual assignment as Development Officer with the Rural Municipality of Victoria, subject to and on the terms and conditions set forth in Appendix A of this agreement;

**NOW, THEREFORE, IN CONSIDERATION** of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

**Effective Date**

The Employer hereby agrees to contract the Contractor as the Development Officer effective the *1<sup>st</sup> day of July, 2022*.

**Term**

The term of this contract shall commence on the effective date referred to in paragraph above and shall run for a period of one year, subject to extension, and also subject to termination as provided below:

- (a) This contract may be terminated at any time by mutual agreement of the Employer and Contractor upon three months given notice.


**Hours of Work**

Times of work shall be as follows:


- (a) Due to the unique nature of this employment, it is understood and agreed that in order to properly perform the job required, the Contractor may have to work outside of the normal workday (that is, evenings and weekends) as required at the rate of payment stated in the Appendix A.

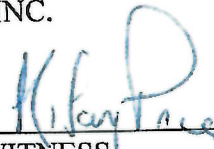



IN WITNESS WHEREOF the parties hereto have executed this agreement and affixed a corporate seal on the date above written.

  
\_\_\_\_\_  
DEREK FRENCH  
DEREK A. FRENCH PROFESSIONAL SERVICES INC.

  
\_\_\_\_\_  
WITNESS

  
\_\_\_\_\_  
KEITH DEWAR  
CAO  
RURAL MUNICIPALITY OF VICTORIA

  
\_\_\_\_\_  
WITNESS

  
\_\_\_\_\_  
PATRICIA SMITH  
MAYOR (ACTING)

  
\_\_\_\_\_  
WITNESS

## Appendix A

Terms of Reference  
Development  
Officer  
Rural Municipality of Victoria (RMV), Prince  
Edward Island

### **Development Officer Position**

Working with the Chief Administrative Officer (CAO) and the elected Council, the Development Officer will assist in adjudicating requests from residents for all types of new development or changes to existing properties. The Development Officer will be available on an as required basis.

### **Duties and Responsibilities**

The Development Officer will be responsible for managing all current requests for new developments, additions, alterations and changes of use that are under consideration, as well as being responsible for any new requests going forward. The Development Officer will collaborate closely with the CAO to acquire the necessary knowledge of the RMV.

- *Reporting:* The Development Officer will be responsible for providing the Chief Administrative Officer (CAO) with regular briefings on each development as required, as well as a monthly written report.
- *Reviewing* applications and consulting with applicants, including site visits, as required.
- *Preparing* documentation for meetings with residents and the CAO as required.
- *Bylaws and Acts:* The Development Officer will work within the requirements of the PEI Municipal Government Act as well as all RMV Development Bylaws and will ensure that Development applications are compliant with the RMV's Development Bylaws. Where applications are non-compliant, the Development Officer will advise applicants on changes required to the application to bring it into compliance.
- *Consult* with administrator, council and planning board as required.
- *Legal Counsel:* The Development Officer will liaise with the RMV Legal Counsel as required, with the prior approval of Council.

### **Rate of Payment**

The Development Officer shall be reimbursed at the rate of \$100/hr (one hundred dollars per hour) for the services of Derek French, \$85/hr (eighty five dollars per hour) for the services of Josh Beaton, or \$75/hr (seventy five dollars per hour) for the services of Riley Callaghan, plus \$50.00/visit (fifty dollars per visit) for travel for onsite inspections, as required.

## **Acting Mayor's Report**

This will be a short report as your Acting Mayor. Firstly I would like to thank Hilary Price for the support she has provided to the RMV in making this challenging transition. Personally I believe we could not have done it successfully without her administrative expertise and dedication. And I want to commend Keith Dewar for agreeing to take on the position of Interim CAO until a more permanent solution can be arranged. I do not think Keith imagined this would be his first retirement project, and humour aside, I can honestly say I would not have agreed to take on the role of Acting Mayor without his competent support as CAO. And I welcome Marsha Empsom to the team as our Finance & Administrative Assistant.. She is quickly gaining a good knowledge of our affairs. We have much work to do before the municipal elections in November. As a council we will continue to advance the priorities we have already agreed upon:

Complete the Municipal Sustainability Study

Complete the Official Plan Review

Stabilize the CAO position

Each of these projects require serious, demanding and time consuming work from your councillors. I thank them for continuing to contribute their time, expertise and energy in guiding RMV through a very challenging time.

And I would ask that each and every resident of Victoria support your council and administrative team. Together we can create solutions. If you have concerns or questions reach out to any of your councillors or the interim CAO.

And enjoy the sunny summer days on our beautiful Island.

		MAR/APRIL	APRIL/MAY	MAY/JUNE	JUNE
WELL #1	SAMPLE #	P220310041	P220406064	P220504059	220601109
	TOTAL	0	0	0	0
	E-COLI	0	0	0	0
	BACKGROUND COLIFORM	0	0	0	0
	NITRATE GROWTH	7.8	7.6	7	7.5
WELL #2	SAMPLE #	P220310044	P220406066	P220504061	P220601108
	TOTAL	0	0	0	0
	E-COLI	0	0	0	0
	BACKGROUND COLIFORM	0	0	0	0
	NITRATE GROWTH	6.0	3.8	6.6	5.4
WELL #3	SAMPLE #	P220310042	P220406065	P220504062	P220601107
	TOTAL	0	0	0	0
	E-COLI	0	0	0	0
	BACKGROUND COLIFORM	0	0	0	0
	NITRATE GROWTH	7.0	5.6	6.3	6.5
LINE READINGS - 3 RUSSELL ST.	SAMPLE #	P220406062	N/A	P220601112	
	1ST READING	CL 0.32 (APR 06)	N/A	CL 0.33 (JUN 01)	
	SAMPLE #	N/A	N/A	N/A	
	2ND READING	N/A	N/A	N/A	
LINE READINGS - 4 JUDE ST.	SAMPLE #	P220323084	P220420084	N/A	
	1ST READING	CL 0.33 (MAR 23)	CL 0.31 (APR 21)	N/A	
	SAMPLE #	N/A	N/A	N/A	
	2ND READING	N/A	N/A	N/A	
LINE READINGS - 28 NELSON ST.	SAMPLE #	N/A	P220504060	P220504060	
	1ST READING	N/A	CL 0.32 (MAY 04)	CL 0.32 (MAY 04)	
	SAMPLE #	N/A	N/A	N/A	
	2ND READING	N/A	N/A	N/A	
LINE READINGS - OLD SCHOOL	SAMPLE #	P220323085	P220420085	P220504058	
	1ST READING	CL 0.41 (MAR 23)	CL 0.44 (APR 21)	CL 0.44 (MAY 04)	
	SAMPLE #	P220406063	P220504058	P220601111	
	2ND READING	CL 0.42 (APR 06)	CL 0.44 (MAY 04)	CL 0.44 (JUN 01)	
LINE READINGS - 36 CAUSEWAY RD.	SAMPLE #	N/A	N/A	N/A	P220615129
COLD WATER TAP	1ST READING	N/A	N/A	N/A	CL. 0.32 (JUN 15)

	SAMPLE #	N/A	N/A	N/A	
	2ND READING	N/A	N/A	N/A	
LINE READINGS - 36 CAUSEWAY RD.	SAMPLE #	N/A	N/A	N/A	P220615130
HALIBUT PEI COLD WATER TAP	1ST READING	N/A	N/A	N/A	CL 0.34 (JUN 15)
	SAMPLE #	N/A	N/A	N/A	
	2ND READING	N/A	N/A	N/A	

## Planning Board Report - July 7, 2022

Planning Board held a public meeting on July 6 to receive comments on the proposed zoning changes to the current draft of the Official Plan and Zoning and Subdivision Control Bylaw. Planning Board will meet again shortly to decide next steps.

Member of The AC Group of Independent Accounting Firms

June 13, 2022

Mr. Keith Dewar, CPA, CA  
Finance and Audit Committee Chair  
730 Victoria Road  
Victoria, PE  
C0A 2G0

Dear Mr. Dewar:

We have recently completed our audit fieldwork for the Rural Municipality of Victoria for the year ended March 31, 2022.

Our examination was not designed, and cannot be relied upon, to detect defalcations and similar irregularities, although their discovery may result. Our examination did not include a review of all accounting systems and accordingly it might not necessarily identify all areas where improvements could be made. However, certain items may be of interest to you and have been summarized in the attachment to this letter.

As you are aware, the maintenance of an adequate system of internal control is the responsibility of management. In the course of reviewing the comments, which follow, you may wish to consider, before taking any action, the cost of implementing our recommendations, as well as the risks involved in the absence of such controls. We have, however, attempted to make only practical recommendations.

Once you have had an opportunity to consider these recommendations, we would appreciate receiving your comments as to the measures that you intend to implement in order that we may take them into account in determining the scope of next year's examination.

We would like to take this opportunity to thank you and your staff for the courtesy and co-operation extended to us during the course of our interim audit procedures.

We ask you to contact us if you have any questions regarding this letter, or desire assistance with any other matters that may arise throughout the year.

Yours very truly,

*Arsenault Best Cameron Ellis*

TMW/bjr  
Encls.

## **1. Operational deficits**

### Observation

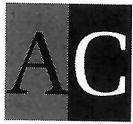
For the last three years, the Municipality has shown an operational loss before taking into account revenue received for capital expenditures. This implies that the Municipality is not taking in enough revenue to cover the operational expenses. In 2022, the Municipality is showing a loss of \$121,272 before taking into account revenue from government transfers for capital expenditures. Included in the loss is \$117,252 of amortization which is a non-cash transaction which reduces the cash loss to an excess of expenditures of \$7,712 but this doesn't include the \$11,344 in principal payments made on long-term debt which increases the net cash loss for operations to \$19,056. A similar calculation for the 2021 fiscal year-end shows net cash income of \$6,621.

From reviewing Schedule 1 of the financial statements, you can see that every segment of the Municipality is showing a loss in 2022 and 2021 except for general government. This excess from general government is meant to help cover other expenses within the Municipality but the schedule shows that there are a few assets that incur significant expenses but generate minimal to no income (for example, the old school and welcome centre).

### Recommendation

The Municipality should review the revenue and expenses for each property that is owned by the Municipality to determine if there is a way to increase revenue and/or decrease expenses for each property.





Member of The AC Group of Independent Accounting Firms

June 13, 2022

Mr. Keith Dewar  
 Rural Municipality of Victoria  
 730 Victoria Road  
 Victoria, PE  
 C0A 2G0

Dear Mr. Dewar:

**Re: Audit Findings**

This letter has been prepared to assist you with your review of the financial statements of Rural Municipality of Victoria for the period ending March 31, 2022. We look forward to meeting with you and discussing the matters outlined below.

**Audit Status**

We have completed the audit of the financial statements, with the exception of the following items:

1. Receipt of a signed representation letter from management;
2. Completing our discussions with the management;
3. Obtaining evidence of the Council's approval of the financial statements;

Once these items have been completed, we will date and sign our auditor's report.

**Significant Risks**

The following is a list of the significant risks that we identified during the engagement as well as our audit responses:

<b>Significant Risks</b>	<b>Audit Response</b>
<i>Revenue recognition and completeness</i>	<i>Analytical procedures Substantive testing of revenues, including the consistent application of accounting policies Confirming funding received from Province Review of cut-off procedures</i>
<i>Management override</i>	<i>Inquiries of management Review of journal entries Review of related-party transactions and management estimates</i>
<i>Tangible capital assets – existence and allocation</i>	<i>Review supporting invoices for a sample of capital asset additions Substantive testing of repairs and maintenance accounts Recalculate and review amortization rates</i>
<i>Accounts receivable - valuation</i>	<i>Testing the aging of receivables Inquiry of management regarding collectibility</i>

<i>Accounts payable - completeness</i>	<i>Analytical procedures Substantive testing and/or tests of control</i>
<i>Long-term debt – Existence/Completeness</i>	<i>Confirming year-end balances Reviewing debt agreements</i>

**Significant Matters Arising  
Changes to Audit Plan**

There were no changes to the audit plan (as previously presented to you) other than the following:

**Other Matters**

We have not identified any other significant matters that we wish to bring to your attention at this time.

**Significant Difficulties Encountered**

There were no significant difficulties encountered during our audit.

**Comments on Accounting Practices**

**Accounting Policies**

The significant accounting policies used by the entity are outlined in Note 1 to the financial statements.

- There were no significant changes in accounting policies.
- We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
- We did not identify any significant accounting policies in controversial or emerging areas.

**Significant Accounting Estimates**

The following significant estimates/judgments are contained in the financial statements:

- a. Accrued liabilities;
- b. Deferred revenue; and
- c. Book value of tangible capital assets.

Based on audit work performed, we are satisfied with the estimates made by management.

**Significant Financial Statement Disclosures**

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention, other than the prior period adjustment detailed on Note 13 of the consolidated financial statements.

**Uncorrected Misstatements**

We accumulated uncorrected misstatements that we identified during our audit and communicated them to management. We then requested that management correct these misstatements. All uncorrected misstatements determined to be immaterial are included at the back of this letter.

**Significant Deficiencies in Internal Control**

A deficiency in internal control exists when a risk is not treated by a control or when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

To identify and assess the risks of material misstatement in the financial statements, we are required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, we do not express any such opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control, or any other control deficiencies, will be identified during our audit.

We did not identify any control deficiencies that, in our judgment, would be considered significant deficiencies, apart from those attached as a separate letter.

**Written Representations**

In a separate communication, as attached, we have requested a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with Canadian public sector accounting standards.

**Other Audit Matters of Governance Interest**

We did not identify any other matters to bring to your attention at this time.

We would like to thank management and staff for the assistance they provided to us during the audit.

We hope the information in this audit findings letter will be useful. We would be pleased to discuss them with you and respond to any questions you may have.

This letter was prepared for the sole use of those charged with governance of Rural Municipality of Victoria to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,

*Arsenault, Best, Cameron, Ellis*

TMW/bjr



# RURAL MUNICIPALITY OF VICTORIA

730 Victoria Road  
Victoria, PE  
C0A 2G0

June 13, 2022

Arsenault Best Cameron Ellis  
8 MacLeod Crescent  
Charlottetown, PE  
C1E 3K2

Dear Sirs:

This representation letter is provided in connection with your audit of the financial statements of Rural Municipality of Victoria for the period ended March 31, 2022 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

## 1. Financial Statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated February 20, 2020:

- a. Preparing and fairly presenting the financial statements in accordance with Canadian public sector accounting standards;
- b. Providing you with:
  - i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
    - Accounting records, supporting data and other relevant documentation,
    - Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
    - Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;

- ii. Additional information that you have requested from us for the purpose of the audit; and
  - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
  - d. Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

## **2. Fraud and Non-Compliance**

We have disclosed to you:

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
  - i. Management;
  - ii. Employees who have significant roles in internal control; or
  - iii. Others where the fraud could have a material effect on the financial statements.
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
- d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- e. The results of our risk assessments regarding possible fraud or error in the financial statements.

## **3. Related Parties**

We have disclosed to you the identity of all of the entity's related-party relationships and transactions of which we are aware. All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.

**4. Estimates**

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian public sector accounting standards. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

**5. Subsequent Events**

All events subsequent to the date of the financial statements and for which Canadian public sector accounting standards requires adjustment or disclosure have been adjusted or disclosed

**6. Commitments and Contingencies**

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

**7. Adjustments**

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

**8. Misstatements**

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

**9. Other Representations**

**Accounting Policies**

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

**Future Plans**

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

**Contractual compliance**

We have complied with the terms and conditions of all contractual agreements that could have a material effect, in the event of non-compliance, on the financial statements.



**Direct liabilities**

We have recorded in the accounts all known liabilities of our entity as at March 31, 2022 except for trivial amounts.

**Fair values**

We confirm that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

**Financial instruments**

Off-balance sheet derivative financial instruments (e.g., futures, options and swaps), including outstanding commitments to purchase or sell securities, assets and/or commodities under forward placement and standby commitments, and information regarding the terms and conditions, interest rate risk, credit risk and foreign exchange risk of financial instruments held at period end have been properly recorded and, when appropriate, adequately disclosed within the financial statements. We confirm that the significant assumptions used in arriving at the fair values of financial instruments, as measured and disclosed (when required) in the financial statements, are reasonable and appropriate in the circumstances.

We have evaluated whether there are indicators of impairment for all financial assets measured at cost or amortized cost, and where there has been a significant adverse change in the expected timing or amount of future cash flows from a financial asset or group of similar financial assets, we have assessed whether a reduction in the carrying value is necessary.

When an impairment is necessary, the carrying amount of the asset, or group of assets, has been reduced to the highest of the cash flows expected to be generated by holding the asset, the amount that could be realized by selling the asset and the amount that the entity expects to realize by exercising any right to collateral held to secure repayment of the asset net of all costs necessary to exercise those rights. The amount of the decline in fair value has been included in net income in the period incurred.

**Impairment of long-lived assets**

We have evaluated long-lived assets for recoverability whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Management acknowledges that when the long-lived asset is not recoverable, an impairment loss is recognized in earnings at the amount by which the carrying amount exceeds its fair value.

**Journal entries**

We have approved all journal entries and other adjustments proposed by you, and they have been included in our financial statements.

**Liabilities and contingencies**

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

### **Material measurement uncertainties**

The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

### **Tangible Capital Assets**

Tangible capital assets are recorded at cost. We have good and valid title to all items of tangible capital assets reflected in the accounts relating thereto, and there are no liens or encumbrances on our assets. During the period ended March 31, 2022, no material amounts relating to additions or improvements of tangible capital assets were charged to expense. The provision for amortization is based on the cost and expected economic useful lives of the tangible capital assets using the straight line method.

The tangible capital asset accounts, and the related allowances for amortization have been adjusted for all important items of such assets that were idle, obsolete, sold, dismantled, abandoned or otherwise disposed of for the period ended March 31, 2022 and for all prior periods.

### **Receivables**

The accounts receivable reflected in the accounts constitute valid claims against customers and other debtors.

Receivables known to be uncollectible have been written off, and adequate provision has been made for anticipated adjustments or losses in connection with the collection of receivables.

### **Regulatory compliance**

We are up to date with all corporate filings and annual returns. This includes all Canada Revenue Agency and HST/GST/PST returns.

### **Revenue recognition**

We have recorded all revenue that met the following criteria:

- a. Persuasive evidence of an arrangement exists;
- b. Delivery has occurred, or services have been rendered;
- c. Price is fixed or determinable; and
- d. Collectability is reasonably assured.

Yours truly,

*Chief Administrative Officer*



Rural Municipality of Victoria

Year End: March 31, 2022

Adjusting journal entries

Date: 4/1/2021 To 3/31/2022

Prepared by	Reviewed by	Partner	Reviewed by
HM 5/18/2022		TW 5/19/2022	

720

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	3/31/2022	Dep'n Reserve - PP Structure & Impr	1815-WS	U.1A	^				
1	3/31/2022	Dep'n Reserve - Trans & Dist Mains	1825-WS	U.1A	^		3,719.00		
1	3/31/2022	Dep'n Reserve - Services	1835-WS	U.1A	^		4,152.00		
1	3/31/2022	Dep't Reserves - Wells	1845-WS	U.1A	^		543.00		
1	3/31/2022	Dept reserve Water Equipment	1855-WS	U.1A	^		887.00		
1	3/31/2022	DEp expense Chlorination Unit	1865-WS	U.1A	^		1,277.00		
1	3/31/2022	Depn reserve misc sewer equipment	1946-WS	U.1A	^		217.00		
1	3/31/2022	Dep'n reserve-C P Structure & Imp	1951-WS	U.1A	^		901.00		
1	3/31/2022	Dep't Reserve- S P P	1956-WS	U.1A	^		7,174.00		
1	3/31/2022	Dep't- Reseve T & D Plant	1961-WS	U.1A	^		13,766.00		
1	3/31/2022	Depn Reserve sewer Equipment	1966-WS	U.1A	^		10,247.90		
1	3/31/2022	Depreciation Expense	5420-WS	U.1A	^		6,763.00		
1	3/31/2022	Depreciation Expense -Sewer System	5620-WS	U.1A	^	10,795.00			
						38,851.90			
		To record amortization for the year in water and sewer.							
2	3/31/2022	Seawall - depreciation	ABCE1	U. 1	^	27,524.00			
2	3/31/2022	Accumulated Depreaction	1420-MUN	U. 1	^		67,605.00		
2	3/31/2022	Depreciation- Community Hall	5108-MUN	U. 1	^	9,327.00			
2	3/31/2022	Fire department depreciation	5224-MUN	U. 1	^	608.00			
2	3/31/2022	W H S Depreciation	5931-MUN	U. 1	^	12,290.00			
2	3/31/2022	Old School Depreciation	5938-MUN	U. 1	^	17,856.00			
		To record amortization for the year- community.							
3	3/31/2022	Due to Municipality	2050-WS	U. 2	^	925.50			
3	3/31/2022	MCEG	4116-WS	U. 2	^		925.50		
3	3/31/2022	MCEG Receivable	1043-MUN	U. 2	^	1,550.50			
3	3/31/2022	Due from Water COM. Rev Fund	1044-MUN	U. 2	^		925.50		
3	3/31/2022	MCEG Grant	4035-MUN	U. 2	^		625.00		
		To record MCEG grant receivable for MUN and WS							
4	3/31/2022	Accounts Payable	2120-MUN	BB. 1	^	1,075.25			
4	3/31/2022	Applic - Legal & Consult - Planning	5502-MUN	BB. 1	^		1,075.25		
		To clear amount owing to Derick French- per client amount is not owing (trivial clean up adjustment- to go to Derick French vendor).							
5	3/31/2022	Due to Municipality	2050-WS	VV. 3	^		32,780.66		
5	3/31/2022	Wages	5120-WS	VV. 3	^	21,529.79			
5	3/31/2022	Office Supplies & Expense	5160-WS	VV. 3	^	1,965.71			
5	3/31/2022	Audit Fee W&S	5181-WS	VV. 3	^	1,980.00			
5	3/31/2022	Accounting Fees (Water)	5183-WS	VV. 3	^	1,181.60			
5	3/31/2022	Insurance	5190-WS	VV. 3	^	1,071.80			
5	3/31/2022	Insurance	5222-WS	VV. 3	^	1,071.80			
5	3/31/2022	Telephone- Computer (S)	5507-WS	VV. 3	^	818.36			
5	3/31/2022	Audit fee (Sewer)	5510-WS	VV. 3	^	1,980.00			
5	3/31/2022	Accounting Fees (Sewer)	5513-WS	VV. 3	^	1,181.60			
5	3/31/2022	Due from Water COM. Rev Fund	1044-MUN	VV. 3	^	32,780.66			
5	3/31/2022	Auditing Fees - General Govt	5001-MUN	VV. 3	^		3,960.00		
5	3/31/2022	Insurance - General Government	5007-MUN	VV. 3	^		2,143.60		
5	3/31/2022	Office Supplies - General Govt	5008-MUN	VV. 3	^		1,965.71		
5	3/31/2022	Telephone - General Govt	5013-MUN	VV. 3	^		818.36		
5	3/31/2022	Administrator Salary - General Govt	5016-MUN	VV. 3	^		20,657.59		
5	3/31/2022	Accounting Fees - General Govt	5031-MUN	VV. 3	^		2,363.20		
5	3/31/2022	Administrative Staff - General Govt	5060-MUN	VV. 3	^		872.20		
		To allocate 40% share of W&S expenses paid by the municipality.							
6	3/31/2022	Accounts Payable	2120-MUN	BB. 1	^		849.31		
6	3/31/2022	Property Taxes - Community Hall	5104-MUN	BB. 1	^	141.55			
6	3/31/2022	Property Taxes - Fire Dept	5205-MUN	BB. 1	^	141.55			
6	3/31/2022	Property Taxes - Old School	5404-MUN	BB. 1	^	141.55			
6	3/31/2022	Property Taxes - Old School	5404-MUN	BB. 1	^	141.55			
6	3/31/2022	Property Taxes - Lighthouse	5811-MUN	BB. 1	^	141.55			
6	3/31/2022	Property Tax - Welcome Ctr	5857-MUN	BB. 1	^	141.55			
		To clear amount property tax credit that is now owing per client (trivial clean up adjustment- to go to Property Tax vendor).							
7	3/31/2022	VISA	1026-MUN	BB. 1	^		387.51		

Rural Municipality of Victoria

Year End: March 31, 2022

Adjusting journal entries

Date: 4/1/2021 To 3/31/2022

Prepared by	Reviewed by	Partner	Reviewed by
HM 5/18/2022		TW 5/19/2022	

720-1

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
7	3/31/2022	Accounts Payable	2120-MUN	BB. 1	^	387.51			
		To reallocate visa payable amount from subledger ("visa" vendor") to visa account as requested by client.							
8	3/31/2022	VISA	1026-MUN	742	^	1,677.59			
8	3/31/2022	visa payable	2026-MUN	742	^		1,677.59		
		To move visa payable balance from asset to liability account **2026-MUN is a new account**							
9	3/31/2022	Accrued interest Receivable	1049-MUN	742	^		63.28		
9	3/31/2022	Due to New deals Account	1053-MUN	742	^	0.01			
9	3/31/2022	Misc Expenses - General Govt	5075-MUN	742	^	63.27			
		To clear trivial amounts per client- cleared through misc.							
10	3/31/2022	Accounts Receivable	1040-MUN	C. 4	^		8.83		
10	3/31/2022	WCB Expense - General Govt	5020-MUN	C. 4	^	8.83			
		To clear trivial amount from AR subledger per client- to use customer "W C B" when posting							
11	3/31/2022	Due from Water COM. Rev Fund	1044-MUN	VV. 5	^	1,113.12			
11	3/31/2022	Electricity - Old School	5401-MUN	VV. 5	\		361.40		
11	3/31/2022	Fire Insurance - Old School	5403-MUN	VV. 5	\		252.07		
11	3/31/2022	Property Taxes - Old School	5404-MUN	VV. 5	^		254.99		
11	3/31/2022	Repairs & Maintenance - Old School	5405-MUN	VV. 5	^		28.21		
11	3/31/2022	Cleaning - Old School	5410-MUN	VV. 5	^		18.00		
11	3/31/2022	Waste - Old School	5411-MUN	VV. 5	^		32.54		
11	3/31/2022	Supplies - Old School	5412-MUN	VV. 5	^		17.72		
11	3/31/2022	Lawn Mowing - Old School	5413-MUN	VV. 5	^		32.03		
11	3/31/2022	Snow Clearing - Old School	5417-MUN	VV. 5	^		116.16		
		To allocate 8% share of W&S expenses from the old school- MUN side.							
12	3/31/2022	Due to Municipality	2050-WS	VV. 5	^		1,113.12		
12	3/31/2022	Materials & Supplies	5020-WS	VV. 5	^	17.72			
12	3/31/2022	Repairs & Maintenance	5030-WS	VV. 5	^	55.39			
12	3/31/2022	Power or Electricity (W)	5040-WS	VV. 5	^	180.70			
12	3/31/2022	Insurance	5222-WS	VV. 5	^	252.07			
12	3/31/2022	Repairs & Maintenance (S)	5503-WS	VV. 5	^	55.39			
12	3/31/2022	Ppty Taxes (S)	5505-WS	VV. 5	^	254.99			
12	3/31/2022	Electricity (S)	5506-WS	VV. 5	^	180.70			
12	3/31/2022	Sewer Snow Removal	5514-WS	VV. 5	^	58.08			
12	3/31/2022	Water Snow Removal	5703-WS	VV. 5	^	58.08			
		To allocate 8% share of W&S expenses from the old school- WS side.							
13	3/31/2022	H S T Receivable	1212-MUN	CLIENT		17.07			
13	3/31/2022	Accounts Payable	2120-MUN	CLIENT			130.84		
13	3/31/2022	Office Supplies - General Govt	5008-MUN	CLIENT		113.77			
		To record late invoice received from post office- client has already recorded in sage (DO NOT RECORD).							
						191,708.07	191,708.07		
			<b>Net Income (Loss)</b>			<b>(109,542.86)</b>			

# **Rural Municipality of Victoria**

Consolidated Financial Statements  
**March 31, 2022**

## Management's Report

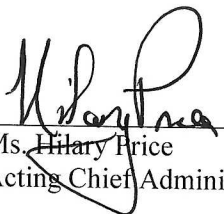
The integrity, relevance, and comparability of the data in the accompanying consolidated financial statements are the responsibility of management.


The consolidated financial statements are prepared by management in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is disclosed in note 2 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current period cannot be finalized with certainty until future periods.

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

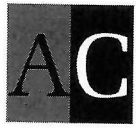
The Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control, and exercises these responsibilities through the work of its Finance and Audit Committee. The Council reviews internal financial statements on a monthly basis and external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

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

  
\_\_\_\_\_  
Ms. Hilary Price  
Acting Chief Administrative Officer

  
\_\_\_\_\_  
Mr. Keith Dewar  
Mayor





Member of The AC Group of Independent Accounting Firms

June 13, 2022

## **Independent Auditor's Report**

### **To the Members of Council of Rural Municipality of Victoria**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Rural Municipality of Victoria, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Rural Municipality of Victoria as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### ***Basis for Opinion***

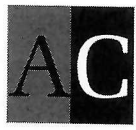
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Rural Municipality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

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

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

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

Those charged with governance are responsible for overseeing Rural Municipality of Victoria's financial reporting process.



Member of The AC Group of Independent Accounting Firms

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


*Arsenault Best Cameron Ellis*


Chartered Professional Accountants

**Rural Municipality of Victoria**  
 Consolidated Statement of Financial Position  
 As at March 31, 2022

	2022 \$	2021 \$
<b>Financial assets</b> (note 4)		
Cash	27,801	7,110
Restricted cash - infrastructure funding (note 6)	297,788	214,628
Accounts receivable (note 3)	30,518	23,644
<b>Total financial assets</b>	356,107	245,382
<b>Liabilities</b>		
Bank indebtedness (note 4)	45,000	-
Accounts payable and accrued liabilities (note 5)	12,715	17,783
Deferred revenue - infrastructure funding (note 6)	297,788	214,628
Long-term debt (note 7)	52,438	63,782
<b>Total liabilities</b>	407,941	296,193
<b>Net debt</b>	(51,834)	(50,811)
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 2)	4,562,544	4,669,615
Prepaid expenses	1,148	2,594
	4,563,692	4,672,209
<b>Accumulated surplus</b> (note 9)	4,511,858	4,621,398

Approved by the Council

  
 \_\_\_\_\_ CAO

  
 \_\_\_\_\_ Mayor

**Rural Municipality of Victoria**  
Consolidated Statement of Accumulated Surplus  
For the year ended March 31, 2022

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	2022	2021
	\$	\$
<b>Accumulated surplus - Beginning of year</b>	4,621,398	4,675,563
Annual deficit	(109,540)	(54,165)
<b>Accumulated surplus - End of year (note 9)</b>	<u>4,511,858</u>	<u>4,621,398</u>



# Rural Municipality of Victoria

## Consolidated Statement of Operations

For the year ended March 31, 2022

	2022 Budget (unaudited) \$	2022 Actual \$	2021 Actual \$
<b>Revenue</b> (Schedule 1)			
Municipal property tax	104,055	109,899	103,146
Victoria Water and Sewage Commission	91,869	94,254	91,776
Fire Department	8,052	7,917	8,024
Government transfers for operations (note 10)	21,325	23,111	35,893
Community Hall rentals	5,000	5,815	5,330
Old School rentals	3,700	3,982	3,340
Development permits	4,000	2,476	3,629
Welcome Centre rentals	700	-	700
Lighthouse	500	500	500
Donations and other	100	1,319	124
Interest	25	-	66
	<u>239,326</u>	<u>249,273</u>	<u>252,528</u>
<b>Expenses</b> (Schedule 1)			
Victoria Water and Sewage Commission	137,488	153,190	140,831
General Government	122,219	86,091	77,095
Fire Department	18,496	20,108	19,361
Community Hall	16,456	19,812	21,277
Old School	29,118	32,001	32,992
Welcome Centre, Washrooms	16,969	19,540	21,123
Victoria Park	7,481	9,887	8,228
Other	49,342	29,916	30,684
	<u>397,569</u>	<u>370,545</u>	<u>351,591</u>
	(158,243)	(121,272)	(99,063)
<b>Other revenue</b>			
Government transfers for capital (note 10)	53,750	11,732	44,898
<b>Annual deficit</b>	<u>(104,493)</u>	<u>(109,540)</u>	<u>(54,165)</u>

# Rural Municipality of Victoria

## Consolidated Statement of Changes in Net Debt For the year ended March 31, 2022

	<b>2022 Budget (unaudited) \$</b>	<b>2022 Actual \$</b>	<b>2021 Actual \$</b>
<b>Annual deficit for the year</b>	(104,493)	(109,540)	(54,165)
Purchase of tangible capital assets	(47,565)	(10,181)	(50,748)
Amortization of tangible capital assets	133,012	117,252	117,252
Change in prepaid expenses	-	1,446	(137)
	(19,046)	(1,023)	12,202
<b>Net financial debt - Beginning of year</b>	669	(50,811)	(63,013)
<b>Net debt - End of year</b>	(18,377)	(51,834)	(50,811)

# Rural Municipality of Victoria

## Consolidated Statement of Cash Flows

For the year ended March 31, 2022

	2022 \$	2021 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Annual deficit	(109,540)	(54,165)
Item not affecting cash		
Amortization	117,252	117,252
	7,712	63,087
Net change in non-cash working capital items		
Decrease (increase) in accounts receivable	(6,874)	12,996
Decrease (increase) in prepaid expenses	1,446	(137)
Increase (decrease) in accounts payable and accrued liabilities	(5,068)	1,836
Increase in deferred revenue	83,160	52,683
	80,376	130,465
<b>Financing activities</b>		
Increase in bank indebtedness	45,000	-
Payments on long-term debt	(11,344)	(11,568)
	33,656	(11,568)
<b>Capital activity</b>		
Purchase of tangible capital assets	(10,181)	(50,748)
<b>Increase in net cash</b>	103,851	68,149
<b>Net cash - Beginning of year</b>	221,738	153,589
<b>Net cash - End of year</b>	325,589	221,738
<b>Net cash consists of</b>		
Cash	27,801	7,110
Restricted cash	297,788	214,628
	325,589	221,738

# Rural Municipality of Victoria

Notes to Consolidated Financial Statements

March 31, 2022

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## 1 Nature of municipality

The Rural Municipality of Victoria (the "Municipality") was incorporated in 1951 as a municipality in the Province of Prince Edward Island and operates under the provisions of the *Municipal Government Act* (2017) of Prince Edward Island. The Municipality is overseen by an elected council consisting of seven members and provides services such as sewer, fire protection, planning, parks and other general government services.

## 2 Summary of significant accounting policies

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

### Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, changes in net debt and cash flows of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Municipality and are, therefore, accountable to the Municipality Council for the administration of their financial affairs and resources. Consolidated with the municipality are the following:

The Rural Municipality of Victoria  
Victoria Water and Sewage Commission

Interdepartmental and organizational transactions and balances are eliminated.

### Basis of accounting

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

### Cash

Cash includes cash on hand and bank account balances.

### Restricted cash - infrastructure funding

Restricted cash relates to amounts received from the Gas Tax Secretariat and held for specific purposes.

# Rural Municipality of Victoria

## Notes to Consolidated Financial Statements

March 31, 2022

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### Non-financial assets

Non-financial assets are used to provide the Municipality's services in future periods. These assets do not normally provide resources to discharge the liabilities of the Municipality unless they are sold. The Municipality's non-financial assets include tangible capital assets and prepaid expenses.

### Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis, for assets that are in use, over the estimated useful life at the following:

Asset	Rate
Community:	
Buildings	40 years
Land improvements	20 years
Equipment	20 years
Water Utility:	
Water system	83 1/3 years
Services	50 years
Equipment	20 years
Sewer Utility:	
Sewer system	83 1/3 years
Equipment	20 years

### Revenue recognition

Property tax billings are calculated and billed based on assessment rolls provided by the Province of Prince Edward Island at rates set by the Municipality. Taxation revenue is recorded as it is received in monthly installments from the Province of Prince Edward Island. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized.

Utility revenues are recognized when the services are provided, which generally coincides with the time of billing, and collectability is reasonably assured.

Revenues such as rentals and development permits are recognized in the period in which the transactions or events occurred that gave rise to the revenues.

Other revenue is recorded when it is earned and collection is reasonably assured.



# Rural Municipality of Victoria

Notes to Consolidated Financial Statements

March 31, 2022

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## Government transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

## Management estimates

The presentation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenditures during the reported period. Significant items subject to such estimates and assumptions include the valuation of accounts receivable and estimated useful life of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

## Fair value of financial instruments

### (a) Measurement of financial instruments

Rural Municipality of Victoria's financial instruments consist of cash, restricted cash - infrastructure fundings, accounts receivable, bank indebtedness, accounts payable and accrued liabilities and long-term debt.

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

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

### (b) Impairment

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

# Rural Municipality of Victoria

## Notes to Consolidated Financial Statements

March 31, 2022

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(c) Risks

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

- i) Credit risk: The Municipality is exposed to credit risk in connection with the collection of its accounts receivable. The Municipality mitigates this risk by performing continuous evaluation of its accounts receivables.
- ii) Liquidity risk: The Municipality's exposure to liquidity risk is dependent on the collection of accounts receivable and government transfers to meet commitments and sustain operations. The Municipality controls liquidity risk by management of working capital and cash flows.
- iii) Interest rate risk: The Municipality is exposed to interest rate risk due to the variable rate interest on their long-term debt. Changes in the bank lending rates can cause fluctuations in cash flows and interest expense. The Municipality does not use any derivatives to manage this risk.

### 3 Accounts receivable

	2022	2021
	\$	\$
Accounts receivable - water and sewer	21,778	11,999
Harmonized sales tax	5,882	1,214
Accounts receivable - general capital	57	5,665
Government contributions receivable	2,801	4,766
	<hr/>	<hr/>
	30,518	23,644
	<hr/>	<hr/>

### 4 Bank indebtedness

The Municipality has established a bank operating line of credit of up to \$45,000 bearing interest at the bank's prime interest rate plus 1.00% (3.7% as at March 31, 2022). As security, the Municipality has provided a general security agreement. This line of credit was \$45,000 at March 31, 2022 (2021 - nil).

The Municipality established credit by way of bridge financing in the amount of \$150,000 which was not drawn upon at year-end.

# Rural Municipality of Victoria

Notes to Consolidated Financial Statements

March 31, 2022

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## 5 Accounts payable and accrued liabilities

	2022	2021
	\$	\$
Trade payables - general	3,365	14,757
Trade payables - water and sewer	7,403	3,026
Source deductions payable	1,947	-
	<hr/>	<hr/>
	12,715	17,783
	<hr/>	<hr/>

## 6 Deferred revenue

	2022	2021
	\$	\$
Deferred revenue - Beginning of year	214,628	161,945
Government contributions received	100,000	100,000
Other:		
Interest income - net	216	142
Eligible expenditures incurred	(17,056)	(47,459)
	<hr/>	<hr/>
Deferred revenue - End of year	297,788	214,628
	<hr/>	<hr/>

The Municipality has received funds which are restricted for expenditure on eligible projects. The following is the outstanding agreement:

Through the New Deal for Cities and Communities and the Municipal Strategic Component Project, the Municipality will prepare, for approval by the government regulating body, a Capital Investment Plan which details expenditures for approved projects. The funding for this agreement is maintained in a separate bank account.



# Rural Municipality of Victoria

Notes to Consolidated Financial Statements

March 31, 2022

## 7 Long-term debt

	2022	2021
	\$	\$
Bank of Nova Scotia, interest at prime minus .25% per annum (2.45% at March 31, 2022), payable in monthly installments of \$295 plus interest, maturing 2021, amortized to 2028. As security, the Municipality has provided a general security agreement and an assignment of insurance	21,382	25,268
Bank of Nova Scotia, interest at prime (2.7% at March 31, 2022), payable in monthly installments of \$644 plus interest, maturing 2021, amortized to 2031. As security, the Municipality has provided a general security agreement and an assignment of insurance	31,056	38,514
	<u>52,438</u>	<u>63,782</u>

The aggregate amount of principal payments estimated to be required in each of the next five years to meet retirement provisions, assuming the loans are refinanced with similar terms in 2022, is as follows:

	\$
Year ending March 31, 2023	11,268
2024	11,268
2025	11,268
2026	11,268
2027	11,268

## 8 Equity in tangible capital assets

	2022	2021
	\$	\$
Tangible capital assets (Schedule 2)	5,831,653	5,821,472
Accumulated amortization (Schedule 2)	(1,269,109)	(1,151,857)
Long-term debt (note 7)	(52,438)	(63,782)
	<u>4,510,106</u>	<u>4,605,833</u>

# Rural Municipality of Victoria

Notes to Consolidated Financial Statements

March 31, 2022

## 9 Accumulated surplus

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets:

	2022	2021
	\$	\$
Operating surplus	1,752	15,565
Equity in tangible capital assets (note 8)	4,510,106	4,605,833
	<u>4,511,858</u>	<u>4,621,398</u>

## 10 Government transfers

Government transfers for operations:

	Budget (unaudited)	2022	2021
	\$	\$	\$
Wage grant	6,303	9,110	21,462
Other grants	3,000	4,000	3,434
Provincial grant in lieu of taxes	3,100	3,126	3,075
Gas tax - operating projects	-	6,875	6,875
Other - fire department	-	-	1,047
	<u>12,403</u>	<u>23,111</u>	<u>35,893</u>

Government transfers for capital:

	Budget	2022	2021
	\$	\$	\$
Water and Sewage Commission:			
Municipal capital expenditures grant - capital	-	926	3,689
Gas tax - capital project	40,690	10,181	40,584
Municipality:			
Gas tax - capital projects	6,875	-	-
Municipal capital expenditures grant - capital	-	625	625
	<u>47,565</u>	<u>11,732</u>	<u>44,898</u>

# Rural Municipality of Victoria

Notes to Consolidated Financial Statements

March 31, 2022

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## 11 Segmented information

The Municipality is a diversified municipal government that provides a wide range of services to its residents. Distinguishable functional segments have been separately disclosed in the financial statements in the form of segmented information. The nature of segments and the activities they encompass are as follows:

General government includes revenues and expenses that relate to the operations of the Municipality itself and cannot be directly attributed to a specific segment. Victoria Water and Sewage Commission, operating under a separate legal entity, includes the processing and cleaning of sewage and providing water in accordance with provincial standards.

The remaining segments comprise of the Fire Department, Community Hall, Old School, Welcome Centre/Washrooms/General Maintenance, Victoria Park and Other, which includes the operations of the lighthouse, waterfront land and seawall.

# Rural Municipality of Victoria

## Consolidated Schedule of Segment Disclosures

### For the year ended March 31, 2022

#### Schedule 1

	General Government \$	Fire \$	Community Hall \$	Old School \$	Welcome Centre \$	Victoria Park \$	Other \$	Total Municipality \$	Water and Sewer Utility \$	2022 Consolidated \$
<b>Revenues</b>										
Property taxes	109,899	-	-	-	-	-	-	109,899	-	109,899
Water and Sewage Commission	-	-	-	-	-	-	-	-	94,254	94,254
Fire dues	-	7,917	-	-	-	-	-	7,917	-	7,917
Government transfer	19,985	686	540	1,681	-	-	219	23,111	-	23,111
Other Community Hall rentals	-	-	5,815	-	-	-	-	5,815	-	5,815
Old School rentals	-	-	-	3,982	-	-	-	3,982	-	3,982
Development permits	2,476	-	-	-	-	-	-	2,476	-	2,476
Lighthouse	-	-	-	-	-	-	500	500	-	500
Donations and other	1,319	-	-	-	-	-	-	1,319	-	1,319
	133,679	8,603	6,355	5,663	-	-	719	155,019	94,254	249,273
<b>Expenditures</b>										
Salaries and benefits	38,042	-	-	-	-	9,068	-	47,110	21,530	68,640
Goods and services	44,928	19,500	10,485	14,145	7,250	819	2,392	99,519	81,053	180,572
Amortization	-	608	9,327	17,856	12,290	-	27,524	67,605	49,647	117,252
Interest	3,121	-	-	-	-	-	-	3,121	960	4,081
	86,091	20,108	19,812	32,001	19,540	9,887	29,916	217,355	153,190	370,545
<b>Annual surplus (deficit) before other revenue</b>	47,588	(11,505)	(13,457)	(26,338)	(19,540)	(9,887)	(29,197)	(62,336)	(58,936)	(121,272)

# Rural Municipality of Victoria

Consolidated Schedule of Tangible Capital Assets  
For the year ended March 31, 2022

Schedule 2

	Beginning \$	Additions \$	Disposals and Write-downs \$	Ending \$	Beginning \$	Write-downs \$	Disposals and Write-downs \$	Amortization \$	Ending \$	Accumulated amortization 2022	Net book value \$
Community:											
Land	164,814	-	-	164,814	-	-	-	-	-	-	164,814
Community Hall	373,060	-	-	373,060	199,361	-	-	9,327	208,688	208,688	164,372
Old School - building	675,923	-	-	675,923	88,519	-	-	16,898	105,417	105,417	570,506
Old School - equipment	19,165	-	-	19,165	2,809	-	-	958	3,767	3,767	15,398
Fire Hall - building	51,700	-	-	51,700	51,700	-	-	-	51,700	51,700	-
Fire Hall - equipment	12,167	-	-	12,167	1,456	-	-	608	2,064	2,064	10,103
Waterfront Heritage Site	136,157	-	-	136,157	37,567	-	-	3,404	40,971	40,971	95,186
Land improvements	177,724	-	-	177,724	58,984	-	-	8,886	67,870	67,870	109,854
Seawall	550,471	-	-	550,471	55,048	-	-	27,524	82,572	82,572	467,899
Water Utility:											
Land	25,385	-	-	25,385	-	-	-	-	-	-	25,385
Water system	729,888	-	-	729,888	145,859	-	-	8,758	154,617	154,617	575,271
Services	27,165	-	-	27,165	17,138	-	-	543	17,681	17,681	9,484
Equipment	29,875	-	-	29,875	18,710	-	-	1,494	20,204	20,204	9,671
Sewer utility:											
Land	68,000	-	-	68,000	-	-	-	-	-	-	68,000
Sewer system	2,599,023	-	-	2,599,023	401,767	-	-	31,188	432,955	432,955	2,166,068
Equipment	153,280	-	-	153,280	72,939	-	-	7,664	80,603	80,603	72,677
Wharf sewage infrastructure upgrade	27,675	10,181	-	37,856	-	-	-	-	-	-	37,856
	5,821,472	10,181	-	5,831,653	1,151,857	-	-	117,252	1,269,109	1,269,109	4,562,544

(18)



# Rural Municipality of Victoria

Consolidated Schedule of Tangible Capital Assets  
For the year ended March 31, 2021

Schedule 2

	Beginning \$	Additions \$	Disposals and Write-downs \$	Ending \$	Beginning \$	Disposals and Write-downs \$	Amortization \$	Ending \$	Accumulated amortization 2021	Net book value \$
Community:										
Land	164,814	-	-	164,814	-	-	-	-	-	164,814
Community Hall	373,060	-	-	373,060	190,034	-	9,327	199,361	199,361	173,699
Old School - building	675,923	-	-	675,923	71,621	-	16,898	88,519	88,519	587,404
Old School - equipment	16,465	2,700	-	19,165	1,851	-	958	2,809	2,809	16,356
Fire Hall - building	51,700	-	-	51,700	51,700	-	-	51,700	51,700	-
Fire Hall - equipment	7,535	4,632	-	12,167	848	-	608	1,456	1,456	10,711
Waterfront Heritage Site	133,325	2,832	-	136,157	34,163	-	3,404	37,567	37,567	98,590
Land improvements	177,724	-	-	177,724	50,098	-	8,886	58,984	58,984	118,740
Seawall	550,471	-	-	550,471	27,524	-	27,524	55,048	55,048	495,423
Water Utility:										
Land	25,385	-	-	25,385	-	-	-	-	-	25,385
Water system	724,478	5,410	-	729,888	137,101	-	8,758	145,859	145,859	584,029
Services	27,165	-	-	27,165	16,595	-	543	17,138	17,138	10,027
Equipment	29,875	-	-	29,875	17,216	-	1,494	18,710	18,710	11,165
Sewer utility:										
Land	68,000	-	-	68,000	-	-	-	-	-	68,000
Sewer system	2,599,023	-	-	2,599,023	370,579	-	31,188	401,767	401,767	2,197,256
Equipment	145,781	7,499	-	153,280	65,275	-	7,664	72,939	72,939	80,341
Wharf sewage infrastructure upgrade	-	27,675	-	27,675	-	-	-	-	-	27,675
	5,770,724	50,748	-	5,821,472	1,034,605	-	117,252	1,151,857	1,151,857	4,669,615

## CAO's Report to Council July 2022

I will have completed 2 weeks as interim CAO by the July Council meeting. Hilary was a great help in the transition and continues to be so as she will take our calls and questions as they come up. Marsha is settling in very nicely. You will note that there is a new document included in the meeting package - a summary of council motions and the updated Action List from our Council meetings. Marsha has developed both documents and they have already been useful in ensuring we are following up on the direction of Council as well as ensuring we have an accurate record of all Council decisions. She is also quickly learning the various aspects of our daily operations. It is unfortunate that in many cases I cannot directly provide her with the information on how things were done in the past - we either check with Hilary, someone else who might know or figure it out together. Given how short our relative tenures are I think it is working out OK but always something to learn and improve on. Much of the work of the CAO and staff is covered in the agenda already. The following will provide some additional highlights:

### Official Plan and Development Bylaw

If all goes well Planning Board will be submitting their final recommendations on the new Plan and Bylaw at our August meeting. Councillors will need to be prepared to consider their recommendation and bring this process to closure. It has been a long process and there will be some follow up on planning items that Council will need to provide direction on; however the current and past members of Planning Board need to be commended for taking on this onerous but important task on behalf of all the residents of other Rural Municipality of Victoria.

### Municipal Sustainability Study ("MSS")

The first resident engagement session was held on Thursday, April 28. The second session was held on June 22. MRSB has gathered a lot of information, opinions, observations and suggestions. As we work our way through the final stage of this process, Council will have some significant choices and decisions to make. Decisions need to be made within the current fiscal year to address the financial situation regardless of the preferred direction.

Projects currently operational and funded from the Canada Community Building Fund (CCBF) formerly called the Gas Tax Fund

Official Plan and Development Bylaw - covered by the Chair of Planning Board

MSS - covered in Business arising

Wharf project - covered by the Chair of the Water & Sewer Commission

### **Decisions/Discussion items**

Reconsider the projects that are to be funded by CCBF to ensure they do not exceed the maximum projected funding (agenda item 11.3)

Request to reinstall the stairs at the Victoria Park (agenda item 11.4)

Request to assist in animal control - raccoons (agenda item 11.4)

Provide suggestions and direction on how they might want to prepare for the anticipated request for a rezoning request on the 2 large parcels of agriculture land that are currently on the market

If you have any questions, suggestions or concerns please pass them on so they can be addressed by the CAO or considered by Council.

Respectfully submitted

Keith Dewar, Interim Chief Administrative Officer







Rural Municipality of Victoria  
Cover re Council Discussion Item  
Amendments to Projects Funded under the Canada Community Building Fund (also called the  
Gas Tax Funds)  
July 11, 2022

#### Situation

For various reasons, the Rural Municipality of Victoria (RMV) has submitted projects that have resulted in excess funds being committed that are available during the approved funding period for the Canada Community Building Fund (CCBF). We have been directed by the Infrastructure Secretariat (IS) to reduce the committed funding to the total currently available per the agreement between the Government of Canada and the Province.

#### Background

- The IF reconciles our annual Annual Expenditure Report (AER) report to their records on CCBF direct allocation funding each year after we file our audited report. They do this for all municipalities. A copy of this reconciliation is attached.
- The AER records how much money we have budgeted and spent on our various projects we have had approved for funding through the CCBF - Direct Allocation Fund.
- The CCBF - Direct Allocation Fund is the amount we are allocated directly from the overall CCBF program.

#### Analysis

- You will note in the reconciliation the RMV has committed (\$124,116.82) over the available funding. The RMV has to reduce the committed funds in balance with the available funds.
- There might be some minor adjustments based on revised estimates for current projects or completed projects; however these adjustments would not be sufficient to achieve the directive.
- The RMV has to either terminate projects that have not been started or significantly amend their budgets. A list of the projects that have been approved and not started is attached.
- Any changes made have to be approved by Council and these approvals have to be forwarded to the Secretariat.
- Our recently 5 Year Capital Investment Plan for 2022/23 to 2026/27 extends beyond the period of the current funding agreement which expires at the end of March 2024. This means that some projects that are in this Plan will not be formally approved to receive funding under the CCBF program. This is acceptable as we are required to prepare a 5 Year Plan and we can plan assuming the CCBF funds will be available for these projects. However the funding cannot be formally approved until the interprovincial agreement is renewed.

#### Recommendation

I am not asking for a decision at this meeting. I want to ensure Councillors have enough time to review the list of projects that are approved but not active and come back to the next meeting to agree on how to reduce the budgeted expenditures to the approved amount. Please note that this will not change our 5 Year Capital Investment Plan and these projects can be resubmitted for approval once the agreement is renewed.

Rural Municipality of Victoria  
Support for Council Discussion Item  
IRAC Request for Mediation by Sabine Neusch  
July 11, 2022

#### Situation

Sabine Neusch had filed an appeal on Jan 31/22 (attached) of a decision by Council related to her Development Application of Oct 15/21 (attached). We received a request by IRAC through Philip Rafuse noting that the Appellant has requested mediation through her lawyer, Barb Stevenson (attached).

#### Background

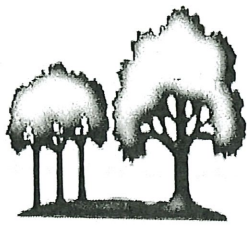
- There is significant history related to the appellants various requests to expand her operations.
- Many of the individuals involved in this matter have changed roles or have left the Municipality.
- Both the current Mayor, Pat Smith, and the CAO, Keith Dewar, were not involved in the discussions or decisions related to this matter due to declared conflict.
- CAO confirmed with IRAC that we should have legal counsel present and subsequently contacted Stewart McKelvey and they have assigned Hilary Newman (HN) as the lead on this file. Perlene Morrison will oversee her work.
- CAO contacted IRAC and provided an update on the many staff changes and they have agreed to given us a week or so to get back to them with our decision.

#### Analysis

- Re the issue of conflict, the CAO has asked legal counsel as to whether the Mayor and or the CAO can participate in the mediation process. I have not heard back yet but based on the CAO's understanding the CAO would not be in conflict given how the policy is written as it applies to councillors but the Mayor is probably in conflict. For this reason, until we hear otherwise the CAO would ask that Jean McCardle act as Mayor for these discussions and the Mayor recluse herself from the discussions.
- HN has not had time to review the information provided but will do so early this week and get back to me with questions that she might have. Once we receive her request we will send it along as appropriate for follow up.
- A copy of the Council minutes noting the decision of Council is attached.

#### Recommendation

- Council be brought up to date on the status of the appeal as well as the request for mediation.
- Councillors involved in the decision provide any information related to their decision that might be useful for the mediation process.



PRINCE EDWARD ISLAND

Regulatory & Appeals Commission

Commission de réglementation et d'appels

ILE-DU-PRINCE-ÉDOUARD

National Bank Tower  
Suite 501, 134 Kent Street  
P.O. Box 577, Charlottetown PE  
C1A 7L1  
Tel: 902-892-3501  
Toll Free: (800) 501-6268  
Fax: 902-566-4076  
[appealinquiries@irac.pe.ca](mailto:appealinquiries@irac.pe.ca)

Commission Case Number  
(Commission Office Use Only)

LA22-04

Date Stamp **RECEIVED**  
Appeal Received by the Commission

JAN 31 2022

The Island Regulatory  
and Appeals Commission

## Notice of Appeal


(Pursuant to Section 28 of the Planning Act)

Under Section 28. (6) of the **Planning Act**, the Appellant must, within seven days of filing an appeal with the Commission serve a copy of the notice of appeal on the municipal council or the Minister as the case may be. In addition, the Commission requires the Appellant to provide the Notice of Appeal to any parties directly affected by the Notice of Appeal on the same date the municipal council or Minister is notified.

Please review each section of the form carefully and fill out all relevant sections. Kindly note that if a Notice of Appeal is deficient it may not be accepted for filing.

Information on this Form is collected pursuant to the **Planning Act** and will be used by the Commission in processing this appeal. For additional information, contact the Commission at 902-892-3501 or by email at [appealinquiries@irac.pe.ca](mailto:appealinquiries@irac.pe.ca).

**Section 1 – Contact Information****NOTE: Fill out a separate Contact Information Sheet for each individual appellant if applicable**

Appellant Information			
Last Name: NUESCH		First Name: SABINE	
Company Name or Association Name (if applicable): VICTORIAS GLASS STUDIO			
Email address: victoriassglassstudio@hotmail.com			
Daytime Telephone Number: 902-658-2038		Alternative Telephone Number: Cell. 902-314-5574	
Mailing Address			
Unit Number:	Street Number: 24	Street Name: BARDIN STREET	P.O. Box: 32
City / Town / Community VICTORIA	Province: P.E.	Country CANADA	Postal Code COA ZG0
Signature of Appellant / Legal Counsel (if applicable): 			

Representative Information (If Applicable)			
<input type="checkbox"/> I hereby authorize the named individual(s) to represent me.			
Last Name:		First Name:	
Company Name or Association Name (if applicable):			
Email address:			
Daytime Telephone Number:		Alternative Telephone Number:	
Mailing Address			
Unit Number:	Street Number:	Street Name:	P.O. Box:
City / Town / Community	Province:	Country	Postal Code
<input type="checkbox"/> I certify that I understand that my representative is not licensed under the <i>Legal Profession Act</i> and I have provided my written authorization (attached) to my representative to act on my behalf with respect to this matter. I understand that my representative may be asked to produce this authorization at any time.			
Signature of Appellant:			
Signature of Representative:			



**Section 2 - Appeal Information**

**Appeal Reasons and Specific Information**

Municipal Reference Number(s) (if applicable):

List the Reasons for your appeal (if more space is required, kindly fill out a separate sheet and attach it to this form):

PLEASE SEE ATTACHED SHEET . THANK you

Has a public meeting been held by the municipality?  Yes  No

Did you apply for a development permit, occupancy permit, subdivision approval, change of use amendment or bylaw amendment?  Yes  No

**Oral / Written submissions to council**

Did you make your opinion regarding this matter known to council / the Minister?

Oral Submissions at a public meeting of council / the Minister?

Written Submissions to council

Not Applicable

**Related Matters**

Are there other appeals not yet filed with the Commission?

Yes  No

Are there other matters related to this appeal? (For example: **An Environmental Protection Act Appeal**)

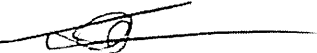
Yes  No

If yes, please provide the Commission Appeal Number(s) and / or Municipal File Number(s) and / or the Provincial File Number(s) or Court Docket Number(s) for the related matters:

**Section 3 – Declaration****Declaration**

I solemnly declare that all the statements and the information provided, as well as any supporting documents, are true, correct and complete.

By signing this appeal form below, I consent to the collection of my personal information.

Name of Appellant	Signature of Appellant or Legal Counsel	Date (yyyy/mm/dd)
SABINE NUESCH		2022/01/30
Name of Representative (if applicable)	Signature of Representative	Date (yyyy/mm/dd)

Personal information or documentation requested on this form is collected under the authority of the *Island Regulatory and Appeals Commission Act* and the legislation under which the proceeding is commenced. All information collected is included in the IRAC case file and the public record in this proceeding. In accordance with the *Freedom of Information and Protection of Privacy Act*, some of the information collected herein may be available to the public subject to exceptions.

January 30, 2022

Sabine Nuesch  
Victoria Glass Studio  
24 Bardin Street  
Victoria, PE C0A 2G0

Notice of Appeal

Section 2 Appeal Reason:

This appeal is in response to a request to an addition to be added to my existing business. This area will be used to provide an area for locally sources food products and fresh produce which is currently being sold in the existing retail area and Post Office.

Being an essential business during the pandemic we were able to provide services to our local residents as well as retail space for our local producers. The demand has grown to provide more products in a safe, local retail and we need better and more storage for our produce. We had planned years ago to have our own kitchen and to expand to a small bakery as a response to local demand.

With great support from the community, we applied for a small extension to be built to the right side of the building facing the front which would match the existing addition on the left side of the main building.

This addition would comprise of a small bakery and cool storage. My proposal was not a "Major Change" but an expansion of approximately 600sq feet on the ground level. This space would provide for a more consistent, controlled space and supply to eliminate waste and financial loss. This space will also allow for a larger local selection to our customers.

We are currently the only year-round business in this village and provide essential services as well as an outlet for local craft and

food producers. We are currently supporting 15-20 individuals and small businesses.

The addition is within the bylaws and is not a takeout, as was explained during my public presentation. It is not a new structure but an addition to the existing building. As the addition would match the other side of the building it would fit with the overall visual appeal of the building.

In addition to the above, I feel that I was not properly notified of the rejection to my application. I only received an email response after specifically requesting a response in writing. The information I received over the phone contradicted with the written response I received. During this phone call with the Administrator, I was advised that this was a major development and had to apply to the province. I was further disappointed when I asked for assistance and was rudely told to go look it up.

I have included, with this appeal, the response I received from the municipality of Victoria and I look forward to a response.

Thank you,

Sabine Nuesch  
902-314-5574  
[victoriasglasstudio@hotmail.com](mailto:victoriasglasstudio@hotmail.com)

Municipality Victoria  
Re: Permit for addition  
Jan 20, 2022 at 1:41:07 PM  
Sabine Nuesch  
Barb Stevenson

Good afternoon

As I explained to you in our telephone conversation, Council declined your application to build at 24 Baardin Street for two reasons:

Section 7.0 (7.3)(1)(m): "fastfood/take out operations to a maximum of 200 sq ft in total area"

The kitchen, cooling area and the front take out area far exceeds the 200 sq ft maximum.

Appendix B; Major Developments; "1. new commercial operations or existing commercial operations wishing to expand"

This Major Change of Use is not permitted.

I trust this clarifies the issue for you sufficiently.

Should you have any questions, please do not hesitate to contact me.

Thank you

Margaret K Andrade  
CAO, Rural Municipality of Victoria  
902-658-2541



# COMMUNITY OF VICTORIA DEVELOPMENT PERMIT APPLICATION

**NOTE:** Please refer to the Community of Victoria Official Plan and Zoning & Subdivision Control Bylaws (contact development officer Rob Griffiths at 902-626-9216, email [RobbGriffiths@gmail.com](mailto:RobbGriffiths@gmail.com) re: information regarding development within the Community of Victoria.

This is a development permit application for (check appropriate section):  
 new structure       demolition of an existing structure  
 apartment within an existing dwelling       addition/extension to existing structure  
 moving a structure onto an existing property       expansion of existing use of a structure  
 change of use of existing structure

### I. Property Information:

Property tax no: 913780-000 Location of property (street name): 24 BARDIN STREET  
Subdivision lot no: (if applicable): N/A Civic no: 24 BARDIN  
Property owner's name: SABINE NUESCIT  
Phone Number: (h) 902-314-5574 (w) 902-658-2038  
E-mail address: victoriaglasstudio@hotmail.com  
Existing use of property: COMMERCIAL Width 151.59 Depth 206.18 Acreage 0.840

### II. Applicant information:

Applicant's name (if different from above): \_\_\_\_\_  
Mailing address: P.O. Box 32 VICTORIA P.E. COA 2G0 (NELSON)  
Postal code: COA 2G0 Phone no: (h) 902-314-5574 (w) 902-658-2038  
Fax: \_\_\_\_\_ Email: \_\_\_\_\_

### III. Development permit information:

If existing, what is the present use of the structure on the property? COMMERCIAL  
If applicable, number of bedrooms? N/A  
The proposed use of the "new" or "existing" structure is: COMMERCIAL - RETAIL BUSINESS EXPANSION  
single family dwelling  duplex dwelling  summer cottage  accessory building   
agricultural  commercial  public service/institutional  recreational  light industrial   
other (please state what the proposed use will be) \_\_\_\_\_

### IV. New structure/addition information:

length 40 height 13.8 width 12 storeys 1 foundation type POURED CONCRETE SLAB

### V. Location of new structure/addition on property:

a. distance to centre of nearest road, street, lane way or right-of-way? 25.4 To street as MAIN STRUCTURE  
b. distance to nearest property line? \_\_\_\_\_  
c. Is there a watercourse or wetland on or near the proposed structure?  
no  yes   
If yes, what is will be the separation distance between the new structure/addition and the landward boundary of the watercourse or wetland? \_\_\_\_\_

### VI. Driveway:

Will the new structure/addition require the creation of a new driveway or the relocation of an existing driveway?  
no  yes

**VII. Septic system information:**

Type of septic system to be installed on site or connected to?

new  existing  private  central

If existing private, what is the capacity of the existing holding tank? \_\_\_\_\_ gallons

**VIII. Site plan:**

Draw a sketch of property showing the following: a.

dimension of lot (width and depth)

b. location or proposed location (distance from all boundary lines) of new or existing structure(s)

c. location of existing or proposed driveway (incl. distances from nearest boundary line)

d. general slope of property (indicate by arrows)

e. location of existing or proposed on-site septic tank and absorption field (incl. setback distance from dwelling, well and property boundaries)

f. location of existing or proposed well (incl. setback distance from dwelling and nearest portion of septic tank and disposal field)

g. distance of structure from any adjacent watercourse or wetland

SER APP. PAPERS (2 MAPS)

Estimated Cost of Project: \$ 25,000

**Affirmation:**

I, SABINE NUESCH, hereby affirm to the best of my knowledge and ability, the information that I have provided on this form is true and complete.

Applicant's signature: \_\_\_\_\_ Date: 15<sup>th</sup> Oct., 2021, or

Agent for applicant signature: \_\_\_\_\_ Date: \_\_\_\_\_, 201  

The Community Development Officer may contact you for any other information considered relevant to this application.

**Community Use:**

Date application received: October 15, 2021 Application no. \_\_\_\_\_ Application complete? yes  no

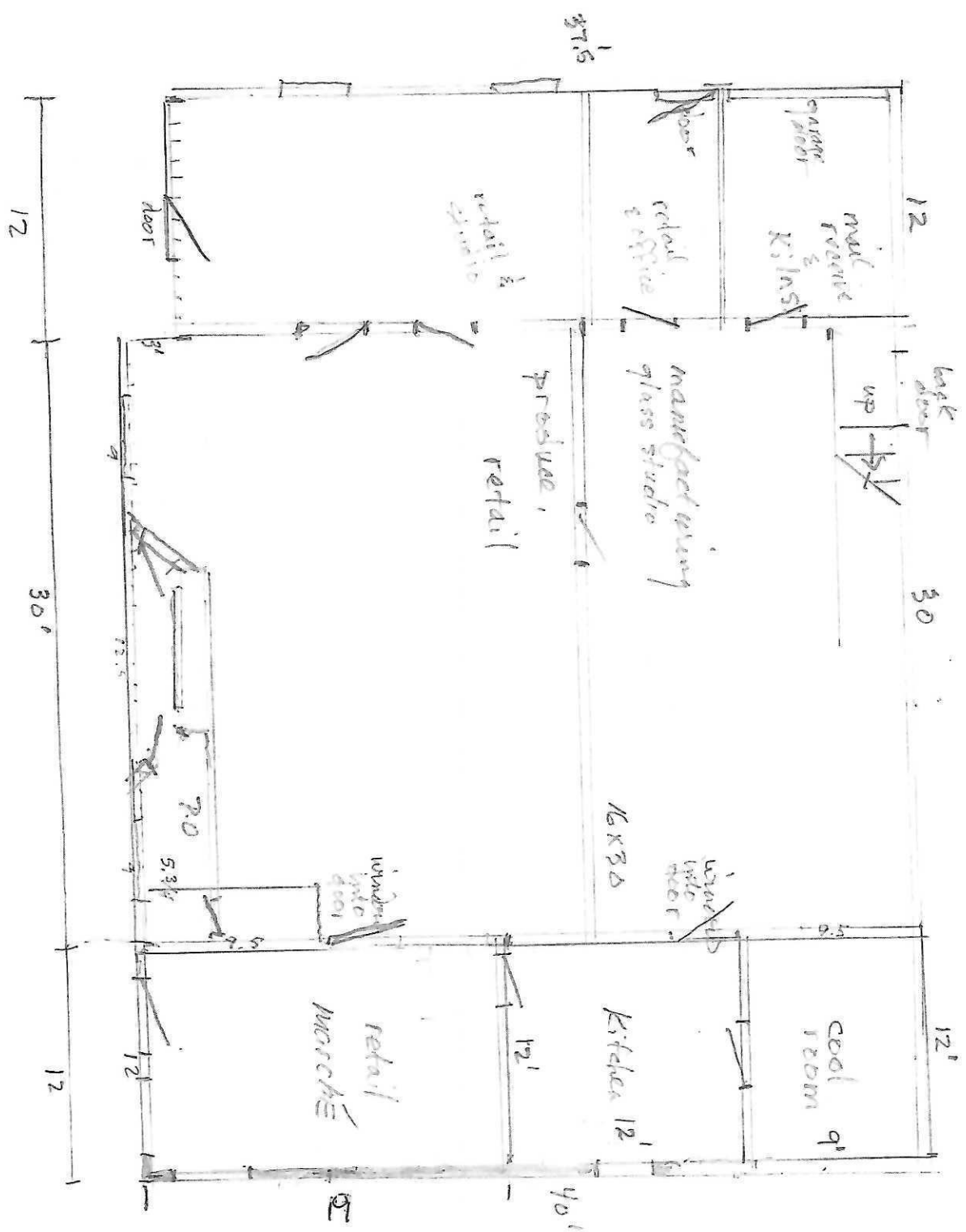
Appropriate development permit fee attached? yes  no

Person who received the fee? (please print) HARRY PRICE

Was a receipt issued? no  yes  Receipt no. \_\_\_\_\_

VICTORIAS GLASS STUDIO  
 + ADD ON  
 15th Oct. 2021

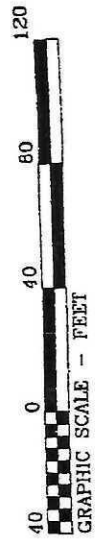
25'  
 12'  
 37'



18  
 12  
 30



SCALE 1" = 40'



**RURAL MUNICIPALITY OF VICTORIA  
MINUTES OF CUNCIL MEETING  
FEBRUARY 15, 2020  
6:30 P.M. , SCHOOL HOUSE  
730 VICTORIA STREET  
VICTORIA**

In Attendance: Mayor Keith Dewar  
Deputy Mayor Pat Smith  
Councilor Richard LaGrange  
Councilor Jean McCardle  
Councilor Susan Oxley  
Councilor Marly Anderson

Councilor Eric Gilbert by Zoom

CAO Margaret Andrade

Mayor Dewar opened the meeting at 6:30.

Request for additions to Agenda

1. Report and discussion on CAO's work since hired

Approval of Agenda with amendment.

Moved by Deputy Mayor Smith; Seconded by Councilor LaGrange

Conflicts of Interest

1. Mayor Dewar, Deputy Mayor Smith, Councilor Lagrange – 24 Bardin Street, Development Permit - Neusch
2. Councilor Gilbert – 8 Main Street – Development Permit – Isselstein

Mayor Dewar asked if there was Approval of Minutes for Council meeting of January 10, 2022.

Moved by Councilor McCardle; seconded by Councilor Oxley

Mayor Dewar added a request for CAO to include all approved Minutes of Committees in the future.

Committee Reports

Planning Board Report

Chair Pat Smith announced that the Official Plan and Subdivision Control Bylaw would not be coming before Council for adoption this evening. Chair asked CAO to report on issues with Ministry that have put the adoption on hold for now.



CAO advised that she had received a phone call from the Ministry advising that Minister Fox had received a letter from a resident household advising that a second public meeting that had been promised had not been fulfilled. As a result, the Minister would not approve the documents when they came before him. Therefore, the adoption of both documents would not happen until after the public meeting was held.

Councilor McCardle discussed at length her belief that 2 public meetings had been held and that the adoption process should go ahead.

#### Water and Sewer Report

Chair LaGrange had requested that the CAO include Water Reports in the Council package, which request was complied with. However, they were not the type of Reports needed. Chair LaGrange requested the Reports done by our contractor, Preston Siliker from individual residences. CAO will request those reports and provide them at the next Council meeting. Chair LaGrange advised it was time to hold a Water and Sewer Commission meeting and would arrange the details with the CAO.

Chair LaGrange also had questions about water quality tests at Halibut PEI. Had we received any, and if so, could they be passed on to Council and the public. CAO affirmed that no such records had been received and would request them.

#### Climate Committee

Councilor Gilbert advised the Report from UPEI intern, Quinn Howard, had been sent out on the distribution email list. Mayor Dewar spoke about how impressive the report was and encouraged all residents to take the time to read it and that he hoped the committee would start meeting to plan ways to move forward with the report.

#### CAO Report

CAO advised that an Audit Plan had been included in the Council's package. There are 3 questions that need to be answered and it would be appreciated if Councilors could provide those answers.

Financial Statements were discussed and all Councilors were pleased to see forecasting included on the Statements this month. CAO advised that planning is going ahead for a Saturday morning meeting with the CAO, Municipality Bookkeeper and Council to meet and begin the process of going through the 2022/2023 Budget.

CAO has received 2 enquiries regarding tenders for Municipal Sustainability Study. Will keep Council advised of any tenders that come in.

#### Development Permit

Council held a discussion regarding the application for a Development Permit for 8 Main Street – Isselstein. The Development Officer's Report advised that the Applicant would need a variance as the commercial area is over the acceptable area of 300 sq ft by 13 sq ft.

MOTION by Council to approve variance of 13 sq ft at 8 Main Street, Victoria as recommended by the Development Officer.

Moved by Councilor McCardle; Seconded by Deputy Mayor Smith

Motion CARRIED

MOTION for Council to approve development application for 8 Main Street, Victoria

Moved by Councilor McCardle; Seconded by Councilor La Grange

Motion CARRIED

MOTION for CAO Andrade to add Development Agreement to the Permit for 8 Main Street, Victoria, stating the Applicant agrees to install a fence between the driveway of 8 Main Street and their neighbours, as well as an understanding that the business is incidental to the residence.

Moved by Deputy Mayor Smith; Seconded by Councilor Anderson

Motion CARRIED

An email received from the FPEIM was included in the Council package for consideration, wherein the FPEIM would be sending a request to the Government of PEI to reduce their property taxation levels in all Municipalities across the Province. It has long been held that Provincial property taxes are too high and prohibit most Municipalities from raising revenue by increasing property taxes.

Council requested that thanks be passed on to the FPEIM for tackling this issue. It was decided that RMV should send their own letter to the Minister and Premier in support of the FPEIM's efforts

Motion that the Rural Municipality of Victoria send a letter to Minister Fox and Premier King endorsing FPEIM's 2022-2023 Provincial Budget efforts to reduce Provincial Property Taxes in order to allow Municipal governments to adjust Municipal taxes. It is requested that this letter is cc'd to FPEIM.

Moved by Councilor McCardle; Seconded by Deputy Mayor Smith

Motion CARRIED

Motion to enter closed portion of meeting to discuss 24 Bardin Street, Victoria.  
Moved by Councilor Oxley; Seconded by Councilor LaGrange

Motion CARRIED

Exit of Councilors in Conflict – Mayor Dewar, Deputy Mayor Smith, Councilor LaGrange

MOTION to end closed portion of meeting

Moved by Councilor Oxley; Seconded by Councilor Anderson

Motion CARRIED

MOTION to return to open meeting

Moved by Councilor Gilbert; Seconded by Councilor Oxley

Motion CARRIED

MOTION that the Development Application for 24 Bardin Street, Victoria be rejected because the Applicant has not defined the use of the new addition under Sect 7.3(1) of the Rural Municipality of Victoria Bylaws.

Moved by Councilor Anderson; Seconded by Councilor Oxley

Motion CARRIED

Invitation to return to meeting extended to Councilors in Conflict – Mayor Dewar, Deputy Mayor Smith, Councilor LaGrange

Public Input

Questions:

Will Audit Plan be open to the public – Yes

What stage is the Wharf Project at? – Stantec is awaiting Tenders for the project. Work will begin in the Spring of 2022.

Resident wants to discuss errors in the new Zoning and Subdivision Control Bylaws – it was requested that the information be forwarded by email to the CAO.

MOTION to move to in camera meeting to discuss Personnel

Moved by Councilor Gilbert; Seconded by Councilor Oxley

Motion CARRIED

MOTION to return to open meeting

Moved by Councilor McCardle; Seconded by Councilor Gilbert

Mayor Dewar requests a Motion to Adjourn

Moved by Deputy Mayor Smith