THE AUDITOR'S REPORT

We have completed the audit of the financial records of the City of Charlettetown for the year ended December 31, 1963, and attach hereto financial statements for the year, consisting of a Balance Sheet of each Fund, Statements of Current Revenue and Expenditure, and supporting schedules. All statements are prepared for the first time in even dollars, to facilitate reading of them.

Current Funds Balance Sheet

Collections of taxes show a small improvement over the previous year, in that 93% of the net levy was realized in cash, or 97% of the net levy after deducting the annual provision now being made for uncollectable taxes of 4%.

Statement of Current Revenue and Expenditure

Revenue exceeded Expenditure by $3,847, after including the 1962 Surplus of $16,723. The following special charges have been made against the Revenue of the year: The City's share of the Harbour Pollution Survey, $3,600; special contributions to the Employees' Pension Fund, $19,000; one-fifth of the cost of the major revision of the assessment rolls now being completed, $10,229; and one-third of the remaining cost of the Tree Improvement Program, originally scheduled to be done over the next three years but now being completed at this time $4,842.

Capital Funds Balance Sheet

New debentures issued during the year are as follows:

Permanent Works	$320,000
New Schools	325,000
Water Works	258,000
New Sewers	27,000
	$930,000

Debentures totalling $90,500 matured during the year and were paid in full. The net debt of the City increased during the year by $797,069. This is the smallest increase in the net debt since 1959.

Sinking Funds Balance Sheet

The Sinking Fund Investments are held by the Montreal Trust Company, and are listed in the accounts at par values. The Sinking Funds are in excess of actuarial requirements by $16,313. In 1964 a deposit to Sinking Funds will be required in the amount of $243,967.15, which is after allowing for this excess. Also provision must be made for $28,000 in serial debentures and $15,800 for the final instalment of the provincial loan for Queen Charlotte High School.

Employees' Pension Fund Balance Sheet

The Pension Fund investments are also held by the Montreal Trust Company. Bonds are shown at par value and stocks at cost. As recommended by an actuarial survey, this Fund should be augmented by special contributions when possible, and this year $19,000 was provided.

General

In addition to the bank balances shown on the various Balance Sheets, there are two special funds not included at this time. There is on deposit $25,336 in a special account to help defray the costs of the 1964 centennial celebrations. An audited financial statement will be prepared for this fund after it has been closed in 1965. A special bank account is being used for the operations of the Charlettetown Forum, and annual audited statements will be prepared each year as of the end of the season May 31, rather than at the end of the calendar year.

We have also examined the records of the Board of School Trustees and of the Commissioners of Sewers and Water Supply, and prepared separate reports and financial statements for each.

The financial statements are in accordance with the audited records, and in our opinion they present fairly the financial position of the City of Charlettetown as at December 31, 1963, and the operating results for the year ended on that date.

H. R. DOANE AND COMPANY,
Chartered Accountants,
Charlottetown.

WHERE IT CAME FROM

STATEMENT OF CURRENT REVENUE AND EXPENDITURE
For the Year Ended December 31, 1963

Revenue		
TAXATION		
Real Estate	$ 902,465	
Personal Property & Business Occupancy	395,924	
Educational	95,316	
Less: Provision for Uncollectable Taxes	59,222	$1,384,473
GRANTS		
Provincial—per capita	183,180	
Dominion-Provincial Agreement	20,000	
Fire Department	1,500	
Amalgamation	22,500	227,180
OTHER		
Licenses	6,357	
Police Court and Dog Tax	38,974	
Interest on Taxes	2,359	
Commissioners of Sewers & Water Supply	38,979	
Scale House	2,248	
Rents	1,256	
Parking Meters	32,964	
Miscellaneous Receipts	1,062	124,199
		1,685,852
ADD: Surplus from the year 1962		16,723
TOTAL REVENUE		1,702,575
LESS: TOTAL EXPENSES		1,698,728
EXCESS OF REVENUE OVER EXPENDITURE		$ 3,847

WHERE IT WENT

EXPENDITURE			
GENERAL GOVERNMENT			
Assessing—current year	$ 14,078		
revision of assessment	10,229		
Collecting	7,125		
Auditing	1,500		
City Government	26,956		
City Hall Maintenance	13,831		
Insurance	18,118		
Parking Meters	10,760		
Pension Fund Contributions	33,644		
Superannuation	1,980		
Printing Reports, etc	754		
Mayor and Councillors	15,600		
Miscellaneous	20,955	$ 175,533	
PROTECTION TO PERSONS AND PROPERTY			
Fire Department—Expenses	40,178		
Grant	22,450		
Police Department	145,140		
Police Court	8,500		
Lighting	48,646		
Miscellaneous	490	264,894	
PUBLIC WORKS			
Street Maintenance	223,286		
City Dump	11,231		
Scale House	3,082		
Trees	4,842		
Unemployment Insurance	1,611		
Workmen's Compensation	10,563		
Tradesmen	5,502	260,117	
HEALTH AND WELFARE			
Social Welfare	$ 48,518		
Less:			
Recoveries under sharing plan	27,784	20,734	
Grants		22,418	
Harbour Pollution Survey		3,600	46,752
EDUCATION			
Board of School Trustees			293,196
RECREATION AND COMMUNITY SERVICES			
Library	3,872		
City Squares	4,419		
Victoria Park	14,942		
Recreational Council	1,226	24,456	
DEBT CHARGES			
Interest on Debentures	364,260		
Sinking Fund Provision	217,605		
Serial Debenture Instalment	27,000		
Provincial Loan Instalment	15,800		
Overdraft and Loan Interest	20,252		
Safety of Securities	2,362		
Coupon Handling Charges	1,349		
	648,628		
Less: Payments received on Street and Sidewalk Assessments	51,350	597,278	
OTHER			
Depreciation on Equipment	20,933		
Public Relations	8,152		
Conventions	1,751		
Taxes at Airport	747		
Town Planning	4,916	36,499	
TOTAL EXPENDITURE			$ 1,698,728

Capital Fund Balance Sheet

Consolidating the capital assets and liabilities of the City Corporation, the Commissioners of Sewers and Water Supply, and the Board of School Trustees.

Assets			
Cash in banks—			
High School Funds	$ 576		
Board of School Trustees	1,875	$ 2,451	
Accounts Receivable—			
Street & Sidewalk assessments	$135,037		
Less: Allowance for Doubtful Accounts	11,009	124,028	
Commissioners of Sewers and Water Supply	5,837		
Mortgage—Little Theatre Guild	900	130,765	
Amount due from Current Funds		236,706	
Capitalized Expenditures—			
Streets and Sidewalks	4,133,955		
Lands and Buildings	560,320		
Schools and Equipment	3,160,066		
Plant and Movable Property	229,834		
Parks and Public Grounds	203,163		
Water and Sewer System	1,941,430		
Town Planning and Aerial Survey	11,362		
Direct Relief	187,006		
Civic Purposes	241,700	10,678,845	
			$11,048,767

Liabilities			
Bank Overdrafts and Loans—			
General	236,398		
Commissioners of Sewers and Water Supply	178,393	414,791	
Interest-free loan—			
Queen Charlotte High School		15,800	
Debentures Payable—			
Original Issues	7,847,000		
Refunding Issues	559,250	8,406,250	
		8,836,841	
Capital Surplus		2,211,926	
		$11,048,767	

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NORMAN STEWART

Construction hit record during 1963

The year just ended was the biggest year in construction in the history of the city, City Engineer Norman F. Stewart reported to City Council in his review.

A total of 119 building permits issued during the 12 months were valued at $7,306,700 more than $4,500,000 over 1962.

Major buildings for which permits were let included Fathers of Confederation Memorial Buildings $5,099,000; Holy Redeemer Church $500,000; Bank of Montreal $204,000 and a residence for the Roman Catholic Episcopal Corporation $100,000.

The breakdown of permits issued is as follows: (1962 figures in brackets):

Single residential, 28, (24); Duplex residential, 9, (4); Apartments, 4, (1); Alteration Residential, 47, (48); Alteration commercial, 17, (19); New commercial, 7, (7); New Institutional, 7, (9).

SNOW REMOVAL

Total snowfall of 131.6 inches was 22 per cent hiether than the 54 year average of 107.6 inches. February and March were the heavy months with snowfalls of 36 and 33 inches respectively. December was also very bad with 29 inches of snow with one of the worst winter storms on record occurring on Dec. 19th. This storm deposited almost 15 inches of snow which combined with winds of 80 mph and gusts to 110 mph brought every thing to a standstill. The average temperature for the month was 8 degrees below normal so that the snow did not melt at all and consequently there was a large expenditure of money for hauling snow from the business areas.

Snowplowing equipment consisted of three motor graders with Vee Plows and wings, one Pettibone Mulliken one - way plow, one Hough loader and one Sicard Junior Snow Blower. A contractor owned snowblower was used extensively in December on a fixed stand by - hourly rental basis when working, for widening streets. This worked quite successfully as the machine did a good job of widening without filling in the driveways.

SIDEWALKS

Repairing and levelling of some of the older sidewalks was continued with one crew engaged on this for most of the summer and fall.

M. F. Schurman Co. Ltd., was the contractor for new sidewalks at a unit price of 63 cents per square foot for one course and 70 cents per square foot for two course sidewalks. 17,542 square feet of the one course and 1,700 square feet of the two course sidewalk were laid. Total length of new sidewalk laid this year was 3,712 feet. The two course sidewalk was laid as an experiment to determine the relative effects of surface deterioration on each type due to the use of salt for ice and snow removal.

Sidewalks were laid on the following streets: Viceroy St. (North Side) Goodwill to West Kent School; Goodwill Ave. (West side) Viceroy to Admiral; Goodwill Ave. (East side) Ad-

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CONSTRUCTION

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miral to Crestwood Drive; Admiral Street (North side) North River Road to Goodwill Ave.; Admiral Street (South side) Crestwood Drive to Goodwill Ave.; Green Street (South side) Greenfield Avenue to North River Road; Elm Avenue (West side) Kirkwood Drive to Belvedere Avenue.

It should be noted that the Cement Companies are carrying out a lot of research and testing on the surface deterioration of concrete sidewalks. A representative of one of the firms has inspected some Charlottetown sidewalks and further inspections will be made in the spring of 1964. Some cities, on the advice of the cement companies are applying a sprayed coating of a mixture of boiled linseed oil and kerosene to sidewalks for each of the first two years after construction. It would seem prudent to follow this recommendation in Charlottetown.

ASPALT PATCHING

Asphalt patching was again done by contract at a cost of $16.50 per ton in place. This is slightly under the price of $17 per ton for the previous year.

The tonnage of asphalt materials used totalled 2,402 tons, the most ever used. Over 1,800 tons of this was used to patch the trenches where the Commissioners of Sewers and Water Supply installed new water mains in implementing the Pitometer Report. This cost was borne by the Commissioners.

Many water mains must still be replaced or parallel so 1964 will still see a fairly large quantity of asphalt required for patching.

One hundred tons of cold-mix aggregate were purchased in the fall for temporary patching during the winter and spring seasons.

ASPHALT PAVING

The program of asphalt paving between the existing concrete curbs and the sidewalk was continued in 1963. The contract was not awarded until mid-August however because of the possibility of the Police Committee acquiring "off-street parking lots and consequently only a relatively small area was paved.

The areas paved were on the following streets:

Longworth Avenue, Fitzroy, Villa, Grafton, Millsborough, Rochford. The total area paved was 3,407 square yards which is equivalent to 1-5 mile of 20 foot wide asphalt highway and provided parking spaces for 115 automobiles.

The contract was carried out at a price of $2.75 per square yard by Island Construction Ltd.

TOPPING OLD STREETS

The Dix-Seal re - surfacing program was continued this year and the following streets were improved: Water, Great George, Euston, Fitzroy, Kent, Victoria Park Roadway, Grafton, Queen and Brighton Road.

A total length of 20,900 feet or 3.8 miles was re - surfaced using 3,463 tons of Dix Seal at a price of $10 per ton in place. (This price includes supplying the liquid asphalt.) The contractor was Island Construction Ltd.

PAVED STREETS

The contract of Warren Maritimes Ltd. which could not be completed in 1962 because of extremely wet weather and delays by others in installing water mains was completed in 1963 with asphalt pavement being laid on Jordan Crescent, a portion of Dorchester Street and Lower Water Street. Gravelling was also completed on Orchard Court, York Lane, Prince Charles Drive and Worth Avenue.

Island Construction Ltd. was awarded the contract for paving other streets in 1963 which include the following: Inkerman Boulevard, Moreau Drive, Queen Elizabeth Drive, Spruce Street, Vista Street and Smallwood Crescent.

The complete paving program in 1963 resulted in adding 5,385 lineal feet or 1.02 miles of asphalt paving to our paved street system.

STORM SEWERS

City crews repaired old catch basins throughout the city, rebuilding some completely and replacing the top foot or so of others. The construction of the parking area program required that many catch basins be changed from the high - back curb type to the flat type and that many others be lowered.

New catch basins were constructed in various areas of the city including: Beech Street, Corner of Euston and Gt. George St., Pownal Street, Canadian Legion Parking Lot, Grafton Street, Allen Street, Nassau Street, etc.

COMBINED SEWERS

Tenders were called and the contract awarded to the low bidder, Douglas Bros., and Jones Ltd, for the installation of combined sewer line in Newland Crescent (East side) Upper Queen Street.

The work consisted of the laying of 2,049 lineal feet of 12 and 15 inch diameter pipe and the construction of 7 manholes.

The 12 inch corrugated metal pipe that was laid in 1962 on the co - op interceptor sewer as a temporary measure for the winter in the new fill at the shore end of Kirkwood Drive was removed and replaced by 24 - inch diameter reinforced concrete pipe by Camac Construction Co. Ltd. This completes the work on the extension of the interceptor sewer from Kirkwood Drive West to the co - operative housing area.

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Capital Expenditure

STATEMENT OF CAPITAL EXPENDITURES AND SOURCE OF FUNDS FOR SAME
For The Year Ended December 31, 1963

CAPITAL EXPENDITURES		
New Streets	$ 91,715	
Parking areas	8,270	
Sidewalks	11,351	
Surveying new zones	3,352	
Sewer and Water construction	174,130	
The Charlottetown Forum—		
Purchase Price $ 80,000		
Alterations 28,719	108,719	
Real estate adjoining City Hall	17,500	
Alterations at City Hall	874	
New incinerator	7,106	
New schools—additional costs	102,267	$ 520,854
SOURCE OF FUNDS		
Debentures issued	$320,000	
Less: Discount	2,775	
	317,225	
Less: Portion used to reduce Capital Bank Overdrafts & Loans	78,844	238,381
Payments by the Board of School Trustees		102,267
Payments by the Commissioners of Sewers & Water Supply		171,954
Provincial Government's share of cost of prior year's surveys		7,052
Sale of land		900
Payment of mortgage instalment—Little Theatre Guild	300	$ 520,854

Sinking Fund Balance Sheet

December 31, 1963

Assets		
Cash in bank for unpresented matured debentures	$ 6,000	
Uninvested Cash at the Montreal Trust Company	1,366	
Investments at the Montreal Trust Company	1,824,350	
	$1,831,716	
Liabilities		
Debentures matured but not presented for payment	$ 6,000	
Sinking Fund Reserve	1,825,716	
	$1,831,716	

Sinking Fund Reserve Analysis

For the Year Ended December 31, 1963

Balance, December 31, 1962		$1,592,145
Add: Deposit from Civic Funds	$217,605	
Income from Investments—presently owned	$75,409	
others	416	75,825
Adjustment to record at par values the purchases of investments at a discount	3,665	297,095
		1,889,240
Deduct: Debentures matured	63,500	
Exchange on coupons	24	63,524
Balance, December 31, 1963		$1,825,716

Current Funds Balance Sheet

December 31, 1963

Assets		
Cash on hand		$ 80
Taxes Receivable		
Real Estate	$215,698	
Personal Property and Business Occupancy	250,764	
Poll and Educational	299,398	
Less: Allowances for Uncollectable Taxes	387,560	371,630
Accounts Receivable—		
Fire alarm connections		3,027
Prepaid Expenses—		
Revision of Assessment	25,577	
Debenture Interest	48	
Tree Program	9,694	35,309
Deferred Charges—		
Aerial Ladder Truck	43,996	
Less: Accumulated Depreciation	32,592	10,998
		$421,604
LIABILITIES		
Bank Loans, less balances		$112,263
Debenture Interest Payable		16,070
Accounts Payable		52,143
Amount due to Capital Funds		236,706
		417,187
Surplus—Excess of Revenue over Expenditure for the year 1963		3,847
		$421,604

Analysis of Capital Surplus

For the Year Ended December 31, 1963

Balance, December 31, 1962		$2,161,562
Add: Debentures matured	$90,500	
Instalment paid on Provincial Loan for Queen Charlotte High School	15,800	
Sale of Land	900	
Interest earned	82	107,282
		2,268,784
Deduct: Discount on debentures issued	5,500	
Transfer to Current Funds of cash received in 1963 from Street and Sidewalk assessments to reduce the cost of debt charges	51,350	56,858
Balance, December 31, 1963		$2,211,926

Flying Ahead With Charlottetown!

EPA EASTERN PROVINCIAL AIRWAYS

HEAD OFFICE: GANDER, NEWFOUNDLAND

ST. JOHN'S—GANDER—DEER LAKE—STEPHENVILLE—GOOSE BAY—MONCTON—SUMMERSIDE—CHARLOTTETOWN
HALIFAX—TRENTON—TWIN FALLS—WABUSH—SEVEN ISLANDS CHARLO (DALHOUSIE)—NEW GLASGOW)—MAGDALEN ISLANDS