

HURON-KINLOSS FINANCIAL PLAN FOR WATER WORKS
Goal: Increase Rate of Replacement to Match Average Age of Assets and
Have Positive Reserves by End of 2021

	2016	2017	2018	2019	2020	2021
FINANCIAL POSITION						
Financial assets						
Cash and cash equivalents	4,242,805	4,289,334	1,478,767	1,846,998	2,404,387	18,790
Total FINANCIAL ASSETS	4,242,805	4,289,334	1,478,767	1,846,998	2,404,387	18,790
Liabilities						
Long-term debt	-	-	-	-	-	-
Total LIABILITIES	-	-	-	-	-	-
NET DEBT (Liabilities - Assets)	(4,242,805)	(4,289,334)	(1,478,767)	(1,846,998)	(2,404,387)	(18,790)
Non-financial assets (Tangible capital assets)						
Existing watermain and facilities - book value	19,754,425	20,722,350	22,057,608	26,357,000	27,620,345	28,814,157
New watermain and facilities - at cost	550,000	910,000	3,862,000	785,000	705,000	3,765,000
Less: Amortization	(417,925)	(425,258)	(437,392)	(478,345)	(488,812)	(498,212)
Total NON-FINANCIAL ASSETS	20,722,350	22,057,608	26,357,000	27,620,345	28,814,157	33,077,368
Financial position (Non-Financial assets - Net Debt)	24,965,155	26,346,942	27,835,767	29,467,343	31,218,543	33,096,158
Analysis of financial position						
Equity in tangible capital assets	20,722,350	22,057,608	26,357,000	27,620,345	28,814,157	33,077,368
Reserves and reserve funds	4,242,805	4,289,334	1,478,767	1,846,998	2,404,387	18,790
General surplus (deficit)	-	-	-	-	-	-
Financial position (from analysis)	24,965,155	26,346,942	27,835,767	29,467,343	31,218,543	33,096,158

	2016	2017	2018	2019	2020	2021
FINANCIAL OPERATIONS						
REVENUE						
Lakeshore Area Waterworks						
7000-3030 Township of Ashfield-Colborne-Wawanosh	-	-	-	-	-	-
7000-3100 Water Service Rate - Lakeshore	929,077	989,467	1,053,783	1,122,279	1,195,227	1,272,916
7000-3101 Metered Water - Lakeshore	11,715	12,476	13,287	14,151	15,071	16,051
7000-3112 Water Connection Permits	-	-	-	-	-	-
7000-4000 Hydrant Rental - Lakeshore	3,025	3,025	3,025	3,025	3,025	3,025
Huron-Kinloss						
7000-6010 Water Service Connection	121,756	129,670	138,099	147,075	156,635	166,817
Whitechurch						
7003-3100 Water Service Rate - Whitechurch	14,974	15,947	16,984	18,088	19,263	20,516
7003-3150 Communications Tower Rental	-	-	-	-	-	-
Ripley						
7005-3100 Water Service Rate - Ripley	143,669	153,007	162,952	173,544	184,825	196,838
7005-3101 Metered Water - Ripley	9,053	9,641	10,268	10,935	11,646	12,403
7005-3200 Waterworks Distribution Rate - Ripley	53,868	57,369	61,098	65,069	69,299	73,803
7005-4000 Hydrant Rental - Ripley	1,265	1,265	1,265	1,265	1,265	1,265
7005-6000 Water Service Connection	-	-	-	-	-	-
7005-6400 MOE - Source Water Protection Land Security	-	-	-	-	-	-
7005-6500 Westario Note Repayment	-	-	-	-	-	-
Lucknow						
7007-3100 Water Service Rate - Lucknow	271,149	288,774	307,544	327,534	348,824	371,498
7007-3101 Metered Water - Lucknow	19,170	20,416	21,743	23,156	24,662	26,265
7007-3200 Waterworks Distribution Rate - Lucknow	95,658	101,876	108,498	115,550	123,061	131,060
7007-4000 Hydrant Rental - Lucknow	2,255	2,255	2,255	2,255	2,255	2,255
7007-4900 JEPP Funding - Generator	-	-	-	-	-	-
7007-6010 Water Service Connection	-	-	-	-	-	-
Total REVENUE	1,676,633	1,785,189	1,900,801	2,023,928	2,155,058	2,294,711
EXPENSES						
Huron-Kinloss						
7000-7100 Salaries	35,700	36,414	37,142	37,885	38,643	39,416
7000-7200 Benefits	10,200	10,404	10,612	10,824	11,041	11,262
7000-7215 Drinking Water Quality Management Standard	-	-	-	-	-	-
7000-7220 Operation Contract	325,890	332,408	339,056	345,837	352,754	359,809
7000-7225 A-C-W Operations	-	-	-	-	-	-
7000-7254 Office Supplies	1,020	1,040	1,061	1,082	1,104	1,126
7000-7259 Courier	255	260	265	271	276	282
7000-7260 Telephone	18,360	18,727	19,102	19,484	19,873	20,271
7000-7261 Advertising	1,530	1,561	1,592	1,624	1,656	1,689
7000-7265 Association Memberships	306	312	318	325	331	338
7000-7266 Insurance	13,260	13,525	13,796	14,072	14,353	14,640
7000-7267 Legal	5,100	5,202	5,306	5,412	5,520	5,631
7000-7269 Property Taxes	7,446	7,595	7,747	7,902	8,060	8,221
7000-7270 Meetings - Registration	255	260	265	271	276	282
7000-7271 Meetings - Travel	-	-	-	-	-	-
7000-7272 Meetings - Meals	-	-	-	-	-	-
7000-7275 Miscellaneous	-	-	-	-	-	-
7000-7276 Engineering - Provincial Orders	-	-	-	-	-	-
7000-7277 Chemicals	35,700	36,414	37,142	37,885	38,643	39,416
7000-7278 Engineering	30,000	30,600	31,212	31,836	32,473	33,122
7000-7279 Water Quality Analysis	30,600	31,212	31,836	32,473	33,122	33,785
7000-7285 Depreciation Expense	417,925	425,258	437,392	478,345	488,812	498,212

7000-7310	Scada System Repairs and Maintenance	5,000	5,100	5,202	5,306	5,412	5,520
7000-7312	Treatment Equipment Repairs and Maintenance	20,000	20,400	20,808	21,224	21,649	22,082
7000-7320	Utilities - Hydro	105,000	110,250	115,763	121,551	127,628	134,010
7000-7346	Machinery Rental	510	520	531	541	552	563
7000-7350	Material and Supplies	7,140	7,283	7,428	7,577	7,729	7,883
7000-7351	Services	40,800	41,616	42,448	43,297	44,163	45,046
7000-7352	Lakeshore Area Shoreline Monitoring	15,810	16,126	16,449	16,778	17,113	17,456
Lakeshore Area							
7000-7315	Watermain Repairs and Maintenance - Lake	25,500	26,010	26,530	27,061	27,602	28,154
7000-7318	Pump House Repairs and Maintenance - Lake Hydrant Replacements	25,500	26,010	26,530	27,061	27,602	28,154
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-
Whitechurch							
7003-7315	Watermain Repairs and Maintenance - Whitechurch	3,570	3,641	3,714	3,789	3,864	3,942
7003-7318	Pump House Repairs and Maintenance - Whitechurch Hydrant Replacements	5,100	5,202	5,306	5,412	5,520	5,631
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-
Ripley							
7005-7315	Watermain Repairs and Maintenance - Ripley	10,200	10,404	10,612	10,824	11,041	11,262
7005-7318	Pump House Repairs and Maintenance - Ripley Hydrant Replacements	2,550	2,601	2,653	2,706	2,760	2,815
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-
Lucknow							
7007-7315	Watermain Repairs and Maintenance - Lucknow	21,000	22,050	23,153	24,310	25,526	26,802
7007-7318	Pump House Repairs and Maintenance - Lucknow Hydrant Replacements	5,250	5,513	5,788	6,078	6,381	6,700
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-
Total EXPENSES		1,226,477	1,253,919	1,286,760	1,349,042	1,381,480	1,413,520
Net Revenue (Deficit) for the year		450,156	531,270	614,041	674,886	773,577	881,191

	2016	2017	2018	2019	2020	2021
CASH FLOW						
Operating Transactions						
Net revenue (deficit) for the year	450,156	531,270	614,041	674,886	773,577	881,191
Add back (deduct) non-cash expense:						
Add back Amortization of Capital Assets	417,925	425,258	437,392	478,345	488,812	498,212
Total OPERATING TRANSACTIONS	868,081	956,529	1,051,433	1,153,231	1,262,389	1,379,403
Capital Transactions						
Lakeshore Systems						
Growth related	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	-	-	-	-	-	-
Whitechurch System						
Growth related	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	-	-	-	-	-	-
Ripley System						
Growth related	-	-	-	-	-	(2,335,000)
Service enhancement (system upgrades)	-	-	-	-	-	(615,000)
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	-	-	-	-	-	-
Lucknow System						
Growth related	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	-	-	(3,162,000)	-	-	-
All Systems Combined						
Growth related	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	(550,000)	(910,000)	(700,000)	(785,000)	(705,000)	(815,000)
Total CAPITAL TRANSACTIONS	(550,000)	(910,000)	(3,862,000)	(785,000)	(705,000)	(3,765,000)
Investing transactions						
Proceeds from portfolio investments	-	-	-	-	-	-
Purchase of portfolio investments	-	-	-	-	-	-
Total INVESTING TRANSACTIONS	-	-	-	-	-	-
Financing transactions						
Federal/Provincial grants	-	-	-	-	-	-
Proceeds from debenture issue	-	-	-	-	-	-
Total FINANCING TRANSACTIONS	-	-	-	-	-	-
Net Cash Receipts (Payments) for the year	318,081	46,529	(2,810,567)	368,231	557,389	(2,385,597)
Cash at beginning of year	3,924,724	4,242,805	4,289,334	1,478,767	1,846,998	2,404,387
Cash at end of year	4,242,805	4,289,334	1,478,767	1,846,998	2,404,387	18,790

Notes:

1. Financial plan assumes expenses increase at 2% per year (except hydro at 5%).
2. There are multiple reserve accounts. The Financial Plan does not distinguish which account is to be used for a particular capital project.
3. The current operations agreement with Veolia is set to expire Jan. 1, 2017.