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Memo

From: Ryan DeVries
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To: Municipality of Brockton
Gregory Furtney, Director of Operations

Re: Water Works Financial Plan – 2021 to 2026

File #: 20171

Date: January 4, 2021

1.0 INTRODUCTION

1.1 Overview

On behalf of the Municipality of Brockton, B. M. Ross and Associates Limited (BMROSS) has prepared a Financial Plan for the Water System in accordance with O. Reg. 453/07. The Plan includes the following basic components:

1. A **full cost analysis** of the provision of water services.
2. A **cost recovery plan**, including a proposal for a **series of revenue increases**.

This memo summarizes the information used and assumptions made in developing the Financial Plan.

We have also reviewed the previous 2016 Financial Plan (for the period 2016 to 2021) and compared it to the actual performance in the 2017-2019 period. A summary is provided.

1.2 Key Legislated Requirements

As identified in the Ontario Ministry of the Environment, Conservation and Parks (MECP) Guidelines¹ for financial planning, achieving financial sustainability in Ontario's municipal water sector is a long-term goal of the Province.

In addition to related municipal operating and financing legislation, the MECP has set out, in the Safe Drinking Water Act, 2002 (SDWA), detailed requirements for financial planning related to water works systems.

The key aspects are considered to be as follows:

1. The Financial Plan must apply to a period of at least six years. The first year to which the Financial Plan must apply must be the year in which the drinking water system's existing Municipal Drinking Water License would otherwise expire (i.e. 2021).
2. Amortization costs for existing infrastructure must be identified in the Financial Plan, but there is no requirement to recover those costs.

The Municipal Drinking Water Licence for Brockton is set to expire on August 4, 2021 and an application for renewal must be submitted on or before **February 4, 2021**. As part of the application

¹ Ministry of the Environment (MOE), "Toward Financially Sustainable Drinking Water and Wastewater Systems", August 2007.

for renewal of the License the Municipality must prepare and adopt a new Financial Plan. A resolution of Council accepting the plan must accompany the application.

1.3 Relationship to Previous Plans

The most recent Water Financial Plan for the Municipality was completed in March 2016 in accordance with O. Reg. 453/07. This plan was used to determine water pricing for 2016 to 2021. Following presentation of several different rate alternatives, council opted to target annual rate increases of 3.0 %. That report was reviewed and compared to the actual financial situation for 2019. This summary is provided in Section 5.1.

2.0 METHODOLOGY

2.1 Available Information

Information provided by Brockton includes;

1. 2017-2019 Capital and Operating Budgets and actual expenditures for the water system.
2. 2020 Capital and Operating Budgets for the water system.
3. Information concerning dedicated reserves for water supply.
4. Water Asset Inventory.
5. Number of customers.
6. 2021 water rates.
7. Other applicable information related to the water system.

2.2 Procedure

The available information listed in Section 2.1 was reviewed for inclusion in the Financial Plan. Existing water assets are listed in Brockton's asset inventory with historical financial details. The historical financial details were used to calculate the amortization expenses and net book value of the tangible capital assets and are recorded in the Financial Plan. Expenditures and revenues budgeted for 2020 were included with an inflation rate of 2%, with the exception of hydro at 5% and the service agreement with Veolia at 3%, applied for future years. Forecasted capital projects and debenture principal and interest payments were included in the prediction. Revenue requirements and corresponding rate increases are suggested to Brockton to account for historic under investment and future capital projects.

The Memo concludes with a summary showing the consequences of a 0% rate increase and three annual rate increase scenarios:

- A 3.0% increase (i.e. matching the previous Financial Plan)
- A 3.8% increase (i.e. Set Rate of Replacement to Match Remaining Life Expectancy)
- Full cost recovery as defined by the MECP

3.0 DESCRIPTION OF THE SYSTEM

3.1 General

The Municipality owns three drinking water systems servicing local communities. The system descriptions are summarized in Table 3.1 below.

**Table 3.1
Brockton Water Supply and Distribution Systems**

System Name	Description	No. of Customers in 2020
Walkerton Well Supply	Two wells and one pumphouse with UV primary disinfection, followed by chlorination. Water storage and pressure is maintained by two standpipes. There are two booster pumping stations and approximately 41.0 kilometers of distribution watermain.	2100
Lake Rosalind Well Supply	Two wells and one pumphouse with two stage filtration and sodium hypochlorite disinfection. There are 1.1 kilometers of distribution watermain.	60
Chepstow Well Supply	One well pumphouse with sodium hypochlorite disinfection, 2 sets of two stage filtration filters, and 2 UV units for disinfection. There are 0.6 kilometers of distribution watermain.	21
All Systems		2181

3.2 Growth Expectations

Building permits were reviewed for 2016 – 2018. During that time, an average of 18 new customers applied for building permits per year. This growth rate was used in the Financial Plan in projecting revenue in future years.

4.0 FULL COST OF SERVICE

4.1 Cost Components

The full cost of providing water services includes the following major categories²:

1. Operating expenses
2. Interest expense
3. Funding for Debt Principal Repayment
4. Amortization of Tangible Capital Assets
5. Funding for Inflation in Asset Costs
6. Funding for Historic Under-investment
7. Funding for Service Enhancements
8. Funding for System Growth

Items 2 and 3 would apply when debt has been, or will be, incurred for capital projects. Items 4 to 6 relate to asset maintenance and replacement. The final two items, 7 and 8, relate to planned capital projects for improvements or growth. In some cases, the improvements may be driven by changing regulations, in other cases the Municipality may initiate the project.

4.2 Operating Expenses

4.2.1 Review of 2020 Operating Budget

Budgets and actual expenses for the water system were reviewed for 2017 - 2019. The 2020 budget is believed to reflect the cost of operating the current system. The 2020 anticipated expenses for water works operations are summarized in Table 4.1.

² Ministry of the Environment, "Toward Financially Sustainable Drinking Water and Wastewater Systems", August 2007.

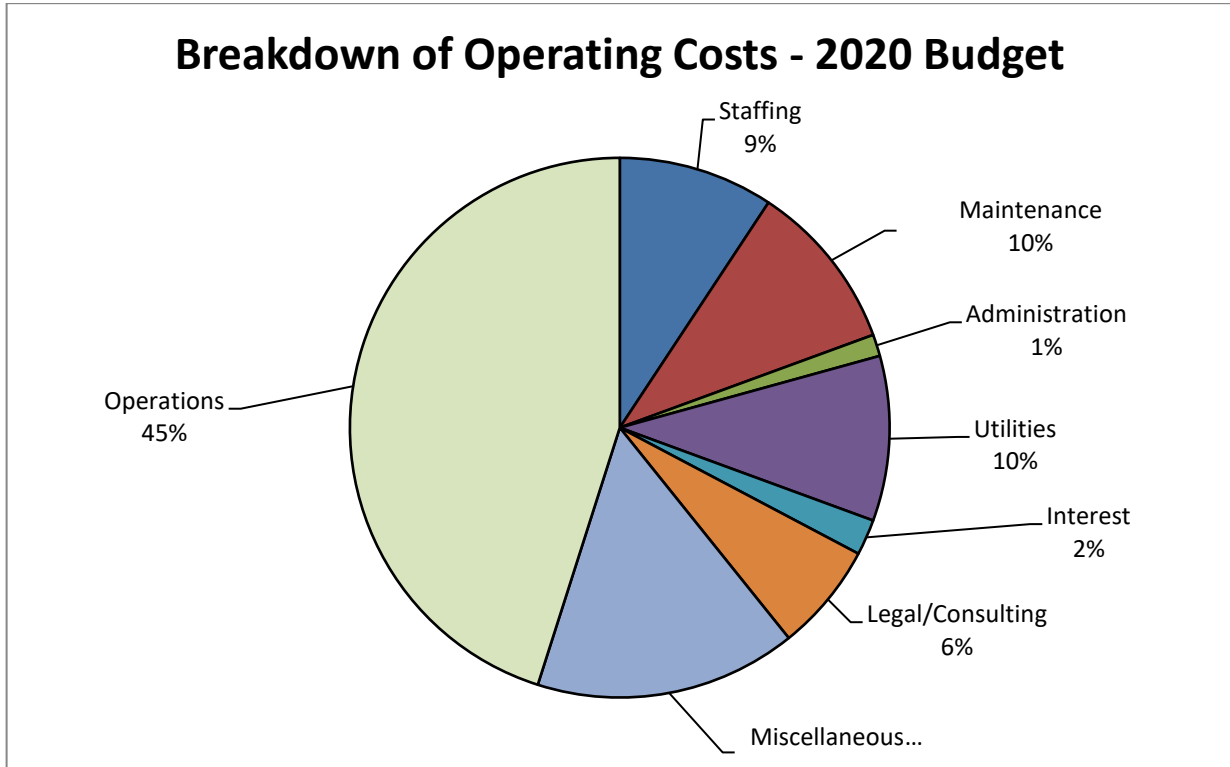
**Table 4.1
Brockton 2020 Operations Budget**

Item¹	2020 (\$)	Category²
Wages-Water	62,358	Staffing
Benefits-Water	18,036	Staffing
Clothing Allowance	200	Staffing
Mileage	250	Staffing
Training and Seminars	3,500	Staffing
Memberships	1,500	Staffing
Supplies	6,000	Administration
Legal Services	-	Legal/Consulting
Engineering Services	60,000	Legal/Consulting
Payroll Process	500	Administration
Maintenance-Equipment	20,000	Maintenance
Maintenance-Grounds	7,500	Maintenance
Maintenance-Vehicle	1,000	Maintenance
Maintenance-Watermains	65,000	Maintenance
Maintenance-Samples	-	Maintenance
Postage	5,500	Administration
Service Agreements	411,800	Operations
Telephone	874	Hydro/Utilities
Fuel-Truck	1,700	Operations
Utilities-Hydro	90,000	Hydro/Utilities
Utilities-Natural Gas	-	Hydro/Utilities
Utilities-Water	400	Hydro/Utilities
Insurance	19,917	Miscellaneous
Public Works Equipment Costs	3,000	Operations
Water Quantity Report (SWP)	125,000	Miscellaneous
Long Term Debt Charges-Interest	19,804	Interest
Loss (Gain) on Disposal of Tangible Capital Assets	-	
TOTAL	\$923,839	

Note: 1. Grouping provided by Brockton
2. Category assignments by BMROSS

The following Figure presents the general categorization of the various budget items.

**Figure 4.1
Water Works Operational Expenses**



Note: 1. A large portion of the miscellaneous expense includes the completion of a Source Water Protection, Water Quality Report in 2020. This is not anticipated to be a recurring expense.

4.2.2 Operations Contract

The current operations contract with Veolia represents a significant proportion of the operational costs. The contract is up for renewal in 2021.

4.3 Interest Expense and Debt Repayment

The Municipality currently has two loans (debentures) related to water works projects completed between 2004 and 2007. Table 4.2 provides a summary of the debt information.

**Table 4.2
Summary of Water Works Related Debt**

Loan No.	Debenture Date	Maturity Date	Balance Dec/20
#2004-35	2004	July 15/24	\$23,796
#2008-73	2008	Nov. 28/23	\$1,569
Totals			\$25,365

Note: 1. Only the water balance of the above noted debenture is shown. For #2004-35, 12.98% of the total debenture amount is being charged to the water account and for #2008-73, 1.87% of the total debenture amount is being charged to the water account.

4.4 Amortization of Tangible Capital Assets

Amortization is defined as "...the accounting process of allocating the cost less the residual value of a tangible capital asset to operating periods as an expense over its useful life in a rational and systematic manner appropriate to its nature and use."³

The current value (sometimes referred to as "net book value") of the asset is; its original cost less depreciation. It can be calculated as, original cost times current age divided by its life expectancy. This is a method traditionally called straight line depreciation.

Using the above approach, the annual Amortization Expense and Net Book Value for the water system, as of 2020, is as follows:

Table 4.3
2020 Net Book Value and Amortization Expense for Water Works

System Component	Amortization Expense (2020)	Net Book Value (2020) ¹ .
Distribution Systems	\$128,356	\$7,060,663
Supply and Storage Systems	\$54,682	\$938,268
Totals	\$183,038	\$7,998,931

Note: 1. Start of year

4.5 Reserve Funds

A single utility (i.e. water and wastewater) reserve fund is in place. The balance in reserves at the end of 2019 was \$2,268,887. For purposes of this Plan, we have divided the reserve equally between water and wastewater.

4.6 Replacement Costs

The replacement cost of the Brockton Drinking Water Systems as of 2020 is estimated to be approximately \$24.6 million. This value increases annually as construction costs increase; the annual increment would be roughly \$490,000 (based on inflation in construction costs at approximately 2% per year).

5.0 ANALYSIS OF REVENUE

5.1 2016 Financial Plan

Table 5.1 compares the 2019 predicted financial outcome with actual results.

Table 5.1
2016 Financial Plan – Predicted vs Actual for 2019

Item	2019 Predicted	2019 Actual
Revenue	\$ 1,088,194	\$ 1,024,739 ¹
Operating Expenditures	\$ 716,728	\$ 727,571
Cash Reserves (end of year)	\$ 649,457	\$ 1,134,444
Financial Position	\$ 8,652,848	\$ 9,182,967 ²

Note: 1. Excludes grants
2. Approximate

³ MOE, August 2007

The Plan was based on 3% annual revenue increases from 2016 to 2021 and a capital program that averaged \$165,500 per year.

5.2 Current Rate Structure and Charges

Current rates are established in Bylaw No. 2020-018.

A summary is as follows:

Metered Water Use

All metered water users connected to a municipal water system will pay a fixed charge, a volumetric charge plus a fixed and a volumetric wastewater treatment service charge as set out below.

Fixed Water Charge per Annum

5/8 x 3/4 inch - \$215
 3/4 inch - \$243
 1 inch - \$300
 1.5 inch - \$386
 2 inch - \$644
 3 inch - \$3,003
 4 inch - \$4,505
 6 inch - \$6,436

Volumetric Water Charge

This charge applies to all water that passes through the meter.

- for water use for the first 292 cubic meters per month - \$1.34 per cubic meter
- for water use over 292 cubic meters per month - \$1.10 per cubic meter
- for water use over 1,400 cubic meters per month - \$0.94 per cubic meter

Flat Water Rate

This rate applies to those who are connected to the Municipality's water system but are not metered under a special arrangement as approved by the Municipal Council.

Annual Fee - \$676

Minimum Fixed Water Charge

This charge applies to all consumers connected to the Municipal water system and will be assessed whether or not any water has been used.

Annual Fee - \$215

5.3 Revenue Breakdown

The 2020 budget anticipates approximately \$1,200,000 in water revenue. In 2020 the revenue is expected to be approximately 30% greater than operating costs excluding amortization, resulting in net revenue exclusive of the amortization amount of approximately \$275,000. Out of this value capital replacement and improvement projects will be funded. When amortization is considered, the surplus declines to approximately \$92,000.

Average reserve transfers for 2017-2019 were \$73,600 annually, which is 40% of the actual amortization value (see Table 3.3). Reserve transfers occur after contributions to capital.

6.0 FULL COST PROJECTIONS

6.1 General

O. Reg 453/07 requires that a Financial Plan be developed for a six year period beginning in the year the Municipal Drinking Water Licence would otherwise expire (i.e. 2021 to 2026).

The purpose of this Section is to identify the expected cost of service.

6.2 Assumptions

Assumptions regarding full cost of service for the Plan period are as follows:

1. The starting point for operating expenses was the 2020 Budget.
2. With the following exceptions, costs were assumed to increase at 2% per year. Exceptions are:
 - Hydro expenses – 5% per year.
 - Operations Service Agreement – 3% per year (consistent with historical trends).
 - Engineering services – Reduced in 2021 to match historical values.
 - Source Water Protection, Water Quantity Report – One-time expense in 2020.

6.3 Funding for Historic Under-Investment

In recent years there have been some infrastructure replacement projects funded from reserves. Historically, neither the amortization expense nor the inflation of asset costs for tangible capital assets was completely funded each year. As well, maintenance and replacement may have been deferred. These two factors combined are the historic under-investment in the system. As with amortization and inflation of asset costs there is no legislated requirement to generate a surplus which funds historic under-investment. If this amount is recovered, along with amortization and inflation of asset costs, the full cost of ongoing system replacement could be funded through reserves.

Table 6.1 summarizes the various components of the full cost of replacement including funding for historic under-investment. The values shown in the following table are based on the assumption that items that are overdue for replacement, based on their theoretical useful life, are replaced in 2027. The annual full cost of replacement is calculated assuming \$0 in reserves and enough cash must be available in the asset replacement year to pay 100% of the costs of replacement. It should be noted there is currently a total water reserve balance of approximately \$1.1M (start of 2020), so part of this allowance has been covered.

**Table 6.1
Annual Full Cost of Replacement for Water Works**

System Component	2020 Annual Funding Requirements Breakdown			Annual Full Cost of Replacement
	Amortization Expense	Funding for Inflation of Asset Costs	Funding for Historic Under Investment	
Distribution Systems	\$128,356	\$169,316	\$391,868	\$689,540
Supply and Storage Systems	\$54,682	\$31,122	\$205,148	\$290,952
Total	\$183,038	\$200,439	\$597,016	\$980,492

Note: 1. Inflation assumed to be 2% per year
2. Earned interest on reserves = 2% per year.

Amortization Expense is described in Section 4.4 and is calculated by dividing the original cost of the asset over the estimated useful life.

Funding for Inflation of Asset Costs is derived from its Annual Allowance, which is the annual amount set aside to replace the asset once it has reached its estimated useful life. It considers that the savings will earn interest and the cost of the asset is increasing due to compounding inflation over the life of the asset. The formula used to calculate the Annual Allowance is:

$$PMT = FV \left[\frac{i}{((1 + i)^n - 1)} \right]$$

Where:

- PMT = Annual Allowance
- FV = Future Value
- i = annual interest
- n = Estimated Useful Life

The Funding for Inflation of Asset Costs is the Annual Allowance less the Amortization Expense.

Annual Full Cost of Replacement is similar to the Annual Allowance calculation described above, however it assumes that the annual amount set aside was not started in year one. The value for n has been reduced to the Estimated Remaining Life of the asset.

Funding for Historical Under Investment is the Annual Full Cost of Replacement less the Annual Allowance.

In addition to the average amount being transferred to reserves (\$73,600), a total of approximately \$231,500 has, on average, been put towards replacing water infrastructure during each of the past three years. This is still less than the annual full cost of replacement.

The average total weighted life expectancy as expressed in the Water Asset Inventory database of all of the water assets is approximately 76 years. The remaining average life expectancy is 45 years.

The Rate of Replacement has been defined as the current replacement cost of the water assets (i.e. \$24.6M) divided by the sum of the average annual capital expenditure on replacement plus the contribution to reserves. Based on the 2017 to 2019 capital expenditures and reserve contributions the current Rate of Replacement is:

Rate of Replacement (2020)	=	$\frac{2020 \text{ Replacement Cost}}{\text{Average Capital Investment} + \text{Transfer to Reserves}}$
	=	$\frac{\$24,580,541}{\$231,494 + \$73,618}$
	=	81 Years

It is generally recommended to target a replacement rate that is equal to or lower than the remaining average life expectancy (i.e. lower than 45 years).

6.4 Proposed Capital Program

For purposes of this Financial Plan the capital program for 2021 to 2026 will be as set out in Table 6.2 and as provided by the Municipality.

**Table 6.2
Capital Construction Plan 2021 to 2026**

Year	Proposed Works	Cost Allowance
2021	Walker West Estates Booster Station	\$750,000
	North Water Tower Fence	\$5,000
	Chepstow Surge Protection	\$6,000
	Various watermain replacement projects.	\$315,500
	Subtotal 2021	\$1,076,500
2022	Watermain replacement – Main transmission main from Well 7 & 9	\$1,500,000
2023	Recoating and upgrades to north Water Tower	\$350,000
2024	Various watermain replacement projects.	\$350,000
2025	Various watermain replacement projects.	\$350,000
2026	Various watermain replacement projects.	\$350,000
	Total	\$3,976,500

7.0 COST RECOVERY

7.1 General

Although not yet a legislated requirement, Section 30(2) of the SDWA (2002) requires water system owners to develop a “Cost Recovery Plan”. The intent is to create a long-term plan that will ensure adequate funding to operate, maintain and replace infrastructure. This section of the memo identifies the revenue increase required to achieve the goals of the Plan.

7.2 Options for Cost Recovery

The required rate increase in the Plan period is dependent on what the Municipality wants to achieve. As discussed in Sections 1.2 and 6.3, the Province has advocated for full cost recovery (i.e. full funding of asset replacement) but there is no legislated requirement to do so.

Possible Options include:

1. A 0% rate increase (the base case).
2. A 3% increase (i.e. matching the increases from the previous financial plan)
3. A 3.8% annual rate increase (i.e. set rate of replacement to match average remaining life expectancy of the assets).
4. Full Cost recovery (as per Section 6.3 of this Memo).

7.3 Basis of Comparison

When comparing the effect of each option on the required water rates it is assumed that there would be a series of uniform increases.

For each option we have considered the following:

- Annual % increase required

- Reserves at end of planning period (2026)
- Financial Position at 2026 (Asset value + Reserves)
- Financial Position change (\$ and %)
- Rate of Replacement

7.4 Summary of Results

Table 7.1 A to D, which are attached to this Memo provides year by year details of the water system financial position. Table 7.2 summarizes the effect of selecting each option.

**Table 7.2
Summary of Outcomes for Rate Alternatives**

Option No.	Description	% Annual Increase Required	Reserves at 2026	Financial Position (2026)			Rate of Replacement ² . (Years)
				\$	Change ¹ .		
					\$	%	
	End of 2020 Position	-	\$1.1M	\$9.2M	-	-	81
1	0% Rate Increase (Status Quo)	0	-\$0.3M	\$10.4M	\$1.2M	13	83
2	3% Annual Rate Increase (Matching previous increase)	3	\$0.5M	\$11.2M	\$2.0M	22	50
3	3.8% Annual Rate Increase (RoR matching remaining life expectancy)	3.8	\$0.7M	\$11.5M	\$2.3M	25	45
4	Full Cost Recovery as per MECF Definition	6.6	\$1.6M	\$12.4M	\$3.2M	35	32

Notes: 1. Difference between 2020 and 2026.
2. Rate of Replacement in year 2026 based on method described in Section 6.3.

7.5 Discussion of Results


A review of the outcomes of various rate increases presented in Table 7.2 indicates the following:

- With no increase in revenue, the current rate of reserve fund growth combined with the proposed capital replacement will result in a 13% increase in the financial position and an increase in the rate of replacement to 83 years.
- Increasing revenue by 3% per year (i.e. matching previous increase) will further improve the financial position and result in a rate of replacement of 50 years.
- Selecting a 3.8% annual rate increase, would result in a 25% increase in the financial position and result in a rate of replacement of 45 years (approximately matching the current weighted average remaining life expectancy of the assets).

- To achieve Full Cost Recovery by 2026 would require an annual rate increase of 6.6%. Theoretically, no increases would be required beyond 2026.
- With the capital program proposed, reserves are anticipated to dip into negative values and it is anticipated money will need to be borrowed to make up the difference. The length of the borrowing term will depend on which annual increase is selected and how closely the Municipality sticks to the proposed capital program.

All of which is respectfully submitted.

B. M. ROSS AND ASSOCIATES LIMITED

Per 
Ryan DeVries, P. Eng.

Per 
Ann Gibson, MES, EIT

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Encl.

**TABLE 7A - OPTION - 1
BROCKTON FINANCIAL PLAN FOR WATER WORKS - 081-303A
0% REVENUE INCREASE**

	2021	2022	2023	2024	2025	2026
FINANCIAL POSITION						
Financial assets						
Cash and cash equivalents	518,711	(533,423)	(468,951)	(411,754)	(363,383)	(329,260)
Total FINANCIAL ASSETS	518,711	(533,423)	(468,951)	(411,754)	(363,383)	(329,260)
Liabilities						
Long-term debt	19,267	12,227	4,155	0	0	0
Total LIABILITIES	19,267	12,227	4,155	0	-	-
NET DEBT (Liabilities - Assets)	(499,444)	545,650	473,106	411,754	363,383	329,260
Non-financial assets (Tangible capital assets)						
Existing watermain and facilities - book value	8,080,393	8,967,213	10,258,064	10,380,748	10,499,962	10,614,801
New watermains and facilities - at cost	1,076,500	1,500,000	350,000	350,000	350,000	350,000
Less: Loss (gain) of tangible capital assets	-	-	-	-	-	-
Less: Amortization	(189,680)	(209,149)	(227,316)	(230,786)	(235,161)	(239,536)
Total NON-FINANCIAL ASSETS	8,967,213	10,258,064	10,380,748	10,499,962	10,614,801	10,725,265
Financial position (Non-Financial assets - Net Debt)	9,466,657	9,712,414	9,907,642	10,088,208	10,251,418	10,396,005
Analysis of financial position						
Equity in tangible capital assets	8,947,946	10,245,837	10,376,593	10,499,962	10,614,801	10,725,265
Reserves and reserve funds	518,711	-	-	-	-	-
General surplus (deficit)	-	(533,423)	(468,951)	(411,754)	(363,383)	(329,260)
Financial position (from analysis)	9,466,657	9,712,414	9,907,642	10,088,208	10,251,418	10,396,005

	2021	2022	2023	2024	2025	2026
FINANCIAL OPERATIONS						
REVENUE						
01-3135-0133 Licenses and Permits	-	-	-	-	-	-
01-3135-0135 Water Penalty-Walkerton	-	-	-	-	-	-
01-3135-0141 Transfer from Reserves	-	-	-	-	-	-
01-3135-0142 Transfer from Reserve Fund	-	-	-	-	-	-
01-3135-0145 Recoveries-disconnect/reconnections	6,000	6,000	6,000	6,000	6,000	6,000
01-3135-0150 Miscellaneous Revenue	-	-	-	-	-	-
01-3135-0255 Meter Revenue	1,203,571	1,213,423	1,223,274	1,233,126	1,242,978	1,252,830
01-3135-0256 Flat Rate no Meters	-	-	-	-	-	-
Total REVENUE	1,209,571	1,219,423	1,229,274	1,239,126	1,248,978	1,258,830
EXPENSES						
01-3135-1200 Wages-Water	63,605	64,877	66,175	67,498	68,848	70,225
01-3135-1240 Benefits-Water	18,397	18,765	19,140	19,523	19,913	20,311
01-3135-1260 Clothing allowance	204	208	212	216	221	225
01-3135-1270 Mileage	255	260	265	271	276	282
01-3135-1271 Training & Seminars	3,570	3,641	3,714	3,789	3,864	3,942
01-3135-1303 Memberships	1,530	1,561	1,592	1,624	1,656	1,689
01-3135-1305 Supplies	6,120	6,242	6,367	6,495	6,624	6,757
01-3135-1310 Legal Services	-	-	-	-	-	-
01-3135-1317 Engineering services	10,000	10,200	10,404	10,612	10,824	11,041
01-3135-1315 Payroll Process	510	520	-	-	-	-
01-3135-1320 Maintenance - Equipment	20,400	20,808	21,224	21,649	22,082	22,523
01-3135-1325 Maintenance - Grounds	7,650	7,803	7,959	8,118	8,281	8,446
01-3135-1330 Maintenance - Vehicle	1,020	1,040	1,061	1,082	1,104	1,126
01-3135-1334 Maintenance - Watermains	66,300	67,626	68,979	70,358	71,765	73,201
01-3135-1336 Maintenance - Samples	-	-	-	-	-	-
01-3135-1340 Postage	5,610	5,722	5,837	5,953	6,072	6,194
01-3135-1344 Service agreements	424,154	436,879	449,985	463,485	477,389	491,711
01-3135-1350 Telephone	891	909	927	946	965	984
01-3135-1358 Fuel - Truck	1,734	1,769	1,804	1,840	1,877	1,914
01-3135-1360 Utilities - Hydro	94,500	99,225	104,186	109,396	114,865	120,609
01-3135-1365 Utilities - Natural Gas	-	-	-	-	-	-
01-3135-1366 Utilities - Water	408	416	424	433	442	450
01-3135-1380 Insurance	20,315	20,722	21,136	21,559	21,990	22,430
01-3135-1390 Water write-offs	-	-	-	-	-	-
01-3135-1470 Public works equipment costs	3,060	3,121	3,184	3,247	3,312	3,378
01-3135-1530 Miscellaneous expenses	-	-	-	-	-	-
Water quantity report (SWP)	-	-	-	-	-	-
Subtotal Operating Expense	750,234	772,315	794,576	818,093	842,372	867,439
01-3135-1301 Longterm debt charges - Interest	3,518	2,576	1,486	302	-	-
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-
Amortization-Treatment	59,449	74,974	74,391	73,486	73,486	73,486
Amortization-Distribution	130,231	134,175	152,925	157,300	161,675	166,050
Total EXPENSES	943,432	984,039	1,023,378	1,049,181	1,077,533	1,106,975
Net Revenue (Deficit) for the year	266,139	235,383	205,896	189,945	171,445	151,855

	2021	2022	2023	2024	2025	2026
CASH FLOW						
Operating Transactions						
Net revenue (deficit) for the year	266,139	235,383	205,896	189,945	171,445	151,855
Add back (deduct) non-cash expense:	-	-	-	-	-	-
Add back Loss (gain) on disposal of tangible capital	-	-	-	-	-	-
Add back Amortization of Capital Assets	189,680	209,149	227,316	230,786	235,161	239,536
Total OPERATING TRANSACTIONS	455,819	444,532	433,212	420,731	406,606	391,391
Capital Transactions						
New watermain capital	(750,000)	-	-	-	-	-
Various watermain replacements	(326,500)	(1,500,000)	(350,000)	(350,000)	(350,000)	(350,000)
Total CAPITAL TRANSACTIONS	(1,076,500)	(1,500,000)	(350,000)	(350,000)	(350,000)	(350,000)
Investing transactions						
Proceeds from portfolio investments	22,461	10,374	(10,668)	(9,379)	(8,235)	(7,268)
Total INVESTING TRANSACTIONS	22,461	10,374	(10,668)	(9,379)	(8,235)	(7,268)
Financing transactions						
Federal/Provincial grants	-	-	-	-	-	-
Proceeds from debenture issue	-	-	-	-	-	-
Longterm debt charges - Principal	(6,098)	(7,041)	(8,072)	(4,155)	-	-
Total FINANCING TRANSACTIONS	(6,098)	(7,041)	(8,072)	(4,155)	-	-
Net Cash Receipts (Payments) for the year	(604,319)	(1,052,135)	64,472	57,197	48,371	34,123
Cash at beginning of year	1,123,030	518,711	(533,423)	(468,951)	(411,754)	(363,383)
Cash at end of year	518,711	(533,423)	(468,951)	(411,754)	(363,383)	(329,260)

Notes:
1. Financial plan assumes expenses increase at 2% per year (except hydro at 5% and services agreement at 3%).

TABLE 7A - OPTION - 2
BROCKTON FINANCIAL PLAN FOR WATER WORKS - 081-303A
3% REVENUE INCREASE - MATCHING PREVIOUS INCREASE

	2021	2022	2023	2024	2025	2026
FINANCIAL POSITION						
Financial assets						
Cash and cash equivalents	554,998	(422,452)	(242,705)	(27,362)	224,395	509,608
Total FINANCIAL ASSETS	554,998	(422,452)	(242,705)	(27,362)	224,395	509,608
Liabilities						
Long-term debt	19,267	12,227	4,155	0	0	0
Total LIABILITIES	19,267	12,227	4,155	0	-	-
NET DEBT (Liabilities - Assets)	(535,731)	434,679	246,860	27,362	(224,395)	(509,608)
Non-financial assets (Tangible capital assets)						
Existing watermain and facilities - book value	8,080,393	8,967,213	10,258,064	10,380,748	10,499,962	10,614,801
New watermains and facilities - at cost	1,076,500	1,500,000	350,000	350,000	350,000	350,000
Less: Loss (gain) of tangible capital assets	-	-	-	-	-	-
Less: Amortization	(189,680)	(209,149)	(227,316)	(230,786)	(235,161)	(239,536)
Total NON-FINANCIAL ASSETS	8,967,213	10,258,064	10,380,748	10,499,962	10,614,801	10,725,265
Financial position (Non-Financial assets - Net Debt)	9,502,944	9,823,385	10,133,888	10,472,600	10,839,196	11,234,874
Analysis of financial position						
Equity in tangible capital assets	8,947,946	10,245,837	10,376,593	10,499,962	10,614,801	10,725,265
Reserves and reserve funds	554,998	-	-	-	224,395	509,608
General surplus (deficit)	-	(422,452)	(242,705)	(27,362)	-	-
Financial position (from analysis)	9,502,944	9,823,385	10,133,888	10,472,600	10,839,196	11,234,874

	2021	2022	2023	2024	2025	2026
FINANCIAL OPERATIONS						
REVENUE						
01-3135-0133 Licenses and Permits	-	-	-	-	-	-
01-3135-0135 Water Penalty-Walkerton	-	-	-	-	-	-
01-3135-0141 Transfer from Reserves	-	-	-	-	-	-
01-3135-0142 Transfer from Reserve Fund	-	-	-	-	-	-
01-3135-0145 Recoveries-disconnect/reconnections	6,180	6,365	6,556	6,753	6,956	7,164
01-3135-0150 Miscellaneous Revenue	-	-	-	-	-	-
01-3135-0255 Meter Revenue	1,239,678	1,287,016	1,335,773	1,385,994	1,437,721	1,491,000
01-3135-0256 Flat Rate no Meters	-	-	-	-	-	-
Total REVENUE	1,245,858	1,293,381	1,342,330	1,392,747	1,444,677	1,498,164
EXPENSES						
01-3135-1200 Wages-Water	63,605	64,877	66,175	67,498	68,848	70,225
01-3135-1240 Benefits-Water	18,397	18,765	19,140	19,523	19,913	20,311
01-3135-1260 Clothing allowance	204	208	212	216	221	225
01-3135-1270 Mileage	255	260	265	271	276	282
01-3135-1271 Training & Seminars	3,570	3,641	3,714	3,789	3,864	3,942
01-3135-1303 Memberships	1,530	1,561	1,592	1,624	1,656	1,689
01-3135-1305 Supplies	6,120	6,242	6,367	6,495	6,624	6,757
01-3135-1310 Legal Services	-	-	-	-	-	-
01-3135-1317 Engineering services	10,000	10,200	10,404	10,612	10,824	11,041
01-3135-1315 Payroll Process	510	520	-	-	-	-
01-3135-1320 Maintenance - Equipment	20,400	20,808	21,224	21,649	22,082	22,523
01-3135-1325 Maintenance - Grounds	7,650	7,803	7,959	8,118	8,281	8,446
01-3135-1330 Maintenance - Vehicle	1,020	1,040	1,061	1,082	1,104	1,126
01-3135-1334 Maintenance - Watermains	66,300	67,626	68,979	70,358	71,765	73,201
01-3135-1336 Maintenance - Samples	-	-	-	-	-	-
01-3135-1340 Postage	5,610	5,722	5,837	5,953	6,072	6,194
01-3135-1344 Service agreements	424,154	436,879	449,985	463,485	477,389	491,711
01-3135-1350 Telephone	891	909	927	946	965	984
01-3135-1358 Fuel - Truck	1,734	1,769	1,804	1,840	1,877	1,914
01-3135-1360 Utilities - Hydro	94,500	99,225	104,186	109,396	114,865	120,609
01-3135-1365 Utilities - Natural Gas	-	-	-	-	-	-
01-3135-1366 Utilities - Water	408	416	424	433	442	450
01-3135-1380 Insurance	20,315	20,722	21,136	21,559	21,990	22,430
01-3135-1390 Water write-offs	-	-	-	-	-	-
01-3135-1470 Public works equipment costs	3,060	3,121	3,184	3,247	3,312	3,378
01-3135-1530 Miscellaneous expenses	-	-	-	-	-	-
Water quantity report (SWP)	-	-	-	-	-	-
Subtotal Operating Expense	750,234	772,315	794,576	818,093	842,372	867,439
01-3135-1301 Longterm debt charges - Interest	3,518	2,576	1,486	302	-	-
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-
Amortization-Treatment	59,449	74,974	74,391	73,486	73,486	73,486
Amortization-Distribution	130,231	134,175	152,925	157,300	161,675	166,050
Total EXPENSES	943,432	984,039	1,023,378	1,049,181	1,077,533	1,106,975
Net Revenue (Deficit) for the year	302,426	309,341	318,952	343,566	367,144	391,189

	2021	2022	2023	2024	2025	2026
CASH FLOW						
Operating Transactions						
Net revenue (deficit) for the year	302,426	309,341	318,952	343,566	367,144	391,189
Add back (deduct) non-cash expense:	-	-	-	-	-	-
Add back Loss (gain) on disposal of tangible capital	-	-	-	-	-	-
Add back Amortization of Capital Assets	189,680	209,149	227,316	230,786	235,161	239,536
Total OPERATING TRANSACTIONS	492,106	518,490	546,268	574,352	602,305	630,725
Capital Transactions						
New watermain capital	(750,000)	-	-	-	-	-
Various watermain replacements	(326,500)	(1,500,000)	(350,000)	(350,000)	(350,000)	(350,000)
Total CAPITAL TRANSACTIONS	(1,076,500)	(1,500,000)	(350,000)	(350,000)	(350,000)	(350,000)
Investing transactions						
Proceeds from portfolio investments	22,461	11,100	(8,449)	(4,854)	(547)	4,488
Total INVESTING TRANSACTIONS	22,461	11,100	(8,449)	(4,854)	(547)	4,488
Financing transactions						
Federal/Provincial grants	-	-	-	-	-	-
Proceeds from debenture issue	-	-	-	-	-	-
Longterm debt charges - Principal	(6,098)	(7,041)	(8,072)	(4,155)	-	-
Total FINANCING TRANSACTIONS	(6,098)	(7,041)	(8,072)	(4,155)	-	-
Net Cash Receipts (Payments) for the year	(568,032)	(977,450)	179,747	215,343	251,758	285,213
Cash at beginning of year	1,123,030	554,998	(422,452)	(242,705)	(27,362)	224,395
Cash at end of year	554,998	(422,452)	(242,705)	(27,362)	224,395	509,608

Notes:

1. Financial plan assumes expenses increase at 2% per year (except hydro at 5% and services agreement at 3%).

TABLE 7A - OPTION - 3
BROCKTON FINANCIAL PLAN FOR WATER WORKS - 081-303A
3.8% REVENUE INCREASE - SET ROR TO MATCH REMAINING LIFE EXPECTANCY

	2021	2022	2023	2024	2025	2026
FINANCIAL POSITION						
Financial assets						
Cash and cash equivalents	564,675	(392,492)	(180,867)	78,998	389,034	747,461
Total FINANCIAL ASSETS	564,675	(392,492)	(180,867)	78,998	389,034	747,461
Liabilities						
Long-term debt	19,267	12,227	4,155	0	0	0
Total LIABILITIES	19,267	12,227	4,155	0	-	-
NET DEBT (Liabilities - Assets)	(545,408)	404,719	185,022	(78,998)	(389,034)	(747,461)
Non-financial assets (Tangible capital assets)						
Existing watermain and facilities - book value	8,080,393	8,967,213	10,258,064	10,380,748	10,499,962	10,614,801
New watermains and facilities - at cost	1,076,500	1,500,000	350,000	350,000	350,000	350,000
Less: Loss (gain) of tangible capital assets	-	-	-	-	-	-
Less: Amortization	(189,680)	(209,149)	(227,316)	(230,786)	(235,161)	(239,536)
Total NON-FINANCIAL ASSETS	8,967,213	10,258,064	10,380,748	10,499,962	10,614,801	10,725,265
Financial position (Non-Financial assets - Net Debt)	9,512,620	9,853,345	10,195,726	10,578,960	11,003,835	11,472,726
Analysis of financial position						
Equity in tangible capital assets	8,947,946	10,245,837	10,376,593	10,499,962	10,614,801	10,725,265
Reserves and reserve funds	564,675	-	-	78,998	389,034	747,461
General surplus (deficit)	-	(392,492)	(180,867)	-	-	-
Financial position (from analysis)	9,512,620	9,853,345	10,195,726	10,578,960	11,003,835	11,472,726

	2021	2022	2023	2024	2025	2026
FINANCIAL OPERATIONS						
REVENUE						
01-3135-0133 Licenses and Permits	-	-	-	-	-	-
01-3135-0135 Water Penalty-Walkerton	-	-	-	-	-	-
01-3135-0141 Transfer from Reserves	-	-	-	-	-	-
01-3135-0142 Transfer from Reserve Fund	-	-	-	-	-	-
01-3135-0145 Recoveries-disconnect/reconnections	6,228	6,465	6,710	6,965	7,230	7,505
01-3135-0150 Miscellaneous Revenue	-	-	-	-	-	-
01-3135-0255 Meter Revenue	1,249,306	1,307,006	1,366,899	1,429,067	1,493,598	1,560,580
01-3135-0256 Flat Rate no Meters	-	-	-	-	-	-
Total REVENUE	1,255,534	1,313,471	1,373,609	1,436,032	1,500,828	1,568,085
EXPENSES						
01-3135-1200 Wages-Water	63,605	64,877	66,175	67,498	68,848	70,225
01-3135-1240 Benefits-Water	18,397	18,765	19,140	19,523	19,913	20,311
01-3135-1260 Clothing allowance	204	208	212	216	221	225
01-3135-1270 Mileage	255	260	265	271	276	282
01-3135-1271 Training & Seminars	3,570	3,641	3,714	3,789	3,864	3,942
01-3135-1303 Memberships	1,530	1,561	1,592	1,624	1,656	1,689
01-3135-1305 Supplies	6,120	6,242	6,367	6,495	6,624	6,757
01-3135-1310 Legal Services	-	-	-	-	-	-
01-3135-1317 Engineering services	10,000	10,200	10,404	10,612	10,824	11,041
01-3135-1315 Payroll Process	510	520	-	-	-	-
01-3135-1320 Maintenance - Equipment	20,400	20,808	21,224	21,649	22,082	22,523
01-3135-1325 Maintenance - Grounds	7,650	7,803	7,959	8,118	8,281	8,446
01-3135-1330 Maintenance - Vehicle	1,020	1,040	1,061	1,082	1,104	1,126
01-3135-1334 Maintenance - Watermains	66,300	67,626	68,979	70,358	71,765	73,201
01-3135-1336 Maintenance - Samples	-	-	-	-	-	-
01-3135-1340 Postage	5,610	5,722	5,837	5,953	6,072	6,194
01-3135-1344 Service agreements	424,154	436,879	449,985	463,485	477,389	491,711
01-3135-1350 Telephone	891	909	927	946	965	984
01-3135-1358 Fuel - Truck	1,734	1,769	1,804	1,840	1,877	1,914
01-3135-1360 Utilities - Hydro	94,500	99,225	104,186	109,396	114,865	120,609
01-3135-1365 Utilities - Natural Gas	-	-	-	-	-	-
01-3135-1366 Utilities - Water	408	416	424	433	442	450
01-3135-1380 Insurance	20,315	20,722	21,136	21,559	21,990	22,430
01-3135-1390 Water write-offs	-	-	-	-	-	-
01-3135-1470 Public works equipment costs	3,060	3,121	3,184	3,247	3,312	3,378
01-3135-1530 Miscellaneous expenses	-	-	-	-	-	-
Water quantity report (SWP)	-	-	-	-	-	-
Subtotal Operating Expense	750,234	772,315	794,576	818,093	842,372	867,439
01-3135-1301 Longterm debt charges - Interest	3,518	2,576	1,486	302	-	-
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-
Amortization-Treatment	59,449	74,974	74,391	73,486	73,486	73,486
Amortization-Distribution	130,231	134,175	152,925	157,300	161,675	166,050
Total EXPENSES	943,432	984,039	1,023,378	1,049,181	1,077,533	1,106,975
Net Revenue (Deficit) for the year	312,102	329,431	350,231	386,851	423,295	461,110

	2021	2022	2023	2024	2025	2026
CASH FLOW						
Operating Transactions						
Net revenue (deficit) for the year	312,102	329,431	350,231	386,851	423,295	461,110
Add back (deduct) non-cash expense:	-	-	-	-	-	-
Add back Loss (gain) on disposal of tangible capital	-	-	-	-	-	-
Add back Amortization of Capital Assets	189,680	209,149	227,316	230,786	235,161	239,536
Total OPERATING TRANSACTIONS	501,782	538,580	577,547	617,637	658,456	700,646
Capital Transactions						
New watermain capital	(750,000)	-	-	-	-	-
Various watermain replacements	(326,500)	(1,500,000)	(350,000)	(350,000)	(350,000)	(350,000)
Total CAPITAL TRANSACTIONS	(1,076,500)	(1,500,000)	(350,000)	(350,000)	(350,000)	(350,000)
Investing transactions						
Proceeds from portfolio investments	22,461	11,293	(7,850)	(3,617)	1,580	7,781
Total INVESTING TRANSACTIONS	22,461	11,293	(7,850)	(3,617)	1,580	7,781
Financing transactions						
Federal/Provincial grants	-	-	-	-	-	-
Proceeds from debenture issue	-	-	-	-	-	-
Longterm debt charges - Principal	(6,098)	(7,041)	(8,072)	(4,155)	-	-
Total FINANCING TRANSACTIONS	(6,098)	(7,041)	(8,072)	(4,155)	-	-
Net Cash Receipts (Payments) for the year	(558,355)	(957,167)	211,625	259,865	310,036	358,427
Cash at beginning of year	1,123,030	564,675	(392,492)	(180,867)	78,998	389,034
Cash at end of year	564,675	(392,492)	(180,867)	78,998	389,034	747,461

Notes:

1. Financial plan assumes expenses increase at 2% per year (except hydro at 5% and services agreement at 3%).

TABLE 7A - OPTION - 4
BROCKTON FINANCIAL PLAN FOR WATER WORKS - 081-303A
6.6% REVENUE INCREASE - ACHIEVE FULL COST RECOVERY BY 2026

	2021	2022	2023	2024	2025	2026
FINANCIAL POSITION						
Financial assets						
Cash and cash equivalents	598,543	(286,413)	40,643	464,461	992,743	1,629,976
Total FINANCIAL ASSETS	598,543	(286,413)	40,643	464,461	992,743	1,629,976
Liabilities						
Long-term debt	19,267	12,227	4,155	0	0	0
Total LIABILITIES	19,267	12,227	4,155	0	-	-
NET DEBT (Liabilities - Assets)	(579,276)	298,639	(36,488)	(464,461)	(992,743)	(1,629,976)
Non-financial assets (Tangible capital assets)						
Existing watermain and facilities - book value	8,080,393	8,967,213	10,258,064	10,380,748	10,499,962	10,614,801
New watermains and facilities - at cost	1,076,500	1,500,000	350,000	350,000	350,000	350,000
Less: Loss (gain) of tangible capital assets	-	-	-	-	-	-
Less: Amortization	(189,680)	(209,149)	(227,316)	(230,786)	(235,161)	(239,536)
Total NON-FINANCIAL ASSETS	8,967,213	10,258,064	10,380,748	10,499,962	10,614,801	10,725,265
Financial position (Non-Financial assets - Net Debt)	9,546,488	9,959,425	10,417,236	10,964,423	11,607,545	12,355,241
Analysis of financial position						
Equity in tangible capital assets	8,947,946	10,245,837	10,376,593	10,499,962	10,614,801	10,725,265
Reserves and reserve funds	598,543	-	40,643	464,461	992,743	1,629,976
General surplus (deficit)	-	(286,413)	-	-	-	-
Financial position (from analysis)	9,546,488	9,959,425	10,417,236	10,964,423	11,607,545	12,355,241

	2021	2022	2023	2024	2025	2026
FINANCIAL OPERATIONS						
REVENUE						
01-3135-0133 Licenses and Permits	-	-	-	-	-	-
01-3135-0135 Water Penalty-Walkerton	-	-	-	-	-	-
01-3135-0141 Transfer from Reserves	-	-	-	-	-	-
01-3135-0142 Transfer from Reserve Fund	-	-	-	-	-	-
01-3135-0145 Recoveries-disconnect/reconnections	6,396	6,818	7,268	7,748	8,259	8,804
01-3135-0150 Miscellaneous Revenue	-	-	-	-	-	-
01-3135-0255 Meter Revenue	1,283,006	1,378,187	1,479,649	1,587,808	1,703,105	1,826,012
01-3135-0256 Flat Rate no Meters	-	-	-	-	-	-
Total REVENUE	1,289,402	1,385,005	1,486,917	1,595,556	1,711,364	1,834,816
EXPENSES						
01-3135-1200 Wages-Water	63,605	64,877	66,175	67,498	68,848	70,225
01-3135-1240 Benefits-Water	18,397	18,765	19,140	19,523	19,913	20,311
01-3135-1260 Clothing allowance	204	208	212	216	221	225
01-3135-1270 Mileage	255	260	265	271	276	282
01-3135-1271 Training & Seminars	3,570	3,641	3,714	3,789	3,864	3,942
01-3135-1303 Memberships	1,530	1,561	1,592	1,624	1,656	1,689
01-3135-1305 Supplies	6,120	6,242	6,367	6,495	6,624	6,757
01-3135-1310 Legal Services	-	-	-	-	-	-
01-3135-1317 Engineering services	10,000	10,200	10,404	10,612	10,824	11,041
01-3135-1315 Payroll Process	510	520	-	-	-	-
01-3135-1320 Maintenance - Equipment	20,400	20,808	21,224	21,649	22,082	22,523
01-3135-1325 Maintenance - Grounds	7,650	7,803	7,959	8,118	8,281	8,446
01-3135-1330 Maintenance - Vehicle	1,020	1,040	1,061	1,082	1,104	1,126
01-3135-1334 Maintenance - Watermains	66,300	67,626	68,979	70,358	71,765	73,201
01-3135-1336 Maintenance - Samples	-	-	-	-	-	-
01-3135-1340 Postage	5,610	5,722	5,837	5,953	6,072	6,194
01-3135-1344 Service agreements	424,154	436,879	449,985	463,485	477,389	491,711
01-3135-1350 Telephone	891	909	927	946	965	984
01-3135-1358 Fuel - Truck	1,734	1,769	1,804	1,840	1,877	1,914
01-3135-1360 Utilities - Hydro	94,500	99,225	104,186	109,396	114,865	120,609
01-3135-1365 Utilities - Natural Gas	-	-	-	-	-	-
01-3135-1366 Utilities - Water	408	416	424	433	442	450
01-3135-1380 Insurance	20,315	20,722	21,136	21,559	21,990	22,430
01-3135-1390 Water write-offs	-	-	-	-	-	-
01-3135-1470 Public works equipment costs	3,060	3,121	3,184	3,247	3,312	3,378
01-3135-1530 Miscellaneous expenses	-	-	-	-	-	-
Water quantity report (SWP)	-	-	-	-	-	-
Subtotal Operating Expense	750,234	772,315	794,576	818,093	842,372	867,439
01-3135-1301 Longterm debt charges - Interest	3,518	2,576	1,486	302	-	-
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-
Amortization-Treatment	59,449	74,974	74,391	73,486	73,486	73,486
Amortization-Distribution	130,231	134,175	152,925	157,300	161,675	166,050
Total EXPENSES	943,432	984,039	1,023,378	1,049,181	1,077,533	1,106,975
Net Revenue (Deficit) for the year	345,970	400,965	463,539	546,375	633,832	727,842

	2021	2022	2023	2024	2025	2026
CASH FLOW						
Operating Transactions						
Net revenue (deficit) for the year	345,970	400,965	463,539	546,375	633,832	727,842
Add back (deduct) non-cash expense:	-	-	-	-	-	-
Add back Loss (gain) on disposal of tangible capital	-	-	-	-	-	-
Add back Amortization of Capital Assets	189,680	209,149	227,316	230,786	235,161	239,536
Total OPERATING TRANSACTIONS	535,650	610,114	690,855	777,161	868,993	967,378
Capital Transactions						
New watermain capital	(750,000)	-	-	-	-	-
Various watermain replacements	(326,500)	(1,500,000)	(350,000)	(350,000)	(350,000)	(350,000)
Total CAPITAL TRANSACTIONS	(1,076,500)	(1,500,000)	(350,000)	(350,000)	(350,000)	(350,000)
Investing transactions						
Proceeds from portfolio investments	22,461	11,971	(5,728)	813	9,289	19,855
Total INVESTING TRANSACTIONS	22,461	11,971	(5,728)	813	9,289	19,855
Financing transactions						
Federal/Provincial grants	-	-	-	-	-	-
Proceeds from debenture issue	-	-	-	-	-	-
Longterm debt charges - Principal	(6,098)	(7,041)	(8,072)	(4,155)	-	-
Total FINANCING TRANSACTIONS	(6,098)	(7,041)	(8,072)	(4,155)	-	-
Net Cash Receipts (Payments) for the year	(524,487)	(884,955)	327,055	423,819	528,282	637,232
Cash at beginning of year	1,123,030	598,543	(286,413)	40,643	464,461	992,743
Cash at end of year	598,543	(286,413)	40,643	464,461	992,743	1,629,976

Notes:
1. Financial plan assumes expenses increase at 2% per year (except hydro at 5% and services agreement at 3%).