Township of Leeds and Thousand Islands - Water and Wastewater Financial Plan O. Reg. 453/07 and Rates

Township of
Leeds and the
Thousand Islands

BMA MANAGEMENT CONSULTING INC.

Table of Contents

Executive Summary 3

Introduction 5

Water and Wastewater Financial Plan Introduction 6

Sustainable Financial Planning 7

Guiding Principles 8

The Financial Plan is Dynamic 8

Regulatory and Legislative Environment 9

Model Development 11

Background – Water and Wastewater System Overview 12

Asset Management Plan 13

Annual Funding Shortfall 13

Financial Environment, Forecast Assumptions and Financial Policies 14

Challenges/Risks/Opportunities 15

Sources of Data Used 16

Water and Wastewater Key Assumptions 17

..... 17

Summary of Water Operating Budget Requirements 18

Summary of Wastewater Operating Budget Requirements 19

Water Capital Budget 20

Wastewater Capital Budget 21

Water and Wastewater Reserve Strategies 21

Water Reserve Forecast 23

Wastewater Reserve Forecast 24

Debt Strategies 26

Water and Wastewater Debt Forecast 27

Water and Wastewater Rates 28

Rate Calculation Introduction 29

Rate Structure - Goals and Objectives 30

Historical Water and Wastewater Rates 31

Number of Customers 32

Water Consumption 32

10 Year Forecast Rates 33

Customer Impact Analysis 34

Reporting Requirements O.Reg. 453-07 35

Introduction—O.Reg. 453/07 36

Water Statement of Financial Operations 37

Water Statement of Cash Flow/Cash Receipts 38

Water Statement of Financial Position 39

Wastewater Statement of Financial Operations 40

Wastewater Statement of Cash Flow/Cash Receipts 41

Wastewater Statement of Financial Position 42

Table of Figures

Figure 1 - Water and Wastewater Assets 2025 Replacement Costs 13
Figure 2 - 2026 Capital Contributions to Water and WW AMP Recommended Targets 13
Figure 3 - Water Operating Budget by Year 18
Figure 4 - Wastewater Operating Budget by Year 19
Figure 5 - Water Capital Budget and Source of Funding 20
Figure 6 - WW Capital Budget and Source of Funding 21
Figure 7 - Water Reserve Ending Balance as a % of Replacement Costs 23
Figure 8 - Water Reserve Contributions in Accordance with AMP target 23
Figure 9 - WW Reserve Ending Balance as a % of Replacement Costs ... 24
Figure 10 - WW Reserve Contribution in Accordance with AMP Target 24
Figure 11 - Water Reserve Balance Forecast 25
Figure 12 - WW Reserve Balance Forecast 25
Figure 13 - Water Debt Outstanding Forecast 27
Figure 14 - Water and WW Debt Charges as a % of Own Source Revenues 27
Figure 15 - Water and Sewer Historical Rates 31
Figure 16 - Water Number of Meters Forecast 32
Figure 17 - Water Consumption Forecast (m3) 32
Figure 18 - Water and Sewer Forecasted Rates 33
Figure 19 - Residential Customer Impact Forecast 34

Executive Summary

The Township of Leeds and the Thousand Islands in conjunction with BMA Management Consulting has prepared a comprehensive Water and Wastewater Financial Plan to meet the requirements of the Safe Drinking Water Act, 2002 and to support the renewal of its Municipal Drinking Water Licence. The plan provides a 10-year financial outlook (2026–2035) for the Township's small but capital-intensive systems serving approximately 300 properties in Lansdowne.

The plan integrates the Township's 2025 Asset Management Plan, long-term capital forecast, reserve strategies, and rate modelling to ensure safe, reliable, and financially sustainable services.

Key Findings

1. Significant Capital Pressures – Especially for Water

- Water system replacement value: **$11 million**; wastewater: **$2.3 million**
- A major water storage and fire-flow upgrade in 2026 requires **$3.4 million in debt financing**.
- Total 10-year capital needs:
  - **Water**: $7.1 million
  - **Wastewater**: $8.6 million (largely dependent on $8 million in assumed grants)

2. Asset Management Funding Gap

- Annual AMP-identified requirement:
  - **Water**: $232,675
  - **Wastewater**: $38,950
- The plan identifies a **significant annual funding shortfall in water**, requiring a long-term rate strategy.
- Wastewater contributions exceed AMP targets, creating stability.

3. Reserve and Debt Strategy

- Water reserves decline sharply in early years due to the 2026 capital project but recover to target levels (3–5% of asset replacement value) by **2034**.
- Wastewater reserves remain strong throughout the forecast period.

- Debt servicing for combined water and wastewater remain within the acceptable **15–25% benchmark** for small rural systems.

4. Operating Budget Outlook

- Operating costs increase with inflation (2.5%–3% annually).
- Water operations experience deficits from **2027–2031** due to new debt charges, returning to surplus by **2032**.
- Wastewater operations remain stable, with projected deficits in **2032–2035** fully covered by available cash.

5. Rate Strategy and Customer Impacts

- **Water rates increase 9% annually** for 10 years.
- **Wastewater rates remain unchanged** (0% increase).
- For a typical residential customer using **180 m³ annually**, the blended water/wastewater bill increases by approximately **4.6% in 2027**.
- This approach balances affordability with the need to rebuild water reserves and fund long-term asset renewal.

6. Compliance with O. Reg. 453/07

The plan includes all required financial statements:

- Statement of Financial Operations
- Statement of Cash Flow
- Statement of Financial Position

These statements demonstrate that the Township can maintain positive cash balances, support required capital renewal and meet full-cost recovery expectations.

Conclusion

The Financial Plan positions the Township to maintain safe, reliable, and affordable water and wastewater services while addressing aging infrastructure and regulatory requirements. The plan is financially viable, meets provincial licensing requirements, and provides a clear roadmap for sustainable rate setting, reserve management, and capital investment over the next decade.

Water and Wastewater Financial Plan Forecast

Water and Wastewater Financial Plan Introduction

The Township of Leeds and the Thousand Islands relies on safe, reliable, and financially sustainable water and wastewater services to support residents, local businesses, and the community's long-term growth. Although the Township is largely rural, its serviced areas—particularly in Lansdowne and Lyndhurst—depend on well-maintained treatment and distribution systems to protect public health, meet regulatory standards, and ensure environmental stewardship across the region's sensitive watershed.

The Ministry of Environment, Conservation and Parks (MECP) passed the Safe Drinking Water Act, 2002 (SDWA) which requires owners of municipal drinking water systems to renew their Municipal Drinking Water Licence every 5 years. A Financial Plan is a legislated requirement under the SDWA for licence renewal.

The Financial Plan must:

- Be approved Council resolution indicating that the drinking water system is financially viable.
- Include a statement that the financial impacts are considered and apply for a minimum six-year period.
- Provide detail regarding proposed or projected financial operations itemized by total revenues, total expenses, annual surplus/deficit and accumulated surplus/deficit (i.e. the components of a "Statement of Operations" as per PSAB) for each year in which the Financial Plans apply.
- Be available to the public upon request and at no charge.
- Include a website version of the report through publication on the Internet at no charge; and
- Be submitted to the Ministry of Municipal Affairs and Housing.

The categories to be included in the Financial Plan can be found in three statements: Statement of Operations, Statement of Cash Flows and Statement of Financial Position.

These categories of financial information provide a sound picture of the financial position of the drinking water system and are aligned with municipal financial statements prepared on a full accrual accounting basis.

This Financial Plan fulfills the requirements of the Safe Drinking Water Act and provides the Township with a realistic and informed view of operating and capital expenditures needed to maintain the integrity and health of its physical infrastructure.

This Financial Plan is not binding on Council; however, it provides a framework for guiding future operating and capital budgets.

Sustainable Financial Planning

The Province's *Principles of Financially Sustainability Water and Wastewater services* are found in the MECP Financial Planning Guideline and provided below.

- **Principle #1:** Ongoing public engagement and transparency.
- **Principle #2:** An integrated approach to planning among water, wastewater, and storm water systems is desirable given the inherent relationship among these services.
- **Principle #3:** Revenues collected for the provision of water and wastewater services should ultimately be used to meet the needs of those services.
- **Principle #4**: Lifecycle planning with mid-course corrections is preferable to planning over the short-term or not planning at all.
- **Principle #5:** An asset management plan is a key input to the development of a Financial Plan.
- **Principle #6:** A sustainable level of revenue allows for reliable service that meets or exceeds environmental protection standards, while providing sufficient resources for future rehabilitation and replacement needs.
- **Principle #7:** Ensuring users pay for the services they are provided leads to equitable outcomes and can improve conservation.
- **Principle #8:** Financial Plans are "living" documents that require continuous improvement. Comparing the accuracy of financial projections with actual results can lead to improved planning in the future.
- **Principle #9:** Financial Plans benefit from the close collaboration of various groups, including engineers, accountants, auditors, utility staff, and municipal council.

This Financial Plan has been prepared in accordance with the Financial Plan regulation (O. Reg. 453/07) made under the Safe Drinking Water Act, as well as the provisions of the Financial Planning guidelines published by the MECP in August 2007, entitled "Toward Financially Sustainable Drinking-Water and Wastewater Systems".

Guiding Principles

The following guiding principles have been used as the basis for the creation of the Water and Wastewater Financial Plan:

- Ensure a reasonable degree of stability and predictability in the rate burden.
- Provide fair sharing in the distribution of resources between current and future ratepayers.
- Provide for sustainable cash flows.
- Maximize financial flexibility.
- Minimize financial vulnerability during economic downturns.
- Maintain programs and services at their desired levels; and
- Protect and maintain the water and wastewater system.

Ultimately, this plan is a roadmap for maintaining safe, reliable and affordable water and wastewater services. It positions the Township to manage aging infrastructure, accommodate growth and respond to emerging challenges while ensuring the costs are share fairly across current and future users.

The Financial Plan is Dynamic

Great effort has been made to present accurate financial projections, based upon the data available, however there are many circumstances that could occur within the six-year timeframe that would affect the assumptions in the projections. Council priorities, planning policies, changes to service levels, consumption projections and infrastructure requirements will certainly lead to changes. The Financial Plan should be closely monitored and re-evaluated on an on-going basis.

Regulatory and Legislative Environment

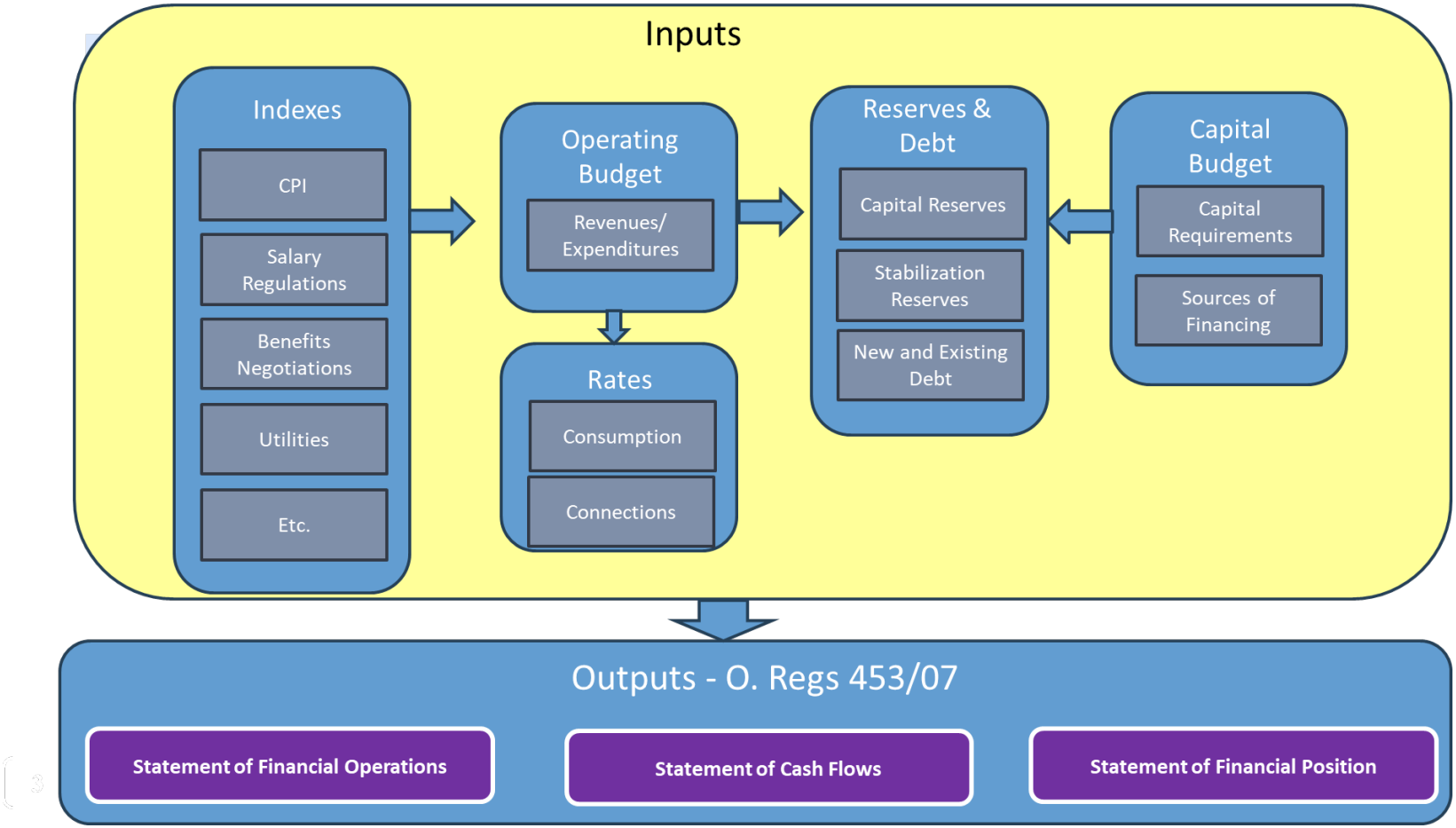
Legislative and regulatory changes will continue to be a factor that drives the cost of service well into the future. There are numerous statutes and associated regulations that dictate service and service levels including:

- Municipal Act;
- Clean Water Act;
- Water Opportunities Act;
- Ontario Water Resources Act;
- Safe Drinking Water Act (SDWA);
- Environmental Protection Act;
- Environmental Assessment Act;
- PSAB 3150, Tangible Capital Assets Reporting, and;
- More Housing Built Faster Act.

Financial Forecast Development

Model Development

The Financial Plan was developed based on an analysis of all factors impacting the Water and Wastewater Capital and Operating Budgets. As shown below, due to the inter-relationship between all components of the plan, changes in any of the assumptions will potentially have an impact throughout the Financial Plan.



Background – Water and Wastewater System Overview

The Water and Wastewater Systems are overseen by the Operations and Infrastructure department of the Township. The Township contracts out the operations and maintenance of the Systems through a service agreement with the Ontario Clean Water Agency. The systems provide water and wastewater services to approximately 300 properties within the Township's service area of the Village of Lansdowne. The water and wastewater services are self-funded. User rates charged are intended to recover the operating and capital costs.

Water and Wastewater Systems are extremely capital intensive. The replacement cost of the water assets is $11 million and $2.3 million of wastewater assets. These assets have a limited useful life and eventually must be replaced. In addition, upgrades are required to address fire flow and water storage capacity for fire services in addition to providing sufficient drinking water capacity for future growth in Lansdown in the amount of $6.7 million. This project is partially funded from a Provincial grant of $3.3 million.

The Township of Leeds and Thousand Islands water and wastewater operations, like most other Ontario municipalities, are facing fiscal challenges. Water and wastewater operations require significant capital infrastructure. The capital infrastructure must eventually be replaced within:

- a limited funding framework,
- relatively flat revenue streams, and
- limited ability to modify the waterworks operations.

The long-range costs of owning and maintaining these assets (the "full life" cycle costs) are often overlooked in the budgeting process.

The primary source of funding these replacement costs are primarily from the operating budget.

Asset Management Plan

The Township updated the water and wastewater Asset Management Plan in 2025. Combining the AMP with financial planning helps establish long term sustainable infrastructure. The financial plan allows the Township to identify the financial resources required based on asset inventories.

Figure 1 - Water and Wastewater Assets 2025 Replacement Costs

Category	2025 Replacement Costs
Water System	$ 11,027,000
Sanitary Sewer System	$ 2,336,000
Total	**$ 13,363,000**

Annual Funding Shortfall

The AMP determined the required amount that should be allocated annually to meet projected. The 2025 AMP report identified the requirements which have been inflated by 2.5% annually. There is an annual requirement of $232,675 in water and $38,950 in wastewater. The required amount was compared to the 2026 budgeted contributions. As illustrated in Figure 2, there is a significant annual funding gap in water.

The shortfall in the water will require a significant increase to water rates, however, the surplus in wastewater provides an opportunity to maintain existing wastewater rates over the next 10-year period.

Figure 2 - 2026 Capital Contributions to Water and WW AMP Recommended Targets

2026 Capital Contributions	Water	Wastewater
Current Capital Contribution for Asset Replacement	$ (8,800)	$ 106,000
Recommended Annual Average Contribution (AMP)	$ 232,675	$ 38,950
Estimated Annual Funding Gap	$ (241,475)	$ 67,050

The Financial Plan recommends a gradual phase-in of increased capital reserve contributions for water over a 10-year period. This approach balances ratepayer affordability with financial sustainability.

Financial Environment, Forecast Assumptions and Financial Policies

Challenges/Risks/Opportunities

The following summarizes the key challenges, risks and opportunities to long-term financial sustainability which have been addressed as part of the plan:

Water System

- Major capital in 2026 drives reserves depletion and required debt financing of $3.4 million.
- Asset management gap is $135,000 per year
- Long term reserve rebuilding is required

Wastewater System

- Strong reserve position
- Asset management contributions exceed target
- Major upgrades in 2031-2033 are assumed to be grant funded

The Township faces pressure typical of small rural systems, an aging infrastructure, limited economies of scale and the need to ensure that water and wastewater users support long-term asset renewal.

This plan integrates the Township's asset management plan, 10-year capital forecast, reserve strategies and debt financing requirements to demonstrate long-term financial stability.

Sources of Data Used

- ***Reserves*** — Water and Wastewater Reserve year end balances as of 2025.
- ***Consumption by Customer Accounts and Meters by Size*** — Consumption trends 2023-2025 were provided by the Township to determine an appropriate assumption with respect to rate setting.
- ***Operating Budget*** — The 2026 Operating Budget for Water and Wastewater.
- ***2026-2035 Capital Budget*** — The proposed Capital Budget included sources of financing, such as contributions from reserves and grant recoveries.
- ***Financial Information Return (FIR) 2024*** — The Township's FIR was used in the preparation of the O. Regs. with respect to amortization information.
- ***2025 Asset Management Plan (AMP)*** – The 2025 AMP was used to calculate infrastructure replacement needs.
- ***Historical Rates*** — A review was undertaken of the historical rates to gain perspective into the strategies that have been deployed to support financial sustainability.

Water and Wastewater Key Assumptions

The following provides the key assumptions that were used in the financial plan:

- ***Capital Projects*** — The plan is based on the Township's 2026-2035 Capital Budget.
- ***Financial Plan*** — The financial plan covers a period of 10 years from 2026-2035.
- ***Debt Terms*** — Debt for Water has been amortized over a period of 25 years at an assumed rate of 4%.
- ***Water & Wastewater Capital Reserves*** — The opening balance for 2026 Water and Wastewater Capital Reserves and Reserve Funds are based on the year-end estimated balance for 2025 and the 2026 budget transfers.
- ***Service Standards*** — Water and wastewater programs are maintained at their current service levels.
- ***Operating Budget Assumptions*** — The Township provided the 2026 Operating Budgets and expenditure increases for 2027-2035 were based on 2.5% annual inflation with the following exceptions. The contracted jobs, maintenance and OCWA are assumed to increase 3% annually.

Summary of Water Operating Budget Requirements

The Township's objective in establishing the water rates is to avoid large fluctuations from year to year and are set at a level to adequately cover current operating costs, maintain and repair the Township's existing asset base, and replace assets where appropriate. The following table reflects the forecast revenues and expenditures based on assumptions.

Figure 3 - Water Operating Budget by Year

Water	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water	$ 350,400	$ 374,684	$ 411,036	$450,880	$494,577	$542,496	$595,017	$652,602	$715,759	$784,976
Consumptive Revenue	$ 24,300	$ 45,176	$ 49,220	$ 53,637	$ 58,471	$ 63,721	$ 69,432	$ 75,684	$ 82,477	$ 89,936
Other Revenues	$ 26,600	$ 16,502	$ 14,457	$ 12,456	$ 9,354	$ 8,251	$ 8,315	$ 8,363	$ 10,799	$ 13,157
Total Revenues	**$ 401,300**	**$ 436,363**	**$ 474,712**	**$516,972**	**$562,402**	**$614,469**	**$672,764**	**$736,649**	**$809,035**	**$888,069**
O.C.W.A.	$ 171,100	$ 176,233	$ 181,520	$186,966	$192,575	$198,352	$204,302	$210,431	$216,744	$223,247
Contracted Jobs	$ 87,100	$ 73,645	$ 83,945	$ 91,155	$ 99,395	$ 94,245	$ 87,035	$ 83,945	$100,425	$ 83,945
Operating Expenses	$ 143,100	$ 66,678	$ 68,344	$ 70,053	$ 71,804	$ 73,599	$ 75,439	$ 77,325	$ 79,259	$ 81,240
Debt Charges	$ -	$ 217,641	$ 217,641	$217,641	$217,641	$217,641	$217,641	$217,641	$217,641	$217,641
Transfer to Water Capital Reserve	$ -	$ (97,833)	$ (76,738)	$ (48,842)	$ (19,012)	$ 30,632	$ 88,346	$147,306	$194,966	$281,997
Total Expenditures	**$ 401,300**	**$ 436,363**	**$ 474,712**	**$516,972**	**$562,402**	**$614,469**	**$672,764**	**$736,649**	**$809,035**	**$888,069**

Summary of Wastewater Operating Budget Requirements

The Township's objective in establishing the wastewater rates is to avoid large fluctuations from year to year and are set at a level to adequately cover current operating costs, maintain and repair the Township's existing asset base, and replace assets where appropriate. The following table reflects the forecast revenues and expenditures based on assumptions.

Figure 4 - Wastewater Operating Budget by Year

Wastewater	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Sewer	$ 330,800	$ 323,301	$ 325,392	$ 327,482	$ 329,573	$ 331,664	$ 333,754	$ 335,845	$ 337,935	$ 340,026
Base Charge Revenue	$ 20,600	$ 25,951	$ 25,951	$ 25,951	$ 25,951	$ 25,951	$ 25,951	$ 25,951	$ 25,951	$ 25,951
Other Revenues	$ 18,300	$ 16,835	$ 17,142	$ 18,724	$ 19,432	$ 20,993	$ 21,981	$ 23,412	$ 20,945	$ 22,159
Total Revenues	**$ 369,700**	**$ 366,087**	**$ 368,485**	**$ 372,157**	**$ 374,956**	**$ 378,608**	**$ 381,687**	**$ 385,208**	**$ 384,832**	**$ 388,136**
O.C.W.A.	$ 145,100	$ 149,453	$ 153,937	$ 158,555	$ 163,311	$ 168,211	$ 173,257	$ 178,455	$ 183,808	$ 189,323
Contracted Jobs	$ 55,500	$ 69,010	$ 68,495	$ 109,695	$ 68,495	$ 94,245	$ 68,495	$ 119,995	$ 68,495	$ 68,495
Operating Expenses	$ 63,100	$ 64,678	$ 66,294	$ 67,952	$ 69,651	$ 71,392	$ 73,177	$ 75,006	$ 76,881	$ 78,803
Transfer to WW Capital Reserve	$ 106,000	$ 82,946	$ 79,759	$ 35,956	$ 73,499	$ 44,760	$ 66,758	$ 11,753	$ 55,648	$ 51,515
Total Expenditures	**$ 369,700**	**$ 366,087**	**$ 368,485**	**$ 372,157**	**$ 374,956**	**$ 378,608**	**$ 381,687**	**$ 385,208**	**$ 384,832**	**$ 388,136**

Water Capital Budget

The following graph reflects the Capital Plan for the next 10 years to address the replacement of existing infrastructure as well as the growth-related capital for water and the associated sources of financing. The total capital requirements over the next 10 years is $7.1 million. As shown in Figure 5, there is a need to issue $3.4 million in debt to address capital requirements, primarily associated with the water storage upgrade.

Figure 5 - Water Capital Budget and Source of Funding

Water Capital Budget	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total (2026-2035)
Total Capital Requirements	**$ 6,686,172**	**$ 8,000**	**$ 27,000**	**$ 110,000**	**$ 40,000**	**$ 31,400**	**$ 90,000**	**$ 29,700**	**$ 81,300**	**$ 29,000**	**$ 7,132,572**
Reserve Funded	$ -	$ 8,000	$ 27,000	$ 110,000	$ 40,000	$ 31,400	$ 90,000	$ 29,700	$ 81,300	$ 29,000	**$ 446,400**
Grants	$ 3,286,172	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 3,286,172**
Debenture	$ 3,400,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 3,400,000**

Wastewater Capital Budget

The following graph reflects the Capital Plan for the next 10 years to address the replacement of existing infrastructure as well as the growth-related capital for wastewater and the associated sources of financing. The total capital requirements over the next 10 years is $8.6 million. As shown in Figure 6, this includes $8 million in grant funding related to capital requirements for sanitary collection system upsizing, sanitary pumping station upgrades and the wastewater treatment plant. There is a risk that grant funding may not materialize and would therefore have to be funded by rates.

Figure 6 - WW Capital Budget and Source of Funding

Wastewater Capital Budget	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total (2026-2035)
Total Capital Requirements	**$ 357,500**	**$ 71,800**	**$ 5,000**	**$ 5,000**	**$ -**	**$ 1,000,000**	**$ 2,500,000**	**$ 4,640,000**	**$ -**	**$ 35,000**	**$ 8,614,300**
Reserve Funded	$ 357,500	$ 71,800	$ 5,000	$ 5,000	$ -	$ -	$ -	$ 140,000	$ -	$ 35,000	**$ 614,300**
Grants	$ -	$ -	$ -	$ -	$ -	$ 1,000,000	$ 2,500,000	$ 4,500,000	$ -	$ -	**$ 8,000,000**
Debenture	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**

Water and Wastewater Reserve Strategies

Reserves are a critical component of the Township's capital financing plan. The importance of maintaining reserves is to:

- Provide stability of rates in the face of variable and uncontrollable factors (e.g. interest rates, changes in subsidies, increase in fuel prices, weather);
- Provide financing for one-time or short-term requirements without permanently impacting the utility rates;
- Make provisions for replacement and/or refurbishment of capital assets;
- Avoid spikes in funding requirements of the capital budget and reducing reliance on long-term debt borrowing; and
- Ensure adequate cash flows.

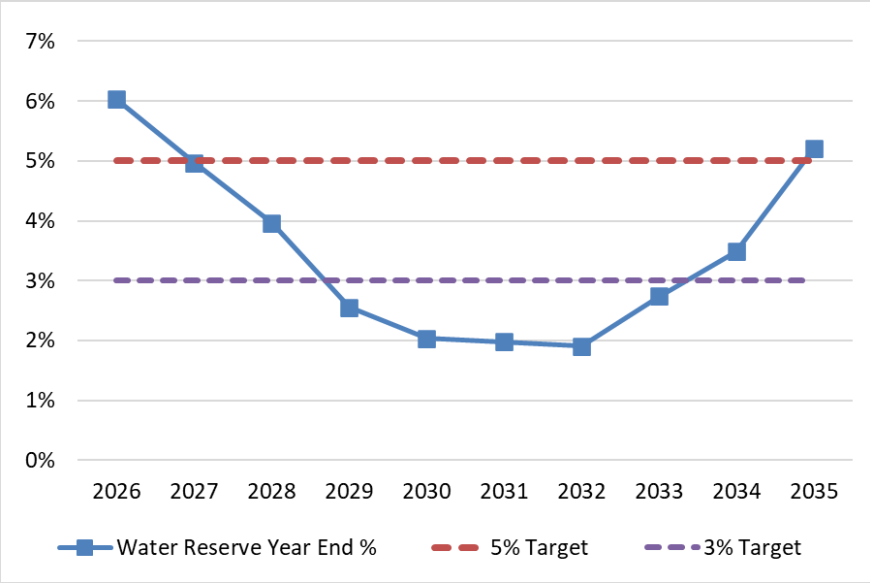
Key Strategies

- ***Maintain Sufficient Reserve Balances in Relation to System Replacement Costs*** **-** The Township's systems have limited economies of scale, a small number of customers and an aging infrastructure. Systems face higher volatility with fewer ratepayers to absorb shocks and more have a higher dependence of reserves for renewal funding. Leading practice for water and wastewater reserves is to maintain a balance of 3%-5% in the reserve in relation to the replacement value of the assets.
- ***Ensure Annual Contributions are Aligned with Asset Management Plan Requirements*** – Capital contributions to the Reserve should align with the requirements identified in the AMP.

Water Reserve Forecast

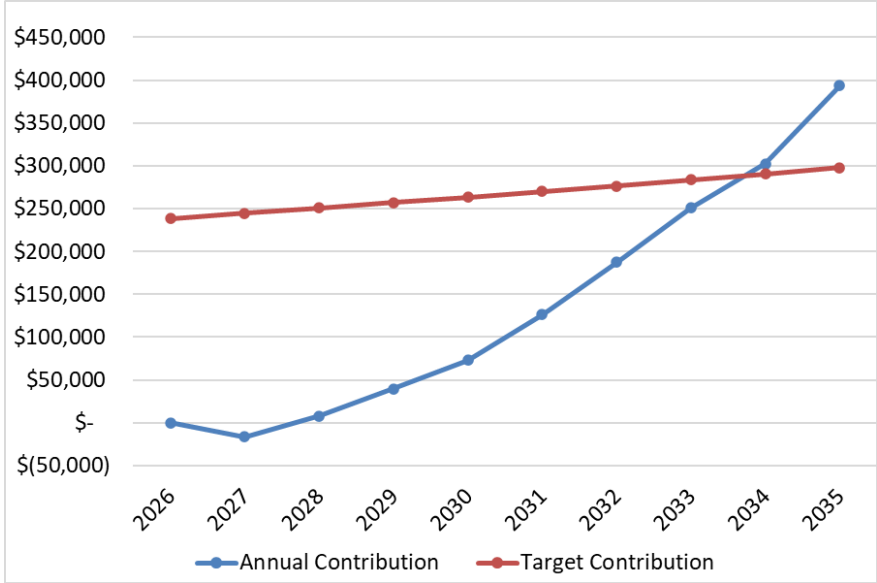
- As shown in Figure 7, by 2034 the Reserve balance is aligned with the target of 3%-5% of replacement costs.

Figure 7 - Water Reserve Ending Balance as a % of Replacement Costs



- As shown in Figure 8, the water annual contributions meet the AMP required contributions target in 2034.

Figure 8 - Water Reserve Contributions in Accordance with AMP target



Wastewater Reserve Forecast

- As shown in Figure 9, the wastewater reserve balance is well above the target of 3%-5% of replacement costs.
- As shown in Figure 10, the wastewater annual contributions meet the AMP required contributions target over the 10-year period. The volatility in wastewater contributions is based on the OCWA forecast costs.

Figure 9 - WW Reserve Ending Balance as a % of Replacement Costs

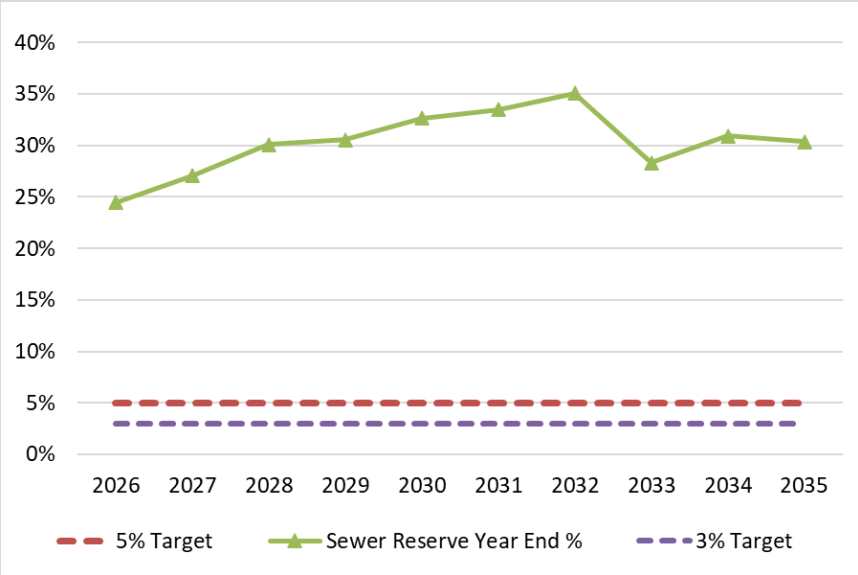
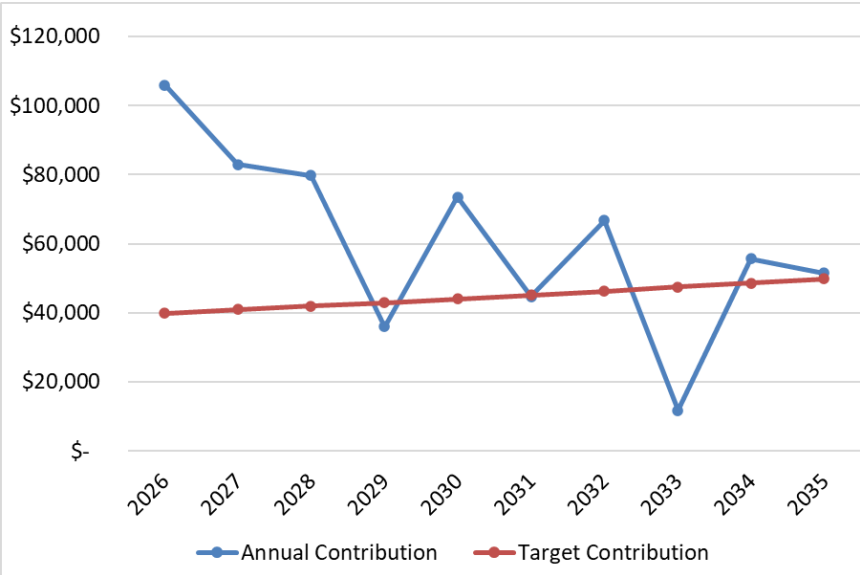


Figure 10 - WW Reserve Contribution in Accordance with AMP Target



Water and Wastewater Reserve 10 Year Forecast

The water and wastewater reserve balances remain positive throughout the forecast period.

Figure 11 - Water Reserve Balance Forecast

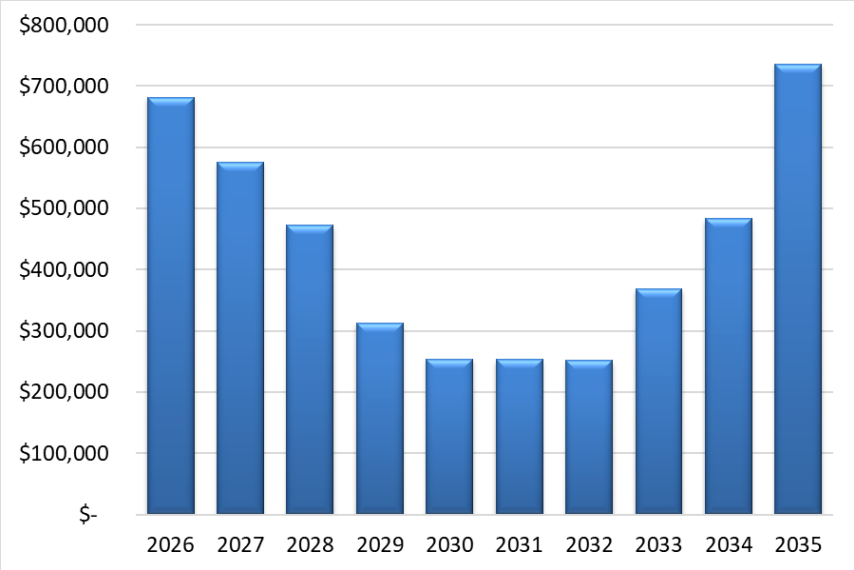
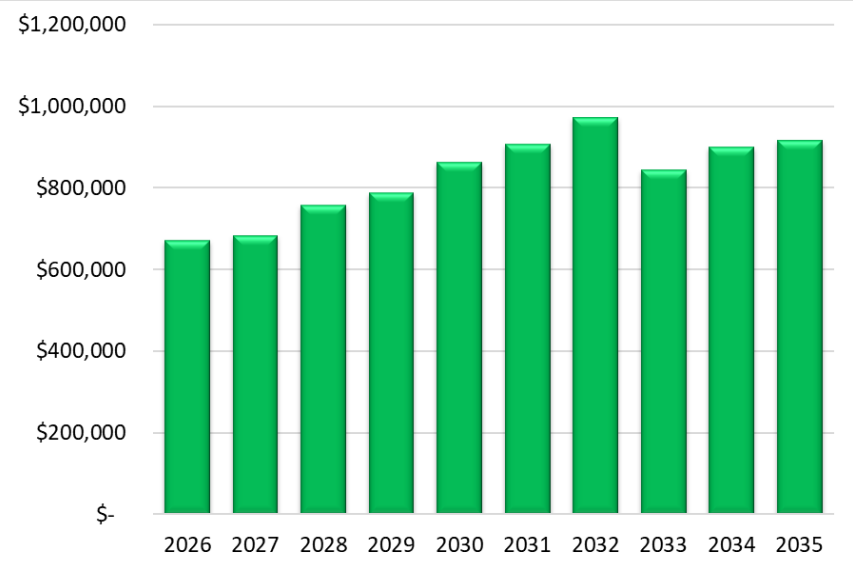


Figure 12 - WW Reserve Balance Forecast



Debt Strategies

A commonly used indicator of financial sustainability for water utilities is Debt Service as a Share of Annual Water Revenues. This ratio measures how much of the system's annual revenue is required to pay principal and interest on outstanding debt.

Leading Practice Benchmarks

For small rural systems, such as those operated by the Township, a slightly higher range is considered acceptable. Benchmarking of comparable municipalities indicates that 15–25% is a sustainable range for small systems with seasonal demand patterns. Ratios above 30% may signal reduced financial flexibility and potential rate pressure.

Given the Township's scale and system configuration, maintaining debt service within the 15–25% range supports long-term rate stability, adequate reserve contributions, and the ability to respond to future capital needs. Staying within this range also aligns with provincial expectations for full-cost recovery and demonstrates prudent financial management.

The Financial Plan requires the use of debt in water operations in the amount of $3.4 million to fund a major project required to meet the Fire Underwriters Service Standard.

Note: no debt has been issued for wastewater operations.

Water and Wastewater Debt Forecast

- Figure 13 reflects the amount of debt outstanding over the 10-year period. In 2026, there is an estimated need to issue $3.4 million.
- Since there is no issued debt in Wastewater, the combined water and wastewater debt charges as a percentage of own source revenues is within the target range over the 10-year plan.

Figure 13 - Water Debt Outstanding Forecast

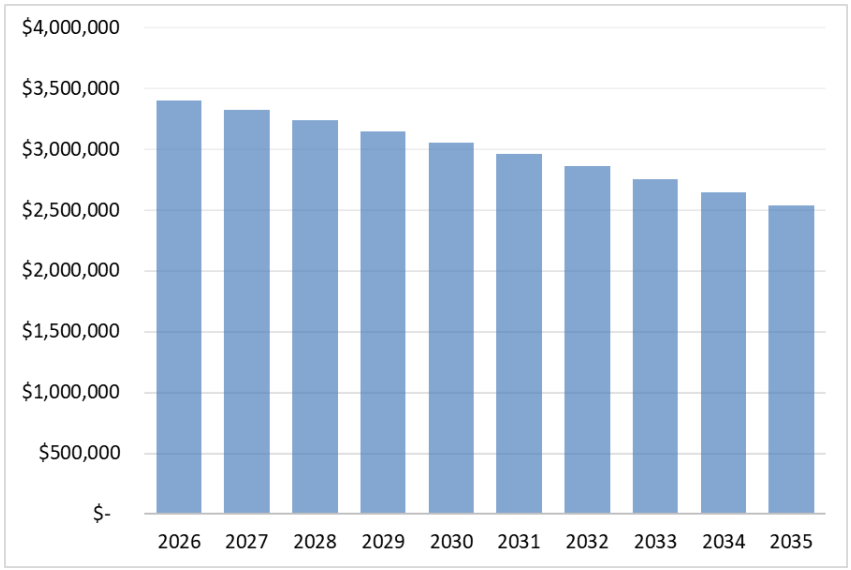
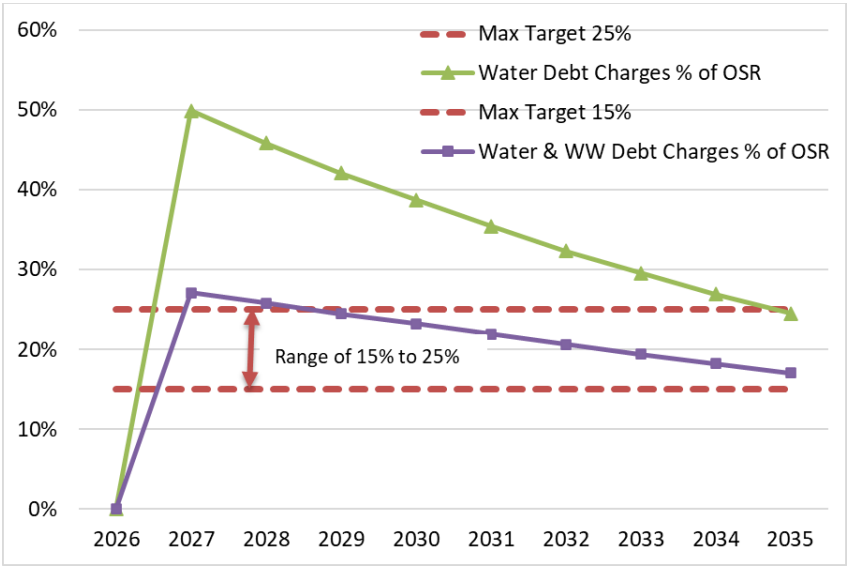


Figure 14 - Water and WW Debt Charges as a % of Own Source Revenues



Water and Wastewater Rates

Rate Calculation Introduction

The establishment of water and wastewater rates is a municipal responsibility. Currently, there is no standardized rate structure in Ontario, and each municipality has the flexibility to develop an appropriate rate structure. Municipalities typically consider several factors in developing an appropriate water and wastewater rate structure based on:

- The underlying goals and objectives of a municipality (e.g. revenue stability, conservation, fairness, and equity)
- The level of volatility in terms of consumption fluctuations
- Availability of reserves to withstand revenue shortfalls, should they occur due to unanticipated weather conditions, business closures, etc.
- The customer base in terms of residential and non-residential customers
- The type of system (two-tiered rate with a wholesale and retail component versus a single tier service provider) and
- The extent to which the capital and operating costs exist regardless of volumes of water consumed.

Rate Structure - Goals and Objectives

The following provides a set of goals and objectives that were considered in developing changes to the Township's water/wastewater rate structure:

- ✓ ***Revenue Stability***—The rate structure should provide for a steady and predictable stream of revenues such that the Township can meet its current financial requirements. To the extent possible, cash flows should be matched with expenditures. Any rate setting structure employed by the Township will consider the impact on revenue stability.
- ✓ ***Fairness and Equity***—The rate structure should ensure that customers are contributing equitably towards revenue requirements. Equity should be based on the user pay principle.
- ✓ ***Water Conservation***—The rate structure should encourage the efficient and justifiable uses of water as well as assist in managing system demand. Programs that promote efficient water usage may reduce operating costs and capital investment needs over time. The less water consumed and hence less sewage generated will result in deferral of treatment plant expansions, thereby avoiding capital expenditures for all customers.
- ✓ ***Affordability***—The rate structure should incorporate policies that support affordable water and wastewater services while at the same time ensuring that the full cost of service is being recovered.
- ✓ ***Economic Development*** **-** The rate structure should align with other economic development initiatives and should consider the competitive positioning of commercial and industrial properties within the Township and its ability to attract new business to the community.

Historical Water and Wastewater Rates

- The Township has a fixed monthly charge and a volumetric rate which is the most common approach across Ontario municipalities.
- Included in the fixed monthly charge is the first 15 m^3 per month. This ensures that all customers are contributing to the fixed costs of the system.
- There is a higher fixed and volumetric fee for commercial customers in relation to residential customers. There is also a higher fixed charge for customers with a meter size 2" or greater which is also a common practice.
- The volumetric rates for consumptions greater than 15 m^3 per month has been minimal ranging from 0-1.8% annually. Rate increases have been 3.5% annually for both water and wastewater.

Figure 15 - Water and Sewer Historical Rates

Water and Sewer Rates	2022	2023	2024	2025	2026
Size - 1 ½" or less					
Water Consumption up to 15 m^3 (monthly fee)	$ 80.40	$ 83.21	$ 86.12	$ 89.14	$ 92.26
Water Consumption after 15 m^3 (per cubic meter)	$ 2.84	$ 2.87	$ 2.90	$ 2.94	$ 2.99
Sewer Consumption up to 15 m^3 (monthly fee)	$ 75.91	$ 78.56	$ 81.31	$ 84.16	$ 87.11
Sewer Consumption after 15 m^3 (per cubic meter)	$ 2.39	$ 2.45	$ 2.45	$ 2.48	$ 2.52
Size - 2" or greater					
Water Consumption up to 15 m^3 (monthly fee)	$ 97.62	$101.04	$ 104.57	$ 108.23	$ 112.02
Water Consumption after 15 m^3 (per cubic meter)	$ 3.75	$ 3.79	$ 3.84	$ 3.89	$ 3.96
Sewer Consumption up to 15 m^3 (monthly fee)	$ 92.17	$ 95.39	$ 98.73	$ 102.19	$ 105.77
Sewer Consumption after 15 m^3 (per cubic meter)	$ 3.21	$ 3.29	$ 3.29	$ 3.33	$ 3.39

Number of Customers

In the calculation of rates, Figure 16 reflects the number of customers over the next 10 years. Growth is factored into the forecast using a conservative assumption of 2 meters per year.

Figure 16 - Water Number of Meters Forecast

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water											
New Meters	-	2	2	2	2	2	2	2	2	2	2
1 ½" or less	281	283	285	287	289	291	293	295	297	299	301
2" or greater	21	21	21	21	21	21	21	21	21	21	21
Total	**302**	**304**	**306**	**308**	**310**	**312**	**314**	**316**	**318**	**320**	**322**

Water Consumption

No increase in consumption has been incorporated into the calculation to be conservative. This assumes new customers would fall below the threshold of 15 m^3 per month.

Figure 17 - Water Consumption Forecast (m3)

Billable Consumption (m^3)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water	**46,740**	**46,740**	**46,740**	**46,740**	**46,740**	**46,740**	**46,740**	**46,740**	**46,740**	**46,740**
Residential	**40,408**	**40,408**	**40,408**	**40,408**	**40,408**	**40,408**	**40,408**	**40,408**	**40,408**	**40,408**
Res <= 15 m3	32,249	32,249	32,249	32,249	32,249	32,249	32,249	32,249	32,249	32,249
Res > 15 m3	8,158	8,158	8,158	8,158	8,158	8,158	8,158	8,158	8,158	8,158
Non-Residential	**6,333**	**6,333**	**6,333**	**6,333**	**6,333**	**6,333**	**6,333**	**6,333**	**6,333**	**6,333**
Non-Res <= 15 m3	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032
Non-Res > 15 m3	4,301	4,301	4,301	4,301	4,301	4,301	4,301	4,301	4,301	4,301

10 Year Forecast Rates

The water rates are forecasted to increase by 9% annually and by 0% annually for wastewater. This balances ratepayer affordability and financial sustainability.

Figure 18 - Water and Sewer Forecasted Rates

Water and Sewer Rates	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Size - 1 ½" or less										
Water Consumption up to 15 m^3 (monthly fee)	$ 92.26	$ 100.56	$ 109.61	$ 119.47	$ 130.22	$ 141.94	$ 154.71	$ 168.63	$ 183.81	$ 200.35
Water Consumption after 15 m^3 (per cubic meter)	$ 2.99	$ 3.26	$ 3.55	$ 3.87	$ 4.22	$ 4.60	$ 5.01	$ 5.46	$ 5.95	$ 6.49
Sewer Consumption up to 15 m^3 (monthly fee)	$ 87.11	$ 87.11	$ 87.11	$ 87.11	$ 87.11	$ 87.11	$ 87.11	$ 87.11	$ 87.11	$ 87.11
Sewer Consumption after 15 m^3 (per cubic meter)	$ 2.52	$ 2.52	$ 2.52	$ 2.52	$ 2.52	$ 2.52	$ 2.52	$ 2.52	$ 2.52	$ 2.52
Size - 2" or greater										
Water Consumption up to 15 m^3 (monthly fee)	$ 112.02	$ 122.10	$ 133.09	$ 145.07	$ 158.13	$ 172.36	$ 187.87	$ 204.78	$ 223.21	$ 243.30
Water Consumption after 15 m^3 (per cubic meter)	$ 3.96	$ 4.32	$ 4.71	$ 5.13	$ 5.59	$ 6.09	$ 6.64	$ 7.24	$ 7.89	$ 8.60
Sewer Consumption up to 15 m^3 (monthly fee)	$ 105.77	$ 105.77	$ 105.77	$ 105.77	$ 105.77	$ 105.77	$ 105.77	$ 105.77	$ 105.77	$ 105.77
Sewer Consumption after 15 m^3 (per cubic meter)	$ 3.39	$ 3.39	$ 3.39	$ 3.39	$ 3.39	$ 3.39	$ 3.39	$ 3.39	$ 3.39	$ 3.39

Customer Impact Analysis

Based on the assumptions in terms of the rate revenue requirement, consumption and growth, the following provides a summary of the forecast rates over the forecast period for a residential customer consuming 180 m^3 annually.

On a blended average annual basis, the water and wastewater service cost results in approximately a 5.1% increase over the forecast period for a typical residential customer.

Figure 19 - Residential Customer Impact Forecast

180 m^3 residential impact - 1 ½" or less											
		Water		WW		Cost of service					
Year	Annual Consumption m^3	Fixed Monthly	Volumetric > 15 m3	Fixed Monthly	Volumetric > 15 m3	Water	WW	Total Water&WW	Blended % Increase from Prior Year	Blended $ Increase from Prior Year	
2026	180	$ 92.26	$ 2.99	$ 87.11	$ 2.52	$ 1,107	$ 1,045	$ 2,152			
2027	180	$ 100.56	$ 3.26	$ 87.11	$ 2.52	$ 1,207	$ 1,045	$ 2,252	4.6%	$	100
2028	180	$ 109.61	$ 3.55	$ 87.11	$ 2.52	$ 1,315	$ 1,045	$ 2,361	4.8%	$	109
2029	180	$ 119.47	$ 3.87	$ 87.11	$ 2.52	$ 1,434	$ 1,045	$ 2,479	5.0%	$	118
2030	180	$ 130.22	$ 4.22	$ 87.11	$ 2.52	$ 1,563	$ 1,045	$ 2,608	5.2%	$	129
2031	180	$ 141.94	$ 4.60	$ 87.11	$ 2.52	$ 1,703	$ 1,045	$ 2,749	5.4%	$	141
2032	180	$ 154.71	$ 5.01	$ 87.11	$ 2.52	$ 1,857	$ 1,045	$ 2,902	5.6%	$	153
2033	180	$ 168.63	$ 5.46	$ 87.11	$ 2.52	$ 2,024	$ 1,045	$ 3,069	5.8%	$	167
2034	180	$ 183.81	$ 5.95	$ 87.11	$ 2.52	$ 2,206	$ 1,045	$ 3,251	5.9%	$	182
2035	180	$ 200.35	$ 6.49	$ 87.11	$ 2.52	$ 2,404	$ 1,045	$ 3,450	6.1%	$	198

Reporting Requirements O.Reg. 453-07

Introduction—O.Reg. 453/07

The Financial plan has been prepared in accordance with the regulation (O.Reg. 453/07) made under the Safe Drinking Water Act. The Financial plan regulation requires that the plans be updated every five years along with the request for the renewal of the drinking water licence. This ongoing update will assist in revisiting the assumptions made to develop the operating and funding plans as well as reassessing the needs for capital renewal and major maintenance expenses.

Statement of Financial Operations - This statement summarizes the revenues and expenditures. The expenditures include ongoing operating costs plus asset amortization. This statement indicates that the system and its asset base are projected to be maintained with funds being available each year for future capital renewal or major maintenance.

Cash Receipts or Gross Cash Payments (Cash Flows) - The cash flow statement summarizes how the operations are expected to generate and utilize cash resources. The transactions that generate and use cash include the projection of cash to be received from revenues, cash to be used for operating expenditures and financing charges, cash projected to be used to acquire capital assets and projected financial transactions that are the proceeds from debt or debt principal repayment.

Financial Position - There are two important indicators to review in the Statement of Financial Position described as follows:

- ***Net Book Value of Tangible Capital Assets:*** indicates assets are being used or assets have been added due to development.
- ***Accumulated Surplus:*** represents cash on hand plus the net book value of tangible capital assets less debt.

Water Statement of Financial Operations

	Projected									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues										
User Fees	$ 374,700	$ 419,861	$ 460,255	$ 504,516	$ 553,048	$ 606,217	$ 664,449	$ 728,286	$ 798,236	$ 874,912
Other Revenues	$ 2,800	$ 2,870	$ 2,942	$ 3,015	$ 3,091	$ 3,168	$ 3,247	$ 3,328	$ 3,412	$ 3,497
Interest Earnings	$ 15,000	$ 13,632	$ 11,515	$ 9,441	$ 6,264	$ 5,083	$ 5,068	$ 5,035	$ 7,387	$ 9,661
Total Revenues	**$ 392,500**	**$ 436,363**	**$ 474,712**	**$ 516,972**	**$ 562,402**	**$ 614,469**	**$ 672,764**	**$ 736,649**	**$ 809,035**	**$ 888,069**
Operating Expenses										
O.C.W.A.	$ 171,100	$ 176,233	$ 181,520	$ 186,966	$ 192,575	$ 198,352	$ 204,302	$ 210,431	$ 216,744	$ 223,247
Contracted Services	$ 102,100	$ 89,020	$ 99,704	$ 107,308	$ 115,952	$ 111,216	$ 104,430	$ 101,775	$ 118,701	$ 102,678
Materials and Supplies	$ 2,500	$ 2,563	$ 2,627	$ 2,692	$ 2,760	$ 2,829	$ 2,899	$ 2,972	$ 3,046	$ 3,122
Indirect Corporate Costs	$ 12,000	$ 12,300	$ 12,608	$ 12,923	$ 13,246	$ 13,577	$ 13,916	$ 14,264	$ 14,621	$ 14,986
Insurance	$ 14,800	$ 15,170	$ 15,549	$ 15,938	$ 16,336	$ 16,745	$ 17,163	$ 17,593	$ 18,032	$ 18,483
Other Expenses	$ 98,800	$ 21,270	$ 21,802	$ 22,347	$ 22,905	$ 23,478	$ 24,065	$ 24,667	$ 25,283	$ 25,915
Total Operating Expenses	**$ 401,300**	**$ 316,556**	**$ 333,809**	**$ 348,174**	**$ 363,774**	**$ 366,196**	**$ 366,777**	**$ 371,702**	**$ 396,428**	**$ 388,432**
Debt Charges										
Debt Charges - Interest Expenses	$ -	$ 136,000	$ 132,734	$ 129,338	$ 125,806	$ 122,133	$ 118,312	$ 114,339	$ 110,207	$ 105,910
Amortization Expense										
Amortization of tangible capital assets	$ 151,829	$ 151,963	$ 152,413	$ 154,246	$ 154,913	$ 155,436	$ 156,936	$ 157,431	$ 158,786	$ 159,269
Total Expenses	$ 553,129	$ 604,518	$ 618,956	$ 631,758	$ 644,492	$ 643,765	$ 642,025	$ 643,472	$ 665,421	$ 653,611
Annual Surplus/Deficit	$ (160,629)	$ (168,155)	$ (144,244)	$ (114,785)	$ (82,090)	$ (29,296)	$ 30,739	$ 93,177	$ 143,614	$ 234,459

As shown above, there is a projected deficit from 2027 to 2031 mainly as a result of new debt charges. Gradual rate increases will result in surpluses from 2032 to 2035.

Water Statement of Cash Flow/Cash Receipts

	Projected									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Revenues	$ 392,500	$ 436,363	$ 474,712	$ 516,972	$ 562,402	$ 614,469	$ 672,764	$ 736,649	$ 809,035	$ 888,069
Cash Paid For										
Operating Costs	$ 401,300	$ 316,556	$ 333,809	$ 348,174	$ 363,774	$ 366,196	$ 366,777	$ 371,702	$ 396,428	$ 388,432
Debt Repayment - Debt Interest	$ -	$ 136,000	$ 132,734	$ 129,338	$ 125,806	$ 122,133	$ 118,312	$ 114,339	$ 110,207	$ 105,910
Cash Provided from Operating Transactions	$ (8,800)	$ (16,193)	$ 8,169	$ 39,461	$ 72,822	$ 126,140	$ 187,675	$ 250,608	$ 302,400	$ 393,728
Capital Transactions										
Acquisition of TCA	$ 6,686,172	$ 8,000	$ 27,000	$ 110,000	$ 40,000	$ 31,400	$ 90,000	$ 29,700	$ 81,300	$ 29,000
Finance Transactions										
Proceeds from Debt Issuance	$ 3,400,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Proceeds from Grants	$ 3,286,172	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Principal Repayment	$ -	$ 81,641	$ 84,906	$ 88,303	$ 91,835	$ 95,508	$ 99,328	$ 103,301	$ 107,434	$ 111,731
Increase/(Decrease) in Cash Equivalents	$ (8,800)	$ (105,833)	$ (103,738)	$ (158,842)	$ (59,012)	$ (768)	$ (1,654)	$ 117,606	$ 113,666	$ 252,997
Cash and Cash Equivalents at Beginning Balance	$ 690,400	$ 681,600	$ 575,767	$ 472,029	$ 313,187	$ 254,175	$ 253,406	$ 251,753	$ 369,359	$ 483,025
Cash and Cash Equivalents at Ending Balance	$ 681,600	$ 575,767	$ 472,029	$ 313,187	$ 254,175	$ 253,406	$ 251,753	$ 369,359	$ 483,025	$ 736,022

As shown above the cash and cash equivalent are positive throughout the forecast period.

Water Statement of Financial Position

		Projected								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Financial Assets										
Cash	$ 681,600	$ 575,767	$ 472,029	$ 313,187	$ 254,175	$ 253,406	$ 251,753	$ 369,359	$ 483,025	$ 736,022
Liabilities										
Debt - Principal Outstanding	$ 3,400,000	$ 3,318,359	$ 3,233,453	$ 3,145,150	$ 3,053,316	$ 2,957,808	$ 2,858,479	$ 2,755,178	$ 2,647,744	$ 2,536,013
Net Financial Assets	$ (2,718,400)	$ (2,742,593)	$ (2,761,424)	$ (2,831,963)	$ (2,799,141)	$ (2,704,401)	$ (2,606,727)	$ (2,385,819)	$ (2,164,719)	$ (1,799,991)
Non-Financial Assets										
Tangible Capital Assets	$ 1,999,024	$ 8,685,196	$ 8,693,196	$ 8,720,196	$ 8,830,196	$ 8,870,196	$ 8,901,596	$ 8,991,596	$ 9,021,296	$ 9,102,596
Additions to Tangible Capital Assets	$ 6,686,172	$ 8,000	$ 27,000	$ 110,000	$ 40,000	$ 31,400	$ 90,000	$ 29,700	$ 81,300	$ 29,000
Accumulated Amortization	$ 1,180,715	$ 1,332,678	$ 1,485,090	$ 1,639,336	$ 1,794,249	$ 1,949,685	$ 2,106,620	$ 2,264,051	$ 2,422,837	$ 2,582,106
Total Non-Financial Assets	$ 7,504,481	$ 7,360,518	$ 7,235,106	$ 7,190,860	$ 7,075,947	$ 6,951,911	$ 6,884,976	$ 6,757,245	$ 6,679,759	$ 6,549,490
Accumulated Surplus	$ 4,786,081	$ 4,617,926	$ 4,473,682	$ 4,358,896	$ 4,276,806	$ 4,247,510	$ 4,278,249	$ 4,371,426	$ 4,515,040	$ 4,749,498
Cash as a % of Non-Financial Assets	9.1%	7.8%	6.5%	4.4%	3.6%	3.6%	3.7%	5.5%	7.2%	11.2%
Debt as a % of Non-Financial Assets	45.3%	45.1%	44.7%	43.7%	43.2%	42.5%	41.5%	40.8%	39.6%	38.7%

The net book value of tangible capital assets decreases throughout the forecast period.

The accumulated surplus is stable from 2026 to 2035. The increasing projected surpluses in water operations indicate that if the Township adheres to the financial plan, it will strengthen its combined cash and asset position.

Wastewater Statement of Financial Operations

	Projected									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues										
User Fees	$ 351,400	$ 349,252	$ 351,343	$ 353,434	$ 355,524	$ 357,615	$ 359,706	$ 361,796	$ 363,887	$ 365,977
Other Revenues	$ 3,300	$ 3,383	$ 3,467	$ 3,554	$ 3,643	$ 3,734	$ 3,827	$ 3,923	$ 4,021	$ 4,121
Interest Earnings	$ 15,000	$ 13,452	$ 13,675	$ 15,170	$ 15,789	$ 17,259	$ 18,154	$ 19,490	$ 16,925	$ 18,038
Total Revenues	**$ 369,700**	**$ 366,087**	**$ 368,485**	**$ 372,157**	**$ 374,956**	**$ 378,608**	**$ 381,687**	**$ 385,208**	**$ 384,832**	**$ 388,136**
Operating Expenses										
O.C.W.A.	$ 145,100	$ 149,453	$ 153,937	$ 158,555	$ 163,311	$ 168,211	$ 173,257	$ 178,455	$ 183,808	$ 189,323
Contracted Services	$ 70,500	$ 84,385	$ 84,254	$ 125,848	$ 85,052	$ 111,216	$ 85,890	$ 137,825	$ 86,771	$ 87,228
Materials and Supplies	$ 2,500	$ 2,563	$ 2,627	$ 2,692	$ 2,760	$ 2,829	$ 2,899	$ 2,972	$ 3,046	$ 3,122
Indirect Corporate Costs	$ 12,000	$ 12,300	$ 12,608	$ 12,923	$ 13,246	$ 13,577	$ 13,916	$ 14,264	$ 14,621	$ 14,986
Insurance	$ 14,800	$ 15,170	$ 15,549	$ 15,938	$ 16,336	$ 16,745	$ 17,163	$ 17,593	$ 18,032	$ 18,483
Other Expenses	$ 18,800	$ 19,270	$ 19,752	$ 20,246	$ 20,752	$ 21,270	$ 21,802	$ 22,347	$ 22,906	$ 23,479
Total Operating Expenses	**$ 263,700**	**$ 283,141**	**$ 288,726**	**$ 336,201**	**$ 301,457**	**$ 333,848**	**$ 314,929**	**$ 373,456**	**$ 329,185**	**$ 336,621**
Debt Charges										
Debt Charges - Interest Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amortization Expense										
Amortization of tangible capital assets	$ 9,003	$ 10,200	$ 10,283	$ 10,367	$ 10,367	$ 27,033	$ 68,700	$ 146,033	$ 146,033	$ 146,617
Total Expenses	$ 272,703	$ 293,341	$ 299,009	$ 346,568	$ 311,824	$ 360,881	$ 383,629	$ 519,489	$ 475,218	$ 483,238
Annual Surplus/Deficit	$ 96,997	$ 72,746	$ 69,476	$ 25,589	$ 63,133	$ 17,727	$ (1,942)	$ (134,281)	$ (90,386)	$ (95,101)

As shown above, there is a projected deficit from 2032 to 2035, however as shown in the next statement there are sufficient revenues to fund these deficits.

Wastewater Statement of Cash Flow/Cash Receipts

	Projected									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Revenues	$ 369,700	$ 366,087	$ 368,485	$ 372,157	$ 374,956	$ 378,608	$ 381,687	$ 385,208	$ 384,832	$ 388,136
Cash Paid For										
Operating Costs	$ 263,700	$ 283,141	$ 288,726	$ 336,201	$ 301,457	$ 333,848	$ 314,929	$ 373,456	$ 329,185	$ 336,621
Debt Repayment - Debt Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cash Provided from Operating Transactions	$ 106,000	$ 82,946	$ 79,759	$ 35,956	$ 73,499	$ 44,760	$ 66,758	$ 11,753	$ 55,648	$ 51,515
Capital Transactions										
Acquisition of TCA	$ 357,500	$ 71,800	$ 5,000	$ 5,000	$ -	$ 1,000,000	$ 2,500,000	$ 4,640,000	$ -	$ 35,000
Finance Transactions										
Proceeds from Debt Issuance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Proceeds from Grants	$ -	$ -	$ -	$ -	$ -	$ 1,000,000	$ 2,500,000	$ 4,500,000	$ -	$ -
Debt Principal Repayment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Increase/(Decrease) in Cash Equivalents	$ (251,500)	$ 11,146	$ 74,759	$ 30,956	$ 73,499	$ 44,760	$ 66,758	$ (128,247)	$ 55,648	$ 16,515
Cash and Cash Equivalents at Beginning Balance	$ 924,100	$ 672,600	$ 683,746	$ 758,505	$ 789,461	$ 862,960	$ 907,721	$ 974,479	$ 846,232	$ 901,879
Cash and Cash Equivalents at Ending Balance	$ 672,600	$ 683,746	$ 758,505	$ 789,461	$ 862,960	$ 907,721	$ 974,479	$ 846,232	$ 901,879	$ 918,395

As shown above the cash and cash equivalent are positive throughout the forecast period.

Wastewater Statement of Financial Position

		Projected								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Financial Assets										
Cash	$ 672,600	$ 683,746	$ 758,505	$ 789,461	$ 862,960	$ 907,721	$ 974,479	$ 846,232	$ 901,879	$ 918,395
Liabilities										
Debt - Principal Outstanding	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Financial Assets	$ 672,600	$ 683,746	$ 758,505	$ 789,461	$ 862,960	$ 907,721	$ 974,479	$ 846,232	$ 901,879	$ 918,395
Non-Financial Assets										
Tangible Capital Assets	$ 797,855	$ 1,155,355	$ 1,227,155	$ 1,232,155	$ 1,237,155	$ 1,237,155	$ 2,237,155	$ 4,737,155	$ 9,377,155	$ 9,377,155
Additions to Tangible Capital Assets	$ 357,500	$ 71,800	$ 5,000	$ 5,000	$ -	$ 1,000,000	$ 2,500,000	$ 4,640,000	$ -	$ 35,000
Accumulated Amortization	$ 782,860	$ 793,060	$ 803,344	$ 813,710	$ 824,077	$ 851,110	$ 919,810	$ 1,065,844	$ 1,211,877	$ 1,358,494
Total Non-Financial Assets	$ 372,495	$ 434,095	$ 428,811	$ 423,445	$ 413,078	$ 1,386,045	$ 3,817,345	$ 8,311,311	$ 8,165,278	$ 8,053,661
Accumulated Surplus	$ 1,045,095	$ 1,117,841	$ 1,187,317	$ 1,212,906	$ 1,276,038	$ 2,293,765	$ 4,791,824	$ 9,157,543	$ 9,067,157	$ 8,972,056
Cash as a % of Non-Financial Assets	180.6%	157.5%	176.9%	186.4%	208.9%	65.5%	25.5%	10.2%	11.0%	11.4%
Debt as a % of Non-Financial Assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The net book value of tangible capital assets increases throughout the forecast period.

The accumulated surplus increases throughout the forecast period.