

**Financial Plan 087-301A - Option 1, 6.0% Increase
HURON-KINLOSS FINANCIAL PLAN FOR WATER WORKS
Set Rate of Replacement to Match Current Rate of Replacement**

	2026	2027	2028	2029	2030	2031
FINANCIAL POSITION						
Financial assets						
Cash and cash equivalents	7,083,382	5,436,401	5,929,307	4,987,664	790,274	1,001,477
Total FINANCIAL ASSETS	7,083,382	5,436,401	5,929,307	4,987,664	790,274	1,001,477
Liabilities						
Long-term debt	-	-	-	-	4,000,000	3,814,631
Total LIABILITIES	-	-	-	-	4,000,000	3,814,631
NET DEBT (Liabilities - Assets)	(7,083,382)	(5,436,401)	(5,929,307)	(4,987,664)	3,209,726	2,813,153
Non-financial assets (Tangible capital assets)						
Existing watermain and facilities - book value	29,767,899	30,758,847	33,449,362	34,121,434	36,412,218	46,093,735
New watermains and facilities - at cost	1,605,000	3,324,000	1,345,000	2,980,000	10,405,000	1,745,000
Less: Amortization	(614,052)	(633,485)	(672,928)	(689,216)	(723,483)	(841,216)
Total NON-FINANCIAL ASSETS	30,758,847	33,449,362	34,121,434	36,412,218	46,093,735	46,997,518
Financial position (Non-Financial assets - Net Debt)	37,842,229	38,885,763	40,050,741	41,399,882	42,884,009	44,184,365

Analysis of financial position						
Equity in tangible capital assets	30,758,847	33,449,362	34,121,434	36,412,218	42,093,735	43,182,887
Reserves and reserve funds	7,083,382	5,436,401	5,929,307	4,987,664	790,274	1,001,477
General surplus (deficit)	-	-	-	-	-	-
Financial position (from analysis)	37,842,229	38,885,763	40,050,741	41,399,882	42,884,009	44,184,365

	2026	2027	2028	2029	2030	2031
FINANCIAL OPERATIONS						
REVENUE						
Lakeshore Area Waterworks						
7000-3100 Water Service Rate - Lakeshore	1,327,650	1,407,309	1,491,748	1,581,252	1,676,128	1,776,695
7000-3101 Metered Water - Lakeshore	26,500	28,090	29,775	31,562	33,456	35,463
7000-3112 Water Connection Permits	-	-	-	-	-	-
7000-3200 Waterworks Distribution Rate	521,625	572,930	607,306	658,982	711,108	778,155
7000-4000 Hydrant Rental - Lakeshore	14,840	14,840	14,840	14,840	14,840	14,840
7000-6010 Water Service Connection	-	-	-	-	-	-
Whitechurch						
7003-3100 Water Service Rate - Whitechurch	21,730	23,034	24,416	25,881	27,434	29,080
7003-6010 Water Service Connection	-	-	-	-	-	-
Ripley						
7005-3100 Water Service Rate - Ripley	214,120	226,967	240,585	255,020	270,322	286,541
7005-3101 Metered Water - Ripley	15,900	16,854	17,865	18,937	20,073	21,278
7005-3200 Waterworks Distribution Rate - Ripley	82,813	87,781	93,048	98,631	104,549	110,822
7005-4000 Hydrant Rental - Ripley	2,968	2,968	2,968	2,968	2,968	2,968
7005-6000 Water Service Connection	-	-	-	-	-	-
Lucknow						
7007-3100 Water Service Rate - Lucknow	355,100	376,406	398,990	422,930	448,306	475,204
7007-3101 Metered Water - Lucknow	21,200	22,472	23,820	25,250	26,765	28,370
7007-3200 Waterworks Distribution Rate - Lucknow	132,500	140,450	148,877	157,810	167,278	177,315
7007-4000 Hydrant Rental - Lucknow	4,240	4,240	4,240	4,240	4,240	4,240
7007-6010 Water Service Connection	-	-	-	-	-	-
New Developments						
Assumed rate of growth is 23 units/year	18,285	38,764	61,635	87,111	115,422	146,817
Total REVENUE	2,759,471	2,963,105	3,160,114	3,385,413	3,622,887	3,887,787

EXPENSES						
Huron-Kinloss						
7000-7100 Salaries	83,377	85,045	86,746	88,481	90,250	92,055
7000-7200 Benefits	28,880	29,458	30,047	30,648	31,261	31,886
7000-7215 Drinking Water Quality Management Standard	-	-	-	-	-	-
7000-7220 Operation Contract	474,300	483,786	493,462	503,331	513,398	523,666
7000-7225 Adjustments/Writedowns	-	-	-	-	-	-
7000-7250 Office Supplies	510	520	531	541	552	563
7000-7259 Courier	-	-	-	-	-	-
7000-7260 Telephone	18,360	18,727	19,102	19,484	19,873	20,271
7000-7261 Advertising	2,040	2,081	2,122	2,165	2,208	2,252
7000-7265 Association Memberships	-	-	-	-	-	-
7000-7266 Insurance	30,600	31,212	31,836	32,473	33,122	33,785
7000-7267 Legal	5,100	5,202	5,306	5,412	5,520	5,631
7000-7269 Property Taxes	8,670	8,843	9,020	9,201	9,385	9,572
7000-7270 Meetings - Registration	255	260	265	271	276	282
7000-7271 Meetings - Travel	-	-	-	-	-	-
7000-7272 Meetings - Meals	-	-	-	-	-	-
7000-7275 Miscellaneous	-	-	-	-	-	-
7000-7276 Engineering - Provincial Orders	-	-	-	-	-	-
7000-7277 Chemicals	51,000	52,020	53,060	54,122	55,204	56,308
7000-7278 Engineering	51,000	52,020	53,060	54,122	55,204	56,308
7000-7279 Water Quality Analysis	30,600	31,212	31,836	32,473	33,122	33,785
7000-7285 Depreciation Expense	614,052	633,485	672,928	689,216	723,483	841,216
7000-7310 Scada System Repairs and Maintenance	40,800	41,616	42,448	43,297	44,163	45,046
7000-7312 Treatment Equipment Repairs and Maintenance	30,600	31,212	31,836	32,473	33,122	33,785
7000-7319 Energy Audit	-	-	-	-	-	-
7000-7320 Utilities - Hydro	126,000	132,300	138,915	145,861	153,154	160,811

7000-7346	Machinery Rental	510	520	531	541	552	563
7000-7350	Material and Supplies	10,200	10,404	10,612	10,824	11,041	11,262
7000-7351	Services	204,000	208,080	212,242	216,486	220,816	225,232
7000-7352	Lakeshore Area Shoreline Monitoring	12,240	12,485	12,734	12,989	13,249	13,514
7000-7353	Source Water Protection	7,731	7,885	8,043	8,204	8,368	8,535
Lakeshore Area							
7000-7315	Watermain Repairs and Maintenance - Lake	30,600	31,212	31,836	32,473	33,122	33,785
7000-7318	Pump House Repairs and Maintenance - Lake	25,500	26,010	26,530	27,061	27,602	28,154
7000-8042	Well Inspections - Lake	-	20,000	-	-	21,000	-
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-
Whitechurch							
7003-7315	Watermain Repairs and Maintenance - Whitechurch	3,570	3,641	3,714	3,789	3,864	3,942
7003-7318	Pump House Repairs and Maintenance - Whitechurch	15,300	15,606	15,918	16,236	16,561	16,892
7003-8042	Well Inspections - Whitechurch	20,000	-	-	-	-	-
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-
Ripley							
7005-7315	Watermain Repairs and Maintenance - Ripley	20,400	20,808	21,224	21,649	22,082	22,523
7005-7318	Pump House Repairs and Maintenance - Ripley	3,060	3,121	3,184	3,247	3,312	3,378
7005-8060	Well Inspection - Ripley	-	-	-	-	-	-
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-
Lucknow							
7007-7315	Watermain Repairs and Maintenance - Lucknow	21,420	21,848	22,285	22,731	23,186	23,649
7007-7318	Pump House Repairs and Maintenance - Lucknow	5,100	5,202	5,306	5,412	5,520	5,631
7007-8049	Well Inspection - Lucknow	-	-	-	-	-	55,000
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-
	Debtenture interest - LT Debt	-	-	-	-	-	200,000
Total EXPENSES		1,975,775	2,025,823	2,076,681	2,125,212	2,213,575	2,599,285
Net Revenue (Deficit) for the year		783,695	937,282	1,083,433	1,260,201	1,409,312	1,288,502

	2026	2027	2028	2029	2030	2031	
CASH FLOW							
Operating Transactions							
Net revenue (deficit) for the year	783,695	937,282	1,083,433	1,260,201	1,409,312	1,288,502	
Add back (deduct) non-cash expense:	-	-	-	-	-	-	
Add back Amortization of Capital Assets	614,052	633,485	672,928	689,216	723,483	841,216	
Total OPERATING TRANSACTIONS	1,397,747	1,570,768	1,756,360	1,949,417	2,132,795	2,129,719	
Capital Transactions							
Lakeshore Systems							
Growth related	160,000	440,000	-	-	1,800,000	-	
Service enhancement (system upgrades)	725,000	1,855,000	65,000	70,000	7,290,000	70,000	
Lead service reduction	-	-	-	-	-	-	
Replacement of existing infrastructure	-	-	930,000	900,000	990,000	1,250,000	
Whitechurch System							
Growth related	-	-	-	-	-	-	
Service enhancement (system upgrades)	-	-	-	-	-	-	
Lead service reduction	-	-	-	-	-	-	
Replacement of existing infrastructure	-	-	-	-	-	-	
Ripley System							
Growth related	-	-	-	-	-	-	
Service enhancement (system upgrades)	-	15,000	-	40,000	-	-	
Lead service reduction	-	-	-	-	-	-	
Replacement of existing infrastructure	720,000	764,000	-	-	-	-	
Lucknow System							
Growth related	-	50,000	70,000	360,000	-	-	
Service enhancement (system upgrades)	-	200,000	280,000	1,440,000	60,000	25,000	
Lead service reduction	-	-	-	-	-	-	
Replacement of existing infrastructure	-	-	-	170,000	265,000	400,000	
Total CAPITAL TRANSACTIONS	(1,605,000)	(3,324,000)	(1,345,000)	(2,980,000)	(10,405,000)	(1,745,000)	
Investing transactions							
Proceeds from portfolio investments	107,743	106,251	81,546	88,940	74,815	11,854	
Purchase of portfolio investments	-	-	-	-	-	-	
Total INVESTING TRANSACTIONS	107,743	106,251	81,546	88,940	74,815	11,854	
Financing transactions							
Federal/Provincial grants	-	-	-	-	-	-	
New Lakeshore ET Debenture	-	-	-	-	4,000,000	-	
Transfer from other reserves	-	-	-	-	-	-	
Debenture principal - LT Debt	-	-	-	-	-	(185,369)	
Total FINANCING TRANSACTIONS	-	-	-	-	4,000,000	(185,369)	
Net Cash Receipts (Payments) for the year		(99,509)	(1,646,982)	492,906	(941,643)	(4,197,390)	211,203
Cash at beginning of year		7,182,892	7,083,382	5,436,401	5,929,307	4,987,664	790,274
Cash at end of year		7,083,382	5,436,401	5,929,307	4,987,664	790,274	1,001,477

Notes:

1. Financial plan assumes expenses increase at 2% per year (except hydro at 5%).
2. There are multiple reserve accounts. The Financial Plan does not distinguish which account is to be used for a particular capital project.
3. Revenue considers new growth at 23 units/year (matching previous 10-year average as noted in the recent 2024 Development Charge: Background Review) charged at base rate of \$250 + \$500 (2025 rate) inflated each year. Development charges were conservatively not factored in