

**1.8% Increase**  
**HURON-KINLOSS FINANCIAL PLAN FOR WATER WORKS**  
**Set Rate of Replacement to Match Average Remaining Life of the Assets**

	2021	2022	2023	2024	2025	2026
<b>FINANCIAL POSITION</b>						
<b>Financial assets</b>						
Cash and cash equivalents	3,331,244	3,555,990	1,657,216	1,626,739	2,434,255	2,333,014
Total FINANCIAL ASSETS	3,331,244	3,555,990	1,657,216	1,626,739	2,434,255	2,333,014
<b>Liabilities</b>						
Long-term debt	-	-	-	-	-	-
Total LIABILITIES	-	-	-	-	-	-
<b>NET DEBT (Liabilities - Assets)</b>	<b>(3,331,244)</b>	<b>(3,555,990)</b>	<b>(1,657,216)</b>	<b>(1,626,739)</b>	<b>(2,434,255)</b>	<b>(2,333,014)</b>
<b>Non-financial assets (Tangible capital assets)</b>						
Existing watermain and facilities - book value	24,071,772	26,828,257	28,717,992	32,958,927	35,209,182	36,675,571
New watermains and facilities - at cost	2,195,000	1,290,000	3,624,000	1,585,000	780,000	1,735,000
Less: Amortization	(561,485)	(599,735)	(616,935)	(665,255)	(686,388)	(696,788)
Total NON-FINANCIAL ASSETS	26,828,257	28,717,992	32,958,927	35,209,182	36,675,571	39,107,359
<b>Financial position (Non-Financial assets - Net Debt)</b>	<b>30,159,501</b>	<b>32,273,982</b>	<b>34,616,144</b>	<b>36,835,921</b>	<b>39,109,826</b>	<b>41,440,374</b>
<b>Analysis of financial position</b>						
Equity in tangible capital assets	26,828,257	28,717,992	32,958,927	35,209,182	36,675,571	39,107,359
Reserves and reserve funds	3,331,244	3,555,990	1,657,216	1,626,739	2,434,255	2,333,014
General surplus (deficit)	-	-	-	-	-	-
<b>Financial position (from analysis)</b>	<b>30,159,501</b>	<b>32,273,982</b>	<b>34,616,144</b>	<b>36,835,921</b>	<b>39,109,826</b>	<b>41,440,374</b>

	2021	2022	2023	2024	2025	2026
<b>FINANCIAL OPERATIONS</b>						
<b>REVENUE</b>						
<b>Lakeshore Area Waterworks</b>						
7000-3100 Water Service Rate - Lakeshore	1,243,961	1,266,353	1,289,147	1,312,352	1,335,974	1,360,022
7000-3101 Metered Water - Lakeshore	20,360	20,726	21,100	21,479	21,866	22,260
7000-3112 Water Connection Permits	-	-	-	-	-	-
7000-3200 Waterworks Distribution Rate	366,480	366,480	366,480	366,480	366,480	366,480
7000-4000 Hydrant Rental - Lakeshore	12,094	12,094	12,094	12,094	12,094	12,094
7000-6010 Water Service Connection	-	-	-	-	-	-
<b>Whitechurch</b>						
7003-3100 Water Service Rate - Whitechurch	18,858	19,198	19,543	19,895	20,253	20,618
7003-6010 Water Service Connection	-	-	-	-	-	-
<b>Ripley</b>						
7005-3100 Water Service Rate - Ripley	174,078	177,211	180,401	183,648	186,954	190,319
7005-3101 Metered Water - Ripley	12,216	12,436	12,660	12,888	13,120	13,356
7005-3200 Waterworks Distribution Rate - Ripley	66,195	67,387	68,600	69,835	71,092	72,371
7005-4000 Hydrant Rental - Ripley	1,832	1,832	1,832	1,832	1,832	1,832
7005-6000 Water Service Connection	-	-	-	-	-	-
<b>Lucknow</b>						
7007-3100 Water Service Rate - Lucknow	320,594	326,364	332,239	338,219	344,307	350,505
7007-3101 Metered Water - Lucknow	20,360	20,726	21,100	21,479	21,866	22,260
7007-3200 Waterworks Distribution Rate - Lucknow	114,296	116,353	118,448	120,580	122,750	124,960
7007-4000 Hydrant Rental - Lucknow	3,787	3,787	3,787	3,787	3,787	3,787
7007-6010 Water Service Connection	-	-	-	-	-	-
<b>New Developments</b>						
Assumed rate of growth is 25 units/year	17,942	36,530	55,782	75,715	96,347	117,697
<b>Total REVENUE</b>	<b>2,393,054</b>	<b>2,447,479</b>	<b>2,503,212</b>	<b>2,560,283</b>	<b>2,618,722</b>	<b>2,678,560</b>

	2021	2022	2023	2024	2025	2026
<b>EXPENSES</b>						
<b>Huron-Kinloss</b>						
7000-7100 Salaries	35,700	36,414	37,142	37,885	38,643	39,416
7000-7200 Benefits	10,200	10,404	10,612	10,824	11,041	11,262
7000-7215 Drinking Water Quality Management Standard	-	-	-	-	-	-
7000-7220 Operation Contract	357,000	364,140	371,423	378,851	386,428	394,157
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	918	936	955	974	994	1,014
7000-7266 Insurance	14,790	15,086	15,388	15,695	16,009	16,329
7000-7267 Legal	5,100	5,202	5,306	5,412	5,520	5,631
7000-7269 Property Taxes	8,160	8,323	8,490	8,659	8,833	9,009
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	40,800	41,616	42,448	43,297	44,163	45,046
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	561,485	599,735	616,935	665,255	686,388	696,788
7000-7310 Scada System Repairs and Maintenance	20,400	20,808	21,224	21,649	22,082	22,523

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	61,200	62,424	63,672	64,946	66,245	67,570
7000-7352	Lakeshore Area Shoreline Monitoring	12,240	12,485	12,734	12,989	13,249	13,514
7000-7353	Source Water Protection	15,025	15,325	15,632	15,944	16,263	16,588

**Lakeshore Area**

7000-7315	Watermain Repairs and Maintenance - Lake	25,500	26,010	26,530	27,061	27,602	28,154
7000-7318	Pump House Repairs and Maintenance - Lake	25,500	26,010	26,530	27,061	27,602	28,154
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-

**Whitechurch**

7003-7315	Watermain Repairs and Maintenance - Whitechurch	3,570	3,641	3,714	3,789	3,864	3,942
7003-7318	Pump House Repairs and Maintenance - Whitechurch	5,100	5,202	5,306	5,412	5,520	5,631
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-

**Ripley**

7005-7315	Watermain Repairs and Maintenance - Ripley	10,200	10,404	10,612	10,824	11,041	11,262
7005-7318	Pump House Repairs and Maintenance - Ripley	2,550	2,601	2,653	2,706	2,760	2,815
7005-8060	Elevated Tank Repairs and Maintenance - Ripley	10,200	10,404	10,612	10,824	11,041	11,262
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-

**Lucknow**

7007-7315	Watermain Repairs and Maintenance - Lucknow	20,400	20,808	21,224	21,649	22,082	22,523
7007-7318	Pump House Repairs and Maintenance - Lucknow	5,100	5,202	5,306	5,412	5,520	5,631
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-

<b>Total EXPENSES</b>	<b>1,521,213</b>	<b>1,582,437</b>	<b>1,623,260</b>	<b>1,695,874</b>	<b>1,741,996</b>	<b>1,778,103</b>
-----------------------	------------------	------------------	------------------	------------------	------------------	------------------

<b>Net Revenue (Deficit) for the year</b>	<b>871,842</b>	<b>865,042</b>	<b>879,952</b>	<b>864,409</b>	<b>876,726</b>	<b>900,457</b>
---	----------------	----------------	----------------	----------------	----------------	----------------

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
--	-------------	-------------	-------------	-------------	-------------	-------------

**CASH FLOW**

**Operating Transactions**

Net revenue (deficit) for the year	871,842	865,042	879,952	864,409	876,726	900,457
Add back (deduct) non-cash expense:						
Add back Amortization of Capital Assets	561,485	599,735	616,935	665,255	686,388	696,788
<b>Total OPERATING TRANSACTIONS</b>	<b>1,433,327</b>	<b>1,464,777</b>	<b>1,496,887</b>	<b>1,529,664</b>	<b>1,563,115</b>	<b>1,597,246</b>

**Capital Transactions**

**Lakeshore Systems**

Growth related	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	1,650,000	1,026,000	30,000	965,000	40,000	1,345,000

**Whitechurch System**

Growth related	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	-	-	-	-	-	-

**Ripley System**

Growth related	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	-	264,000	294,000	470,000	470,000	-

**Lucknow System**

Growth related	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	320,000	-	3,300,000	150,000	270,000	390,000

**All Systems Combined**

Growth related	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	225,000	-	-	-	-	-
<b>Total CAPITAL TRANSACTIONS</b>	<b>(2,195,000)</b>	<b>(1,290,000)</b>	<b>(3,624,000)</b>	<b>(1,585,000)</b>	<b>(780,000)</b>	<b>(1,735,000)</b>

**Investing transactions**

Proceeds from portfolio investments	59,201	49,969	53,340	24,858	24,401	36,514
Purchase of portfolio investments	-	-	-	-	-	-
<b>Total INVESTING TRANSACTIONS</b>	<b>59,201</b>	<b>49,969</b>	<b>53,340</b>	<b>24,858</b>	<b>24,401</b>	<b>36,514</b>

**Financing transactions**

Federal/Provincial grants	-	-	-	-	-	-
Transfer from other reserves	87,000	-	175,000	-	-	-
<b>Total FINANCING TRANSACTIONS</b>	<b>87,000</b>	<b>-</b>	<b>175,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Net Cash Receipts (Payments) for the year</b>	<b>(615,473)</b>	<b>224,746</b>	<b>(1,898,773)</b>	<b>(30,478)</b>	<b>807,516</b>	<b>(101,240)</b>
--	------------------	----------------	--------------------	-----------------	----------------	------------------

Cash at beginning of year	3,946,717	3,331,244	3,555,990	1,657,216	1,626,739	2,434,255
Cash at end of year	3,331,244	3,555,990	1,657,216	1,626,739	2,434,255	2,333,014

**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 25 units/year charged at base rate of \$230 + \$475 (2020 rate) inflated each year. Development charges were conservatively not factored in.