



Township of Assiginack

O.Reg 453/07
Water System Financial Plan
No. 254-301A
(February 19, 2021)



DFA Infrastructure International Inc.



DFA Infrastructure International Inc.

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February 19, 2021

Deb MacDonald
Treasurer/Deputy CAO
Township of Assiginack
P.O. Box 238, 156 Arthur Street
Manitowaning, ON
POP 1N0

Re: Township of Assiginack, O.Reg 453/07 Water System Financial Plan No. 254-301A

Dear Deb:

We are pleased to submit the updated Water System Financial Plan No. 254-301A prepared in accordance with the requirements of O.Reg 453/07 as required for the Township's water system license renewal application. The attached Water System Financial Plan is based on the extent of the information as provided by the Township.

Please do not hesitate to contact us if you have any questions or require clarification on any aspect of the financial plan.

Yours truly,

DFA Infrastructure International Inc.

Derek Ali, MBA, P.Eng.

President

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Transmittal Letter

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1 Introduction

1.1 Background

The Township of Assinack (Township) maintains two water treatment plants providing drinking water to approximately 327 customers through its Manitowaning and Sunsite Estates drinking water systems. The Township retains the services of the Ontario Clean Water Agency (OCWA) to operate these facilities and recovers its water related costs through a flat fee charged to its customers.

Under O.Reg. 188/07, the Township is required to obtain a Drinking Water System Licence which was received on September 14th, 2011 and is valid for a period of 5 years. The first renewal of the Township's Drinking Water System Licence was obtained September 14th, 2016 therefore the existing drinking water system licence is due to expire on September 14th, 2021. A condition of the application for renewal of the licences is the preparation of an updated water system financial plan in accordance with O.Reg. 453/07. This document presents the updated financial plan.

1.2 Purpose

The primary purpose of this document is to present an updated single water financial plan as defined in O.Reg. 453/07, thereby allowing the Township to fulfil its obligations under the drinking water licensing regulations for the renewal of its drinking water systems licence as shown in Table 1.1. The number for the updated financial plan is 254-301A as it covers all of the water systems.

Table 1-1: Water Systems Included in the Updated Financial plan

Water System	Licence No.
Sunsite Drinking Water System	254-101
Manitowaning Drinking Water System	242-101

2 Regulatory Requirements

Regulation 188/07 under the Safe Drinking Water Act requires Ontario municipalities to apply for and obtain Drinking Water System Licences as part of their overall DWQMS. One of the requirements of holding a valid drinking water licence is preparing and submitting to the Province an updated financial plan in accordance with O.Reg. 453/07. The financial plan must include financial statements on the following:

- The proposed or projected financial position of the drinking water systems;
- The proposed or projected gross cash receipts and gross cash payments;
- The proposed or projected financial operations of the drinking water system; and

- Details on the extent to which the above information applies to the replacement of lead service pipes, if applicable.

Appendix A lists each requirement of the regulation and references the respective financial statements and other items that contain relevant information required under each item. The financial plan must apply to a period of at least six (6) years with the first year being the year the existing licence expires. In the Township's case, the updated plan covers the period 2021 to 2026 inclusive.

It is anticipated that this financial plan would be made available to the public at no charge and posted on the Township's website following final approval of the plan by resolution of Council. This will be confirmed through separate correspondence at the time of submission to the Ministry of Municipal Affairs and Housing (MMAH).

3 Key Considerations

This section presents the projections for key items over the six (6) year period and the assumptions used in order to prepare the financial plan. These include:

- Operations & Maintenance (O&M) cost projections;
- Capital forecasts;
- Revenue requirements;
- Debt repayments;
- Tangible Capital Asset (TCA) projections; and
- Reserve projections.

The financial projections are based on the data sources identified in Table 4-4 and other relevant information provided by Township staff.

3.1 Operating & Maintenance (O&M) Cost Projections

The Township's annual operating budget includes costs related to the following:

- Water system operations and maintenance costs;
- Transfers to capital reserves; and
- Debt servicing costs.

A portion of these costs is offset by various non-rate revenues.

The assumptions used in arriving at the projection of the gross costs and non-rate revenues over the six (6)-year period from 2021 to 2026 are as follows:

- Water O&M costs (not including non-recurring costs and reserve transfers) increase annually by 2.0%;
- Transfers to capital reserves are assumed to remain constant over the forecast period;
- Annual debt servicing costs over the forecast period reflects estimated debt servicing on the existing debt issued for the water treatment plant;
- Miscellaneous revenues from non-rate fees and charges are increased over the forecast period by 2.0%; and
- Recoveries related to the debt servicing of the Water Treatment Plant debt are billed directly to the affected water users.

Table 3-1 summarizes the gross operating costs, non-rate revenues and net costs to be recovered from users through the Township's water rate charges.

Table 3-1: O&M Cost Projections

	2021	2022	2023	2024	2025	2026
Water Works Operating	\$167,736	\$171,090	\$174,512	\$178,002	\$181,562	\$185,194
Water Works Hydro	\$75,000	\$76,500	\$78,030	\$79,591	\$81,182	\$82,806
Plant Phone/Internet	\$4,650	\$4,743	\$4,838	\$4,935	\$5,033	\$5,134
Insurance Premium (Township)	\$1,500	\$1,530	\$1,561	\$1,592	\$1,624	\$1,656
Equip Repairs, Materials & Supplies	\$31,500	\$32,130	\$32,773	\$33,428	\$34,097	\$34,779
Miscellaneous Wages	\$1,000	\$1,020	\$1,040	\$1,061	\$1,082	\$1,104
Transfers to Reserves	\$30,700	\$30,700	\$30,700	\$30,700	\$30,700	\$30,700
Debt servicing	\$70,898	\$69,570	\$68,243	\$66,915	\$65,587	\$64,260
Gross Operating Costs	\$382,983	\$387,284	\$391,696	\$396,224	\$400,868	\$405,632
Misc Revenue (Fill-Up Station)	\$4,500	\$4,590	\$4,682	\$4,775	\$4,871	\$4,968
Recovery of Water Debt from Users	\$70,898	\$69,570	\$68,243	\$66,915	\$65,587	\$64,260
Non-Rate Revenues	\$75,398	\$74,160	\$72,924	\$71,690	\$70,458	\$69,228
Net Operating Cost to be Recovered from User Fees	\$307,586	\$313,123	\$318,772	\$324,533	\$330,410	\$336,404
Annual Percent Change		1.8%	1.8%	1.8%	1.8%	1.8%

3.2 Capital Forecast

The capital forecast used for the financial plan is presented in Appendix B. This identifies capital spending and funding provisions between 2016 and 2021. (Recommended capital spending was provided by OCWA and adjusted where necessary to meet the Township's affordable funding level)

3.3 Revenue Requirements

The Township recovers its net costs through flat user fees charged to its various customer classes. The projection of revenues required from user fees over the six (6)-year period from 2021 to 2026 are detailed above in Table 3-1. The revenue requirements from the rates are projected to be approximately \$308 thousand in 2021, increasing to approximately \$336 thousand by 2026.

3.4 Debt Projections

The Township is projected to hold a 2021 opening debt balance of \$682 thousand related to the Water Treatment Plant. As reflected in Table 3-2, the Township’s outstanding debt is expected to decrease to \$357 thousand by the end of 2026.

Table 3-2: Debt Projections

Year	2021	2022	2023	2024	2025	2026
Opening Debt Balance	\$682,075	\$627,888	\$573,701	\$519,514	\$465,328	\$411,141
Principal Repayment	(\$54,187)	(\$54,187)	(\$54,187)	(\$54,187)	(\$54,187)	(\$54,187)
New Debt Issue	\$0	\$0	\$0	\$0	\$0	\$0
Closing Debt Balance	\$627,888	\$573,701	\$519,514	\$465,328	\$411,141	\$356,954

3.5 Tangible Capital Assets (TCA) Projections

The Township’s PSAB 3150 TCA data was used to develop the financial information related to the Township's water assets which include:

- Infrastructure;
- Buildings; and
- Machinery and Equipment

The TCA projections for the study period are presented in Table 3-3 and are based on the following assumptions:

- Amortization of existing assets is based on the Township’s Tangible Capital Assets Policies and Procedures. Amortization of new assets is based on straight line depreciation with half-year depreciation charged in the year of acquisition;
- Historical costs, life expectancy and remaining useful life as per the PSAB 3150 data provided by the Township;
- Fully depreciated assets continue to be used in service i.e. no asset removals;
- Value of new assets are based on the capital provisions presented in Appendix B and are assumed to be all Infrastructure related. These values are added to the TCA in the year identified and depreciated over their useful life; and
- Contributed assets from new development are assumed to be zero as current growth is mostly due to infilling.

As detailed in Table 3-3, the depreciated value of the Township’s water system is projected to decrease from approximately \$4.2 million at the end of 2021 to \$3.7 million at the end of 2026.

Table 3-3: TCA Projections

TCA	2021	2022	2023	2024	2025	2026
Historical Cost	\$ 6,686,265	\$ 6,765,017	\$ 6,798,812	\$ 6,819,665	\$ 6,835,323	\$ 6,841,890
Accumulated Amortization (Beginning)	\$ 2,323,651	\$ 2,468,537	\$ 2,614,673	\$ 2,761,702	\$ 2,909,167	\$ 3,056,922
Amortization Expense	\$ 144,886	\$ 146,136	\$ 147,030	\$ 147,464	\$ 147,755	\$ 147,932
Accumulated Amortization (Ending)	\$ 2,447,507	\$ 2,572,395	\$ 2,710,220	\$ 2,851,987	\$ 2,995,451	\$ 3,141,550
Net Book Value	\$ 4,238,758	\$ 4,192,622	\$ 4,088,592	\$ 3,967,678	\$ 3,839,873	\$ 3,700,340

3.6 Reserve Balances

The projected transfers to and from the Township’s water related reserves and their respective balances are presented in Tables 3-4 and 3-5 and include reserves related to:

- Manitowaning Water Reserve; and
- Sunsite Water Reserve.

Contributions to the reserves were based on the 2021 operating budget with the contributions being kept constant over the forecast period. In 2021 however there is a provision in each reserve for the last repayment of a loan made previously from the water reserves. Reserve contributions to fund the proposed water capital forecast have been allocated equally from each of the Manitowaning and Sunsite Water Reserves.

Table 3-4: Manitowaning Water Reserve

	2021	2022	2023	2024	2025	2026
Opening Balance	\$155,801	\$125,855	\$93,355	\$89,355	\$93,580	\$101,105
Transfer from Operating (Operating)	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Transfer from Operating (Capital)	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Repayment of Loan from Reserve	\$2,554	\$0	\$0	\$0	\$0	\$0
Transfer to Capital	\$50,000	\$50,000	\$21,500	\$13,275	\$9,975	\$4,200
Closing Balance	\$125,855	\$93,355	\$89,355	\$93,580	\$101,105	\$114,405

Table 3-5: Sunsite Water Reserve

Description	2021	2022	2023	2024	2025	2026
Opening Balance	\$160,457	\$126,211	\$89,411	\$81,111	\$81,036	\$84,261
Transfer from Operating (Operating)	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Operating (Capital)	\$13,200	\$13,200	\$13,200	\$13,200	\$13,200	\$13,200
Repayment of Loan from Reserve	\$2,554	\$0	\$0	\$0	\$0	\$0
Transfer to Capital	\$50,000	\$50,000	\$21,500	\$13,275	\$9,975	\$4,200
Closing Balance	\$126,211	\$89,411	\$81,111	\$81,036	\$84,261	\$93,261

3.7 Lead Service Pipe Removal

Based on the information provided by the Township, there are no lead pipes to be replaced. Therefore, the financial statements do not include costs associated with lead service pipe removal.

4 Financial Statements

This financial plan involves the review, analysis and assessment of financial information as provided by the Township including costs, revenues, debt, cash transactions and Tangible Capital Assets (TCA) to prepare the following three (3) financial statements covering the period 2021 – 2026 as required under O.Reg 453/07:

- Statement of Financial Position.
- Statement of Operations; and
- Statement of Cash Flow

4.1 Statement of Financial Position

The Statement of Financial Position is presented in Table 4-1. This statement summarizes the Township's water-related financial and non-financial assets i.e. Tangible Capital Assets (TCA) and liabilities, and provides the net financial asset (or net debt) position and accumulated surplus related to managing the water system.

The financial assets are the cash balances in the Township's water reserves and reserve funds. Liabilities consist of the water long-term debt.

The non-financial assets (TCA) include the Township's water infrastructure. The historical costs are amortized over the asset life to arrive at the net book value each year from 2021 to 2026. New assets are added in the years acquired, developed or built. It is assumed that other non-financial assets such as inventory and prepaid expenses are zero.

Contained within the Statement of Financial Position are important indicators, the first being net financial assets (or net debt) which is defined as the difference between financial assets and liabilities. This indicator provides a measure of the water system's "future revenue requirement". Table 4-1 indicates that in 2021 the Township's water system will be in a net debt position of \$376 thousand. The net debt position will reduce to \$149 thousand by 2026. The net debt position indicates that financial resources will be required to fund future operations. The reduction in the net debt position over the forecast period is due to a significant reduction in the water plant debt, offset by a decrease in the cash balance.

The next important indicator contained in the Statement of Financial Position is the net book value of TCA. Table 4-1 shows that net TCA are expected to decrease over the forecast period by about \$538 thousand. This indicates that the Township will not be investing in tangible capital assets in excess of the consumption of existing assets. Further, the asset consumption ratio indicates the percentage of the "life" of the assets that has been "used". This ratio is the accumulated amortization of the water assets as a percent of historical cost. It highlights the aged condition of the assets and their potential replacement needs. The Township's Water Asset

Consumption Ratio increases from 37% in 2021 to 46% in 2026. This suggests that the water system would be approximately 46% through its life expectancy by 2026 with approximately 54% of its life remaining. As this percentage would increase with time, consideration should be given to allocating adequate funds to finance the replacement or rehabilitation of aging assets as they expire.

Another important indicator in the Statement of Financial Position is the accumulated surplus. This indicator provides a measure of the resources available to the Township for managing its water system. The accumulated surplus is projected to decrease from approximately \$3.9 million in 2021 to approximately \$3.6 million by 2026. The accumulated surplus consists of non-financial assets that are made up of the net TCA balance representing past investments in water infrastructure, offset by the net debt position.

Table 4-1: Statement of Financial Position

	2021	2022	2023	2024	2025	2026
Financial Assets						
Cash, Receivables and Investment	\$252,066	\$182,766	\$170,466	\$174,616	\$185,367	\$207,667
Total Financial Assets	\$252,066	\$182,766	\$170,466	\$174,616	\$185,367	\$207,667
Financial Liabilities						
Accounts Payable & Deferred Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities	\$627,888	\$573,701	\$519,514	\$465,328	\$411,141	\$356,954
Total Financial Liabilities	\$627,888	\$573,701	\$519,514	\$465,328	\$411,141	\$356,954
Net Financial Assets (Net Debt)	(\$375,822)	(\$390,935)	(\$349,048)	(\$290,711)	(\$225,774)	(\$149,287)
Non-Financial Assets						
Tangible Capital Assets	\$6,686,265	\$6,765,017	\$6,798,812	\$6,819,665	\$6,835,323	\$6,841,890
Accumulated Amortization	(\$2,447,507)	(\$2,572,395)	(\$2,710,220)	(\$2,851,987)	(\$2,995,451)	(\$3,141,550)
Total Non-Financial Assets	\$4,238,758	\$4,192,622	\$4,088,592	\$3,967,678	\$3,839,873	\$3,700,340
Accumulated Surplus	\$3,862,936	\$3,801,687	\$3,739,544	\$3,676,966	\$3,614,098	\$3,551,053
Financial Indicators						
Increase (Decrease) in Net Financial Assets	(\$15,113)	(\$15,113)	\$41,887	\$58,337	\$64,937	\$76,487
Increase (Decrease) in Tangible Capital Assets	(\$44,886)	(\$46,136)	(\$104,030)	(\$120,914)	(\$127,805)	(\$139,532)
Increase (Decrease) in Accumulated Surplus	(\$59,999)	(\$61,249)	(\$62,143)	(\$62,578)	(\$62,868)	(\$63,045)
Water Asset Consumption Ratio	37%	38%	40%	42%	44%	46%

4.2 Statement of Operations

The Statement of Operations is presented in Table 4-2. It summarizes the annual revenues and expenses associated with managing the Township's water systems. It provides a report on the transactions and events that have an influence on the accumulated surplus. The main revenue items included are:

- Revenues from Water Charges;
- Other Revenues (administrative fees, and other direct charges such as Fill Station Revenues); and
- Recoveries of Water Treatment Plant debt related costs.

The main expense items are:

- The annual cost of operating and maintaining the water systems;
- Interest on long-term debt; and
- Amortization expenses on existing and added TCA.

The operating surplus (or deficit) is an important indicator contained in the Statement of Operations. An operating surplus (deficit) measures whether operating revenues generated in a year were sufficient to cover operating expenses incurred in that year. It is important to note that an annual surplus is necessary to ensure funds will be available to address non-expense items such as TCA acquisitions over and above amortization expenses, reserve/reserve fund contributions for asset replacement, and repayment of outstanding debt principal.

As reflected in Table 4-2 operating deficits are projected to occur each year over the forecast period and averages \$62 thousand per year. System long-term sustainability is dependent upon ensuring, on average, that current period expenses are less than current period revenues, as such the Township's water system is not considered financially sustainable over the long term. It is therefore recommended that the Township undertake a long-term financial planning exercise to develop financial policies and strategies to address the fiscal long-term sustainability of the Manitowaning and Sunsite water systems.

Table 4-2: Statement of Operations

	2021	2022	2023	2024	2025	2026
Water Revenue						
Rate Revenue	\$307,586	\$313,123	\$318,772	\$324,533	\$330,410	\$336,404
Other Revenue	\$75,398	\$74,160	\$72,924	\$71,690	\$70,458	\$69,228
Total Revenues	\$382,983	\$387,284	\$391,696	\$396,224	\$400,868	\$405,632
Water Expenses						
Operating Expenses	\$281,386	\$287,013	\$292,754	\$298,609	\$304,581	\$310,673
Interest on Debt	\$16,711	\$15,383	\$14,056	\$12,728	\$11,401	\$10,073
Amortization	\$144,886	\$146,136	\$147,030	\$147,464	\$147,755	\$147,932
Total Expenses	\$442,982	\$448,533	\$453,839	\$458,801	\$463,736	\$468,678
Annual Surplus/(Deficit)	(\$59,999)	(\$61,249)	(\$62,143)	(\$62,578)	(\$62,868)	(\$63,045)
Accumulated Surplus/(Deficit), Beginning of Year	\$3,922,935	\$3,862,936	\$3,801,687	\$3,739,544	\$3,676,966	\$3,614,098
Accumulated Surplus/ (Deficit), End of Year	\$3,862,936	\$3,801,687	\$3,739,544	\$3,676,966	\$3,614,098	\$3,551,053
Financial Indicators						
Increase (Decrease) in Total Revenues	N/A	\$4,300	\$4,413	\$4,527	\$4,645	\$4,764
Increase (Decrease) in Total Expenses	N/A	\$5,550	\$5,306	\$4,962	\$4,935	\$4,941
Increase (Decrease) in Annual Surplus	N/A	(\$1,250)	(\$894)	(\$435)	(\$291)	(\$177)
Operating Surplus Ratio	N/A	-15.8%	-15.9%	-15.8%	-15.7%	-15.5%

4.3 Statement of Cash Flows

The Statement of Cash Flow is presented in Table 4-3. This statement summarizes the main cash inflows and outflows related to the water system in four (4) main areas - operating, capital, investing and financing, and shows the annual changes in cash.

The operating cash transactions begin with the surplus or deficit identified in the Statement of Operations. This figure is adjusted to add or subtract non-cash items that were included as revenues or expenses (e.g. amortization expenses and earned revenues). The investing section reflects any investing of water related funds or repayment of past loans from the reserves. The capital section indicates the amounts to be spent to acquire capital assets (TCA) or to be received from the sale of assets. In the Township's case, it is assumed that there are no assets to be sold to generate cash. The financing section identifies funds external sources, proceeds from the issuance of debenture as cash inflows, and the portion of debt repaid as cash outflows.

Table 4-3 indicates that cash is being generated from operations, which is used in funding the acquisition of TCA and towards building internal reserves. The Township's cash position is projected however to decrease over the forecast period from \$252 thousand in 2021 to \$208 thousand in 2026.

Table 4-3: Statement of Cash Flows

	2021	2022	2023	2024	2025	2026
Cash Provided by:						
Operating Activities						
Annual Surplus/(Deficit)	(\$59,999)	(\$61,249)	(\$62,143)	(\$62,578)	(\$62,868)	(\$63,045)
Non-Cash Items						
Amortization	\$144,886	\$146,136	\$147,030	\$147,464	\$147,755	\$147,932
Net Change in Cash Provided by Operating Activities	\$84,887	\$84,887	\$84,887	\$84,887	\$84,887	\$84,887
Capital Activities						
Purchase of TCA	(\$100,000)	(\$100,000)	(\$43,000)	(\$26,550)	(\$19,950)	(\$8,400)
Net Change in Cash Used in Capital Activities	(\$100,000)	(\$100,000)	(\$43,000)	(\$26,550)	(\$19,950)	(\$8,400)
Investing Activities						
Repayment of Loan from Reserve	\$5,109	\$0	\$0	\$0	\$0	\$0
Net Change in Cash Used in Investing Activities	\$5,109	\$0	\$0	\$0	\$0	\$0
Financing Activities						
Proceeds From Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0
Repayment of Long-Term Debt	(\$54,187)	(\$54,187)	(\$54,187)	(\$54,187)	(\$54,187)	(\$54,187)
Net Change in Cash Used in Financing Activities	(\$54,187)	(\$54,187)	(\$54,187)	(\$54,187)	(\$54,187)	(\$54,187)
Net Change in Cash and Cash Equivalents	(\$64,191)	(\$69,300)	(\$12,300)	\$4,150	\$10,750	\$22,300
Cash and Cash Equivalents, Beginning of the Year	\$316,257	\$252,066	\$182,766	\$170,466	\$174,616	\$185,367
Cash and Cash Equivalents, End of the Year	\$252,066	\$182,766	\$170,466	\$174,616	\$185,367	\$207,667

4.4 Data Sources

The primary sources of data used to prepare this financial plan are listed in Table 4-4. In addition, information was also developed from discussions with and input from the Township’s staff, as required.

Table 4-4: Financial Plan Data Sources

Item	Data Sources
Asset Life Expectancy	- Township's TCA PSAB 3150 Database
Asset Values	- Township's TCA PSAB 3150 Database
O&M Costs and Revenue Projections	- Township's Projected 2021 Water Operating Budget
Capital Costs and TCA Projection	- Information provided by the Township/OCWA
Debt	- Information provided by the Township
Investments, Reserve Balances, Etc.	- Information provided by the Township

5 Conclusions & Recommendations

The following are the main conclusions and recommendations:

- The annual net cost to be recovered from water charges is projected to increase from \$308 thousand in 2021 to approximately \$336 thousand by 2026;
- Combined Manitowaning and Sunsite reserve balances over the forecast period are projected to decrease from \$252 thousand in 2021 to approximately \$208 thousand by 2026;
- The Net Book Value (NBV) of the Township’s water system is projected to decrease from approximately \$4.2 million in 2021 to approximately \$3.7 million by 2026. These values represent on the whole approximately 56% of the assets’ remaining service potential, with an overall system depreciation of approximately 46%;
- Annual operating deficits occur each year over the forecast period, averaging \$62 thousand per year;
- At present the Township’s revenues are not sufficient to offset asset depreciation and fund future asset replacement and therefore is not sustainable over the long term. It is therefore recommended that the Township undertake a long-term financial planning exercise to develop financial policies and strategies to address the long-term financial sustainability of the Manitowaning and Sunsite water systems;
- That the Water Financial Plan No. 254-301A including the Financial Statements presented herein be approved and submitted to the Ministry of Municipal Affairs and Housing (MMAH) in accordance with the Drinking Water System Licence renewal requirements and O. Reg. 453/07; and
- That a copy of the Water Financial Plan No. 254-301A be posted on the Township’s website.

Appendix A

Requirements of O. Reg. 453/07

Appendix A: Requirements of O.Reg. 453/07

Requirements		How Requirements are Met
1.	The financial plans must be approved by a resolution that is passed by,	
	i. The council of the municipality, if the owner of the drinking water system is a municipality.	<ul style="list-style-type: none"> It is expected the Council will approve the Updated Financial Plan prior to March 14, 2021.
	ii. The governing body of the owner, if the owner of the drinking water system has a governing body and is not a municipality.	<ul style="list-style-type: none"> N/A
2.	The financial plans must apply to a period of at least six years.	<ul style="list-style-type: none"> Applies for 6 years from 2021 to 2026 inclusive.
3.	The first year to which the financial plans must apply must be the year determined in accordance with the following rules:	
	i. If the financial plans are required by subsection 2, the first year to which the financial plans must apply must be the year in which the drinking water system's existing municipal drinking water licence would otherwise expire.	<ul style="list-style-type: none"> The licence expires September 14 2021 for the water systems (No. 254-301A). Therefore, the first year of the Updated Financial Plan is 2021
	ii. If the financial plans are required by a condition that was included in a municipal drinking water licence under subsection 1 (3), the first year to which the financial plans must apply must be the later of 2010 and the year in which the first licence for the system was issued.	<ul style="list-style-type: none"> N/A
4.	Subject to subsection (2), for each year to which the financial plans apply, the financial plans must include the following:	
	i. Details of the proposed or projected financial position of the drinking water system itemized by:	<ul style="list-style-type: none"> See Statement of Financial Position for all water systems combined in Financial Plan.
	a. Total financial assets	<ul style="list-style-type: none"> See Statement of Financial Position for all water systems combined in Financial Plan.
	b. Total liabilities	<ul style="list-style-type: none"> See Statement of Financial Position for all water systems combined in Financial Plan.
	c. Net financial assets (debt)	<ul style="list-style-type: none"> See Statement of Financial Position for all water systems combined in Financial Plan.
	d. Non-financial assets that are tangible capital assets, tangible capital assets under construction, inventories of supplies and prepaid expenses.	<ul style="list-style-type: none"> See Statement of Financial Position for all water systems combined in Financial Plan. TCA Projections in Financial Plan.
	e. Changes in tangible capital assets that are additions, donations, write downs and disposals.	<ul style="list-style-type: none"> See Statement of Financial Position for all water systems combined in Financial Plan. TCA Projections in Financial Plan.

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	ii.	Details of the proposed or projected financial operations of the drinking water system itemized by,	<ul style="list-style-type: none"> See Statement of Operations for all water systems combined in Financial Plan.
		a. Total revenues, further itemized by water rates, user charges and other revenues.	<ul style="list-style-type: none"> See Statement of Operations for all water systems combined in Financial Plan.
		b. Total expenses, further itemized by amortization expenses, interest expenses and other expenses	<ul style="list-style-type: none"> See Statement of Operations for all water systems combined in Financial Plan.
		c. Annual surplus or deficit, and	<ul style="list-style-type: none"> See Statement of Operations for all water systems combined in Financial Plan.
		d. Accumulated surplus or deficit	<ul style="list-style-type: none"> See Statement of Operations for all water systems combined in Financial Plan.
	iii.	Details of the drinking water system's proposed or projected gross cash receipts and gross cash payments itemized by,	<ul style="list-style-type: none"> See Statement of Cash Flow for all water systems combined in Financial Plan.
		a. Operating transactions that are cash received from revenues, cash paid for operating expenses and finance charges, - done in full cost report	<ul style="list-style-type: none"> See Statement of Cash Flow for all water systems combined in Financial Plan.
		b. Capital transactions that are proceeds on the sale of tangible capital assets and cash used to acquire capital assets,	<ul style="list-style-type: none"> See Statement of Cash Flow for all water systems combined in Financial Plan.
		c. Investing transactions that are acquisitions and disposal of investments,	<ul style="list-style-type: none"> See Statement of Cash Flow for all water systems combined in Financial Plan.
		d. Financing transactions that are proceeds from the issuance of debt and debt repayment.	<ul style="list-style-type: none"> See Statement of Cash Flow for all water systems combined in Financial Plan.
		e. Changes in cash and cash equivalents during the year,	<ul style="list-style-type: none"> See Statement of Cash Flow for all water systems combined in Financial Plan.
		f. Cash and cash equivalents at the beginning and end of the year.	<ul style="list-style-type: none"> See Statement of Cash Flow for all water systems combined in Financial Plan.
	iv.	Details of the extent to which the information described in subparagraphs i, ii and iii relates directly to the replacement of lead service pipes as defined in section 15.1- 3 of Schedule 15.1 to Ontario Regulation 170/03 (Drinking Water Systems), made under the Act.	<ul style="list-style-type: none"> Currently, all Haldimand County distribution systems are exempt from sampling due to sampling results received under the program (minimal exceedances). Also, there is no dedicated lead service pipe removal program in place. If lead pipe is discovered during normal operations, it is replaced accordingly. Therefore, there are no significant material financial costs associated with lead pipe removal.
5.		The owner of the drinking water system must.	
	i.	Make the financial plans available, on request, to members of the public who are served by the drinking water system without charge,	<ul style="list-style-type: none"> This will be done by the municipality following Council approval.

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	ii.	Make the financial plans available to members of the public without charge through publication on the Internet, if the owner maintains a website on the Internet,	<ul style="list-style-type: none"> The Financial Plan will be posted on the municipality's website and made available for public review at no charge.
	iii.	Provide notice advising the public of the availability of the financial plans under subparagraphs i and ii, if applicable, in a manner that, in the opinion of the owner, will bring the notice to the attention of members of the public who are served by the drinking water system.	<ul style="list-style-type: none"> A notice will be issued following Council approval.
6.		The owner of the drinking water system must give a copy of the financial plans to the Ministry of Municipal Affairs and Housing. O. Reg. 453/07, s. 3 (1).	<ul style="list-style-type: none"> Will be submitted following Council approval.
		Each of the following sub-subparagraphs applies only if the information referred to in the sub-subparagraph is known to the owner at the time the financial plans are prepared.	<ul style="list-style-type: none"> The Financial Plan was prepared using available information at the time of preparation and may not contain all desired items. Reasonable assumptions were made and these are noted in the Financial Plan.
	1.	Sub-subparagraphs 4 i A, B and C of subsection (1).	<ul style="list-style-type: none"> The Financial Plan was prepared using available information at the time of preparation and may not contain all desired items. Reasonable assumptions were made and these are noted in the Financial Plan.
	2.	Sub-subparagraphs 4 iii A, C, E and F of subsection (1). O. Reg. 453/07, s. 3 (2).	<ul style="list-style-type: none"> The Financial Plan was prepared using available information at the time of preparation and may not contain all desired items. Reasonable assumptions were made and these are noted in the Financial Plan.

Appendix B

Water Capital Forecast (2021 – 2026)

Appendix B: Water Capital Forecast (2021 – 2026)

Township of Assiginack	2021	2022	2023	2024	2025	2026
2021 Capital Program	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -
2022 Capital Program	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -
2023 Capital Program	\$ -	\$ -	\$ 43,000	\$ -	\$ -	\$ -
2024 Capital Program	\$ -	\$ -	\$ -	\$ 26,550	\$ -	\$ -
2025 Capital Program	\$ -	\$ -	\$ -	\$ -	\$ 19,950	\$ -
2026 Capital Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,400
Total Capital Program	\$ 100,000	\$ 100,000	\$ 43,000	\$ 26,550	\$ 19,950	\$ 8,400
Capital Financing						
Manitowaning Water Reserve	\$ 50,000	\$ 50,000	\$ 21,500	\$ 13,275	\$ 9,975	\$ 4,200
Sunsite Estates Water Reserve	\$ 50,000	\$ 50,000	\$ 21,500	\$ 13,275	\$ 9,975	\$ 4,200
Total Capital Financing	\$ 100,000	\$ 100,000	\$ 43,000	\$ 26,550	\$ 19,950	\$ 8,400