



TOWNSHIP OF MALAHIDE SEWAGE SYSTEM – FINANCIAL PLAN

Ontario Regulation 453/07 made under the Safe Drinking Water Act, 2002 sets out recommended requirements for a financial plan for sewage systems.

This financial plan applies to the Township of Malahide Sewage System which first served the public in the former Village of Springfield beginning in 2001. This system currently serves 262 customers

This financial plan will be approved by resolution on May 6, 2010 by the Council of the Township of Malahide who is the owner of the system. This resolution confirms that the sewage system is currently financially viable and that the financial impacts of the sewage system have been considered for a period of at least six years to December 31, 2015.

The sewage rates, as provided in the financial plan, are the rates as recommended by Watson & Associates Economists Limited, in their rate study of 2006.

A notice advising the public of the availability of the financial plan was published on the Township web site as well as being sent to the members of the public served by the sewage system. A copy will be provided to the Ministry of Municipal Affairs and Housing.

This financial plan includes the following:

- Statement of Financial Position
- Statement of Cash Flow
- Statement of Lifecycle Replacement Reserve Continuity
- Statement of Operations
- Detailed Inventory of Capital Tangible Assets
- Statement of Changes of Capital Assets

Further information is available by contacting:

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**TOWNSHIP OF MALAHIDE
SEWAGE SYSTEM
FINANCIAL PLAN - APRIL 2010**

STATEMENT OF FINANCIAL POSITION

	2010	2011	2012	2013	2014	2015
Financial Assets						
Cash	\$ 92,570.44	\$ 131,571.84	\$ 193,619.04	\$ 265,610.84	\$ 334,179.44	\$ 399,333.04
Total Financial Assets	\$ 92,570.44	\$ 131,571.84	\$ 193,619.04	\$ 265,610.84	\$ 334,179.44	\$ 399,333.04
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Financial Assets	\$ 92,570.44	\$ 131,571.84	\$ 193,619.04	\$ 265,610.84	\$ 334,179.44	\$ 399,333.04
Non Financial Assets						
Tangible Capital Assets	\$ 4,332,928.39	\$ 4,342,751.67	\$ 4,342,751.67	\$ 4,342,751.67	\$ 4,342,751.67	\$ 4,342,751.67
Inventory of Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Financial Assets	\$ 4,332,928.39	\$ 4,342,751.67	\$ 4,342,751.67	\$ 4,342,751.67	\$ 4,342,751.67	\$ 4,342,751.67
Accumulated Surplus	\$ 4,425,498.83	\$ 4,474,323.51	\$ 4,536,370.71	\$ 4,608,362.51	\$ 4,676,931.11	\$ 4,742,084.71

STATEMENT OF CASH FLOW

	2010	2011	2012	2013	2014	2015
Operating Transactions						
Cash Received from Sewage Rates	\$ 176,740.00	\$ 201,096.40	\$ 208,152.20	\$ 221,081.80	\$ 222,713.60	\$ 223,533.60
Cash Received from Connection Fees	\$ 500.00	\$ -	\$ -	\$ 600.00	\$ 600.00	\$ 600.00
less Cash Paid for Operating Transactions	\$ (136,900.00)	\$ (149,595.00)	\$ (150,105.00)	\$ (154,590.00)	\$ (160,645.00)	\$ (165,880.00)
Total Cash provided by Operating Transactions	\$ 40,340.00	\$ 51,501.40	\$ 58,047.20	\$ 66,991.80	\$ 62,668.60	\$ 58,153.60
Capital Transactions						
less Cash Paid for Capital Transactions	\$ 54,000.00	\$ 16,000.00	\$ -	\$ -	\$ -	\$ -
Investing Transactions						
Proceeds from Investments	\$ 3,000.00	\$ 3,500.00	\$ 4,000.00	\$ 5,000.00	\$ 6,000.00	\$ 7,000.00
Increase (Decrease) in Cash	\$ (10,660.00)	\$ 39,001.40	\$ 62,047.20	\$ 71,991.80	\$ 68,548.60	\$ 65,153.60
Cash at Beginning of Year	\$ 103,230.44	\$ 92,570.44	\$ 131,571.84	\$ 193,619.04	\$ 265,610.84	\$ 334,179.44
Cash at End of Year	\$ 92,570.44	\$ 131,571.84	\$ 193,619.04	\$ 265,610.84	\$ 334,179.44	\$ 399,333.04

STATEMENT OF LIFECYCLE REPLACEMENT RESERVE FUND CONTINUITY

	2010	2011	2012	2013	2014	2015
Opening Lifecycle Replacement Balance	\$ 103,230.44	\$ 92,570.44	\$ 131,571.84	\$ 193,619.04	\$ 265,610.84	\$ 334,179.44
Plus Transfer from Operating Fund	\$ 40,340.00	\$ 51,501.40	\$ 58,047.20	\$ 66,991.80	\$ 62,548.60	\$ 58,153.60
Less payments to Capital Fund	\$ 54,000.00	\$ 16,000.00	\$ -	\$ -	\$ -	\$ -
Plus Investment Income	\$ 3,000.00	\$ 3,500.00	\$ 4,000.00	\$ 5,000.00	\$ 6,000.00	\$ 7,000.00
Ending Lifecycle Replacement Reserve	\$ 92,570.44	\$ 131,571.84	\$ 193,619.04	\$ 265,610.84	\$ 334,179.44	\$ 399,333.04

STATEMENT OF OPERATIONS

	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget	2015 Budget
Revenue						
Revenue from Sewage Rates Imposed						
Residential Billing	\$ 172,540.00	\$ 195,138.00	\$ 201,961.80	\$ 214,555.40	\$ 216,163.20	\$ 216,982.00
Commercial Billing	\$ 4,200.00	\$ 5,958.40	\$ 6,190.40	\$ 6,526.40	\$ 6,550.40	\$ 6,551.60
Total Revenue from Sewage Rates	\$ 176,740.00	\$ 201,096.40	\$ 208,152.20	\$ 221,081.80	\$ 222,713.60	\$ 223,533.60
User Charges						
Sewage Connection Fee	\$ 500.00	\$ -	\$ -	\$ 500.00	\$ 500.00	\$ 500.00
Total User Charges	\$ 500.00	\$ -	\$ -	\$ 500.00	\$ 500.00	\$ 500.00
Other Revenue						
Interest Earned Operations/Lifecycle Reserve	\$ 3,000.00	\$ 3,500.00	\$ 4,000.00	\$ 5,000.00	\$ 6,000.00	\$ 7,000.00
Total Other Revenue	\$ 3,000.00	\$ 3,500.00	\$ 4,000.00	\$ 5,000.00	\$ 6,000.00	\$ 7,000.00
Total Revenue	\$ 180,240.00	\$ 204,596.40	\$ 212,152.20	\$ 226,581.80	\$ 229,213.60	\$ 231,033.60
Expenditures						
Operating Expenditures						
Wages & Benefits including staff cost for billing/collection	\$ 19,600.00	\$ 22,500.00	\$ 23,200.00	\$ 24,000.00	\$ 24,900.00	\$ 25,500.00
Administrative Expenditures						
Miscage	\$ 425.00	\$ 1,225.00	\$ 1,275.00	\$ 1,320.00	\$ 1,375.00	\$ 1,400.00
Administrative Costs	\$ 4,200.00	\$ 4,200.00	\$ 4,300.00	\$ 4,400.00	\$ 4,500.00	\$ 4,600.00
Computer Software Support	\$ 780.00	\$ 820.00	\$ 850.00	\$ 900.00	\$ 900.00	\$ 950.00
Professional Development	\$ 400.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Phone/Paper for Operator	\$ 275.00	\$ 290.00	\$ 300.00	\$ 310.00	\$ 320.00	\$ 330.00
Insurance	\$ 4,300.00	\$ 4,500.00	\$ 4,700.00	\$ 5,000.00	\$ 5,200.00	\$ 5,500.00
Insurance Reserve	\$ 5,500.00	\$ 6,000.00	\$ 6,500.00	\$ 7,000.00	\$ 7,500.00	\$ 8,000.00
Bad Debt Expense	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Conservation & Efficiency Program	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Equipment/Small Tools	\$ -	\$ 4,000.00	\$ -	\$ -	\$ -	\$ -
Total Administrative Expenditures	\$ 19,080.00	\$ 24,435.00	\$ 21,325.00	\$ 22,330.00	\$ 23,195.00	\$ 24,180.00
Pumping Station Operations						
Utilities	\$ 4,320.00	\$ 4,440.00	\$ 4,660.00	\$ 4,780.00	\$ 5,000.00	\$ 5,120.00
Phone	\$ 880.00	\$ 920.00	\$ 970.00	\$ 1,020.00	\$ 1,100.00	\$ 1,150.00
Grass Cutting at Pumping Stn	\$ 850.00	\$ 850.00	\$ 900.00	\$ 900.00	\$ 950.00	\$ 980.00
Snow Removal at Pumping Stn	\$ 620.00	\$ 650.00	\$ 650.00	\$ 660.00	\$ 700.00	\$ 700.00
SCADA Operation Costs	\$ 1,000.00	\$ 2,000.00	\$ 2,100.00	\$ 2,200.00	\$ 2,300.00	\$ 2,350.00
Building Repairs & Mtc	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pump/Valve Repairs & Mtc	\$ 1,000.00	\$ 1,100.00	\$ 1,200.00	\$ -	\$ -	\$ -
Total Pumping Stn Operation Expenditures	\$ 8,620.00	\$ 9,960.00	\$ 10,480.00	\$ 9,560.00	\$ 10,050.00	\$ 10,200.00
Collection Line Operations						
Repairs - Collection Lines	\$ 5,000.00	\$ 5,500.00	\$ 6,000.00	\$ 6,000.00	\$ 6,500.00	\$ 6,500.00
Operations & Mtc-Contract with OCWA	\$ 23,000.00	\$ 23,000.00	\$ 23,500.00	\$ 24,000.00	\$ 24,500.00	\$ 25,000.00
Flow Monitoring Program	\$ 7,000.00	\$ 7,000.00	\$ -	\$ -	\$ -	\$ -
Clean Lines & CCTV Inspection	\$ 1,000.00	\$ -	\$ 5,800.00	\$ 6,300.00	\$ 6,500.00	\$ 6,800.00
Total Collection Line Operations	\$ 36,000.00	\$ 35,500.00	\$ 35,300.00	\$ 36,300.00	\$ 37,500.00	\$ 38,300.00
Lagoon & OPC Costs						
Operation Costs at OPC Pumping Stn	\$ 23,000.00	\$ 24,000.00	\$ 24,000.00	\$ 25,000.00	\$ 26,000.00	\$ 27,000.00
Operation Costs at Aylmer Lagoons	\$ 20,000.00	\$ 22,000.00	\$ 24,000.00	\$ 25,000.00	\$ 26,000.00	\$ 27,000.00
Operation Costs at Sand Filters	\$ 9,000.00	\$ 9,500.00	\$ 10,000.00	\$ 10,500.00	\$ 11,000.00	\$ 11,500.00
Payment to Aylmer for Lagoon/Filter Reserve	\$ 1,600.00	\$ 1,700.00	\$ 1,800.00	\$ 1,900.00	\$ 2,000.00	\$ 2,100.00
Total Lagoon & OPC Costs	\$ 53,600.00	\$ 57,200.00	\$ 59,800.00	\$ 62,400.00	\$ 65,000.00	\$ 67,600.00
TOTAL OPERATIONAL EXPENDITURES	\$ 136,900.00	\$ 149,995.00	\$ 150,105.00	\$ 154,990.00	\$ 160,645.00	\$ 165,880.00
Less Reserve Transfers from Above	\$ (5,500.00)	\$ (6,000.00)	\$ (6,500.00)	\$ (7,000.00)	\$ (7,500.00)	\$ (8,000.00)
Amortization Expense	\$ 48,150.61	\$ 51,450.61	\$ 52,250.61	\$ 52,250.61	\$ 52,250.61	\$ 52,250.61
Loss on Deemed Disposal of Assets	\$ -	\$ 6,176.72	\$ -	\$ -	\$ -	\$ -
Surplus for Financial Statement Presentation Purposes	\$ 689.39	\$ 3,374.07	\$ 16,296.59	\$ 26,741.19	\$ 23,817.99	\$ 20,902.99
Plus Reserve Transfers from above	\$ 5,500.00	\$ 6,000.00	\$ 6,500.00	\$ 7,000.00	\$ 7,500.00	\$ 8,000.00
Less Amortization from above	\$ (48,150.61)	\$ (51,450.61)	\$ (52,250.61)	\$ (52,250.61)	\$ (52,250.61)	\$ (52,250.61)
Less Loss on Deemed Disposal from above	\$ -	\$ (6,176.72)	\$ -	\$ -	\$ -	\$ -
Total Lifecycle Replace Expenditures	\$ 54,000.00	\$ 16,000.00	\$ -	\$ -	\$ -	\$ -
Total Capital Expenditures	\$ 54,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 190,900.00	\$ 165,995.00	\$ 150,105.00	\$ 154,990.00	\$ 160,645.00	\$ 165,880.00
Surplus Revenue over Cash Expenses	\$ (10,660.00)	\$ 39,001.40	\$ 62,047.20	\$ 71,991.80	\$ 68,568.60	\$ 65,153.60
loss		surplus	surplus	surplus	surplus	surplus
Accumulated Surplus	\$ 92,570.44	\$ 131,571.84	\$ 193,619.04	\$ 265,610.84	\$ 334,179.44	\$ 399,333.04
PROPOSED SEWAGE RATES						
Annual Flat Rate - Residential Customers	\$ 675.80	\$ 744.80	\$ 773.80	\$ 815.80	\$ 818.80	\$ 818.80
Anticipated Number Residential Customers	262	262	262	263	264	265
Anticipated Residential Revenue	\$ 172,540.00	\$ 195,137.60	\$ 201,961.80	\$ 214,555.40	\$ 216,163.20	\$ 216,982.00
Annual Flat Rate - Commercial Customers	\$ 2,703.20	\$ 2,979.20	\$ 3,095.20	\$ 3,263.20	\$ 3,275.20	\$ 3,275.80
Anticipated Number Commercial Customers	2	2	2	2	2	2
Anticipated Commercial Revenue	\$ 4,200.00	\$ 5,958.40	\$ 6,190.40	\$ 6,526.40	\$ 6,550.40	\$ 6,551.60

DETAILED INVENTORY OF SEWAGE SYSTEM TANGIBLE CAPITAL ASSETS
As at December 31, 2009

	Location	Area	Year Acquired	Historical Cost
Land				
Sewage Booster Strn	Springfield Road	.15 Ac	1999	\$ 4,074.57
Sewage Vacant Land	Rogers Road	6.098 Ac	2000	\$ 58,982.89
Total Land				<u>\$ 63,057.46</u>

	Description	Year Acquired	Historical Cost	Annual Amortization
Facilities				
Sewage Booster Station	Civil/Structural	2000	\$ 122,238.00	\$ 2,444.76
Sewage Booster Station	Mechanical/Electrical	2000	\$ 122,238.00	\$ 6,111.90
Total Facilities			<u>\$ 244,476.00</u>	<u>\$ 8,556.66</u>

	Diameter (mm)	Length (m)	Material	Year Installed	Historical Cost	Annual Amortization
Forcemain						
Sanitary Sewer Force Main to Ontario Police College	150	1582	PVC	2000	\$897,615.00	\$8,976.15

	Diameter (mm)	Length (m)	Material	Year Installed	Historical Cost	Annual Amortization
Collection Lines						
Sanitary Sewer Collection Lines w/ fittings & valves	300	11.4	PVC	2000	\$4,811.00	\$48.11
Sanitary Sewer Collection Lines w/ fittings & valves	250	1777.1	PVC	2000	\$718,786.00	\$7,187.86
Sanitary Sewer Collection Lines w/ fittings & valves	200	5621.9	PVC	2000	\$2,174,890.00	\$21,748.90
Sanitary Sewer Collection Lines (VanGeffen)	200	88	PVC	2005	\$54,024.92	\$540.25
Sanitary Sewer Collection Lines (Church)	200	273	PVC	2007	\$109,268.01	\$1,092.68
Total Collection Lines w/fittings & valves		<u>7771.4</u>			<u>\$3,061,779.93</u>	<u>\$30,617.80</u>

TOTAL SEWAGE SYSTEM ASSETS					<u>\$ 4,266,928.39</u>	<u>\$ 48,150.61</u>
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SUMMARY OF ESTIMATED TANGIBLE CAPITAL ASSET CHANGES

SUMMARY	January 1st Opening Balance	Asset Additions	Asset Disposals	Asset Writedowns	December 31st Ending Balance
2010 - SCADA installation	\$ 4,266,928.39	\$ 66,000.00	\$ -	\$ -	\$ 4,332,928.39
2011 - Replacement pump installed	\$ 4,332,928.39	\$ 16,000.00	\$ 6,176.72	\$ -	\$ 4,342,751.67
2012	\$ 4,342,751.67	\$ -	\$ -	\$ -	\$ 4,342,751.67
2013	\$ 4,342,751.67	\$ -	\$ -	\$ -	\$ 4,342,751.67
2014	\$ 4,342,751.67	\$ -	\$ -	\$ -	\$ 4,342,751.67
2015	\$ 4,342,751.67	\$ -	\$ -	\$ -	\$ 4,342,751.67