



TOWNSHIP OF MALAHIDE WATER SYSTEM – FINANCIAL PLAN

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

This financial plan applies to the Township of Malahide Water System which serves approximately 580 customers at specific locations throughout the Township and includes 20.75 km of water main.

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 water system is currently financially viable and that the financial impacts of the water system have been considered for a period of at least six years to December 31, 2015.

The water 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's website as well as being sent to the members of the public served by the water 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
WATER SYSTEM
FINANCIAL PLAN - APRIL 2010**

STATEMENT OF FINANCIAL POSITION

	2010	2011	2012	2013	2014	2015
Financial Assets						
Cash	\$ 60,721.65	\$ 62,315.05	\$ 86,930.05	\$ 95,900.05	\$ 118,315.05	\$ 133,440.05
Total Financial Assets	\$ 60,721.65	\$ 62,315.05	\$ 86,930.05	\$ 95,900.05	\$ 118,315.05	\$ 133,440.05
Liabilities						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Financial Assets	\$ 60,721.65	\$ 62,315.05	\$ 86,930.05	\$ 95,900.05	\$ 118,315.05	\$ 133,440.05
Non Financial Assets						
Tangible Capital Assets	\$ 2,264,248.27	\$ 2,484,248.27	\$ 2,484,248.27	\$ 2,484,248.27	\$ 2,484,248.27	\$ 2,484,248.27
Inventory of Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non Financial Assets	\$ 2,264,248.27	\$ 2,484,248.27	\$ 2,484,248.27	\$ 2,484,248.27	\$ 2,484,248.27	\$ 2,484,248.27
ACCUMULATED SURPLUS	\$ 2,324,969.92	\$ 2,546,563.32	\$ 2,571,178.32	\$ 2,580,146.32	\$ 2,602,563.32	\$ 2,617,688.32

STATEMENT OF CASH FLOW

	2010	2011	2012	2013	2014	2015
Operating Transactions						
Cash Received from Water Rates	\$ 506,936.00	\$ 517,140.00	\$ 518,720.00	\$ 520,980.00	\$ 522,500.00	\$ 524,000.00
Cash Received from other Fees	\$ 740.00	\$ 740.00	\$ 740.00	\$ 2,170.00	\$ 2,810.00	\$ 2,810.00
Less Cash Paid for Operating Transactions	\$ (438,846.00)	\$ (459,720.00)	\$ (460,745.00)	\$ (481,980.00)	\$ (496,895.00)	\$ (507,285.00)
Total Cash provided by Operating Transactions	\$ 67,831.00	\$ 58,160.00	\$ 58,715.00	\$ 41,170.00	\$ 28,415.00	\$ 19,525.00
Capital Transactions						
Less Cash Paid for Capital Transactions	\$ (72,000.00)	\$ (64,566.60)	\$ (46,100.00)	\$ (46,200.00)	\$ (22,000.00)	\$ (22,400.00)
Investing Transactions						
Proceeds from Investments	\$ 8,500.00	\$ 8,000.00	\$ 12,000.00	\$ 14,000.00	\$ 16,000.00	\$ 18,000.00
Increase (Decrease) in Cash	\$ 2,331.00	\$ 1,593.40	\$ 24,615.00	\$ 8,970.00	\$ 22,415.00	\$ 15,125.00
Cash at Beginning of Year	\$ 58,390.65	\$ 60,721.65	\$ 62,315.05	\$ 86,930.05	\$ 95,900.05	\$ 118,315.05
Cash at End of Year	\$ 60,721.65	\$ 62,315.05	\$ 86,930.05	\$ 95,900.05	\$ 118,315.05	\$ 133,440.05

STATEMENT OF LIFECYCLE REPLACEMENT RESERVE FUND CONTINUITY

	2010	2011	2012	2013	2014	2015
Opening Lifecycle Replacement Balance	\$ 58,390.65	\$ 60,721.65	\$ 62,315.05	\$ 86,930.05	\$ 95,900.05	\$ 118,315.05
Plus Transfer from Operating Fund	\$ 67,831.00	\$ 58,160.00	\$ 58,715.00	\$ 41,170.00	\$ 28,415.00	\$ 19,525.00
Less Payments to Capital Fund	\$ 72,000.00	\$ 64,566.60	\$ 46,100.00	\$ 46,200.00	\$ 22,000.00	\$ 22,400.00
Plus Investment Income	\$ 6,500.00	\$ 8,000.00	\$ 12,000.00	\$ 14,000.00	\$ 16,000.00	\$ 18,000.00
Ending Lifecycle Replacement Balance	\$ 60,721.65	\$ 62,315.05	\$ 86,930.05	\$ 95,900.05	\$ 118,315.05	\$ 133,440.05

STATEMENT OF OPERATIONS

	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget	2015 Budget
Revenue						
Sales of Water	\$ 506,936.00	\$ 517,140.00	\$ 518,720.00	\$ 520,980.00	\$ 522,500.00	\$ 524,000.00
Interest Income	\$ 5,500.00	\$ 5,000.00	\$ 12,000.00	\$ 14,000.00	\$ 16,000.00	\$ 18,000.00
Sale Meters & parts	\$ 620.00	\$ 620.00	\$ 620.00	\$ 1,810.00	\$ 2,400.00	\$ 2,410.00
Installation Inspections	\$ 120.00	\$ 120.00	\$ 120.00	\$ 360.00	\$ 410.00	\$ 400.00
Total Revenue	\$ 514,176.00	\$ 525,880.00	\$ 531,460.00	\$ 537,150.00	\$ 541,310.00	\$ 544,810.00
Operating Costs						
Total Wages & Benefits	\$ 78,500.00	\$ 84,500.00	\$ 85,500.00	\$ 87,500.00	\$ 90,500.00	\$ 92,500.00
Administrative Costs						
Mileage	\$ 3,200.00	\$ 3,300.00	\$ 3,450.00	\$ 3,600.00	\$ 3,750.00	\$ 3,900.00
Admin. Costs	\$ 11,000.00	\$ 11,800.00	\$ 12,000.00	\$ 12,200.00	\$ 12,500.00	\$ 13,000.00
Compliance Audit transfer to reserve	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Insurance	\$ 360.00	\$ 360.00	\$ 360.00	\$ 360.00	\$ 360.00	\$ 360.00
Bad Debts	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00
Advertising	\$ 120.00	\$ 130.00	\$ 140.00	\$ 140.00	\$ 150.00	\$ 160.00
Dues & Professional Development	\$ 2,000.00	\$ 2,100.00	\$ 2,200.00	\$ 2,300.00	\$ 2,350.00	\$ 2,400.00
Computer Software Support	\$ 2,100.00	\$ 2,200.00	\$ 2,300.00	\$ 2,400.00	\$ 2,500.00	\$ 2,600.00
Phone/pager	\$ 1,000.00	\$ 1,050.00	\$ 1,100.00	\$ 1,150.00	\$ 1,180.00	\$ 1,200.00
SCADA Operations	\$ 2,300.00	\$ 1,800.00	\$ 2,300.00	\$ 2,500.00	\$ 2,800.00	\$ 3,000.00
Small Tools/Other	\$ 400.00	\$ 400.00	\$ 400.00	\$ 450.00	\$ 450.00	\$ 500.00
Equipment						
Studies/Reports	\$ 7,500.00	\$ 7,500.00	\$ 0.00	\$ 5,000.00	\$ 5,000.00	\$ 0.00
Conservation Program	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00
Lead Sampling/Testing	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Administrative Costs	\$ 32,770.00	\$ 36,540.00	\$ 26,570.00	\$ 32,430.00	\$ 33,380.00	\$ 28,470.00
Operational Costs						
Water Purchases	\$ 250,250.00	\$ 258,630.00	\$ 268,000.00	\$ 279,300.00	\$ 288,090.00	\$ 298,265.00
Line Maintenance Contract	\$ 66,400.00	\$ 66,500.00	\$ 66,500.00	\$ 66,500.00	\$ 66,500.00	\$ 66,700.00
Repairs (less curb stops & Serv. Sides)	\$ 16,000.00	\$ 16,500.00	\$ 17,000.00	\$ 17,250.00	\$ 17,500.00	\$ 17,800.00
Total Operational Costs	\$ 332,650.00	\$ 341,630.00	\$ 351,500.00	\$ 356,750.00	\$ 365,590.00	\$ 377,765.00
Booster Station Costs						
Booster Station Hydro	\$ 5,000.00	\$ 5,100.00	\$ 5,200.00	\$ 5,300.00	\$ 5,400.00	\$ 5,500.00
Booster Station Phone	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Booster Station Maintenance	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Total Booster Station	\$ 6,200.00	\$ 6,300.00	\$ 6,400.00	\$ 6,500.00	\$ 6,600.00	\$ 6,700.00
Total Operating Costs	\$ 439,845.00	\$ 459,720.00	\$ 460,745.00	\$ 481,980.00	\$ 496,895.00	\$ 507,285.00
Amortization Expense	\$ 29,908.87	\$ 32,908.87	\$ 32,908.87	\$ 32,908.87	\$ 32,908.87	\$ 32,908.87
Surplus for Financial Statement Presentation Purposes	\$ 44,422.13	\$ 33,251.13	\$ 37,806.13	\$ 22,261.13	\$ 11,506.13	\$ 4,616.13
Less Amortization Expenses (above)	\$ (29,908.87)	\$ (32,908.87)	\$ (32,908.87)	\$ (32,908.87)	\$ (32,908.87)	\$ (32,908.87)
Capital						
Office Backup for SCADA	\$ 2,500.00	\$ 2,500.00	\$ 25,000.00	\$ 25,000.00	\$ 0.00	\$ 0.00
SCADA Costs - extra at Booster						
Total Capital	\$ 2,500.00	\$ 2,500.00	\$ 25,000.00	\$ 25,000.00	\$ 0.00	\$ 0.00
Lifecycle						
Water Meters	\$ 35,000.00	\$ 41,566.60				
SCADA (includes extra \$2,089 of mar 18)	\$ 17,000.00					
Computer Hardware	\$ 13,500.00	\$ 14,000.00	\$ 14,500.00	\$ 14,500.00	\$ 15,000.00	\$ 15,000.00
Curb Stop/Service Saddle Replacement	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,200.00	\$ 4,400.00
Replace Blow Offs						
Total Lifecycle	\$ 69,500.00	\$ 62,066.60	\$ 21,100.00	\$ 21,200.00	\$ 22,000.00	\$ 22,400.00
Total Cash Costs	\$ 511,845.00	\$ 524,286.60	\$ 506,845.00	\$ 528,180.00	\$ 518,895.00	\$ 529,685.00
SURPLUS REVENUES OVER CASH EXPENSES	\$ 2,331.00	\$ 1,593.40	\$ 24,615.00	\$ 8,970.00	\$ 22,415.00	\$ 15,125.00
to be transferred into Reserve	surplus	surplus	surplus	surplus	surplus	surplus
Projected Reserve Balances	\$ 60,721.65	\$ 62,315.05	\$ 86,930.05	\$ 95,900.05	\$ 118,315.05	\$ 133,440.05
Water Rate Information						
Estimated Customers	581	588	591	595	600	605
Estimated volume water sold m3	167,293	168,600	169,000	169,600	170,000	170,500
Estimated minimum rate for 4 months	\$ 54.00	\$ 55.00	\$ 55.00	\$ 55.00	\$ 55.00	\$ 55.00
Estimate rate for every m3 water sold	\$ 2.28	\$ 2.30	\$ 2.30	\$ 2.30	\$ 2.30	\$ 2.30
Proof of Calculated Revenue	\$ 506,924.04	\$ 517,140.00	\$ 518,720.00	\$ 520,980.00	\$ 522,500.00	\$ 524,250.00

Water rate study pending for 2012 onward

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

Buildings/Facilities

	Description	Year Acquired	Historical Cost	Useful Life	Annual Amortization
Copenhagen Booster Station	Civil/Structural component	2004	\$ 88,075.83	50	\$ 1,761.52
	Mechanical/Electrical component	2004	\$ 88,075.84	20	\$ 4,403.79
Total Buildings/Facilities			\$ 176,151.67		\$ 6,165.31

	Description	Length	Diameter	Material	Year Acquired	Historical Cost	Useful Life	Annual Amortization
Malahide Tertiary Mains								
Dingle Street	Town to Hacienda Rd	1127.76	200	PVC	1995	\$ 114,189.42	100	\$ 1,141.89
Rogers Road	Rogers Rd south Imperial	415	200	PVC	1997	\$ 45,377.87	100	\$ 453.78
Imperial Road	Jamestown Rd to Calton Ln	3550	200	PVC	2004	\$ 328,409.34	100	\$ 3,284.09
Hacienda Rd (OPC)	Hacienda to OPC	2941	200	PVC	2005	\$ 441,154.05	100	\$ 4,411.54
Highway 3	East to Town - Lot 14	500	160	DI	1965	\$ 7,801.14	100	\$ 78.01
Highway 3	North side west of Elk	96	150	PVC	1972	\$ 1,900.00	100	\$ 19.00
Port Bruce Water System	various	3852.5	150	PVC	1983	\$ 375,627.87	100	\$ 3,756.28
Copenhagen		454.2	150	PVC	1987	\$ 53,029.96	100	\$ 530.30
Creek Road Extension	Creek Road to Pineos	105	150	PVC	1987	\$ 10,929.55	100	\$ 109.30
Jamestown Road	On Imperial Road	536	150	PVC	1989	\$ 19,371.35	100	\$ 193.71
Wanetta Beach	to Wanetta Beach	780	150	PVC	1994	\$ 100,873.17	100	\$ 1,008.73
Highway 3	Extension to Church	249	150	PVC	2003	\$ 41,877.26	100	\$ 418.77
Vienna Line	Vienna east of Imperial	500	150	PVC	2004	\$ 41,254.00	100	\$ 412.54
Calton Line	Calton east of Imperial	58	150	PVC	2004	\$ 4,785.46	100	\$ 47.85
Jamestown Upsize	upsized 410 m to 150mm	410	150	PVC	2004	\$ 62,598.83	100	\$ 625.99
Orwell - Church/Norton	Norton & Church Streets	332	150	PVC	2006	\$ 94,385.55	100	\$ 943.86
Jamestown Road	Jamestown west of Imp	3330	100	PVC	1989	\$ 67,905.99	100	\$ 679.06
Jamestown Road Extension	Jamestown west of Imp	920	100	PVC	1990	\$ 23,739.52	100	\$ 237.40
Granger Rd (Grovesend)	Dead End to Nova Scotia	460	100	PVC	1991	\$ 25,704.64	100	\$ 257.05
Pede Road	Pede Road	134	100	PVC	1994	\$ 15,675.00	100	\$ 156.75
Orwell Stub - South side	Hwy#3 & Springwater Rd	n/a	not in use	not in use	1996	\$ 4,531.50	100	\$ 45.32
Orwell Stub Only	Hwy#3 & Norton	n/a	used 2006	used 2006	1996	\$ 4,531.50	100	\$ 45.32
Rogers Rd Stub Only	Hwy# 3 & Rogers Rd	n/a	used 1997	used 1997	1996	\$ 4,531.50	100	\$ 45.32
Total Water Mains & Facilities		20750.46				\$ 1,890,184.47		\$ 18,901.86

Water Meters

Various water meters	meters installed before 2008					\$ 33,460.17	15	\$ 2,230.37
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Fire Hydrants

various fire hydrants	various installation dates					\$ 104,451.96	40	\$ 2,611.33
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TOTAL WATER SYSTEM ASSETS

\$ 2,204,248.27	\$ 29,908.87
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SUMMARY OF ESTIMATED CHANGES IN TANGIBLE CAPITAL ASSETS

Year	January 1st Opening Balance	Asset Additions	Asset Disposal	Asset Writedowns	December 31st Ending Balance
2010 - new SCADA	\$ 2,204,248.27	\$ 60,000.00	\$ -	\$ -	\$ 2,264,248.27
2011 - new meters	\$ 2,264,248.27	\$ 220,000.00	\$ -	\$ -	\$ 2,484,248.27
2012	\$ 2,484,248.27	\$ -	\$ -	\$ -	\$ 2,484,248.27
2013	\$ 2,484,248.27	\$ -	\$ -	\$ -	\$ 2,484,248.27
2014	\$ 2,484,248.27	\$ -	\$ -	\$ -	\$ 2,484,248.27
2015	\$ 2,484,248.27	\$ -	\$ -	\$ -	\$ 2,484,248.27