



The Corporation of the
Township of Chatsworth

Financial Plan 241-301A
2020-2026

Municipal Drinking Water Licence

Chatsworth Drinking Water System #241-102

Walters Falls Drinking Water System #241-101

Endorsed by Township of Chatsworth Council: May 20, 2020

Overview

Ontario Regulation 453/07 under the Safe Drinking Water Act, 2002 requires all owners of municipal residential drinking water systems to prepare and submit a Financial Plan. The Financial Plan outlines the drinking water system's financial information, which applies for a period of at least six (6) years.

The Financial Plan must also include details of the extent to which financial information 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, under the Safe Drinking Water Act, 2002.

This document contains the consolidated, projected financial statements for the Chatsworth Drinking Water System and the Walters Falls Drinking Water System.

The Township of Chatsworth does not have a lead service pipe removal program in place for either water system, as both water systems pipe material is PVC in nature. As a result, there are no financial costs associated with lead pipe removal.

The Financial Plan is required as part of renewing the Municipal Drinking Water System Licences. The information contained within this document is intended to act as a guide for Council and staff in establishing water rates and associated water system infrastructure capital and operating budgets. This document is a "living document" and will continue to be reviewed and updated where substantial changes in process or operating procedure occur.

The Financial Plan is required to be updated as a condition of renewing the Chatsworth and Walters Falls Drinking Water Licences, which expire November 18, 2020.

The six (6) year Financial Plan for the years 2020-2026 provides a financially sustainable plan for the Chatsworth and Walters Falls Drinking Water Systems as required by the Safe Drinking Water Act, 2002, Ontario Regulation 453/07.

The Financial Plan was endorsed by the Council of the Township of Chatsworth on May 20, 2020 and a copy submitted to the Ministry of Municipal Affairs and Housing.

Projected Financial Operations

For the year ending December 31

	Actual (Unaudited)	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Revenues:								
Water Rates - Operating (Note 1)	\$262,152	\$266,030	\$270,020	\$275,421	\$280,929	\$286,548	\$292,279	\$298,124
Water Rates - Capital Replacement	\$99,678	\$85,381	\$86,662	\$88,395	\$90,163	\$91,966	\$93,805	\$95,682
Other Revenues	\$11,187	\$9,500	\$9,643	\$9,835	\$10,032	\$10,233	\$10,437	\$10,646
Interest Revenues	\$2,547	\$2,200	\$2,233	\$2,278	\$2,323	\$2,370	\$2,417	\$2,465
Total Revenues	\$375,564	\$363,111	\$368,558	\$375,929	\$383,447	\$391,116	\$398,939	\$406,917
Expenses								
Water Supply Costs (Note 2)	\$286,539	\$277,730	\$281,896	\$287,534	\$293,285	\$299,150	\$305,133	\$311,236
Capital Expenses-Lifecycle (Note 3)	-	5,000	5,075	5,177	5,280	5,386	5,493	5,603
Amortization	\$80,428	\$80,381	\$81,587	\$83,218	\$84,883	\$86,580	\$88,312	\$90,078
Total Expenses	\$366,967	\$363,111	\$368,558	\$375,929	\$383,447	\$391,116	\$398,939	\$406,917
Net Effect of Annual Operations	\$8,597	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Beginning Accumulated Net Assets Balance	\$2,831,244	\$2,759,413	\$2,684,032	\$2,607,520	\$2,529,478	\$2,449,876	\$2,368,681	\$2,285,862
*Net Effect of Annual Operations	-\$71,831	-\$80,381	-\$81,587	-\$83,218	-\$84,883	-\$86,580	-\$88,312	-\$90,078
Purchased Assets - Lifecycle	-	5,000	5,075	5,177	5,280	5,386	5,493	5,603
Ending Accumulated Net Assets Balance	\$2,759,413	\$2,684,032	\$2,607,520	\$2,529,478	\$2,449,876	\$2,368,681	\$2,285,862	\$2,201,387
Reserves								
Accumulated Reserves	\$464,328	\$544,709	\$626,296	\$709,514	\$794,397	\$880,977	\$969,290	\$1,059,368

Projected Financial Position

For the year ending December 31

Assets	Actual (Unaudited) <u>2019</u>	<i>Projected</i> <u>2020</u>	<i>Projected</i> <u>2021</u>	<i>Projected</i> <u>2022</u>	<i>Projected</i> <u>2023</u>	<i>Projected</i> <u>2024</u>	<i>Projected</i> <u>2025</u>	<i>Projected</i> <u>2025</u>
Financial Assets								
Cash & Cash Equivalents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accounts Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Non -Financial Assets								
Inventory	-	-	-	-	-	-	-	-
Net Tangible Capital Assets	\$2,759,413	\$2,684,032	\$2,607,520	\$2,529,478	\$2,449,876	\$2,368,681	\$2,285,862	\$2,201,387
	<u>\$2,759,413</u>	<u>\$2,684,032</u>	<u>\$2,607,520</u>	<u>\$2,529,478</u>	<u>\$2,449,876</u>	<u>\$2,368,681</u>	<u>\$2,285,862</u>	<u>\$2,201,387</u>
Total Assets	<u>\$2,759,413</u>	<u>\$2,684,032</u>	<u>\$2,607,520</u>	<u>\$2,529,478</u>	<u>\$2,449,876</u>	<u>\$2,368,681</u>	<u>\$2,285,862</u>	<u>\$2,201,387</u>
Liabilities								
Other Liabilities								
Accounts Payable	-	-	-	-	-	-	-	-
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Liabilities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Accumulated Net Assets								
Accumulated Net Assets (Note 4)	\$2,759,413	\$2,684,032	\$2,607,520	\$2,529,478	\$2,449,876	\$2,368,681	\$2,285,862	\$2,201,387
	<u>\$2,759,413</u>	<u>\$2,684,032</u>	<u>\$2,607,520</u>	<u>\$2,529,478</u>	<u>\$2,449,876</u>	<u>\$2,368,681</u>	<u>\$2,285,862</u>	<u>\$2,201,387</u>
Ending Accumulated Net Assets Balance	<u>\$2,759,413</u>	<u>\$2,684,032</u>	<u>\$2,607,520</u>	<u>\$2,529,478</u>	<u>\$2,449,876</u>	<u>\$2,368,681</u>	<u>\$2,285,862</u>	<u>\$2,201,387</u>

Notes to Projected Financial Statements

For the year ending December 31

- Note 1** Rate of inflation assumption is 1.5% for 2020 and 2021 and 2% thereafter intended to correspond with Note 2.
- Note 2** Most of the operational costs relate to the service contract with Ontario Clean Water Agency (OCWA) scheduled for review in 2022)
- Note 3** There is nominal capital costs projected in the period.
Amortization amounts shown represent transfers to reserves for future capital requirements.

Note 4	Tangible Capital Assets	Actual -							
		Unaudited 2019	<i>Projected</i> 2020	<i>Projected</i> 2021	<i>Projected</i> 2022	<i>Projected</i> 2023	<i>Projected</i> 2024	<i>Projected</i> 2025	<i>Projected</i> 2026
	January 1 Balance, historical cost	\$4,210,536	\$4,210,536	\$4,215,536	\$4,220,611	\$4,225,788	\$4,231,068	\$4,236,453	\$4,241,947
	Additions	-	5,000	5,075	5,177	5,280	5,386	5,493	5,603
		<u>\$4,210,536</u>	<u>\$4,215,536</u>	<u>\$4,220,611</u>	<u>\$4,225,788</u>	<u>\$4,231,068</u>	<u>\$4,236,453</u>	<u>\$4,241,947</u>	<u>\$4,247,550</u>
	Write Downs	0	0	0	0	0	0	0	0
	Disposals	0	0	0	0	0	0	0	0
	December 31 Balance, historical cost	<u>\$4,210,536</u>	<u>\$4,215,536</u>	<u>\$4,220,611</u>	<u>\$4,225,788</u>	<u>\$4,231,068</u>	<u>\$4,236,453</u>	<u>\$4,241,947</u>	<u>\$4,247,550</u>
	January 1 Accumulated Amortization	\$1,370,695	\$1,451,123	\$1,531,504	\$1,613,091	\$1,696,309	\$1,781,192	\$1,867,772	\$1,956,085
	Disposals	-	-	-	-	-	-	-	-
	Annual Amortization	\$80,428	\$80,381	\$81,587	\$83,218	\$84,883	\$86,580	\$88,312	\$90,078
		<u>\$1,451,123</u>	<u>\$1,531,504</u>	<u>\$1,613,091</u>	<u>\$1,696,309</u>	<u>\$1,781,192</u>	<u>\$1,867,772</u>	<u>\$1,956,085</u>	<u>\$2,046,163</u>
	Net Book Value	<u>\$2,759,413</u>	<u>\$2,684,032</u>	<u>\$2,607,520</u>	<u>\$2,529,478</u>	<u>\$2,449,876</u>	<u>\$2,368,681</u>	<u>\$2,285,862</u>	<u>\$2,201,387</u>