



Township of Woolwich

Water

Ontario Regulation 453/07

Financial Plan #114-301A

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January 6, 2021

Table 4-1
Statement of Financial Position: Water Services
UNAUDITED: For Financial Planning Purposes Only
2020-2026

	Notes	Forecast						
		2020	2021	2022	2023	2024	2025	2026
Financial Assets								
Cash	1	4,461,089	2,977,068	2,378,767	525,883	386,160	-180,245	942,556
Accounts Receivable	1	595,672	633,241	743,720	772,965	808,059	844,289	885,212
Long-term Accounts Receivable	8	123,836	83,391	41,818	0	0	0	0
Accounts Receivable - Other	3	205,290	769,715	1,039,860	832,956	786,531	877,482	550,535
Total Financial Assets		5,385,887	4,463,414	4,204,165	2,131,804	1,980,749	1,541,525	2,378,303
Liabilities								
Accounts Payable & Accrued Liabilities	1	452,360	458,949	533,649	555,433	578,198	601,990	626,856
Debt (Principal only)	2	123,836	83,391	41,818	0	0	0	0
Deferred Revenue	3	0	0	0	0	0	0	0
Total Liabilities		576,196	542,340	575,466	555,433	578,198	601,990	626,856
Net Financial Assets/(Debt)		4,809,691	3,921,073	3,628,698	1,576,370	1,402,551	939,536	1,751,447
Non-Financial Assets								
Tangible Capital Assets	4	13,820,705	16,371,619	18,259,826	21,481,030	23,057,690	25,152,184	25,679,793
Total Non-Financial Assets		13,820,705	16,371,619	18,259,826	21,481,030	23,057,690	25,152,184	25,679,793
Accumulated Surplus/(Deficit)	5	18,630,396	20,292,693	21,888,524	23,057,400	24,460,241	26,091,720	27,431,240

Financial Indicators	Total Change	2020	2021	2022	2023	2024	2025	2026
1) Increase/(Decrease) in Net Financial Assets	-3,165,971	(107,727)	(888,617)	(292,375)	-2,052,328	-173,819	-463,015	811,911
2) Increase/(Decrease) in Tangible Capital Assets	12,729,504	870,416	2,550,914	1,888,206	3,221,204	1,576,660	2,094,494	527,609
3) Increase/(Decrease) in Accumulated Surplus	9,563,533	762,689	1,662,296	1,595,831	1,168,877	1,402,841	1,631,478	1,339,521

Table 4-2
Statement of Operations: Water Services
UNAUDITED: For Financial Planning Purposes Only
2020-2026

	Notes	Forecast						
		2020	2021	2022	2023	2024	2025	2026
Water Revenue								
Water Billing Revenue		5,273,138	5,605,710	6,583,721	6,842,611	7,153,278	7,473,999	7,836,267
Earned Development Charges and Gas Tax Revenue	3	125,840	765,225	487,238	37,993	225,506	389,834	9,955
Interest Earned on Long-term Accounts Receivable	8	4,968	3,781	2,558	1,298	0	0	0
Other Revenue	6	97,200	102,060	107,163	112,521	118,147	124,055	130,257
Total Revenues		5,501,146	6,476,776	7,180,680	6,994,423	7,496,931	7,987,888	7,976,480
Water Expenses								
Operating Expenses	Sch. 4-1	4,448,555	4,513,355	5,247,956	5,462,190	5,686,063	5,920,030	6,164,568
Interest on Debt	2	4,968	3,781	2,558	1,298	0	0	0
Amortization	4	284,934	297,344	334,335	362,058	408,027	436,380	472,391
Total Expenses		4,738,456	4,814,480	5,584,849	5,825,546	6,094,090	6,356,409	6,636,959
Annual Surplus/(Deficit)		762,689	1,662,296	1,595,831	1,168,877	1,402,841	1,631,478	1,339,521
Accumulated Surplus/(Deficit), beginning of year	5	17,867,707	18,630,396	20,292,692	21,888,524	23,057,400	24,460,241	26,091,720
Accumulated Surplus/(Deficit), end of year		18,630,396	20,292,692	21,888,524	23,057,400	24,460,241	26,091,720	27,431,240
Note 5:								
Accumulated Surplus/(Deficit) Reconciliation:		2020	2021	2022	2023	2024	2025	2026
Reserve Balances								
Reserves: Development Charges		(205,290)	(769,715)	(1,039,860)	(832,956)	(786,531)	(877,482)	(550,535)
Reserves: Capital/Other		4,809,691	3,921,073	3,628,698	1,576,370	1,402,551	939,536	1,751,447
Total Reserves Balance		4,604,401	3,151,359	2,588,838	743,415	616,021	62,054	1,200,912
Less: Debt Obligations and Deferred Revenue		81,454	686,323	998,042	832,956	786,531	877,482	550,535
Add: Long-term Accounts Receivable		123,836	83,391	41,818	0	0	0	0
Add: Tangible Capital Assets	4	13,820,705	16,371,619	18,259,826	21,481,030	23,057,690	25,152,184	25,679,793
Total Ending Balance		18,630,396	20,292,693	21,888,524	23,057,400	24,460,241	26,091,720	27,431,240

Financial Indicators	Total Change	2020	2021	2022	2023	2024	2025	2026
1) Expense to Revenue Ratio		86%	74%	78%	83%	81%	80%	83%
2) Increase/(Decrease) in Accumulated Surplus	9,563,533	762,689	1,662,296	1,595,831	1,168,877	1,402,841	1,631,478	1,339,521

Schedule 4-1
Statement of Operating Expenses: Water Services
UNAUDITED: For Financial Planning Purposes Only
2020-2026

	Notes	Forecast						
		2020	2021	2022	2023	2024	2025	2026
Operating Expenses								
Water Mains								
Staff Costs		133,500	138,100	140,862	143,679	146,553	149,484	152,474
Equipment Costs		88,200	94,000	95,880	97,798	99,754	101,749	103,784
Operating/Materials Costs		37,332	38,100	38,862	39,639	40,432	41,241	42,065
External Contracts		187,706	187,000	190,740	194,555	198,446	202,415	206,463
Water Services								
Staff Costs		15,685	15,700	16,014	16,334	16,661	16,994	17,334
Equipment Costs		13,005	13,100	13,362	13,629	13,902	14,180	14,463
Operating/Materials Costs		5,151	5,200	5,304	5,410	5,518	5,629	5,741
External Contracts		12,240	19,000	19,380	19,768	20,163	20,566	20,978
Water Meters								
Staff Costs		14,615	14,800	15,096	15,398	15,706	16,020	16,340
Equipment Costs		4,651	5,100	5,202	5,306	5,412	5,520	5,631
Operating/Materials Costs		78,540	79,300	80,886	82,504	84,154	85,837	87,554
External Contracts		391,020	186,100	0	0	0	0	0
Hydrants								
Staff Costs		17,671	14,400	14,688	14,982	15,281	15,587	15,899
Equipment Costs		13,515	11,300	11,526	11,757	11,992	12,231	12,476
Operating/Materials Costs		7,242	6,500	6,630	6,763	6,898	7,036	7,177
External Contracts		25,726	31,800	32,436	33,085	33,746	34,421	35,110
Billing and Collecting								
Staff Costs		36,417	38,162	38,925	39,704	40,498	41,308	42,134
Equipment Costs		1,600	1,600	1,632	1,665	1,698	1,732	1,767
Operating/Materials Costs		22,500	22,500	22,950	23,409	23,877	24,355	24,842
External Contracts		13,000	13,000	13,260	13,525	13,796	14,072	14,353
Administrative Overhead								
Staff Costs		375,291	409,780	417,975	426,335	434,862	443,559	452,430
Equipment Costs		2,263	2,313	2,359	2,406	2,454	2,503	2,553
Facility Costs		46,204	47,480	48,430	49,398	50,386	51,394	52,422
Operating/Materials Costs		145,871	181,904	185,542	189,252	193,037	196,898	200,836
Other Costs		53,715	60,715	61,929	63,168	64,431	65,720	67,034
Wholesale Water		2,705,895	2,876,402	3,768,087	3,952,723	4,146,406	4,349,580	4,562,710
Non TCA - Expenses from Capital Budget	7	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES		4,448,555	4,513,355	5,247,956	5,462,190	5,686,063	5,920,030	6,164,568

Table 4-3
Statement of Changes in Net Financial Assets/Debt: Water Services
UNAUDITED: For Financial Planning Purposes Only
2020-2026

	Notes	Forecast						
		2020	2021	2022	2023	2024	2025	2026
Annual Surplus/(Deficit)		762,689	1,662,296	1,595,831	1,168,877	1,402,841	1,631,478	1,339,521
Less: Acquisition of Tangible Capital Assets	4	(1,155,350)	(2,848,258)	(2,222,541)	(3,583,262)	(1,984,687)	(2,530,874)	(1,000,000)
Add: Amortization of Tangible Capital Assets	4	284,934	297,344	334,335	362,058	408,027	436,380	472,391
(Gain)/Loss on disposal of Tangible Capital Assets		-	-	-	-	-	-	-
Add: Proceeds on Sale of Tangible Capital Assets		-	-	-	-	-	-	-
Add: Write-downs of Tangible Capital Assets		-	-	-	-	-	-	-
		(870,416)	(2,550,914)	(1,888,206)	(3,221,204)	(1,576,660)	(2,094,494)	(527,609)
Increase/(Decrease) in Net Financial Assets/(Net Debt)		(107,727)	(888,617)	(292,375)	-2,052,328	-173,819	-463,015	811,911
Net Financial Assets/(Net Debt), beginning of year		4,917,418	4,809,691	3,921,073	3,628,698	1,576,370	1,402,551	939,536
Net Financial Assets/(Net Debt), end of year		4,809,691	3,921,073	3,628,698	1,576,370	1,402,551	939,536	1,751,447

Financial Indicators	2020	2021	2022	2023	2024	2025	2026
1) Acquisition of Tangible Capital Assets (Cumulative)	1,155,350	4,003,608	6,226,149	9,809,411	11,794,098	14,324,972	15,324,972
2) Annual Surplus/Deficit before Amortization (Cumulative)	1,047,623	3,007,263	4,937,429	6,468,364	8,279,231	10,347,089	12,159,000
3) Ratio of Annual Surplus before Amortization to Acquisition of TCA's (Cumulative)	0.91	0.75	0.79	0.66	0.70	0.72	0.79

Statement of Cash Flow – Indirect Method: Water Services
UNAUDITED: For Financial Planning Purposes Only
2020-2026

	Notes	Forecast						
		2020	2021	2022	2023	2024	2025	2026
Operating Transactions								
Annual Surplus/Deficit		762,689	1,662,296	1,595,831	1,168,877	1,402,841	1,631,478	1,339,521
Add: Amortization of TCA's	4	284,934	297,344	334,335	362,058	408,027	436,380	472,391
Less: Earned Deferred Revenue	3	(125,840)	(765,225)	(487,238)	(37,993)	(225,506)	(389,834)	(9,955)
Add: Deferred Revenue Proceeds		192,241	200,800	217,092	244,898	271,931	298,883	336,902
Change in A/R (Increase)/Decrease		(82,214)	(37,568)	(110,480)	(29,245)	(35,094)	(36,230)	(40,923)
Change in A/P Increase/(Decrease)		17,981	6,589	74,699	21,785	22,765	23,791	24,866
Less: Interest Proceeds		(99,949)	(76,884)	(71,151)	(30,909)	(27,501)	(18,422)	(34,342)
Cash Provided by Operating Transactions		949,841	1,287,352	1,553,089	1,699,470	1,817,463	1,946,046	2,088,460
Capital Transactions								
Proceeds on sale of Tangible Capital Assets		0	0	0	0	0	0	0
Less: Cash Used to acquire Tangible Capital Assets	4	(1,155,350)	(2,848,258)	(2,222,541)	(3,583,262)	(1,984,687)	(2,530,874)	(1,000,000)
Cash Applied to Capital Transactions		(1,155,350)	(2,848,258)	(2,222,541)	(3,583,262)	(1,984,687)	(2,530,874)	(1,000,000)
Investing Transactions								
Proceeds from Investments		99,949	76,884	71,151	30,909	27,501	18,422	34,342
Less: Cash Used to Acquire Investments		0	0	0	0	0	0	0
Cash Provided by (applied to) Investing Transactions		99,949	76,884	71,151	30,909	27,501	18,422	34,342
Financing Transactions								
Proceeds from Debt Issue	2	-	-	-	-	-	-	-
Add: Long-term Accounts Receivable Proceeds (recovery of debt)	8	44,839	40,445	41,573	41,818	0	0	-
Less: Debt Repayment (Principal only)	2	(44,839)	(40,445)	(41,573)	(41,818)	0	0	0
Cash Applied to Financing Transactions		0	0	0	0	0	0	0
Increase in Cash and Cash Equivalents		(105,560)	(1,484,022)	(598,301)	(1,852,883)	(139,723)	(566,406)	1,122,802
Cash and Cash Equivalents, beginning of year	1	4,566,648	4,461,089	2,977,067	2,378,766	525,883	386,160	-180,246
Cash and Cash Equivalents, end of year	1	4,461,089	2,977,067	2,378,766	525,883	386,160	-180,246	942,556

Table A-1
Township of Woolwich
Water Service
Capital Budget Forecast
Inflated \$

Description	Total	Budget Forecast						
		2020	2021	2022	2023	2024	2025	2026
Capital Expenditures								
Asset Management Software	6,000	6,000						
Public Works Facility (Conestogo)	37,500	37,500						
Public Works Facility - EA	100,000	50,000	50,000					
Bauman St/College St/Union St	2,395,123	60,000	1,745,083	513,541	60,562	15,937		
George St. / High St.	1,472,000	125,000	125,000		1,122,000		100,000	
Duke St Engineering	39,600	39,600						
Hawkesville Rd Construction	275,000	275,000						
Industrial Dr Engineering	944,850	42,900	37,950	840,000	24,000			
Kressler Rd Construction	841,700	420,850	420,850					
Water St/Young St I&I Engineering	52,000	52,000						
William Street Construction	100,950	46,500	54,450					
Duke Street Construction	998,925	0	56,925		900,000		42,000	
Flamingo Drive / Grosbeak Road	35,500	0	35,500					
Halter / Isley / Notre Dame Construction	702,000	0	57,500		594,500	50,000		
Water St/Young St I&I Construction	553,800	0	65,000		416,000		72,800	
Water/Wastewater Network and Growth Study	400,000	0	200,000	200,000				
Centre Street	320,000	0	0	45,000		275,000		
Church Street East Construction	400,000	0	0	400,000				
First Street East	345,000	0	0	45,000		300,000		
Hampton Street	237,500	0	0	37,500		200,000		
Martin's Lane	267,750	0	0	54,000		213,750		
Queen Street	725,000	0		75,000		650,000		
Arthur Street Construction	560,000	0			280,000	280,000		
Henry Street	1,095,674	0			46,800		1,048,874	
Queensway Drive	1,326,600	0			59,400		1,267,200	
Howard Street Operations (BCA 1-4)	12,500			12,500				
Howard Street - roof replacement	30,000				30,000			
Union Street Operations Yard (BCA 1-4) roof, renovations	50,000				50,000			
Future Lifecycle Replacement	1,000,000	0						1,000,000
Total Capital Expenditures	\$15,324,972	\$1,155,350	\$2,848,258	\$2,222,541	\$3,583,262	\$1,984,687	\$2,530,874	\$1,000,000
Capital Financing								
Development Charges Reserve Fund	1,975,872	117,000	756,208	478,041	28,612	215,937	380,074	0
Transfer from Water Reserve Fund	13,349,100	1,038,350	2,092,050	1,744,500	3,554,650	1,768,750	2,150,800	1,000,000
Total Capital Financing	\$15,324,972	\$1,155,350	\$2,848,258	\$2,222,541	\$3,583,262	\$1,984,687	\$2,530,874	\$1,000,000

Table A-2
Township of Woolwich
Water Service
Water Reserve Funds Continuity Schedules
Inflated \$

Water Reserve Fund Continuity	2020	2021	2022	2023	2024	2025	2026
Opening Balance	4,917,418	4,809,691	3,921,073	3,628,698	1,576,370	1,402,551	939,536
Transfer from Operating	1,397,729	1,481,592	1,570,488	1,664,717	1,764,600	1,870,476	1,982,705
Transfer to Capital	1,038,350	2,092,050	1,744,500	3,554,650	1,768,750	2,150,800	1,000,000
Transfer to Operating	567,055	355,044	189,514	193,304	197,170	201,114	205,136
Closing Balance	4,709,742	3,844,190	3,557,547	1,545,461	1,375,050	921,113	1,717,104
Interest	99,949	76,884	71,151	30,909	27,501	18,422	34,342
Water Development Charges Reserve Fund Continuity	2020	2021	2022	2023	2024	2025	2026
Opening Balance	(271,691)	(205,290)	(769,715)	(1,039,860)	(832,956)	(786,531)	(877,482)
Development Charge Proceeds	196,266	215,893	237,482	261,230	287,353	316,088	347,697
Transfer to Capital	117,000	756,208	478,041	28,612	215,937	380,074	0
Transfer to Operating - Debenture Payments	0	0	0	0	0	0	0
Transfer to Operating	8,840	9,017	9,197	9,381	9,569	9,760	9,955
Closing Balance	(201,265)	(754,622)	(1,019,471)	(816,623)	(771,108)	(860,276)	(539,740)
Interest	(4,025)	(15,092)	(20,389)	(16,332)	(15,422)	(17,206)	(10,795)
Required from Development Charges	117,000	756,208	478,041	28,612	215,937	380,074	-

Water Financial Plan - Worksheet

<u>NOTE</u>			<u>5-yr Avg</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
1	Accounts Receivable	Based on historical levels of user charge receivables as a percentage of annual user charge revenues, applied to projected water revenues	11.30%	13.47%	10.32%	10.96%	10.41%	11.33%
1	Accounts Payable	Based on historical levels of Township Water payables as a percentage of annual Water operating expenses incurred	10.17%	8.65%	12.19%	11.17%	11.93%	6.90%
1	Cash	Ending Reserve/Reserve Fund Balance Plus: Ending Accounts Payable Balance Less: Ending Accounts Receivable Balance Equals: Approximate Ending Cash Balance						
2	Debt	Outstanding water related debt at the end of 2020 will be \$208,023. No debt proceeds are anticipated over the forecast period. <i>Principal</i> repayments over the forecast period are estimated as follows: For financial reporting purposes, debt principal payments represent a decrease in debt liability and the interest payments represent a current year operating expense.						
3	Deferred Revenue/Accounts Receivable-Other	Deferred Revenue is made up of water development charge reserve fund balances which are considered to be a liability for financial reporting purposes until the funds are used to emplace the works for which they have been collected. In years when the water development charge reserve fund balance is negative, it is shown as an asset (accounts receivable - other) for financial reporting purposes, representing future						
4	Tangible Capital Assets	Opening Net Book Value of tangible capital assets includes water-related assets for: infrastructure, meters and facilities. Amortization is calculated using the straight-line approach and it is assumed that disposals occur when the asset is being replaced unless documented as a new asset.						

5	Accumulated Surplus	Opening Accumulated Surplus for the forecast period is reconciled as follows:	
		Water	2020 Opening Accumulated Surplus
		Reserve Balance	
		Reserves: Development Charges	(271,691)
		Reserves: Capital/Other	4,917,418
		Total Reserves Balance	
		Less: Debt Obligations and Deferred Revenue	168,675
		Add: Long-term Accounts Receivable	168,675
		Add: Accounts Receivable - Other	271,691
		Add: Tangible Capital Assets	12,950,289
Total Opening Balance			
		17,867,707	
			The accumulated surplus reconciliation for all years within the forecast period is contained in Table 4-2

6	Other Revenue	Other revenue includes meter sales, connection charges, penalties and interest, as well as other non-operating general revenues.
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7	Operating Expenses	Capital expenditures for items not meeting the definition of tangible capital assets have been reclassified as operating expenses and have been expensed in the year in which they occur.
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8	Long-term Account Receivable	A portion of the outstanding water debt is to be recovered from landowners. An offsetting long-term accounts receivable is presented under Financial Assets to represent future recoveries owing from landowners. Over the forecast period, as landowner recovery payments are made to the Township, the amount of the long-term accounts receivable is reduced and any associated interest is reported as revenue in the Statement of Operations.
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