



 **Watson
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ECONOMISTS LTD.

Ontario Regulation 453/07 Water Financial Plan

Township of Amaranth

Financial Plan #239-301

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
D.C.	Development Charge
F.I.R.	Financial Information Return
MECP	Ministry of the Environment, Conservation and Parks
MMAH	Ministry of Municipal Affairs and Housing
O. Reg.	Ontario Regulation
P.S.A.B.	Public Sector Accounting Board
S.D.W.A.	<i>Safe Drinking Water Act, 2002</i>
W.O.A.	<i>Water Opportunities Act, 2010</i>



Report



Chapter 1

Introduction



1. Introduction

1.1 Study Purpose

The Township of Amaranth (Township) retained Watson & Associates Economists Ltd. (Watson) to prepare a water financial plan as part of the five submission requirements for the purposes of obtaining a municipal drinking water licence as per the *Safe Drinking Water Act, 2002*. In general, a financial plan requires an in-depth analysis of capital and operating needs, a review of current and future demand versus supply, and consideration of available funding sources. This detailed financial planning and forecasting regarding the Township's water has already been completed and documented in the "Township of Amaranth Water Rate Study" dated February 13, 2026 (Rate Study). The objective of the report provided herein is to convert the findings of the Rate Study into the prescribed reporting requirements for a financial plan as defined by Ontario Regulation 453/07 (O. Reg.) 453/07 and project the financial position over a ten-year forecast period.

1.2 Background

The *Safe Drinking Water Act, 2002* (S.D.W.A.) was passed in December 2002 in order to address some of the recommendations made by the Walkerton Inquiry Part II report. One of the main requirements of the Act is the mandatory licensing of municipal water providers. Section 31 (1) specifically states,

"No person shall,

- a) establish a new municipal drinking water system or replace or carry out an alteration to a municipal drinking water system except under the authority of and in accordance with an approval under this Part or a drinking water works permit; or
- b) use or operate a municipal drinking water system that was established before or after this section comes into force except under the authority of and in accordance with an approval under this Part or municipal drinking water licence."



In order to become licensed, a municipality must satisfy five key requirements as per section 44 (1):

1. Obtain a drinking water works permit.
2. Acceptance of the operational plan for the system based on the Drinking Water Quality Management Standard.
3. Accreditation of the Operating Authority.
4. Prepare and provide a financial plan.
5. Obtain permit to take water.

The preparation of a financial plan is a key requirement for licensing and as such, must be undertaken by all water providers.

1.2.1 Financial Plan Defined

Subsection 30 of the S.D.W.A. provides the following definition of financial plans:

"financial plans" means financial plans that satisfy the requirements prescribed by the Minister. 2017, c. 2, Sched. 11, s. 6 (3)

These requirements are outlined in O. Reg. 453/07 and will be examined in detail below.

1.2.2 Financial Plan Requirements – Existing System

O. Reg. 453/07 also provides details with regard to s.30 (1) part b of the S.D.W.A. for existing water systems. The requirements for existing systems are summarized as follows:

- Financial plans must be approved by Council resolution (or governing body);
- Financial plans must include a statement that the financial impacts have been considered and apply for a minimum six-year period, commencing in the year of licence expiry (i.e., 2025 for the Township);
- Financial plans must include detail regarding proposed or projected financial operations itemized by total revenues, total expenses, annual surplus/deficit and accumulated surplus/deficit (i.e. the components of a “Statement of Operations”



as per the Public Section Accounting Board (P.S.A.B.) for each year in which the financial plans apply;

- Financial plans must present financial position itemized by total financial assets, total liabilities, net debt, non-financial assets, and tangible capital assets (i.e. the components of a “Statement of Financial Position” as per P.S.A.B.) for each year in which the financial plans apply;
- Gross cash receipts/payments itemized by operating transactions, capital transactions, investing transactions and financial transactions (i.e. the components of a “Statement of Cash Flow” as per P.S.A.B.) for each year in which the financial plans apply;
- Financial plans applicable to two or more solely owned drinking water systems can be prepared as if they are for one drinking water system;
- Financial plans are to be made available to the public upon request and at no charge;
- If a website is maintained, financial plans are to be made available to the public through publication on the Internet at no charge;
- Notice of the availability of the financial plans is to be given to the public; and
- Financial plan is to be submitted to the Ministry of Municipal Affairs and Housing.

1.2.3 Financial Plan Requirements – General

Given that the requirement for a financial plan is legislated under the Act, a financial plan is mandatory for water systems. The financial plans shall be for a forecast period of at least six years but longer planning horizons are encouraged. The 2025 to 2035 forecast included in this financial plan meets that requirement. The financial plan is to be completed and approved by resolution of Council or the governing body in accordance with subsection 3 (1) 1 of O. Reg. 453/07. Confirmation of approval of the financial plan must be submitted at the time of municipal drinking water licence renewal (i.e., six months prior to licence expiry).

A copy of the financial plan must be submitted to the Ministry of Municipal Affairs and Housing (MMAH). The financial plan does not need to be submitted to the Ministry of the Environment, Conservation, and Parks (MECP); however, the MECP may request it during the review of the licence renewal. Financial plans may be amended, and additional information beyond what is prescribed can be included if deemed necessary. The financial plan must contain on the front page, the appropriate financial plan number as set out in Schedule A of the Municipal Drinking Water Licence.



1.2.4 Public Sector Accounting Board (P.S.A.B.) Requirements

The components of the financial plans indicated by the regulation are consistent with the requirements for financial statement presentation as set out in section PS 1201 of the Canadian Institute of Chartered Accountants Public Sector Accounting Handbook:

“Financial statements should include a Statement of Financial Position, a Statement of Operations, a Statement of Change in Net Debt, and a Statement of Cash Flow.”

The format must conform to the requirements of PS 1201 and PS 3150. The financial statements are to be reported on a full accrual accounting basis. The accrual accounting method recognizes revenues and expenses in the same period as the activities that give rise to them regardless of when they are actually paid for. Since an exchange of cash is not necessary to report a financial transaction, the accrual method is meant to provide a more accurate picture of financial position.

The accounting treatment of tangible capital assets is prescribed under section PS 3150. Tangible capital assets are to be capitalized to ensure an inventory of the assets owned is recorded and to account for their ability to provide future benefits.

The Statement of Cash Flow and the Statement of Change in Net Financial Assets/Debt are required statements. The Statement of Change in Net Financial Assets/Debt reports on whether enough revenue was generated in a period to cover the expenses in the period and whether sufficient resources have been generated to support current and future activities. The Statement of Cash Flow reports on how activities were financed for a given period providing a measure of the changes in cash for that period.



Chapter 2

Sustainable Financial Planning



2. Sustainable Financial Planning

2.1 Introduction

In general, sustainability refers to the ability to maintain a certain position over time. While the S.D.W.A. requires a declaration of the financial plan's sustainability, it does not give a clear definition of what would be considered sustainable. Instead, the MECP released a guideline ("Towards Financially Sustainable Drinking-Water and Wastewater Systems") that provides possible approaches to achieving sustainability. The Province's Principles of Financially Sustainable Water Services are provided below:

Principle #1: Ongoing public engagement and transparency can build support for, and confidence in, financial plans and the system to which they relate.

Principle #2: An integrated approach to planning among water, wastewater, and storm water systems is desirable given the inherent relationship among these services.

Principle #3: Revenues collected for the provision of water services should ultimately be used to meet the needs of those services.

Principle #4: Lifecycle planning with mid-course corrections is preferable to planning over the short-term or not planning at all.

Principle #5: An asset management plan is a key input to the development of a financial plan.

Principle #6: A sustainable level of revenue allows for reliable service that meets or exceeds environmental protection standards, while providing sufficient resources for future rehabilitation and replacement needs.

Principle #7: Ensuring users pay for the services they are provided leads to equitable outcomes and can improve conservation. In general, metering and the use of rates can help ensure users pay for services received.

Principle #8: Financial plans are "living" documents that require continuous improvement. Comparing the accuracy of financial projections with actual results can lead to improved planning in the future.



Principle #9: Financial plans benefit from the close collaboration of various groups, including engineers, accountants, auditors, utility staff, and municipal council.

2.2 Water Opportunities Act, 2010

Since the passage of the S.D.W.A., changes and refinements to the legislation have been introduced, including the *Water Opportunities Act, 2010* (W.O.A). The W.O.A. was introduced into legislation on May 18, 2010, and received Royal Assent on November 29, 2010.

The purposes of the W.O.A. are to foster innovative water, wastewater and storm water technologies, services, and practices; create opportunities for economic development and clean-technology jobs; and conserve and sustain water resources. To achieve this, the W.O.A. provides for the creation of performance targets (financial, operational and maintenance related), which will vary by service type and location and the required submission of conservation and sustainability plans for water, wastewater, and stormwater.

The sustainability plan in the W.O.A. expands on interim legislation for financial plans included in O. Reg. 453/07, to include the following:

- an asset management plan for the physical infrastructure;
- financial plan;
- water conservation plan (for water service only);
- a risk assessment;
- a strategy for maintaining and improving the services; and
- additional information considered advisable.

Where a Board has jurisdiction over a service, the plan (and any plan amendments) must be approved by the municipality in which the municipal service is provided before submission to the Minister. The Minister may also direct the preparation of joint or partially joint plans.

Regulations (still forthcoming) will prescribe details in regard to any time periods or time limits, contents of the plans, identifying which portions of the plan will require



certification, the public consultation process (if required), limitations updates and refinements.

2.3 Infrastructure for Jobs and Prosperity Act (I.J.P.A.), 2015

On June 4, 2015, the Province passed the *Infrastructure for Jobs and Prosperity Act, 2015* (I.J.P.A.) which, over time, will require municipalities to undertake and implement asset management plans for all the infrastructure they own. On December 27, 2017, the Province of Ontario released O. Reg. 588/17 under I.J.P.A. which has three phases that municipalities must meet. The timelines associated with the three phases were later extended by O. Reg. 193/21 which was filed on March 15, 2021.

Every municipality in Ontario will have to prepare a strategic asset management policy by July 1, 2019. Municipalities will be required to review their strategic asset management policies at least every five years and make updates, as necessary. The subsequent phases are as follows:

- Phase 1 – Asset Management Plan (by July 1, 2022):
 - For core assets – Municipalities must have the following:
 - Inventory of assets;
 - Current levels of service, including some prescribed measures; and
 - Lifecycle management strategies and associated costs to maintain current levels of service.
- Phase 2 – Asset Management Plan (by July 1, 2024):
 - Same steps as Phase 1 but for all assets.
- Phase 3 – Asset Management Plan (by July 1, 2025):
 - Builds on Phase 1 and 2 by adding:
 - Proposed levels of service; and
 - Financial strategy that supports achieving proposed levels of service.

In relation to water (which is considered a core asset), municipalities will need to have an asset management plan that addresses the related infrastructure by July 1, 2022 (Phase 1). O. Reg. 588/17 specifies that the Township's asset management plan must include the following for each asset category:

- the current levels of service being provided;



- determined in accordance with the following qualitative descriptions and technical metrics and based on data from at most the two calendar years prior to the year in which all information required under this section is included in the asset management plan.
- the current performance of each asset category;
- a summary of the assets in the category;
- the replacement cost of the assets in the category;
- the average age of the assets in the category, determined by assessing the average age of the components of the assets;
- the information available on the condition of the assets in the category;
- a description of the Township’s approach to assessing the condition of the assets in the category, based on recognized and generally accepted good engineering practices where appropriate; and
- the lifecycle activities that need to be undertaken to maintain the current levels of service.

The Township completed an Asset Management Plan (A.M.P.) for its assets, including water, in 2025. The Township is currently preparing an update to the A.M.P. The Township will need to consider the impacts of funding the lifecycle requirements identified in the A.M.P. during the annual budget and forecast periods.

The Township completed its most recent Asset Management Plan (A.M.P.) as required under the legislation in November 2025. The A.M.P. included a review of the Township’s water infrastructure.

2.4 Water Forecast

The Township has already completed its financial planning through its Rate Study. The budget and rate study process is designed to address “full cost” principles and reflect the guiding principles toward sustainable financial planning.

As a result of employing this process, the 2025 budget along with the 2026 ten-year forecast contained in the Rate Study provides the basis for the financial plan for the Township’s Waldemar water system by including:

- An analysis of operating costs in order to determine how they will be impacted by evolving infrastructure needs and system growth;



- An analysis of required water rates that ensure revenues are equitable and sufficient to meet system needs; and
- A public process that involves consultation with the main stakeholders, including the Township's staff, Council, the general public (specifically the users of the system) and others, with the aim of gaining input and collaboration on the sustainability of the financial plans.

The details of the water financial plans arising from the Rate Study are contained in Appendix A.



Chapter 3

Approach



3. Approach

3.1 Overview

The Rate Study, along with additional detailed information provided by Township Staff, has been used as a starting point to prepare the water financial plan for the Waldemar Heights Water Supply (Waldemar) System. The water forecasts are prepared on a modified cash basis; therefore, a conversion is required in order to present a full accrual financial plan for the purposes of this report. The conversion process used will help to establish the structure of the financial plans along with the opening balances that will underpin the forecasts. This chapter outlines the conversion process utilized and summarizes the adjustments made to prepare the financial plans.

3.2 Conversion Process

The conversion from the existing modified cash basis financial plan to the full accrual reporting format required under O. Reg. 453/07 can be summarized in the following steps:

1. Calculate Tangible Capital Asset Balances
2. Convert Statement of Operations
3. Convert Statement of Financial Position
4. Convert Statement of Cash Flow and Net Assets/Debt
5. Verification and Note Preparation

3.2.1 Calculate Tangible Capital Asset Balances

In calculating tangible capital asset balances, existing and future purchased, developed, and/or contributed assets will need to be considered. For existing water and wastewater assets, an inventory has already been compiled and summarized by the Township as part of their annual PS 3150 compliance processes. As required, for PS 3150 reporting purposes, the asset inventory listing included historical cost (which is the original cost to purchase, develop, or construct each asset) along with an estimated useful life for each



asset and any anticipated salvage value is recorded. The following calculations are made to determine net book value:

- Accumulated amortization up to the year prior to the first forecast year.
- Amortization expense on existing assets for each year of the forecast period.
- Acquisition of new assets for each year of the forecast period.
- Disposals and related gains or losses for each year of the forecast period.

Future water capital needs have also been determined and summarized by Township staff. However, these estimates only represent future assets that the Township anticipates purchasing or constructing. At present, the Township does not anticipate any assets will be contributed by developers and other parties (at no or partial cost to the Township). If, over the forecast period, additional capital needs arise or contributed assets are anticipated, the financial plan may need to be adjusted to properly account for these transactions. Once the sequence and total asset acquisition has been determined for the forecast period, annual amortization of these assets for each year is calculated in a similar manner as that used for existing assets.

Once the historical cost, accumulated amortization, and amortization expenses are calculated as described above, the total net book value of the tangible capital assets can be determined and recorded on the Statement of Financial Position.

3.2.2 Convert Statement of Operations

A wide range of adjustments will be considered, dependent on the size and complexity of the system, in order to convert from the cash to full accrual basis. For example, debt repayment costs relating to the principal payment portion only need to be removed under the accrual basis, as they no longer qualify as an expense for reporting purposes. Principal payments are reported as a decrease in debt liability on the Statement of Financial Position. Transfers to and from reserves are removed as these transactions are represented by changes in cash and accumulated surplus. Finally, expenses relating to tangible capital assets, such as amortization, write-offs, and (gain)/loss on disposal of assets are reported on the Statement of Operations in order to capture the allocation of the cost of these assets to operating activities over their useful lives and therefore are added in under the accrual basis.



Table 3-1
Conversion Adjustments
Statement of Operations (Water)

Modified Cash Basis	Budget 2025	Adjustments		Full Accrual Budget 2025	Accrual Basis
		DR	CR		
Revenues					Revenues
Rate Based Revenue	118,876			118,876	Rate Based Revenue
Contributions from Ratepayers	36,315	32,759		3,556	Interest Earned on Long-term Accounts Receivable
Other Revenue	145,321		980	146,301	Other Revenue
Total Revenues	300,512			268,733	Total Revenues
Expenditures					Expenses
Operating	115,017	31,500		146,517	Operating Expenses
Capital					
Transfers to Reserves	48,995		48,995		
Transfers to Capital	136,500		136,500		
		240,216		240,216	Amortization
Total Expenditures	300,512			386,733	Total Expenses
Net Expenditures	-			(118,000)	Annual Surplus/(Deficit)
Increase (decrease) in amounts to be recovered	-			8,054,772	Accumulated Surplus/(Deficit), beginning of year
Change in Fund Balances	-	-	118,000	7,936,772	Accumulated Surplus/(Deficit), end of year
TOTAL ADJUSTMENTS		304,475	304,475		

Note: The combined adjustments above should be balanced and net to \$0 (i.e. Total DR = Total CR)



3.2.3 Convert Statement of Financial Position

Once the Statement of Operations has been converted and the net book value of tangible capital assets has been recorded, balances for the remaining items on the Statement of Financial Position are determined and recorded (see Table 3-2). The opening/actual balances for the remaining accounts such as accounts receivable, inventory, accounts payable, outstanding debt (principal only), are recorded and classified according to the structure of the Statement of Financial Position as outlined in PS 1201.

It is acknowledged that some of the balances required on the Statement of Financial Position will be consolidated across the municipality and as such, will be difficult to isolate the information that is relevant to water. An example of this is accounts receivable, which may be administered centrally by the Finance Department. O. Reg. 453/07 allows for the exclusion of these numbers if they are not known at the time of preparing the financial plan. Please refer to the Financial Plan Notes in Chapter 4 for more details.

3.2.4 Convert Statement of Cash Flow and Net Financial Assets/Debt

The Statement of Cash Flow summarizes how the Township financed its activities or in other words, how the costs of providing services were recovered. The statement is derived using comparative Statement of Financial Position, the current Statement of Operations and other available transaction data.

The Statement of Change in Net Financial Assets/Debt is a statement that reconciles the difference between the surplus or deficit from current operations and the change in net financial assets/debt for the year. This is significant, as net debt provides an indication of future revenue requirements. In order to complete the Statement of Net Financial Assets/Debt, information regarding any gains/losses on disposals of assets, asset write-downs, acquisition/use of supplies inventory, and the acquisition use of prepaid expenses is necessary, (if applicable). Although the Statement of Change in Net Financial Assets/Debt is not required under O. Reg. 453/07, it has been included in this report as a further indicator of financial viability.



Table 3-2
Conversion Adjustments
Statements of Financial Position (Water)

Modified Cash Basis	Budget 2025	Adjustments		Full Accrual Budget 2025	Accrual Basis
		DR	CR		
ASSETS					ASSETS
Financial Assets					Financial Assets
Accounts Receivable	95,971			95,971	Accounts Receivable
Long-term Accounts Receivable	34,490			34,490	Long-term Accounts Receivable
Total Financial Assets	130,461			130,461	Total Financial Assets
LIABILITIES					Liabilities
Accounts Payable & Accrued Liabilities	21,124			21,124	Accounts Payable & Accrued Liabilities
Bank Indebtedness	24,872			24,872	Bank Indebtedness
Total Liabilities	45,996			45,996	Total Liabilities
Net Assets/(Debt)	84,465			84,465	Net Financial Assets/(Debt)
		7,883,807	31,500	7,852,307	Non-Financial Assets
				7,852,307	Tangible Capital Assets
					Total Non-Financial Assets
Municipal Position					
Water Reserves	49,975	49,975	-		
Amounts to be Recovered	34,490	34,490	-		
Total Municipal Position	84,465		7,936,772	7,936,772	Accumulated Surplus/(Deficit), end of year
TOTAL ADJUSTMENTS		7,968,272	7,968,272		

Note: The combined adjustments above should be balanced and net to \$0 (i.e. Total DR = Total CR)



3.2.5 Verification and Note Preparation

The final step in the conversion process is to ensure that all the statements created by the previous steps are in balance. The Statement of Financial Position summarizes the resources and obligations of the Township at a set point in time. The Statement of Operations summarizes how these resources and obligations changed over the reporting period. To this end, the accumulated surplus/deficit reported on the Statement of Financial Position should equal the accumulated surplus/deficit reported on the Statement of Operations.

The Statement of Change in Net Financial Assets/Debt and the Statement of Financial Position are also linked in terms of reporting on net financial assets/debt. On the Statement of Financial Position, net financial assets/debt is equal to the difference between financial assets and liabilities and should equal net financial assets/debt as calculated on the Statement of Net Financial Assets/Debt.

While not part of the financial plan, the accompanying notes are important to summarize the assumptions and estimates made in preparing the financial plan. Some of the significant assumptions that need to be addressed within the financial plan are as follows:

- a) Opening Cash Balances – Opening cash balances are necessary to complete the Statement of Cash Flows and balance the Statement of Financial Position. Preferably, opening cash balances should be derived from actual information contained within the Township’s ledgers. It may not, however, be possible to extract this information from the ledgers for water alone; therefore, a reasonable proxy will be needed. One approach is to assume that opening cash balances equal ending reserve and reserve fund balances from the previous year adjusted for accrual-based transactions reflected by accounts receivable/payable balances. The following equation outlines this approach:

Ending Reserve/Reserve Fund Balance
Plus: Ending Accounts Payable Balance
Less: Ending Accounts Receivable Balance
Equals: Approximate Ending Cash Balance

- b) Amortization Expense – The method and timing of amortization should be based on the Township’s amortization policy.



- c) Accumulated Amortization – Will be based on the culmination of accumulated amortization expenses throughout the life of each asset however derived, along with information on construction/acquisition date and useful life obtained from the capital asset listing provided.
- d) Contributed Assets – As noted earlier, contributed assets could represent a significant part of the Township’s infrastructure acquisitions. As such, a reasonable estimate of value and timing of acquisition/donation may be required in order to adequately capture these assets. In the case where contributed assets are deemed to be insignificant or unknown, an assumption of “no contributed assets within the forecast period” will be made.
- e) Accumulated Surplus – The magnitude of the surplus in this area may precipitate the need for additional explanation especially in the first year of reporting. This Accumulated Surplus captures the historical infrastructure investment which has not been reported in the past but has accumulated to significant levels. It also includes all water reserve and reserve fund balances.
- f) Other Revenues – Will represent the recognition of minor miscellaneous revenues.



Chapter 4

Financial Plan



4. Financial Plan

4.1 Introduction

The following tables provide the complete financial plan for the Township's Waldemar water system. A brief description and analysis of each table is provided below. It is important to note that the financial plan that follows is a forward look at the financial position of the Township's water system. It is not an audited document¹ and contains various estimates as detailed in the "Notes to the Financial Plan" section below.

4.2 Water Financial Plan

4.2.1 *Statement of Financial Position (Table 4-1)*

The Statement of Financial Position provides information that describes the assets, liabilities, and accumulated surplus of the Township's water system. The first important indicator is net financial assets/(debt), which is defined as the difference between financial assets and liabilities. This indicator provides an indication of the system's "future revenue requirement." A net financial asset position is where financial assets are greater than liabilities and implies that the system has the resources to finance future operations. Conversely, a net debt position implies that the future revenues generated by the system will be needed to finance past transactions, as well as future operations. Table 4-1 indicates that in 2025, the Township's water system was in a net financial asset position of \$84,465. The financial plan forecasts the Township's water system will be in a net debt position for 2026 and 2027 due to the depletion of reserves and anticipated interim borrowing from tax-supported reserves to fund the capital program. The water system is projected to return to a net financial asset position of approximately \$50,380 in 2028, increasing to approximately \$1.34 million in 2035.

Another important indicator in the Statement of Financial Position is the tangible capital asset balance. As noted earlier, providing this information is a requirement for municipalities as part of PS 3150 compliance and is significant from a financial planning perspective for the following reasons:

¹ O. Reg. 453/07 does not require an audited financial plan.



- Tangible capital assets such as water mains and treatment plants are imperative to water service delivery.
- These assets represent significant economic resources in terms of their historical and replacement costs. Therefore, ongoing capital asset management is essential to managing significant replacements and repairs.
- The annual maintenance required by these assets has an enduring impact on water operational budgets.

In general terms, an increase in the tangible capital asset balance indicates that assets may have been acquired either through purchase by the Township or donation/contribution by a third party. A decrease in the tangible capital asset balance can indicate a disposal, write down, or use of assets. The use of assets is usually represented by an increase in accumulated amortization due to annual amortization expenses arising as a result of allocating the cost of the asset to operations over the asset's useful life. Table 4-1 shows that the Township's tangible capital assets are expected to decrease by approximately \$2.16 million over the forecast period. This indicates that the Township's use of existing assets exceeds its planned investment in tangible capital assets over the forecast period.

4.2.2 Statement of Operations (Table 4-2)

The Statement of Operations summarizes the revenues and expenses generated by the water system for a given period. The annual surplus/deficit measures whether the revenues generated were sufficient to cover the expenses incurred and in turn, whether net financial assets have been maintained or depleted. Table 4-2 illustrates the ratio of expenses to revenues at 144% in 2025 and initially increases to 226% in 2026, before decreasing to 93% by 2035. As a result, annual deficits are anticipated every year until 2033, with annual surpluses projected for the remainder of the forecast period.

Deficits indicate that the Township is not currently contributing to water reserves at amounts equal to or exceeding amortization expense each year. Amortization, which is a non-cash expense from a full accrual reporting standpoint, is included in operating expenses as shown in Table 4-2. It is important to note that an annual surplus is beneficial to ensure funding is available for non-expense costs such as tangible capital asset acquisitions, reserve/reserve fund transfers and debt principal payments in the future.



Another important indicator on this statement is accumulated surplus/deficit. An accumulated surplus indicates that the available net resources are sufficient to provide future water services. An accumulated deficit indicates that resources are insufficient to provide future services and that borrowing, or rate increases are required to finance annual deficits. From Table 4-2, the financial plan projects a decrease of approximately \$1.02 million to a 2025 accumulated surplus (at the beginning of the year) of approximately \$8.05 million over the forecast period. This accumulated surplus, as indicated in Table 4-2, is predominantly made up of historical investments in tangible capital assets and reserve fund balances.

4.2.3 Statement of Change in Net Financial Assets/Debt (Table 4-3)

The Statement of Change in Net Financial Assets/Debt indicates whether revenue generated was sufficient to cover operating and non-financial asset costs (i.e., inventory supplies, prepaid expenses, tangible capital assets, etc.) and in so doing, explains the difference between the annual surplus/deficit and the change in net financial assets/debt for the period.

Table 4-3 indicates that in all years except 2026 and 2027, the forecasted annual surplus (before amortization) exceeds forecasted tangible capital asset acquisitions, resulting in an overall increase in the net financial assets balance. This increase in the net asset balance is the result of capital asset acquisitions over the forecast period, allowing for a long-term plan of funding capital asset acquisitions through accumulated surplus (i.e., reserves). This is further evidenced by the ratio of cumulative annual surplus before amortization to cumulative tangible capital asset acquisitions, initially declining from 1.16 in 2025 to 0.69 in 2026 before improving to 3.75 by 2035 (note: a desirable ratio is 1:1 or better).

4.2.4 Statement of Cash Flow (Table 4-4)

The Statement of Cash Flow summarizes how the Township's water system is expected to generate and use cash resources during the forecast period. The transactions that provide/use cash are classified as operating, capital, investing, and financing activities as shown in Table 4-4. This statement focuses on the cash aspect of these transactions and thus is the link between cash-based and accrual-based reporting. Table 4-4 indicates that cash from operations will be used to fund capital transactions (i.e., tangible capital asset acquisitions) and build internal reserves and reserve funds over the forecast period. The financial plan projects the cash position of the Township's



water system to increase from a deficit of \$23,995 at the beginning of 2025 to a positive balance of approximately \$1.21 million by the end of 2035. For further discussion on projected cash balances, please refer to the Notes to the Financial Plan.



Table 4-1
Statement of Financial Position: Water Services
UNAUDITED: For Financial Planning Purposes Only
2025-2035

	Notes	Forecast										
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Financial Assets												
Cash	1	-	-	-	24,812	110,216	170,978	353,780	559,394	784,350	1,026,347	1,213,021
Accounts Receivable	1	95,971	69,877	60,237	70,495	82,203	102,477	108,226	119,017	130,884	143,934	158,286
Long-term Accounts Receivable	8	34,490	-	-	-	-	-	-	-	-	-	-
Total Financial Assets		130,461	69,877	60,237	95,307	192,419	273,455	462,006	678,411	915,234	1,170,281	1,371,307
Liabilities												
Bank Indebtedness		24,872	30,641	27,335	-	-	-	-	-	-	-	-
Accounts Payable & Accrued Liabilities	1	21,124	22,918	23,896	24,932	26,012	27,147	28,278	29,409	30,586	31,809	33,081
Debt (Principal only)	2	-	20,000	20,000	20,000	20,000	-	-	-	-	-	-
Total Liabilities		45,996	73,559	71,231	44,932	46,012	27,147	28,278	29,409	30,586	31,809	33,081
Net Financial Assets/(Debt)		84,465	(3,682)	(10,994)	50,375	146,407	246,308	433,728	649,002	884,648	1,138,472	1,338,226
Non-Financial Assets												
Tangible Capital Assets	4	7,852,307	7,732,840	7,541,398	7,293,956	7,058,177	6,806,348	6,552,219	6,301,890	6,054,161	5,854,944	5,693,727
Total Non-Financial Assets		7,852,307	7,732,840	7,541,398	7,293,956	7,058,177	6,806,348	6,552,219	6,301,890	6,054,161	5,854,944	5,693,727
Accumulated Surplus/(Deficit)	5	7,936,772	7,729,158	7,530,404	7,344,331	7,204,584	7,052,656	6,985,947	6,950,892	6,938,809	6,993,416	7,031,953

Financial Indicators	Total Change	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1) Increase/(Decrease) in Net Financial Assets	1,270,977	17,216	(88,147)	(7,312)	61,369	96,032	99,901	187,420	215,274	235,646	253,824	199,754
2) Increase/(Decrease) in Tangible Capital Assets	(2,293,796)	(135,216)	(119,467)	(191,442)	(247,442)	(235,779)	(251,829)	(254,129)	(250,329)	(247,729)	(199,217)	(161,217)
3) Increase/(Decrease) in Accumulated Surplus	(1,022,819)	(118,000)	(207,614)	(198,754)	(186,073)	(139,747)	(151,928)	(66,709)	(35,055)	(12,083)	54,607	38,537



Table 4-2
Statement of Operations: Water Services
UNAUDITED: For Financial Planning Purposes Only
2025-2035

	Notes	Forecast										
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Revenue												
Rate Based Revenue		118,876	160,482	186,270	218,289	254,850	298,159	336,888	370,576	407,634	448,397	493,237
Earned Development Charges and Canada Community Building Fund Revenue	3	-	-	-	-	-	-	-	-	-	-	-
Interest Earned on Long-term Accounts Receivable	8	3,556	1,825	-	-	-	-	-	-	-	-	-
Other Revenue	6	146,301	2,330	2,528	3,829	5,813	7,555	10,502	14,827	19,546	24,623	28,640
Total Revenues		268,733	164,637	188,798	222,118	260,663	305,714	347,390	385,403	427,180	473,020	521,877
Water Expenses												
Operating Expenses	Sch. 4-1	146,517	126,784	135,110	151,749	143,631	199,813	155,970	162,129	180,534	182,196	247,123
Interest on Debt	2	-	-	-	-	-	-	-	-	-	-	-
Amortization	4	240,216	245,467	252,442	256,442	256,779	257,829	258,129	258,329	258,729	236,217	236,217
Loss on Disposal of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Total Expenses		386,733	372,251	387,552	408,191	400,410	457,642	414,099	420,458	439,263	418,413	483,340
Annual Surplus/(Deficit)		(118,000)	(207,614)	(198,754)	(186,073)	(139,747)	(151,928)	(66,709)	(35,055)	(12,083)	54,607	38,537
Accumulated Surplus/(Deficit), beginning of year	5	8,054,772	7,936,772	7,729,158	7,530,404	7,344,331	7,204,584	7,052,656	6,985,947	6,950,892	6,938,809	6,993,416
Accumulated Surplus/(Deficit), end of year		7,936,772	7,729,158	7,530,404	7,344,331	7,204,584	7,052,656	6,985,947	6,950,892	6,938,809	6,993,416	7,031,953
Note 5:												
Accumulated Surplus/(Deficit) Reconciliation:		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Reserve Balances												
Reserves: Capital/Other		49,975	16,318	9,006	70,375	166,407	246,308	433,728	649,002	884,648	1,138,472	1,338,226
Total Reserves Balance		49,975	16,318	9,006	70,375	166,407	246,308	433,728	649,002	884,648	1,138,472	1,338,226
Less: Debt Obligations and Deferred Revenue		-	(20,000)	(20,000)	(20,000)	(20,000)	-	-	-	-	-	-
Add: Long-term Accounts Receivable	8	34,490	-	-	-	-	-	-	-	-	-	-
Add: Tangible Capital Assets	4	7,852,307	7,732,840	7,541,398	7,293,956	7,058,177	6,806,348	6,552,219	6,301,890	6,054,161	5,854,944	5,693,727
Total Ending Balance		7,936,772	7,729,158	7,530,404	7,344,331	7,204,584	7,052,656	6,985,947	6,950,892	6,938,809	6,993,416	7,031,953
Financial Indicators	Total Change	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1) Expense to Revenue Ratio		144%	226%	205%	184%	154%	150%	119%	109%	103%	88%	93%
2) Increase/(Decrease) in Accumulated Surplus	(1,022,819)	(118,000)	(207,614)	(198,754)	(186,073)	(139,747)	(151,928)	(66,709)	(35,055)	(12,083)	54,607	38,537



Schedule 4-1
Statement of Operating Expenses: Water Services
UNAUDITED: For Financial Planning Purposes Only
2025-2035

	Notes	Forecast										
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Expenses												
Hydro		21,420	23,443	24,715	26,138	27,636	29,258	30,673	31,900	33,176	34,503	35,883
Phone		1,938	2,016	2,097	2,181	2,268	2,359	2,453	2,551	2,653	2,759	2,869
Contract/Supplies		91,659	95,325	99,138	103,104	107,228	111,517	115,978	120,617	125,442	130,460	135,678
Metering Program Subscription		-	4,000	4,160	4,326	4,499	4,679	4,866	5,061	5,263	5,474	5,693
Non TCA - Expenses from Capital Budget	7	31,500	2,000	5,000	16,000	2,000	52,000	2,000	2,000	14,000	9,000	67,000
TOTAL OPERATING EXPENSES		146,517	126,784	135,110	151,749	143,631	199,813	155,970	162,129	180,534	182,196	247,123

Table 4-3
Statement of Changes in Net Financial Assets/Debt: Water Services
UNAUDITED: For Financial Planning Purposes Only
2025-2035

	Notes	Forecast										
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Surplus/(Deficit)		(118,000)	(207,614)	(198,754)	(186,073)	(139,747)	(151,928)	(66,709)	(35,055)	(12,083)	54,607	38,537
Less: Acquisition of Tangible Capital Assets	4	(105,000)	(126,000)	(61,000)	(9,000)	(21,000)	(6,000)	(4,000)	(8,000)	(11,000)	(37,000)	(75,000)
Add: Amortization of Tangible Capital Assets	4	240,216	245,467	252,442	256,442	256,779	257,829	258,129	258,329	258,729	236,217	236,217
Sub-Total		135,216	119,467	191,442	247,442	235,779	251,829	254,129	250,329	247,729	199,217	161,217
Less: Acquisition of Prepaid Expenses		-	-	-	-	-	-	-	-	-	-	-
Add: Use of Prepaid Expenses		-	-	-	-	-	-	-	-	-	-	-
Sub-Total		-	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Net Financial Assets/(Net Debt)		17,216	(88,147)	(7,312)	61,369	96,032	99,901	187,420	215,274	235,646	253,824	199,754
Net Financial Assets/(Net Debt), beginning of year		67,249	84,465	(3,682)	(10,994)	50,375	146,407	246,308	433,728	649,002	884,648	1,138,472
Net Financial Assets/(Net Debt), end of year		84,465	(3,682)	(10,994)	50,375	146,407	246,308	433,728	649,002	884,648	1,138,472	1,338,226
Financial Indicators		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1) Acquisition of Tangible Capital Assets (Cumulative)		105,000	231,000	292,000	301,000	322,000	328,000	332,000	340,000	351,000	388,000	463,000
2) Annual Surplus/Deficit before Amortization (Cumulative)		122,216	160,069	213,757	284,126	401,158	507,059	698,479	921,753	1,168,399	1,459,223	1,733,977
3) Ratio of Annual Surplus before Amortization to Acquisition of TCAs (Cumulative)		1.16	0.69	0.73	0.94	1.25	1.55	2.10	2.71	3.33	3.76	3.75



Table 4-4
Statement of Cash Flow – Indirect Method: Water Services
UNAUDITED: For Financial Planning Purposes Only
2025-2035

	Notes	Forecast										
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Transactions												
Annual Surplus/Deficit		(118,000)	(207,614)	(198,754)	(186,073)	(139,747)	(151,928)	(66,709)	(35,055)	(12,083)	54,607	38,537
Add: Amortization of TCAs	4	240,216	245,467	252,442	256,442	256,779	257,829	258,129	258,329	258,729	236,217	236,217
(Gain)/Loss on disposal of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Less: Earned Deferred Revenue	3	-	-	-	-	-	-	-	-	-	-	-
Change in A/R (Increase)/Decrease		(43,821)	26,094	9,640	(10,258)	(11,708)	(20,274)	(5,749)	(10,791)	(11,867)	(13,050)	(14,352)
Change in A/P Increase/(Decrease)		(7,031)	1,794	978	1,036	1,080	1,135	1,131	1,131	1,177	1,223	1,272
Less: Interest Proceeds		(980)	(320)	(177)	(1,380)	(3,263)	(4,830)	(8,504)	(12,726)	(17,346)	(22,323)	(26,240)
Cash Provided by Operating Transactions		70,384	65,421	64,129	59,767	103,141	81,932	178,298	200,888	218,610	256,674	235,434
Capital Transactions												
Proceeds on sale of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Less: Cash Used to acquire Tangible Capital Assets	4	(105,000)	(126,000)	(61,000)	(9,000)	(21,000)	(6,000)	(4,000)	(8,000)	(11,000)	(37,000)	(75,000)
Cash Applied to Capital Transactions		(105,000)	(126,000)	(61,000)	(9,000)	(21,000)	(6,000)	(4,000)	(8,000)	(11,000)	(37,000)	(75,000)
Investing Transactions												
Proceeds from Investments		980	320	177	1,380	3,263	4,830	8,504	12,726	17,346	22,323	26,240
Less: Cash Used to Acquire Investments		-	-	-	-	-	-	-	-	-	-	-
Cash Provided by (applied to) Investing Transactions		980	320	177	1,380	3,263	4,830	8,504	12,726	17,346	22,323	26,240
Financing Transactions												
Proceeds from Debt Issue	2	-	20,000	-	-	-	-	-	-	-	-	-
Add: Long-term Accounts Receivable Proceeds (recovery of debt)	8	32,759	34,490	-	-	-	-	-	-	-	-	-
Less: Debt Repayment (Principal only)	2	-	-	-	-	-	(20,000)	-	-	-	-	-
Cash Applied to Financing Transactions		32,759	54,490	-	-	-	(20,000)	-	-	-	-	-
Increase in Cash and Cash Equivalents		(877)	(5,769)	3,306	52,147	85,404	60,762	182,802	205,614	224,956	241,997	186,674
Cash and Cash Equivalents, beginning of year	1	(23,995)	(24,872)	(30,641)	(27,335)	24,812	110,216	170,978	353,780	559,394	784,350	1,026,347
Cash and Cash Equivalents, end of year	1	(24,872)	(30,641)	(27,335)	24,812	110,216	170,978	353,780	559,394	784,350	1,026,347	1,213,021



Water

Notes to Financial Plan

The financial plan format as outlined in Chapter 4 closely approximates the full accrual format used by municipalities (2009 onward) on their audited financial statements. However, the financial plan is not an audited document and contains various estimates. In this regard, Section 3 (2) of O. Reg. 453/07 states the following:

“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:

1. Sub-subparagraphs 4 i A, B and C of subsection (1)
2. Sub-subparagraphs 4 iii A, C, E and F of subsection (1).”

The information referred to in sub-subparagraphs 4 if A, B and C of subsection (1) includes:

- A. Total financial assets (i.e., cash and receivables);
- B. Total liabilities (i.e., payables, debt, and deferred revenue);
- C. Net debt (i.e., the difference between A and B above).

The information referred to in sub-subparagraphs 4 iii A, C, E and F of subsection (1) includes:

- A. Operating transactions are cash received from revenues, cash paid for operating expenses and finance charges.
- B. Investing transactions that are acquisitions and disposal of investments.
- C. Changes in cash and cash equivalents during the year.
- D. Cash and cash equivalents at the beginning and end of the year.

In order to show a balanced financial plan in a full accrual format for the Township, some of the items listed above have been estimated given that the Township does not maintain all financial asset and liability data separately for water. Usually, this type of data is combined with the financial assets and liabilities of other departments and services given that there is not a current obligation to disclose this data separately (as there is with revenue and expenses).



The assumptions used have been documented below:

1. Cash, Receivables and Payables

It is assumed that the opening cash balances required to complete the financial plan are equal to:

Ending Reserve/Reserve Fund Balance
Plus: Ending Accounts Payable Balance
Less: Ending Accounts Receivable Balance
Equals: Approximate Ending Cash Balance

For the Township, receivable and payable balances were estimated for each year of the forecast based on the following factors:

- a) Receivables: Based on historical levels Township-wide receivables as a percentage of annual revenue earned (as per the 2021 to 2023 Financial Information Returns (F.I.R.s)); and
- b) Payables: Based on historical levels of Township-wide payables as a percentage of annual expenses incurred by the Township (as per the 2021 to 2023 F.I.R.s).

2. Debt

There was no outstanding water-related debt anticipated at the beginning of 2025. Additional internal debt proceeds are anticipated throughout the forecast period. Estimated principal repayments over the forecast period are scheduled as follows:

Year	Principal Payments
2025	-
2026	-
2027	-
2028	-
2029	-
2030	20,000
2031	-
2032	-
2033	-
2034	-
2035	-
Total	\$20,000



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

Deferred revenue is typically made up of water development charge (D.C.), and Canada Community-Building Fund (C.C.B.F.) 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.

The Township does not collect water D.C.s or use any funding from the C.C.B.F. for water services. Therefore, deferred revenue is assumed to be zero over the forecast period.

4. Tangible Capital Assets

- Opening net book value of tangible capital assets includes water related assets in the following categories:
 - i. Facility Assets, including land, facilities and components, and wells; and
 - ii. Distribution Assets, including watermains, fittings, laterals, hydrants, valves, etc.
- Amortization is calculated based on the straight-line approach with no amortization applied in the year of acquisition or construction and in the last year of the asset's useful life.
- Write-offs are assumed to equal \$0 for each year in the forecast period.
- Tangible capital assets are shown on a net basis. It is assumed that disposals occur when the asset is being replaced. To calculate the value of each asset disposal, the replacement value (of each new asset that has been identified as a "replacement") has been deflated (by weighted average useful life for all assets on hand in the respective asset category) to an estimated historical cost. This figure was used to calculate disposals only. Future assets are disposed of when fully amortized.
- Gains/losses on disposal for all assets except vehicles are assumed to be \$0 (it is assumed that historical cost is equal to accumulated amortization for all disposals). For vehicles, gains/losses on disposal have been estimated based on the anticipated trade-in values in the year of disposal.



- Residual value is assumed to be \$0 for all assets contained within the forecast period.
- Contributed Assets, as described in Section 3.2.1, are deemed to be insignificant or unknown during the forecast period and are therefore assumed to be \$0.
- The Township is not aware of any specific lead service piping in the municipal water system.



The balance of tangible capital assets is summarized as follows:

Asset Historical Cost	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Tangible Capital Asset Balance	10,630,201	10,690,393	10,791,757	10,850,827	10,856,581	10,866,771	10,869,696	10,871,570	10,875,241	10,883,816	10,900,589
Acquisitions	105,000	126,000	61,000	9,000	21,000	6,000	4,000	8,000	11,000	37,000	75,000
Disposals	44,808	24,636	1,930	3,246	10,810	3,075	2,126	4,329	2,425	20,227	41,612
Closing Tangible Capital Asset Balance	10,690,393	10,791,757	10,850,827	10,856,581	10,866,771	10,869,696	10,871,570	10,875,241	10,883,816	10,900,589	10,933,977
Opening Accumulated Amortization	2,642,678	2,838,086	3,058,917	3,309,429	3,562,625	3,808,594	4,063,348	4,319,351	4,573,351	4,829,655	5,045,645
Amortization Expense	240,216	245,467	252,442	256,442	256,779	257,829	258,129	258,329	258,729	236,217	236,217
Amortization on Disposal	44,808	24,636	1,930	3,246	10,810	3,075	2,126	4,329	2,425	20,227	41,612
Ending Accumulated Amortization	2,838,086	3,058,917	3,309,429	3,562,625	3,808,594	4,063,348	4,319,351	4,573,351	4,829,655	5,045,645	5,240,250
Net Book Value	7,852,307	7,732,840	7,541,398	7,293,956	7,058,177	6,806,348	6,552,219	6,301,890	6,054,161	5,854,944	5,693,727



5. Accumulated Surplus

Opening accumulated surplus for the forecast period is reconciled as follows:

Water	2025 Opening Accumulated Surplus
Reserve Balances	
Reserves: Capital/Other	-
Total Reserves Balance	-
Add: Long-term Accounts Receivable	67,249
Add: Tangible Capital Assets	7,987,523
Total Opening Balance	\$8,054,772

The accumulated surplus reconciliation for all years within the forecast period is contained in Table 4-2.

6. Other Revenue

Other revenue consists of miscellaneous revenues, including those from penalties and interest earnings, and connection charges.

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.

8. Long-term Receivables

Long-term receivables consist of the amortized payments for two capital charges, which mature in 2026.



Chapter 5

Process for Financial Plan Approval and Submission to the Province



5. Process for Financial Plan Approval and Submission to the Province

As mentioned in section 1.2, preparation and approval of a financial plan for water assets that meets the requirements of the Act is mandatory for municipal water providers. Proof of the plan preparation and approval is a key submission requirement for municipal drinking water licensing and, upon completion, must be submitted to the MECP. The process established for plan approval, public circulation and filing is set out in O. Reg. 453/07 and can be summarized as follows:

1. The financial plan must be approved by resolution of Council of the municipality who owns the drinking water system or the governing body of the owner. (O. Reg. 453/07, section 3 (1) 1).
2. The owner of the drinking water system must provide notice advertising the availability of the financial plan. The plans will be made available to the public upon request and without charge. The plans must also be made available to the public on the municipality's website. (O. Reg. 453/07, section 3 (1) 5).
3. The owner of the drinking water system must provide a copy of the financial plan to the Director of Policy Branch, Ministry of Municipal Affairs and Housing. (O. Reg. 453/07, section 3 (1) 6).
4. The owner of the drinking water system must provide proof satisfactory to the Director that the financial plans for the system satisfy the requirements under the *Safe Drinking Water Act*. (S.D.W.A. section 32 (5) 2. ii.).



Chapter 6

Recommendations



6. Recommendations

This report presents the water and wastewater financial plans for the Township of Amaranth in accordance with the mandatory reporting formats for water systems as detailed in O. Reg. 453/07. It is important to note that while mandatory for water, the financial plan is provided for Council's interest and approval however, for decision making purposes, it may be more informative to rely on the information contained within the Township's Rate Study. Nevertheless, Council is required to pass certain resolutions with regard to this plan and regulations, and it is recommended that:

1. The Township of Amaranth Water Financial Plan prepared by Watson & Associates Economists Ltd. dated February 13, 2026, be approved.
2. Notice of availability of the Financial Plan be advertised.
3. The Financial Plan dated February 13, 2026, be submitted to the Ministry of Municipal Affairs and Housing. (O. Reg. 453/07, Section 3 (1) 6)
4. The Council Resolution approving the Financial Plan be submitted to the Ministry of the Environment, Conservation and Parks satisfying the requirements under the *Safe Drinking Water Act*. (S.D.W.A. Section 32 (5) 2 ii)).



Appendix A

Rate Study Summary Tables



Table A-1
Township of Amaranth
Water Capital Budget Forecast (uninflated \$)

Description	Budget 2025	Total	Forecast										
			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Capital Expenditures													
Well One - Camera inspection of well casing	-	3,000	-	-	3,000	-	-	-	-	-	-	-	-
Well One - Submersible pump replacement	-	15,000	15,000	-	-	-	-	-	-	-	-	-	-
Well One - Transmission main repairs	-	2,500	2,500	-	-	-	-	-	-	-	-	-	-
Well Two - Camera inspection of well casing	-	3,000	-	-	3,000	-	-	-	-	-	-	-	-
Well Two - Submersible pump replacement	-	15,000	15,000	-	-	-	-	-	-	-	-	-	-
Well Two - Transmission main repairs	-	3,000	-	-	3,000	-	-	-	-	-	-	-	-
Well Three - Camera inspection of well casing	-	3,000	-	-	3,000	-	-	-	-	-	-	-	-
Well Three - Submersible pump replacement	-	15,000	15,000	-	-	-	-	-	-	-	-	-	-
Well Three - Transmission main repairs	-	2,500	2,500	-	-	-	-	-	-	-	-	-	-
Communications - Replace Com System	100,000	-	-	-	-	-	-	-	-	-	-	-	-
Pumphouse Raw - Replace pressure gauges	-	1,500	-	-	-	-	-	-	1,500	-	-	-	-
Water Piping - Service flow control valves	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Piping - Service pressure relief valve	-	5,000	-	-	-	-	-	-	-	5,000	-	-	-
Water Piping - Process piping repairs	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Piping - Replace raw water meters	-	20,000	-	-	-	10,000	-	-	-	-	-	10,000	-
Pumphouse - Chemical metering pumps	-	15,000	-	-	-	-	-	-	-	-	-	15,000	-
Treatment - Discharge piping/valves	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment - Centreline Injectors	1,500	15,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Reservoir - Camera inspection/clean	-	5,000	-	-	-	-	-	-	-	-	-	5,000	-
Treated Water - Replace pressure gauges	-	-	-	-	-	-	-	-	-	-	-	-	-
Process - Service flow control valves	-	-	-	-	-	-	-	-	-	-	-	-	-
Process - Service pressure relief valve	-	-	-	-	-	-	-	-	-	-	-	-	-
Process - Rebuild high lift pumps	-	15,000	-	-	-	-	-	-	-	-	-	-	15,000
Process - Service emergency pump	-	10,000	-	-	-	-	-	-	-	-	-	-	10,000
Process - Replace treated water meters	-	4,000	-	-	-	4,000	-	-	-	-	-	-	-
Instrumentation - Replace free chlorine analyzer	-	20,000	-	-	-	-	-	-	-	-	-	-	20,000
SCADA - Replace laptop	-	-	-	-	-	-	-	-	-	-	-	-	-
SCADA - Replace datalogger	2,500	-	-	-	-	-	-	-	-	-	-	-	-
Building Services - Electrical	-	12,500	2,500	-	2,500	-	2,500	-	2,500	-	-	-	2,500
Building Services - Heating	500	4,500	500	500	500	500	500	500	500	500	-	-	500
Building Services - Lighting	500	2,500	-	500	-	500	-	500	-	500	-	-	500
Building Services - Generator Service	-	15,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Treated Water - Distribution mains leak repairs	-	15,500	-	500	-	-	-	5,000	-	-	5,000	-	5,000
Distribution - Valve repair	-	4,500	-	1,500	-	-	-	1,500	-	-	-	-	1,500
Distribution - Hydrant repair	-	12,500	-	-	2,500	-	-	2,500	-	-	2,500	-	5,000



Table A-1 (continued)
Township of Amaranth
Water Capital Budget Forecast (uninflated \$)

Description	Budget 2025	Total	Forecast										
			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Capital Expenditures													
Distribution - Service repairs	1,500	7,500	-	-	1,500	-	1,500	-	-	1,500	-	3,000	
Metering Program Equipment - Belt Clip		11,383	11,383										
Water Meters		104,500	52,250	52,250									
Studies:													
Water Rate Study	30,000	60,000					30,000					30,000	
Total Capital Expenditures	\$136,500	\$422,883	\$119,633	\$58,250	\$22,000	\$18,000	\$46,500	\$4,000	\$7,500	\$18,000	\$33,000	\$96,000	



Table A-2
Township of Amaranth
Water Capital Budget Forecast and Recommended Capital Financing (inflated \$)

Description	Budget 2025	Total	Forecast										
			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Capital Expenditures													
Well One - Camera inspection of well casing	-	3,000	-	-	3,000	-	-	-	-	-	-	-	-
Well One - Submersible pump replacement	-	16,000	16,000	-	-	-	-	-	-	-	-	-	-
Well One - Transmission main repairs	-	3,000	3,000	-	-	-	-	-	-	-	-	-	-
Well Two - Camera inspection of well casing	-	3,000	-	-	3,000	-	-	-	-	-	-	-	-
Well Two - Submersible pump replacement	-	16,000	16,000	-	-	-	-	-	-	-	-	-	-
Well Two - Transmission main repairs	-	3,000	-	-	3,000	-	-	-	-	-	-	-	-
Well Three - Camera inspection of well casing	-	3,000	-	-	3,000	-	-	-	-	-	-	-	-
Well Three - Submersible pump replacement	-	16,000	16,000	-	-	-	-	-	-	-	-	-	-
Well Three - Transmission main repairs	-	3,000	3,000	-	-	-	-	-	-	-	-	-	-
Communications - Replace Com System	100,000	-	-	-	-	-	-	-	-	-	-	-	-
Pumphouse Raw - Replace pressure gauges	-	2,000	-	-	-	-	-	-	2,000	-	-	-	-
Water Piping - Service flow control valves	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Piping - Service pressure relief valve	-	7,000	-	-	-	-	-	-	-	7,000	-	-	-
Water Piping - Process piping repairs	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Piping - Replace raw water meters	-	26,000	-	-	-	12,000	-	-	-	-	-	14,000	-
Pumphouse - Chemical metering pumps	-	21,000	-	-	-	-	-	-	-	-	-	21,000	-
Treatment - Discharge piping/valves	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment - Centreline Injectors	1,500	20,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Reservoir - Camera inspection/clean	-	7,000	-	-	-	-	-	-	-	-	-	7,000	-
Treated Water - Replace pressure gauges	-	-	-	-	-	-	-	-	-	-	-	-	-
Process - Service flow control valves	-	-	-	-	-	-	-	-	-	-	-	-	-
Process - Service pressure relief valve	-	-	-	-	-	-	-	-	-	-	-	-	-
Process - Rebuild high lift pumps	-	22,000	-	-	-	-	-	-	-	-	-	-	22,000
Process - Service emergency pump	-	15,000	-	-	-	-	-	-	-	-	-	-	15,000
Process - Replace treated water meters	-	5,000	-	-	-	5,000	-	-	-	-	-	-	-
Instrumentation - Replace free chlorine analyzer	-	30,000	-	-	-	-	-	-	-	-	-	-	30,000
SCADA - Replace laptop	-	-	-	-	-	-	-	-	-	-	-	-	-
SCADA - Replace datalogger	2,500	-	-	-	-	-	-	-	-	-	-	-	-
Building Services - Electrical	-	16,000	3,000	-	3,000	-	-	3,000	-	3,000	-	-	4,000
Building Services - Heating	500	9,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-	1,000
Building Services - Lighting	500	5,000	-	1,000	-	1,000	-	1,000	-	1,000	-	-	1,000
Building Services - Generator Service	-	20,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Treated Water - Distribution mains leak repairs	-	21,000	-	1,000	-	-	-	6,000	-	-	7,000	-	7,000
Distribution - Valve repair	-	6,000	-	2,000	-	-	-	2,000	-	-	-	-	2,000
Distribution - Hydrant repair	-	16,000	-	-	3,000	-	-	3,000	-	-	3,000	-	7,000



Table A-2 (continued)
Township of Amaranth
Water Capital Budget Forecast and Recommended Capital Financing (inflated \$)

Description	Budget 2025	Total	Forecast									
			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Expenditures												
Distribution - Service repairs	1,500	10,000	-	-	2,000	-	2,000	-	-	2,000	-	4,000
Metering Program Equipment - Belt Clip	-	12,000	12,000	-	-	-	-	-	-	-	-	-
Water Meters	-	111,000	54,000	57,000	-	-	-	-	-	-	-	-
Studies:												
Water Rate Study	30,000	82,000	-	-	-	-	37,000	-	-	-	-	45,000
Total Capital Expenditures	\$136,500	\$529,000	\$128,000	\$66,000	\$25,000	\$23,000	\$58,000	\$6,000	\$10,000	\$25,000	\$46,000	\$142,000
Capital Financing												
Operating Contributions	136,500	20,000	20,000	-	-	-	-	-	-	-	-	-
Water Reserve	-	509,000	108,000	66,000	25,000	23,000	58,000	6,000	10,000	25,000	46,000	142,000
Total Capital Financing	\$136,500	\$529,000	\$128,000	\$66,000	\$25,000	\$23,000	\$58,000	\$6,000	\$10,000	\$25,000	\$46,000	\$142,000

Table A-3
Township of Amaranth
Water Reserve Fund Continuity (inflated \$)

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	-	49,975	16,317	9,005	70,375	166,407	246,307	433,729	649,002	884,647	1,138,471
Transfer from Operating	48,995	74,023	58,511	84,990	115,769	153,071	184,917	212,547	243,300	277,501	315,514
Transfer to Capital		108,000	66,000	25,000	23,000	58,000	6,000	10,000	25,000	46,000	142,000
Transfer to Operating	-	-	-	-	-	20,000	-	-	-	-	-
Closing Balance	\$48,995	\$15,997	\$8,828	\$68,995	\$163,144	\$241,478	\$425,224	\$636,276	\$867,301	\$1,116,148	\$1,311,985
Interest	980	320	177	1,380	3,263	4,830	8,504	12,726	17,346	22,323	26,240



Table A-4
Township of Amaranth
Operating Budget Forecast – Water (inflated \$)

Description	Budget 2025	Forecast									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Expenditures											
<u>Operating Costs</u>											
Hydro	21,420	23,443	24,715	26,138	27,636	29,258	30,673	31,900	33,176	34,503	35,883
Phone	1,938	2,016	2,097	2,181	2,268	2,359	2,453	2,551	2,653	2,759	2,869
Contract/Supplies	91,659	95,325	99,138	103,104	107,228	111,517	115,978	120,617	125,442	130,460	135,678
Metering Program Subscription		4,000	4,160	4,326	4,499	4,679	4,866	5,061	5,263	5,474	5,693
Sub Total Operating	115,017	124,784	130,110	135,749	141,631	147,813	153,970	160,129	166,534	173,196	180,123
<u>Capital-Related</u>											
Repayment of Interim Loan from Township's General Reserves		-	-	-	-	20,000	-	-	-	-	-
Transfer to Capital	136,500	20,000	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	48,995	74,023	58,510	84,991	115,769	153,071	184,917	212,547	243,299	277,501	315,514
Sub Total Capital Related	185,495	94,023	58,510	84,991	115,769	173,071	184,917	212,547	243,299	277,501	315,514
Total Expenditures	\$300,512	\$218,806	\$188,620	\$220,740	\$257,400	\$320,884	\$338,887	\$372,676	\$409,833	\$450,697	\$495,637
Revenues											
Connection Charges	10,000	450	750	750	750	825	-	-	-	-	-
Other Revenue	1,500	1,560	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400
Capital Charge Recovery	36,315	36,315	-	-	-	-	-	-	-	-	-
Interim Loan from General Reserves		20,000									
Capital Loan Repayment	133,821										
Contributions from Reserves	-	-	-	-	-	20,000	-	-	-	-	-
Total Operating Revenue	\$181,636	\$58,325	\$2,350	\$2,450	\$2,550	\$22,725	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400
Water Billing Recovery - Operating	\$118,876	\$160,482	\$186,270	\$218,290	\$254,850	\$298,159	\$336,887	\$370,576	\$407,633	\$448,397	\$493,237



Table A-5
Township of Amaranth
Water Rate Forecast (inflated \$)

Description	2025	2026 January to March	2026 April to December	2027	2028	2029	2030	2031	2032	2033	2034	2035
Monthly Flat Rate	\$85.40	\$85.40	\$94.51	\$101.45	\$111.60	\$122.76	\$135.04	\$148.54	\$163.39	\$179.73	\$197.71	\$217.48
% Increase		0%	11%	7%	10%							
\$ Increase		\$0	\$9	\$7	\$10	\$11	\$12	\$14	\$15	\$16	\$18	\$20