

The Town of Mattawa

Mattawa Waterworks Financial Plan

*Prepared in accordance with
The Safe Drinking Water Act
and its associated regulations.*

Provincial reporting requirements

Pursuant to Section 31(1) of the Safe Drinking Water Act, 2002 (the “SDWA”), Provincial licenses are required for the operation of municipal drinking water systems in Ontario. In obtaining these licenses, the Town of Mattawa is required to meet five conditions under Section 44(1) of the SDWA, including the preparation of a financial plan for the water system.

The form and content of financial plans for municipal water systems are prescribed under Ontario Regulation 453/07 (the “Regulation”). Under the terms of the Regulation, the Town is required to prepare a financial plan that:

- I. Is approved through a Council resolution that indicates that the drinking water system is financially viable
- II. Extends over a minimum of six years and includes a statement that the financial impacts of the drinking water system have been considered
- III. For each year of the financial plan, includes details of the proposed or projected financial operations of the system itemized by:
 - Total revenues, further broken down into water rates, user charges and other revenues
 - Total expenses, further broken down into amortization expenses, interest expenses and other expenses
 - Annual surplus or deficit
 - Accumulated surplus or deficit
- IV. Includes details of the proposed or projected financial position of the system, itemized by:
 - Total financial assets
 - Total liabilities
 - Net debt
 - Non-financial assets
 - Changes in tangible capital assets

V. Details the proposed or projected gross cash receipts and cash payments itemized by:

- Operating transactions
- Capital transactions
- Investing transactions
- Financing transactions
- Changes in cash and cash equivalents in the period
- Cash and cash equivalents at the beginning and end of year

The disclosure requirements prescribed in the Regulation are consistent with the financial statement requirements as outlined in the Public Sector Accounting Handbook of the Chartered Professional Accounts Canada, which comprise:

- A statement of operations
- A statement of financial position
- A statement of cash flows
- A statement of changes in net financial assets

The Regulation requires a six year financial plan for water. However to be consistent with the principle of adopting an integrated approach to financial planning, the financial plan for Water has been prepared to match the overall Capital Asset Plan for the Town which incorporates a ten year period.

Public Notice

In connection with its financial plan, the Town is also required to ensure an appropriate level of public communication by:

- Making the financial plans available, on request, to members of the public at no charge
- Making the financial plans available to members of the public at no charge through the internet (if the municipality maintains a website)
- Providing notice as deemed appropriate to advise the public of the availability of the financial plans.

THE CORPORATION OF THE TOWN OF MATTAWA
Water System
Statement of Projected Changes in Net Water Assets

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Opening Balance	5,640,000	5,640,000	6,185,000	6,285,000	6,385,000	6,485,000	6,585,000	6,785,000	6,935,000	7,085,000	7,235,000
Work In Prograss	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000
Capital Requirements	-	100,000	100,000	100,000	100,000	100,000	200,000	150,000	150,000	150,000	150,000
Amortization											
Accumulated Amortization	1,518,000	1,612,000	1,707,666	1,812,415	1,918,832	2,026,915	2,136,664	2,249,747	2,365,330	2,483,413	2,603,996
Amortization	94,000	95,666	104,750	106,416	108,083	109,750	113,083	115,583	118,083	120,583	123,083
Total Amortization	1,612,000	1,707,666	1,812,415	1,918,832	2,026,915	2,136,664	2,249,747	2,365,330	2,483,413	2,603,996	2,727,078
Net Water Assets	\$ 4,473,000	\$ 4,477,334	\$ 4,917,585	\$ 4,911,168	\$ 4,903,085	\$ 4,893,336	\$ 4,980,253	\$ 5,014,670	\$ 5,046,587	\$ 5,076,004	\$ 5,102,922

THE CORPORATION OF THE TOWN OF MATTAWA
Water System
Statement of Projected Financial Position

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Financial Assets											
Accounts Receivable Water (net)	107,600	110,828	114,153	117,577	121,105	124,738	128,480	132,334	136,304	140,394	144,605
Total Financial Assets	107,600	110,828	114,153	117,577	121,105	124,738	128,480	132,334	136,304	140,394	144,605
Financial Liabilities											
Long-term debt	710,000	631,000	549,000	465,000	378,000	288,000	195,000	99,000	-	-	-
Total financial liabilities	710,000	631,000	549,000	465,000	378,000	288,000	195,000	99,000	-	-	-
Net financial Liability	-	602,400	-	520,172	-	434,847	-	347,423	-	256,895	-
Non-Financial Assets											
Tangible capital assets (net)	4,473,000	4,477,334	4,917,585	4,911,168	4,903,085	4,893,336	4,980,253	5,014,670	5,046,587	5,076,004	5,102,922
Total non-financial assets	4,473,000	4,477,334	4,917,585	4,911,168	4,903,085	4,893,336	4,980,253	5,014,670	5,046,587	5,076,004	5,102,922
Accumulated Surplus	\$ 3,870,600	\$ 3,957,162	\$ 4,482,737	\$ 4,563,746	\$ 4,646,190	\$ 4,730,074	\$ 4,913,733	\$ 5,048,004	\$ 5,182,892	\$ 5,216,398	\$ 5,247,527

THE CORPORATION OF THE TOWN OF MATTAWA
Water System
Statement of Projected Operations

	Opening	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue												
Water charges(Flat rate and metered)		538,000	554,140	570,764	587,887	605,524	623,689	642,400	661,672	681,522	701,968	723,027
Capital Grants		-	-	-	-	-	-	-	-	-	-	-
Total revenues		538,000	554,140	570,764	587,887	605,524	623,689	642,400	661,672	681,522	701,968	723,027
Expenses												
Water Operations		416,000	420,160	424,362	428,605	432,891	437,220	441,592	446,008	450,468	454,973	459,523
Interest		24,000	22,000	20,000	17,000	14,000	11,000	8,000	5,000	3,000	-	-
Amortization		94,000	95,666	104,750	106,416	108,083	109,750	113,083	115,583	118,083	120,583	123,083
Total Expenses		534,000	537,826	549,111	552,021	554,974	557,970	562,675	566,591	571,551	575,556	582,606
Annual surplus / Deficit		4,000	16,314	21,653	35,866	50,550	65,720	79,725	95,081	109,971	126,412	140,421

	Amortization	94,000	95,666	104,750	106,416	108,083	109,750	113,083	115,583	118,083	120,583	123,083
*	Capital Requirements (Per Municipal Capital Plan) Subject to Change	-	- 100,000	- 100,000	- 100,000	- 100,000	- 100,000	- 200,000	- 150,000	- 150,000	- 150,000	- 150,000
	Capital Grants (Assumption-Subject to Change)							100,000				
	Debt Financing	-	-	-	-	-	-	-	-	-	-	-
	Debt Repayment	-	79,000	82,000	84,000	87,000	90,000	93,000	96,000	99,000	-	-
	Reserve Transfers (-out/+in)	-	19,000	70,020	57,597	44,718	31,368	17,531	3,192	38,336	- 78,054	- 96,995
**	Adjusted Annual Surplus / (Deficit)	0	-	-	0							

* Per Municipal Asset Management Plan to be amended annually

** Adjusted surplus represents proforma accounting surplus adding back amortization and adjusting for actual capital expenditures / financing / and debt repayment

Water system balance sheet assumptions

Cash and short-term investments	5% dummy number with 5% increase
Accounts Receivable Water (net)	0% Used 2012 Accounts receivable water customers - Uncollectable water customers with 0% increase
Long-term debt	-7% Estimated 15 year S/I Repayment
Tangible capital assets (net)	See Water Assets sheet

Water system Operations assumptions

Water charges	3.00%
Government Grant	0% dummy
Wages	1.00% Average increase in OCWA contract
Weekend standby-pager	1.75% average increase with union staff (Water Dept)
Maintenance Water Lines	0.00% No trend
Repairs and maintenance - General	5.00% dummy numbers
Repairs and maintenance - Hydrants	0.00% Average increase in hydrant labour, rental and material from 2008 to 2012 excluding 2010
Repairs and maintenance - Reservoir	0%
Supplies	0% Generally stays around the same
Amortization	See Water Assets sheet