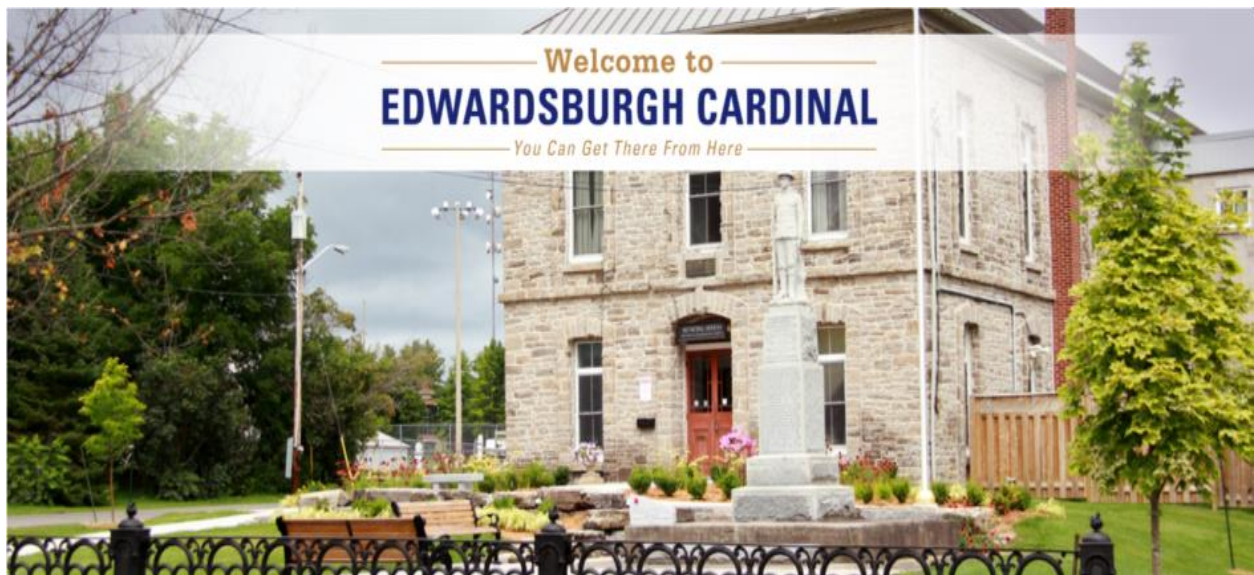


Cardinal Water System & Edwardsburgh Industrial Park Distribution System Financial Plan



August, 2020

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1. Introduction

1.1 Background

As a result of the Justice O'Connor's Part II Walkerton Inquiry Report (2000) and the passing of the Ontario's *Safe Drinking Water Act, 2002*, the Province has implemented a new Municipal Drinking Water Licensing Program. The Ministry of the Environment has established the following licensing requirements:

- Drinking Water Works Permit
- A Permit to Take Water- mandated under the Ontario Water Resources Act
- An approved Operation Plan- in compliance with the Drinking Water Quality Management Standard (DWQMS)
- Approved Financial Plan- (O.Reg. 453/07)
- Accreditation as an Operating Authority- which required the auditing of the Operational Plan by a 3rd party Accreditation Body

This Financial Plan contains a forecast based on current and projected information, based on the current rate structure. Projections are based on the operations from the past three years and capital requirements that have been noted. This is a living document and as such will be used as a guideline for staff and Council. The regulations require updating at a minimum every five (5) years to maintain the license.

1.2 Study Area

The Township of Edwardsburgh Cardinal is located in the Counties of Leeds and Grenville and rests on the boundaries of the Town of Prescott, Township of North Grenville, Township of South Dundas and the Township of Augusta.

There are two water systems operated by the Township, one that services the Village of Cardinal and one that services in New Wexford and Industrial Park. The components of these systems are as follows:

1.2.1 Cardinal Water System:

This is a surface water treatment plant that receives its source water supply from the St. Lawrence River. Treatment consists of pre-chlorination, basket screens, chemically assisted coagulation and flocculation, 4 rapid dual media filters (anthracite coal and sand) for physical removal of turbidity, ultraviolet irradiation (primary disinfection) followed by post chlorination (secondary disinfection).

The distribution system includes an elevated storage tank, 6 sample stations, 82 hydrants and a distribution system of approximately 11,280 meters. This system serves approximately 790 households with a population of 1,800.

1.2.2 Edwardsburgh Industrial Park Distribution System:

The Edwardsburgh Industrial Park distribution system is a standalone system receiving all its treated water from the Town of Prescott. The distribution system is approximately 3945 meters. There is no re-chlorination, booster or elevated storage associated with this system. This system currently serves 27 residential properties and 12 commercial/industrial properties.

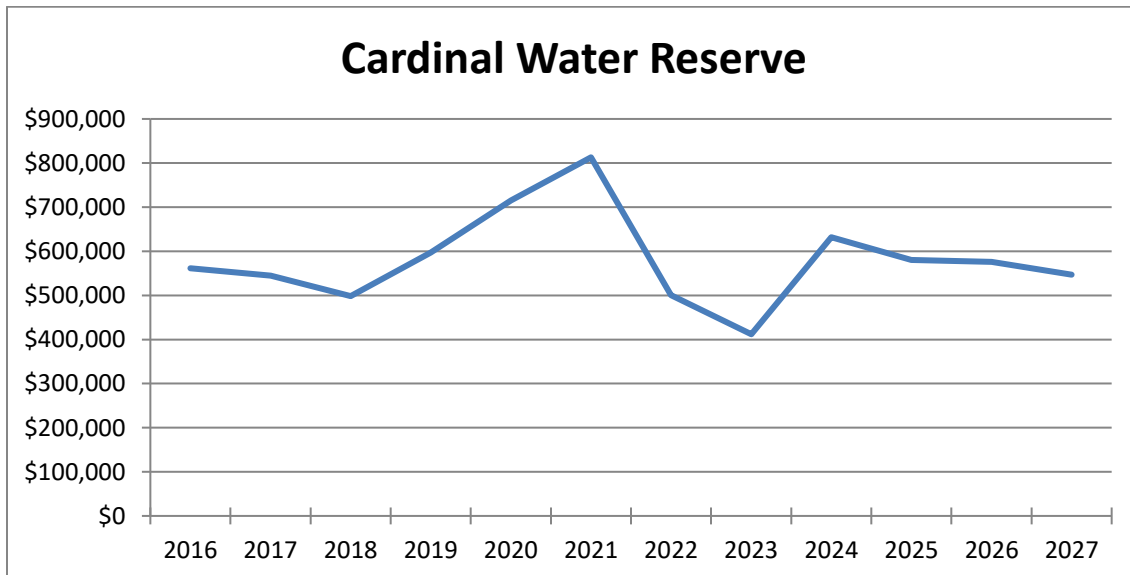
1.3 Study Objective

The objective of this report is to present the Financial Plan for both the Cardinal Drinking Water System and the Edwardsburgh Industrial Park Distribution System, which meets the requirements of the Financial Plan Regulations (O.Reg.453/07) under the *Safe Drinking Water Act, 2002*.

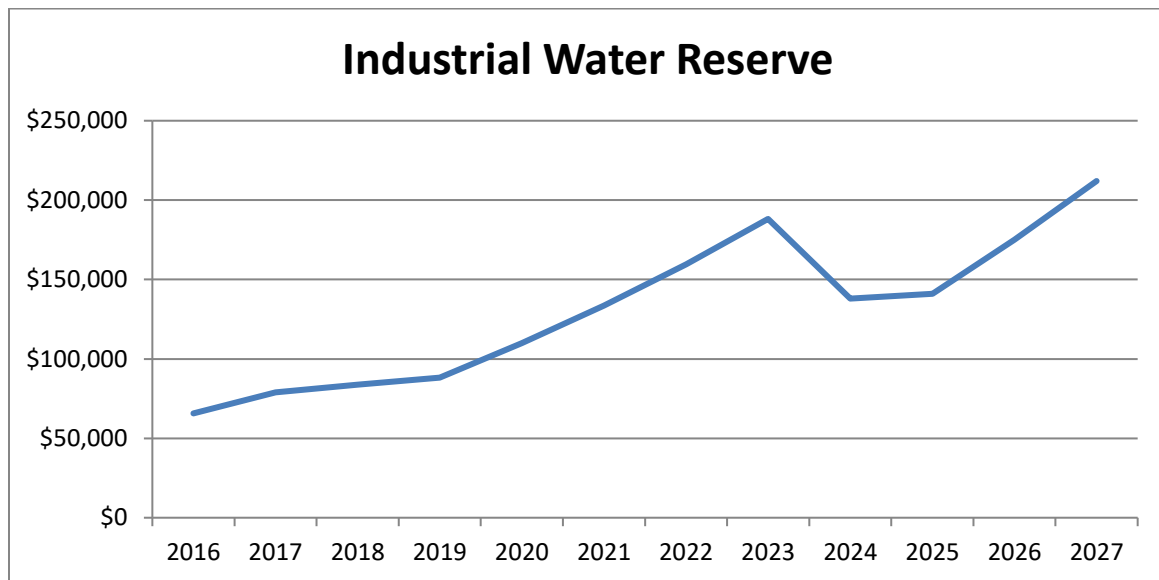
2. Review of Prior Plan Outcomes

The prior financial plan prepared in accordance with Provincial Regulation 453/07 was approved by Council on November 23, 2015.

The Cardinal Water System did not utilize debt financing of \$1.5 million as projected in the plan due to the fact that Township was unsuccessful in obtaining grant funding for the one large infrastructure project, County Rd 2. The Township did utilize some formula-based grant funding and transfers from Reserve to fund the other planned projects for 2016-2018. The Township has made several grant applications for the County Rd 2 project, but have been unsuccessful. This infrastructure project has been divided up as multiple projects in this plan. Council has increased the base rate by 1-3% annually which has allowed for a growth in the reserve fund balance as indicated in the chart below:



The Edwardsburgh Industrial Park Distribution system experienced an increase in users with development in the Industrial Park in 2018. Council increased the user rates in 2016-2017 by 1-3% which has resulted in an increase in the reserve fund balance as indicated in the chart below:



3. Financial Plan Requirements and Guidelines

3.1 Financial Plan Regulation

The key points of the Financial Plan Regulation (O.Reg. 453/07) are described in the following subsections.

3.1.1 General Requirements

The following general requirements are outlined in O.Reg. 453/07 and apply to both new and existing systems:

- Declaration: The Financial Plan must include a statement that the financial impacts of the drinking water system have been considered.
- Projection Length: The Financial Plan shall be for a period of at least six years.
- Public Transparency: The Financial Plan must be made available, on request and without charge, to the members of the public that are serviced by the water system. If the system owner maintains a website, the Financial Plan must be made available on the website without charge. The owner must provide a notice informing the public of the availability of the Financial Plan, in a manner that the

owner deems fit to bring the notice to the attention of the members of the public that are served by the water system.

- Approval: The Financial Plan must be approved by a council resolution that indicates that the drinking water system is financially viable.
- Submission: A copy of the Financial Plan, along with the resolution must be submitted to the Ministry of Municipal Affairs and Housing.

3.1.2 New System Requirements

In addition to the general requirements, the Financial Plan must include details of the projected financial operations itemized by:

- Total revenues (water rates, user charges, and other revenues)
- Total expenses (amortization expenses, interest expenses, and other expenses)
- Annual surplus or deficit
- Accumulated surplus or deficit

3.1.3 Existing System Requirements

In addition to the above requirements, the Financial Plan of an existing system must include the following details:

- Details of the Projected financial position, itemized by:
 - a) Total financial assets
 - b) Total liabilities
 - c) Net debt
 - d) Non-financial assets that are tangible capital assets, tangible capital assets under construction, inventories of supplies, and prepaid expenses
 - e) Changes in tangible capital assets that are additions, donations, write downs, and disposals

Items a, b and c apply only if the information is known to the owner at the time when the Financial Plan is prepared.

If two or more drinking water systems are solely owned by the same owner, then the Financial Plan can be prepared by treating those systems together as if they were one drinking system. However, in order to be completely transparent to the users of each system the Township has presented the financial plans separately for each system.

3.2 Financial Plan Guidelines

To assist municipalities in preparing the Financial Plan under O.Reg. 453/07, the Ministry of the Environment released a document titled “Toward Financially Sustainable Drinking Water and Wastewater systems” (August 2007). This document applies to wastewater systems as well. However, a Financial Plan for a wastewater system is only encouraged and not mandatory. The wastewater infrastructure assets are not included in this plan.

3.3 Public Sector Accounting Board (PSAB) Requirements

The Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA) approved a new municipal financial accounting and reporting standards in June 2006. The new standards require full accrual accounting for 2009 and future years, as well as accounting of tangible capital assets in the financial statements.

4. Funding Approach

A funding plan was developed to ensure that the annual expenditures forecasted in the financial plan can be sustained over the projected 6 years. The funding plan relies on operating revenues from direct users of the systems, transfers from reserves and various government grants to fund the capital costs.

The funding plan was developed to determine the most appropriate balance of operating revenues, capital levy and new debt financing. The achievements of the funding plan include:

- ✓ Through the development of new water rate structure and new charges; operating revenues will increase over time to cover operating and capital;
- ✓ The new water rates will continue to be affordable over the long term;
- ✓ Through a combination of operating revenues and capital levy, it is projected that the Cardinal water System and The Edwardsburgh Industrial Park Distribution system will achieve sufficient cash receipts to cover their annual cash expenditures and;
- ✓ Revenue levels will gradually increase to allow the Township of Edwardsburgh/Cardinal to invest in reserve funds for significant future capital investments.

4.1. Water Rates

Both Water Systems have a combination of fixed and variable rates as indicated in Section 5. The Edwardsburgh Industrial Park Distribution system's fixed base rate includes 6 cubic meters of consumption. A review and modification of this rate structure will allow for billing to be completed within the accounting software rather than calculated in an external spreadsheet and manually entered. This will reduce the chance of error and provide the users with simplified bill that is easier to understand. The base rate structure will replicate the current structure within the Cardinal Water system where the base rate is based on the size of pipe supply to each property. Both systems currently have a stepped approach to consumption.

The previous and current water rates are found in Table 4.1 for Cardinal Water System and Table 4.2 for the Edwardsburgh Industrial Park Distribution system.

The potential to separate the base rate into two categories, operating and capital would provide clarity to the users of the water system as to actual costs of the systems. A capital levy is a “Pay as you go” financing option in the Cardinal Water System that supports the on-going renewal of infrastructure assets.

Table 4-1 Cardinal - 2018-2020 Residential User Rates		
Year	Residential Base Amount	Consumption Rates
2018	\$24.22	\$2.00/m3 under 20m3 - \$3.00/m3 over 20 m3
2019	\$24.94	\$2.00/m3 under 20m3 - \$3.00/m3 over 20 m3
2020	\$25.44	\$2.00/m3 under 20m3 - \$3.00/m3 over 20 m3

Table 4-2 Edwardsburgh Industrial Park - 2018-2020 User Rates		
Year	Base Amount *	Consumption Rates
2018	\$46.32	\$7.72/m3 over 6 m3 (prorated) + 0.9729 excess
2019	\$46.32	\$7.88/m3 over 6 m3 (prorated) + 0.9929 excess
2020	\$46.32	\$7.88/m3 over 6 m3 (prorated) + 0.9929 excess

Cardinal Water Bill per Year based on 15 m3 per month									
Type of Unit	Historic		Proposed						
	2019	2020	2021	2022	2023	2024	2025	2026	2027
Residential – 5/8"	659.28	665.28	738.59	745.37	812.23	819.15	826.14	833.20	846.69
Commercial-ICI-1"	1,188.24	1,204.80	1,288.90	1,301.19	1,373.60	1,386.14	1,398.80	1,411.59	1,436.66
Commercial-ICI-2"	2,933.64	2,985.11	3,104.82	3,135.26	3,226.02	3,257.08	3,288.45	3,320.13	3,383.43

Edwardsburgh Industrial Park/ New Wexford Water Bill per Year based on 15m3 per month									
Type of Unit	Historic		Proposed						
	2019	2020	2021	2022	2023	2024	2025	2026	2027
Residential-5/8"	882.36	882.36	750.00	765.00	780.30	795.91	811.82	828.06	844.62
Commercial - 1 1/2" - 2"	882.36	882.36	1,200.00	1,224.00	1,248.48	1,273.45	1,298.92	1,324.90	1,351.39
Commercial - 4"	882.36	882.36	3,000.00	3,060.00	3,121.20	3,183.62	3,247.30	3,312.24	3,378.49

The current rate structure in the Edwardsburgh Industrial Park Water system does not differentiate between the pipe sizes as is identified in the Cardinal Water System. The proposed rate structure would charge according to the impact on the system.

4.2. Debt and Cash Reserves

Both water systems have reserve funds set up for future capital costs and to offset any potential deficits due to unforeseen repair costs. The balances of these reserve funds are indicated in the projected statement of operations in the appendices. The Township's previous Financial Plan included borrowing to fund capital projects in the Cardinal Water System and may need to be utilized in this funding plan.

Government borrowing represents an alternative to increase current user fees. The intergenerational equity of public debt means that it is not only the future generations, but those who receive the public goods and services that should pay for them.

The Township's debt management policy – bylaw 2017-61 establishes parameters regarding the purposes for which debt may be assumed as well as the length of the term based on the type of asset and its useful life. As per Bylaw 2015-45- TCA Policy, water infrastructure assets have a useful life of between 50-60 years. Intergenerational equity would be achieved utilizing debt funding in the replacement of an asset that would provide a benefit to future users of the system.

4.3. Government Grants

The Township has received funding from CWWF (Clean Water Works Funding) in 2018 (\$49,260) and from NDMP (National Disaster Mitigation Program) in 2019 (\$24,784) to assist in funding capital projects. The Township has made several applications for funding through MIII (Municipal Infrastructure Investment Initiative), OCIF Top- up Funding and ICIP (Investing in Canada Infrastructure Program) for the County Rd 2 project but has been unsuccessful due to over-subscription to the grants. The Township has divided the County Rd 2 Project into multiple projects to reduce the reliance on outside grant funding. The Township will anticipate submitting grant application for the projects in 2026 & 2027.

5. Revenues

Appendixes A-1 to A-6 of this Financial Plan include projected financial statements for the Cardinal Water System as well as the Edwardsburgh Industrial Park Distribution System. These statements include a projected statement of financial position, projected statement of operations and projected statement of cash flow for the periods of 2021 to 2027.

As required, these statements are in accordance with the new Public Sector Accounting Standards. Actual results will vary from projections herein and the differences may be material. Any future changes to accounting principles or key assumptions will impact these projected financial statements, and should be updated to reflect such changes.

5.1 Operating Revenues

Operating revenues include water, connection fees and other charges or receipts. The majority of the operating revenues are achieved as a result of two variables: consumption and fixed base water rates. In the Cardinal Water as of April 2019, consumption water billing commenced using a split of 54% of revenue being the fixed base rate and 46% of revenue being variable consumption rate. Due to the billing changing from a full fixed rate to a blend of fixed and variable it is expected that consumption will decline in the first few years of billing. In the Edwardsburgh Industrial Park Distribution System, consumption billing is based on a split of 15 % of revenue being the fixed base rate and 85 % of revenue being variable consumption rate.

The actual operating revenues from 2018-2019, and the budgeted operating revenues for 2020 are shown in Table 5-1 for Cardinal and Table 5-2 for Edwardsburgh Industrial Park.

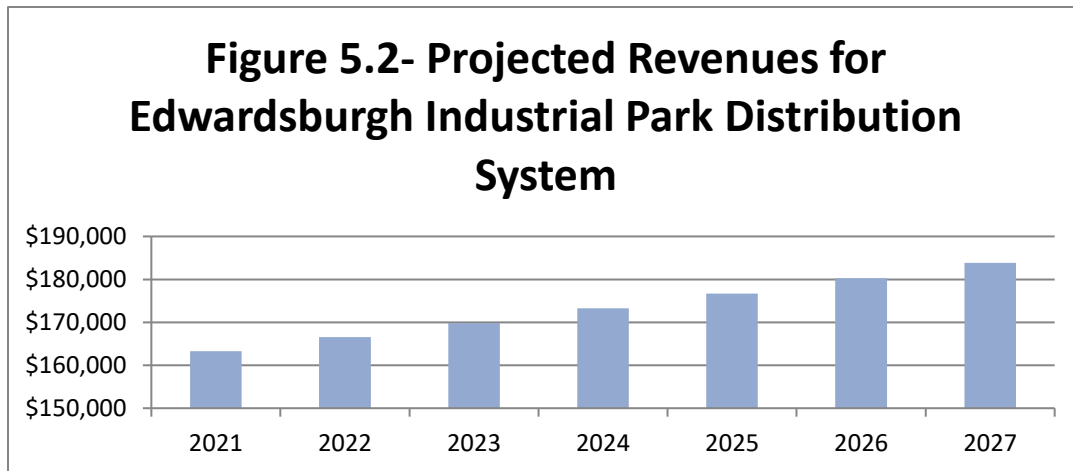
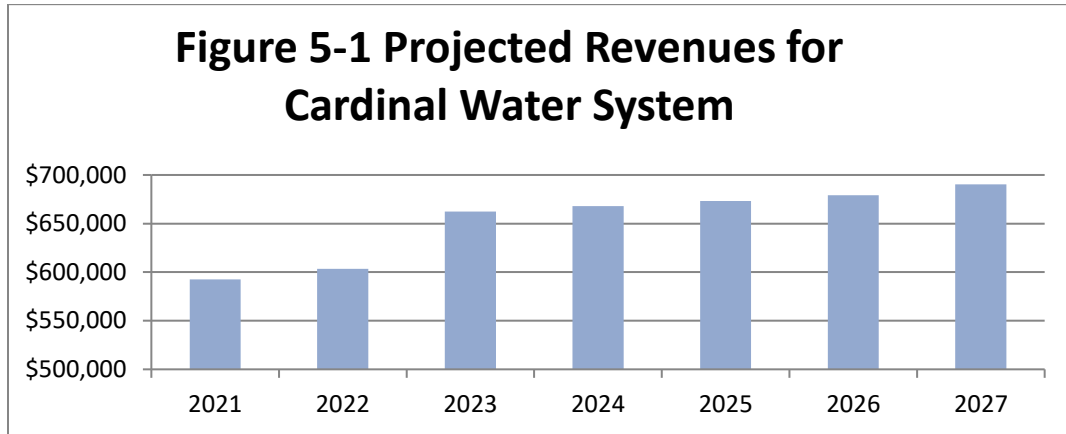
Table 5-1		Cardinal - 2018-2020 Revenues
Item	Amount	
Actual 2018	\$525,770.00	
Actual 2019	\$536,340.00	
Budget 2020	\$532,330.00	

Table 5-2		Edwardsburgh Industrial Park - 2018-2020 Revenues
Item	Amount	
Actual 2018	\$156,836.00	
Actual 2019	\$150,470.00	
Budget 2020	\$160,050.00	

5.2 Projected Revenues

In order to show some growth and to keep up with inflation the projected revenue will be based on a 1% to 2% increase. The addition of a capital levy charge will increase the revenues and allow for increases in reserves for future asset renewals. The projected revenues based on the 1%-2% growth will be assessed in Section 5 to determine if the percent increase in revenues is adequate to sustain viability.

The projected revenues for the Cardinal’s Drinking water System are shown in Figure 5.1 and the projected revenues for the Edwardsburgh Industrial Park Distribution System are shown in Figure 5.2.



6. Expenses

The current period operating expenses were determined from the Township’s 2020 budget. Also reported are the actual operating expenses from 2018 and 2019.

The actual operating expenses from 2018-2019 and the budgeted operating expenses for 2020 are shown in Table 6-1 for Cardinal and Table 6-2 for Edwardsburgh Industrial Park.

Table 6-1 Cardinal - 2018-2020 Expenses

Item	Amounts
Actual 2018	\$406,622.00
Actual 2019	\$401,465.00
Budget 2020	\$407,065.00

Table 6-2 Edwardsburgh Industrial Park - 2018-2020 Expenses

Item	Amounts
Actual 2018	\$129,264.00
Actual 2019	\$135,025.00
Budget 2020	\$140,620.00

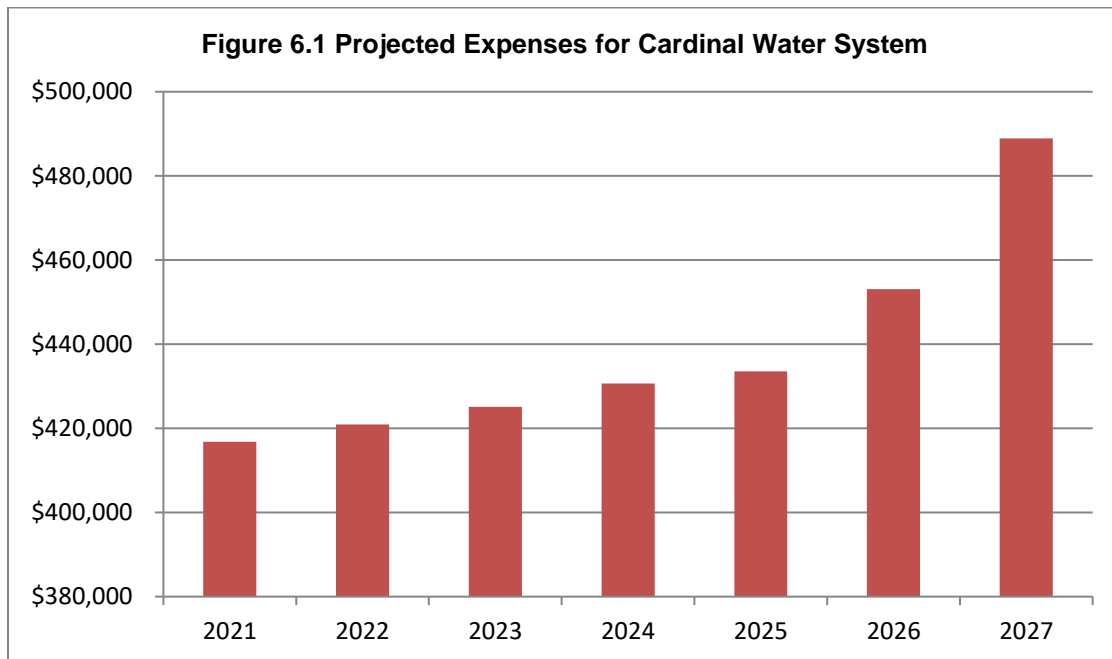
The future period operating expenses were assumed to increase by a CPI rate of 1.0%.

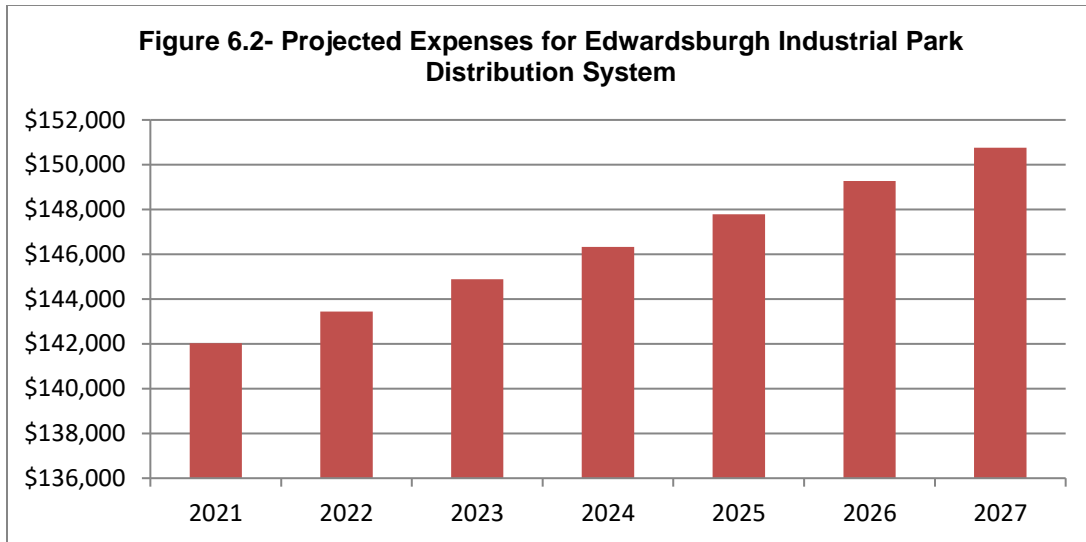
The annual amortization expenses were based on the historical cost of assets, which was apportioned over the useful life of the asset using the straight-line depreciation method

6.1 Operating Expenses

Operating expenses are generally ongoing expenses related to providing services. These are items that are needed to keep the operation running on a day-to-day basis. Items included in operating expenses typically include salaries, benefits, training, materials, supplies, maintenance, equipment, fuel, utilities, insurance, mileage, etc.

The projected operating expenses are shown in Figure 6.1 for Cardinal Water System and Figure 6.2 for Edwardsburgh Industrial Park Distribution System. As previously mentioned, the operating expenses have been projected based on an annual CPI inflation per year. Any fluctuations in operating expenses are primarily due to the change in major maintenance costs.





7. Capital Expenditures

At the time the Financial Plan was prepared, it was assumed that there are no significant inventories of supplies and no pre-paid expenses. Water systems have a high proportion of resources tied up in tangible capital assets and managing these assets is critical to maintaining current and future levels of safe and reliable water service.

7.1 Future Capital Needs

The future capital needs of the Cardinal Drinking Water System are shown in Appendix A-7 which provides general details on the main assets anticipated to be acquired or replaced in the capital expenditure plan.

There is one future capital need for the Edwardsburgh Industrial Park Distribution system which is the installation of a live valve insert scheduled for 2024 at an estimated cost of \$81,145.00 (also shown in Appendix A-7). An annual contribution to the reserve fund is suggested to build a fund over time to address replacement of assets at the end of their life and for the potential growth in the Industrial Park.

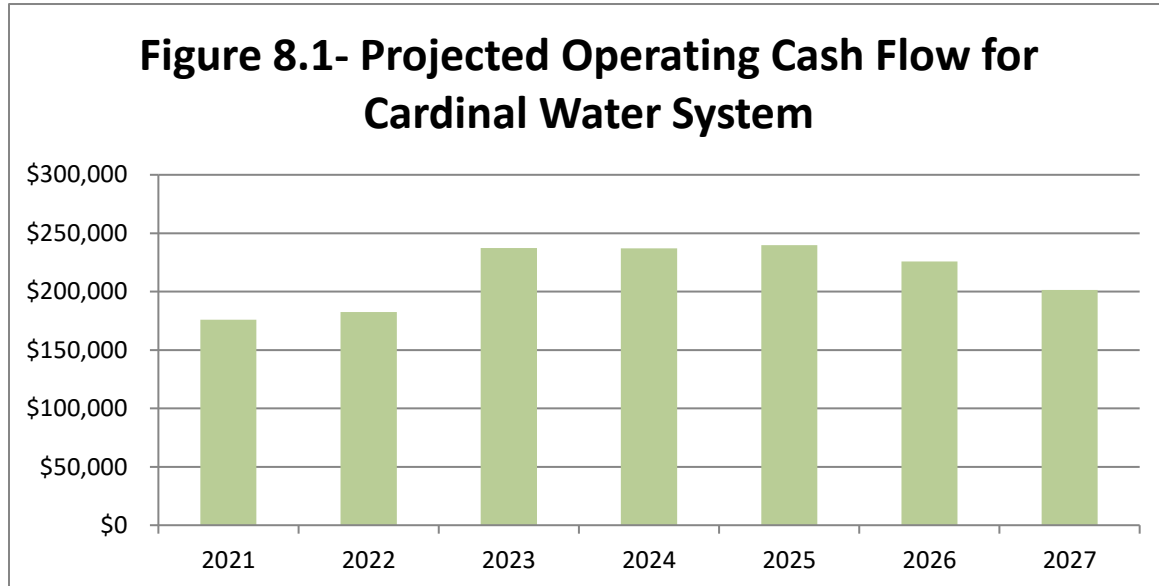
8. Operating Cash Flow

The operating cash flow shows that current period operations can generate either a surplus or deficit from a cash perspective, depending on the balance between revenues and cash expenses. The operating cash flow equation is as follows:

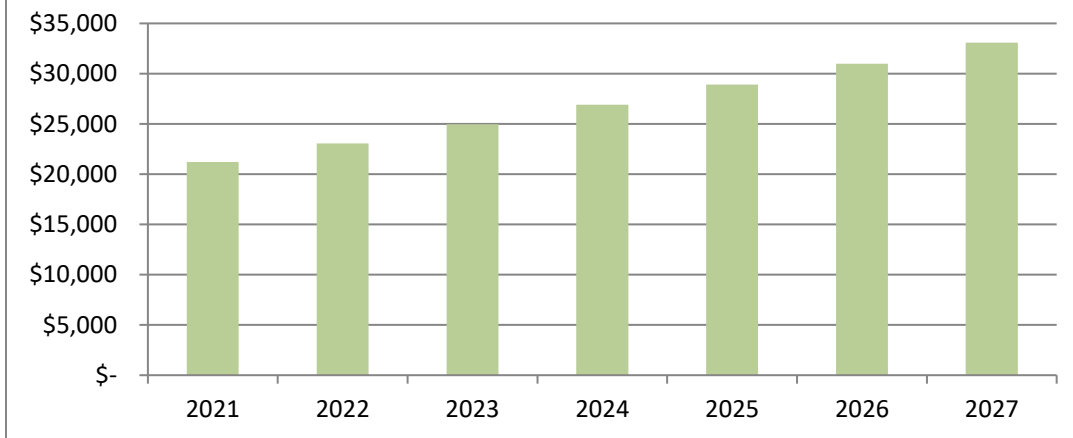
$$\text{Operating Cash Flow} = \text{Revenues} - \text{Operating Expenses} - \text{Debt Service}$$

It is important to note that the amortization expenses are not included in the equation above, since the operating cash flow offers a cash perspective and the amortization expenses are non-cash expenses.

The operating cash flows are shown for each water system in Figure 8.1 and 8.2 respectively. It can be seen from both figures that the operating cash flow remains positive for the projection horizon.



**Figure 8.2- Projected Operating Cash Flow
for Edwardsburgh Industrial Park
Distribution System**



9. Financial Plan

The Financial Plan for both systems is shown in Appendixes A-1 to A-6 to this document include the following projected statements for each system:

- Projected Statement of Financial Position
- Projected Statement of Operations
- Projected Statement of Cash Flows

10. Conclusions

The financial impacts of the Cardinal Water and Edwardsburgh Industrial Park Distribution systems have been considered in the financial plan. The main conclusions of the financial plan are as follows:

- The revenues generated are sufficient for meeting operating expenses for the projected horizon.
- With the use of reserve funds, debt and government funding, there is sufficient cash available for the planned capital expenditures for the projected horizon.
- There is a positive reserve fund balance throughout the projected horizon.
- [The net financial assets value is positive throughout the projected horizon.](#)

11. Council Resolution

Date of Motion: September 28, 2020

Resolution #: 2020-351

Moved by: Councilor John Hunter

Seconded by: Deputy Mayor Tory Deschamps

That the Council of the Township of Edwardsburgh Cardinal approves the Cardinal Water and Edwardsburgh Industrial Park Distribution Water Financial Plan, which has been prepared in accordance with Provincial Regulation 453/07;

And further directs that the Water Financial Plan be submitted to the Ministry of Municipal Affairs and Housing (MMAH) as prescribed by Ontario Regulation 453/07 under the Safe Drinking Water Act, 2002 and posted on the Municipal website and made available at no charge to any person requesting the plan.

TOWNSHIP OF EDWARDSBURGH CARDINAL

September 28, 2020

Resolution Number: 2020- 351
Moved By: John Hunter
Seconded By: [Signature]

THAT Municipal Council

1. Approve the attached updated financial plan for the Cardinal Water and Edwardsburgh Industrial Park Distribution Water Systems and that a copy of the plan be posted on the Township website with notice given advising the public of the availability of the approved financial plan; and
2. Direct staff to forward a copy of the updated financial plan to the Ministry of Municipal Affairs and Housing, as required by the regulation; and
3. Direct staff to conduct a rate structure study for the Edwardsburgh Industrial Park Distribution system.

As recommended by Committee of the Whole – Administration & Finance.

Carried Defeated Unanimous

Mayor: [Signature]

RECORDED VOTE REQUESTED BY: _____

NAME	YEA	NAY
Councillor H. Cameron		
Councillor S. Dillabough		
Councillor J. Hunter		
Deputy Mayor T. Deschamps		
Mayor P. Sayeau		
TOTAL		

Cardinal Water System
Projected Statement of Financial Position

Net Financial Assets	2021	2022	2023	2024	2025	2026	2027
Assets							
Cash and Cash Equivalents	812,946	500,209	411,883	631,725	579,975	575,865	546,836
Accounts Receivables	"N/A" *						
Long Term Investments							
Gross Financial Assets	812,946	500,209	411,883	631,725	579,975	575,865	546,836
Liabilities							
Accounts Payable							
Long-Term Debt			"N/A" *			690,000	1,392,308
Deferred Revenue							
Total Liabilities						690,000	1,392,308
Net Financial Assets	812,946	500,209	411,883	631,725	579,975	(114,135)	(845,472)
Non-Financial Assets							
Tangible Capital Assets	4,325,437	4,609,883	4,717,734	4,506,281	4,568,868	5,243,160	5,901,906
Inventory							
Prepaid Expenses							
Total Non-Financial Assets	4,325,437	4,609,883	4,717,734	4,506,281	4,568,868	5,243,160	5,901,906
Accumulated Surplus	5,138,383	5,110,091	5,129,617	5,138,005	5,148,843	5,129,025	5,056,434

Note: This financial statement is part of the requirements by the Financial Plan Regulation (435/07). The regulation recognized that some financial information may be consolidated on a municipal level across numerous departments and it may be difficult for that information to be allocated to the drinking water system. "N/A" is left intentionally due to the fact that the financial system in the Township of Edwardsburgh/Cardinal currently doesn't facilitate further breakdowns.

Cardinal Water System
Projected Statement of Operations

Line	Item	2021	2022	2023	2024	2025	2026	2027
1	Revenue	(608,643)	(621,536)	(680,609)	(676,878)	(687,277)	(691,757)	(703,016)
2	Expenses							
a	Operating Expenses	416,785	420,905	425,066	430,669	433,527	446,252	468,171
b	Amortization	217,169	228,922	236,017	237,821	242,912	258,458	274,004
c	Interest	0	0	0	0	0	6,865	20,763
d	Total expenses	633,954	649,827	661,083	668,490	676,440	711,575	762,938
3	Annual Surplus (deficit)	(25,311)	(28,291)	19,526	8,389	10,837	(19,818)	(59,922)
	Accumulated surplus, beginning of period	5,163,694	5,138,383	5,110,092	5,129,618	5,138,006	5,148,843	5,129,026
5	Accumulated surplus, end of period	5,138,383	5,110,092	5,129,618	5,138,006	5,148,843	5,129,026	5,069,103

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 expenses incurred and in turn, whether net financial assets have been maintained or depleted. Annual surplus is required ensure funding is available to non-expense costs such as tangible capital asset acquisitions, reserve fund transfers, and debt repayments.

Cardinal Water System
Projected Statement of Cash Flow

Line	Item	2021	2022	2023	2024	2025	2026	2027
	Revenue							
	User Fees	(592,643)	(603,336)	(662,309)	(667,817)	(673,379)	(678,998)	(690,347)
	Interest Earned on reserve	(16,000)	(18,200)	(18,300)	(9,061)	(13,898)	(12,759)	(12,669)
1	Total Revenue	(608,643)	(621,536)	(680,609)	(676,878)	(687,277)	(691,757)	(703,016)
	Cash Paid For:							
2	Operating Expenses	416,785	420,905	425,066	430,669	433,527	453,117	488,934
3	Finance Charges							
4	Total Costs	416,785	420,905	425,066	430,669	433,527	453,117	488,934
	Cash provided From:							
5	Operating Transactions	191,858	200,631	255,543	246,209	253,750	238,640	214,082
	Capital Transactions							
6	Tangible Capital Assets	94,417	513,368	343,868	26,368	305,500	932,750	932,750
7	Cash Applied to capital transactions	94,417	513,368	343,868	26,368	305,500	924,313	947,084
	Finance Transactions							
8	Proceeds from debt Issues	0	0	0	0	0	690,000	730,000
9	Debt Repayment						(8,437)	(26,026)
10	Cash applied to financing transactions	0	0	0	0	0	681,563	703,974
11	Increase/(decrease) in cash and cash equivalents	97,441	(312,737)	(88,325)	219,841	(51,750)	(4,110)	(29,029)
12	Cash and cash equivalents, beginning of period	715,505	812,946	500,209	411,883	631,725	579,975	575,865
13	Cash and cash equivalents, end of period	812,946	500,209	411,883	631,725	579,975	575,865	546,836

Line 1: Revenues increase at a rate of 1% per year
Line 2: Operating expenses increase at a rate of 1 % per year
Line 3: Interest on Debts
Line 4: Total costs = Line 2 + Line 3
Line 5: Operating transactions is the operating cash flow i.e. Line 1 + Line 4
Line 6: The value of assets acquired
Line 7: Cash used for the capital expenditure
Line 8: Debt incurred
Line 9: Debt repayments
Line 10: Cash applied to financing transactions = Line 8 + Line 9
Line 11: Increase (decrease) in cash = Line 5 - Line 7 + Line 10
Line 12: Cash beginning of period is the reserve fund balance
Line 13: Cash end of period = Line 11 + Line 12

Edwardburgh Industrial Park Distribution System
Projected Statement of Financial Position

Net Financial Assets	2021	2022	2023	2024	2025	2026	2027
Assets							
Cash and Cash Equivalents	133,599	159,607	188,084	219,135	169,941	204,015	240,951
Accounts Receivables							
Long Term Investments							
Gross Financial Assets	133,599	159,607	188,084	219,135	169,941	204,015	240,951
Liabilities							
Accounts Payable							
Long-Term Debt							
Deferred Revenue							
Total Liabilities	0	0	0	0	0	0	0
Net Financial Assets	133,599	159,607	188,084	219,135	169,941	204,015	240,951
Non-Financial Assets							
Tangible Capital Assets	366,147	358,074	350,002	341,930	413,651	404,226	394,802
Inventory							
Prepaid Expenses							
Total Non-Financial Assets	366,147	358,074	350,002	341,930	413,651	404,226	394,802
Accumulated Surplus	499,745	517,682	538,086	561,066	583,592	608,241	635,753

Note: This financial statement is part of the requirements by the Financial Plan Regulation (435/07). The regulation recognized that some financial information may be consolidated on a municipal level across numerous departments and it may be difficult for that information to be allocated to the drinking water system. "N/A" is left intentionally due to the fact that the financial system in the Township of Edwardburgh/Cardinal currently doesn't facilitate further breakdowns.

Edwardsburgh Industrial Park Distribution System
Projected Statement of Operations

Line	Item	2021	2022	2023	2024	2025	2026	2027
1	Revenue	165,670	169,455	173,358	177,381	179,744	183,345	187,699
2	Expenses							
a	Operating Expenses	142,026	143,446	144,881	146,330	147,793	149,271	150,764
b	Amortization	8,072	8,072	8,072	8,072	9,425	9,425	9,425
c	Interest	0	0	0	0	0	0	0
d	Total expenses	150,098	151,519	152,953	154,402	157,218	158,695	160,188
3	Annual Surplus (deficit)	15,572	17,937	20,405	22,979	22,526	24,649	27,511
4	Accumulated surplus, beginning of period	484,173	499,745	517,681	538,086	561,065	583,592	608,241
5	Accumulated surplus, end of period	499,745	517,681	538,086	561,065	583,592	608,241	635,752

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 expenses incurred and in turn, whether net financial assets have been maintained or depleted. Annual surplus is required ensure funding is available to non-expense costs such as tangible capital asset acquisitions, reserve fund transfers, and debt repayments.

Edwardsburgh Industrial Park Distribution System
Projected Statement of Cash Flow

Line	Item	2021	2022	2023	2024	2025	2026	2027
	Revenue	163,251	166,516	169,846	173,243	176,708	180,242	183,847
	Interest Earned on Reserve Fund	2,419	2,939	3,511	4,138	3,036	3,103	3,852
1	Total Revenue	165,670	169,455	173,358	177,381	179,744	183,345	187,699
	Cash Paid For:							
2	Operating Expenses	142,026	143,446	144,881	146,330	147,793	149,271	150,764
3	Finance Charges	0	0	0	0	0	0	0
4	Total Costs	142,026	143,446	144,881	146,330	147,793	149,271	150,764
	Cash provided From:							
5	Operating Transactions	23,644	26,009	28,477	31,051	31,951	34,074	36,936
	Capital Transactions							
6	Tangible Capital Assets Cash Applied to capital transactions	0	0	0	0	81,145	0	0
7	Finance Transactions	0	0	0	0	0	0	0
8	Proceeds from debt Issues	0	0	0	0	0	0	0
9	Debt Repayment	0	0	0	0	0	0	0
10	Cash applied to financing transactions	0	0	0	0	0	0	0
11	Increase/(decrease) in cash and cash equivalents	23,644	26,009	28,477	31,051	(49,194)	34,074	36,936
12	Cash and cash equivalents, beginning of period	109,955	133,599	159,607	188,084	219,135	169,941	204,015
13	Cash and cash equivalents, end of period	133,598	159,607	188,084	219,135	169,941	204,015	240,951

- Line 1: Revenues increase at a rate of between 1% -
Line 2: Operating expenses increase at a rate of 1% per year
Line 3: Interest on Debts
Line 4: Total costs = Line 2 + Line 3
Line 5: Operating transactions is the operating cash flow i.e. Line 1 + Line 4
Line 6: The value of assets acquired
Line 7: Cash used for the capital expenditure
Line 8: Debt incurred
Line 9: Debt repayments
Line 10: Cash applied to financing transactions = Line 8 + Line 9
Line 11: Increase (decrease) in cash = Line 5 + Line 7 + Line 10
Line 12: Cash beginning of period is the reserve fund balance
Line 13: Cash end of period = Line 11 + Line 12

7 Year Proposed Capital Projects

APPENDIX A-7

Cardinal Water System											
ENVIRONMENTAL SERVICES	Length meters										2020-2027
		2020	2021	2022	2023	2024	2025	2026	2027	Total	
AWWST1/WPWTR1 upgrade		16,827								16,827	
Cty Rd 2 Survey			50,000							50,000	
Shanly to west bend	215.0									0	
Shanly Rd to Walker St.	155.0			455,000	227,500					682,500	
Walker St. to Dishaw	155.0									0	
Dishaw to St.Lawrence	235.0						305,500			305,500	
St.Lawrence to East Limit	1435.0							932,750	932,750	1,865,500	
Replace Golden Andersons			21,000	22,000						43,000	
Replace 2 Canal St. Services	0.0			20,000						20,000	
Reid St. water services	0.0				100,000					100,000	
Replace SCADA Switches										0	
Valve ins. George to Reid						10,000				10,000	
Filter Upgrade (Valves and media replacement)			16,368	16,368	16,368	16,368				65,473	
FCP280 Control Processor Upgrades									40,361	40,361	
Mesh Switch Upgrades			7,049							7,049	
Totals	2195.0	16,827	94,417	513,368	343,868	26,368	305,500	932,750	973,111	3,206,211	

Industrial Park Water System

	2020	2021	2022	2023	2024	2025	2026	2027	2020-2027	
	Total									
Live Valve insert I/P 18"						81,145				81,145

Cty Rd. 2 water main reconstruction Assuming total utilities reconstruction cost of \$1300/m. (Cost May vary with complexity of section).

- Water
- SCADA Foxboro Hardware
- Estimate