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# FINANCIAL PLAN 2016 to 2022

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Municipal Drinking Water  
Licence Number: 171-101  
Financial Plan Number: 171-301

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Township of Bonnechere Valley  
Water and Sewage Department

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Approved by the Township of Bonnechere  
Valley Council on February 2, 2016

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## 1. Financial Plan Overview

The Township of Bonnechere Valley owns and operates the Water and Sewage Systems serving approximately 525 residential and non-residential customers in the Village of Eganville.

As required by the Safe Drinking Water Act (SDWA) and associated Regulations the Township of Bonnechere Valley is making application for renewal of their Municipal Drinking Water Licence which expires on August 21, 2016. Before making that application, Ontario Regulation 453/07 directs the applicant to prepare and approve a Financial Plan for the system that satisfies the prescribed requirements.

A Financial Plan for 2016 to 2022 was prepared and submitted to Council for review which included a Public Information Session for the residents of Eganville. Subsequent to the review and public consultation the Financial Plan was approved by Council Resolution on February 2, 2016.

The Financial Plan was developed taking into consideration the needs of both the Water and Sewage Systems. It is considered a 'living document' and is reviewed and updated annually as part of the Townships budgeting process.

The Financial Plan is available at the Municipal Office, on request, to members of the public who are served by the drinking water system without charge. The Financial Plan is also posted on the Township of Bonnechere Valley's website ([www.bonnecherevalleytwp.com](http://www.bonnecherevalleytwp.com)). A notice advising the public of the availability of the Financial Plan will be inserted into the next monthly billing mail out.

## 2. Financial Plan

In accordance with Ont. Reg. 453/07 Financial Plans are required when renewing a Municipal Drinking Water Licence. The attached Statements provide the details of the 2016 to 2022 Financial Plan:

- Statement of Operations
- Statement of Cash Flow
- Statement of Financial Position

## 3. Resolution of Council

In accordance with Ont. Reg. 453/07 the Financial Plan must be approved by a resolution that is passed by the Council of the Municipality that is the owner of the drinking water system.

The Council of Bonnechere Valley Township passed the attached Resolution on February 2, 2016 approving the 2016 to 2022 Financial Plan.

Township of Bonnechere Valley  
Water and Sewage Department  
Financial Plan 2016 to 2022

### Statement of Operations

	2016	2017	2018	2019	2020	2021	2022
	\$	\$	\$	\$	\$	\$	
<b>Revenue</b>							
Water Meter Revenue	421,571	429,310	436,325	443,601	452,067	460,672	469,480
Sewage Revenues	421,571	429,310	436,325	443,601	452,067	460,672	469,480
Sludge	-	-	-	-	-	-	-
Provincial/Federal Assistance Programs	540,000	-	-	-	-	-	-
From Generations	-	53,299	162,085	-	-	-	-
	<b>1,383,141</b>	<b>911,919</b>	<b>1,034,734</b>	<b>887,202</b>	<b>904,135</b>	<b>921,343</b>	<b>938,961</b>
<b>Expenditures</b>							
<b>Sewage:</b>							
Amortization Expense	156,574	154,976	154,691	154,553	153,185	146,311	123,725
Contracts	25,391	25,899	26,417	26,945	27,484	53,034	28,594
Insurance	6,392	6,520	6,651	6,784	6,919	7,058	7,199
Interest Expense	14,776	12,164	10,507	8,849	7,192	5,535	3,877
Materials/Supplies	30,598	31,210	31,834	32,471	33,120	33,783	34,458
Office Supplies	408	416	424	433	442	450	459
Repairs & Maintenance	32,947	33,606	34,278	34,964	45,663	36,376	37,104
Salaries	119,945	124,047	126,883	129,805	132,813	135,911	138,931
Sludge Disposal	9,792	9,988	10,188	10,391	10,599	10,811	11,027
Taxes	1,599	1,631	1,664	1,697	1,731	1,766	1,801
Utilities	41,869	42,706	43,560	44,432	45,320	46,227	47,151
(Gain)/Loss on Disposal of Assets	-	-	-	-	-	-	-
Capital Repairs & Maintenance	-	-	50,000	-	-	-	-
	<b>440,292</b>	<b>443,163</b>	<b>497,097</b>	<b>451,323</b>	<b>464,469</b>	<b>477,261</b>	<b>434,327</b>
<b>Water:</b>							
Amortization Expense	185,816	222,530	230,335	247,420	243,121	244,681	240,172
Contracts	46,880	47,818	48,774	49,750	50,745	51,760	52,795
Insurance	6,392	6,520	6,651	6,784	6,919	7,058	7,199
Interest Expense	6,294	5,635	4,975	4,316	3,656	2,997	2,338
Materials/Supplies	39,694	40,488	41,298	42,124	42,966	43,826	44,702
Office Supplies	1,224	1,248	1,273	1,299	1,325	1,351	1,378
Repairs & Maintenance	41,325	31,952	32,591	33,243	33,907	34,586	35,277
Salaries	212,302	220,047	225,286	230,681	236,239	241,965	247,728
Taxes	7,723	7,878	8,035	8,196	8,360	8,527	8,698
Utilities	53,765	54,841	55,937	57,056	58,197	59,361	60,548
(Gain)/Loss on Disposal of Assets	15,635	-	-	-	-	-	-
Capital Repairs & Maintenance	15,000	40,000	55,000	51,000	-	-	10,800
	<b>632,052</b>	<b>678,957</b>	<b>710,156</b>	<b>731,868</b>	<b>685,436</b>	<b>696,111</b>	<b>711,636</b>
<b>Total expenditures</b>	<b>1,072,343</b>	<b>1,122,120</b>	<b>1,207,253</b>	<b>1,183,191</b>	<b>1,149,905</b>	<b>1,173,372</b>	<b>1,145,963</b>
<b>Annual Surplus/(deficit)</b>	<b>310,798</b>	<b>(210,201)</b>	<b>(172,518)</b>	<b>(295,990)</b>	<b>(245,770)</b>	<b>(252,029)</b>	<b>(207,002)</b>

### Statement of Cash Flow

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Operating transactions</b>							
Cash received from							
Revenues - water and sewage	1,383,141	911,919	1,034,734	887,202	904,135	921,343	938,961
Cash Paid for:							
Operating cost - sewage	268,942	276,023	331,899	287,921	304,092	325,415	306,725
Operating cost - water	424,307	450,792	474,846	480,132	438,659	448,433	469,126
Finance Charges	21,070	17,799	15,482	13,165	10,848	8,532	6,215
	<u>714,318</u>	<u>744,614</u>	<u>822,227</u>	<u>781,218</u>	<u>753,599</u>	<u>782,380</u>	<u>782,066</u>
<b>Capital transactions</b>							
Acquisition of tangible capital assets - sewage	10,000	12,000	-	10,000	-	10,000	-
Acquisition of tangible capital assets - water	795,000	143,000	130,000	-	41,600	-	-
Cash applied to capital transactions	805,000	155,000	130,000	10,000	41,600	10,000	-
<b>Finance transactions</b>							
Proceeds from issue of debt	-	-	-	-	-	-	-
Debt repayment	107,949	82,508	82,508	82,508	82,508	82,508	82,508
Cash applied to financing transactions	107,949	82,508	82,508	82,508	82,508	82,508	82,508
Increase (decrease) in cash and cash equivalents	(244,126)	(70,203)	0	13,476	26,429	46,455	74,387
Cash and cash equivalents, beginning of period	629,964	385,838	315,635	315,635	329,111	355,539	401,994
Cash and cash equivalents, end of period	<u>385,838</u>	<u>315,635</u>	<u>315,635</u>	<u>329,111</u>	<u>355,539</u>	<u>401,994</u>	<u>476,381</u>

### Statement of Financial Position

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Financial Assets</b>							
Cash & Cash Equivalents	385,838	315,635	315,635	329,111	355,539	401,994	476,381
<b>Liabilities</b>							
Debt	673,363	590,857	508,350	425,843	343,337	260,830	178,323
Net financial assets (debt)	673,363	590,857	508,350	425,843	343,337	260,830	178,323
<b>Non-Financial Assets</b>							
Tangible capital assets (net)	7,851,364	7,628,871	7,374,333	6,982,337	6,627,624	6,247,076	5,898,461
Cash as a percentage of net fixed assets	4.9%	4.1%	4.3%	4.7%	5.4%	6.4%	8.1%
Debt as a percentage of net fixed assets	8.6%	7.7%	6.9%	6.1%	5.2%	4.2%	3.0%