MUNICIPALITY OF ARRAN-ELDERSLIE

DRINKING WATER SYSTEM

FINANCIAL PLAN

2021 - 2026

MUNICIPALITY OF ARRAN-ELDERSLIE, 1925 BRUCE ROAD 10 BOX 70, CHESLEY, ON N0G 1L0

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EXECUTIVE SUMMARY

Drinking water system owners are required to prepare a financial plan for their drinking water systems, as part of the Municipal Drinking Water Licensing Program as set out in Part V of the Safe Drinking Water Act, 2002. The financial plan must be prepared in accordance with Ontario Regulation 453/07. The regulation provides for a consolidated financial plan whereby two or more drinking water systems are solely owned by the same owner, that being the Municipality of Arran-Elderslie.

This report includes:

- Arran-Elderslie Drinking Water System
  - The villages of Chesley and Paisley are both serviced by way of one (1) common water system
  - Water to Paisley is supplied by way of a 17 km gravity trunk watermain.
- Tara Drinking Water System
  - The Village of Tara is an additional standalone system.

In preparing this Financial Plan, the financial impacts of the drinking water system have been considered. Based on the Projected Financial Statements and the assumptions herein, the Water System will be financially viable to provide safe drinking water for the short and long term.

ANTICIPATED ACHIEVEMENTS

By way of the process of developing this Financial Plan, the Water System sets out to achieve the following goals:

- Financial viability of the water system,
- Limit overall water costs and ensure affordability,
- Provide safe drinking water in short and long terms, and
- Ensure that sufficient resources are available to replace and rehabilitate the capital infrastructure as required.

OPERATING PLAN

The operating plan includes: the cost related to day to day operations, maintenance and administration of the drinking water system, capital investments to renew and replace its existing capital infrastructure. Key highlights from the operating plan include:

- Commencing in the year 2021, all operating expenses have been indexed annually to reflect anticipated inflation of 2%, except for heat and hydro, and insurance, 11% and 10%, respectively.
- Total capital infrastructure investment for the drinking water system for the period of 2021 - 2026 is expected to be over $5 million.
- Capital investment has been indexed annually to reflect anticipated inflation of 2.0%.
- Each system has capacity for new connections, assumed 4 residential connections per year for each of the municipal areas, Chesley, Paisley and Tara.
- Metered base rate and m3 consumption rate has been indexed annually by 1.0% in 2021 increasing to 3.0% in 2026.

FUNDING PLAN

The funding plan was developed by municipal staff based on an annual budget indexed annually for anticipated inflationary factors. The achievements of the funding plan include:

- User fee sustainability to operate the Water System without impact on municipal tax dollars,
- Proposed operating revenues will achieve sufficient cash receipts to cover its annual cash expenditures and future capital expenditures,
- New capital projects related to new development is not the burden of existing water customers.

FINANCIAL PLAN

Appendix A of this Financial Plan includes projected financial statement(s) for the Water Systems forecasted for 2021 to 2026. These statements include:

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

As required, these statements are in accordance with the Public Sector Accounting Standards. Actual results will vary from the projections herein and municipal staff are best to review the plan projections with actual financial position on an annual basis and make necessary amendments.

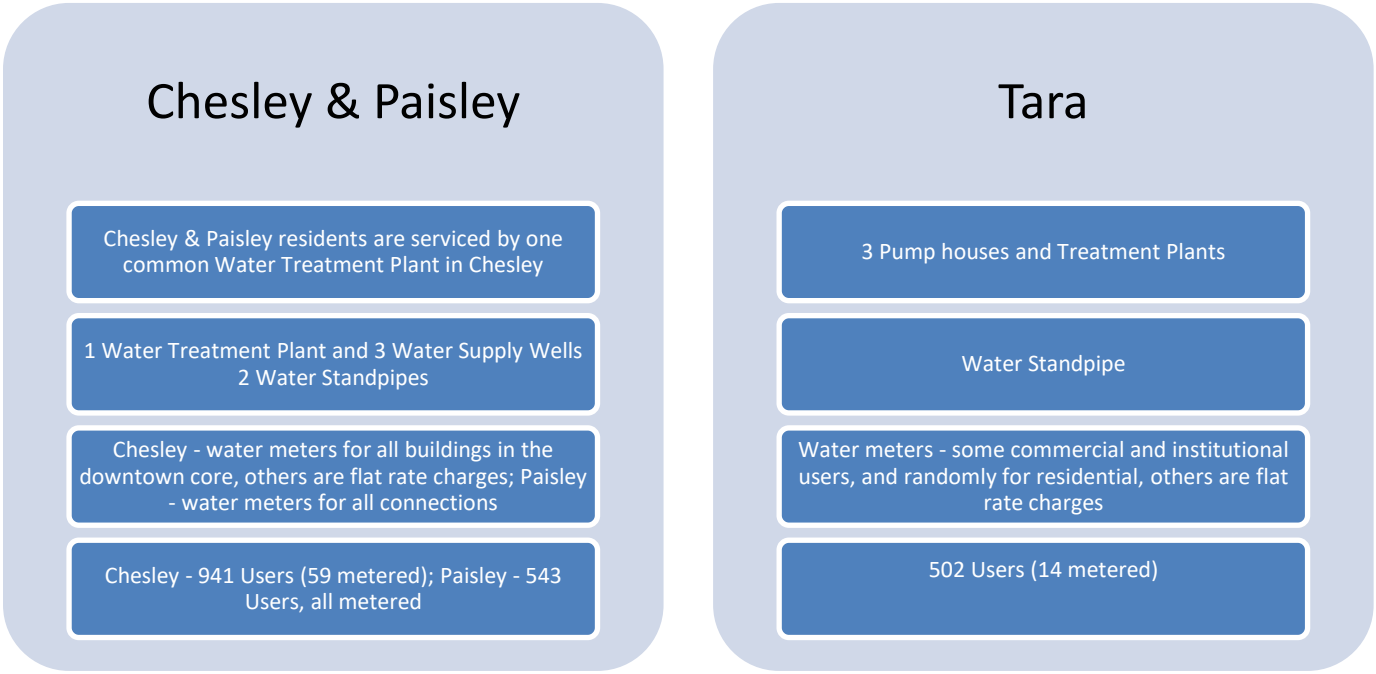
1.0 INTRODUCTION

The financial plan for the Municipality Arran-Elderslie Drinking Water System has been prepared in accordance with Ontario Regulation 453/07 of the Safe Drinking Water Act, 2002. The plan development has focused on achieving a balance between managing water rate increases while ensuring that the water system will continue to provide safe drinking water in the long term.

Considering historic results and future needs, six (6) year financial projections to the year 2026 have been prepared. The projections anticipate that the Water System will achieve financial viability, while providing safe drinking water over the short and long term.

Chesley and Paisley are both serviced by way of one (1) common Arran-Elderslie Water Treatment Plant located in Chesley. Water to Paisley is supplied by way of a 17 km gravity trunk watermain.

The Municipality also owns and runs the Tara Drinking Water System. This system serves the residents of Tara.



1.1 Ontario Regulation 453/07 Financial Plans

Drinking water system owners are required to prepare a financial plan for their drinking water system as part of the Municipal Drinking Water Licensing Program as set out in Part V of the Safe Drinking Water Act, 2002 (SDWA). The financial plan must be prepared in accordance with the Ontario Regulation 453/07. The first Financial Plan was required July 1, 2010 and is required to be updated every 5 years with the renewal of the drinking water license.

Regulation 453/07 requires the following:

- The financial plan be approved by resolution of Council that specifies that the drinking water system is financially sustainable,
- Full-cost accounting be utilized to determine the true cost of the drinking water system, and
- Projections be at least for a six (6) year duration but recommends a long-term plan.

In accordance with the renewal of the drinking water license, the Financial Plan represents an update from the Financial Plans that were approved by Council on July 13th, 2015 for Arran-Elderslie and Tara Water Systems.

1.2 Financial Plan Guidelines

To assist municipalities in preparing the Financial Plan under O. Reg. 453/07, the Ministry of Environment Conservation and Parks released a document titled "Toward Financially Sustainable Drinking-Water and Wastewater Systems" (August 2007). This document applies to stormwater and wastewater systems as well. However, a Financial Plan for stormwater and wastewater system is only encouraged and not mandatory.

These guidelines set out the following nine principles to help develop this Financial Plan:

1) Ongoing public engagement and transparency can build support for, and confidence in Financial Plans and their corresponding system(s).
2) An integrated approach to planning among water, wastewater, and stormwater systems is encouraged considering the inherent relationship among these systems.
3) Revenues collected for the provision of water and wastewater services should ultimately be used to meet the needs of those services.
4) Life-cycle planning with mid-course corrections is preferable to short-term planning or no planning at all.
5) An asset management plan is a key input to the development of a Financial Plan.
6) A sustainable level of revenue allows for reliable service that meets or exceeds environmental protection standards, while ensuring sufficient resources for future rehabilitation and replacement needs.
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.
8) Financial Plans are documents that require continuous updates and improvements. Improved planning for the future can be achieved by comparing the accuracy of financial projections with actual results.
9) Financial Plans can benefit from the close collaboration of various groups, including engineers, accountants, auditors, utility staff, and municipal council.

1.3 Public Sector Account Board (PSAB) Requirements

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

The accrual accounting method recognizes revenues and expenses in the same period as the activities that give rise to them regardless of when the payment was made. Since the exchange of cash is not necessary to report a financial transaction, the accrual method provides a more accurate picture of the municipality's financial position. Tangible capital assets will be capitalized to create an inventory of the assets owned and to account for their ability to provide future benefits.

1.4 Approach

The Financial Plan guidelines were used to select the approach for preparing the Arran-Elderslie Drinking Water System Financial Plan.

The following steps summarize the general approach:

- Determine current period expenses and forecast future period expenses.
- Determine and forecast capital expenditure needs.
- Identify all sources of current revenues and forecast revenues.
- Prepare the following statements based on the required revenues:
    - Statement of Operations
    - Statement of Cash Flow
    - Statement of Financial Position

1.5 Municipality of Arran-Elderslie Drinking Water System

The Chesley water system currently has 941 water connections. The water distribution system is comprised of new PVC, and older cast iron and ductile iron mains that are approximately 40 to 50 years old. There is one (1) Water Treatment Plant and three (3) water supply wells.

The Paisley water system currently has 543 water connections. Most of the water distribution system is comprised of new PVC and older cast iron and ductile iron mains that are approximately 40 to 50 years old.

VICTORIA PARK WELL (DECOMMISSIONED)

- 200 mm dia., approximately 38.7 m deep drilled groundwater well, known as Victoria Park Well (Well No. 1/1937), located in Lot 31 Concession (UTM Zone 17, 492644E, 4504098N)
- On May 31, 2006, the Victoria Park Well was taken offline and locked out. This well has been converted into a monitoring well. Monthly static water levels are measured and recorded.

COMMUNITY PARK WELL (CPW 1)

- 340 mm dia., 20 m deep drilled groundwater well known as the Community Park Well #1, located in Lot 32, Concession 2, (UTM Zone 17, 4906102; 4904691N).
- The well is provided with a new pit less adaptor and
- A submersible well pump rated at 20.82 L/s at a TDH of 80.96 m and raw water piping routed to the treatment plant.

COMMUNITY PARK WELL (CPW2)

- A 324 mm dia., 24.38 m deep drilled groundwater Community Park Well CPW2 (UTM Zone 17. 492828 m E., 4904726 m N.) equipped with a submersible well pump rated at 24.61 L/s at a TDH of 80.12m, pit less adaptor, and all necessary raw water piping routed to the treatment plant.

COMMUNITY PARK WELL (CPW3)

- A 254 mm dia., 38.1 m deep drilled groundwater Community Park Well CPW3 (UTM Zone 17, 493123 m E., 4904783 m N) equipped with a submersible well pump rated at 34.07 L/s at a TDH of 96.43 m, pit less adaptor and all necessary raw water piping routed to the treatment plant.

CHESLEY STANDPIPE

- A 2,725 m^3 capacity concrete water storage tank is located at the north end of Chesley on Tower Road. It has an operating capacity of 1,360 m^3 between the minimum and maximum operating water elevations, designed for peak hour water demand equalization, fire and emergency storage.

PAISLEY STANDPIPE

- The Paisley Standpipe has a capacity of 2,300 m^3. Modifications to the Paisley standpipe performed in 2006 allows the water to enter the standpipe at approximately 2/3 of the standpipe height and discharge into the Paisley distribution system form the bottom of the standpipe.

BOOSTER CHLORINATION AT THE PAISLEY STANDPIPE

- Two (2) (1+1) chlorine feed pumps rated at a minimum of 1.4 L/h and one (1) 200 L sodium hypochlorite solution tank with a secondary containment tank.

Note: Chesley customers are not responsible for it.

TRUNK WATERMAIN

- There is approximately 15.7 km of 300 mm watermain connecting the Chesley water distribution system to the Paisley standpipe complete with all associated valving and metering.

ARRAN-ELDERSLIE WATER TREATMENT PLANT IN CHESLEY

- The Arran-Elderslie Water Treatment Plant was commissioned in May 2006. The Plant treats the raw water supply from all three (3) Community Parks Wells. It includes three (3) pressure filtration vessels (2 duty, 1 standby) for iron/manganese removal, an unbaffled two(2) cell, filtered water groundwater storage tank for storage of water for backwashing of the filters, two (2) filter backwash pumps, a sodium hypochlorite feed system and three (3) storage tanks, post chlorination system, one (1) backwash wastewater holding tank and all associated instrumentation and analyzers including a SCADA system.

TARA DRINKING WATER SYSTEM

The Tara water system currently has 476 water connections. Most of the water distribution system is comprised of cast iron and ductile iron mains that are approximately 40 to 50 years old. There are numerous small diameter polyethylene watermains throughout the former Village. There are three (3) pumphouses and treatment plants as follows:

PUMPING STATION #2 – 59 MARKET ST.

- Pumphouse building with the approximate dimensions of 4.89 m x 5.6 m, equipped with:
- One (1) cartridge filter with a treatment capacity of 11.37 l/s, equipped with fourteen (14) - one (1) micron size filter cartridges used to reduce turbidity spikes on the Well No. 2 pump start up, complete with a differential pressure monitoring system.
- One (1) turbidity sampling point located downstream of the cartridge filter provided with the existing on-line turbidity analyzer.
- Two (2) chemical metering pumps: one (1) duty and one (1) standby with automatic switch over, complete with associated piping appurtenances and controls.
- One (1) sodium hypochlorite solution tank and one (1) secondary containment tank.
- Well pump rated at 4.9 L/s at a total dynamic head (TDH) of 161 m, approximately.
- One (1) flow meter and associated mechanical, electrical, and structural work.
- 150 mm diameter x 360 m watermain along River Street, dedicated to providing chlorine contact time necessary for well water discharge from PH No. 2, complete with treated water sample line.

PUMPING STATION #3 – 217 RIVER STREET

- Pumphouse building with approximate dimensions of 6.1 m x 7.3 m, equipped with:
- One (1) cartridge filter with a treatment capacity of 11.3 l/s, equipped with fourteen (14) - one (1) micron size filter cartridges, certified for cyst removal in accordance with procedures specified

in NSF 53 or equivalent, and used on line with the Well No. 3 pump, complete with a differential pressure monitoring system.

- One (1) turbidity sampling point located on the downstream of the cartridge filter for on-line turbidity monitoring.
- A primary disinfection system using, Ultra Violet (UV) disinfection system consisting of two (2) UV disinfection reactors, one (1) duty, one (1) standby, located after the cartridge filter unit, each unit rated at 11.37 l/s, capable of providing minimum dose of 40 mJ/cm² at the end of the lamp life, together with automatic cleaning system, on-line UV intensity monitor with alarm, complete with a portable UV transmittance monitor;
- A secondary disinfection system using sodium hypochlorite disinfection, consisting of two (2) chemical metering pumps, one (1) duty, one (1) standby with automatic switch over, dosing sodium hypochlorite solution at the downstream of the UV units, complete with associated piping, appurtenances and controls;
- One (1) sodium hypochlorite solution tank and one (1) secondary containment tank.
- A submersible deep well pump rated at 5.3 l/s at a total dynamic head (TDH) of 164 m, approximately.
- One (1) flow meter and associated mechanical, electrical and structural work.
- One (1) 60 kW natural gas generator set capable of providing power to both Pumphouses No. 2 and No. 3 during power failure.

PUMPING STATION #4 – 158 YONGE STREET NORTH

- A 250 mm diameter 25.91 m deep drilled ground water well, located within the pumphouse equipped with:
- A submersible deep well pump rated at 9.8 l/s with an operating head varying between approximately 42.06 m and 71.08 m complete with variable frequency drive and well level transducer.
- One (1) cartridge filter with a treatment capacity of 9.8 L/s, equipped with three (3) micron size filter cartridges {One (1) micron cartridges also acceptable} to be used on the well startup to reduce initial turbidity spikes;
- One (1) magnetic flow meter.
- A sodium hypochlorite disinfection system consisting of two (2) chemical metering pumps, one (1) duty, one (1) standby with automatic switch over and a 200 L sodium hypochlorite solution tank with a secondary containment tank and associated piping, appurtenances and controls;
- 12 m of 600 mm diameter watermain buried (chlorine contact chamber) outside the pumphouse to provide chlorine contact time necessary for well water discharge from pumphouse No. 4.
- One (1) online free chlorine residual analyzer to monitor free chlorine residual after the chlorine contact chamber.
- One (1) raw water turbidity analyzer; and
- Associated SCADA, PLC and controls.

MISCELLANEOUS

- A Supervisory Control and Data Acquisition (SCADA) system for automation of Pumphouses No. 2, No. 3 and No. 4, complete with associated Program Logic Controllers (PLC) and alarm dialers; and
- All associated electrical, mechanical, structural and appurtenances necessary for an operable system.

WATER STORAGE TANK

An elevated water storage tank (standpipe) constructed in 2010 is located at Pumphouse No. 4 site on the northern outskirts of Tara (NAD83, UTM Zone 17, 488250 E, 4925627N). It has an operating capacity of 852 m^3 and a total capacity of 3,952 m^3.

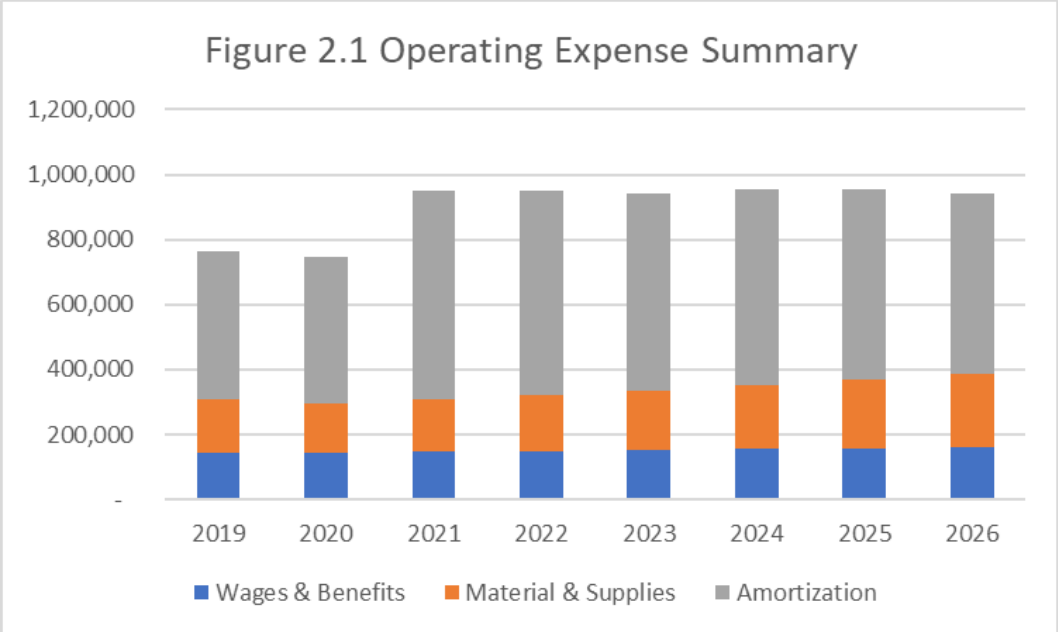
2.0 OPERATING PLAN

The Water System is required to have an operating plan that will ensure provision of safe drinking water in the short and long term. The Water System's operating plan accounts for expenses for its day to day operations for maintenance and administration of the drinking water system; the capital investments that it will incur to renew and replace its existing capital infrastructure; and debt management (if applicable) by way of debt repayments and interest charges that are incurred to achieve the above.

2.1 Operations

The Water System has components dating back to the 1960's. While the municipality has been operating the water system without incident for many years, the system is aging and requiring capital infrastructure replacement on a continual basis.

Some of the Water System's key operating expenses include personnel costs, utilities, materials, and supplies, plus repairs and maintenance. Annual operating expenses are projected to be approximately $350K plus amortization ($600K). Of these costs, wages and benefits represents approximately 17%. Annual operating expenses (cash only) are projected to be approximately $310K in 2021, which will increase to approximately $385K in 2026. Refer to Figure 2.1



KEY ASSUMPTIONS IN PROJECTIONS

The detailed operating expenses are outlined in the projected statement of operations (**Appendix A**). In these projections, it is assumed that operating expenses will increase annually for inflation in the projection period 2021-2026.

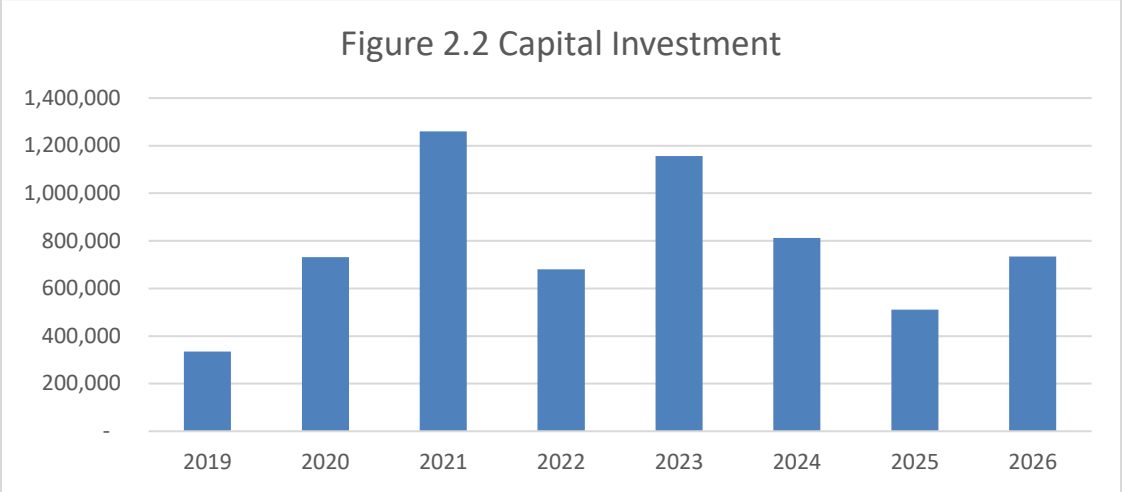
- Wages and benefits indexed by 2%
- Material and supplies indexed by 2%,
- Heat and hydro indexed by 11%,
- Insurance indexed by 10%

2.2 Capital Costs

To provide safe drinking water to all customers, the Arran-Elderslie water system holds significant assets, including water treatment plants and associated wells, approximately 51.4 km of watermains, with associated watermain appurtenances, 3 standpipes, and 1,960 service connections. In the financial statements, the water treatment plant & pumphouses and reservoirs, the watermains, hydrants and service connections and the valves, SCADA systems and other equipment are referred to as buildings, linear assets and machinery and equipment, respectively. These assets are referred to as capital.

In determining the future capital costs, the renewal and rehabilitation of the Arran-Elderslie water system has been considered in accordance with the six (6) year capital plan prepared by municipal staff. The prioritization of the capital infrastructure replacement was based on safety, cost, and operational efficiencies. While some capital assets may have reached their useful life, these assets can continue to provide value to the Water System but may require additional maintenance until they are replaced.

As Arran-Elderslie Water Systems age, there will be significant capital investment required to upgrade and maintain it. From 2021 to 2026, it is projected that on average, approximately $900K will be spent each year on capital expenditures, to a total of over $5 million dollars by the end of the plan. These expenditures will ensure the delivery of safe and viable drinking water to residents over the long term and will be performed in a cost-effective manner through priority planning and integration with other upgrades. Refer to Figure 2.2 for Capital Investment.



FUTURE SIGNIFICANT CAPITAL INVESTMENT

Looking beyond six (6) years from now, this plan, will be updated continuously over time and it is anticipated to allow the Water System to have its own funds available to pay for significant capital investments, such as new watermains, treatment plant and pumphouse upgrades. Future loans may become necessary if funding from provincial/federal government is unavailable.

2.3 Debt Management

The Municipality of Arran-Elderslie Water System carries no debt.

2.4 Total Cash Expenditures

The Municipality of Arran Elderslie Drinking Water System has increasing operating cash expenditures, including operating expenses, debt repayments and interest charges (none existing at the present time), and capital costs. From 2021 to 2026, average operating cash expenditures have been assumed to increase by 2% per year. In 2021, total cash expenses (excluding amortization) is approximately $310K. Total cash expenditures are as presented in Figure 2.4.

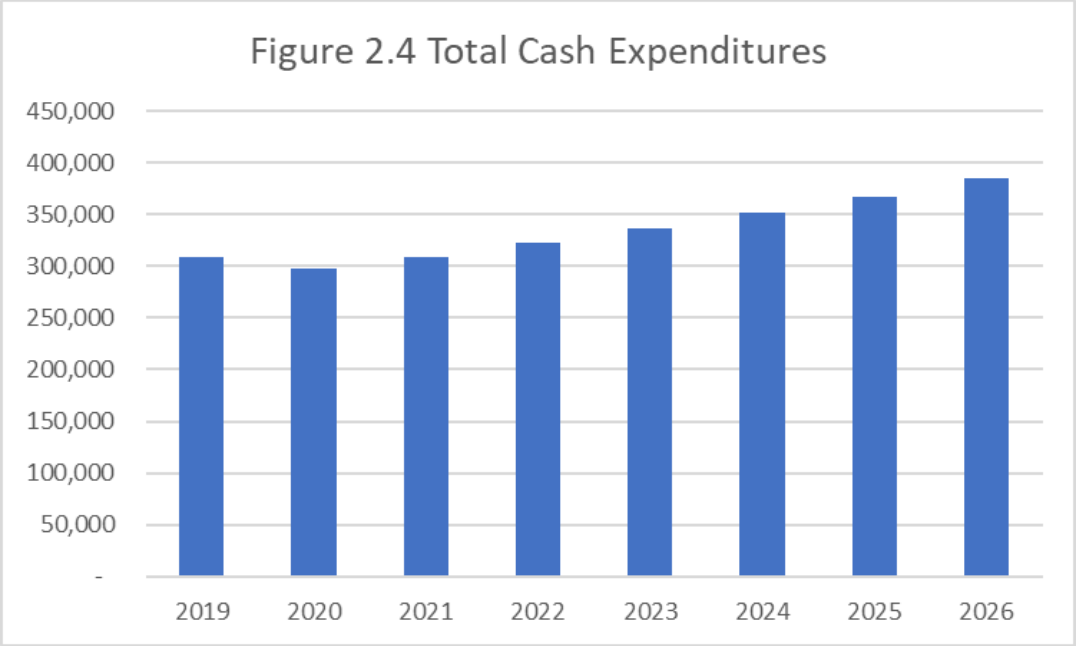
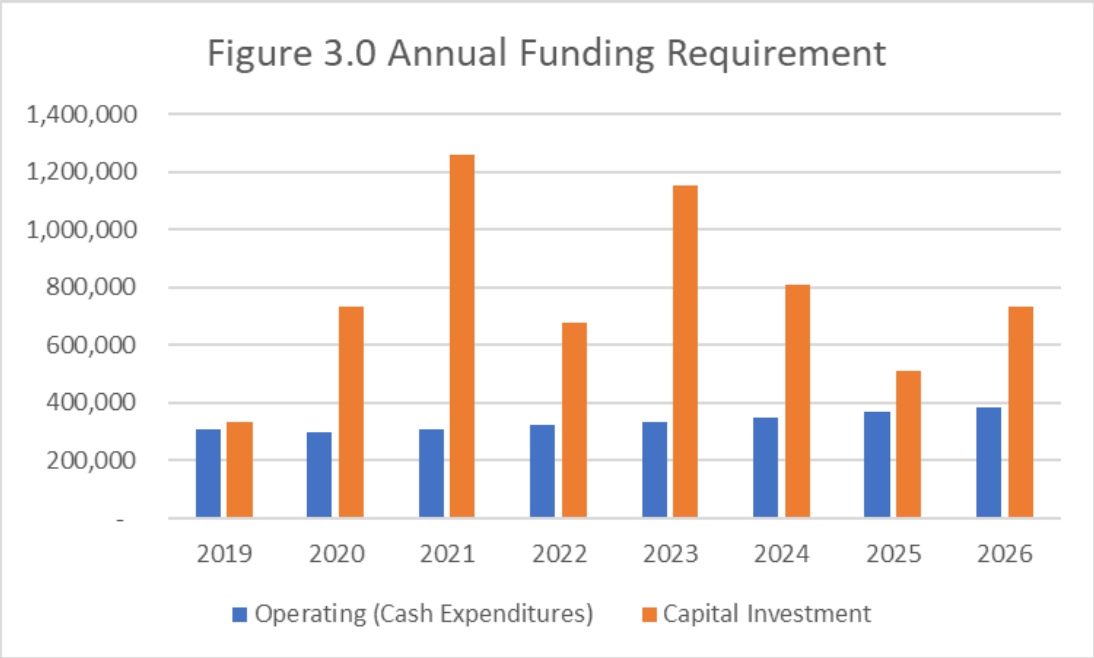


Figure 2.4 Total Cash Expenditures
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
-
2019
2020
2021
2022
2023
2024
2025
2026

3.0 FUNDING PLAN

The funding plan needs to allow for both operating cash expenditures and the cash requirements necessary to provide for capital investment. The annual cash requirements average an excess of $1.2M annually. To fund these expenditures, the Water System needs to rely on operating revenues. See Figure 3.0.



3.1 Funding Model

The funding model applied to the Municipality of Arran-Elderslie Water System is based on the following:

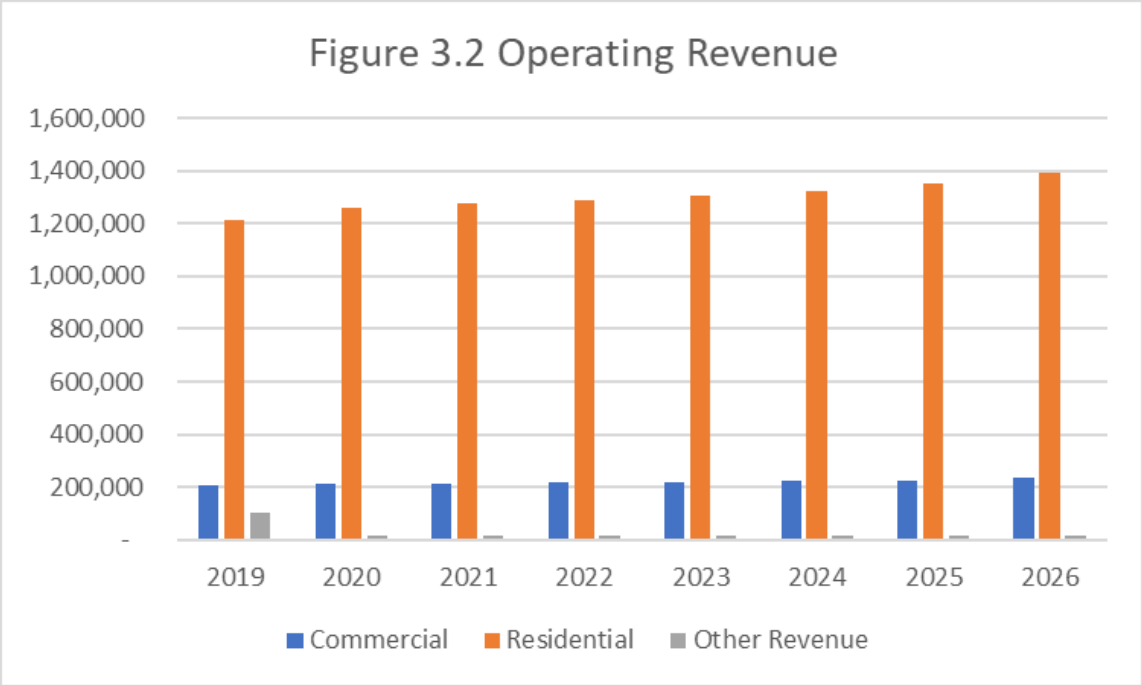
- Water rate increases for both the Metered base rate and the m3 consumption rate has been indexed annually:
  - 2021 – 2023 - 1.0% per year
  - 2024 – 1.5%
  - 2025 – 2.0%
  - 2026 – 3.0%
- Annual increase in connections – 4 residential single-family units in each of the municipal areas of Chesley, Paisley and Tara
- Reserves are used to fund capital investment
- Annual inflation applied to operation expenditures

3.2 Operating Revenues

Typically, operating revenues are composed of three (3) charges as follows:

- Base Charge: A fixed monthly charge to recover the fixed operating expenses to operate and maintain the water system(s).
- Water Consumption Charge: It is charged based on actual water consumption recorded by the water meter. For non-metered customers, a flat rate is charged to the customer in lieu of base charge, water consumption charge and lifecycle reserve charge.
- Lifecycle Reserve Charge: It is charged based on actual water consumption recorded by the water meter.

The Arran-Elderslie Water System, residents who don't have water meters, remain on a flat rate of $59.48/month (projected for 2021). To provide water conservation, Arran-Elderslie encourages water customers to install water meters. Such customers, in 2021, will pay a base rate of $26.64/month (projected) and a water consumption charge of $2.59/m³. Any surplus is directed to water reserves. Operating revenues are summarized in Figure 3.2.



3.3 Government Funding

No new government funding has been utilized for development of the financial plan, as a worst-case funding scenario. Staff continue to investigate funding opportunities for water meters.

3.4 New Debt

No new debt is planned.

3.5 Cash Requirements Summary

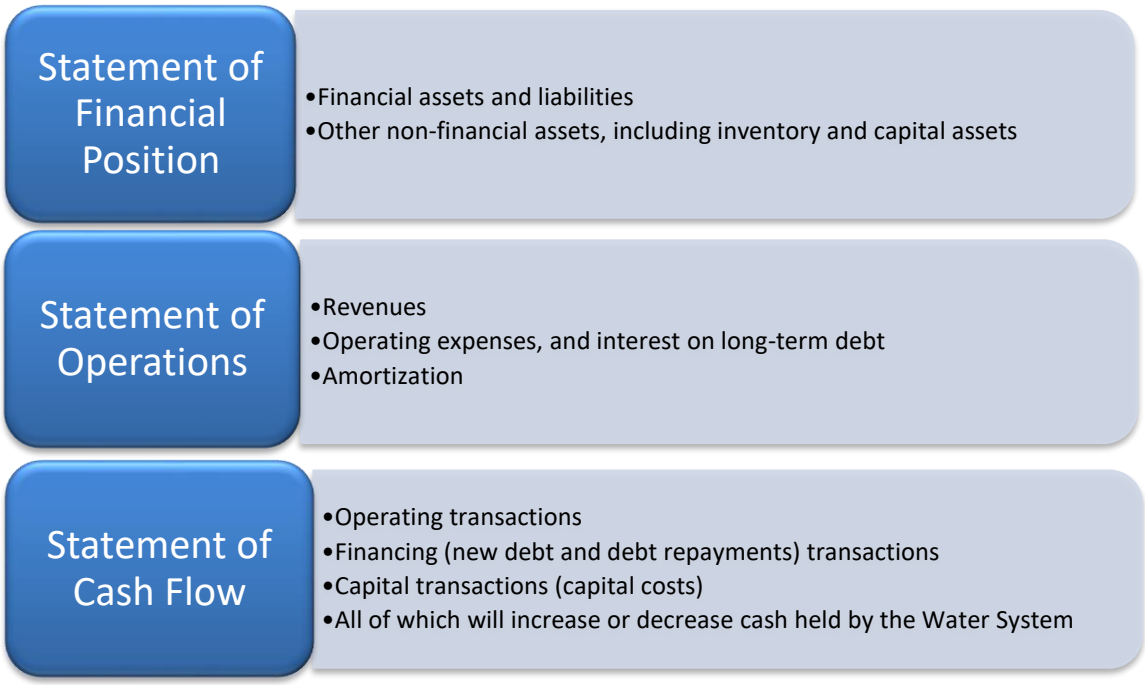
The funds required to pay for the Water System's total cash expenditures will be derived from operating revenues, and the water reserves that it builds up over time as a result of prudent and responsible planning.

The main funding source is water billings, which is being increased at a projected 1-3% per year for the period of 2021 to 2026.

4.0 FINANCIAL PLAN

The financial impacts of the drinking water system have been considered through the projected financial statements for years ending December 31, 2021 to 2026 (**Appendix A**) and summarized below. The financial statements are required by Ontario Regulation 453/07 to include a full-cost accounting, meaning that all of the costs, whether operating, financial or capital, related to operating the drinking water system, must be included.

The projected financial statements include the following:



The projected financial statements are prepared to conform to Public Sector Accounting Board (PSAB) Standards. These statements reflect the Municipality of Arran-Elderslie accounting policies, along with estimates and assumptions related to the operations of the Water System, and are based on 2019 actual results, as derived from the Water System's internal financial statements of the Municipality.

Actual results will vary from these projections and the differences may be significant. Any future changes to accounting policies or key assumptions will impact these projected financial statements and should be updated to reflect such changes.

4.1 Public Sector Accounting Board Standards

In 2006, the Canadian institute of Chartered Accountant's Public Sector Accounting Board approved that municipalities would prepare annual financial statements, utilizing full accrual accounting. In simple terms, full accrual accounting means that all municipalities will be required to include tangible capital assets and amortization in their financial statements.

ACCUMULATED SURPLUS

The accumulated surplus is essentially the accumulation of the Water System's excess revenues exceeding expenses over time, plus the non-financial assets.

4.2 Projected Statement of Operations

The projected statement of operations includes the revenue less the expenses, arriving at the excess or net revenues over expenses. The projected statement is provided in **Appendix A**.

REVENUES

Total revenues include all operating revenues and government funding and other funding sources, if available. A chart illustrating the total revenues earned is shown in the chart in Section 3.2.

EXPENSES

Expenses include a list of detailed projected expenses, including operating expenses, and amortization. Amortization is the depreciation of the capital assets or the water system infrastructure over their estimated useful life. It does not represent a cash expenditure.

4.3 Projected Statement of Cash Flow

The projected statement of cash flow is very useful in providing an indication of sufficient cash availability for the Water System. The projected statement of cash flow summarizes the key transactions that either increase or decrease the water system's cash balance. It involves operating transactions, capital transactions, and financing transactions.

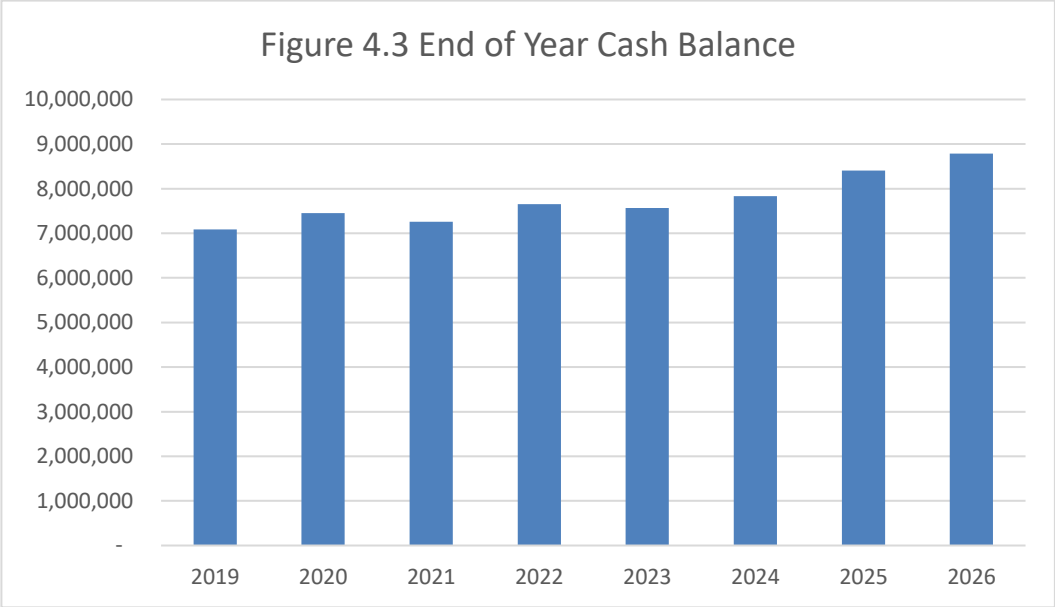
Projected operating transactions section is a summary of the projected net revenues over expenses, adjusted for any non-cash items. Projected capital transactions show the capital additions and sale of assets (if any) while the projected financing transactions outlines any new debt that will be incurred and the amount of debt that will be repaid. Financing transactions do not apply to the Water System.

In the Operating Plan section of the financial plan, the cash expenditures, such as operating expenses, debt repayment and capital costs, were identified. In the Funding Plan section of the financial plan, the cash receipts, or funds required to cover the cash expenditures were presented. These funds comprise operating revenues only for the Water System.

The chart in **Figure 4.3** below is a summary "End of the Year cash & cash Equivalent".

It may be noted that year end cash balances continually increase primarily due to revenue collected is higher than combined expense of capital project costs and operating expenses.

Over the projection period, it is projected that the Water System will have several capital upgrade projects which will be funded through water reserves. However, water reserve is anticipated to increase from $7.1 million approximately in 2019 to $ 8.8 million approximately in 2026.

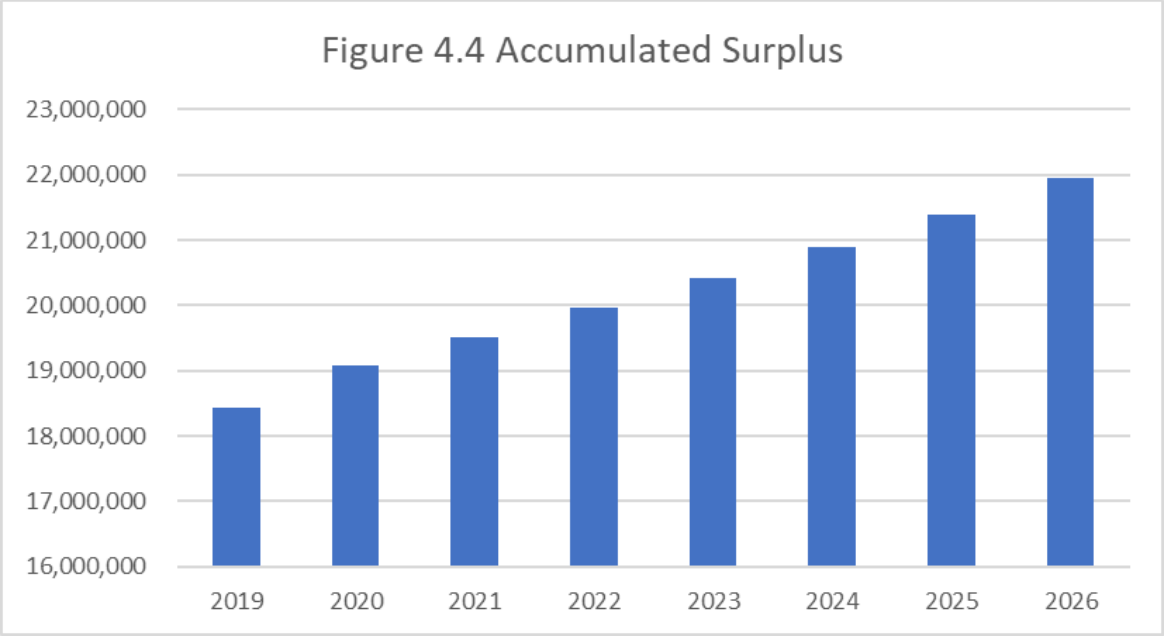


4.4 Statement of Financial Position

The statement of financial position reflects both the financial and non-financial assets of the water system. The projected statement is provided in **Appendix A.**

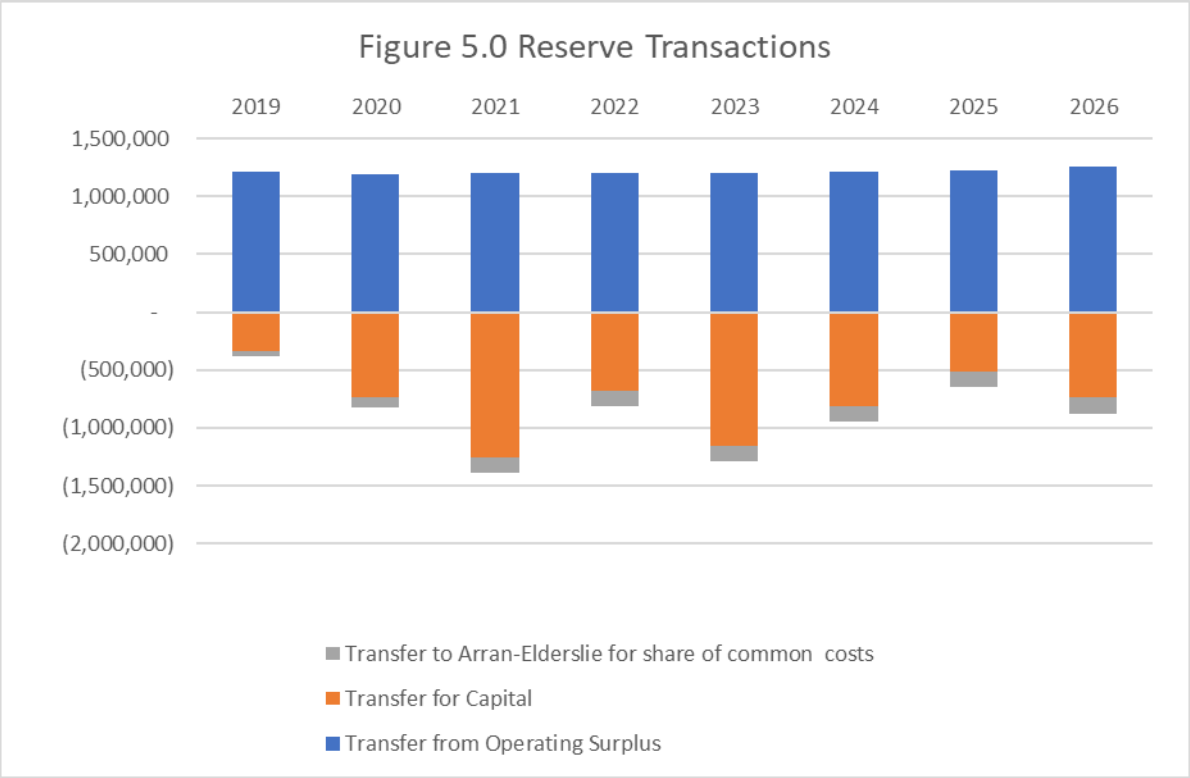
ACCUMULATED SURPLUS

Accumulated surplus is the sum of net financial assets (End of Year Cash Balance) plus total non-financial assets (tangible capital assets minus accumulated amortization). Accumulated surplus is presented in Figure 4.4 for the projection period. A steady rise in accumulated surplus indicates proper maintenance of water system assets by timely replacements of fully amortized assets.



5.0 DISCUSSION ON FINANCIAL PLAN

As noted in earlier sections, the capital expenditure over 2021-2026 exceeds $5.1 million dollars, approximately as opposed to water reserve contribution of $7.3 million approximately. This is anticipated to create an increase in water reserves from $7.3 million approximately in 2021 to $8.8 million approximately in 2026.



6.0 SUMMARY

This Financial Plan has been prepared in accordance with the Provincial Regulation O. Reg 453/07. The process in developing this plan has focused on the achievement of a balance between managing water rate increases while ensuring that the water system will continue to provide safe drinking water in the long term.

FEEDBACK AND CONTINOUS IMPROVEMENT

The Financial Plan must be updated every five (5) years, but it is recommended to be updated more frequently to reflect changes in operations, economic climate, financing costs, consumption, and pricing.

The Ontario Regulation for Asset Management Programs/Plans that is due for completion by July 2021 will enable a detailed assessment of the condition and investment needs of the water system's capital assets.

Appendix A

Projected Financial Statements

Municipality of Arran Elderlise
Water Services - Chesley, Paisley, & Tara
Statement of Financial Position

	Audited	Budget	Forecast					
	2019	2020	2021	2022	2023	2024	2025	2026
Financial Assets								
Cash, Receivables and Investments	7,089,082	7,448,921	7,261,918	7,653,263	7,567,498	7,831,125	8,407,674	8,787,614
Total Financial Assets	**7,089,082**	**7,448,921**	**7,261,918**	**7,653,263**	**7,567,498**	**7,831,125**	**8,407,674**	**8,787,614**
Financial Liabilities								
Accounts Payable and Deferred Revenue								
Long Term Liabilities (Net Debt)								
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Deferred Revenue (net Chg)	-	-	-	-	-	-	-	-
Net Financial Assets (Net Debt)	**7,089,082**	**7,448,921**	**7,261,918**	**7,653,263**	**7,567,498**	**7,831,125**	**8,407,674**	**8,787,614**
Non Financial Assets								
Prepaid Expenses								
Tangible Capital Assets	17,794,423	18,525,896	19,785,176	20,465,516	21,621,468	22,433,218	22,944,126	23,678,892
Accumulated Amortization	(6,447,605)	(6,896,376)	(7,537,189)	(8,165,388)	(8,772,193)	(9,376,015)	(9,962,574)	(10,517,418)
Total Non Financial Assets	**11,346,818**	**11,629,520**	**12,247,987**	**12,300,128**	**12,849,275**	**13,057,203**	**12,981,552**	**13,161,474**
Accumulated Surplus	**18,435,900**	**19,078,441**	**19,509,905**	**19,953,391**	**20,416,773**	**20,888,328**	**21,389,226**	**21,949,088**

Municipality of Arran Elderlise
Water Services - Chesley, Paisley, & Tara
Statement of Cash Flow

	Audited	Budget	Forecast					
	2019	2020	2021	2022	2023	2024	2025	2026
Operating Activities								
Projected Revenue over Expenditures	759,411	739,818	558,864	573,631	596,347	607,420	639,746	701,783
Plus: Non-Cash Amortization	454,231	448,771	640,813	628,199	606,805	603,822	586,559	554,844
Net Change in Cash by Operating Activities (Annual Surplus/Deficit, excluding Amortization Expense)								
Cash Provided by Operations	**1,213,642**	**1,188,589**	**1,199,677**	**1,201,830**	**1,203,152**	**1,211,242**	**1,226,305**	**1,256,627**
Investment Activities								
Proceeds from Investments (Reserve Fund Interest)	-	-	-	-	-	-	-	-
Capital Activities								
Proceeds from Debt Issued/Developer Front-end	-	-	-	-	-	-	-	-
Less: Debt Repayment (principal only)	-	-	-	-	-	-	-	-
Cash Transactions Through Financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash Applied to Fund Common Costs	(47,129)	(97,278)	(127,400)	(130,145)	(132,965)	(135,865)	(138,848)	(141,921)
Cash Applied to Fund Capital Projects	(335,190)	(731,473)	(1,259,280)	(680,340)	(1,155,952)	(811,750)	(510,908)	(734,766)
Net Change in Cash and Cash Equivalents	831,323	359,838	(187,003)	391,345	(85,765)	263,627	576,549	379,940
Cash and Cash Equivalents, Beginning of Year	6,257,759	7,089,082	7,448,921	7,261,918	7,653,263	7,567,498	7,831,125	8,407,674
Cash and Cash Equivalents, End of Year	**7,089,082**	**7,448,921**	**7,261,918**	**7,653,263**	**7,567,498**	**7,831,125**	**8,407,674**	**8,787,614**

Municipality of Arran Elderlise
Water Services - Chesley, Paisley, & Tara
Statement of Operations

	Audited	Budget	Forecast					
	2019	2020	2021	2022	2023	2024	2025	2026
Operating Revenue								
Commercial Fees	208,711	212,516	214,641	216,788	218,956	222,240	226,684	233,485
Residential Fees	1,210,835	1,256,669	1,277,507	1,290,282	1,303,185	1,322,732	1,349,187	1,389,662
Other Revenue	103,465	16,865	17,034	17,204	17,376	17,636	17,989	18,528
Total Operating Revenue	**1,523,011**	**1,486,050**	**1,509,182**	**1,524,274**	**1,539,517**	**1,562,608**	**1,593,860**	**1,641,675**
Expenditures								
Wages and benefits	143,476	143,078	145,940	148,859	151,836	154,873	157,971	161,130
Billable expenses	-	-	-	-	-	-	-	-
Contracts	25,659	32,015	32,655	33,308	33,974	34,654	35,347	36,054
Heat & Hydro	52,375	49,150	54,496	60,429	67,014	74,321	82,432	91,433
Insurance	13,569	21,656	23,821	26,203	28,823	31,706	34,876	38,364
Miscellaneous expenses	72,315	49,399	50,387	51,395	52,423	53,471	54,541	55,631
Telephone	1,975	2,163	2,206	2,250	2,295	2,341	2,388	2,436
Total Expenditures	**309,369**	**297,461**	**309,505**	**322,444**	**336,365**	**351,366**	**367,555**	**385,048**
Net Operating Surplus before Amortization Expense	1,213,642	1,188,589	1,199,677	1,201,830	1,203,152	1,211,242	1,226,305	1,256,627
Amortization	454,231	448,771	640,813	628,199	606,805	603,822	586,559	554,844
Annual Surplus (Deficit)	**759,411**	**739,818**	**558,864**	**573,631**	**596,347**	**607,420**	**639,746**	**701,783**
Accumulated Surplus, Beginning of Year	**17,723,618**	**18,483,029**	**19,222,847**	**19,781,711**	**20,355,342**	**20,951,689**	**21,559,109**	**22,198,855**
Accumulated Surplus, End of Year	**18,483,029**	**19,222,847**	**19,781,711**	**20,355,342**	**20,951,689**	**21,559,109**	**22,198,855**	**22,900,638**
Transfer to reserves								
Transfer to capital								
Total Operating Surplus	**18,483,029**	**19,222,847**	**19,781,711**	**20,355,342**	**20,951,689**	**21,559,109**	**22,198,855**	**22,900,638**

Municipality of Arran Elderlise
Water Services - Chesley, Paisley, & Tara
Continuity Schedules

	Audited	Budget	Forecast					
	2019	2020	2021	2022	2023	2024	2025	2026
Capital Continuity								
Total Capital Costs	335,190	731,473	1,259,280	680,340	1,155,952	811,750	510,908	734,766
Transfer from Reserves	335,190	731,473	1,259,280	680,340	1,155,952	811,750	510,908	734,766
Unfunded Capital	-	-	-	-	-	-	-	-

	Audited	Budget	Forecast					
	2019	2020	2021	2022	2023	2024	2025	2026
Reserve Continuity								
Opening Balance	**6,257,759**	**7,089,082**	**7,448,921**	**7,261,918**	**7,653,263**	**7,567,498**	**7,831,125**	**8,407,674**
Transfer from Operating Surplus	1,213,642	1,188,589	1,199,677	1,201,830	1,203,152	1,211,242	1,226,305	1,256,627
Transfer for Capital	(335,190)	(731,473)	(1,259,280)	(680,340)	(1,155,952)	(811,750)	(510,908)	(734,766)
Transfer to Arran-Elderslie for share of common costs	(47,129)	(97,278)	(127,400)	(130,145)	(132,965)	(135,865)	(138,848)	(141,921)
Developer Contribution								
Ending Balance	**7,089,082**	**7,448,921**	**7,261,918**	**7,653,263**	**7,567,498**	**7,831,125**	**8,407,674**	**8,787,614**
Dollars in Current Value	7,089,082	7,448,921	7,119,527	7,503,199	7,419,116	7,677,574	8,242,818	8,615,308

Municipality of Arran Elderlise
Water Services - Chesley, Paisley, & Tara
Schedule of Tangible Capital Assets

	Audited	Budget	Forecast					
	2019	2020	2021	2022	2023	2024	2025	2026
Tangible Capital Assets								
Cost, beginning of the year	**17,459,233**	**17,794,423**	**18,525,896**	**19,785,176**	**20,465,516**	**21,621,468**	**22,433,218**	**22,944,126**
Additions	335,190	731,473	1,259,280	680,340	1,155,952	811,750	510,908	734,766
Disposals	-	-	-	-	-	-	-	-
Cost, end of the year	**17,794,423**	**18,525,896**	**19,785,176**	**20,465,516**	**21,621,468**	**22,433,218**	**22,944,126**	**23,678,892**
Accumulated Amortization, beginning of the year	**5,993,374**	**6,447,605**	**6,896,376**	**7,537,189**	**8,165,388**	**8,772,193**	**9,376,015**	**9,962,574**
Amorization	454,231	448,771	640,813	628,199	606,805	603,822	586,559	554,844
Disposals	-	-	-	-	-	-	-	-
Accumulated Amortization, end of the year	**6,447,605**	**6,896,376**	**7,537,189**	**8,165,388**	**8,772,193**	**9,376,015**	**9,962,574**	**10,517,418**
Net carrying amount, end of the year	**11,346,818**	**11,629,520**	**12,247,987**	**12,300,128**	**12,849,275**	**13,057,203**	**12,981,552**	**13,161,474**

Appendix B
Capital Projections

Municipality of Arran Elderlise
Water Services - Capital
2021 to 2026

Location	Project	Size	Current Year Cost	Estimated Useful Life	Year	2021	2022	2023	2024	2025	2026
	Water Main Replacements										
Chesley	6th Street SE from 1st Ave to 2nd Ave SE	90m	76,500	100	2021	76,500					
Chesley	4th Ave SW from 4th St. to 7th St SW	260m	221,000	100	2022		225,420				
Chesley	4th Ave SW from 3rd St. to 4th St. SW	145m	123,250	100	2021	123,250					
Chesley	5th Ave SW form 4th St. to 7th St. SW	260m	221,000	100	2025					239,218	
Chesley	5th Ave SW from 2nd St. to 4th St. SW	260m	221,000	100	2025					239,218	
Chesley	4th St SW from 5th Ave to Thomans St. (p/c)	330m	373,065	100	2023			388,137			
Chesley	3rd St SW from 4th Ave to 5th Ave SW	80m	68,000	100	2022		69,360				
						199,750	294,780	388,137	-	478,435	-
Paisley	** Queen St. From Bridge to Church	140m	140,000	100	2022		142,800				
Paisley	** Queen St. From Bridge to Inkerman	280m	238,000	100	2023			247,615			
Paisley	** Queen St From Inkerman to Balaklava	460m	391,000	100	2024				414,932		
Paisley	Alma Street from Nelson to James	110m	110,000	100	2021	110,000					
Paisley	Victoria St. From Rowe to Inkerman	200m	170,000	100	2026						187,694
						110,000	142,800	247,615	414,932	-	187,694
Tara	Francais St. From Elgin to Brook W.	280m	238,000	100	2022		242,760				
Tara	River Bore From River to Maria (p/c)	290m	387,030	100	2021	387,030					
Tara	** Brook St. From Younge to Maria	110m	93,500	100	2023			97,277			
Tara	White's Ave. From Younge to Dead-End (p/c)	260m	293,930	100	2024				311,921		
Tara	** Brook St. From Maria to Park Road	550m	467,500	100	2026						516,158
						387,030	242,760	97,277	311,921	-	516,158
						696,780	**680,340**	**733,029**	**726,853**	**478,435**	**703,852**
******	County Roads - thus requires consultation										
(p/c)	Includes paving and cement										
	Fleet										
W5 2009	GMC 4x4		45,000	12	2021	45,000					
W6 2011	GMC Sierra 4x4 Ext. Cab		45,000	12	2024				47,754		
	Purchase New Truck - staff increase		45,000	12	2021	45,000					
WT-21	Purchase New Pipe Trailer		10,000	12	2021	10,000					
	Purchase New/Used Vac Truck		400,000	12	2023			416,160			
						100,000	**-**	**416,160**	**47,754**	**-**	**-**

Location	Project	Size	Current Year Cost	Estimated Useful Life	Year	2021	2022	2023	2024	2025	2026
Buildings											
	Build New Workshop/Purchase Existing Building		175,000	40	2021	175,000					
	Tara Well #4 Shingles		5,000	40	2024				5,306		
						175,000	**-**	**-**	**5,306**	**-**	**-**
Computer Equipment											
	Replace Antenna/Cable Chesley & Paisley Tower		15,000	4	2021	15,000					
	Replace Antenna/Cable Tara Tower		15,000	4	2021	15,000					
						30,000	**-**	**-**	**-**	**-**	**-**
Other Considerations											
	Drill a New Well in Community Park #4 (Replacing #1)		225,000	50	2021	225,000					
	Replace Cathodic Protection Tara Water Tower		17,500	10	2021	17,500					
	Camera Paisley Water Tower		6,500	4	2023			6,763			
	Camera Chesley Water Tower		6,500	4	2026						7,177
	Camera Tara Water Tower		6,500	4	2026						7,177
	Tara Well #2 Re-hab Work		15,000	5	2024				15,918		
	Tara Well #3 Re-hab Work		15,000	5	2025					16,236	
	Tara Well #4 Re-hab Work		15,000	5	2021	15,000					
	Tara Well #4 Re-hab Work		15,000	5	2026						16,561
	A&E Well #2		15,000	5	2025					16,236	
	A&E Well #3		15,000	5	2024				15,918		
						257,500	**-**	**6,763**	**31,836**	**32,473**	**30,914**
Install Water Meters											
	Chesley		490,000	25	**Continue to monitor for grants**						
	Paisley		241,200	25							
	Tara		254,000	25							
						-	**-**	**-**	**-**	**-**	**-**
Total Capital Expenditures						**1,259,280**	**680,340**	**1,155,952**	**811,750**	**510,908**	**734,766**
Total Capital Infrastructure Investment											**5,152,996**

Appendix C

Departmental Reports

Municipality of Arran Elderlise
Water Services - Tara
Five Year Financial History

Assumptions applied to 2020 Budget:

User Fees									
1%	1%	1%	2%	2%	3%				
Expenditures (*except insurance and hydro*)									
2%	2%	2%	2%	2%	2%				

	2015	2016	2017	2018	2019	2020 Budget	2020 YTD - July	2021	2022	2023	2024	2025	2026
Operating Revenue													
Commercial Fees	36,647	47,549	45,180	62,800	61,950	58,681	37,947	59,268	59,861	60,460	61,367	62,594	64,472
Residential Fees	271,263	287,361	297,369	306,319	316,397	330,560	332,937	336,721	340,088	343,489	348,641	355,614	366,282
Other Revenue	6,626	4,937	8,118	11,062	52,500	917	28,332	926	935	944	958	977	1,006
Total Operating Revenue	**314,536**	**339,847**	**350,667**	**380,181**	**430,847**	**390,158**	**399,217**	**396,915**	**400,884**	**404,893**	**410,966**	**419,185**	**431,760**
Expenditures													
Wages and benefits	51,630	51,805	56,615	60,458	62,055	63,141	33,855	64,404	65,692	67,006	68,346	69,713	71,107
Billable expenses	-	-	-	-	-	-	1,357	-	-	-	-	-	-
Contracts	18,500	9,630	8,607	20,880	11,807	13,500	4,434	13,770	14,045	14,326	14,613	14,905	15,203
Courier	18	-	8	-	-	-	-	-	-	-	-	-	-
Heat	399	477	603	597	721	670	380	683	697	711	725	740	755
Hydro	17,407	27,201	19,471	17,277	17,944	16,480	6,485	18,293	20,305	22,539	25,018	27,770	30,825
Insurance	5,031	4,809	5,021	5,141	5,542	6,134	5,987	6,748	7,423	8,165	8,982	9,880	10,868
Internal transfers	48,341	55,968	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	16,899	18,474	13,677	36,031	19,824	18,000	13,589	18,360	18,727	19,102	19,484	19,874	20,271
Telephone	2,537	2,356	2,099	2,489	1,975	2,163	895	2,206	2,250	2,295	2,341	2,388	2,436
Total Expenditures	**160,763**	**170,720**	**106,101**	**142,873**	**119,867**	**120,088**	**66,982**	**124,464**	**129,139**	**134,144**	**139,509**	**145,270**	**151,465**
Net Operating Surplus	153,773	169,127	244,566	237,308	310,980	270,070	332,234	272,451	271,745	270,749	271,457	273,915	280,295
Transfer to reserves	157,202	-	-	-	260,017	270,070	270,070	272,451	271,745	270,749	271,457	273,915	280,295
Transfer to capital													
Total Operating Surplus	**(3,429)**	**169,127**	**244,566**	**237,308**	**50,962**	**-**	**62,164**	**-**	**-**	**-**	**-**	**-**	**-**

Municipality of Arran Elderlise
Water Services - Chesley & Paisley
Five Year Financial History

Assumptions applied to 2020 Budget:

								User Fees					
								1%	1%	1%	2%	2%	3%
								Expenditures (*except insurance and hydro*)					
								2%	2%	2%	2%	2%	2%
	2015	**2016**	**2017**	**2018**	**2019**	**2020 Budget**	**2020 YTD - July**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Operating Revenue													
Commercial Fees	142,860	140,181	116,312	136,129	146,761	153,835	115,686	155,373	156,927	158,496	160,873	164,090	169,013
Residential Fees	796,665	817,361	824,490	878,176	894,438	926,109	760,178	940,786	950,194	959,696	974,091	993,573	1,023,380
Other Revenue	15,101	14,817	24,205	35,246	50,965	15,948	10,619	16,108	16,269	16,432	16,678	17,012	17,522
Total Operating Revenue	**954,627**	**972,360**	**965,007**	**1,049,551**	**1,092,164**	**1,095,892**	**886,483**	**1,112,267**	**1,123,390**	**1,134,624**	**1,151,642**	**1,174,675**	**1,209,915**
Expenditures													
Wages and benefits	85,398	77,698	66,456	67,068	81,421	79,937	50,751	81,536	83,167	84,830	86,527	88,258	90,023
Billable expenses	-	-	-	-	-	-	904	-	-	-	-	-	-
Contracts	45,906	31,266	27,737	27,023	13,852	18,515	6,466	18,885	19,263	19,648	20,041	20,442	20,851
Hydro	37,689	57,318	37,296	31,733	33,710	32,000	12,227	35,520	39,427	43,764	48,578	53,922	59,853
Insurance	12,730	12,168	12,704	16,262	8,027	15,521	15,150	17,073	18,780	20,658	22,724	24,996	27,496
Internal transfers	109,733	82,627	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	22,300	33,532	15,879	22,834	52,492	31,399	4,315	32,027	32,668	33,321	33,987	34,667	35,360
Telephone	1,296	974	326	-	-	-	-	-	-	-	-	-	-
Total Expenditures	**315,052**	**295,582**	**160,397**	**164,919**	**189,501**	**177,372**	**89,812**	**185,041**	**193,305**	**202,221**	**211,857**	**222,285**	**233,583**
Net Operating Surplus	639,575	676,778	804,611	884,631	902,663	918,520	796,671	927,226	930,085	932,403	939,785	952,390	976,332
Contribution from Reserves	-	(18,279)	-	-	-	-	-						
Transfer to reserves	644,454	-	-	-	851,700	918,520	918,520	927,226	930,085	932,403	939,785	952,390	976,332
Transfer to capital	-	16,399	-	-	-	-	-						
Total Operating Surplus	**(4,879)**	**678,658**	**804,611**	**884,631**	**50,962**	**-**	**(121,849)**	**-**	**-**	**-**	**-**	**-**	**-**

Operating Revenue													
Chesley	648,749	648,228	624,343	694,951	709,701	729,414	697,035	739,563	746,959	754,429	765,745	781,060	804,492
Paisley	305,878	324,132	340,664	354,600	366,806	360,195	187,637	366,358	370,022	373,722	379,328	386,915	398,522
Other User Fees					15,657	6,283	1,811	6,346	6,409	6,473	6,569	6,700	6,901
	954,627	**972,360**	**965,007**	**1,049,551**	**1,092,164**	**1,095,892**	**886,483**	**1,112,267**	**1,123,390**	**1,134,624**	**1,151,642**	**1,174,675**	**1,209,915**

Municipality of Arran Elderlise
Common Costs - Sewer and Water
Five Year Financial History

Assumptions applied to 2020 Budget:													
							User Fees						
							1%	1%	1%	2%	2%	3%	
							Expenditures (*except insurance and hydro*)						
							2%	2%	2%	2%	2%	2%	
	2015	**2016**	**2017**	**2018**	**2019**	**2020 Budget**	**2020 YTD - July**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Operating Revenue													
From Reserves													
- for Water	-	-	-	-	-	97,278	97,278	127,400	130,145	132,965	135,865	138,848	141,921
- for Sewer	-	-	-	-	-	145,916	145,916	191,100	195,217	199,447	203,797	208,273	212,881
Other Revenue	-	582	-	-	4,589	-	420						
Total Operating Revenue	**-**	**582**	**-**	**-**	**4,589**	**243,194**	**243,614**	**318,500**	**325,362**	**332,412**	**339,662**	**347,121**	**354,802**
Expenditures													
Wages and benefits	151,398	138,111	151,501	153,389	155,757	161,156	101,902	234,379	239,067	243,848	248,725	253,700	258,774
Contracts	44,571	45,689	34,858	35,674	33,288	30,545	13,043	31,156	31,779	32,415	33,063	33,724	34,398
Courier	34	6	75	30	53	82	20	84	86	88	90	92	94
Equipment rent	-	134	139	150	131	155	-	158	161	164	167	170	173
Fuel	12,748	10,965	11,662	11,998	15,964	11,360	6,142	11,587	11,819	12,055	12,296	12,542	12,793
Grease	310	-	-	-	-	-	-	-	-	-	-	-	-
Health & Safety	3,066	315	-	-	5,635	155	27	158	161	164	167	170	173
Hydro	4,037	3,471	3,614	4,375	3,850	4,120	3,012	4,573	5,076	5,634	6,254	6,942	7,706
Insurance	734	702	733	733	809	895	874	985	1,084	1,192	1,311	1,442	1,586
Internal transfers	(263,349)	(281,495)	-	-	-	-	-	-	-	-	-	-	-
Licences	432	480	833	480	480	515	-	525	536	547	558	569	580
Memberships	542	575	25	25	25	206	-	210	214	218	222	226	231
Miscellaneous expenses	24,097	19,803	14,581	16,508	17,288	18,540	6,303	18,911	19,289	19,675	20,069	20,470	20,879
Pandemic expenses	-	-	-	-	-	-	10	-	-	-	-	-	-
Telephone	2,050	2,681	2,939	3,306	3,921	3,800	1,261	3,876	3,954	4,033	4,114	4,196	4,280
Tools	-	174	28	-	-	515	102	525	536	547	558	569	580
Training	2,613	5,518	4,099	4,675	5,384	5,150	1,644	5,253	5,358	5,465	5,574	5,685	5,799
Vehicle Maintenance	6,415	3,909	9,057	6,333	4,656	6,000	408	6,120	6,242	6,367	6,494	6,624	6,756
Total Expenditures	**(10,302)**	**(48,963)**	**234,145**	**237,675**	**247,243**	**243,194**	**134,750**	**318,500**	**325,362**	**332,412**	**339,662**	**347,121**	**354,802**
Net Operating Surplus	10,302	49,545	(234,145)	(237,675)	(242,654)	-	108,864	-	-	-	-	-	-
Transfer to reserves	9,981	1,446,208	1,434,504	1,651,108	12,157	-	-						
Total Operating Surplus	**321**	**(1,396,663)**	**(1,668,649)**	**(1,888,783)**	**(254,812)**	**-**	**108,864**	**-**	**-**	**-**	**-**	**-**	**-**
Amortization	**636,304**	**660,673**	**672,667**	**700,157**	**726,119**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	(635,983)	**(2,057,336)**	**(2,341,316)**	**(2,588,940)**	**(980,931)**	**-**	**108,864**	**-**	**-**	**-**	**-**	**-**	**-**

Appendix D
Council Resolution