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**MUNICIPALITY OF BROCKTON**

**WASTEWATER SYSTEM FINANCIAL PLAN**  
**2026 – 2031**

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**WASTEWATER SYSTEM FINANCIAL PLAN**  
**2026 – 2031**

September 10, 2025

B.M. ROSS AND ASSOCIATES LIMITED  
Engineers and Planners  
62 North Street  
Goderich, Ontario N7A 2T4  
Phone (519) 524-2641  
[www.bmross.net](http://www.bmross.net)

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**MUNICIPALITY OF BROCKTON  
WASTEWATER SYSTEM FINANCIAL PLAN  
2026 - 2031**

## **1.0 INTRODUCTION**

### **1.1 Overview**

The purpose of this memo is to facilitate consideration of cost recovery (i.e. sewer rate) options for the period 2026 to 2031. This memo will be incorporated as background material for a Financial Plan equivalent to the requirements of O. Reg. 453/07 (Water Financial Plans). The Plan includes the following basic components:

1. A **full cost analysis** of the provision of wastewater services.
2. A **cost recovery plan**, including a proposal for a **series of revenue increases**.

This memo summarizes the information used and assumptions made in developing the Financial Plan.

### **1.2 Legislated Requirements**

Financial Plans for municipal drinking water systems are mandated by O. Reg. 453/07. There is no such parallel mandate for wastewater systems. Regardless, many municipalities recognize the linkage ratepayers make between water and wastewater charges and recognize the benefits of long-term financial planning for all municipal services and thus prepare Financial Plans for the wastewater system as well as the water system.

### **1.3 Relationship to Previous Plans**

The most recent Wastewater Financial Plan for the Municipality was completed in January 2021. That plan was used to set wastewater rates for 2021 to 2026. Following presentation of several different rate alternatives, council opted to target annual rate increase of 2.0% in 2021 followed by 4.8% in each year between 2022 and 2026. That report was reviewed and compared to the actual financial situation for 2024. This summary is provided in Section 5.1.

## **2.0 METHODOLOGY**

### **2.1 Available Information**

Information provided by the Municipality of Brockton included;

1. 2021-2024 Capital and Operating Budgets and actual expenditures for the wastewater system.
2. 2025 Capital and Operating Budgets for the wastewater system.
3. Information concerning dedicated reserves for the wastewater system.
4. Wastewater Asset Inventory.
5. Number of customers.
6. 2025 wastewater rates.
7. Other applicable information related to the wastewater system.

## **2.2 Procedure**

The available information listed in Section 2.1 was reviewed for inclusion in the Financial Plan. Existing wastewater assets are listed in the Municipality's asset inventory with historical financial details. The historical financial details were used to calculate the amortization expenses and net book value of the tangible capital assets and are recorded in the Financial Plan. Expenditures and revenues budgeted for 2025 were included with an inflation rate, of 2 to 5%, depending on the category, applied for future years. Forecasted capital projects and debenture principal and interest payments were included in the prediction. The memo concludes by suggesting different rate increase options and the impact of selecting each option.

## **3.0 DESCRIPTION OF THE SYSTEM**

### **3.1 General**

The Municipality owns one wastewater system serving approximately 2100 customers in the community of Walkerton. This system is currently operated by Veolia Water Canada Inc.

Wastewater services are provided to residents and businesses in Walkerton by means of a 40 km network of sanitary sewers and a single sewage pumping facility that conveys flow to the WWTP.

The WWTP is a conventional activated sludge process with a rated capacity of 7,560 m<sup>3</sup> per day with a peak capacity of 18,160 m<sup>3</sup> per day (ECA #3510-65QMGY). It has screening and grit removal with 3 primary clarifiers, 4 aeration cells and 4 secondary clarifiers. Phosphorous removal is enhanced by the addition of ferric chloride. Ultraviolet light provides final disinfection prior to discharge to the adjacent Saugeen River. The facility has two stage anaerobic digestion and additional sludge storage to ensure favorable conditions for land application.

### **3.2 Customer Information and Growth**

The total average number of residential and non-residential customers (water system) in Brockton was 2,520 in 2024.

Reviewing the number of users between 2022 and 2024 indicates growth of 66 customers during that period or 33 new customers/year. This growth rate was used in the Financial Plan in projecting revenue in future years.

In 2024, there were 25 Chepstow customers and 64 Lake Rosalind customers. For the purposes of this report, we have assumed total wastewater customers as 2,431.

## **4.0 FULL COST OF SERVICE**

### **4.1 Cost Components**

The full cost of providing wastewater services includes the following major categories<sup>1</sup>:

1. Operating expenses
2. Interest expense
3. Funding for Debt Principal Repayment
4. Amortization of Tangible Capital Assets
5. Funding for Inflation in Asset Costs
6. Funding for Historic Under-investment
7. Funding for Service Enhancements
8. Funding for System Growth

Items 2 and 3 would apply when debt has been, or will be, incurred for capital projects. Items 4 to 6 relate to asset maintenance and replacement. The final two items, 7 and 8, relate to planned capital projects for improvements or growth. In some cases, the improvements may be driven by changing regulations, in other cases the Municipality may initiate the project.

### **4.2 Operating Expenses**

#### **4.2.1 Review of 2025 Budget**

Budgets and actual expenses for the wastewater system were reviewed for 2022-2024. The 2025 budget is believed to reflect the cost of operating the system. The 2025 anticipated expenses for wastewater operations are summarized in Table 4.1.

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<sup>1</sup> Ministry of the Environment, "Toward Financially Sustainable Drinking Water and Wastewater Systems", August 2007.

**Table 4.1  
Brockton 2025 Operations Budget**

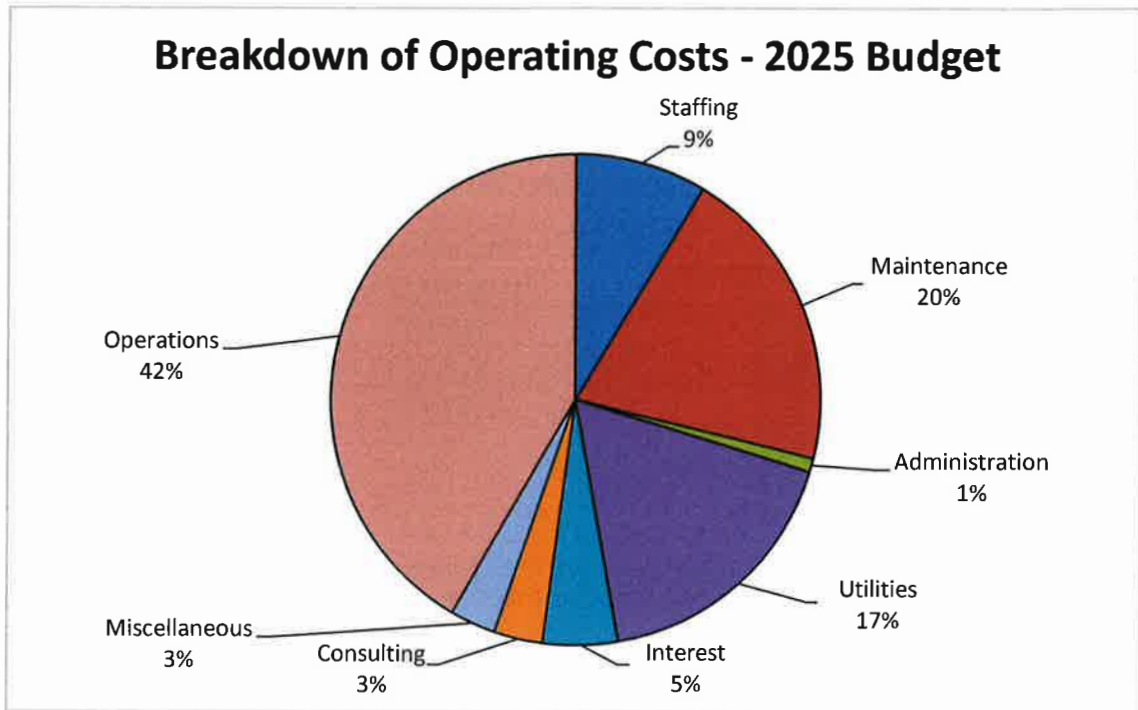
Item <sup>1</sup>	2025 (\$)	Category <sup>2</sup>
Wages	71,892	Staffing
Benefits	21,932	Staffing
Clothing Allowance	250	Staffing
Training and Seminars	3,200	Staffing
Supplies	2,000	Administration
Engineering Services	10,000	Consulting
Maintenance and Purchase-Equipment	55,000	Maintenance
Maintenance-Buildings	140,000	Maintenance
Maintenance-Grounds	9,000	Maintenance
Maintenance-Vehicle	1,000	Maintenance
Maintenance-Health & Safety	1,000	Maintenance
Postage	10,800	Administration
Service Agreement-Veolia	481,345	Operations
Telephone	874	Utilities
Fuel	1,800	Operations
Utilities-Hydro	140,000	Utilities
Utilities-Natural Gas	60,000	Utilities
Utilities-Water	45,000	Utilities
Insurance	37,041	Miscellaneous
Sludge Handling	65,000	Operations
Public Works Equipment Costs	3,000	Miscellaneous
Inter-Department Expenses	3,062	Miscellaneous
Wages-Sewers	18,992	Staffing
Benefits-Sewers	4,515	Staffing
Engineering Services-Sewers	35,000	Consulting
Maintenance-Sewers	80,000	Maintenance
Service Agreement-Veolia-Sewers	40,000	Operations
Long Term Debt Charges-Interest	69,210	Interest
<b>TOTAL</b>	<b>\$1,410,913</b>	

Note: 1. Grouping provided by Brockton  
2. Category assignments by BMROSS

The budget can be divided approximately 15% for the collection system and 85% for wastewater treatment.

The following Figure presents the general categorization of the various budget items.

**Figure 4.1  
Wastewater Works Operational Expenses**



**4.3 Interest Expense and Debt Repayment**

The Municipality currently has four loans (debentures) related to wastewater works projects completed between 2016 and 2024. Table 4.2 provides a summary of the debt information.

**Table 4.2  
Summary of Wastewater Works Related Debt**

Loan No.	Debenture Date	Maturity Date	Balance Dec/24
#2016-058	2016	2032	\$162,308
#2017-070	2017	2037	\$298,141
#2023-017	2023	2053	\$605,689
#01-3140	2023	2033	\$415,129
<b>Total Debt</b>			<b>\$1,481,267</b>

Note: 1. Only the wastewater balance of the above noted debentures are shown.

**4.4 Amortization of Tangible Capital Assets**

Amortization is defined as "...the accounting process of allocating the cost less the residual value of a tangible capital asset to operating periods as an expense over its useful life in a rational and systematic manner appropriate to its nature and use."<sup>2</sup>

<sup>2</sup> MOE, August 2007

The current value (sometimes referred to as “net book value”) of the asset is; its original cost less depreciation. It can be calculated as, original cost times current age divided by its life expectancy. This is a method traditionally called straight line depreciation.

Using the above approach, the annual Amortization Expense and Net Book Value for the wastewater system, as of 2025, is as follows:

**Table 4.3**  
**2025 Net Book Value and Amortization Expense for Wastewater Works**

<b>System Component</b>	<b>Amortization Expense (2025)</b>	<b>Net Book Value (2025) <sup>1</sup></b>
Collection Systems	\$98,847	\$5,118,388
Treatment Systems	\$65,179	\$1,234,469
<b>Totals</b>	<b>\$164,026</b>	<b>\$6,352,857</b>

Note: 1. Start of year

#### 4.5 Reserve Funds

A single utility (i.e. water and wastewater) reserve fund is in place. The balance in reserves at the end of 2024 was \$1,143,860. For purposes of this Plan, we have divided the reserve equally between water and wastewater.

#### 4.6 Replacement Costs

The replacement cost of the Brockton Wastewater System, as of 2020, is estimated to be approximately \$24.9M. This value increases annually as construction costs increase. The annual increment would be roughly \$0.5M (based on inflation in construction costs at approximately 2% per year).

### 5.0 REVIEW OF 2022 TO 2024 OPERATING PERIOD

#### 5.1 2021 Financial Plan

Table 5.1 compares the 2024 predicted financial picture with actual results.

**Table 5.1**  
**2021 Financial Plan – Predicted vs Actual for 2024**

<b>Item</b>	<b>2024 Predicted</b>	<b>2024 Actual</b>
Revenue	\$ 1,477,192	\$ 1,600,525 <sup>1</sup>
Operating Expenditures	\$ 1,043,628	\$ 1,034,271
Cash Reserves (end of year)	\$ 1,285,349	\$ 571,930
Financial Position	\$ 6,989,490	\$ 5,443,520 <sup>2</sup>

Note: 1. Excludes grants  
2. Approximate

The Plan was based on a 2% annual revenue increase in 2021 and a 4.8% annual revenue increase in each year from 2022 to 2026 and a capital program that averaged \$382,000 of upgrades per year.

## 5.2 Current Rate Structure and Charges

Current rates are established in Bylaw No. 2024-009.

A summary is as follows:

### Metered Water Use

All those who are connected to the Walkerton wastewater collection system and use metered municipal water will pay, in addition to the water bill provisions:

- 1) A fixed wastewater charge as set out below and,
- 2) A volumetric charge as set out below

### Fixed Wastewater Charge per Annum

5/8 x 3/4 inch - \$278

3/4 inch - \$315

1 inch - \$389

1.5 inch - \$500

2 inch - \$835

3 inch - \$3,913

4 inch - \$5,870

6 inch - \$8,386

### Volumetric Wastewater Charge

This charge applies to all water that passes through the meter.

- for water use for the first 292 cubic meters per month - \$1.64 per cubic meter
- for water use over 292 cubic meters per month - \$1.35 per cubic meter
- for water use over 1,400 cubic meters per month - \$1.14 per cubic meter

### Flat Wastewater Rate

This rate applies to those who are connected to the Municipality's wastewater system but are not metered or not connected to a municipally owned water system.

Annual Fee - \$877

### Minimum Fixed Wastewater Charge

This charge applies to all consumers connected to a municipal water system and/or the municipal wastewater collection system and will be assessed whether or not any water has been used.

Annual Fee - \$278

## 5.3 Revenue Breakdown

The 2025 budget anticipates approximately \$1,736,000 in wastewater revenue. In 2025 the revenue is expected to be approximately 20% greater than operating costs excluding amortization, resulting in net revenue exclusive of the amortization amount of approximately \$291,000. Out of this value capital replacement and improvement projects will be funded. When amortization is considered, the surplus declines to approximately \$110,000.

Average reserve transfers for 2022-2024 were approximately \$12,500 annually. Reserve transfers occur after contributions to capital.

## 6.0 FULL COST PROJECTIONS

### 6.1 General

It is proposed the Wastewater Financial Plan be developed for a six-year period beginning in 2026 (i.e. 2026 to 2031).

The purpose of this Section is to identify the expected cost of service during that period.

### 6.2 Assumptions

Assumptions regarding full cost of service for the Plan period are as follows:

1. The starting point for operating expenses was the 2025 Budget.
2. With the following exception, costs were assumed to increase at 2% per year.
  - Utility expenses (natural gas and hydro) – 5% per year.
  - Operations Service Agreement – 3% per year (consistent with historical trends).

### 6.3 Funding for Historic Under-Investment

In recent years there have been some infrastructure replacement projects funded from reserves. Historically, neither the amortization expense nor the inflation of asset costs for tangible capital assets was completely funded each year. As well, maintenance and replacement may have been deferred. These two factors combined are the historic under-investment in the system. As with amortization and inflation of asset costs there is no legislated requirement to generate a surplus which funds historic under-investment. If this amount is recovered, along with amortization and inflation of asset costs, the full cost of ongoing system replacement could be funded through reserves.

### 6.4 Rate of Replacement

Between 2022 and 2024, approximately \$158,000 in collection system and treatment plant replacement/upgrade projects and other capital replacement projects was completed, in addition to the amount being transferred into reserves (\$12,500). Therefore, a total of approximately \$170,500 was put towards replacing wastewater infrastructure during that period.

The average total weighted life expectancy as expressed in the Wastewater Asset Inventory database of all of the wastewater assets is approximately 67 years. The remaining average life expectancy is 33 years.

The Rate of Replacement has been defined as the current replacement cost of the wastewater assets (i.e. \$24.9M) divided by the sum of the average annual capital expenditure on replacement plus the contribution to reserves. Based on the 2022 to 2024 capital expenditures and reserve contributions the current Rate of Replacement is:

$$\begin{aligned}
 \text{Rate of Replacement} &= \frac{\text{2024 Replacement Cost}}{\text{Average Capital Investment + Transfer to Reserves}} \\
 \text{(2024)} &= \frac{\$24,923,639}{\$157,992 + \$12,518} \\
 &= 146 \text{ Years}
 \end{aligned}$$

It is generally recommended to target a replacement rate that is equal to or lower than the remaining average life expectancy (i.e. lower than 33 years).

## 6.5 Proposed Capital Program

For purposes of this Financial Plan the capital program for 2026 to 2031 will be as set out in Table 6.2 and as discussed with Municipal and operating staff.

**Table 6.2  
Capital Construction Plan 2026 to 2031**

Year	Proposed Works	Cost Allowance
2027	Repairs to secondary clarifiers at Treatment Plant	\$100,000
2028	Upgrade the SCADA system (split over 2 years)	\$125,000
2029	Upgrade the SCADA system (split over 2 years)	\$125,000
2030	Raw sewage pump replacements at Treatment Plant	\$150,000
	<b>Total</b>	<b>\$500,000</b>

## 7.0 COST RECOVERY

### 7.1 General

The intent of this Financial Plan is to create a long-term “Cost Recovery Plan” that will ensure adequate funding to operate, maintain and replace wastewater related infrastructure. This section of the memo identifies the revenue increase required to achieve the goals of the Plan.

### 7.2 Options for Cost Recovery

The required rate increase in the Plan period is dependent on what the Municipality wants to achieve. As discussed in Sections 1.2 and 6.3, the Province has advocated for full cost recovery (i.e. full funding of asset replacement) but there is no legislated requirement to do so.

Possible Options include:

1. A 0% rate increase (the base case).
2. A 3.0% annual rate increase (i.e. target a rate of replacement of 67 years matching the average life expectancy of the wastewater assets).
3. A 4.9% increase (i.e. set rate of replacement at 45 years matching Option 3 presented in the water Financial Plan)
4. A 6.8% annual rate increase (i.e. target a rate of replacement of 33 years matching the average remaining life expectancy of the wastewater assets).

### 7.3 Basis of Comparison

When comparing the effect of each option on the required wastewater rates it is assumed that there would be a series of uniform increases.

For each option we have considered the following:

- Each option assumes a rate increase of 4.8% in 2026 as previously endorsed by the 2021 Financial Plan.
- Annual % increase required
- Reserves at end of planning period (2026)
- Financial Position at 2026 (Asset value + Reserves)
- Financial Position change (\$ and %)
- Rate of Replacement

#### 7.4 Summary of Results

Table 7.1 A to D, which are attached to this Memo provides year by year details of the wastewater system financial position. Table 7.2 summarizes the effect of selecting each option.

**Table 7.2**  
**Summary of Outcomes for Rate Alternatives**

Option No.	Description	% Annual Increase Required	Reserves at 2031	Financial Position (2031)			Rate of Replacement <sup>2.</sup> (Years)
				\$	Change <sup>1.</sup>		
					\$	%	
	2025 Position	-	-\$0.04M	\$5.5M	-	-	146
1	0% Rate Increase (Status Quo)	0	\$0.4M	\$6.0M	\$0.5M	9	240
2	3.0% Annual Rate Increase (Target a RoR of 67 yrs)	3.0	\$1.3M	\$6.8M	\$1.3M	24	67
3	4.9% Annual Rate Increase (Target a RoR of 45 yrs)	4.9	\$1.9M	\$7.4M	\$1.9M	35	45
4	6.8% Annual Rate Increase (Target a RoR of 33 yrs)	6.8	\$2.5M	\$8.0M	\$2.5M	45	33

Notes: 1. Difference between 2025 and 2031.

2. Rate of Replacement in year 2031 based on method described in Section 6.3.

## 7.5 Discussion of Results

A review of the outcomes of various rate increases presented in Table 7.2 indicates the following:

- With no increase in revenue, the current rate of reserve fund growth combined with the proposed capital replacement will result in a 9% increase in the financial position but a decrease in the rate of replacement to 240 years. This is not a sustainable approach and is not recommended. The only reason the financial position increases is because we have applied a 4.8% revenue increase to 2026 (as previously endorsed) and incorporated growth of 33 new customers per year.
- Increasing revenue by 3.0% per year (i.e. target a rate of replacement of 67 years by 2031) will improve the financial position and result in projected reserves of \$1.3M by 2031.
- Setting a 4.9% annual rate increase would result in a 35% increase in the financial position and result in a rate of replacement of 45 years (approximately matching Option 3 presented in the Water Financial Plan report).
- Increasing revenue by 6.8% per year (i.e. target a rate of replacement of 33 years by 2031) will further improve the financial position and result in projected reserves of \$2.5M by 2031. This is considered to be the most sustainable approach of the options suggested.

All of which is respectfully submitted.

B. M. ROSS AND ASSOCIATES LIMITED

Per

  
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Ryan P. DeVries, P. Eng.

RPD:es  
Encl.

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**APPENDIX A**

**YEAR-BY-YEAR WASTEWATER SYSTEM FINANCIAL POSITION**

**TABLE 7.1a**  
**BROCKTON FINANCIAL PLAN FOR WASTEWATER WORKS**  
**2026 - 2031**

10-Sep-25  
0% Revenue Increase - Base Case

	2026	2027	2028	2029	2030	2031
<b>FINANCIAL POSITION</b>						
<b>Financial assets</b>						
Cash and cash equivalents	162,022	254,116	306,277	341,426	332,899	452,252
<b>Total FINANCIAL ASSETS</b>	<b>162,022</b>	<b>254,116</b>	<b>306,277</b>	<b>341,426</b>	<b>332,899</b>	<b>452,252</b>
<b>Liabilities</b>						
Long-term debt	1,311,783	1,221,173	1,126,407	1,027,292	923,827	815,200
<b>Total LIABILITIES</b>	<b>1,311,783</b>	<b>1,221,173</b>	<b>1,126,407</b>	<b>1,027,292</b>	<b>923,827</b>	<b>815,200</b>
<b>NET DEBT (Liabilities - Assets)</b>	<b>1,149,761</b>	<b>967,056</b>	<b>820,130</b>	<b>685,866</b>	<b>590,928</b>	<b>362,948</b>
<b>Non-financial assets (Tangible capital assets)</b>						
Existing sewers and facilities - book value	6,951,520	6,770,546	6,689,571	6,629,596	6,567,122	6,527,147
New sewers and facilities - at cost	-	100,000	125,000	125,000	150,000	-
Less: Amortization	(180,975)	(180,975)	(184,975)	(187,475)	(189,975)	(192,975)
<b>Total NON-FINANCIAL ASSETS</b>	<b>6,770,546</b>	<b>6,689,571</b>	<b>6,629,596</b>	<b>6,567,122</b>	<b>6,527,147</b>	<b>6,334,172</b>
<b>Financial position (Non-Financial assets - Net Debt)</b>	<b>\$ 620,785</b>	<b>\$ 722,515</b>	<b>\$ 809,467</b>	<b>\$ 881,256</b>	<b>\$ 936,419</b>	<b>\$ 971,224</b>
<b>Analysis of financial position</b>						
Equity in tangible capital assets	5,458,763	5,468,399	5,503,190	5,539,829	5,603,520	5,518,973
Reserves and reserve funds	162,022	254,116	306,277	341,426	332,899	452,252
General surplus (deficit)	-	-	-	-	-	-
<b>Financial position (from analysis)</b>	<b>\$ 620,785</b>	<b>\$ 722,515</b>	<b>\$ 809,467</b>	<b>\$ 881,256</b>	<b>\$ 936,419</b>	<b>\$ 971,224</b>
<b>FINANCIAL OPERATIONS</b>						
<b>RÉVENUE</b>						
<b>Treatment Plant</b>						
01-3140-0190 Agreements	-	-	-	-	-	-
01-3140-0194 Agreements-Brewery Waste	11,781	12,017	12,257	12,502	12,752	13,007
01-3140-0255 Meter revenue	1,569,302	1,590,260	1,611,218	1,632,176	1,653,134	1,674,092
01-3140-0256 Unit charges	5,610	5,722	5,837	5,953	6,072	6,194
<b>Sewers</b>						
01-3141-0255 Meter revenue	149,539	151,536	153,533	155,530	157,528	159,525
<b>Total REVENUE</b>	<b>1,736,233</b>	<b>1,759,535</b>	<b>1,782,845</b>	<b>1,806,162</b>	<b>1,829,486</b>	<b>1,852,818</b>
<b>EXPENSES</b>						
<b>Treatment Plant</b>						
01-3140-1200 Wages-Sanitation	73,330	74,796	76,292	77,818	79,375	80,962
01-3140-1240 Benefits	22,371	22,818	23,274	23,740	24,215	24,699
01-3140-1260 Clothing allowance	255	260	265	271	276	282
01-3140-1271 Training & Seminars	3,264	3,329	3,396	3,464	3,533	3,604
01-3140-1305 Supplies	2,040	2,081	2,122	2,165	2,208	2,252
01-3140-1317 Engineering Services	10,200	10,404	10,612	10,824	11,041	11,262
01-3140-1320 Maintenance & Purchase - Equipment	56,100	57,222	58,366	59,534	60,724	61,939
01-3140-1322 Maintenance - Building	142,800	145,656	148,569	151,541	154,571	157,663
01-3140-1325 Maintenance - Grounds	9,180	9,364	9,551	9,742	9,937	10,135
01-3140-1330 Maintenance - Vehicle	1,020	1,040	1,061	1,082	1,104	1,126
01-3140-1335 Maintenance - Health and Safety	1,020	1,040	1,061	1,082	1,104	1,126
01-3140-1340 Postage	11,016	11,236	11,461	11,690	11,924	12,163
01-3140-1344 Service Agreement - Veolia	495,785	510,659	525,979	541,758	558,011	574,751
01-3140-1350 Telephone	891	909	927	946	965	984
01-3140-1358 Fuel	1,836	1,873	1,910	1,948	1,987	2,027
01-3140-1360 Utilities - Hydro	147,000	154,350	162,068	170,171	178,679	187,613
01-3140-1365 Utilities - Natural Gas	63,000	66,150	69,458	72,930	76,577	80,406
01-3140-1366 Utilities - Water	45,900	46,818	47,754	48,709	49,684	50,677
01-3140-1380 Insurance	37,782	38,537	39,308	40,094	40,896	41,714
01-3140-1385 Sludge Handling	66,300	67,626	68,979	70,358	71,765	73,201
01-3140-1470 Public works equipment costs	3,060	3,121	3,184	3,247	3,312	3,378
01-3140-1820 Inter-Department Expenses	3,123	3,186	3,249	3,314	3,381	3,448
<b>Sewers</b>						
01-3141-1200 Wages	19,372	19,759	20,154	20,558	20,969	21,388
01-3141-1240 Benefits	4,605	4,697	4,791	4,887	4,985	5,085
01-3141-1317 Engineering Services	35,700	36,414	37,142	37,885	38,643	39,416
01-3141-1337 Maintenance - Sewers	81,600	83,232	84,897	86,595	88,326	90,093
01-3141-1344 Service Agreement - Veolia	40,800	41,616	42,448	43,297	44,163	45,046
<b>Subtotal Operating Expense</b>	<b>1,379,351</b>	<b>1,418,195</b>	<b>1,458,281</b>	<b>1,499,652</b>	<b>1,542,356</b>	<b>1,586,441</b>
01-3141-1301 Longterm Debt Charges - Interest	65,847	61,876	57,721	53,372	48,821	45,255
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-
Amortization-Treatment	82,128	82,128	86,128	88,628	91,128	94,128
Amortization-Collection System	98,847	98,847	98,847	98,847	98,847	98,847
<b>Total EXPENSES</b>	<b>1,626,172</b>	<b>1,661,046</b>	<b>1,700,976</b>	<b>1,740,499</b>	<b>1,781,152</b>	<b>1,824,670</b>
<b>Net Revenue (Deficit) for the year</b>	<b>110,061</b>	<b>98,490</b>	<b>81,869</b>	<b>65,663</b>	<b>48,335</b>	<b>28,148</b>
<b>CASH FLOW</b>						
<b>Operating Transactions</b>						
Net revenue (deficit) for the year	110,061	98,490	81,869	65,663	48,335	28,148
Add back (deduct) non-cash expense:	-	-	-	-	-	-
Add back Loss (gain) on disposal of tangible cap	-	-	-	-	-	-
Add back Amortization of Capital Assets	180,975	180,975	184,975	187,475	189,975	192,975
<b>Total OPERATING TRANSACTIONS</b>	<b>291,035</b>	<b>279,464</b>	<b>266,844</b>	<b>253,138</b>	<b>238,309</b>	<b>221,122</b>
<b>Capital Transactions</b>						
New sewer or treatment plant facilities	-	-	-	-	-	-
Various sewer replacements	-	-	-	-	-	-
Various treatment plant replacements	-	(100,000)	(125,000)	(125,000)	(150,000)	-
<b>Total CAPITAL TRANSACTIONS</b>	<b>-</b>	<b>(100,000)</b>	<b>(125,000)</b>	<b>(125,000)</b>	<b>(150,000)</b>	<b>-</b>
<b>Investing transactions</b>						
Proceeds from portfolio investments	(831)	3,240	5,082	6,126	6,829	6,658
<b>Total INVESTING TRANSACTIONS</b>	<b>(831)</b>	<b>3,240</b>	<b>5,082</b>	<b>6,126</b>	<b>6,829</b>	<b>6,658</b>
<b>Financing transactions</b>						
Federal/Provincial grants	-	-	-	-	-	-
Debt repayment - principal	(86,639)	(90,610)	(94,766)	(99,114)	(103,665)	(108,428)
<b>Total FINANCING TRANSACTIONS</b>	<b>(86,639)</b>	<b>(90,610)</b>	<b>(94,766)</b>	<b>(99,114)</b>	<b>(103,665)</b>	<b>(108,428)</b>
<b>Net Cash Receipts (Payments) for the year</b>	<b>203,565</b>	<b>92,094</b>	<b>52,160</b>	<b>35,149</b>	<b>(8,527)</b>	<b>119,353</b>
Cash at beginning of year	(41,543)	162,022	254,116	306,277	341,426	332,899
Cash at end of year	162,022	254,116	306,277	341,426	332,899	452,252

**Notes:**

1. Financial plan assumes expenses increase at 2% per year (except hydro and gas at 5% and operator service contracts at 3%).
2. At the end of 2024 there was approx. \$1,143,860 in the Utility Reserve Fund. For the purpose of this Financial Plan, assume that half of that will be used for the water system and half for the wastewater system.

**TABLE 7.1b  
BROCKTON FINANCIAL PLAN FOR WASTEWATER WORKS  
2026 - 2031**

10-Sep-15  
3.0% Revenue Increase - Target RoR of 67 years by 2031

	2026	2027	2028	2029	2030	2031
<b>FINANCIAL POSITION</b>						
<b>Financial assets</b>						
Cash and cash equivalents	162,022	306,370	467,049	671,183	896,505	1,319,177
<b>Total FINANCIAL ASSETS</b>	162,022	306,370	467,049	671,183	896,505	1,319,177
<b>Liabilities</b>						
Long-term debt	1,311,783	1,221,173	1,126,407	1,027,292	923,627	815,200
<b>Total LIABILITIES</b>	1,311,783	1,221,173	1,126,407	1,027,292	923,627	815,200
<b>NET DEBT (Liabilities - Assets)</b>	1,149,761	914,802	659,357	356,110	27,123	(503,977)
<b>Non-financial assets (Tangible capital assets)</b>						
Existing sewers and facilities - book value	6,951,520	6,770,546	6,689,571	6,629,596	6,567,122	6,527,147
New sewers and facilities - at cost	-	100,000	125,000	125,000	150,000	150,000
Less: Amortization	(180,975)	(189,975)	(184,975)	(187,475)	(189,975)	(192,975)
<b>Total NON-FINANCIAL ASSETS</b>	6,770,546	6,689,571	6,629,596	6,567,122	6,527,147	6,334,172
<b>Financial position (Non-Financial assets - Net Debt)</b>	5,620,785	5,774,769	5,970,239	6,211,012	6,500,024	6,838,149
<b>Analysis of financial position</b>						
Equity in tangible capital assets	5,458,763	5,468,399	5,503,190	5,539,829	5,603,520	5,518,973
Reserves and reserve funds	162,022	306,370	467,049	671,183	896,505	1,319,177
General surplus (deficit)	-	-	-	-	-	-
<b>Financial position (from analysis)</b>	5,620,785	5,774,769	5,970,239	6,211,012	6,500,024	6,838,149
<b>FINANCIAL OPERATIONS</b>						
<b>REVENUE</b>						
<b>Treatment Plant</b>						
01-3140-0190 Agreements	-	-	-	-	-	-
01-3140-0194 Agreements-Brewery Waste	11,781	12,017	12,257	12,502	12,752	13,007
01-3140-0255 Meter revenue	1,569,302	1,637,968	1,709,341	1,783,523	1,860,617	1,940,731
01-3140-0256 Unit charges	5,610	5,722	5,837	5,953	6,072	6,194
<b>Sewers</b>						
01-3141-0255 Meter revenue	149,539	156,082	162,884	169,952	177,299	184,933
<b>Total REVENUE</b>	1,736,233	1,811,789	1,890,319	1,971,931	2,056,740	2,144,865
<b>EXPENSES</b>						
<b>Treatment Plant</b>						
01-3140-1200 Wages-Sanitation	73,330	74,796	76,292	77,818	79,375	80,962
01-3140-1240 Benefits	22,371	22,818	23,274	23,740	24,215	24,699
01-3140-1260 Clothing allowance	255	260	265	271	276	282
01-3140-1271 Training & Seminars	3,264	3,329	3,396	3,464	3,533	3,604
01-3140-1305 Supplies	2,040	2,081	2,122	2,165	2,208	2,252
01-3140-1317 Engineering Services	10,200	10,404	10,612	10,824	11,041	11,262
01-3140-1320 Maintenance & Purchase - Equipment	56,100	57,222	58,366	59,534	60,724	61,939
01-3140-1322 Maintenance - Building	142,800	145,656	148,569	151,541	154,571	157,663
01-3140-1325 Maintenance - Grounds	9,180	9,364	9,551	9,742	9,937	10,135
01-3140-1330 Maintenance - Vehicle	1,020	1,040	1,061	1,082	1,104	1,126
01-3140-1335 Maintenance - Health and Safety	1,020	1,040	1,061	1,082	1,104	1,126
01-3140-1340 Postage	11,016	11,236	11,461	11,690	11,924	12,163
01-3140-1344 Service Agreement - Veolia	495,785	510,659	525,979	541,758	558,011	574,751
01-3140-1350 Telephone	891	909	927	946	965	984
01-3140-1358 Fuel	1,836	1,873	1,910	1,948	1,987	2,027
01-3140-1360 Utilities - Hydro	147,000	154,350	162,068	170,171	178,679	187,613
01-3140-1365 Utilities - Natural Gas	63,000	66,150	69,458	72,930	76,577	80,406
01-3140-1366 Utilities - Water	45,900	46,818	47,754	48,709	49,684	50,677
01-3140-1380 Insurance	37,782	38,537	39,308	40,094	40,896	41,714
01-3140-1385 Sludge Handling	66,300	67,626	68,979	70,358	71,765	73,201
01-3140-1470 Public works equipment costs	3,060	3,121	3,184	3,247	3,312	3,378
01-3140-1820 Inter-Department Expenses	3,123	3,186	3,249	3,314	3,381	3,448
<b>Sewers</b>						
01-3141-1200 Wages	19,372	19,759	20,154	20,558	20,969	21,388
01-3141-1240 Benefits	4,605	4,697	4,791	4,887	4,985	5,085
01-3141-1317 Engineering Services	35,700	36,414	37,142	37,885	38,643	39,416
01-3141-1337 Maintenance - Sewers	81,600	83,232	84,897	86,595	88,326	90,093
01-3141-1344 Service Agreement - Veolia	40,800	41,616	42,448	43,297	44,163	45,046
<b>Subtotal Operating Expense</b>	1,379,351	1,418,195	1,458,281	1,499,652	1,542,356	1,586,441
01-3141-1301 Longterm Debt Charges - Interest	65,847	61,876	57,721	53,372	48,821	45,255
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-
Amortization-Treatment	82,128	82,128	86,128	88,628	91,128	94,128
Amortization-Collection System	98,847	98,847	98,847	98,847	98,847	98,847
<b>Total EXPENSES</b>	1,626,172	1,661,046	1,700,976	1,740,499	1,781,152	1,824,670
<b>Net Revenue (Deficit) for the year</b>	110,061	150,743	189,343	231,432	275,589	320,195
<b>CASH FLOW</b>						
<b>Operating Transactions</b>						
Net revenue (deficit) for the year	110,061	150,743	189,343	231,432	275,589	320,195
Add back (deduct) non-cash expense:	-	-	-	-	-	-
Add back Loss (gain) on disposal of tangible capt	-	-	-	-	-	-
Add back Amortization of Capital Assets	180,975	180,975	184,975	187,475	189,975	192,975
<b>Total OPERATING TRANSACTIONS</b>	291,035	331,718	374,317	418,907	465,563	513,170
<b>Capital Transactions</b>						
New sewer or treatment plant facilities	-	-	-	-	-	-
Various sewer replacements	-	-	-	-	-	-
Various treatment plant replacements	-	(100,000)	(125,000)	(125,000)	(150,000)	-
<b>Total CAPITAL TRANSACTIONS</b>	-	(100,000)	(125,000)	(125,000)	(150,000)	-
<b>Investing transactions</b>						
Proceeds from portfolio investments	(831)	3,240	6,127	9,341	13,424	17,930
<b>Total INVESTING TRANSACTIONS</b>	(831)	3,240	6,127	9,341	13,424	17,930
<b>Financing transactions</b>						
Federal/Provincial grants	-	-	-	-	-	-
Debt repayment - principal	(86,639)	(90,610)	(94,766)	(99,114)	(103,665)	(108,428)
<b>Total FINANCING TRANSACTIONS</b>	(86,639)	(90,610)	(94,766)	(99,114)	(103,665)	(108,428)
<b>Net Cash Receipts (Payments) for the year</b>	203,565	144,348	160,679	204,133	225,322	222,672
Cash at beginning of year	(41,543)	162,022	306,370	467,049	671,183	896,505
<b>Cash at end of year</b>	162,022	306,370	467,049	671,183	896,505	1,319,177

**Notes:**

1. Financial plan assumes expenses increase at 2% per year (except hydro and gas at 5% and operator service contracts at 3%).
2. At the end of 2024 there was approx. \$1,143,860 in the Utility Reserve Fund. For the purpose of this Financial Plan, assume that half of that will be used for the water system and half for the wastewater system.

**TABLE 7.1c  
BROCKTON FINANCIAL PLAN FOR WASTEWATER WORKS  
2026 - 2031**

10-Sep-25  
4.9% Revenue Increase - Target RoR of 45 years by 2031

	2026	2027	2028	2029	2030	2031
<b>FINANCIAL POSITION</b>						
<b>Financial assets</b>						
Cash and cash equivalents	162,022	339,465	570,515	886,829	1,271,046	1,904,634
Total FINANCIAL ASSETS	162,022	339,465	570,515	886,829	1,271,046	1,904,634
<b>Liabilities</b>						
Long-term debt	1,311,783	1,221,173	1,126,407	1,027,292	923,627	815,200
Total LIABILITIES	1,311,783	1,221,173	1,126,407	1,027,292	923,627	815,200
NET DEBT (Liabilities - Assets)	1,149,761	881,708	555,892	140,464	(347,419)	(1,089,434)
<b>Non-financial assets (Tangible capital assets)</b>						
Existing sewers and facilities - book value	6,951,520	6,770,546	6,689,571	6,629,596	6,567,122	6,527,147
New sewers and facilities - at cost	-	100,000	125,000	125,000	150,000	150,000
Less: Amortization	(180,975)	(180,975)	(184,975)	(187,475)	(189,975)	(192,975)
Total NON-FINANCIAL ASSETS	6,770,546	6,689,571	6,629,596	6,567,122	6,527,147	6,334,172
Financial position (Non-Financial assets - Net Debt)	5,620,785	5,807,863	6,073,704	6,426,658	6,874,566	7,423,606
<b>Analysis of financial position</b>						
Equity in tangible capital assets	5,458,763	5,468,399	5,503,190	5,539,829	5,603,520	5,518,973
Reserves and reserve funds	162,022	339,465	570,515	886,829	1,271,046	1,904,634
General surplus (deficit)	-	-	-	-	-	-
Financial position (from analysis)	5,620,785	5,807,863	6,073,704	6,426,658	6,874,566	7,423,606
<b>FINANCIAL OPERATIONS</b>						
<b>REVENUE</b>						
<b>Treatment Plant</b>						
01-3140-0190 Agreements	-	-	-	-	-	-
01-3140-0194 Agreements-Brewery Waste	11,781	12,017	12,257	12,502	12,752	13,007
01-3140-0255 Meter revenue	1,569,302	1,668,183	1,772,986	1,884,055	2,001,751	2,126,458
01-3140-0256 Unit charges	5,610	5,722	5,837	5,953	6,072	6,194
<b>Sewers</b>						
01-3141-0255 Meter revenue	149,539	158,962	168,948	179,532	190,747	202,631
Total REVENUE	1,736,233	1,844,884	1,960,028	2,082,042	2,211,323	2,348,289
<b>EXPENSES</b>						
<b>Treatment Plant</b>						
01-3140-1200 Wages-Sanitation	73,330	74,796	76,292	77,818	79,375	80,962
01-3140-1240 Benefits	22,371	22,818	23,274	23,740	24,215	24,699
01-3140-1260 Clothing allowance	255	260	265	271	276	282
01-3140-1271 Training & Seminars	3,264	3,329	3,396	3,464	3,533	3,604
01-3140-1305 Supplies	2,040	2,081	2,122	2,165	2,208	2,252
01-3140-1317 Engineering Services	10,200	10,404	10,612	10,824	11,041	11,262
01-3140-1320 Maintenance & Purchase - Equipment	56,100	57,222	58,366	59,534	60,724	61,939
01-3140-1322 Maintenance - Building	142,800	145,656	148,569	151,541	154,571	157,663
01-3140-1325 Maintenance - Grounds	9,180	9,364	9,551	9,742	9,937	10,135
01-3140-1330 Maintenance - Vehicle	1,020	1,040	1,061	1,082	1,104	1,126
01-3140-1335 Maintenance - Health and Safety	1,020	1,040	1,061	1,082	1,104	1,126
01-3140-1340 Postage	11,016	11,236	11,461	11,690	11,924	12,163
01-3140-1344 Service Agreement - Veolia	495,785	510,659	525,979	541,758	558,011	574,751
01-3140-1350 Telephone	891	909	927	946	965	984
01-3140-1358 Fuel	1,836	1,873	1,910	1,948	1,987	2,027
01-3140-1360 Utilities - Hydro	147,000	154,350	162,068	170,171	178,679	187,613
01-3140-1365 Utilities - Natural Gas	63,000	66,150	69,458	72,930	76,577	80,406
01-3140-1366 Utilities - Water	45,900	46,818	47,754	48,709	49,684	50,677
01-3140-1380 Insurance	37,782	38,537	39,308	40,094	40,896	41,714
01-3140-1385 Sludge Handling	66,300	67,626	68,979	70,358	71,765	73,201
01-3140-1470 Public works equipment costs	3,060	3,121	3,184	3,247	3,312	3,378
01-3140-1820 Inter-Department Expenses	3,123	3,186	3,249	3,314	3,381	3,448
<b>Sewers</b>						
01-3141-1200 Wages	19,372	19,759	20,154	20,558	20,969	21,388
01-3141-1240 Benefits	4,605	4,697	4,791	4,887	4,985	5,085
01-3141-1317 Engineering Services	35,700	36,414	37,142	37,885	38,643	39,416
01-3141-1337 Maintenance - Sewers	81,600	83,232	84,897	86,595	88,326	90,093
01-3141-1344 Service Agreement - Veolia	40,800	41,616	42,448	43,297	44,163	45,046
Subtotal Operating Expense	1,379,351	1,418,195	1,458,281	1,499,652	1,542,356	1,586,441
01-3141-1301 Longterm Debt Charges - Interest	65,847	61,876	57,721	53,372	48,821	45,255
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-
Amortization-Treatment	82,128	82,128	86,128	88,628	91,128	94,128
Amortization-Collection System	98,847	98,847	98,847	98,847	98,847	98,847
Total EXPENSES	1,626,172	1,661,046	1,700,976	1,740,499	1,781,152	1,824,670
Net Revenue (Deficit) for the year	110,061	183,838	259,052	341,543	430,171	523,619
<b>CASH FLOW</b>						
<b>Operating Transactions</b>						
Net revenue (deficit) for the year	110,061	183,838	259,052	341,543	430,171	523,619
Add back (deduct) non-cash expense:	-	-	-	-	-	-
Add back Loss (gain) on disposal of tangible capital	-	-	-	-	-	-
Add back Amortization of Capital Assets	180,975	180,975	184,975	187,475	189,975	192,975
Total OPERATING TRANSACTIONS	291,035	364,813	444,027	529,018	620,146	716,594
<b>Capital Transactions</b>						
New sewer or treatment plant facilities	-	-	-	-	-	-
Various sewer replacements	-	-	-	-	-	-
Various treatment plant replacements	-	(100,000)	(125,000)	(125,000)	(150,000)	-
Total CAPITAL TRANSACTIONS	-	(100,000)	(125,000)	(125,000)	(150,000)	-
<b>Investing transactions</b>						
Proceeds from portfolio investments	(831)	3,240	6,789	11,410	17,737	25,421
Total INVESTING TRANSACTIONS	(831)	3,240	6,789	11,410	17,737	25,421
<b>Financing transactions</b>						
Federal/Provincial grants	-	-	-	-	-	-
Debt repayment - principal	(86,639)	(90,610)	(94,766)	(99,114)	(103,665)	(108,428)
Total FINANCING TRANSACTIONS	(86,639)	(90,610)	(94,766)	(99,114)	(103,665)	(108,428)
Net Cash Receipts (Payments) for the year	203,565	177,442	231,050	316,314	384,217	633,587
Cash at beginning of year	(41,543)	162,022	339,465	570,515	886,829	1,271,046
Cash at end of year	162,022	339,465	570,515	886,829	1,271,046	1,904,634

**Notes:**

1. Financial plan assumes expenses increase at 2% per year (except hydro and gas at 5% and operator service contracts at 3%).
2. At the end of 2024 there was approx. \$1,143,860 in the Utility Reserve Fund. For the purpose of this Financial Plan, assume that half of that will be used for the water system and half for the wastewater system.

**TABLE 7.1d  
BROCKTON FINANCIAL PLAN FOR WASTEWATER WORKS  
2026 - 2031**

10-Sep-25  
6.8% Revenue Increase - Target RoR of 33 years by 2031

	2026	2027	2028	2029	2030	2031
<b>FINANCIAL POSITION</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	162,022	372,559	675,254	1,107,837	1,659,689	2,519,757
<b>Total FINANCIAL ASSETS</b>	162,022	372,559	675,254	1,107,837	1,659,689	2,519,757
<b>Liabilities</b>						
Long-term debt	1,311,783	1,221,173	1,126,407	1,027,292	923,627	815,200
<b>Total LIABILITIES</b>	1,311,783	1,221,173	1,126,407	1,027,292	923,627	815,200
<b>NET DEBT (Liabilities - Assets)</b>	1,149,761	848,614	451,152	(80,544)	(736,061)	(1,704,557)
<b>Non-financial assets (Tangible capital assets)</b>						
Existing sewers and facilities - book value	6,951,520	6,770,546	6,689,571	6,629,596	6,567,122	6,527,147
New sewers and facilities - at cost	-	100,000	125,000	125,000	150,000	-
Less: Amortization	(180,975)	(180,975)	(184,975)	(187,475)	(189,975)	(192,975)
<b>Total NON-FINANCIAL ASSETS</b>	6,770,546	6,689,571	6,629,596	6,567,122	6,527,147	6,334,172
<b>Financial position (Non-Financial assets - Net Debt)</b>	5,620,785	5,840,957	6,178,444	6,647,666	7,263,208	8,038,730
<b>Analysis of financial position</b>						
Equity in tangible capital assets	5,458,763	5,468,399	5,503,190	5,539,829	5,603,520	5,518,973
Reserves and reserve funds	162,022	372,559	675,254	1,107,837	1,659,689	2,519,757
General surplus (deficit)	-	-	-	-	-	-
<b>Financial position (from analysis)</b>	5,620,785	5,840,957	6,178,444	6,647,666	7,263,208	8,038,730
<b>FINANCIAL OPERATIONS</b>						
<b>REVENUE</b>						
<b>Treatment Plant</b>						
01-3140-0190 Agreements	-	-	-	-	-	-
01-3140-0194 Agreements-Brewery Waste	11,781	12,017	12,257	12,502	12,752	13,007
01-3140-0255 Meter revenue	1,569,302	1,698,398	1,837,794	1,988,295	2,150,766	2,326,139
01-3140-0256 Unit charges	5,610	5,722	5,837	5,953	6,072	6,194
<b>Sewers</b>						
01-3141-0255 Meter revenue	149,539	161,841	175,124	189,465	204,947	221,658
<b>Total REVENUE</b>	1,736,233	1,877,978	2,031,012	2,196,215	2,374,537	2,566,998
<b>EXPENSES</b>						
<b>Treatment Plant</b>						
01-3140-1200 Wages-Sanitation	73,330	74,796	76,292	77,818	79,375	80,962
01-3140-1240 Benefits	22,371	22,818	23,274	23,740	24,215	24,699
01-3140-1260 Clothing allowance	255	260	265	271	276	282
01-3140-1271 Training & Seminars	3,264	3,329	3,396	3,464	3,533	3,604
01-3140-1305 Supplies	2,040	2,081	2,122	2,165	2,208	2,252
01-3140-1317 Engineering Services	10,200	10,404	10,612	10,824	11,041	11,262
01-3140-1320 Maintenance & Purchase - Equipment	56,100	57,222	58,366	59,534	60,724	61,939
01-3140-1322 Maintenance - Building	142,800	145,656	148,569	151,541	154,571	157,663
01-3140-1325 Maintenance - Grounds	9,180	9,364	9,551	9,742	9,937	10,135
01-3140-1330 Maintenance - Vehicle	1,020	1,040	1,061	1,082	1,104	1,126
01-3140-1335 Maintenance - Health and Safety	1,020	1,040	1,061	1,082	1,104	1,126
01-3140-1340 Postage	11,016	11,236	11,461	11,690	11,924	12,163
01-3140-1344 Service Agreement - Veolia	495,785	510,659	525,979	541,758	558,011	574,751
01-3140-1350 Telephone	891	909	927	946	965	984
01-3140-1358 Fuel	1,836	1,873	1,910	1,948	1,987	2,027
01-3140-1360 Utilities - Hydro	147,000	154,350	162,068	170,171	178,679	187,613
01-3140-1365 Utilities - Natural Gas	63,000	66,150	69,458	72,930	76,577	80,406
01-3140-1366 Utilities - Water	45,900	46,818	47,754	48,709	49,684	50,677
01-3140-1380 Insurance	37,782	38,537	39,308	40,094	40,896	41,714
01-3140-1385 Sludge Handling	66,300	67,626	68,979	70,358	71,765	73,201
01-3140-1470 Public works equipment costs	3,060	3,121	3,184	3,247	3,312	3,378
01-3140-1820 Inter-Department Expenses	3,123	3,186	3,249	3,314	3,381	3,448
<b>Sewers</b>						
01-3141-1200 Wages	19,372	19,759	20,154	20,558	20,969	21,388
01-3141-1240 Benefits	4,605	4,697	4,791	4,887	4,985	5,085
01-3141-1317 Engineering Services	35,700	36,414	37,142	37,885	38,643	39,416
01-3141-1337 Maintenance - Sewers	81,600	83,232	84,897	86,595	88,326	90,093
01-3141-1344 Service Agreement - Veolia	40,800	41,616	42,448	43,297	44,163	45,046
<b>Subtotal Operating Expense</b>	1,379,351	1,418,195	1,458,281	1,499,652	1,542,356	1,586,441
01-3141-1301 Longterm Debt Charges - Interest	65,847	61,876	57,721	53,372	48,821	45,255
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-
Amortization-Treatment	82,128	82,128	86,128	88,628	91,128	94,128
Amortization-Collection System	98,847	98,847	98,847	98,847	98,847	98,847
<b>Total EXPENSES</b>	1,626,172	1,661,046	1,700,976	1,740,499	1,781,152	1,824,670
<b>Net Revenue (Deficit) for the year</b>	110,061	216,932	330,036	455,717	593,386	742,328
<b>CASH FLOW</b>						
<b>Operating Transactions</b>						
Net revenue (deficit) for the year	110,061	216,932	330,036	455,717	593,386	742,328
Add back (deduct) non-cash expense:	-	-	-	-	-	-
Add back Loss (gain) on disposal of tangible capital	-	-	-	-	-	-
Add back Amortization of Capital Assets	180,975	180,975	184,975	187,475	189,975	192,975
<b>Total OPERATING TRANSACTIONS</b>	291,035	397,906	515,010	643,191	783,360	935,302
<b>Capital Transactions</b>						
New sewer or treatment plant facilities	-	-	-	-	-	-
Various sewer replacements	-	-	-	-	-	-
Various treatment plant replacements	-	(100,000)	(125,000)	(125,000)	(150,000)	-
<b>Total CAPITAL TRANSACTIONS</b>	-	(100,000)	(125,000)	(125,000)	(150,000)	-
<b>Investing transactions</b>						
Proceeds from portfolio investments	(831)	3,240	7,451	13,505	22,157	33,194
<b>Total INVESTING TRANSACTIONS</b>	(831)	3,240	7,451	13,505	22,157	33,194
<b>Financing transactions</b>						
Federal/Provincial grants	-	-	-	-	-	-
Debt repayment - principal	(86,639)	(90,610)	(94,766)	(99,114)	(103,665)	(108,428)
<b>Total FINANCING TRANSACTIONS</b>	(86,639)	(90,610)	(94,766)	(99,114)	(103,665)	(108,428)
<b>Net Cash Receipts (Payments) for the year</b>	203,565	210,536	302,696	432,582	551,852	860,069
Cash at beginning of year	(41,543)	162,022	372,559	675,254	1,107,837	1,659,689
Cash at end of year	162,022	372,559	675,254	1,107,837	1,659,689	2,519,757

**Notes:**

1. Financial plan assumes expenses increase at 2% per year (except hydro and gas at 5% and operator service contracts at 3%).
2. At the end of 2024 there was approx. \$1,143,860 in the Utility Reserve Fund. For the purpose of this Financial Plan, assume that half of that will be used for the water system and half for the wastewater system.