

# Town of Fort Frances - Water and Wastewater Financial Plan

January 2026



BMA MANAGEMENT CONSULTING INC.

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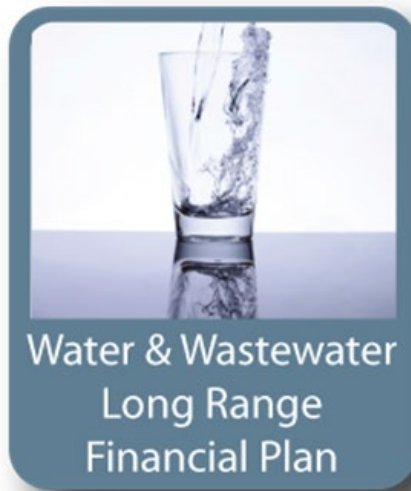
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## *Executive Summary*



### *Executive Summary*

The Town of Fort Frances with guidance from BMA Management Consulting has prepared a comprehensive Water and Wastewater Financial Plan in accordance with the Safe Drinking Water Act, 2002 and Ontario Regulation 453/07. This plan supports the renewal of the Town's Municipal Drinking Water Licence and provides a framework for sustainable, long-term management of water and wastewater systems.

#### *Purpose and Context*

- The Financial Plan is a legislated requirement for licence renewal and must demonstrate financial viability, transparency, and sustainability.
- While mandated for water systems, Fort Frances has extended the same approach to wastewater to ensure both systems remain financially and operationally sustainable.
- The plan aligns with provincial guidelines on financially sustainable drinking water and wastewater systems.

#### *Guiding Principles*

The plan is built on principles of transparency, fairness, life-cycle planning, and financial flexibility. It emphasizes:

- Stability and predictability in rate burden.
- Equitable sharing between current and future ratepayers.
- Sustainable cash flows and prudent debt use.
- Protection and renewal of critical infrastructure.

#### *Key Challenges*

- **Capital Intensity:** Water and Wastewater assets have a replacement value exceeding \$204 million.
- **Limited Reserves:** Projected 2025 year-end reserves total \$4.9 million, against a 2026–2032 capital forecast of \$36.7 million.
- **Inflationary Pressures:** Operating and capital costs are rising faster than municipal inflation benchmarks.
- **Regulatory Compliance:** Legislative changes continue to drive service costs upward.

### *Opportunities*

- **Affordability:** Current rates are approximately 23% below the average of 120+ Ontario municipalities.
- **Phase-In Strategy:** Gradual increases in rates and reserve contributions will balance affordability with long-term sustainability.
- **Benchmarking:** Fort Frances remains competitive in terms of the cost of service compared to peer municipalities.

### *Financial Strategies*

- **Capital Budgets:**
  - **Water:** \$15 million (2026–2032), funded by reserves and \$1.3M in provincial grants.
  - **Wastewater:** \$21.7 million (2026–2032), funded by reserves, \$3.5M in grants, and \$4.0M in debt.
- **Reserves:** Annual contributions will be phased in to stabilize rates, support asset renewal, and reduce reliance on debt.

- **Debt Management:** Debt charges will remain below 10% of system revenues, ensuring affordability and financial stability.
- **Operating Budgets:** Annual revenue requirements will increase by approximately 3.9% in 2026, and by 5.0% per year thereafter, maintaining service levels and supporting reserves growth.

### *Financial Position of Combined Water and Wastewater*

- **Assets:** Net book value of tangible capital assets is projected to increase, indicating renewal outpaces amortization.
- **Accumulated Surplus:** Forecast to grow steadily from 2026–2032, strengthening the Town’s combined cash and asset position.
- **Cash Flows:** Positive balances are projected throughout the plan period, supporting ongoing operations and capital renewal.

***Conclusion***

The Financial Plan provides Fort Frances with a clear, sustainable roadmap for managing water and wastewater services. By gradually phasing in rate increases, strengthening reserves, and prudently using debt, the Town will maintain affordability for residents while ensuring long-term infrastructure renewal and compliance with provincial requirements.

## *Introduction*



Water & Wastewater  
Long Range  
Financial Plan

### *Water/Wastewater Long Range Financial Plan*

The Ministry of Environment, Conservation and Parks (MECP) passed the Safe Drinking Water Act, 2002 (SDWA) which requires owners of municipal drinking water systems to renew their Municipal Drinking Water Licence every 5 years. The Financial Plan is a legislated requirement under the SDWA for licence renewal.

The Financial Plan must:

- Be approved Council resolution (or governing body) indicating that the drinking water system is financially viable;
- Include a statement that the financial impacts are considered and apply for a minimum six-year period (commencing when the system first serves the public);
- Provide detail regarding proposed or projected financial operations itemized by total revenues, total expenses, annual surplus/deficit and accumulated surplus/deficit (i.e. the components of a “Statement of Operations” as per PSAB) for each year in which the Financial Plans apply;
- Be available to the public upon request and at no charge;

- Include a website version of the report through publication on the Internet at no charge; and
- Be submitted to the Ministry of Municipal Affairs and Housing.

The categories to be included in the Financial Plan can be found in three statements: Statement of Operations, Statement of Cash Flows and Statement of Financial Position. These will be discussed later in the report.

The categories of financial information have been developed:

- to ensure that they provide a sound picture of the financial position of a drinking water system.
- to ensure that it aligned with municipal financial statements prepared on a full accrual accounting basis.
- to be a balance between encouraging more comprehensive and consistent Financial Planning for municipal water services and accommodating existing municipal practices.

This Financial Plan has been prepared in accordance with the Financial Plan regulation (O. Reg. 453/07) made under the Safe Drinking Water Act, as well as the provisions of the Financial Planning guidelines published by the (Ministry of Environment,

Conservation and Parks) MECP in August 2007, entitled “Toward Financially Sustainable Drinking-Water and Wastewater Systems”.

While the regulations are directed at water systems, the approach undertaken by the Town was to undertake a similar process for the Town’s wastewater systems to ensure sustainability of both systems.

The goal of this Financial Plan is to provide the Town with a realistic and informed view of operating and capital expenditures needed over time to maintain the integrity and health of its physical infrastructure and accommodate growth. The Financial Plan is not binding on Council; however, it provides a framework for guiding future operating and capital budgets.

### ***Sustainable Financial Planning***

The Provinces Principles of Financially Sustainability water and wastewater services are found in the MECP Financial Planning Guideline and provided below.

➤ **Principle #1:** Ongoing public engagement and transparency.

- **Principle #2:** An integrated approach to planning among water, wastewater, and storm water systems is desirable given the inherent relationship among these services.
- **Principle #3:** Revenues collected for the provision of water and wastewater services should ultimately be used to meet the needs of those services.
- **Principle #4:** Life-cycle planning.
- **Principle #5:** An asset management plan is a key input to the development of a Financial Plan.
- **Principle #6:** A sustainable level of revenue allows for reliable service that meets or exceeds environmental protection standards, while providing sufficient resources for future rehabilitation and replacement needs.
- **Principle #7:** Ensuring users pay for the services they are provided leads to equitable outcomes.
- **Principle #8:** Financial Plans are “living” documents that require continuous improvement.

- **Principle #9:** Financial Plans benefit from the close collaboration of various groups, including engineers, accountants, auditors, utility staff, and municipal council.

### *Guiding Principles*

The following guiding principles have been used as the basis for the creation of the Water and Wastewater Financial Plan:

- Ensure a reasonable degree of stability and predictability in the rate burden.
- Provide fair sharing in the distribution of resources between current and future ratepayers.
- Provide for sustainable cash flows.
- Maximize Financial flexibility.
- Use of debt to smooth impact of large capital projects.
- Maintain programs and services; and
- Protect and maintain the water and wastewater system.

### *General Approach to Preparing the Town's Financial Plan*

The Financial Plan identifies the key financial strategies required to achieve a sustainable long-term financial future for water and wastewater operations. The Financial Plan includes:

- Expected operating and capital outlays for each year of the plan.
- Expected revenues for each year and their source.
- Performance metrics to enable assessment of the Financial Plan; and
- Assumptions that are used in the development of the Financial Plan.



### *The Financial Plan is Dynamic*

Great effort has been made to present accurate financial projections, based upon the data available at this time, however the Financial Plan is based on assumptions which should be closely monitored and re-evaluated, on an ongoing basis.

There are many circumstances that could affect the assumptions used in the financial projections. Council priorities, planning policies, changes to service levels, consumption projections and infrastructure requirements will certainly lead to changes and the Financial Plan should be adjusted to reflect these changes as they occur.

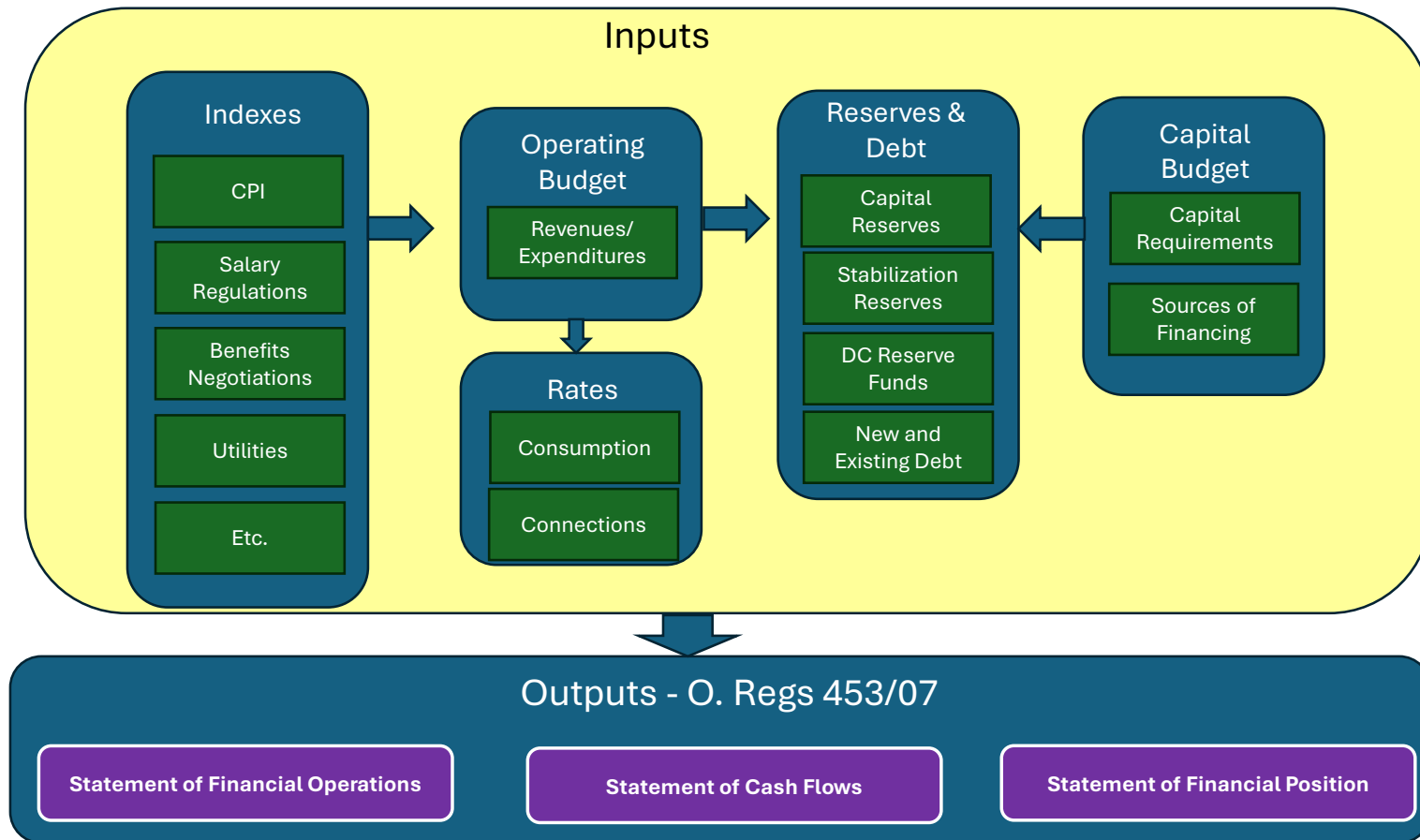


## *Water and Wastewater Model and Situational Analysis*



### Model Development

The Financial Plan was developed based on an analysis of all factors impacting the Water and Wastewater Capital and Operating Budgets. As shown below, due to the inter-relationship between all components of the plan, changes in any of the assumptions will potentially have an impact throughout the Financial Plan.



### ***Challenges and Risks***

The following summarizes the key challenges, risks and opportunities for long-term financial sustainability which have been addressed as part of the plan:

- ***Costly Water and Wastewater System***—The Water and Wastewater Systems are extremely capital intensive. These assets have a 2025 replacement value of more than \$204 million. Fort Frances has a limited revenue base to cover these costs.
- ***Availability of Capital Reserves*** – The projected 2025 year-end Water and Wastewater Capital Reserve is \$4.9 million. The combined capital forecast for replacement of existing assets from 2026 - 2032 is \$36.7 million.
- ***Inflationary Cost Increases*** – The costs of maintaining Water and Wastewater operations and capital replacement costs are increasing faster than the rate of inflation for Ontario municipalities.
- ***Legislative and regulatory changes*** will continue to be a factor that drives the cost of service well into the future. There are

numerous statutes and associated regulations that dictate service and service levels.

### ***Opportunities***

- Fort Frances water and wastewater rates are below the average of Ontario municipalities.
- The Financial Plan is a balancing act and is all about maintaining affordability for today's ratepayers with long-term sustainability.

### ***Ratepayer Affordability***

Ratepayer affordability has also been taken into consideration by developing a phase-in strategy to gradually move toward a fully funded asset management financial plan to address the annual underfunding of the capital program.

An analysis of the 2025 water and wastewater cost of service in Fort Frances was undertaken against 120+ Ontario municipalities. As shown below, the cost of water/ww service for a typical residential customer consuming 200 m<sup>3</sup> is below the average of 120+ Ontario municipalities surveyed by approximately 23%.

Residential 200 m <sup>3</sup> Annual 5/8"	Water	Wastewater	Total Costs
<b>Avg 120+ Ontario Municipalities</b>	<b>\$ 718</b>	<b>\$ 773</b>	<b>\$ 1,490</b>
<b>Fort Frances</b>	<b>\$ 595</b>	<b>\$ 554</b>	<b>\$ 1,149</b>
Difference to ON Avg	-17%	-28%	-23%

It should be noted that many of the above noted municipalities have identified funding and infrastructure deficits. Addressing their respective issues will impact on the future cost of service.

Differences in the cost of service are also impacted by the overall age of the system, the condition of the infrastructure, the complexity of the system and the strategies used to address infrastructure gaps.

As previously mentioned, the financial plan that has been developed is to gradually phase-in increased contributions to capital programs. This will require increases in the annual water and wastewater rates which will be described later in the report, however, will help maintain ratepayer affordability.

*Financial Environment, Forecast Assumptions and Financial Policies*



### ***Water and Wastewater Key Assumptions***

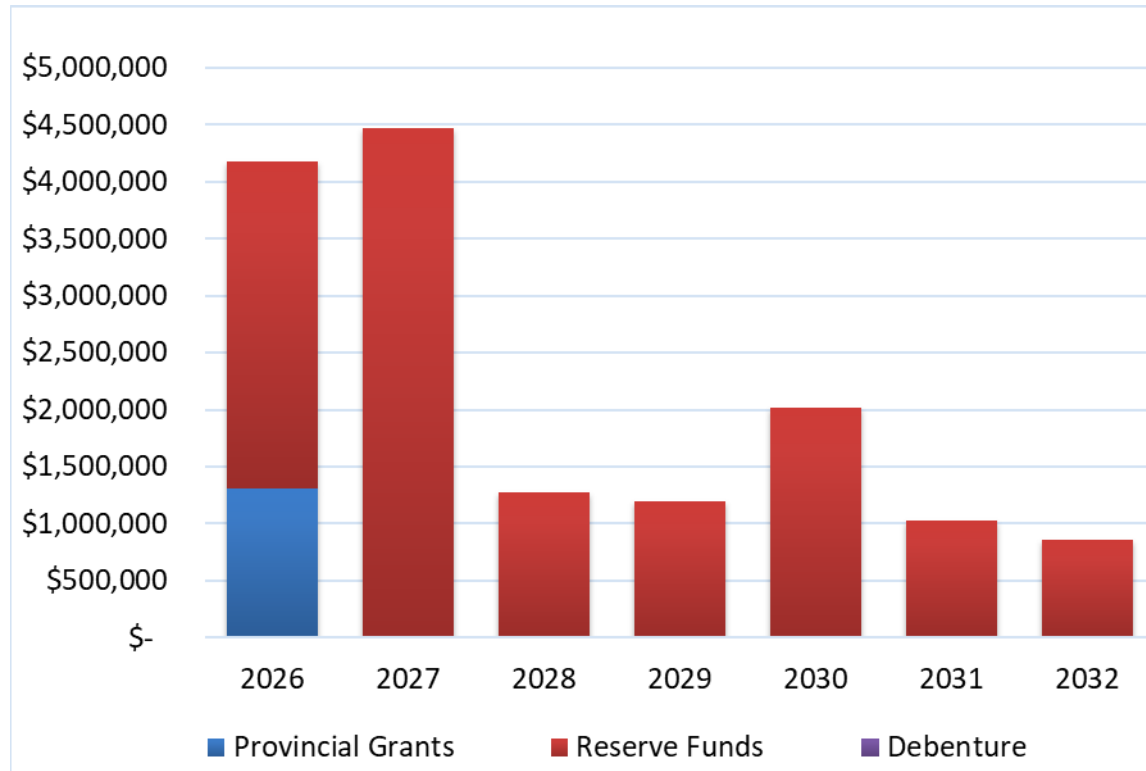
The following provides the key assumptions that were used in the Financial Plan:

- ***Capital Projects*** — The plan is based on the Town’s 2026-2032 proposed Capital Budget.
- ***Financial Plan*** – The Financial Plan covers a period from 2026-2032 in accordance with the O. Reg requirements.
- ***Debt Terms*** — Water and wastewater debt has been amortized over a period of 20 years at an assumed rate of 4.50%.
- ***Water & Wastewater Capital Reserves***—The projected opening balance for 2026 Water and Wastewater Capital Reserve is based on the year-end estimated balance for 2025.
- ***Service Standards***—Water and wastewater programs are maintained at their current service levels.
- ***Operating Budget Assumptions***— Expenditure projections were based on an annual inflation increase of 2.0%.



**Water Capital Budget and Financing**

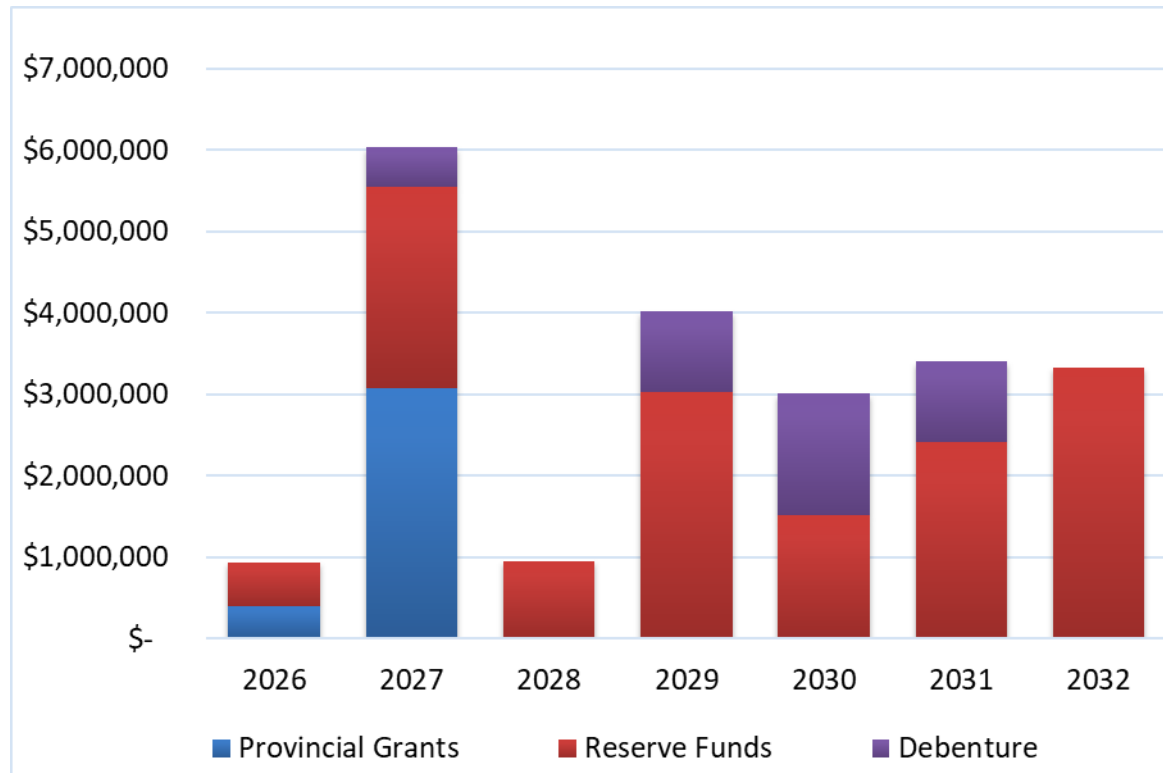
The following graph reflects the 2026-2032 capital budget required to address infrastructure needs. As shown below, the capital forecast totals \$15 million, with financing from reserves and a \$1.3 million provincial grant.



Water Capital Budget	2026	2027	2028	2029	2030	2031	2032	Total (2026-2032)
<b>Total Capital Requirements</b>	<b>\$ 4,174,917</b>	<b>\$ 4,472,603</b>	<b>\$ 1,278,000</b>	<b>\$ 1,191,500</b>	<b>\$ 2,016,000</b>	<b>\$ 1,030,000</b>	<b>\$ 862,500</b>	<b>\$ 15,025,520</b>
Provincial Grants	\$ 1,306,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,306,324
Reserve Funds	\$ 2,868,593	\$ 4,472,603	\$ 1,278,000	\$ 1,191,500	\$ 2,016,000	\$ 1,030,000	\$ 862,500	\$ 13,719,196
Debenture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Wastewater Capital Budget and Financing**

The following graph reflects the 2026-2032 capital budget required to address infrastructure needs. As shown below, the capital forecast totals \$21.7 million, with financing primarily from reserves. Grant funding accounts for \$3.5 million while debt accounts for \$4.0 million.



Wastewater Capital Budget	2026	2027	2028	2029	2030	2031	2032	Total (2026-2032)
<b>Total Capital Requirements</b>	<b>\$ 928,996</b>	<b>\$ 6,044,731</b>	<b>\$ 954,079</b>	<b>\$ 4,022,329</b>	<b>\$ 3,016,329</b>	<b>\$ 3,413,579</b>	<b>\$ 3,325,079</b>	<b>\$ 21,705,122</b>
Provincial Grants	\$401,500	\$3,079,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,481,187
Reserve Funds	\$527,496	\$2,465,044	\$ 954,079	\$3,022,329	\$1,516,329	\$2,413,579	\$3,325,079	\$14,223,935
Debenture	\$ -	\$ 500,000	\$ -	\$1,000,000	\$1,500,000	\$1,000,000	\$ -	\$ 4,000,000

### *Reserve Strategies*

A Reserve is a financial provision or amount that is designated for a future purpose that extends beyond the current fiscal year. While its balance may vary over the course of a year, the Reserve is carried forward from one fiscal year to the next to facilitate multi-year financial planning. Reserves can be established to meet specific liabilities such as the replacement/acquisition of capital assets or to protect against known risks or unforeseen circumstances that may create financial difficulties.

The purpose for maintaining reserves includes:

- ✓ To provide for rate stabilization;
- ✓ To provide financing for one-time or short-term requirements;
- ✓ To make provisions for replacements/renewals/acquisitions of assets/infrastructure that are currently being consumed;
- ✓ To avoid spikes in funding requirements for large capital projects by reducing their reliance on long-term debt borrowings;
- ✓ To provide a source of internal financing;
- ✓ To ensure adequate and sustainable cash flows; and
- ✓ To provide financial sustainability.

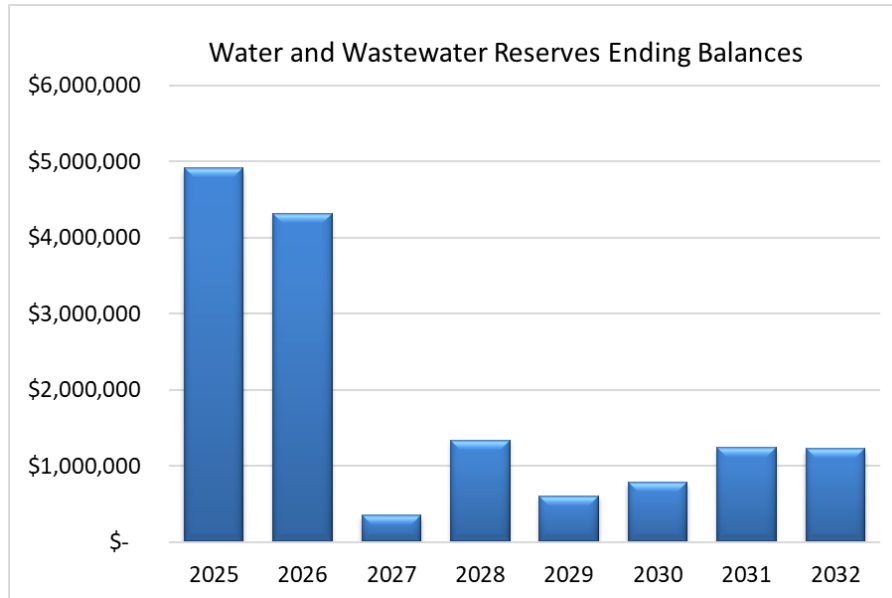
The following principles were used in preparing the Financial Plan:

#### *Reserve and Revenue Stability Strategies*

- *The Town will maintain all infrastructure in a state of good repair by implementing life cycle costing and providing adequate annual contributions to the replacement reserves to fund the future rehabilitation/replacement of assets.*
- *Management Plan for the timely replacement of assets.*
- *Contributions to the Capital Reserves will be funded through calculated annual contributions from the Operating Budget based on capital replacement costs.*
- *A phase-in strategy has been implemented to increase reserve contributions to support financial sustainability.*



The following graphs reflect the water and wastewater year end reserve balances over the forecast period:



### Debt Strategies

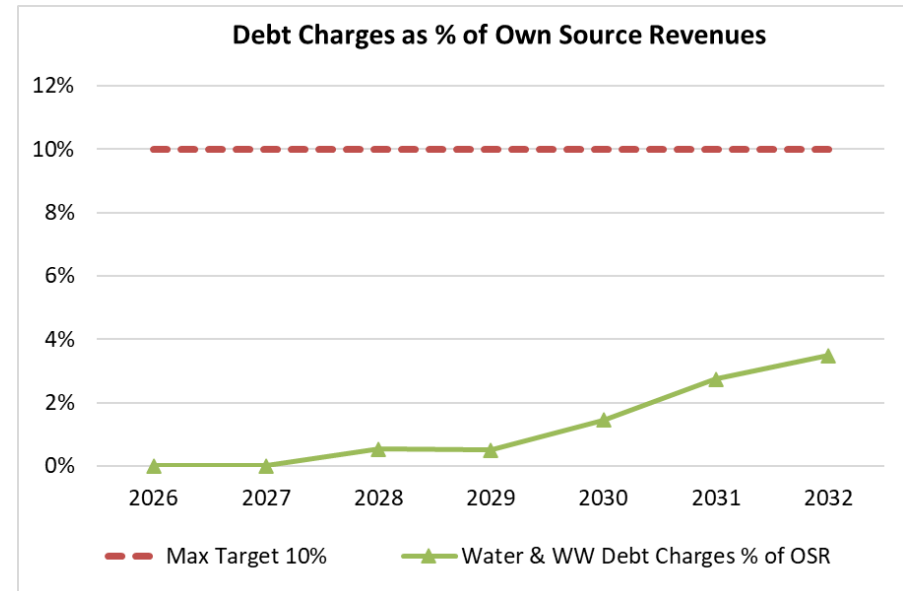
Debt management may be defined as the process of providing for the payment of interest and principal payments at a level which will not impair the financial position of the Town. The prudent use of debt is acknowledged as a fundamental component to well developed and credible financial management and supports financial discipline and stability.

The financial plan ensures that:

- Future debt payments can be made in full and on time, without jeopardizing the provision of essential services;
- Outstanding debt obligations will not threaten long-term financial stability of the operations; and
- The amount of outstanding debt does not place undue burden on residents and businesses.

Given the large capital infrastructure requirements for the water/wastewater operations and the relatively low reserve balances, debt is required over the forecast period. A fiscally sustainable target for water and wastewater is that debt charges do not exceed 10% of water and wastewater revenues.

The combined water and wastewater debt charges are below the target over the forecast period.



### Summary of Operating Budget Requirements

The projected Water and Wastewater operating budget avoids large fluctuations from year to year and adequately covers operating costs. Also, the plan to gradually grow/maintain the Reserve Funds to provide a source of funding for the ongoing replacement/refurbishment of capital assets and provide a reasonable level of stabilization funds to deal with future operating fund deficits and emergency situations. The following tables reflect the forecast revenues and expenditures.

Water	2025 Budget	2026	2027	2028	2029	2030	2031	2032
<b>Revenues</b>								
Sale of Water	\$ 3,212,690	\$ 3,337,985	\$ 3,504,884	\$ 3,680,128	\$ 3,864,135	\$ 4,057,342	\$ 4,260,209	\$ 4,473,219
Other Revenues	\$ 57,277	\$ 58,423	\$ 59,591	\$ 60,783	\$ 61,998	\$ 63,238	\$ 64,503	\$ 65,793
Water Meter Replacement	\$ 17,982	\$ 18,342	\$ 18,708	\$ 19,083	\$ 19,464	\$ 19,854	\$ 20,251	\$ 20,656
<b>Total Revenues</b>	<b>\$ 3,287,949</b>	<b>\$ 3,414,749</b>	<b>\$ 3,583,184</b>	<b>\$ 3,759,994</b>	<b>\$ 3,945,598</b>	<b>\$ 4,140,434</b>	<b>\$ 4,344,962</b>	<b>\$ 4,559,668</b>
<b>EXPENSES</b>								
Service Connections	\$ 114,528	\$ 116,819	\$ 119,155	\$ 121,538	\$ 123,969	\$ 126,448	\$ 128,977	\$ 131,557
Water Mains	\$ 321,197	\$ 327,621	\$ 334,173	\$ 340,857	\$ 347,674	\$ 354,627	\$ 361,720	\$ 368,954
Water Meters/Bkflow Preventers	\$ 42,085	\$ 42,927	\$ 43,785	\$ 44,661	\$ 45,554	\$ 46,465	\$ 47,395	\$ 48,342
Water Storage Facility	\$ 46,199	\$ 47,123	\$ 48,065	\$ 49,027	\$ 50,007	\$ 51,007	\$ 52,028	\$ 53,068
Water Treatment	\$ 688,626	\$ 702,399	\$ 716,446	\$ 730,775	\$ 745,391	\$ 760,299	\$ 775,505	\$ 791,015
Water Works Administration	\$ 2,057,332	\$ 780,562	\$ 796,173	\$ 812,097	\$ 828,339	\$ 844,905	\$ 861,804	\$ 879,040
Transfer to Reserve Funds	\$ 17,982	\$ 1,397,299	\$ 1,525,385	\$ 1,661,039	\$ 1,804,664	\$ 1,956,681	\$ 2,117,535	\$ 2,287,692
<b>Total Expenses</b>	<b>\$ 3,287,949</b>	<b>\$ 3,414,749</b>	<b>\$ 3,583,184</b>	<b>\$ 3,759,994</b>	<b>\$ 3,945,598</b>	<b>\$ 4,140,434</b>	<b>\$ 4,344,962</b>	<b>\$ 4,559,668</b>
<b>NET Spending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Sale of Water % Change	2.9%	3.9%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Wastewater	2025 Budget	2026	2027	2028	2029	2030	2031	2032
<b>Revenues</b>								
Sewer Service/Disposal	\$ 3,026,461	\$ 3,144,493	\$ 3,301,718	\$ 3,466,804	\$ 3,640,144	\$ 3,822,151	\$ 4,013,258	\$ 4,213,921
Other Revenues	\$ 31,500	\$ 32,130	\$ 32,773	\$ 33,428	\$ 34,097	\$ 34,779	\$ 35,474	\$ 36,184
<b>Total Revenues</b>	<b>\$ 3,057,961</b>	<b>\$ 3,176,623</b>	<b>\$ 3,334,490</b>	<b>\$ 3,500,232</b>	<b>\$ 3,674,240</b>	<b>\$ 3,856,929</b>	<b>\$ 4,048,733</b>	<b>\$ 4,250,105</b>
<b>EXPENSES</b>								
Sanitary Sewer/Waste Water	\$ 620,182	\$ 632,586	\$ 645,237	\$ 658,142	\$ 671,305	\$ 684,731	\$ 698,426	\$ 712,394
Service Connections	\$ 139,301	\$ 142,087	\$ 144,929	\$ 147,827	\$ 150,784	\$ 153,800	\$ 156,876	\$ 160,013
Sewage Treatment Plant	\$ 749,126	\$ 764,109	\$ 779,391	\$ 794,979	\$ 810,878	\$ 827,096	\$ 843,638	\$ 860,510
Sewer mains	\$ 138,186	\$ 140,950	\$ 143,769	\$ 146,644	\$ 149,577	\$ 152,569	\$ 155,620	\$ 158,732
STP Lift Stations	\$ 172,745	\$ 176,200	\$ 179,724	\$ 183,318	\$ 186,985	\$ 190,724	\$ 194,539	\$ 198,430
Debt Charges (Interest + Principal)	\$ -	\$ -	\$ -	\$ 38,438	\$ 38,438	\$ 115,314	\$ 230,628	\$ 307,505
Transfer to Reserve Funds	\$ 1,238,421	\$ 1,320,692	\$ 1,441,441	\$ 1,530,883	\$ 1,666,274	\$ 1,732,696	\$ 1,769,007	\$ 1,852,521
<b>Total Expenses</b>	<b>\$ 3,057,961</b>	<b>\$ 3,176,623</b>	<b>\$ 3,334,490</b>	<b>\$ 3,500,232</b>	<b>\$ 3,674,240</b>	<b>\$ 3,856,929</b>	<b>\$ 4,048,733</b>	<b>\$ 4,250,105</b>
<b>NET Spending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Sewer Service/Disposal % Change	3.0%	3.9%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

The combined annual revenue requirement increase is approximately 3.9% in 2026, and 5.0% per year thereafter.

## *Reporting Requirements*

*O.Reg. 453/07*



Statement of Financial Operations

Statement of Cash Flows

Statement of Financial Position

### ***Introduction—O.Reg. 453/07***

The Financial plan has been prepared in accordance with the regulation (O.Reg. 453/07) made under the Safe Drinking Water Act. The Financial plan regulation requires that the plans be updated every five years along with the request for the renewal of the drinking water licence. This ongoing update will assist in revisiting the assumptions made to develop the operating and funding plans as well as reassessing the needs for capital renewal and major maintenance expenses.

***Statement of Financial Operations*** - This statement summarizes the revenues and expenditures. The expenditure includes ongoing operating costs plus asset amortization. This statement indicates that the system and its asset base are projected to be maintained with funds being available each year for future capital renewal or major maintenance. As shown in the statements of financial operations, the Town is generating excess revenues over expenses including amortization.

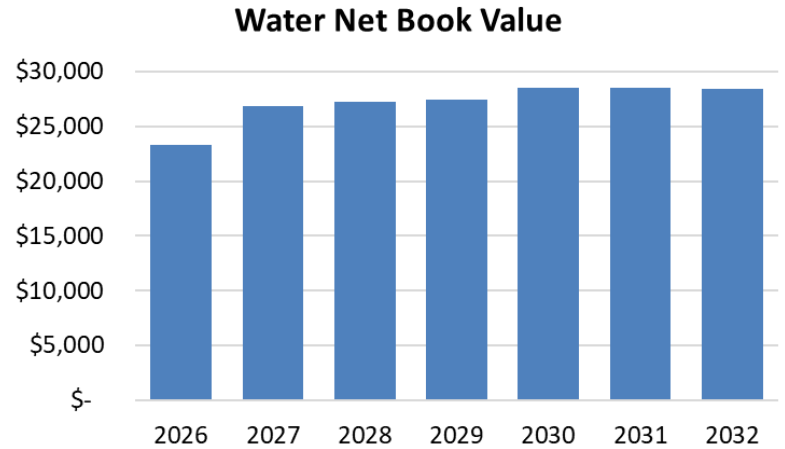
***Cash Receipts or Gross Cash Payments (Cash Flows)*** - The cash flow statement summarizes how the water and wastewater system is expected to generate and utilize cash resources. The transactions that generate and use cash include the projection of cash to be received from revenues, cash to be used for operating expenditures and financing charges, cash projected to be used to acquire capital assets and projected financial transactions that are the proceeds from debt or debt principal repayment. Cash balances are positive, as reflected in the Financial Statements.

***Financial Position*** - There are two important indicators to review in the Statement of Financial Position:

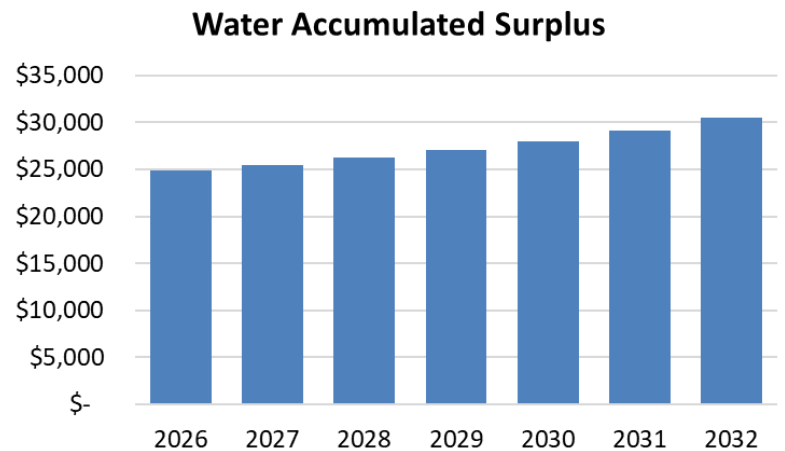
- Tangible Capital Assets
- Accumulated Surplus

**Water Statements**

**Tangible Capital Assets (Net Book Value)** - An increase in net book value of tangible capital assets is an indication that assets have been renewed faster than they were used. A decrease in net book value indicates that assets are being used, or amortized, faster than they are renewed. The net book value is projected to increase for water, indicating that assets are being renewed faster than they are being used.



**Accumulated Surplus**—A second financial indicator which is reflected in the financial position statement is the accumulated surplus. This indicator represents cash on hand plus the net book value of tangible capital assets less debt. The accumulated surplus is forecast to increase from 2026 to 2032 for water. The increasing projected surpluses in water operations indicate that if the Town adheres to the Financial Plan, it will strengthen its combined cash and asset position.



**Statement of Financial Operations—Water**

(000s)	Projected							
	2025	2026	2027	2028	2029	2030	2031	2032
<b>Revenues</b>								
Sale of Water	\$ 3,213	\$ 3,338	\$ 3,505	\$ 3,680	\$ 3,864	\$ 4,057	\$ 4,260	\$ 4,473
Other Revenues	\$ 75	\$ 77	\$ 78	\$ 80	\$ 81	\$ 83	\$ 85	\$ 86
Interest Earnings	\$ 212	\$ 31	\$ (27)	\$ (20)	\$ (8)	\$ (9)	\$ 12	\$ 41
<b>Total Revenues</b>	<b>\$ 3,500</b>	<b>\$ 3,446</b>	<b>\$ 3,556</b>	<b>\$ 3,740</b>	<b>\$ 3,938</b>	<b>\$ 4,131</b>	<b>\$ 4,357</b>	<b>\$ 4,601</b>
<b>Operating Expenses</b>								
Salaries, Wages, Benefits	\$ 838	\$ 909	\$ 927	\$ 945	\$ 964	\$ 984	\$ 1,003	\$ 1,023
Contracted Services	\$ 348	\$ 355	\$ 362	\$ 370	\$ 377	\$ 385	\$ 392	\$ 400
Materials and Supplies	\$ 550	\$ 561	\$ 572	\$ 584	\$ 595	\$ 607	\$ 619	\$ 632
Utilities	\$ 18	\$ 18	\$ 18	\$ 19	\$ 19	\$ 20	\$ 20	\$ 20
Rents & Services	\$ 171	\$ 174	\$ 178	\$ 181	\$ 185	\$ 189	\$ 193	\$ 196
Other Expenses	\$ 1,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Operating Expenses</b>	<b>\$ 3,270</b>	<b>\$ 2,017</b>	<b>\$ 2,058</b>	<b>\$ 2,099</b>	<b>\$ 2,141</b>	<b>\$ 2,184</b>	<b>\$ 2,227</b>	<b>\$ 2,272</b>
<b>Debt Charges</b>								
Debt Charges - Interest Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Amortization Expense</b>								
Amortization of tangible capital assets	\$ 759	\$ 828	\$ 903	\$ 924	\$ 944	\$ 977	\$ 995	\$ 1,009
<b>Total Expenses</b>	<b>\$ 4,028</b>	<b>\$ 2,846</b>	<b>\$ 2,960</b>	<b>\$ 3,023</b>	<b>\$ 3,085</b>	<b>\$ 3,161</b>	<b>\$ 3,222</b>	<b>\$ 3,281</b>
<b>Annual Surplus/Deficit</b>	<b>\$ (529)</b>	<b>\$ 601</b>	<b>\$ 596</b>	<b>\$ 717</b>	<b>\$ 853</b>	<b>\$ 970</b>	<b>\$ 1,135</b>	<b>\$ 1,320</b>

**Statement of Cash Flow/Cash Receipts—Water**

(000s)	Projected							
	2025	2026	2027	2028	2029	2030	2031	2032
<b>Total Revenues</b>	\$ 3,500	\$ 3,446	\$ 3,556	\$ 3,740	\$ 3,938	\$ 4,131	\$ 4,357	\$ 4,601
<b>Cash Paid For</b>								
Operating Costs	\$ 3,270	\$ 2,017	\$ 2,058	\$ 2,099	\$ 2,141	\$ 2,184	\$ 2,227	\$ 2,272
Debt Repayment - Debt Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash Provided from Operating Transactions</b>	\$ 230	\$ 1,429	\$ 1,498	\$ 1,641	\$ 1,797	\$ 1,947	\$ 2,130	\$ 2,329
<b>Capital Transactions</b>								
Acquisition of TCA		\$ 4,175	\$ 4,473	\$ 1,278	\$ 1,192	\$ 2,016	\$ 1,030	\$ 863
<b>Finance Transactions</b>								
Proceeds from Debt Issuance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Grants		\$ 1,306	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Principal Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Increase/(Decrease) in Cash Equivalents</b>	\$ 230	\$ (1,440)	\$ (2,974)	\$ 363	\$ 605	\$ (69)	\$ 1,100	\$ 1,466
<b>Cash and Cash Equivalents at Beginning Balance</b>	\$ 7,375	\$ 3,042	\$ 1,602	\$ (1,372)	\$ (1,009)	\$ (403)	\$ (472)	\$ 628
<b>Cash and Cash Equivalents at Ending Balance</b>	\$ 7,605	\$ 1,602	\$ (1,372)	\$ (1,009)	\$ (403)	\$ (472)	\$ 628	\$ 2,094

**Statement of Financial Position—Water**

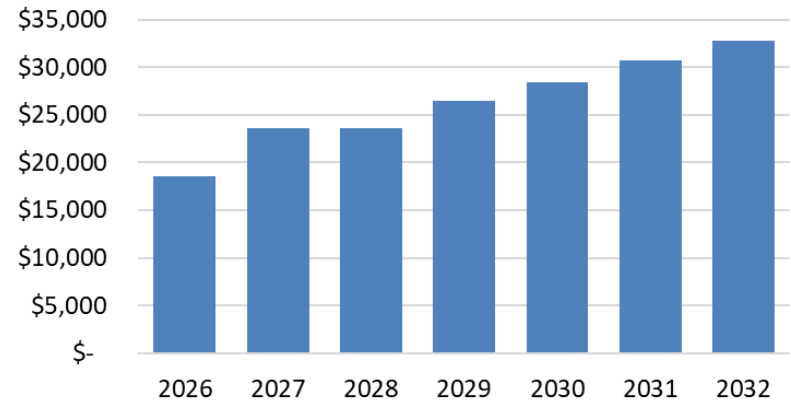
(000s)	Projected							
	2025	2026	2027	2028	2029	2030	2031	2032
<b>Financial Assets</b>								
Cash	\$ 7,605	\$ 1,602	\$ (1,372)	\$ (1,009)	\$ (403)	\$ (472)	\$ 628	\$ 2,094
<b>Liabilities</b>								
Debt - Principal Outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Financial Assets</b>	\$ 7,605	\$ 1,602	\$ (1,372)	\$ (1,009)	\$ (403)	\$ (472)	\$ 628	\$ 2,094
<b>Non-Financial Assets</b>								
Tangible Capital Assets	\$ 40,354	\$ 40,354	\$ 44,528	\$ 49,001	\$ 50,279	\$ 51,471	\$ 53,487	\$ 54,517
Additions to Tangible Capital Assets	\$ -	\$ 4,175	\$ 4,473	\$ 1,278	\$ 1,192	\$ 2,016	\$ 1,030	\$ 863
Accumulated Amortization	\$ 20,406	\$ 21,234	\$ 22,136	\$ 23,060	\$ 24,004	\$ 24,982	\$ 25,976	\$ 26,985
<b>Total Non-Financial Assets</b>	\$ 19,948	\$ 23,295	\$ 26,865	\$ 27,219	\$ 27,466	\$ 28,505	\$ 28,540	\$ 28,394
Accumulated Surplus	\$ 27,553	\$ 24,897	\$ 25,493	\$ 26,210	\$ 27,063	\$ 28,033	\$ 29,168	\$ 30,488
Cash as a % of Non-Financial Assets	38.1%	6.9%	-5.1%	-3.7%	-1.5%	-1.7%	2.2%	7.4%
Debt as a % of Non-Financial Assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

### Wastewater Statements

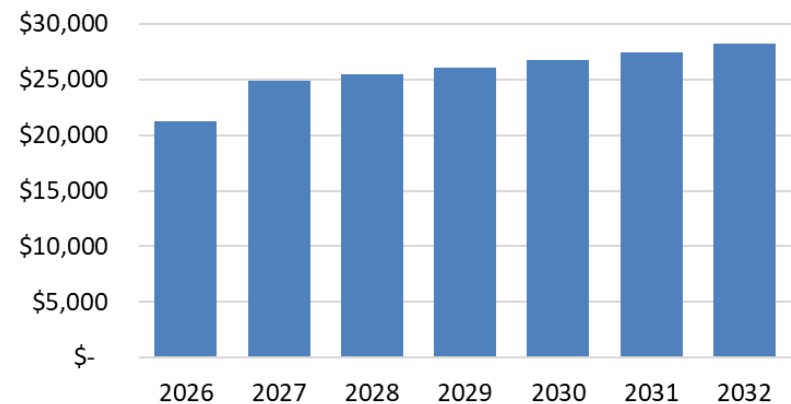
**Tangible Capital Assets (Net Book Value)** - An increase in net book value of tangible capital assets is an indication that assets have been renewed faster than they were used. A decrease in net book value indicates that assets are being used, or amortized, faster than they are renewed. The net book value is projected to increase for wastewater, indicating that assets are being renewed faster than they are being used.

**Accumulated Surplus**—A second financial indicator which is reflected in the financial position statement is the accumulated surplus. This indicator represents cash on hand plus the net book value of tangible capital assets less debt. The accumulated surplus is forecast to increase from 2026 to 2032 for wastewater. The increasing projected surpluses in wastewater operations indicate that if the Town adheres to the Financial Plan, it will strengthen its combined cash and asset position.

**Wastewater Net Book Value**



**Wastewater Accumulated Surplus**



**Statement of Financial Operations—Wastewater**

(000s)	Projected							
	2025	2026	2027	2028	2029	2030	2031	2032
<b>Revenues</b>								
Sewer Service/Disposal	\$ 3,026	\$ 3,144	\$ 3,302	\$ 3,467	\$ 3,640	\$ 3,822	\$ 4,013	\$ 4,214
Other Revenues	\$ 32	\$ 32	\$ 33	\$ 33	\$ 34	\$ 35	\$ 35	\$ 36
Interest Earnings	\$ 137	\$ 53	\$ 34	\$ 46	\$ 20	\$ 25	\$ 12	\$ (17)
<b>Total Revenues</b>	<b>\$ 3,195</b>	<b>\$ 3,230</b>	<b>\$ 3,368</b>	<b>\$ 3,546</b>	<b>\$ 3,694</b>	<b>\$ 3,881</b>	<b>\$ 4,061</b>	<b>\$ 4,233</b>
<b>Operating Expenses</b>								
Salaries, Wages, Benefits	\$ 685	\$ 699	\$ 713	\$ 727	\$ 742	\$ 756	\$ 772	\$ 787
Contracted Services	\$ 337	\$ 343	\$ 350	\$ 357	\$ 364	\$ 372	\$ 379	\$ 387
Materials and Supplies	\$ 551	\$ 562	\$ 573	\$ 585	\$ 596	\$ 608	\$ 620	\$ 633
Rents & Services	\$ 247	\$ 252	\$ 257	\$ 262	\$ 267	\$ 273	\$ 278	\$ 284
Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Operating Expenses</b>	<b>\$ 1,820</b>	<b>\$ 1,856</b>	<b>\$ 1,893</b>	<b>\$ 1,931</b>	<b>\$ 1,970</b>	<b>\$ 2,009</b>	<b>\$ 2,049</b>	<b>\$ 2,090</b>
<b>Debt Charges</b>								
Debt Charges - Interest Expenses	\$ -	\$ -	\$ -	\$ 23	\$ 22	\$ 66	\$ 131	\$ 172
<b>Amortization Expense</b>								
Amortization of tangible capital assets	\$ 866	\$ 882	\$ 982	\$ 998	\$ 1,065	\$ 1,115	\$ 1,172	\$ 1,228
<b>Total Expenses</b>	<b>\$ 2,686</b>	<b>\$ 2,737</b>	<b>\$ 2,875</b>	<b>\$ 2,952</b>	<b>\$ 3,057</b>	<b>\$ 3,190</b>	<b>\$ 3,353</b>	<b>\$ 3,490</b>
<b>Annual Surplus/Deficit</b>	<b>\$ 509</b>	<b>\$ 492</b>	<b>\$ 493</b>	<b>\$ 595</b>	<b>\$ 638</b>	<b>\$ 691</b>	<b>\$ 708</b>	<b>\$ 743</b>

**Statement of Cash Flow/Cash Receipts—Wastewater**

(000s)	Projected							
	2025	2026	2027	2028	2029	2030	2031	2032
<b>Total Revenues</b>	\$ 3,195	\$ 3,230	\$ 3,368	\$ 3,546	\$ 3,694	\$ 3,881	\$ 4,061	\$ 4,233
<b>Cash Paid For</b>								
Operating Costs	\$ 1,820	\$ 1,856	\$ 1,893	\$ 1,931	\$ 1,970	\$ 2,009	\$ 2,049	\$ 2,090
Debt Repayment - Debt Interest	\$ -	\$ -	\$ -	\$ 23	\$ 22	\$ 66	\$ 131	\$ 172
<b>Cash Provided from Operating Transactions</b>	\$ 1,375	\$ 1,374	\$ 1,475	\$ 1,593	\$ 1,703	\$ 1,807	\$ 1,880	\$ 1,971
<b>Capital Transactions</b>								
Acquisition of TCA		\$ 929	\$ 6,045	\$ 954	\$ 4,022	\$ 3,016	\$ 3,414	\$ 3,325
<b>Finance Transactions</b>								
Proceeds from Debt Issuance		\$ -	\$ 500	\$ -	\$ 1,000	\$ 1,500	\$ 1,000	\$ -
Proceeds from Grants		\$ 402	\$ 3,080	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Principal Repayment	\$ -	\$ -	\$ -	\$ 16	\$ 17	\$ 49	\$ 99	\$ 136
<b>Increase/(Decrease) in Cash Equivalents</b>	\$ 1,375	\$ 846	\$ (990)	\$ 623	\$ (1,336)	\$ 241	\$ (632)	\$ (1,490)
<b>Cash and Cash Equivalents at Beginning Balance</b>	\$ 4,917	\$ 1,869	\$ 2,715	\$ 1,725	\$ 2,348	\$ 1,012	\$ 1,253	\$ 621
<b>Cash and Cash Equivalents at Ending Balance</b>	\$ 6,292	\$ 2,715	\$ 1,725	\$ 2,348	\$ 1,012	\$ 1,253	\$ 621	\$ (869)

**Statement of Financial Position—Wastewater**

(000s)	Projected							
	2025	2026	2027	2028	2029	2030	2031	2032
<b>Financial Assets</b>								
Cash	\$ 6,292	\$ 2,715	\$ 1,725	\$ 2,348	\$ 1,012	\$ 1,253	\$ 621	\$ (869)
<b>Liabilities</b>								
Debt - Principal Outstanding	\$ -	\$ -	\$ 500	\$ 484	\$ 1,467	\$ 2,918	\$ 3,819	\$ 3,683
<b>Net Financial Assets</b>	\$ 6,292	\$ 2,715	\$ 1,225	\$ 1,864	\$ (455)	\$ (1,665)	\$ (3,198)	\$ (4,552)
<b>Non-Financial Assets</b>								
Tangible Capital Assets	\$ 35,920	\$ 35,920	\$ 36,849	\$ 42,893	\$ 43,847	\$ 47,870	\$ 50,886	\$ 54,300
Additions to Tangible Capital Assets	\$ -	\$ 929	\$ 6,045	\$ 954	\$ 4,022	\$ 3,016	\$ 3,414	\$ 3,325
Accumulated Amortization	\$ 17,403	\$ 18,285	\$ 19,267	\$ 20,265	\$ 21,330	\$ 22,446	\$ 23,618	\$ 24,846
<b>Total Non-Financial Assets</b>	\$ 18,517	\$ 18,564	\$ 23,627	\$ 23,582	\$ 26,540	\$ 28,440	\$ 30,682	\$ 32,779
Accumulated Surplus	\$ 24,809	\$ 21,279	\$ 24,852	\$ 25,447	\$ 26,084	\$ 26,775	\$ 27,483	\$ 28,227
Cash as a % of Non-Financial Assets	34.0%	14.6%	7.3%	10.0%	3.8%	4.4%	2.0%	-2.7%
Debt as a % of Non-Financial Assets	0.0%	0.0%	2.1%	2.1%	5.5%	10.3%	12.4%	11.2%