



**The Corporation of the Town of Rainy River  
Drinking Water Quality Management System  
Financial Plan**

As part of the Municipal Drinking Water Licensing Program, the Ministry of Environment released Ontario Regulation 453/07. This new regulation requires holders of a Drinking Water License to develop and implement a comprehensive Financial Plan that addresses long-term capital and operating costs for the municipal drinking water system over the set timeframe. The Financial Plan must be updated at a minimum of every five years.

This Financial Plan must demonstrate that the municipal water system is financially sustainable. Through the process of developing this Financial Plan, the Town of Rainy River, has set out to achieve the following:

- Financial viability;
- Provide safe drinking water;
- Enable the long term plan for capital renewal to be realized;
- Achieve full cost recovery over the long-term; and
- Maintain the current service level.

General requirement that will apply to the Plan:

- The Financial Plan must include a statement that the financial impacts of the drinking water system have been considered;
- The Financial Plan shall be for a period of at least six years, the first being the current year or year of review;
- The Financial Plan must be made available on request and without charge to members of the public that are served by the water system;

- The Financial Plan must be published on the Municipal Website;
- The Owner must provide a notice informing the public of the availability of the Financial Plan in a manner that the owner deems fit to bring the notice to the attention of the members of the public that are served by the water system;
- The Financial Plan must be approved by council resolution that indicates that the drinking water system is financially viable;
- A copy of the Financial Plan, along with the resolution, must be submitted to the Ministry of Municipal Affairs and Housing (MMAH); and
- The Financial Plan should be updated and approved prior to applying for a licence renewal.

In addition to the general requirements, each Financial Plan is required to document projected financial operating expenditures for each fiscal year that the plan is in effect. This information must be itemized by:

- Total revenues (water rates, user charges and other revenues);
- Total expenses (amortization expenses, interest expense and other expenses);
- Annual and accumulated surplus or deficit;
- Statement of financial position; and
- Statement of cash flow.

Water rates are reviewed and set as part of the budget process and the Town's water financial plan is used to determine these rates. All costs associated with the operations of the water system are paid with

consumer usage based on a flat unit rates with some metered consumption locations. The attached scheduled outlines water rates through 2026.

Continued long-term planning is instrumental in developing a comprehensive understanding of the Town's infrastructure and creating a financial structure that puts in place resources to maintain the water system in a safe and effective manner, while maintaining the financial viability. The Town recognizes that integrity of its finances is critical to the successful operation for the municipality and to its reputation and trust by ratepayers.

Attached are the projected statement of operations and the project statement of cash flow for the periods ending December 31, 2021 to December 31, 2026. These statements demonstrate the Town of Rainy River's water system is financially viable.

As required, these statements are in accordance with the new Public Sector Accounting Standards. Actual results will vary from the projections herein and the differences may be material.

Town of Rainy River  
Projected Statement of Operations

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
	\$	\$	\$	\$	\$	\$
<b>Revenues</b>						
Interest/Penalty	5,000	5,000	6,000	6,000	6,000	6,000
Federal Grants						
Provincial Grants	793,580		693,580			
Water Turn On/Off	2,500	2,500	2,500	2,500	2,500	2,500
Water Billing	422,461	435,135	448,190	461,635	475,480	489,750
Water Capital Charge	56,120	57,805	59,540	61,325	63,165	65,060
Water Bulk Fees	2,000	2,000	1,000	1,000	1,000	1,000
Contribution from Reserve						
Misc Revenue	200	200	200	200	200	200
Hydrant Rental	4,500	4,500	4,500	4,500	4,500	4,500
<b>Total Revenues</b>	<b>1,286,361</b>	<b>507,140</b>	<b>1,215,510</b>	<b>537,160</b>	<b>552,845</b>	<b>569,010</b>
<b>Expenses</b>						
Administrative Expenses	34,400	34,400	34,400	34,400	34,400	34,400
<i>Water Treatment Plant</i>						
General Operating	310,135	315,916	341,130	331,205	339,335	361,341
Amortization	104,210	104,210	104,210	104,210	104,210	104,210
<i>Water Line</i>						
General Operating	18,440	18,840	19,255	19,675	20,110	20,550
Amortization	66,086	66,086	66,086	66,086	66,086	66,086
<b>Total Expenses</b>	<b>533,271</b>	<b>539,452</b>	<b>565,081</b>	<b>555,576</b>	<b>564,141</b>	<b>586,587</b>
Excess revenues over Expenditures	753,090	<b>-32,312</b>	650,429	<b>-18,416</b>	<b>-11,296</b>	<b>-17,577</b>

Town of Rainy River  
Projected Statement of Cash Flow

	2021	2022	2023	2024	2025	2026
Projected excess of revenues over expenditures	753,090.26	-32,312.00	650,429.00	-18,416.00	-11,296.00	-17,577.00
Amortization	170,296.00	170,296.00	170,296.00	170,296.00	170,296.00	170,296.00
Cash provided by operations	923,386.26	137,984.00	820,725.00	151,880.00	159,000.00	152,719.00
<u>Capital Transactions</u>						
Acquisition of Tangible Capital Assets	1,045,830.00	20,000.00	945,840.00	100,000.00		
<u>Financial Transactions</u>						
Proceeds from debt issues	18,500.00	18,500.00	18,500.00	18,500.00	18,500.00	18,500.00
Debt repayment	-140,943.74	99,484.00	-143,615.00	33,380.00	140,500.00	134,219.00
Increase (Decrease) in Cash Equivalents	-121,980.00	-262,923.74	-163,439.74	-307,054.74	-273,674.74	-133,174.74
Cash and equivalents, beginning of the year	-262,923.74	-163,439.74	-307,054.74	-273,674.74	-133,174.74	1,044.26
Cash and equivalents, end of the year						

The Corporation of the Town of Rainy river  
Statement of Financial Position  
31-Dec

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b>Financial Assets</b>						
Cash and Cash Equivalents	-262,923.74	-163,439.74	-307,054.74	-273,674.74	-133,174.74	15,000.00
Account Receivable	10,000.00	60,000.00	30,000.00	25,000.00	25,000.00	25,000.00
Investments	3,370.00	3,370.00	3,370.00	3,370.00	3,370.00	3,370.00
	<b>-249,553.74</b>	<b>-100,069.74</b>	<b>-273,684.74</b>	<b>-245,304.74</b>	<b>-104,804.74</b>	<b>43,370.00</b>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	300,000.00	250,000.00	200,000.00	150,000.00	100,000.00	0.00
Deferred Revenue	4,000.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00
Net Long-term Debt	96,035.00	79,580.00	62,690.00	45,360.00	27,570.00	9,710.00
	<b>400,035.00</b>	<b>334,080.00</b>	<b>267,190.00</b>	<b>199,860.00</b>	<b>132,070.00</b>	<b>14,210.00</b>
<b>Net Financial Assets</b>	<b>-649,588.74</b>	<b>-434,149.74</b>	<b>-540,874.74</b>	<b>-445,164.74</b>	<b>-236,874.74</b>	<b>29,160.00</b>
<b>Non-Financial Assets</b>						
Tangible Capital Assets	5,952,589.00	6,998,419.00	6,998,419.00	7,944,259.00	8,044,259.00	8,044,259.00
Tangible Capital Assets - under construction	1,045,830.00			945,840.00		
Inventory of supplies	19,000.00	19,000.00	19,000.00	19,000.00	19,000.00	19,000.00
Prepaid Expense						
	<b>7,017,419.00</b>	<b>7,017,419.00</b>	<b>7,017,419.00</b>	<b>8,909,099.00</b>	<b>8,063,259.00</b>	<b>8,063,259.00</b>
<b>Accumulated surplus</b>	<b>6,367,830.26</b>	<b>6,583,269.26</b>	<b>6,476,544.26</b>	<b>8,463,934.26</b>	<b>7,826,384.26</b>	<b>8,092,419.00</b>

Water and Sewer Rate Comparison

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Water						
Operating	73.65	75.85	78.00	80.00	82.00	84.00
Capital	9.40	9.70	10.00	10.30	10.60	10.95
Sub-Total	83.05	85.55	88.00	90.30	92.60	94.95
Sewer						
Operating	13.00	13.40	13.80	14.20	14.60	15.00
Capital	9.40	9.70	10.00	10.30	10.60	10.92
Sub-total	22.40	23.10	23.80	24.50	25.20	25.92
Total Monthly Bill	105.45	108.65	111.80	114.80	117.80	120.87
Total Quarterly Bill	316.35	325.95	335.41	344.40	353.40	362.61
Annual Total	1,265.40	1,303.80	1,341.62	1,377.60	1,413.60	1,450.44