

**CORPORATION OF THE TOWN OF KIRKLAND LAKE**

**WATER FINANCIAL PLAN  
ONTARIO REGULATION 453/07**

**FINANCIAL PLAN #214-301A**

**Prepared by:**

**THE CORPORATION OF THE TOWN OF KIRKLAND LAKE**

## **1.0 INTRODUCTION**

### **1.1 Purpose**

The Town of Kirkland Lake has completed a financial plan for the time period 2017-2022 for their existing water supply system as part of the requirements to obtain a municipal drinking water license as per the Safe Drinking Water Act, 2002. The Town received their municipal drinking water license on July 29, 2011. The next financial Plan must be submitted to MMAH by January 26, 2016. The Financial Plan is being made available to the public, as required by Ontario Regulation 453/07. As well, a notice will be provided in the local newspaper to advise the public of the availability of the Town of Kirkland Lake's Financial Plan.

### **1.2 Background**

The Financial Plan includes capital and operating costs, acquisition and disposal of tangible capital assets including amortization costs and consideration of available funding sources. The Financial Plan complies with Ontario Regulation 453/07 for an existing water system. The Town of Kirkland Lake has 1 water supply system; the Financial Plan is being submitted for this system as permitted.

Under new municipal accounting standards, municipalities must adopt full accrual accounting practices beginning January 1, 2009. The new requirements under section PS3150 require municipalities to report additional information related to treatment of tangible capital assets and amortization costs. The information provided in the schedules complies with the new municipal accounting standards.

### **1.3 Financial Plan**

The following three unaudited schedules for the Town of Kirkland Lake Water Supply system provide the information required by Ontario Regulation 453/07:

- i. Schedule 1 is Town of Kirkland Lake's Statement of financial Position which identifies the financial assets, liabilities, net debt and non-financial assets;
- ii. Schedule 2 is the Statement of Operations which provides water revenue, expenses, annual surplus or deficit and accumulated surplus or deficit; and
- iii. Schedule 3 is the Statement of Cash Flow which provides cash provided by operating transactions, cash applied to capital transactions, cash provided by investing transactions, cash applied to financing transactions and cash and cash equivalents (beginning and end of year).

There is no schedule for Lead Water Service Replacement as the Capital Forecast does not include funding for service.

**Schedule 1**

Corporation of the Town of Kirkland Lake  
Statement of Financial Position – Water Supply  
Unaudited: For Financial Planning Purposes Only  
2016-2022

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Financial Assets	62,000	65,000	63,000	60,000	61,000	62,000	62,000
Financial Liabilities	240,000	244,800	249,696	254,690	259,784	264,979	270,279
Net Financial Assets/(Debt)	-178,000	-179,800	-186,696	-194,690	-198,784	-202,979	-208,279
Total Non-Financial Assets	15,484,075	15,576,979	15,670,441	15,764,464	15,859,051	15,954,205	16,049,930

**Schedule 2**

Corporation of the Town of Kirkland Lake  
Statement of Operations – Water Supply  
Unaudited: For Financial Planning Purposes Only  
2016-2022

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Revenues</b>							
Water Revenues	1,880,000	1,917,600	1,955,952	1,995,071	2,034,972	2,075,672	2,117,185
Other Revenues	27,120	27,662	28,216	28,780	29,356	29,943	30,542
SubTotal	1,907,120	1,945,262	1,984,168	2,023,851	2,064,328	2,105,615	2,147,727
<b>Expenses</b>							
Operating Expenses	1,763,433	1,798,702	1,834,676	1,871,369	1,908,797	1,946,973	1,985,912
Amort. Expenses	549,685	552,983	556,301	559,638	562,996	566,374	569,773
Interest Expenses	7,353	6,000	5,000	3,500	2,500	1,500	500
SubTotal	2,320,471	2,357,685	2,395,977	2,434,507	2,474,293	2,514,847	2,556,185
<b>Total Annual Surplus</b>	-413,351	-412,422	-411,809	-410,656	-409,965	-409,232	-408,458
Total Accumulated Surplus (End-of-Year Balance)	-1,980,792	-2,393,214	-2,805,023	-3,215,679	-3,625,644	-4,034,876	-4,443,334

**Schedule 3**  
Corporation of the Town of Kirkland Lake  
Statement of Cash Flow – Water Supply  
Unaudited: For Financial Planning Purposes Only  
2016-2022

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Cash Provided by Operating Transactions	100,000	150,000	150,000	150,000	150,000	150,000	150,000
Cash Provided by/(Applied to) Capital Transactions	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000
Cash Provided by/(Applied to) Investment Transactions							
Cash Provided by/(Applied to) Financing Transactions							
Increase in Cash and Cash Equivalents	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cash and Cash Equivalents, Beginning of Year	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cash and Cash Equivalents, End of Year	n/a	n/a	n/a	n/a	n/a	n/a	n/a