



The Corporation of the Town of Marathon

2020 – 2026 Consolidated Water & Wastewater  
Financial Plan

Approved by Motion 149/20 on August 24, 2020

## The Corporation of the Town of Marathon

### Water & Wastewater System

#### Notes to the Consolidated Six Year Financial Plan

- Cost Inflation – 2% per year effective 2021
- Revenue – no increase in rates
- Cash – Reserve Fund for Water & Sewer Infrastructure – bank account defined by By-law #1415
- Capital Requirements
  - i. Northern Waterworks Inc. forecast
    - 1. Sewer - \$77,000 annually
    - 2. Water - \$95,000 annually
  - ii. Well rehabilitation - \$50,000 annually
  - iii. Wastewater disinfection equipment - \$250,000 (2021)
  - iv. Emergency generators for wells #4 & #5 - \$175,000 (2021)
  - v. Replace SCADA system (supervisory control and data acquisition) - \$125,000 (2025)
  - vi. Sewage Treatment Plant CTU cleaning - \$50,000 (2023)

A project to construct an Influent building to house a bar screener has been identified as desirable. The cost is estimated to be \$1,500,000. It has not been incorporated in this financial plan since no grant revenue has been sought.

- 10% of billing revenue to be transferred annually into Water & Sewer Reserve Fund as established by By-law #1415
- as there is no separate accounting system for the water and wastewater system, receivables and payables will not be included in these financial statements
- the Water & Sewer Reserve Fund can only be utilized on capital projects costing more than \$500,000
- Figures shown for 2018 and 2019 are audited amounts. Activity reported for 2020 is based on 2020 budget.

## THE CORPORATION OF THE TOWN OF MARATHON - WATER &amp; WASTEWATER SYSTEM

	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>STATEMENT OF FINANCIAL POSITION</b>									
<b><u>Cash/Reserve Funds</u></b>									
Water/Sewer	2,789,626	3,209,669	3,369,346	3,107,650	3,248,458	3,322,136	3,428,339	3,391,720	3,461,921
<b>Total</b>	<b>2,789,626</b>	<b>3,209,669</b>	<b>3,369,346</b>	<b>3,107,650</b>	<b>3,248,458</b>	<b>3,322,136</b>	<b>3,428,339</b>	<b>3,391,720</b>	<b>3,461,921</b>
Debt	-	-	-	-	-	-	-	-	-
<b>Net Financial Assets</b>	<b>2,789,626</b>	<b>3,209,669</b>	<b>3,369,346</b>	<b>3,107,650</b>	<b>3,248,458</b>	<b>3,322,136</b>	<b>3,428,339</b>	<b>3,391,720</b>	<b>3,461,921</b>
<b><u>Tangible Capital Assets</u></b>									
Cost	19,831,985	19,887,169	20,187,169	20,828,469	21,050,469	21,322,469	21,544,469	21,891,469	22,113,469
Accumulated Amortization	( 9,751,390) <sup>0</sup>	( 10,075,262) <sup>0</sup>	( 10,399,134)	( 10,729,484)	( 11,066,440)	( 11,410,136)	( 11,760,705)	( 12,118,286)	( 12,483,019) <sup>0</sup>
	-	-	-	0	-	(0)	(0)	-	0
<b>Net Book Value</b>	<b>10,080,595</b>	<b>9,811,907</b>	<b>9,788,035</b>	<b>10,098,985</b>	<b>9,984,029</b>	<b>9,912,333</b>	<b>9,783,764</b>	<b>9,773,183</b>	<b>9,630,450</b>
<b>Accumulated Surplus</b>	<b>12,870,221</b>	<b>13,021,575</b>	<b>13,157,380</b>	<b>13,206,635</b>	<b>13,232,487</b>	<b>13,234,469</b>	<b>13,212,103</b>	<b>13,164,903</b>	<b>13,092,371</b>

## THE CORPORATION OF THE TOWN OF MARATHON - WATER &amp; WASTEWATER SYSTEM

	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>STATEMENT OF OPERATIONS</b>									
<b>Revenue</b>									
Sewer Charges	( 326,220)	( 326,416)	( 327,749)	( 327,749)	( 327,749)	( 327,749)	( 327,749)	( 327,749)	( 327,749)
Water Charges	( 869,868)	( 870,929)	( 873,323)	( 873,323)	( 873,323)	( 873,323)	( 873,323)	( 873,323)	( 873,323)
Penalties on Receivable	( 18,353)	( 18,239)	( 18,296)	( 18,296)	( 18,296)	( 18,296)	( 18,296)	( 18,296)	( 18,296)
Interest earned on Investments	( 41,075)	( 57,426)	( 36,083)	( 36,805)	( 37,541)	( 38,292)	( 39,057)	( 39,839)	( 40,635)
Government Grants	( 127,411)	( 1)	-	-	-	-	-	-	-
Other	( 9,105)	( 16,434)	( 5,839)	( 5,956)	( 6,075)	( 6,196)	( 6,320)	( 6,447)	( 6,576)
<b>Total Revenue</b>	<b>( 1,392,033)</b>	<b>( 1,289,445)</b>	<b>( 1,261,290)</b>	<b>( 1,262,128)</b>	<b>( 1,262,984)</b>	<b>( 1,263,856)</b>	<b>( 1,264,746)</b>	<b>( 1,265,653)</b>	<b>( 1,266,579)</b>
<b>Expenses</b>									
<i>Wastewater</i>									
Labour	54,789	51,684	61,458	62,687	63,941	65,220	66,524	67,855	69,212
Materials	16,066	29,280	61,300	34,476	35,166	35,869	36,586	37,318	38,064
Electricity	52,356	63,986	66,900	68,238	69,603	70,995	72,415	73,863	75,340
NWI sourced materials/services	72,872	21,900	35,295	36,001	36,721	37,455	38,204	38,969	39,748
NWI	196,269	196,270	150,716	200,195	204,199	208,283	212,448	216,697	221,031
Amortization	190,305	168,652	168,652	172,025	175,466	178,975	182,554	186,205	189,930
<b>Total Wastewater</b>	<b>582,658</b>	<b>531,772</b>	<b>544,321</b>	<b>573,622</b>	<b>585,094</b>	<b>596,796</b>	<b>608,732</b>	<b>620,907</b>	<b>633,325</b>
<i>Water</i>									
Labour	62,996	71,694	62,906	64,164	65,447	66,756	68,091	69,453	70,842
Material	16,493	13,868	34,000	34,680	35,374	36,081	36,803	37,539	38,290
Electricity	130,721	125,789	132,500	135,150	137,853	140,610	143,422	146,291	149,217
NWI sourced materials/services	44,942	30,048	34,900	35,598	36,310	37,036	37,777	38,532	39,303
NWI	196,270	196,270	150,716	200,195	204,199	208,283	212,448	216,697	221,031
Monitoring/Training/Admin	16,399	13,413	10,922	11,140	11,363	11,591	11,822	12,059	12,300
Write offs & Bad Debt	-	-	-	-	-	-	-	-	-
Amortization	155,260	155,220	155,220	158,324	161,491	164,721	168,015	171,375	174,803
<b>Total Water</b>	<b>623,081</b>	<b>606,301</b>	<b>581,164</b>	<b>639,252</b>	<b>652,037</b>	<b>665,078</b>	<b>678,379</b>	<b>691,947</b>	<b>705,786</b>
<b>Total Expenses</b>	<b>1,205,739</b>	<b>1,138,073</b>	<b>1,125,485</b>	<b>1,212,874</b>	<b>1,237,131</b>	<b>1,261,874</b>	<b>1,287,112</b>	<b>1,312,854</b>	<b>1,339,111</b>
<b>Annual &lt;surplus&gt;/shortfall</b>	<b>( 186,294)</b>	<b>( 151,372)</b>	<b>( 135,805)</b>	<b>( 49,255)</b>	<b>( 25,852)</b>	<b>( 1,982)</b>	<b>22,366</b>	<b>47,200</b>	<b>72,532</b>

## THE CORPORATION OF THE TOWN OF MARATHON - WATER &amp; WASTEWATER SYSTEM

	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>STATEMENT OF CASH FLOW</b>									
<b><u>Operating Transactions</u></b>									
<i>Cash Received from:</i>									
Revenue	1,392,033	1,289,445	1,261,290	1,262,128	1,262,984	1,263,856	1,264,746	1,265,653	1,266,579
<i>Cash Paid for:</i>									
Operating - wastewater	( 392,353)	( 363,120)	( 375,669)	( 401,597)	( 409,629)	( 417,821)	( 426,178)	( 434,701)	( 443,396)
Operating - water	( 467,821)	( 451,081)	( 425,944)	( 480,928)	( 490,546)	( 500,357)	( 510,364)	( 520,571)	( 530,983)
<b>TOTAL OPERATIONS</b>	<b>531,859</b>	<b>475,244</b>	<b>459,677</b>	<b>379,604</b>	<b>362,809</b>	<b>345,677</b>	<b>328,204</b>	<b>310,380</b>	<b>292,201</b>
<b><u>Capital Transactions</u></b>									
Acquisition of capital - wastewater	( 357,587)	-	( 300,000)	( 322,550)	( 77,000)	( 127,000)	( 77,000)	( 77,000)	( 77,000)
Acquisition of capital - water	( 8,133)	( 55,184)		( 318,750)	( 145,000)	( 145,000)	( 145,000)	( 270,000)	( 145,000)
<b>TOTAL CAPITAL</b>	<b>( 365,720)</b>	<b>( 55,184)</b>	<b>( 300,000)</b>	<b>( 641,300)</b>	<b>( 222,000)</b>	<b>( 272,000)</b>	<b>( 222,000)</b>	<b>( 347,000)</b>	<b>( 222,000)</b>
<b><u>Finance Transactions</u></b>									
(Reduce)/Increase Tax Levy	( 79)	( 18)							
Use Capital Reserve / <Replenish Reserve> Tsf Special Grant to Reserves									
<b>TOTAL FINANCING</b>	<b>( 79)</b>	<b>( 18)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Increase <decrease> in cash	166,060	420,043	159,677	( 261,696)	140,809	73,677	106,204	( 36,620)	70,201
Opening Cash	2,623,566	2,789,626	3,209,669	3,369,346	3,107,650	3,248,459	3,322,136	3,428,340	3,391,720
Ending Cash	2,789,626	3,209,669	3,369,346	3,107,650	3,248,459	3,322,136	3,428,340	3,391,720	3,461,921