

Municipality of the district of Argyle
Analysis of west pubnico sewer treatment plant project
Initially January 19, 2005
Revised May 24, 2022

Purpose: To calculate total costs of the project via analysis of G/L accounts, and apply related revenues and receipts to the project to segregate the capital reserve account from Treatment plant funds exceeding costs

Receipts

Building Canada Fund	3,000,000	
MRIF Funding	28,412	
GMF Grant	127,273	
ECO Trust Funding	37,500	
Transfer of Pubnico Sewer Surplus	77,100	
Gas Tax Funding	325,000	
Transfer of funds received from residents (yr 1)	401,639	
Annual capital fees - principal	775,601	
Early payouts	56,765	
	<u>4,829,290</u>	4,829,290

Total disbursements

2009-10	143,910	
2010-11	3,548,680	
2011-12	941,386	
2012-13	100,952	
	<u>4,734,928</u>	4,734,928

Net income on project		94,362
Interest recovered on capital fee		405,268
Interest paid on FCM loan		<u>122,502</u>
Net income - recorded in operations		282,766

Observations and recommendation

The West Pubnico sewer benefitted from 2 aspects of this project, financially. The first is that our decision to charge interest to the residents (for annual repayments) has exceeded the actual interest cost (by \$283,000). The second is that all revenues, including the billing to residents, has exceeded total costs by \$94,362,

Residents of WP sewer have already received the benefit of the interest income. It is my recommendation that the excess in billing should also benefit the residents of WP sewer. Since the profits have already been transferred to the Operating reserve, recommend we make a motion to transfer equity from operating reserve to WP sewer equity in the amount of \$94,362. No impact on operating fund or cashflow, but the WP will benefit with an additional \$94,362 in equity which should be used to pay or leverage for larger capital items.