

Town of Outlook 2022 Waterworks Financial Overview

For the Year ending December 31, 2022

Revenues

Water Sales	\$855,984.13
Ebill Discount	-\$1,322.48
Disconnection/Connection Charges	\$150.00
Coin-Op Sales	\$6,225.25
Sale of Supplies	\$60.60
Water Reserve Fees	\$63,741.68
Water Infrastructure Fees	\$43,367.50
West Pipeline Fees	\$3,256.92
Interest	\$3,489.15
Total Revenues	\$974,952.75

Expenditures

Salaries & Benefits	\$173,836.24
Training & Safety	\$5,857.04
Insurance	\$13,129.17
Memberships	\$150.00
Contracted Service/Repairs	\$53,716.49
Lab Testing	\$5,660.56
Neptune Agreement	\$4,556.94
Utilities	\$61,491.56
Vehicle Fuel & Repairs	\$8,735.61
Distribution System Repairs	\$6,456.34
Hydrant Repairs	-\$9,063.57
River Pump Repairs	\$130.62
Line Repairs	\$3,930.67
Supplies, Small Tools, and Equipment	\$2,443.64
Chemicals	\$30,473.95
Meter, Equipment & Building Repairs	\$8,099.02
Amortization	\$97,715.00
Interest	\$10,434.91
Long term debt payments	\$123,829.55
Total Expenditures	\$601,583.74
Long term debt (Note 1)	\$247,659.10

Total waterworks revenues (R) \$974,952.75

Total Waterworks expenditures (E) \$477,754.19

Total debt payments on Waterworks infrastructure (D) \$123,829.55

Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio:

$$\frac{(R)}{(E + D)} = \frac{\$974,952.75}{\$601,583.74} = 1.62$$

For 2022 waterworks revenues covered 162% of the waterworks expenditures and debt payments.

Ratio explanation

The 2022 waterworks ratio includes water reserve fees and infrastructure reserve fees which are specifically charged to be put into the Town of Outlook reserves (savings) for infrastructure projects related to the utility. While the Town recognizes this as revenues, it forms a part of the larger capital plan, rather than contributing to operations related to waterworks. With the revenues related to reserve fees set aside, the 2022 waterworks operating ratio would be 1.44

In addition, the Town has been exploring additional ways to accurately report waterworks expenses related to labour. While we currently have an integrated payroll system, our current model does not allow for us to record wages and benefits using specific cost accounting. It is believed that the labour costs associated with waterworks are currently under reported for this reason.

Note 1: At December 31st, 2022 the Town of Outlook held \$247,659.10 in long-term debt related to waterworks. The loan was taken in 2017 for a term of 7 years (ending 2024) for watermain replacement on McKenzie Street. The Original loan amount was \$866,807.00 with an interest rate of 3.38%. Principal payments are made once annually and interest is paid monthly.