



# Water Ontario Regulation 453/07

## Financial Plan

Town of Renfrew

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Financial Plan #104-301A

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## List of Acronyms and Abbreviations

<b>Acronym</b>	<b>Full Description of Acronym</b>
F.I.R.	Financial Information Return
MECP	Ministry of the Environment, Conservation and Parks
MMAH	Ministry of Municipal Affairs and Housing
O. Reg.	Ontario Regulation
PSAB	Public Sector Accounting Board
S.D.W.A.	Safe Drinking Water Act
T.C.A.	Tangible Capital Assets
W.O.A.	Water Opportunities Act



# Report



# Chapter 1

## Introduction



# 1. Introduction

## 1.1 Study Purpose

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The Town of Renfrew (the Town) retained Watson & Associates Economists Ltd. (Watson) to prepare a water financial plan as part of the five submission requirements for the purposes of obtaining a municipal drinking water license as per the *Safe Drinking Water Act, 2002*. In general, a financial plan requires an in-depth analysis of capital and operating needs, a review of current and future demand versus supply, and consideration of available funding sources. The detailed financial planning and forecasting regarding the Town's water systems has been completed based on the Town's 2021 Water and Wastewater Rate Study, dated March 3, 2021 (2021 Rate Study). The objective of the report provided herein is to convert the findings of the 2021 Rate Study into the prescribed reporting requirements for a financial plan as defined by Ontario Regulation 453/07 (O. Reg. 453/07).

## 1.2 Background

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The Safe Drinking Water Act (S.D.W.A.), "the Act," was passed in December 2002 in order to address the recommendations made by the Walkerton Inquiry Part II report. Note that S.D.W.A. has been amended several times since 2002. One of the main requirements of the Act is the mandatory licensing of municipal water providers. Section 31 (1) specifically states:

"No person shall,

- a) establish a new municipal drinking water system or replace or carry out an alteration to a municipal drinking water system except under the authority of and in accordance with an approval under this Part or a drinking water works permit; or
- b) use or operate a municipal drinking water system that was established before or after this section comes into force except under the authority of and in accordance with an approval under this Part or municipal drinking water licence."

In order to become licensed, a municipality must satisfy five key requirements as per section 44(1):

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1. Obtain a drinking water works permit.
2. Acceptance of the operational plan for the system based on the Drinking Water Quality Management Standard.
3. Accreditation of the Operating Authority.
4. Prepare and provide a financial plan.
5. Obtain permit to take water.

For licence renewals, the application must be accompanied by proof that the financial plan meets the prescribed requirements as per the Act s. 32 (5) 2.ii.

The preparation of a financial plan is a key requirement for licensing and as such, must be undertaken by all municipal water providers.

### **1.2.1 Financial Plan Defined**

Subsection 30 of the Act provides the following definition of financial plans:

"financial plans" means financial plans that satisfy the requirements prescribed by the Minister. 2017, c. 2, Sched. 11, s. 6 (3).

As of time of writing, the Sustainable Water and Sewage Systems Act, 2002 has been repealed (see section 2.2 of this report); however, the standards that it directs underpin the specific requirements of s. 30 as they are outlined in O. Reg. 453/07 and which will be examined in detail below.

### **1.2.2 Financial Plan Requirements – Existing System**

The O. Reg. 453/07 provides details with regards to the financial plans for existing water systems. The requirements for existing systems are summarized as follows:

- Financial plans must be approved by resolution of Council (or governing body);
- Financial plans must include a statement that the financial impacts have been considered and apply for a minimum six-year period (commencing in the year of licence expiry);
- Financial plans must include detail regarding proposed or projected financial operations itemized by total revenues, total expenses, annual surplus/deficit and





accumulated surplus/deficit (i.e. the components of a “Statement of Operations” as per the PSAB) for each year in which the financial plans apply;

- Financial plans must present financial position itemized by total financial assets, total liabilities, net debt, non-financial assets, and tangible capital assets (i.e. the components of a “Statement of Financial Position” as per PSAB) for each year in which the financial plans apply;
- Gross cash receipts/payments itemized by operating transactions, capital transactions, investing transactions and financial transactions (i.e. the components of a “Statement of Cash Flow” as per PSAB) for each year in which the financial plans apply;
- Financial plans applicable to two or more solely-owned drinking water systems can be prepared as if they are for one drinking water system;
- Financial plans are to be made available to the public upon request and at no charge;
- If a website is maintained, financial plans are to be made available to the public through publication on the Internet at no charge;
- Notice of the availability of the financial plans is to be given to the public;
- Financial plan is to be submitted to the Ministry of Municipal Affairs and Housing; and
- The resolution of Council approving the Financial Plan be submitted to the Ministry of the Environment, Conservation and Parks (MECP).

### **1.2.3 Financial Plan Requirements – General**

Given that the requirements for a financial plan is legislated under the Act, a financial plan is mandatory for water systems. The financial plans shall be for a forecast period of at least six years but longer planning horizons are encouraged. The ten-year forecast goes above and beyond the minimum requirement. The financial plan is to be completed and approved by resolution of Council or the governing body in accordance with subsection 3(1)1 of O. Reg. 453/07. Confirmation of approval of the financial plan must be submitted at the time of municipal drinking water license renewal (i.e. six months prior to license expiry).

A copy of the financial plan will be submitted to the Ministry of Municipal Affairs and Housing (MMAH) and not the MECP; however, MECP may request it in the course of review of the licence renewal. Financial plans may be amended and additional



information beyond what is prescribed can be included if deemed necessary. The financial plan must contain on the front page, the appropriate financial plan number as set out in Schedule A of the Municipal Drinking Water Licence.

#### **1.2.4 Public Sector Accounting Board (PSAB) Requirements**

The components of the financial plans indicated by the regulation are consistent with the requirements for financial statement presentation as set out in section PS1200 of the Canadian Institute of Chartered Accountants Public Sector Accounting Handbook:

“Financial statements should include a Statement of Financial Position, a Statement of Operations, a Statement of Change in Net Debt, and a Statement of Cash Flow.”

The format required is to conform to the requirements of PS1200 and PS3150. The financial statements are to be reported on a full accrual accounting basis. The accrual accounting method recognizes revenues and expenses in the same period as the activities that give rise to them regardless of when they are actually paid for. Since an exchange of cash is not necessary to report a financial transaction, the accrual method is meant to provide a more accurate picture of financial position.

The accounting treatment of tangible capital assets is prescribed under section PS3150. Tangible capital assets are to be capitalized to ensure an inventory of the assets owned are recorded and to account for their ability to provide future benefits.

The Statement of Cash Flow and the Statement of Change in Net Financial Assets/Debt are required statements. The Statement of Change in Net Financial Assets/Debt reports on whether enough revenue was generated in a period to cover the expenses in the period and whether sufficient resources have been generated to support current and future activities. The Statement of Cash Flow reports on how activities were financed for a given period providing a measure of the changes in cash for that period.

#### **1.2.5 The Town's Financial Plan**

The Town is currently in the process of renewing the drinking water license 104-301A for the Renfrew systems and the previous version of the financial plan no longer meets the requirements as it must apply to a period of a least six years beginning in the year that the licenses would otherwise expire. Although the Act requires at least six years to be included, this financial plan provides for a ten-year forecast period 2021 to 2030.



# Chapter 2

## Sustainable Financial Planning



## 2. Sustainable Financial Planning

### 2.1 Introduction

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In general, sustainability refers to the ability to maintain a certain position over time. While the Act requires a declaration of the financial plan's sustainability, it does not give a clear definition of what would be considered sustainable. Instead, MECP released a guideline ("Towards Financially Sustainable Drinking-Water and Wastewater Systems") that provides possible approaches to achieving sustainability. The Province's Principles of Financially Sustainable Water and Wastewater Services are provided below:

- Principle #1: Ongoing public engagement and transparency can build support for, and confidence in, financial plans and the system(s) to which they relate.
- Principle #2: An integrated approach to planning among water, wastewater, and storm water systems is desirable given the inherent relationship among these services.
- Principle #3: Revenues collected for the provision of water and wastewater services should ultimately be used to meet the needs of those services.
- Principle #4: Life-cycle planning with mid-course corrections is preferable to planning over the short-term, or not planning at all.
- Principle #5: An asset management plan is a key input to the development of a financial plan.
- Principle #6: A sustainable level of revenue allows for reliable service that meets or exceeds environmental protection standards, while providing sufficient resources for future rehabilitation and replacement needs.
- Principle #7: Ensuring users pay for the services they are provided leads to equitable outcomes and can improve conservation. In general, metering and the use of rates can help ensure users pay for services received.
- Principle #8: Financial plans are "living" documents that require continuous improvement. Comparing the accuracy of financial projections with actual results can lead to improved planning in the future.



Principle #9: Financial plans benefit from the close collaboration of various groups, including engineers, accountants, auditors, utility staff, and municipal Council.

## 2.2 Sustainable Water and Sewage Systems Act

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The *Sustainable Water and Sewage Systems Act* (S.W.S.S.A.) was passed on December 13, 2002. The intent of the Act was to introduce the requirement for municipalities to undertake an assessment of the “full cost” of providing their water and the wastewater services. In total, there were 40 areas within the Act to which the Minister could have made Regulations. It is noted that, the regulations, which accompany the Act, were not issued and the Act was repealed on December 31, 2012.

## 2.3 Water Opportunities Act, 2010

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Since the passage of the *Safe Drinking Water Act*, changes and refinements to the legislation have been introduced, including the *Water Opportunities Act* (W.O.A). W.O.A. was introduced into legislation on May 18, 2010 and received Royal Assent on November 29, 2010, as the *Water Opportunities Act*.

The purposes of the *Water Opportunities Act* are to: foster innovative water, wastewater and storm water technologies, services and practices; create opportunities for economic development and clean-technology jobs; and conserve and sustain water resources. To achieve this W.O.A. provides for the creation of performance targets (financial, operational and maintenance related), which will vary by service type and location and the required submission of conservation and sustainability plans for water, wastewater and stormwater.

The sustainability plan in W.O.A. expands on interim legislation for financial plans included in O. Reg. 453/07, to include the following:

- an asset management plan for the physical infrastructure;
- financial plan;
- water conservation plan (for water service only);
- a risk assessment;
- a strategy for maintaining and improving the services; and



- additional information considered advisable.

Where a Board has jurisdiction over a service, the plan (and any plan amendments) must be approved by the municipality in which the municipal service is provided before submission to the Minister. The Minister may also direct preparation of joint or partially joint plans.

Regulations (still forthcoming) will prescribe details in regard to any time periods or time limits, contents of the plans, identifying which portions of the plan will require certification, the public consultation process (if required), limitations updates and refinements.

## **2.4 Infrastructure for Jobs and Prosperity Act (I.J.P.A.), 2015**

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On June 4, 2015, the Province passed the Infrastructure for Jobs and Prosperity Act (I.J.P.A.) which, over time, will require municipalities to undertake and implement asset management plans for all infrastructure they own. On December 27, 2017, the Province of Ontario released Ontario Regulation 588/17 under I.J.P.A. which has 3 phases that municipalities must meet.

Every municipality in Ontario will have to prepare a strategic asset management policy by July 1, 2019. Municipalities will be required to review their strategic asset management policies at least every five years and make updates, as necessary. The subsequent phases are as follows:

- Phase 1 – Asset Management Plan (by July 1, 2021):
  - For core assets – Municipalities must have the following:
    - Inventory of assets;
    - Current levels of service measured by standard metrics; and
    - Costs to maintain levels of service.
- Phase 2 – Asset Management Plan (by July 1, 2023):
  - Same steps as Phase 1 but for all assets.
- Phase 3 – Asset Management Plan (by July 1, 2024):
  - Builds on Phase 1 and 2 by adding:
    - Proposed levels of service; and
    - Lifecycle management and Financial strategy.



In relation to water (which is considered a core asset), municipalities will need to have an asset management plan that addresses the related infrastructure by July 1, 2021 (Phase 1). O. Reg. 588/17 specifies that the municipality's asset management plan must include the following for each asset category:

- the current levels of service being provided;
  - determined in accordance with the following qualitative descriptions and technical metrics and based on data from at most the two calendar years prior to the year in which all information required under this section is included in the asset management plan.
- the current performance of each asset category;
- a summary of the assets in the category;
- the replacement cost of the assets in the category;
- the average age of the assets in the category, determined by assessing the average age of the components of the assets;
- the information available on the condition of the assets in the category;
- a description of the municipality's approach to assessing the condition of the assets in the category, based on recognized and generally accepted good engineering practices where appropriate; and
- the lifecycle activities that would need to be undertaken to maintain the current levels of service.

Upon completion of the asset management plan for water, the Town will need to consider the impacts during the annual budget and forecast process.

## **2.5 Water Forecast**

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As noted earlier, the Town has undertaken a Rate Study, dated March 3, 2021. The 2021 Rate Study process is designed to address "full cost" principles and reflect the guiding principles toward sustainable financial planning.

As a result of employing this process, the 2020 water budget and ten-year forecast (2022 to 2030), included in the 2021 Rate Study, provides the basis for a sound financial plan for the Town's water system by assessing:

- A detailed assessment of current and future capital needs including an analysis of potential funding sources;



- An analysis of operating costs in order to determine how they will be impacted by evolving infrastructure needs;
- A review and recommendation on rates that ensure revenues are equitable and sufficient to meet system needs; and
- A public process that involved consultation with the main stakeholders including the Town's staff, Council, the general public (specifically the users of the system) and others with the aim of gaining input and collaboration on the sustainability of the water systems.





# Chapter 3

## Approach



## 3. Approach

### 3.1 Overview

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The 2021 Rate Study (along with additional detailed information provided by Municipal Staff) has been used as a starting point to prepare the water financial plan. The Water forecast is prepared on a modified cash basis; therefore, a conversion is required in order to present a full accrual financial plan for the purposes of this report. The conversion process used will help to establish the structure of the financial plan along with the opening balances that will underpin the forecast. This chapter outlines the conversion process utilized and summarizes the adjustments made to prepare the water financial plan.

### 3.2 Conversion Process

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The conversion from the existing modified cash basis found in the 2021 Rate Study to the full accrual reporting format required under O. Reg. 453/07 can be summarized in the following steps:

1. Calculate Tangible Capital Asset Balances
2. Convert Statement of Operations
3. Convert Statement of Financial Position
4. Convert Statement of Cash Flow and Net Assets/Debt
5. Verification and Note Preparation

#### **3.2.1 Calculate Tangible Capital Asset Balances**

In calculating tangible capital asset balances, existing and future purchased, developed, and/or contributed assets will need to be considered. For existing water assets, an inventory has already been compiled and summarized by the Town for the purposes of their annual PSAB 3150 compliance process. As required, for PSAB 3150 reporting purposes, the asset inventory listing included historical cost (which is the original cost to purchase, develop, or construct each asset) along with an estimated useful life for each



asset and any anticipated salvage value is recorded. The following calculations are made to determine net book value:

- Accumulated amortization up to the year prior to the first forecast year.
- Amortization expense on existing assets for each year of the forecast period.
- Acquisition of new assets for each year of the forecast period.
- Disposals and related gains or losses for each year of forecast period.

Future water capital needs have also been determined and summarized within the 2021 Rate Study. These estimates, however, only represent future assets that the Town anticipates purchasing or constructing without consideration for future assets that are contributed by developers and other parties (at no or partial cost to the Town). These contributed assets will form part of the infrastructure going forward in terms of the sustainability of the system and despite their non-monetary nature; future financial plans may need to be adjusted in order to properly account for these transactions. Once the sequence and total asset acquisition has been determined for the forecast period, annual amortization of these assets for each year is calculated in a similar manner as that used for existing assets.

Once the historical cost, accumulated amortization, and amortization expenses are calculated as described above, the total net book value of the tangible capital assets can be determined and recorded on the Statement of Financial Position.

### **3.2.2 Convert Statement of Operations**

A wide range of adjustments will be considered, dependent on the size and complexity of the systems, in order to convert from the cash to full accrual basis (see Figure 3-1). For example, debt repayment costs relating to the principal payment portion only needs to be removed under the accrual basis, as they no longer qualify as an expense for reporting purposes. Principal payments are reported as a decrease in debt liability on the Statement of Financial Position. Transfers to and from reserves are removed as these transactions are represented by changes in cash and accumulated surplus. Finally, expenses relating to tangible capital assets, such as amortization, write-offs, and (gain)/loss on disposal of assets are reported on the Statement of Operations in order to capture the allocation of the cost of these assets to operating activities over their useful lives and therefore are added in under the accrual basis.



Table 3-1  
Conversion Adjustments  
Statement of Operations

Modified Cash Basis	Budget 2021	Adjustments		Full Accrual Budget 2021	Accrual Basis
		DR	CR		
<b>Revenues</b>					<b>Revenues</b>
Base Charge Revenue	859,202			859,202	Base Charge Revenue
Rate Based Revenue	1,726,340			1,726,340	Rate Based Revenue
Transfers from Reserves	-	-			
			180,200	180,200	Earned Development Charges and Gas Tax Revenue
Other Revenue	15,900		153,000	168,900	Other Revenue
<b>Total Revenues</b>	<b>2,601,442</b>			<b>2,934,642</b>	<b>Total Revenues</b>
<b>Expenditures</b>					<b>Expenses</b>
Operating	1,820,780	31,000		1,851,780	Operating Expenses
Capital					
Transfers to Reserves	366,124		366,124		
Transfers to Capital	-		-		
Debt Repayment (Principal & Interest)	414,537		321,223	93,315	Interest on Debt
		523,849		523,849	Amortization
		-		-	Loss on Disposal of Tangible Capital Assets
<b>Total Expenditures</b>	<b>2,601,442</b>			<b>2,468,944</b>	<b>Total Expenses</b>
<b>Net Expenditures</b>	<b>-</b>			<b>465,698</b>	<b>Annual Surplus/(Deficit)</b>
Increase (decrease) in amounts to be recovered	-			17,175,265	Accumulated Surplus/(Deficit), beginning of year
<b>Change in Fund Balances</b>	<b>-</b>	<b>465,698</b>	<b>-</b>	<b>17,640,962</b>	<b>Accumulated Surplus/(Deficit), end of year</b>
<b>TOTAL ADJUSTMENTS</b>		<b>1,020,547</b>	<b>1,020,547</b>		

**Note:** The combined adjustments above should be balanced and net to \$0 (i.e. Total DR = Total CR)



### **3.2.3 Convert Statement of Financial Position**

Once the Statement of Operations has been converted and the net book value of tangible capital assets has been recorded, balances for the remaining items on the Statement of Financial Position are determined and recorded (see Figure 3-2). The opening/actual balances for the remaining accounts such as accounts receivable, inventory, accounts payable, outstanding debt (principal only), are recorded and classified according to the structure of the Statement of Financial Position as outlined in PS1200.

It is acknowledged that some of the balances required on the Statement of Financial Position will be consolidated across the Town and as such, will be difficult to isolate the information that is relevant to water. An example of this is accounts receivable, which may be administered centrally by the Finance Department. Ontario Regulation 453/07 allows for the exclusion of these numbers if they are not known at the time of preparing the financial plan. Please refer to the Financial Plan Notes in Chapter 4 for more details.

### **3.2.4 Convert Statement of Cash Flow and Net Financial Assets/Debt**

The Statement of Cash Flow summarizes how the Town financed its activities or in other words, how the costs of providing services were recovered. The statement is derived using comparative Statement of Financial Position, the current Statement of Operations and other available transaction data.

The Statement of Change in Net Financial Assets/Debt is a statement which reconciles the difference between the surplus or deficit from current operations and the change in net financial assets/debt for the year. This is significant, as net debt provides an indication of future revenue requirements. In order to complete the Statement of Net Financial Assets/Debt, information regarding any gains/losses on disposals of assets, asset write-downs, acquisition/use of supplies inventory, and the acquisition use of prepaid expenses is necessary, (if applicable). Although the Statement of Change in Net Financial Assets/Debt is not required under O. Reg. 453/07, it has been included in this report as a further indicator of financial viability.



Table 3-2  
Conversion Adjustments  
Statement of Financial Position

Modified Cash Basis	Budget 2021	Adjustments		Full Accrual Budget 2021	Accrual Basis
		DR	CR		
<b>ASSETS</b>					<b>ASSETS</b>
<b>Financial Assets</b>					<b>Financial Assets</b>
Cash	1,016,400			1,016,400	Cash
Accounts Receivable	562,384			562,384	Accounts Receivable
<b>Total Financial Assets</b>	<b>1,578,784</b>			<b>1,578,784</b>	<b>Total Financial Assets</b>
<b>LIABILITIES</b>					<b>Liabilities</b>
Accounts Payable & Accrued Liabilities	42,124			42,124	Accounts Payable & Accrued Liabilities
Gross Long-term Liabilities	3,858,200			3,858,200	Debt (Principal only)
Deferred Revenue	396,731			396,731	Deferred Revenue
<b>Total Liabilities</b>	<b>4,297,055</b>			<b>4,297,055</b>	<b>Total Liabilities</b>
<b>Net Assets/(Debt)</b>	<b>(2,718,271)</b>			<b>(2,718,271)</b>	<b>Net Financial Assets/(Debt)</b>
		20,390,234	31,000	20,359,233	<b>Non-Financial Assets</b>
				<b>20,359,233</b>	Tangible Capital Assets
					<b>Total Non-Financial Assets</b>
<b>Municipal Position</b>					
Water Reserves	1,139,929	1,139,929	-		
Gas Tax Reserve Fund	-	-	-		
Development Charge Reserve Fund	396,731	396,731	-		
Amounts to be Recovered	(4,254,931)	-	4,254,931		
<b>Total Municipal Position</b>	<b>(2,718,271)</b>		17,640,962	<b>17,640,962</b>	<b>Accumulated Surplus/(Deficit), end of year</b>
<b>TOTAL ADJUSTMENTS</b>		<b>21,926,894</b>	<b>21,926,894</b>		

**Note:** The combined adjustments above should be balanced and net to \$0 (i.e. Total DR = Total CR)



### **3.2.5 Verification and Note Preparation**

The final step in the conversion process is to ensure that all the statements created by the previous steps are in balance. The Statement of Financial Position summarizes the resources and obligations of the Town at a set point in time. The Statement of Operations summarizes how these resources and obligations changed over the reporting period. To this end, the accumulated surplus/deficit reported on the Statement of Financial Position should equal the accumulated surplus/deficit reported on the Statement of Operations.

The Statement of Change in Net Financial Assets/Debt and the Statement of Financial Position are also linked in terms of reporting on net financial assets/debt. On the Statement of Financial Position, net financial assets/debt is equal to the difference between financial assets and liabilities and should equal net financial assets/debt as calculated on the Statement of Net Financial Assets/Debt.

While not part of the financial plan, the accompanying notes are important to summarize the assumptions and estimates made in preparing the financial plan. Some of the significant assumptions that need to be addressed within the financial plan are as follows:

- a) Opening cash balances – Opening cash balances are necessary to complete the Statement of Cash Flows and balance the Statement of Financial Position. Preferably, opening cash balances should be derived from actual information contained within the Town’s ledgers. It may not be possible, however, to extract this information from the ledgers for water alone; therefore, a reasonable proxy will be needed. One approach is to assume that opening cash balances equal ending reserve and reserve fund balances from the previous year adjusted for accrual-based transactions reflected by accounts receivable/payable balances. The following equation outlines this approach:

$$\begin{aligned} & \text{Ending Reserve/Reserve Fund Balance} \\ & \text{Plus: Ending Accounts Payable Balance} \\ & \underline{\text{Less: Ending Accounts Receivable Balance}} \\ & \text{Equals: Approximate Ending Cash Balance} \end{aligned}$$



- b) Amortization Expense – The method and timing of amortization should be based on the Town’s amortization policy.
- c) Accumulated Amortization – Will be based on the culmination of accumulated amortization expenses throughout the life of each asset however derived, along with information on construction/acquisition date and useful life obtained from the capital asset listing provided.
- d) Contributed Assets – As noted earlier, contributed assets could represent a significant part of the Town’s infrastructure acquisitions. As such, a reasonable estimate of value and timing of acquisition/donation may be required in order to adequately capture these assets. In the case where contributed assets are deemed to be insignificant or unknown, an assumption of “no contributed assets within the forecast period” will be made.
- e) Accumulated Surplus – The magnitude of the surplus in this area may precipitate the need for additional explanation especially in the first year of reporting. This Accumulated Surplus captures the historical infrastructure investment which has not been reported in the past but has accumulated to significant levels. It also includes all water reserve and reserve fund balances.
- f) Other Revenues – Will represent the recognition of revenues previously deferred (i.e. development charge revenues) and/or accrued revenues (developer contributions), and/or other minor miscellaneous revenues.





# Chapter 4

## Financial Plan



## 4. Financial Plan

### 4.1 Introduction

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The following tables provide the complete financial plan for the Town's water systems. A brief description and analysis of each table is provided below. It is important to note that the financial plan that follows is a forward look at the financial position of the Town's water systems. It is not an audited document<sup>1</sup> and it contains various estimates as detailed in the "Notes to the Financial Plan" section below.

### 4.2 Water Financial Plan

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#### 4.2.1 *Statement of Financial Position (Table 4-1)*

The Statement of Financial Position provides information that describes the assets, liabilities, and accumulated surplus of the Town's water systems. The first important indicator is net financial assets/(debt), which is defined as the difference between financial assets and liabilities. This indicator provides an indication of the system's "future revenue requirement." A net financial asset position is where financial assets are greater than liabilities and implies that the system has the resources to finance future operations. Conversely, a net debt position implies that the future revenues generated by the system will be needed to finance past transactions, as well as future operations. Table 4-1 indicates that in 2021, the Town's water system was in a net financial debt position of \$2.72 million. The financial plan forecasts a net financial deficit position for each year of the forecast period, increasing to a net financial debt position of \$3.06 million by 2030.

Another important indicator on the Statement of Financial Position is the tangible capital asset balance under section PS3150. As noted earlier, providing this information is a requirement for municipalities as part of PS3150 compliance and is significant from a financial planning perspective for the following reasons:

- Tangible capital assets such as watermains and treatment facilities are imperative to water service delivery.

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<sup>1</sup> O. Reg. 453/07 does not require an audited financial plan.

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- These assets represent significant economic resources in terms of their historical and replacement costs. Therefore, ongoing capital asset management is essential to managing significant replacements and repairs.
- The annual maintenance required by these assets has an enduring impact on water operational budgets.

In general terms, an increase in the tangible capital asset balance indicates that assets may have been acquired either through purchase by the municipality or donation/contribution by a third party. A decrease in the tangible capital asset balance can indicate a disposal, write down, or use of assets. A use of assets is usually represented by an increase in accumulated amortization due to annual amortization expenses arising as a result of allocating the cost of the asset to operations over the asset's useful life. Table 4-1 shows tangible capital assets net book value is expected to increase over the forecast period of approximately \$11.95 million. This indicates that the Town has plans to invest in tangible capital assets in excess of the anticipated use of existing assets over the forecast period.

#### **4.2.2 Statement of Operations (Table 4-2)**

The Statement of Operations summarizes the revenues and expenses generated by the water system for a given period. The annual surplus/deficit measures whether the revenues generated were sufficient to cover the expenses incurred and in turn, whether net financial assets have been maintained or depleted. Table 4-2 illustrates the ratio of expenses to revenues, although fluctuating to some extent over the forecast period, with a decrease from 84% in 2021 to 35% by 2030. As a result, annual surplus increases from a surplus of \$465,697 to a surplus of just over \$5.72 million by 2030. This is due to a general increasing trend in amortization expense and earned development charge revenue. It is important to note that an annual surplus is beneficial to ensure funding is available to non-expense costs such as tangible capital asset acquisitions and reserve/reserve fund transfers.

Another important indicator on this statement is accumulated surplus/deficit. An accumulated surplus indicates that the available net resources are sufficient to provide future capital water services. An accumulated deficit indicates that resources are insufficient to provide future services and that borrowing, or rate increases are required to finance annual deficits. From Table 4-2, the financial plan proposes to increase by approximately \$10.65 million from a 2021 accumulated surplus of \$17.18 million over



the forecast period to \$27.83 million in 2030. The accumulated surplus, as indicated in Table 4-2, is predominantly made up of reserve and reserve fund balances as well as investments in tangible capital assets by the municipality.

#### **4.2.3 Statement of Change in Net Financial Assets/Debt (Table 4-3)**

The Statement of Change in Net Financial Assets/Debt indicates whether revenue generated was sufficient to cover operating and non-financial asset costs (i.e. inventory supplies, prepaid expenses, tangible capital assets, etc.) and in so doing, explains the difference between the annual surplus/deficit and the change in net financial assets/debt for the period. Table 4-3 indicates that forecasted tangible capital asset acquisitions (net of amortization for the year) exceeds the forecasted annual surplus, resulting in decreases in the net financial asset balance. This is a result of more significant capital asset acquisitions forecasted allowing for a long-term plan of funding capital through accumulated surplus (i.e. reserves and reserve funds). This is also evidenced by the ratio of cumulative annual surplus before amortization to cumulative tangible capital asset acquisitions increasing from 0.51 to 0.93 over the forecast period.<sup>1</sup>

#### **4.2.4 Statement of Cash Flow (Table 4-4)**

The Statement of Cash Flow summarizes how water systems are expected to generate and use cash resources during the forecast period. The transactions that provide/use cash are classified as operating, capital, investing, and financing activities as shown in Table 4-4. This statement focuses on the cash aspect of these transactions and thus is the link between cash-based and accrual-based reporting. Table 4-4 indicates that cash from operations will be used to fund capital transactions (i.e. tangible capital asset acquisitions) and build internal reserves and reserve funds over the forecast period. The financial plan projects the cash position of the Town's water systems to decrease from a balance of \$2.2 million at the beginning of 2021, to a deficit of just under \$3.3 million by the end of 2030. For further discussions, on projected cash balances please refer to the Notes to the Financial Plan.

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<sup>1</sup> A desirable ratio is 1:1 or better.



Table 4-1  
Statement of Financial Position: Water Services  
UNAUDITED: For Financial Planning Purposes Only  
2021-2030

	Notes	Forecast									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Financial Assets</b>											
Cash	1	1,016,400	860,184	773,304	638,383	716,907	880,484	1,063,995	1,255,419	1,465,904	-
Accounts Receivable	1	562,384	585,129	609,849	635,509	663,007	689,132	716,783	747,612	780,824	817,552
Long-term Accounts Receivable	2	-	-	-	-	-	-	-	-	-	3,242,032
<b>Total Financial Assets</b>		<b>1,578,784</b>	<b>1,445,313</b>	<b>1,383,153</b>	<b>1,273,892</b>	<b>1,379,914</b>	<b>1,569,616</b>	<b>1,780,778</b>	<b>2,003,031</b>	<b>2,246,728</b>	<b>4,059,584</b>
<b>Liabilities</b>											
Bank Indebtedness		-	-	-	-	-	-	-	-	-	3,229,051
Accounts Payable & Accrued Liabilities	1	42,124	43,205	44,226	45,267	46,339	47,438	48,565	49,723	50,912	52,146
Debt (Principal only)	2	3,858,200	3,536,328	3,213,805	2,890,626	2,740,788	3,131,476	3,286,064	3,337,854	3,366,658	3,833,685
Deferred Revenue	3	396,731	522,783	652,221	785,139	921,630	1,064,850	1,211,868	1,362,784	1,517,656	-
<b>Total Liabilities</b>		<b>4,297,055</b>	<b>4,102,316</b>	<b>3,910,252</b>	<b>3,721,032</b>	<b>3,708,757</b>	<b>4,243,764</b>	<b>4,546,497</b>	<b>4,750,361</b>	<b>4,935,226</b>	<b>7,114,882</b>
<b>Net Financial Assets/(Debt)</b>		<b>(2,718,271)</b>	<b>(2,657,003)</b>	<b>(2,527,099)</b>	<b>(2,447,140)</b>	<b>(2,328,843)</b>	<b>(2,674,148)</b>	<b>(2,765,719)</b>	<b>(2,747,330)</b>	<b>(2,688,498)</b>	<b>(3,055,298)</b>
<b>Non-Financial Assets</b>											
Tangible Capital Assets	4	20,359,233	20,644,267	20,925,658	21,287,784	21,704,149	22,658,359	23,397,234	24,077,097	24,791,334	30,880,754
<b>Total Non-Financial Assets</b>		<b>20,359,233</b>	<b>20,644,267</b>	<b>20,925,658</b>	<b>21,287,784</b>	<b>21,704,149</b>	<b>22,658,359</b>	<b>23,397,234</b>	<b>24,077,097</b>	<b>24,791,334</b>	<b>30,880,754</b>
<b>Accumulated Surplus/(Deficit)</b>	5	<b>17,640,962</b>	<b>17,987,264</b>	<b>18,398,559</b>	<b>18,840,644</b>	<b>19,375,306</b>	<b>19,984,211</b>	<b>20,631,515</b>	<b>21,329,767</b>	<b>22,102,836</b>	<b>27,825,456</b>
<b>Financial Indicators</b>											
	<b>Total Change</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
1) Increase/(Decrease) in Net Financial Assets	(1,303,581)	(966,554)	61,268	129,904	79,959	118,297	(345,305)	(91,571)	18,389	58,832	(366,800)
2) Increase/(Decrease) in Tangible Capital Assets	11,953,772	1,432,251	285,034	281,391	362,126	416,365	954,210	738,875	679,863	714,237	6,089,420
3) Increase/(Decrease) in Accumulated Surplus	10,650,191	465,697	346,302	411,295	442,085	534,662	608,905	647,304	698,252	773,069	5,722,620



**Table 4-2**  
**Statement of Operations: Water Services**  
**UNAUDITED: For Financial Planning Purposes Only**  
**2021-2030**

	Notes	Forecast									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Water Revenue</b>											
Base Charge Revenue		859,202	924,484	985,400	1,050,298	1,129,997	1,216,033	1,308,735	1,382,130	1,445,692	1,497,588
Rate Based Revenue		1,726,340	1,766,269	1,819,698	1,873,499	1,921,000	1,955,809	1,991,016	2,060,224	2,150,293	2,268,291
Earned Development Charges and Gas Tax Revenue	3	180,200	-	-	-	-	-	-	-	-	4,882,000
Other Revenue	6	168,899	171,901	174,900	177,900	181,900	184,900	187,899	191,900	194,900	198,900
<b>Total Revenues</b>		<b>2,934,641</b>	<b>2,862,654</b>	<b>2,979,998</b>	<b>3,101,697</b>	<b>3,232,897</b>	<b>3,356,742</b>	<b>3,487,650</b>	<b>3,634,254</b>	<b>3,790,885</b>	<b>8,846,779</b>
<b>Water Expenses</b>											
Operating Expenses	Sch. 4-1	1,851,780	1,867,480	1,911,600	1,994,620	2,019,940	2,050,460	2,099,180	2,149,200	2,200,620	2,271,940
Interest on Debt	2	93,315	87,906	82,494	77,118	71,660	70,587	83,041	90,665	94,433	97,639
Amortization	4	523,849	560,966	574,609	587,874	606,635	626,790	658,125	696,137	722,763	754,580
Loss on Disposal of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>		<b>2,468,944</b>	<b>2,516,352</b>	<b>2,568,703</b>	<b>2,659,612</b>	<b>2,698,235</b>	<b>2,747,837</b>	<b>2,840,346</b>	<b>2,936,002</b>	<b>3,017,816</b>	<b>3,124,159</b>
<b>Annual Surplus/(Deficit)</b>		<b>465,697</b>	<b>346,302</b>	<b>411,295</b>	<b>442,085</b>	<b>534,662</b>	<b>608,905</b>	<b>647,304</b>	<b>698,252</b>	<b>773,069</b>	<b>5,722,620</b>
Accumulated Surplus/(Deficit), beginning of year	5	17,175,265	17,640,962	17,987,264	18,398,559	18,840,644	19,375,306	19,984,211	20,631,515	21,329,767	22,102,836
Accumulated Surplus/(Deficit), end of year		17,640,962	17,987,264	18,398,559	18,840,644	19,375,306	19,984,211	20,631,515	21,329,767	22,102,836	27,825,456
<b>Note 5:</b>											
<b>Accumulated Surplus/(Deficit) Reconciliation:</b>											
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Reserve Balances</b>											
Reserves: Development Charges		396,731	522,783	652,221	785,139	921,630	1,064,850	1,211,868	1,362,784	1,517,656	(3,242,032)
Reserves: Gas Tax		-	-	-	-	-	-	-	-	-	-
Reserves: Capital/Other		1,139,929	879,325	686,706	443,486	411,945	457,328	520,345	590,524	678,160	778,387
<b>Total Reserves Balance</b>		<b>1,536,660</b>	<b>1,402,108</b>	<b>1,338,927</b>	<b>1,228,625</b>	<b>1,333,575</b>	<b>1,522,178</b>	<b>1,732,213</b>	<b>1,953,308</b>	<b>2,195,816</b>	<b>(2,463,645)</b>
Less: Debt Obligations and Deferred Revenue		(4,254,931)	(4,059,111)	(3,866,026)	(3,675,765)	(3,662,418)	(4,196,326)	(4,497,932)	(4,700,638)	(4,884,314)	(3,833,685)
Add: Long-term Accounts Receivable		-	-	-	-	-	-	-	-	-	3,242,032
Add: Tangible Capital Assets	4	20,359,233	20,644,267	20,925,658	21,287,784	21,704,149	22,658,359	23,397,234	24,077,097	24,791,334	30,880,754
<b>Total Ending Balance</b>		<b>17,640,962</b>	<b>17,987,264</b>	<b>18,398,559</b>	<b>18,840,644</b>	<b>19,375,306</b>	<b>19,984,211</b>	<b>20,631,515</b>	<b>21,329,767</b>	<b>22,102,836</b>	<b>27,825,456</b>
<b>Financial Indicators</b>											
	<b>Total Change</b>	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1) Expense to Revenue Ratio		84%	88%	86%	86%	83%	82%	81%	81%	80%	35%
2) Increase/(Decrease) in Accumulated Surplus	10,650,191	465,697	346,302	411,295	442,085	534,662	608,905	647,304	698,252	773,069	5,722,620



Schedule 4-1  
Statement of Operating Expenses: Water Services  
UNAUDITED: For Financial Planning Purposes Only  
2021-2030

	Notes	Forecast									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Operating Expenses</b>											
<b>Waterworks Administration</b>											
W-431-010-1120 REGULAR SALARIES & WAGES		8,500	8,700	8,900	9,100	9,300	9,500	9,700	9,900	10,100	10,300
W-431-010-1190 EMPLOYER BENEFITS COSTS		2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
W-431-010-2590 OTHER SUPPLIES		1,100	1,200	1,300	1,400	1,500	1,600	1,700	1,800	1,900	2,000
W-431-010-2610 NEW EQUIPMENT		3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900	4,000
W-431-010-3170 TRAINING & EDUCATION		8,300	8,500	8,700	8,900	9,100	9,300	9,500	9,700	9,900	10,100
W-431-010-3610 CONTRACTED SERVICES		3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900
<b>Administration General</b>											
W-431-101-1120 REGULAR SALARIES & WAGES		92,000	93,800	95,700	97,600	99,600	101,600	103,600	105,700	107,800	110,000
W-431-101-1190 EMPLOYER BENEFITS COSTS		23,900	24,400	24,900	25,400	25,900	26,400	26,900	27,400	27,900	28,500
W-431-101-2510 OFFICE SUPPLIES		3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700
W-431-101-2515 COMPUTER SUPPLIES		2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700
W-431-101-2710 UNIFORMS		900	900	900	900	900	900	900	900	900	900
W-431-101-3111 CAR ALLOWANCE		2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
W-431-101-3120 POSTAGE & SHIPPING		18,500	18,900	19,300	19,700	20,100	20,500	20,900	21,300	21,700	22,100
W-431-101-3130 TELEPHONE		4,600	4,700	4,800	4,900	5,000	5,100	5,200	5,300	5,400	5,500
W-431-101-3162 STAFF DEVELOPMENT		7,000	7,100	7,200	7,300	7,400	7,500	7,700	7,900	8,100	8,300
W-431-101-3170 TRAINING & EDUCATION		5,400	5,500	5,600	5,700	5,800	5,900	6,000	6,100	6,200	6,300
W-431-101-3320 MEMBERSHIPS		3,400	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300
W-431-101-3520 AUDIT		5,400	5,500	5,600	5,700	5,800	5,900	6,000	6,100	6,200	6,300
W-431-101-3550 INSURANCE		55,100	56,200	57,300	58,400	59,600	60,800	62,000	63,200	64,500	65,800
W-431-101-3610 CONTRACTED SERVICES		3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700
W-431-101-3765 OCWA CHARGES		632,620	648,900	661,900	675,100	688,600	702,400	716,400	730,700	745,300	760,200
W-431-101-3814 PROPERTY TAXES		59,500	60,700	61,900	63,100	64,400	65,700	67,000	68,300	69,700	71,100
W-431-101-4220 WRITE-OFFS		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
W-431-101-7420 VEHICLE / EQPT. CHARGES		1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
<b>Stores</b>											
W-431-406-1120 REGULAR SALARIES & WAGES		12,900	13,200	13,500	13,800	14,100	14,400	14,700	15,000	15,300	15,600
W-431-406-1190 EMPLOYER BENEFITS COSTS		3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500
W-431-406-2310 CONSTRUCTION MATERIALS		1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500
W-431-406-7420 VEHICLE / EQPT. CHARGES		3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400
<b>Water Trailers</b>											
W-431-W06-2680 PARTS		330	340	350	360	370	380	390	400	410	420
<b>2014 Chev Express Cutaway</b>											
W-431-W07-1120 REGULAR SALARIES & WAGES		4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,200
W-431-W07-1130 OVERTIME		-	-	-	-	-	-	-	-	-	-
W-431-W07-1190 EMPLOYER BENEFITS COSTS		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
W-431-W07-2522 LICENCES		430	440	450	460	470	480	490	500	510	520
W-431-W07-2680 PARTS		5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500	6,600
W-431-W07-2812 GAS & OIL		6,800	7,100	7,500	7,900	8,300	8,700	9,100	9,600	10,100	10,600
W-431-W07-7410 VEHICLE / EQPT RECOVERIES		(9,700)	(9,900)	(10,100)	(10,300)	(10,500)	(10,700)	(10,900)	(11,100)	(11,300)	(11,500)
<b>2016 Chevy 1/2 Ton Waterworks truck</b>											
W-431-W09-1120 REGULAR SALARIES & WAGES		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
W-431-W09-1190 EMPLOYER BENEFITS COSTS		300	300	300	300	300	300	300	300	300	300
W-431-W09-2680 PARTS		4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,200
W-431-W09-2812 GAS & OIL		2,200	2,300	2,400	2,500	2,600	2,700	2,800	2,900	3,000	3,200
W-431-W09-7410 VEHICLE / EQPT RECOVERIES		(14,000)	(14,300)	(14,600)	(14,900)	(15,200)	(15,500)	(15,800)	(16,100)	(16,400)	(16,700)



Schedule 4-1 Continued  
Statement of Operating Expenses: Water Services  
UNAUDITED: For Financial Planning Purposes Only  
2021-2030

	Notes	Forecast										
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
<b>2018 Ford F150</b>												
W-431-W10-1120 REGULAR SALARIES & WAGES		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
W-431-W10-1190 EMPLOYER BENEFITS COSTS		300	300	300	300	300	300	300	300	300	300	300
W-431-W10-2522 LICENCES		100	100	100	100	100	100	100	100	100	100	100
W-431-W10-2680 PARTS		3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,800
W-431-W10-2812 GAS & OIL		4,300	4,500	4,700	4,900	5,100	5,400	5,700	6,000	6,300	6,600	6,600
W-431-W10-7410 VEHICLE / EQPT RECOVERIES		(8,900)	(9,100)	(9,300)	(9,500)	(9,700)	(9,900)	(10,100)	(10,300)	(10,500)	(10,700)	(10,700)
<b>Waterworks (Garage)</b>												
W-432-361-2310 CONSTRUCTION MATERIALS		5,500	5,800	6,100	6,400	6,700	7,000	7,400	7,800	8,200	8,600	8,600
W-432-361-2550 REPAIRS & REPLACEMENT		5,000	5,100	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900	5,900
W-432-361-2560 CLEANING SUPPLIES		400	400	400	400	400	400	400	400	400	400	400
W-432-361-2610 NEW EQUIPMENT		3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,800
W-432-361-2813 HEATING FUEL		7,600	8,000	8,400	8,800	9,200	9,700	10,200	10,700	11,200	11,800	11,800
W-432-361-2811 ELECTRICITY		6,400	6,700	7,000	7,400	7,800	8,200	8,600	9,000	9,500	10,000	10,000
W-432-361-3130 TELEPHONE		1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
W-432-361-3610 CONTRACTED SERVICES		2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,700
<b>Transmission &amp; Distribution</b>												
<b>Main Repairs</b>												
W-433-362-1120 REGULAR SALARIES & WAGES		24,200	24,700	25,200	25,700	26,200	26,700	27,200	27,700	28,300	28,900	28,900
W-433-362-1190 EMPLOYER BENEFITS COSTS		6,800	6,900	7,000	7,100	7,200	7,300	7,400	7,500	7,700	7,900	7,900
W-433-362-2310 CONSTRUCTION MATERIALS		13,900	14,200	14,500	14,800	15,100	15,400	15,700	16,000	16,300	16,600	16,600
W-433-362-3610 CONTRACTED SERVICES		32,500	33,200	33,900	34,600	35,300	36,000	36,700	37,400	38,100	38,900	38,900
W-433-362-3810 EQUIPMENT RENTAL/LEASE		2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,600
W-433-362-7420 VEHICLE / EQPT. CHARGES		3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,400
<b>New Services</b>												
W-433-363-2310 CONSTRUCTION MATERIALS		6,100	6,400	6,700	7,000	7,400	7,800	8,200	8,600	9,000	9,500	9,500
W-433-363-3610 CONTRACTED SERVICES		700	700	700	700	700	700	700	700	700	700	700
<b>New Mains</b>												
W-433-371-1120 REGULAR SALARIES & WAGES		35,700	36,400	37,100	37,800	38,600	39,400	40,200	41,000	41,800	42,600	42,600
W-433-371-1190 EMPLOYER BENEFITS COSTS		10,000	10,200	10,400	10,600	10,800	11,000	11,200	11,400	11,600	11,800	11,800
W-433-371-2310 CONSTRUCTION MATERIALS		21,100	22,200	23,300	24,500	25,700	27,000	28,400	29,800	31,300	32,900	32,900
W-433-371-3610 CONTRACTED SERVICES		10,800	11,000	11,200	11,400	11,600	11,800	12,000	12,200	12,400	12,600	12,600
W-433-371-7420 VEHICLE / EQPT. CHARGES		5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500	6,600	6,700	6,700
<b>Water Meters</b>												
W-433-372-1120 REGULAR SALARIES & WAGES		9,400	9,600	9,800	10,000	10,200	10,400	10,600	10,800	11,000	11,200	11,200
W-433-372-1190 EMPLOYER BENEFITS COSTS		2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,500
W-433-372-1990 ACCRUED PAYROLL												
W-433-372-2310 CONSTRUCTION MATERIALS		18,900	19,800	20,800	21,800	22,900	24,000	25,200	26,500	27,800	29,200	29,200
W-433-372-2610 NEW EQUIPMENT		6,000	6,100	6,200	6,300	6,400	6,500	6,600	6,700	6,800	6,900	6,900
W-433-372-3610 CONTRACTED SERVICES		3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,500
W-433-372-7420 VEHICLE / EQPT. CHARGES		2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,800
<b>Fire Hydrants</b>												
W-433-373-1120 REGULAR SALARIES & WAGES		14,800	15,100	15,400	15,700	16,000	16,300	16,600	16,900	17,200	17,500	17,500
W-433-373-1190 EMPLOYER BENEFITS COSTS		4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,100
W-433-373-2310 CONSTRUCTION MATERIALS		14,400	15,100	15,900	16,700	17,500	18,400	19,300	20,300	21,300	22,400	22,400
W-433-373-3610 CONTRACTED SERVICES		2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
W-433-373-7420 VEHICLE / EQPT. CHARGES		13,200	13,500	13,800	14,100	14,400	14,700	15,000	15,300	15,600	15,900	15,900





Schedule 4-1 Continued  
Statement of Operating Expenses: Water Services  
UNAUDITED: For Financial Planning Purposes Only  
2021-2030

	Notes	Forecast									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Valve Repairs</b>											
W-433-381-1120 REGULAR SALARIES & WAGES		23,600	24,100	24,600	25,100	25,600	26,100	26,600	27,100	27,600	28,200
W-433-381-1190 EMPLOYER BENEFITS COSTS		6,600	6,700	6,800	6,900	7,000	7,100	7,200	7,300	7,400	7,500
W-433-381-2310 CONSTRUCTION MATERIALS		9,400	9,600	9,800	10,000	10,200	10,400	10,600	10,800	11,000	11,200
W-433-381-3610 CONTRACTED SERVICES		8,200	8,400	8,600	8,800	9,000	9,200	9,400	9,600	9,800	10,000
W-433-381-7420 VEHICLE / EQPT. CHARGES		4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000
<b>Service Repairs</b>											
W-433-382-1120 REGULAR SALARIES & WAGES		172,500	176,000	179,500	183,100	186,800	190,500	194,300	198,200	202,200	206,200
W-433-382-1190 EMPLOYER BENEFITS COSTS		48,400	49,400	50,400	51,400	52,400	53,400	54,500	55,600	56,700	57,800
W-433-382-2310 CONSTRUCTION MATERIALS		66,000	67,300	68,600	70,000	71,400	72,800	74,300	75,800	77,300	78,800
W-433-382-3610 CONTRACTED SERVICES		114,800	120,500	126,500	132,800	139,400	146,400	153,700	161,400	169,500	178,000
W-433-382-7420 VEHICLE / EQPT. CHARGES		19,300	19,700	20,100	20,500	20,900	21,300	21,700	22,100	22,500	23,000
<b>Pumping Station (Kedrosky)</b>											
W-433-533-1120 REGULAR SALARIES & WAGES		1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
W-433-533-1190 EMPLOYER BENEFITS COSTS		300	300	300	300	300	300	300	300	300	300
W-433-533-2310 CONSTRUCTION MATERIALS		2,200	2,300	2,400	2,500	2,600	2,700	2,800	2,900	3,000	3,200
W-433-533-2814 ELECTRICITY		5,900	6,200	6,500	6,800	7,100	7,500	7,900	8,300	8,700	9,100
W-433-533-3610 CONTRACTED SERVICES		3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500
<b>Elevated Tower - Minor Treatment Improvements</b>											
W-434-396-2310 WTP - MAJOR MAINTENANCE		42,500	43,400	44,300	45,200	46,100	47,000	47,900	48,900	49,900	50,900
Non TCA - Expenses from Capital Budget	7	31,000	-	-	38,000	17,000	-	-	-	-	18,000
<b>TOTAL OPERATING EXPENSES</b>		<b>1,851,780</b>	<b>1,867,480</b>	<b>1,911,600</b>	<b>1,994,620</b>	<b>2,019,940</b>	<b>2,050,460</b>	<b>2,099,180</b>	<b>2,149,200</b>	<b>2,200,620</b>	<b>2,271,940</b>



**Table 4-3**  
**Statement of Changes in Net Financial Assets/Debt: Water Services**  
**UNAUDITED: For Financial Planning Purposes Only**  
**2021-2030**

	Notes	Forecast									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Annual Surplus/(Deficit)		465,697	346,302	411,295	442,085	534,662	608,905	647,304	698,252	773,069	5,722,620
Less: Acquisition of Tangible Capital Assets	4	(1,956,100)	(846,000)	(856,000)	(950,000)	(1,023,000)	(1,581,000)	(1,397,000)	(1,376,000)	(1,437,000)	(6,844,000)
Add: Amortization of Tangible Capital Assets	4	523,849	560,966	574,609	587,874	606,635	626,790	658,125	696,137	722,763	754,580
(Gain)/Loss on disposal of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-
Add: Proceeds on Sale of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-
Add: Write-downs of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-
		(1,432,251)	(285,034)	(281,391)	(362,126)	(416,365)	(954,210)	(738,875)	(679,863)	(714,237)	(6,089,420)
Less: Acquisition of Supplies Inventory		-	-	-	-	-	-	-	-	-	-
Less: Acquisition of Prepaid Expenses		-	-	-	-	-	-	-	-	-	-
Add: Consumption of Supplies Inventory		-	-	-	-	-	-	-	-	-	-
Add: Use of Prepaid Expenses		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>Increase/(Decrease) in Net Financial Assets/(Net Debt)</b>		<b>(966,554)</b>	<b>61,268</b>	<b>129,904</b>	<b>79,959</b>	<b>118,297</b>	<b>(345,305)</b>	<b>(91,571)</b>	<b>18,389</b>	<b>58,832</b>	<b>(366,800)</b>
Net Financial Assets/(Net Debt), beginning of year		(1,751,717)	(2,718,271)	(2,657,003)	(2,527,099)	(2,447,140)	(2,328,843)	(2,674,148)	(2,765,719)	(2,747,330)	(2,688,498)
<b>Net Financial Assets/(Net Debt), end of year</b>		<b>(2,718,271)</b>	<b>(2,657,003)</b>	<b>(2,527,099)</b>	<b>(2,447,140)</b>	<b>(2,328,843)</b>	<b>(2,674,148)</b>	<b>(2,765,719)</b>	<b>(2,747,330)</b>	<b>(2,688,498)</b>	<b>(3,055,298)</b>
<b>Financial Indicators</b>		<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
1) Acquisition of Tangible Capital Assets (Cumulative)		1,956,100	2,802,100	3,658,100	4,608,100	5,631,100	7,212,100	8,609,100	9,985,100	11,422,100	18,266,100
2) Annual Surplus/Deficit before Amortization (Cumulative)		989,546	1,896,814	2,882,718	3,912,677	5,053,974	6,289,669	7,595,098	8,989,487	10,485,319	16,962,519
3) Ratio of Annual Surplus before Amortization to Acquisition of TCA's (Cumulative)		0.51	0.68	0.79	0.85	0.90	0.87	0.88	0.90	0.92	0.93



Table 4-4  
Statement of Cash Flow – Indirect Method: Water Services  
UNAUDITED: For Financial Planning Purposes Only  
2021-2030

	Notes	Forecast									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Operating Transactions</b>											
Annual Surplus/Deficit		465,697	346,302	411,295	442,085	534,662	608,905	647,304	698,252	773,069	5,722,620
Add: Amortization of TCA's	4	523,849	560,966	574,609	587,874	606,635	626,790	658,125	696,137	722,763	754,580
(Gain)/Loss on disposal of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-
Less: Earned Deferred Revenue	3	(180,200)	-	-	-	-	-	-	-	-	(4,882,000)
<b>Less: Developer Contributions</b>											
Add: Deferred Revenue Proceeds		302,916	126,052	129,438	132,918	136,491	143,220	147,018	150,916	154,872	122,312
Change in A/R (Increase)/Decrease		(21,422)	(22,746)	(24,720)	(25,660)	(27,498)	(26,125)	(27,651)	(30,830)	(33,212)	(36,728)
Change in A/P Increase/(Decrease)		(628)	1,081	1,021	1,041	1,072	1,099	1,127	1,158	1,189	1,234
Less: Interest Proceeds		-	-	-	-	-	-	-	-	-	-
<b>Cash Provided by Operating Transactions</b>		<b>1,090,212</b>	<b>1,011,655</b>	<b>1,091,643</b>	<b>1,138,258</b>	<b>1,251,362</b>	<b>1,353,889</b>	<b>1,425,924</b>	<b>1,515,633</b>	<b>1,618,681</b>	<b>1,682,019</b>
<b>Capital Transactions</b>											
Proceeds on sale of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-
Less: Cash Used to acquire Tangible Capital Assets	4	(1,956,100)	(846,000)	(856,000)	(950,000)	(1,023,000)	(1,581,000)	(1,397,000)	(1,376,000)	(1,437,000)	(6,844,000)
<b>Cash Applied to Capital Transactions</b>		<b>(1,956,100)</b>	<b>(846,000)</b>	<b>(856,000)</b>	<b>(950,000)</b>	<b>(1,023,000)</b>	<b>(1,581,000)</b>	<b>(1,397,000)</b>	<b>(1,376,000)</b>	<b>(1,437,000)</b>	<b>(6,844,000)</b>
<b>Investing Transactions</b>											
Proceeds from Investments		-	-	-	-	-	-	-	-	-	-
Less: Cash Used to Acquire Investments		-	-	-	-	-	-	-	-	-	-
<b>Cash Provided by (applied to) Investing Transactions</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financing Transactions</b>											
Proceeds from Debt Issue	2	-	-	-	-	174,000	722,000	415,000	230,000	218,000	667,000
Less: Debt Repayment (Principal only)	2	(321,223)	(321,871)	(322,523)	(323,179)	(323,838)	(331,312)	(260,413)	(178,209)	(189,196)	(199,974)
<b>Cash Applied to Financing Transactions</b>		<b>(321,223)</b>	<b>(321,871)</b>	<b>(322,523)</b>	<b>(323,179)</b>	<b>(149,838)</b>	<b>390,688</b>	<b>154,587</b>	<b>51,791</b>	<b>28,804</b>	<b>467,026</b>
Increase in Cash and Cash Equivalents		(1,187,111)	(156,216)	(86,880)	(134,921)	78,524	163,577	183,511	191,424	210,485	(4,694,955)
Cash and Cash Equivalents, beginning of year	1	2,203,511	1,016,400	860,184	773,304	638,383	716,907	880,484	1,063,995	1,255,419	1,465,904
<b>Cash and Cash Equivalents, end of year</b>	<b>1</b>	<b>1,016,400</b>	<b>860,184</b>	<b>773,304</b>	<b>638,383</b>	<b>716,907</b>	<b>880,484</b>	<b>1,063,995</b>	<b>1,255,419</b>	<b>1,465,904</b>	<b>(3,229,051)</b>



## Notes to Financial Plan

The financial plan format as outlined in Chapter 4 closely approximates the full accrual format used by municipalities on their audited financial statements. However, the financial plan is not an audited document and contains various estimates. In this regard, section 3 (2) of O. Reg. 453/07 states the following:

“Each of the following sub-subparagraphs applies only if the information referred to in the sub-subparagraph is known to the owner at the time the financial plans are prepared:

1. Sub-subparagraphs 4 i A, B and C of subsection (1)
2. Sub-subparagraphs 4 iii A, C, E and F of subsection (1).”

The information referred to in sub-subparagraphs 4 i A, B and C of subsection (1) includes:

- A. Total financial assets (i.e. cash and receivables);
- B. Total liabilities (i.e. payables, debt and deferred revenue);
- C. Net debt (i.e. the difference between A and B above).

The information referred to in sub-subparagraphs 4 iii A, C, E and F of subsection (1) includes:

- A. Operating transactions that are cash received from revenues, cash paid for operating expenses and finance charges
- B. Investing transactions that are acquisitions and disposal of investments
- C. Change in cash and cash equivalents during the year
- D. Cash and cash equivalents at the beginning and end of the year

In order to show a balanced financial plan in a full accrual format for the Town, some of the items listed above have been estimated given that the Town does not maintain all financial asset and liability data separately for water. Usually, this type of data is combined with the financial assets and liabilities of other departments and services



given that there is not a current obligation to disclose this data separately (as there is with revenue and expenses).

The assumptions used have been documented below:

## 1. Cash, Receivables and Payables

It is assumed that the opening cash balances required to complete the financial plan are equal to:

Ending Reserve/Reserve Fund Balance  
*Plus:* Ending Accounts Payable Balance  
*Less:* Ending Accounts Receivable Balance  
*Equals:* *Approximate Ending Cash Balance*

For the Town, receivable and payable balances were estimated for each year of the forecast based on the following factors:

- a) Receivables: Based on the historical levels of water receivables as a percentage of annual water revenue earned (source: 2017 to 2019 F.I.R. data along with actual data provided by Town staff); and
- b) Payables: Based on historical levels of water payables as a percentage of annual water expenses (source: 2017 to 2019 F.I.R. data along with actual data provided by Town staff).

## 2. Debt

Outstanding water related debt at the end of 2020 was \$4,179,422 with additional debt proceeds anticipated throughout the forecast period. Principal repayments over the forecast period are scheduled as follows:



Year	Principal Payments
2021	321,223
2022	321,871
2023	322,523
2024	323,179
2025	323,838
2026	331,312
2027	260,413
2028	178,209
2029	189,196
2030	199,974
<b>Total</b>	<b>2,771,738</b>

For financial reporting purposes, debt principal payments represent a decrease in debt liability and the interest payments represent a current year operating expense.

### 3. Deferred Revenue

Deferred revenue is typically made up of water development charge reserve balances and gas tax funding which are considered to be a liability for financial reporting purposes until the funds are used to emplace the works for which they have been collected.

### 4. Tangible Capital Assets

- Opening net book value of tangible capital assets includes water related assets in the following categories:
  - i. Land;
  - ii. Facilities;
  - iii. Watermains;
  - iv. Water Meters; and
  - v. Vehicles and Equipment.
- Amortization is calculated based on using the straight-line approach with no amortization in the year of acquisition or construction.
- Given the planned asset replacement forecast in the 2021 Rate Study, useful life on acquisitions is assumed to be equal to the weighted average useful life for all assets on hand in each respective asset category.
- Write-offs are assumed to equal \$0 for each year in the forecast period.



- Tangible capital assets are shown on a net basis. It is assumed that disposals occur when the asset is being replaced. To calculate the value of each asset disposal, the replacement value (of each new asset that has been identified as a “replacement”) has been deflated (by weighted average useful life for all assets on hand in the respective asset category) to an estimated historical cost. This was used to calculate disposals only. Future assets are disposed of when fully amortized.
- Gains/losses on disposal are assumed to be \$0 (it is assumed that historical cost is equal to accumulated amortization for all disposals).
- Residual value is assumed to be \$0 for all assets contained within the forecast period.
- Contributed Assets, as described in section 3.2.1, are deemed to be insignificant/unknown during the forecast period and are therefore assumed to be \$0.
- The Town is aware of some lead services although the number of lead services is not well documented.



- The balance of tangible capital assets is summarized as follows:

Asset Historical Cost	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Opening Tangible Capital Asset Balance	26,899,473	28,623,556	29,332,707	30,065,070	30,862,875	31,720,873	33,038,996	34,055,350	35,157,788	36,297,885
Acquisitions	1,956,100	846,000	856,000	950,000	1,023,000	1,581,000	1,397,000	1,376,000	1,437,000	6,844,000
Disposals	232,017	136,849	123,637	152,195	165,002	262,877	380,646	273,562	296,903	438,965
<b>Closing Tangible Capital Asset Balance</b>	<b>28,623,556</b>	<b>29,332,707</b>	<b>30,065,070</b>	<b>30,862,875</b>	<b>31,720,873</b>	<b>33,038,996</b>	<b>34,055,350</b>	<b>35,157,788</b>	<b>36,297,885</b>	<b>42,702,920</b>
Opening Accumulated Amortization	7,972,491	8,264,323	8,688,440	9,139,412	9,575,091	10,016,724	10,380,637	10,658,116	11,080,691	11,506,551
Amortization Expense	523,849	560,966	574,609	587,874	606,635	626,790	658,125	696,137	722,763	754,580
Amortization on Disposal	232,017	136,849	123,637	152,195	165,002	262,877	380,646	273,562	296,903	438,965
<b>Ending Accumulated Amortization</b>	<b>8,264,323</b>	<b>8,688,440</b>	<b>9,139,412</b>	<b>9,575,091</b>	<b>10,016,724</b>	<b>10,380,637</b>	<b>10,658,116</b>	<b>11,080,691</b>	<b>11,506,551</b>	<b>11,822,166</b>
<b>Net Book Value</b>	<b>20,359,233</b>	<b>20,644,267</b>	<b>20,925,658</b>	<b>21,287,784</b>	<b>21,704,149</b>	<b>22,658,359</b>	<b>23,397,234</b>	<b>24,077,097</b>	<b>24,791,334</b>	<b>30,880,754</b>





## 5. Accumulated Surplus

Opening accumulated surplus for the forecast period is reconciled as follows:

Water	2021 Opening Accumulated Surplus
<b>Reserve Balances</b>	
Reserves: Development Charges	274,014
Reserves: Capital/Other	2,427,705
<b>Total Reserves Balance</b>	<b>2,701,719</b>
Less: Debt Obligations and Deferred Revenue	(4,453,436)
Add: Tangible Capital Assets	18,926,982
<b>Total Opening Balance</b>	<b>17,175,265</b>

The accumulated surplus reconciliation for all years within the forecast period is contained in Table 4-2.

## 6. Other Revenue

Other revenues include penalty & interest charges, these revenues have been held constant over the forecast period.

## 7. Operating Expenses

Capital expenditures for items not meeting the definition of tangible capital assets have been reclassified as operating expenses and have been expensed in the year in which they occur.



# Chapter 5

## Process for Financial Plan Approval and Submission to the Province



## 5. Process for Financial Plan Approval and Submission to the Province

As mentioned in section 1.2, preparation of and approval of a financial plan for water assets that meets the requirements of the Act is mandatory for municipal water providers. Proof of the plan preparation and approval is a key submission requirement for municipal drinking water licensing and, upon completion, must be submitted to the MECP. The process established for plan approval, public circulation and filing is set out in O. Reg. 453/07 and can be summarized as follows:

1. The financial plan must be approved by resolution of Council of the municipality who owns the drinking water system or the governing body of the owner. (O. Reg. 453/07, section 3 (1) 1.)
2. The owner of the drinking water system must provide notice advertising the availability of the financial plan. The plans will be made available to the public upon request and without charge. The plans must also be made available to the public on the municipality's website. (O. Reg. 453/07, section 3 (1) 5.)
3. The owner of the drinking water system must provide a copy of the financial plan to the Director of Policy Branch, Ministry of Municipal Affairs and Housing. (O. Reg. 453/07, section 3 (1) 6.)
4. The owner of the drinking water system must provide proof satisfactory to the Director that the financial plans for the system satisfy the requirements under the Safe Drinking Water Act. (S.D.W.A. section 32 (5) 2.ii.)



# Chapter 6

## Recommendations



## 6. Recommendations

This report presents the water financial plan for the Town in accordance with the mandatory reporting formats for water systems as detailed in O. Reg. 453/07. It is important to note that while mandatory, the financial plan is provided for Council's interest and approval however, for decision making purposes, it may be more informative to rely on the information contained within the 2021 Water and Wastewater Rate Study, dated March 3, 2021. Nevertheless, Council is required to pass certain resolutions with regard to this plan and regulations and it is recommended that:

1. The Town of Renfrew's Water Financial Plan prepared by Watson & Associates Economists Ltd. dated March 3, 2021 be approved.
2. Notice of availability of the Financial Plan be advertised.
3. The Financial Plan dated March 3, 2021 be submitted to the Ministry of Municipal Affairs and Housing. (O. Reg. 453/07, section 3 (1) 6).
4. The resolution of Council approving the Financial Plan be submitted to the MECP, satisfying the requirements under the Safe Drinking Water Act. (S.D.W.A. section 32 (5) 2.ii.).



# Appendices



# Appendix A

## 2021-2030 Water Forecast (as per the 2021 Water and Wastewater Rate Study)



Appendix A-1  
Water Service  
Capital Budget Forecast  
2021-2030  
Inflated \$

Description	Forecast									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Capital Expenditures</b>										
<b>Lifecycle:</b>										
<b>Major Capital Works</b>										
Major Reconstruction Projects (Linear Assets)	408,000	416,000	424,000	433,000	442,000	450,000	459,000	469,000	478,000	488,000
Major Reconstruction Projects (Linear Assets) - Grant Funded	153,000	156,000	159,000	162,000	166,000	169,000	172,000	176,000	179,000	183,000
Arnprior/Ross (ICIP)	-	-	-	-	-	-	-	-	-	-
Highway 60 Stewart St.	322,600	-	-	-	-	-	-	-	-	-
Raglan St. S./County Road 52	107,500	-	-	-	-	-	-	-	-	-
Water Tower Repairs	306,000	-	-	-	-	-	-	-	-	-
Minor Waterworks to Support Road Resurfacing	54,000	56,000	59,000	61,000	63,000	66,000	69,000	71,000	74,000	77,000
W07 - 2014 Chev Express Cutaway	-	-	-	-	-	-	115,000	-	-	-
W09 - 2016 Silverado LT	-	-	-	-	-	-	44,000	-	-	-
Low Lift Pumphouse	196,000	-	-	-	-	-	-	-	-	-
Water Meter Replacement Program	143,000	146,000	149,000	152,000	155,000	158,000	161,000	164,000	167,000	171,000
<b>Water Treatment Plant Large Capital Works (OCWA)</b>	8,000	7,000	24,000	70,000	63,000	225,000	276,000	368,000	439,000	446,000
<b>WTP BCA Work</b>										
Building Structural Repairs	66,000	-	-	-	-	-	-	-	-	-
Building Envelope Repairs and Replacements	56,000	-	-	-	-	462,000	-	29,000	-	-
Mechanical Systems Replacements	74,000	-	-	-	72,000	-	-	-	-	122,000
Electrical Systems Replacements	-	-	-	-	-	-	-	-	-	372,000
<b>Minor Capital:</b>										
Minor Capital Works (OCWA)	62,000	65,000	41,000	59,000	44,000	51,000	101,000	99,000	100,000	103,000
Leak Detection Distribution system	-	-	-	13,000	-	-	-	-	-	-
Review loading rates at plant & amend appr.	31,000	-	-	-	-	-	-	-	-	-
Hydrant Flow Testing	-	-	-	16,000	-	-	-	-	-	-
Water Meter Handheld Unit	-	-	-	-	-	-	-	-	-	-
Water Meter Testing	-	-	-	22,000	-	-	-	-	-	-
Replace Watermain Locator	-	-	-	-	7,000	-	-	-	-	-
2016 Trailer Black Landscaper	-	-	-	-	11,000	-	-	-	-	-
<b>Studies:</b>										
Rate Study	-	-	-	-	17,000	-	-	-	-	18,000





Appendix A-1 Continued  
Water Service  
Capital Budget Forecast  
2021-2030  
Inflated \$

Description	Forecast									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Growth Related:</b>										
Residential - Northwest (R2-2)	-	-	-	-	-	-	-	-	-	1,304,000
Residential - Northwest (R2-1)	-	-	-	-	-	-	-	-	-	628,000
Industrial (I2-1)	-	-	-	-	-	-	-	-	-	427,000
Industrial (I2-1)	-	-	-	-	-	-	-	-	-	140,000
Industrial (I2-1)	-	-	-	-	-	-	-	-	-	280,000
Communal - Whitton Road	-	-	-	-	-	-	-	-	-	165,000
Communal - Whitton Road	-	-	-	-	-	-	-	-	-	762,000
Communal - Gibbon Road	-	-	-	-	-	-	-	-	-	177,000
Communal - Gibbon Road	-	-	-	-	-	-	-	-	-	201,000
Communal - Froats Street	-	-	-	-	-	-	-	-	-	146,000
Communal - Whitton Road/ O'Brien	-	-	-	-	-	-	-	-	-	500,000
Communal - Hall Avenue	-	-	-	-	-	-	-	-	-	152,000
<b>Total Capital Expenditures</b>	<b>1,987,100</b>	<b>846,000</b>	<b>856,000</b>	<b>988,000</b>	<b>1,040,000</b>	<b>1,581,000</b>	<b>1,397,000</b>	<b>1,376,000</b>	<b>1,437,000</b>	<b>6,862,000</b>
<b>Capital Financing</b>										
Provincial/Federal Grants	153,000	156,000	159,000	162,000	166,000	169,000	172,000	176,000	179,000	183,000
Gas Tax Funding	180,200	-	-	-	-	-	-	-	-	-
Development Charges Reserve Fund	-	-	-	-	-	-	-	-	-	4,882,000
Non-Growth Related Debenture Requirements	-	-	-	-	174,000	722,000	415,000	230,000	218,000	667,000
Growth Related Debenture Requirements	-	-	-	-	-	-	-	-	-	-
Operating Contributions	-	-	-	-	-	-	-	-	-	-
Capital/Lifecycle Reserve Fund	1,653,900	690,000	697,000	826,000	700,000	690,000	810,000	970,000	1,040,000	1,130,000
<b>Total Capital Financing</b>	<b>1,987,100</b>	<b>846,000</b>	<b>856,000</b>	<b>988,000</b>	<b>1,040,000</b>	<b>1,581,000</b>	<b>1,397,000</b>	<b>1,376,000</b>	<b>1,437,000</b>	<b>6,862,000</b>



Appendix A-2  
Water Service  
Water Reserve Fund Continuity  
2021-2030  
Inflated \$

Debtenture Year	Forecast									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2021		-	-	-	-	-	-	-	-	-
2022			-	-	-	-	-	-	-	-
2023				-	-	-	-	-	-	-
2024					-	-	-	-	-	-
2025						11,162	11,162	11,162	11,162	11,162
2026							46,314	46,314	46,314	46,314
2027								26,621	26,621	26,621
2028									14,754	14,754
2029										13,984
2030										
<b>Total Annual Debt Charges</b>	-	-	-	-	-	11,162	57,476	84,097	98,851	112,835

Appendix A-3  
Water Service  
Water Development Charges Reserve Fund Continuity  
2021-2030  
Inflated \$

Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Opening Balance	274,014	396,731	522,782	652,220	785,137	921,628	1,064,848	1,211,867	1,362,782	1,517,654
Development Charge Proceeds	119,763	122,160	124,583	127,073	129,630	135,293	137,997	140,771	143,574	146,446
Transfer to Capital	-	-	-	-	-	-	-	-	-	4,882,000
Transfer to Operating	-	-	-	-	-	-	-	-	-	-
<b>Closing Balance</b>	<b>393,778</b>	<b>518,891</b>	<b>647,365</b>	<b>779,293</b>	<b>914,767</b>	<b>1,056,921</b>	<b>1,202,845</b>	<b>1,352,638</b>	<b>1,506,356</b>	<b>(3,217,900)</b>
Interest	2,953	3,892	4,855	5,845	6,861	7,927	9,021	10,145	11,298	(24,134)
Required from Development Charges	-	-	-	-	-	-	-	-	-	4,882,000



Appendix A-4  
Water Service  
Water Lifecycle Reserve Continuity  
2021-2030  
Inflated \$

Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Opening Balance	2,427,705	1,139,929	879,325	686,706	443,486	411,946	457,329	520,346	590,525	678,162
Transfer from Operating	366,124	429,396	504,381	582,780	668,459	735,383	873,017	1,040,179	1,127,636	1,230,227
Transfer to Capital	1,653,900	690,000	697,000	826,000	700,000	690,000	810,000	970,000	1,040,000	1,130,000
Commitments from Prior Years										
Transfer to Operating	-	-	-	-	-	-	-	-	-	-
<b>Closing Balance</b>	<b>1,139,929</b>	<b>879,325</b>	<b>686,706</b>	<b>443,486</b>	<b>411,946</b>	<b>457,329</b>	<b>520,346</b>	<b>590,525</b>	<b>678,162</b>	<b>778,388</b>



Appendix A-5  
Water Service  
Water Operating Budget Forecast  
2021-2030  
Inflated \$

Description	Forecast									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Expenditures</b>										
<u>Operating Costs</u>										
<b>Waterworks Administration</b>										
W-431-010-1120 REGULAR SALARIES & WAGES	8,500	8,700	8,900	9,100	9,300	9,500	9,700	9,900	10,100	10,300
W-431-010-1190 EMPLOYER BENEFITS COSTS	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
W-431-010-2590 OTHER SUPPLIES	1,100	1,200	1,300	1,400	1,500	1,600	1,700	1,800	1,900	2,000
W-431-010-2610 NEW EQUIPMENT	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900	4,000
W-431-010-3170 TRAINING & EDUCATION	8,300	8,500	8,700	8,900	9,100	9,300	9,500	9,700	9,900	10,100
W-431-010-3610 CONTRACTED SERVICES	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900
<b>Administration General</b>										
W-431-101-1120 REGULAR SALARIES & WAGES	92,000	93,800	95,700	97,600	99,600	101,600	103,600	105,700	107,800	110,000
W-431-101-1190 EMPLOYER BENEFITS COSTS	23,900	24,400	24,900	25,400	25,900	26,400	26,900	27,400	27,900	28,500
W-431-101-2510 OFFICE SUPPLIES	3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700
W-431-101-2515 COMPUTER SUPPLIES	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700
W-431-101-2710 UNIFORMS	900	900	900	900	900	900	900	900	900	900
W-431-101-3111 CAR ALLOWANCE	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
W-431-101-3120 POSTAGE & SHIPPING	18,500	18,900	19,300	19,700	20,100	20,500	20,900	21,300	21,700	22,100
W-431-101-3130 TELEPHONE	4,600	4,700	4,800	4,900	5,000	5,100	5,200	5,300	5,400	5,500
W-431-101-3162 STAFF DEVELOPMENT	7,000	7,100	7,200	7,300	7,400	7,500	7,700	7,900	8,100	8,300
W-431-101-3170 TRAINING & EDUCATION	5,400	5,500	5,600	5,700	5,800	5,900	6,000	6,100	6,200	6,300
W-431-101-3320 MEMBERSHIPS	3,400	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300
W-431-101-3520 AUDIT	5,400	5,500	5,600	5,700	5,800	5,900	6,000	6,100	6,200	6,300
W-431-101-3550 INSURANCE	55,100	56,200	57,300	58,400	59,600	60,800	62,000	63,200	64,500	65,800
W-431-101-3610 CONTRACTED SERVICES	3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700
W-431-101-3765 OCWA CHARGES	632,620	648,900	661,900	675,100	688,600	702,400	716,400	730,700	745,300	760,200
W-431-101-3814 PROPERTY TAXES	59,500	60,700	61,900	63,100	64,400	65,700	67,000	68,300	69,700	71,100
W-431-101-4220 WRITE-OFFS	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
W-431-101-7420 VEHICLE / EQPT. CHARGES	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
<b>Stores</b>										
W-431-406-1120 REGULAR SALARIES & WAGES	12,900	13,200	13,500	13,800	14,100	14,400	14,700	15,000	15,300	15,600
W-431-406-1190 EMPLOYER BENEFITS COSTS	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500
W-431-406-2310 CONSTRUCTION MATERIALS	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500
W-431-406-7420 VEHICLE / EQPT. CHARGES	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400
<b>Water Trailers</b>										
W-431-W06-2680 PARTS	330	340	350	360	370	380	390	400	410	420



Appendix A-5 Continued  
Water Service  
Water Operating Budget Forecast  
2021-2030  
Inflated \$

Description	Forecast									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>2014 Chev Express Cutaway</b>										
W-431-W07-1120 REGULAR SALARIES & WAGES	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,200
W-431-W07-1130 OVERTIME	-	-	-	-	-	-	-	-	-	-
W-431-W07-1190 EMPLOYER BENEFITS COSTS	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
W-431-W07-2522 LICENCES	430	440	450	460	470	480	490	500	510	520
W-431-W07-2680 PARTS	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500	6,600
W-431-W07-2812 GAS & OIL	6,800	7,100	7,500	7,900	8,300	8,700	9,100	9,600	10,100	10,600
W-431-W07-7410 VEHICLE / EQPT RECOVERIES	(9,700)	(9,900)	(10,100)	(10,300)	(10,500)	(10,700)	(10,900)	(11,100)	(11,300)	(11,500)
<b>2016 Chevy 1/2 Ton Waterworks truck</b>										
W-431-W09-1120 REGULAR SALARIES & WAGES	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
W-431-W09-1190 EMPLOYER BENEFITS COSTS	300	300	300	300	300	300	300	300	300	300
W-431-W09-2680 PARTS	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,200
W-431-W09-2812 GAS & OIL	2,200	2,300	2,400	2,500	2,600	2,700	2,800	2,900	3,000	3,200
W-431-W09-7410 VEHICLE / EQPT RECOVERIES	(14,000)	(14,300)	(14,600)	(14,900)	(15,200)	(15,500)	(15,800)	(16,100)	(16,400)	(16,700)
<b>2018 Ford F150</b>										
W-431-W10-1120 REGULAR SALARIES & WAGES	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
W-431-W10-1190 EMPLOYER BENEFITS COSTS	300	300	300	300	300	300	300	300	300	300
W-431-W10-2522 LICENCES	100	100	100	100	100	100	100	100	100	100
W-431-W10-2680 PARTS	3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800
W-431-W10-2812 GAS & OIL	4,300	4,500	4,700	4,900	5,100	5,400	5,700	6,000	6,300	6,600
W-431-W10-7410 VEHICLE / EQPT RECOVERIES	(8,900)	(9,100)	(9,300)	(9,500)	(9,700)	(9,900)	(10,100)	(10,300)	(10,500)	(10,700)
<b>Waterworks (Garage)</b>										
W-432-361-2310 CONSTRUCTION MATERIALS	5,500	5,800	6,100	6,400	6,700	7,000	7,400	7,800	8,200	8,600
W-432-361-2550 REPAIRS & REPLACEMENT	5,000	5,100	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900
W-432-361-2560 CLEANING SUPPLIES	400	400	400	400	400	400	400	400	400	400
W-432-361-2610 NEW EQUIPMENT	3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800
W-432-361-2813 HEATING FUEL	7,600	8,000	8,400	8,800	9,200	9,700	10,200	10,700	11,200	11,800
W-432-361-2811 ELECTRICITY	6,400	6,700	7,000	7,400	7,800	8,200	8,600	9,000	9,500	10,000
W-432-361-3130 TELEPHONE	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
W-432-361-3610 CONTRACTED SERVICES	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700



**Appendix A-5 Continued**  
**Water Service**  
**Water Operating Budget Forecast**  
**2021-2030**  
**Inflated \$**

Description	Forecast									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Transmission &amp; Distribution</b>										
<b>Main Repairs</b>										
W-433-362-1120 REGULAR SALARIES & WAGES	24,200	24,700	25,200	25,700	26,200	26,700	27,200	27,700	28,300	28,900
W-433-362-1190 EMPLOYER BENEFITS COSTS	6,800	6,900	7,000	7,100	7,200	7,300	7,400	7,500	7,700	7,900
W-433-362-2310 CONSTRUCTION MATERIALS	13,900	14,200	14,500	14,800	15,100	15,400	15,700	16,000	16,300	16,600
W-433-362-3610 CONTRACTED SERVICES	32,500	33,200	33,900	34,600	35,300	36,000	36,700	37,400	38,100	38,900
W-433-362-3810 EQUIPMENT RENTAL/LEASE	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600
W-433-362-7420 VEHICLE / EQPT. CHARGES	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400
<b>New Services</b>										
W-433-363-2310 CONSTRUCTION MATERIALS	6,100	6,400	6,700	7,000	7,400	7,800	8,200	8,600	9,000	9,500
W-433-363-3610 CONTRACTED SERVICES	700	700	700	700	700	700	700	700	700	700
<b>New Mains</b>										
W-433-371-1120 REGULAR SALARIES & WAGES	35,700	36,400	37,100	37,800	38,600	39,400	40,200	41,000	41,800	42,600
W-433-371-1190 EMPLOYER BENEFITS COSTS	10,000	10,200	10,400	10,600	10,800	11,000	11,200	11,400	11,600	11,800
W-433-371-2310 CONSTRUCTION MATERIALS	21,100	22,200	23,300	24,500	25,700	27,000	28,400	29,800	31,300	32,900
W-433-371-3610 CONTRACTED SERVICES	10,800	11,000	11,200	11,400	11,600	11,800	12,000	12,200	12,400	12,600
W-433-371-7420 VEHICLE / EQPT. CHARGES	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500	6,600	6,700
<b>Water Meters</b>										
W-433-372-1120 REGULAR SALARIES & WAGES	9,400	9,600	9,800	10,000	10,200	10,400	10,600	10,800	11,000	11,200
W-433-372-1190 EMPLOYER BENEFITS COSTS	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
W-433-372-1990 ACCRUED PAYROLL	-	-	-	-	-	-	-	-	-	-
W-433-372-2310 CONSTRUCTION MATERIALS	18,900	19,800	20,800	21,800	22,900	24,000	25,200	26,500	27,800	29,200
W-433-372-2610 NEW EQUIPMENT	6,000	6,100	6,200	6,300	6,400	6,500	6,600	6,700	6,800	6,900
W-433-372-3610 CONTRACTED SERVICES	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500
W-433-372-7420 VEHICLE / EQPT. CHARGES	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800
<b>Fire Hydrants</b>										
W-433-373-1120 REGULAR SALARIES & WAGES	14,800	15,100	15,400	15,700	16,000	16,300	16,600	16,900	17,200	17,500
W-433-373-1190 EMPLOYER BENEFITS COSTS	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100
W-433-373-2310 CONSTRUCTION MATERIALS	14,400	15,100	15,900	16,700	17,500	18,400	19,300	20,300	21,300	22,400
W-433-373-3610 CONTRACTED SERVICES	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
W-433-373-7420 VEHICLE / EQPT. CHARGES	13,200	13,500	13,800	14,100	14,400	14,700	15,000	15,300	15,600	15,900
<b>Valve Repairs</b>										
W-433-381-1120 REGULAR SALARIES & WAGES	23,600	24,100	24,600	25,100	25,600	26,100	26,600	27,100	27,600	28,200
W-433-381-1190 EMPLOYER BENEFITS COSTS	6,600	6,700	6,800	6,900	7,000	7,100	7,200	7,300	7,400	7,500
W-433-381-2310 CONSTRUCTION MATERIALS	9,400	9,600	9,800	10,000	10,200	10,400	10,600	10,800	11,000	11,200
W-433-381-3610 CONTRACTED SERVICES	8,200	8,400	8,600	8,800	9,000	9,200	9,400	9,600	9,800	10,000
W-433-381-7420 VEHICLE / EQPT. CHARGES	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000



Appendix A-5 Continued  
Water Service  
Water Operating Budget Forecast  
2021-2030  
Inflated \$

Description	Forecast									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Service Repairs</b>										
W-433-382-1120 REGULAR SALARIES & WAGES	172,500	176,000	179,500	183,100	186,800	190,500	194,300	198,200	202,200	206,200
W-433-382-1190 EMPLOYER BENEFITS COSTS	48,400	49,400	50,400	51,400	52,400	53,400	54,500	55,600	56,700	57,800
W-433-382-2310 CONSTRUCTION MATERIALS	66,000	67,300	68,600	70,000	71,400	72,800	74,300	75,800	77,300	78,800
W-433-382-3610 CONTRACTED SERVICES	114,800	120,500	126,500	132,800	139,400	146,400	153,700	161,400	169,500	178,000
W-433-382-7420 VEHICLE / EQPT. CHARGES	19,300	19,700	20,100	20,500	20,900	21,300	21,700	22,100	22,500	23,000
<b>Pumping Station (Kedrosky)</b>										
W-433-533-1120 REGULAR SALARIES & WAGES	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
W-433-533-1190 EMPLOYER BENEFITS COSTS	300	300	300	300	300	300	300	300	300	300
W-433-533-2310 CONSTRUCTION MATERIALS	2,200	2,300	2,400	2,500	2,600	2,700	2,800	2,900	3,000	3,200
W-433-533-2814 ELECTRICITY	5,900	6,200	6,500	6,800	7,100	7,500	7,900	8,300	8,700	9,100
W-433-533-3610 CONTRACTED SERVICES	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500
<b>Elevated Tower - Minor Treatment Improvements</b>										
W-434-396-2310 WTP - MAJOR MAINTENANCE	42,500	43,400	44,300	45,200	46,100	47,000	47,900	48,900	49,900	50,900
<b>Sub Total Operating</b>	<b>1,820,780</b>	<b>1,867,480</b>	<b>1,911,600</b>	<b>1,956,620</b>	<b>2,002,940</b>	<b>2,050,460</b>	<b>2,099,180</b>	<b>2,149,200</b>	<b>2,200,620</b>	<b>2,253,940</b>
<b>Capital-Related</b>										
Existing Debt (Principal) - Growth Related										
Existing Debt (Interest) - Growth Related										
New Growth Related Debt (Principal)	-	-	-	-	-	-	-	-	-	-
New Growth Related Debt (Interest)	-	-	-	-	-	-	-	-	-	-
Existing Debt (Principal) - Non-Growth Related	321,223	321,871	322,523	323,179	323,838	324,500	225,166	125,836	126,509	127,186
Existing Debt (Interest) - Non-Growth Related	93,315	87,906	82,494	77,118	71,660	66,237	60,811	58,942	58,268	57,592
New Non-Growth Related Debt (Principal)	-	-	-	-	-	6,812	35,246	52,373	62,687	72,788
New Non-Growth Related Debt (Interest)	-	-	-	-	-	4,350	22,230	31,724	36,164	40,047
Transfer to Capital	-	-	-	-	-	-	-	-	-	-
Transfer to Capital/Lifecycle Reserve	366,124	429,396	504,381	582,780	668,459	735,383	873,017	1,040,179	1,127,636	1,230,227
Transfer to Capital Reserve	-	-	-	-	-	-	-	-	-	-
<b>Sub Total Capital Related</b>	<b>780,661</b>	<b>839,174</b>	<b>909,399</b>	<b>983,077</b>	<b>1,063,957</b>	<b>1,137,282</b>	<b>1,216,470</b>	<b>1,309,054</b>	<b>1,411,265</b>	<b>1,527,839</b>
<b>Total Expenditures</b>	<b>2,601,441</b>	<b>2,706,654</b>	<b>2,820,999</b>	<b>2,939,697</b>	<b>3,066,897</b>	<b>3,187,742</b>	<b>3,315,650</b>	<b>3,458,254</b>	<b>3,611,885</b>	<b>3,781,779</b>
<b>Revenues</b>										
Base Charge	859,202	924,484	985,400	1,050,298	1,129,997	1,216,033	1,308,735	1,382,130	1,445,692	1,497,588
W-431-101-0861 INTEREST ON WATER	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900
Contributions from Development Charges Reserve Fund	-	-	-	-	-	-	-	-	-	-
Contributions from Reserves / Reserve Funds	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>875,102</b>	<b>940,384</b>	<b>1,001,300</b>	<b>1,066,198</b>	<b>1,145,897</b>	<b>1,231,933</b>	<b>1,324,635</b>	<b>1,398,030</b>	<b>1,461,592</b>	<b>1,513,488</b>
<b>Water Billing Recovery - Total</b>	<b>1,726,340</b>	<b>1,766,269</b>	<b>1,819,698</b>	<b>1,873,499</b>	<b>1,921,000</b>	<b>1,955,809</b>	<b>1,991,016</b>	<b>2,060,224</b>	<b>2,150,293</b>	<b>2,268,291</b>



Appendix A-6  
Water Service  
Water Rate Forecast  
2021-2030  
Inflated \$

Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Water Billing Recovery	1,726,340	1,766,269	1,819,698	1,873,499	1,921,000	1,955,809	1,991,016	2,060,224	2,150,293	2,268,291
Total Volume (m <sup>3</sup> )	656,403	659,056	661,709	664,361	667,014	669,798	672,640	675,483	678,326	681,169
Constant Rate	2.63	2.68	2.75	2.82	2.88	2.92	2.96	3.05	3.17	3.33