



Water Ontario Regulation 453/07

Financial Plan

Town of Aylmer

Financial Plan #044-301

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
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

Watson & Associates Economists Ltd. (Watson) was retained by the Town of Aylmer (the Town) 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. This detailed financial planning and forecasting regarding the Town's water system has been completed based on the Town's "2021 Water and Wastewater Rate Study" (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

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):



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 six-year forecast meets the minimum requirement of the Act. 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 required to renew the drinking water license and the previous version of the financial plan no longer meets the requirements as it must apply to a period of at least six years beginning in the year that the licenses would otherwise expire. The Act requires at least six years to be included, commencing in the year of licence expiry



therefore, this financial plan provides for the 2021 to 2031 forecast period as it is based on the 2021 Rate Study.



Chapter 2

Sustainable Financial Planning



2. Sustainable Financial Planning

2.1 Introduction

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

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

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

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

As noted earlier, the Town's 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 2021 Rate Study, which was based on the 2021 water budget and ten-year forecast (2022 to 2031), 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

The 2021 Rate Study, along with additional detailed information provided by Town 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

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		
Revenues					Revenues
Base Charge Revenue	389,904			389,904	Base Charge Revenue
Rate Based Revenue	3,098,491			3,098,491	Rate Based Revenue
Other Revenue	-		43,812	43,812	Other Revenue
Total Revenues	3,488,395			3,532,207	Total Revenues
Expenditures					Expenses
Operating	2,694,731	110,000		2,804,731	Operating Expenses
Capital					
Transfers to Reserves	725,862		725,862		
Debt Repayment (Principal & Interest)	67,802		51,536	16,266	Interest on Debt
		174,854		174,854	Amortization
Total Expenditures	3,488,395			2,995,851	Total Expenses
Net Expenditures	-			536,356	Annual Surplus/(Deficit)
Increase (decrease) in amounts to be recovered	-			12,190,308	Accumulated Surplus/(Deficit), beginning of year
Change in Fund Balances	-	536,356	-	12,726,664	Accumulated Surplus/(Deficit), end of year
TOTAL ADJUSTMENTS		821,210	821,210		

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		
ASSETS					ASSETS
Financial Assets					Financial Assets
Cash	2,033,225			2,033,225	Cash
Accounts Receivable	361,381			361,381	Accounts Receivable
Total Financial Assets	2,394,606			2,394,606	Total Financial Assets
LIABILITIES					Liabilities
Accounts Payable & Accrued Liabilities	14,388			14,388	Accounts Payable & Accrued Liabilities
Gross Long-term Liabilities	475,987			475,987	Debt (Principal only)
Deferred Revenue	145,810			145,810	Deferred Revenue
Bank Indebtedness	-			-	Bank Indebtedness
Other	-			-	Other
Total Liabilities	636,185			636,185	Total Liabilities
Net Assets/(Debt)	1,758,421			1,758,421	Net Financial Assets/(Debt)
		11,078,243	110,000	10,968,243	Non-Financial Assets
				10,968,243	Tangible Capital Assets
					Total Non-Financial Assets
Municipal Position					
Water Reserves	2,234,408	2,234,408	-		
Development Charge Reserve Fund	145,810	145,810	-		
Amounts to be Recovered	(621,797)	-	621,797		
Total Municipal Position	1,758,421		12,726,664	12,726,664	Accumulated Surplus/(Deficit), end of year
TOTAL ADJUSTMENTS		13,458,461	13,458,461		

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:

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



- 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

The following tables provide the complete financial plan for the Town's water system. 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 system. It is not an audited document¹ and it contains various estimates as detailed in the "Notes to the Financial Plan" section below.

4.2 Water Financial Plan

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 system. 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 asset position of approximately \$1.76 million. Over the forecast period to 2031, the financial plan forecasts reducing to a net debt position from 2023 to 2030 and then recovering to a net asset position of \$0.92 million by the end of 2031. The projected net debt positions during these years are due to the level of debt obligations.

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.

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



- 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 are expected to grow by approximately \$13.76 million over the forecast period. 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 slight decrease from 85% in 2021 to 62% by 2031. As a result, annual surplus increases from a surplus of \$536,356 to a surplus of \$2,556,496 by 2031. 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 add approximately \$13.55 million to a 2021 accumulated surplus of approximately \$12.19 million over the forecast period to \$25.74 million in 2031. 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 in 2021 and 2022, forecasted annual surplus exceeds the tangible capital asset acquisitions (net of amortization for the year), resulting in an increase to increase to the net financial assets each year. For the balance of the forecast period (2023-2031), the capital asset acquisitions exceed the annual surplus, resulting in a decrease in the net financial assets with years 2023 to 2030 reducing to a net debt position and then recovering in 2031 to a net asset position. The change in the net asset/debt position reveals the impact of a long-term plan of funding capital through accumulated surplus (i.e. reserves). This is also evidenced by the ratio of cumulative annual surplus before amortization to cumulative tangible capital asset acquisitions fluctuating over the forecast period from 8.89 in 2021 to 0.99 in 2031.¹

4.2.4 Statement of Cash Flow (Table 4-4)

The Statement of Cash Flow summarizes how water system 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 system to improve from a surplus balance of \$1,450,451 at the beginning of 2021, to a surplus balance of \$4,521,012 at the end of 2031. For further discussions, on projected cash balances please refer to the Notes to the Financial Plan.

¹ A desirable ratio is 1:1 or better.



Table 4-1
Statement of Financial Position: Water Services
UNAUDITED: For Financial Planning Purposes Only
2021-2031

	Notes	Forecast										
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Financial Assets												
Cash	1	2,033,225	2,044,456	2,437,886	1,823,374	1,119,623	1,423,220	1,645,374	2,000,314	2,581,949	3,435,079	4,521,012
Accounts Receivable	1	361,381	383,125	407,313	432,372	481,305	513,459	543,598	575,392	608,915	644,253	682,825
Long-term Accounts Receivable	2	-	-	-	-	-	-	48,034	214,613	382,718	552,328	723,443
Total Financial Assets		2,394,606	2,427,581	2,845,199	2,255,746	1,600,928	1,936,679	2,237,006	2,790,319	3,573,582	4,631,660	5,927,280
Liabilities												
Bank Indebtedness		-	-	-	-	-	-	-	-	-	-	-
Accounts Payable & Accrued Liabilities	1	14,388	14,920	15,489	16,084	16,700	17,340	18,008	18,701	19,422	20,174	20,955
Debt (Principal only)	2	475,987	422,810	5,367,939	8,245,614	8,309,486	7,786,731	7,243,556	6,679,162	6,092,715	5,551,688	4,989,019
Deferred Revenue	3	145,810	229,253	315,974	406,066	280,551	117,020	-	-	-	-	-
Total Liabilities		636,185	666,983	5,699,402	8,667,764	8,606,737	7,921,091	7,261,564	6,697,863	6,112,137	5,571,862	5,009,974
Net Financial Assets/(Debt)		1,758,421	1,760,598	(2,854,203)	(6,412,018)	(7,005,809)	(5,984,412)	(5,024,558)	(3,907,544)	(2,538,555)	(940,202)	917,306
Non-Financial Assets												
Tangible Capital Assets	4	10,968,243	11,717,236	17,208,439	21,429,463	22,848,542	22,830,557	23,064,436	23,344,761	23,590,396	24,119,306	24,818,274
Total Non-Financial Assets		10,968,243	11,717,236	17,208,439	21,429,463	22,848,542	22,830,557	23,064,436	23,344,761	23,590,396	24,119,306	24,818,274
Accumulated Surplus/(Deficit)	5	12,726,664	13,477,834	14,354,236	15,017,445	15,842,733	16,846,145	18,039,878	19,437,217	21,051,841	23,179,104	25,735,580
Financial Indicators	Total Change	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1) Increase/(Decrease) in Net Financial Assets	(209,905)	631,210	2,177	(4,614,801)	(3,557,815)	(593,791)	1,021,397	959,854	1,117,014	1,368,989	1,598,353	1,857,508
2) Increase/(Decrease) in Tangible Capital Assets	13,755,177	(94,854)	748,993	5,491,203	4,221,024	1,419,079	(17,985)	233,879	280,325	245,635	528,910	698,968
3) Increase/(Decrease) in Accumulated Surplus	13,545,272	536,356	751,170	876,402	663,209	825,288	1,003,412	1,193,733	1,397,339	1,614,624	2,127,263	2,556,476



Table 4-2
Statement of Operations: Water Services
UNAUDITED: For Financial Planning Purposes Only
2021-2031

	Notes	Forecast										
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Water Revenue												
Base Charge Revenue		389,904	399,202	410,248	421,695	433,313	445,228	457,573	470,104	482,954	496,264	509,776
Rate Based Revenue		3,098,491	3,299,084	3,521,524	3,751,968	3,997,927	4,259,898	4,538,480	4,832,859	5,143,605	5,471,408	5,830,233
Earned Development Charges Revenue	3	-	-	-	-	214,779	251,273	251,273	251,273	251,273	251,273	251,273
Other Revenue	6	43,812	42,812	49,289	35,954	25,563	35,339	43,512	54,344	69,689	90,422	115,811
Total Revenues		3,532,207	3,741,098	3,981,061	4,209,617	4,671,582	4,991,738	5,290,838	5,608,580	5,947,521	6,309,367	6,707,093
Water Expenses												
Operating Expenses	Sch. 4-1	2,804,731	2,794,297	2,900,931	3,012,249	3,127,621	3,247,558	3,372,620	3,502,422	3,637,441	3,778,305	3,924,517
Interest on Debt	2	16,266	14,624	12,931	211,183	326,752	329,783	309,364	288,144	266,091	243,709	222,068
Amortization	4	174,854	181,007	190,797	322,976	391,921	410,985	415,121	420,675	429,365	160,090	4,032
Loss on Disposal of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Total Expenses		2,995,851	2,989,928	3,104,659	3,546,408	3,846,294	3,988,326	4,097,105	4,211,241	4,332,897	4,182,104	4,150,617
Annual Surplus/(Deficit)		536,356	751,170	876,402	663,209	825,288	1,003,412	1,193,733	1,397,339	1,614,624	2,127,263	2,556,476
Accumulated Surplus/(Deficit), beginning of year	5	12,190,308	12,726,664	13,477,834	14,354,236	15,017,445	15,842,733	16,846,145	18,039,878	19,437,217	21,051,841	23,179,104
Accumulated Surplus/(Deficit), end of year		12,726,664	13,477,834	14,354,236	15,017,445	15,842,733	16,846,145	18,039,878	19,437,217	21,051,841	23,179,104	25,735,580
Note 5:												
Accumulated Surplus/(Deficit) Reconciliation:		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Reserve Balances												
Reserves: Development Charges		145,810	229,253	315,974	406,066	280,551	117,020	(48,034)	(214,613)	(382,718)	(552,328)	(723,443)
Reserves: Capital/Other		2,234,408	2,183,408	2,513,736	1,833,596	1,303,677	1,802,319	2,218,998	2,771,618	3,554,160	4,611,486	5,906,325
Total Reserves Balance		2,380,218	2,412,661	2,829,710	2,239,662	1,584,228	1,919,339	2,170,964	2,557,005	3,171,442	4,059,158	5,182,882
Less: Debt Obligations and Deferred Revenue		(621,797)	(652,063)	(5,683,913)	(8,651,680)	(8,590,037)	(7,903,751)	(7,243,556)	(6,679,162)	(6,092,715)	(5,551,688)	(4,989,019)
Add: Long-term Accounts Receivable		-	-	-	-	-	-	48,034	214,613	382,718	552,328	723,443
Add: Tangible Capital Assets	4	10,968,243	11,717,236	17,208,439	21,429,463	22,848,542	22,830,557	23,064,436	23,344,761	23,590,396	24,119,306	24,818,274
Total Ending Balance		12,726,664	13,477,834	14,354,236	15,017,445	15,842,733	16,846,145	18,039,878	19,437,217	21,051,841	23,179,104	25,735,580
Financial Indicators												
	Total Change	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1) Expense to Revenue Ratio		85%	80%	78%	84%	82%	80%	77%	75%	73%	66%	62%
2) Increase/(Decrease) in Accumulated Surplus	13,545,272	536,356	751,170	876,402	663,209	825,288	1,003,412	1,193,733	1,397,339	1,614,624	2,127,263	2,556,476



Schedule 4-1
Statement of Operating Expenses: Water Services
UNAUDITED: For Financial Planning Purposes Only
2021-2031

	Notes	Forecast										
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Operating Expenses												
Salaries & Wages - Full Time		235,621	240,300	245,100	250,000	255,000	260,100	265,300	270,600	276,000	281,500	287,100
Self Funded Health Benefits		400	400	400	400	400	400	400	400	400	400	400
Canada Pension - Full Time		7,916	8,100	8,300	8,500	8,700	8,900	9,100	9,300	9,500	9,700	9,900
Unemployment Insurance - FT		2,795	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800
Health Benefits		13,466	13,700	14,000	14,300	14,600	14,900	15,200	15,500	15,800	16,100	16,400
Post Retirement Health Benefits		11,000	11,200	11,400	11,600	11,800	12,000	12,200	12,400	12,600	12,900	13,200
Group Life Premiums		2,340	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Long Term Disability Premiums.		6,180	6,300	6,400	6,500	6,600	6,700	6,800	6,900	7,000	7,100	7,200
OMERS Pension - Full Time		24,682	25,200	25,700	26,200	26,700	27,200	27,700	28,300	28,900	29,500	30,100
Workers Compensation - Full Tim		2,568	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
Ontario Health Tax - Full Time		4,595	4,700	4,800	4,900	5,000	5,100	5,200	5,300	5,400	5,500	5,600
Association Fees		250	300	300	300	300	300	300	300	300	300	300
Travel Expenses		200	200	200	200	200	200	200	200	200	200	200
Tuition Fees, Workshops, Training		6,000	6,100	6,200	6,300	6,400	6,500	6,600	6,700	6,800	6,900	7,000
Stationery, Office Supplies & P		400	400	400	400	400	400	400	400	400	400	400
Reference Material		500	500	500	500	500	500	500	500	500	500	500
Advertising		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Telephone		3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900	4,000
Cell Phone		1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
SCADA / Cable		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Protective Clothing		500	500	500	500	500	500	500	500	500	500	500
Liability Insurance		19,000	19,400	19,800	20,200	20,600	21,000	21,400	21,800	22,200	22,600	23,100
Legal Fees		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Engineering		4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000
Consultants		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Gas or Diesel		2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
Vehicle Repairs & Maintenance		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Vehicle Insurance		1,010	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Equipment & Tool Purchases		22,000	22,400	22,800	23,300	23,800	24,300	24,800	25,300	25,800	26,300	26,800
Janitorial Supplies		500	500	500	500	500	500	500	500	500	500	500
Repairs, Alterations, Services		27,000	27,500	28,100	28,700	29,300	29,900	30,500	31,100	31,700	32,300	32,900
Meter Services/Repairs		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Hydro Costs		2,000	2,100	2,200	2,300	2,400	2,500	2,600	2,700	2,800	2,900	3,000
Water Costs		700	700	700	700	700	700	700	700	700	700	700
Gas/Oil Costs		900	900	900	900	900	900	900	900	900	900	900
Building Insurance		3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900	4,000
Water Testing		10,000	10,200	10,400	10,600	10,800	11,000	11,200	11,400	11,600	11,800	12,000
Water purchase - Primary/Secondary		2,145,218	2,233,997	2,329,531	2,429,549	2,533,421	2,641,758	2,755,020	2,872,822	2,995,641	3,124,005	3,257,517
Computer - IT Support		500	500	500	500	500	500	500	500	500	500	500
Annual Maintenance Contract		190	200	200	200	200	200	200	200	200	200	200
Erie Thames - Water billing cha		122,000	124,400	126,900	129,400	132,000	134,600	137,300	140,000	142,800	145,700	148,600
Equipment Rental & Leases		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Non TCA - Expenses from Capital Budget	7	110,000	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES		2,804,731	2,794,297	2,900,931	3,012,249	3,127,621	3,247,558	3,372,620	3,502,422	3,637,441	3,778,305	3,924,517



Table 4-3
Statement of Changes in Net Financial Assets/Debt: Water Services
UNAUDITED: For Financial Planning Purposes Only
2021-2031

	Notes	Forecast										
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Annual Surplus/(Deficit)		536,356	751,170	876,402	663,209	825,288	1,003,412	1,193,733	1,397,339	1,614,624	2,127,263	2,556,476
Less: Acquisition of Tangible Capital Assets	4	(80,000)	(930,000)	(5,682,000)	(4,544,000)	(1,811,000)	(393,000)	(649,000)	(701,000)	(675,000)	(689,000)	(703,000)
Add: Amortization of Tangible Capital Assets	4	174,854	181,007	190,797	322,976	391,921	410,985	415,121	420,675	429,365	160,090	4,032
(Gain)/Loss on disposal of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Add: Proceeds on Sale of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Add: Write-downs of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
		94,854	(748,993)	(5,491,203)	(4,221,024)	(1,419,079)	17,985	(233,879)	(280,325)	(245,635)	(528,910)	(698,968)
Less: Acquisition of Supplies Inventory		-	-	-	-	-	-	-	-	-	-	-
Less: Acquisition of Prepaid Expenses		-	-	-	-	-	-	-	-	-	-	-
Add: Consumption of Supplies Inventory		-	-	-	-	-	-	-	-	-	-	-
Add: Use of Prepaid Expenses		-	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Net Financial Assets/(Net Debt)		631,210	2,177	(4,614,801)	(3,557,815)	(593,791)	1,021,397	959,854	1,117,014	1,368,989	1,598,353	1,857,508
Net Financial Assets/(Net Debt), beginning of year		1,127,211	1,758,421	1,760,598	(2,854,203)	(6,412,018)	(7,005,809)	(5,984,412)	(5,024,558)	(3,907,544)	(2,538,555)	(940,202)
Net Financial Assets/(Net Debt), end of year		1,758,421	1,760,598	(2,854,203)	(6,412,018)	(7,005,809)	(5,984,412)	(5,024,558)	(3,907,544)	(2,538,555)	(940,202)	917,306
Financial Indicators		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1) Acquisition of Tangible Capital Assets (Cumulative)		80,000	1,010,000	6,692,000	11,236,000	13,047,000	13,440,000	14,089,000	14,790,000	15,465,000	16,154,000	16,857,000
2) Annual Surplus/Deficit before Amortization (Cumulative)		711,210	1,643,387	2,710,586	3,696,771	4,913,980	6,328,377	7,937,231	9,755,245	11,799,234	14,086,587	16,647,095
3) Ratio of Annual Surplus before Amortization to Acquisition of TCA's (Cumulative)		8.89	1.63	0.41	0.33	0.38	0.47	0.56	0.66	0.76	0.87	0.99



Table 4-4
Statement of Cash Flow – Indirect Method: Water Services
UNAUDITED: For Financial Planning Purposes Only
2021-2031

	Notes	Forecast										
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Operating Transactions												
Annual Surplus/Deficit		536,356	751,170	876,402	663,209	825,288	1,003,412	1,193,733	1,397,339	1,614,624	2,127,263	2,556,476
Add: Amortization of TCA's	4	174,854	181,007	190,797	322,976	391,921	410,985	415,121	420,675	429,365	160,090	4,032
(Gain)/Loss on disposal of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Less: Earned Deferred Revenue	3	-	-	-	-	(214,779)	(251,273)	(251,273)	(251,273)	(251,273)	(251,273)	(251,273)
Less: Developer Contributions		-	-	-	-	-	-	-	-	-	-	-
Add: Deferred Revenue Proceeds		2,859	83,443	86,721	90,092	89,264	87,742	86,219	84,694	83,168	81,663	80,158
Change in A/R (Increase)/Decrease		(244)	(21,744)	(24,188)	(25,060)	(48,933)	(32,154)	(30,140)	(31,794)	(33,523)	(35,338)	(38,572)
Change in A/P Increase/(Decrease)		485	532	569	595	616	640	668	693	721	752	781
Less: Interest Proceeds		(43,812)	(42,812)	(49,289)	(35,953)	(25,562)	(35,340)	(43,510)	(54,345)	(69,689)	(90,421)	(115,810)
Cash Provided by Operating Transactions		670,498	951,596	1,081,012	1,015,859	1,017,815	1,184,012	1,370,818	1,565,989	1,773,393	1,992,736	2,235,792
Capital Transactions												
Proceeds on sale of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Less: Cash Used to acquire Tangible Capital Assets	4	(80,000)	(930,000)	(5,682,000)	(4,544,000)	(1,811,000)	(393,000)	(649,000)	(701,000)	(675,000)	(689,000)	(703,000)
Cash Applied to Capital Transactions		(80,000)	(930,000)	(5,682,000)	(4,544,000)	(1,811,000)	(393,000)	(649,000)	(701,000)	(675,000)	(689,000)	(703,000)
Investing Transactions												
Proceeds from Investments		43,812	42,812	49,289	35,953	25,562	35,340	43,510	54,345	69,689	90,421	115,810
Less: Cash Used to Acquire Investments		-	-	-	-	-	-	-	-	-	-	-
Cash Provided by (applied to) Investing Transactions		43,812	42,812	49,289	35,953	25,562	35,340	43,510	54,345	69,689	90,421	115,810
Financing Transactions												
Proceeds from Debt Issue	2	-	-	5,000,000	3,184,000	541,000	-	-	-	-	-	-
Less: Debt Repayment (Principal only)	2	(51,536)	(53,177)	(54,871)	(306,324)	(477,128)	(522,755)	(543,174)	(564,394)	(586,447)	(541,027)	(562,669)
Cash Applied to Financing Transactions		(51,536)	(53,177)	4,945,129	2,877,676	63,872	(522,755)	(543,174)	(564,394)	(586,447)	(541,027)	(562,669)
Increase in Cash and Cash Equivalents		582,774	11,231	393,430	(614,512)	(703,751)	303,597	222,154	354,940	581,635	853,130	1,085,933
Cash and Cash Equivalents, beginning of year	1	1,450,451	2,033,225	2,044,456	2,437,886	1,823,374	1,119,623	1,423,220	1,645,374	2,000,314	2,581,949	3,435,079
Cash and Cash Equivalents, end of year	1	2,033,225	2,044,456	2,437,886	1,823,374	1,119,623	1,423,220	1,645,374	2,000,314	2,581,949	3,435,079	4,521,012



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 water revenue earned (source: The Town's 2018, 2019 & 2020 Financial Information Returns and statements from ERTH Power); and
- b) Payables: Based on historical levels of municipal-wide payables as a percentage of annual municipal-wide expenses (source: The Town's 2018, 2019 & 2020 Financial Information Returns and statements from ERTH Power).

2. Debt

Outstanding water related debt at the end of 2020 was \$527,532 with additional debt proceeds anticipated throughout the forecast period. Principal repayments over the forecast period are scheduled as follows:



Table N-1
Outstanding Water Debt (Principal Payments)
2021-2031

Year	Principal Payments
2021	51,536
2022	53,177
2023	54,871
2024	306,324
2025	477,128
2026	522,755
2027	543,174
2028	564,394
2029	586,447
2030	541,027
2031	562,669
Total	\$ 4,263,502

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 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. In years when the water development charges reserve fund balance is negative, it is shown as an asset (accounts receivable) for financial reporting purposes, representing future amounts to be collected from developers.

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; and
 - iv. Vehicles and Equipment.



- Amortization is calculated based on using the straight-line approach.
- Given the planned asset replacement forecast in the 2021 Rate Study, useful life on acquisitions is assumed to be equal to typical values assigned by the Town for each 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 unaware of any specific lead service piping in the municipal water system.



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

Table N-2
Tangible Capital Assets
2021-2031

Asset Historical Cost	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Opening Tangible Capital Asset Balance	15,550,417	15,563,698	16,466,549	22,128,546	26,373,084	28,146,490	28,528,567	29,160,459	29,810,463	30,468,449	31,140,063
Acquisitions	80,000	930,000	5,682,000	4,544,000	1,811,000	393,000	649,000	701,000	675,000	689,000	703,000
Disposals	66,719	27,149	20,003	299,462	37,594	10,923	17,108	50,996	17,014	17,386	17,841
Closing Tangible Capital Asset Balance	15,563,698	16,466,549	22,128,546	26,373,084	28,146,490	28,528,567	29,160,459	29,810,463	30,468,449	31,140,063	31,825,222
Opening Accumulated Amortization	4,487,320	4,595,455	4,749,313	4,920,107	4,943,621	5,297,948	5,698,010	6,096,023	6,465,702	6,878,053	7,020,757
Amortization Expense	174,854	181,007	190,797	322,976	391,921	410,985	415,121	420,675	429,365	160,090	4,032
Amortization on Disposal	66,719	27,149	20,003	299,462	37,594	10,923	17,108	50,996	17,014	17,386	17,841
Ending Accumulated Amortization	4,595,455	4,749,313	4,920,107	4,943,621	5,297,948	5,698,010	6,096,023	6,465,702	6,878,053	7,020,757	7,006,948
Net Book Value	10,968,243	11,717,236	17,208,439	21,429,463	22,848,542	22,830,557	23,064,436	23,344,761	23,590,396	24,119,306	24,818,274



5. Accumulated Surplus

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

Table N-3
2021 Opening Accumulated Surplus

Water	2021 Opening Accumulated Surplus
Reserve Balances	
Reserves: Development Charges	142,951
Reserves: Capital/Other	1,654,734
Total Reserves Balance	1,797,685
Less: Debt Obligations and Deferred Revenue	(670,474)
Add: Tangible Capital Assets	11,063,097
Total Opening Balance	12,190,308

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

6. Other Revenue

Other revenues are related to anticipated interest earned on reserves.

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 system 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 Rate Study. Nevertheless, Council is required to pass certain resolutions with regard to this plan and regulations and it is recommended that:

1. The Town of Aylmer's Water Financial Plan prepared by Watson & Associates Economists Ltd. dated September 27, 2021 be approved.
2. Notice of availability of the Financial Plan be advertised.
3. The Financial Plan dated September 27, 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 Water Budget and 2022-2031 Water Forecast as per the 2021 Rate Study



Appendix A-1
Water Service
Capital Budget Forecast
2021-2031
Inflated \$

Description	Budget 2021	Total	Forecast										
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Capital Expenditures													
SCADA Controls Upgrade/ Replacement	80,000	-	-	-	-	-	-	-	-	-	-	-	-
Talbot Street East Watermain	-	80,000	-	-	80,000	-	-	-	-	-	-	-	-
Talbot Street East Watermain	-	807,000	-	-	-	807,000	-	-	-	-	-	-	-
Elk street - John to Talbot	-	872,000	872,000	-	-	-	-	-	-	-	-	-	-
South, Pine, and Victoria St - Engineering	-	58,000	58,000	-	-	-	-	-	-	-	-	-	-
South, Pine, and Victoria St. Reconstruction	-	593,000	-	593,000	-	-	-	-	-	-	-	-	-
Myrtle St - Catfish Cr. to Forest - Engineering	-	59,000	-	59,000	-	-	-	-	-	-	-	-	-
Myrtle St - Catfish Cr. to Forest - Reconstruction	-	612,000	-	-	612,000	-	-	-	-	-	-	-	-
Forest - Elm to John - Engineering	-	42,000	-	-	42,000	-	-	-	-	-	-	-	-
Forest - Elm to John - Reconstruction	-	420,000	-	-	-	420,000	-	-	-	-	-	-	-
St George - South to Talbot - Engineering	-	30,000	-	30,000	-	-	-	-	-	-	-	-	-
St George - South to Talbot - Reconstruction	-	308,000	-	-	308,000	-	-	-	-	-	-	-	-
Parkview Hghts - Chestnut to Forest - Engineering	-	43,000	-	-	-	43,000	-	-	-	-	-	-	-
Parkview Hghts - Chestnut to Forest - Reconst.	-	393,000	-	-	-	-	393,000	-	-	-	-	-	-
SCADA (\$1,800,000 split between water, sanitary collection and sanitary treatment)	-	318,000	-	-	318,000	-	-	-	-	-	-	-	-
Truck #3 Replacement	-	39,000	-	-	-	-	-	-	39,000	-	-	-	-
5YR Historical Average Linear Asset Replacement	-	3,378,000	-	-	-	-	-	649,000	662,000	675,000	689,000	703,000	-
New Water Tower	-	5,000,000	-	5,000,000	-	-	-	-	-	-	-	-	-
Studies:													
Booster Pumping Engineering Report	5,000	-	-	-	-	-	-	-	-	-	-	-	-
Water and Wastewater Rates Study	35,000	-	-	-	-	-	-	-	-	-	-	-	-
EA study - New Water Tower	70,000	-	-	-	-	-	-	-	-	-	-	-	-
Growth Related													
Additional Capacity Improvements	-	3,725,000	-	-	3,184,000	541,000	-	-	-	-	-	-	-
Total Capital Expenditures	190,000	16,777,000	930,000	5,682,000	4,544,000	1,811,000	393,000	649,000	701,000	675,000	689,000	703,000	703,000
Capital Financing													
Provincial/Federal Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Development Charges Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Growth Related Debenture Requirements	-	5,931,250	-	5,000,000	796,000	135,250	-	-	-	-	-	-	-
Growth Related Debenture Requirements	-	2,793,750	-	-	2,388,000	405,750	-	-	-	-	-	-	-
Operating Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Lifecycle Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Reserve	190,000	8,052,000	930,000	682,000	1,360,000	1,270,000	393,000	649,000	701,000	675,000	689,000	703,000	703,000
Total Capital Financing	190,000	16,777,000	930,000	5,682,000	4,544,000	1,811,000	393,000	649,000	701,000	675,000	689,000	703,000	703,000



Appendix A-2
Water Service
Schedule of Non-Growth-Related Debenture Repayments
2021-2031
Inflated \$

Debenture Year	2021	Principal (Inflated)	Forecast									
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2022		-		-	-	-	-	-	-	-	-	-
2023		5,000,000			449,706	449,706	449,706	449,706	449,706	449,706	449,706	449,706
2024		796,000				71,593	71,593	71,593	71,593	71,593	71,593	71,593
2025		135,250					12,165	12,165	12,165	12,165	12,165	12,165
2026		-						-	-	-	-	-
2027		-						-	-	-	-	-
2028		-						-	-	-	-	-
2029		-						-	-	-	-	-
2030		-						-	-	-	-	-
2031		-						-	-	-	-	-
Total Annual Debt Charges	-	5,931,250	-	-	449,706	521,299	533,463	533,463	533,463	533,463	533,463	533,463

Appendix A-3
Water Service
Schedule of Growth-Related Debenture Repayments
2021-2031
Inflated \$

Debenture Year	2021	Principal (Inflated)	Forecast									
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2022		-		-	-	-	-	-	-	-	-	-
2023		-			-	-	-	-	-	-	-	-
2024		2,388,000				214,779	214,779	214,779	214,779	214,779	214,779	214,779
2025		405,750					36,494	36,494	36,494	36,494	36,494	36,494
2026		-						-	-	-	-	-
2027		-						-	-	-	-	-
2028		-						-	-	-	-	-
2029		-						-	-	-	-	-
2030		-						-	-	-	-	-
2031		-						-	-	-	-	-
Total Annual Debt Charges	-	2,793,750	-	-	-	214,779	251,273	251,273	251,273	251,273	251,273	251,273



Appendix A-4
Water Service
Water Reserve Fund Continuity
2021-2031
Inflated \$

Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Opening Balance	1,654,734	2,234,408	2,183,408	2,513,736	1,833,596	1,303,677	1,802,319	2,218,998	2,771,619	3,554,162	4,611,487
Transfer from Operating	725,862	836,188	963,039	643,907	714,519	856,302	1,022,169	1,199,276	1,387,853	1,655,904	1,882,029
Transfer to Capital	190,000	930,000	682,000	1,360,000	1,270,000	393,000	649,000	701,000	675,000	689,000	703,000
Transfer to Operating	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	2,190,596	2,140,596	2,464,447	1,797,643	1,278,115	1,766,979	2,175,488	2,717,274	3,484,472	4,521,065	5,790,515
Interest	43,812	42,812	49,289	35,953	25,562	35,340	43,510	54,345	69,689	90,421	115,810

Appendix A-5
Water Service
Water Development Charges Reserve Fund Continuity
2021-2031
Inflated \$

Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Opening Balance	142,951	145,810	229,253	315,973	406,065	280,549	117,018	(48,036)	(214,615)	(382,720)	(552,330)
Development Charge Proceeds	-	78,948	80,525	82,130	83,763	85,448	87,161	88,902	90,672	92,493	94,343
Transfer to Capital	-	-	-	-	-	-	-	-	-	-	-
Transfer to Operating	-	-	-	-	214,779	251,273	251,273	251,273	251,273	251,273	251,273
Closing Balance	142,951	224,758	309,778	398,103	275,048	114,724	(47,094)	(210,407)	(375,216)	(541,500)	(709,261)
Interest	2,859	4,495	6,196	7,962	5,501	2,294	(942)	(4,208)	(7,504)	(10,830)	(14,185)
Required from Development Charges	-	-	-	2,388,000	405,750	-	-	-	-	-	-



Appendix A-6
Water Service
Water Operating Budget Forecast
2021-2031
Inflated \$

Description	Budget 2021	Forecast										
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Expenditures												
Salaries, Wages & Benefits												
Salaries & Wages - Full Time	235,621	240,300	245,100	250,000	255,000	260,100	265,300	270,600	276,000	281,500	287,100	
Self Funded Health Benefits	400	400	400	400	400	400	400	400	400	400	400	
Canada Pension - Full Time	7,916	8,100	8,300	8,500	8,700	8,900	9,100	9,300	9,500	9,700	9,900	
Unemployment Insurance - FT	2,795	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	
Health Benefits	13,466	13,700	14,000	14,300	14,600	14,900	15,200	15,500	15,800	16,100	16,400	
Post Retirement Health Benefits	11,000	11,200	11,400	11,600	11,800	12,000	12,200	12,400	12,600	12,900	13,200	
Group Life Premiums	2,340	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	
Long Term Disability Premiums.	6,180	6,300	6,400	6,500	6,600	6,700	6,800	6,900	7,000	7,100	7,200	
OMERS Pension - Full Time	24,682	25,200	25,700	26,200	26,700	27,200	27,700	28,300	28,900	29,500	30,100	
Workers Compensation - Full Tim	2,568	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	
Ontario Health Tax - Full Time	4,595	4,700	4,800	4,900	5,000	5,100	5,200	5,300	5,400	5,500	5,600	
Association Costs												
Association Fees	250	300	300	300	300	300	300	300	300	300	300	
Travel Expenses	200	200	200	200	200	200	200	200	200	200	200	
Tuition Fees, Workshops, Training	6,000	6,100	6,200	6,300	6,400	6,500	6,600	6,700	6,800	6,900	7,000	
Training Travel & Other												
Stationery, Office Supplies & P	400	400	400	400	400	400	400	400	400	400	400	
Reference Material	500	500	500	500	500	500	500	500	500	500	500	
Advertising	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	
Telephone	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900	4,000	
Cell Phone	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	
SCADA/ Cable	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	
Protective Clothing	500	500	500	500	500	500	500	500	500	500	500	
Liability Insurance	19,000	19,400	19,800	20,200	20,600	21,000	21,400	21,800	22,200	22,600	23,100	
Administrative												
Legal Fees	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	
Engineering	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	
Consultants	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
Professional Fees & Charges												
Gas or Diesel	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	
Vehicle Repairs & Maintenance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Vehicle Insurance	1,010	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Vehicles & Equipment												
Equipment & Tool Purchases	22,000	22,400	22,800	23,300	23,800	24,300	24,800	25,300	25,800	26,300	26,800	
Tools & Supplies												
Janitorial Supplies	500	500	500	500	500	500	500	500	500	500	500	
Repairs, Alterations, Services	27,000	27,500	28,100	28,700	29,300	29,900	30,500	31,100	31,700	32,300	32,900	
Meter Services/Repairs	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
Hydro Costs	2,000	2,100	2,200	2,300	2,400	2,500	2,600	2,700	2,800	2,900	3,000	
Water Costs	700	700	700	700	700	700	700	700	700	700	700	
Gas/Oil Costs	900	900	900	900	900	900	900	900	900	900	900	
Building Insurance	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900	4,000	



Appendix A-6 Continued
Water Service
Water Operating Budget Forecast
2021-2031
Inflated \$

Description	Budget 2021	Forecast										
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Buildings		-	-	-	-	-	-	-	-	-	-	-
Water Testing	10,000	10,200	10,400	10,600	10,800	11,000	11,200	11,400	11,600	11,800	12,000	
Water purchase - Primary/Secondary	2,145,218	2,233,997	2,329,531	2,429,549	2,533,421	2,641,758	2,755,020	2,872,822	2,995,641	3,124,005	3,257,517	
Contracted Services												
Computer - IT Support	500	500	500	500	500	500	500	500	500	500	500	
Annual Maintenance Contract	190	200	200	200	200	200	200	200	200	200	200	
Erie Thames - Water billing cha	122,000	124,400	126,900	129,400	132,000	134,600	137,300	140,000	142,800	145,700	148,600	
Rents & Financial Services												
Equipment Rental & Leases	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Sub Total Operating	2,694,731	2,794,297	2,900,931	3,012,249	3,127,621	3,247,558	3,372,620	3,502,422	3,637,441	3,778,305	3,924,517	
Capital-Related												
Existing Debt (Principal) - Growth Related												
Existing Debt (Interest) - Growth Related												
New Growth Related Debt (Principal)		-	-	-	119,259	144,293	150,065	156,068	162,310	168,803	175,555	
New Growth Related Debt (Interest)		-	-	-	95,520	106,980	101,208	95,205	88,963	82,470	75,718	
Existing Debt (Principal) - Non-Growth Related	51,536	53,177	54,871	56,619	58,422	60,283	62,203	64,184	66,228	-	-	
Existing Debt (Interest) - Non-Growth Related	16,266	14,624	12,931	11,183	9,380	7,519	5,599	3,618	1,574	-	-	
New Non-Growth Related Debt (Principal)		-	-	249,706	299,447	318,179	330,906	344,143	357,908	372,225	387,114	
New Non-Growth Related Debt (Interest)		-	-	200,000	221,852	215,284	202,557	189,320	175,555	161,238	146,349	
Transfer to Capital	-	-	-	-	-	-	-	-	-	-	-	
Transfer to Capital Reserve	725,862	836,188	963,039	643,907	714,519	856,302	1,022,169	1,199,276	1,387,853	1,655,904	1,882,029	
Sub Total Capital Related	793,663	903,990	1,030,841	1,161,414	1,518,399	1,708,840	1,874,707	2,051,814	2,240,391	2,440,640	2,666,765	
Total Expenditures	3,488,395	3,698,287	3,931,772	4,173,663	4,646,019	4,956,399	5,247,326	5,554,236	5,877,832	6,218,945	6,591,282	
Revenues												
Base Charge	389,904	399,202	410,248	421,695	433,313	445,228	457,573	470,104	482,954	496,264	509,776	
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	
Contributions from Development Charges Reserve Fund	-	-	-	-	214,779	251,273	251,273	251,273	251,273	251,273	251,273	
Contributions from Reserves / Reserve Funds	-	-	-	-	-	-	-	-	-	-	-	
Total Operating Revenue	389,904	399,202	410,248	421,695	648,093	696,501	708,846	721,377	734,227	747,537	761,049	
Water Billing Recovery - Total	3,098,491	3,299,084	3,521,524	3,751,968	3,997,927	4,259,898	4,538,480	4,832,859	5,143,605	5,471,408	5,830,233	



Appendix A-7
 Water Service
 Water Volume Rate Forecast
 2021-2031
 Inflated \$

Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total Water Billing Recovery	3,098,491	3,299,084	3,521,524	3,751,968	3,997,927	4,259,898	4,538,480	4,832,859	5,143,605	5,471,408	5,830,233
Total Weighted Volume (m ³)	1,383,255	1,389,439	1,397,430	1,405,232	1,412,695	1,419,966	1,427,195	1,434,083	1,440,786	1,447,463	1,453,923
Constant Rate - General User per m ³	2.24	2.37	2.52	2.67	2.83	3.00	3.18	3.37	3.57	3.78	4.01
Constant Rate - Large User per m ³	2.04	2.17	2.32	2.47	2.63	2.80	2.98	3.17	3.37	3.58	3.81
Annual Percentage Change		6%	6%	6%	6%	6%	6%	6%	6%	6%	6%