



 **Watson
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Water Ontario Regulation 453/07 Financial Plan

Municipality of Mississippi Mills

Financial Plan # 178-301

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
D.C.	Development Charges
MECP	Ministry of the Environment, Conservation and Parks
MMAH	Ministry of Municipal Affairs and Housing
OCIF	Ontario Community Infrastructure Fund
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 Municipality of Mississippi Mills (Municipality) 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 in regard to the Municipality's water system has already been completed and documented by Watson within the "Municipality of Mississippi Mills Water and Wastewater Rate Study, September 23, 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

The Safe Drinking Water Act (S.D.W.A.) was passed in December, 2002 in order to address some of the recommendations made by the Walkerton Inquiry Part II report. 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.

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

O.Reg. 453/07 also provides details with regards to s.30 (1) part b of the S.D.W.A. for existing water systems. The requirements for existing systems are summarized as follows:

- Financial plans must be approved by Council resolution (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 P.S.A.B.) 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 P.S.A.B.) 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 P.S.A.B.) 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; and
- Financial plan is to be submitted to the Ministry of Municipal Affairs and Housing.

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 nine-year forecast included in this financial plan 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 must be submitted to the Ministry of Municipal Affairs and Housing (MMAH). The financial plan does not need to be submitted to the Ministry of the Environment, Conservation, and Parks (MECP); however, the 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 (P.S.A.B.) 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 is 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.



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 S.D.W.A. requires a declaration of the financial plan's sustainability, it does not give a clear definition of what would be considered sustainable. Instead, the 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 Services are provided below:

Principle #1: Ongoing public engagement and transparency can build support for, and confidence in, financial plans and the system 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 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 W.O.A.

The purposes of the W.O.A. 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, the 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 the 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 three phases that municipalities must meet. The timelines associated with the three phases were later extended by Ontario Regulation 193/21 which was filed on March 15, 2021.

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, 2022):
 - 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, 2024):
 - Same steps as Phase 1 but for all assets.
- Phase 3 – Asset Management Plan (by July 1, 2025):
 - 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, 2022 (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 Municipality will need to consider the impacts during the annual budget and forecast process.

2.5 Water Forecast

The Municipality has already completed financial planning through the 2021 Rate Study. The rate study was 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 provides the basis for a financial plan for the Municipality's water system by including:

- 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 and system growth;
- An analysis of required water rates that ensure revenues are equitable and sufficient to meet system needs; and
- A public process that involves consultation with the main stakeholders including the Municipality'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 financial plan.

The details of the financial plan arising from the 2021 Rate Study are contained in Appendix A.



Chapter 3

Approach



3. Approach

3.1 Overview

The 2021 Rate Study 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 financial plan.

3.2 Conversion Process

The conversion from the existing modified cash basis financial plan 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 within the 2021 Rate Study as well as part of the Municipality's annual P.S.A.B. 3150 compliance processes. Given the prospective nature of the 2021 Rate Study, replacement cost is provided for each asset. However, historical cost (which is the original cost to purchase, develop, or



construct each asset) is required for financial reporting purposes. Once historical cost is established, 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. However, these estimates only represent future assets that the Municipality anticipates purchasing or constructing without consideration for assets that are contributed by developers and other parties (at no or partial cost to the Municipality). These contributed assets could form a significant part of the infrastructure going forward in terms of the sustainability of the system as a whole and despite their non-monetary nature; the financial plan 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 system, in order to convert from the cash to full accrual basis. For example, debt repayment costs relating to the principal payment portion only need 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 (Water)

Modified Cash Basis	Budget 2021	Adjustments		Full Accrual Budget 2021	Accrual Basis
		DR	CR		
Revenues					Revenues
Base Charge Revenue	1,295,004			1,295,004	Base Charge Revenue
Rate Based Revenue	884,483			884,483	Rate Based Revenue
			882,840	882,840	Earned Development Charges and Gas Tax Revenue
Other Revenue	62,409		18,036	80,445	Other Revenue
Total Revenues	2,241,896			3,142,772	Total Revenues
Expenditures					Expenses
Operating	1,353,795	214,510		1,568,305	Operating Expenses
Capital					
Transfers to Reserves	685,563		685,563		
Transfers to Capital	115,060		115,060		
Debt Repayment (Principal & Interest)	87,478		58,898	28,580	Interest on Debt
		314,786		314,786	Amortization
Total Expenditures	2,241,896			1,911,671	Total Expenses
Net Expenditures	-			1,231,101	Annual Surplus/(Deficit)
Increase (decrease) in amounts to be recovered	-			8,583,922	Accumulated Surplus/(Deficit), beginning of year
Change in Fund Balances	-	1,231,101	-	9,815,023	Accumulated Surplus/(Deficit), end of year
TOTAL ADJUSTMENTS		1,760,397	1,760,397		

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). As noted earlier, the applicable balances from the Statement of Capital and the Statement of Reserve and Reserve Funds will need to be transferred to this statement. 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 Municipality and as such, it may 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 Municipality 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 new 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, additional 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
Statements of Financial Position (Water)

Modified Cash Basis	Budget 2021	Adjustments		Full Accrual Budget 2021	Accrual Basis
		DR	CR		
ASSETS					ASSETS
Financial Assets					Financial Assets
Cash	3,524,170			3,524,170	Cash
Accounts Receivable	381,589			381,589	Accounts Receivable
Total Financial Assets	3,905,759			3,905,759	Total Financial Assets
LIABILITIES					Liabilities
Accounts Payable & Accrued Liabilities	168,317			168,317	Accounts Payable & Accrued Liabilities
Gross Long-term Liabilities	3,561,718			3,561,718	Debt (Principal only)
Deferred Revenue	1,915,839			1,915,839	Deferred Revenue
Total Liabilities	5,645,874			5,645,874	Total Liabilities
Net Assets/(Debt)	(1,740,115)			(1,740,115)	Net Financial Assets/(Debt)
		11,769,648	214,510	11,555,138	Non-Financial Assets
				11,555,138	Tangible Capital Assets
					Total Non-Financial Assets
Municipal Position					
Water Reserves	1,821,603	1,821,603	-		
Development Charge Reserve Fund	1,915,839	1,915,839	-		
Amounts to be Recovered	(5,477,557)	-	5,477,557		
Total Municipal Position	(1,740,115)		9,815,023	9,815,023	Accumulated Surplus/(Deficit), end of year
TOTAL ADJUSTMENTS		15,507,090	15,507,090		



3.2.5 Verification and Note Preparation

The final step in the conversion process is to ensure that all of the statements created by the previous steps are in balance. The Statement of Financial Position summarizes the resources and obligations of the Municipality 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 Municipality’s ledgers. However, it may not be possible 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:

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



- b) Amortization Expense – The method and timing of amortization should be based on the Municipality’s amortization policy. Otherwise, an assumption will need to be made and applied consistently throughout the financial plan.
- 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 2021 Rate Study.
- d) Contributed Assets – As noted earlier, contributed assets could represent a significant part of the Municipality’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 Municipality'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 Municipality's water system. It is not an audited document¹ and 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 Municipality'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 for 2021, the Municipality's water system will be in a net financial debt position of approximately \$1.74 million. The Municipality's net financial debt position is projected to decrease to approximately \$82,900 by the end of the forecast.

Another important indicator on the Statement of Financial Position is the tangible capital asset balance. 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:

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



- Tangible capital assets such as water mains and treatment plants are imperative to water service delivery.
- 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 \$13.31 million over the 11-year forecast period. This indicates that the Municipality 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 increasing from 61% in 2021 to 82% in 2022, then fluctuating over the remainder of the forecast period and ending at 60% by 2031. As a result, an annual surplus position is forecasted for each year, ultimately reaching an annual surplus of \$1.67 million by the end of the forecast period. It is important to note that an annual surplus is beneficial to ensure funding is available for non-expense costs such as tangible capital asset acquisitions, reserve/reserve fund transfers and debt principal payments.

Another important indicator on this statement is accumulated surplus/deficit. An accumulated surplus indicates that the available net resources are sufficient to provide future 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 \$16.20 million to a 2021 accumulated surplus of \$8.58 million over the forecast period. This accumulated surplus, as indicated in Table 4-2, is predominantly made up of reserve and reserve fund balances as well as historical investments in tangible capital assets.

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 for the all the years except 2021, 2022, 2026, and 2027, forecasted annual surplus exceeds forecasted tangible capital asset acquisitions (net of amortization for the year), resulting in a decrease to the net debt balance. In 2021, 2022, 2026, and 2027 the forecasted tangible capital asset acquisitions (net of amortization for the year) exceed forecasted annual surplus, resulting in an increase to the net debt balance. The overall decrease to net debt balance is the result of a long-term plan of funding capital asset acquisitions through accumulated surplus (i.e., reserves and reserve funds) and debenture issuance. The ratio of cumulative annual surplus before amortization to cumulative tangible capital asset acquisitions is forecasted to improve over the forecast period, increasing from 0.46 in 2021 to 0.99 by 2031 (note: a desirable ratio is 1:1 or better).

4.2.4 Statement of Cash Flow (Table 4-4)

The Statement of Cash Flow summarizes how the Municipality's water system is 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- 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 Municipality's water system to improve from a positive balance of approximately \$3.24 million at the beginning of 2021, to a positive balance of approximately \$4.84 million by the end of 2031. For further discussion on projected cash balances please refer to the Notes to the Financial Plan.



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	3,524,170	3,214,498	3,193,388	3,755,685	799,562	1,348,158	2,066,955	2,390,871	2,893,547	3,449,470	4,838,702
Accounts Receivable	1	381,589	444,140	469,890	496,248	518,256	538,003	561,662	583,851	606,553	629,966	654,822
Accounts Receivable - Other	3	-	-	-	-	-	-	-	-	-	66,107	-
Total Financial Assets		3,905,759	3,658,638	3,663,278	4,251,933	1,317,818	1,886,161	2,628,617	2,974,722	3,500,100	4,145,543	5,493,524
Liabilities												
Bank Indebtedness		-	-	-	-	-	-	-	-	-	-	-
Accounts Payable & Accrued Liabilities	1	168,317	185,726	193,283	200,842	205,890	209,259	215,538	221,580	227,934	234,386	241,187
Debt (Principal only)	2	3,561,718	3,416,460	3,267,386	3,113,783	2,955,374	4,455,162	6,393,585	6,095,901	5,788,333	5,470,628	5,142,361
Deferred Revenue	3	1,915,839	2,540,773	2,672,001	2,990,338	58,053	220,305	557,637	313,203	70,270	-	192,858
Total Liabilities		5,645,874	6,142,959	6,132,670	6,304,963	3,219,317	4,884,726	7,166,760	6,630,684	6,086,537	5,705,014	5,576,406
Net Financial Assets/(Debt)		(1,740,115)	(2,484,321)	(2,469,392)	(2,053,030)	(1,901,499)	(2,998,565)	(4,538,143)	(3,655,962)	(2,586,437)	(1,559,471)	(82,882)
Non-Financial Assets												
Tangible Capital Assets	4	11,555,138	12,790,200	13,950,459	14,606,180	18,501,707	20,589,821	22,897,623	23,368,204	23,757,137	24,663,737	24,862,116
Total Non-Financial Assets		11,555,138	12,790,200	13,950,459	14,606,180	18,501,707	20,589,821	22,897,623	23,368,204	23,757,137	24,663,737	24,862,116
Accumulated Surplus/(Deficit)	5	9,815,023	10,305,879	11,481,067	12,553,150	16,600,208	17,591,256	18,359,480	19,712,242	21,170,700	23,104,266	24,779,234
Financial Indicators												
	Total Change	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1) Increase/(Decrease) in Net Financial Assets	(153,880)	(1,811,113)	(744,206)	14,929	416,362	151,531	(1,097,066)	(1,539,578)	882,181	1,069,525	1,026,966	1,476,589
2) Increase/(Decrease) in Tangible Capital Assets	16,349,192	3,042,214	1,235,062	1,160,259	655,721	3,895,527	2,088,114	2,307,802	470,581	388,933	906,600	198,379
3) Increase/(Decrease) in Accumulated Surplus	16,195,312	1,231,101	490,856	1,175,188	1,072,083	4,047,058	991,048	768,224	1,352,762	1,458,458	1,933,566	1,674,968



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		1,295,004	1,487,727	1,552,903	1,617,373	1,664,374	1,701,115	1,747,920	1,787,675	1,826,599	1,865,209	1,905,560
Rate Based Revenue		884,483	1,049,023	1,130,923	1,216,998	1,295,697	1,371,743	1,460,072	1,547,052	1,637,790	1,732,905	1,834,523
Earned Development Charges Revenue	3	882,840	72,600	591,098	431,454	3,356,287	283,823	121,793	728,564	741,507	657,491	275,419
Other Revenue	6	80,445	72,959	72,831	76,634	78,064	83,352	88,501	95,887	104,842	113,364	126,234
Total Revenues		3,142,772	2,682,309	3,347,755	3,342,459	6,394,422	3,440,033	3,418,286	4,159,178	4,310,738	4,368,969	4,141,736
Water Expenses												
Operating Expenses	Sch. 4-1	1,568,305	1,696,819	1,659,600	1,744,400	1,789,000	1,830,100	1,912,600	1,954,200	1,984,300	2,042,200	2,101,900
Interest on Debt	2	28,580	111,696	107,226	102,697	97,891	92,999	146,264	214,797	204,913	194,803	184,247
Amortization	4	314,786	382,938	405,741	423,279	460,473	525,886	591,198	637,419	663,067	198,400	180,621
Loss on Disposal of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Total Expenses		1,911,671	2,191,453	2,172,567	2,270,376	2,347,364	2,448,985	2,650,062	2,806,416	2,852,280	2,435,403	2,466,768
Annual Surplus/(Deficit)		1,231,101	490,856	1,175,188	1,072,083	4,047,058	991,048	768,224	1,352,762	1,458,458	1,933,566	1,674,968
Accumulated Surplus/(Deficit), beginning of year	5	8,583,922	9,815,023	10,305,879	11,481,067	12,553,150	16,600,208	17,591,256	18,359,480	19,712,242	21,170,700	23,104,266
Accumulated Surplus/(Deficit), end of year		9,815,023	10,305,879	11,481,067	12,553,150	16,600,208	17,591,256	18,359,480	19,712,242	21,170,700	23,104,266	24,779,234
Note 5:												
Accumulated Surplus/(Deficit) Reconciliation:		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Reserve Balances												
Reserves: Development Charges		1,915,839	2,540,773	2,672,001	2,990,338	58,053	220,305	557,637	313,203	70,270	(66,107)	192,858
Reserves: Gas Tax		-	-	-	-	-	-	-	-	-	-	-
Reserves: Capital/Other		1,821,603	932,139	797,994	1,060,753	1,053,875	1,456,597	1,855,442	2,439,939	3,201,896	3,911,157	5,059,479
Total Reserves Balance		3,737,442	3,472,912	3,469,995	4,051,091	1,111,928	1,676,902	2,413,079	2,753,142	3,272,166	3,845,050	5,252,337
Less: Debt Obligations and Deferred Revenue		(5,477,557)	(5,957,233)	(5,939,387)	(6,104,121)	(3,013,427)	(4,675,467)	(6,951,222)	(6,409,104)	(5,858,603)	(5,404,521)	(5,335,219)
Add: Tangible Capital Assets	4	11,555,138	12,790,200	13,950,459	14,606,180	18,501,707	20,589,821	22,897,623	23,368,204	23,757,137	24,663,737	24,862,116
Total Ending Balance		9,815,023	10,305,879	11,481,067	12,553,150	16,600,208	17,591,256	18,359,480	19,712,242	21,170,700	23,104,266	24,779,234
Financial Indicators												
	Total Change	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1) Expense to Revenue Ratio		61%	82%	65%	68%	37%	71%	78%	67%	66%	56%	60%
2) Increase/(Decrease) in Accumulated Surplus	16,195,312	1,231,101	490,856	1,175,188	1,072,083	4,047,058	991,048	768,224	1,352,762	1,458,458	1,933,566	1,674,968



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												
Labour		44,825	62,605	65,200	67,700	69,400	70,500	72,600	74,700	76,800	79,000	81,300
Vacation Pay		6,350	6,350	6,600	6,900	7,000	7,200	7,400	7,600	7,800	8,000	8,200
Sick Leave		2,040	2,050	2,100	2,200	2,300	2,300	2,400	2,400	2,500	2,600	2,700
Family Leave		1,668	1,688	1,800	1,800	1,900	1,900	2,000	2,000	2,100	2,100	2,200
Statutory Holidays		4,335	5,750	6,000	6,200	6,400	6,500	6,700	6,900	7,100	7,300	7,500
Bereavement Leave		100	100	100	100	100	100	100	100	100	100	100
CPP		5,108	5,300	5,500	5,700	5,900	6,000	6,200	6,300	6,500	6,700	6,900
EI		2,255	2,315	2,400	2,500	2,600	2,600	2,700	2,800	2,800	2,900	3,000
Omers		11,048	11,750	12,200	12,700	13,000	13,200	13,600	14,000	14,400	14,800	15,300
Group Insurance		943	1,000	1,000	1,100	1,100	1,100	1,200	1,200	1,200	1,300	1,300
Medical		3,178	3,375	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,300	4,400
Dental		843	1,150	1,200	1,200	1,300	1,300	1,300	1,400	1,400	1,500	1,500
EHT		2,390	2,463	2,600	2,700	2,700	2,800	2,900	2,900	3,000	3,100	3,200
WSIB		2,363	2,363	2,500	2,600	2,600	2,700	2,700	2,800	2,900	3,000	3,100
Postage & Courier Services		250	250	300	300	300	300	300	300	300	300	300
Telephone		1,250	1,250	1,300	1,400	1,400	1,400	1,500	1,500	1,500	1,600	1,600
Audit Fees		1,000	1,250	1,300	1,400	1,400	1,400	1,500	1,500	1,500	1,600	1,600
Other Professional Fees		5,250	2,072	2,200	2,200	2,300	2,300	2,400	2,500	2,500	2,600	2,700
Advertising		125	125	100	100	100	100	100	100	200	200	200
Insurance (Building Etc.)		6,856	7,063	7,300	7,600	7,800	8,000	8,200	8,400	8,700	8,900	9,200
Personnel (Clothing, Etc.)		750	1,525	1,600	1,600	1,700	1,700	1,800	1,800	1,900	1,900	2,000
Technical Courses		8,000	8,000	8,300	8,700	8,900	9,000	9,300	9,500	9,800	10,100	10,400
Personnel (Courses/Memberships, Etc.)		500	500	500	500	600	600	600	600	600	600	600
Vehicles & Equipment		9,382	15,608	16,200	16,900	17,300	17,600	18,100	18,600	19,200	19,700	20,300
Water Distribution		12,500	12,500	13,000	13,500	13,900	14,100	14,500	14,900	15,300	15,800	16,200
Maintenance & Repairs		155,040	162,859	169,500	176,100	180,500	183,500	189,000	194,300	199,900	205,500	211,500
Valve Inspection & Maint.		29,140	29,380	30,600	31,800	32,600	33,100	34,100	35,100	36,100	37,100	38,200
Meter Install, Maint. & Replacement		24,590	24,590	25,600	26,600	27,300	27,700	28,500	29,300	30,200	31,000	31,900
Meter Reading & Billing		6,803	12,350	12,900	13,400	13,700	13,900	14,300	14,700	15,200	15,600	16,000
Pump Houses, Lift Stns.		995,982	1,095,742	1,140,300	1,184,900	1,214,600	1,234,600	1,271,500	1,307,500	1,344,800	1,382,800	1,422,900
Ontario One Call		8,935	10,498	10,900	11,400	11,600	11,800	12,200	12,500	12,900	13,200	13,600
Non TCA - Expenses from Capital Budget	7	214,510	203,000	105,000	129,000	133,000	147,000	179,000	172,000	151,000	157,000	162,000
TOTAL OPERATING EXPENSES		1,568,305	1,696,819	1,659,600	1,744,400	1,789,000	1,830,100	1,912,600	1,954,200	1,984,300	2,042,200	2,101,900



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)		1,231,101	490,856	1,175,188	1,072,083	4,047,058	991,048	768,224	1,352,762	1,458,458	1,933,566	1,674,968
Less: Acquisition of Tangible Capital Assets	4	(3,357,000)	(1,618,000)	(1,566,000)	(1,079,000)	(4,356,000)	(2,614,000)	(2,899,000)	(1,108,000)	(1,052,000)	(1,105,000)	(379,000)
Add: Amortization of Tangible Capital Assets	4	314,786	382,938	405,741	423,279	460,473	525,886	591,198	637,419	663,067	198,400	180,621
(Gain)/Loss on disposal of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Add: Proceeds on Sale of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Add: Write-downs of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
		(3,042,214)	(1,235,062)	(1,160,259)	(655,721)	(3,895,527)	(2,088,114)	(2,307,802)	(470,581)	(388,933)	(906,600)	(198,379)
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)		(1,811,113)	(744,206)	14,929	416,362	151,531	(1,097,066)	(1,539,578)	882,181	1,069,525	1,026,966	1,476,589
Net Financial Assets/(Net Debt), beginning of year		70,998	(1,740,115)	(2,484,321)	(2,469,392)	(2,053,030)	(1,901,499)	(2,998,565)	(4,538,143)	(3,655,962)	(2,586,437)	(1,559,471)
Net Financial Assets/(Net Debt), end of year		(1,740,115)	(2,484,321)	(2,469,392)	(2,053,030)	(1,901,499)	(2,998,565)	(4,538,143)	(3,655,962)	(2,586,437)	(1,559,471)	(82,882)
Financial Indicators		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1) Acquisition of Tangible Capital Assets (Cumulative)		3,357,000	4,975,000	6,541,000	7,620,000	11,976,000	14,590,000	17,489,000	18,597,000	19,649,000	20,754,000	21,133,000
2) Annual Surplus/Deficit before Amortization (Cumulative)		1,545,887	2,419,681	4,000,610	5,495,972	10,003,503	11,520,437	12,879,859	14,870,040	16,991,565	19,123,531	20,979,120
3) Ratio of Annual Surplus before Amortization to Acquisition of TCA's (Cumulative)		0.46	0.49	0.61	0.72	0.84	0.79	0.74	0.80	0.86	0.92	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		1,231,101	490,856	1,175,188	1,072,083	4,047,058	991,048	768,224	1,352,762	1,458,458	1,933,566	1,674,968
Add: Amortization of TCA's	4	314,786	382,938	405,741	423,279	460,473	525,886	591,198	637,419	663,067	198,400	180,621
(Gain)/Loss on disposal of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Less: Earned Deferred Revenue	3	(882,840)	(72,600)	(591,098)	(431,454)	(3,356,287)	(283,823)	(121,793)	(728,564)	(741,507)	(657,491)	(275,419)
Less: Developer Contributions		-	-	-	-	-	-	-	-	-	-	-
Add: Deferred Revenue Proceeds		668,673	697,534	722,326	749,791	424,002	446,075	459,125	484,130	498,574	521,114	534,384
Change in A/R (Increase)/Decrease		(61,320)	(62,551)	(25,750)	(26,358)	(22,008)	(19,747)	(23,659)	(22,189)	(22,702)	(23,413)	(24,856)
Change in A/P Increase/(Decrease)		7,936	17,409	7,557	7,559	5,048	3,369	6,279	6,042	6,354	6,452	6,801
Less: Interest Proceeds		(18,036)	(9,229)	(7,901)	(10,503)	(10,434)	(14,422)	(18,371)	(24,158)	(31,702)	(38,724)	(50,094)
Cash Provided by Operating Transactions		1,260,300	1,444,357	1,686,063	1,784,397	1,547,852	1,648,386	1,661,003	1,705,442	1,830,542	1,939,904	2,046,405
Capital Transactions												
Proceeds on sale of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Less: Cash Used to acquire Tangible Capital Assets	4	(3,357,000)	(1,618,000)	(1,566,000)	(1,079,000)	(4,356,000)	(2,614,000)	(2,899,000)	(1,108,000)	(1,052,000)	(1,105,000)	(379,000)
Cash Applied to Capital Transactions		(3,357,000)	(1,618,000)	(1,566,000)	(1,079,000)	(4,356,000)	(2,614,000)	(2,899,000)	(1,108,000)	(1,052,000)	(1,105,000)	(379,000)
Investing Transactions												
Proceeds from Investments		18,036	9,229	7,901	10,503	10,434	14,422	18,371	24,158	31,702	38,724	50,094
Less: Cash Used to Acquire Investments		-	-	-	-	-	-	-	-	-	-	-
Cash Provided by (applied to) Investing Transactions		18,036	9,229	7,901	10,503	10,434	14,422	18,371	24,158	31,702	38,724	50,094
Financing Transactions												
Proceeds from Debt Issue	2	2,417,160	-	-	-	-	1,663,000	2,155,000	-	-	-	-
Less: Debt Repayment (Principal only)	2	(58,898)	(145,258)	(149,074)	(153,603)	(158,409)	(163,212)	(216,577)	(297,684)	(307,568)	(317,705)	(328,267)
Cash Applied to Financing Transactions		2,358,262	(145,258)	(149,074)	(153,603)	(158,409)	1,499,788	1,938,423	(297,684)	(307,568)	(317,705)	(328,267)
Increase in Cash and Cash Equivalents		279,598	(309,672)	(21,110)	562,297	(2,956,123)	548,596	718,797	323,916	502,676	555,923	1,389,232
Cash and Cash Equivalents, beginning of year	1	3,244,572	3,524,170	3,214,498	3,193,388	3,755,685	799,562	1,348,158	2,066,955	2,390,871	2,893,547	3,449,470
Cash and Cash Equivalents, end of year	1	3,524,170	3,214,498	3,193,388	3,755,685	799,562	1,348,158	2,066,955	2,390,871	2,893,547	3,449,470	4,838,702



Water

Notes to Financial Plan

The financial plan format as outlined in Chapter 4 closely approximates the full accrual format used by municipalities (2009 onward) 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 a 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 if 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 Municipality, some of the items listed above have been estimated given that the Municipality 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*

Receivable and payable balances were estimated for each year of the forecast based on the following factors:

- a) Receivables: Based on historical levels of municipal-wide receivables as a percentage of annual municipal-wide revenues (source: prior years audited financial statements); and
- b) Payables: Based on historical levels of municipal-wide payables as a percentage of annual municipal-wide expenses (source: prior years audited financial statements).

2. Debt

Outstanding water related debt at the end of 2020 was approximately \$1.20 million. It is anticipated that additional debentures will be required over the forecast period. Principal repayments over the forecast period are scheduled as follows:



Year	Principal Payments
2021	58,898
2022	145,258
2023	149,074
2024	153,603
2025	158,409
2026	163,212
2027	216,577
2028	297,684
2029	307,568
2030	317,705
2031	328,267
Total	2,296,255

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 fund 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 charge reserve fund balance is negative, it is shown as an asset (accounts receivable – other) 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. Facilities;
 - ii. Vehicles and Equipment;
 - iii. Water Meters; and
 - iv. Water Mains.
- Amortization is calculated based on the straight-line approach with half-year amortization applied in the year of acquisition or construction and in the last year of the asset's useful life.



- Given the planned asset replacement forecast in the 2021 Rate Study, useful life on acquisitions of facility-related assets (including water tower) is assumed to be equal to the weighted average useful life for all facility assets on hand. However, useful life on acquisitions of all other assets is based on useful life applied to recent purchases within these categories.
- 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, unless the asset is documented as a new asset. The value of each asset disposal is calculated by estimating the original purchase/construction date and deflating current replacement cost values to those estimated dates in order to calculate original historical cost.
- 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 Municipality is unaware of any specific lead service piping in the municipal water system.

The balance of tangible capital assets is summarized as follows:



Asset Historical Cost	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Opening Tangible Capital Asset Balance	13,447,338	15,831,463	17,346,603	18,828,645	19,844,604	24,112,138	26,664,694	29,537,889	30,446,870	31,329,922	32,406,126
Acquisitions	3,357,000	1,618,000	1,566,000	1,079,000	4,356,000	2,614,000	2,899,000	1,108,000	1,052,000	1,105,000	379,000
Disposals	972,875	102,860	83,958	63,041	88,466	61,444	25,805	199,019	168,948	28,796	13,868
Closing Tangible Capital Asset Balance	15,831,463	17,346,603	18,828,645	19,844,604	24,112,138	26,664,694	29,537,889	30,446,870	31,329,922	32,406,126	32,771,258
Opening Accumulated Amortization	4,934,414	4,276,325	4,556,403	4,878,186	5,238,424	5,610,431	6,074,873	6,640,266	7,078,666	7,572,785	7,742,389
Amortization Expense	314,786	382,938	405,741	423,279	460,473	525,886	591,198	637,419	663,067	198,400	180,621
Amortization on Disposal	972,875	102,860	83,958	63,041	88,466	61,444	25,805	199,019	168,948	28,796	13,868
Ending Accumulated Amortization	4,276,325	4,556,403	4,878,186	5,238,424	5,610,431	6,074,873	6,640,266	7,078,666	7,572,785	7,742,389	7,909,142
Net Book Value	11,555,138	12,790,200	13,950,459	14,606,180	18,501,707	20,589,821	22,897,623	23,368,204	23,757,137	24,663,737	24,862,116



5. Accumulated Surplus

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

Water	2021 Opening Accumulated Surplus
Reserve Balances	
Reserves: Development Charges	2,130,006
Reserves: Capital/Other	1,274,454
Total Reserves Balance	3,404,460
Less: Debt Obligations and Deferred Revenue	(3,333,462)
Add: Tangible Capital Assets	8,512,924
Total Opening Balance	8,583,922

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

6. Other Revenue

Other revenue includes interest, rental income, water connections, sales of water meters, hydrant rentals, Mississippi River Power Corporation Dividends, and other non-operating general revenues..

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

1. The Municipality of Mississippi Mills Water Financial Plan prepared by Watson & Associates Economists Ltd. dated October 12, 2021 be approved.
2. Notice of availability of the Financial Plan be advertised.
3. The Financial Plan dated October 12, 2021, and the Water and Wastewater Rate Study dated September 23, 2021 underpinning the Financial Plan be submitted to the Ministry of Municipal Affairs and Housing. (O.Reg. 453/07, Section 3 (1) 6)
4. The Council Resolution approving the Financial Plan be submitted to the Ministry of the Environment, Conservation, and Parks satisfying the requirements under the Safe Drinking Water Act. (S.D.W.A. Section 32 (5) 2 ii)).



Appendices



Appendix A

Water Budget and Forecast Summary Tables



Appendix A-1 Water Service Capital Forecast 2021-2031

Description	Total	Budget 2021	Forecast										
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Capital Expenditures													
OCWA-WATER TREATMENT CAPITAL	1,459,560	53,560	105,000	105,000	129,000	133,000	147,000	145,000	172,000	151,000	157,000	162,000	
CHLORINE ANALYZERS	20,000	20,000	-	-	-	-	-	-	-	-	-	-	-
WELL 7 & 8 GENERATOR WIRING	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-
ENGINEERING DESIGN/MOECC APPROVAL	37,000	37,000	-	-	-	-	-	-	-	-	-	-	-
RADIO FREQUENCY METER CONVERSION PER LTFP	19,500	19,500	-	-	-	-	-	-	-	-	-	-	-
SAMPLE MONITORING WELLS UPSTREAM OF WELL 5 (REGULATORY)	17,000	17,000	-	-	-	-	-	-	-	-	-	-	-
W&S RATE STUDY/FINANCIAL PLAN UPDATE	14,250	14,250	-	-	-	-	-	-	-	-	-	-	-
WATER TOWER REPAIRS	55,000	55,000	-	-	-	-	-	-	-	-	-	-	-
WELL 3 MAINTENANCE	32,700	32,700	-	-	-	-	-	-	-	-	-	-	-
REPLACE VEHICLE W014	17,500	17,500	-	-	-	-	-	-	-	-	-	-	-
Water Related to Condition Assessment	680,000	-	51,000	155,000	120,000	156,000	106,000	-	92,000	-	-	-	-
Downtown Core Renewal Water	1,361,000	-	1,361,000	-	-	-	-	-	-	-	-	-	-
RADIO FREQUENCY METER CONVERSION PER LTFP	20,000	-	20,000	-	-	-	-	-	-	-	-	-	-
SAMPLE MONITORING WELLS UPSTREAM OF WELL 5 (REGULATORY)	18,000	-	18,000	-	-	-	-	-	-	-	-	-	-
Upgrade RF Reciver/Software	10,000	-	10,000	-	-	-	-	-	-	-	-	-	-
Replace 1 PRV	31,000	-	31,000	-	-	-	-	-	-	-	-	-	-
REPLACE VEHICLE W015	25,000	-	25,000	-	-	-	-	-	-	-	-	-	-
Linear Network Replacement Provision	1,433,000	-	-	138,000	143,000	148,000	153,000	159,000	164,000	170,000	176,000	182,000	
Growth Related:													
Mid-Term Supply Option (wells 7 & 8) - Increase capacity to demonstrated yield	3,754,000	-	-	-	-	513,000	1,593,000	1,648,000	-	-	-	-	-
Mid-Term Storage Option - Construct a Reservoir at a new site	3,300,000	3,300,000	-	-	-	-	-	-	-	-	-	-	-
County Road 29 Looping Wylie to Dunn Street Upgrades - Design	36,000	-	36,000	-	-	-	-	-	-	-	-	-	-
County Road 29 Looping Wylie to Dunn Street Upgrades - Construction	112,000	-	-	112,000	-	-	-	-	-	-	-	-	-
Ottawa Street and Industrial Street Looping	957,000	-	-	957,000	-	-	-	-	-	-	-	-	-
Create Pressure Zone 3	197,000	-	-	-	-	-	-	-	-	-	-	-	197,000
Modify Pressure Zone 2/Pressure Zone 2 Optimization	235,000	-	-	-	235,000	-	-	-	-	-	-	-	-
Water/Sewer Master Plan Updates (5 year cycle)	104,000	-	70,000	-	-	-	-	34,000	-	-	-	-	-
County Road 29 Well 6 to Wylie Street Upgrade	1,092,000	-	-	-	-	-	-	1,092,000	-	-	-	-	-
Martin Street North, from Teskey Street to Adelaide	762,000	-	-	-	-	-	762,000	-	-	-	-	-	-



Appendix A-1 (continued)
Water Service Capital Forecast
2021-2031

Description	Total	Budget 2021	Forecast										
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Princess Street and Martin Street North Upgrades	204,000	-	-	204,000	-	-	-	-	-	-	-	-	-
Union Street North, from Princess Street to Carss Street - Design	94,000	-	94,000	-	-	-	-	-	-	-	-	-	-
Union Street North, from Princess Street to Carss Street - Construction	426,000	-	-	-	426,000	-	-	-	-	-	-	-	-
Carss Street, from Mitcheson Street to Union Street North	155,000	-	-	-	155,000	-	-	-	-	-	-	-	-
Carss Street, from Union Street North to Mississippi River	282,000	-	-	-	-	282,000	-	-	-	-	-	-	-
Mississippi River Third Crossing	3,257,000	-	-	-	-	3,257,000	-	-	-	-	-	-	-
Well 3 rehabilitation to demonstrated yield	852,000	-	-	-	-	-	-	-	852,000	-	-	-	-
Well 5 rehabilitation to demonstrated yield	882,000	-	-	-	-	-	-	-	-	882,000	-	-	-
Appleton Side Road Looping	929,000	-	-	-	-	-	-	-	-	-	-	929,000	-
Total Capital Expenditures	22,885,510	3,571,510	1,821,000	1,671,000	1,208,000	4,489,000	2,761,000	3,078,000	1,280,000	1,203,000	1,262,000	541,000	
Capital Financing													
Provincial/Federal Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Development Charges Reserve Fund	7,168,663	882,840	72,600	591,098	431,454	3,356,287	283,823	25,553	492,414	509,753	431,367	91,474	
Non-Growth Related Debenture Requirements	2,417,160	2,417,160	-	-	-	-	-	-	-	-	-	-	-
Growth Related Debenture Requirements	3,818,000	-	-	-	-	-	1,663,000	2,155,000	-	-	-	-	-
Operating Contributions	115,060	115,060	-	-	-	-	-	-	-	-	-	-	-
Water Reserve	9,366,627	156,450	1,748,400	1,079,902	776,546	1,132,713	814,177	897,447	787,586	693,247	830,633	449,526	
Total Capital Financing	22,885,510	3,571,510	1,821,000	1,671,000	1,208,000	4,489,000	2,761,000	3,078,000	1,280,000	1,203,000	1,262,000	541,000	



Appendix A-2
Schedule of Non-Growth-Related Debenture Repayments
2021-2031

Debenture Year	Principal (Inflated)	Budget 2021	Forecast										
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
2021	2,417,160		170,074	170,074	170,074	170,074	170,074	170,074	170,074	170,074	170,074	170,074	170,074
2022	-			-	-	-	-	-	-	-	-	-	-
2023	-				-	-	-	-	-	-	-	-	-
2024	-					-	-	-	-	-	-	-	-
2025	-						-	-	-	-	-	-	-
2026	-							-	-	-	-	-	-
2027	-								-	-	-	-	-
2028	-									-	-	-	-
2029	-										-	-	-
2030	-											-	-
2031	-												-
Total Annual Debt Charges	2,417,160	-	170,074	170,074	170,074	170,074	170,074	170,074	170,074	170,074	170,074	170,074	170,074

Appendix A-3
Schedule of Growth-Related Debenture Repayments
2021-2031

Debenture Year	Principal (Inflated)	Budget 2021	Forecast										
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
2021	-		-	-	-	-	-	-	-	-	-	-	-
2022	-			-	-	-	-	-	-	-	-	-	-
2023	-				-	-	-	-	-	-	-	-	-
2024	-					-	-	-	-	-	-	-	-
2025	-						-	-	-	-	-	-	-
2026	1,663,000								117,010	117,010	117,010	117,010	117,010
2027	2,155,000									151,628	151,628	151,628	151,628
2028	-										-	-	-
2029	-											-	-
2030	-												-
2031	-												-
Total Annual Debt Charges	3,818,000	-	-	-	-	-	-	-	117,010	268,639	268,639	268,639	268,639



Appendix A-4
Water Reserve Fund Continuity
2021-2031

Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Opening Balance	1,274,454	1,821,604	910,246	753,221	992,079	960,240	1,336,901	1,729,524	2,328,424	3,108,768	3,841,666
Transfer from Operating	685,563	828,030	915,420	1,005,581	1,091,367	1,177,602	1,272,945	1,363,433	1,442,812	1,525,495	1,617,242
Transfer to Capital	156,450	1,748,400	1,079,902	776,546	1,132,713	814,177	897,447	787,586	693,247	830,633	449,526
Transfer to Operating	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	1,803,568	901,234	745,764	982,257	950,733	1,323,665	1,712,400	2,305,371	3,077,988	3,803,630	5,009,382
Interest	18,036	9,012	7,458	9,823	9,507	13,237	17,124	23,054	30,780	38,036	50,094

Appendix A-5
Water Development Charges Reserve Fund Continuity
2021-2031

Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Opening Balance	2,130,006	1,915,838	2,540,772	2,672,001	2,990,338	58,053	220,305	557,637	313,203	70,271	(66,105)
Development Charge Proceeds	649,704	672,378	695,871	720,184	423,427	443,894	453,604	481,029	497,878	521,769	532,475
Transfer to Capital	882,840	72,600	591,098	431,454	3,356,287	283,823	25,553	492,414	509,753	431,367	91,474
Transfer to Operating	-	-	-	-	-	-	96,240	236,150	231,754	226,124	183,945
Closing Balance	1,896,869	2,515,616	2,645,546	2,960,730	57,478	218,124	552,116	310,102	69,575	(65,450)	190,951
Interest	18,969	25,156	26,455	29,607	575	2,181	5,521	3,101	696	(655)	1,910
Required from Development Charges	882,840	72,600	591,098	431,454	3,356,287	1,946,823	2,180,553	492,414	509,753	431,367	91,474



Appendix A-6
Water Development Charges Exemption Funding Reserve Fund Continuity¹
2021-2031

Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Opening Balance	-	-	21,894	44,773	68,674	93,635	119,695	125,917	111,513	93,125	69,488
Transfer from Operating	-	21,677	22,436	23,221	24,034	24,875	25,746	16,981	17,575	18,190	15,206
Transfer to Capital	-	-	-	-	-	-	-	-	-	-	-
Transfer to Operating	-	-	-	-	-	-	20,770	32,489	36,885	42,515	84,694
Closing Balance	-	21,677	44,330	67,994	92,707	118,509	124,670	110,408	92,203	68,800	-
Interest	-	217	443	680	927	1,185	1,247	1,104	922	688	-

¹ The 2021 Rate Study did not include a separate reserve fund for D.C. exemption funding. These amounts were included within the Water/Wastewater D.C. reserve fund. However, due to the different treatment of D.C. revenue versus D.C. exemption funding (i.e. deferred revenue vs. current revenue) from the accounting perspective, exemption funding has been separated from the D.C. reserve fund for purposes of the financial plan.



Appendix A-7 Water Operating Forecast 2021-2031

Description	Budget 2021	Forecast										
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Expenditures												
Operating Costs												
Labour	44,825	62,605	65,200	67,700	69,400	70,500	72,600	74,700	76,800	79,000	81,300	
Vacation Pay	6,350	6,350	6,600	6,900	7,000	7,200	7,400	7,600	7,800	8,000	8,200	
Sick Leave	2,040	2,050	2,100	2,200	2,300	2,300	2,400	2,400	2,500	2,600	2,700	
Family Leave	1,668	1,688	1,800	1,800	1,900	1,900	2,000	2,000	2,100	2,100	2,200	
Statutory Holidays	4,335	5,750	6,000	6,200	6,400	6,500	6,700	6,900	7,100	7,300	7,500	
Bereavment Leave	100	100	100	100	100	100	100	100	100	100	100	
CPP	5,108	5,300	5,500	5,700	5,900	6,000	6,200	6,300	6,500	6,700	6,900	
EI	2,255	2,315	2,400	2,500	2,600	2,600	2,700	2,800	2,800	2,900	3,000	
Omers	11,048	11,750	12,200	12,700	13,000	13,200	13,600	14,000	14,400	14,800	15,300	
Group Insurance	943	1,000	1,000	1,100	1,100	1,100	1,200	1,200	1,200	1,300	1,300	
Medical	3,178	3,375	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,300	4,400	
Dental	843	1,150	1,200	1,200	1,300	1,300	1,300	1,400	1,400	1,500	1,500	
EHT	2,390	2,463	2,600	2,700	2,700	2,800	2,900	2,900	3,000	3,100	3,200	
WSIB	2,363	2,363	2,500	2,600	2,600	2,700	2,700	2,800	2,900	3,000	3,100	
Postage & Courier Services	250	250	300	300	300	300	300	300	300	300	300	
Telephone	1,250	1,250	1,300	1,400	1,400	1,400	1,500	1,500	1,500	1,600	1,600	
Audit Fees	1,000	1,250	1,300	1,400	1,400	1,400	1,500	1,500	1,500	1,600	1,600	
Other Professional Fees	5,250	2,072	2,200	2,200	2,300	2,300	2,400	2,500	2,500	2,600	2,700	
Advertising	125	125	100	100	100	100	100	100	200	200	200	
Insurance (Building Etc.)	6,856	7,063	7,300	7,600	7,800	8,000	8,200	8,400	8,700	8,900	9,200	
Personnel (Clothing, Etc.)	750	1,525	1,600	1,600	1,700	1,700	1,800	1,800	1,900	1,900	2,000	
Technical Courses	8,000	8,000	8,300	8,700	8,900	9,000	9,300	9,500	9,800	10,100	10,400	
Personnel (Courses/Memberships, Etc.)	500	500	500	500	600	600	600	600	600	600	600	
Vehicles & Equipment	9,382	15,608	16,200	16,900	17,300	17,600	18,100	18,600	19,200	19,700	20,300	
Water Distribution	12,500	12,500	13,000	13,500	13,900	14,100	14,500	14,900	15,300	15,800	16,200	
Maintenance & Repairs	155,040	162,859	169,500	176,100	180,500	183,500	189,000	194,300	199,900	205,500	211,500	
Valve Inspection & Maint.	29,140	29,380	30,600	31,800	32,600	33,100	34,100	35,100	36,100	37,100	38,200	
Meter Install, Maint. & Replacement	24,590	24,590	25,600	26,600	27,300	27,700	28,500	29,300	30,200	31,000	31,900	
Meter Reading & Billing	6,803	12,350	12,900	13,400	13,700	13,900	14,300	14,700	15,200	15,600	16,000	
Pump Houses, Lift Stns.	995,982	1,095,742	1,140,300	1,184,900	1,214,600	1,234,600	1,271,500	1,307,500	1,344,800	1,382,800	1,422,900	
Ontario One Call	8,935	10,498	10,900	11,400	11,600	11,800	12,200	12,500	12,900	13,200	13,600	
Sub-Total Operating Costs	1,353,795	1,493,819	1,554,600	1,615,400	1,656,000	1,683,100	1,733,600	1,782,200	1,833,300	1,885,200	1,939,900	



Appendix A-7 (continued)
Water Operating Forecast
2021-2031

Description	Budget 2021	Forecast										
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Capital-Related												
Existing Debt (Principal) - Growth Related	-	-	-	-	-	-	-	-	-	-	-	-
Existing Debt (Interest) - Growth Related	-	-	-	-	-	-	-	-	-	-	-	-
New Growth Related Debt (Principal)	-	-	-	-	-	-	58,805	137,067	141,864	146,829	151,968	
New Growth Related Debt (Interest)	-	-	-	-	-	-	58,205	131,572	126,774	121,809	116,670	
Existing Debt (Principal) - Non-Growth Related	58,898	59,785	60,609	62,042	63,643	65,129	56,256	55,549	56,958	58,324	59,807	
Existing Debt (Interest) - Non-Growth Related	28,580	27,095	25,617	24,184	22,583	21,008	19,501	18,220	16,811	15,472	13,994	
New Non-Growth Related Debt (Principal)	-	85,473	88,465	91,561	94,766	98,083	101,516	105,069	108,746	112,552	116,491	
New Non-Growth Related Debt (Interest)	-	84,601	81,609	78,513	75,308	71,991	68,558	65,005	61,328	57,522	53,583	
Transfer to Capital	115,060	-	-	-	-	-	-	-	-	-	-	-
Transfer to DC Reserve Fund (exemption funding)	-	21,677	22,436	23,221	24,034	24,875	25,746	16,981	17,575	18,190	15,206	
Transfer to Capital Reserve	685,563	828,030	915,420	1,005,581	1,091,367	1,177,602	1,272,945	1,363,433	1,442,812	1,525,495	1,617,242	
Sub-Total Capital-Related	888,101	1,106,660	1,194,156	1,285,101	1,371,701	1,458,688	1,661,532	1,892,895	1,972,868	2,056,193	2,144,962	
Total Expenditures	2,241,896	2,600,479	2,748,756	2,900,501	3,027,701	3,141,788	3,395,132	3,675,095	3,806,168	3,941,393	4,084,862	
Revenues												
Operating Revenues												
Interest & Dividends-ORPC	7,936	8,100	8,300	8,400	8,600	8,800	8,900	9,100	9,300	9,500	9,700	
Interest and Dividends-MRPC	18,598	19,000	19,300	19,700	20,100	20,500	20,900	21,400	21,800	22,200	22,700	
Waterworks-Remote meters	21,675	22,100	22,600	23,000	23,500	23,900	24,400	24,900	25,400	25,900	26,400	
Waterworks-W&S Connections	4,590	4,700	4,800	4,900	5,000	5,100	5,200	5,300	5,400	5,500	5,600	
Waterworks-Hydrant Rental	3,500	3,600	3,600	3,700	3,800	3,900	3,900	4,000	4,100	4,200	4,300	
Waterworks-Other Fees & S/C	30	30	30	30	30	30	30	30	40	40	40	
Interest on overdue water accounts	6,078	6,200	6,300	6,400	6,600	6,700	6,800	7,000	7,100	7,300	7,400	
Transfer from DC Reserve Fund	-	-	-	-	-	-	96,240	236,150	231,754	226,124	183,945	
Sub-Total Operating Revenues	62,408	63,730	64,930	66,130	67,630	68,930	166,370	307,880	304,894	300,764	260,085	
Billing Revenues												
Base Charge	1,295,004	1,487,727	1,552,903	1,617,373	1,664,374	1,701,115	1,759,236	1,805,091	1,846,046	1,887,249	1,948,712	
Consumptive Charge	884,483	1,049,023	1,130,923	1,216,998	1,295,697	1,371,743	1,469,525	1,562,124	1,655,228	1,753,381	1,876,066	
Sub-Total Billing Revenues	2,179,488	2,536,749	2,683,826	2,834,371	2,960,071	3,072,858	3,228,762	3,367,215	3,501,274	3,640,630	3,824,777	
Total Revenues	2,241,896	2,600,479	2,748,756	2,900,501	3,027,701	3,141,788	3,395,132	3,675,095	3,806,168	3,941,393	4,084,862	