

ST. THOMAS (AND SUBURBAN AREA) DRINKING WATER SYSTEM

Financial Plan #057-301
2021 - 2031



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1 Introduction

The objective of the report provided herein is to convert the findings of the “St. Thomas (and Suburban Area) Drinking Water System Water Rate Study, 2021-2031” (2020 Rate Study) into the prescribed reporting requirements for a financial plan as defined by Ontario Regulation 453/07 (O.Reg. 453/07). In general, a financial plan requires an in-depth analysis of capital and operating needs, a review of current and future demand versus supply, and consideration of available funding sources. The detailed financial planning and forecasting for the STDWS has been completed and documented by City staff within the 2020 Rate Study.

2 Legislative Drivers

2.1 Safe Drinking Water Act, 2002

The Safe Drinking Water Act, 2002 (SDWA) requires that all providers of municipal drinking water obtain a Municipal Drinking Water Licence (MDWL). In order to become licensed, a municipal water provider must satisfy five key requirements as per section 44 (1):

1. Obtain a Drinking Water Works Permit (DWWP).
2. Acceptance of the operational plan for the system based on the Drinking Water Quality Management Standard (DWQMS).
3. Accreditation of the Operating Authority.
4. Prepare and provide a financial plan.
5. Obtain Permit To Take Water (if applicable).

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

2.2 Ontario Regulation 453/07 – Financial Plans

O.Reg. 453/07, under the SDWA, 2002, provides details relating to the preparation of water system Financial Plans. The regulation sets out general Financial Plan requirements and specific requirements for existing water systems.

2.2.1 Financial Plan Requirements – Existing System

The requirements for existing systems are summarized as follows:

- The plans must be approved by Council resolution (or governing body);
- The 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);
- The 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;
- The 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.

2.2.2 Financial Plan Requirements - General

The financial plans shall be for a forecast period of at least six years but longer planning horizons are encouraged. The financial plan is to be completed, approved and submitted at the time of licence renewal (i.e. six months prior to licence expiry). 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 document.

2.2.3 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 (C.I.C.A.) 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 plan has been prepared in accordance with the requirements of PS1200 and PS3150.

3 Sustainable Financial Planning

3.1 Introduction

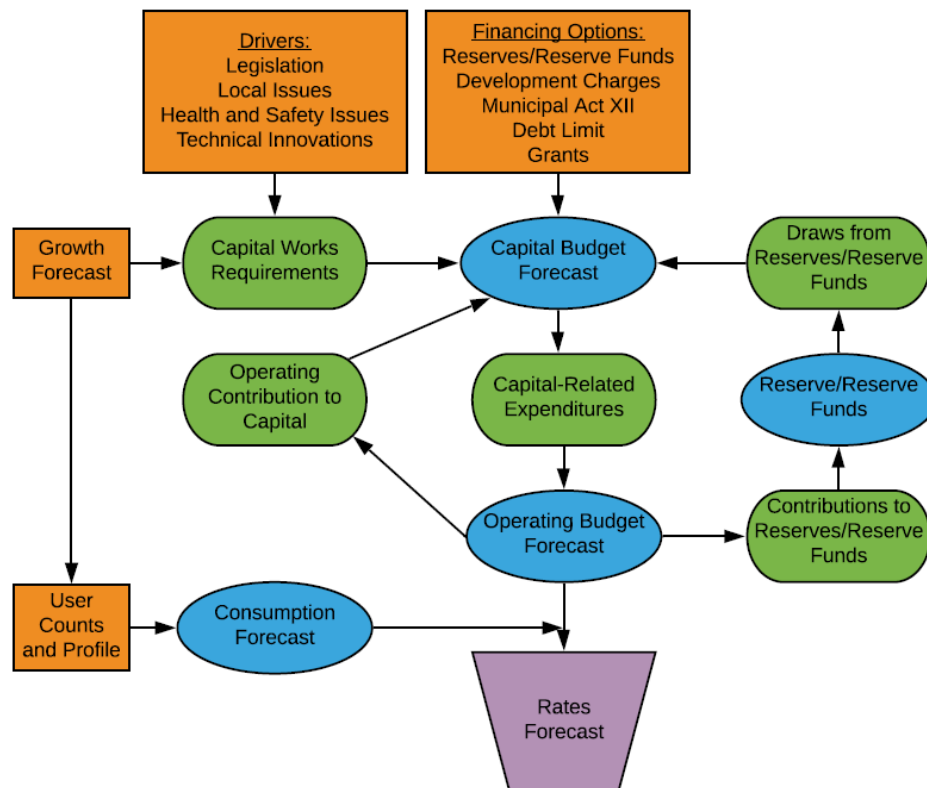
In general, sustainability refers to the ability to maintain a certain position over time. While the SDWA, 2002 requires a declaration of the financial plan's sustainability, it does not give a clear definition of what would be considered sustainable. The Ministry of the Environment, Conservation and Parks (MECP) released a guideline entitled "Towards Financially Sustainable Drinking-Water and Wastewater Systems", that provides the following guiding principles to achieving sustainability:

- | | |
|--------------|--|
| 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. |

3.2 Water Rate Study

City of St. Thomas Staff have completed extensive financial planning, as documented in the 2020 Rate Study. The study process was designed to address "full cost" principles and reflect the guiding principles toward sustainable financial planning. Figure 3-1 on the following page summarizes the process.

Figure 3-1: Water Rate Calculation Process



As a result of employing this process, the 2020 Rate Study provides a sound financial plan for the STDWS by providing:

- A detailed assessment of current and future capital needs including an analysis of potential funding sources;
- An analysis of fixed and variable operating costs in order to determine how they will be impacted by evolving infrastructure needs and system growth;
- A review and recommendation on rate structures that ensure revenues are equitable and sufficient to meet system needs; and
- A public process that involves ongoing consultation with the main stakeholders including staff, Council and Mayor, the general public (specifically the users of the system) and others with the aim of gaining input and collaboration on the sustainability of the financial plan.

The details of the financial plan arising from the 2020 Rate Study are contained in Appendices A, B and C.

4 Approach

4.1 Overview

The 2020 Rate Study has been prepared on a modified cash basis; therefore, a conversion was 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. The following section outlines the conversion process utilized and summarizes the adjustments made to prepare the financial plan.

4.2 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

4.2.1 Calculate Tangible Capital Asset Balances

In calculating tangible capital asset balances, existing and future purchased, developed, and/or contributed assets have been considered. For existing water assets, an inventory has already been compiled and summarized within the 2020 Rate Study. Given the prospective nature of the 2020 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. Historical costs were provided by City of St. Thomas staff.

Future water capital needs have also been determined and summarized within the 2020 Rate Study. The STDWS does anticipate assets to be contributed by developers and other parties (at no or partial cost to the STDWS). In the case where development projects are a shared expense with the City, only the non-DC recoverable portion of the expense has been included in this report, as well as, the 2020 Rate Study.

For all assets, existing and planned, the following formula has been used to calculate the tangible capital asset balances for each year of the forecast period for this water financial plan.

- Historical Cost (to end of prior year)
- Plus – Acquisition Cost of New Assets
- Plus – Gain on Disposal(s)
- Less – Accumulated Amortization to end of prior year
- Less – Current Year Amortization
- Less – Loss on Disposal(s)
- Net Book Value

The TCA balances are reported on the Statement of Financial Position and Schedule of Tangible Capital Assets.

4.2.2 Convert Statement of Operations

To convert the Statement of Operations from a modified cash to full accrual basis, a number of adjustments are required.

- Debt Repayment - No debt use is proposed, however, if it were, the following steps would be taken;
 - The principal portion of the payment needs to be removed under the accrual basis

- The principal payments are reported on the Statement of Financial Position
- Transfers to and from Reserves
 - These transfers are represented by changes in cash and cash equivalents and accumulated surplus
- Tangible Capital Asset related Transactions
 - Amortization and gains/losses on disposals are reported on the Statement of Operations in order to include the costs related to their operating activities over their useful lives

4.2.3 Convert Statement of Financial Position

As outlined in PS1200, the opening balances for the remaining accounts: accounts receivable, accounts payable, outstanding debt (principal only) and deferred revenue; have been recorded and classified.

It is noted that for accounts payable, it is difficult to isolate the water only portion. Refer to Projected Statement of Financial Position under the Financial Plan section of this report for more information.

4.2.4 Convert Statement of Cash Flow and Net Financial Assets/Debt

The Statement of Cash Flow summarizes how the STDWS plans to finance its activities. The statement relies on Statement of Financial Position, the Statement of Operations and other available data.

The Statement of Change in Net Financial Assets/Debt reconciles the difference between the surplus or deficit from current operations and the change in net financial assets/debt for the year. 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.

4.2.5 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 STDWS at a set point in time. The Statement of Operations summarizes how these resources and obligations change 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.

5 Financial Plan

5.1 Introduction

The following tables provide the complete financial plan for the STDWS for the period from January 1, 2021 projected to December 31, 2031. As required, these statements are prepared in accordance with the Public Sector Accounting Standards. A brief description and analysis of each table is provided below.

It is important to note that the financial statements included are projected based on assumptions determined by financial and operational managers of the water system. These statements are not audited and contain various estimates as described in the “Notes to the Financial Plan” section below. Actual financial results will vary from the projections herein and the differences may be material.

5.2 Water Financial Plan

5.2.1 Statement of Financial Position

The Statement of Financial Position includes a number of financial indicators for financial sustainability. The first important indicator is net financial assets/(debt), which 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. The Statement of Financial Position, included in Appendix D indicates that at the end of 2021, the STDWS will be in a net financial asset position of approximately \$7,187,730. The financial plan forecasts that net financial asset position will steadily grow to \$14,345,682, over the period; representing a net financial asset growth of \$7,157,952.

Another important indicator on the Statement of Financial Position is the tangible capital asset balance. In general terms, an increase in the tangible capital asset balance indicates that assets may have been acquired either through purchase by the STDWS or donation/contribution by a third party. A decrease in the tangible capital asset balance can indicate a disposal, write down, or use of an asset. The use of an asset 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. The Statement of Financial Position included in Appendix D shows that tangible capital assets are expected to increase by approximately \$14.6 million over the forecast period. This indicates that the STDWS has plans to invest in tangible capital assets at a rate less than the anticipated use of existing assets over the forecast period.

5.2.2 Statement of Operations and Accumulated Surplus/(Deficit)

The Statement of Operations included in Appendix E summarizes the revenues and expenses generated by the water system. 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. The Statement of Operations, included in Appendix E illustrates the ratio of expenses to revenues hovering in the 82 – 87% range for the majority of the period, indicating that revenues are sufficient to cover the expenses incurred. Annual surplus increases from approximately \$1,954,265 in 2021 to \$2,247,941 in 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, 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. The Statement of Operations included in Appendix E, proposes to add approximately \$21.1 million to a 2021 opening accumulated surplus of \$87.7 million over the forecast period. This accumulated surplus, as indicated in The Statement of Operations, is predominantly made up of historical investments in tangible capital assets, as well as, planned investment in tangible assets and reserve fund balances.

5.2.3 Statement of Change in Net Financial Assets/Debts

The Statement of Change in Net Financial Assets/Debt, provided in Appendix G 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. The Statement of Change in Net Financial Assets/Debt indicates that in 2021, forecasted tangible capital asset acquisitions (net of amortization) exceed forecasted annual surpluses, resulting in decreases in net financial assets/(debt). In the remaining years forecasted annual surplus exceeds forecasted tangible capital asset acquisitions (net of amortization) resulting in annual increases in net financial assets/(debt). Overall, this allows for a long-term plan of funding capital through accumulated surplus (i.e. reserves and reserve funds). This is evidenced by the positive ratio of cumulative annual surplus before amortization to cumulative tangible capital asset acquisitions, after initially increasing from 0.82 in 2021 to 1.15 in 2023, the ratio hovers in the 1.11 to 1.06 range for the remainder of the forecast period.

5.2.4 Statement of Cash Flow

The Statement of Cash Flow included as Appendix H summarizes how water systems are expected to generate and use cash resources during the forecast period. The statement of cash flow focuses on the cash aspects of the activities of a water system; it is the link between the cash based and accrual-based accounting. The Statement of Cash Flow 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 water system to steadily increase throughout the period as a result of a period of capital investment needs that are lower than the annualized lifecycle reserve contribution. Cash positions move from a 2021, end of year balance of approximately \$6.7 million, increasing to nearly \$13.4 million at period end. For further discussion on projected cash balances please refer to the Notes to the Financial Plan.

6 Notes to Financial Plan

The financial plan format as outlined in section 4 closely approximates the full accrual format used by the public sector 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

The assumptions used in creating this financial plan 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 St. Thomas (and Suburban Area) Drinking Water System, receivable and payable balances were estimated for each year of the forecast period based on the following factors:

- a) Receivables: Based on historical levels of system-wide payables, as a proportion of revenues; and
- b) Payables: Based on historical levels of system-wide payables, as a proportion of expenses.

2. Debt

STDWS had no outstanding water related debt at the end of 2021, and no debt proceeds are anticipated during the forecast period.

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.

The St. Thomas Drinking Water System collects water development charges, however, their use is deemed to be insignificant/unknown during the forecast period and, therefore, deferred revenue is assumed to be \$0.

4. Tangible Capital Assets

- Opening net book value of tangible capital assets includes water related assets in the following categories:
 - i. Common Linear Assets ≥ 300 mm (i.e. mains)
 - ii. St. Thomas Linear Assets < 300 mm
 - iii. Non-linear Infrastructure
 - iv. Fleet
- Amortization is calculated based on the straight-line approach.
- Given the planned asset replacement forecast in the 2020 Rate Study, useful life on acquisitions of facility-related assets is assumed to be equal to the weighted average useful life for all assets on hand.
- 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.
- Residual value is assumed to be \$0 for all assets contained within the forecast period.
- Contributed Assets are deemed to be insignificant/unknown during the forecast period and are, therefore, assumed to be \$0.
- The STDWS is unaware of any specific lead service piping in the municipal water system. However, when older portions of the water main system are replaced as part of the ongoing replacement program, any lead service pipes will be replaced if and when found.

The balance of tangible capital assets is summarized in Appendix I:

5. Accumulated Surplus

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

OPENING ACCUMULATED SURPLUS, 2021

Reserve Balances

Reserves: Capital/Other	7,820,008
Total Reserve Balance	7,820,008
Add: Tangible Capital Assets	79,927,704
Total Opening Balance	87,747,711

The accumulated surplus reconciliation for all years within the forecast period is contained in Appendix E.

6. Other Revenue

Other revenue typically includes grants, late payment charges 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.

7 Process for Financial Plan Approval and Submission to the Province

As mentioned in section 1.2, the requirement to prepare the financial plan is provided in Section 32 (5) 2 ii of the S.D.W.A. Proof of the preparation of a financial plan is one of the submission requirements for municipal drinking water licensing and upon completion, must be submitted to the Ministry of the Environment, Conservation and Parks. As part of O.Reg. 453/07, the process established for plan approval, public circulation and filing is set out as follows:

1. The financial plan must be approved by resolution 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 Ministry of the Environment, Conservation and Parks 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)

8 Recommendations

This report presents the water financial plan for the St. Thomas (and Suburban Area) Drinking Water System 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 Councils interest and approval however, for decision making purposes, it may be more informative to rely on the information contained within the 2020 Rate Study. Nevertheless, the City of St. Thomas Council is required to pass certain resolutions with regard to this plan and regulations and it is recommended that:

1. The St. Thomas Drinking Water System Water Financial Plan 057-301 prepared by City of St. Thomas Staff, for the period of 2021-2031 be approved.
2. Notice of availability of the Financial Plan be advertised.
3. The Financial Plan, the Board Resolution approving the Financial Plan, and the 2020 Water Rate Study underpinning the Financial Plan be submitted to the Ministry of Municipal Affairs and Housing. (O.Reg. 453/07, Section 3 (1) 6)
4. The Financial Plan, the Board Resolution approving the Financial Plan, and the 2020 Water Rate Study underpinning 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)

Appendix A: Rate Study – Capital Budget Forecast (2021 – 2031) Inflated \$

Capital Budget Forecast - Common Works >=300 mm								
ID	Street	From	To	Category	Asset ID's being replaced/lined	Year	Length (m)	Cost Estimate
63	Fairview Ave	Elm Street	Bill Martyn	Reconstruction	P-1110, P-1164, P-1196, P-1206, P-1219, P-1231, P-1239	2021	1200	1,670,760
342	Edward Street	Ontario Road	Woodworth Avenue	Water Lining	P-245, P-260, P-262	2022	540	1,040,400
348	Burwell Road	Harwill Road	S. Edgeware Road	Water Lining	P-1420	2025	270	298,102
175	First Avenue	Steele	Wellington	Reconstruction	P-2034	2030	190	121,899
301	Edward Street	Woodworth Cres.	First Avenue	Reconstruction	P-245, P-260	2030	275	365,698
347	Fairview Avenue	Wellington	Steele Street	Water Lining	P-519, P-564, P-575	2030	200	243,799
364	Curtis Street	St. George	Pearl Street	Reconstruction	P-434	2030	125	170,659
Capital Budget Forecast - St. Thomas <300 mm								
ID	Street	From	To	Category	Asset ID's being replaced/lined	Year	Length (m)	Cost Estimate
19009	Annual Watermain Lining			Water Lining		2021	---	1,020,000
262	Locust	Ross	Third	Reconstruction	P-816, P-819, P-822	2021	725	999,600
18057	Weldon Street	Inkerman	Woodworth	Reconstruction	P-450	2021	205	224,400
94	William Street	Centre Street	Stanley	Reconstruction	P-533, P-581	2022	250	270,504
290	Talbot Streetscape Ph 3	Mary	Princess	Reconstruction	P-473, P-477, P-482, P-487, P-488	2022	410	1,019,592
235	Princess Avenue	Centre	Mitchell	Reconstruction	P-550, P-573	2023	---	199,507
248	Elysian/Burrows/Cora			Combined / Reconstruction	P-342, P-340, P-304	2023	---	360,811
19011	Annual Watermain Lining			Water Lining		2023	---	1,061,208
380	Meda Street	Hiawatha Street	West End	Reconstruction	P-294, P-297	2023	260	288,649
71	Meehan	Churchill	Elm	Reconstruction	P-1027, P-1044	2024	215	259,784
204	Mitchell - CS	Hincks	Princess	Reconstruction	P-623, P-626, P-629	2024	400	450,292
18019	Forest Ave	Ross Street	Smith Avenue	Reconstruction	P-757	2024	245	281,432
45	Scott	St George	Pearl	Reconstruction	P-399	2024	120	151,541
84	Smith	Wellington	Erie	Reconstruction	P-684	2024	90	108,243
344	Mondaumin Street	Talbot Street	Scott Street	Water Lining	P-448, P-420	2024	200	216,486
345	Yarmouth Road	Talbot Street	Railroad Tracks	Water Lining	P-373	2024	415	454,622
19013	Annual Watermain Lining			Water Lining		2024	---	811,824
69	John	Kains	Talbot	Reconstruction	P-364, P-1467	2024	260	363,697
67	Hincks Street	Wellington	Rosebery	Reconstruction	P-669, P-695	2025	190	220,816
61	Erie Street	Smith	Fourth	Reconstruction	P-723, P-725	2025	290	463,714
278	Centre Street	Stanley	Elgin	Reconstruction	P-529, P-536	2025	465	717,653
19014	Annual Watermain Lining			Water Lining		2025	---	1,104,081
179	Miller Street	Redan	Nolan	Reconstruction	P-280	2025	165	264,979
291	Talbot Streetscape Ph 4	Princess	Horton	Reconstruction	P-490, P-492, P-493, P-495, P-1971, P-1972	2026	340	923,453
77	Pleasant/Walnut/Centre/Stanley Separation Ph 1 of 3			Combined / Reconstruction	P-481, P-522, P-558, P-559, P-561	2026	500	1,112,648
122	Old Talbot Street	Stanley	Sunset Drive	Reconstruction	P-462, P-480, P-508, P-517	2026	695	833,360
310	Sunset Drive	Bridge	Glenwood	Reconstruction	P-850, P-990, P-1312, P-1347, P-1394, P-1395, P-1400, P-1401, P-1402, P-1452, P-10030, P-1101, P-1454	2027	2300	2,307,657
197	Pearl - CS	Elysian	Scott	Combined / Reconstruction	P-347	2027	155	206,763

St. Thomas (and Suburban Area) Drinking Water System
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18018	Forest Ave	Third Avenue	Park	Reconstruction	P-768, P-774	2027	860	1,029,222
385	Alma Street	Nolan Street	Highway #3	Reconstruction	P-242, P-244	2028	360	440,544
292	Talbot Streetscape Ph 5	Horton	Balaclava	Reconstruction	P-497, P-500, P-501	2028	370	876,401
56	Bush Line	West Limit	Sunset Drive	Reconstruction	P-874	2028	2300	1,757,489
106	Pleasant/Walnut/Centre/Stanley Separation Ph 2 of 3			Combined / Reconstruction	P-521, P-523, P-524, P-527	2029	500	979,976
96	Arthur Avenue	Talbot	Redan	Reconstruction	P-423, P-330	2029	520	669,252
115	Chestnut Street	First	Daughrty	Reconstruction	P-852, P-861, P-1673, P-1674	2029	590	740,957
72	Metcalfe	Talbot	Wellington	Reconstruction	P-532, P-586, P-1668	2029	410	525,841
384	East Street - CS	Scott Street	North End	Reconstruction	P-352, P-350	2030	220	280,369
39	Fifth Ave - CS	Hemlock	Dunkirk	Reconstruction	P-911	2030	190	243,799
243	Alma	Malakoff	Talbot	Combined / Reconstruction	P-404	2030	200	268,179
383	Beverley Street	Mondaumin	St. Catharine Street	Reconstruction	P-309, P-337	2030	175	243,799
18002	Elmina	Cypress	Elm	Reconstruction	P-1047, P-1039, P-1034	2030	140	195,039
145	Naama Street	Wawa	Ross Opeechee	Reconstruction	P-908, P-916, P-928	2030	120	170,659
381	Hiawatha Street	North End	Omemee Street	Reconstruction	P-302, P-293	2030	90	114,585
105	Penwarden Street	Scott Street	Elysian	Reconstruction	P-351, P-353	2030	140	195,039
123	Omeemee Street	Hiawatha	Dead end	Reconstruction	P-301	2030	140	195,039
217	Elm	Fairview	Taylor	Water Lining	P-1112, P-1106, P-1107	2030	250	304,749
18043	Erie Street	First	Park	Reconstruction	P-737, P-745	2030	490	621,687
79	Regent	Wilson	East	Reconstruction	P-836, P-841, P-1953	2031	230	298,410
120	Margaret Street	Victoria	Dead end	Reconstruction	P-781, P-826	2031	205	273,542
130	Sinclair Avenue	Fairview	Manor	Reconstruction	P-520, P-557, P=563, P-565	2031	835	1,094,169
131	St. George Street	Talbot	Scott	Reconstruction	P-433, P-435	2031	175	248,675
350	Talbot Street	Manor Road	Centennial	Water Lining	P-1671, P-1672	2031	515	646,555
18014	St. Anne's Place	Queen	Elgin	Reconstruction	P-582, P-585, P-589	2031	275	355,605

Capital Budget Forecast - Non-linear Assets								
Class	Lifecycle	Asset Suffix	Description	2020 Cost Estimate (\$)	Expense Allocation - Water	Expense Allocation - Sewer	Expense Allocation - Roads	Estimated Water Expense
Heavy Duty	12	222	dump with crane	\$200,000	50%	50%	---	2021 100,000
Equipment	15	211	compressor	\$30,000	50%	50%	---	2021 15,000
Shared Facilities	15	###	hoist	\$26,000	33%	33%	33%	2021 8,658
Equipment	4	224	backhoe	\$120,000	50%	50%	---	2022 60,000
Equipment	20	276	forklift	\$100,000	33%	33%	33%	2022 33,300
Light Duty	8	220	pickup	\$50,000	50%	50%	---	2023 25,000
Light Duty	8	221	inspection van	\$50,000	100%	---	---	2023 50,000
Light Duty	8	225	meter van	\$50,000	100%	---	---	2023 50,000
Light Duty	8	248	pickup	\$50,000	50%	50%	---	2023 25,000
Light Duty	8	154	pickup	\$50,000	50%	50%	---	2025 25,000
Building	75	XXX	Water Storage ARBS	\$500,000	100%	---	---	2026 500,000
Equipment	15	307	generator	\$30,000	100%	---	---	2026 30,000
Light Duty	8	212	pickup with valve turner	\$100,000	100%	---	---	2027 100,000
Shared Facilities	15	B059-PW	fuel site - dispensers	\$50,000	33%	33%	33%	2028 16,650
Medium Duty	8	241	service body with crane	\$90,000	50%	50%	---	2029 45,000
Heavy Duty	12	223	crew cab with service body	\$150,000	100%	---	---	2030 150,000

Capital Budget Forecast - Meter Replacement Program	
Year	Cost Estimate
2021	168,300
2022	171,666
2023	175,099
2024	178,601
2025	182,173
2026	185,817
2027	189,533
2028	193,324
2029	197,190
2030	201,134
2031	205,157

Appendix B: Rate Study – Water Reserve Fund Continuity (2021 – 2031)

Reserve Fund Continuity Forecast (2021-2031)											
Reserve Fund Forecast	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Reserve Balance (beg. of year)	7,820,008	7,187,730	8,236,335	9,727,229	10,252,983	10,866,135	11,222,493	11,380,227	12,149,276	13,120,638	13,225,101
Less: Planned Capital Expenditures	4,206,718	2,595,462	2,235,274	3,276,522	3,276,518	3,585,279	3,833,176	3,284,408	3,158,216	4,086,133	3,122,113
Add: Reserve Contribution	3,502,175	3,552,222	3,606,146	3,673,262	3,750,141	3,796,020	3,843,123	3,891,540	3,949,757	4,009,907	4,040,634
Add: Interest on Reserve	72,266	91,845	120,021	129,014	139,529	145,617	147,786	161,916	179,821	180,690	202,060
Reserve Balance (end of year)	7,187,730	8,236,335	9,727,229	10,252,983	10,866,135	11,222,493	11,380,227	12,149,276	13,120,638	13,225,101	14,345,682

Appendix C: Rate Study – Operating Budget Forecast (2021 – 2031) INFLATED \$

ADMINISTRATION BUDGET FORECAST											
DESCRIPTION	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Reg Full-time Wages	353,348	360,415	367,624	374,976	382,476	390,125	397,928	405,886	414,004	422,284	430,730
All Statutory Benefits	25,429	25,937	26,456	26,985	27,525	28,075	28,637	29,209	29,794	30,390	30,997
All Employer Benefits	39,545	40,336	41,143	41,966	42,805	43,661	44,535	45,425	46,334	47,260	48,206
OMERS	36,853	37,590	38,341	39,108	39,890	40,688	41,502	42,332	43,179	44,042	44,923
Advertising, Marketing & Prom.	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988	3,047	3,108
Billing Services	166,535	169,866	173,263	176,729	180,263	183,869	187,546	191,297	195,123	199,025	203,006
Insurance Premiums	54,131	55,214	56,318	57,445	58,594	59,765	60,961	62,180	63,424	64,692	65,986
Communications SCADA	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651
Photocopying	765	780	796	812	828	845	862	879	896	914	933
SCADA Maintenance	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	24,380	24,867
General Supplies	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390	2,438	2,487
CMMS/Water Trax Support Fee	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853	36,570	37,301
DWQMS Certification	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	12,434
Telephone Services	4,386	4,474	4,563	4,654	4,748	4,842	4,939	5,038	5,139	5,242	5,347
City Own Property Taxes	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	6,341
Electricity (Hydro)	9,690	9,884	10,081	10,283	10,489	10,699	10,913	11,131	11,353	11,580	11,812
Natural gas - heating	3,264	3,329	3,396	3,464	3,533	3,604	3,676	3,749	3,824	3,901	3,979
Public Works Building Overhead	76,500	78,030	79,591	81,182	82,806	84,462	86,151	87,874	89,632	91,425	93,253
Overhead Allocation – Corp. Support Services	105,978	108,098	110,260	112,465	114,714	117,008	119,348	121,735	124,170	126,654	129,187
SUBTOTAL - ADMINISTRATION EXPENSES	962,717	981,971	1,001,611	1,021,643	1,042,076	1,062,917	1,084,175	1,105,859	1,127,976	1,150,536	1,173,546
OPERATING BUDGET FORECAST											
DESCRIPTION	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Regular Full Time Wages	696,252	710,177	724,381	738,868	753,646	768,718	784,093	799,775	815,770	832,086	848,727
Regular Part Time Wages	-	-	-	-	-	-	-	-	-	-	-
Standby	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341	14,628	14,920
All Overtime	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853	36,570	37,301
All Statutory Benefits	55,641	56,754	57,889	59,047	60,228	61,432	62,661	63,914	65,192	66,496	67,826
All Employer Benefits	84,028	85,708	87,422	89,171	90,954	92,773	94,629	96,521	98,452	100,421	102,429
OMERS	60,486	61,696	62,930	64,188	65,472	66,781	68,117	69,479	70,869	72,286	73,732
Payroll Clearing	-484,500	-494,190	-504,074	-514,155	-524,438	-534,927	-545,626	-556,538	-567,669	-579,022	-590,603
Benefits Clearing	-204,000	-208,080	-212,242	-216,486	-220,816	-225,232	-229,737	-234,332	-239,019	-243,799	-248,675
Job Costing Labour	805,800	821,916	838,354	855,121	872,224	889,668	907,462	925,611	944,123	963,006	982,266
Contracted Services	2,346	2,393	2,441	2,490	2,539	2,590	2,642	2,695	2,749	2,804	2,860
Job Costing Equipment	107,100	109,242	111,427	113,655	115,928	118,247	120,612	123,024	125,485	127,994	130,554
Job Costing Subcontractors	224,400	228,888	233,466	238,135	242,898	247,756	252,711	257,765	262,920	268,179	273,542
ARBS Communications	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217
Clothing Allowance	8,288	8,453	8,622	8,795	8,971	9,150	9,333	9,520	9,710	9,904	10,102
Electricity (Hydro) Charges	91,350	95,918	100,713	105,749	111,036	116,588	122,418	128,539	134,966	141,714	148,800
Job Costing Materials	204,000	208,080	212,242	216,486	220,816	225,232	229,737	234,332	239,019	243,799	248,675
SUBTOTAL - OPERATIONS EXPENSES	1,699,130	1,735,853	1,773,448	1,811,938	1,851,349	1,891,707	1,933,039	1,975,373	2,018,736	2,063,160	2,108,674
WATER SUPPLY BUDGET FORECAST											
DESCRIPTION	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
EAPWSS Demand Forecast	2,355,974	2,390,624	2,425,788	2,461,473	2,497,687	2,534,438	2,571,734	2,609,583	2,647,993	2,686,972	2,726,530
Primary Water Supply Rate	0.9052	0.9414	0.9791	1.0182	1.0590	1.1013	1.1454	1.1912	1.2389	1.2884	1.3399
Primary Water Expenditures	2,132,665	2,250,593	2,375,044	2,506,382	2,644,987	2,791,262	2,945,631	3,108,541	3,280,467	3,461,908	3,653,389
EMPS Flow Forecast	1,570,649	1,593,749	1,617,192	1,640,982	1,665,125	1,689,625	1,714,489	1,739,722	1,765,329	1,791,315	1,817,687
EMPS Supply Rate (Primary + Secondary)	1.4649	1.5319	1.6020	1.6598	1.7134	1.7689	1.8263	1.8857	1.9333	1.9829	2.0344
Secondary Water Purchases	2,300,803	2,441,406	2,590,732	2,723,776	2,853,036	2,988,701	3,131,100	3,280,578	3,412,979	3,551,986	3,697,956
SUBTOTAL - WATER SUPPLY EXPENSE	4,433,468	4,691,999	4,965,777	5,230,158	5,498,023	5,779,963	6,076,731	6,389,119	6,693,446	7,013,894	7,351,345

Appendix D: Statement of Financial Position (2021-2031)

Statement of Financial Position (2021 – 2031) - UNAUDITED

			FORECAST									
	Notes	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Financial Assets												
Cash	1	6,725,278	7,582,377	9,005,174	9,602,552	10,181,987	10,536,804	10,685,456	11,364,226	12,287,300	12,447,257	13,435,044
Accounts Receivable	1	883,124	913,504	945,582	978,083	1,011,799	1,044,217	1,078,089	1,113,491	1,149,160	1,186,458	1,222,850
Total Financial Assets		7,608,402	8,495,881	9,950,756	10,580,635	11,193,786	11,581,021	11,763,545	12,477,717	13,436,459	13,633,715	14,657,894
Liabilities												
Bank Indebtedness	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable & Accrued Liabilities	1	420,672	259,546	223,527	327,652	327,652	358,528	383,318	328,441	315,822	408,613	312,211
Debt (Principal Only)	2	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities		420,672	259,546	223,527	327,652	327,652	358,528	383,318	328,441	315,822	408,613	312,211
Net Financial Assets/(Debt)		7,187,730	8,236,335	9,727,229	10,252,983	10,866,135	11,222,493	11,380,227	12,149,276	13,120,638	13,225,102	14,345,682
Non-Financial Assets												
Tangible Capital Assets	4	82,514,248	83,156,068	83,628,380	84,849,723	86,065,024	87,381,304	89,019,543	90,301,454	91,609,626	93,393,326	94,520,686
Total Non-Financial Assets		82,514,248	83,156,068	83,628,380	84,849,723	86,065,024	87,381,304	89,019,543	90,301,454	91,609,626	93,393,326	94,520,686
Accumulated Surplus/(Deficit)	5	89,701,978	91,392,403	93,355,609	95,102,706	96,931,158	98,603,797	100,399,770	102,450,730	104,730,264	106,618,428	108,866,368
Financial Indicators												
	Total Change	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1) Increase/(Decrease) in Net Financial Assets	6,525,675	(632,278)	1,048,605	1,490,894	525,754	613,152	356,358	157,734	769,049	971,362	104,464	1,120,580
2) Increase/(Decrease) in Tangible Capital Assets	14,592,982	2,586,544	641,820	472,312	1,221,343	1,215,301	1,316,281	1,638,238	1,281,911	1,308,173	1,783,699	1,127,360
3) Increase/(Decrease) In Accumulated Surplus	21,118,657	1,954,266	1,690,425	1,963,206	1,747,097	1,828,453	1,672,639	1,795,972	2,050,960	2,279,534	1,888,164	2,247,940

Appendix E: Statement of Operations (2021-2031)

Statement of Operations (2021 - 2031) – UNAUDITED												
	Notes	2021	2022	2023	2024	FORECAST 2025	2026	2027	2028	2029	2030	2031
Water Revenue												
Rate Based Revenue		10,597,490	10,962,045	11,346,982	11,737,001	12,141,589	12,530,608	12,937,069	13,361,891	13,789,915	14,237,497	14,674,199
Other Revenue (interest on Reserves)	6	72,266	91,845	120,021	129,014	139,529	145,617	147,786	161,916	179,821	180,690	202,060
Total Revenues		10,669,755	11,053,890	11,467,003	11,866,015	12,281,118	12,676,225	13,084,855	13,523,808	13,969,737	14,418,187	14,876,259
Water Expenses												
Operating Expenses	Sch. 4-1	7,263,615	7,581,489	7,915,935	8,242,340	8,573,622	8,920,405	9,283,478	9,663,675	10,037,349	10,428,724	10,838,722
Amortization	4	1,376,894	1,410,150	1,437,767	1,478,950	1,516,090	1,551,154	1,557,228	1,558,107	1,585,975	1,581,907	1,597,856
Loss on disposal of Tangible Capital Assets		74,981	371,823	150,093	397,626	362,953	532,028	448,176	251,068	66,879	519,394	191,740
Total Expenses		8,715,490	9,363,463	9,503,794	10,118,916	10,452,665	11,003,587	11,288,883	11,472,850	11,690,203	12,530,025	12,628,319
Annual Surplus/(Deficit)		1,954,265	1,690,428	1,963,208	1,747,099	1,828,454	1,672,638	1,795,972	2,050,957	2,279,533	1,888,162	2,247,941
Accumulated Surplus/(Deficit), beginning of year	5	87,747,711	89,701,977	91,392,404	93,355,613	95,102,712	96,931,165	98,603,803	100,399,776	102,450,733	104,730,266	106,618,428
Accumulated Surplus/(Deficit),end of year		89,701,977	91,392,404	93,355,613	95,102,712	96,931,165	98,603,803	100,399,776	102,450,733	104,730,266	106,618,428	108,866,369
Accumulated Surplus/(Deficit) Reconciliation												
Reserve Balances												
Reserves: Capital/Other		7,187,730	8,236,335	9,727,229	10,252,983	10,866,135	11,222,493	11,380,227	12,149,276	13,120,638	13,225,101	14,345,682
Total Reserves Balance												
Less: Debt Obligations and Deferred Revenue		-	-	-	-	-	-	-	-	-	-	-
Add: TCA's	4	82,514,248	83,156,068	83,628,380	84,849,723	86,065,024	87,381,304	89,019,543	90,301,454	91,609,626	93,393,326	94,520,686
Total Ending Balance		89,701,978	91,392,403	93,355,609	95,102,706	96,931,158	98,603,797	100,399,770	102,450,730	104,730,264	106,618,427	108,866,367
Financial Indicators												
	Total Change	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1) Expense to Revenue Ratio	-	82%	85%	83%	85%	85%	87%	86%	85%	84%	87%	85%
2) Increase/(Decrease) to Accumulated Surplus	21,118,657	1,954,265	1,690,428	1,963,208	1,747,099	1,828,454	1,672,638	1,795,972	2,050,957	2,279,533	1,888,162	2,247,941

Appendix F: Schedule of Operating Expenses (2021-2031)

Schedule of Operating Expenses (2021 - 2031) - UNAUDITED												
		FORECAST										
Operating Expenses	Notes	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Reg Full-time Wages		353,348	360,415	367,624	374,976	382,476	390,125	397,928	405,886	414,004	422,284	430,730
All Statutory Benefits		25,429	25,937	26,456	26,985	27,525	28,075	28,637	29,209	29,794	30,390	30,997
All Employer Benefits		39,545	40,336	41,143	41,966	42,805	43,661	44,535	45,425	46,334	47,260	48,206
OMERS		36,853	37,590	38,341	39,108	39,890	40,688	41,502	42,332	43,179	44,042	44,923
Advertising, Marketing & Prom.		2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988	3,047	3,108
Billing Services		166,535	169,866	173,263	176,729	180,263	183,869	187,546	191,297	195,123	199,025	203,006
Insurance Premiums		54,131	55,214	56,318	57,445	58,594	59,765	60,961	62,180	63,424	64,692	65,986
Communications SCADA		15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651
Photocopying		765	780	796	812	828	845	862	879	896	914	933
SCADA Maintenance		20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	24,380	24,867
General Supplies		2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390	2,438	2,487
CMMS/Water Trax Support Fee		30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853	36,570	37,301
DWQMS Certification		10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	12,434
Telephone Services		4,386	4,474	4,563	4,654	4,748	4,842	4,939	5,038	5,139	5,242	5,347
City Own Property Taxes		5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	6,341
Electricity (Hydro)		9,690	9,884	10,081	10,283	10,489	10,699	10,913	11,131	11,353	11,580	11,812
Natural gas - heating		3,264	3,329	3,396	3,464	3,533	3,604	3,676	3,749	3,824	3,901	3,979
Public Works Building Overhead		76,500	78,030	79,591	81,182	82,806	84,462	86,151	87,874	89,632	91,425	93,253
Overhead Allocation - Corporate Support Services		105,978	108,098	110,260	112,465	114,714	117,008	119,348	121,735	124,170	126,654	129,187
SUBTOTAL - ADMINISTRATION EXPENDITURES		962,717	981,971	1,001,611	1,021,643	1,042,076	1,062,917	1,084,175	1,105,859	1,127,976	1,150,536	1,173,546
Regular Full Time Wages		696,252	710,177	724,381	738,868	753,646	768,718	784,093	799,775	815,770	832,086	848,727
Regular Part Time Wages		-	-	-	-	-	-	-	-	-	-	-
Standby		12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341	14,628	14,920
All Overtime		30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853	36,570	37,301
All Statutory Benefits		55,641	56,754	57,889	59,047	60,228	61,432	62,661	63,914	65,192	66,496	67,826
All Employer Benefits		84,028	85,708	87,422	89,171	90,954	92,773	94,629	96,521	98,452	100,421	102,429
OMERS		60,486	61,696	62,930	64,188	65,472	66,781	68,117	69,479	70,869	72,286	73,732
Payroll Clearing		(484,500)	(494,190)	(504,074)	(514,155)	(524,438)	(534,927)	(545,626)	(556,538)	(567,669)	(579,022)	(590,603)
Benefits Clearing		(204,000)	(208,080)	(212,242)	(216,486)	(220,816)	(225,232)	(229,737)	(234,332)	(239,019)	(243,799)	(248,675)
Job Costing Labour		805,800	821,916	838,354	855,121	872,224	889,668	907,462	925,611	944,123	963,006	982,266
Contracted Services		2,346	2,393	2,441	2,490	2,539	2,590	2,642	2,695	2,749	2,804	2,860
Job Costing Equipment		107,100	109,242	111,427	113,655	115,928	118,247	120,612	123,024	125,485	127,994	130,554
Job Costing Subcontractors		224,400	228,888	233,466	238,135	242,898	247,756	252,711	257,765	262,920	268,179	273,542
ARBS Communications		5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217
Clothing Allowance		8,288	8,453	8,622	8,795	8,971	9,150	9,333	9,520	9,710	9,904	10,102
Electricity (Hydro) Charges		91,350	95,918	100,713	105,749	111,036	116,588	122,418	128,539	134,966	141,714	148,800
Job Costing Materials		204,000	208,080	212,242	216,486	220,816	225,232	229,737	234,332	239,019	243,799	248,675
SUBTOTAL _ OPERATION EXPENDITURES		1,699,130	1,735,853	1,773,448	1,811,938	1,851,349	1,891,707	1,933,039	1,975,373	2,018,736	2,063,160	2,108,674
EAPWSS Demand Forecast		2,355,974	2,390,624	2,425,788	2,461,473	2,497,687	2,534,438	2,571,734	2,609,583	2,647,993	2,686,972	2,726,530
Primary Water Supply Rate		0.9052	0.9414	0.9791	1.0182	1.0590	1.1013	1.1454	1.1912	1.2389	1.2884	1.3399
Primary Water Expenditures		2,132,665	2,250,593	2,375,044	2,506,382	2,644,987	2,791,262	2,945,631	3,108,541	3,280,467	3,461,908	3,653,389
EMPS Flow Forecast		1,570,649	1,593,749	1,617,192	1,640,982	1,665,125	1,689,625	1,714,489	1,739,722	1,765,329	1,791,315	1,817,687
EMPS Supply Rate (Primary + Secondary)		1.4649	1.5319	1.6020	1.6598	1.7134	1.7689	1.8263	1.8857	1.9333	1.9829	2.0344
Secondary Water Purchases		2,300,803	2,441,406	2,590,732	2,723,776	2,853,036	2,988,701	3,131,100	3,280,578	3,412,979	3,551,986	3,697,956
Non-TCA Expenses from Capital Budget	7	168,300	171,666	175,099	178,601	182,173	185,817	189,533	193,324	197,190	201,134	205,157
TOTAL OPERATING EXPENSES		7,263,615	7,581,489	7,915,935	8,242,340	8,573,622	8,920,405	9,283,478	9,663,675	10,037,349	10,428,724	10,838,722

Appendix G: Statement of Changes in Net Financial Assets/Debt (2021-2031)

Statement of Changes in Net Financial Assets/Debt (2021 - 2031) - UNAUDITED												
	Notes	FORECAST										
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Annual Surplus/(Deficit)		1,954,265	1,690,428	1,963,208	1,747,099	1,828,454	1,672,638	1,795,972	2,050,957	2,279,533	1,888,162	2,247,941
Less: Acquisition of Tangible Capital Assets	4	4,038,418	2,423,796	2,060,174	3,097,921	3,094,345	3,399,462	3,643,642	3,091,084	2,961,026	3,884,998	2,916,956
Add: Amortization of Tangible Capital Assets	4	1,376,894	1,410,150	1,437,767	1,478,950	1,516,090	1,551,154	1,557,228	1,558,107	1,585,975	1,581,907	1,597,856
(Gain)/Loss on disposal of Tangible Capital Assets		74,981	371,823	150,093	397,626	362,953	532,028	448,176	251,068	66,879	519,394	191,740
Add: Proceeds on Sale of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Add: Write-downs of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Net Financial Assets/(Net Debt)		(632,278)	1,048,605	1,490,894	525,754	613,152	356,358	157,734	769,049	971,362	104,464	1,120,580
Net Financial Assets/(Net Debt), beginning of year		7,820,008	7,187,730	8,236,335	9,727,229	10,252,983	10,866,135	11,222,493	11,380,227	12,149,276	13,120,638	13,225,102
Net Financial Assets/(Net Debt), end of year		7,187,730	8,236,335	9,727,229	10,252,983	10,866,135	11,222,493	11,380,227	12,149,276	13,120,638	13,225,102	14,345,682
Financial Indicators		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1) Acquisition of Tangible Capital Assets (Cumulative)		4,038,418	6,462,214	8,522,388	11,620,309	14,714,654	18,114,116	21,757,758	24,848,842	27,809,868	31,694,867	34,611,823
2) Annual Surplus/(Deficit) before Amortization (Cumulative)		3,331,159	6,431,737	9,832,712	13,058,761	16,403,305	19,627,097	22,980,298	26,589,363	30,454,871	33,924,940	37,770,737
3) Ratio of Annual Surplus before Amortization to Acquisition of TCA's (Cumulative)		0.82	1.00	1.15	1.12	1.11	1.08	1.06	1.07	1.10	1.07	1.09

Appendix H: Statement of Cash Flow – Indirect Method (2021-2031)

Statement of Cash Flow - Indirect Method (2021 - 2031) UNAUDITED												
	Notes	2021	2022	2023	2024	2025	FORECAST 2026	2027	2028	2029	2030	2031
<u>Operating Transactions</u>												
Annual Surplus/(Deficit)		1,954,265	1,690,428	1,963,208	1,747,099	1,828,454	1,672,638	1,795,972	2,050,957	2,279,533	1,888,162	2,247,941
Add: Amortization of TCA's	4	1,376,894	1,410,150	1,437,767	1,478,950	1,516,090	1,551,154	1,557,228	1,558,107	1,585,975	1,581,907	1,597,856
(Gain)/Loss on disposal of TCA's		74,981	371,823	150,093	397,626	362,953	532,028	448,176	251,068	66,879	519,394	191,740
Change in A/R (increase)/decrease		(883,124)	(30,380)	(32,078)	(32,502)	(33,716)	(32,418)	(33,872)	(35,402)	(35,669)	(37,298)	(36,392)
Change in A/P increase/(decrease)		420,672	(161,126)	(36,019)	104,125	(0)	30,876	24,790	(54,877)	(12,619)	92,792	(96,402)
Less: Interest Proceeds		72,266	91,845	120,021	129,014	139,529	145,617	147,786	161,916	179,821	180,690	202,060
Cash Provided by Operating Transactions		2,871,422	3,189,050	3,362,950	3,566,284	3,534,251	3,608,661	3,644,508	3,607,938	3,704,279	3,864,266	3,702,683
<u>Capital Transactions</u>												
Proceeds on sale of tangible capital assets		-	-	-	-	-	-	-	-	-	-	-
Less: Cash used to acquire tangible capital assets	4	4,038,418	2,423,796	2,060,174	3,097,921	3,094,345	3,399,462	3,643,642	3,091,084	2,961,026	3,884,998	2,916,956
Cash Applied to capital transactions		(4,038,418)	(2,423,796)	(2,060,174)	(3,097,921)	(3,094,345)	(3,399,462)	(3,643,642)	(3,091,084)	(2,961,026)	(3,884,998)	(2,916,956)
<u>Investing Transactions</u>												
Proceeds from investments		72,266	91,845	120,021	129,014	139,529	145,617	147,786	161,916	179,821	180,690	202,060
Less: Cash used to acquire investments												
Cash provided by (applied to) investing transactions		72,266	91,845	120,021	129,014	139,529	145,617	147,786	161,916	179,821	180,690	202,060
<u>Financing Transactions</u>												
Not applicable	2	-	-	-	-	-	-	-	-	-	-	-
Increase in cash and cash equivalents		(1,094,730)	857,100	1,422,797	597,377	579,436	354,816	148,652	678,770	923,074	159,958	987,787
Cash and Cash equivalents, beginning of year	1	7,820,008	6,725,278	7,582,377	9,005,174	9,602,552	10,181,987	10,536,804	10,685,456	11,364,226	12,287,300	12,447,257
Cash and Cash equivalents, end of year	1	6,725,278	7,582,377	9,005,174	9,602,552	10,181,987	10,536,804	10,685,456	11,364,226	12,287,300	12,447,257	13,435,044

Appendix I: Balance of Tangible Capital Assets (2021 – 2031)

Balance of Tangible Capital Assets (2021 - 2031) – UNAUDITED											
FORECAST											
Asset Historical Cost	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Opening Tangible Capital Asset Balance	107,879,648	111,550,001	113,371,662	115,075,006	117,417,738	119,856,236	122,420,138	125,277,142	127,525,816	129,942,349	132,740,128
Acquisitions	4,038,418	2,423,796	2,060,174	3,097,921	3,094,345	3,399,462	3,643,642	3,091,084	2,961,026	3,884,998	2,916,956
Disposals	368,065	602,135	356,830	755,189	655,847	835,560	786,638	842,410	544,493	1,087,220	863,092
Closing Tangible Capital Asset Balance	111,550,001	113,371,662	115,075,006	117,417,738	119,856,236	122,420,138	125,277,142	127,525,816	129,942,349	132,740,128	134,793,992
Opening Accumulated Amortization	27,951,943	29,035,756	30,215,596	31,446,628	32,568,016	33,791,211	35,038,833	36,257,597	37,224,362	38,332,721	39,346,802
Amortization Expense	1,376,894	1,410,150	1,437,767	1,478,950	1,516,090	1,551,154	1,557,228	1,558,107	1,585,975	1,581,907	1,597,856
Loss on disposal of Tangible Capital Assets	(74,981)	(371,823)	(150,093)	(397,626)	(362,953)	(532,028)	(448,176)	(251,068)	(66,879)	(519,394)	(191,740)
Amortization on Disposal	368,065	602,135	356,830	755,189	655,847	835,560	786,638	842,410	544,493	1,087,220	863,092
Ending Accumulated Amortization	29,035,753	30,215,594	31,446,626	32,568,015	33,791,212	35,038,834	36,257,600	37,224,363	38,332,723	39,346,802	40,273,306
Net Book Value	82,514,248	83,156,068	83,628,380	84,849,723	86,065,024	87,381,304	89,019,543	90,301,454	91,609,626	93,393,326	94,520,686