Water & Wastewater Financial Plan and Rate Study

Whitchurch-Stouffville, Ontario

Submitted to:
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01	February 27, 2026	Draft Issued to Town
02	March 10, 2026	Revised Draft Issued to Town
03	March 12, 2026	Final Report

Acronyms and Abbreviations

AMP	Asset Management Plan
CapEx	Capital Expenditure
DC	Development Charge
DCBS	Development Charge Background Study
LOS	Level of Service
LTFP	Long-term Financial Plan
MS	Microsoft
O&M	Operations and Maintenance
O.Reg.	Ontario Regulation
OpEx	Operating Expenditure
SDWA	Safe Drinking Water Act
TCA	Tangible Capital Asset
WW	Wastewater Services
W	Water Services

Executive Summary

GEI Consultants Canada Ltd. (GEI) was retained by the Town of Whitchurch-Stouffville (the Town) to prepare a Water and Wastewater Financial Plan and Rate Study to support the long-term financial sustainability of the Town's water and wastewater services. The development of a drinking water financial plan is a regulatory requirement under Ontario Regulation 453/07 (Financial Plans), made under the Safe Drinking Water Act, and is required to support the renewal of the Town's Municipal Drinking Water License. While not required for regulatory purposes, the Town has also prepared a complementary financial plan and rate study for its wastewater system to support integrated infrastructure and financial planning.

This study provides a forward-looking financial framework that evaluates the costs required to operate, maintain, and renew the Town's water and wastewater infrastructure over a 10-year planning horizon. The analysis is informed by the Town's operating and capital budgets, Asset Management Plan, growth forecasts, consumption trends, reserve policies, and external cost drivers such as inflation and regional servicing charges. A full-cost recovery approach was applied to ensure that all costs associated with delivering water and wastewater services are appropriately reflected in long-term financial planning.

The Town's water and wastewater rate structure is comprised of two complementary components: a volumetric charge applied to metered water consumption, and a Capital Infrastructure Fee applied as a fixed charge that is independent of consumption. The Capital Infrastructure Fee is intended to generate revenue that does not vary with short-term water use. This structure improves revenue stability, enhances transparency, and supports equitable cost recovery by ensuring that all connected customers contribute to the upkeep of shared infrastructure.

The inclusion of a Capital Infrastructure Fee plays a critical role in supporting the Town's Asset Management Plan and long-term infrastructure objectives. A significant portion of the Town's water and wastewater costs are fixed in nature and driven by system size, asset condition, and lifecycle renewal needs rather than by annual consumption alone. By providing a stable and predictable revenue stream dedicated to capital reserves, the Capital Infrastructure Fee strengthens the Town's ability to fund asset renewal, reduce the accumulation of deferred capital investment, and mitigate infrastructure risk over time. This approach improves alignment between rate setting, asset condition data, and capital planning, and reduces reliance on reactive funding strategies, debt financing, or abrupt future rate adjustments.

To support informed decision-making by staff and Council, several rate increase scenarios were tested to illustrate a range of options for achieving full cost recovery while balancing affordability, reserve sustainability, and infrastructure risk. The scenarios evaluate different approaches to the timing and magnitude of rate increases and demonstrate the trade-offs between near-term affordability and long-term financial and asset management outcomes. All scenarios assume the continued application of the Capital Infrastructure Fee as a foundational element of the Town's revenue framework supporting capital reserve contributions and asset renewal. The scenarios are

intended to provide context and insight into the implications of alternative strategies and do not represent approved or committed rates.

The analysis demonstrates that the Town can fund its operating requirements and planned capital investments provided that rates are adjusted over time to align revenues with expenditures. However, the scenarios differ in their ability to address infrastructure renewal needs identified in the Asset Management Plan, maintain adequate reserve balances, and limit exposure to long-term service and financial risk. Scenarios that generate sufficient revenues earlier in the planning period enable more timely investment in asset renewal, improve system reliability, and reduce the likelihood of increased maintenance costs and service disruptions associated with aging infrastructure. Conversely, scenarios that prioritize lower near-term rate increases may improve short-term affordability but increase the accumulation of deferred capital needs and infrastructure risk in later years.

Based on the results of the financial analysis, Scenario 3 – Uniform Increases following 10-year Historical Average Increases is recommended as the preferred planning scenario. This scenario applies consistent annual rate increases that reflect the Town's historical experience and generates sufficient revenues to support the capital program and asset management renewal needs over the planning horizon. The recommended approach provides a balanced and predictable rate strategy that strengthens reserve sustainability, supports implementation of the Asset Management Plan, and minimizes reliance on deferred infrastructure investment or deficit financing. The proposed rate increases are provided in the following Table 1-1.

Table 1-1: Proposed Rate Increases

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Rate Increase	–	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
Water Rate ($/m^3)	$2.76	$2.93	$3.08	$3.24	$3.40	$3.58	$3.77	$3.96	$4.17	$4.39
Wastewater Rate Increase	–	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%
Wastewater Rate ($/m^3)	$3.49	$3.74	$3.97	$4.22	$4.48	$4.76	$5.05	$5.37	$5.70	$6.06
Capital Infrastructure Fee Rate Increase	–	3.0%	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Capital Infrastructure Fee ($) [1]	106.15	109.33	112.61	115.99	119.47	121.86	124.30	126.79	129.33	131.92
Typical Yearly Bill ($) [1]	1,482	1,511	1,596	1,685	1,779	1,877	1,981	2,091	2,207	2,330

Note 1: Residential properties with under 1" meter receiving water and wastewater services

The recommended approach aligns with the Town of Whitchurch-Stouffville's 2022–2026 Strategic Plan, Building Our Future Together. In particular, the financial plan supports the Strategic Plan's objectives related to fiscal sustainability, service excellence, responsible growth management, environmental stewardship, and good governance. Adequate and predictable funding for water and

wastewater infrastructure is fundamental to supporting complete communities, protecting natural resources, and maintaining reliable core services as the Town continues to grow.

It is important to note that adoption of this Financial Plan and Rate Study does not establish or approve future water or wastewater rates. In accordance with Ontario Regulation 453/07, the report provides a long-term financial framework to inform Council decision-making. Actual rate increases will continue to be reviewed annually through the Town's budget process, which includes review and potential amendment by Council following the Mayor's proposed budget in accordance with the Municipal Act, 2001, allowing flexibility to respond to updated financial information, policy direction, and prevailing economic conditions.

The financial model used in this study provides a valuable decision-support tool for the Town. It is recommended that the model continue to be updated periodically as assumptions related to growth, capital planning, asset condition, and external cost drivers evolve. Ongoing use of the model will help ensure that water and wastewater services remain financially sustainable, resilient, and aligned with Council priorities over time.

1. Purpose

GEI Consultants Canada (GEI) was retained by the Town of Whitchurch-Stouffville (the Town) to assist in the development of a financial plan and rate study for its drinking water and wastewater service areas.

The development of a water financial plan and rate study for the Town is a requirement under Ontario Regulation (O.Reg) 453/07 – Financial Plans, made under the Safe Drinking Water Act (SDWA), 2002. The development of this financial plan is required in order to apply to renew the Town's municipal drinking water license, as per the abovementioned legislation. To complement the drinking water financial plan, the Town has also endeavored to develop a financial plan and rate study for its wastewater system. It should be recognized that this financial plan and financial statements are not required for regulatory purposes for the wastewater system.

The following financial plan and rate study report provides the Town with a holistic and wide-reaching understanding of its water and wastewater systems, and the costs required to manage them into the future. Understanding the underlying forces that drive this financial plan and rate study, including capital plans, asset management plans, and projected growth, is key to ensuring that the financial and rate recommendations detailed in this report are defensible. This is achieved through a detailed review of the data that drives water/wastewater finances and rates, ensuring that the recommendations are evidence-based.

2. Background

The Environmental Services Division is responsible for maintaining the Town's water and wastewater systems, storm water management facilities, and solid waste programs. The Environmental Services Division operates and maintains the Stouffville Water Distribution System, Wastewater Collection System and the Ballantrae/Musselman's Lake Water Distribution System. This includes distributing treated water purchased from York Region and conveying wastewater to York Region facilities for treatment. Town-owned infrastructure includes water mains, valves, hydrants, bulk water filling water stations, and service connections. Wastewater infrastructure includes wastewater sewers, maintenance holes and lateral connections.

The Town owns and operates two water distribution systems that receive water from York Region treatment plants. The distribution systems consist of approximately 250 kilometers of watermains, 14,600 service connections and meters, 2,200 valves, 1,600 hydrants, and 1 bulk water filling stations. The wastewater collection system is comprised of approximately 120 kilometers of sewers, 1,913 maintenance holes (MH), and 8,000 lateral connections.

The Town's first drinking water financial plan was developed in 2011, in response to the enactment of O.Reg. 453/07. A second and third plan were developed in 2016 and 2021 respectively, as part of the renewal of the Town's drinking water license. This plan will be the fourth drinking water financial plan developed under the regulation. This will also be the second financial plan developed for the Town's wastewater system.

The following subsections provide additional background information on regulatory requirements, as well as the components that make up this plan.

2.1. Full Cost Recovery

The analysis completed as part of this water and wastewater financial plan takes a full cost recovery approach. The principle of full cost recovery ensures that all costs necessary for delivering the service of drinking water are accounted for in the financial plan and when setting water and wastewater rates. The full cost recovery approach is achieved through a combination of consumption-based charges and fixed capital charges.

As part of the full cost recovery approach, the following costs are considered:

- Capital costs
- Operating costs
- Growth costs
- Reserve contributions
- Debt costs

2.2. Regulatory Requirement Overview

The approach to completing the 10-year financial plan and the development of financial statements for water and wastewater systems aligns with the requirements of O.Reg. 453/07 - Financial Plans. Although these requirements apply to water systems only, they have been also applied to the wastewater financial plan as well. The following summarizes the requirements of O.Reg. 453/07 as they apply to the Town's existing water system.

- The preparation and approval of a financial plan is required in order to make an application for the renewal of a municipal drinking water license.
- The financial plan must be approved by a resolution that is passed by Town council.
- The financial plan must apply to a period of at least six (6) years.
- The first year to which the financial plans must apply must be the year in which the drinking water system's existing municipal drinking water license would otherwise expire.
- The financial plan must include details of the proposed or projected financial position of the drinking water system itemized by:
    - Total financial assets
    - Total liabilities
    - Net debt
    - Non-financial assets that are tangible capital assets, tangible capital assets under construction, inventories of supplies and prepaid expenses
    - Changes in tangible capital assets that are additions, donations, write downs and disposals
- The financial plan must include details of the proposed or projected financial position of the drinking water system itemized by:
    - Total revenues, further itemized by water rates, user charges and other revenues
    - Total expenses, further itemized by amortization expenses, interest expenses and other expenses
    - Annual surplus or deficit
    - Accumulated surplus or deficit
- The financial plan must include details of the drinking water system's proposed or projected gross cash receipts and gross cash payments itemized by:
    - Operating transactions that are cash received from revenues, cash paid for operating expenses and finance charges
    - Capital transactions that are proceeds on the sale of tangible capital assets and cash used to acquire capital assets
    - Investing transactions that are acquisitions and disposal of investments

- Financing transactions that are proceeds from the issuance of debt and debt repayment
- Changes in cash and cash equivalents during the year
- Cash and cash equivalents at the beginning and end of the year

- The financial plan must include details of the extent to which the information described above relates directly to the replacement of lead service pipes.
- Financial plans must be made available to members of the public on the Town's website or by request at no charge.
- Notice must be provided advising the public of the availability of the financial plans.
- A copy of the financial plan must be provided to the Ministry of Municipal Affairs and Housing.

In accordance with SDWA regulations, the Financial Plan will represent the following Financial Statements:

1. Statement of Financial Position (Balance Sheet)

   This statement highlights four key figures that describe the financial position of the Town's water system at the reporting date, including the cash resources, net debt position, non-financial assets and accumulated surplus or deficit.

   In support of this Statement of Financial Position, two additional statements were prepared. The financial statements listed below illustrate the change in one of these four key aspects of the water system's financial position.

2. Statement of Operations (Income Statement)
3. Statement of Cash Flow

These statements coincide with the Financial Plan requirements for water systems licensing based on the specific requirements of Section 4(iii) of Regulation 453/07. Further descriptions of these statements are included in Section 5 - Financial Statements of this report.

As noted above, a minimum reporting period of 6 years is required for the statements under the regulation. The information developed in this plan includes these financial statements covering a period of 10 years. This is consistent with and supports the Town's budget process which covers a 10-year period.

Financial Statements

This section describes the three Financial Statements that comprise the 10-year Financial Plan for the water, wastewater, and stormwater systems. The Statements are appended to this report.

The Statement of Financial Position highlights four key figures that describe the financial position of the water system at the reporting date.

- The cash resources are cash and cash equivalents.

- The net debt position is calculated as the difference between liabilities and financial assets.
- The non-financial assets are assets that are, by nature, normally for use in service provision and include purchased, constructed, developed or leased tangible capital assets, inventories of supplies, and prepaid expenses.
- The accumulated surplus or deficit is calculated as the sum of the net debt and non-financial assets. This indicator represents the net assets of the water system.

The two remaining statements illustrate the change in one of these aspects of the water, and wastewater systems' financial position.

- The Statement of Operations reports the surplus or deficit from operations in the accounting period. The statement displays the cost of services provided in the period, the revenues recognized in the period and the difference between them. It measures, in monetary terms, the extent to which an organization has maintained its net assets in the period.
- The Statement of Cash Flow reports the change in cash and cash equivalents in the accounting period, and how the water and wastewater systems financed activities in the period and met cash requirements.

The following financial statements representing the 10-year Financial Plan for the Water and Wastewater System are included in Appendix A to B:

1. Statement of Financial Position
2. Statement of Operations
3. Statement of Cash Flow

3. Methodology

A detailed analysis of underlying factors that drive the management of infrastructure was as important as development of the financial model itself. A detailed review of the documents and files that support the key aspects for water and wastewater infrastructure management ensures that the financial plan is well supported and defensible. The documents reviewed included the Town's Asset Management Plan, capital plans, growth plans, policies and strategic documents, recovery models, reserve funds, and existing fee structures/rates. These are foundational elements that fairly represent, and accurately inform the expenses related to service delivery for water and wastewater infrastructure. Existing and new expenses were identified to develop a total cost to sustain existing service levels.

The reviewed information and supporting analyses are described in Sections 3.1 to 3.2.

3.1. Current Financial Situation

3.1.1. Rate Revenue

The Town applies an established rate to metered water consumption to collect the revenue required to manage the infrastructure systems used to provide water and wastewater services.

The Town's water and wastewater rate structure is comprised of two complementary components:

- a volumetric charge applied to metered water consumption, and
- a Capital Infrastructure Fee, applied as a fixed charge that is independent of consumption.

Rate revenue is generated from a uniform volumetric charge applied to the customer's metered quantity of water ($/m^3). There are two parts of the volumetric rate: one that funds the water expenditures and a second that funds the wastewater expenditures. The customer's water consumption is used with each rate to establish their monthly bill.

A review of the customer billing data was completed to determine reasonable demand forecasts for the financial model.

3.1.1.1. Capital Infrastructure Fee

The Capital Infrastructure Fee is intended to provide a revenue stream independent of water use to support the provision, renewal, and long-term sustainability of core water and wastewater infrastructure assets. These assets must be constructed, maintained, and renewed regardless of short-term fluctuations in customer demand. The Capital Infrastructure Fee improves rate stability, enhances cost transparency, and supports long-term capital planning objectives.

A significant portion of the Town's water and wastewater costs are fixed in nature. Capital renewal needs, debt avoidance strategies, reserve contributions, and asset management requirements are driven primarily by system size, asset condition, and service obligations rather than by annual

water consumption alone. Reliance solely on volumetric rates to recover these costs can expose the Town to financial risk as consumption patterns decline due to conservation, efficiency improvements, or changing land use patterns.

The Capital Infrastructure Fee mitigates this risk by providing a stable and predictable revenue stream that is less sensitive to demand variability. This structure aligns with best practices in municipal utility finance and supports the principles of full cost recovery by ensuring that all customers contribute equitably to the upkeep of shared infrastructure.

Relationship to Asset Management and Financial Sustainability

The Capital Infrastructure Fee plays a critical role in supporting the Town's Asset Management Plan and long-term financial sustainability. Revenues generated through the fee are directed toward capital reserves, which are used to fund lifecycle renewal and replacement of existing infrastructure. This approach reduces reliance on deferred capital investment, mitigates the accumulation of infrastructure backlogs, and lowers the likelihood of future rate shocks or debt issuance.

By strengthening capital reserves, the Capital Infrastructure Fee enhances the Town's ability to deliver consistent levels of service, respond to unforeseen infrastructure failures, and align capital funding with asset condition and risk. The fee therefore acts as a key financial mechanism linking rate setting, asset management planning, and capital delivery.

Integration with the Financial Model

The financial model used in this study incorporates the Capital Infrastructure Fee as a distinct revenue component supporting capital reserve contributions. This structure improves revenue stability across all rate scenarios evaluated and strengthens the Town's capacity to fund its ten-year capital program while minimizing exposure to deficit financing or debt. The Proposed rate increase schedule for the Capital Infrastructure Fee is shown in Table 3-1.

Table 3-1: Proposed Capital Infrastructure Fee Rate Increases

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Infrastructure Fee Rate Increase	–	3.0%	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Capital Infrastructure Fee ($)	106.15	109.33	112.61	115.99	119.47	121.86	124.30	126.79	129.33	131.92

Note: Residential properties with under 1" meter receiving water and wastewater services

3.1.2. Operating and Capital Expenditures

The Town has both an operating and capital budget. The operating budget is used to fund the annual costs to provide services, including the funds to operate and maintain infrastructure assets.

The capital budget is primarily used to fund the construction of infrastructure assets. Additional information on what is included in each budget is provided below.

The Town's operating budget is a combination of:

- Expenditures for salaries, wages, benefits, etc.
- Expenditures for materials, professional and contracted services and property maintenance, etc.
- The costs of Regional water and wastewater services.
- Debt servicing costs.
- Contributions to the capital budget (i.e. operating revenue that goes directly to fund the Capital Budget).

At the end of each fiscal year any surplus in the operating budget is transferred to reserves, and any deficit is funded from the reserves.

The Town relies primarily on 'pay-as-you-go' capital financing where the annual contributions from rates are used to fund the annual capital program. Reserves are used in cases where the annual capital funding requirement is greater than the annual contributions.

3.1.3. Summary of Current Financial Situation

3.1.3.1. Review of Operating Expenses

A summary of the historic operating expense actuals is provided in Table 3-2. Expenses have increased annually by roughly 6% and 4% for water and wastewater respectively over this 8-year period. This increase is largely attributed to the costs of Regional water and wastewater services. The combined regional water and wastewater rate has increased at an average annual rate of 3.3% from 2018 to 2025.

Table 3-2: Operating Expense Actuals

	Budget		Actuals								
Year	2027[1]	2026	2025[2]	2024	2023	2022	2021	2020	2019	2018	Growth Rate (2018 - 2025)
Total Water Expenses	$11.9M	$11.3M	$9.1M	$10.2M	$10.0M	$9.2M	$8.4M	$8.9M	$7.1M	$6.2M	6%
Total Wastewater Expenses	$11.4M	$10.7M	$8.4M	$10.4M	$10.1M	$10.1M	$9.3M	$9.1M	$7.8M	$6.8M	4%
Annual Change in Water Expenses	5%	24%	-11%	2%	9%	9%	-5%	25%	14%	-	
Annual Change in Wastewater Expenses	6%	27%	-20%	4%	0%	9%	2%	16%	16%	-	
Total Water Consumption (1,000,000 m^3)	-	-	3.4	3.5	3.6	3.4	3.4	3.4	3.1	3.1	1.4%
Total Wastewater Consumption (1,000,000 m^3)	-	-	3.1	3.0	3.0	3.0	2.9	2.9	2.7	2.6	2.3%
Water Expense Unit Rate ($/$m^3$)	2.93	2.76	2.61	2.46	2.33	2.24	2.18	2.18	2.07	1.91	5%
Of which the Regional Charge	1.5683	1.5088	1.4734	1.4381	1.3623	1.2889	1.2178	1.2178	1.2178	1.0151	5%
Wastewater Expense Unit Rate ($/$m^3$)	3.74	3.49	3.38	3.27	3.17	3.07	2.99	2.99	2.73	2.5	4%
Of which the Regional Charge	2.1672	2.1074	2.0273	1.9508	1.9183	1.8869	1.8565	1.8565	1.8565	1.7154	2%
Annual Change in Water Unit Rate	6.16%	5.75%	6.10%	5.58%	4.02%	2.75%	0.00%	5.31%	8.38%	-	
Annual Change in Wastewater Unit Rate	7.16%	3.25%	3.36%	3.15%	3.26%	2.68%	0.00%	9.52%	9.20%	-	

1. Projected
2. Preliminary

3.1.3.2. Review of Capital Expenditures

A review of the 2026-2035 Capital Plan was completed. Projects were reviewed to determine the costs allocated to the different lifecycle activities. This was later used to compare the renewal needs identified in the Asset Management Plan.

A summary of the average 10-year planned capital expenditures is provided in Table 3-3. It is apparent from Table 3-3 that 49% of the water expenditures and 17% of the wastewater capital expenditures, respectively, are used to fund the renewal of existing assets (i.e. to keep infrastructure in a state of good repair and thereby maintain current levels of service (LOS) provided by the infrastructure systems).

Table 3-3: Average annual expenditures from the 10-year capital program

System	Total 10-year Expenditures ($000)	Average Annual Expenditure ($000/year)	Lifecycle Activities	Average Annual Expenditure ($000/year)
Water	$ 52,379.66	$ 5,237.97	Non-Infrastructure	$ 90.31
			Expansion	$ 2,582.71
			Renewal	$ 2,564.95
			Disposal	$ -
Wastewater	$ 77,618.46	$ 7,761.85	Non-Infrastructure	$ 235.31
			Expansion	$ 6,165.72
			Renewal	$ 1,350.32
			Disposal	$ -

3.1.3.3. Review of Asset Management Plan

The 2025 Asset Management Plan was reviewed to determine the annual capital renewal need. The report identified an annual $5.3M 10-year need for both water and wastewater systems. These values were compared to the results from the capital plan review which was $3.9M annually for both water and wastewater systems.

It should be noted that the 10-year need was greatly impacted by the cumulative deferred expenditure need (often referred to as a ‘backlog’) that has previously accrued.

Distributing the expenditures over a 10-year period improves the affordability of the revenue increases rather than increasing rates dramatically in the short term to address full cost recovery. This approach does come with risks, as the desired condition profile of the infrastructure system would not be met until later years when enough revenue can be generated to address the deferred expenditure needs. During this time the system will be operating at a higher risk of service failure due to the lack of required funding to renew aging assets. Staff will continue to prioritize expenditures to prevent the decline in LOS provided by the infrastructure systems, however this asset management strategy can result in higher repair and maintenance needs to operate assets that are in poor condition (but cannot be replaced due to a lack of capital funding). Additional perspective on this consideration is provided in Section 5 of this report.

3.2. Forecasting Future Financial Situations

3.2.1. Modelling Approach

The financial model was developed to analyze various options to achieve full cost recovery for the water and wastewater system. The model structure facilitates analysis of different scenarios, to illustrate the impact of alternative rate options and other drivers of financial performance. Cost drivers in the model include population and economic growth, property development, unit water demands, Regional rates, inflation, the cost of finance, and capital investment requirements for replacements, renewals and expansion. Cost recovery is based on metered water volumes and customer counts by class as well as the rate structure and the user specified profile of rate increases over the planning horizon. From a financial perspective, the model is compatible with PSAB standards and generates financial statements that fulfill reporting requirements under the SDWA.

The recommendations and outcomes of the financial model were used to clearly demonstrate the outcomes of spending and communicate their effects on levels of service and service delivery. This was achieved by analyzing the effect of sensitivities in the capital plan and asset management plans, as well as the associated sensitivities in the financial models required to achieve service levels.

3.2.2. Sources of Information

The Town's financial data was reviewed to determine the availability of information and Town Staff were engaged throughout the project to inform any assumptions or interpretation of data required to develop the 10-year Financial Plan and Financial Statements. The information used to populate the financial model is provided in Table 3-4.

Table 3-4: Information sources used to develop the financial statements

Input	Source of Data
Base Financial Data	• 2026 loan lending rates were provided by Infrastructure Ontario • Historic construction price indices were analyzed to determine reasonable inflation rates from Statistics Canada (StatsCan) • Staff provided 2025 preliminary year-end reserve balances, along with projected year end balances for 2026 and 2027
Current Demands and Future Demand Estimates	• 2023 Development Charge Background Study (DCBS) Report and Bylaws for population forecast • Analysis of billing data from 2018-2025 was used to determine the customer counts and consumption demand
Rates	• MS Excel file that included the 2024, 2025 and 2026 rates • 2001-2024 historic water and wastewater variable charge rates
Revenues	• Staff provided 2026 Approved budget and 2027 Proposed budget and preliminary budget non-rate revenue estimates • Staff provided 2021-2025 historical actual revenues collected
Operations and Maintenance Costs	• Staff provided 2026 and 2027 budget and preliminary budget O&M costs • Staff provided 2021-2025 historical actual expenses utilized

Development Charges (DC) Information	• DC Report and Bylaws • 2023 DCBS
Capital Plan	• 2026-2035 Capital Budget Forecast MS Excel file • 2025 Asset Management Plan for future infrastructure renewal expenditures
Amortization Data	• 2024 TCA Information
Project Funding Sources	• 2026-2035 Capital Budget Forecast MS Excel file
Debt Service Information	• Town has no existing loans

3.2.3. Forecast Assumptions

3.2.3.1. Inflation

- Regional Rate would increase by 3.3% per year.
- The following rates were determined from an analysis of historic construction price indices:
  - Operating expenses were inflated at a rate of 2% per year.
  - Employee salaries were inflated at a rate of 3% per year.
  - Capital expenditures were inflated at a rate of 3.92% per year.

3.2.3.2. Demand

- For residential demand, the historical trend of average water demand in the past 10-years has fluctuated between 195 m^3/year and 225 m^3/year based on residential properties with under 1" meter receiving both water and wastewater services.
- The model assumed an average water demand of 220 m^3/year in 2026, which is in line with recent reporting to provide year-to-year comparisons.
- As water conservation measures have continued to expand, an ongoing decrease of 3.4 L of water per account per day was applied for the first 3 years of the forecast, based on the most recent demand data provided by the Town.

3.2.3.3. Reserves

- Reserves were mostly kept above the minimum range:
  - Water Capital Reserve - $1,911,000
  - Wastewater Capital Reserve - $1,955,000

3.2.3.4. Capital Plan

- Some capital projects were spread out over several years instead of the schedule proposed in the Town's Capital Plan, due to large costs in a short period of time, and longer time needed to complete larger projects. This approach reflects the difference between the timing required for funding the project and the actual cashflow required during execution of the project.

4. Financial Results

To support decision-making by staff and Council, a range of water and wastewater rate increase scenarios were evaluated using the financial model developed as part of this study. These scenarios were designed to test different approaches to achieving full cost recovery over the planning horizon, while balancing affordability considerations, capital investment requirements, reserve sustainability, and long-term service delivery risks. The scenarios presented in this section illustrate the financial implications of alternative rate trajectories – including the impacts on a typical residence's annual bill assuming an average annual consumption of 220 m^3 based on residential properties with under 1" meter receiving both water and wastewater services – and are intended to demonstrate the relative trade-offs associated with each option, rather than to prescribe a single course of action. The four scenarios considered included:

- Scenario 1 – Moderate Short-term Increases followed by Reduced Increases
- Scenario 2 – Uniform Increases following Expected Inflation
- Scenario 3 – Uniform Increases following 10-year Historical Average Increases
- Scenario 4 – Sharp Short-Term increases followed by Uniform increases following Expected Inflation

It is important to note that adoption of this Financial Plan and Rate Study does not establish or approve future water or wastewater rates. Consistent with the requirements of the *Safe Drinking Water Act* and Ontario Regulation 453/07, this report provides a forward-looking financial framework to inform staff and Council's consideration of rate setting. Actual rate increases will continue to be reviewed annually through the Town's budget process, which includes review and potential amendment by Council following the Mayor's proposed budget in accordance with the Municipal Act, 2001, taking into account updated financial information, actual growth, policy direction, and prevailing economic conditions.

4.1. Scenario 1 – Moderate Short-term Increases followed by Reduced Increases

The results of this analysis considered a draft working rate scenario provided by the Town. For the Town's Water Services, water usage rates were set to a 5.9% increase in the first year of analysis, followed by reduced increases of 4.0% from 2028 to 2030, a rate increases of 5.9% in 2031, followed by 6.00% increases for the remainder of the forecast period. For the Town's Wastewater Services, wastewater increases are at 7% from 2027 until 2030, followed by reduced 1% increases applied for the remainder of the forecast period. In this scenario, the water reserve balances gradually decrease until 2030, which they deplete, then they recover in 2032 and continue to grow afterwards. Conversely, the Town's wastewater reserves remain generally stable throughout the analysis period, avoiding any need for any additional debt to cover the funding shortfall. While in the short-term, water and wastewater increases are moderately higher, the combined rate increases revert back to 3% annually in 2031, followed by small gradual increases thereafter, which can help reduce customer frustrations with high increases to their annual bills.

A summary of the expenditures, revenues, and reserve balances are provided in Figure 4-1, Figure 4-2 and Figure 4.3.

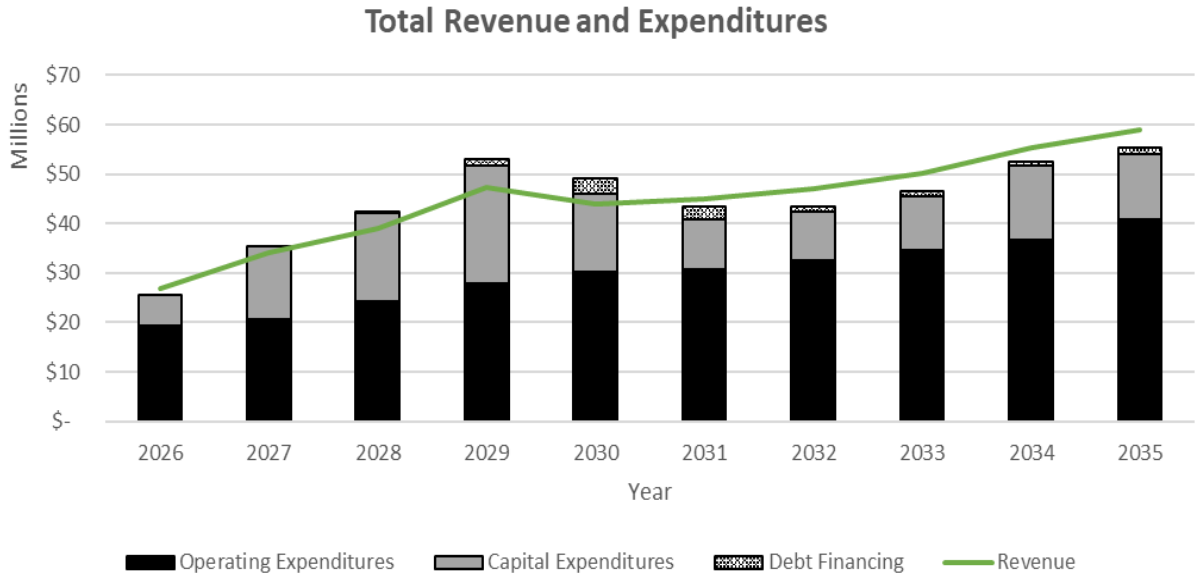

Figure 4-1: Scenario 1 Water and Wastewater Expenditures and Revenue

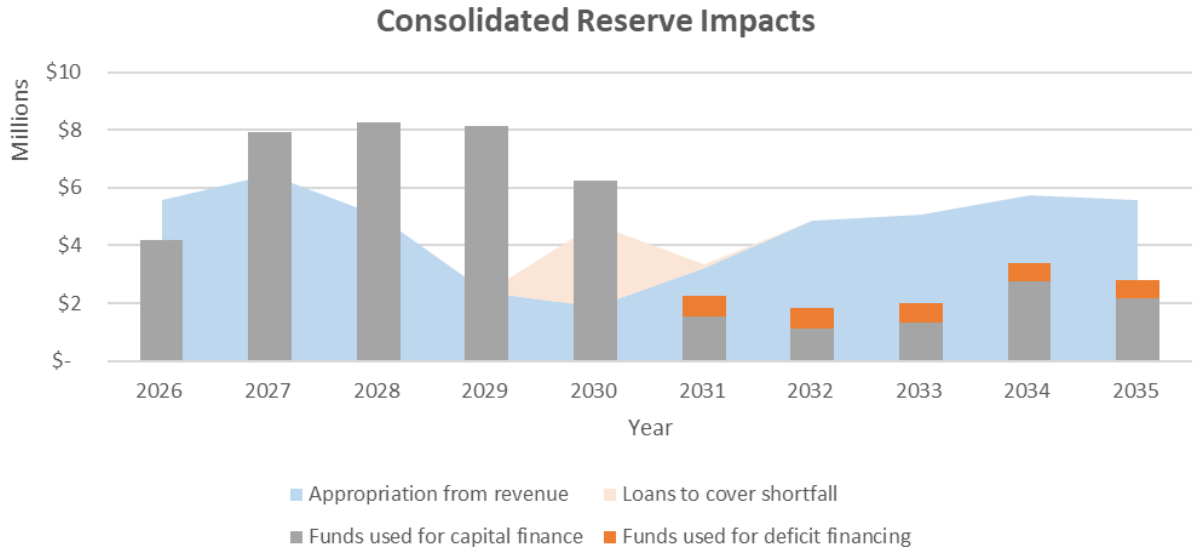

Figure 4-2: Scenario 1 Water and Wastewater Reserve Impacts

Appropriations from revenue refer to the portion of annual water and wastewater operating revenues that is intentionally set aside and transferred to capital reserves to fund future infrastructure renewal, rehabilitation, and replacement. These appropriations represent a form of “pay-as-you-go” capital financing, whereby current-year revenues are used to support long-term capital needs rather than relying on debt or deferring investment.

In the context of this Financial Plan and Rate Study, appropriations from revenue are generated through the Town's rate structure – including both volumetric water and wastewater charges and the Capital Infrastructure Fee – and are directed to capital reserves after operating costs are recovered. These funds are then available to finance planned capital expenditures identified in the Town's capital program and Asset Management Plan.

Appropriations from revenue are a key mechanism for maintaining financial sustainability and infrastructure resilience. Higher and more stable appropriations strengthen reserve balances, reduce reliance on debt financing, and improve the Town's ability to address lifecycle renewal needs. Conversely, lower appropriations may improve short-term affordability but increase long-term infrastructure risk by contributing to deferred capital investment and reserve depletion.

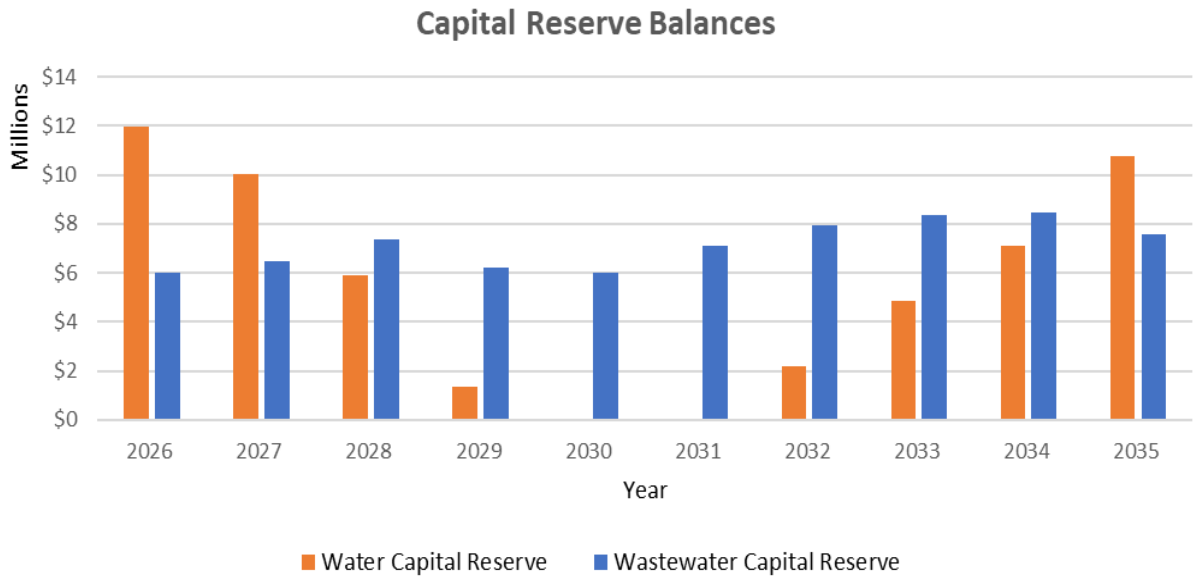

Figure 4-3: Scenario 1 Year End Capital Reserve Balances

The results of this analysis demonstrate the financial impact of an increase in rate of 5.9% for water is applied in 2027, followed by reduced increases of 4.0% until 2030, then bringing the water rate increases back up to 5.9-6.0% thereafter. This scenario also shows the financial impact of wastewater rate increases by 7.0% annually from 2027-2030, then reducing increases thereafter to 1% to ease increases. The details of this scenario are summarized in Table 4-1.

Table 4-1: Scenario 1 Rate Summary

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Rate Increase	–	5.9%	4.0%	4.0%	4.0%	5.9%	6.0%	6.0%	6.0%	6.0%
Water Rate ($/m^3)	$2.76	$2.93	$3.04	$3.16	$3.29	$3.48	$3.69	$3.92	$4.15	$4.40
Wastewater Rate Increase	–	7.0%	7.0%	7.0%	7.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Wastewater Rate ($/m^3)	$3.49	$3.74	$4.00	$4.28	$4.58	$4.62	$4.67	$4.72	$4.76	$4.81

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Typical Yearly Bill ($)	1,482	1,518	1,608	1,697	1,791	1,868	1,924	1,983	2,046	2,111

4.2. Scenario 2 – Uniform Increases at Expected Inflation

The results of this analysis considered the scenario where uniform rate increases of 2.3% are applied to water and wastewater in the forecasting period. In this scenario, the reserve balances are depleted rapidly in the 10-year period due to insufficient funds accumulated from revenue, and results in insufficient funds available in the event of an emergency. This scenario demonstrates what occurs if the Town were to align its water and wastewater usage rates with expected inflation, and the expected shortfalls in funding it will encounter.

A summary of the expenditures, revenues, and reserve balances are provided in Figure 4-4, Figure 4-5 and Figure 4-6.

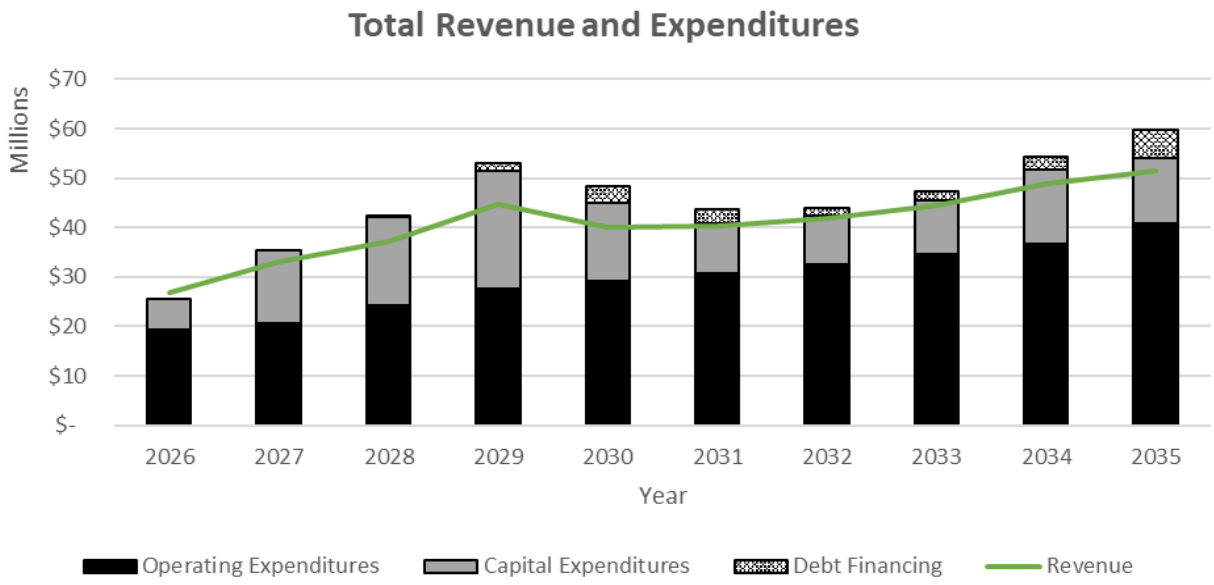

Figure 4-4: Scenario 2 Water and Wastewater Expenditures and Revenue

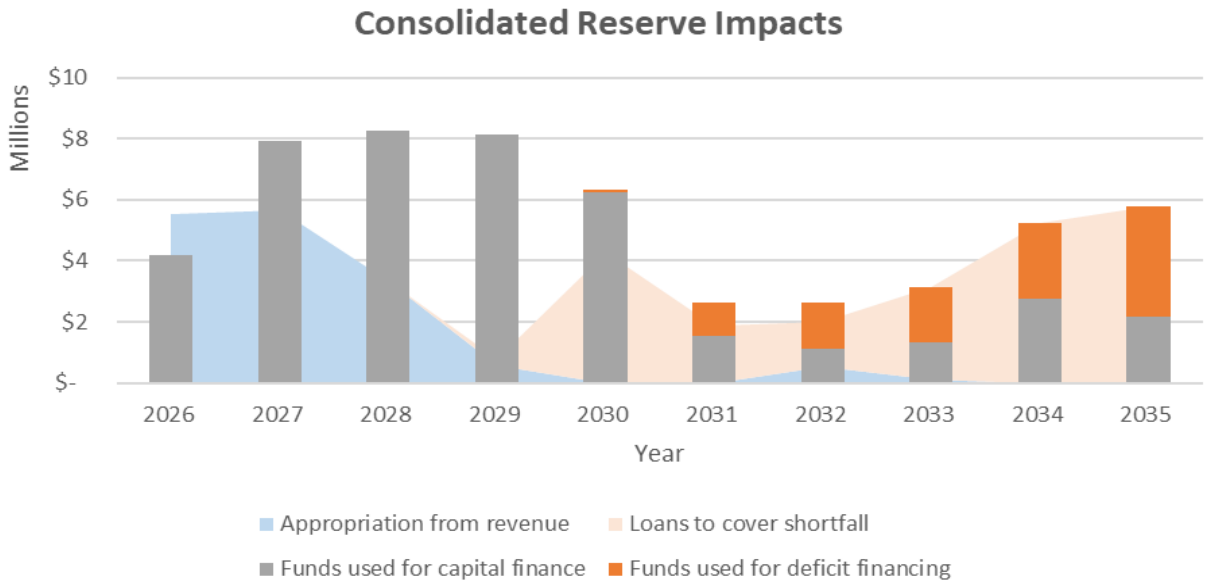

Figure 4-5: Scenario 2 Water and Wastewater Reserve Impacts

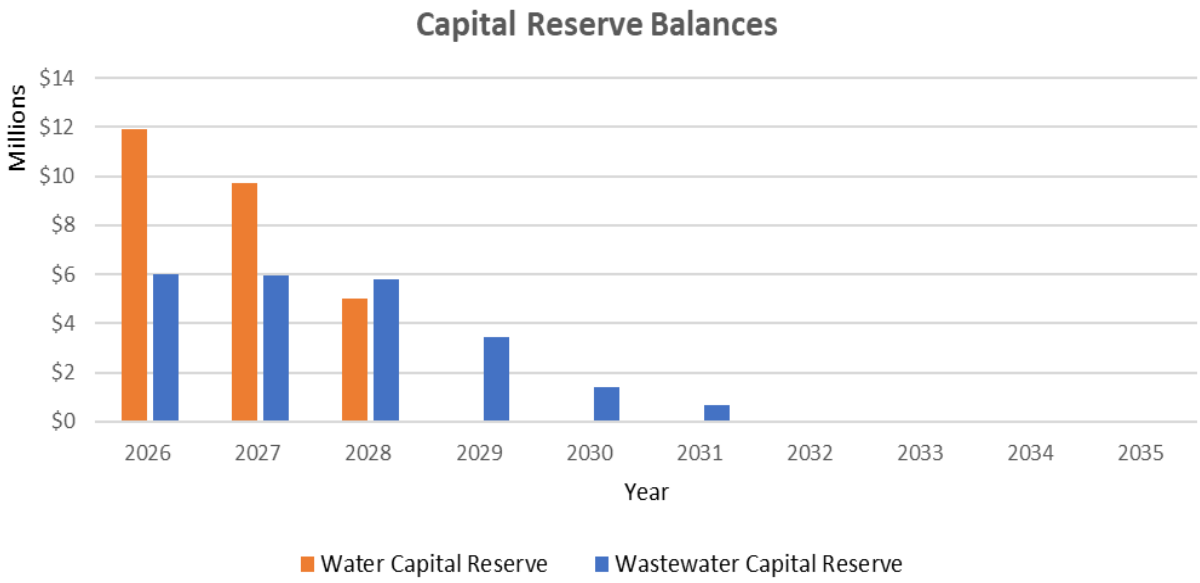

Figure 4-6: Scenario 2 Year End Capital Reserve Balances

The results of this analysis demonstrate the financial impact of an increase in both water and wastewater rates of 2.3%, to keep increases close to expected inflation. The details of this scenario are summarized in Table 4-2.

Table 4-2: Scenario 2 Rate Summary

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Rate Increase	–	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Water Rate ($/m³)	$2.76	$2.83	$2.89	$2.96	$3.03	$3.09	$3.17	$3.24	$3.31	$3.39
Wastewater Rate Increase	–	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Wastewater Rate ($/m³)	$3.49	$3.57	$3.65	$3.74	$3.82	$3.91	$4.00	$4.09	$4.19	$4.28
Typical Yearly Bill ($)	1,482	1,490	1,525	1,561	1,598	1,634	1,671	1,709	1,748	1,788

4.3. Scenario 3 – Uniform Increases at 10-year Historical Average Increases

The results of this analysis considered the scenario whereby a uniform rate increase of 5.2% for water and 6.2% for wastewater was applied, corresponding to the average rate increases over the last 10 years the Town has utilized. Under this scenario, revenues steadily increase, minimal loans are used to cover the shortfall of available funds and reserves are depleted for a short amount of time during the forecast. While rate increases are moderate, by maintaining the historical rate increases the overall financial health of the Town's water and wastewater service remains high with minimal deficit financing and loans required to cover the shortfall. Furthermore, appropriation from revenue into reserve funds sharply increases after 2030 leading to sufficiently funded reserves.

A summary of the expenditures, revenues, and reserve balances are provided in Figure 4-7, Figure 4-8 and Figure 4-9.

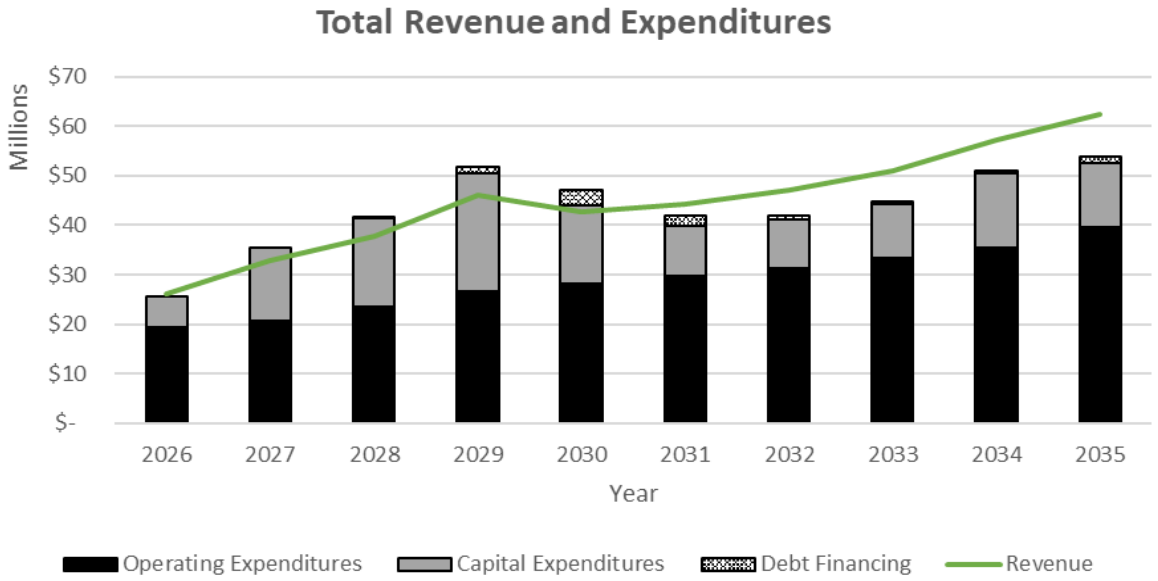

Figure 4-7: Scenario 3 Water and Wastewater Expenditures and Revenue

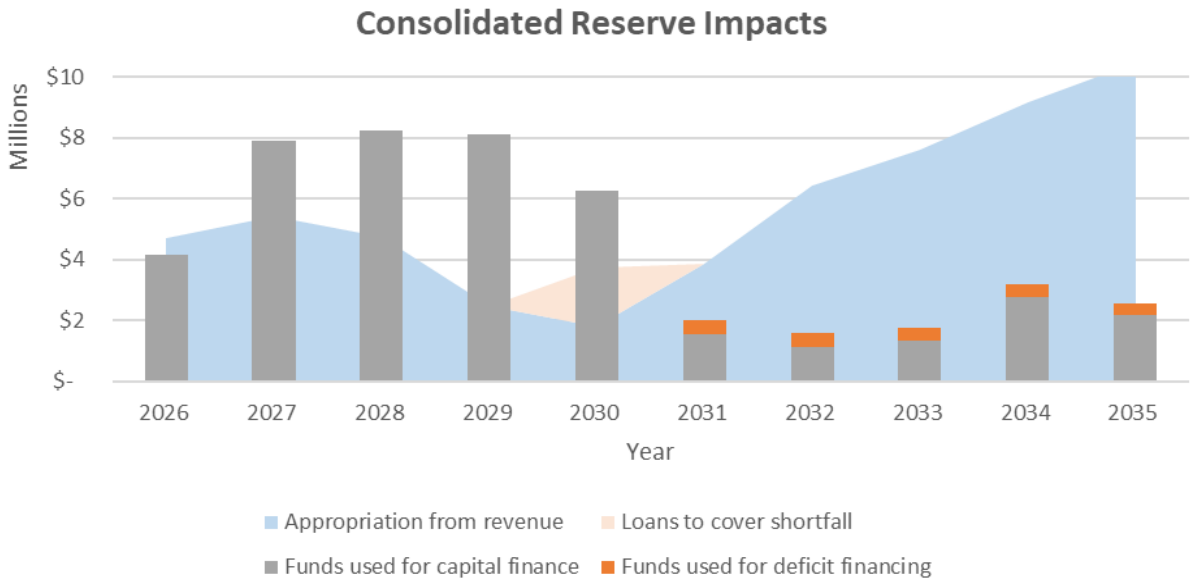

Figure 4-8: Scenario 3 Water and Wastewater Reserve Impacts

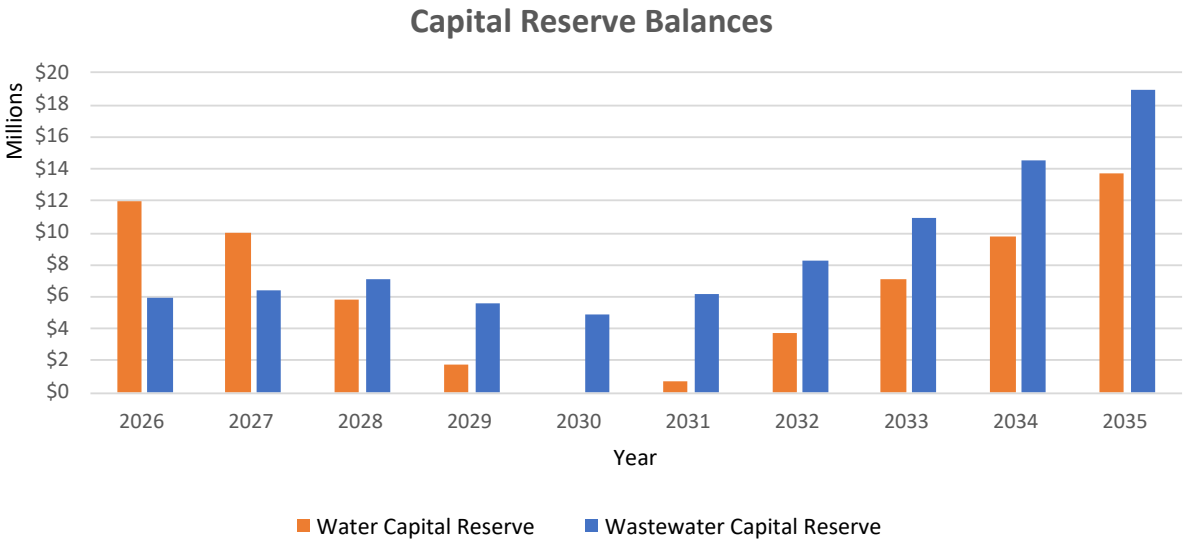

Figure 4-9: Scenario 3 Year End Capital Reserve Balances

The results of this analysis demonstrate the financial impacts of an increase in rates of 5.2% and 6.2% for water and wastewater respectively applied in the forecast period to fund the 10-year capital plan. The details of this scenario are summarized in Table 4-3.

Table 4-3: Scenario 3 Rate Summary

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Rate Increase	–	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
Water Rate ($/m³)	$2.76	$2.91	$3.06	$3.22	$3.38	$3.56	$3.74	$3.94	$4.14	$4.36
Wastewater Rate Increase	–	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%
Wastewater Rate ($/m³)	$3.49	$3.71	$3.94	$4.19	$4.45	$4.72	$5.02	$5.33	$5.66	$6.01
Typical Yearly Bill ($)	1,482	1,511	1,596	1,685	1,779	1,877	1,981	2,091	2,207	2,330

4.4. Scenario 4 – Sharp Short-Term increases followed by Uniform Increases at Expected Inflation

The results of this analysis considered the scenario where a sharp increase (12.0%) is applied in 2027 and 2028, followed by reduced rate increases of 2.3% for the remainder of the forecast to follow expected inflation. In this scenario, the Water reserve balances are maintained above the Town's minimum reserve balance target of $1.9 million. This scenario avoids the need for any additional debt to cover the funding shortfall, but requires significant rate increases in the short term. This scenario also allows rate increases to return to levels that more closely match inflation from 2029 on, thus providing customers with reliably lower rate increases.

A summary of the expenditures, revenues, and reserve balances are provided in Figure 4-10, Figure 4-11, Figure 4-12.

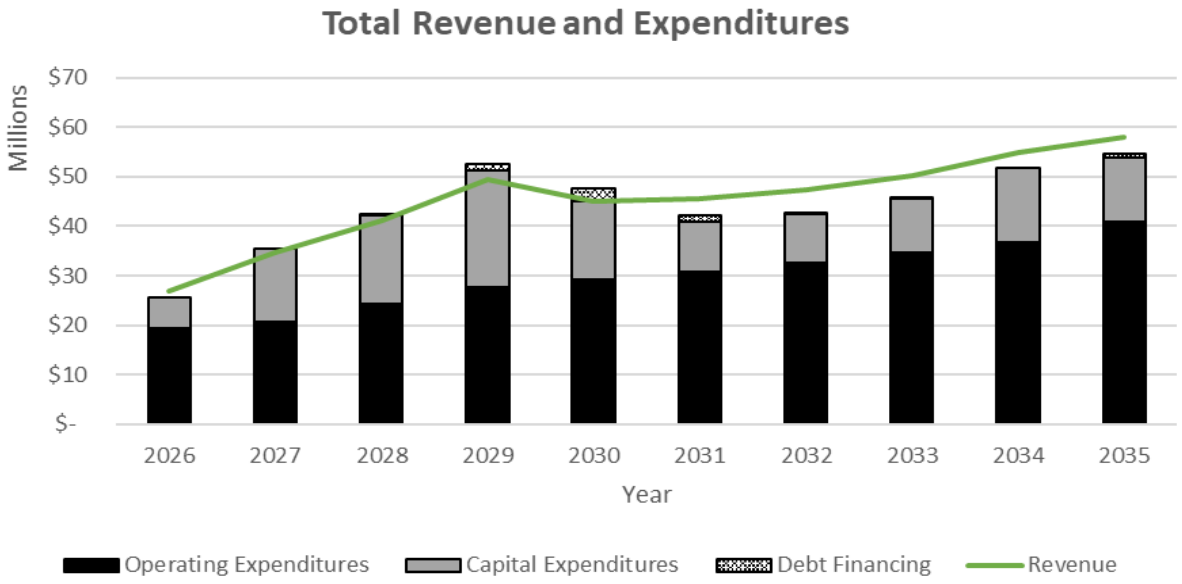

Figure 4-10: Scenario 4 Water and Wastewater Expenditures and Revenue

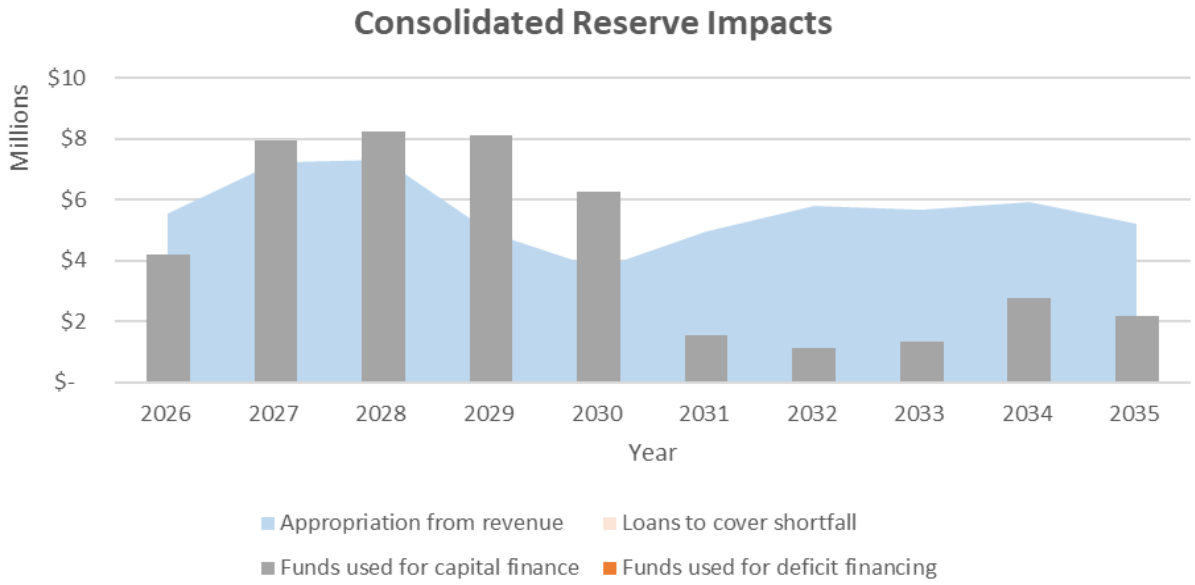

Figure 4-11: Scenario 4 Water and Wastewater Reserve Impacts

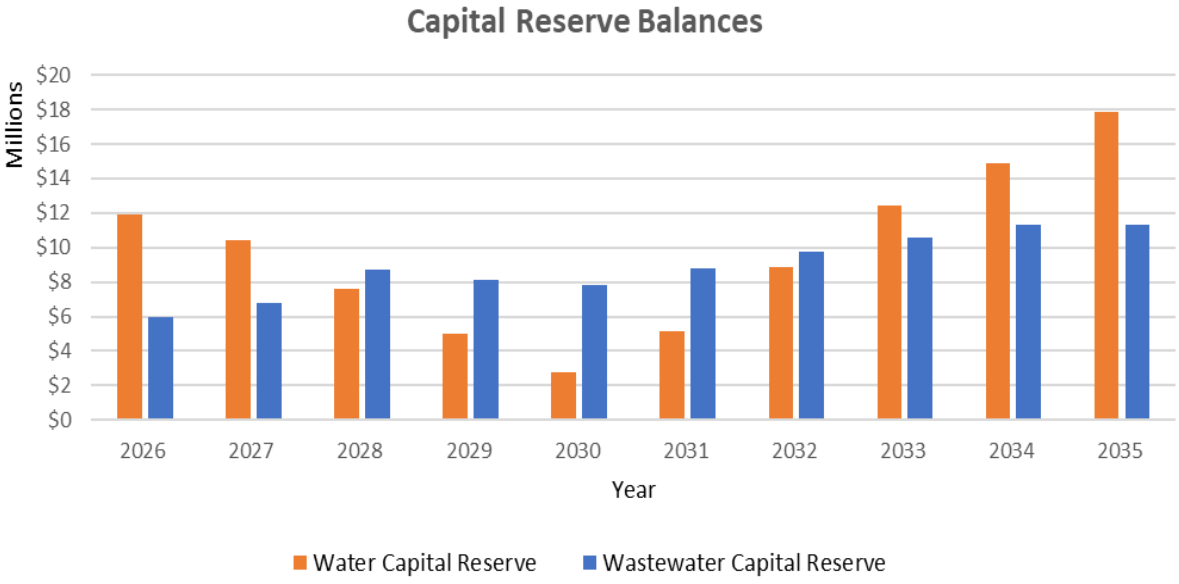

Figure 4-12: Scenario 4 Year End Capital Reserve Balances

The results of this analysis demonstrate the financial impacts of a significant increase in rate of 12% for water and wastewater are applied in 2027 and 2028 followed by increases of 2.3% for water and wastewater from 2029-2035 to fully fund the 10-year capital plan. The details of this scenario are summarized in Table 4-4.

Table 4-4: Scenario 4 Rate Summary

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Rate Increase	–	12.0%	12.0%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Water Rate ($/m^3)	$2.76	$3.09	$3.46	$3.54	$3.63	$3.71	$3.79	$3.88	$3.97	$4.06
Wastewater Rate Increase	–	12.0%	12.0%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Wastewater Rate ($/m^3)	$3.49	$3.91	$4.38	$4.48	$4.58	$4.69	$4.80	$4.91	$5.02	$5.14
Typical Yearly Bill ($)	1,482	1,544	1,705	1,817	1,860	1,902	1,945	1,990	2,035	2,082

5. Financial Implications

The financial scenarios presented in Section 4 demonstrate that a range of rate trajectories are available to the Town to achieve full cost recovery for water and wastewater services while maintaining financial sustainability over the planning horizon. Each scenario is capable of funding the Town's operating requirements, planned capital investments, and asset management renewal needs; however, they differ in the timing and distribution of rate increases, reserve accumulation, reliance on debt financing, and exposure to financial risk.

From a financial management perspective, scenarios that generate sufficient revenues earlier in the planning period reduce long-term risk by addressing infrastructure renewal needs sooner and limiting the accumulation of deferred capital requirements. Earlier investment in asset renewal improves system reliability, reduces the likelihood of unplanned failures, and moderates future operating and maintenance costs associated with aging infrastructure. Conversely, scenarios that prioritize lower near-term rate increases may improve short-term affordability but result in increased financial and service-level risk if capital needs are deferred for extended periods.

Affordability considerations remain an important factor in rate-setting decisions and must be balanced against the obligation to maintain safe, reliable, and compliant water and wastewater systems. In recent years, broader economic conditions—such as inflationary pressures, construction cost escalation, and changes in household cost burdens—have increased sensitivity to utility rate increases. These factors underscore the importance of adopting a rate strategy that is predictable, transparent, and aligned with long-term infrastructure needs, rather than relying on deferred or uneven funding approaches.

The scenarios also highlight the influence of external and structural risk factors that can place upward pressure on future costs, including population growth patterns, climate change impacts, capital cost inflation, and potential increases in regional servicing charges. The financial model developed as part of this study provides the flexibility to test the sensitivity of these factors and should be used as an ongoing decision-support tool as assumptions are updated through future budget cycles.

Ultimately, the scenarios presented are intended to inform Council's consideration of trade-offs between affordability, financial resilience, and infrastructure risk. Selection of a preferred rate strategy should be guided by the Town's broader fiscal sustainability objectives, risk tolerance, and service level commitments, with final rate decisions established annually through the budget approval process.

Table 5-1: Financial Impact Factors

Factor	Factors Causing Cost Increases	Factors Causing Cost to Decrease
Continuing to operate infrastructure systems with poor performing assets	Increased maintenance costs to react to failures or increased number of major repairs to keep facilities operating adequately until they are substantially rehabilitated/replaced.	-
Grants from Senior Governments	-	Grants from the Federal and Provincial governments are relatively common in the infrastructure industry. The inconsistency makes it difficult to include in financial planning processes, however it is reasonable to expect some future one-time funding for infrastructure renewal activities.
System improvements to increase Levels of Service provided by infrastructure	Additional or larger assets to address basement flooding, improve fire flows, or improve reliability will require more capital funding.	-
Climate Change	Increase in number/intensity of wet weather events may require upsizing of pipes and increased O&M from increased sediment run off, more capacity may be required at treatment plants and pump stations, etc. Increased cost to treat water due to the increase in temperatures (bacteria breeds faster, algae blooms, etc.	Extended droughts may result in increased water consumption, resulting in higher than expected revenue.
Consumption efficiency	Decreases demand and therefore decreases gross revenues.	-
Better infrastructure renewal needs data	Staff continually improve the understanding of the short, medium and long-term infrastructure needs to maintain current LOS or achieve proposed LOS. The AMP renewal needs will be updated periodically as additional data is collected on asset performance.	-
Population growth through greenfield development	Population growth in greenfield development requires new infrastructure to service development which increases long term O&M and capital renewal needs	-
Population growth through	Population growth through intensification development does often require new infrastructure, but the needs are typically less than what is required for greenfield development.	More customers increase demand which increases gross revenue.

intensification development	Places stress on old infrastructure from greater demand.	
Capital inflation	Capital inflation rates tend to be more volatile than consumer inflation. Periods with large amount of infrastructure construction in a short period can cause capital inflation that exceeds the rate of increases to household incomes, but the opposite is seen in periods of rapid economic downturn causing deflation in capital construction costs.	-
Increases to Regional rate	Historically the Region's rate increases have been approximately 9-10% from the years 2009 to 2019. The Region has forecasted rate increases moving forward of 3.3%. In the unlikely event the rate increases revert to higher historical values, it will correspond to an increase in costs to the Town that need to be reassessed.	-

6. Alignment with Town's Strategic Plan (2022 – 2026)

The Water and Wastewater Financial Plan and Rate Study is directly aligned with the Town of Whitchurch-Stouffville's 2022–2026 Strategic Plan, Building Our Future Together, which establishes a service-based framework for decision-making and emphasizes fiscal sustainability, effective growth management, environmental stewardship, and good governance. The financial strategies evaluated in this study support the delivery of reliable core services that underpin multiple Strategic Plan service themes and long-term community objectives.

A Town That Grows

The Strategic Plan prioritizes maintaining a manageable growth rate while creating complete communities that meet residents' needs over their lifetime. The financial plan supports this objective by ensuring that water and wastewater infrastructure investments are planned, funded, and timed to accommodate projected population and employment growth while minimizing the accumulation of unfunded capital backlogs. Aligning rate-supported revenues with growth-related capital needs helps ensure that infrastructure capacity keeps pace with development in a financially sustainable manner.

A Healthy & Greener Town

The Strategic Plan emphasizes environmental protection, responsible resource management, and climate resilience. The application of a full cost recovery approach in this financial plan supports these objectives by enabling timely investment in infrastructure renewal, system reliability, and long-term asset stewardship. Adequate and predictable funding for water and wastewater systems reduces the risk of service disruptions, protects natural resources, and supports adaptation to climate-related pressures such as increased weather variability and infrastructure stress.

Good Governance and Organizational Effectiveness

The Strategic Plan highlights transparency, accountability, and sound financial management as foundational to good governance. This financial plan aligns with those principles by providing Council with a forward-looking, evidence-based framework to evaluate the financial implications of alternative rate strategies. The use of scenario analysis enhances transparency by clearly illustrating trade-offs between affordability, reserve sustainability, and infrastructure risk, while supporting informed decision-making through the annual budget process. The linkage between the financial plan, asset management planning, and capital forecasting also reinforces the Town's commitment to continuous improvement in financial and infrastructure management practices.

Service Excellence and Long-Term Fiscal Sustainability

Delivering excellent municipal services is a core value of the Strategic Plan. The financial plan supports service excellence by ensuring that water and wastewater services are adequately funded to maintain current levels of service and address emerging needs over time. By evaluating rate strategies that balance predictability, affordability, and long-term financial resilience, the plan

contributes to sustainable service delivery and reduces the likelihood of abrupt rate adjustments or reactive infrastructure investments in future years.

Overall, the Water and Wastewater Financial Plan and Rate Study provides a critical financial foundation for achieving the Town's strategic objectives. It supports Council's ability to align infrastructure investment decisions with community priorities, manage growth responsibly, and uphold principles of fiscal sustainability and good governance, while retaining flexibility to adjust rate decisions through the annual budget process as conditions evolve.

7. Conclusions and Recommendations

The Water and Wastewater Financial Plan and Rate Study demonstrates that the Town of Whitchurch-Stouffville has several viable options available to support the long-term financial sustainability of its water and wastewater services. The financial model confirms that, under each scenario evaluated, the Town is capable of funding operating requirements, planned capital investments, and asset renewal needs over the planning horizon, provided that rates are adjusted in a manner that aligns revenues with expenditures and lifecycle requirements.

The scenario analysis highlights the trade-offs inherent in different rate strategies. Scenarios that generate higher revenues earlier in the planning period reduce long-term financial and service-level risk by addressing infrastructure renewal needs sooner, strengthening reserve balances, and minimizing reliance on deferred capital investment. Conversely, scenarios that emphasize lower or inflation-based rate increases in the near term improve short-term affordability but increase exposure to future risks associated with aging infrastructure, reserve depletion, reliance on debt financing, and the potential need for steeper rate adjustments in later years.

Based on the results of the financial analysis, *Scenario 3 – Uniform Increases following 10-year Historical Average Increases* is recommended as the preferred planning scenario. This scenario provides a balanced and predictable approach to rate setting by applying consistent annual increases that reflect historical experience, while generating sufficient revenues to support the Town's capital program and asset management renewal needs. The scenario reduces the accumulation of deferred infrastructure investment, maintains reserve sustainability, and limits the need for deficit financing or debt over the planning horizon.

The recommended scenario is consistent with the Town's strategic objectives related to fiscal sustainability, service excellence, and responsible growth management. By providing stable and adequate funding for water and wastewater infrastructure, the Town is better positioned to maintain current levels of service, manage growth-related demands, and respond to emerging pressures such as capital cost escalation, climate change impacts, and potential increases in regional servicing costs.

It is important to emphasize that adoption of this Financial Plan and Rate Study does not constitute approval of future water or wastewater rates. Rather, the report establishes a long-term financial framework, in accordance with Ontario Regulation 453/07 under the Safe Drinking Water Act, to support informed decision-making. Actual rate increases will continue to be reviewed annually through the Town's budget process, which includes review and potential amendment by Council following the Mayor's proposed budget in accordance with the Municipal Act, 2001, allowing flexibility to respond to updated financial information, policy direction, and prevailing economic conditions.

As assumptions related to growth, capital planning, asset condition, and external cost drivers evolve, it is recommended that the Town continue to use the financial model developed through this study as a decision-support tool. Regular updates to inputs and periodic review of rate

strategies will help ensure that water and wastewater services remain financially sustainable, resilient, and aligned with Council priorities over time.

Financial Statements developed for water supply and wastewater collection operations under this study indicate that adequate financial resources are allocated to the systems over the next 10 years based on the planned capital expenditures and the cost to operate the system. These statements are provided in Appendix A and Appendix B.

Appendix A Water Financial Statements

A.1 Statement of Financial Position for the Water System

Water Infrastructure Statement of Financial Position **As at December 31 (in thousands of dollars)**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Financial assets										
Cash and cash equivalents	$ 18,499	$ 15,627	$ 12,431	$ 13,383	$ 13,097	$ 15,263	$ 18,878	$ 21,558	$ 20,835	$ 24,201
Accounts receivable - rate revenues	$ 1,019	$ 1,098	$ 1,186	$ 1,285	$ 1,387	$ 1,487	$ 1,603	$ 1,729	$ 1,869	$ 2,012
Accounts receivable - other revenue sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 19,518	$ 16,726	$ 13,618	$ 14,668	$ 14,484	$ 16,750	$ 20,482	$ 23,288	$ 22,704	$ 26,213
Liabilities										
Accounts payable - wages	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable - other payables	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
DC reserve (Deferred revenue)	$ 4,330	$ 3,534	$ 1,638	$ 3,587	$ 5,172	$ 5,982	$ 6,210	$ 5,192	$ 1,509	$ -
Short term debt	$ -	$ -	$ 2,871	$ 4,632	$ 1,598	$ 286	$ 143	$ 0	$ 0	$ 723
Long term debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 4,330	$ 3,534	$ 4,510	$ 8,218	$ 8,720	$ 7,828	$ 7,523	$ 5,972	$ 1,899	$ 723
Net Financial Assets (Liabilities)	$ 15,187	$ 13,192	$ 9,108	$ 6,449	$ 5,764	$ 8,922	$ 12,958	$ 17,315	$ 20,805	$ 25,490
Non-financial assets										
Tangible capital assets										
TCA used in production	$ 46,151	$ 47,718	$ 57,742	$ 65,037	$ 74,260	$ 79,654	$ 80,049	$ 80,828	$ 84,114	$ 93,208
Work in progress	$ 1,045	$ 7,945	$ 9,599	$ 12,078	$ 9,958	$ 7,129	$ 8,693	$ 10,318	$ 13,525	$ 8,424
Less accumulated amortization	$ (11,869)	$ (12,762)	$ (13,787)	$ (14,925)	$ (16,211)	$ (17,606)	$ (19,017)	$ (20,435)	$ (21,898)	$ (23,521)
Total TCA	$ 35,327	$ 42,900	$ 53,554	$ 62,190	$ 68,007	$ 69,177	$ 69,725	$ 70,711	$ 75,741	$ 78,111
Inventories of supplies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Prepaid expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 35,327	$ 42,900	$ 53,554	$ 62,190	$ 68,007	$ 69,177	$ 69,725	$ 70,711	$ 75,741	$ 78,111
Accumulated surplus	$ 50,514	$ 56,092	$ 62,662	$ 68,640	$ 73,771	$ 78,099	$ 82,683	$ 88,026	$ 96,546	$ 103,601

A.2 Statement of Operations for the Water System

Water Infrastructure Statement of Operations **As at December 31 (in thousands of dollars)**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Revenues										
Rate revenues	$ 12,228	$ 13,177	$ 14,238	$ 15,423	$ 16,647	$ 17,846	$ 19,238	$ 20,749	$ 22,426	$ 24,148
Capital levy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest earned on cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Earned DC revenue	$ 719	$ 3,455	$ 4,763	$ 3,965	$ 2,894	$ 1,802	$ 1,631	$ 1,915	$ 4,598	$ 2,712
Other revenues	$ 542	$ 542	$ 542	$ 542	$ 542	$ 542	$ 542	$ 542	$ 542	$ 542
Total Revenues	$ 13,489	$ 17,174	$ 19,542	$ 19,929	$ 20,083	$ 20,189	$ 21,411	$ 23,206	$ 27,566	$ 27,401
Operating Expenses										
Allocated Labour	$ 2,013	$ 2,034	$ 2,491	$ 2,651	$ 2,810	$ 2,960	$ 3,136	$ 3,325	$ 3,533	$ 3,738
Clothing Allowance	$ 4	$ 4	$ 5	$ 6	$ 6	$ 6	$ 7	$ 7	$ 8	$ 8
Meal Allowance	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 3	$ 3
Training Fees	$ 53	$ 67	$ 82	$ 88	$ 93	$ 98	$ 104	$ 110	$ 117	$ 123
Membership Fees, Dues, Subs	$ 5	$ 5	$ 6	$ 7	$ 7	$ 7	$ 8	$ 8	$ 9	$ 9
Telephone Services	$ 5	$ 5	$ 6	$ 6	$ 6	$ 7	$ 7	$ 8	$ 8	$ 8
Radio/Pager/Cell	$ 5	$ 5	$ 7	$ 7	$ 7	$ 8	$ 8	$ 9	$ 9	$ 10
Insurance	$ 77	$ 79	$ 97	$ 103	$ 109	$ 115	$ 122	$ 129	$ 137	$ 145
Contracted Services - Reading/Delivery	$ 138	$ 138	$ 169	$ 180	$ 191	$ 201	$ 213	$ 226	$ 240	$ 254
Professional Fees - Consultant	$ 9	$ 10	$ 12	$ 13	$ 14	$ 15	$ 15	$ 16	$ 17	$ 18
Audit Fees	$ 4	$ 4	$ 5	$ 5	$ 5	$ 5	$ 6	$ 6	$ 6	$ 7
Computer Lease Expense	$ 5	$ 5	$ 6	$ 6	$ 7	$ 7	$ 8	$ 8	$ 9	$ 9
Computer	$ 33	$ 34	$ 42	$ 44	$ 47	$ 49	$ 52	$ 56	$ 59	$ 62
Op Expenses To Tca	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office Supplies	$ 12	$ 12	$ 14	$ 15	$ 16	$ 17	$ 18	$ 19	$ 20	$ 22
Postage	$ 26	$ 26	$ 32	$ 34	$ 36	$ 38	$ 40	$ 43	$ 45	$ 48
Advertising - General	$ 3	$ 3	$ 4	$ 4	$ 4	$ 5	$ 5	$ 5	$ 5	$ 6
General Materials & Supplies	$ 6	$ 7	$ 9	$ 9	$ 10	$ 10	$ 11	$ 11	$ 12	$ 13
Fuel	$ 29	$ 29	$ 35	$ 38	$ 40	$ 42	$ 45	$ 47	$ 50	$ 53
Vehicle Maintenance Supplies	$ 44	$ 46	$ 56	$ 60	$ 63	$ 67	$ 71	$ 75	$ 80	$ 84
Repairs/Mtnce - Equip	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Water Testing-Mat & Serv	$ 74	$ 77	$ 94	$ 100	$ 106	$ 112	$ 119	$ 126	$ 134	$ 142
Building Maintenance - Blk Water Statn	$ 13	$ 13	$ 16	$ 17	$ 18	$ 19	$ 20	$ 22	$ 23	$ 24
Tools	$ 23	$ 25	$ 31	$ 33	$ 35	$ 36	$ 39	$ 41	$ 43	$ 46
Hydrants - Materials	$ 120	$ 120	$ 147	$ 156	$ 166	$ 175	$ 185	$ 196	$ 208	$ 221
Meters - Materials/Contract	$ 50	$ 50	$ 61	$ 65	$ 69	$ 73	$ 77	$ 82	$ 87	$ 92
Water Srv/Material Contract	$ 105	$ 105	$ 129	$ 137	$ 145	$ 153	$ 162	$ 172	$ 182	$ 193
Watermains - Materials/Contract	$ 150	$ 150	$ 184	$ 196	$ 207	$ 218	$ 231	$ 245	$ 261	$ 276
Miscellaneous Expenses	$ 3	$ 3	$ 3	$ 3	$ 3	$ 4	$ 4	$ 4	$ 4	$ 5
Payment To Others-Req'L Levy	$ 7,130	$ 7,603	$ 8,142	$ 8,745	$ 9,354	$ 9,943	$ 10,633	$ 11,376	$ 12,198	$ 13,023
High Consumption Credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bank Charges	$ 4	$ 4	$ 5	$ 6	$ 6	$ 6	$ 7	$ 7	$ 8	$ 8
Facility Rentals Expense	$ 38	$ 38	$ 47	$ 50	$ 53	$ 56	$ 59	$ 62	$ 66	$ 70
Equipment Rentals Expense	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1
Total Operating Expenses	$ 10,183	$ 10,702	$ 11,938	$ 12,786	$ 13,638	$ 14,455	$ 15,414	$ 16,444	$ 17,584	$ 18,721
Net Operating Revenue	$ 3,305	$ 6,472	$ 7,604	$ 7,143	$ 6,445	$ 5,735	$ 5,996	$ 6,762	$ 9,983	$ 8,680
Less amortisation of tangible assets	$ (845)	$ (894)	$ (1,024)	$ (1,138)	$ (1,286)	$ (1,396)	$ (1,410)	$ (1,418)	$ (1,463)	$ (1,623)
Earnings Before Interest	$ 2,460	$ 5,578	$ 6,579	$ 6,005	$ 5,159	$ 4,339	$ 4,586	$ 5,344	$ 8,520	$ 7,057
Less Interest on short term loans	$ -	$ -	$ (9)	$ (27)	$ (28)	$ (11)	$ (2)	$ (1)	$ (0)	$ (2)
Less Interest on long term debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Annual Surplus (Deficit)	$ 2,460	$ 5,578	$ 6,570	$ 5,977	$ 5,131	$ 4,328	$ 4,584	$ 5,343	$ 8,520	$ 7,055
Accumulated Surplus at beginning of year	$ 48,054	$ 50,514	$ 56,092	$ 62,662	$ 68,640	$ 73,771	$ 78,099	$ 82,683	$ 88,026	$ 96,546
Accumulated Surplus at end of year	$ 50,514	$ 56,092	$ 62,662	$ 68,640	$ 73,771	$ 78,099	$ 82,683	$ 88,026	$ 96,546	$ 103,601

A.3 Statement of Cash Flow for the Water System

Water Infrastructure Statement of Cash Flow As at December 31 (in thousands of dollars)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Cash from operations										
Earnings before interest expenses	$ 2,460	$ 5,578	$ 6,579	$ 6,005	$ 5,159	$ 4,430	$ 4,657	$ 5,395	$ 8,550	$ 7,067
Less earned DC revenue	$ (719)	$ (3,455)	$ (4,763)	$ (3,965)	$ (2,894)	$ (1,802)	$ (1,631)	$ (1,915)	$ (4,598)	$ (2,712)
Plus DC contributions	$ 1,838	$ 2,658	$ 2,867	$ 5,913	$ 4,479	$ 2,612	$ 1,859	$ 897	$ 915	$ 933
Plus amortisation of tangible capital assets	$ 845	$ 894	$ 1,024	$ 1,138	$ 1,286	$ 1,396	$ 1,410	$ 1,418	$ 1,463	$ 1,623
Total	$ 4,424	$ 5,675	$ 5,708	$ 9,091	$ 8,030	$ 6,636	$ 6,296	$ 5,795	$ 6,330	$ 6,912
Cash from the Movement of Balance Sheet Account										
Accounts payable - increase/(decrease)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pensions and other employee benefits - increase/(decrease)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts receivable - (increase)/decrease	$ (88)	$ (79)	$ (88)	$ (99)	$ (102)	$ (100)	$ (116)	$ (126)	$ (140)	$ (143)
Inventory - (increase)/decrease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Prepaid expenses - (increase)/decrease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ (88)	$ (79)	$ (88)	$ (99)	$ (102)	$ (100)	$ (116)	$ (126)	$ (140)	$ (143)
Proceeds of New Debt										
Short term loans	$ -	$ -	$ 2,871	$ 3,196	$ (0)	$ 286	$ -	$ -	$ 0	$ 723
DC reserve loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 270
Long term loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ 2,871	$ 3,196	$ 1,950	$ 286	$ -	$ -	$ 0	$ 993
Captial Finance										
Interest costs	$ -	$ -	$ (9)	$ (27)	$ (28)	$ (102)	$ (73)	$ (52)	$ (30)	$ (12)
Repayment of short-term debt	$ -	$ -	$ -	$ (1,436)	$ (3,034)	$ (1,598)	$ (143)	$ (143)	$ -	$ -
Repayment of DC loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repayment of long-term debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ (9)	$ (1,463)	$ (3,062)	$ (2,090)	$ (606)	$ (585)	$ (421)	$ (402)
Cash used to finance tangible asset investments										
New project investments	$ (1,252)	$ (8,467)	$ (11,678)	$ (9,775)	$ (7,102)	$ (2,566)	$ (1,959)	$ (2,404)	$ (6,493)	$ (3,993)
Total	$ (1,252)	$ (8,467)	$ (11,678)	$ (9,775)	$ (7,102)	$ (2,566)	$ (1,959)	$ (2,404)	$ (6,493)	$ (3,993)
Cash Surplus (Deficit)	$ 3,084	$ (2,871)	$ (3,196)	$ 951	$ (286)	$ 2,166	$ 3,616	$ 2,680	$ (723)	$ 3,366
Cash and cash equivalents, start of year	$ 15,414	$ 18,499	$ 15,627	$ 12,431	$ 13,383	$ 13,097	$ 15,263	$ 18,878	$ 21,558	$ 20,835
Cash and cash equivalents, end of year	$ 18,499	$ 15,627	$ 12,431	$ 13,383	$ 13,097	$ 15,263	$ 18,878	$ 21,558	$ 20,835	$ 24,201

Appendix B Wastewater Financial Statements

B.1 Statement of Financial Position for the Wastewater System

Wastewater Infrastructure Statement of Financial Position As at December 31 (in thousands of dollars)	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Financial assets										
Cash and cash equivalents	$ 16,644	$ 23,312	$ 32,337	$ 28,514	$ 22,649	$ 21,114	$ 17,968	$ 15,053	$ 16,775	$ 21,838
Accounts receivable - rate revenues	$ 1,003	$ 1,092	$ 1,185	$ 1,289	$ 1,403	$ 1,521	$ 1,651	$ 1,802	$ 1,955	$ 2,340
Accounts receivable - other revenue sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 17,647	$ 24,404	$ 33,522	$ 29,803	$ 24,052	$ 22,635	$ 19,619	$ 16,855	$ 18,730	$ 24,178
Liabilities										
Accounts payable - wages	$ 32	$ 32	$ 42	$ 50	$ 52	$ 54	$ 57	$ 63	$ 66	$ 77
Accounts payable - other payables	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
DC reserve (Deferred revenue)	$ 7,968	$ 14,325	$ 22,662	$ 20,368	$ 15,209	$ 12,440	$ 7,348	$ 1,798	$ -	$ -
Short term debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Long term debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 8,000	$ 14,358	$ 22,704	$ 20,418	$ 15,261	$ 12,494	$ 7,405	$ 1,861	$ 66	$ 77
Net Financial Assets (Liabilities)	$ 9,647	$ 10,046	$ 10,818	$ 9,385	$ 8,790	$ 10,141	$ 12,214	$ 14,994	$ 18,664	$ 24,101
Non-financial assets										
Tangible capital assets										
TCA used in production	$ 94,437	$ 97,397	$ 98,421	$ 107,146	$ 111,693	$ 112,234	$ 112,754	$ 113,515	$ 114,144	$ 132,152
Work in progress	$ 4,905	$ 8,284	$ 13,511	$ 18,804	$ 23,022	$ 30,064	$ 37,439	$ 45,102	$ 53,065	$ 44,133
Less accumulated amortization	$ (26,401)	$ (27,905)	$ (29,425)	$ (31,051)	$ (32,784)	$ (34,503)	$ (36,233)	$ (38,009)	$ (39,782)	$ (41,794)
Total TCA	$ 72,941	$ 77,776	$ 82,507	$ 94,900	$ 101,931	$ 107,796	$ 113,960	$ 120,608	$ 127,427	$ 134,490
Inventories of supplies	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 2
Prepaid expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 72,941	$ 77,777	$ 82,508	$ 94,901	$ 101,932	$ 107,797	$ 113,961	$ 120,609	$ 127,429	$ 134,491
Accumulated surplus	$ 82,588	$ 87,823	$ 93,326	$ 104,286	$ 110,723	$ 117,938	$ 126,175	$ 135,603	$ 146,093	$ 158,593

B.2 Statement of Operations for the Wastewater System

Wastewater Infrastructure Statement of Operations As at December 31 (in thousands of dollars)	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Revenues										
Rate revenues	$ 12,033	$ 13,102	$ 14,222	$ 15,462	$ 16,840	$ 18,252	$ 19,812	$ 21,628	$ 23,464	$ 28,080
Capital levy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest earned on cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Earned DC revenue	$ 1,267	$ 3,433	$ 4,920	$ 11,705	$ 6,716	$ 6,816	$ 7,096	$ 7,595	$ 7,730	$ 8,380
Other revenues	$ 103	$ 103	$ 103	$ 103	$ 103	$ 103	$ 103	$ 103	$ 103	$ 103
Total Revenues	$ 13,403	$ 16,638	$ 19,246	$ 27,271	$ 23,659	$ 25,171	$ 27,012	$ 29,326	$ 31,298	$ 36,564
Operating Expenses										
Allocated Labour	$ 765	$ 775	$ 1,004	$ 1,198	$ 1,254	$ 1,305	$ 1,360	$ 1,511	$ 1,590	$ 1,844
Clothing Allowance	$ 2	$ 3	$ 4	$ 4	$ 4	$ 5	$ 5	$ 5	$ 6	$ 6
Membership Fees, Dues, Subs	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 2	$ 2
Telephone Services	$ 2	$ 2	$ 3	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5	$ 6
Radio/Pager/Cell	$ 3	$ 3	$ 4	$ 5	$ 5	$ 5	$ 6	$ 6	$ 6	$ 8
Insurance	$ 63	$ 64	$ 83	$ 99	$ 103	$ 107	$ 112	$ 124	$ 131	$ 152
Contracted Srv - Cctv Inspection Srvc	$ 56	$ 56	$ 72	$ 86	$ 90	$ 94	$ 98	$ 109	$ 114	$ 133
Audit Fees	$ 3	$ 3	$ 4	$ 5	$ 5	$ 5	$ 5	$ 6	$ 6	$ 7
Computer Lease Expense	$ 3	$ 3	$ 4	$ 4	$ 5	$ 5	$ 5	$ 6	$ 6	$ 7
Computer	$ 32	$ 33	$ 43	$ 52	$ 54	$ 56	$ 59	$ 65	$ 68	$ 79
Office Supplies	$ 7	$ 7	$ 10	$ 12	$ 12	$ 13	$ 13	$ 15	$ 15	$ 18
Postage	$ 19	$ 19	$ 24	$ 29	$ 30	$ 32	$ 33	$ 37	$ 39	$ 45
Advertising - General	$ 2	$ 2	$ 2	$ 2	$ 2	$ 3	$ 3	$ 3	$ 3	$ 4
General Materials & Supplies	$ 2	$ 2	$ 2	$ 3	$ 3	$ 3	$ 3	$ 4	$ 4	$ 4
Fuel	$ 3	$ 3	$ 4	$ 5	$ 5	$ 6	$ 6	$ 7	$ 7	$ 8
Vehicle Maintenance Supplies	$ 2	$ 2	$ 2	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 4
Repairs/Mtnce - Equip - Mat	$ 2	$ 2	$ 2	$ 2	$ 2	$ 3	$ 3	$ 3	$ 3	$ 4
Laterals - Material/Contract	$ 68	$ 74	$ 95	$ 114	$ 119	$ 124	$ 129	$ 143	$ 151	$ 175
Mains - Materials/Contract	$ 86	$ 90	$ 116	$ 139	$ 145	$ 151	$ 157	$ 175	$ 184	$ 213
Storm Water Mgmt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous Expenses	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1
Payment To Others-Reg'L Levy	$ 8,483	$ 8,751	$ 10,734	$ 12,910	$ 13,631	$ 14,302	$ 15,029	$ 15,881	$ 16,679	$ 19,318
High Consumption Credit	$ 3	$ 3	$ 4	$ 4	$ 5	$ 5	$ 5	$ 6	$ 6	$ 7
Bank Charges	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Facility Rentals Expense	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1
Equipment Rentals Expense	$ 2	$ 2	$ 2	$ 2	$ 2	$ 3	$ 3	$ 3	$ 3	$ 4
Total Operating Expenses	$ 9,610	$ 9,900	$ 12,222	$ 14,685	$ 15,490	$ 16,236	$ 17,045	$ 18,121	$ 19,035	$ 22,051
Net Operating Revenue	$ 3,794	$ 6,738	$ 7,024	$ 12,585	$ 8,169	$ 8,934	$ 9,967	$ 11,204	$ 12,262	$ 14,512
Less amortisation of tangible assets	$ (1,456)	$ (1,504)	$ (1,521)	$ (1,626)	$ (1,733)	$ (1,719)	$ (1,730)	$ (1,776)	$ (1,773)	$ (2,013)
Earnings Before Interest	$ 2,338	$ 5,234	$ 5,504	$ 10,960	$ 6,437	$ 7,215	$ 8,237	$ 9,428	$ 10,490	$ 12,500
Less Interest on short term loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less Interest on long term debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Annual Surplus (Deficit)	$ 2,338	$ 5,234	$ 5,504	$ 10,960	$ 6,437	$ 7,215	$ 8,237	$ 9,428	$ 10,490	$ 12,500
Accumulated Surplus at beginning of year	$ 80,250	$ 82,588	$ 87,823	$ 93,326	$ 104,286	$ 110,723	$ 117,938	$ 126,175	$ 135,603	$ 146,093
Accumulated Surplus at end of year	$ 82,588	$ 87,823	$ 93,326	$ 104,286	$ 110,723	$ 117,938	$ 126,175	$ 135,603	$ 146,093	$ 158,593

B.3 Statement of Cash Flow for the Wastewater System

Wastewater Infrastructure Statement of Cash Flow As at December 31 (in thousands of dollars)	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Cash from operations										
Earnings before interest expenses	$ 2,338	$ 5,234	$ 5,504	$ 10,960	$ 6,437	$ 7,215	$ 8,237	$ 9,428	$ 10,490	$ 12,500
Less earned DC revenue	$ (1,267)	$ (3,433)	$ (4,920)	$ (11,705)	$ (6,716)	$ (6,816)	$ (7,096)	$ (7,595)	$ (7,730)	$ (8,380)
Plus DC contributions	$ 6,450	$ 9,790	$ 13,257	$ 9,411	$ 1,558	$ 4,046	$ 2,004	$ 2,044	$ 2,085	$ 2,127
Plus amortisation of tangible capital assets	$ 1,456	$ 1,504	$ 1,521	$ 1,626	$ 1,733	$ 1,719	$ 1,730	$ 1,776	$ 1,773	$ 2,013
Total	$ 8,977	$ 13,096	$ 15,361	$ 10,291	$ 3,011	$ 6,165	$ 4,875	$ 5,654	$ 6,617	$ 8,259
Cash from the Movement of Balance Sheet Account										
Accounts payable - increase/(decrease)	$ 2	$ 0	$ 10	$ 8	$ 2	$ 2	$ 2	$ 6	$ 3	$ 11
Pensions and other employee benefits - increase/(decrease)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts receivable - (increase)/decrease	$ (55)	$ (89)	$ (93)	$ (103)	$ (115)	$ (118)	$ (130)	$ (151)	$ (153)	$ (385)
Inventory - (increase)/decrease	$ 0	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)
Prepaid expenses - (increase)/decrease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ (53)	$ (89)	$ (84)	$ (95)	$ (112)	$ (116)	$ (128)	$ (145)	$ (150)	$ (374)
Proceeds of New Debt										
Short term loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
DC reserve loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,847	$ 7,023
Long term loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,847	$ 7,023
Captial Finance										
Interest costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repayment of short-term debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repayment of DC loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (769)
Repayment of long-term debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (769)
Cash used to finance tangible asset investments										
New project investments	$ (4,908)	$ (6,339)	$ (6,252)	$ (14,018)	$ (8,764)	$ (7,584)	$ (7,894)	$ (8,424)	$ (8,592)	$ (9,075)
Total	$ (4,908)	$ (6,339)	$ (6,252)	$ (14,018)	$ (8,764)	$ (7,584)	$ (7,894)	$ (8,424)	$ (8,592)	$ (9,075)
Cash Surplus (Deficit)	$ 4,016	$ 6,668	$ 9,025	$ (3,823)	$ (5,866)	$ (1,534)	$ (3,147)	$ (2,915)	$ 1,722	$ 5,063
Cash and cash equivalents, start of year	$ 12,628	$ 16,644	$ 23,312	$ 32,337	$ 28,514	$ 22,649	$ 21,114	$ 17,968	$ 15,053	$ 16,775
Cash and cash equivalents, end of year	$ 16,644	$ 23,312	$ 32,337	$ 28,514	$ 22,649	$ 21,114	$ 17,968	$ 15,053	$ 16,775	$ 21,838

Appendix C Glossary of Terms

Statement of Financial Position

Financial Assets – assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets include cash, investments, accounts receivable, etc.

Physical assets (such as inventories of supplies, tangible capital assets), and leased assets are not financial assets. Control of such assets creates an opportunity to produce or supply goods and services, rent to others, use for administrative purposes or for the development, construction or repair of other tangible capital assets. Control of such assets does not give rise to a present right to receive cash or another financial asset.

Assets, such as prepaid expenses, for which the future economic benefit is the receipt of goods or services rather than the right to receive cash or another financial asset, are not financial assets. Similarly, certain deferred liabilities are not financial liabilities when the outflow of economic benefits associated with them is in the nature of goods or services rather than a contractual obligation to pay cash or another financial asset.

Liabilities – present obligations of a local government to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. Liabilities have three essential characteristics:

- They embody a duty or responsibility to others, leaving a local government little or no discretion to avoid settlement of the obligation;
- The duty or responsibility to others entails settlement by future transfer or use of assets, provision of goods or services, or other form of economic settlement at a specified or determinable date, on occurrence of a specified event, or on demand;
- The transactions or events obligating the local government have already occurred.

Net Debt – a term used to describe the first indicator of a government's financial position. The net assets of a government represent the net economic resources recognizable by the government. The two dimensions of the government's financial position are combined to calculate this second indicator of a government's financial position, called its accumulated surplus or deficit.

Net debt is measured as the difference between a government's liabilities and financial assets. This difference bears directly on the government's future revenue requirements and on its ability to finance its activities and meet its liabilities and contractual obligations. Net debt provides a measure of the future revenues required to pay for past transactions and events. The extent of a government's net debt and the financial ability of the government to service that debt is an important test of the sustainability of that government. It is possible, however, that a government's financial assets could exceed its liabilities. In such circumstances, this indicator of a government's

financial position would be called "net financial resources" and it would provide a measure of the net financial assets on hand that can provide resources to finance future operations.

A government's net debt is an important indicator of a government's financial position, highlighting the financial affordability of future government service provision. A net debt position represents a "lien" on the ability of the government to apply financial resources and future revenues to provide services. Non-financial assets are added to net debt to calculate the other indicator of a government's financial position — its accumulated surplus or deficit. Non-financial assets are "prepaid service potential". Reporting a government's recognized non-financial resources as part of its financial position provides information necessary for a more complete understanding of a government's debt position, financial position and future operating requirements.

Non-financial Assets – tangible capital assets and other assets such as prepaid expenses and inventories of supplies. Non-financial assets are acquired, constructed or developed assets that are normally employed to deliver local government services, may be consumed in the normal course of operations and are not for sale in the normal course of operations.

Certain non-financial resources are, however, not given accounting recognition in government financial statements. For example, all government intangibles, and all-natural resources and Crown lands that have not been purchased by the government, are not given accounting recognition in government financial statements.

Accumulated Surplus or Deficit – calculated as the sum of the net debt of the government and its non-financial assets. This indicator represents the net assets of the government. The accumulated surplus or deficit of a government, or its net assets, is the residual interest in its assets after deducting its liabilities.

Statement of Operations

Revenues – including gains, can arise from: taxation; the sale of goods; the rendering of services; the use by others of local government economic resources yielding rent, interest, royalties or dividends; or receipt of contributions such as grants, donations and bequests. Revenues do not include borrowings, such as proceeds from debt issues or transfers from other local governmental units in a local government reporting entity.

Expenses – including losses, are decreases in economic resources, either by way of outflows or reductions of assets or incurrence of liabilities, resulting from the operations, transactions and events of the accounting period. Expenses include transfer payments due where no value is received directly in return. Expenses include the cost of economic resources consumed in, and identifiable with, the operations of the accounting period. For example, the cost of tangible capital assets is amortized to expenses as the assets are used in delivering local government programs. Expenses do not include debt repayments or transfers to other local governmental units in a local government reporting entity.

Surplus – a term used to describe the difference between the revenues and expenses in the period.

Statement of Cash Flows

The statement of cash flow should report how a government generated and used cash and cash equivalents in the accounting period and the change in cash and cash equivalents in the period. The statement of cash flow should report the cash and cash equivalents at both the beginning and end of the accounting period.

The statement of cash flow should report cash flows during the period classified by:

- Operating;
- Capital;
- Investing; and,
- Financing activities.