

**Water, Wastewater and Stormwater
Long Range Financial Plan**



Municipality of Middlesex Centre

June 4, 2025

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Accessibility

If you require this document or any of the enclosed charts and tables in an alternative format, please contact Middlesex Centre at:

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List of Acronyms

- ARL – Annual Repayment Limit
- AMP – Asset Management Plan
- CCBF – Canada Community Building Fund
- CPI – Consumer Price Index
- DCs - Development Charges
- DCA – Development Charges Act
- IO – Infrastructure Ontario
- LRFP - Long Range Financial Plan
- OCIF – Ontario Community Infrastructure Fund
- OLT – Ontario Land Tribunal

Executive Summary

Executive Summary

The Middlesex Centre Water, Wastewater, and Stormwater Long-Range Financial Plan (2025-2034) is designed to ensure financial sustainability while balancing ratepayer affordability, infrastructure renewal, and growth funding. The plan follows full cost recovery principles, accounting for operating costs, asset management, reserve fund contributions, and debt servicing.

Key financial challenges include:

- **Aging Infrastructure** and the need for timely asset replacement.
- **Rising Operational Costs**, including insurance, utilities, and wages.
- **Revenue Growth Limitations**, with cost increases outpacing inflation.
- **Debt Financing Constraints** and the need for strategic borrowing.
- **Regulatory Compliance Requirements**, increasing cost pressures.

A phased approach to increasing contributions to capital reserve funds is recommended to close the infrastructure funding gap over a 15-year period, balancing long-term financial sustainability with affordability considerations.

Key Recommendations

1. Ratepayer Affordability & Revenue Strategy

- Implement annual rate increases of 4% for water, 6.5% for wastewater, and 6.5% for stormwater to support financial sustainability.
- Monitor affordability metrics, ensuring rates remain reasonable relative to household income.

2. Capital Reserve Fund Contributions & Management

- Increase annual contributions over 15 years to meet Asset Management Plan (AMP) funding targets.
- Maintain reserve balances between 5%–10% of asset replacement costs, per policy CPS-02-2024.
- Use AMP Capital Reserve Funds exclusively for asset renewal, separating funding for growth-related assets.

3. Debt Financing Strategy

- Use long-term debt for growth-related projects not covered by development charges.
- Keep debt servicing below 17% of own-source revenue (provincial max: 25%).
- Apply debt savings toward accelerating infrastructure replacement as existing debt retires.

4. Infrastructure Sustainability & Phased Funding Approach

- Gradually increase contributions to water, wastewater, and stormwater capital reserves to meet AMP targets by 2040.
- Prioritize maintenance of existing assets over new installations to reduce financial strain.
- Explore external funding sources and service level adjustments to mitigate risks.

5. Regulatory & Operational Efficiencies

- Align financial planning with provincial regulations (Municipal Act, Safe Drinking Water Act, etc.).
- Maintain transparent reporting & public engagement to support decision-making.
- No increase in staffing levels, following the Middlesex Centre Organizational Review (2023).

The proposed Long-Range Financial Plan balances ratepayer affordability, debt financing, and capital funding to ensure long-term financial stability. By gradually increasing contributions over 15 years, Middlesex Centre will meet AMP targets while ensuring fair cost distribution across generations.

Introduction – Water, Wastewater and Stormwater Long-Range Financial Plans

Principles of Financial Sustainability

The Ministry of the Environment released a guideline (“Towards Financially Sustainable Drinking-Water and Wastewater Systems”) that provides possible approaches to achieving sustainability. The Province’s Principles of Financially Sustainable were used in the context the Water, Wastewater and Storm systems financial plans:

- **Principle #1:** Ongoing public engagement and transparency
- **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.
- **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.

As a best practice, The Ministry of the Environment document entitled “Toward Financial Sustainability” suggests that Financial Plans should be updated on an annual forward-looking basis. By doing so, continuous improvement will be fostered and results can be considered as part of the annual budget process.

Guiding Principles

The following guiding principles were used as the basis for the creation of the Water, Wastewater and Stormwater Long-Range Financial Plans:

- Ensure reasonable degree of stability and predictability in the rate burden;
- A fair sharing in the distribution of resources between current and future ratepayers;
- Maintain programs and services at their desired levels; and
- Balance increased capital investment with affordability.

General Approach to Preparing the Municipality's Financial Long-Range Plan

The Long-Range Financial Plans take a full cost recovery approach to achieve long term financial sustainability.

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

- Expected operating and capital outlays for each year of the plan;
- Expected revenues for each year and their source;
- Recommended asset management reserve fund contributions to enable assessment of the Long-Range Financial Plan; and
- Debt principal and interest charges.

Rate Payer Affordability

A comparison of 2024 water and wastewater costs with other Southwestern Ontario municipalities was undertaken. An affordability metric was also calculated to compare Water and Wastewater costs as a percentage of average household income. As shown below, the cost of service for a typical residential customer consuming 200 m³ is above the peer average. In relation to the affordability metric Middlesex Centre is at the peer average.

Source: 2024 rate by-laws, 2024 household income Manifold Data Mining.

Municipality	2024		
	2024 Average Household Income	Residential Water/WW Costs 200 m ³	Affordability Metric
Pelham	\$ 152,722	\$ 1,195	0.8%
Springwater	\$ 175,572	\$ 1,720	1.0%
Essex	\$ 111,756	\$ 1,134	1.0%
Strathroy-Caradoc	\$ 112,187	\$ 1,257	1.1%
Lincoln	\$ 134,846	\$ 1,536	1.1%
Thorold	\$ 102,396	\$ 1,363	1.3%
Peer Average	\$ 131,580	\$ 1,368	1.1%
Peer Median	\$ 123,517	\$ 1,310	1.1%
Middlesex Centre	\$ 164,795	\$ 1,862	1.1%

Challenges, Risks and Opportunities

Challenges, Risks and Opportunities

The following summarizes the key challenges, risks and opportunities to long-term financial sustainability which have been addressed as part of the Financial Plan:

- **Asset Renewal/Replacement**—Like most municipalities in Canada, Middlesex Centre faces a continued struggle to fund the replacement of existing assets.
- **Increasing Costs, Many of Which are Uncontrollable**—A number of the Municipality’s Water, Wastewater and Stormwater operating and capital costs are increasing faster than inflation.
- **Water, Wastewater and Stormwater Rate Revenue Increases**—Managing smoothed rate revenue increases based on the analysis in the report.
- **Growth**—Continued need for additional infrastructure to accommodate growth at the same time as existing assets are reaching an age where replacement is becoming critical.
- **Regulatory and Legislative Environment**—Municipalities across Ontario have consistently identified legislative and regulatory changes and requirements as a major factor driving the cost of service. Statutes and associated regulations that dictate service levels include:
 - Municipal Act;
 - Clean Water Act;
 - Water Opportunities Act;
 - Ontario Water Resources Act;
 - Safe Drinking Water Act (SDWA);
 - Sustainable Water and Sewage Systems Act;
 - PSAB 3150, Tangible Capital Assets Reporting;
 - Asset Management Regulation; and
 - Development Charges Act.

Background Information Used to Prepare Water, Wastewater and Stormwater Long-Range Financial Plan

Source of Data and Key Financial Assumptions

- **Operating Budget**—The 2025 Operating Budgets for Water, Wastewater and Stormwater were provided by the Municipality.
- **Expenditure & Revenue Increases**—based on:
 - Salary and wages and benefits increase of 5.7% annually
 - Miscellaneous expenses increase of 2% to 5% annually
 - Insurance expenses increase of 10% annually
 - Utilities expenses increase of 5% annually
 - 2.2% increase in consumption related to projected growth
- **Staff**—no increase in staffing levels based on Middlesex Centre Organizational Review (2023).
- **Financial Information Return (FIRs) 2023**
- **2024 DC Background Study**
- **Customer Accounts and Meters by Size**—Customer account information by meter size were provided by the Municipality.
- **Capital Reserve Funds** - 2025 opening balances net of commitments and using Reserve Funds policy CPS-02-2024.
- **Asset Management Plan 2024 (AMP)**
- **10-year Capital Plan (2025-2034)** includes:
 - \$40.13 million for water capital expenditures
 - \$84.28 million for wastewater capital expenditures
 - \$5.62 million for stormwater capital expenditures
- **Historical Rates**—A review of the historical rates to gain perspective into the strategies deployed.
- **Debt Outstanding:**
 - Water Ratepayer Debt Outstanding at end of 2025 is \$0.67 million
 - Wastewater Ratepayer Debt Outstanding at end of 2025 is \$1.5 million
- **Debt Issuance**—Debt issued as a 20-year term at a rate of 4.5% interest. Over the course of the 10-year forecast period, rate funded debt is projected as follows:
 - \$15.7 million in Water
 - \$18.2 million in Wastewater
 - \$1.2 million in Stormwater

There is more debt being borrowed to cover the development charge funded portion.

Capital Reserve Funds

A Reserve Fund is a financial provision designated for a future purpose and is carried forward from one fiscal year to the next to facilitate multi-year financial planning. Reserve Funds form an important component of any long-term financing plan as they provide flexibility and liquidity as well as enhancing the Municipality's ability to address infrastructure needs.

A significant element of the Long-Range Financial Plan is the development of appropriate reserve targets and uses. Currently, Middlesex Centre has one Water, Wastewater and Stormwater capital reserve fund which is used to fund the replacement of existing assets and new growth-related assets not funded under the Development Charges Act.

Funding for these capital reserve funds are obtained annually through contributions from the operating budget paid by current ratepayers. The asset management plan has established operating budget reserve fund contribution targets required to fund the replacement of existing assets on a timely basis and therefore the reserve funds should be used solely for the replacement of existing assets.

Capital Reserve Funds Strategies

- *Asset Management Reserve Funds are used solely to fund the replacement of the existing assets. New assets related to growth or program enhancements will be budgeted for and financed separately.*
- *A phase-in strategy to gradually move the Municipality toward the recommended AMP reserve fund contributions based on affordability considerations.*
- *Maintain a minimum target Water, Wastewater and Stormwater Capital Reserve Fund balance of 5% to 10% of the asset replacement cost.*

Debt Financing

Debt is a common and widely acceptable method by which to finance growth-related capital projects. Strategic use of that in this manner would spread the costs of new infrastructure to existing and future beneficiaries of the service thereby creating intergenerational equity. Prudent use of debt within the framework of a long-range financial plan can be an efficient use of resources and assist with achieving the corporate strategies.

The use of debt for additional infrastructure investments, should be conditional upon one or more of the following:

- The Municipality requires debt financing to fund its portion of infrastructure projects that are cost shared with senior government;
- The infrastructure investment is unavoidable as a result of regulatory changes or concerns over public health and safety and cannot be funded through other means; and
- The associated debt servicing costs would not jeopardize the Municipality's financial sustainability or result in the Municipality exceeding its annual debt repayment limit.

Debt Financing Strategies

- *Growth related capital assets not funded from development charges will be funded from debt or internally financed.*
- *Any new assets funded from Asset Management Reserve Fund including interest will be repaid from future operating budgets.*
- *As debt charges decline due to retirement of debt, the Municipality will apply the savings to accelerate achievement of full life cycle costing for Municipality infrastructure.*
- *In accordance with Municipal Debt Policy, Debt charges as a percentage of own source revenue should not exceed 17%, whereas the Provincial Requirement is 25%.*

System Background

In 2024, Middlesex Centre has been working on updating its Asset Management Plan (AMP). This will be brought to Council for approval in 2025. The updated AMP provides new information on the replacement value of the Municipality's water, wastewater and stormwater assets and revenue targets required to support financial sustainability.

As illustrated below, the replacement value of the environmental services assets is approximately \$611.4 million.

Asset Class	Replacement Value (2024 \$)
Environmental Services	
Water	\$ 141,832,073
Wastewater (WW)	\$ 306,466,011
Stormwater	\$ 163,041,500
Total	\$ 611,339,584

Asset Management Plan

The following table is a comparison of 2025 operating budget capital reserve funds contributions for the replacement of Assets for Water, Wastewater and Stormwater in comparison to the recommended Asset Management plan targets.

2025 Reserve Funds Contributions (000's)	Water	WW	Storm
Current Contributions	\$ 1,490	\$ 1,628	\$ 488
AMP Reserve Fund Target	\$ 2,492	\$ 4,537	\$ 2,181
Estimated Annual Funding Gap	\$ (1,002)	\$ (2,909)	\$ (1,694)

As shown above, the Water, Wastewater and Stormwater 2025 annual contribution to the capital programs are significantly below the Asset Management Plan recommended funding targets which results in a growing infrastructure funding gap.

Increases of this magnitude are not practical to implement within a single year. Addressing the funding gap will require a phased approach over time to avoid severely impacting the ability to carry out necessary repairs.

Asset Replacement Strategies

- *The strategy in the Financial Plan is to increase contributions to the capital reserve funds over a 15-year period. This will provide a financially sustainable base upon which assets and infrastructure can be replaced on a timely basis while maintaining rate payer affordability.*
- By 2040, the annual contribution will be equal to the required annual contributions in water, wastewater and stormwater as identified in the AMP (target has been inflated annually by 3%).
- This approach comes with risks as the recommended annual contribution to the Water, Wastewater and Stormwater Capital Reserve Funds would not be met until 2040. The AMP provided several options that may be considered to help mitigate these risks including:
 - Maintaining existing assets versus installing new assets
 - External funding sources
 - Capital prioritization
 - Changes to levels of service

Water Long-Range Financial Plan – 10 Year Forecast

Summary of Water Operating Budget Forecast

The Municipality’s objective in establishing the Water rates is to avoid large fluctuations from year to year and to ensure that rates are set at a level to adequately cover current operating costs, maintain, rehabilitate and repair the Municipality’s existing asset base and replace assets where appropriate. The following table reflects the 10-year Water Operating Budget forecast from 2025 to 2034.

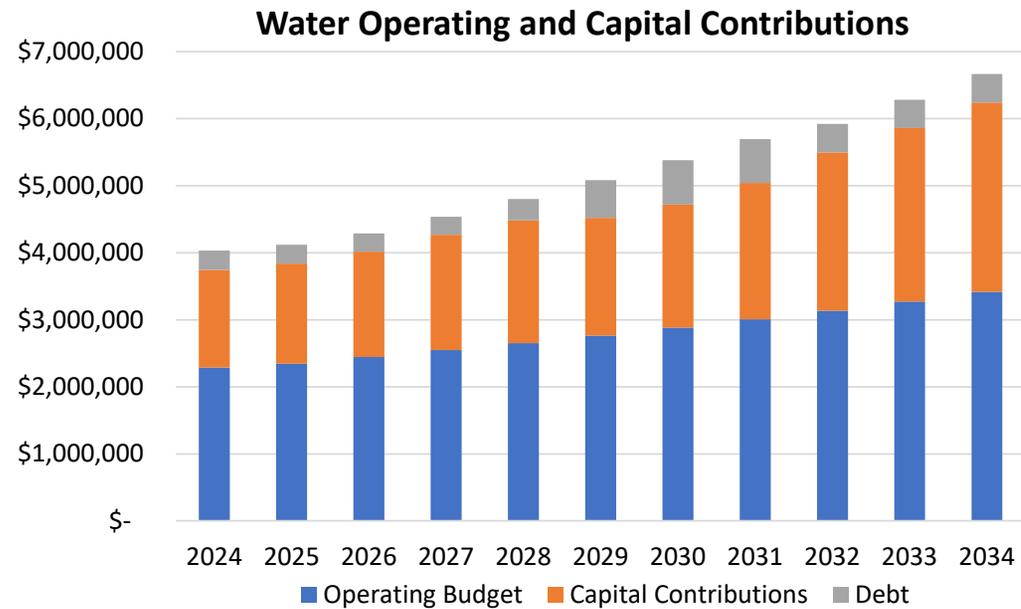
Water Revenues	2025 Budget	2026	2027	2028	2029	2030	2031	2032	2033	2034
User Fee Revenue	\$ 3,905,698	\$ 4,143,946	\$ 4,396,726	\$ 4,664,927	\$ 4,949,487	\$ 5,251,406	\$ 5,571,742	\$ 5,911,618	\$ 6,272,226	\$ 6,654,832
Other Revenue	\$ 65,200	\$ 7,196	\$ 7,453	\$ 7,720	\$ 7,997	\$ 8,284	\$ 8,581	\$ 8,889	\$ 9,208	\$ 9,539
Transfer from DC	\$ 147,523	\$ 136,217	\$ 132,042	\$ 127,913	\$ 123,693	\$ 119,518	\$ 115,344	\$ -	\$ -	\$ -
Total Revenues	\$ 4,118,421	\$ 4,287,358	\$ 4,536,222	\$ 4,800,560	\$ 5,081,177	\$ 5,379,208	\$ 5,695,666	\$ 5,920,507	\$ 6,281,435	\$ 6,664,371
User Fee Revenue %		6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%

Water Expenditures	2025 Budget	2026	2027	2028	2029	2030	2031	2032	2033	2034
Salaries & Wages	\$ 559,275	\$ 591,154	\$ 624,849	\$ 660,466	\$ 698,112	\$ 737,905	\$ 779,965	\$ 824,423	\$ 871,416	\$ 921,086
Other Expenditures	\$ 720,457	\$ 748,298	\$ 777,612	\$ 808,507	\$ 841,102	\$ 875,525	\$ 911,917	\$ 950,433	\$ 991,241	\$ 1,034,524
Utilities	\$ 335,466	\$ 348,885	\$ 362,840	\$ 377,354	\$ 392,448	\$ 408,146	\$ 424,472	\$ 441,450	\$ 459,108	\$ 477,473
Subcontracted Services	\$ 107,500	\$ 112,875	\$ 118,519	\$ 124,445	\$ 130,667	\$ 137,200	\$ 144,060	\$ 151,263	\$ 158,826	\$ 166,768
Supplies & Materials	\$ 624,450	\$ 643,184	\$ 662,479	\$ 682,353	\$ 702,824	\$ 723,909	\$ 745,626	\$ 767,995	\$ 791,035	\$ 814,766
Debt - Principal/Interest	\$ 280,782	\$ 272,433	\$ 266,390	\$ 319,356	\$ 562,231	\$ 661,620	\$ 653,271	\$ 422,584	\$ 422,584	\$ 422,584
Transfer to Reserve Fund	\$ 1,490,491	\$ 1,570,530	\$ 1,723,532	\$ 1,828,079	\$ 1,753,793	\$ 1,834,903	\$ 2,036,355	\$ 2,362,358	\$ 2,587,225	\$ 2,827,171
Total Expenditures	\$ 4,118,421	\$ 4,287,358	\$ 4,536,222	\$ 4,800,560	\$ 5,081,177	\$ 5,379,208	\$ 5,695,666	\$ 5,920,507	\$ 6,281,435	\$ 6,664,371

The increase in rate revenue requirements is projected to be partially recovered from a 2.2% increase in annual growth. The annual growth was based on 50% of the growth projections from the Development Charges Background Study. This results in a net impact of 4% to existing ratepayers.

Summary of Water Operating Budget Breakdown

The following graph reflects the 10-year forecast for water operations, breaking down the costs into operating and maintenance costs, the required Water Capital Reserve Fund contributions and debt charges.

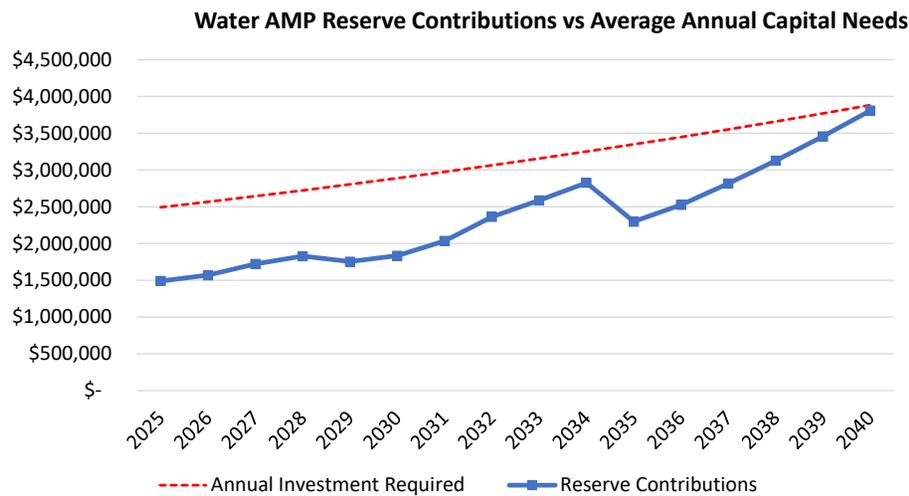


As shown above capital contributions are the main driver of the increases in the operating budget. For example:

- in 2025, 36% of the water operating budget supported capital replacement, compared with 42% in 2034

Summary of Water Annual Capital Reserve Fund Contributions

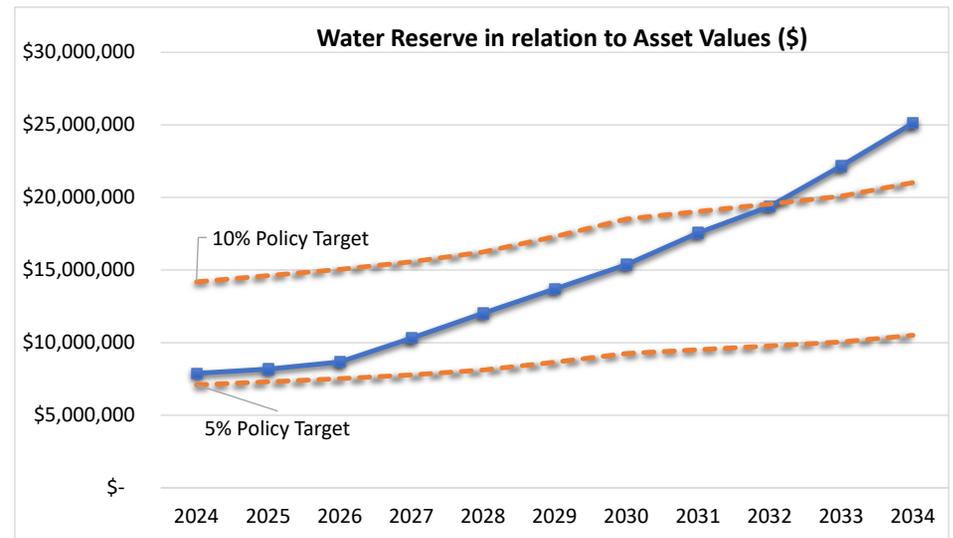
The following graph shows the annual contributions to the Water Capital Reserve Fund.



As illustrated above the projected annual Water Capital Reserve Fund contributions are projected to meet the target over the 15-year period.

Capital Reserve Fund Balance

The following graph shows the balance of the water capital reserve fund. As mentioned previously, the majority of capital replacement costs do not occur until 2043 and beyond. The capital reserve fund is projected to grow to meet these future requirements.

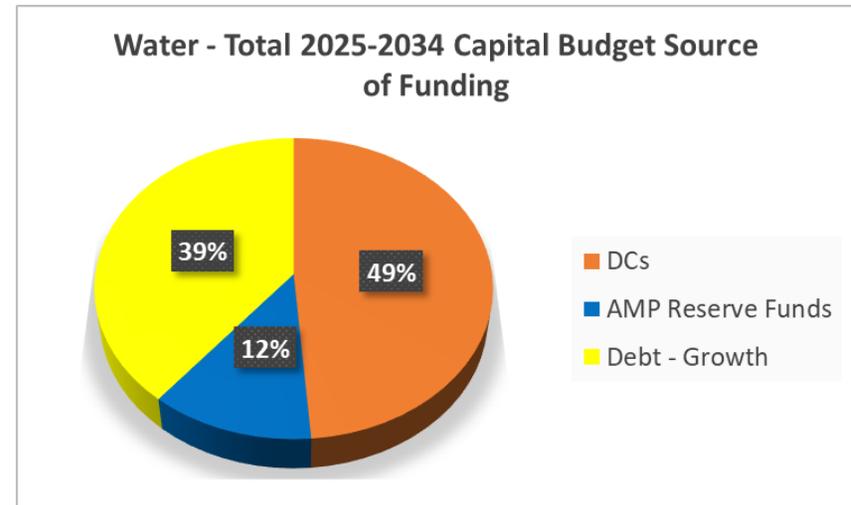


The policy target is 5% to 10% of the replacement costs of the assets as set out in the Municipality’s Reserve and Reserve Fund policy CPS-02-2024. The policy target is based on industry standards.

Summary of Water Capital Budget Forecast

The following table summarizes the Capital Budget forecast for the next 10 years and the associated funding source. The 10-year capital plan, from 2025-2034 includes:

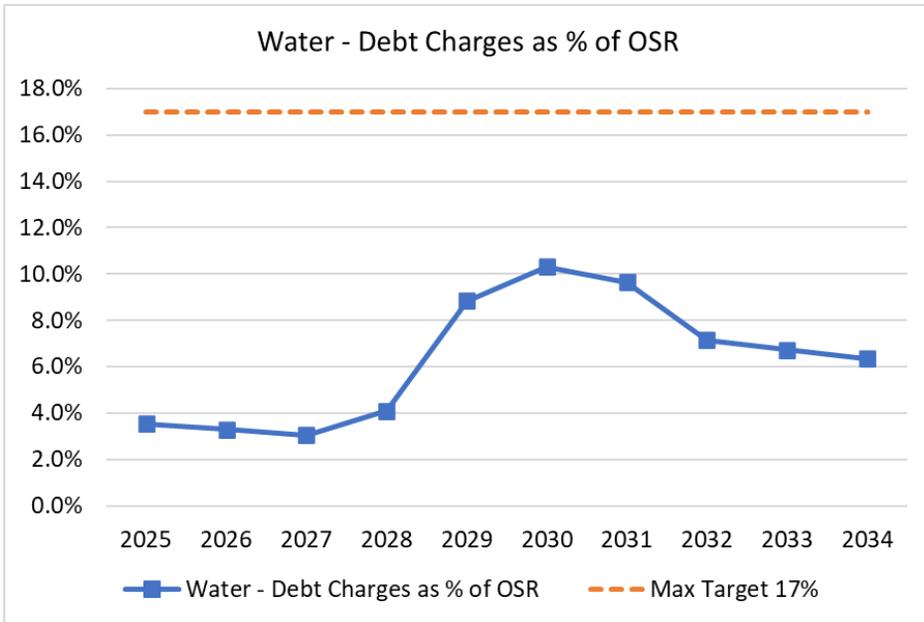
- \$4.88 million is forecast in capital requirements to be funded from the asset management reserve fund.
- Debt in amount of \$15.7 million is attributed to new assets required as a result of increased growth and not recoverable from development charges.



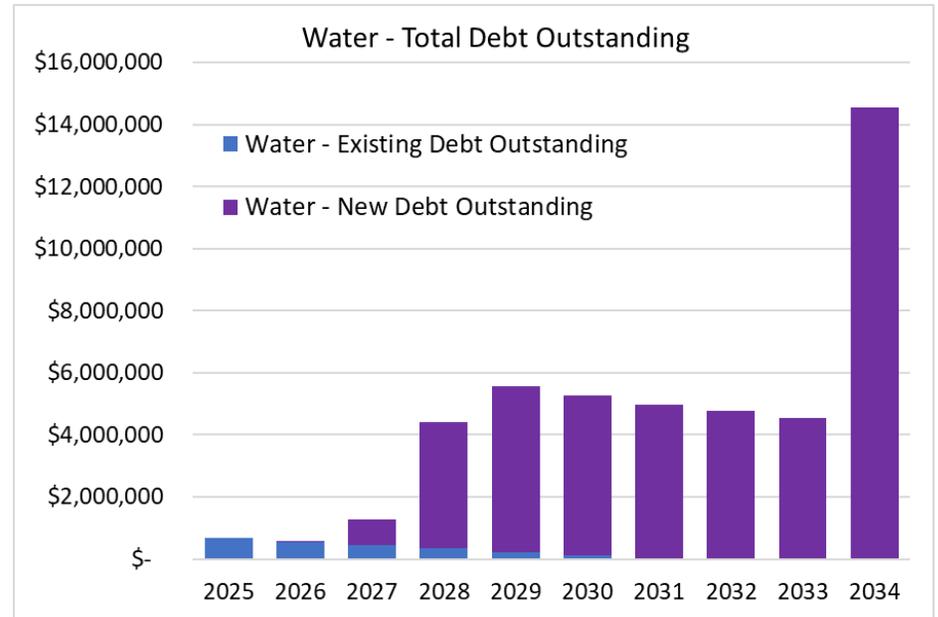
Water Capital Budget	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total 2025-2034
Total Capital Requirements	\$ 1,890,543	\$ 1,276,843	\$ 1,722,532	\$ 5,484,675	\$ 7,508,650	\$ 7,455,396	\$ -	\$ 717,250	\$ -	\$ 14,072,319	\$ 40,128,208
DCs	\$ -	\$ -	\$ 718,258	\$ 1,993,558	\$ 5,898,540	\$ 7,165,000	\$ -	\$ -	\$ -	\$ 3,774,600	\$ 19,549,956
AMP Reserve Funds	\$ 1,890,543	\$ 1,246,843	\$ 207,882	\$ 222,025	\$ 208,650	\$ 290,396	\$ -	\$ 717,250	\$ -	\$ 92,319	\$ 4,875,908
Debt - Growth	\$ -	\$ 30,000	\$ 796,392	\$ 3,269,092	\$ 1,401,460	\$ -	\$ -	\$ -	\$ -	\$ 10,205,400	\$ 15,702,344

Debt Forecast

The following graphs provide a summary of the debt charges as a percentage of own source revenues and the total debt outstanding for water over the next 10 years.



Debt charges as a percentage of own source revenues peak in 2030 at 10.3%, well under the maximum target of 17%.



New debt outstanding is required for growth related capital projects.

Wastewater Long-Range Financial Plan – 10 Year Forecast

Summary of Wastewater Operating Budget Forecast

The Municipality's objective in establishing the Wastewater rates is to avoid large fluctuations from year to year and to ensure that rates are set at a level to adequately cover current operating costs, maintain, rehabilitate and repair the Municipality's existing asset base and replace assets where appropriate. The following table reflects the 10-year Wastewater Operating Budget forecast from 2025 to 2034.

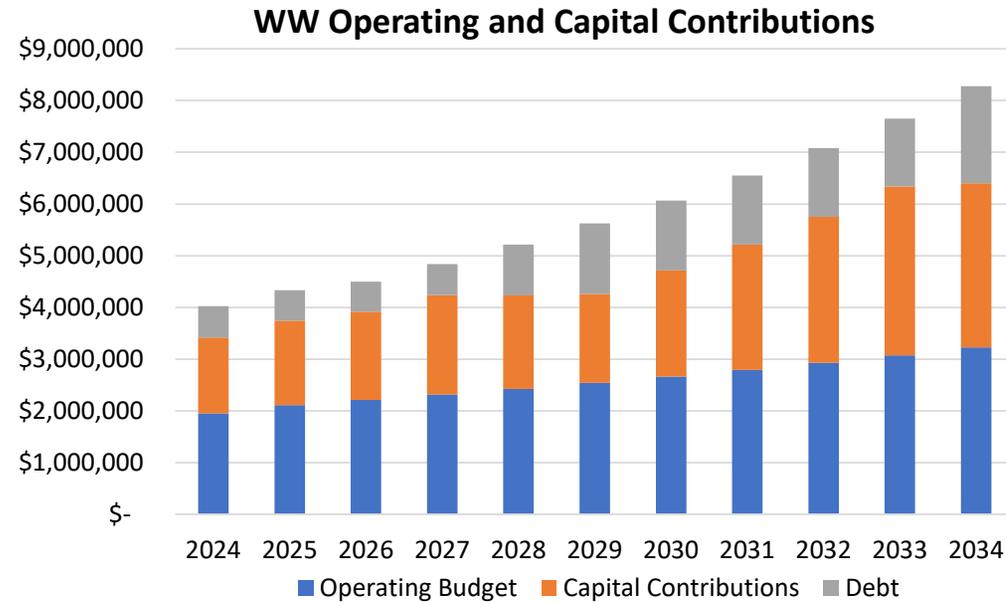
Wastewater Revenues	2025 Budget	2026	2027	2028	2029	2030	2031	2032	2033	2034
User Fee Revenue	\$ 3,768,160	\$ 4,094,106	\$ 4,444,153	\$ 4,828,572	\$ 5,246,244	\$ 5,700,044	\$ 6,193,097	\$ 6,728,800	\$ 7,310,842	\$ 7,943,229
Transfer from DC	\$ 565,219	\$ 403,169	\$ 394,403	\$ 385,877	\$ 376,870	\$ 368,104	\$ 359,338	\$ 350,716	\$ 341,806	\$ 333,039
Total Revenues	\$ 4,333,379	\$ 4,497,275	\$ 4,838,556	\$ 5,214,449	\$ 5,623,114	\$ 6,068,148	\$ 6,552,435	\$ 7,079,516	\$ 7,652,647	\$ 8,276,269
User Fee Revenue %		8.6%	8.6%	8.7%	8.7%	8.6%	8.6%	8.7%	8.7%	8.7%

Wastewater Expenditures	2025 Budget	2026	2027	2028	2029	2030	2031	2032	2033	2034
Salaries & Wages	\$ 559,276	\$ 591,155	\$ 624,851	\$ 660,467	\$ 698,114	\$ 737,906	\$ 779,967	\$ 824,425	\$ 871,417	\$ 921,088
Other Expenditures	\$ 931,630	\$ 971,696	\$ 1,014,026	\$ 1,058,784	\$ 1,106,146	\$ 1,156,303	\$ 1,209,464	\$ 1,265,854	\$ 1,325,717	\$ 1,389,321
Utilities	\$ 361,774	\$ 376,245	\$ 391,295	\$ 406,947	\$ 423,224	\$ 440,153	\$ 457,760	\$ 476,070	\$ 495,113	\$ 514,917
Subcontracted Services	\$ 249,540	\$ 262,017	\$ 275,118	\$ 288,874	\$ 303,317	\$ 318,483	\$ 334,407	\$ 351,128	\$ 368,684	\$ 387,118
Supplies & Materials	\$ 11,450	\$ 11,794	\$ 12,147	\$ 12,512	\$ 12,887	\$ 13,274	\$ 13,672	\$ 14,082	\$ 14,505	\$ 14,940
Debt - Principal/Interest	\$ 591,709	\$ 579,186	\$ 602,020	\$ 981,465	\$ 1,362,497	\$ 1,349,974	\$ 1,337,450	\$ 1,325,133	\$ 1,312,404	\$ 1,876,194
Transfer to Reserve Fund	\$ 1,628,000	\$ 1,705,183	\$ 1,919,100	\$ 1,805,401	\$ 1,716,929	\$ 2,052,054	\$ 2,419,715	\$ 2,822,824	\$ 3,264,807	\$ 3,172,691
Total Expenditures	\$ 4,333,379	\$ 4,497,275	\$ 4,838,556	\$ 5,214,449	\$ 5,623,114	\$ 6,068,148	\$ 6,552,435	\$ 7,079,516	\$ 7,652,647	\$ 8,276,269

The increase in rate revenue requirements is projected to be partially recovered from a 2.2% increase in annual growth. The annual growth was based on 50% of the growth projections from the Development Charges Background Study. This results in a net impact of 6.5% to existing ratepayers.

Summary of Wastewater Operating Budget Breakdown

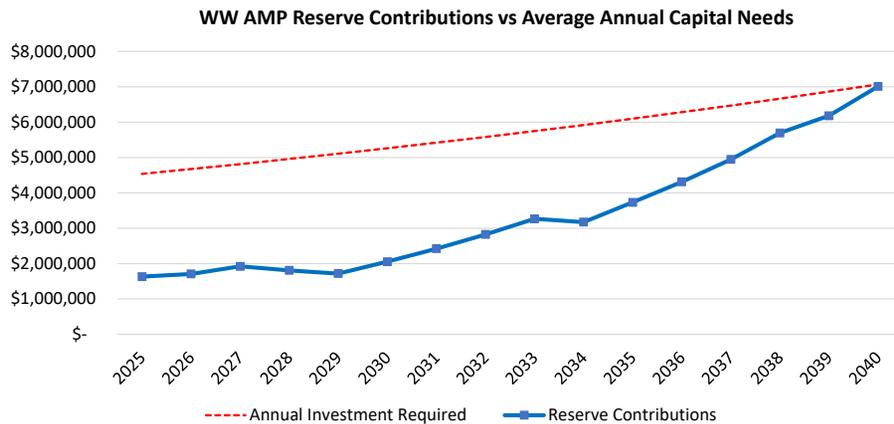
The following graph reflects the 10-year forecast for wastewater operations, breaking down the costs into operating and maintenance costs, the required Wastewater Capital Reserve Fund contributions and debt charges.



As shown above, the proportion of the operating budget that is to support operating expenditures versus capital changes over time whereby, the gradual increase of capital contributions results in capital being the largest percentage of the total operating budget.

Summary of Wastewater Annual Capital Reserve Fund Contributions

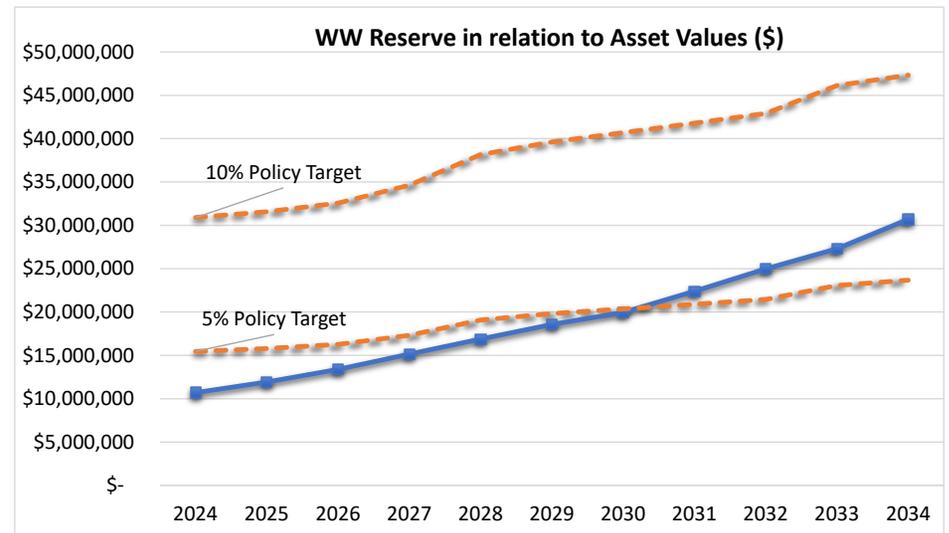
The following graph provides the annual contributions to the Wastewater Capital Reserve Fund.



As illustrated above the projected annual Wastewater Capital Reserve Fund contributions are projected to meet the target over the 15-year period.

Capital Reserve Fund Balance

The following graph shows the balance of the wastewater capital reserve fund. As mentioned previously, the majority of capital replacement costs do not occur until 2043 and beyond. The capital reserve fund is projected to grow to meet these future requirements.

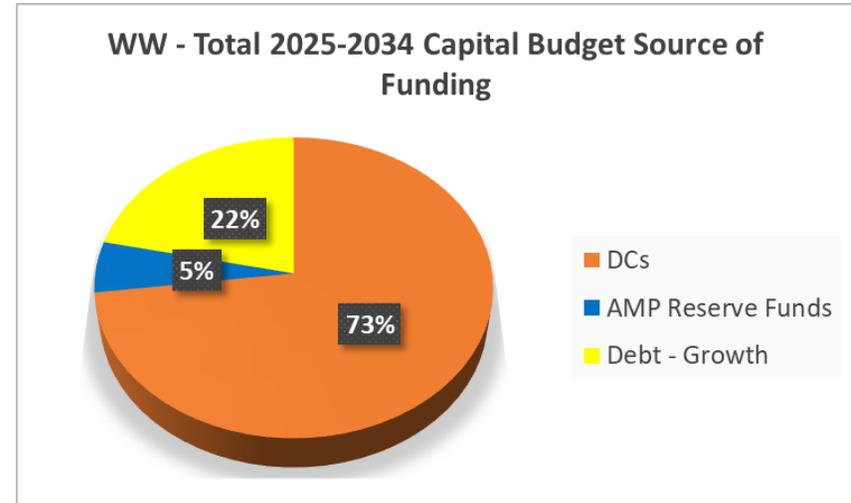


The policy target is 5% to 10% of the replacement costs of the assets as set out in the Municipality's Reserve and Reserve Fund policy CPS-02-2024. The policy target is based on industry standards.

Summary of Wastewater Capital Budget Forecast

The following table summarizes the Capital Budget forecast for the next 10 years and the associated funding source. The 10-year capital plan, from 2025-2034 includes:

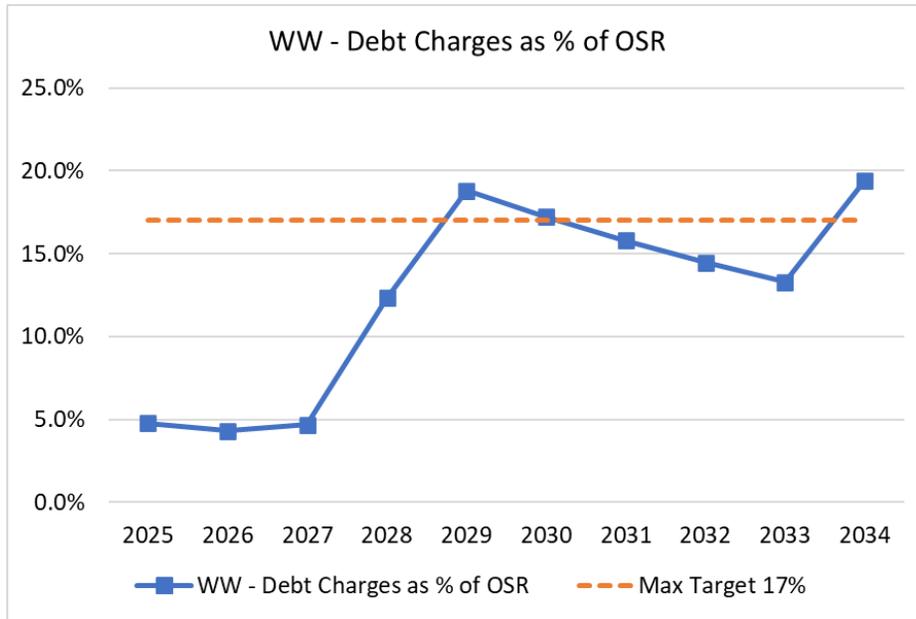
- \$4.6 million is forecast in capital requirements to be funded from the asset management reserve fund.
- Debt in amount of \$18.2 million is attributed to new assets required as a result of increased growth and not recoverable from development charges.



WW Capital Budget	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total 2025-2034
Total Capital Requirements	\$ 653,215	\$ 1,280,648	\$ 16,532,568	\$ 30,509,002	\$ 4,508,650	\$ 851,391	\$ 181,184	\$ 451,712	\$ 29,260,308	\$ 55,276	\$ 84,283,953
DCs	\$ -	\$ 393,889	\$ 11,080,441	\$ 25,163,183	\$ 4,300,000	\$ -	\$ -	\$ -	\$ 20,568,360	\$ -	\$ 61,505,873
AMP Reserve Funds	\$ 653,215	\$ 426,843	\$ 357,882	\$ 222,025	\$ 208,650	\$ 851,391	\$ 181,184	\$ 451,712	\$ 1,195,308	\$ 55,276	\$ 4,603,485
Debt - Growth	\$ -	\$ 459,916	\$ 5,094,245	\$ 5,123,794	\$ -	\$ -	\$ -	\$ -	\$ 7,496,640	\$ -	\$ 18,174,595

Debt Forecast

The following graphs provide a summary of the debt charges as a percentage of own source revenues and the total debt outstanding for wastewater over the next 10 years.



Debt charges as a percentage of own source revenues peak in 2029 and 2034 at 18.8% and respectively 19.4%, slightly above the maximum target of 17%.



New debt outstanding is required for growth related capital projects.

Stormwater Long-Range Financial Plan – 10 Year Forecast

Summary of Stormwater Operating Budget Forecast

The Municipality's objective in establishing the Stormwater rates is to avoid large fluctuations from year to year and to ensure that rates are set at a level to adequately cover current operating costs, maintain, rehabilitate and repair the Municipality's existing asset base and replace assets where appropriate. The following table reflects the 10-year Stormwater Operating Budget forecast from 2025 to 2034.

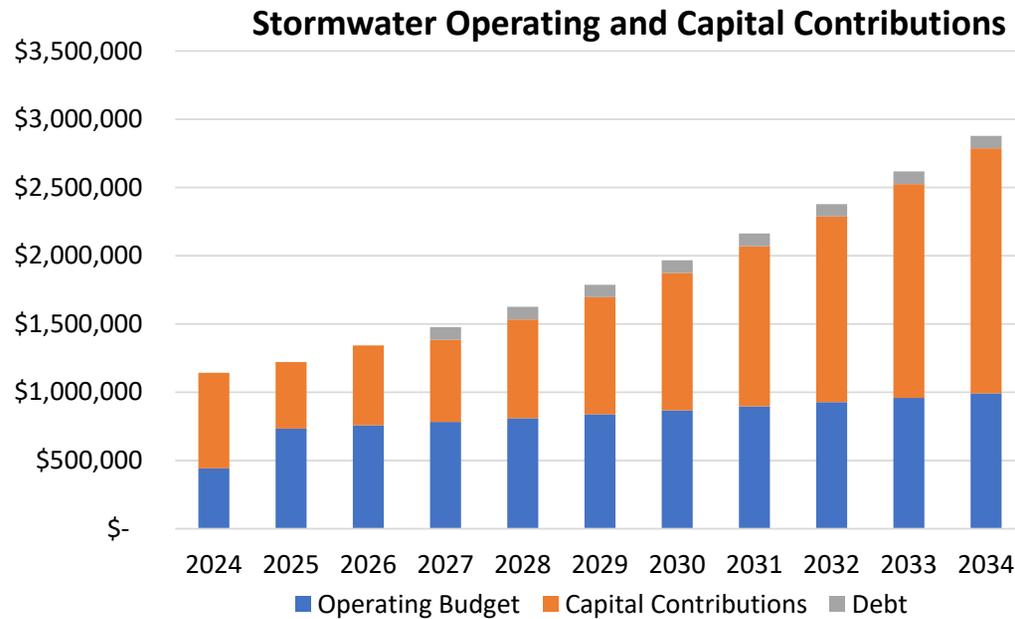
Stormwater Revenues	2025 Budget	2026	2027	2028	2029	2030	2031	2032	2033	2034
User Fee Revenue	\$ 1,221,063	\$ 1,343,169	\$ 1,477,486	\$ 1,625,235	\$ 1,787,758	\$ 1,966,534	\$ 2,163,188	\$ 2,379,506	\$ 2,617,457	\$ 2,879,203
Total Revenues	\$ 1,221,063	\$ 1,343,169	\$ 1,477,486	\$ 1,625,235	\$ 1,787,758	\$ 1,966,534	\$ 2,163,188	\$ 2,379,506	\$ 2,617,457	\$ 2,879,203
User Fee Revenue %		10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

Stormwater Expenditures	2025 Budget	2026	2027	2028	2029	2030	2031	2032	2033	2034
Salaries & Wages	\$ 63,951	\$ 67,596	\$ 71,449	\$ 75,522	\$ 79,827	\$ 84,377	\$ 89,186	\$ 94,270	\$ 99,643	\$ 105,323
Other Expenditures	\$ 614,243	\$ 232,670	\$ 651,650	\$ 246,840	\$ 691,336	\$ 261,872	\$ 733,438	\$ 277,820	\$ 778,105	\$ 294,740
Subcontracted Services	\$ 55,000	\$ 57,750	\$ 60,638	\$ 63,669	\$ 66,853	\$ 70,195	\$ 73,705	\$ 77,391	\$ 81,260	\$ 85,323
Debt - Principal/Interest	\$ -	\$ -	\$ 92,251	\$ 92,251	\$ 92,251	\$ 92,251	\$ 92,251	\$ 92,251	\$ 92,251	\$ 92,251
Transfer to Reserve Fund	\$ 487,869	\$ 985,153	\$ 601,498	\$ 1,146,952	\$ 857,492	\$ 1,457,838	\$ 1,174,607	\$ 1,837,774	\$ 1,566,198	\$ 2,301,566
Total Expenditures	\$ 1,221,063	\$ 1,343,169	\$ 1,477,486	\$ 1,625,235	\$ 1,787,758	\$ 1,966,534	\$ 2,163,188	\$ 2,379,506	\$ 2,617,457	\$ 2,879,203

The increase in rate revenue requirements is projected to be partially recovered from annual growth of 3.5%, resulting in a net impact of approximately 6.5% to existing ratepayers.

Summary of Stormwater Operating Budget Breakdown

The following graph reflects the 10-year forecast for stormwater operations, breaking down the costs into operating and maintenance costs, the required Stormwater Capital Reserve Fund contributions and debt charges.

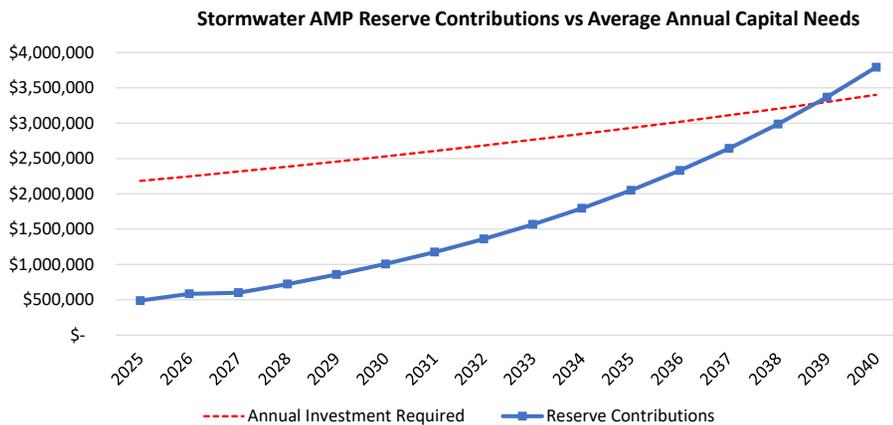


As shown above, the proportion of the operating budget that is to support operating expenditures versus capital changes over time whereby, the gradual increase of capital contributions results in capital being the largest percentage of the total operating budget. For example:

- In 2025, 40% of the stormwater operating budget supported capital replacement, compared with 62% in 2034.

Summary of Stormwater Annual Capital Reserve Fund Contributions

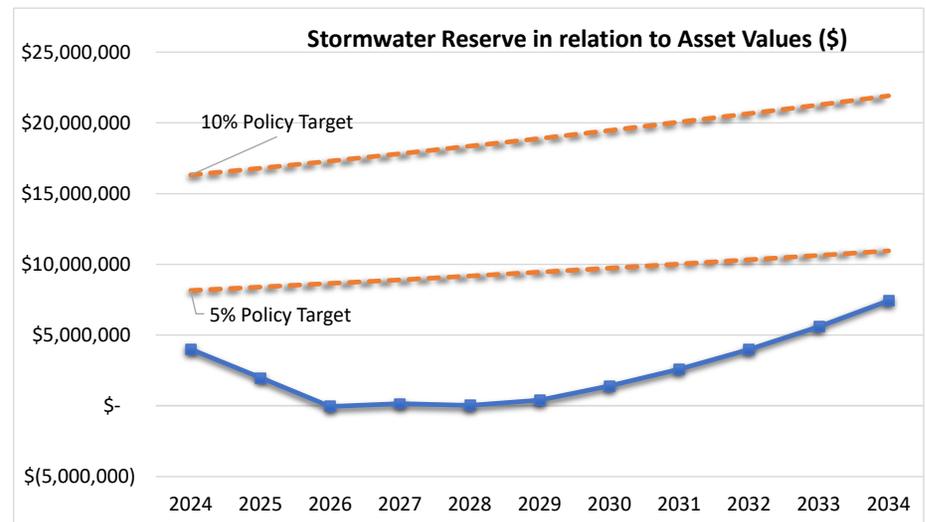
The following graph provides the annual contributions to the Stormwater Capital Reserve Fund.



As illustrated above the projected annual Stormwater Capital Reserve Fund contributions are projected to meet the target over the 15-year period.

Capital Reserve Fund Balance

The following graph shows the balance of the Stormwater capital reserve fund. As mentioned previously, the majority of capital replacement costs do not occur until 2043 and beyond. The capital reserve fund is projected to grow to meet these future requirements.

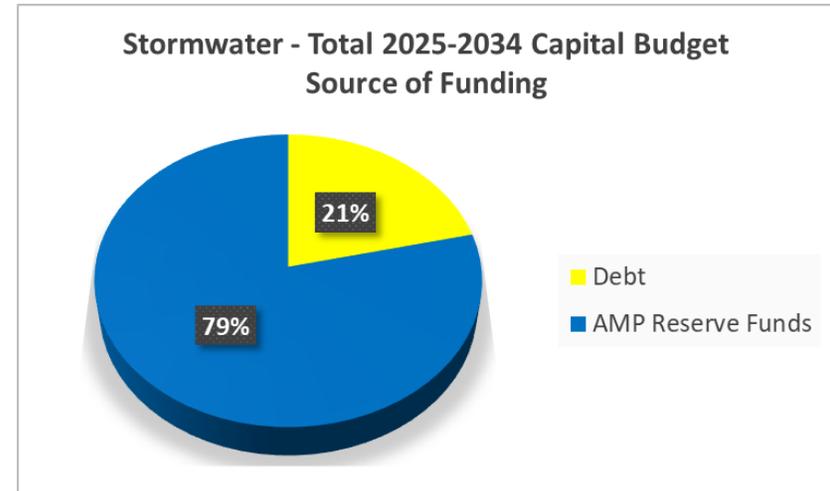


The policy target is 5% to 10% of the replacement costs of the assets as set out in the Municipality’s Reserve and Reserve Fund policy CPS-02-2024. The policy target is based on industry standards.

Summary of Stormwater Capital Budget Forecast

The following table summarizes the Capital Budget forecast for the next 10 years and the associated funding source. The 10-year capital plan, from 2025-2034 includes:

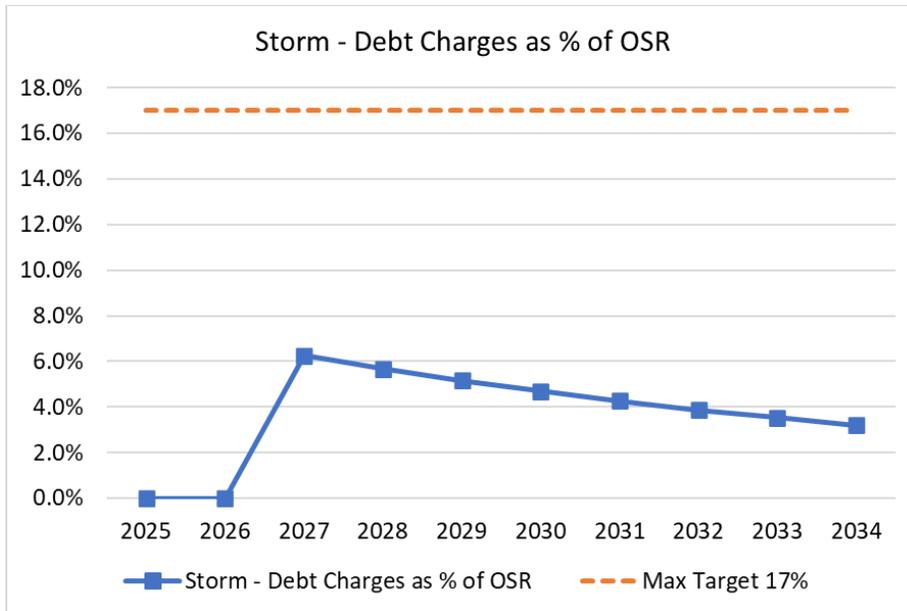
- \$4.4 million is forecast in capital requirements to be funded from the stormwater rates. This includes the issuance of debt of \$1.2 million.



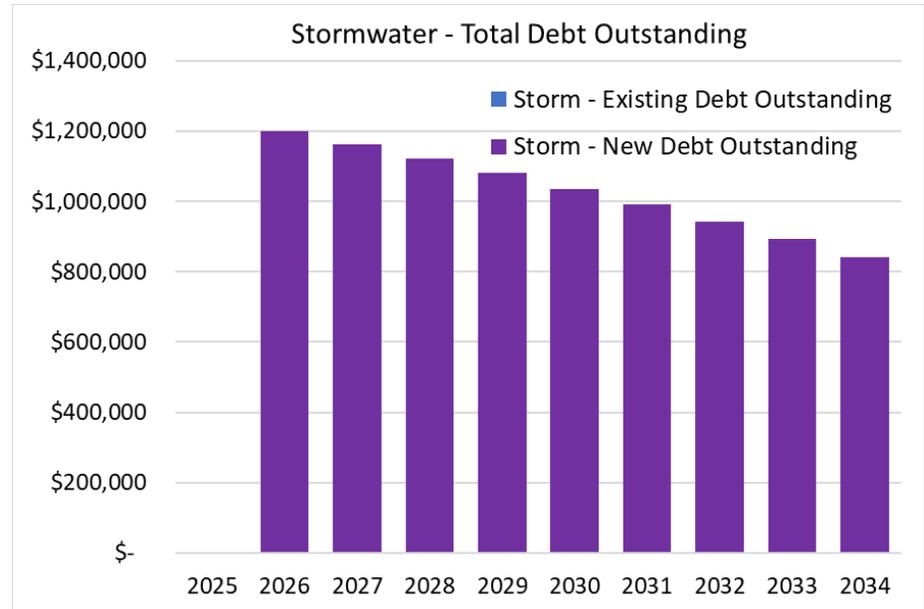
Stormwater Capital Budget	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total 2025-2034
Total Capital Requirements	\$ 2,600,000	\$ 2,620,000	\$ 400,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,620,875
Debt	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000
AMP Reserve Funds	\$ 2,600,000	\$ 1,420,000	\$ 400,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,420,875

Debt Forecast

The following graphs provide a summary of the debt charges as a percentage of own source revenues and the total debt outstanding for stormwater over the next 10 years.



Debt charges as a percentage of own source revenues peak in 2027 at 6.2%, well under the maximum target of 17%.



New debt outstanding is required for funding capital projects.

Water, Wastewater and Stormwater Rates & Customer Impact

Water Rates Schedule

Water	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Total Fixed Monthly Water Charge	\$ 24.72	\$ 25.64	\$ 26.63	\$ 27.68	\$ 28.78	\$ 29.93	\$ 31.14	\$ 32.41	\$ 33.75	\$ 35.15	
Water Usage Charge (Volumetric) 0-8 m ³	no additional charge										
Water Usage Charge (Volumetric) 8+ m ³	\$ 3.0900	\$ 3.2051	\$ 3.3293	\$ 3.4598	\$ 3.5970	\$ 3.7411	\$ 3.8925	\$ 4.0516	\$ 4.2187	\$ 4.3942	
Water Infrastructure Lifecycle Reserve Fund Charge based on Meter Size - Monthly	5/8"	\$ 18.54	\$ 19.23	\$ 19.98	\$ 20.76	\$ 21.58	\$ 22.45	\$ 23.36	\$ 24.31	\$ 25.31	\$ 26.37
	3/4"	\$ 27.82	\$ 28.85	\$ 29.96	\$ 31.14	\$ 32.37	\$ 33.67	\$ 35.03	\$ 36.46	\$ 37.97	\$ 39.55
	1"	\$ 46.36	\$ 48.08	\$ 49.94	\$ 51.90	\$ 53.95	\$ 56.12	\$ 58.39	\$ 60.77	\$ 63.28	\$ 65.91
	1.5"	\$ 82.72	\$ 96.15	\$ 99.88	\$ 103.79	\$ 107.91	\$ 112.23	\$ 116.78	\$ 121.55	\$ 126.56	\$ 131.83
	2"	\$ 148.35	\$ 153.84	\$ 159.80	\$ 166.07	\$ 172.66	\$ 179.57	\$ 186.84	\$ 194.48	\$ 202.50	\$ 210.92
	4"	\$ 556.31	\$ 576.91	\$ 599.27	\$ 622.76	\$ 647.46	\$ 673.40	\$ 700.66	\$ 729.29	\$ 759.37	\$ 790.96
Total Fixed Monthly Water Charge % charge	2.0%	3.7%	3.9%	3.9%	4.0%	4.0%	4.0%	4.1%	4.1%	4.2%	
Water Usage Charge (Volumetric) 8+ m ³ % charge	2.0%	3.7%	3.9%	3.9%	4.0%	4.0%	4.0%	4.1%	4.1%	4.2%	
Infrastructure Water Charge % charge	2.0%	3.7%	3.9%	3.9%	4.0%	4.0%	4.0%	4.1%	4.1%	4.2%	

Wastewater Rates Schedule

Wastewater	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Total Fixed Monthly WW Charge	\$ 33.60	\$ 35.67	\$ 37.91	\$ 40.34	\$ 42.95	\$ 45.75	\$ 48.74	\$ 51.95	\$ 55.40	\$ 59.09	
WW Usage Charge (Volumetric) 0-8 m ³	no additional charge										
WW Usage Charge (Volumetric) 8+ m ³	\$ 4.2000	\$ 4.4590	\$ 4.7388	\$ 5.0430	\$ 5.3690	\$ 5.7183	\$ 6.0928	\$ 6.4942	\$ 6.9245	\$ 7.3860	
WW Infrastructure Lifecycle Reserve Fund Charge based on Meter Size - Monthly	5/8"	\$ 19.88	\$ 21.11	\$ 22.43	\$ 23.87	\$ 25.41	\$ 27.07	\$ 28.84	\$ 30.74	\$ 32.78	\$ 34.96
	3/4"	\$ 29.82	\$ 31.66	\$ 33.65	\$ 35.81	\$ 38.12	\$ 40.60	\$ 43.26	\$ 46.11	\$ 49.16	\$ 52.44
	1"	\$ 49.70	\$ 52.77	\$ 56.08	\$ 59.68	\$ 63.53	\$ 67.67	\$ 72.10	\$ 76.85	\$ 81.94	\$ 87.40
	1.5"	\$ 99.36	\$ 105.53	\$ 112.15	\$ 119.35	\$ 127.07	\$ 135.33	\$ 144.20	\$ 153.70	\$ 163.88	\$ 174.80
	2"	\$ 159.00	\$ 168.85	\$ 179.44	\$ 190.96	\$ 203.30	\$ 216.53	\$ 230.71	\$ 245.91	\$ 262.21	\$ 279.68
	4"	\$ 596.20	\$ 633.18	\$ 672.91	\$ 716.11	\$ 762.39	\$ 812.00	\$ 865.18	\$ 922.18	\$ 983.29	\$ 1,048.81
Total Fixed Monthly WW Charge % charge	4.0%	6.2%	6.3%	6.4%	6.5%	6.5%	6.5%	6.6%	6.6%	6.7%	
WW Usage Charge (Volumetric) 8+ m ³ % charge	4.0%	6.2%	6.3%	6.4%	6.5%	6.5%	6.5%	6.6%	6.6%	6.7%	
Infrastructure WW Charge % charge	4.0%	6.2%	6.3%	6.4%	6.5%	6.5%	6.5%	6.6%	6.6%	6.7%	

Stormwater Rates Schedule

Stormwater	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
All properties - base monthly	\$ 17.05	\$ 18.13	\$ 19.29	\$ 20.53	\$ 21.85	\$ 23.27	\$ 24.78	\$ 26.40	\$ 28.13	\$ 29.98
ICI properties - additional rate for greater than 0.4 ha - per hectare	\$ 48.32	\$ 51.38	\$ 54.66	\$ 58.17	\$ 61.93	\$ 65.96	\$ 70.26	\$ 74.85	\$ 79.75	\$ 85.00
All properties - base monthly % change	3.0%	6.3%	6.4%	6.4%	6.4%	6.5%	6.5%	6.5%	6.6%	6.6%
ICI properties - additional rate for greater than 0.4 ha - per hectare % change	3.0%	6.3%	6.4%	6.4%	6.5%	6.5%	6.5%	6.5%	6.5%	6.6%

Residential Impact

180 m ³ residential impact - 5/8"								
Annual Cost of service								
Year					% Increase From Prior Year	\$ Increase From Prior Year	Monthly \$ Increase From Prior Year	
	Water	WW	Storm	Total				
2025	\$ 779	\$ 995	\$ 205	\$ 1,978				
2026	\$ 808	\$ 1,056	\$ 218	\$ 2,081	5.2%	\$ 103.29	\$	8.61
2027	\$ 839	\$ 1,122	\$ 231	\$ 2,193	5.4%	\$ 111.47	\$	9.29
2028	\$ 872	\$ 1,194	\$ 246	\$ 2,312	5.5%	\$ 119.81	\$	9.98
2029	\$ 906	\$ 1,271	\$ 262	\$ 2,440	5.5%	\$ 127.60	\$	10.63
2030	\$ 943	\$ 1,354	\$ 279	\$ 2,576	5.6%	\$ 136.09	\$	11.34
2031	\$ 981	\$ 1,443	\$ 297	\$ 2,721	5.7%	\$ 144.95	\$	12.08
2032	\$ 1,021	\$ 1,538	\$ 317	\$ 2,876	5.7%	\$ 154.58	\$	12.88
2033	\$ 1,063	\$ 1,640	\$ 338	\$ 3,040	5.8%	\$ 164.77	\$	13.73
2034	\$ 1,107	\$ 1,749	\$ 360	\$ 3,216	5.8%	\$ 175.69	\$	14.64

Assumptions:

- 180 m³ per year for a residential 5/8" customer

Water, Wastewater and Stormwater – Scenarios Comparison

Residential Impact—Scenarios Comparison

Water/WW/Storm - 180 m3 residential impact - 5/8"	Scenario 1 - 10 years	Scenario 2 - 15 years	Scenario 3 - 20 years	Scenario 4 - 15 years - NO DEBT
2025	0.0%	0.0%	0.0%	0.0%
2026	7.8%	5.3%	4.4%	5.9%
2027	8.0%	5.4%	4.6%	6.1%
2028	8.1%	5.5%	4.6%	6.1%
2029	8.2%	5.5%	4.7%	6.2%
2030	8.3%	5.6%	4.7%	6.3%
2031	8.4%	5.7%	4.8%	6.3%
2032	8.6%	5.7%	4.8%	6.3%
2033	8.6%	5.8%	4.8%	6.4%
2034	8.7%	5.8%	4.9%	6.4%

Two additional scenarios were developed to showcase closing the infrastructure gaps in Water, Wastewater and Stormwater for 10-year and 20-year plans.

As shown above, the 10-year scenario average yearly residential impact is approximately 8.3%, while 20-year scenario's impact is 4.7%. Also, a separate 15-year scenario was developed where no debt in each water, wastewater and stormwater.

Note that additional debt is required in the 20-year scenario for Stormwater.

Summary

Summary

- *Ensure reasonable degree of stability and predictability in the rate burden*
 - *Smoothed ratepayer impact (blended yearly impact of 5.6%)*
- *A fair sharing in the distribution of resources between current and future ratepayers;*
 - *Debt financed growth-related projects (not recoverable from development charges) to support inter-generational equity*
- *Maintain programs and services at their desired levels*
 - *Inflationary increases, with no new staff required*
- *Balance increased capital investment with affordability*
 - *Used debt to keep rates affordable*
 - *Established a 15-year phase-in plan to meet asset management targets*

Reporting Requirements

O.Reg. 453/07

Introduction—O.Reg. 453/07

The Financial plans have been prepared in accordance with the regulation (O.Reg. 453/07) made under the *Safe Drinking Water Act*. The Financial plan regulation requires that the plans be updated every five years along with the request for the renewal of the drinking water licence. Middlesex Centre's current licence expires on February 3 2027, and the financial plans extend through to the year 2034 which satisfies the regulatory requirement for long-term financial sustainability of the drinking water system. This ongoing update will assist in revisiting the assumptions made to develop the operating and funding plans as well as reassessing the needs for capital renewal and major maintenance expenses.

Statement of Financial Operations - This statement summarizes the revenues and expenditures. The expenditures include ongoing operating costs plus asset amortization. This statement indicates that the system and its asset base are projected to be maintained with funds being available each year for future capital renewal or major maintenance. As shown in the statements of financial operations, the Municipality is generating excess revenues over expenses including amortization for water only, however not wastewater throughout the forecast period.

Cash Receipts or Gross Cash Payments (Cash Flows) - The cash flow statement summarizes how the water and wastewater system is expected to generate and utilize cash resources. The transactions that generate and use cash include the projection of cash to be received from revenues, cash to be used for operating expenditures and financing charges, cash projected to be used to acquire capital assets and projected financial transactions that are the proceeds from debt or debt principal repayment. Cash balances are positive by 2024 forecast period, as reflected in the Financial Statements.

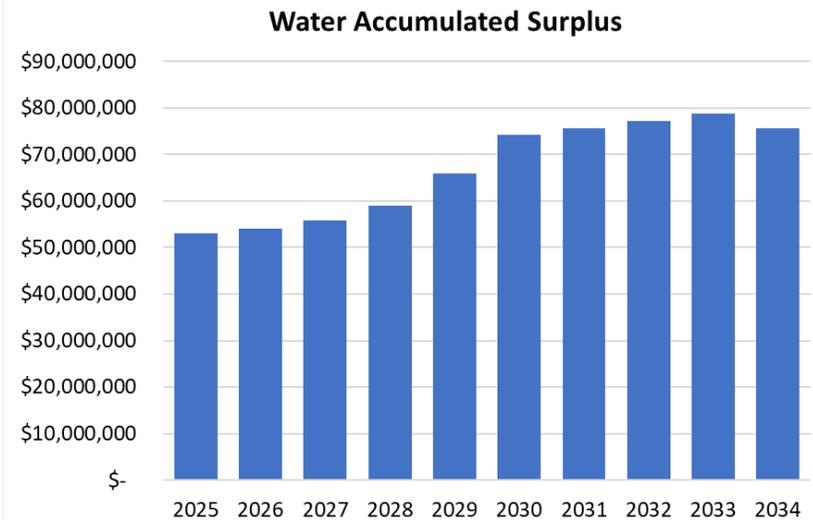
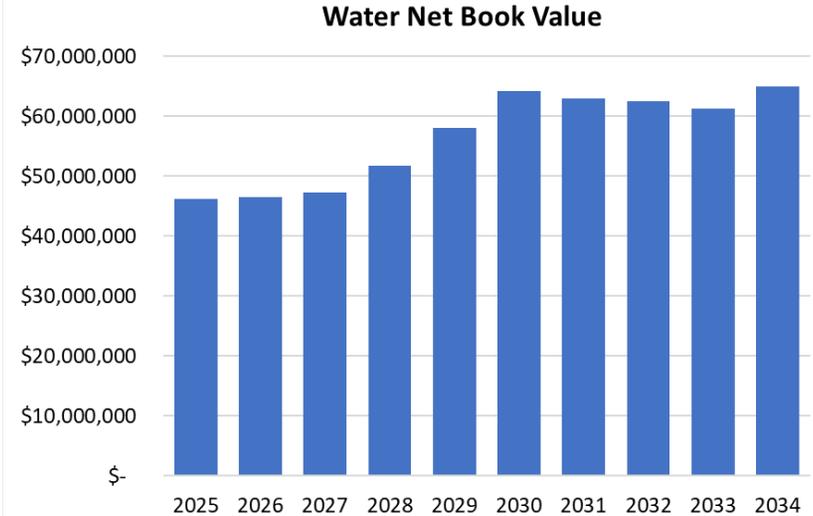
Financial Position - There are two important indicators to review in the Statement of Financial Position described as follows:

- Tangible Capital Assets
- Accumulated Surplus

Water Statements

Tangible Capital Assets (Net Book Value) - An increase in net book value of tangible capital assets is an indication that assets have been renewed faster than they were used. A decrease in net book value indicates that assets are being used, or amortized, faster than they are renewed.

Accumulated Surplus—A second financial indicator which is reflected in the financial position statement is the accumulated surplus. This indicator represents cash on hand plus the net book value of tangible capital assets less debt. The accumulated surplus is forecast to increase from 2026 to 2034 for water. The increasing projected surpluses in water operations indicate that if the Municipality adheres to the financial plan, it will strengthen its combined cash and asset position.



Statement of Financial Operations—Water

	Budget	Projected									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Revenues											
User Fees Revenues	\$ 3,905,698	\$ 4,143,946	\$ 4,396,726	\$ 4,664,927	\$ 4,949,487	\$ 5,251,406	\$ 5,571,742	\$ 5,911,618	\$ 6,272,226	\$ 6,654,832	
Transfer from Development Charges	\$ 147,523	\$ 136,217	\$ 132,042	\$ 127,913	\$ 123,693	\$ 119,518	\$ 115,344	\$ -	\$ -	\$ -	
Other Revenues	\$ 557,915	\$ 7,196	\$ 7,453	\$ 7,720	\$ 7,997	\$ 8,284	\$ 8,581	\$ 8,889	\$ 9,208	\$ 9,539	
Interest Earnings	\$ 197,284	\$ 163,626	\$ 130,029	\$ 103,143	\$ 120,235	\$ 136,889	\$ 153,703	\$ 175,603	\$ 193,810	\$ 221,621	
Total revenues	\$ 4,808,420	\$ 4,450,985	\$ 4,666,251	\$ 4,903,703	\$ 5,201,412	\$ 5,516,096	\$ 5,849,369	\$ 6,096,110	\$ 6,475,245	\$ 6,885,992	
Operating Expenses											
Wages & Benefits	\$ 559,275	\$ 591,154	\$ 624,849	\$ 660,466	\$ 698,112	\$ 737,905	\$ 779,965	\$ 824,423	\$ 871,416	\$ 921,086	
Materials & Supplies	\$ 768,713	\$ 792,875	\$ 817,884	\$ 843,777	\$ 870,596	\$ 898,385	\$ 927,192	\$ 957,067	\$ 988,065	\$ 1,020,245	
Repairs, Maintenance & Equipment Rental	\$ 355,637	\$ 366,306	\$ 377,295	\$ 388,614	\$ 400,273	\$ 412,281	\$ 424,649	\$ 437,389	\$ 450,510	\$ 464,026	
Utilities	\$ 335,466	\$ 348,885	\$ 362,840	\$ 377,354	\$ 392,448	\$ 408,146	\$ 424,472	\$ 441,450	\$ 459,108	\$ 477,473	
Subcontracted Services	\$ 107,500	\$ 112,875	\$ 118,519	\$ 124,445	\$ 130,667	\$ 137,200	\$ 144,060	\$ 151,263	\$ 158,826	\$ 166,768	
Other Expenses	\$ 220,557	\$ 232,300	\$ 244,912	\$ 258,469	\$ 273,057	\$ 288,767	\$ 305,702	\$ 323,972	\$ 343,700	\$ 365,020	
Total Operating expenses	\$ 2,347,148	\$ 2,444,395	\$ 2,546,299	\$ 2,653,125	\$ 2,765,153	\$ 2,882,684	\$ 3,006,040	\$ 3,135,565	\$ 3,271,626	\$ 3,414,617	
Debt Charges											
Debt Charges - Interest Expenses	\$ 56,340	\$ 47,991	\$ 40,992	\$ 68,529	\$ 206,010	\$ 254,796	\$ 238,240	\$ 223,418	\$ 214,456	\$ 205,090	
Amortization Expense											
Amortization of tangible capital assets	\$ 942,167	\$ 957,992	\$ 980,959	\$ 1,054,088	\$ 1,154,203	\$ 1,253,609	\$ 1,253,609	\$ 1,263,172	\$ 1,263,172	\$ 1,330,390	
Total Expenses	\$ 3,345,656	\$ 3,450,378	\$ 3,568,250	\$ 3,775,741	\$ 4,125,366	\$ 4,391,089	\$ 4,497,889	\$ 4,622,155	\$ 4,749,254	\$ 4,950,097	
Annual Surplus/Deficit	\$ 1,462,765	\$ 1,000,607	\$ 1,098,001	\$ 1,127,962	\$ 1,076,046	\$ 1,125,008	\$ 1,351,480	\$ 1,473,955	\$ 1,725,991	\$ 1,935,895	

Statement of Cash Flow/Cash Receipts—Water

	Budget	Projected								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Revenues	\$ 4,808,420	\$ 4,450,985	\$ 4,666,251	\$ 4,903,703	\$ 5,201,412	\$ 5,516,096	\$ 5,849,369	\$ 6,096,110	\$ 6,475,245	\$ 6,885,992
Cash Paid For										
Operating Costs	\$ 2,347,148	\$ 2,444,395	\$ 2,546,299	\$ 2,653,125	\$ 2,765,153	\$ 2,882,684	\$ 3,006,040	\$ 3,135,565	\$ 3,271,626	\$ 3,414,617
Debt Repayment - Debt Interest	\$ 56,340	\$ 47,991	\$ 40,992	\$ 68,529	\$ 206,010	\$ 254,796	\$ 238,240	\$ 223,418	\$ 214,456	\$ 205,090
Cash Provided from Operating Transactions	\$ 2,404,932	\$ 1,958,599	\$ 2,078,960	\$ 2,182,050	\$ 2,230,249	\$ 2,378,616	\$ 2,605,089	\$ 2,737,127	\$ 2,989,163	\$ 3,266,285
Capital Transactions										
Acquisition of TCA	\$ 1,890,543	\$ 1,276,843	\$ 1,722,532	\$ 5,484,675	\$ 7,508,650	\$ 7,455,396	\$ -	\$ 717,250	\$ -	\$ 14,072,319
Finance Transactions										
Proceeds from Grants and Subsidies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Debenture	\$ -	\$ 30,000	\$ 796,392	\$ 3,269,092	\$ 1,401,460	\$ -	\$ -	\$ -	\$ -	\$ 10,205,400
Proceeds from DCs	\$ -	\$ -	\$ 718,258	\$ 1,993,558	\$ 5,898,540	\$ 7,165,000	\$ -	\$ -	\$ -	\$ 3,774,600
Debt Repayment - Principal Rates	\$ 224,442	\$ 224,442	\$ 225,399	\$ 250,828	\$ 356,221	\$ 406,824	\$ 415,031	\$ 199,165	\$ 208,128	\$ 217,494
Increase/(Decrease) in Cash Equivalents	\$ 289,946	\$ 487,313	\$ 1,645,680	\$ 1,709,197	\$ 1,665,379	\$ 1,681,396	\$ 2,190,057	\$ 1,820,711	\$ 2,781,035	\$ 2,956,473
Cash and Cash Equivalents at Beginning Balance	\$ 7,891,365	\$ 8,181,312	\$ 8,668,625	\$ 10,314,305	\$ 12,023,502	\$ 13,688,880	\$ 15,370,276	\$ 17,560,334	\$ 19,381,045	\$ 22,162,080
Cash and Cash Equivalents at Ending Balance	\$ 8,181,311	\$ 8,668,625	\$ 10,314,305	\$ 12,023,502	\$ 13,688,880	\$ 15,370,276	\$ 17,560,334	\$ 19,381,045	\$ 22,162,080	\$ 25,118,553

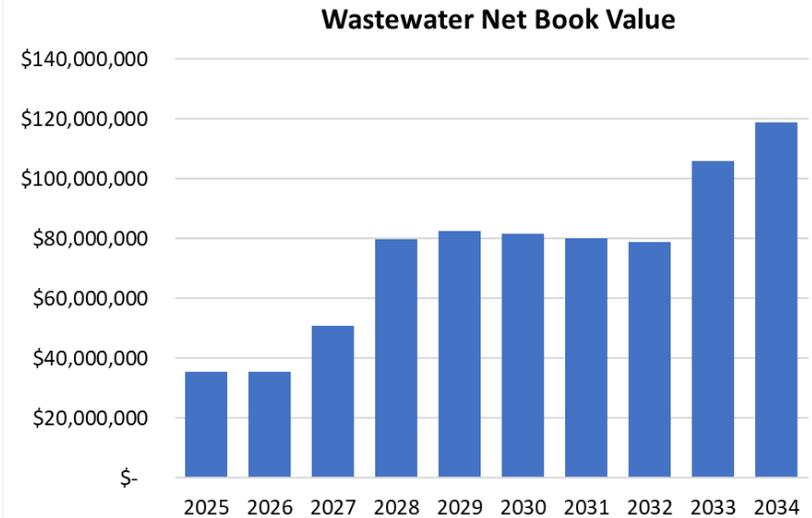
Statement of Financial Position—Water

	Budget	Projected									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Financial Assets											
Cash	\$ 8,181,311	\$ 8,668,625	\$ 10,314,305	\$ 12,023,502	\$ 13,688,880	\$ 15,370,276	\$ 17,560,334	\$ 19,381,045	\$ 22,162,080	\$ 25,118,553	
Liabilities											
Debt - Principal Outstanding	\$ 1,346,654	\$ 1,152,212	\$ 1,723,205	\$ 4,741,470	\$ 5,786,709	\$ 5,379,884	\$ 4,964,853	\$ 4,765,688	\$ 4,557,560	\$ 14,545,466	
Net Financial Assets	\$ 6,834,657	\$ 7,516,413	\$ 8,591,100	\$ 7,282,032	\$ 7,902,172	\$ 9,990,392	\$ 12,595,481	\$ 14,615,357	\$ 17,604,520	\$ 10,573,087	
Non-Financial Assets											
Tangible Capital Assets	\$ 60,720,624	\$ 62,611,167	\$ 63,888,010	\$ 65,610,542	\$ 71,095,217	\$ 78,603,867	\$ 86,059,263	\$ 86,059,263	\$ 86,776,513	\$ 86,776,513	
Additions to Tangible Capital Assets	\$ 1,890,543	\$ 1,276,843	\$ 1,722,532	\$ 5,484,675	\$ 7,508,650	\$ 7,455,396	\$ -	\$ 717,250	\$ -	\$ 5,041,374	
Accumulated Amortization	\$ 16,372,140	\$ 17,330,132	\$ 18,311,091	\$ 19,365,179	\$ 20,519,382	\$ 21,772,991	\$ 23,026,599	\$ 24,289,771	\$ 25,552,943	\$ 26,883,333	
Total Non-Financial Assets	\$ 46,239,027	\$ 46,557,878	\$ 47,299,451	\$ 51,730,038	\$ 58,084,485	\$ 64,286,272	\$ 63,032,664	\$ 62,486,742	\$ 61,223,570	\$ 64,934,554	
Accumulated Surplus	\$ 53,073,684	\$ 54,074,291	\$ 55,890,551	\$ 59,012,071	\$ 65,986,657	\$ 74,276,664	\$ 75,628,144	\$ 77,102,099	\$ 78,828,091	\$ 75,507,640	
Cash as a % of Non-Financial Assets	17.7%	18.6%	21.8%	23.2%	23.6%	23.9%	27.9%	31.0%	36.2%	38.7%	
Debt as a % of Non-Financial Assets	2.9%	2.5%	3.6%	9.2%	10.0%	8.4%	7.9%	7.6%	7.4%	22.4%	

Wastewater Statements

Tangible Capital Assets (Net Book Value) - An increase in net book value of tangible capital assets is an indication that assets have been renewed faster than they were used. A decrease in net book value indicates that assets are being used, or amortized, faster than they are renewed. The net book value is projected to increase for wastewater indicating that assets are being renewed faster than they are being used.

Accumulated Surplus—A second financial indicator which is reflected in the financial position statement is the accumulated surplus. This indicator represents cash on hand plus the net book value of tangible capital assets less debt. The accumulated surplus is forecast to increase from 2026 to 2034 for wastewater. The increasing projected surpluses in wastewater operations indicate that if the Municipality adheres to the financial plan, it will strengthen its combined cash and asset position.



Statement of Financial Operations—Wastewater

	Budget	Projected									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Revenues											
User Fees Revenues	\$ 3,768,160	\$ 4,094,106	\$ 4,444,153	\$ 4,828,572	\$ 5,246,244	\$ 5,700,044	\$ 6,193,097	\$ 6,728,800	\$ 7,310,842	\$ 7,943,229	
Transfer from Development Charges	\$ 565,219	\$ 403,169	\$ 394,403	\$ 385,877	\$ 376,870	\$ 368,104	\$ 359,338	\$ 350,716	\$ 341,806	\$ 333,039	
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Interest Earnings	\$ 267,561	\$ 237,512	\$ 200,872	\$ 151,536	\$ 168,885	\$ 185,656	\$ 199,519	\$ 223,900	\$ 249,850	\$ 273,044	
Total revenues	\$ 4,600,940	\$ 4,734,787	\$ 5,039,428	\$ 5,365,984	\$ 5,791,999	\$ 6,253,804	\$ 6,751,955	\$ 7,303,416	\$ 7,902,497	\$ 8,549,312	
Operating Expenses											
Wages & Benefits	\$ 559,276	\$ 591,155	\$ 624,851	\$ 660,467	\$ 698,114	\$ 737,906	\$ 779,967	\$ 824,425	\$ 871,417	\$ 921,088	
Materials & Supplies	\$ 83,001	\$ 86,615	\$ 90,461	\$ 94,560	\$ 98,934	\$ 103,609	\$ 108,611	\$ 113,972	\$ 119,725	\$ 125,907	
Repairs, Maintenance & Equipment Rental	\$ 436,179	\$ 449,264	\$ 462,742	\$ 476,625	\$ 490,923	\$ 505,651	\$ 520,821	\$ 536,445	\$ 552,539	\$ 569,115	
Utilities	\$ 361,774	\$ 376,245	\$ 391,295	\$ 406,947	\$ 423,224	\$ 440,153	\$ 457,760	\$ 476,070	\$ 495,113	\$ 514,917	
Subcontracted Services	\$ 249,540	\$ 262,017	\$ 275,118	\$ 288,874	\$ 303,317	\$ 318,483	\$ 334,407	\$ 351,128	\$ 368,684	\$ 387,118	
Other Expenses	\$ 443,083	\$ 447,610	\$ 472,970	\$ 500,111	\$ 529,175	\$ 560,317	\$ 593,704	\$ 629,519	\$ 667,959	\$ 709,239	
Total Operating expenses	\$ 2,132,853	\$ 2,212,906	\$ 2,317,436	\$ 2,427,583	\$ 2,543,688	\$ 2,666,120	\$ 2,795,270	\$ 2,931,559	\$ 3,075,436	\$ 3,227,384	
Debt Charges											
Debt Charges - Interest Expenses	\$ 192,159	\$ 177,454	\$ 183,357	\$ 397,398	\$ 604,651	\$ 573,868	\$ 542,277	\$ 510,047	\$ 476,522	\$ 779,631	
Amortization Expense											
Amortization of tangible capital assets	\$ 1,014,166	\$ 1,031,241	\$ 1,251,675	\$ 1,658,462	\$ 1,718,577	\$ 1,729,929	\$ 1,732,345	\$ 1,738,368	\$ 2,128,505	\$ 2,331,378	
Total Expenses	\$ 3,339,178	\$ 3,421,600	\$ 3,752,469	\$ 4,483,443	\$ 4,866,916	\$ 4,969,917	\$ 5,069,892	\$ 5,179,973	\$ 5,680,463	\$ 6,338,394	
Annual Surplus/Deficit	\$ 1,261,762	\$ 1,313,187	\$ 1,286,959	\$ 882,542	\$ 925,082	\$ 1,283,887	\$ 1,682,063	\$ 2,123,443	\$ 2,222,034	\$ 2,210,919	

Statement of Cash Flow/Cash Receipts—Wastewater

	Budget	Projected								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Revenues	\$ 4,600,940	\$ 4,734,787	\$ 5,039,428	\$ 5,365,984	\$ 5,791,999	\$ 6,253,804	\$ 6,751,955	\$ 7,303,416	\$ 7,902,497	\$ 8,549,312
Cash Paid For										
Operating Costs	\$ 2,132,853	\$ 2,212,906	\$ 2,317,436	\$ 2,427,583	\$ 2,543,688	\$ 2,666,120	\$ 2,795,270	\$ 2,931,559	\$ 3,075,436	\$ 3,227,384
Debt Repayment - Debt Interest	\$ 192,159	\$ 177,454	\$ 183,357	\$ 397,398	\$ 604,651	\$ 573,868	\$ 542,277	\$ 510,047	\$ 476,522	\$ 779,631
Cash Provided from Operating Transactions	\$ 2,275,928	\$ 2,344,427	\$ 2,538,634	\$ 2,541,004	\$ 2,643,659	\$ 3,013,816	\$ 3,414,408	\$ 3,861,811	\$ 4,350,539	\$ 4,542,297
Capital Transactions										
Acquisition of TCA	\$ 653,215	\$ 1,280,648	\$ 16,532,568	\$ 30,509,002	\$ 4,508,650	\$ 851,391	\$ 181,184	\$ 451,712	\$ 29,260,308	\$ 55,276
Finance Transactions										
Proceeds from Grants and Subsidies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Debenture	\$ -	\$ 459,916	\$ 5,094,245	\$ 5,123,794	\$ -	\$ -	\$ -	\$ -	\$ 7,496,640	\$ -
Proceeds from DCs	\$ -	\$ 393,889	\$ 11,080,441	\$ 25,163,183	\$ 4,300,000	\$ -	\$ -	\$ -	\$ 20,568,360	\$ -
Debt Repayment - Principal Rates	\$ 399,550	\$ 401,732	\$ 418,662	\$ 584,067	\$ 757,846	\$ 776,105	\$ 795,173	\$ 815,087	\$ 835,882	\$ 1,096,563
Increase/(Decrease) in Cash Equivalents	\$ 1,223,163	\$ 1,515,852	\$ 1,762,090	\$ 1,734,911	\$ 1,677,164	\$ 1,386,320	\$ 2,438,051	\$ 2,595,013	\$ 2,319,349	\$ 3,390,459
Cash and Cash Equivalents at Beginning Balance	\$ 10,702,447	\$ 11,875,610	\$ 13,391,462	\$ 15,153,552	\$ 16,888,463	\$ 18,565,627	\$ 19,951,946	\$ 22,389,997	\$ 24,985,010	\$ 27,304,359
Cash and Cash Equivalents at Ending Balance	\$ 11,925,610	\$ 13,391,462	\$ 15,153,552	\$ 16,888,463	\$ 18,565,627	\$ 19,951,946	\$ 22,389,997	\$ 24,985,010	\$ 27,304,359	\$ 30,694,818

Statement of Financial Position—Wastewater

	Budget	Projected								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Financial Assets										
Cash	\$ 11,925,610	\$ 13,391,462	\$ 15,153,552	\$ 16,888,463	\$ 18,565,627	\$ 19,951,946	\$ 22,389,997	\$ 24,985,010	\$ 27,304,359	\$ 30,694,818
Liabilities										
Debt - Principal Outstanding	\$ 4,912,867	\$ 4,971,050	\$ 9,646,633	\$ 14,186,360	\$ 13,428,514	\$ 12,652,409	\$ 11,857,235	\$ 11,042,149	\$ 17,702,907	\$ 16,606,344
Net Financial Assets	\$ 7,012,743	\$ 8,420,412	\$ 5,506,919	\$ 2,702,103	\$ 5,137,113	\$ 7,299,538	\$ 10,532,762	\$ 13,942,861	\$ 9,601,452	\$ 14,088,474
Non-Financial Assets										
Tangible Capital Assets	\$ 51,083,840	\$ 51,737,055	\$ 53,017,703	\$ 69,550,271	\$100,059,273	\$104,567,923	\$105,419,314	\$105,600,498	\$106,052,209	\$135,312,517
Additions to Tangible Capital Assets	\$ 653,215	\$ 1,280,648	\$ 16,532,568	\$ 30,509,002	\$ 4,508,650	\$ 851,391	\$ 181,184	\$ 451,712	\$ 29,260,308	\$ 15,215,485
Accumulated Amortization	\$ 16,334,170	\$ 17,365,410	\$ 18,617,085	\$ 20,275,547	\$ 21,994,124	\$ 23,724,053	\$ 25,456,398	\$ 27,194,766	\$ 29,323,271	\$ 31,654,649
Total Non-Financial Assets	\$ 35,402,885	\$ 35,652,293	\$ 50,933,186	\$ 79,783,726	\$ 82,573,799	\$ 81,695,261	\$ 80,144,100	\$ 78,857,444	\$105,989,247	\$118,873,354
Accumulated Surplus	\$ 42,415,629	\$ 44,072,705	\$ 56,440,104	\$ 82,485,829	\$ 87,710,911	\$ 88,994,798	\$ 90,676,862	\$ 92,800,305	\$115,590,699	\$132,961,827
Cash as a % of Non-Financial Assets	33.7%	37.6%	29.8%	21.2%	22.5%	24.4%	27.9%	31.7%	25.8%	25.8%
Debt as a % of Non-Financial Assets	13.9%	13.9%	18.9%	17.8%	16.3%	15.5%	14.8%	14.0%	16.7%	14.0%