

# **WATER FINANCIAL PLAN**

**City of Belleville**

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**May 2015**

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## **I INTRODUCTION**

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This City of Belleville Water Financial Plan is presented as one of the submission requirements necessary to renew a municipal drinking water license under the *Safe Drinking Water Act, 2002 (SDWA)*.

Financial Plans are defined in section 30(1) of the *SDWA* as follows:

- (a) Financial plans that satisfy the requirements of subsection (2), but only if,
  - (i) Bill 175 (Sustainable Water and Sewage Systems Act, 2002) receives Royal Assent, and
  - (ii) Sections 3 and 9 of Bill 175 (Sustainable Water and Sewage Systems Act, 2002) are in force, or
- (b) Financial plans that satisfy the requirements prescribed by the Minister, in any other case, 2002, c. 32, s. 30(1).

At this time, Bill 175 (Sustainable Water and Sewage Systems Act, 2002) as noted above, is not in force however, the specific requirements of s.30 (1) part b are outlined in O.Reg. 453/07.

The *SDWA* and *O. Reg. 453/07* includes the following general requirements for a financial plan:

- mandatory for all municipal water systems and recommended for wastewater systems;
- include a planning horizon of at least six years (commencing when the system first serves the public, for new systems);
- completed and approved by the application date for license renewal
- may be amended and additional information may be included beyond what is prescribed, as necessary;
- be approved by Council resolution indicating that the drinking water system is financially viable.

In late 2009, Hemson completed a water rate study for the City of Belleville, including a full cost recovery model. The detailed analysis completed in the rate setting exercise formed the basis for the rate approach currently utilized by the water and wastewater utilities. Section II provides a summary of the pertinent information regarding the water rate approach.

To satisfy the financial requirements of section 30(1), the following specific statements and summary have been provided in Section III:

- **Statement of Operations**
- **Statement of Financial Position**
- **Statement of Cash Flow**
- **Statement of Net Financial Assets/Debt**
- **Summary of Tangible Capital Assets**

Section IV includes the Notes and Assumptions to the Financial Plan. As the City does not maintain all financial information separately for water services, assumption used in the preparation of the statements are included in this section.

## **II SUMMARY OF CURRENT RATE APPROACH**

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In 2009 Hemson Consulting was retained by the City of Belleville to prepare a report on water rates, a capital replacement schedule and the implementation of a full cost recovery water rates which included the reports required under the *Sustainable Water and Sewage Systems Act*.

The Full Cost of Services Report provided an inventory and asset management plan, ensuring the integrity of the water infrastructure and addressed the full cost of providing water services, including provisions for the periodic rehabilitation and eventual replacement of the water infrastructure.

The Cost Recovery Plan consisted of a revenue plan, identifying the revenue requirements to finance the system and also included the development of water rates which will fund the expansion, upgrading, rehabilitation, replacement, operation and maintenance of the water systems. Financing, administrative and all other relevant costs related to providing the services were also included.

The current water and wastewater structure is based on the analysis and recommendations found in these reports. The asset inventory was further refined as the city completed its Asset Management Plan in June 2014. This plan included an updated Financial Model for both Water and Wastewater assets which has been considered in the development of current rate and financial projections.

### **A. RATE APPROACH**

The first step in a rate setting study is to establish a customer and anticipated water consumption forecast for the study period. For the City of Belleville, a conservative approach was undertaken which assumed no customer growth and constant consumption over the forecast period from 2015 to 2024.

In the next step, as part of the Asset Management Study in 2014, the City updated its inventory of water assets, including the expected useful life, and valuation costs. The remaining useful life of the assets was used to determine the asset replacements anticipated during the planning period. Growth related infrastructure needs are usually funded through development charges and direct developer contributions for local and internal servicing needs. The non-growth related costs will therefore require funding from the City, through the user rates.

The City’s current water rates, reserves and annual operating budgets were analyzed. Based on this analysis, the financial position of the City’s water system was reviewed and a strategy for the City to achieve full cost recovery for its water services was developed. The impact of implementing full cost recovery rates on City residents and businesses over time was analyzed and a mitigation strategy adopted.

**B. WATER RATES**

The City of Belleville’s water rates contains two components: a fixed rate; and a volumetric rate. The rate table below summarizes the fixed rate for a 5/8” meter, broken down between Fire and Water services.

<b>Proposed Fixed Monthly Charges – Water (per 5/8” meter)</b>										
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Fire Protection</b>	\$4.96	\$5.25	\$5.57	\$5.90	\$6.25	\$6.62	\$6.88	\$7.16	\$7.45	\$7.74
<b>Water Service</b>	\$20.85	\$22.09	\$23.40	\$24.80	\$26.27	\$27.84	\$28.95	\$30.11	\$31.31	\$32.56
<b>Total Charges</b>	\$25.81	\$27.34	\$28.97	\$30.70	\$32.52	\$34.46	\$35.83	\$37.27	\$38.76	\$40.30

The second component to the City’s water rate is the volumetric rate. These rates are based on the level of consumption used in a month. There are three tiers to the rates: less than 454 cubic metres; greater than 454 but not more than 22,727 cubic metres; and greater than 22,727 cubic metres. The table below summarizes the volumetric rates.

<b>Proposed Volumetric Charges – Water</b>										
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>First 454 m3</b>	\$1.56	\$1.64	\$1.73	\$1.84	\$1.95	\$2.06	\$2.14	\$2.23	\$2.30	\$2.40
<b>454 – 22,727 m3</b>	\$1.19	\$1.25	\$1.31	\$1.40	\$1.48	\$1.57	\$1.63	\$1.69	\$1.75	\$1.82
<b>22,727 + m3</b>	\$0.71	\$0.74	\$0.79	\$0.83	\$0.88	\$0.93	\$0.97	\$1.01	\$1.04	\$1.09

The City’s 2015 water rates and policies are set out in By-law 2009-209. Schedule B to the By-law as attached, sets out the rates for the all types of users.

### **III WATER FINANCIAL PLAN**

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This section summarizes the complete financial plan for the City's water system. The financial plan represents a forecast or projection of the City's future financial position. The statements included in this study are not audited documents and contain estimates and assumptions as described in section IV of this report.

#### **A. STATEMENT OF OPERATIONS – TABLE 1**

The Statement of Operations provides information on the revenues and expenses generated from the water system in each year. An annual surplus will be generated where annual revenues exceed annual expenses for the year. Conversely, where the expenses exceed the revenues, an annual deficit will result. The annual surplus is available to fund non-operating expenses such as the acquisition of tangible capital assets, principal payments on debt, and transfers to replenish or grow the reserves and reserve funds.

In 2015, the projected revenue is \$12.5 million with expenditures of \$8.5 million. As revenues exceed expenses, an annual surplus is projected of \$4.0 million before amortization. The beginning period accumulated surplus of \$88.9 million is equal to the opening reserve balances, plus tangible capital assets, and less any debt obligations and deferred revenue. The City's forecasted Statement of Operations indicates an annual surplus in each of the 10 years projected, with the accumulated surplus growing by approximately \$49 million. This supports the City's need to grow its reserves to pay for the repair and ultimate replacement of the City's tangible capital assets.

#### **B. STATEMENT OF FINANCIAL POSITION – TABLE 2**

The Statement of Financial Position provides information on the assets and liabilities of the City's water system. Net Financial Assets/(Debt) is the difference between assets and liabilities. A position of net financial assets occurs when assets are greater than liabilities. Conversely, net financial debt occurs when liabilities exceed their assets. A net financial assets position implies that the system has the financial resources required to fund its future operations. A net financial debt position indicates that future revenues will be required to pay for past transactions.

Based on the current Asset Management Plan, it is anticipated that the City will need to issue new debt periodically to support its capital requirements over the next ten years. In 2015, the total liabilities are approximately \$23.0 million which primarily consist of outstanding debt of \$20.9 million. The total financial assets in 2015 are \$21.0 million resulting in net financial debt of \$1.9

million. Overall, however, the net financial assets are expected to remain within the range of \$11.5 to \$22.0 million during the forecast period.

The Statement of Financial Position also provides information on the City's tangible capital assets. An increase in the tangible capital asset balance suggests that new assets have been acquired, and a decrease in the balance indicates the disposal, write down or use of assets.

**C. STATEMENT OF CASH FLOW – TABLE 3**

The Statement of Cash Flow provides information on the generation and use of cash resources in the following categories: operating; capital; investments; and financing activities. For 2015, the statement describes how the cash from operations (\$4.0 million) and financing transactions or new debt (\$10.2 million) will be used to fund prior and pending capital projects. The difference between the total cash generated and cash used, results in an increase or decrease in cash and cash equivalents. The beginning of period cash and cash equivalents is equal to the water reserves and reserve funds on hand at the start of the period. The City's cash position remains positive throughout the forecast period ranging from \$11.5 million in 2019 to \$22.0 million in 2024.

**D. STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/DEBT**

The Statement of Change in Net Financial Assets/Debt provides information on whether the revenue generated is sufficient to support operating and capital asset (TCA) costs. The statement also reconciles the difference between the annual surplus/deficit and the change in net financial assets/debt for the period. In 2015, the forecasted capital expenditures of \$6.2 million exceed the annual surplus (\$1.6 million) and amortization (\$2.3 million) resulting in a net debt position for the year. Over the ten year forecast period, the net change in net financial assets is an increase of \$.2 million.

**E. SUMMARY OF TANGIBLE CAPITAL ASSETS**

The Summary of Tangible Capital Assets outlines the anticipated asset acquisition and amortization expense for the forecast period. From 2015 to 2024, the investment in tangible capital assets will rise \$72.8 million or 53% and accumulated amortization will increase by \$27.9 million.



**Table 1**  
**City of Belleville**  
**Statement of Operations (000's)**  
**Water Services**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>REVENUE</b>										
<b>Water Sales</b>										
Metered	\$ 7,096	\$ 7,577	\$ 8,011	\$ 8,484	\$ 8,993	\$ 9,507	\$ 9,874	\$ 10,316	\$ 10,646	\$ 11,092
Bulk	388	437	470	500	533	567	603	630	662	686
	7,484	8,014	8,481	8,984	9,526	10,074	10,477	10,946	11,308	11,778
<b>Fixed Charges</b>										
Flat Rate Water	32	32	33	33	34	35	36	36	37	38
Service Charges	3,631	3,920	4,154	4,401	4,663	4,940	5,138	5,343	5,557	5,779
Fire Protection	927	1,001	1,061	1,124	1,190	1,261	1,312	1,364	1,419	1,476
Customer Service Charges	92	94	96	98	100	102	104	106	108	110
	4,682	5,047	5,344	5,656	5,987	6,338	6,590	6,849	7,121	7,403
<b>Other Revenue</b>	340	346	353	360	368	375	382	390	398	406
<b>TOTAL REVENUE</b>	<b>\$ 12,506</b>	<b>\$ 13,407</b>	<b>\$ 14,178</b>	<b>\$ 15,000</b>	<b>\$ 15,881</b>	<b>\$ 16,787</b>	<b>\$ 17,449</b>	<b>\$ 18,185</b>	<b>\$ 18,827</b>	<b>\$ 19,587</b>
<b>EXPENDITURES</b>										
Operating	6,124	6,239	6,364	6,491	6,621	6,754	6,889	7,026	7,167	7,310
Debt Payments	2,415	2,821	2,991	2,311	2,291	2,776	2,124	2,073	2,073	2,073
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,539</b>	<b>\$ 9,060</b>	<b>\$ 9,355</b>	<b>\$ 8,802</b>	<b>\$ 8,912</b>	<b>\$ 9,530</b>	<b>\$ 9,013</b>	<b>\$ 9,099</b>	<b>\$ 9,240</b>	<b>\$ 9,383</b>
<b>Net Surplus before Amortization</b>	3,967	4,347	4,823	6,198	6,969	7,257	8,436	9,086	9,587	10,204
<b>AMORTIZATION</b>	2,338	2,445	2,546	2,625	2,929	3,227	3,292	3,458	3,603	3,723
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>\$ 1,629</b>	<b>\$ 1,902</b>	<b>\$ 2,277</b>	<b>\$ 3,573</b>	<b>\$ 4,040</b>	<b>\$ 4,030</b>	<b>\$ 5,144</b>	<b>\$ 5,628</b>	<b>\$ 5,984</b>	<b>\$ 6,481</b>

**Table 2**  
**City of Belleville**  
**Statement of Financial Position (000s)**  
**Water Services**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>FINANCIAL ASSETS</b>										
Cash & Cash Equivalents	\$ 20,752	\$ 19,207	\$ 18,713	\$ 19,952	\$ 3,952	\$ 7,192	\$ 11,896	\$ 6,426	\$ 13,045	\$ 13,138
<b>TOTAL ASSETS</b>	<b>\$ 20,752</b>	<b>\$ 19,207</b>	<b>\$ 18,713</b>	<b>\$ 19,952</b>	<b>\$ 3,952</b>	<b>\$ 7,192</b>	<b>\$ 11,896</b>	<b>\$ 6,426</b>	<b>\$ 13,045</b>	<b>\$ 13,138</b>
<b>LIABILITIES</b>										
Debt	20,918	22,073	21,792	20,040	24,588	22,457	20,965	19,523	18,081	16,639
Deferred Revenue	2,007	773	1,101	1,587	2,080	2,792	3,515	3,067	3,820	4,589
<b>TOTAL LIABILITIES</b>	<b>\$ 22,925</b>	<b>\$ 22,846</b>	<b>\$ 22,893</b>	<b>\$ 21,627</b>	<b>\$ 26,668</b>	<b>\$ 25,249</b>	<b>\$ 24,480</b>	<b>\$ 22,590</b>	<b>\$ 21,901</b>	<b>\$ 21,228</b>
<b>NET FINANCIAL ASSETS/(DEBT)</b>	<b>\$ (2,173)</b>	<b>\$ (3,639)</b>	<b>\$ (4,180)</b>	<b>\$ (1,675)</b>	<b>\$ (22,716)</b>	<b>\$ (18,057)</b>	<b>\$ (12,584)</b>	<b>\$ (16,164)</b>	<b>\$ (8,856)</b>	<b>\$ (8,090)</b>
<b>NON FINANCIAL ASSETS</b>										
Tangible Capital Assets	92,675	96,043	98,861	99,929	125,010	124,381	124,052	133,260	131,936	137,651
<b>ACCUMULATED SURPLUS/(DEFICIT)</b>	<b>\$ 90,502</b>	<b>\$ 92,404</b>	<b>\$ 94,681</b>	<b>\$ 98,254</b>	<b>\$ 102,294</b>	<b>\$ 106,324</b>	<b>\$ 111,468</b>	<b>\$ 117,096</b>	<b>\$ 123,080</b>	<b>\$ 129,561</b>

**Table 3**  
**City of Belleville**  
**Statement of Cash Flow (000s)**  
**Water Services**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>OPERATING TRANSACTIONS</b>										
Annual Surplus/(Deficit)	\$ 1,629	\$ 1,902	\$ 2,277	\$ 3,573	\$ 4,040	\$ 4,030	\$ 5,144	\$ 5,628	\$ 5,984	\$ 6,481
Add: Amortization of TCA	2,338	2,445	2,546	2,625	2,929	3,227	3,292	3,458	3,603	3,723
Less: DC Revenue	(764)	(2,017)	(470)	(326)	(336)	-	-	(1,188)	-	0
Add: DC Proceeds	766	780	797	813	829	709	725	739	754	769
<b>TOTAL CASH PROVIDED BY OPERATING</b>	<b>\$ 3,969</b>	<b>\$ 3,110</b>	<b>\$ 5,150</b>	<b>\$ 6,685</b>	<b>\$ 7,462</b>	<b>\$ 7,966</b>	<b>\$ 9,161</b>	<b>\$ 8,637</b>	<b>\$ 10,341</b>	<b>\$ 10,973</b>
<b>CAPITAL TRANSACTIONS</b>										
Proceeds on Sale of TCA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Cash used to Acquire TCA	(6,189)	(5,812)	(5,364)	(3,694)	(28,010)	(2,598)	(2,963)	(12,666)	(2,280)	(9,438)
<b>TOTAL CASH PROVIDED BY CAPITAL</b>	<b>(6,189)</b>	<b>(5,812)</b>	<b>(5,364)</b>	<b>(3,694)</b>	<b>(28,010)</b>	<b>(2,598)</b>	<b>(2,963)</b>	<b>(12,666)</b>	<b>(2,280)</b>	<b>(9,438)</b>
<b>FINANCING TRANSACTIONS</b>										
Proceeds from investments										
Proceeds from debt issues	11,800	3,350	2,100	-	6,300	-	-	-	-	0
Less: Debt repayment (principal only)	(1,865)	(2,193)	(2,380)	(1,752)	(1,752)	(2,128)	(1,494)	(1,441)	(1,442)	(1,442)
<b>TOTAL CASH PROVIDED BY FINANCING</b>	<b>\$ 9,935</b>	<b>\$ 1,157</b>	<b>\$ (280)</b>	<b>\$ (1,752)</b>	<b>\$ 4,548</b>	<b>\$ (2,128)</b>	<b>\$ (1,494)</b>	<b>\$ (1,441)</b>	<b>\$ (1,442)</b>	<b>\$ (1,442)</b>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>\$ 7,715</b>	<b>\$ (1,545)</b>	<b>\$ (494)</b>	<b>\$ 1,239</b>	<b>\$ (16,000)</b>	<b>\$ 3,240</b>	<b>\$ 4,704</b>	<b>\$ (5,470)</b>	<b>\$ 6,619</b>	<b>\$ 93</b>
<b>CASH AND CASH EQUIVALENTS</b>										
Beginning of Period	\$ 13,037	\$ 20,752	\$ 19,207	\$ 18,713	\$ 19,952	\$ 3,952	\$ 7,192	\$ 11,896	\$ 6,426	\$ 13,045
Increase/(Decrease)	7,715	(1,545)	(494)	1,239	(16,000)	3,240	4,704	(5,470)	6,619	93
End of Period	<b>\$ 20,752</b>	<b>\$ 19,207</b>	<b>\$ 18,713</b>	<b>\$ 19,952</b>	<b>\$ 3,952</b>	<b>\$ 7,192</b>	<b>\$ 11,896</b>	<b>\$ 6,426</b>	<b>\$ 13,045</b>	<b>\$ 13,138</b>

**Table 4**  
**City of Belleville**  
**Statement of Change in Net Financial Assets/(Debt) (000s)**  
**Water Services**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual Surplus/(Deficit)	\$ 1,629	\$ 1,902	\$ 2,277	\$ 3,573	\$ 4,040	\$ 4,030	\$ 5,144	\$ 5,628	\$ 5,984	\$ 6,481
Amortization of Tangible Capital Assets	2,338	2,445	2,546	2,626	2,929	3,228	3,292	3,459	3,604	3,724
Less: Acquisition of Tangible Capital Assets	(6,189)	(5,813)	(5,364)	(3,694)	(28,010)	(2,599)	(2,963)	(12,667)	(2,280)	(9,439)
Investments interest										
Deferred Revenue Interest										
Debt Proceeds										
<b>CHANGE IN NET FINANCIAL ASSETS/(DEBT)</b>	<b>\$ (2,222)</b>	<b>\$ (1,466)</b>	<b>\$ (541)</b>	<b>\$ 2,505</b>	<b>\$ (21,041)</b>	<b>\$ 4,659</b>	<b>\$ 5,473</b>	<b>\$ (3,580)</b>	<b>\$ 7,308</b>	<b>\$ 766</b>
<b>NET FINANCIAL ASSETS/(DEBT)</b>										
Beginning of the Period	\$ 49	\$ (2,173)	\$ (3,639)	\$ (4,180)	\$ (1,675)	\$ (22,716)	\$ (18,057)	\$ (12,584)	\$ (16,164)	\$ (8,856)
Increase/Decrease	(2,222)	(1,466)	(541)	2,505	(21,041)	4,659	5,473	(3,580)	7,308	766
<b>END OF PERIOD</b>	<b>\$ (2,173)</b>	<b>\$ (3,639)</b>	<b>\$ (4,180)</b>	<b>\$ (1,675)</b>	<b>\$ (22,716)</b>	<b>\$ (18,057)</b>	<b>\$ (12,584)</b>	<b>\$ (16,164)</b>	<b>\$ (8,856)</b>	<b>\$ (8,090)</b>

**Table 5**  
**City of Belleville**  
**Summary of Tangible Capital Assets (TCA) Balances (000s)**  
**Water Services**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>TANGIBLE CAPITAL ASSETS</b>										
<b>Opening Tangible Capital Assets</b>	\$ 130,324	\$ 136,513	\$ 142,326	\$ 147,690	\$ 151,384	\$ 179,394	\$ 181,993	\$ 184,956	\$ 197,623	\$ 199,903
Plus: Acquisitions - Repair/Replacement	3,081	3,212	2,565	2,389	26,666	2,599	2,963	5,324	2,280	9,439
Plus: Acquisitions - Growth	3,108	2,601	2,799	1,305	1,344	-	-	7,343	-	-
Plus: Acquisitions - Other										
Less: Disposals										
<b>Closing Tangible Capital Assets</b>	<b>\$ 136,513</b>	<b>\$ 142,326</b>	<b>\$ 147,690</b>	<b>\$ 151,384</b>	<b>\$ 179,394</b>	<b>\$ 181,993</b>	<b>\$ 184,956</b>	<b>\$ 197,623</b>	<b>\$ 199,903</b>	<b>\$ 209,342</b>
<b>ACCUMULATED AMORTIZATION</b>										
<b>Opening Accumulated Amortization</b>	\$ 41,500	\$ 43,838	\$ 46,283	\$ 48,829	\$ 51,455	\$ 54,384	\$ 57,612	\$ 60,904	\$ 64,363	\$ 67,967
Plus: Amortization Expense	2,338	2,445	2,546	2,626	2,929	3,228	3,292	3,459	3,604	3,724
<b>Closing Accumulated Amortization</b>	<b>\$ 43,838</b>	<b>\$ 46,283</b>	<b>\$ 48,829</b>	<b>\$ 51,455</b>	<b>\$ 54,384</b>	<b>\$ 57,612</b>	<b>\$ 60,904</b>	<b>\$ 64,363</b>	<b>\$ 67,967</b>	<b>\$ 71,691</b>
<b>NET BOOK VALUE</b>	<b>\$ 92,675</b>	<b>\$ 96,043</b>	<b>\$ 98,861</b>	<b>\$ 99,929</b>	<b>\$ 125,010</b>	<b>\$ 124,381</b>	<b>\$ 124,052</b>	<b>\$ 133,260</b>	<b>\$ 131,936</b>	<b>\$ 137,651</b>

## **IV NOTES AND ASSUMPTIONS TO FINANCIAL PLAN**

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Section 3(2) of O Reg. 453/07 states that the information is required only if the information is known to the owner at the time the financial plans are prepared. To that end, the City does not maintain all financial information separately for water services. The assumptions used in preparing the financial plan are noted below. The notes are referenced in Table 1 through 5 with the number shown below.

### **1. Cash**

The beginning of period Cash and Cash equivalents contained in the Statement of Cash Flows is the total of the opening balance of reserves and reserve funds. The opening balances were unaudited at the time the Financial Plan was prepared and may change.

### **2. Receivables and Payables**

It is assumed that the water receivables and payables are not significant and therefore have not been identified

### **3. Debt**

Outstanding debt of \$10,983,000 existed at the end of 2014. All new debt was based on a 10 year debenture term, and a 4.0% interest rate. A summary of new debt included in the analysis is summarized below:

	<b>Non-Growth</b>	<b>Growth-Related (DC's)</b>	<b>Total</b>
2015	\$ 11,800		\$ 11,800
2016	3,350		3,350
2017	2,100		2,100
2019		6,300	6,300
<b>TOTAL</b>	<b>\$ 17,250</b>	<b>\$ 6,300</b>	<b>\$ 23,550</b>

For the purposes of preparing the Financial Plan, it was assumed that all new debt requirements would be funded through debentures. This does not preclude the City from opting to fund debt internally or through other means that they deem appropriate.

#### **4. Deferred Revenue**

Deferred revenue represents the development charge reserve fund balance. For financial reporting purposes, development charges are deemed a liability until they are used to acquire or construct the infrastructure for which they were collected.

#### **5. Tangible Capital Assets**

The following assumptions were made in regard to tangible capital assets:

- The amortization of assets was calculated using a straight-line approach with amortization commencing in the year that it was acquired or constructed.
- The useful life of each asset, as included in the City's asset register, was included in the calculation of amortization
- It is assumed that no write-offs occurred in any of the years
- It is assumed that there were no gains or losses on the disposal of assets (assets were disposed when they had reached the end of their useful life and therefore the historic cost is equal to accumulated depreciation)
- Contributed assets were unknown and therefore not included in the forecast

**WATER RATES****General Service & Residential**Note: 1,000 Imperial Gallons = 4,546.09 cubic metres (m<sup>3</sup>)

Monthly Water Consumption (per cubic metre m <sup>3</sup> )	
Metered	
First 455 cubic metres	\$ 1.56
Next 22,275 cubic metres	1.19
Over 22,730 cubic metres	0.71
<b>Bulk</b>	<b>\$ 1.81</b>

Monthly Fixed Charges			
Meter Size	Service	Fire Protection	
5/8	\$ 20.85	\$ 4.96	
3/4	20.85	4.96	
1	22.94	6.57	
1 1/2	33.36	13.14	
2	43.79	19.74	
3	64.64	32.89	
4	118.64	65.77	
6	198.08	115.09	
8	281.48	164.46	
10	375.51	228.43	

Quarterly Water Building Charges	
Single to 5 units	\$ 103.96
6 units to 12 units	205.23
13 units to 26 units	410.44
Over 26 units	820.93

Monthly Flat Rate Water Charges (Service Not Metered)	
City of Belleville	\$ 37.76
Point Anne	96.24

Other Charges	
Collection Charge	\$ 25.00
Reconnection Charge - regular business hours	40.00
Seasonal Disconnection & Reconnection	80.00
Change of Occupancy	25.00
Returned Cheque (plus bank charges)	30.00
Late Payment Penalty/Interest (Monthly)	1.25%
<b>Locate Services, Leak Detection &amp; Hydrant Maintenance</b>	
Belleville General Service, per hour	\$ 70.00
Outside Belleville per hour	140.00
<b>Service Tap (per service)</b>	
3/4" and 1" service	140.00
1 1/2" and 2" service	280.00
4", 6", 8" service	560.00
Outside Belleville, applicable rates plus per hour travel rate	70.00
<b>Replace Damaged Meter</b>	
5/8" to 1"	175.00
Over 1"	Time and materials

Customer Deposits	
Residential	\$ 180.00
General Service	
- based on estimated bill for 3 billing periods	
Bulk Water Key Deposit	\$ 100.00

**WASTEWATER RATES****General Service & Residential**

Surcharge as a % of Water Charges	
Applied to Water Consumption, Service and Flat Rate Charges	
Residential	75%
General Service	
First 22,730 cubic metres	75%
Over 22,730 cubic metres	60%
<b>Other Charges</b>	
Septage Haulers, per 4,546 cubic metres, plus sampling costs	\$ 75.00
<b>Sewer Rodding, per service</b>	
During regular business hours	\$ 125.00
After Hours, including Weekends	\$ 250.00