



City of Belleville

Wastewater Financial Plan

April 28, 2025



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1. Introduction

The purpose of this report is to present a Wastewater Financial Plan for the City of Belleville (the City), which should be used as a complementary report to the Water Financial Plan. While a financial plan for wastewater services is not a mandatory submission by legislation, municipalities are encouraged to prepare to ensure financial sustainability of this service. As such, this financial plan is prepared in a format consistent with the requirements of the *Safe Drinking Water Act, 2002* (SDWA) and its associated regulation, *Ontario Regulation 453/07* (O.Reg. 453/07).

As defined in section 30(1) of the SDWA, financial plans must satisfy the requirements prescribed by the Minister. At the time of writing, the *Sustainable Water and Sewage Systems Act, 2002*, has been repealed, however, the standards that it directs underpin the specific requirements of Section 30 of the SDWA and O. Reg. 453/07.

This financial plan outlines the City's financial requirements for delivering wastewater services in accordance with the Safe Drinking Water Act (SDWA), and explains how the wastewater rate structure is developed in Section 2. In addition, Section 4 includes the following financial statements and related analysis:

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

Section 4.6 presents the Notes and Assumptions to the Financial Plan. As the City does not maintain separate financial information specifically for wastewater services, the assumptions used in the preparation of the statements are outlined in this section.

The financial plan is prepared for a ten-year period from 2025-2034. For this report, 2025 will be used as the reference year.

2. Background

The City of Belleville did not prepare a comprehensive Wastewater Financial Plan alongside its Water Financial Plan in 2020. As a result, this document marks the City's first formal Wastewater Financial Plan, building upon and enhancing historical financial strategies prepared by staff and within the Wastewater Rate Model and the 10-Year Capital Plan.

2.1. Wastewater Rate Model

The City provides sanitary sewer services (wastewater services) to approximately 16,000 residential and general service (non-residential) customers throughout its wastewater collection network.

In 2009, Hemson completed a comprehensive water rate study for the City, which included the development of a full cost recovery approach and recommendation for the City's wastewater surcharge. The study's in-depth analysis informed the methodology currently used to set rates for the City's water and wastewater services to fund both operating and capital investments. The model is regularly updated with the most recent data, including the City's annual operating budget, Asset Management Plan, and 10-Year Capital Plan. These updates have reflected aggressive wastewater surcharge increases in recent years to ensure financial sustainability of the City's wastewater system.

2.1.1. Rate Approach

The initial phase of the annual rate-setting exercise involves forecasting the customer base and wastewater consumption over the 2025–2034 forecast period. For the City, an annual growth rate of 1.5% for residential customers and 0.3% for general service customers was assumed. Additionally, annual consumption growth was projected at 0.5% for residential and 1.0% for general service customers over the same period.

To support the rate-setting process, both operating and capital costs are forecasted to determine the overall revenue requirement. Operating costs reflect the anticipated expenditures needed to maintain day-to-day wastewater services, while capital costs are based on the City's Asset Management Plan and 10-Year Capital Plan. The City recently updated its wastewater asset inventory, assessing expected useful life, condition, risk, and replacement costs. The 2024 10-Year Capital Plan, informed by this asset data, outlines the anticipated capital investments over the forecast period.

In addition to rate revenues, the City considers other sources of funding, such as development charges, which typically support infrastructure needs driven by growth. These growth-related needs are identified in the City's Development Charges Background Study. Where applicable, a portion of these capital costs may be attributed to existing users and recovered through wastewater rates.

2.1.2. Wastewater Surcharge

The rate structure for wastewater service in the City is based on a surcharge (percentage) of the City's water service and consumption rates. The City has approved a tiered consumption strategy for general service customers, reducing the surcharge for monthly consumption greater than 22,730 cubic metres (m3). The table below outlines the Wastewater Surcharge forecast for both residential and general service accounts.

Table 1: Wastewater Rate Model 10-Year Forecast

Rate Forecast										
Wastewater Surcharge	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Residential – all	104.3%	113.2%	122.0%	130.8%	139.7%	148.5%	157.4%	166.2%	175.0%	183.9%
General Service										
First 22,730 m3	104.3%	113.2%	122.0%	130.8%	139.7%	148.5%	157.4%	166.2%	175.0%	183.9%
Over 22,730 m3	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Wastewater Service (5/8" meter)	\$28.01	\$30.83	\$33.72	\$36.70	\$39.75	\$42.89	\$46.10	\$49.41	\$52.80	\$56.28
Wastewater Volumetric (/m3) - first 22,730 m3	\$2.11	\$2.32	\$2.55	\$2.79	\$3.03	\$3.28	\$3.54	\$3.81	\$4.08	\$4.36

3. Sustainable Financial Planning

Sustainability, in general terms, refers to the capacity to maintain a certain condition or performance over time. While the SDWA requires a declaration of a financial plan's sustainability, it does not specifically define what qualifies as sustainable. To provide guidance, the Ministry of the Environment, Conservation and Parks (MECP) released a document titled "Towards Financially Sustainable Drinking-Water and Wastewater Systems," outlining potential approaches for achieving financial sustainability. The Province's Principles of Financially Sustainable Water & Wastewater Services are outlined below:

Principle #1	Ongoing public engagement and transparency can build support for, and confidence in, financial plans and the system to which they relate
Principle #2	An integrated approach to planning among water, wastewater, and storm water systems is desirable given the inherent relationship among these services.
Principle #3	Revenues collected for the provision of services should ultimately be used to meet the needs of those services.
Principle #4	Life-cycle planning with mid-course corrections is preferable to planning over the short-term, or not planning at all.
Principle #5	An asset management plan is a key input to the development of a financial plan.
Principle #6	A sustainable level of revenue allows for reliable service that meets or exceeds environmental protection standards, while providing sufficient resources for future rehabilitation and replacement needs.
Principle #7	Ensuring users pay for the services they are provided leads to equitable outcomes and can improve conservation. In general, metering and the use of rates can help ensure users pay for services received.
Principle #8	Financial plans are "living" documents that require continuous improvement. Comparing the accuracy of financial projections with actual results can lead to improved planning in the future.
Principle #9	Financial plans benefit from the close collaboration of various groups, including engineers, accountants, auditors, utility staff, and municipal Council.

In developing this Wastewater Financial Plan, the City acknowledges that it is a living document, intended to be reviewed and updated alongside future user rate studies. Based on the current reporting requirements, the City's wastewater system remains financially sustainable, reflecting all of the principles outlined above. Continued financial sustainability will require ongoing, careful monitoring of both operating and capital expenditures.

4. Wastewater Financial Plan

The following section provides the complete financial plan for the City's wastewater system. Each financial statement will include tables, analysis, and brief descriptions below. It is important to note that the financial plan that follows is a projection for the future financial position of the City's wastewater system, and that the statements included in this analysis are not audited documents. All estimates and assumptions contained within are outlined in section 4.6 of this report.

4.1. Statement of Operations – Table 2

The Statement of Operations outlines the revenues and expenses associated with the wastewater system for each year of the forecast period. A surplus occurs when annual revenues exceed annual expenses, while a deficit arises when expenses exceed revenues. Any surplus generated is utilized to cover non-operating expenditures, including the acquisition of tangible capital assets, debt principal repayments, and contributions to reserves and reserve funds.

In 2025, projected operating and capital revenues are \$16.6 million and \$8.1 million, respectively, resulting in a pre-amortization surplus of approximately \$16.0 million. Wastewater rates, as shown in Table 1, are expected to generate sufficient revenue to cover an estimated 3% annual increase in operating expenses. These rates also support a 5% annual increase in contributions to the Sanitary Sewer Reserve Fund, as outlined in the 2024 Asset Management Plan and 10-Year Capital Plan, to fund future capital reinvestments. The projected surplus will fund these contributions, while forecasted capital revenues reflect additional sources such as grants and development charges identified in the 10-Year Capital Plan. Interest on debt payments is accounted for through both existing and anticipated debt related to wastewater infrastructure projects.

The City's projected Statement of Operations anticipates an annual surplus each year, with the accumulated surplus growing by approximately \$160 million. This outlook supports the City's full cost recovery strategy, including the utilization of debt, and aligns with its commitment to infrastructure investment as detailed in the 2024 Asset Management Plan.

Table 2
City of Belleville
Statement of Operations (000's)
Wastewater Services

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
REVENUE										
Wastewater Sales										
Residential Wastewater Revenue	\$9,883	\$10,986	\$12,167	\$13,403	\$14,692	\$16,041	\$17,446	\$18,913	\$20,446	\$22,039
General Service Wastewater Revenue	6,498	7,218	8,002	8,820	9,679	10,572	11,201	12,151	13,138	14,175
Other Revenue - Operating	195	196	198	199	200	202	203	205	206	208
Total Revenue - Operating	16,576	18,400	20,367	22,422	24,571	26,815	28,850	31,269	33,790	36,422
Other Revenue – Capital	8,099	486	493	1,667	1,667	14,678	13,882	29,845	6,689	6,341
TOTAL REVENUE	\$24,675	\$18,886	\$20,860	\$24,089	\$26,238	\$41,493	\$42,732	\$61,114	\$40,479	\$42,763
EXPENDITURES										
Operating	8,458	8,711	8,973	9,242	9,519	9,805	10,099	10,402	10,714	11,035
Debt Payments - Interest	196	921	983	2,603	2,532	2,695	2,672	2,805	5,750	5,596
TOTAL EXPENDITURES	\$8,654	\$9,632	\$9,956	\$11,845	\$12,051	\$12,500	\$12,771	\$13,207	\$16,464	\$16,631
Net Surplus Before Amortization	\$16,021	\$9,254	\$10,904	\$12,244	\$14,187	\$28,993	\$29,961	\$47,907	\$24,015	\$26,132
AMORTIZATION	3,620	4,057	4,530	5,012	5,648	6,067	6,313	7,379	8,360	8,588
ANNUAL SURPLUS/(DEFICIT)	\$12,401	\$5,197	\$6,374	\$7,232	\$8,539	\$22,926	\$23,648	\$40,528	\$15,655	\$17,544
ACCUMULATED SURPLUS, BEGINNING	\$136,384	\$148,785	\$153,982	\$160,356	\$167,588	\$176,127	\$199,053	\$222,701	\$263,229	\$278,884
ACCUMULATED SURPLUS, END	\$148,785	\$153,982	\$160,356	\$167,588	\$176,127	\$199,053	\$222,701	\$263,229	\$278,884	\$296,428

4.2. Statement of Financial Position – Table 3

The Statement of Financial Position provides information on the assets and liabilities of the City's wastewater system. Net financial assets/(debt) reflect the difference between financial assets and liabilities. A position of net financial asset arises when financial assets exceed liabilities, indicating that the system has the necessary financial resources to fund future operations. Conversely, a position of net financial debt occurs when financial liabilities exceed assets, suggesting that future revenues will be needed to cover past obligations.

According to the 10-Year Capital Plan, the City expects to issue approximately \$101 million in new debt over the next decade to support future capital needs. This amount reflects the portion of growth-related capital projects that benefits existing customers, as identified in the 2021 Development Charges Background Study. In addition, \$43.7 million in previously approved but unissued debt, as approved by Council, has been included in this financial plan. A detailed debt forecast has been included in Appendix B of this report. As of 2025, total liabilities and deferred revenue are estimated at \$24.3 million, of which \$5.2 million is related to outstanding debt. While new debt issuances may be adjusted as conditions evolve, projected repayments remain within the City's current debt policy, which limits debt servicing costs to no more than 12% of own-source revenue. Deferred revenue consists of development charges collected to fund growth-related infrastructure.

In 2025, the City's financial assets and liabilities are projected at \$29.7 million and \$24.3 million, respectively, resulting in a net financial asset position of \$5.4 million. By 2034, this is expected to shift to a net financial debt position of \$82.3 million, reflecting planned capital investments outlined in the 10-Year Capital Plan, reserve fund strategies, and debt forecasts. To support wastewater infrastructure replacement, internal borrowing from the Water Reserve Fund is anticipated, with full repayment expected by 2033. This borrowing will be reassessed as asset needs change and new funding sources are identified. In the short term, the Water Reserve Fund—which currently exceeds its target per the City's Reserve and Reserve Fund Policy—can be used to bridge these funding requirements. This shift to a net financial debt position highlights the substantial reinvestment needed for the wastewater system and reinforces the need for future increases to wastewater rates.

Furthermore, the City's Statement of Financial Position also reflects trends in tangible capital assets. Increases in net book value typically signal new acquisitions, while decreases result from amortization, disposals, or write-offs. An accumulated surplus is projected for each of the next ten years, ending at \$148.8 million in 2025 and rising to \$296.4 million by 2034.

Table 3
City of Belleville
Statement of Financial Position (000's)
Wastewater Services

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
FINANCIAL ASSETS										
Cash & Cash Equivalents	\$ 29,668	\$ 25,594	\$ 28,483	\$ 25,134	\$ 27,513	\$ 39,955	\$ 54,926	\$ 55,279	\$ 46,204	\$ 52,973
TOTAL ASSETS	\$ 29,668	\$ 25,594	\$ 28,483	\$ 25,134	\$ 27,513	\$ 39,955	\$ 54,926	\$ 55,279	\$ 46,204	\$ 52,973
LIABILITIES										
Interfund Payable	-	2,540	3,578	8,220	23,154	23,154	23,154	24,670	-	-
Debt	5,171	22,780	31,705	56,751	60,213	59,549	62,324	126,875	123,034	129,708
Deferred Revenue	19,127	20,916	22,813	23,693	24,665	23,143	22,509	3,972	4,698	5,584
TOTAL LIABILITIES	\$ 24,298	\$ 46,236	\$ 58,096	\$ 88,664	\$ 108,032	\$ 105,846	\$ 107,987	\$ 155,517	\$ 127,732	\$ 135,292
NET FINANCIAL ASSETS/(DEBT)	\$ 5,370	\$ (20,642)	\$ (29,613)	\$ (63,530)	\$ (80,519)	\$ (65,891)	\$ (53,061)	\$ (100,238)	\$ (81,528)	\$ (82,319)
NON FINANCIAL ASSETS										
Tangible Capital Assets	143,415	174,624	189,969	231,118	256,646	264,944	275,762	363,467	360,412	378,747
ACCUMULATED SURPLUS	\$ 148,785	\$ 153,982	\$ 160,356	\$ 167,588	\$ 176,127	\$ 199,053	\$ 222,701	\$ 263,229	\$ 278,884	\$ 296,428

4.3. Statement of Cash Flows – Table 4

The Statement of Cash Flow outlines how the City generates and uses cash resources across three main categories: operating activities, capital spending, and financing transactions. This statement provides a comprehensive view of the City's financial health by tracking cash inflows and outflows, helping to ensure long-term financial sustainability.

In 2025, the City is expected to generate \$11.6 million in cash from operating activities, which will be fully allocated to capital expenditures totaling \$14.5 million. The remaining funding gap will be partially covered by a \$600,000 debt issuance, resulting in a net cash outflow of approximately \$2.7 million and a projected year-end cash and cash equivalents balance of \$29.7 million. This opening balance includes the Sanitary Sewer Reserve Fund and unspent development charges carried forward from the previous year.

As illustrated in Section 4.2, the City's 10-year financial outlook anticipates an initial decline in cash and cash equivalents, followed by a gradual rebound as capital reinvestment activity stabilizes. By 2034, the balance is projected to reach \$53.0 million. This trend aligns with expectations and remains within a range actively monitored and managed by staff, supporting a potential increase in the reserve fund target in accordance with the City's Reserve & Reserve Fund Policy.

It is important to recognize that cash flows will fluctuate annually based on the timing and scale of capital investments, debt servicing, and reserve fund utilization. Nonetheless, revenue from user rates is projected to remain stable, with annual increases recommended to Council throughout the planning period, consistent with the City's wastewater rate model. This steady revenue stream will help ensure financial flexibility, ensuring sufficient cash is available to meet obligations and support ongoing infrastructure renewal.

Table 4
City of Belleville
Statement of Cash Flow (000's)
Wastewater Services

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
OPERATING TRANSACTIONS										
Annual Surplus/(Deficit)	\$ 12,401	\$ 5,197	\$ 6,374	\$ 7,232	\$ 8,539	\$ 22,926	\$ 23,648	\$ 40,528	\$ 15,655	\$ 17,544
Add: Amortization of TCA	3,620	4,057	4,530	5,012	5,648	6,067	6,313	7,379	8,360	8,588
Less: DC Revenue	(6,599)	(486)	(493)	(1,667)	(1,667)	(4,339)	(3,455)	(21,966)	(1,620)	(1,554)
Add: DC Proceeds	2,143	2,275	2,392	2,546	2,640	2,817	2,821	3,429	2,341	2,441
Change in Interfund Payable	-	2,541	1,038	4,643	14,932	-	-	1,517	(24,671)	-
TOTAL CASH PROVIDED BY OPERATING	\$ 11,565	\$ 13,584	\$ 13,841	\$ 17,766	\$ 30,092	\$ 27,471	\$ 29,327	\$ 30,887	\$ 65	\$ 27,019
CAPITAL TRANSACTIONS										
Less: Cash used to Acquire TCA	(14,483)	(35,266)	(19,874)	(46,161)	(31,176)	(14,365)	(17,131)	(95,084)	(5,304)	(26,923)
TOTAL CASH PROVIDED BY CAPITAL	\$(14,483)	\$(35,266)	\$(19,874)	\$(46,161)	\$(31,176)	\$(14,365)	\$(17,131)	\$(95,084)	\$(5,304)	\$(26,923)
FINANCING TRANSACTIONS										
Investment										
Proceeds from debt issues	600	18,386	9,785	26,780	5,272	1,354	4,916	66,906	235	10,794
Less: Debt repayment (principal only)	(402)	(778)	(863)	(1,734)	(1,809)	(2,018)	(2,141)	(2,356)	(4,071)	(4,121)
TOTAL CASH PROVIDED BY FINANCING	\$ 198	\$ 17,608	\$ 8,922	\$ 25,046	\$ 3,463	\$ (664)	\$ 2,775	\$ 64,550	\$ (3,836)	\$ 6,673
INCREASE/(DECREASE) IN CASH	\$ (2,720)	\$ (4,074)	\$ 2,889	\$ (3,349)	\$ 2,379	\$ 12,442	\$ 14,971	\$ 353	\$ (9,075)	\$ 6,769
CASH AND CASH EQUIVALENTS										
Beginning of Period	\$ 32,388	\$ 29,668	\$ 25,594	\$ 28,483	\$ 25,134	\$ 27,513	\$ 39,955	\$ 54,926	\$ 55,279	\$ 46,204
Increase/(Decrease)	(2,720)	(4,074)	2,889	(3,349)	2,379	12,442	14,971	353	(9,075)	6,769
End of Period	\$ 29,668	\$ 25,594	\$ 28,483	\$ 25,134	\$ 27,513	\$ 39,955	\$ 54,926	\$ 55,279	\$ 46,204	\$ 52,973

4.4. Statement of Change in Net Financial Assets/Debt – Table 5

The Statement of Change in Net Financial Assets (or Net Debt) provides insight into whether the City's revenues are sufficient to cover both operating expenses and the cost of capital asset investments, including tangible capital assets (TCA). It also reconciles the difference between the annual surplus or deficit and the overall change in net financial assets or debt, offering a broader view of long-term financial sustainability.

In 2025, the City anticipates an annual surplus of \$12.4 million. When combined with \$3.6 million in non-cash amortization, total available funding for capital investment reaches \$16 million. With planned capital expenses of \$14.5 million, this results in a positive net change in financial assets of approximately \$1.5 million.

As previously noted, the City's financial position is expected to shift from net financial assets to net financial debt, reaching \$82.3 million by 2034. Although this marks a notable decline from the 2025 position, it reflects the City's planned strategy to fund major capital investments through debt beyond available cash flows and reserve fund balances, and its commitment to addressing future wastewater rates. This approach remains within the City's debt policy limits, which limits annual repayments at 12% of own-source revenue. Importantly, the City's debt strategy is focused exclusively on new infrastructure, including portions of growth-related projects that also benefit existing customers.

Capital requirements over the next decade are significant, driven by the need to maintain aging assets and invest in essential upgrades. However, these demands are being met through planned use of debt, reserve funds, and interfund borrowing. Furthermore, staff must ensure careful rate-setting, and ongoing updates to long-term financial planning tools such as the 10-Year Capital Plan and the wastewater rate model.

Table 5
City of Belleville
Statement of Changes in Net Financial Assets (000's)
Wastewater Services

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Annual Surplus/(Deficit)	\$ 12,401	\$ 5,197	\$ 6,374	\$ 7,232	\$ 8,539	\$ 22,926	\$ 23,648	\$ 40,528	\$ 15,655	\$ 17,544
Amortization of Tangible Capital Assets	3,620	4,057	4,530	5,012	5,648	6,067	6,313	7,379	8,360	8,588
Less: Acquisition of Tangible Capital Assets	(14,483)	(35,266)	(19,875)	(46,161)	(31,176)	(14,365)	(17,131)	(95,084)	(5,305)	(26,923)
CHANGE IN NET FINANCIAL ASSETS/(DEBT)	\$ 1,538	\$ (26,012)	\$ (8,971)	\$ (33,917)	\$ (16,989)	\$ 14,628	\$ 12,830	\$ (47,177)	\$ 18,710	\$ (791)
NET FINANCIAL ASSETS/(DEBT)										
Beginning of the Period	\$ 3,832	\$ 5,370	\$ (20,642)	\$ (29,613)	\$ (63,530)	\$ (80,519)	\$ (65,891)	\$ (53,061)	\$ (100,238)	\$ (81,528)
Increase/Decrease	1,538	(26,012)	(8,971)	(33,917)	(16,989)	14,628	12,830	(47,177)	18,710	(791)
END OF PERIOD	\$ 5,370	\$ (20,642)	\$ (29,613)	\$ (63,530)	\$ (80,519)	\$ (65,891)	\$ (53,061)	\$ (100,238)	\$ (81,528)	\$ (82,319)

4.5. Summary of Tangible Capital Assets – Table 6

The Summary of Tangible Capital Assets (TCA) provides an overview of projected asset acquisitions and amortization expenses related to the City’s wastewater system over the forecast period. These projections are aligned with both the 2024 Asset Management Plan and the City’s 10-Year Capital Plan, ensuring consistency in long-term infrastructure planning.

From 2025 to 2034, capital investments in wastewater infrastructure are expected to total approximately \$305.8 million—a 148% increase over the period. Major projects include the Belleville Agricultural Society Relocation, upgrades to the wastewater treatment plant, and various pumping station and pipe relining initiatives. Growth-related investments such as the Avonlough Sewage Pumping Station and additional plant enhancements, as identified in the 2021 Development Charges Study, are also incorporated. During this time, accumulated amortization is projected to increase by \$59.6 million, reflecting the gradual consumption and depreciation of existing assets.

It is important to note that amortization is based on the historical cost of assets, as required under Public Sector Accounting Standards (PSAS). While this provides a consistent accounting framework, it may not fully capture the true cost of infrastructure renewal. For this reason, the 2024 Asset Management Plan offers a more accurate representation of the City’s long-term reinvestment needs, as it considers the full lifecycle of assets and incorporates current replacement values.

Table 6
City of Belleville
Summary of Tangible Capital Assets (TCA) Balances (000's)
Wastewater Services

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
TANGIBLE CAPITAL ASSETS										
Opening Tangible Capital Assets	\$ 206,967	\$ 221,450	\$ 256,716	\$ 276,591	\$ 322,752	\$ 353,928	\$ 368,293	\$ 385,424	\$ 480,508	\$ 485,813
Plus: Acquisitions - Repair/Replacement	7,269	33,061	9,918	19,381	25,904	10,339	10,427	7,879	5,070	16,129
Plus: Acquisitions - Growth	7,214	2,205	9,957	26,780	5,272	4,026	6,704	87,205	235	10,794
Closing Tangible Capital Assets	\$ 221,450	\$ 256,716	\$ 276,591	\$ 322,752	\$ 353,928	\$ 368,293	\$ 385,424	\$ 480,508	\$ 485,813	\$ 512,736
ACCUMULATED AMORTIZATION										
Opening Accumulated Amortization	\$ 74,415	\$ 78,035	\$ 82,092	\$ 86,622	\$ 91,634	\$ 97,282	\$ 103,349	\$ 109,662	\$ 117,041	\$ 125,401
Plus: Amortization Expense	3,620	4,057	4,530	5,012	5,648	6,067	6,313	7,379	8,360	8,588
Closing Accumulated Amortization	\$ 78,035	\$ 82,092	\$ 86,622	\$ 91,634	\$ 97,282	\$ 103,349	\$ 109,662	\$ 117,041	\$ 125,401	\$ 133,989
NET BOOK VALUE	\$ 143,415	\$ 174,624	\$ 189,969	\$ 231,118	\$ 256,646	\$ 264,944	\$ 275,762	\$ 363,467	\$ 360,412	\$ 378,747

4.6. Notes and Assumptions

The assumptions used in preparing the financial plan are noted below.

4.6.1. Cash

The beginning of period Cash and Cash equivalents contained in the Statement of Cash Flows are the total of the opening balance of its discretionary reserve fund (Sanitary Sewer) and obligatory reserve fund (Development Charges). The opening balances were unaudited at the time the Financial Plan was prepared and may change.

4.6.2. Receivables and Payables

Beyond the interfund borrowing discussed in this financial plan, receivables and payables were assumed to not be significant, and as such, were not incorporated.

4.6.3. Debt

New debt included in the analysis totals \$145 million for the period of 2025 through 2034, at 4.55% over a 25-year debenture term. A detailed debt forecast has been included in Appendix B of this report.

4.6.4. Deferred Revenue

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

4.6.5. Tangible Capital Assets

The following assumptions were made regarding tangible capital assets:

- Amortization of assets was calculated using a straight-line method, with amortization beginning in the year the asset was acquired or constructed;
- The useful life of each asset, as listed in the City's asset register, was considered in the amortization calculation;
- No asset write-offs are anticipated during the forecast period;
- No gains or losses are assumed on the disposal of assets, as it is expected that assets will be retired at the end of their useful lives, meaning their historical cost will equal accumulated amortization;
- Contributed assets, such as developer-donated infrastructure, are excluded from the forecast due to uncertainty around future contributions.

5. Appendices

5.1. Appendix A – Wastewater Rates (2025)

WASTEWATER RATES – GENERAL SERVICES AND RESIDENTIAL	
	2025 Fee
Surcharge as a % of Water Charges	
Applied to Water Consumption, Service and Flat Rate Charges	
Residential	104.30%
General Service	
First 22,730 cubic metres	104.30%
Over 22,730 cubic metres	60.00%
Other Charges	
Septage Haulers, per 4,546 litre, plus sampling costs	\$175.00
Sewer Rodding, per service	
During regular business hours	\$235.00
After Hours, including Weekends	\$475.00

5.2. Appendix B – Debt Forecast

Table 7
City of Belleville
Debt Forecast (000's)
Wastewater Services

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
DEBT ISSUANCES										
New Debt – Unissued / Pre-Approved (pre-2025)	\$ 600	\$ 16,347	\$ -	\$ 26,724	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Debt - 10-Year Capital Plan (2025-2034)	-	2,039	9,785	56	5,272	1,354	4,916	66,906	235	10,794
Total	\$ 600	\$ 18,386	\$ 9,785	\$ 26,780	\$ 5,272	\$ 1,354	\$ 4,916	\$ 66,906	\$ 235	\$ 10,794

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
DEBT REPAYMENTS (Principal & Interest)										
Existing Debt	\$ 557	\$ 557	\$ 557	\$ 557	\$ 557	\$ 557	\$ 557	\$ 557	\$ 470	\$ 348
New Debt – Unissued / Pre-Approved (pre-2025)	40	1,142	1,142	2,943	2,943	2,943	2,943	2,943	2,943	2,943
New Debt - 10-Year Capital Plan (2025-2034)	-	-	145	839	843	1,217	1,313	1,662	6,409	6,426
Total	\$ 597	\$ 1,699	\$ 1,844	\$ 4,339	\$ 4,343	\$ 4,717	\$ 4,813	\$ 5,162	\$ 9,822	\$ 9,717

5.3. Appendix C – Definitions

Asset Management Plan is a strategic document that states how a group of assets are to be managed over a period. The plan describes the characteristics and condition of infrastructure assets, the levels of service expected from them, planned actions to ensure the assets are providing the expected level of service, and financing strategies to implement the planned actions.

Capital Budget plans for the acquisition and replacement of Tangible Capital Assets, which can be summarized as significant expenditures to provide municipal services with a benefit beyond one year. In accordance with the City's Tangible Capital Asset Policy, the capital budget excludes repair and maintenance costs, which form part of the operating budget.

Contributed Assets are capital assets such as developer constructed services in new subdivisions (i.e. water, sewer, roads infrastructure) acquired without cash outlay and will be valued at fair market value when the asset is placed into productive use/service (i.e. upon initial acceptance).

Development Charge is a charge legislated under the Development Charges Act, 1997 that allows a municipality to impose a charge to fund capital projects or studies that are deemed necessary to service new growth under the notion that growth pays for growth. Charges must accompany a by-law and development charges study that forecasts growth and relevant growth-related projects.

Operating Budget encompasses the City's normal operating expenses and revenues associated with the day-to-day provision of services. Examples include salaries and benefits, materials, contracted work, and debt repayments.

Reserve Fund is a fund set aside for a specific purpose as required by legislation, by-law, or agreement and can be obligatory (externally restricted) or discretionary (internally restricted). Reserve funds are held in separately grouped bank accounts and receive an interest allocation. Reserve funds are administered and managed under the City's Reserve & Reserve Fund Policy.

Tangible Capital Asset (also known as infrastructure) is a non-financial asset having physical substance that is acquired, constructed, or developed and:

- Is held for use in the production or supply of goods and services;
- Has a useful life extending beyond the fiscal year;
- Is intended to be used on a continuing basis; and
- Is not intended for sale in the ordinary course of operations.

User Rates are fees charged for user-pay services, such as recreation programs/facilities, parking, water, and wastewater.

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