



**Water and Wastewater
Financial Plan 062-301A**

In Accordance with O.Reg. 453/07

March 2024

Brant County

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Water and Wastewater Long Range Financial Plan Forecast



Water/Wastewater Long Range Financial Plan

Introduction

The Ministry of Environment (MOE) passed the Safe Drinking Water Act, 2002 (SDWA) which requires owners of municipal drinking water systems to apply for and obtain a Municipal Drinking Water Licence. There are five elements that must be in place in order for the owner of a drinking water system to obtain a licence:

1. A Drinking Water Works Permit to establish or alter a drinking water system.
2. An accepted operational plan. The Drinking Water Quality Management Standard (DWQMS) is the standard upon which operational plans are based. The plan documents an operating authority's quality management system (QMS).
3. An Accredited Operating Authority. A third-party audit of an operating authority's QMS is the basis for accreditation.
4. A permit to take water.
5. A financial plan that must be prepared, based on up-to-date rates, and approved in accordance with the prescribed requirements in the financial plans regulation. This is one of the main purposes of this project.

Several other provisions are also set out in the regulation that must be met by a municipality:

- Financial plans must be approved by Council resolution (or governing body) indicating that the drinking water system is financially viable;
- Financial plans must include a statement that the financial impacts have been considered and apply for a minimum six-year period (commencing when the system first serves the public);
- Financial plans must include detail regarding proposed or projected financial operations itemized by total revenues, total expenses, annual surplus/deficit and accumulated surplus/deficit (i.e. the components of a "Statement of Operations" as per PSAB) for each year in which the financial plans apply;
- Financial plans are to be made available to the public upon request and at no charge;
- If a website is maintained, financial plans are to be made available to the public through publication on the Internet at no charge;

- Notice of the availability of the financial plans is to be given to the public; and
- Financial plans must be given to Ministry of Municipal Affairs and Housing.

Once a system is licensed, a financial plan is required to be updated every 5 years, in conjunction with every application for licence renewal.

The categories to be included in the financial plan can be found in three statements: Statement of Operations, Statement of Cash Flows and Statement of Financial Position. These will be discussed later in the report.

The categories of financial information have been developed:

- to ensure that they provide a sound picture of the financial position of a drinking water system;
- to ensure that they are aligned with municipal financial statements prepared on a full accrual accounting basis, and

- to be a balance between encouraging more comprehensive and consistent financial planning for municipal water services, and accommodating existing municipal practices.

This financial plan has been prepared in accordance with the financial plan regulation (O. Reg. 453/07) made under the Safe Drinking Water Act, as well as the provisions of the financial planning guidelines published by the MOE in August 2007, entitled “Toward Financially Sustainable Drinking-Water and Wastewater Systems”.

While the regulations are directed at water systems, the approach undertaken by the County was to undertake a similar process for the County’s wastewater systems to ensure transparency and sustainability of the system. The wastewater system is experiencing greater fiscal challenges related to both sustainability and growth.

The goal of this financial plan is to provide the County with a realistic and informed view of operating and capital expenditures needed over time to maintain the integrity and health of its physical infrastructure and accommodate growth. The financial plan is not binding on Council, however, it provides a framework for guiding future operating and capital budgets.

Sustainable Financial Planning

The Ministry of the Environment, Conservation and Parks released a guideline (“Towards Financially Sustainable Drinking-Water and Wastewater Systems”) that outlines suggested principles for water and wastewater provides possible approaches to achieving sustainability. The Province’s Principles of Financially Sustainable Water and Wastewater Services are provided below:

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

Guiding Principles

The following guiding principles have been used as the basis for the creation of the water and wastewater financial plan:

- Smoothed rate increases over the period;
- A fair sharing in the distribution of resources between current and future ratepayers;
- Growth pays for growth;
- Provide for sustainable cash flows in the long term;
- Pay as you go financing for lifecycle expenditures;
- Use debt to smooth out funding requirements for large system improvement projects;
- Use stabilization reserves to balance annual revenue and expenditure variances;
- Maintain programs and services at their desired levels; and
- Affordability support affordable water and wastewater rates.

General Approach to Preparing the County's Financial Plan

The financial plan identifies the key financial strategies required to achieve a sustainable long-term financial future for the water and wastewater operations. The financial plan includes:

- Expected operating and capital outlays for each year of the plan;
- Expected revenues for each year and their source;
- Performance metrics to enable assessment of the financial plan; and
- Assumptions that have been used in the development of the financial plan.

This financial plan will be instrumental in the County's ability to meet the Provincial reporting requirements included in O.Reg. 453/07 for water operations and has been developed in recognition of the above noted principles.



The Financial Plan is Dynamic

Although great effort has been made to present accurate financial projections, based upon the data available at this time, the financial plan is a dynamic document and should be updated and re-evaluated, on an ongoing basis.

There are many circumstances that could occur within the six year timeframe that would affect the assumptions in the projections for operating and capital. Council priorities, planning policies, changes to service levels, consumption projections and infrastructure requirements, will certainly lead to changes and the financial plan should be adjusted to reflect these changes as they occur.

It is anticipated that updates to the financial plan will:

- Amend the assumptions, projections and strategies, as required, based on changes in the municipal environment;
- Continue building awareness of future changes in current operating and capital spending and funding levels;
- Assist the County in determining the extent of its financial challenges;

- Reconfirm the key financial goals and strategies that should guide future planning; and
- Spur the development of actions in future business plans that would respond to the strategies.

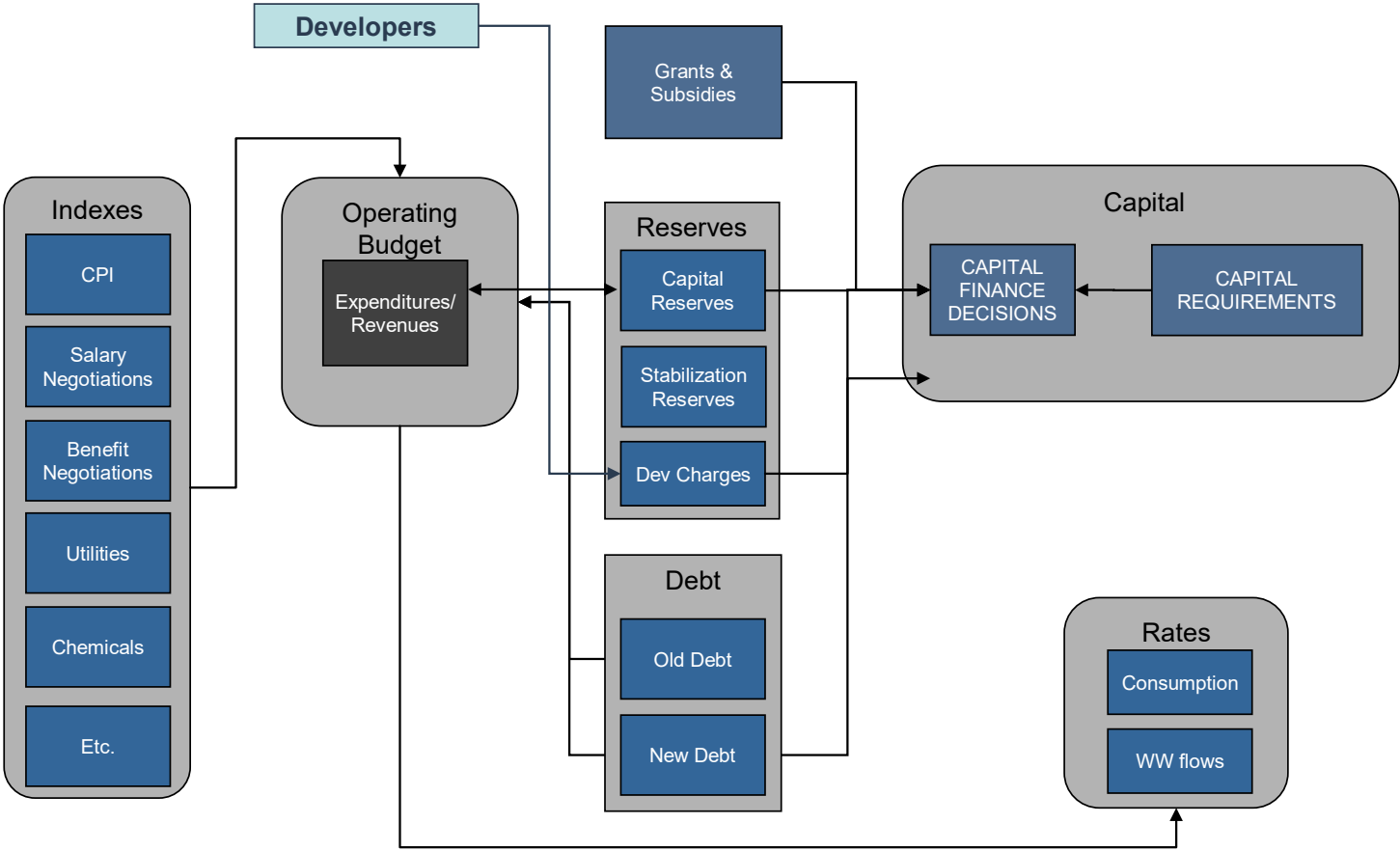


Water and Wastewater Model and Situational Analysis



Model Development

The financial plan was developed based on an analysis of all factors impacting the water and wastewater capital and operating budgets. As shown below, due to the inter-relationship between all components of the plan, changes in any of the assumptions will potentially have an impact throughout the financial plan.



Challenges/Risks/Opportunities

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

- **Complex Water and Wastewater System**—There are 5 water service areas and 4 sewage collection systems which is more costly to operate and monitor than a municipality with one urban area to service. These assets have a replacement value in excess of \$264 million in water and \$244 million in wastewater. These assets are aging and many require upgrades or replacement over the next six years (approximately \$28 million in water and \$35 million in wastewater).
- **Availability of Capital Reserves**—At the end of 2023, the Water Capital Reserve has a balance of only \$2.9 million and the Wastewater Capital Reserve has a negative balance of \$1.7 million. The significant capital requirements over the next six years requires a need to gradually increase the Water and Wastewater Capital Reserve contributions.
- **Increasing Capital and Operating Costs** – The costs of operations and capital replacement are increasing faster than the rate of inflation.
- **Interest Rates**—Municipal borrowing rates have increased over the past two years. The currently borrowing rates is 4.5% for a 25-year debenture. This will result in higher debt payments funded from the Operating Budget.
- **Capital Growth-Related Requirements** – Water and Wastewater have significant growth-related capital expenditure requirements. In Water, there is \$12.7 million and \$18.7 million in Wastewater capital requirements related to growth over the next six years. This growth-related capital is financed through the collection of development charges, however, if development charge revenues do not materialize as forecast, there may be a requirement to issue more debt.
- **Increased Reliance on Debt Financing**—The financial plan includes the issuance of debt in both water and wastewater operations to address capital replacement needs over the next six years. From 2025 onwards, the financial plan includes \$5.4

million in debt in water and \$26.6 million in wastewater, compounding the problem of increased debt reliance.

- **Affordability**—Residential Water and Wastewater costs in the County of Brant are higher than the survey average of 120 Ontario municipalities surveyed for Residential customers. This is driven in part by the complexity of the system and limits the ability for large rate increases.

Regulatory and Legislative Environment

Legislative and regulatory changes will continue to be a factor that drives the cost of service well into the future. There are numerous statutes and associated regulations that dictate service and service levels including:

- Municipal Act;
- Clean Water Act;
- Water Opportunities Act;
- Ontario Water Resources Act;
- Safe Drinking Water Act (SDWA);
- Environmental Protection Act;
- Environmental Assessment Act;
- PSAB 3150, Tangible Capital Assets Reporting, and;
- More Housing Built Faster Act.

Financial Environment, Forecast Assumptions and Financial Policies



Water and Wastewater Key Assumptions

The following provides the key assumptions were used in the financial plan:

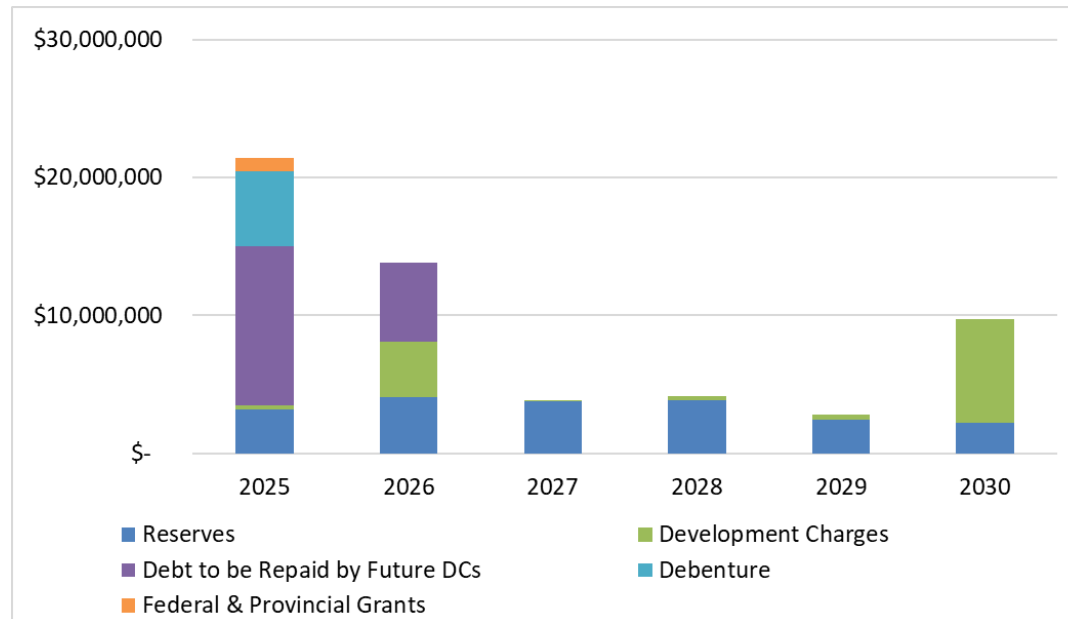
- **Capital Projects** — The plan is based on the County’s 2024-2033 Capital Budget.
- **Financial Plan** – The financial plan covers a period of six years from 2025-2030 in accordance with the O. Reg requirements.
- **Debt Terms** — Water and wastewater debt has been amortized over a period of 25 years at an assumed rate of 4.50%.
- **Water & Wastewater Capital Reserves**—The opening balance for 2024 Water and Wastewater Capital Reserves and Reserve Funds are based on the year-end estimated balance for 2023.
- **Service Standards**—Water and wastewater programs are maintained at their current service levels.

- **Operating Budget Assumptions**—The County provided the 2024 operating budgets and expenditure increases for 2025-2030 were based on 2.5% annual inflation.



Water Capital Budget and Financing

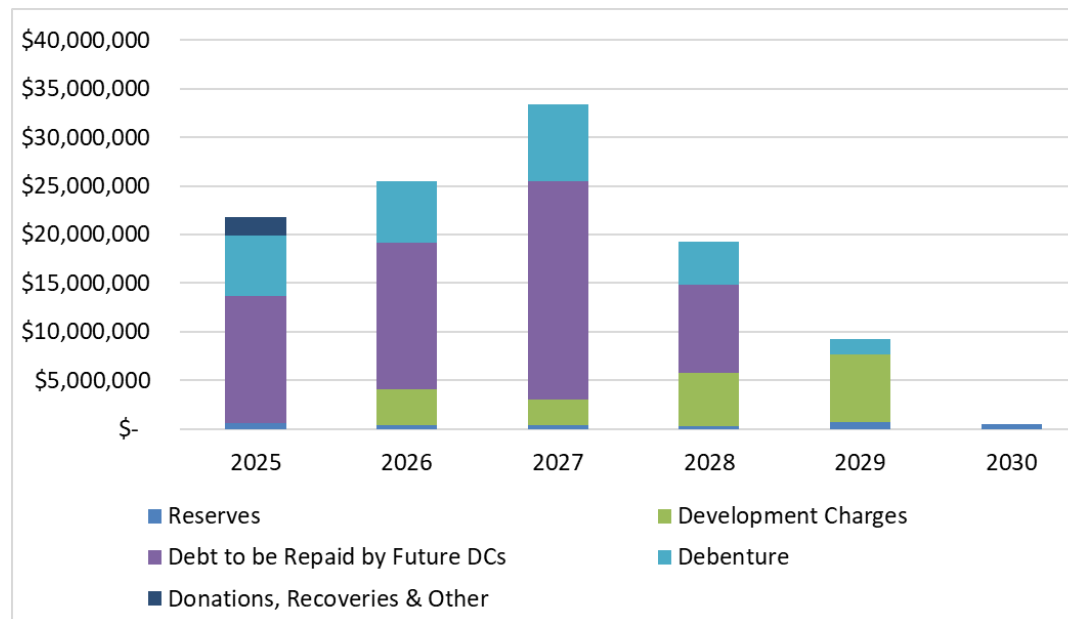
The following graph reflects the current capital plan for the next six years to address the replacement of existing infrastructure as well as the growth-related capital for water and the associated sources of financing. As shown below, the six-year capital forecast totals \$55.8 million. The major project impacting 2025 is \$9.2 million for the Cainsville Water Supply Upgrades. There is also an annual watermain replacement program of \$1.5 million annually from 2025-2030. Financing over the next six years is from Capital Reserves, Development Charge Reserves and debt which will be funded from rates as well as debt to related to post period development.



Water Capital Financing	2025	2026	2027	2028	2029	2030	Total 6 years
Total	\$ 21,381,525	\$ 13,849,800	\$ 3,880,000	\$ 4,180,000	\$ 2,780,000	\$ 9,730,000	\$ 55,801,325
Reserves	\$ 3,160,042	\$ 4,073,000	\$ 3,753,000	\$ 3,870,000	\$ 2,455,000	\$ 2,230,000	\$ 19,541,042
Development Charges	\$ 360,000	\$ 4,053,000	\$ 127,000	\$ 310,000	\$ 325,000	\$ 7,500,000	\$ 12,675,000
Debt to be Repaid by Future DCs	\$ 11,526,525	\$ 5,723,800	\$ -	\$ -	\$ -	\$ -	\$ 17,250,325
Debenture	\$ 5,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,400,000
Federal & Provincial Grants	\$ 934,958	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 934,958

Wastewater Capital Budget and Financing

The following graph reflects the current capital plan for the next six years to address the replacement of existing infrastructure as well as the growth-related capital for wastewater and the associated sources of financing. As shown below, the current six-year capital plan is \$109.8 million. The Wastewater Capital Budget is driven by \$10 Million for the St. George WPCP Expansion in 2025 and the Paris WWTP Expansion \$5.0 million in 2025. Financing over the next six years is primarily from Debt to be repaid by future DCs (\$59.6 million) and there is \$18.7 million of funding from development charges. Debt accounts for \$26.6 million of the financing plan which will be repaid from future rates.



Wastewater Capital Financing	2025	2026	2027	2028	2029	2030	Total 6 years
Total	\$ 21,815,000	\$ 25,500,000	\$ 33,425,000	\$ 19,300,000	\$ 9,215,000	\$ 515,000	\$ 109,770,000
Reserves	\$ 565,000	\$ 400,000	\$ 425,000	\$ 300,000	\$ 715,000	\$ 515,000	\$ 2,920,000
Development Charges	\$ -	\$ 3,702,500	\$ 2,550,000	\$ 5,500,000	\$ 7,000,000	\$ -	\$ 18,752,500
Debt to be Repaid by Future DCs	\$ 13,083,750	\$ 15,025,000	\$ 22,500,000	\$ 9,000,000	\$ -	\$ -	\$ 59,608,750
Debenture	\$ 6,271,250	\$ 6,372,500	\$ 7,950,000	\$ 4,500,000	\$ 1,500,000	\$ -	\$ 26,593,750
Donations, Recoveries & Other	\$ 1,895,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,895,000

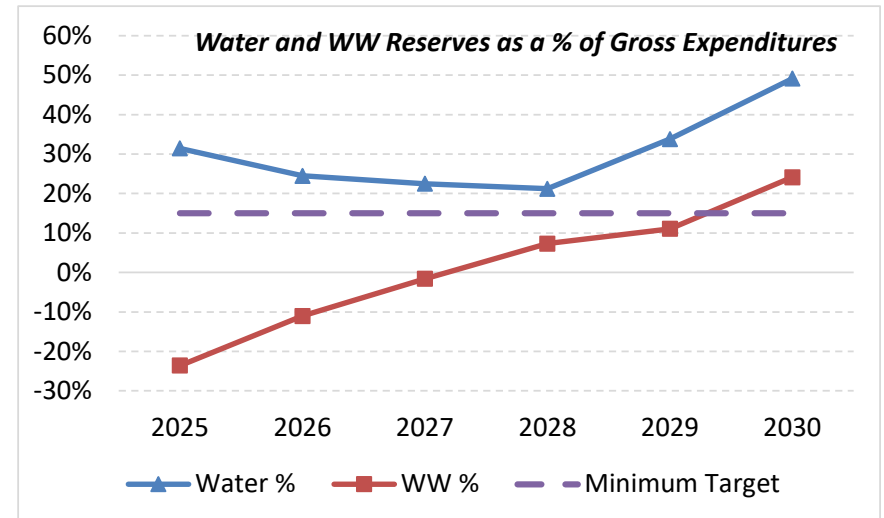
Reserve Strategies

Reserves are a critical component of Brant’s capital financing plan. The importance of maintaining reserves is to:

- Provide stability of rates in the face of variable and uncontrollable factors (e.g. interest rates, changes in subsidies, increase in fuel prices, weather);
- Provide financing for one-time or short-term requirements without permanently impacting the utility rates;
- Make provisions for replacement and/or refurbishment of capital assets;
- Avoid spikes in funding requirements of the capital budget and reducing reliance on long-term debt borrowing; and
- Ensure adequate cash flows.

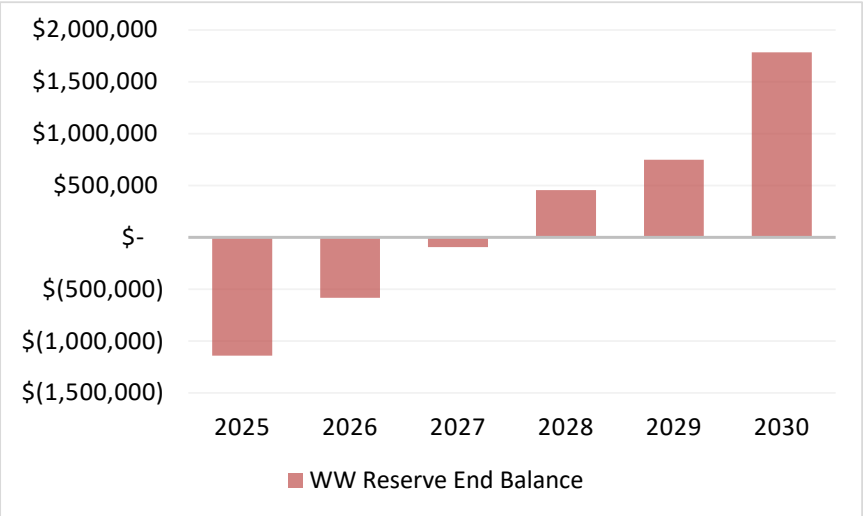
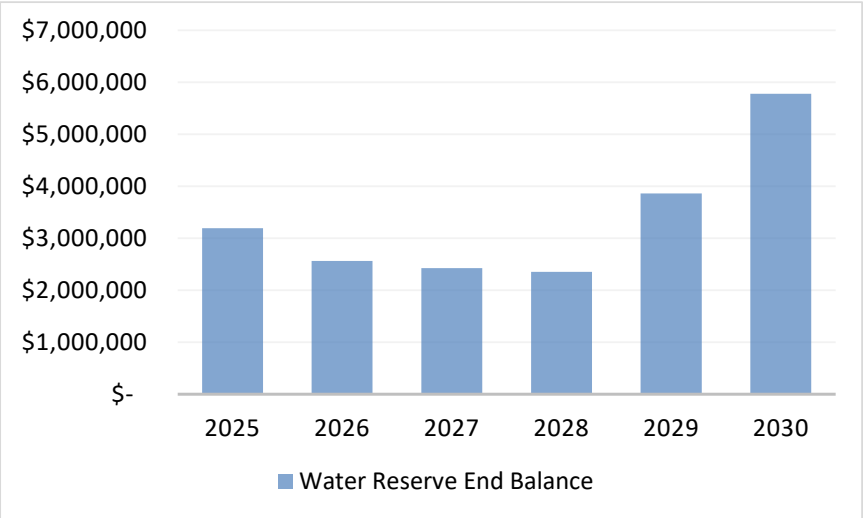
As identified in the last financial plan report, optimally, for Brant County, because the water and wastewater reserves are used for both operating budget shortfalls (rate stabilization) and capital replacement it was recommended that the reserves should not fall below 15% of the gross operating expenditures to help ensure that there is a reasonable level of funds available for unforeseen

expenses, revenue shortfalls, one-time expenses and replacement of infrastructure.



As shown above, the Water and Wastewater Reserve balances are above the recommended minimum target from 2030 onwards, with the Water Reserve balance remaining above the target throughout the forecast period. By 2029, the Wastewater Reserve is at the minimum recommended target.

The following graphs reflects the water and wastewater year end reserve balances over the forecast period:



Debt Strategies

Debt management may be defined as the process of providing for the payment of interest and principal payments on existing debt and the planning for new debt issuance at a level which will optimize borrowing cost and not impair the financial position of the municipality. The prudent use of debt is acknowledged as a fundamental component to well developed and credible financial management and supports financial discipline and stability.

Adherence to a debt management plan signals to credit rating agencies and capital markets that the municipality is well managed and should meet its obligations.

Increasing levels of debt that are growing faster than rate revenues will also put pressure on other programs and future capital priorities and reduce the amount of discretionary spending in the operating budget. To mitigate these concerns, municipalities need to strike a balance with debt. Too little debt can severely restrict the funds available for financing infrastructure, while too much debt is fiscally unsustainable over the long-term.

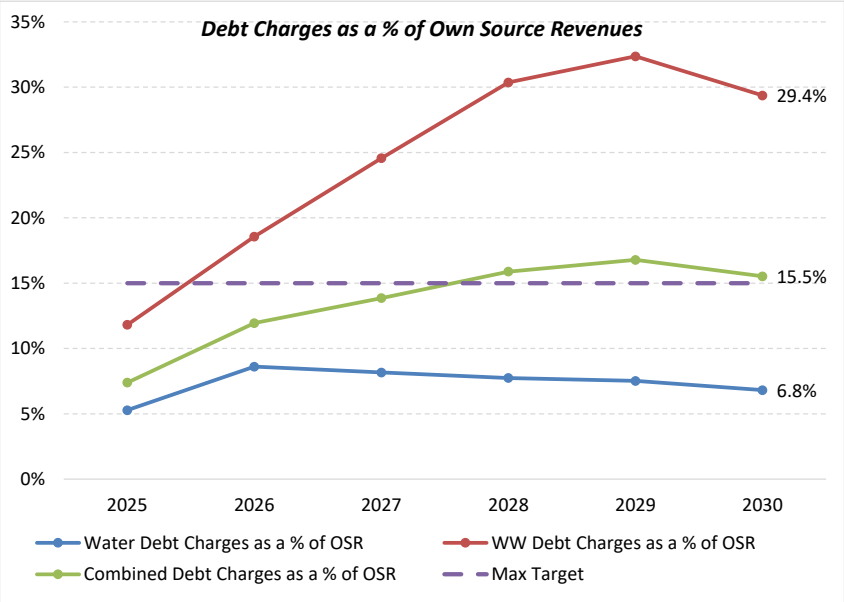
Hence, municipalities need to ensure that:

- Future debt service payments can be made in full and on time, without jeopardizing the provision of essential services;
- Outstanding debt obligations will not threaten long-term financial stability of the municipality; and
- The amount of outstanding debt will not place undue burden on residents and businesses.

The Provincial Government regulates the amount of debt by setting a repayment limit of 25% of own source revenue to ensure municipalities are issuing debt responsibly and are able to service future debt charges. If the County were to reach that limit in water and wastewater, future operating budgets would be severely constrained or rates would have to increase significantly.

Given the large capital infrastructure requirements for the water/wastewater operations and the relatively low reserve balances, debt is required over the forecast period. A fiscally sustainable target for water and wastewater is that debt charges not exceed 15% of water and wastewater revenues.

Water debt charges is below the target throughout the forecast period and the combined water and wastewater debt charges are at the target by 2030.



Summary of Operating Budget Requirements

The County’s objective in establishing the Water and Wastewater rates is to avoid large fluctuations from year to year and are set at a level to adequately cover current operating costs, maintain and repair the County’s existing asset base, and replace assets where appropriate. Efforts are being made in this plan to gradually grow/maintain the Reserve Funds to provide a source of funding for the ongoing replacement/refurbishment of capital assets and provide a reasonable level of stabilization funds to deal with future operating fund deficits and emergency situations. The following tables reflect the forecast revenues and expenditures.

Water	2024 Budget	2025	2026	2027	2028	2029	2030
Sales	\$ 9,550,000	\$ 9,836,500	\$ 10,131,595	\$ 10,435,543	\$ 10,748,609	\$ 11,071,067	\$ 11,403,199
Other Revenues	\$ 323,500	\$ 328,135	\$ 332,844	\$ 337,629	\$ 342,491	\$ 347,432	\$ 352,452
Total Revenues	\$ 9,873,500	\$ 10,164,635	\$ 10,464,439	\$ 10,773,172	\$ 11,091,100	\$ 11,418,499	\$ 11,755,651
Operating Expenses	\$ 5,829,601	\$ 5,975,341	\$ 6,124,725	\$ 6,277,843	\$ 6,434,789	\$ 6,595,658	\$ 6,760,550
Transfers to Reserves	\$ 3,507,775	\$ 3,653,003	\$ 3,439,253	\$ 3,615,894	\$ 3,797,903	\$ 3,964,432	\$ 4,194,072
Debt Charges	\$ 536,124	\$ 536,291	\$ 900,462	\$ 879,435	\$ 858,409	\$ 858,409	\$ 801,030
Total Expenditures	\$ 9,873,500	\$ 10,164,635	\$ 10,464,439	\$ 10,773,172	\$ 11,091,100	\$ 11,418,499	\$ 11,755,651

WW	2024 Budget	2025	2026	2027	2028	2029	2030
Fees	\$ 4,340,000	\$ 4,730,600	\$ 5,156,354	\$ 5,620,426	\$ 6,126,264	\$ 6,677,628	\$ 7,278,614
Other Revenues	\$ 107,000	\$ 108,070	\$ 109,151	\$ 110,242	\$ 111,345	\$ 112,458	\$ 113,583
Total Revenues	\$ 4,447,000	\$ 4,838,670	\$ 5,265,505	\$ 5,730,668	\$ 6,237,609	\$ 6,790,086	\$ 7,392,197
Operating Expenses	\$ 3,167,024	\$ 3,246,200	\$ 3,327,355	\$ 3,410,538	\$ 3,495,802	\$ 3,583,197	\$ 3,672,777
Transfers to Reserves	\$ 786,162	\$ 1,020,946	\$ 960,527	\$ 912,751	\$ 848,007	\$ 1,009,614	\$ 1,548,858
Debt Charges	\$ 493,814	\$ 571,525	\$ 977,623	\$ 1,407,379	\$ 1,893,800	\$ 2,197,275	\$ 2,170,562
Total Expenditures	\$ 4,447,000	\$ 4,838,670	\$ 5,265,505	\$ 5,730,668	\$ 6,237,609	\$ 6,790,086	\$ 7,392,197

As shown above, there are significant requirements to fund the capital program which are impacting the expenditures over the forecast period. The rate revenue requirement increase year over year is 3% for water and 9% for wastewater. The combined annual rate revenue requirement increase is approximately 4.9%. Note: that this is not equivalent to the impact of rates as growth in consumption will impact the rates.

Reporting Requirements

O.Reg. 453/07



Introduction—O.Reg. 453/07

The Financial plan has 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. 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 County 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.

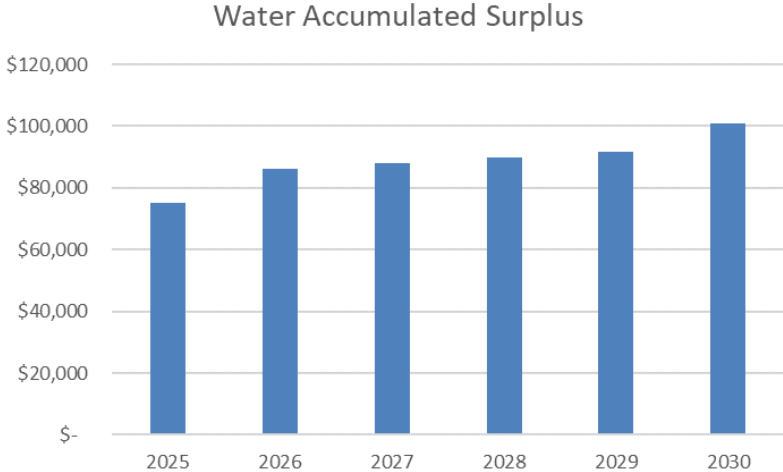
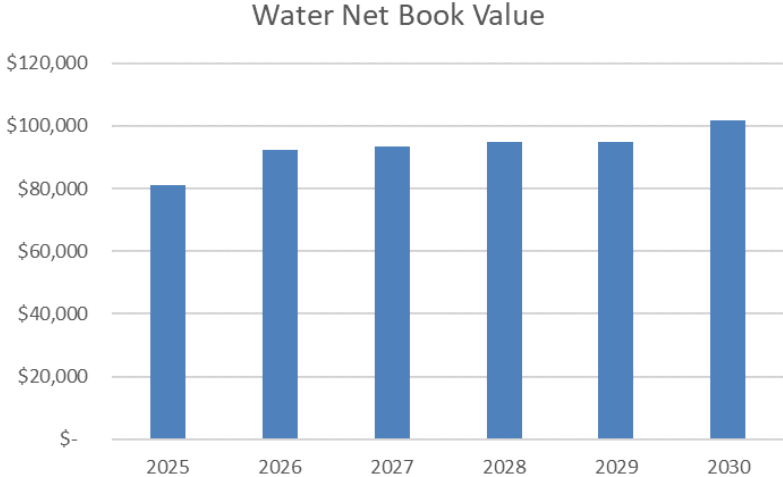
Financial Position - There are two important indicators to review in the Statement of Financial Position described as follows:

- 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. The net book value is projected to increase for water 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 2025 to 2030 for water. The increasing projected surpluses in water operations indicate that if the County adheres to the financial plan, it will strengthen its combined cash and asset position.



Statement of Financial Operations—Water

	Budget	Projected (000's)					
	2024	2025	2026	2027	2028	2029	2030
Revenues							
Rate Revenues	\$ 9,550	\$ 9,837	\$ 10,132	\$ 10,436	\$ 10,749	\$ 11,071	\$ 11,403
Miscellaneous Revenues	\$ 324	\$ 328	\$ 333	\$ 338	\$ 342	\$ 347	\$ 352
Interest Revenues							
Total Revenues	\$ 9,874	\$ 10,165	\$ 10,464	\$ 10,773	\$ 11,091	\$ 11,418	\$ 11,756
Operating Expenses							
Salaries, Wages & Benefits	\$ 1,900	\$ 1,948	\$ 1,996	\$ 2,046	\$ 2,097	\$ 2,150	\$ 2,204
Materials & Supplies	\$ 1,650	\$ 1,691	\$ 1,734	\$ 1,777	\$ 1,821	\$ 1,867	\$ 1,913
Computer Software, Internet & Licenses	\$ 44	\$ 46	\$ 47	\$ 48	\$ 49	\$ 50	\$ 52
Contracted Services	\$ 906	\$ 929	\$ 952	\$ 976	\$ 1,000	\$ 1,025	\$ 1,051
Rent & Financial Expenses	\$ 231	\$ 237	\$ 243	\$ 249	\$ 255	\$ 261	\$ 268
ICI Rebate Costs	\$ 20	\$ 21	\$ 21	\$ 22	\$ 22	\$ 23	\$ 23
Interfunctional Charges	\$ 781	\$ 801	\$ 821	\$ 841	\$ 862	\$ 884	\$ 906
External Transfers	\$ 288	\$ 295	\$ 303	\$ 310	\$ 318	\$ 326	\$ 334
Other Expenses	\$ 9	\$ 9	\$ 9	\$ 10	\$ 10	\$ 10	\$ 10
Total Operating Expenses	\$ 5,830	\$ 5,975	\$ 6,125	\$ 6,278	\$ 6,435	\$ 6,596	\$ 6,761
Debt Charges							
Debt Charges - Interest Payments	\$ 161	\$ 148	\$ 376	\$ 355	\$ 335	\$ 314	\$ 292
Amortization Expense							
Water Assets	\$ 2,224	\$ 2,494	\$ 2,670	\$ 2,721	\$ 2,776	\$ 2,814	\$ 2,939
Total Expenses	\$ 8,215	\$ 8,617	\$ 9,171	\$ 9,354	\$ 9,546	\$ 9,723	\$ 9,991
Annual Surplus/(Deficit)	\$ 1,658	\$ 1,547	\$ 1,294	\$ 1,419	\$ 1,545	\$ 1,696	\$ 1,765

Statement of Cash Flow/Cash Receipts—Water

	Budget	Projected (000's)					
	2024	2025	2026	2027	2028	2029	2030
Total Revenues	\$ 9,874	\$ 10,165	\$ 10,464	\$ 10,773	\$ 11,091	\$ 11,418	\$ 11,756
Cash Paid For							
Operating Costs	\$ 5,830	\$ 5,975	\$ 6,125	\$ 6,278	\$ 6,435	\$ 6,596	\$ 6,761
Debt Repayment - Debt Interest	\$ 161	\$ 148	\$ 376	\$ 355	\$ 335	\$ 314	\$ 292
Cash Provided from Operating Transactions	\$ 3,882	\$ 4,041	\$ 3,964	\$ 4,140	\$ 4,322	\$ 4,509	\$ 4,704
Capital Transactions							
Acquisition of TCA	\$ 10,035	\$ 21,382	\$ 13,850	\$ 3,880	\$ 4,180	\$ 2,780	\$ 9,780
Finance Transactions							
Proceeds from Debt Issues	\$ -	\$ 5,400	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from DCs	\$ 4,821	\$ 11,887	\$ 9,777	\$ 127	\$ 310	\$ 325	\$ 7,500
Grants & Donations	\$ 1,497	\$ 935	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Repayment - Principal	\$ 375	\$ 388	\$ 524	\$ 524	\$ 524	\$ 545	\$ 510
Increase/(Decrease) in Cash Equivalents	\$ (210)	\$ 493	\$ (634)	\$ (137)	\$ (72)	\$ 1,509	\$ 1,914
Cash and Cash Equivalents at Beginning Balance	\$ 2,911	\$ 2,701	\$ 3,194	\$ 2,560	\$ 2,423	\$ 2,351	\$ 3,861
Cash and Cash Equivalents at Ending Balance	\$ 2,701	\$ 3,194	\$ 2,560	\$ 2,423	\$ 2,351	\$ 3,861	\$ 5,775

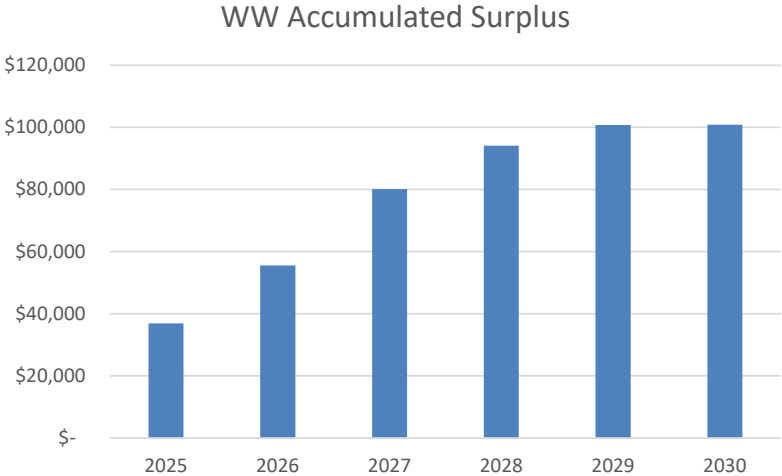
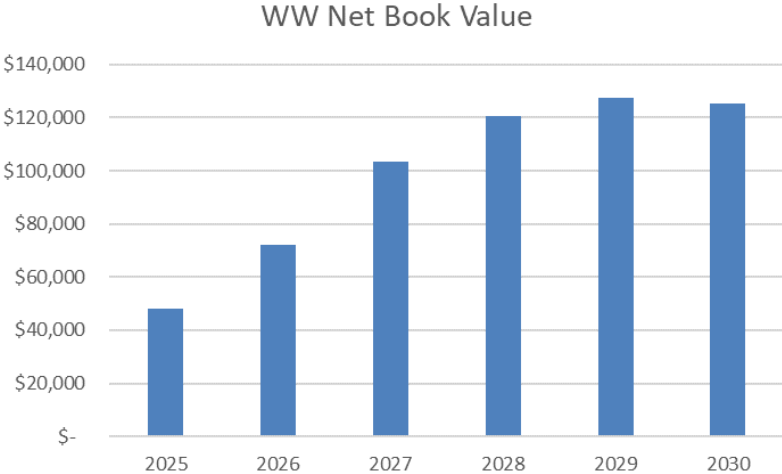
Statement of Financial Position—Water

	Budget	Projected (000's)					
	2024	2025	2026	2027	2028	2029	2030
Financial Assets							
Cash	\$ 2,701	\$ 3,194	\$ 2,560	\$ 2,423	\$ 2,351	\$ 3,861	\$ 5,775
Liabilities							
Debt - Principal Outstanding	\$ 4,048	\$ 9,060	\$ 8,535	\$ 8,011	\$ 7,488	\$ 6,943	\$ 6,433
Net Financial Assets	\$ (1,347)	\$ (5,865)	\$ (5,975)	\$ (5,588)	\$ (5,136)	\$ (3,082)	\$ (658)
Non-Financial Assets							
Tangible Capital Assets	\$ 83,704	\$ 93,739	\$ 115,121	\$ 128,971	\$ 132,851	\$ 137,031	\$ 139,811
Additions to Tangible Capital Assets	\$ 10,035	\$ 21,382	\$ 13,850	\$ 3,880	\$ 4,180	\$ 2,780	\$ 9,780
Accumulated Amortization	\$ 31,522	\$ 34,016	\$ 36,686	\$ 39,408	\$ 42,184	\$ 44,997	\$ 47,936
Total Non-Financial Assets	\$ 62,217	\$ 81,104	\$ 92,284	\$ 93,443	\$ 94,847	\$ 94,814	\$ 101,655
Accumulated Surplus	\$ 60,870	\$ 75,239	\$ 86,310	\$ 87,855	\$ 89,711	\$ 91,731	\$ 100,997
Cash as a % of Non-Financial Assets	4.3%	3.9%	2.8%	2.6%	2.5%	4.1%	5.7%
Debt as a % of Non-Financial Assets	6.5%	11.2%	9.2%	8.6%	7.9%	7.3%	6.3%

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 third 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 2025 to 2030 for wastewater. The increasing projected surpluses in wastewater operations indicate that if the County adheres to the financial plan, it will strengthen its combined cash and asset position.



Statement of Financial Operations—Wastewater

	Budget	Projected (000's)					
	2024	2025	2026	2027	2028	2029	2030
Revenues							
Rate Revenues	\$ 4,340	\$ 4,731	\$ 5,156	\$ 5,620	\$ 6,126	\$ 6,678	\$ 7,279
Miscellaneous Revenues	\$ 107	\$ 108	\$ 109	\$ 110	\$ 111	\$ 112	\$ 114
Interest Revenues							
Total Revenues	\$ 4,447	\$ 4,839	\$ 5,266	\$ 5,731	\$ 6,238	\$ 6,790	\$ 7,392
Operating Expenses							
Salaries, Wages & Benefits	\$ 194	\$ 199	\$ 204	\$ 209	\$ 214	\$ 220	\$ 225
Materials & Supplies	\$ 695	\$ 712	\$ 730	\$ 748	\$ 767	\$ 786	\$ 806
Computer Software, Internet & Licenses	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 5	\$ 5
Contracted Services	\$ 1,537	\$ 1,575	\$ 1,615	\$ 1,655	\$ 1,696	\$ 1,739	\$ 1,782
Rent & Financial Expenses	\$ 133	\$ 137	\$ 140	\$ 144	\$ 147	\$ 151	\$ 155
Interfunctional Charges	\$ 604	\$ 619	\$ 635	\$ 650	\$ 667	\$ 683	\$ 700
Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 3,167	\$ 3,246	\$ 3,327	\$ 3,411	\$ 3,496	\$ 3,583	\$ 3,673
Debt Charges							
Debt Charges - Interest Payments	\$ 127	\$ 176	\$ 441	\$ 705	\$ 1,032	\$ 1,196	\$ 1,219
Amortization Expense							
WW Assets	\$ 1,004	\$ 1,277	\$ 1,596	\$ 2,013	\$ 2,255	\$ 2,370	\$ 2,376
Total Expenses	\$ 4,299	\$ 4,699	\$ 5,364	\$ 6,129	\$ 6,783	\$ 7,150	\$ 7,268
Annual Surplus/(Deficit)	\$ 148	\$ 140	\$ (99)	\$ (398)	\$ (545)	\$ (359)	\$ 124

Statement of Cash Flow/Cash Receipts—Wastewater

	Budget	Projected (000's)					
	2024	2025	2026	2027	2028	2029	2030
Total Revenues	\$ 4,447	\$ 4,839	\$ 5,266	\$ 5,731	\$ 6,238	\$ 6,790	\$ 7,392
Cash Paid For							
Operating Costs	\$ 3,167	\$ 3,246	\$ 3,327	\$ 3,411	\$ 3,496	\$ 3,583	\$ 3,673
Debt Repayment - Debt Interest	\$ 127	\$ 176	\$ 441	\$ 705	\$ 1,032	\$ 1,196	\$ 1,219
Cash Provided from Operating Transactions	\$ 1,153	\$ 1,417	\$ 1,497	\$ 1,615	\$ 1,709	\$ 2,010	\$ 2,500
Capital Transactions							
Acquisition of TCA	\$ 2,940	\$ 21,815	\$ 25,500	\$ 33,425	\$ 19,300	\$ 9,215	\$ 515
Finance Transactions							
Proceeds from Debt Issues	\$ 1,399	\$ 6,271	\$ 6,373	\$ 7,950	\$ 4,500	\$ 1,500	\$ -
Proceeds from DCs	\$ 958	\$ 13,084	\$ 18,728	\$ 25,050	\$ 14,500	\$ 7,000	\$ -
Grants & Donations	\$ 140	\$ 1,895	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Repayment - Principal	\$ 366	\$ 396	\$ 536	\$ 702	\$ 861	\$ 1,001	\$ 951
Increase/(Decrease) in Cash Equivalents	\$ 344	\$ 456	\$ 561	\$ 488	\$ 548	\$ 295	\$ 1,034
Cash and Cash Equivalents at Beginning Balance	\$ (1,941)	\$ (1,597)	\$ (1,141)	\$ (581)	\$ (93)	\$ 455	\$ 750
Cash and Cash Equivalents at Ending Balance	\$ (1,597)	\$ (1,141)	\$ (581)	\$ (93)	\$ 455	\$ 750	\$ 1,784

Statement of Financial Position—Wastewater

	Budget	Projected (000's)					
	2024	2025	2026	2027	2028	2029	2030
Financial Assets							
Cash	\$ (1,597)	\$ (1,141)	\$ (581)	\$ (93)	\$ 455	\$ 750	\$ 1,784
Liabilities							
Debt - Principal Outstanding	\$ 4,228	\$ 10,103	\$ 15,939	\$ 23,187	\$ 26,826	\$ 27,325	\$ 26,373
Net Financial Assets	\$ (5,825)	\$ (11,244)	\$ (16,520)	\$ (23,280)	\$ (26,370)	\$ (26,575)	\$ (24,589)
Non-Financial Assets							
Tangible Capital Assets	\$ 42,959	\$ 45,899	\$ 67,714	\$ 93,214	\$ 126,639	\$ 145,939	\$ 155,154
Additions to Tangible Capital Assets	\$ 2,940	\$ 21,815	\$ 25,500	\$ 33,425	\$ 19,300	\$ 9,215	\$ 515
Accumulated Amortization	\$ 18,333	\$ 19,610	\$ 21,205	\$ 23,219	\$ 25,473	\$ 27,843	\$ 30,220
Total Non-Financial Assets	\$ 27,566	\$ 48,104	\$ 72,009	\$ 103,420	\$ 120,466	\$ 127,311	\$ 125,449
Accumulated Surplus	\$ 21,741	\$ 36,860	\$ 55,489	\$ 80,141	\$ 94,095	\$ 100,736	\$ 100,860
Cash as a % of Non-Financial Assets	-5.8%	-2.4%	-0.8%	-0.1%	0.4%	0.6%	1.4%
Debt as a % of Non-Financial Assets	15.3%	21.0%	22.1%	22.4%	22.3%	21.5%	21.0%