



TO: GENERAL COMMITTEE

SUBJECT: WATER OPERATIONS BRANCH 2014 DRINKING WATER SYSTEM FINANCIAL PLAN

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CHIEF ADMINISTRATIVE OFFICER APPROVAL: CARLA LADD, CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That, in accordance with Provincial Regulation 453/07, the City of Barrie 2014 Drinking Water Financial Plan as provided in Appendix "A" be approved.
2. That, in accordance with Provincial Regulation 453/07 requiring Owners of municipal drinking water systems to submit a Drinking Water Financial Plan (for at least the six (6) year period of 2014-2020) to the Province in order to renew a Municipal Drinking Water License (MDWL), the submission of the same, as well as the Council Resolution approving this Plan to the Ministry of Municipal Affairs and Housing and Ministry of the Environment be approved.
3. That notification of the availability of the Financial Plan to the public as prescribed by Provincial Regulation 453/07 be approved.

PURPOSE & BACKGROUND

4. The purpose of this Report is to obtain Council's approval of Financial Plan #014-301 prepared as a condition of the mandatory Municipal Drinking Water License Program renewal process under the Safe Drinking Water Act, 2002.
5. There are five (5) requirements under this approval framework including the preparation and submission of a Financial Plan:
 - A Drinking Water Works Permit;
 - An Acceptable Operational Plan;
 - An Accredited Operating Authority operating and Maintaining the Drinking Water System
 - A Permit to Take Water; and
 - An Approved Financial Plan.
6. The existing City of Barrie Municipal Drinking Water License is due for an application for renewal by May 19th, 2014 and requires a Council approved Financial Plan to fulfil the requirements for submission.

7. The Financial Plan for the City of Barrie's Drinking Water System has been prepared in accordance with Ontario Regulation 453/07 and must be approved by a resolution of Council for submission to the Ontario Ministry of Municipal Affairs and Housing and the Ontario Ministry of the Environment.
8. The purpose of Ontario Regulation 453/07 is to ensure the financial viability of drinking water systems in the long term by providing for adequate finances for day-to-day costs of operating and maintaining the Drinking Water System, as well as to fund all required growth and upgrade requirements.
9. Financial Plans must:
 - Be approved by a Council resolution.
 - Include a statement that financial impacts of the Drinking Water System have been considered and apply for a minimum six-year period.
 - Include details regarding proposed or projected financial operations using the Public Sector Accounting Board's "Statement of Operations" format for each year of the Financial Plan.
 - Be made available to the public who are served by the Drinking Water System upon request at no charge and online via publication to the Corporation's Website.
 - Notice of the Financial Plan's availability must be provided to the public and a copy must be submitted to the Ministry of Municipal Affairs and Housing and Ministry of the Environment.
10. The Financial Plan, entitled 'City of Barrie, Water and Wastewater Ontario Regulation 453/07 Financial Plans', dated April, 2014, presented as Appendix "A", was prepared by Watson and Associates Economists Ltd., in accordance with Ontario Regulation 453/07 and is the second financial plan for the City of Barrie Drinking Water System. The City of Barrie received its first Municipal Drinking Water License in November 2009 with the first Financial Plan submission on July 1st, 2010.
11. The Plan has been prepared in harmony with the Draft "City of Barrie Long-Term Fiscal Impact Assessment of Growth Study, February 24th, 2014" (2014 Fiscal Impact Study).
12. The Plan recommends the following annual rate adjustments in order to maintain fiscal viability of the systems:

Service/Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Water	2.0%	9.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.0%	2.0%
Wastewater	12.0%	5.0%	4.0%	4.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

The 2015 increase for Water is due to the fact that the 2014 actual increase was lower than previously recommended and employed in the FIA (Financial Impact Analysis). The increase is required in 2015 to maintain consistency with the FIA. Subsequent adjustments have been smoothed out as much as possible to remain in harmony with the FIA.

Regulation 453/07 requires that the Plan be adhered to for the next six (6) years - reapplication for MDWL renewal will be required in 2019 (5 years from now) at which time the Plan can be re-evaluated and adjusted, if necessary, for the following six years.

ANALYSIS

13. The Financial Plan reflects the Province's main objective for Municipal Drinking Water System's financial viability which is to require municipalities to develop a long-term strategy to ensure the financial sustainability of drinking water systems. This objective is consistent with Council's efforts to create policies and plans that help identify the long-term financial implications of current financing and service level decisions. In addition to complying with Provincial Legislation, it also represents the final step in the water/wastewater rate structure review Council started in 2009.

14. The Financial Plan must cover a period of at least six (6) years and be reviewed and re-submitted every five (5) years as part of the renewal of the Municipal Drinking Water License. The current deadline for renewal of the City of Barrie Municipal Drinking Water License is May 19th, 2014.
15. The Financial Plan consists of:
 - Statement of Financial Position;
 - Statement of Operations;
 - Statement of Change in Net Financial Assets/Debt; and
 - Statement of Cash Flow.
16. Sustainability, as defined by the Public Sector Accounting Board (PSAB) and used by staff during the annual business planning process to assess the Corporation's financial condition, is the degree to which a [water owner] can maintain its current financial obligations and existing service commitments without increasing the debt or [rate] burden on the economy.
17. Overall, the Financial Plan provokes consideration of the long-term financial implications of current service levels and financing decisions and provides a model to show how the water system's operational requirements could be fully funded over the forecast period.

ENVIRONMENTAL MATTERS

18. There are no environmental matters related to the recommendation other than regulatory compliance.

ALTERNATIVES

19. As this Report is being presented, as required legislatively, for information purposes only, no alternatives are recommended.
20. Council could, however, choose to withhold resolution until a later date. This would impact our ability to re-apply for the City of Barrie Municipal Drinking Water License and put the City in a position of not meeting our regulatory requirements.

FINANCIAL

21. There are no direct financial implications associated with the recommended motions.

LINKAGE TO COUNCIL STRATEGIC PRIORITIES

22. The recommendations included in this Staff Report are not specifically related to any of City Council's Strategic Priorities but is a requirement of ongoing service delivery.

CITY OF BARRIE

**WATER AND WASTEWATER
ONTARIO REGULATION 453/07
FINANCIAL PLANS**

FINANCIAL PLAN # 014-301

April 14, 2014



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 **Planning for growth**

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1. INTRODUCTION

1. INTRODUCTION

1.1 Study Purpose

Watson & Associates Economists Ltd. (Watson) was retained by the City of Barrie (the City) to prepare a water (and wastewater) financial plan as part of the five submission requirements for the purposes of obtaining a municipal drinking water license as per the *Safe Drinking Water Act, 2002*. In general, a financial plan requires an in-depth analysis of capital and operating needs and consideration of available funding sources. This detailed financial planning and forecasting in regards to the City's water and wastewater systems has already been completed and documented by Watson within the Draft "City of Barrie Long-Term Fiscal Impact Assessment of Growth Study, February 24, 2014" (2014 Fiscal Impact Study). The objective of the report provided herein is to convert the findings of the 2014 Fiscal Impact Study into the prescribed reporting requirements for a financial plan as defined by Ontario Regulation 453/07 (O.Reg. 453/07).

1.2 Background

The Safe Drinking Water Act (SDWA) was passed in December, 2002 in order to address some of the recommendations made by the Walkerton Inquiry Part II report. One of the main requirements of the Act is the mandatory licensing of municipal water providers. Section 31 (1) specifically states,

"No person shall,

- a) establish a new municipal drinking water system or replace or carry out an alteration to a municipal drinking water system except under the authority of and in accordance with an approval under this Part or a drinking water works permit; or
- b) use or operate a municipal drinking water system that was established before or after this section comes into force except under the authority of and in accordance with an approval under this Part or municipal drinking water licence"

In order to become licensed, a municipality must satisfy five key requirements as per section 44 (1):

1. Obtain a drinking water works permit.
2. Acceptance of the operational plan for the system based on the Drinking Water Quality Management Standard.
3. Accreditation of the Operating Authority.
4. Prepare and provide a financial plan.
5. Obtain permit to take water.

The preparation of a financial plan is a key requirement for licensing and as such, must be undertaken by all water providers.

1.2.1 Financial Plan Defined

Section 30 (1) of the SDWA provides the following definition of financial plans:

"financial plans" means,

- (a) financial plans that satisfy the requirements of subsection (2), but only if,
 - (i) Bill 175 (Sustainable Water and Sewage Systems Act, 2002, introduced on September 23, 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).

As of time of writing, the Sustainable Water and Sewage Systems Act, 2002 (SWSSA) cited above has been repealed (see Section 2.2 of this report) however, the standards that it directs underpin the specific requirements of s.30 (1) part b as they are outlined in O.Reg. 453/07 and which will be examined in detail below.

1.2.2 Financial Plan Requirements – New System

O.Reg. 453/07 provides the following parameters with regards to s.30 (1) part b of the SDWA for new water systems:

- 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 Public Sector Accounting Board (PSAB)) for each year in which the financial plans apply;
- Financial plans applicable to two or more solely-owned drinking water systems can be prepared as if they are for one drinking water system.
- 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 plan is to be submitted to the Ministry of Municipal Affairs and Housing.

1.2.3 Financial Plan Requirements – Existing System

O.Reg. 453/07 also provides details with regards to s.30 (1) part b of the SDWA for existing water systems. The requirements for existing systems are summarized as follows:

- Financial plans must be approved by Council resolution (or governing body);
- Financial plans must include a statement that the financial impacts have been considered and apply for a minimum six year period (commencing in the year of licence expiry);
- 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 the PSAB) for each year in which the financial plans apply;
- Financial plans must present financial position itemized by total financial assets, total liabilities, net debt, non-financial assets, and tangible capital assets (i.e. the components of a “Statement of Financial Position” as per PSAB) for each year in which the financial plans apply; and
- Gross cash receipts/payments itemized by operating transactions, capital transactions, investing transactions and financial transactions (i.e. the components of a “Statement of Cash Flow” as per PSAB) for each year in which the financial plans apply.
- Financial plans applicable to two or more solely-owned drinking water systems can be prepared as if they are for one drinking water system.
- 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 plan is to be submitted to the Ministry of Municipal Affairs and Housing.

1.2.4 Financial Plan Requirements - General

Given that the legislation falls under the SDWA, a financial plan is mandatory for water systems and encouraged for wastewater systems. The financial plans shall be for a forecast period of at least six years but longer planning horizons are encouraged. The financial plan is to be completed, approved and submitted at the time of licence renewal (i.e. six months prior to existing licence expiry). Financial plans may be amended and additional information beyond what is prescribed can be included if deemed necessary.

The financial plan must contain on the front page, the appropriate financial plan number as set out in Schedule A of the Municipal Drinking Water Licence document.

1.2.5 Public Sector Accounting Board (PSAB) Requirements

The components of the financial plans indicated by the regulation are consistent with the requirements for financial statement presentation as set out in section PS1200 of the Canadian Institute of Chartered Accountants (CICA) Public Sector Accounting Handbook:

“Financial statements should include a Statement of Financial Position, a Statement of Operations, a Statement of Change in Net Debt, and a Statement of Cash Flow.”

Both the Statement of Financial Position and the Statement of Operations were required for financial reporting purposes in pre-2009 reporting years. However, the format changed in 2009 to conform to the requirements of PS1200 and PS3150 (see Figures 1-1 and 1-2). The financial statements are now reported on a full accrual accounting basis. This accrual accounting method recognizes revenues and expenses in the same period as the activities that give rise to them regardless of when they are actually paid for. Since an exchange of cash is not necessary to report a financial transaction, the accrual method is meant to provide a more accurate picture of a municipality's financial position. Before 2009, municipalities reported their financial results on a modified cash basis of accounting whereby revenues and expenses are recognized when cash is paid or received and only certain accrual-type items such as payables and receivables are recognized at year-end. The difference between the methods is in the timing of when transactions are reported. This timing difference has impacted the presentation of the statements in that various accounts have been added or deleted in order to properly report the transactions.

Moreover, since the 2009 fiscal year, municipalities have been required to report additional information relating to the accounting treatment of tangible capital assets as indicated by the requirements under section PS3150. Pre-2009, the costs to acquire, develop and/or construct capital assets were expensed in the year in which they occur. Going forward, tangible capital assets are capitalized so as to create and maintain an inventory of the assets owned and to account for their ability to provide future benefits.

The Statement of Cash Flow and the Statement of Change in Net Financial Assets/Debt (which is a new statement as of 2009) are required statements going forward. The Statement of Change in Net Financial Assets/Debt reports on whether enough revenue was generated in a period to cover the expenses in the period and whether sufficient resources have been generated to support current and future activities (see Figure 1-3). The Statement of Cash Flow reports on how activities were financed for a given period providing a measure of the changes in cash for that period (see Figure 1-4).

FIGURE 1-1 STATEMENT OF FINANCIAL POSITION

OLD FORMAT (PRE-2009)

2009 AND FUTURE

<u>Assets</u>
Financial Assets
Cash
Accounts Receivable
Investments
Inventory for resale
Other Assets
Total Financial Assets
<u>Non-Financial Assets</u>
Inventory of Supplies
Prepaid Expenses
Total Non-Financial Assets
<u>Liabilities</u>
Accounts Payable & Accrued Liabilities
Debt (Principal only)
Other (DC Reserves-Deferred Revenue)
Total Liabilities
NET ASSETS
<u>Municipal Position</u>
Fund Balances
Current Fund
Capital Fund
Reserves and Reserve Funds
Amounts to be Recovered
From Future Revenues
From Reserves & Reserve Funds
TOTAL MUNICIPAL POSITION

<u>Financial Assets</u>
Cash
Accounts Receivable
Investments
Inventory for resale
Other Assets
Total Financial Assets
<u>Liabilities</u>
Accounts Payable & Accrued Liabilities
Debt (Principal only)
Other (DC Reserves-Deferred Revenue)
Total Liabilities
NET FINANCIAL ASSETS/(DEBT)
<u>Non-Financial Assets</u>
Tangible Capital Assets
Inventory of Supplies
Prepaid Expenses
Total Non-Financial Assets
ACCUMULATED SURPLUS/(DEFICIT)

FIGURE 1-2
STATEMENT OF OPERATIONS

OLD FORMAT (PRE-2009)

Revenues
Base Charge Revenue
Rate Based Revenue
Transfers from Reserves
Other Revenue
Total Revenues
Expenditures
Operating Expenses
Capital
Total Expenditures
Net Revenues for the year
Increase (decrease) in amounts to be recovered
Change in fund balances

2009 AND FUTURE

Revenue
Base Charge Revenue
Rate Based Revenue
Earned DC Revenue
Other Revenue
Total Revenue
Expenses
Operating Expenses
Interest on Debt
Amortization
Other
Total Expenses
Annual Surplus/(Deficit)
Accum. Surplus/(Deficit), beg. of year
Accum. Surplus/(Deficit), end of year

FIGURE 1-3
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/DEBT

2009 AND FUTURE

Annual Surplus/(Deficit)
Less: Acquisition of tangible capital assets
Add: Amortization of tangible capital assets
(Gain)/Loss on disposal of tangible capital assets
Add: Proceeds on sale of tangible capital assets
Add: Write-downs of tangible capital assets
Sub-total
Less: Acquisition of supplies inventory
Less: Acquisition of prepaid expenses
Add: Consumption of supplies inventory
Add: Use of prepaid expenses
Sub-total
(Increase)/Decrease in net financial assets/net debt
Net financial assets/(net debt), beginning of year
Net financial assets/(net debt), end of year

FIGURE 1-4
STATEMENT OF CASH FLOW¹

DIRECT METHOD	INDIRECT METHOD
<u>Operating Transactions</u> Cash received from: Water Operations Less: Cash paid for: Operating expenses Finance charges <hr/> Cash provided by operating transactions	<u>Operating Transactions</u> Annual Surplus/(Deficit) Add: Amortization of Tangible Capital Assets Loss/(Gain) on sale of Tangible Capital Assets Decrease/(Increase) in Accounts Receivable Increase/(Decrease) in Accounts Payable Decrease/(Increase) in Inventories for sale Other items <hr/> Cash provided by operating transactions
<u>Capital Transactions</u> Proceeds on sale of tangible capital assets Less: Cash used to acquire tangible capital assets <hr/> Cash applied to capital transactions	<u>Capital Transactions</u> Proceeds on sale of tangible capital assets Less: Cash used to acquire tangible capital assets <hr/> Cash applied to capital transactions
<u>Investing Transactions</u> Proceeds from investments Less: Cash used to acquire investments <hr/> Cash provided by (applied to) investing transactions	<u>Investing Transactions</u> Proceeds from investments Less: Cash used to acquire investments <hr/> Cash provided by (applied to) investing transactions
<u>Financing Transactions</u> Proceeds from debt issue Less: Debt repayment (principal only) <hr/> Cash applied to financing transactions	<u>Financing Transactions</u> Proceeds from debt issue Less: Debt repayment (principal only) <hr/> Cash applied to financing transactions
Increase in cash and cash equivalents Cash and cash equivalents, beginning of year Cash and cash equivalents, end of year	Increase in cash and cash equivalents Cash and cash equivalents, beginning of year Cash and cash equivalents, end of year

¹ The statement of cash flow can be prepared using either the direct or indirect methods. The indirect method derives cash flow by making adjustments to the net surplus/deficit reported on the statement of operations. The direct method calculates cash flow identifying the direct sources and uses of cash.

2. SUSTAINABLE FINANCIAL PLANNING

2. SUSTAINABLE FINANCIAL PLANNING

2.1 Introduction

In general, sustainability refers to the ability to maintain a certain position over time. While the SDWA requires a declaration of the financial plan's sustainability, it does not give a clear definition of what would be considered sustainable. Instead, the Ministry of the Environment released a guideline ("Towards Financially Sustainable Drinking-Water and Wastewater Systems") that provides possible approaches to achieving sustainability. The Province's Principles of Financially Sustainable 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.

2.2 Sustainable Water and Sewage Systems Act

The *Sustainable Water and Sewage Systems Act* (SWSSA) was passed on December 13, 2002. The intent of the Act was to introduce the requirement for municipalities to undertake an assessment of the "full cost" of providing their water and the wastewater services. In total, there were 40 areas within the Act to which the Minister could have made Regulations. It is noted that, the regulations, which accompany the Act, were not issued and the Act was repealed on December 31, 2012.

2.3 Water Opportunities Act, 2010 (Bill 72)

Since the passage of the *Safe Drinking Water Act*, changes and refinements to the legislation have been introduced, including Bill 72. Bill 72 was introduced into legislation on May 18, 2010 and received Royal Assent on November 29, 2010, as the *Water Opportunities Act*.

The purposes of the *Water Opportunities Act* are to: foster innovative water, wastewater and storm water technologies, services and practices; create opportunities for economic development and clean-technology jobs; and conserve and sustain water resources. To achieve this Bill 72 provides for the creation of performance targets (financial, operational and maintenance related), which will vary by service type and location and the required submission of conservation and sustainability plans for water, wastewater and storm water.

The sustainability plan in Bill 72 expands on interim legislation for financial plans included in O.Reg 453/07, to include the following:

- an asset management plan for the physical infrastructure;
- financial plan;
- water conservation plan (for water service only);
- a risk assessment;
- a strategy for maintaining and improving the services; and
- additional information considered advisable.

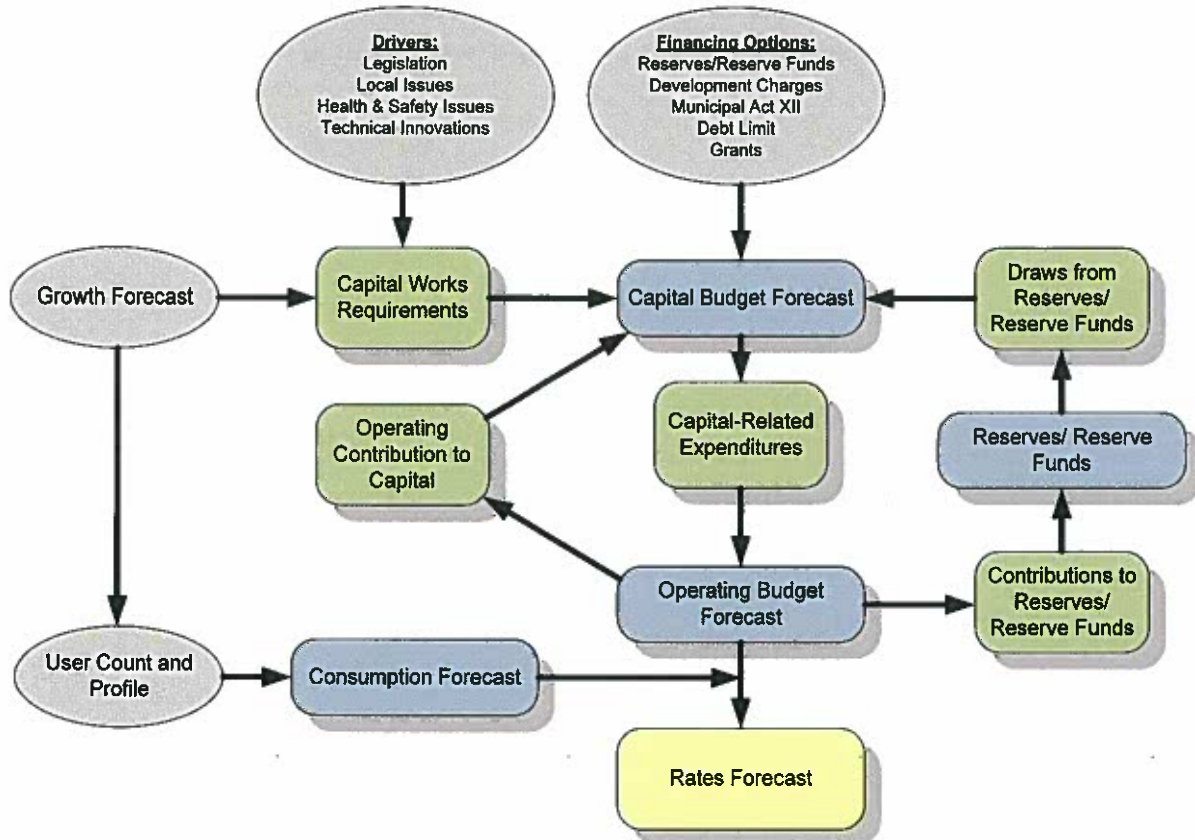
Where a Board has jurisdiction over a service, the plan (and any plan amendments) must be approved by the municipality in which the municipal service is provided, before submission to the Minister. The Minister may also direct preparation of joint or partially joint plans.

Regulations (still forthcoming) will prescribe details in regard to any time periods or time limits, contents of the plans, identifying which portions of the plan will require certification, the public consultation process (if required), limitations updates and refinements.

2.4 Fiscal Impact Study

As noted above, Watson has already completed extensive financial planning as documented in the 2014 Fiscal Impact Study conducted on behalf of the City. The study process as well as the typical rate calculation process is designed to address “full cost” principles and reflect the guiding principles toward sustainable financial planning. Figure 2-1 below summarizes the process.

**FIGURE 2-1
WATER AND WASTEWATER RATE CALCULATION PROCESS**



As a result of employing this process, the sustainable financial planning provides a sound financial plan by providing:

- A detailed assessment of current and future capital needs including an analysis of potential funding sources;
- An analysis of fixed and variable operating costs in order to determine how they will be impacted by evolving infrastructure needs and system growth;
- A review and recommendation on rate structures that ensure revenues are equitable and sufficient to meet system needs; and
- A public process that involves ongoing consultation with the main stakeholders including the City staff, Council, the general public (specifically the users of the system) and others with the aim of gaining input and collaboration on the sustainability of the financial plan.

The details of the financial plan arising from the 2014 Fiscal Impact Study are contained in Appendix A. Please note that revisions were made to the 2014 Fiscal Impact Study results, at

the request of City staff, in order to include recent budget and capital forecast estimates in the financial plan calculations. This included revising the 2014 projected rate increases for water and wastewater to match Council approved rate increases, and making adjustments to the rate forecast for 2015 and future years to account for the revenue impacts of the 2014 rate adjustments. Therefore, Appendix A contains the revised forecasts used within this report.



3. APPROACH

3. APPROACH

3.1 Overview

The 2014 Fiscal Impact Study has been prepared on a modified cash basis; therefore a conversion was required in order to present a full accrual financial plan for the purposes of this report. The conversion process used will help to establish the structure of the financial plan along with the opening balances that will underpin the forecast. This chapter outlines the conversion process utilized and summarizes the adjustments made to prepare the financial plan. It is noted that a financial plan has been prepared for both water and wastewater; however, the focus of the remaining chapters will be on water only. The complete financial plan for wastewater is provided in Appendix B.

3.2 Conversion Process

The conversion from the existing modified cash basis financial plan to the full accrual reporting format required under O.Reg. 453/07 can be summarized in the following steps:

1. Calculate Tangible Capital Asset Balances
2. Convert Statement of Operations
3. Convert Statement of Financial Position
4. Convert Statement of Cash Flow and Net Assets/Debt
5. Verification and Note Preparation

3.2.1 **Calculate Tangible Capital Asset Balances**

In calculating tangible capital asset balances, existing and future purchased, developed, and/or contributed assets will need to be considered. For existing water assets, an inventory has already been compiled and summarized within the 2014 Fiscal Impact Study as well as within the City's PSAB 3150 asset inventory. Given the prospective nature of the 2014 Fiscal Impact Study, replacement cost is provided for each asset. However, historical cost (which is the original cost to purchase, develop, or construct each asset) is required for financial reporting purposes. Once historical cost is established, the following calculations are made to determine net book value:

- Accumulated amortization up to the year prior to the first forecast year.
- Amortization expense on existing assets for each year of the forecast period.
- Acquisition of new assets for each year of the forecast period.
- Disposals and related gains or losses for each year of forecast period.

Future water capital needs have also been determined and summarized within the 2014 Fiscal Impact Study. However, these estimates only represent future assets that the City anticipates purchasing or constructing without consideration for assets that are contributed by developers and other parties (at no or partial cost to the City). These contributed assets could form a significant part of the infrastructure going forward in terms of the sustainability of the system as a whole and despite their non-monetary nature; the financial plan may need to be adjusted in order to properly account for these transactions (if they are known). Once the sequence and total asset acquisition has been determined for the forecast period, annual amortization of these assets for each year is calculated in a similar manner as that used for existing assets.

Once the historical cost, accumulated amortization, and amortization expenses are calculated as described above, the total net book value of the tangible capital assets can be determined and recorded on the Statement of Financial Position.

3.2.2 Convert Statement of Operations

As per section 1.2.5 above, the new Statement of Operations eliminates and/or adds certain transactions that have been reported differently by municipalities since 2009. A wide range of adjustments will be considered and will depend on the size and complexity of the system. For example, the revenues and expenses associated with the now obsolete Statement of Capital and Statement of Reserves and Reserve Funds (see Section 1.2.5) will need to be adjusted for and included within the Statement of Operations. This includes all non tangible capital asset costs previously included in the capital statement (i.e. expenses related to various studies) while at the same time eliminating all expenditures incurred to acquire tangible capital assets which will now form part of the tangible capital asset balance discussed in section 3.2.1.

Transfers to and from reserves are no longer explicitly reported on the Statement of Operations. Instead, these transactions are represented by changes in cash and accumulated surplus. Also, debt repayment costs relating to the principal payment portion only need to be removed, as they no longer qualify as an expense for reporting purposes. Principal payments will now be reported as a decrease in debt liability on the Statement of Financial Position. Finally, expenses relating to tangible capital assets, such as amortization, write-offs, and (gain)/loss on disposal of assets will be reported on the Statement of Operations in order to capture the allocation of the cost of these assets to operating activities over their useful lives.

3.2.3 Convert Statement of Financial Position

Once the Statement of Operations has been converted and the net book value of tangible capital assets has been recorded, balances for the remaining items on the Statement of Financial Position are determined and recorded. As noted earlier, the applicable balances from the previous Statement of Capital and the Statement of Reserve and Reserve Funds will need

to be transferred to this statement. The opening/actual balances for the remaining accounts such as accounts receivable, inventory, accounts payable, outstanding debt (principal only), are recorded and classified according to the structure of the Statement of Financial Position as outlined in PS1200.

It is acknowledged that some of the balances required on the Statement of Financial Position will be consolidated across the City and as such, will be difficult to isolate the information that is relevant to water. An example of this is accounts receivable, which may be administered centrally by the Finance Department. Ontario Regulation 453/07 allows for the exclusion of these numbers if they are not known at the time of preparing the financial plan. Please refer to the Financial Plan Notes in Chapter 4 for more details.

3.2.4 Convert Statement of Cash Flow and Net Financial Assets/Debt

The Statement of Cash Flow summarizes how the City financed its activities or in other words, how the costs of providing services were recovered. The statement is derived using comparative Statement of Financial Position, the current Statement of Operations and other available transaction data.

The Statement of Change in Net Financial Assets/Debt is a new statement which reconciles the difference between the surplus or deficit from current operations and the change in net financial assets/debt for the year. This is significant, as net debt provides an indication of future revenue requirements. In order to complete the Statement of Net Financial Assets/Debt, additional information regarding any gains/losses on disposals of assets, asset write-downs, acquisition/use of supplies inventory, and the acquisition use of prepaid expenses is necessary, (if applicable). Although the Statement of Change in Net Financial Assets/Debt is not required under O.Reg. 453/07, it has been included in this report as a further indicator of financial viability.

3.2.5 Verification and Note Preparation

The final step in the conversion process is to ensure that all of the statements created by the previous steps are in balance. The Statement of Financial Position summarizes the resources and obligations of the City at a set point in time. The Statement of Operations summarizes how these resources and obligations changed over the reporting period. To this end, the accumulated surplus/deficit reported on the Statement of Financial Position should equal the accumulated surplus/deficit reported on the Statement of Operations.

The Statement of Change in Net Financial Assets/Debt and the Statement of Financial Position are also linked in terms of reporting on net financial assets/debt. On the Statement of Financial Position, net financial assets/debt is equal to the difference between financial assets and

liabilities and should equal net financial assets/debt as calculated on the Statement of Net Financial Assets/Debt.

While not part of the financial plan, the accompanying notes are important to summarize the assumptions and estimates made in preparing the financial plan. Some of the significant assumptions that need to be addressed within the financial plan are as follows:

- a. Opening cash balances Opening cash balances are necessary to complete the Statement of Cash Flows and balance the Statement of Financial Position. Preferably, opening cash balances should be derived from actual information contained within the City's ledgers. However, it may not be possible to extract this information from the ledgers for water alone; therefore a reasonable proxy will be needed. One approach is to assume that opening cash balances equal ending reserve and reserve fund balances from the previous year adjusted for accrual-based transactions reflected by accounts receivable/payable balances. The following equation outlines this approach:

$$\begin{array}{l}
 \text{Ending Reserve/Reserve Fund Balance} \\
 \text{Plus: Ending Accounts Payable Balance} \\
 \text{Less: Ending Accounts Receivable Balance} \\
 \text{Equals: Approximate Ending Cash Balance}
 \end{array}$$

- b. Amortization Expense The method and timing of amortization should be based on the City's amortization policy. Otherwise, an assumption will need to be made and applied consistently throughout the financial plan.
- c. Accumulated Amortization Will be based on the culmination of accumulated amortization expenses throughout the life of each asset however derived, along with information on construction/acquisition date and useful life obtained from the 2014 Fiscal Impact Study.
- d. Contributed Assets As noted earlier, contributed assets could represent a significant part of the City's infrastructure acquisitions. As such, a reasonable estimate of value and timing of acquisition/donation may be required in order to adequately capture these assets. In the case where contributed assets are deemed to be insignificant or unknown, an assumption of "no contributed assets within the forecast period" will be made.
- e. Accumulated Surplus The magnitude of the surplus in this area may precipitate the need for additional explanation especially in the first year of reporting. This Accumulated Surplus captures the historical infrastructure investment which has not

been reported in the past but has accumulated to significant levels. It also includes all water reserve and reserve fund balances.

- f. Other Revenues Will represent the recognition of revenues previously deferred (i.e. development charge revenues) and/or accrued revenues (developer contributions), and/or other minor miscellaneous revenues.

4. FINANCIAL PLAN

4.1 Introduction

The following tables provide the complete financial plan for the City's water system (please refer to Appendix B for the wastewater financial plan). A brief description and analysis of each table is provided below. It is important to note that the financial plan that follows is a forward look at the financial position of the City's water system. It is not an audited document² and contains various estimates as detailed in the "Notes to the Financial Plan" section below.

4.2 Water Financial Plan

4.2.1 *Statement of Financial Position (Table 4-1)*

The Statement of Financial Position provides information that describes the assets, liabilities, and accumulated surplus of the City's water system. The first important indicator is net financial assets/(debt), which is defined as the difference between financial assets and liabilities. This indicator provides an indication of the system's "future revenue requirement". A net financial asset position is where financial assets are greater than liabilities and implies that the system has the resources to finance future operations. Conversely, a net debt position implies that the future revenues generated by the system will be needed to finance past transactions, as well as future operations. Table 4-1 indicates that in 2014, due to existing debt levels, the City's water system will be in a net debt position of approximately \$127.2 million. However, after 2014, the financial plan forecasts an improving net financial asset/(debt) position in each subsequent year of the forecast period. The net financial asset/(debt) position is projected to improve by over \$93.8 million by the end of 2023.

Another important indicator on the Statement of Financial Position is the tangible capital asset balance. As noted earlier, providing this information is a new requirement for municipalities as part of PS3150 compliance and is significant from a financial planning perspective for the following reasons:

- Tangible capital assets such as water mains are imperative to water service delivery.
- These assets represent significant economic resources in terms of their historical and replacement costs. Therefore, ongoing capital asset management is essential to managing significant replacements and repairs.
- The annual maintenance required by these assets has an enduring impact on water operational budgets.

² O.Reg. 453/07 does not require an audited financial plan.

In general terms, an increase in the tangible capital asset balance indicates that assets may have been acquired either through purchase by the City or donation/contribution by a third party. A decrease in the tangible capital asset balance can indicate a disposal, write down, or use of assets. A use of assets is usually represented by an increase in accumulated amortization due to annual amortization expenses arising as a result of allocating the cost of the asset to operations over the asset's useful life. Table 4-1 illustrates that the tangible capital asset balance is expected to increase by approximately \$73.7 million over the forecast period. This indicates that the City's planned investment in tangible capital assets (which includes developer contributed capital assets) exceeds planned amortization and disposals over this time period.

4.2.2 Statement of Operations (Table 4-2)

The Statement of Operations summarizes the revenues and expenses generated by the water system for a given period. The annual surplus/deficit measures whether the revenues generated were sufficient to cover the expenses incurred and in turn, whether net financial assets have been maintained or depleted. Table 4-2 illustrates the ratio of expenses to revenues decreasing from 88% in 2014 to 61% in 2023 and as a result, annual surplus grows from \$4.3 million in 2014 to over \$25.0 million in 2023. It is important to note that an annual surplus is beneficial to ensure funding is available to non-expense costs such as tangible capital asset acquisitions, reserve/reserve fund transfers and debt principal payments.

Another important indicator on this statement is accumulated surplus/deficit. An accumulated surplus indicates that the available net resources are sufficient to provide future water services. An accumulated deficit indicates that resources are insufficient to provide future services and that borrowing or rate increases are required to finance annual deficits. From Table 4-2, the financial plan proposes to add approximately \$167.5 million to a 2013 accumulated surplus of approximately \$187.6 million over the forecast period. This accumulated surplus, as indicated in Table 4-2, is predominantly made up of reserve and reserve fund balances as well as historical investments in tangible capital assets.

4.2.3 Statement of Change in Net Financial Assets/Debt (Table 4-3)

The Statement of Change in Net Financial Assets/Debt indicates whether revenue generated was sufficient to cover operating and non-financial asset costs (i.e. inventory supplies, prepaid expenses, tangible capital assets, etc.) and in so doing, explains the difference between the annual surplus/deficit and the change in net financial assets/debt for the period. Table 4-3 indicates that forecasted annual surplus for each year exceeds the forecasted tangible capital asset acquisitions (net of amortization for the year), resulting in an increase in net financial assets each year of the forecast period. This allows for a long term plan of funding capital through accumulated surplus (i.e. reserves and reserve funds). This is evidenced by the ratio of

cumulative annual surplus before amortization to cumulative tangible capital asset acquisitions improving from 1.06 to 1.57 over the forecast period³.

4.2.4 Statement of Cash Flow (Table 4-4)

The Statement of Cash Flow summarizes how the water system is expected to generate and use cash resources during the forecast period. The transactions that provide/use cash are classified as operating, capital, investing, and financing activities as shown in Table 4-4. This statement focuses on the cash aspect of these transactions and thus is the link between cash and accrual based reporting. Table 4-4 indicates that cash from operations will be used to fund capital transactions (i.e. tangible capital asset acquisitions), debenture payments and to build internal reserves and reserve funds over the forecast period. The financial plan projects the cash position of the City's water system to improve from a balance of approximately \$5.1 million at the beginning of 2014, to just over \$236.0 million by the end of 2023. For further discussions, on projected cash balances please refer to the Notes to the Financial Plan.

³ A desirable ratio is 1:1 or better.

TABLE 4-1
 City of Barrie
 Statement of Financial Position: Water Services
 UNAUDITED: FOR FINANCIAL PLANNING PURPOSES ONLY
 2014 - 2023

	Notes	Forecast													
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023				
Financial Assets															
Cash	1	14,007,623	31,943,631	53,113,456	66,473,888	93,245,687	125,955,177	155,500,707	183,067,981	213,773,120	236,110,045				
Accounts Receivable	1	1,787,647	1,926,563	1,999,993	2,076,089	2,154,711	2,235,967	2,319,920	2,412,005	2,504,249	2,599,237				
Total Financial Assets		15,795,270	33,870,194	55,113,449	70,549,977	95,400,398	128,191,144	157,820,627	185,479,986	216,277,369	238,709,282				
Liabilities															
Accounts Payable & Accrued Liabilities	1	3,695,668	3,806,539	3,920,758	4,036,359	4,159,534	4,284,345	4,412,879	4,545,305	4,681,624	4,822,111				
Debt (Principal only)	2	142,672,608	141,040,658	139,334,554	137,550,883	135,686,068	133,736,368	131,748,468	129,669,840	127,496,316	125,223,494				
Deferred Revenue	3	(3,327,124)	5,294,966	17,534,337	30,266,836	44,814,463	69,429,765	95,415,854	113,589,340	132,787,501	142,756,672				
Total Liabilities		143,041,152	150,142,183	160,789,649	171,856,078	184,660,065	207,450,478	231,577,191	247,904,485	264,965,441	272,802,277				
Net Financial Assets/(Debt)		(127,245,882)	(116,271,989)	(105,676,200)	(101,306,101)	(89,259,667)	(79,259,334)	(73,756,564)	(62,324,499)	(48,688,072)	(34,092,995)				
Non-Financial Assets															
Tangible Capital Assets	4	319,144,476	315,527,252	321,282,801	335,696,959	342,387,056	349,359,475	361,765,184	368,631,861	378,844,956	389,285,936				
Total Non-Financial Assets		319,144,476	315,527,252	321,282,801	335,696,959	342,387,056	349,359,475	361,765,184	368,631,861	378,844,956	389,285,936				
Accumulated Surplus/(Deficit)	5	191,898,594	199,255,263	215,606,601	234,390,858	253,127,389	270,100,141	288,008,620	306,307,362	330,156,884	355,192,941				
Financial Indicators															
Total Change															
1) Increase/(Decrease) in Net Financial Assets		700,364	10,973,893	10,595,789	4,370,099	12,046,434	10,000,333	5,502,770	11,432,065	13,636,427	14,595,077				
2) Increase/(Decrease) in Tangible Capital Assets		3,554,349	(3,617,224)	5,755,549	14,414,158	6,690,097	6,972,419	12,405,709	6,866,577	10,213,095	10,440,980				
3) Increase/(Decrease) in Accumulated Surplus		4,254,713	7,356,669	16,351,338	18,784,257	18,736,651	16,972,752	17,908,478	18,298,742	23,849,522	25,036,057				

SCHEDULE 4-1
City of Barrie
Schedule of Operating Expenses: Water Services
UNAUDITED: FOR FINANCIAL PLANNING PURPOSES ONLY
2014 - 2023

	Notes	Forecast																		
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023									
Operating Expenses																				
Ground Water Supply (18-2610):																				
Salaries/Benefits		1,383,986	1,425,500	1,468,300	1,512,300	1,557,700	1,604,400	1,652,500	1,702,100	1,753,200	1,805,800									
Utilities		906,315	933,500	961,500	990,300	1,020,000	1,050,600	1,082,100	1,114,600	1,148,000	1,182,400									
Other		1,296,798	1,335,700	1,375,800	1,417,100	1,459,600	1,503,400	1,548,500	1,595,000	1,642,900	1,692,200									
Surface Water Supply (18-2615):																				
Salaries/Benefits		1,699,863	1,750,900	1,803,400	1,857,500	1,913,200	1,970,600	2,029,700	2,090,600	2,153,300	2,217,900									
Utilities		733,838	755,900	778,600	802,000	826,100	850,900	876,400	902,700	929,800	957,700									
Other		672,537	692,500	713,300	734,700	756,700	779,400	802,800	826,900	851,700	877,300									
Water Maintenance - Administration (18-2620):																				
Salaries/Benefits		557,990	574,700	591,900	609,700	628,000	646,800	666,200	686,200	706,800	728,000									
Other		410,268	422,600	435,300	448,400	461,900	475,800	490,100	504,800	519,900	535,500									
Water Meters/Customer Service (18-2630):																				
Salaries/Benefits		1,541,209	1,587,400	1,635,000	1,684,100	1,734,600	1,786,600	1,840,200	1,895,400	1,952,300	2,010,900									
Other		280,400	288,800	297,500	306,400	315,600	325,100	334,900	344,900	355,200	365,900									
Water Distribution (18-2640):																				
Salaries/Benefits		1,424,277	1,467,000	1,511,000	1,556,300	1,603,000	1,651,100	1,700,600	1,751,600	1,804,100	1,858,200									
Other		925,950	953,700	982,300	1,011,800	1,042,200	1,073,500	1,105,700	1,138,900	1,173,100	1,208,300									
Hydrant Painting (18-2641):		60,000	61,800	63,700	65,600	67,600	69,600	71,700	73,900	76,100	78,400									
Hydrant Maintenance (18-2642):		120,000	123,600	127,300	131,100	135,000	139,100	143,300	147,600	152,000	156,600									
Hydrant Snow Removal (18-2643):		120,000	123,600	127,300	131,100	135,000	139,100	143,300	147,600	152,000	156,600									
Main Tapping (18-2644):		20,000	20,600	21,200	21,800	22,500	23,200	23,900	24,600	25,300	26,000									
Internal Charges - Facilities		1,280,130	1,318,500	1,358,100	1,398,800	1,440,800	1,484,000	1,528,500	1,574,400	1,621,600	1,670,200									
Internal Charges - Overhead		3,925,778	4,043,600	4,164,900	4,289,800	4,418,500	4,551,100	4,687,600	4,828,200	4,973,000	5,122,200									
Salaries Adjustment		16,000	16,500	17,000	17,500	18,000	18,500	19,100	19,700	20,300	20,900									
Non TCA - Expenses from Capital Budget	7	269,000	-	-	-	-	-	-	-	-	-									
TOTAL OPERATING EXPENSES		17,644,139	17,895,400	18,433,400	18,986,300	19,556,000	20,142,800	20,747,100	21,369,700	22,010,600	22,671,100									

TABLE 4-3
 City of Barrie
 Statement of Changes in Net Financial Assets/Debt: Water Services
 UNAUDITED; FOR FINANCIAL PLANNING PURPOSES ONLY
 2014 - 2023

	Notes	Forecast										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Annual Surplus/(Deficit)		4,254,713	7,356,669	16,351,338	18,784,257	18,736,531	16,972,752	17,908,479	18,298,742	23,849,522	25,036,057	
Less: Acquisition of Tangible Capital Assets	4	(12,083,153)	(5,059,559)	(14,489,200)	(23,061,904)	(15,597,508)	(18,064,176)	(21,660,467)	(16,376,957)	(19,900,959)	(20,420,608)	
Add: Amortization of Tangible Capital Assets	4	8,528,804	8,675,780	8,733,651	8,647,746	8,907,411	9,091,756	9,254,759	9,510,280	9,687,863	9,979,828	
(Gain)/Loss on disposal of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	
Add: Proceeds on Sale of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	
Add: Write-downs of Tangible Capital Assets		(3,554,349)	3,617,224	(5,755,549)	(14,414,158)	(6,690,097)	(6,972,420)	(12,405,708)	(6,866,877)	(10,213,096)	(10,440,980)	
Less: Acquisition of Supplies Inventory		-	-	-	-	-	-	-	-	-	-	
Less: Acquisition of Prepaid Expenses		-	-	-	-	-	-	-	-	-	-	
Add: Consumption of Supplies Inventory		-	-	-	-	-	-	-	-	-	-	
Add: Use of Prepaid Expenses		-	-	-	-	-	-	-	-	-	-	
Increase/(Decrease) in Net Financial Assets/(Net Debt)		700,364	10,973,893	10,595,789	4,370,100	12,046,434	10,000,333	5,502,771	11,432,065	13,636,427	14,595,077	
Net Financial Assets/(Net Debt), beginning of year		(127,946,246)	(127,245,882)	(116,271,989)	(105,676,200)	(101,306,101)	(89,259,667)	(79,259,334)	(73,756,564)	(62,324,499)	(48,688,072)	
Net Financial Assets/(Net Debt), end of year		(127,245,882)	(116,271,989)	(105,676,200)	(101,306,101)	(89,259,667)	(79,259,334)	(73,756,564)	(62,324,499)	(48,688,072)	(34,092,995)	
Financial Indicators												
1) Acquisition of Tangible Capital Assets (Cumulative)		12,083,153	17,141,709	31,630,909	54,692,813	70,290,321	86,354,497	108,014,964	124,391,921	144,292,880	164,713,488	
2) Annual Surplus/Deficit before Amortization (Cumulative)		12,783,517	28,815,966	53,900,955	81,332,958	108,976,900	135,041,408	162,204,646	190,013,668	223,551,053	258,566,738	
3) Ratio of Annual Surplus before Amortization to Acquisition of TCAs (Cumulative)		1.06	1.68	1.70	1.49	1.55	1.56	1.50	1.53	1.55	1.57	

TABLE 4-4
City of Barrie
Statement of Cash Flow - Indirect Method: Water Services
UNAUDITED: FOR FINANCIAL PLANNING PURPOSES ONLY
2014 - 2023

	Notes	Forecast										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Operating Transactions												
Annual Surplus/Deficit		4,254,713	7,356,669	16,351,338	18,784,257	18,736,531	16,972,752	17,908,479	18,298,742	23,849,522	25,036,057	
Add: Amortization of TCA's	4	8,528,804	8,675,780	8,733,651	8,647,746	8,907,411	9,091,756	9,254,759	9,510,280	9,687,863	9,979,528	
(Gain)/Loss on disposal of Tangible Capital Assets	3	(12,595,695)	(14,239,196)	(12,716,197)	(13,334,635)	(12,331,644)	(9,538,528)	(10,909,528)	(10,311,528)	(14,763,528)	(14,896,528)	
Less: Earned Deferred Revenue		-	-	(10,039,702)	(11,208,661)	(11,842,854)	(12,044,704)	(11,299,774)	(11,638,767)	(11,987,930)	(12,347,568)	
Less: Developer Contributions		-	-	24,955,548	26,067,134	26,879,271	34,453,830	36,895,618	28,485,014	33,961,689	24,865,700	
Add: Deferred Revenue Proceeds		20,116,765	22,861,306	(73,431)	(76,095)	(78,622)	(81,255)	(83,955)	(92,065)	(92,244)	(94,989)	
Change in A/R (Increase/Decrease)		(46,364)	(138,915)	114,219	117,601	121,175	124,811	128,534	132,426	136,319	140,487	
Change in A/P (Increase/Decrease)		220,877	110,871	-	-	-	(108,525)	(255,506)	(439,789)	(658,410)	(913,383)	
Less: Interest Proceeds		-	-	-	-	-	-	-	-	-	-	
Cash Provided by Operating Transactions		20,478,900	24,626,515	27,325,426	28,997,347	30,391,268	38,570,037	41,638,627	33,944,293	40,133,281	31,769,404	
Capital Transactions												
Proceeds on sale of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	
Less: Cash Used to acquire Tangible Capital Assets	4	(12,083,153)	(5,058,556)	(4,449,498)	(11,853,243)	(3,754,654)	(4,019,472)	(10,360,693)	(4,738,190)	(7,913,029)	(8,073,040)	
Cash Applied to Capital Transactions		(12,083,153)	(5,058,556)	(4,449,498)	(11,853,243)	(3,754,654)	(4,019,472)	(10,360,693)	(4,738,190)	(7,913,029)	(8,073,040)	
Investing Transactions												
Proceeds from Investments		-	-	-	-	-	108,625	255,506	439,789	658,410	913,383	
Less: Cash Used to Acquire Investments		-	-	-	-	-	-	-	-	-	-	
Cash Provided by (applied to) Investing Transactions		-	-	-	-	-	108,625	255,506	439,789	658,410	913,383	
Financing Transactions												
Proceeds from Debt Issue	2	2,000,000	-	-	-	-	-	-	-	-	-	
Less: Debt Repayment (Principal only)	2	(1,530,514)	(1,631,951)	(1,706,103)	(1,783,672)	(1,864,815)	(1,949,700)	(1,987,910)	(2,078,618)	(2,173,523)	(2,272,822)	
Cash Applied to Financing Transactions		469,486	(1,631,951)	(1,706,103)	(1,783,672)	(1,864,815)	(1,949,700)	(1,987,910)	(2,078,618)	(2,173,523)	(2,272,822)	
Increase in Cash and Cash Equivalents		8,865,233	17,936,008	21,169,825	15,360,432	24,771,799	32,709,490	29,545,530	27,567,274	30,705,139	22,336,925	
Cash and Cash Equivalents, beginning of year	1	5,142,390	14,007,623	31,943,631	53,113,456	68,473,888	93,245,687	125,955,177	155,500,707	183,067,981	213,773,120	
Cash and Cash Equivalents, end of year	1	14,007,623	31,943,631	53,113,456	68,473,888	93,245,687	125,955,177	155,500,707	183,067,981	213,773,120	236,110,045	

WATER NOTES TO FINANCIAL PLAN

The financial plan format as outlined in Chapter 4 closely approximates the full accrual format used by municipalities on their audited financial statements. However, the financial plan is not an audited document and contains various estimates. In this regard, Section 3 (2) of O.Reg. 453/07 states the following:

“Each of the following sub-subparagraphs applies only if the information referred to in the sub-subparagraph is known to the owner at the time the financial plans are prepared:

1. Sub-subparagraphs 4 i A, B and C of subsection (1)
2. Sub-subparagraphs 4 iii A, C, E and F of subsection (1).”

The information referred to in sub-subparagraphs 4 i A, B and C of subsection (1) includes:

- A. Total financial assets (i.e. cash and receivables);
- B. Total liabilities (i.e. payables, debt and deferred revenue);
- C. Net debt (i.e. the difference between A and B above).

The information referred to in sub-subparagraphs 4 iii A, C, E and F of subsection (1) includes:

- A. Operating transactions that are cash received from revenues, cash paid for operating expenses and finance charges
- C. Investing transactions that are acquisitions and disposal of investments
- E. Change in cash and cash equivalents during the year
- F. Cash and cash equivalents at the beginning and end of the year

In order to show a balanced financial plan in a full accrual format for the City of Barrie, some of the items listed above have been estimated given that the City does not maintain all financial asset and liability data separately for water. Usually, this type of data is combined with the financial assets and liabilities of other departments and services given that there is not a current obligation to disclose this data separately (as there is with revenue and expenses).

The assumptions used have been documented below:

1. Cash, Receivables and Payables

It is assumed that the opening cash balances required to complete the financial plan are equal to:

Ending Reserve/Reserve Fund Balance
Plus: Ending Accounts Payable Balance
Less: Ending Accounts Receivable Balance
Equals: Approximate Ending Cash Balance

For the City of Barrie, water receivables and payables were estimated for 2014 based on the proportionate share of City wide receivables and payables, respectively, which was used to estimate water receivables and payables throughout the forecast period. Therefore, the opening cash balance was estimated based on the above calculation.

2. Debt

Outstanding water related debt at the end of 2013 was \$142.2 million, with additional debt proceeds anticipated throughout the forecast period. *Principal* repayments for existing and new debt over the forecast period are scheduled as follows:

Year	Principal Payments
2014	1,530,514
2015	1,631,951
2016	1,706,103
2017	1,783,672
2018	1,864,815
2019	1,949,700
2020	1,987,910
2021	2,078,618
2022	2,173,523
2023	2,272,822
Total	\$ 18,979,628

For financial reporting purposes, debt principal payments represent a decrease in debt liability and the interest payments represent a current year operating expense.

3. Deferred Revenue

Deferred revenue is made up of water development charge reserve fund balances, are considered to be a liability for financial reporting purposes until the funds are used to emplace the works for which they have been collected.

4. Tangible Capital Assets

- Opening net book value of tangible capital assets includes water related assets in the following categories:
 - i. Linear Assets;
 - ii. Facilities;
 - iii. Equipment; and
 - iv. Land Improvements.
- Amortization is calculated based on the straight-line approach with no amortization in the year of acquisition or construction.
- Given the planned asset replacement forecast in the 2014 Fiscal Impact Study, useful life on acquisitions is assumed to be equal to the weighted average useful life for all assets on hand in each respective asset category.
- Write-offs are assumed to equal \$0 for each year in the forecast period.
- Tangible capital assets are shown on a net basis. It is assumed that disposals occur when the asset is being replaced, unless the asset is documented as a new asset. The value of each asset disposal is calculated by estimating the original purchase/construction date and deflating current replacement cost values to those estimated dates in order to calculate original historical cost.
- Gains/losses on disposal are assumed to be \$0 (it is assumed that historical cost is equal to accumulated amortization for all disposals).
- Residual value is assumed to be \$0 for all assets contained within the forecast period.
- Anticipated contributed Assets, as described in Section 3.2.1, have been included in the forecast period based on assumptions provided by City staff.
- The City is unaware of any specific lead service piping in the municipal water system. However when older portions of the water main system are replaced as part of the ongoing replacement program, any lead service pipes will be replaced if and when found.

The balance of tangible capital assets is summarized as follows:

Asset Historical Cost	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Opening Tangible Capital Asset Balance	363,892,634	375,719,960	380,514,492	394,667,145	417,274,437	432,544,821	448,413,868	469,003,460	484,665,940	504,066,826
Acquisitions	12,083,153	5,058,556	14,489,200	23,061,904	15,597,508	16,064,176	21,660,467	16,376,957	19,900,959	20,420,608
Disposals	255,827	264,024	336,547	454,612	327,124	195,129	1,070,875	714,477	500,073	270,234
Closing Tangible Capital Asset Balance	375,719,960	380,514,492	394,667,145	417,274,437	432,544,821	448,413,868	469,003,460	484,665,940	504,066,826	524,217,200
Opening Accumulated Amortization	48,302,507	56,575,484	64,987,240	73,384,344	81,577,478	90,157,766	99,054,392	107,238,276	116,034,080	125,221,870
Amortization Expense	8,528,804	8,675,780	8,733,651	8,647,746	8,907,411	9,091,756	9,254,759	9,510,280	9,687,863	9,979,628
Amortization on Disposal	255,827	264,024	336,547	454,612	327,124	195,129	1,070,875	714,477	500,073	270,234
Ending Accumulated Amortization	56,575,484	64,987,240	73,384,344	81,577,478	90,157,765	99,054,393	107,238,276	116,034,079	125,221,870	134,931,264
Net Book Value	319,144,476	315,527,252	321,282,801	335,696,959	342,387,056	349,359,475	361,765,184	368,631,861	378,844,956	389,285,936

5. Accumulated Surplus

Opening accumulated surplus for the forecast period is reconciled as follows:

Water	2014 Opening Accumulated Surplus
Reserve Balances	
Reserves: Development Charges	(10,848,194)
Reserves: Capital/Other	14,256,876
Total Reserves Balance	3,408,682
Less: Debt Obligations and Deferred Revenue	(131,354,928)
Add: Tangible Capital Assets	315,590,127
Total Opening Balance	187,643,881

The accumulated surplus reconciliation for all years within the forecast period is contained in Table 4-2.

6. Other revenue

Other revenue includes investment income, service charges, and other non-operating general revenues.

7. Operating Expenses

Capital expenditures for items not meeting the definition of tangible capital assets have been reclassified as operating expenses and have been expensed in the year in which they occur.



**5. PROCESS FOR FINANCIAL PLAN APPROVAL AND
SUBMISSION TO THE PROVINCE**

5. PROCESS FOR APPROVAL AND SUBMISSION TO THE PROVINCE

As mentioned in section 1.2, the requirement to prepare the financial plan is provided in Section 32 (5) 2 ii of the SDWA. Proof of the preparation of a financial plan is one of the submission requirements for municipal drinking water licensing and upon completion, must be submitted to the Ministry of the Environment. As part of O.Reg. 453/07, the process established for plan approval, public circulation and filing is set out as follows:

1. The financial plan must be approved by resolution of the municipality who owns the drinking water system or the governing body of the owner. (O.Reg. 453/07, Section 3 (1) 1)
2. The owner of the drinking water system must provide notice advertising the availability of the financial plan. The plans will be made available to the public upon request and without charge. The plans must also be made available to the public on the municipality's website. (O.Reg. 453/07, Section 3 (1) 5)
3. The owner of the drinking water system must provide a copy of the financial plan to the Director of Policy Branch, Ministry of Municipal Affairs and Housing. (O.Reg. 453/07, Section 3 (1) 6)
4. The owner of the drinking water system must provide proof satisfactory to the Ministry of the Environment that the financial plans for the system satisfy the requirements under the Safe Drinking Water Act. (SDWA Section 32 (5) 2 ii)

6. RECOMMENDATIONS

6. RECOMMENDATIONS

This report presents the water and wastewater financial plan for the City of Barrie in accordance with the mandatory reporting formats for water systems as detailed in O.Reg. 453/07. It is important to note that while mandatory, the financial plan is provided for Council's interest and approval however, for decision making purposes, it may be more informative to rely on the information contained within the 2014 Fiscal Impact Study. Nevertheless, Council is required to pass certain resolutions with regard to this plan and regulations and it is recommended that:

1. The City of Barrie Water and Wastewater Financial Plan prepared by Watson & Associates Economists Ltd. dated April 14, 2014 be approved.
2. Notice of availability of the Financial Plan be advertised.
3. The Financial Plan and the Council Resolution approving the Financial Plan be submitted to the Ministry of Municipal Affairs and Housing. (O.Reg. 453/07, Section 3 (1) 6)
4. The Financial Plan and the Council Resolution approving the Financial Plan be submitted to the Ministry of the Environment, satisfying the requirements under the Safe Drinking Water Act. (SDWA Section 32 (5) 2 ii)

APPENDIX A
DRAFT CITY OF BARRIE “LONG-TERM FISCAL IMPACT
ASSESSMENT OF GROWTH”– WATER & WASTEWATER
SUMMARY TABLES (REVISED)

Table A-1
City of Barrie
Water Service
Capital Budget Forecast
inflated \$

Description	Scenario 3 & 4 Accelerated Collection of DC's from Existing Barrie Growth & Front-Ending from Annexed Barrie Growth										
	Total	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Capital Expenditures											
Asset Replacement - Projected Needs	19,852,728	804,353	392,356	2,094,598	1,186,343	2,046,254	1,799,172	7,055,093	2,015,890	723,628	735,040
Asset Replacement - Backlog	4,709,800	410,800	423,200	435,900	448,900	462,400	476,300	490,600	505,300	520,400	536,000
Asset Replacement & Other	23,562,528	1,215,153	615,556	2,530,498	1,635,243	2,508,654	2,275,472	7,545,693	2,521,190	1,244,028	1,271,040
Growth Related:											
Former Barrie:											
0184 Surface Water Treatment Plant	359,000										
Water Studies	269,000										
Ardagh Farnedale Water Quality Sampling Station	21,000										
Sunnidale Reservoir	175,000										
Sunnidale Road - Leilla to Wellington	2,760,000				2,760,000						
0308 Fendale: Tiffin - Dunlop	584,000		584,000								
1224 Lakeshore Drive - Toronto to Tiffin	666,000										
1448 PRV & Chambers Condition Assess& Stral Investment	577,000		265,000								
1498 Catholic Protection - Phase 2	416,000										
1507 Dunlop Street West - Anne to Eccles - Level 3	718,000										
1508 Dunlop Street West - Eccles to Toronto	151,000										
1518 Highland Avenue - Rodney to Cook	166,000										
1531 Mountbatten Road and Rodney Street - Design	749,000										
1561 Bulk Water Fill Station											
Former Barrie as Per Master Plan:											
Berczy Street - Eugina Street north to Codrington Pumping Station (2013); Zone 1 Reinforcement (existing 300mm pipe)	96,000	96,000									
Poyntz Street - Dunlop Street East north to Worsley Street (2013); Zone 1 Reinforcement (existing 250mm/300mm pipes)	172,000	172,000									
Poyntz Street - Worsley Street north to Berczy Street; Zone 1 Reinforcement (existing 300mm pipe)	114,000	114,000									
Tiffin Street - Fendale Drive North east to Patterson Road (2012); Zone 1 Reinforcement (existing 300mm pipe)	1,092,000	1,092,000									
Tiffin Street - Patterson Road east to Dymont Road (2012); Zone 1 Reinforcement (existing 300mm pipe)	82,000	82,000									
Tiffin Street - Dymont Road east to Anne Street South (2012); Zone 1 Reinforcement (existing 300mm pipe)	1,322,000	1,322,000									
Miller Drive - Spinule Drive north to Edgell Drive (2013); Zone 1 Reinforcement (existing 150mm pipe)	228,000	228,000									
Dunlop Street E - Mulcaster Street east to Poyntz Street; Zone 1 Reinforcement (existing 250mm pipe)	125,000	125,000									
Stanford Street cul-de-sac connection pipe to Short Street cul-de-sac (2021); Zone 1 Reinforcement supply loop	142,000										
Pentanguishene Road - Indian Arrow Road north to Blake Street/Steel Street (2012); Zone 2N Reinforcement continuity loop	78,000	78,000									
Berczy Street - Eugina Street north to Codrington Street (2013); Zone 2N Reinforcement loop (no existing Zone 2N pipes)	73,000	73,000									
Eugina Street - Berczy Street east to Albert Street (2013); Zone 2N Reinforcement (existing 100mm pipe)	60,000	60,000									
Eugina Street - Albert Street east to Dundonald Street (2013)	72,000	72,000									
Eugina Street - Dundonald Street east to St. Vincent Street (2013); Zone 2N Reinforcement (existing 150mm pipe)	143,000		143,000								
Eugina Street - St. Vincent Street west 5 metres (2013); Zone 2N Reinforcement (existing 150mm pipe)	2,000		2,000								
Duckworth Street - St. Vincent Street north to Codrington Street (2015); Zone 2N Reinforcement (no existing pipe along road, a 150mm/200mm pipe route along 2 roads to pipe outlet)	51,000		51,000								
Duckworth Street - Codrington Street north to Napier Street (2015); Zone 2N Reinforcement (existing 100mm/150mm pipe)	106,000		106,000								
Duckworth Street - Napier Street north to Steel Street (2015); Zone 2N Reinforcement (existing 150mm pipe)	157,000		157,000								

Description	Total	Forecast												
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
Duckworth Street - Steel Street north to Grove Street East (2015); Zone 2N Reinforcement (existing 150mm/200mm pipe)	195,000	-	195,000	-	-	-	-	-	-	-	-	-	-	-
Duckworth Street - Grove Street East north to Bell Farm Road (2011); Zone 2N Reinforcement (existing 150mm/200mm pipe)	177,000	-	177,000	-	-	-	-	-	-	-	-	-	-	-
Cundies Road East - St. Vincent St east 300m; Zone 2N Reinforcement (existing 200mm pipe)	122,000	-	122,000	-	-	-	-	-	-	-	-	-	-	-
Leacock Pumping Station north to Browning Trail (2021); Zone 3N Reinforcement (existing 300mm pipe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leacock Drive - Browning Trail north to Leitta Street; Zone 3N Reinforcement (existing 300mm pipe)	124,000	-	-	-	124,000	-	-	-	-	-	-	-	-	-
Zone 3N Station; Zone 3N Reinforcement	5,285,000	-	-	-	5,285,000	-	-	-	-	-	-	-	-	-
Proposed Zone 3N Pumping Station potential location transmission connection mains; Zone 3N Reinforcement	423,000	-	-	-	423,000	-	-	-	-	-	-	-	-	-
Proposed Zone 3N Pumping Station potential location transmission connection mains; Zone 3N Reinforcement	132,000	-	-	-	132,000	-	-	-	-	-	-	-	-	-
Proposed Zone 3N Pumping Station potential location transmission connection mains; Zone 3N Reinforcement	206,000	-	-	-	206,000	-	-	-	-	-	-	-	-	-
Bayview Drive - Big Bay Point Road north to Little Avenue (2014); Zone 2S Reinforcement (existing 300mm pipe)	903,000	-	903,000	-	-	-	-	-	-	-	-	-	-	-
Bourbon Circle, Consort Drive and Sun King Crescent Intersection southwest to Mapleview Drive East through private property (2012); Zone 2S Reinforcement Continuity (no existing pipes)	334,000	-	-	334,000	-	-	-	-	-	-	-	-	-	-
Mapleview Drive East - Huronia Road east to Country Lane/Stunden Lane (2012); Zone 2S Reinforcement Continuity (no existing pipes)	303,000	-	-	303,000	-	-	-	-	-	-	-	-	-	-
Little Avenue - Garden Drive east to Huronia Road (2021); Zone 3S Reinforcement (existing 300mm pipe)	176,000	-	-	-	-	176,000	-	-	-	-	-	-	-	-
Mapleview Drive West - County Road No. 27 east to Red Oak Drive (2013); Zone 3S Reinforcement continuation supply loop (no existing pipes)	166,000	166,000	-	-	-	-	-	-	-	-	-	-	-	-
County Road No. 27 - Mapleview Drive West north to Hubbert Cres Essement (2013); Zone 3S Reinforcement continuation supply loop (no existing pipes)	302,000	302,000	-	-	-	-	-	-	-	-	-	-	-	-
County Road No. 27 - Hubbert Cres Essement north 840m (2013); Zone 3S Reinforcement supply loop (no existing pipes)	429,000	429,000	-	-	-	-	-	-	-	-	-	-	-	-
County Road No. 27 - Mapleview Drive West south to Loughheed Road (2013); Zone 3S Reinforcement supply loop for annexed lands (no existing pipes)	229,000	-	-	229,000	-	-	-	-	-	-	-	-	-	-
County Road No. 27 - Loughheed Road south to Street A (2013); Zone 3S Reinforcement supply loop for annexed lands (no existing pipes)	176,000	-	-	176,000	-	-	-	-	-	-	-	-	-	-
Annexed Area: Surface Water Treatment Plant	359,000	359,000	-	-	-	-	-	-	-	-	-	-	-	-
Surface Water Treatment Plant	241,000	241,000	-	-	-	-	-	-	-	-	-	-	-	-
Zone 12 N Reservoir and Booster PS (Summitdale)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mapleview Elevated Tank north to Mapleview Drive West and east to Bryne Drive (Tendered)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mapleview Drive West - Mapleview Elevated Tank west to Veterans Drive	433,000	433,000	-	-	-	-	-	-	-	-	-	-	-	-
Esse Road - Mapleview Drive West south to Athabaska Road	421,000	421,000	-	-	-	-	-	-	-	-	-	-	-	-
Esse Road - Athabaska Road south to Street A	363,000	363,000	-	-	-	-	-	-	-	-	-	-	-	-
Esse Road - Street A south to Salem Road	175,000	175,000	-	-	-	-	-	-	-	-	-	-	-	-
Salem Road - Esse Road east to Street B	732,000	732,000	-	-	-	-	-	-	-	-	-	-	-	-
Salem Road - Street B east to Reid Drive	608,000	608,000	-	-	-	-	-	-	-	-	-	-	-	-
Salem Road - Reid Drive east to Veterans Drive	249,000	249,000	-	-	-	-	-	-	-	-	-	-	-	-
Veterans Drive - Salem Road south to Street D	536,000	536,000	-	-	-	-	-	-	-	-	-	-	-	-
Esse Road - Salem Road south to Street L	145,000	145,000	-	-	-	-	-	-	-	-	-	-	-	-
Veterans Drive - Mapleview Drive West south to King Street	182,000	182,000	-	-	-	-	-	-	-	-	-	-	-	-
Big Bay Point Road - SWTP east to Sandringham Drive	391,000	391,000	-	-	-	-	-	-	-	-	-	-	-	-
Big Bay Point Road - 210 metres east of The Queensway east to Street M	176,000	176,000	-	-	-	-	-	-	-	-	-	-	-	-
Big Bay Point Road - Street M east to Street N	128,000	128,000	-	-	-	-	-	-	-	-	-	-	-	-
Veterans Drive - Street D south to Street E	295,000	295,000	-	-	-	-	-	-	-	-	-	-	-	-
Veterans Drive - Street E south to McKay Road West	243,000	243,000	-	-	-	-	-	-	-	-	-	-	-	-
McKay Road West - Reid Drive east to Veterans Drive	303,000	303,000	-	-	-	-	-	-	-	-	-	-	-	-
McKay Road West - 165 metres west of Reid Drive east to Reid Drive	87,000	87,000	-	-	-	-	-	-	-	-	-	-	-	-

Description	Total	Forecast												
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
Mckay Road West - Veterans Drive east 410 metres to Hwy 400 proposed western interchange boundary	218,000	-	-	-	218,000	-	-	-	-	-	-	-	-	-
Mckay Road West - 410 metres east of Veterans (Hwy 400 proposed western interchange boundary) east to Hwy 400 proposed eastern interchange boundary	634,000	-	634,000	-	-	-	-	-	-	-	-	-	-	-
Mckay Road West - Street F east 620 metres	436,000	-	436,000	-	-	-	-	-	-	-	-	-	-	-
Royal Jubilee/Sun King/Consort/Sandringham - Mapleview Drive E north to Big Bay Point Road	1,744,000	-	-	-	-	1,744,000	-	-	-	-	-	-	-	-
Mapleview Drive East - Madelaine Drive east to Royal Jubilee Drive	2,815,000	-	-	-	-	-	-	2,815,000	-	-	-	-	-	-
Madelaine Drive/Ashford Drive - Mapleview Drive East north to Big Bay Point Road	1,973,000	-	-	-	-	-	-	-	1,973,000	-	-	-	-	-
Mckay Road West - Street G east to Street F	111,000	-	-	-	-	-	-	-	-	111,000	-	-	-	-
Mckay Road West - Street H east to Street G	133,000	-	-	-	-	-	-	-	-	133,000	-	-	-	-
Lockhart Road Reservoir	13,471,000	-	-	-	-	-	-	-	-	-	-	-	6,669,000	6,802,000
Lockhart Road Pumping Station	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures	72,572,528	12,352,153	5,058,556	4,449,498	11,853,243	3,754,854	4,019,472	10,360,693	4,738,190	7,913,029	7,913,029	1,244,029	7,913,029	8,073,040
Capital Financing														
Provincial/Federal Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Front-End Financing - Annexed Lands	27,602,000	2,724,000	1,538,000	877,000	1,146,000	1,070,000	1,744,000	2,815,000	2,217,000	6,669,000	6,669,000	-	-	6,802,000
Development Charges Reserve Fund	5,390,214	1,924,330	1,669,999	708,000	1,057,438	130,447	-	-	-	-	-	-	-	-
Non-Growth Related Debt/Debture Requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Growth Related Debt/Debture Requirements	2,000,000	2,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Operating Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset Replacement Reserve Fund	37,590,314	5,703,823	1,950,557	2,864,498	9,649,805	2,554,207	2,275,472	7,545,693	2,521,190	1,244,029	1,244,029	-	-	1,271,040
Water Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Financing	72,572,528	12,352,153	5,058,556	4,449,498	11,853,243	3,754,854	4,019,472	10,360,693	4,738,190	7,913,029	7,913,029	1,244,029	7,913,029	8,073,040

Table A-2
 City of Barrie
 Water Service
 Schedule of Non-Growth Related Debenture Repayments
 Initiated S

Debenture Year	Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Principal (Inflated)	2,012	-	-	-	-	-	-	-	-	-	-	-
Total Annual Debt Charges												

Table A-3
 City of Barrie
 Water Service
 Schedule of Growth Related Debenture Repayments
 Initiated S

Debenture Year	Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Principal (Inflated)	406,130	29,884	147,164	147,164	147,164	147,164	147,164	147,164	147,164	147,164	147,164
Total Annual Debt Charges											

Table A-4
City of Barrie
Water Service
Water Rate Capital Reserve Continuity

Description	Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Opening Balance	6,441,695	7,611,545	16,953,488	25,843,173	28,429,600	38,611,220	42,932,401	41,404,337	44,430,745	48,387,643
Transfer from Operating	6,873,673	12,288,393	11,754,183	12,236,232	12,735,826	6,586,653	6,017,830	5,547,588	5,200,927	4,839,225
Transfer to Capital	5,703,823	1,950,357	2,864,498	9,049,005	2,954,207	2,275,472	7,545,693	2,521,190	1,244,029	1,271,040
Transfer to Operating	-	955,892	-	-	-	-	-	-	-	-
Closing Balance	7,611,545	16,953,488	25,843,173	28,429,600	38,611,220	42,932,401	41,404,337	44,430,745	48,387,643	51,955,828

Table A-5
City of Barrie
Water Service
Water Development Charges Reserve Fund Continuity

Description	Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Opening Balance	(5,982,888)	1,684,141	10,456,589	22,850,788	35,742,781	50,454,866	75,239,195	101,399,566	119,752,564	138,135,622
Development Charge Proceeds	17,489,672	21,169,063	23,567,839	24,039,576	24,503,995	30,687,804	31,301,515	22,959,587	23,425,082	23,905,739
Front End Financing Proceeds	2,724,000	1,538,000	877,000	1,146,000	1,070,000	1,744,000	2,815,000	2,217,000	6,669,000	6,802,000
Transfer to Capital	1,924,330	1,568,989	706,000	1,057,438	1,300,447	1,744,000	2,815,000	2,217,000	6,669,000	6,802,000
Transfer to Operating	7,947,365	11,131,197	11,131,197	11,131,197	11,131,197	8,094,528	8,094,528	8,094,528	8,094,528	10,000,000
Front Ending Payback	1,635,069	10,152,028	22,185,231	34,701,729	48,985,132	73,047,762	98,446,181	116,264,625	135,083,128	144,946,832
Closing Balance	49,053	304,561	666,567	1,041,052	1,469,554	2,191,433	2,953,385	3,487,939	4,052,494	4,348,405
Interest	-	-	-	-	-	-	-	-	-	-
Required from Development Charges	6,648,330	3,107,989	1,585,000	2,203,438	1,200,447	1,744,000	2,815,000	2,217,000	6,669,000	6,802,000
Additional payments to payback water rate for 2013 DC debt charge payment	-	-	-	-	-	-	-	-	-	-

Table A-6
City of Barrie
Water Service
Water Rate Holding Reserve Continuity

Description	Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Opening Balance	184,006	184,006	184,006	184,006	184,006	184,006	184,006	184,006	184,006	184,006
Transfer from Operating	-	-	-	-	-	-	-	-	-	-
Transfer to Capital	-	-	-	-	-	-	-	-	-	-
Transfer to Operating	-	-	-	-	-	-	-	-	-	-
Closing Balance	184,006	184,006	184,006	184,006	184,006	184,006	184,006	184,006	184,006	184,006

Table A-7
City of Barrie
Water Service
Water Asset Replacement Reserve Fund Continuity

Description	Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Opening Balance	-	-	-	-	-	-	3,729,452	8,772,375	15,089,414	22,605,420
Transfer from Operating	-	-	-	-	-	3,620,827	4,787,417	5,887,250	6,847,596	7,840,887
Transfer to Capital	-	-	-	-	-	-	-	-	-	-
Transfer to Operating	-	-	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	3,620,827	8,516,869	14,659,625	21,947,010	30,446,107
Interest	-	-	-	-	-	108,625	255,506	439,769	658,410	913,383

Table A-8
City of Barrie
Water Services
Operating Budget Forecast
Initiated \$

Description	Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth Forecast									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenditures										
Operating Costs										
Ground Water Supply (18-2610):	1,383,986	1,425,500	1,468,300	1,512,300	1,557,700	1,604,400	1,652,500	1,702,100	1,753,200	1,805,800
Salaries/Benefits	906,315	933,500	961,500	990,300	1,020,000	1,050,600	1,082,100	1,114,600	1,148,000	1,182,400
Utilities	1,286,798	1,335,700	1,375,800	1,417,100	1,459,600	1,503,400	1,548,500	1,595,000	1,642,900	1,692,200
Surface Water Supply (18-2615):	1,699,863	1,750,900	1,803,400	1,857,500	1,913,200	1,970,600	2,028,700	2,090,600	2,153,300	2,217,900
Salaries/Benefits	733,838	755,900	776,800	802,000	826,100	850,900	876,400	902,700	929,800	957,700
Utilities	672,337	692,500	713,300	734,700	756,700	779,400	802,800	826,900	851,700	877,300
Water Maintenance - Administration (18-2620):	557,990	574,700	591,900	609,700	628,000	646,800	666,200	686,200	706,800	728,000
Salaries/Benefits	410,268	422,600	435,300	448,400	461,900	475,900	490,100	504,800	519,900	535,300
Other	1,541,209	1,587,400	1,635,000	1,684,100	1,734,600	1,786,600	1,840,200	1,895,400	1,952,300	2,010,900
Water Meters/Customer Service (18-2630):	280,400	288,800	297,500	306,400	315,600	325,100	334,900	344,900	355,200	365,900
Salaries/Benefits	1,424,277	1,467,000	1,511,000	1,556,300	1,603,000	1,651,100	1,700,600	1,751,600	1,804,100	1,858,200
Other	925,950	953,700	982,300	1,011,600	1,042,200	1,073,500	1,105,700	1,138,900	1,173,100	1,208,300
Hydrant Painting (18-2641):	60,000	61,800	63,700	65,600	67,600	69,600	71,700	73,900	76,100	78,400
Hydrant Maintenance (18-2642):	120,000	123,600	127,300	131,100	135,000	139,100	143,300	147,600	152,000	156,600
Hydrant Snow Removal (18-2643):	20,000	20,000	20,000	21,200	22,500	23,200	23,900	24,600	25,300	26,100
Main Tapping (18-2644):	1,280,130	1,315,500	1,358,100	1,398,800	1,440,800	1,484,000	1,528,500	1,574,400	1,621,600	1,670,200
Internal Charges - Facilities	3,925,778	4,043,600	4,164,900	4,289,800	4,418,500	4,551,100	4,687,600	4,828,200	4,973,000	5,122,200
Internal Charges - Overhead	16,000	16,500	17,000	17,500	18,000	18,500	19,100	19,700	20,300	20,900
Salaries Adjustment	17,375,139	17,895,400	18,433,400	18,986,300	19,556,000	20,142,800	20,747,100	21,369,700	22,010,800	22,671,100
Capital-Related										
Existing Debt - Growth Related (Principal)	1,443,626	1,509,686	1,576,810	1,651,143	1,726,636	1,806,045	1,888,938	1,975,688	2,066,476	2,161,492
Existing Debt - Growth Related (Interest)	6,452,974	6,407,795	6,338,671	6,266,338	6,190,646	6,111,436	6,028,543	5,941,793	5,851,006	5,755,989
New Growth Related Debt (Principal)	81,348	84,602	87,986	91,505	95,165	98,965	102,931	107,048	111,330	115,777
New Growth Related Debt (Interest)	16,245	95,700	92,446	89,082	85,542	81,882	78,075	74,117	69,998	65,717
Existing Debt (Principal) - Local Improvements	73,245	40,917	42,682	44,543	46,474	48,489	50,581	52,751	54,998	57,323
Existing Debt (Interest) - Local Improvements	11,774	9,137	7,363	5,512	3,581	1,566	-	-	-	-
Existing Debt (Principal) - Non-Growth Related	-	-	-	-	-	-	-	-	-	-
Existing Debt (Interest) - Non-Growth Related	-	-	-	-	-	-	-	-	-	-
New Non-Growth Related Debt (Principal)	-	-	-	-	-	-	-	-	-	-
New Non-Growth Related Debt (Interest)	-	-	-	-	-	-	-	-	-	-
Transfer to Capital	-	-	-	-	-	-	-	-	-	-
Transfer to Holding Reserve	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	-	-	-	-	-	-	-	-	-	-
Sub Total Capital Related	8,873,673	12,288,393	11,754,183	12,236,232	12,735,826	13,270,410	13,842,158	14,454,598	15,108,225	15,802,225
Total Expenditures	32,260,313	38,329,376	39,332,166	39,367,116	40,436,410	41,564,310	42,747,236	43,981,826	45,270,455	46,614,854
Revenues										
Base Charge	8,308,529	8,521,052	8,740,128	8,965,964	9,197,337	9,434,541	9,677,555	9,922,229	10,172,646	10,428,884
Investment Income	12,600	13,000	13,400	13,800	14,200	14,600	15,000	15,500	16,000	16,500
Other Revenue	139,500	143,700	146,000	152,400	157,000	161,700	166,600	171,600	176,700	182,000
Fees & Service Charges - Water Distribution	31,800	32,800	33,800	34,800	35,800	36,800	37,800	38,800	39,800	40,800
Fees & Service Charges - Water Meters/Customer Service	172,900	178,100	183,400	188,900	194,600	200,400	206,400	212,600	219,000	225,600
Contributions from Gas Tax	-	-	-	-	-	-	-	-	-	-
Contributions from Development Charges Reserve Fund	7,947,365	11,131,197	11,131,197	11,131,197	11,131,197	8,094,528	8,094,528	8,094,528	8,094,528	8,094,528
Contributions from Reserves / Reserve Funds	995,892	-	-	-	-	-	-	-	-	-
Total Operating Revenue	16,612,684	21,015,740	20,249,925	20,487,051	20,730,134	17,942,670	18,199,083	18,525,557	18,929,175	19,344,812
Water Billing Recovery - Operating	15,647,619	17,313,635	18,082,241	18,880,055	19,706,275	16,941,367	16,681,175	16,486,269	16,376,881	16,260,042
Asset Replacement Reserve Contribution (\$)	-	-	-	-	-	-	-	-	-	-
Water Billing Recovery - Total	15,647,619	17,313,635	18,082,241	18,880,055	19,706,275	20,562,194	21,448,592	22,373,519	23,224,477	24,100,128

Table A-9
City of Barrie
Water Services
Water Rate Forecast
Inflated \$

Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Water Billing Recovery	15,647,619	17,313,635	18,082,241	18,880,055	19,706,275	20,562,194	21,448,982	22,373,519	23,224,477	24,100,723
Increasing Block Structures										
Consumption Forecast By Block (m3)										
Block 1 - Residential	6,191,028	6,465,348	6,814,008	7,164,288	7,514,388	7,864,868	8,214,948	8,571,708	8,934,768	9,298,008
Block 2 - Residential	1,807,876	1,807,876	1,807,876	1,807,876	1,807,876	1,807,876	1,807,876	1,807,876	1,807,876	1,807,876
Block 3 - Residential	334,381	334,381	334,381	334,381	334,381	334,381	334,381	334,381	334,381	334,381
Block 4 - Residential	150,935	150,935	150,935	150,935	150,935	150,935	150,935	150,935	150,935	150,935
Block 1 - Non-Residential	338,530	338,530	338,530	338,530	338,530	338,530	338,530	338,530	338,530	338,530
Block 2 - Non-Residential	4,268,262	4,268,262	4,268,262	4,268,262	4,268,262	4,268,262	4,268,262	4,268,262	4,268,262	4,268,262
Check Total Consumption	13,091,012	13,365,332	13,713,992	14,064,272	14,414,372	14,764,652	15,114,932	15,471,692	15,834,752	16,197,992
Increasing Block Rates (\$/m³)										
Block 1 - Residential	0.8620	0.9395	0.9630	0.9871	1.0118	1.0371	1.0630	1.0896	1.1114	1.1336
Block 2 - Residential	1.7238	1.8789	1.9259	1.9741	2.0234	2.0740	2.1258	2.1790	2.2226	2.2670
Block 3 - Residential	2.5857	2.8185	2.8889	2.9611	3.0352	3.1111	3.1888	3.2685	3.3339	3.4006
Block 4 - Residential	3.4476	3.7579	3.8518	3.9481	4.0468	4.1480	4.2517	4.3580	4.4451	4.5340
Block 1 - Non-Residential	0.8620	0.9395	0.9630	0.9871	1.0118	1.0371	1.0630	1.0896	1.1114	1.1336
Block 2 - Non-Residential	1.2926	1.4092	1.4444	1.4805	1.5175	1.5555	1.5943	1.6342	1.6669	1.7002
Percentage Increase	2.0%	9.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.0%	2.0%

Table A-10
Water Debt as a Percentage of Water Revenue
Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Water Revenue	24,312,948	26,202,287	27,200,969	28,235,918	29,305,213	30,410,335	31,552,147	32,804,547	34,059,123	35,351,012
25% of Water Revenue	6,078,237	6,550,572	6,800,242	7,058,980	7,326,303	7,602,584	7,888,037	8,201,137	8,514,781	8,837,753
Debt Charges (All)	8,011,502	8,144,583	8,144,583	8,144,583	8,144,583	8,144,583	8,094,528	8,094,528	8,094,528	8,094,528
Debt Charges in Excess of 25% of Water Revenue	1,933,265	1,594,012	1,344,341	1,085,604	818,280	542,000	206,492	-	-	-
Debt Charges as a Percent of Water Revenue	33%	31%	30%	29%	28%	27%	26%	25%	24%	23%
Debt Charges (Rate Supported & Local Improvements)	85,018	50,055	50,055	50,055	50,055	50,055	-	-	-	-
Debt Charges as a Percent of Water Revenue	0.35%	0.19%	0.18%	0.18%	0.17%	0.16%	0.00%	0.00%	0.00%	0.00%

Table A - 11
City of Barrie
Wastewater Service
Capital Budget Forecast
Initiated 5

Description	Total	Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth Forecast													
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023				
Capital Expenditures															
Asset Replacement:	155,727,311	40,988,268	2,580,176	158,896	794,513	39,518,714	30,750,526	3,555,090	15,086,740	9,186,288	13,118,097				
Asset Replacement - projected needs	8,818,700	769,300	792,300	816,100	840,600	865,800	891,800	918,500	946,100	974,500	1,003,700				
Asset Replacement - backlog	(60,906,000)	(41,737,569)	(3,372,476)	(1,635,113)	(28,249,934)	(15,821,163)	-	-	-	8,827,751	19,255,501				
Less: Adjustment	-	-	-	-	-	-	-	-	-	-	-				
Other:	520,000	520,000	-	-	-	-	-	-	-	-	-				
1435 Inlet Works Screen Installations	104,160,011	520,000	-	-	-	14,134,580	15,821,163	4,473,590	16,032,840	19,800,539	33,377,299				
Total Asset Replacement & Other															
Growth Related:															
Former Barrie:	32,610,000	858,000	1,512,000	12,096,000	14,933,000	1,746,000	1,465,000	-	-	-	-				
Phosphorus Facility	178,000	178,000	-	-	-	-	-	-	-	-	-				
Studies	2,495,000	2,441,000	54,000	-	-	-	-	-	-	-	-				
Co-generation and Biogas Treatment	32,610,000	858,000	1,512,000	12,096,000	14,933,000	1,746,000	1,465,000	-	-	-	-				
Annexed Area:	1,750,000	1,750,000	-	-	-	-	-	-	-	-	-				
Phosphorus Facility	1,520,000	1,520,000	-	-	-	-	-	-	-	-	-				
Upgrade Holly Pumping Station (including wetwell, connection, pumps, controls and etc.) to rated capacity of 180 L/s for Project 21101-a	3,656,000	-	-	-	3,656,000	-	-	-	-	-	-				
Construction of 1220 metres 525mm sewer on McKay Road (Depth 5-10 metres)	17,454,000	-	-	-	5,703,000	5,817,000	5,934,000	-	-	-	-				
Construction of 3050 metres 600mm sewer on McKay Road	4,156,000	-	-	-	-	-	-	4,156,000	-	-	-				
Construction of 1430 metres 750 mm Huronia sewer trunk north of McKay Road	1,807,000	1,807,000	-	-	-	-	-	-	-	-	-				
(considering taking flows from the south)	-	-	-	-	-	-	-	-	-	-	-				
Hewitts Sewer Trunk Extension from pre-2010 boundary to Phase 1 boundary, total 1050 metres	4,393,000	-	2,175,000	2,218,000	-	-	-	-	-	-	-				
Construction of 640 metres 525 mm Sewer Trunk (depth: 5-10 metres)	1,947,000	-	-	1,947,000	-	-	-	-	-	-	-				
(Considering taking flows from the south)	148,000	-	-	148,000	-	-	-	-	-	-	-				
Hewitts Sewer Trunk Extension from pre-2010 boundary to Phase 1 boundary, total 1050 metres	5,852,000	-	2,897,000	2,955,000	-	-	-	-	-	-	-				
Construction of 410 metres 525 mm Sewer Trunk (depth: 10-15 metres)	148,000	-	148,000	-	-	-	-	-	-	-	-				
(Considering taking flows from the south)	540,000	-	-	540,000	-	-	-	-	-	-	-				
Construction of 550 metres 525 mm Hewitts Sewer Trunk (on pre-2011 boundary land)	215,425,011	5,972,000	12,057,000	32,202,000	39,225,000	23,443,580	24,685,163	8,629,590	16,032,840	19,800,539	33,377,299				
Pre-2010 Boundary: Decommissioning Pumping Station No.3	1,947,000	-	-	1,947,000	-	-	-	-	-	-	-				
Pre-2010 Boundary: After decommissioning PS3, construction of 1140 metres 1050mm Sewer Trunk to connect SAP 08023 (previous pumping station inlet manhole) and SAP21038	148,000	-	-	148,000	-	-	-	-	-	-	-				
Pre-2010 Boundary: Decommissioning Pumping Station No.4 Bishop Dr. and Patterson Road	540,000	-	-	540,000	-	-	-	-	-	-	-				
Pre-2010 Boundary: Twinning 960 metres 250 mm sewer on Bishop Dr. and Patterson Road	-	-	-	-	-	-	-	-	-	-	-				
Construction of a new pumping station (100L/s) at south end of the west annexed lands	-	-	-	-	-	-	-	-	-	-	-				
Total Capital Expenditures															
	215,425,011	5,972,000	12,057,000	32,202,000	39,225,000	23,443,580	24,685,163	8,629,590	16,032,840	19,800,539	33,377,299				
Capital Financing															
Provincial/Federal Grants	52,437,802	2,095,849	3,297,412	11,054,181	16,916,120	6,934,440	6,871,600	3,267,200	-	-	-				
Front-End Financing - Annexed Lands	23,072,410	710,220	2,964,418	7,785,612	9,557,120	1,117,440	937,600	-	-	-	-				
Development Charges Reserve Fund	1,399,000	1,399,000	-	-	-	-	-	-	-	-	-				
Non-Growth Related Debt Service Requirements	-	-	-	-	-	-	-	-	-	-	-				
Growth Related Debt Service Requirements	-	-	-	-	-	-	-	-	-	-	-				
Operating Contributions	-	-	-	-	-	-	-	-	-	-	-				
Asset Replacement Reserve Fund	138,515,799	1,765,931	5,795,170	13,362,207	10,751,760	15,391,700	16,875,963	5,362,390	16,032,840	19,800,539	33,377,299				
Wastewater Reserve	215,425,011	5,972,000	12,057,000	32,202,000	39,225,000	23,443,580	24,685,163	8,629,590	16,032,840	19,800,539	33,377,299				
Total Capital Financing															
	215,425,011	5,972,000	12,057,000	32,202,000	39,225,000	23,443,580	24,685,163	8,629,590	16,032,840	19,800,539	33,377,299				

Table A - 12
 City of Barrie
 Wastewater Service
 Schedule of Non-Growth Related Debenture Repayments
 Initiated \$

Debtenture Year	Scenario 3, (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth Principal (Inflated)	Forecast												
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
2012														
2013														
2014														
2015	1,399,000		103,014	103,014	103,014	103,014	103,014	103,014	103,014	103,014	103,014	103,014	103,014	103,014
2016														
2017														
2018														
2019														
2020														
2021														
2022														
2023														
Total Annual Debt Charges	1,399,000		103,014	103,014	103,014	103,014	103,014	103,014	103,014	103,014	103,014	103,014	103,014	103,014

Table A - 13
 City of Barrie
 Wastewater Service
 Schedule of Growth Related Debenture Repayments
 Initiated \$

Debtenture Year	Scenario 3, (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth Principal (Inflated)	Forecast												
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
2012														
2013														
2014														
2015														
2016														
2017														
2018														
2019														
2020														
2021														
2022														
2023														
Total Annual Debt Charges														

Table A - 14
City of Barrie
Wastewater Service
Wastewater Capital Reserve Continuity
Initiated \$

Description	Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Opening Balance	(8,435,167)	1,857,285	8,855,957	9,564,387	14,028,208	14,703,789	14,778,743	27,327,480	30,318,230	36,162,820	
Transfer from Operating	11,858,384	12,893,842	14,070,637	15,215,582	16,067,289	16,950,907	17,911,127	19,023,588	25,645,129	19,413,265	
Transfer to Capital	1,765,931	5,785,170	13,362,207	10,751,760	15,391,700	16,875,963	5,362,390	16,032,840	19,800,539	33,377,299	
Transfer to Operating	-	-	-	-	-	-	-	-	-	-	
Closing Balance	1,657,285	8,855,957	9,564,387	14,028,208	14,703,789	14,778,743	27,327,480	30,318,230	36,162,820	22,198,786	

Table A - 15
City of Barrie
Wastewater Service
Wastewater Development Charges Reserve Fund Continuity
Initiated \$

Description	Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Opening Balance	3,112,450	10,358,524	15,512,647	16,184,336	15,448,181	23,868,107	38,579,051	55,292,227	55,213,607	55,598,066	
Development Charge Proceeds	16,384,723	19,817,006	22,091,892	22,533,414	22,968,827	28,648,667	29,222,511	21,428,936	21,862,587	22,311,427	
Front End Financing Proceeds	2,098,648	3,297,412	11,064,181	18,916,120	6,934,440	6,871,800	3,287,200	-	-	-	
Transfer to Capital	710,220	2,894,418	7,785,612	9,587,120	1,177,440	937,800	-	-	-	-	
Transfer to Operating	2,098,648	3,297,412	11,064,181	18,916,120	6,934,440	6,871,800	3,287,200	-	-	-	
Front Ending Payback	8,693,208	12,113,365	14,088,181	14,084,501	14,090,724	14,086,850	14,082,874	9,000,000	9,000,000	9,000,000	
Transfer to Operating	10,093,744	15,097,747	15,720,746	15,036,130	23,209,844	37,482,324	53,718,698	53,642,368	54,005,950	55,121,089	
Closing Balance	284,780	414,900	433,590	413,052	658,263	1,086,737	1,573,529	1,571,239	1,582,146	1,615,600	
Interest	-	-	-	-	-	-	-	-	-	-	
Required from Development Charges	2,807,069	6,281,830	18,839,793	28,473,240	8,051,980	7,909,200	3,287,200	-	-	-	

Table A - 16
City of Barrie
Wastewater Service
Wastewater Holding Reserve Continuity
Initiated \$

Description	Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Opening Balance	372,721	372,721	372,721	372,721	372,721	372,721	372,721	372,721	372,721	372,721	
Transfer from Operating	-	-	-	-	-	-	-	-	-	-	
Transfer to Capital	-	-	-	-	-	-	-	-	-	-	
Transfer to Operating	-	-	-	-	-	-	-	-	-	-	
Closing Balance	372,721	372,721	372,721	372,721	372,721	372,721	372,721	372,721	372,721	372,721	

Table A - 17
City of Barrie
Wastewater Service
Wastewater Asset Replacement Reserve Fund Continuity
Initiated \$

Description	Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Opening Balance	10,237,355	10,544,476	10,860,810	11,186,635	11,522,234	11,867,901	12,223,938	12,590,656	12,968,376	13,357,427	
Transfer from Operating	-	-	-	-	-	-	-	-	-	-	
Transfer to Capital	-	-	-	-	-	-	-	-	-	-	
Transfer to Operating	-	-	-	-	-	-	-	-	-	-	
Closing Balance	10,237,355	10,544,476	10,860,810	11,186,635	11,522,234	11,867,901	12,223,938	12,590,656	12,968,376	13,357,427	
Interest	307,121	316,334	325,824	335,599	345,667	356,037	366,718	377,750	389,051	400,723	

Table A - 18
City of Barrie
Wastewater Services
Operating Budget Forecast
Inflated \$

Description	Scenario 3 (4.5.5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth Forecast										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Expenditures											
Operating Costs											
Wastewater Operations - Admin (18-2750):											
Salaries/Benefits	3,446,067	3,549,400	3,655,900	3,765,800	3,878,600	3,985,000	4,114,800	4,238,300	4,365,400	4,496,400	
Other	582,907	600,400	618,400	637,000	656,100	675,800	696,100	717,000	738,500	760,700	
Laboratory (18-2755):	157,405	162,100	167,000	172,000	177,200	182,500	188,000	193,600	199,400	205,400	
Pump Station Operations (18-2761):											
Utilities	91,397	94,100	96,900	99,800	102,800	105,900	109,100	112,400	115,800	119,300	
Other	49,048	50,500	53,600	53,600	55,200	56,800	58,600	60,400	62,200	64,100	
Plant Operations (18-2762):											
Utilities	1,509,644	1,554,900	1,601,500	1,649,500	1,699,000	1,750,000	1,802,500	1,856,600	1,912,300	1,969,700	
Other	3,234,447	3,331,500	3,431,400	3,534,300	3,640,300	3,749,600	3,862,000	3,977,900	4,097,200	4,220,100	
Technical Support (18-2763):	55,200	56,900	58,600	60,400	62,200	64,100	66,000	68,000	70,000	72,100	
SCADA Support	65,000										
North Barrier Wall (18-2765):											
Utilities	585	600	600	600	600	600	600	600	600	600	
Other	19,425	20,000	20,600	21,200	21,800	22,500	23,200	23,900	24,600	25,300	
Sludge Storage Facility (18-2775):											
Utilities	161,340	166,200	171,200	176,300	181,600	187,000	192,600	198,400	204,400	210,500	
Other	274,462	282,700	291,200	299,900	308,900	318,200	327,700	337,500	347,600	358,000	
Pump Station Maintenance (18-2781):	260,378	268,200	276,200	284,500	293,000	301,800	310,900	320,200	329,800	339,700	
Plant Maintenance (18-2782):	2,211,715	2,278,100	2,346,400	2,416,800	2,489,300	2,564,000	2,640,900	2,720,100	2,801,700	2,885,800	
Electrical Maintenance (18-2783):	221,742	228,400	235,300	242,400	249,700	257,200	264,900	272,800	281,000	289,400	
Mechanical Maintenance (18-2784):	133,564	137,600	141,700	146,000	150,400	154,900	159,500	164,300	169,200	174,300	
Internal Charges - Facilities	543,803	560,100	576,900	594,200	612,000	630,400	649,300	668,800	688,900	709,600	
Internal Charges - Overhead	3,345,008	3,445,400	3,548,800	3,655,300	3,765,000	3,878,000	3,994,300	4,114,100	4,237,500	4,364,600	
Sanitary Systems Maintenance (18-4530):											
Salaries/Benefits	389,100	411,100	423,400	436,100	449,200	462,700	476,600	490,900	505,600	520,800	
Other	488,053	502,700	517,800	533,300	549,300	565,800	582,800	600,300	618,300	636,800	
Contracted Sewer Repairs (18-4535)	20,400										
Salaries Adjustment	10,000	10,300	10,600	10,900	11,200	11,500	11,800	12,200	12,600	13,000	
Sub Total Operating	17,280,891	17,711,200	18,242,400	18,789,700	19,353,400	19,934,300	20,532,300	21,148,300	21,782,600	22,436,200	
Capital-Related											
Existing Debt (Principal) - Growth Related	4,403,398	7,386,338	9,219,087	9,537,283	9,867,561	10,210,421	10,568,384	10,935,997	11,315,462	11,707,137	
Existing Debt (Interest) - Growth Related	4,289,810	4,727,028	4,879,094	4,557,218	4,223,163	3,876,429	3,516,490	3,142,798	2,754,782	2,356,287	
New Growth Related Debt (Principal)	-	-	-	-	-	-	-	-	-	-	
New Growth Related Debt (Interest)	-	-	-	-	-	-	-	-	-	-	
Existing Debt (Principal) - Local Improvements	75,861	35,704	37,252	38,867	40,552	42,310	-	-	-	-	
Existing Debt (Interest) - Local Improvements	10,602	7,973	6,425	4,810	3,125	1,366	-	-	-	-	
Existing Debt (Principal) - Non-Growth Related	-	-	-	-	-	-	-	-	-	-	
Existing Debt (Interest) - Non-Growth Related	-	-	-	-	-	-	-	-	-	-	
New Non-Growth Related Debt (Principal)	-	47,014	48,895	50,851	52,885	55,000	57,200	59,488	61,868	64,343	
New Non-Growth Related Debt (Interest)	-	56,000	54,119	52,164	50,130	48,014	45,814	43,526	41,147	38,672	
Transfer to Capital	-	-	-	-	-	-	-	-	-	-	
Transfer to Holding Reserve	-	-	-	-	-	-	-	-	-	-	
Transfer to Capital Reserve	11,658,384	12,893,842	14,070,637	15,215,562	16,067,289	16,950,907	17,911,127	18,023,589	25,645,129	19,413,265	
Sub Total Capital Related	20,638,055	25,253,868	28,315,509	28,456,774	30,304,705	31,184,448	32,097,016	33,205,399	39,818,387	33,284,713	
Total Expenditures	37,918,746	42,965,068	46,557,909	48,246,474	49,658,105	51,118,748	52,629,316	54,353,699	61,600,987	55,720,913	
Revenues											
Base Charge	9,719,258	10,021,122	10,334,365	10,659,387	10,993,276	11,336,633	11,689,327	12,203,969	18,192,283	11,300,389	
Other Revenue											
Investment Income	12,600	13,000	13,400	13,800	14,200	14,600	15,000	15,500	16,000	16,500	
Contribution from User Rate Reserve	8,693,208	12,113,365	14,098,181	14,094,501	14,090,724	14,086,850	14,082,874	14,078,795	14,074,244	13,778,434	
Contributions from Development Charges Reserve Fund	18,425,066	22,147,487	24,445,946	24,767,668	25,038,200	25,438,083	25,767,201	26,238,264	32,278,527	25,095,323	
Contributions from Reserves / Reserve Funds	19,493,980	20,817,611	22,111,963	23,478,786	24,559,905	25,680,666	26,842,115	28,055,435	29,322,460	30,635,690	
Total Operating Revenue	19,493,980	20,817,611	22,111,963	23,478,786	24,559,905	25,680,666	26,842,115	28,055,435	29,322,460	30,635,690	
Wastewater Billing Recovery - Operating											
Asset Replacement Reserve Contribution (\$)	19,493,980	20,817,611	22,111,963	23,478,786	24,559,905	25,680,666	26,842,115	28,055,435	29,322,460	30,635,690	
Wastewater Billing Recovery - Total	19,493,980	20,817,611	22,111,963	23,478,786	24,559,905	25,680,666	26,842,115	28,055,435	29,322,460	30,635,690	

Table A - 19
City of Barrie
Wastewater Services
Wastewater Rate Forecast

Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Wastewater Billing Recovery	19,493,680	20,817,611	22,111,963	23,478,786	24,859,905	25,680,666	26,842,115	28,055,435	29,322,460	30,635,590
Increasing Block Structure										
Consumption Forecast By Block (m3)										
Block 1 - Residential	6,116,813	6,391,133	6,739,793	7,080,073	7,440,173	7,790,453	8,140,733	8,497,493	8,860,553	9,223,793
Block 2 - Residential	1,782,921	1,782,921	1,782,921	1,782,921	1,782,921	1,782,921	1,782,921	1,782,921	1,782,921	1,782,921
Block 3 - Residential	327,884	327,884	327,884	327,884	327,884	327,884	327,884	327,884	327,884	327,884
Block 1 - Non-Residential	333,484	333,484	333,484	333,484	333,484	333,484	333,484	333,484	333,484	333,484
Block 2 - Non-Residential	4,025,481	4,025,481	4,025,481	4,025,481	4,025,481	4,025,481	4,025,481	4,025,481	4,025,481	4,025,481
Check Total Consumption	12,586,563	12,860,903	13,209,563	13,559,843	13,909,943	14,260,223	14,610,503	14,967,263	15,330,323	15,693,563
Increasing Block Rates (\$/m³)										
Block 1 - Residential	1,2125	1,2731	1,3241	1,3770	1,4115	1,4467	1,4829	1,5200	1,5580	1,5969
Block 2 - Residential	2,0614	2,1645	2,2510	2,3411	2,3986	2,4596	2,5211	2,5841	2,6487	2,7149
Block 3 - Residential	2,0614	2,1645	2,2510	2,3411	2,3986	2,4596	2,5211	2,5841	2,6487	2,7149
Block 1 - Non-Residential	1,2125	1,2731	1,3241	1,3770	1,4115	1,4467	1,4829	1,5200	1,5580	1,5969
Block 2 - Non-Residential	1,8188	1,9097	1,9861	2,0655	2,1172	2,1701	2,2244	2,2800	2,3370	2,3954
Percentage Increase	12.0%	5.0%	4.0%	4.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Table A - 20

Wastewater Debt as a Percentage of Wastewater Revenue
 Scenario 3 (4 & 5) Accelerated Collection of DC's from Existing Barrie Growth & Front Ending from Annexed Barrie Growth

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total WW Revenue	29,225,538	30,851,733	32,459,728	34,151,973	35,567,381	37,031,898	38,546,441	40,274,904	47,530,743	41,952,479
25% of WW Revenue	7,306,384	7,712,933	8,114,932	8,537,993	8,891,845	9,257,975	9,636,610	10,068,726	11,882,686	10,488,120
Debt Charges (All)	8,779,671	12,260,056	14,244,872	14,241,192	14,237,415	14,233,541	14,185,889	14,181,909	14,173,258	13,881,448
Debt Charges in Excess of 25% of WW Revenue	1,473,287	4,547,123	6,129,940	5,703,198	5,345,570	4,975,566	4,549,278	4,113,083	2,290,572	3,393,328
Debt Charges as a Percent of Wastewater Revenue	30%	40%	44%	42%	40%	38%	37%	35%	30%	33%
Debt Charges (Rate Supported & Local Improvements)	86,463	146,691	146,691	146,691	146,691	146,691	103,014	103,014	103,014	103,014
Debt Charges as a Percent of Wastewater Revenue	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

APPENDIX B WASTEWATER FINANCIAL PLAN

TABLE B-1
City of Barrie
Statement of Financial Position: Wastewater Services
UNAUDITED: FOR FINANCIAL PLANNING PURPOSES ONLY
2014 - 2023

	Notes	Forecast										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Financial Assets												
Cash	1	23,110,654	39,990,313	47,891,359	58,211,484	73,905,015	95,304,119	131,193,768	140,736,778	153,195,357	147,295,635	
Accounts Receivable	1	2,148,652	2,268,421	2,386,651	2,511,076	2,615,146	2,722,827	2,834,186	2,961,274	3,494,771	3,084,620	
Total Financial Assets		25,259,306	42,258,734	50,278,010	60,722,560	76,520,161	98,026,946	134,027,954	143,698,052	156,690,128	150,380,255	
Liabilities												
Accounts Payable & Accrued Liabilities	1	3,675,579	3,767,147	3,880,133	3,996,543	4,116,441	4,239,998	4,367,191	4,498,214	4,633,129	4,772,148	
Debt (Principal only)	2	94,998,093	90,923,783	86,664,839	82,212,665	77,558,295	72,692,317	67,649,030	62,375,865	56,862,111	51,096,530	
Deferred Revenue	3	17,173,163	22,569,757	23,481,193	23,013,276	31,697,157	46,681,015	63,675,272	63,896,175	64,559,874	66,014,623	
Total Liabilities		115,846,835	117,260,687	114,006,165	109,222,484	113,371,893	123,613,330	135,691,493	130,760,254	126,054,114	121,893,301	
Net Financial Assets/(Debt)		(90,587,529)	(75,001,953)	(63,728,155)	(48,499,924)	(36,851,732)	(25,586,384)	(1,663,539)	12,937,798	30,636,014	28,486,954	
Non-Financial Assets												
Tangible Capital Assets	4	345,965,649	346,425,923	377,349,875	414,942,581	436,332,616	461,220,491	469,090,806	484,497,787	503,636,953	536,255,166	
Total Non-Financial Assets		345,965,649	346,425,923	377,349,875	414,942,581	436,332,616	461,220,491	469,090,806	484,497,787	503,636,953	536,255,166	
Accumulated Surplus/(Deficit)	5	255,376,320	271,423,970	313,621,720	366,442,657	399,480,884	435,634,107	467,427,267	497,435,585	534,272,967	564,752,120	

	Total Change	Forecast										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Financial Indicators												
1) Increase/(Decrease) in Net Financial Assets	132,555,322	13,471,039	15,585,376	11,273,798	15,228,231	11,648,192	11,265,348	23,922,845	14,601,337	17,698,216	(2,139,060)	
2) Increase/(Decrease) in Tangible Capital Assets	182,912,160	(7,377,357)	460,274	30,923,952	37,582,706	21,390,035	24,887,875	7,870,315	15,406,981	19,139,188	32,619,213	
3) Increase/(Decrease) in Accumulated Surplus	315,467,482	6,093,682	16,045,650	42,197,750	52,820,937	33,038,227	36,153,223	31,793,160	30,008,318	36,837,382	30,479,153	

TABLE B-2
City of Barrie
Statement of Operations: Wastewater Services
UNAUDITED: FOR FINANCIAL PLANNING PURPOSES ONLY
2014 - 2023

	Notes	Forecast													
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023				
Wastewater Revenue															
Base Charge Revenue		9,719,258	10,021,122	10,334,365	10,659,387	10,993,276	11,336,633	11,689,327	12,203,969	18,192,283	11,300,389				
Rate Based Revenue		19,493,680	20,817,611	22,111,963	23,478,786	24,559,905	25,680,666	26,842,115	28,055,435	29,322,460	30,635,590				
Earned Development Charges Revenue	3	11,500,277	18,375,195	32,937,974	42,567,741	22,142,604	21,896,050	17,350,074	14,078,795	14,070,244	13,778,434				
Other Revenue	6	310,775	320,120	329,734	339,623	349,799	360,266	371,036	382,219	393,720	405,551				
Total Revenues		41,023,990	49,534,048	76,173,400	87,818,682	69,141,924	72,544,432	68,024,659	66,845,688	74,467,735	68,983,663				
Wastewater Expenses															
Operating Expenses	Sch. 4-1	17,459,691	17,711,200	18,242,400	18,769,700	19,353,400	19,934,300	20,532,300	21,148,300	21,782,600	22,436,200				
Interest on Debt	2	4,300,260	4,180,472	3,965,838	3,802,607	3,600,412	3,388,804	3,167,817	2,937,940	2,697,352	2,445,524				
Amortization	4	13,170,357	11,596,726	11,737,412	12,405,438	13,149,885	13,068,105	12,531,382	12,751,130	13,150,401	13,622,786				
Loss on Disposal of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-				
Total Expenses		34,930,308	33,488,398	33,975,650	34,997,745	36,103,697	36,391,209	36,231,499	36,837,370	37,630,353	38,504,510				
Annual Surplus/(Deficit)		6,093,682	16,045,650	42,197,750	52,820,937	33,038,227	36,153,223	31,793,160	30,008,318	36,837,382	30,479,153				
Accumulated Surplus/(Deficit), beginning of year	5	249,284,538	255,378,320	271,423,970	313,621,720	366,442,657	399,480,884	435,634,107	467,427,267	497,435,585	534,272,967				
Accumulated Surplus/(Deficit), end of year		255,378,320	271,423,970	313,621,720	366,442,657	399,480,884	435,634,107	467,427,267	497,435,585	534,272,967	564,752,120				
Note 5:															
Accumulated Surplus/(Deficit) Reconciliation:															
Reserve Balances															
Reserves: Development Charges		17,173,163	22,569,757	23,461,193	23,013,276	31,697,157	46,681,015	63,675,272	63,886,175	64,558,874	66,014,623				
Reserves: Capital/Other		4,410,764	15,921,830	22,936,684	33,712,741	40,706,583	47,105,933	65,985,491	75,313,663	87,498,125	79,593,484				
Total Reserves Balance		21,583,927	38,491,587	46,397,877	56,726,017	72,403,720	93,786,948	129,660,763	139,199,838	152,056,999	145,608,107				
Less: Debt Obligations and Deferred Revenue		(112,171,256)	(113,483,540)	(110,128,032)	(105,225,941)	(109,255,452)	(119,373,332)	(131,324,302)	(126,262,040)	(121,420,985)	(117,111,153)				
Add: Tangible Capital Assets	4	345,965,649	346,425,923	377,349,875	414,942,581	436,332,616	461,220,491	469,090,806	484,497,787	503,636,953	536,255,166				
Total Ending Balance		255,378,320	271,423,970	313,621,720	366,442,657	399,480,884	435,634,107	467,427,267	497,435,585	534,272,967	564,752,120				
Financial Indicators															
1) Expense to Revenue Ratio		85%	68%	45%	40%	52%	50%	53%	55%	51%	56%				
2) Increase/(Decrease) in Accumulated Surplus		6,093,682	16,045,650	42,197,750	52,820,937	33,038,227	36,153,223	31,793,160	30,008,318	36,837,382	30,479,153				

SCHEDULE B-1
City of Barrie
Schedule of Operating Expenses: Wastewater Services
UNAUDITED: FOR FINANCIAL PLANNING PURPOSES ONLY
2014 - 2023

Notes	Forecast											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Operational Expenses												
Wastewater Operations - Admin (18-2750):												
Salaries/Benefits	3,446,067	3,549,400	3,655,900	3,765,600	3,878,600	3,995,000	4,114,900	4,238,300	4,365,400	4,496,400		
Other	582,907	600,400	618,400	637,000	656,100	675,800	696,100	717,000	738,500	760,700		
Laboratory (18-2755):	157,405	162,100	167,000	172,000	177,200	182,500	188,000	193,600	199,400	205,400		
Pump Station Operations (18-2761):												
Utilities	91,397	94,100	96,900	99,800	102,800	105,900	109,100	112,400	115,800	119,300		
Other	49,048	50,500	52,000	53,600	55,200	56,900	58,600	60,400	62,200	64,100		
Plant Operations (18-2762):												
Utilities	1,509,644	1,554,900	1,601,500	1,649,500	1,699,000	1,750,000	1,802,500	1,856,600	1,912,300	1,969,700		
Other	3,234,447	3,331,500	3,431,400	3,534,300	3,640,300	3,749,500	3,862,000	3,977,900	4,097,200	4,220,100		
Technical Support (18-2763):	55,200	56,900	58,600	60,400	62,200	64,100	66,000	68,000	70,000	72,100		
SCADA Support	65,000	-	-	-	-	-	-	-	-	-		
North Barrier Wall (18-2765):												
Utilities	585	600	600	600	600	600	600	600	600	600		
Other	19,425	20,000	20,600	21,200	21,800	22,500	23,200	23,900	24,600	25,300		
Sludge Storage Facility (18-2775):												
Utilities	161,340	166,200	171,200	176,300	181,600	187,000	192,600	198,400	204,400	210,500		
Other	274,462	282,700	291,200	299,900	308,900	318,200	327,700	337,500	347,600	358,000		
Pump Station Maintenance (18-2781):	260,378	268,200	276,200	284,500	293,000	301,800	310,900	320,200	329,800	339,700		
Plant Maintenance (18-2782):	2,211,715	2,278,100	2,346,400	2,416,800	2,489,300	2,564,000	2,640,900	2,720,100	2,801,700	2,885,800		
Electrical Maintenance (18-2783):	221,742	228,400	235,300	242,400	249,700	257,200	264,900	272,800	281,000	289,400		
Mechanical Maintenance (18-2784):	133,564	137,600	141,700	146,000	150,400	154,900	159,500	164,300	169,200	174,300		
Internal Charges - Facilities	543,803	560,100	576,900	594,200	612,000	630,400	649,300	668,800	688,900	709,600		
Internal Charges - Overhead	3,345,009	3,445,400	3,548,800	3,655,300	3,765,000	3,878,000	3,994,300	4,114,100	4,237,500	4,364,600		
Sanitary Systems Maintenance (18-4530):												
Salaries/Benefits	399,100	411,100	423,400	436,100	449,200	462,700	476,600	490,900	505,600	520,800		
Other	488,053	502,700	517,800	533,300	549,300	565,800	582,800	600,300	618,300	636,800		
Contracted Sewer Repairs (18-4535)	20,400	-	-	-	-	-	-	-	-	-		
Salaries Adjustment	10,000	10,300	10,600	10,900	11,200	11,500	11,800	12,200	12,600	13,000		
Non TCA - Expenses from Capital Budget	179,000	-	-	-	-	-	-	-	-	-		
TOTAL OPERATING EXPENSES	17,459,691	17,711,200	18,242,400	18,789,700	19,353,400	19,934,300	20,532,300	21,148,300	21,782,600	22,436,200		

TABLE B-3
City of Barrie
Statement of Changes in Net Financial Assets/Debt: Wastewater Services
UNAUDITED: FOR FINANCIAL PLANNING PURPOSES ONLY
2014 - 2023

	Notes	Forecast										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Annual Surplus/(Deficit)		6,093,682	16,045,650	42,197,750	52,820,937	33,096,227	36,153,223	31,793,160	30,008,318	36,637,362	30,479,153	
Less: Acquisition of Tangible Capital Assets	4	(5,793,000)	(12,057,000)	(42,661,364)	(49,998,145)	(34,539,920)	(37,955,860)	(20,401,697)	(28,158,110)	(32,289,567)	(46,240,998)	
Add: Amortization of Tangible Capital Assets (Gain)/Loss on disposal of Tangible Capital Assets	4	13,170,357	11,596,726	11,737,412	12,405,438	13,149,865	13,068,105	12,531,382	12,751,130	13,150,401	13,622,786	
Add: Proceeds on Sale of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	
Add: Write-downs of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-	
Less: Acquisition of Supplies Inventory		7,377,357	(460,274)	(30,923,952)	(37,592,707)	(21,390,035)	(24,887,875)	(7,870,315)	(15,406,980)	(19,139,166)	(32,618,212)	
Less: Acquisition of Prepaid Expenses		-	-	-	-	-	-	-	-	-	-	
Add: Consumption of Supplies Inventory		-	-	-	-	-	-	-	-	-	-	
Add: Use of Prepaid Expenses		-	-	-	-	-	-	-	-	-	-	
Increase/(Decrease) in Net Financial Assets/(Net Debt)		13,471,039	15,595,376	11,273,798	15,228,231	11,648,192	11,265,348	23,922,845	14,601,337	17,698,216	(2,139,060)	
Net Financial Assets/(Net Debt), beginning of year		(104,058,368)	(90,587,329)	(75,001,953)	(63,728,155)	(48,499,924)	(36,851,732)	(25,586,384)	(1,663,539)	12,937,798	30,636,014	
Net Financial Assets/(Net Debt), end of year		(90,587,329)	(75,001,953)	(63,728,155)	(48,499,924)	(36,851,732)	(25,586,384)	(1,663,539)	12,937,798	30,636,014	28,496,954	
Financial Indicators		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
1) Acquisition of Tangible Capital Assets (Cumulative)		5,793,000	17,850,000	60,511,364	110,509,509	145,049,429	183,005,409	203,407,106	231,565,216	263,854,783	310,095,781	
2) Annual Surplus/Deficit before Amortization (Cumulative)		19,264,039	46,906,415	100,841,577	166,067,952	212,256,064	251,477,392	305,801,934	348,561,362	398,549,165	442,651,104	
3) Ratio of Annual Surplus before Amortization to Acquisition of TCA's (Cumulative)		3.33	2.63	1.67	1.50	1.46	1.43	1.50	1.51	1.51	1.43	

TABLE B-4
 City of Barrie
 Statement of Cash Flow - Indirect Method: Wastewater Services
 UNAUDITED: FOR FINANCIAL PLANNING PURPOSES ONLY
 2014 - 2023

	Notes	Forecast													
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023				
Operating Transactions															
Annual Surplus/Deficit		6,093,682	16,045,650	42,197,750	52,820,937	33,038,227	36,453,223	31,793,160	30,008,318	36,837,382	30,479,153				
Add: Amortization of TCA's	4	13,170,357	11,596,726	11,737,412	12,405,438	13,149,885	13,068,105	12,531,382	12,751,130	13,150,401	13,622,786				
(Gain)/Loss on disposal of Tangible Capital Assets		(11,500,277)	(18,375,195)	(32,937,974)	(42,567,741)	(22,142,604)	(21,886,050)	(17,350,074)	(14,078,795)	(14,070,244)	(13,778,434)				
Less: Earned Deferred Revenue	3	-	-	(10,459,364)	(10,773,145)	(11,096,340)	(13,270,817)	(11,772,107)	(12,125,270)	(12,489,028)	(12,863,699)				
Less: Developer Contributions		18,981,761	23,771,790	33,829,409	42,119,824	30,826,484	36,879,908	34,344,331	14,289,698	14,742,943	15,234,183				
Add: Deferred Revenue Proceeds		(185,435)	(119,570)	(118,229)	(124,424)	(104,069)	(107,681)	(111,399)	(127,089)	(533,497)	410,151				
Change in A/R (Increase)/Decrease		310,969	81,568	112,886	116,410	119,898	123,557	127,193	131,023	134,815	139,019				
Change in A/P Increase/(Decrease)		(298,175)	(307,121)	(316,334)	(325,824)	(335,599)	(345,667)	(356,037)	(366,718)	(377,720)	(389,051)				
Less: Interest Proceeds															
Cash Provided by Operating Transactions		26,572,882	32,703,848	44,045,656	53,671,475	43,455,882	50,604,578	49,206,490	30,482,297	37,395,152	32,854,108				
Capital Transactions															
Proceeds on sale of Tangible Capital Assets		-	-	-	-	-	-	-	-	-	-				
Less: Cash Used to acquire Tangible Capital Assets	4	(5,793,000)	(12,057,000)	(32,202,000)	(39,225,000)	(23,443,580)	(24,685,163)	(8,629,590)	(16,032,840)	(19,800,539)	(33,377,299)				
Cash Applied to Capital Transactions		(5,793,000)	(12,057,000)	(32,202,000)	(39,225,000)	(23,443,580)	(24,685,163)	(8,629,590)	(16,032,840)	(19,800,539)	(33,377,299)				
Investing Transactions															
Proceeds from Investments		298,175	307,121	316,334	325,824	335,599	345,667	356,037	366,718	377,720	389,051				
Less: Cash Used to Acquire Investments															
Cash Provided by (applied to) Investing Transactions		298,175	307,121	316,334	325,824	335,599	345,667	356,037	366,718	377,720	389,051				
Financing Transactions															
Proceeds from Debt Issue	2	1,399,000	-	-	-	-	-	-	-	-	-				
Less: Debt Repayment (Principal only)	2	(3,894,300)	(4,074,310)	(4,288,944)	(4,452,174)	(4,654,370)	(4,865,978)	(5,043,288)	(5,273,165)	(5,513,754)	(5,765,582)				
Cash Applied to Financing Transactions		(2,495,300)	(4,074,310)	(4,288,944)	(4,452,174)	(4,654,370)	(4,865,978)	(5,043,288)	(5,273,165)	(5,513,754)	(5,765,582)				
Increase in Cash and Cash Equivalents		18,582,757	16,879,659	7,901,046	10,320,125	15,693,531	21,399,104	35,889,649	9,543,010	12,458,579	(5,899,722)				
Cash and Cash Equivalents, beginning of year	1	4,527,887	23,110,654	39,990,313	47,891,359	58,211,484	73,905,015	95,304,119	131,193,768	140,736,778	153,195,357				
Cash and Cash Equivalents, end of year	1	23,110,654	39,990,313	47,891,359	58,211,484	73,905,015	95,304,119	131,193,768	140,736,778	153,195,357	147,295,635				

WASTEWATER NOTES TO FINANCIAL PLAN

The financial plan format as outlined in Chapter 4 closely approximates the full accrual format used by municipalities on their audited financial statements. However, the financial plan is not an audited document and contains various estimates. In this regard, Section 3 (2) of O.Reg. 453/07 states the following:

“Each of the following sub-subparagraphs applies only if the information referred to in the sub-subparagraph is known to the owner at the time the financial plans are prepared:

3. Sub-subparagraphs 4 i A, B and C of subsection (1)
4. Sub-subparagraphs 4 iii A, C, E and F of subsection (1).”

The information referred to in sub-subparagraphs 4 i A, B and C of subsection (1) includes:

- A. Total financial assets (i.e. cash and receivables);
- B. Total liabilities (i.e. payables, debt and deferred revenue);
- C. Net debt (i.e. the difference between A and B above).

The information referred to in sub-subparagraphs 4 iii A, C, E and F of subsection (1) includes:

- A. Operating transactions that are cash received from revenues, cash paid for operating expenses and finance charges
- C. Investing transactions that are acquisitions and disposal of investments
- E. Change in cash and cash equivalents during the year
- F. Cash and cash equivalents at the beginning and end of the year

In order to show a balanced financial plan in a full accrual format for the City of Barrie, some of the items listed above have been estimated given that the City does not maintain all financial asset and liability data separately for wastewater. Usually, this type of data is combined with the financial assets and liabilities of other departments and services given that there is not a current obligation to disclose this data separately (as there is with revenue and expenses). The assumptions used have been documented below:

1. Cash, Receivables and Payables

It is assumed that the opening cash balances required to complete the financial plan are equal to:

Ending Reserve/Reserve Fund Balance
Plus: Ending Accounts Payable Balance
Less: Ending Accounts Receivable Balance
Equals: Approximate Ending Cash Balance

For the City of Barrie, wastewater receivables and payables were estimated for 2014 based on the proportionate share of City wide receivables and payables, respectively, which was used to estimate wastewater receivables and payables throughout the forecast period. Therefore, the opening cash balance was estimated based on the above calculation.

2. Debt

Outstanding wastewater related debt at the end of 2013 was \$97.5 million, with additional debt proceeds anticipated throughout the forecast period. *Principal* repayments for existing and new debt over the forecast period are scheduled as follows:

Year	Principal Payments
2014	3,894,300
2015	4,074,310
2016	4,258,944
2017	4,452,174
2018	4,654,370
2019	4,865,978
2020	5,043,288
2021	5,273,165
2022	5,513,754
2023	5,765,582
Total	\$ 47,795,865

For financial reporting purposes, debt principal payments represent a decrease in debt liability and the interest payments represent a current year operating expense.

3. Deferred Revenue

Deferred revenue is made up of wastewater development charge reserve fund balances which are considered to be a liability for financial reporting purposes until the funds are used to emplace the works for which they have been collected.

4. Tangible Capital Assets

- Opening net book value of tangible capital assets includes wastewater related assets in the following categories:
 - i. Mains;
 - ii. Facilities;
 - iii. Equipment; and
 - iv. Land Improvements.
- Amortization is calculated based on the straight-line approach with no amortization in the year of acquisition or construction.
- Given the planned asset replacement forecast in the 2014 Fiscal Impact Study, useful life on acquisitions is assumed to be equal to the weighted average useful life for all assets on hand in the respective asset category.
- Write-offs are assumed to equal \$0 for each year in the forecast period.
- Tangible capital assets are shown on a net basis. It is assumed that disposals occur when the asset is being replaced, unless the asset is documented as a new asset. The value of each asset disposal is calculated by estimating the original purchase/construction date and deflating current replacement cost values to those estimated dates in order to calculate original historical cost.
- Gains/losses on disposal are assumed to be \$0 (it is assumed that historical cost is equal to accumulated amortization for all disposals).
- Residual value is assumed to be \$0 for all assets contained within the forecast period.
- Anticipated contributed Assets, as described in Section 3.2.1, have been included in the forecast period based on assumptions provided by City staff.

The balance of tangible capital assets is summarized as follows:

Asset Historical Cost	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Opening Tangible Capital Asset Balance	516,298,402	522,048,385	534,105,385	576,766,749	626,764,894	659,981,134	696,411,596	716,298,856	742,665,031	772,676,969
Acquisitions	5,793,000	12,057,000	42,661,364	49,998,145	34,539,920	37,955,980	20,401,697	28,158,110	32,289,567	46,240,998
Disposals	43,017	-	-	-	1,323,680	1,525,518	514,437	1,791,935	2,277,629	2,075,798
Closing Tangible Capital Asset Balance	522,048,385	534,105,385	576,766,749	626,764,894	659,981,134	696,411,596	716,298,856	742,665,031	772,676,969	816,842,169
Opening Accumulated Amortization	162,955,396	176,082,736	187,679,462	199,416,875	211,822,313	223,648,518	235,191,105	247,208,049	258,167,244	269,040,015
Amortization Expense	13,170,357	11,596,726	11,737,412	12,405,438	13,149,885	13,068,105	12,531,382	12,751,130	13,150,401	13,622,786
Amortization on Disposal	43,017	-	-	-	1,323,680	1,525,518	514,437	1,791,935	2,277,629	2,075,798
Ending Accumulated Amortization	176,082,736	187,679,462	199,416,874	211,822,313	223,648,518	235,191,105	247,208,050	258,167,244	269,040,016	280,587,003
Net Book Value	345,965,649	346,425,923	377,349,875	414,942,581	436,332,616	461,220,491	469,090,806	484,497,787	503,636,953	536,255,166

5. Accumulated Surplus

Opening accumulated surplus for the forecast period is reconciled as follows:

Wastewater	2014 Opening Accumulated Surplus
Reserve Balances	
Reserves: Development Charges	9,691,679
Reserves: Capital/Other	(6,564,975)
Total Reserves Balance	3,126,704
Less: Debt Obligations and Deferred Revenue	(107,185,072)
Add: Tangible Capital Assets	353,343,006
Total Opening Balance	249,284,638

The accumulated surplus reconciliation for all years within the forecast period is contained in Table B-2.

6. Other revenue

Other revenue includes investment income, service charges and other non-operating general revenues.

7. Operating Expenses

Capital expenditures for items not meeting the definition of tangible capital assets have been reclassified as operating expenses and have been expensed in the year in which they occur.

