



## Corporate Report City Council

**Report from:** Financial Management Services

**Report Date:** March 18, 2024

**Meeting Date:** March 18, 2024

**Report Number:** FMS-043-2024

**File:** 68.81.5

**Subject:** 2024-2034 Water and Wastewater Financial Plan

### Strategic Pillar:

This report aligns with the following St. Catharines Strategic Plan pillars: economic, social, environmental, and organizational excellence



## Recommendation

That City Council, as Owner and Operating Authority of the City of St. Catharines Drinking Water System, approve the Corporation of the City of St. Catharines' 2024 to 2034 Water and Wastewater Financial Plan, which indicates that the City of St. Catharines drinking water and wastewater system is financially viable; and

That the 2024 to 2034 Water and Wastewater Financial Plan be used as reference for the reconfirmation and preparation of water and wastewater budgets for 2025 to 2034; and

That a copy of the 2024 to 2034 Water and Wastewater Financial Plan be submitted to the Ministry of Municipal Affairs and Housing as required by O. Reg 453/07 once approved by Council; and

Further, that a copy of the Water and Wastewater Financial Plan be posted on the City's website.

## Summary

The purpose of this report is to seek approval of the Water and Wastewater Financial Plan as required by legislation O.Reg 453/07. The recommended financial plan:

- Proposes a financially viable multi-year plan as required by regulation leveraging the approved multi-year budget, budget planning and control policy and the Asset Management Plans (AMP)

- Proposes an annual rate increase for the next 10 years as follows:

Program	2025	2026	2027 to 2034
Water	8.9%	9.0%	10.7%
Wastewater	10.3%	10.3%	7.2%
Combined	9.7%	9.8%	8.8%

## Relationship to Strategic Plan

The Water and Wastewater Financial Plan reflects and implements many of the Strategic Plan’s goals and actions. This report supports the following:

- Economic Prosperity commitment to develop a 10-Year Financial Plan and AMP to address City needs, priorities and growth.
- Social Well-Being Strategic goal to build and support strong inclusive neighbourhoods that provide high quality of life for residents of all ages is supported by supporting the construction program that addresses all areas of the City’s water, wastewater, and pollution control infrastructure.
- Environmental Stewardship Strategic goals are supported through continuing investment in wastewater and pollution control programs. These programs and projects are undertaken in a manner that protects the natural environment and aligns with the City’s Climate Adaptation Plan.
- The Financial Plan is also informed by the 2024 to 2026 Multi-year Capital Budget, Four-Year forecast and AMP which assist staff in prioritizing City needs and balancing them with the evolving priorities of Council to ensure they can be delivered concurrently. As the City aligns to the requirements of O.Reg 588/17 for setting a sustainable level of service, the City will need to match the staffing requirements to ensure capital projects are completed as recommended in the AMP to ensure organizational excellence.

## Background

The Municipal Drinking Water Licensing Program was implemented under the Safe Drinking Water Act, 2002 (SDWA) and requires system owners to meet a number of requirements including holding a Municipal Drinking Water License (“License”) issued by the Ministry of the Environment, Conservation and Parks (MOECP). These licenses are issued for a period of five years. The City has a License which was issued in 2019 and expires on October 3, 2024. As part of the requirement to renew the License, a Financial Plan must be approved by a resolution of Council six months prior to current license expiry, which is by April 3, 2024.

As part of the requirement to renew a Municipal Drinking Water License, Council must approve a Water Financial Plan (“Financial Plan”) as outlined in O.Reg 453/07. O.Reg 453/07 requires financial plans be approved by a resolution that indicated that the drinking water system is financially viable and that the financial plan includes a statement that the financial impacts of the drinking water system have been considered, with the plan covering a minimum of six years. While not required for license renewal, completing and approving a Wastewater Financial Plan in tandem with the Water

Financial Plan is a best practice and is encouraged under O.Reg 453/07.

## Report

Every five years, the City of St. Catharines must renew its water license to deliver treated water as mandated by the SDWA. As part of the drinking water license renewal, the City must submit a Water Financial Plan to the Ministry of Municipal Affairs and Housing along with a resolution from Council that indicates that the drinking water system is financially viable. The requirements of the Financial Plan are specified in O.Reg 453/07.

The minimum requirements of O.Reg 453/07 only covers water operations and only requires a forecasted financial plan which covers the year of renewal and the follow five-year period. To provide a complete picture, it is common for a plan in the same format to be provided for the wastewater system as well. Additionally, in order to present the rate increases necessary to support the long-term target of a sustainable level of capital reinvestment and to understand the impacts of deviations from the plan, the attached forecast covers a period of ten years following the year of the license renewal.

## Guiding Principles

The following guiding principles were used in the development of the City's water and wastewater financial plans:

- Fully meets the requirements of O. Reg. 453/07 (Financial Plans)
- Align to the new requirements currently being rolled out by the Province for Consolidated Linear Infrastructure Compliance approval for Municipal Wastewater systems.
- Commit to the long-term objective of moving towards full cost recovery for water and wastewater services.
- Reduce the existing funding gaps and move towards achieving a sustainable (replacement) level of capital spending by implementing year over year increases in capital spending over the term of the financial plan. This financial plan should reduce the backlog over a duration shorter than the average useful life of the assets to mitigate the risk of asset failure.
- Identify the resources required to accomplish the program goals, including staffing and equipment needs.
- Improve predictability and clarity so the plan contains:
  - A consistent annual percentage increase in the fixed and variable water rates.
  - A consistent annual percentage increase in the fixed and variable wastewater rates.
- Balance increased investment with affordability and limit the combined water and wastewater typical residential customer annual household bill impact to no more than 10%.
- Continue the usage of Canada Community Building Fund for the rate supported services.
- Balance the use of debt and rate supported capital funding.

- Align with the most current asset management planning information. The annual increases in capital spending over the term of the financial plans will reduce the identified funding gaps in support of the long-term goal of achieving a sustainable level of capital reinvestment as identified in the 2024 to 2026 Multi-year Capital Budget.
- Develop the plan in such a way that the capital reinvestment needs can be easily updated when the asset management plan is updated.
- Provide guidelines for future budget recommendations and act as a tool for the evaluation of longer-term impacts of budget decisions.

Detailed water and wastewater statements have been prepared to meet the requirements of O.Reg 453/07 and are included as Appendix 1.

### **What does approving the financial plans mean?**

Approval of a financial plan that indicates the water system is financially viable is a requirement under the SWDA, O. Reg 453/07. The SWDA does not define what is considered to be sustainable, however the Ministry of Environment released a guideline with principles of financial sustainability, which are identified in Appendix 2. Staff are considering a positive cash balance for water and wastewater combined through the Financial Plan period to represent a viable system.

The financial plans act as a guide, rather than a budget, when it comes to future decision making. As a guide the financial plans provide a tool for identifying the longer-term impacts of decisions made in an individual budget year. The use of longer-term financial plans is most effective when progress relative to the plan is regularly reported on.

In October 2023, the Niagara Region approved their water and wastewater financial plans, including using them as guidance for the preparation of future budgets over the ten-year period of the plan. Their plan calls for an annual 4.3% increase in their water requisition and an annual increase of 8.48% for their wastewater requisition, for a combined total increase of 7.15% annually. As the Niagara Region acts as a wholesaler of these services to local municipalities, these increases have a direct impact on the City, and as a result, have been incorporated into the City's financial plans.

In order for this Financial Plan to retain relevance moving into the future, it should be updated as better information becomes available (such as asset management plan updates), as budgets are approved, and as any policies and strategies are revised or updated (such as the debt management strategy). Updating the plan internally will become an annual exercise rather than one that occurs only during License renewals.

### Capital Reinvestment Needs

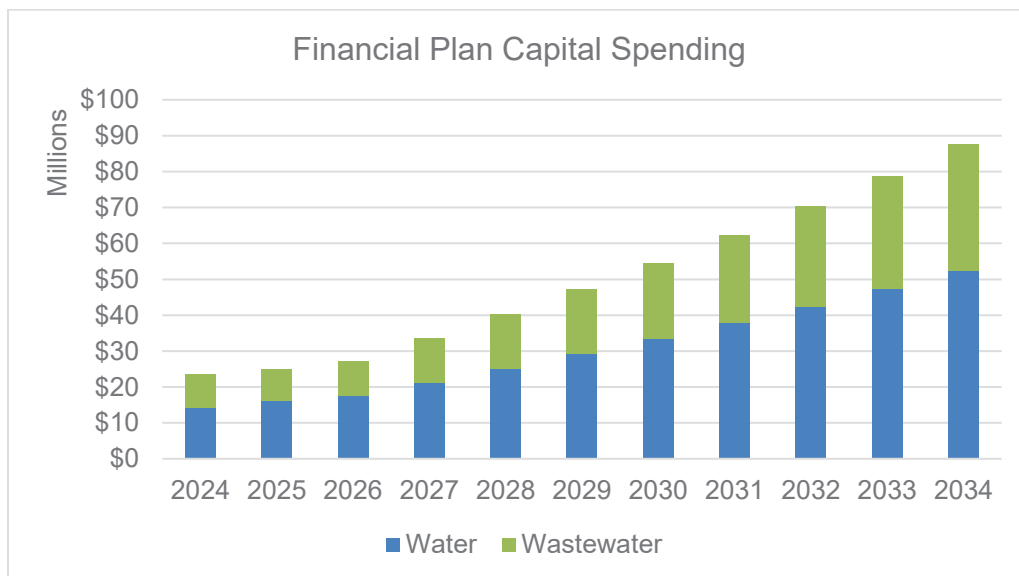
The major driver of the need for increased rates and revenue for the City of St. Catharines is the capital reinvestment needs. The AMP included a recommendation for \$27 million of annual funding to maintain level of service (LOS) and \$53 million of annual funding to address the backlog for water and wastewater capital projects. The 2024 to 2026 Capital budget approved annual average investment of \$26 million (\$24 million for renewal). Until the funding levels match the recommendation from the AMP, the backlog will continue to grow.

In millions	Maintain LOS	Address backlog	2024 to 2026 Renewal Budget
Water	17	34	15
Wastewater	10	19	9
Combined	27	53	24

The figures above do not factor in anticipated investments that will be required to accommodate additional growth in the City. The plan will be updated to factor in advances in the Asset Management process and Master Servicing Studies.

This shortfall has developed over a long period of time, and it will take time to ramp up both this level of funding and staff resources to allow this level of spending to be implemented. The proposed increase in capital spending on linear infrastructure provided in the financial plans is shown in Figure 1.

**Figure 1 – Proposed Water and Wastewater Capital Spending**

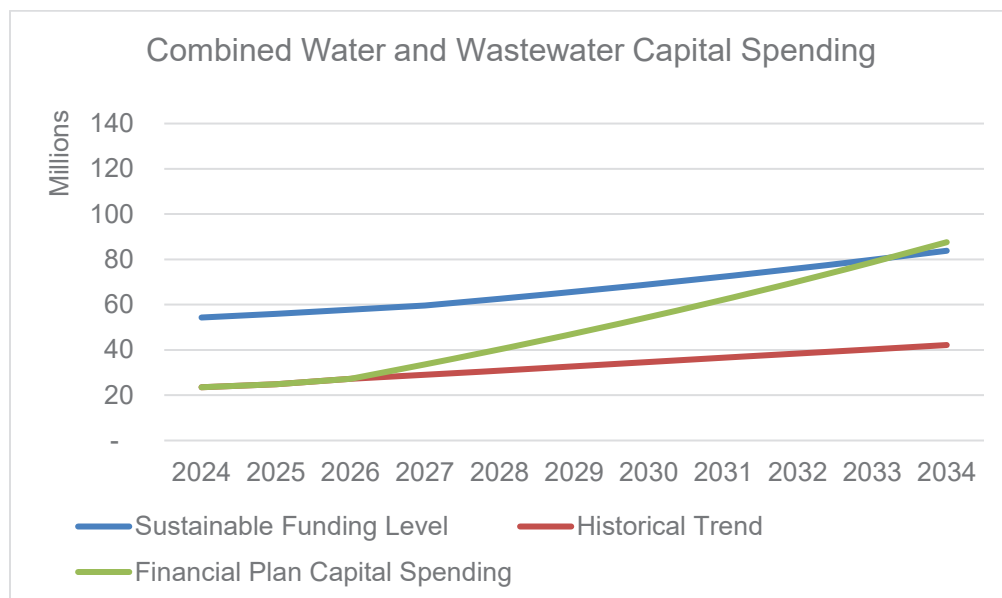


Over the 10-year period (2025-2034) the total linear water capital spending included in the Financial Plan is \$337 million and the total linear wastewater capital spending is \$213 million. Adjusted for inflation, the optimal spending over the same time period to

remove the backlog and maintain existing level of service per the Asset Management Plan is \$455 million for the total linear water capital and \$282 million for total linear wastewater capital spending. According to the Asset Management Plan in year 10, the recommended annual contribution to Water and Wastewater capital will be aligned, and the backlog would begin to decline.

The financial plan as submitted through this report reaches the targeted sustainable level of funding by the end of the ten-year period. While this financial plan does not eliminate the existing infrastructure deficit within the ten-year period, it does set the annual contributions to allow for the reduction of the backlog in subsequent years. To illustrate this, a comparison of the historical trend of capital spending, the spending level included in the plan, the annual sustainable funding level for infrastructure / eliminate the infrastructure deficit is shown in Figure 2.

**Figure 2 – Capital Spending versus Target and Historic levels**



### Coordination with Other Governments

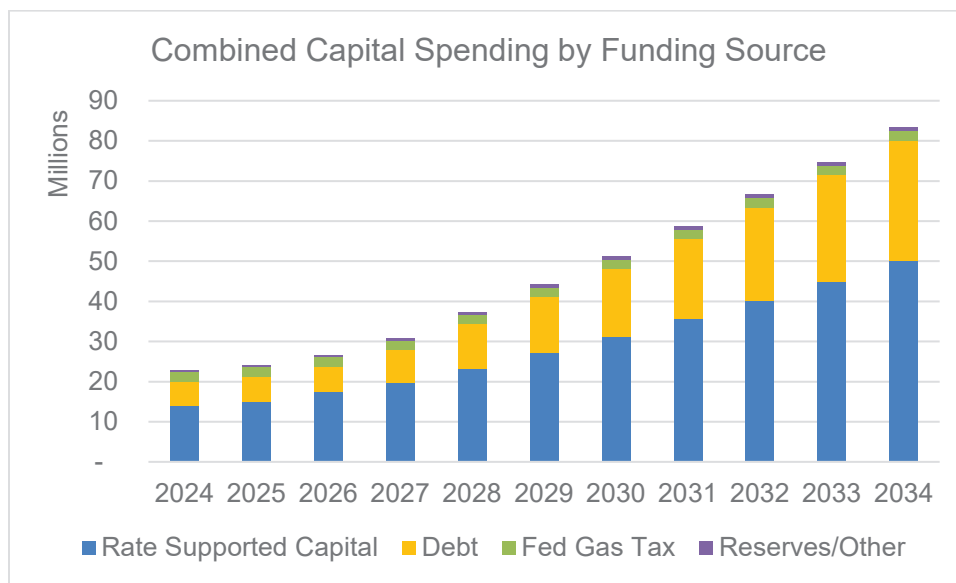
The ability for the City to fund and complete its highest priority projects can be impacted by the work of other governments, such as the Niagara Region. For example, when the Niagara Region is reconstructing a road under which the City owns linear water or sewer infrastructure that needs replacement, or nearing the end of life, that replacement must be coordinated with the Region. This requires a commitment of funds which can have an impact on the dollars remaining that are available to fund the City’s regular improvement programs. Increased capital spending will make it easier for the City to manage and coordinate these projects with other levels of government, while limiting the impact on its regular improvement program.

## Funding Challenges

Water and wastewater infrastructure reinvestment has three primary funding sources: the rates themselves, grants, and debt. Grants are the only option that does not require additional rate funding. Based on the Walkerton Inquiry<sup>1</sup> recommendations, water and wastewater systems operate on a full cost recovery, the Financial Plans does not assume there will be any increase in grant funding available for Water or Wastewater. As a result, to realize the level of incremental spending envisioned in the Financial Plan, a mix of debt and rate funding will be required.

The mix of funding sources by year in the Financial Plan for the combined water and wastewater capital programs are included as Figure 3. The reserves / other funding is primarily related to vehicle and equipment replacements, while the remainder of the funding covers the linear water and wastewater infrastructure, as well as meter replacements, pollution control program investments and other smaller non-linear infrastructure replacements and improvements.

**Figure 3 – Annual Capital Funding in Financial Plan**



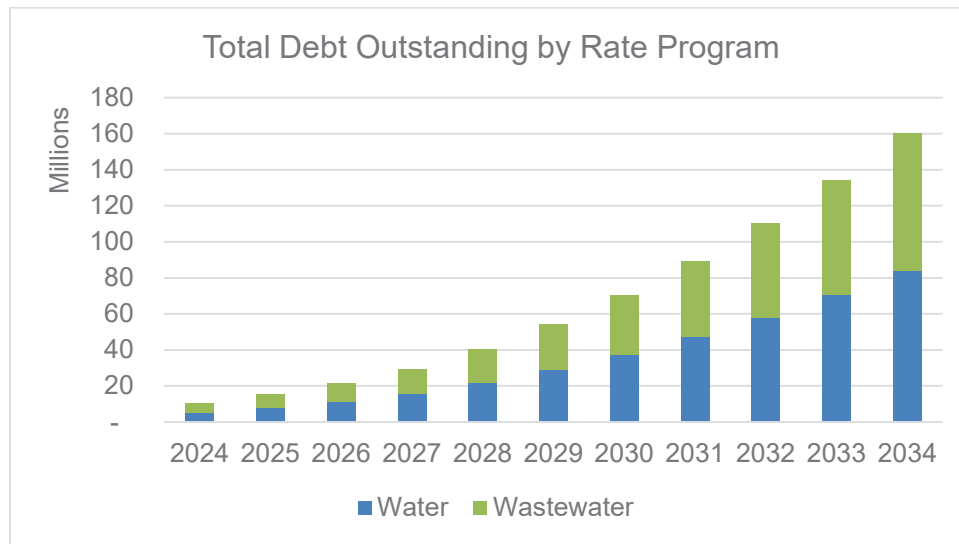
The annual funding continues to primarily be rate supported capital (“pay as you go”), although the amount of debt funding increases throughout the financial plan. Using this mix of funding sources allows annual capital investments to exceed \$550 million combined by 2034 (\$337 million for water and \$213 million for wastewater).

The increase in annual funding from debt has impacts on the rate supported budget in terms of increased debt charges, however it also impacts the amount of debt dollars available for the levy budget if the City is to stay within the existing Council approved

<sup>1</sup> [THE WALKERTON INQUIRY - PART ONE: Report of the Walkerton Inquiry, The Events of May 2000 and Related Issues \(gov.on.ca\)](#)

level of debt. Currently, the majority of rate supported debt is in the wastewater system, however by the end of the Financial Plan, the outstanding Water related debt will exceed the outstanding Wastewater debt. As the level of debt for the water and wastewater systems increases, it limits the amount of debt available for the levy supported programs. There is a strong argument that can be made for increasing the debt funding for water and wastewater infrastructure given the long-term life of these assets and the fairness of expecting them to have intergenerational equity. The projected debt outstanding at the end of each year for the Water and Wastewater systems are shown in Figure 4.

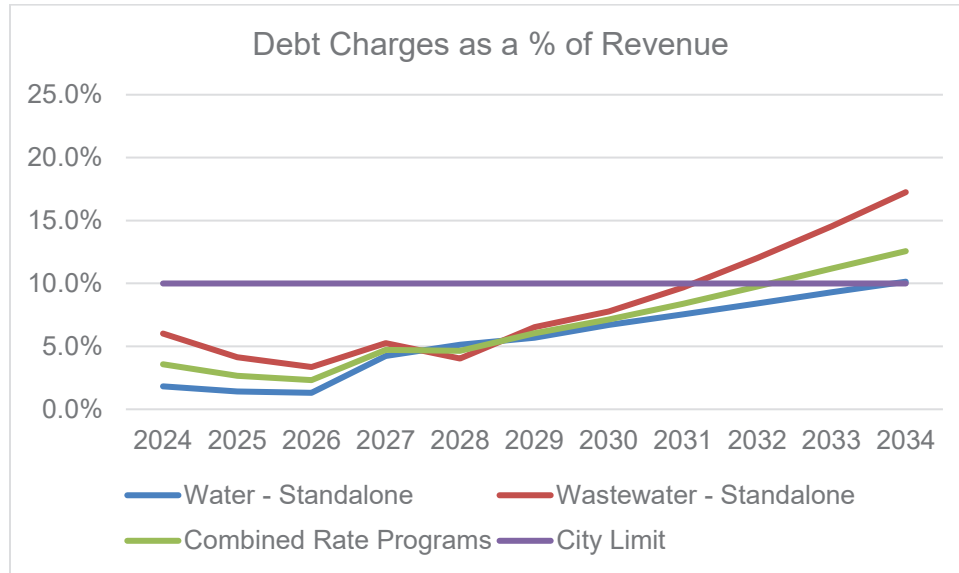
**Figure 4 – Total Outstanding Debt Principle Water & Wastewater**



The Annual Repayment Limit (ARL) calculation takes the total debt charges as a percentage of own source revenues. The Province of Ontario sets the ARL at 25% when looking at the City’s consolidated (levy and rate supported) debt. The debt included in the Financial Plan will put pressure on the levy supported capital program, given the City’s self-imposed 10% limit for debt charges. If the rate supported capital program is looked at separately, the combined debt charges are currently well below the 10% self-imposed limit, however by the end of the Financial Plan, the debt charges are projected to exceed the self-imposed limit. The ARL calculations for the individual water and wastewater systems, along with the combined rate programs and how they compare to the City’s self-imposed limit is shown as Figure 5. As the financial plan is increasing the funding of the capital program required for optimal life cycle activities by the end of 2034, the annual repayment limit should stabilize around 13%, assuming there are no increases to level of service or expansion of new assets.



**Figure 5 – Annual Repayment Limit (ARL) – Water & Wastewater Only**



Projects included in the capital budget for linear assets are driven by the water and wastewater program. When a water / wastewater project is identified, the project team will also consider the need to repair or upgrade the road, sidewalk, or storm sewer. The reason for this is to avoid reconstructing the same assets or inhibiting traffic flows multiple times. As the financial plan increases the water and wastewater capital program, the levy budget would be required to be increased as well. For context, approximately 60% of a linear assets project budget is for tax supported components.

This report does not make recommendations regarding how the capital funding challenges in the rate supported programs and their related impact on levy supported capital should be addressed, however options such as increases to the dedicated infrastructure levy, revisions to the use of grant funding and modifications to the debt management strategy around the term that debt is issued for different types of capital projects would have an impact on the ability to fund capital requirements of both the levy and rate supported capital programs.

### Rate Increases

A significant challenge to reaching the annual target reinvestment rate for infrastructure funding is the need to balance ratepayer affordability. The Financial Plan makes the assumption that the rate increases that are included would not alter ratepayers’ habits and related consumption levels. In accordance with the guiding principles, the Financial Plans use a consistent annual fixed and variable rate increase. If instead a fluctuating annual increase was used to maintain an identified cash balance (for example \$3 million) rather than the current above-zero balance, the rate increases would not be as consistent.

In addition, staff ran different funding scenarios as outlined in Figure 6 below. The recommended scenario is scenario No. 3 (35-year backlog removal) as this option best

balances rate affordability, the needs of the water and wastewater systems, and the targets outline in the AMP.

**Figure 6 – Financial Plan Scenarios**

No.	Scenario	MY Budget 2024-26	Water 2027-34	Wastewater 2027-34	Combined
1	Maintain level of service	9.7 - 9.9%	7%	5%	5.9%
2	60-year backlog removal	9.7 - 9.9%	9.0%	6.0%	7.4%
<b>3</b>	<b>35-year backlog removal (Recommended)</b>	<b>9.7 - 9.9%</b>	<b>10.7%</b>	<b>7.2%</b>	<b>8.8%</b>
4	25-year backlog removal	9.7 - 9.9%	13.6%	8.0%	10.6%
5	10-year backlog removal	9.7 - 9.9%	29.2%	13.0%	21.6%

The City has continued to maintain low water and wastewater rates in Niagara. The City is ranked the third lowest typical residential water and wastewater bill among lower tier municipalities in the Niagara Region based on the proposed / approved 2024 rates. The average bill based on 170 cubic meter consumption are seen in Figure 7.

**Figure 7 – Comparison of Typical Household Annual Water and Wastewater Bill Amounts (170 Cubic Metres)<sup>2</sup>**

Year	Municipality	Bill
2024	Pt. Colborne	\$1,850.82
2024	Fort Erie	\$1,610.45
2024	Welland	\$1,417.75
2024	Lincoln	\$1,342.38
2024 Proposed	Niagara on the Lake	\$1,294.04
2023	Thorold	\$1,197.23
2024	St Catharines	\$1,129.60
2024	Niagara Falls	\$1,126.16
2024 Proposed	Pelham	\$1,088.37

While it is desirable for St. Catharines to maintain its position as one of the lowest household bills in the Niagara Region, increases are required in order meet the increased need for infrastructure funding. Given the increases forecasted by the Niagara Region, it is likely that other local municipalities are finding themselves in similar situations with increases to offset the increase in Regional costs as well as to

<sup>2</sup> Source: Various city websites

fund local infrastructure being required. The typical household bill amounts, including the annual increases, used in the Financial Plan are provided in Figure 8. After 2034, the increase should only be inflation unless level of service were to change.

**Figure 8 – Forecasted / Estimated Typical Household Annual Bill Amounts (170 cubic metres)**

Year	Water	Wastewater	Combined	\$ Increase	% Increase
2024	651.49	478.11	1,129.60	101.97	9.9%
2025	718.67	520.73	1,239.40	109.80	9.7%
2026	792.99	567.70	1,360.69	121.29	9.8%
2027	849.52	629.10	1,478.62	117.93	8.7%
2028	911.20	697.20	1,608.40	129.78	8.8%
2029	976.08	772.18	1,748.26	139.86	8.7%
2030	1,045.98	854.40	1,900.38	152.12	8.7%
2031	1,121.02	945.92	2,066.94	166.56	8.8%
2032	1,201.32	1,047.28	2,248.60	181.66	8.8%
2033	1,287.00	1,158.96	2,445.96	197.36	8.8%
2034	1,379.88	1,283.20	2,663.08	217.12	8.9%

## Financial Implications

As outlined in the Report section, approval of these Financial Plans does not have any direct financial implications, however, it is recommended that these Financial Plans be used as guidance for future Water and Wastewater Budgets. Using these Financial Plans as guidance will set expectations for annual household impacts, annual capital spending requirements, and debt requirements. The increased debt needs for the rate supported budgets will reinforce the need for increased infrastructure levy funding for the levy supported capital budget in order to maintain and increase spending on those services.

As noted in the Report section, projects included in the capital budget for linear assets are driven by the water and wastewater program. As the financial plan increases the water and wastewater capital program, the levy budget would be required to be increased as well. For context, approximately 60% of a linear assets project budget is for tax supported components.

## Environmental Sustainability Implications

Environmental Stewardship Strategic goals are supported through continuing investment in sanitary sewer and pollution control programs. These programs and projects are undertaken in a manner that protects the natural environment and aligns with the City's Climate Adaptation Plan.

## Operational Implications

The City's Water and Wastewater Financial Plans have been prepared in accordance with O.Reg 453/07 for the purposes of renewing the City's License.

## Risk Management

The condition assessment in the Asset Management Plan was based on the best data available at the time; however, there were significant data gaps on which it was based. Therefore, the City is currently undertaking more robust inspections of our water and wastewater systems to fill the data gaps. Similar to other municipalities with aging infrastructure, we expect that our systems will require additional maintenance and replacement over and above the current AMP. As previously reported to Council, there are two major factors that are increasing the risk to our water and wastewater systems; the age of the infrastructure and intensification to meet the provincial Housing Action Plan. Older systems are more likely to fail as they tend to deteriorate more quickly as they approach their end of life. Additionally, with intensification in the downtown core, we are asking our systems to deal with flows for which they were never designed.

## Conclusion

Full cost recovery for Water and Wastewater services were part of the recommendations made by the Walkerton Inquiry to ensure municipalities provide for long-term operating and capital plans for maintaining all aspects of the Water and Wastewater systems, including a long-term plan for the replacement of all infrastructure. In Ontario, many municipalities are moving toward or have already implemented full cost recovery to fund Water and Wastewater services. These Financial Plans attached to this report would move the City towards full cost recovery.

## Notifications

The Ontario Ministry of Municipal Affairs and Housing be provided with a copy of these Financial Plans as required by legislation.

### Prepared and Submitted by

Ricci Cheung  
Capital Planning Supervisor

Katya Voronina  
Senior Financial Analyst - Municipal Funding

### Approved by

Kristine Douglas  
Director of Financial Management Services and City Treasurer

## Appendices

1. 2024 to 2034 Water / Wastewater Financial Plan
2. Financial Plans Guideline

## Notes to Financial Plan – Water Operations:

**1. Consumption**

The forecast assumes consumption will level out at the average of the past 3 years' consumption levels over the 2024 to 2034 period. Accordingly, the forecast assumes that increases in water rates will not impact water consumption in the City. Water consumption is weather dependent which is one of the risk factors of the financial plan.

**2. Revenues**

The Financial Plan includes a rate increase of 9.7%-9.9% in 2024-2026 in accordance with the submitted Rate supported budget, and rate increases of 8.8% annually from 2027 to 2034 to support the additional capital requirements to move toward replacement level funding.

**3. Grants**

Represents Canada Community Building Fund (formerly Federal Gas Tax funding), which continues to be used at the same level throughout the Financial Plan.

**4. Regional Billing**

The annual increases of 7.15% provided for in the Niagara Region's recently approved Water Financial Plan have been included. The forecast assumes that the Region's rate methodology for the wholesaling of water will remain unchanged through the 2024-2034 period, and that the City's proportionate share of the fixed charge will remain the same.

**5. Inflation**

To project future operating and capital costs (excluding debt costs), it is assumed that the annual cost inflation will be 3.5% for operating costs and 5% for capital costs.

**6. Debt**

The actual rate used for the 2023 debenture issuance was 5.03% for 30-year debt. As rates are projected to increase, an estimate of 6% was used for debt issued between 2024 to 2034. The term used for all debt issuances is 20 years. The Financial Plan assumes that all debt will be issued on December 31st of the year to which it relates.

**7. Accumulated Surplus**

The accumulated surplus represents the Net Financial Assets (Financial Assets less Liabilities) as well as the Net Non-Financial Assets which represents the Capitalized Costs which have not yet been depreciated.

**8. Capital Spending**

The following figures are provided within the Council approved Asset Management Plan (AMP). The estimated replacement cost for the water distribution system is \$1,327 million. The recommended annual funding required for optimal lifecycle activities and funding to address the backlog is \$33.8 million for Water over a period of 25 years. This Financial Plan moves the City closer to achieving this targeted spending level by considering affordability and allowing for a 10-year financial plan to build the necessary

funding to before addressing the backlog in the subsequent 25 years. For Financial Plan purposes, it is assumed that all Capital Spending will occur in the year in which it is approved. The Financial Plan also assumes that as incremental capital spending is added, the incremental staff required will also be added.

### **9. Cash**

The 2023 closing net surplus for Municipal budget purposes is used as the 2024 opening cash balance.

### **10. Accounts Receivable**

The accounts receivable balance reflects the actual closing balance from 2023, adjusted to increase based on the revenue increases included in the Financial Plan.

### **11. Accounts Payable**

The Accounts Payable reflect 1/12th of the annual cost of water purchased from the Niagara Region.

### **12. Tangible Capital Assets (TCA)**

Opening balances were taken from the 2022 FIR. As capital spending occurs in the plan, it is added to the TCA balances, and then amortized accordingly on a straight-line basis. It is also assumed that any assets disposed of over the Financial Plan period have been fully amortized for simplicity.

City of St. Catharines  
Statement of Financial Operations - Water

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Revenues - Note 2</b>											
Water Rates - Note 1	27,897,553	31,308,541	33,794,892	37,410,945	41,413,917	45,845,206	50,750,643	56,180,961	62,192,324	68,846,903	76,213,522
Other Revenue	525,000	530,000	535,000	554,000	573,000	593,000	614,000	635,000	657,000	680,000	704,000
Grants & Funding - Note 3	1,352,000	1,352,000	1,352,000	1,352,000	1,352,000	1,352,000	1,352,000	1,352,000	1,352,000	1,352,000	1,352,000
<b>Total Revenue</b>	<b>29,774,553</b>	<b>33,190,541</b>	<b>35,681,892</b>	<b>39,316,945</b>	<b>43,338,917</b>	<b>47,790,206</b>	<b>52,716,643</b>	<b>58,167,961</b>	<b>64,201,324</b>	<b>70,878,903</b>	<b>78,269,522</b>
<b>Cost of Water Sold - Note 4</b>											
Fixed Costs	3,335,562	3,418,951	3,504,425	3,660,021	3,822,526	3,992,247	4,169,502	4,354,628	4,547,974	4,749,904	4,960,800
Purchase of Water	10,164,500	10,621,903	11,099,888	11,592,723	12,107,440	12,645,010	13,206,449	13,792,815	14,405,216	15,044,808	15,712,797
<b>Total Cost of Water Sold</b>	<b>13,500,062</b>	<b>14,040,854</b>	<b>14,604,313</b>	<b>15,252,744</b>	<b>15,929,966</b>	<b>16,637,257</b>	<b>17,375,951</b>	<b>18,147,443</b>	<b>18,953,190</b>	<b>19,794,711</b>	<b>20,673,597</b>
<b>Gross Profit</b>	<b>16,274,491</b>	<b>19,149,687</b>	<b>21,077,579</b>	<b>24,064,201</b>	<b>27,408,950</b>	<b>31,152,949</b>	<b>35,340,692</b>	<b>40,020,518</b>	<b>45,248,135</b>	<b>51,084,192</b>	<b>57,595,925</b>
<b>Expenditures - Note 5</b>											
General Administration	1,393,402	1,379,557	1,615,677	1,672,226	1,730,754	1,791,330	1,854,027	1,918,917	1,986,080	2,055,592	2,127,538
Engineering Overhead	2,330,343	2,397,162	2,440,579	2,525,999	2,614,409	2,705,914	2,800,621	2,898,642	3,000,095	3,105,098	3,213,776
Mains, Valves, Hydrants	2,569,527	2,607,366	2,645,088	2,737,666	2,833,484	2,932,656	3,035,299	3,141,535	3,251,489	3,365,291	3,483,076
Water Service Lines	639,819	649,579	661,128	684,267	708,217	733,004	758,660	785,213	812,695	841,139	870,579
Meters	531,092	543,912	550,765	570,042	589,993	610,643	632,016	654,136	677,031	700,727	725,252
New Mains, Valves, Hydrants	119,037	119,569	120,106	124,310	128,661	133,164	137,824	142,648	147,641	152,808	158,157
Interest on Debenture Debt - Note 6	61,489	192,533	307,523	434,882	626,234	865,281	1,156,721	1,497,188	1,888,177	2,330,230	2,822,805
Annual amortization	2,791,884	2,882,244	3,091,329	3,219,328	3,427,017	3,641,255	3,897,984	4,193,691	4,540,851	4,942,036	5,399,946
<b>Total Expenditures</b>	<b>10,436,593</b>	<b>10,771,922</b>	<b>11,432,195</b>	<b>11,968,720</b>	<b>12,658,769</b>	<b>13,413,247</b>	<b>14,273,151</b>	<b>15,231,971</b>	<b>16,304,058</b>	<b>17,492,921</b>	<b>18,801,130</b>
<b>Net Surplus</b>	<b>5,837,898</b>	<b>8,377,765</b>	<b>9,645,384</b>	<b>12,095,481</b>	<b>14,750,181</b>	<b>17,739,702</b>	<b>21,067,541</b>	<b>24,788,548</b>	<b>28,944,077</b>	<b>33,591,270</b>	<b>38,794,795</b>
<b>Accumulated Surplus, Beginning of Period</b>	<b>109,876,664</b>	<b>115,714,562</b>	<b>124,092,326</b>	<b>133,737,710</b>	<b>145,833,190</b>	<b>160,583,372</b>	<b>178,323,074</b>	<b>199,390,615</b>	<b>224,179,163</b>	<b>253,123,239</b>	<b>286,714,509</b>
<b>Accumulated Surplus, End of Period Note 7</b>	<b>115,714,562</b>	<b>124,092,326</b>	<b>133,737,710</b>	<b>145,833,190</b>	<b>160,583,372</b>	<b>178,323,074</b>	<b>199,390,615</b>	<b>224,179,163</b>	<b>253,123,239</b>	<b>286,714,509</b>	<b>325,509,305</b>

Financial Management Services

City of St. Catharines  
Statement of Cash Flow - Water

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Operating Transactions</b>											
<b>Cash received from:</b>											
Revenues	29,774,553	33,190,541	35,681,892	39,316,945	43,338,917	47,790,206	52,716,643	58,167,961	64,201,324	70,878,903	78,269,522
<b>Cash paid for:</b>											
Operating Expenses	(23,875,166)	(24,620,243)	(25,728,985)	(26,786,583)	(27,962,501)	(29,185,223)	(30,492,381)	(31,882,226)	(33,369,070)	(34,957,403)	(36,651,921)
Finance charges	(61,489)	(192,533)	(307,523)	(434,882)	(626,234)	(865,281)	(1,156,721)	(1,497,188)	(1,888,177)	(2,330,230)	(2,822,805)
<b>Adjustment for Non-Cash items:</b>											
Addback of amortization	2,791,884	2,882,244	3,091,329	3,219,328	3,427,017	3,641,255	3,897,984	4,193,691	4,540,851	4,942,036	5,399,946
Change in non cash balances	(1,029,569)	(724,750)	(515,492)	(761,972)	(846,478)	(943,822)	(1,047,887)	(1,163,229)	(1,291,062)	(1,432,728)	(1,589,716)
<b>Cash Provided by Operating Transactions</b>	<b>7,600,213</b>	<b>10,535,259</b>	<b>12,221,220</b>	<b>14,552,837</b>	<b>17,330,720</b>	<b>20,437,135</b>	<b>23,917,638</b>	<b>27,819,010</b>	<b>32,193,866</b>	<b>37,100,578</b>	<b>42,605,026</b>
<b>Capital Transactions</b>											
Cash required to acquire tangible capital assets	(14,117,829)	(16,069,673)	(17,693,077)	(21,327,730)	(25,144,117)	(29,151,323)	(33,358,889)	(37,776,833)	(42,415,675)	(47,286,459)	(52,400,782)
<b>Cash Required by Capital Transactions</b>	<b>(14,117,829)</b>	<b>(16,069,673)</b>	<b>(17,693,077)</b>	<b>(21,327,730)</b>	<b>(25,144,117)</b>	<b>(29,151,323)</b>	<b>(33,358,889)</b>	<b>(37,776,833)</b>	<b>(42,415,675)</b>	<b>(47,286,459)</b>	<b>(52,400,782)</b>
<b>Investing Transactions</b>											
<b>Cash Provided (Required) by Investing Transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financing Transactions</b>											
Proceeds on debt issuance	3,412,891	3,114,021	3,542,651	5,281,512	6,672,628	8,133,299	9,667,004	11,277,395	12,968,304	14,743,760	16,607,988
Cash required for debt repayment	(238,647)	(331,126)	(451,335)	(584,634)	(781,875)	(903,571)	(1,210,547)	(1,520,483)	(1,913,176)	(2,425,355)	(3,017,651)
<b>Cash Provided (Required) by Financing Transactions</b>	<b>3,174,245</b>	<b>2,782,895</b>	<b>3,091,316</b>	<b>4,696,878</b>	<b>5,890,753</b>	<b>7,229,728</b>	<b>8,456,458</b>	<b>9,756,912</b>	<b>11,055,128</b>	<b>12,318,405</b>	<b>13,590,337</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(3,343,371)</b>	<b>(2,751,519)</b>	<b>(2,380,540)</b>	<b>(2,078,016)</b>	<b>(1,922,644)</b>	<b>(1,484,459)</b>	<b>(984,793)</b>	<b>(200,912)</b>	<b>833,319</b>	<b>2,132,525</b>	<b>3,794,581</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>11,070,033</b>	<b>7,726,662</b>	<b>4,975,143</b>	<b>2,594,602</b>	<b>516,587</b>	<b>(1,406,057)</b>	<b>(2,890,516)</b>	<b>(3,875,309)</b>	<b>(4,076,221)</b>	<b>(3,242,902)</b>	<b>(1,110,378)</b>
Wastewater Rate Cash and Cash Equivalents support											
<b>Cash and Cash Equivalents, End of Year</b>	<b>7,726,662</b>	<b>4,975,143</b>	<b>2,594,602</b>	<b>516,587</b>	<b>(1,406,057)</b>	<b>(2,890,516)</b>	<b>(3,875,309)</b>	<b>(4,076,221)</b>	<b>(3,242,902)</b>	<b>(1,110,378)</b>	<b>2,684,203</b>

Financial Management Services 2024-2034 Wastewater Rate Support

AGENDA ITEM #9.2



City of St. Catharines  
Statement of Financial Position - Water

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Assets</b>											
<b>Financial Assets</b>											
Cash - Note 9	7,726,662	4,975,143	2,594,602	516,587	(1,406,057)	(2,890,516)	(3,875,309)	(4,076,221)	(3,242,902)	(1,110,378)	2,684,203
Accounts Receivable - Note 10	6,259,313	7,024,629	7,582,486	8,393,812	9,291,950	10,286,189	11,386,811	12,605,200	13,953,957	15,447,030	17,099,862
<b>Total Financial Assets</b>	<b>13,985,975</b>	<b>11,999,772</b>	<b>10,177,089</b>	<b>8,910,399</b>	<b>7,885,893</b>	<b>7,395,673</b>	<b>7,511,502</b>	<b>8,528,979</b>	<b>10,711,054</b>	<b>14,336,652</b>	<b>19,784,065</b>
<b>Liabilities</b>											
<b>Current Liabilities</b>											
Current Portion of Debentures Payable	331,126	451,335	584,634	781,875	903,571	1,210,547	1,520,483	1,913,176	2,425,355	3,017,651	3,510,357
Accounts Payable - Note 11	1,125,005	1,170,071	1,217,026	1,271,062	1,327,497	1,386,438	1,447,996	1,512,287	1,579,432	1,649,559	1,722,800
<b>Long Term Liabilities</b>											
Long Term Portion of Debentures Payable	4,832,427	7,495,113	10,453,130	14,952,767	20,721,824	27,644,577	35,791,099	45,155,317	55,698,267	67,424,376	80,522,007
<b>Total Liabilities</b>	<b>6,288,559</b>	<b>9,116,520</b>	<b>12,254,791</b>	<b>17,005,705</b>	<b>22,952,893</b>	<b>30,241,562</b>	<b>38,759,577</b>	<b>48,580,780</b>	<b>59,703,054</b>	<b>72,091,586</b>	<b>85,755,163</b>
<b>Net Financial Assets</b>	<b>7,697,416</b>	<b>2,883,252</b>	<b>(2,077,702)</b>	<b>(8,095,306)</b>	<b>(15,066,999)</b>	<b>(22,845,889)</b>	<b>(31,248,075)</b>	<b>(40,051,801)</b>	<b>(48,992,000)</b>	<b>(57,754,934)</b>	<b>(65,971,098)</b>
<b>Non-Financial Assets</b>											
Inventory	225,000	229,500	234,090	238,772	243,547	252,071	260,894	270,025	279,476	289,258	299,382
Tangible Capital Assets - Note 12	152,135,829	168,205,503	185,898,579	207,226,309	232,370,426	261,521,748	294,880,637	332,657,471	375,111,834	422,359,604	474,760,386
Accumulated Amortization	(44,343,684)	(47,225,928)	(50,317,257)	(53,536,585)	(56,963,602)	(60,604,857)	(64,502,841)	(68,696,532)	(73,276,071)	(78,179,419)	(83,579,365)
<b>Total Non-Financial Assets</b>	<b>108,017,145</b>	<b>121,209,075</b>	<b>135,815,412</b>	<b>153,928,496</b>	<b>175,650,371</b>	<b>201,168,963</b>	<b>230,638,690</b>	<b>264,230,964</b>	<b>302,115,239</b>	<b>344,469,443</b>	<b>391,480,403</b>
<b>Accumulated Surplus, End of Period</b>	<b>115,714,561</b>	<b>124,092,327</b>	<b>133,737,710</b>	<b>145,833,190</b>	<b>160,583,372</b>	<b>178,323,074</b>	<b>199,390,615</b>	<b>224,179,163</b>	<b>253,123,239</b>	<b>286,714,509</b>	<b>325,509,305</b>

## FMS-043-2024 Appendix 1

## Notes to Financial Plan – Wastewater Operations:

**1. Consumption**

For Billing to customer purposes, the same assumptions are used as contained in the Water assumptions – that being the forecast assumes consumption will level out at the average of the past 3 years' consumption levels over the 2024 to 2034 period. Water consumption is weather dependent which is one of the risk factors of the financial plan.

**2. Revenues**

The Financial Plan includes a rate increase of 9.7%-9.9% in 2024-2026 in accordance with the submitted Rate supported budget, and rate increases of 8.8% annually from 2027 to 2034 to support the additional capital requirements to move toward replacement level funding.

**3. Grants**

Represents Canada Community Building Fund (formerly Federal Gas Tax funding), which continues to be used at the same level throughout the Financial Plan.

**4. Regional Billing**

The annual increases provided for in the Niagara Region's recently approved Water Financial Plan have been included. The forecast assumes that the Region's rate methodology for the cost recovery of Wastewater will remain unchanged through the 2020-2029 period, and that the City's proportionate share of those costs will remain the same.

**5. Inflation**

To project future operating and capital costs (excluding debt costs), it is assumed that the annual cost inflation will be 3.5% for operating costs and 5% for capital costs.

**6. Debt**

The actual rate used for the 2023 debenture issuance was 5.03% for 30-year debt. As rates are projected to increase, an estimate of 6% was used for debt issued between 2024 to 2034. The term used for all debt issuances is 20 years. The Financial Plan assumes that all debt will be issued on December 31st of the year to which it relates.

**7. Accumulated Surplus**

The accumulated surplus represents the Net Financial Assets (Financial Assets less Liabilities) as well as the Net Non-Financial Assets which represents the Capitalized Costs which have not yet been depreciated.

**8. Capital Spending**

The following figures are provided within the Council approved Asset Management Plan (AMP). The estimated replacement cost for the water distribution system is \$1,940 million. The recommended annual funding required for optimal lifecycle activities and

funding to address the backlog is \$18.9 million for Water over a period of 25 years. This Financial Plan moves the City closer to achieving this targeted spending level by considering affordability and allowing for a 10 year financial plan to build the necessary funding to before addressing the backlog in the subsequent 25 years. For Financial Plan purposes, it is assumed that all Capital Spending will occur in the year in which it is approved. The Financial Plan also assumes that as incremental capital spending is added, the incremental staff required will also be added.

### **9. Cash**

The 2023 closing net surplus for Municipal budget purposes is used as the 2024 opening cash balance.

### **10. Accounts Receivable**

The accounts receivable balance reflects the actual closing balance from 2023, adjusted to increase based on the revenue increases included in the Financial Plan.

### **11. Accounts Payable**

The Accounts Payable reflect 1/12<sup>th</sup> of the annual cost of wastewater cost from the Niagara Region.

### **12. Tangible Capital Assets (TCA)**

Opening balances were taken from the 2022 FIR. As capital spending occurs in the plan, it is added to the TCA balances, and then amortized accordingly on a straight-line basis. It is also assumed that any assets disposed of over the Financial Plan period have been fully amortized for simplicity.

City of St. Catharines  
Statement of Financial Operations - Wastewater

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Revenues - Note 2</b>											
Wastewater Rates - Note 1	38,210,901	43,610,609	48,258,154	51,732,741	55,457,498	59,450,438	63,730,869	68,319,492	73,238,495	78,511,667	84,164,507
Other Revenue	-	-	-	-	-	-	-	-	-	-	-
Grants & Funding - Note 3	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Total Revenue</b>	<b>39,210,901</b>	<b>44,610,609</b>	<b>49,258,154</b>	<b>52,732,741</b>	<b>56,457,498</b>	<b>60,450,438</b>	<b>64,730,869</b>	<b>69,319,492</b>	<b>74,238,495</b>	<b>79,511,667</b>	<b>85,164,507</b>
<b>Cost of Water Sold - Note 4</b>											
Regional Wastewater	27,558,712	28,109,886	28,812,633	31,261,707	33,918,952	36,802,063	39,930,238	43,324,308	47,006,875	51,002,459	55,337,668
<b>Total Cost of Water Sold</b>	<b>27,558,712</b>	<b>28,109,886</b>	<b>28,812,633</b>	<b>31,261,707</b>	<b>33,918,952</b>	<b>36,802,063</b>	<b>39,930,238</b>	<b>43,324,308</b>	<b>47,006,875</b>	<b>51,002,459</b>	<b>55,337,668</b>
<b>Gross Profit</b>	<b>11,652,189</b>	<b>16,500,723</b>	<b>20,445,521</b>	<b>21,471,034</b>	<b>22,538,546</b>	<b>23,648,375</b>	<b>24,800,631</b>	<b>25,995,183</b>	<b>27,231,621</b>	<b>28,509,208</b>	<b>29,826,839</b>
<b>Expenditures - Note 5</b>											
Sewers General Costs	1,775,095	1,951,007	2,126,903	2,201,345	2,278,392	2,358,135	2,440,670	2,526,094	2,614,507	2,706,015	2,800,725
Sewers Insurance	65,000	65,000	65,000	67,275	69,630	72,067	74,589	77,200	79,902	82,698	85,593
FLAP Program	382,531	391,658	401,358	415,406	429,945	444,993	460,568	476,687	493,371	510,639	528,512
Lateral Replacements	810,320	819,685	827,015	855,961	885,919	916,926	949,019	982,234	1,016,613	1,052,194	1,089,021
Drain Clearing	379,745	389,618	399,516	413,499	427,972	442,951	458,454	474,500	491,107	508,296	526,086
Sewer Overhead	1,295,590	1,315,694	1,354,047	1,401,439	1,450,489	1,501,256	1,553,800	1,608,183	1,664,469	1,722,726	1,783,021
Pollution Control	1,529,179	1,562,448	1,598,769	1,654,726	1,712,641	1,772,584	1,834,624	1,898,836	1,965,295	2,034,081	2,105,273
Pollution Control Overhead	583,399	577,045	586,215	606,733	627,968	649,947	672,695	696,240	720,608	745,829	771,933
Interest on Debenture Debt - Note 6	82,128	132,609	231,161	339,297	495,815	698,351	958,569	1,270,051	1,630,560	2,039,810	2,498,228
Annual amortization	1,683,599	1,881,763	2,099,220	2,327,177	2,590,865	2,892,071	2,998,661	3,380,624	3,806,018	4,277,016	4,795,897
Cost Allocations	367,000	367,000	367,000	367,000	379,845	393,140	406,899	421,141	435,881	451,137	466,926
<b>Total Expenditures</b>	<b>8,586,585</b>	<b>9,086,527</b>	<b>9,689,204</b>	<b>10,282,855</b>	<b>10,969,635</b>	<b>11,749,280</b>	<b>12,401,648</b>	<b>13,390,648</b>	<b>14,482,450</b>	<b>15,679,303</b>	<b>16,984,290</b>
<b>Net Surplus</b>	<b>3,065,603</b>	<b>7,414,196</b>	<b>10,756,317</b>	<b>11,188,178</b>	<b>11,568,911</b>	<b>11,899,095</b>	<b>12,398,983</b>	<b>12,604,536</b>	<b>12,749,170</b>	<b>12,829,905</b>	<b>12,842,549</b>
<b>Accumulated Surplus, Beginning of Period</b>	<b>87,072,522</b>	<b>90,138,125</b>	<b>97,552,321</b>	<b>108,308,638</b>	<b>119,496,816</b>	<b>131,065,727</b>	<b>142,964,822</b>	<b>155,363,804</b>	<b>167,968,340</b>	<b>180,717,510</b>	<b>193,547,415</b>
<b>Accumulated Surplus, End of Period Note 7</b>	<b>90,138,125</b>	<b>97,552,321</b>	<b>108,308,638</b>	<b>119,496,816</b>	<b>131,065,727</b>	<b>142,964,822</b>	<b>155,363,804</b>	<b>167,968,340</b>	<b>180,717,510</b>	<b>193,547,415</b>	<b>206,389,964</b>

Financial Management Services - Wastewater Management Services - Wastewater Rates - Note 1 - Other Revenue - Grants & Funding - Note 3 - Regional Wastewater - Expenditures - Note 5 - Annual amortization - Cost Allocations - Page 470 of 481

AGENDA ITEM #9.2

City of St. Catharines  
Statement of Cash Flow - Wastewater

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Operating Transactions</b>											
<b>Cash received from:</b>											
Revenues	39,210,901	44,610,609	49,258,154	52,732,741	56,457,498	60,450,438	64,730,869	69,319,492	74,238,495	79,511,667	85,164,507
<b>Cash paid for:</b>											
Operating Expenses	(36,063,170)	(37,063,804)	(38,270,676)	(41,205,266)	(44,392,772)	(47,852,992)	(51,373,318)	(55,444,906)	(59,858,765)	(64,641,953)	(69,823,730)
Finance charges	(82,128)	(132,609)	(231,161)	(339,297)	(495,815)	(698,351)	(958,569)	(1,270,051)	(1,630,560)	(2,039,810)	(2,498,228)
<b>Adjustment for Non-Cash items:</b>											
addback of amortization	1,683,599	1,881,763	2,099,220	2,327,177	2,590,865	2,892,071	2,998,661	3,380,624	3,806,018	4,277,016	4,795,897
change in non cash balances	(832,568)	(895,515)	(753,036)	(404,883)	(431,087)	(458,943)	(488,548)	(520,009)	(553,435)	(588,943)	(626,657)
<b>Cash Provided by Operating Transactions</b>	<b>3,916,634</b>	<b>8,400,444</b>	<b>12,102,500</b>	<b>13,110,472</b>	<b>13,728,688</b>	<b>14,332,223</b>	<b>14,909,096</b>	<b>15,465,151</b>	<b>16,001,754</b>	<b>16,517,977</b>	<b>17,011,789</b>
<b>Capital Transactions</b>											
Cash required to acquire tangible capital assets	(10,406,866)	(9,809,270)	(10,596,782)	(13,276,621)	(16,090,452)	(19,044,975)	(22,147,224)	(25,404,585)	(28,824,814)	(32,416,055)	(36,186,857)
<b>Cash Required by Capital Transactions</b>	<b>(10,406,866)</b>	<b>(9,809,270)</b>	<b>(10,596,782)</b>	<b>(13,276,621)</b>	<b>(16,090,452)</b>	<b>(19,044,975)</b>	<b>(22,147,224)</b>	<b>(25,404,585)</b>	<b>(28,824,814)</b>	<b>(32,416,055)</b>	<b>(36,186,857)</b>
<b>Investing Transactions</b>											
<b>Cash Provided (Required) by Investing Transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financing Transactions</b>											
Proceeds on debt issuance	1,646,132	2,914,112	3,278,063	4,541,975	5,869,074	7,262,528	8,725,654	10,261,937	11,875,033	13,568,785	15,347,224
Cash required for debt repayment	(627,839)	(678,718)	(799,294)	(787,757)	(965,415)	(845,510)	(967,404)	(1,249,207)	(1,643,789)	(2,108,325)	(2,648,322)
<b>Cash Provided (Required) by Financing Transactions</b>	<b>1,018,293</b>	<b>2,235,394</b>	<b>2,478,769</b>	<b>3,754,218</b>	<b>4,903,659</b>	<b>6,417,017</b>	<b>7,758,250</b>	<b>9,012,729</b>	<b>10,231,244</b>	<b>11,460,460</b>	<b>12,698,902</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(5,471,939)</b>	<b>826,568</b>	<b>3,984,487</b>	<b>3,588,069</b>	<b>2,541,895</b>	<b>1,704,265</b>	<b>520,122</b>	<b>(926,704)</b>	<b>(2,591,816)</b>	<b>(4,437,618)</b>	<b>(6,476,166)</b>
<b>Cash and Cash Equivalents, Beginning of Year (Wastewater)</b>	<b>5,471,939</b>	<b>(0)</b>	<b>826,568</b>	<b>4,811,055</b>	<b>8,399,124</b>	<b>10,941,019</b>	<b>12,645,285</b>	<b>13,165,406</b>	<b>12,238,702</b>	<b>9,646,886</b>	<b>5,209,268</b>
Water Rate Cash and Cash Equivalents											
<b>Cash and Cash Equivalents, End of Year</b>	<b>(0)</b>	<b>826,568</b>	<b>4,811,055</b>	<b>8,399,124</b>	<b>10,941,019</b>	<b>12,645,285</b>	<b>13,165,406</b>	<b>12,238,702</b>	<b>9,646,886</b>	<b>5,209,268</b>	<b>(1,266,898)</b>

City of St. Catharines  
Statement of Financial Position - Wastewater

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Assets</b>											
<b>Financial Assets</b>											
Cash - Note 9	(0)	826,568	4,811,055	8,399,124	10,941,019	12,645,285	13,165,406	12,238,702	9,646,886	5,209,268	(1,266,898)
Accounts Receivable - Note 10	6,609,611	7,543,637	8,347,556	8,948,580	9,592,878	10,283,565	11,023,982	11,817,708	12,668,583	13,580,721	14,558,533
<b>Total Financial Assets</b>	<b>6,609,611</b>	<b>8,370,205</b>	<b>13,158,611</b>	<b>17,347,704</b>	<b>20,533,897</b>	<b>22,928,850</b>	<b>24,189,388</b>	<b>24,056,410</b>	<b>22,315,469</b>	<b>18,789,989</b>	<b>13,291,636</b>
<b>Liabilities</b>											
<b>Current Liabilities</b>											
Current Portion of Debentures Payable	678,718	799,294	787,757	965,415	845,510	967,404	1,249,207	1,643,789	2,108,325	2,648,322	3,269,641
Accounts Payable - Note 11	2,296,559	2,342,491	2,401,053	2,605,142	2,826,579	3,066,839	3,327,520	3,610,359	3,917,240	4,250,205	4,611,472
<b>Long Term Liabilities</b>											
Long Term Portion of Debentures Payable	4,825,270	6,940,087	9,430,394	13,006,954	18,030,517	24,325,641	31,802,087	40,420,235	50,186,943	61,107,406	73,184,989
<b>Total Liabilities</b>	<b>7,800,547</b>	<b>10,081,872</b>	<b>12,619,203</b>	<b>16,577,511</b>	<b>21,702,607</b>	<b>28,359,884</b>	<b>36,378,815</b>	<b>45,674,383</b>	<b>56,212,508</b>	<b>68,005,933</b>	<b>81,066,103</b>
<b>Net Financial Assets</b>	<b>(1,190,936)</b>	<b>(1,711,668)</b>	<b>539,408</b>	<b>770,193</b>	<b>(1,168,710)</b>	<b>(5,431,034)</b>	<b>(12,189,426)</b>	<b>(21,617,973)</b>	<b>(33,897,039)</b>	<b>(49,215,943)</b>	<b>(67,774,467)</b>
<b>Non-Financial Assets</b>											
Inventory	212,000	219,420	227,100	235,048	243,275	251,789	260,602	269,723	279,164	288,934	299,047
Tangible Capital Assets - Note 12	140,843,386	150,652,656	161,249,438	174,526,059	190,616,511	209,661,487	231,808,710	257,213,295	286,038,108	318,454,163	354,641,020
Accumulated Amortization	(49,726,325)	(51,608,088)	(53,707,307)	(56,034,484)	(58,625,349)	(61,517,420)	(64,516,081)	(67,896,705)	(71,702,723)	(75,979,739)	(80,775,636)
<b>Total Non-Financial Assets</b>	<b>91,329,062</b>	<b>99,263,989</b>	<b>107,769,231</b>	<b>118,726,623</b>	<b>132,234,437</b>	<b>148,395,856</b>	<b>167,553,231</b>	<b>189,586,313</b>	<b>214,614,549</b>	<b>242,763,359</b>	<b>274,164,431</b>
<b>Accumulated Surplus, End of Period</b>	<b>90,138,125</b>	<b>97,552,321</b>	<b>108,308,638</b>	<b>119,496,816</b>	<b>131,065,727</b>	<b>142,964,822</b>	<b>155,363,805</b>	<b>167,968,340</b>	<b>180,717,510</b>	<b>193,547,415</b>	<b>206,389,964</b>

## Financial Plans Guideline

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.