

The Corporation of the Town of Newmarket
2023 Ten Year Stormwater Financial Plan

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THE CORPORATION OF THE TOWN OF NEWMARKET
STORMWATER SYSTEM
2023 Ten Year Stormwater Financial Plan
Statement of Financial Position

<i>As at December 31</i>	FORECAST									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Financial Assets										
Cash and cash equivalents	\$32,805,716	\$35,687,387	\$39,112,817	\$43,856,529	\$48,727,503	\$54,021,026	\$50,032,854	\$49,545,276	\$29,518,526	\$8,444,082
Total Financial Assets	32,805,716	35,687,387	39,112,817	43,856,529	48,727,503	54,021,026	50,032,854	49,545,276	29,518,526	8,444,082
Liabilities										
Accounts payable & accrued liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-	-	-	-
Net Financial Assets	32,805,716	35,687,387	39,112,817	43,856,529	48,727,503	54,021,026	50,032,854	49,545,276	29,518,526	8,444,082
Non-Financial Assets										
Tangible Capital Assets	67,744,467	71,344,065	75,043,921	77,818,252	79,860,044	86,420,060	101,546,070	112,412,953	143,035,245	174,508,051
Total Non-Financial Assets	67,744,467	71,344,065	75,043,921	77,818,252	79,860,044	86,420,060	101,546,070	112,412,953	143,035,245	174,508,051
Total Net Assets	100,550,183	107,031,452	114,156,738	121,674,781	128,587,546	140,441,086	151,578,924	161,958,229	172,553,771	182,952,133
Accumulated Surplus	\$100,550,183	\$107,031,452	\$114,156,738	\$121,674,781	\$128,587,546	\$140,441,086	\$151,578,924	\$161,958,229	\$172,553,771	\$182,952,133

The accompanying notes are an integral part of these consolidated financial statements.

**THE CORPORATION OF THE TOWN OF NEWMARKET
STORMWATER SYSTEM**

2023 Ten Year Stormwater Financial Plan

Statement of Operations

<i>For the years ended December 31</i>	FORECAST									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenues										
Rate based revenue	\$3,208,172	\$3,528,989	\$3,881,888	\$4,270,077	\$4,697,085	\$5,166,793	\$5,683,472	\$6,251,820	\$6,877,002	\$7,564,704
Other utility contributions	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Grants	\$0	\$614,504	\$1,061,003	\$1,206,689	\$295,284	\$4,877,790	\$3,900,000	\$3,000,000	\$3,000,000	\$3,000,000
Other revenues (from DC funds) \$120k	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,001	\$120,002
Contributed / Assumed assets	1,528,846	1,528,846	1,528,846	1,528,846	1,528,846	1,528,846	1,528,846	1,528,846	1,528,846	1,528,846
Investment income	561,320	620,227	679,227	757,477	849,192	945,752	955,159	907,092	698,755	245,344
Total Revenues	8,418,338	9,412,566	10,270,964	10,883,089	10,490,407	15,639,181	15,187,478	14,807,758	15,224,605	15,458,896
Expenditures										
Operating and maintenance	1,445,824	1,592,012	1,747,437	1,905,972	2,067,677	2,232,616	2,400,854	2,583,871	2,635,549	2,688,260
Allocated overhead	224,870	229,368	233,955	238,634	243,407	248,275	253,240	258,305	263,471	268,741
Amortization	1,070,729	1,109,918	1,164,286	1,220,440	1,266,557	1,304,751	1,395,545	1,586,277	1,730,041	2,103,531
Total Expenditures	2,741,423	2,931,297	3,145,679	3,365,046	3,577,641	3,785,642	4,049,639	4,428,453	4,629,063	5,060,533
Annual Surplus / (Deficit)	5,676,915	6,481,269	7,125,285	7,518,043	6,912,765	11,853,540	11,137,838	10,379,305	10,595,542	10,398,363
Accumulated Surplus, beginning of year	94,873,268	100,550,183	107,031,452	114,156,738	121,674,781	128,587,546	140,441,086	151,578,924	161,958,229	172,553,771
Accumulated Surplus, end of year	\$100,550,183	\$107,031,452	\$114,156,738	\$121,674,781	\$128,587,546	\$140,441,086	\$151,578,924	\$161,958,229	\$172,553,771	\$182,952,133

**THE CORPORATION OF THE TOWN OF NEWMARKET
STORMWATER SYSTEM**

2023 Ten Year Stormwater Financial Plan

Statement of Changes in Net Financial Assets

For the years ended December 31	FORECAST									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual surplus / (Deficit)	5,676,915	6,481,269	7,125,285	7,518,043	6,912,765	11,853,540	11,137,838	10,379,305	10,595,542	10,398,363
Less: Acquisitions of tangible capital assets	-1,865,760	-3,180,670	-3,335,296	-2,465,925	-1,779,503	-6,335,920	-14,992,709	-10,924,314	-30,823,487	-32,047,490
Less: Contributed tangible capital assets	-1,528,846	-1,528,846	-1,528,846	-1,528,846	-1,528,846	-1,528,846	-1,528,846	-1,528,846	-1,528,846	-1,528,846
Add: Amortization of tangible capital assets	1,070,729	1,109,918	1,164,286	1,220,440	1,266,557	1,304,751	1,395,545	1,586,277	1,730,041	2,103,531
Changes in Net Financial Assets	3,353,038	2,881,671	3,425,430	4,743,712	4,870,974	5,293,524	- 3,988,172	- 487,579	- 20,026,750	- 21,074,443
Net Financial Assets, beginning of year	29,452,679	32,805,716	35,687,387	39,112,817	43,856,529	48,727,503	54,021,026	50,032,854	49,545,276	29,518,526
Net Financial Assets, end of year	\$ 32,805,716	\$ 35,687,387	\$ 39,112,817	\$ 43,856,529	\$ 48,727,503	\$ 54,021,026	\$ 50,032,854	\$ 49,545,276	\$ 29,518,526	\$ 8,444,082

**THE CORPORATION OF THE TOWN OF NEWMARKET
STORMWATER SYSTEM**

2023 Ten Year Stormwater Financial Plan

Statement of Cash Flows

<i>For the years ended December 31</i>	FORECAST									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Cash Provided By (Used in):										
Operating Activities										
Annual surplus/deficit	5,676,915	6,481,269	7,125,285	7,518,043	6,912,764	11,853,538	11,137,835	10,379,301	10,595,538	10,398,359
Add: Amortization	1,070,729	1,109,918	1,164,286	1,220,440	1,266,557	1,304,751	1,395,545	1,586,277	1,730,041	2,103,531
Less: Contributed/assumed assets	-1,528,846	-1,528,846	-1,528,846	-1,528,846	-1,528,846	-1,528,846	-1,528,846	-1,528,846	-1,528,846	-1,528,846
Net change in cash from operating activities	5,218,798	6,062,341	6,760,726	7,209,637	6,650,477	11,629,444	11,004,537	10,436,735	10,796,738	10,973,049
Capital Activities										
Proceeds from sale of tangible capital assets										
Cash used to acquire tangible capital assets	-1,865,760	-3,180,670	-3,335,296	-2,465,925	-1,779,503	-6,335,920	-14,992,709	-10,924,314	-30,823,487	-32,047,490
Net change in cash from capital activities	-1,865,760	-3,180,670	-3,335,296	-2,465,925	-1,779,503	-6,335,920	-14,992,709	-10,924,314	-30,823,487	-32,047,490
Financing Activities										
Proceeds from debt issues	-	-	-	-	-	-	-	-	-	-
Principal repayment on long-term debt	-	-	-	-	-	-	-	-	-	-
Net change in cash from financing activities	0	0	0	0	0	0	0	0	0	0
Net Change in Cash	3,353,038	2,881,671	3,425,430	4,743,712	4,870,974	5,293,524	-3,988,172	-487,579	-20,026,749	-21,074,441
Cash, beginning of year	29,452,679	32,805,716	35,687,387	39,112,817	43,856,529	48,727,503	54,021,026	50,032,854	49,545,276	29,518,527
Cash, end of year	\$ 32,805,716	\$ 35,687,387	\$ 39,112,817	\$ 43,856,529	\$ 48,727,503	\$ 54,021,026	\$ 50,032,854	\$ 49,545,276	\$ 29,518,527	\$ 8,444,085

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWN OF NEWMARKET
Notes to the 2023 Ten Year Stormwater Financial Plan

The Town of Newmarket with a population of approximately 90,000 is located in the Regional Municipality of York, Province of Ontario, Canada. The Town owns stormwater infrastructure and operates 73 stormwater management facilities.

1. FINANCIAL PLAN ASSUMPTIONS

The development of the projected ten year consolidated financial statements incorporates inflationary factors, capital asset replacement forecast as per the Asset Management Plan, and the stormwater rate forecast.

2. FINANCIAL ASSETS

Financial assets consist of cash & cash equivalents, accounts receivables and other assets.

3. LIABILITIES

Liabilities consist of accounts payable and accrued liabilities, interest payable on debt, deferred revenue and long-term debt.

(a) Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities represent the costs of goods and services acquired in the period and recognized whether or not payments have been made or invoices received.

(b) Interest Payable on Debt

The stormwater system has no debt.

4. TANGIBLE CAPITAL ASSETS (TCA)

(a) Tangible Capital Assets

Tangible capital assets are physical assets with useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

TCA are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of an asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

	Useful Life - Years
Buildings and building components	20 - 40
Vehicles	4 - 10
Machinery and equipment	3 - 10
Storm water management pond	25
Linear assets	
- Stormsewer	80

Annual amortization is charged in the year the asset is available for productive use and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are shown on a net basis in the financial statements. Residual value is assumed to be \$0 for all TCA contained within the forecast period. Gains/losses on disposal assumed to be \$0 as well.

(b) Additions and Disposals

Additions are based on the Asset Management Plan and disposals are based on the historical trends.

THE CORPORATION OF THE TOWN OF NEWMARKET
Notes to the 2023 Ten Year Stormwater Financial Plan

(c) Contributed / Assumed Assets

These are tangible capital assets contributed by developers or other parties. TCA received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Forecasted amount of contributed /assumed assets is based on the historical trend.

(d) Summary of Storm Water System

As at December 31	FORECAST									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Opening TCA Balance(Historical Cost)	\$107,628,502	\$110,763,606	\$115,113,100	\$119,605,400	\$123,294,789	\$126,350,229	\$133,613,769	\$148,872,325	\$160,373,496	\$190,252,637
Additions and Assumed	3,394,606	4,709,516	4,864,142	3,994,771	3,308,349	7,864,766	16,521,555	12,453,160	32,352,333	33,576,337
Disposals	259,503	360,022	371,842	305,383	252,909	601,227	1,263,000	951,989	2,473,192	2,566,762
Closing TCA Balance(Historical Cost)	\$110,763,606	\$115,113,100	\$119,605,400	\$123,294,789	\$126,350,229	\$133,613,769	\$148,872,325	\$160,373,496	\$190,252,637	\$221,262,211
Opening Accumulated Amortization	42,207,913	43,019,139	43,769,035	44,561,479	45,476,537	46,490,186	47,193,710	47,326,255	47,960,543	47,217,391
Amortization Expense	1,070,729	1,109,918	1,164,286	1,220,440	1,266,557	1,304,751	1,395,545	1,586,277	1,730,041	2,103,531
Accumulated Amortization on Disposals	259,503	360,022	371,842	305,383	252,909	601,227	1,263,000	951,989	2,473,192	2,566,762
Ending Accumulated Amortization	\$43,019,139	\$43,769,035	\$44,561,479	\$45,476,537	\$46,490,186	\$47,193,710	\$47,326,255	\$47,960,543	\$47,217,391	\$46,754,160
Work - in - Progress	-	-	-	-	-	-	-	-	-	-
Net Book Value	\$67,744,467	\$71,344,065	\$75,043,921	\$77,818,252	\$79,860,044	\$86,420,060	\$101,546,070	\$112,412,953	\$143,035,245	\$174,508,051

6. NET FINANCIAL ASSETS

Net financial assets as defined is the difference between financial assets and liabilities and is a key indicator in determining the storm water system financial ability to replace its infrastructure. As reflected in the Statement of Changes in Net Financial Assets, the Town is in a net financial assets position which indicates the Town has sufficient resources to finance current and future activities.

7. ACCUMULATED SURPLUS

The Accumulated Surplus is comprised of the following:

As at December 31	FORECAST									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Stormwater Rate Stabilization Reserve	\$2,811,261	\$3,038,871	\$3,159,367	\$3,304,838	\$3,510,839	\$3,716,740	\$3,866,118	\$4,095,761	\$4,393,743	\$4,621,448
Asset Replacement Fund	29,994,455	32,648,516	35,953,450	40,551,691	45,216,664	50,304,286	46,166,736	45,449,514	25,124,782	3,822,636
Investment in tangible capital assets	67,744,467	71,344,065	75,043,921	77,818,252	79,860,044	86,420,060	101,546,070	112,412,953	143,035,245	174,508,051
Accumulated Surplus	\$100,550,183	\$107,031,452	\$114,156,738	\$121,674,781	\$128,587,546	\$140,441,086	\$151,578,924	\$161,958,229	\$172,553,771	\$182,952,133