

Attachment C: 2023 Stormwater 10-Year Financial Plan

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

CONTENT	Page
Statements of Financial Position	1
Statement of Operations	2
Statement of Net Financial Assets	3
Statement of Cash Flow	4
Notes to the Financial Plan	5-6

**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	\$10,599,234	\$22,593,362	\$41,572,584	\$62,645,174	\$84,638,008	\$107,855,110	\$122,595,338	\$141,641,021	\$141,950,963	\$141,601,484
Total Financial Assets	10,599,234	22,593,362	41,572,584	62,645,174	84,638,008	107,855,110	122,595,338	141,641,021	141,950,963	141,601,484
Liabilities										
Accounts payable & accrued liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-	-	-	-
Net Financial Assets	10,599,234	22,593,362	41,572,584	62,645,174	84,638,008	107,855,110	122,595,338	141,641,021	141,950,963	141,601,484
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	174,946,877
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	174,946,877
Total Net Assets	78,343,701	93,937,427	116,616,505	140,463,425	164,498,051	194,275,169	224,141,408	254,053,974	284,986,208	316,548,361
Accumulated Surplus	\$78,343,701	\$93,937,427	\$116,616,505	\$140,463,425	\$164,498,051	\$194,275,169	\$224,141,408	\$254,053,974	\$284,986,208	\$316,548,361

**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	\$9,478,690	\$16,018,986	\$22,586,770	\$23,445,068	\$24,335,980	\$25,260,747	\$26,220,656	\$27,217,041	\$28,251,292	\$29,324,844
Other utility contributions										
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	84,320	242,687	528,137	911,364	1,332,157	1,775,376	2,146,376	2,475,133	2,661,157	2,648,994
Total Revenues	11,211,856	18,525,023	25,824,757	27,211,967	27,612,267	33,562,760	33,915,878	34,341,020	35,561,296	36,622,687
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)	8,470,433	15,593,726	22,679,078	23,846,921	24,034,626	29,777,118	29,866,239	29,912,567	30,932,233	31,562,153
Accumulated Surplus, beginning of year	69,873,268	78,343,701	93,937,427	116,616,505	140,463,425	164,498,051	194,275,169	224,141,408	254,053,974	284,986,208
Accumulated Surplus, end of year	\$78,343,701	\$93,937,427	\$116,616,505	\$140,463,425	\$164,498,051	\$194,275,169	\$224,141,408	\$254,053,974	\$284,986,208	\$316,548,361

**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)	8,470,433	15,593,726	22,679,078	23,846,921	24,034,626	29,777,118	29,866,239	29,912,567	30,932,233	31,562,153
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	-32,486,316
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	6,146,556	11,994,128	18,979,222	21,072,590	21,992,834	23,217,102	14,740,228	19,045,683	309,941	- 349,478
Net Financial Assets, beginning of year	4,452,679	10,599,234	22,593,362	41,572,584	62,645,174	84,638,008	107,855,110	122,595,338	141,641,021	141,950,963
Net Financial Assets, end of year	\$10,599,234	\$22,593,362	\$41,572,584	\$62,645,174	\$ 84,638,008	\$107,855,110	\$122,595,338	\$141,641,021	\$141,950,963	\$141,601,484

**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	8,470,433	15,593,726	22,679,078	23,846,921	24,034,626	29,777,118	29,866,239	29,912,567	30,932,233	31,562,153
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	8,012,316	15,174,797	22,314,518	23,538,515	23,772,338	29,553,024	29,732,940	29,970,001	31,133,433	32,136,844
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	-1,779,504	-6,335,922	-14,992,712	-10,924,318	-30,823,492	-32,486,322
Net change in cash from capital activities	-1,865,760	-3,180,670	-3,335,296	-2,465,925	-1,779,504	-6,335,922	-14,992,712	-10,924,318	-30,823,492	-32,486,322
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	6,146,556	11,994,128	18,979,222	21,072,590	21,992,834	23,217,102	14,740,228	19,045,683	309,941	-349,478
Cash, beginning of year	4,452,679	10,599,234	22,593,362	41,572,584	62,645,174	84,638,008	107,855,110	122,595,338	141,641,021	141,950,963
Cash, end of year	\$ 10,599,234	\$ 22,593,362	\$ 41,572,584	\$ 62,645,174	\$ 84,638,008	\$ 107,855,110	\$ 122,595,338	\$ 141,641,021	\$ 141,950,963	\$ 141,601,484

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.

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

(b) Additions and Disposals

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

(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	34,015,162
Disposals	259,503	360,022	371,842	305,383	252,909	601,227	1,263,000	951,989	2,473,192	2,600,308
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	\$221,667,491
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	2,600,308
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	\$46,720,614
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	\$174,946,877

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	\$3,781,779	\$4,899,386	\$5,924,764	\$6,245,225	\$6,490,122	\$6,689,978	\$6,976,539	\$7,271,403	\$7,543,674	\$7,731,518
Asset Replacement Fund	6,817,455	17,693,976	35,647,820	56,399,948	78,147,886	101,165,132	115,618,799	134,369,618	134,407,288	133,869,966
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	174,946,877
Accumulated Surplus	\$78,343,701	\$93,937,427	\$116,616,505	\$140,463,425	\$164,498,051	\$194,275,169	\$224,141,408	\$254,053,974	\$284,986,208	\$316,548,361