

HASTINGS
Centre Hastings
COUNTY

Municipality of Centre Hastings

Drinking Water System Financial Plan

Financial Plan # 153-301

Per Ontario Regulation 453/07 under the Safe
Drinking Water Act, 2002

Authored by: The Municipality of Centre Hastings

Prepared by: Cameron Sills, BBA, Junior Financial Analyst

Reviewed by: Alexander Kelly, CPA, Director of Finance/Deputy CAO

Peer Reviewed by: Hemson Consulting Ltd.

The Plan will be published on the Municipality's website and submitted to the Ministry of Municipal Affairs and Housing as required by the legislation. Hardcopies are available to the public during regular business hours upon request at no charge.

February 18, 2026

Table of Contents

1. Introduction	3
2. Background	4
Statement of Operations	4
Statement of Financial Position.....	4
Statement of Cash Flows	5
Statement of Change in Net Financial Assets (Debt).....	5
Overview of Results	5
3. Key Inputs.....	6
Operating Expenditure Forecast	6
Capital Expenditure Forecast.....	6
Reserve Statements.....	7
Tangible Capital Asset Analysis (TCA)	8
Projection of Water Rates	9
4. Drinking Water Financial Plan.....	9
Statement of Operations – Table 1	9
Statement of Financial Position – Table 2	11
Statement of Cash Flow – Table 3	11
Statement of Change in Net Financial Assets (Debt) – Table 4.....	12
5. Notes and Assumptions	18
Cash and Reserves.....	18
Lead Pipes	18
Debt and Financing Assumptions.....	18
Deferred Revenue.....	18
Appendix A	19
Supporting Tables	19

1. Introduction

The Municipality of Centre Hastings provides water services to residents and businesses through its municipal water distribution system serving the Village of Madoc. The system currently serves 697 connections. The fee structure for drinking water consists of a bi-monthly fixed base charge, which includes a specified volume of water based on meter size, and a volumetric overage charge applied per cubic metre of consumption exceeding the included specified amount. The Municipality recovers the costs associated with operating, maintaining, and renewing its water systems, primarily through user rates based on the principle of full cost recovery.

The drinking water system (DWS) primarily consists of the following:

- Rollins Street Well, including associated treatment and disinfection infrastructure/equipment;
- Marmora Street Well, including associated treatment and disinfection infrastructure/equipment;
- Water Distribution System including watermains, valves, hydrants and service connections; and
- One elevated storage tank.

The Municipality of Centre Hastings last completed a Drinking Water Financial Plan in 2021 to satisfy the requirements for municipal drinking water licence renewal. Since that time, updated planning information has become available, including the Madoc Water, Wastewater and Stormwater Master Plan completed in 2024 by J.L. Richards & Associates Limited (JLR), along with updated historical operating data and 2026 budgeted expenditures and revenues. These inputs have been used to inform the preparation of the current Drinking Water Financial Plan.

The purpose of this document is to present a Drinking Water Financial Plan for the Municipality of Centre Hastings that applies to the entire municipal drinking water system and supports the ongoing operation and long-term sustainability of the system. The Financial Plan has been prepared to support the renewal of the Municipality's Drinking Water Licence (#153-101) in accordance with the Safe Drinking Water Act (SDWA) and associated regulation, Ontario Regulation 453/07.

This financial plan is prepared using a 9-year forecast period from 2026-2034 (the "planning period") with 2026 being the first year of the forecast. The plan supports the fact that the water system is financially sustainable over the planning period and includes a detailed analysis of operating and capital needs, as well as available funding

sources. This Financial Plan was developed by the Municipality of Centre Hastings staff and peer reviewed by Hemson Consulting Ltd.

2. Background

Under the Safe Drinking Water Act, 2002 (SDWA) and Ontario Regulation 453/07 (Financial Plans), municipalities that own and operate a drinking water system are required to prepare and maintain a Drinking Water Financial Plan as a condition of obtaining and renewing a Municipal Drinking Water Licence. The regulation establishes specific requirements related to the preparation, approval, content, and public disclosure of these plans.

The general requirements for a financial plan under the SDWA include the following:

- A minimum planning horizon of six years; for licence renewals, the plan must be completed in the first year of licence expiry;
- Approval by Council resolution, confirming that the drinking water system is financially viable over the planning period; and
- The requirement that the financial plan be made available to the public upon request at no charge.

In addition to the general requirements outlined above, Ontario Regulation 453/07 requires that a financial plan include several financial statements. These include:

Statement of Operations

This statement itemizes total revenues, total expenses, annual surplus or deficit, and the accumulated surplus or deficit for each year to which the Financial Plan applies. An annual surplus represents funds available to the Municipality to support non-operating requirements, including the acquisition of tangible capital assets, principal repayments on debt, and transfers to maintain or increase reserve balances. The Statement of Operations is discussed in greater detail later in this report and is included as Table 1.

Statement of Financial Position

This statement provides information on the financial position of the Municipality's drinking water system, including total financial assets, total liabilities, net financial assets or net financial debt, non-financial assets, and tangible capital assets. The inclusion of tangible capital assets reflects the Municipality's ability to provide future service benefits through its existing infrastructure. A net financial asset position indicates that the water system has sufficient financial resources to support future operations, while a net financial debt position indicates that future revenues will be

required to settle existing obligations. The Statement of Financial Position is discussed in detail later in this report and is included as Table 2.

Statement of Cash Flows

This statement provides information on the generation, and use of cash resources related to the drinking water system. Cash receipts and payments are categorized by operating, capital, investing, and financing activities, allowing for an understanding of how cash is generated (such as through water rates) and how it is applied (such as to operating costs, capital expenditures, and debt servicing). The Statement of Cash Flows is discussed in detail later in this report and is included as Table 3.

Statement of Change in Net Financial Assets (Debt)

Although the Statement of Net Financial Assets (Debt) is not a mandatory requirement under Ontario Regulation 453/07, it provides additional insight into the financial performance and sustainability of the Municipality's drinking water system. This statement indicates whether revenues generated during the period are sufficient to fund operating expenses and tangible capital asset costs. It also reconciles the difference between the annual surplus or deficit and the change in net financial assets or debt for the period. The Statement of Net Financial Assets (Debt) is included as Table 4.

The remainder of this report presents the information and analysis used to prepare the Drinking Water Financial Plan in accordance with the requirements of the SDWA and Ontario Regulation 453/07.

Overview of Results

In developing this Drinking Water Financial Plan, the Municipality recognizes that the plan is a living document and is expected to be reviewed and updated as new information becomes available and as operating, capital, or regulatory requirements evolve. The implementation of this Financial Plan is also reliant on the approval of updated water user rates through the municipal rate-setting process. Water services are fully user-rate funded, and do not rely on municipal tax levy revenues. Based on a review of the current financial information and reporting requirements, the Municipality's drinking water system is financially sustainable over the planning period as long as rate increases as projected in the rate study are implemented; however, several key factors identified in this report should be carefully monitored and considered in future updates to ensure ongoing financial viability.

3. Key Inputs

Operating Expenditure Forecast

The operating expenditure forecast for the water system is based on the Municipality's 2026 Operating Budget and the Madoc Water, Wastewater and Stormwater Master Plan. The forecast covers the period to 2034 and includes projected operating expenditures, planned capital-related costs, and annual contributions to reserves to support the future repair and replacement of assets in the water system. A summary of the forecasted revenues and expenditures is provided in Appendix A – Table 1.

Operating expenditures and non-rate revenue projections are based on the following key assumptions:

- Wages and benefits are assumed to increase at an annual rate of 3%, reflecting anticipated labour cost growth including related statutory/mandatory employer related costs.
- Utility costs, including hydro and fuel, are forecast to increase at an annual rate of 5%, consistent with historical trends and expected market conditions.
- All other operating costs are assumed to increase by 2% annually to account for inflation.
- Non-rate revenues are forecast to increase by 2% annually, reflecting modest growth and inflationary adjustments.

These assumptions are considered reasonable and reflect current budgetary information and long-term planning inputs available at the time of preparation of this Financial Plan. These assumptions are also consistent with the water and wastewater rate study completed in conjunction with this Financial Plan.

Capital Expenditure Forecast

The capital expenditure forecast summarizes the cumulative cost of planned in-year capital projects over the planning period and identifies the associated annual funding sources. Based on current information, the Financial Plan identifies approximately \$9 million in non-growth-related capital infrastructure expenditures over the 2026 to 2034 period. The Municipality will continue to monitor the condition of its existing capital assets and assess emerging infrastructure needs; as a result, non-growth-related capital investment requirements may change over time as additional information becomes available.

Growth-related capital expenditures over the planning period are estimated at approximately \$568,000 and are expected to be funded through development charges.

These expenditures represent the growth-related portion of the standpipe project scheduled for construction in 2026. Due to the timing of development charge collections, this portion of capital expenditures is assumed to be initially financed through external debenture financing, with associated debt servicing costs funded through user rates in the short term. As development charge revenues are collected, these funds are expected to be used to repay the related debt and replenish the water reserve.

In addition, external debenture financing will also be required to fund the non-growth-related components of the capital expenditures, in order to support system capacity, reliability, and long-term service delivery. Capital expenditures included in this Financial Plan are:

- Replacement of the elevated storage tank and construction of a water standpipe, scheduled to begin in 2026.
- Installation of a new potable water source/well, planned for 2028.
- Replacement of water mains on Prince Albert Street West and Madawaska Street, planned for 2030.

A summary of capital expenditures and funding sources is provided in Appendix A – Table 2.

Reserve Statements

Water Reserves

The Municipality will continue to make annual contributions to the Water Reserve to support non-growth-related capital projects and to mitigate potential revenue shortfalls that may arise from fluctuations in user fee revenues. The Municipality's objective is to maintain a minimum Water Reserve balance equivalent to 2% of the current replacement value (CRV) of water assets and a minimum of three months of operating expenditures. Immediate implementation of these reserve contributions would largely impact rate payers, but the Municipality expects to gradually meet these goals over the planning period. A summary of the projected transfers to and from reserves is included in Appendix A – Table 3.

Development Charge Reserve Fund

The Development Charge Reserve Fund is intended to finance growth-related capital projects identified in the Municipality's Development Charge Background Study. The standpipe, anticipated to be completed in 2026, is the only planned growth-related capital project included within the planning period. Due to insufficient development charge balances at the time of construction, the Municipality will issue a debenture to

fund this portion of the project, with repayment to be supported by future development charge revenues.

Tangible Capital Asset Analysis (TCA)

The analysis of tangible capital assets for the water system was developed using information from the Municipality's asset management software, which integrates asset inventory, condition, and lifecycle data, along with the Municipality's Asset Management Plan (AMP 2025). These sources were used to project asset values, amortization, and anticipated changes over the planning period. The financial information presented is unaudited and is based on estimates and assumptions considered reasonable at the time of preparation.

The following key assumptions were applied in the development of the tangible capital asset projections:

- Amortization expense is based on the Municipality's 2024 amortization values as calculated within the asset management software and is assumed to remain relatively stable over the planning period, reflecting the existing asset base and expected asset lives.
- It is assumed that no write-off of assets occur in any of the years.
- Any asset disposals and their related accounting gain or loss on disposal is not considered to occur in any of the years.

These assumptions support a reasonable projection of the Municipality's water system asset base for the purposes of long-term financial planning. Appendix A - Table 5 summarizes the Tangible Capital Asset schedule.

Projection of Water Rates

Overall, the water rates are projected to increase throughout the planning period to ensure long-term fiscal sustainability of services. The table below provides an overview of the water rates required for 2026-2030 based on projections within the corresponding Water and Wastewater Rate Study.

The proposed water rates are recommended to increase by 15% in 2026 to recover expected expenditures and provide adequate reserve contributions to support planned projects. Additional details surrounding the rate analysis is described in more detail in the 2026 Water and Wastewater Rate Study. Note, the utility rates are subject to Council approval.

Meter Size	Cubic Meters Included in Base Charge	Bi-Monthly Water Rates				
		2026	2027	2028	2029	2030
		5/8"	116.56	128.22	137.84	144.74
3/4" Single Residential Unit	24	116.56	128.22	137.84	144.74	151.98
3/4"	48	233.12	256.42	275.66	289.44	303.92
1"	96	466.23	512.86	551.32	578.88	607.82
1 1/4"	144	699.35	769.28	826.98	868.32	911.74
1 1/2"	192	932.47	1,025.72	1,102.64	1,157.78	1,215.66
2"	432	2,098.06	2,307.86	2,480.94	2,604.98	2,735.22
3"	0	3,361.96	3,698.16	3,975.52	4,174.30	4,383.02
4"	0	3,735.51	4,109.06	4,417.24	4,638.10	4,870.00
6"	0	5,416.48	5,958.12	6,404.98	6,725.22	7,061.48
8"	0	7,097.46	7,807.20	8,392.74	8,812.38	9,253.00
10"	0	9,322.69	10,254.96	11,024.08	11,575.28	12,154.04
Volumetric/Overage Charge (2" and less)	0.97	1.06	1.14	1.20	1.26	
Volumetric/Overage Charge (Greater than 2")	2.90	3.19	3.43	3.60	3.78	

4. Drinking Water Financial Plan

This section summarizes the complete Financial Plan for the Municipality of Centre Hastings water system. The Financial Plan represents a forecast of the Municipality's future financial position. The information presented is unaudited and is based on estimates and assumptions derived from the best available data at the time of preparation.

Statement of Operations – Table 1

The Statement of Operations presents the revenues and expenses associated with the water system for each year of the planning period. An annual surplus occurs when revenues exceed expenses, while an annual deficit results when expenses exceed revenues. Any annual surplus may be applied to fund non-operating requirements, including the acquisition of tangible capital assets, principal repayments on debt, and transfers to maintain or increase the water reserve.

In 2026, total revenue from water operations is projected at \$5.6 million, including \$4.8 million in provincial grant funding for the standpipe project. Total expenditures are forecast at \$860,000 and does not include capital expenditures. In 2026 a projected surplus of \$4.7 million is expected, largely driven by the provincial funding for the water standpipe project, while the expenses related to the project do not reflect on the statement of operations in whole but instead are amortized over their useful life in accordance with Public Sector Accounting Standards.

In 2027 and beyond the statement of operations reflects an annual deficit, which is largely driven by amortization of capital assets in those years. Amortization is a non-cash accounting expense that reflects the annual consumption of existing water infrastructure assets and does not represent a current-year cash outlay. As a result, the reported deficit does not indicate a cash shortfall in water system operations.

The opening accumulated surplus of approximately \$5.3 million represents the net financial position of the water system and is comprised of reserve balances and the net book value of tangible capital assets, net of outstanding debt and deferred revenue obligations. A reconciliation of the accumulated surplus is provided in Table 5.

Based on the projected Statement of Operations, the water system's annual deficit is expected to continuously decrease after 2029. In the initial years of the plan, wastewater surpluses will continue to support wastewater operations; however, this subsidization will be fully phased out by 2030. At that point, both the water and wastewater systems fund their operations independently. This trend indicates improving long-term financial sustainability while continuing to account for the full cost of asset ownership.

The improving position can also be attributed to the DC revenues coming online to help support the system financial requirements – should growth occur in a more timely manner and DCs become available, those funds can help expedite the payback and improve the sustainability of the system.

Lastly, the existing rate structure has generated wastewater revenues in excess of wastewater system requirements which ultimately resulted in a transfer of funds to the water system (essentially a cross-subsidization of revenues). To improve rate stability and ensure that each system is financially self-sustaining independent of one another, a forecast has been developed to gradually reduce the reliance on wastewater revenues to fund water operations. From 2026 to 2028, this reliance will be gradually reduced so that both services operate independently on a fully self-supporting basis. This movement to self dependency is also placing some short-term financial restrictions on the system.

Statement of Financial Position – Table 2

The Statement of Financial Position presents information on the assets and liabilities of the Municipality's water system. Net financial assets (or net financial debt) represent the difference between total assets and total liabilities. A net financial asset position exists when assets exceed liabilities, while a net financial debt position arises when liabilities exceed assets. A net financial asset position indicates that the system has sufficient financial resources to support future operations. In contrast, a net financial debt position signifies that additional future revenues will be required to settle obligations arising from past transactions.

Financial assets included in the Statement of Financial Position consist of the net balances of the water reserve and the development charge reserve. Liabilities include both growth-related and non-growth-related debentures required to finance the standpipe project planned for 2026 and new potable water source in 2028. Deferred revenue represents development charges that have been collected but remain a liability until they are applied to eligible growth-related capital expenditures. Of note, growth funded infrastructure is typically emplaced to service development over a longer time period than the planning horizon used in this water financial plan, therefore, the DC reserves are impacted until the growth materializes to pay for the supporting infrastructure. Collectively, the reserves (growth and non-growth) remain positive through the period.

Statement of Cash Flow – Table 3

The Statement of Cash Flows provides information on the sources and uses of cash resources, classified into operating, capital, investment, and financing activities.

The statement describes how the cash from operations (\$4.8 million) will be used to support 2026 capital transactions (\$6.6 million) and financing transactions (\$1.8 million). The Municipality's net cash position is expected to decrease from \$270,000 in 2026 to \$141,000 at the end of 2034. As indicated in Table 2, the decrease is largely attributable to major capital work and debt financing. The Municipality's non-growth-related reserves (supported by utility rates) will remain in a positive balance over the period and continue to increase.

The fluctuation in cash balances over the planning period reflects the use of accumulated reserves to fund significant capital investments and associated financing requirements related to both growth and non-growth infrastructure. The Statement of Cash Flow demonstrates that the water system maintains sufficient cash resources to meet its operating, capital, and debt servicing obligations over the planning period.

Statement of Change in Net Financial Assets (Debt) – Table 4

The Statement of Change in Net Financial Assets (Debt) indicates whether revenues generated during the period are sufficient to cover operating expenses and tangible capital asset costs. It also reconciles the annual surplus or deficit with the change in net financial assets or debt for the period.

The statement outlines that, in 2026, the annual surplus of \$4.7 million and amortization of \$145,600 are less than the forecasted capital expenditures of \$6.6 million, resulting in a decrease in net financial asset of \$1.8 million for 2026.

The change in net financial assets shown in this statement does not indicate an operating shortfall. Rather, it reflects the timing and financing of significant capital investments required to maintain the water infrastructure. Over the planning period, changes in net financial assets or debt are expected to align with the Municipality's capital program and long-term financial strategy for the drinking water system.

TABLE 1
MUNICIPALITY OF CENTRE HASTINGS
WATER FINANCIAL PLAN
STATEMENT OF OPERATIONS
IN \$000S

	Budget 2026	FORECAST							
		2027	2028	2029	2030	2031	2032	2033	2034
Revenues									
Water Sales									
Rate Revenue (Fixed + Variable)	\$653.2	\$795.4	\$891.1	\$944.6	\$1,017.8	\$1,073.9	\$1,133.0	\$1,195.4	\$1,261.2
Water Meter Revenue	\$1.5	\$1.5	\$1.6	\$1.6	\$1.6	\$1.7	\$1.7	\$1.7	\$1.8
Penalties	\$16.0	\$16.3	\$16.6	\$17.0	\$17.3	\$17.7	\$18.0	\$18.4	\$18.7
User Fees	\$2.0	\$2.0	\$2.1	\$2.1	\$2.2	\$2.2	\$2.3	\$2.3	\$2.3
From Wastewater Reserves	\$85.0	\$50.0	\$10.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
DC Recovery	\$0.0	\$0.0	\$0.0	\$0.0	\$35.2	\$39.5	\$44.2	\$49.5	\$55.4
Grant Funding	\$4,798.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Earned DC Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Interest Earned	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Revenue	\$5,556.1	\$865.3	\$921.4	\$965.3	\$1,074.1	\$1,134.9	\$1,199.2	\$1,267.3	\$1,339.5
Expenditures									
Amortization Expense	\$145.6	\$337.3	\$332.4	\$332.4	\$332.2	\$318.3	\$318.3	\$317.6	\$320.5
In-Year Asset Disposal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Interest on Debt Expense	\$0.0	\$81.5	\$80.1	\$182.1	\$179.0	\$175.7	\$172.3	\$168.8	\$165.1
Operating Expense	\$713.5	\$732.0	\$751.0	\$770.5	\$790.6	\$811.2	\$832.5	\$854.3	\$876.8
Total Expenditures	\$859.1	\$1,150.7	\$1,163.5	\$1,285.0	\$1,301.8	\$1,305.3	\$1,323.1	\$1,340.7	\$1,362.4
Annual Surplus/(Deficit)	\$4,697.0	(285.42)	(242.15)	(319.68)	(227.69)	(170.40)	(123.93)	(73.41)	(22.86)
Annual Surplus/(Deficit)	\$4,697.0	(285.42)	(242.15)	(319.68)	(227.69)	(170.40)	(123.93)	(73.41)	(22.86)
Accumulated Surplus, Beginning of Period	\$5,338.5	\$10,035.5	\$9,750.0	\$9,507.9	\$9,188.2	\$8,960.5	\$8,790.1	\$8,666.2	\$8,592.8
Accumulated Surplus, End of Period	\$10,035.5	\$9,750.0	\$9,507.9	\$9,188.2	\$8,960.5	\$8,790.1	\$8,666.2	\$8,592.8	\$8,569.9

TABLE 2
MUNICIPALITY OF CENTRE HASTINGS
WATER FINANCIAL PLAN
STATEMENT OF FINANCIAL POSITION
IN \$000S

	Budget 2026	FORECAST								
		2027	2028	2029	2030	2031	2032	2033	2034	
Financial Assets										
Cash	\$296.1	\$342.4	\$426.6	\$396.3	\$182.6	\$194.0	\$144.4	\$123.0	\$141.4	
Total Assets	\$296.1	\$342.4	\$426.6	\$396.3	\$182.6	\$194.0	\$144.4	\$123.0	\$141.4	
Liabilities										
Debt	\$1,774.7	\$1,746.1	\$3,967.1	\$3,899.5	\$3,828.7	\$3,754.6	\$3,677.2	\$3,596.2	\$3,511.5	
Deferred Revenue (Deficit)	(\$52.1)	(\$29.0)	(\$5.1)	\$19.6	\$9.9	(\$15.6)	(\$45.4)	(\$80.0)	(\$120.0)	
Total Liabilities	\$1,722.7	\$1,717.1	\$3,962.0	\$3,919.1	\$3,838.6	\$3,739.0	\$3,631.8	\$3,516.3	\$3,391.6	
Net Financial Assets (Debt)	(\$1,426.5)	(\$1,374.7)	(\$3,535.4)	(\$3,522.7)	(\$3,656.0)	(\$3,545.0)	(\$3,487.4)	(\$3,393.3)	(\$3,250.1)	
Non-Financial Assets										
Tangible Capital Assets	\$11,462.0	\$11,124.7	\$13,043.3	\$12,710.9	\$12,616.5	\$12,335.1	\$12,153.6	\$11,986.0	\$11,820.0	
Accumulated Surplus (Deficit)	\$10,035.5	\$9,750.0	\$9,507.9	\$9,188.2	\$8,960.5	\$8,790.1	\$8,666.2	\$8,592.8	\$8,569.9	

TABLE 3
MUNICIPALITY OF CENTRE HASTINGS
WATER FINANCIAL PLAN
STATEMENT OF CASH FLOW
IN \$000S

	Budget 2026	FORECAST							
		2027	2028	2029	2030	2031	2032	2033	2034
Operating Transactions									
Annual Surplus/(Deficit)	\$4,697.0	(\$285.4)	(\$242.2)	(\$319.7)	(\$227.7)	(\$170.4)	(\$123.9)	(\$73.4)	(\$22.9)
Add: Amortization of TCA's	\$145.6	\$337.3	\$332.4	\$332.4	\$332.2	\$318.3	\$318.3	\$317.6	\$320.5
Less: DC Revenue	\$0.0	\$0.0	\$0.0	\$0.0	(\$35.2)	(\$39.5)	(\$44.2)	(\$49.5)	(\$55.4)
Add: Development Charge Proceeds	\$11.7	\$23.1	\$23.9	\$24.7	\$25.6	\$13.9	\$14.4	\$14.9	\$15.4
Add: In-year Asset Disposal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Less: Interest	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cash Provided by Operating	\$4,854.3	\$75.0	\$114.1	\$37.4	\$94.9	\$122.4	\$164.6	\$209.6	\$257.6
Capital Transactions									
Proceeds on Sale of Tangible Capital Assets	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Less: Cash Used to Acquire Tangible Capital Assets	(\$6,603.1)	\$0.0	(\$2,251.0)	\$0.0	(\$237.9)	(\$36.9)	(\$136.8)	(\$150.0)	(\$154.5)
Cash Applied to Capital	(\$6,603.1)	\$0.0	(\$2,251.0)	\$0.0	(\$237.9)	(\$36.9)	(\$136.8)	(\$150.0)	(\$154.5)
Investing Transactions									
Proceeds from Investments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Less: Cash Used to Acquire Investments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cash Applied to Investing	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Financing Transactions									
Proceeds from Debt Issues	\$1,774.7	\$0.0	\$2,251.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Less: Debt Repayment (Principal Only)	\$0.0	(\$28.6)	(\$30.0)	(\$67.7)	(\$70.8)	(\$74.0)	(\$77.4)	(\$81.0)	(\$84.7)
Cash Applied to Financing	\$1,774.7	(\$28.6)	\$2,221.1	(\$67.7)	(\$70.8)	(\$74.0)	(\$77.4)	(\$81.0)	(\$84.7)
Increase (Decrease) in Cash Equivalents	\$25.9	\$46.3	\$84.2	(\$30.2)	(\$213.7)	\$11.4	(\$49.7)	(\$21.4)	\$18.4
Cash and Cash Equivalents									
Beginning of Period	\$270.2	\$296.1	\$342.4	\$426.6	\$396.3	\$182.6	\$194.0	\$144.4	\$123.0
Increase (Decrease)	\$25.9	\$46.3	\$84.2	(\$30.2)	(\$213.7)	\$11.4	(\$49.7)	(\$21.4)	\$18.4
End of Period	\$296.1	\$342.4	\$426.6	\$396.3	\$182.6	\$194.0	\$144.4	\$123.0	\$141.4

TABLE 4
MUNICIPALITY OF CENTRE HASTINGS
WATER FINANCIAL PLAN
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)
IN \$000S

	Budget	FORECAST								
		2026	2027	2028	2029	2030	2031	2032	2033	2034
Annual Surplus/(Deficit)	\$4,697.0	(\$285.4)	(\$242.2)	(\$319.7)	(\$227.7)	(\$170.4)	(\$123.9)	(\$73.4)	(\$22.9)	
Amortization of Tangible Capital Assets	\$145.6	\$337.3	\$332.4	\$332.4	\$332.2	\$318.3	\$318.3	\$317.6	\$320.5	
Less: Acquisition of Tangible Capital Assets	(\$6,603.1)	\$0.0	(\$2,251.0)	\$0.0	(\$237.9)	(\$36.9)	(\$136.8)	(\$150.0)	(\$154.5)	
<i>Change in Net Financial Assets (Debt)</i>	<i>(\$1,760.5)</i>	<i>\$51.9</i>	<i>(\$2,160.8)</i>	<i>\$12.7</i>	<i>(\$133.3)</i>	<i>\$111.0</i>	<i>\$57.6</i>	<i>\$94.2</i>	<i>\$143.1</i>	
Net Financial Assets (Debt)										
Beginning of Period	\$334.0	(\$1,426.5)	(\$1,374.7)	(\$3,535.4)	(\$3,522.7)	(\$3,656.0)	(\$3,545.0)	(\$3,487.4)	(\$3,393.3)	
Increase (Decrease)	(\$1,760.5)	\$51.9	(\$2,160.8)	\$12.7	(\$133.3)	\$111.0	\$57.6	\$94.2	\$143.1	
End of Period	(\$1,426.5)	(\$1,374.7)	(\$3,535.4)	(\$3,522.7)	(\$3,656.0)	(\$3,545.0)	(\$3,487.4)	(\$3,393.3)	(\$3,250.1)	

TABLE 5
MUNICIPALITY OF CENTRE HASTINGS
WATER FINANCIAL PLAN
RECONCILIATION OF ACCUMULATED SURPLUS
IN \$000S

	Budget 2026	FORECAST							
		2027	2028	2029	2030	2031	2032	2033	2034
Accumulated Surplus Consists of:									
Opening Reserve Balance									
<i>Development Charge Reserve</i>		(\$63.8)							
<i>Water Reserve</i>		\$334.0							
Total Reserve Balance		\$270.21							
<i>Less: Debt Obligations and Deferred Revenue</i>		\$63.8							
<i>Add: Tangible Capital Assets</i>		\$5,004.5							
Total Opening Balance	\$5,338.5	\$10,035.5	\$9,750.0	\$9,507.9	\$9,188.2	\$8,960.5	\$8,790.1	\$8,666.2	\$8,592.8
Add: Contributions to/(from) Reserves (Excl. DCs)									
<i>Water Reserve</i>		\$14.2	\$23.2	\$60.3	(\$55.0)	(\$204.1)	\$37.0	(\$19.9)	\$13.2
Total Change in Reserve	\$14.2	\$23.2	\$60.3	(\$55.0)	(\$204.1)	\$37.0	(\$19.9)	\$13.2	\$58.4
Add: Changes in TCA During the Year									
<i>Non-Growth Capital Assets Acquired/Disposed</i>		\$6,035.2	\$0.0	\$2,251.0	\$0.0	\$237.9	\$36.9	\$136.8	\$150.0
<i>Growth-Related Capital Assets Acquired/Disposed</i>		\$567.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Amortization of Capital Assets</i>		(\$145.6)	(\$337.3)	(\$332.4)	(\$332.4)	(\$332.2)	(\$318.3)	(\$318.3)	(\$317.6)
Total Changes in Tangible Capital Assets	\$6,457.5	(\$337.3)	\$1,918.6	(\$332.4)	(\$94.4)	(\$281.4)	(\$181.5)	(\$167.6)	(\$166.0)
Subtract Changes in Debt Position									
<i>New Debt</i>		(\$1,774.7)	\$0.0	(\$2,251.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Debt Repayment</i>		\$0.0	\$28.6	\$30.0	\$67.7	\$70.8	\$74.0	\$77.4	\$81.0
Total Change in Debt	(\$1,774.7)	\$28.6	(\$2,221.1)	\$67.7	\$70.8	\$74.0	\$77.4	\$81.0	\$84.7
Total Ending Balance	\$10,035.5	\$9,750.0	\$9,507.9	\$9,188.2	\$8,960.5	\$8,790.1	\$8,666.2	\$8,592.8	\$8,569.9

5. Notes and Assumptions

Cash and Reserves

The beginning of period Cash and Cash equivalents contains on the Statement of Cash Flow is the total of the opening balance of reserve funds. The opening balances were unaudited at the time the Financial Plan was prepared and may change. The opening balances also do not include any surplus or deficit that may arise from 2025.

Lead Pipes

Ontario Regulation 453/07 contains a requirement for municipalities to include in the Financial Plan the cost associated with replacing lead pipes that are part of the drinking water system. Currently, the Municipality does not have any lead pipes in the water system, nor is it expected to emplace any in the future. Therefore, no provision for lead pipe replacement is required for this plan.

Debt and Financing Assumptions

Interest rate assumptions are based on prevailing market conditions at the time the Financial Plan is prepared. Actual debt issuance, financing requirements, and related costs may vary over the planning period due to changes in market conditions, project timing, and funding requirements.

Deferred Revenue

Deferred revenue consists of development charge reserve fund balances. In accordance with applicable financial reporting standards, development charges are recorded as a liability and recognized as revenue only when the funds are used to acquire or construct the related infrastructure for which the charges were collected.

Appendix A

Supporting Tables

APPENDIX A - TABLE 1
MUNICIPALITY OF CENTRE HASTINGS
WATER FINANCIAL PLAN
OPERATING BUDGET FORECAST
IN \$000S

	Budget 2026	FORECAST							
		2027	2028	2029	2030	2031	2032	2033	
Expenditures									
Operating Costs									
Wages and Benefits	\$207.9	\$214.1	\$220.5	\$227.1	\$234.0	\$241.0	\$248.2	\$255.7	
Materials and Supplies	\$156.5	\$161.0	\$165.6	\$170.4	\$175.3	\$180.4	\$185.7	\$191.2	
Contracts	\$35.8	\$36.5	\$37.2	\$38.0	\$38.8	\$39.5	\$40.3	\$41.1	
OCWA - Capital	\$80.0	\$82.4	\$84.9	\$87.4	\$90.0	\$92.7	\$95.5	\$98.4	
OCWA - Contract	\$188.3	\$192.1	\$195.9	\$199.8	\$203.8	\$207.9	\$212.1	\$216.3	
Unfinanced Capital	\$45.0	\$45.9	\$46.8	\$47.8	\$48.7	\$49.7	\$50.7	\$51.7	
<i>Enhanced Services</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Total Operating Costs	\$713.5	\$732.0	\$751.0	\$770.5	\$790.6	\$811.2	\$832.5	\$854.3	
Capital Costs									
Non-Growth Related Capital	\$6,035.2	\$0.0	\$2,251.0	\$0.0	\$237.9	\$36.9	\$136.8	\$150.0	
Grant Funding	(\$4,798.4)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Growth Related Capital	\$567.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Future Debt Financing (Principal, Enter as negative)	(\$1,206.8)	\$0.0	(\$2,251.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Existing Debt Financing	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
DC Reserve Transfer - Debt Financing	(\$567.9)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Transfer from reserve (for capital)	(\$30.0)	\$0.0	\$0.0	\$0.0	(\$237.9)	(\$36.9)	(\$136.8)	(\$150.0)	
Annual Debt Payments (for Existing Capital)	\$0.0	\$35.2	\$35.2	\$35.2	\$35.2	\$35.2	\$35.2	\$35.2	
Annual Debt Payments (for Future Capital)	\$0.0	\$74.9	\$74.9	\$214.5	\$214.5	\$214.5	\$214.5	\$214.5	
Net Capital Costs	(\$0.0)	\$110.1	\$110.1	\$249.8	\$249.8	\$249.8	\$249.8	\$249.8	
Reserve Contribution									
Contribution to/(from) Reserves	\$44.2	\$23.2	\$60.3	(\$55.0)	\$33.8	\$73.9	\$116.9	\$163.2	
Total Reserve Contributions	\$44.2	\$23.2	\$60.3	(\$55.0)	\$33.8	\$73.9	\$116.9	\$163.2	
Total Expenditures	\$757.7	\$865.3	\$921.4	\$965.3	\$1,074.1	\$1,134.9	\$1,199.2	\$1,267.3	
Revenues									
Water Rate Revenue	\$653.2	\$795.4	\$891.1	\$944.6	\$1,017.8	\$1,073.9	\$1,133.0	\$1,195.4	
Water Meter Revenue	\$1.5	\$1.5	\$1.6	\$1.6	\$1.6	\$1.7	\$1.7	\$1.7	
Penalties	\$16.0	\$16.3	\$16.6	\$17.0	\$17.3	\$17.7	\$18.0	\$18.4	
User Fees	\$2.0	\$2.0	\$2.1	\$2.1	\$2.2	\$2.2	\$2.3	\$2.3	
From Wastewater Reserves	\$85.0	\$50.0	\$10.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
DC Recovery	\$0.0	\$0.0	\$0.0	\$0.0	\$35.2	\$39.5	\$44.2	\$49.5	
Total Revenues	\$757.7	\$865.3	\$921.4	\$965.3	\$1,074.1	\$1,134.9	\$1,199.2	\$1,267.3	

APPENDIX A - TABLE 2
MUNICIPALITY OF CENTRE HASTINGS
WATER FINANCIAL PLAN
CAPITAL BUDGET FORECAST
IN \$000S

	Budget 2026	FORECAST						
		2027	2028	2029	2030	2031	2032	2033
Capital Program								
Growth Related	\$567.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Non-Growth Related	\$6,035.2	\$0.0	\$2,251.0	\$0.0	\$237.9	\$36.9	\$136.8	\$150.0
Total	\$6,603.1	\$0.0	\$2,251.0	\$0.0	\$237.9	\$36.9	\$136.8	\$150.0
Funding Sources								
Operating Contributions	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Grant Funding	\$4,798.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Debenture Requirements (Non-Growth)	\$1,206.8	\$0.0	\$2,251.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Transfer from Development Charges Reserve	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Debenture Requirements (Growth)	\$567.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Transfer from reserve (for capital)	\$30.0	\$0.0	\$0.0	\$0.0	\$237.9	\$36.9	\$136.8	\$150.0
Total Funding	\$6,603.1	\$0.0	\$2,251.0	\$0.0	\$237.9	\$36.9	\$136.8	\$150.0

APPENDIX A - TABLE 3
MUNICIPALITY OF CENTRE HASTINGS
WATER FINANCIAL PLAN
RESERVE STATEMENT
IN \$000S

	Budget 2026	FORECAST							
		2027	2028	2029	2030	2031	2032	2033	2034
Water Reserve									
Opening Balance	\$334.0	\$348.2	\$371.4	\$431.7	\$376.8	\$172.7	\$209.6	\$189.8	\$203.0
Transfer To Reserves	\$44.2	\$23.2	\$60.3	(\$55.0)	\$33.8	\$73.9	\$116.9	\$163.2	\$212.9
Transfer From Reserves	(\$30.0)	\$0.0	\$0.0	\$0.0	(\$237.9)	(\$36.9)	(\$136.8)	(\$150.0)	(\$154.5)
Interest	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Ending Balance	\$348.2	\$371.4	\$431.7	\$376.8	\$172.7	\$209.6	\$189.8	\$203.0	\$261.4
Debenture Requirements	\$1,206.8	\$0.0	\$2,251.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

	Budget 2026	FORECAST							
		2027	2028	2029	2030	2031	2032	2033	2034
Development Charges Reserve									
Opening Balance	(\$63.8)	(\$52.1)	(\$29.0)	(\$5.1)	\$19.6	\$9.9	(\$15.6)	(\$45.4)	(\$80.0)
Revenue	\$11.7	\$23.1	\$23.9	\$24.7	\$25.6	\$13.9	\$14.4	\$14.9	\$15.4
Transfer to Capital	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Transfer to Operating for Debt	\$0.0	\$0.0	\$0.0	\$0.0	(\$35.2)	(\$39.5)	(\$44.2)	(\$49.5)	(\$55.4)
Interest	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Ending Balance	(\$52.1)	(\$29.0)	(\$5.1)	\$19.6	\$9.9	(\$15.6)	(\$45.4)	(\$80.0)	(\$120.0)
Debenture Requirements	\$567.9	\$0.0							

APPENDIX A - TABLE 4
MUNICIPALITY OF CENTRE HASTINGS
WATER FINANCIAL PLAN
GROWTH & NON-GROWTH RELATED DEBENTURE SCHEDULE
IN \$000S

	2026		2027		2028		2029		2030		2031	
	Principal	Interest	Principal	Interest								
New Debt	\$0.0	\$0.0	\$28.6	\$81.5	\$30.0	\$80.1	\$67.7	\$182.1	\$70.8	\$179.0	\$74.0	\$175.7
Existing Debt	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$0.0	\$0.0	\$28.6	\$81.5	\$30.0	\$80.1	\$67.7	\$182.1	\$70.8	\$179.0	\$74.0	\$175.7
	2032		2033		2034		2035		2036		Total	
	Principal	Interest	Principal	Interest								
New Debt	\$77.4	\$172.3	\$81.0	\$168.8	\$84.7	\$165.1	\$88.6	\$161.2	\$92.7	\$157.1	\$695.5	\$1,522.9
Existing Debt	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$77.4	\$172.3	\$81.0	\$168.8	\$84.7	\$165.1	\$88.6	\$161.2	\$92.7	\$157.1	\$695.5	\$1,522.9

APPENDIX A - TABLE 5
MUNICIPALITY OF CENTRE HASTINGS
WATER FINANCIAL PLAN
TANGIBLE CAPITAL ASSETS
IN \$000S

	Budget 2026	FORECAST							
		2027	2028	2029	2030	2031	2032	2033	2034
Opening Tangible Capital Assets	\$7,051	\$13,654	\$13,654	\$15,905	\$15,905	\$16,142	\$16,179	\$16,316	\$16,466
Plus: Acquisitions - Repair/Replacement	\$6,603	\$0	\$2,251	\$0	\$238	\$37	\$137	\$150	\$155
Less: Disposals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Closing Tangible Capital Assets	\$13,654	\$13,654	\$15,905	\$15,905	\$16,142	\$16,179	\$16,316	\$16,466	\$16,621
Opening Accumulated Amortization	\$2,046	\$2,192	\$2,529	\$2,861	\$3,194	\$3,526	\$3,844	\$4,163	\$4,480
Plus: Amortization Expense	\$146	\$337	\$332	\$332	\$332	\$318	\$318	\$318	\$320
Closing Accumulated Amortization	\$2,192	\$2,529	\$2,861	\$3,194	\$3,526	\$3,844	\$4,163	\$4,480	\$4,801
Net Book Value	\$11,462	\$11,125	\$13,043	\$12,711	\$12,617	\$12,335	\$12,154	\$11,986	\$11,820