

WATER FINANCIAL PLAN

City of Belleville

HEMSON Consulting Ltd

June 2010

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I INTRODUCTION

This City of Belleville Water Financial Plan is presented as one of the submission requirements necessary in obtaining a municipal drinking water license under the *Safe Drinking Water Act, 2002 (SDWA)*.

Financial Plans are defined in section 30(1) of the *SDWA* as follows:

- (a) Financial plans that satisfy the requirements of subsection (2), but only if,
 - (i) Bill 175 (Sustainable Water and Sewage Systems Act, 2002) receives Royal Assent, and
 - (ii) Sections 3 and 9 of Bill 175 (Sustainable Water and Sewage Systems Act, 2002) are in force, or
- (b) Financial plans that satisfy the requirements prescribed by the Minister, in any other case, 2002, c. 32, s. 30(1).

At this time, Bill 175 (Sustainable Water and Sewage Systems Act, 2002) as noted above, is not in force however, the specific requirements of s.30 (1) part b are outlined in O.Reg. 453/07.

The *SDWA* and O. Reg. 453/07 includes the following general requirements for a financial plan:

- mandatory for all municipal water systems and recommended for wastewater systems;
- include a planning horizon of at least six years (commencing when the system first serves the public, for new systems);
- completed and approved by the later of July 1, 2010 and the date that is six months after the first license is issued;
- may be amended and additional information may be included beyond what is prescribed, as necessary;
- be approved by Council resolution indicating that the drinking water system is financially viable.

In addition to the above noted general requirements, the following specific statements are required in the financial plan:

Statement of Operations

This statement includes details on the projected financial operations itemized by total revenues, total expenses, annual surplus/deficit, and the cumulative surplus/deficit for each year in which the financial plan applies. An annual surplus represents funds available to the City to fund non operating expenses such as the acquisition of tangible capital assets, principal payments on debt, and transfers to replenish or grow the reserve and reserve funds. The Statement of Operations is discussed in more detail later in this report, and is included as Table 1.

Statement of Financial Position

This statement provides information on the City's assets and liabilities includes details on the financial position itemized by total financial assets, total liabilities, net debt, non-financial assets, and tangible capital assets. The recording of tangible capital assets is new to all municipalities, and requires the capitalization of assets and to account for their ability to provide for future benefits.

A net financial asset position on this statement indicates that the water system has the financial resources required to fund its future operations. The Statement of Financial Position is discussed in more detail later in this report, and is included as Table 2.

Statement of Cash Flow

This statement provided information on the generation and use of cash resources. The gross cash receipts/payments are itemized by: operating; capital; investing and financial transactions. By itemizing the cash receipts and payments by category allows the reader to understand where the cash is being generated (ie. Operating water rates), and how the cash is being used (ie. Capital and operating expenses).

Statement of Net Financial Assets/Debt

This statement is not required under O. Reg 453/07, it does provide further information about the financial performance of the City's water system. The Statement of Net Financial Assets/Debt

provides information on whether the revenue generated is sufficient to support the operating and tangible capital asset costs. The statement also reconciles the difference between the annual surplus/deficit and the change in net financial assets/debt for the period

The remainder of this study sets out the information and analysis upon which the statements were prepared.

In late 2009, Hemson completed a water rate study for the City of Belleville, including a full cost recovery model. The detailed analysis completed in the rate setting exercise formed the basis for completing the financial plan. Section II provides a summary of the pertinent information contained in the water rate study.

Section III, includes the Statement of Operations, Statement of Financial Position, Statement of Cash Flows, and Statement of Change in Net Financial Assets/Debt that form the Financial Plan for Water Services.

Section IV includes the Notes and Assumptions to the Financial Plan. As the City does not maintain all financial information separately for water services, assumption used in the preparation of the statements are included in this section.

II SUMMARY OF 2009 WATER RATE STUDY

In 2009 Hemson Consulting was retained by the City of Belleville to prepare a report on water rates, a capital replacement schedule and the implementation of a full cost recovery water rates. This includes the required reports under the proposed *Sustainable Water and Sewage Systems Act*.

A. SUSTAINABLE WATER AND SEWAGE SYSTEMS ACT

The two reports required under the *Sustainable Water and Sewage Systems Act* are the Full Cost of Services Report and the Cost Recovery Plan. These two reports are also included in the definition of a financial plan under the *Safe Drinking Water Act*.

The Full Cost of Services Report provides an inventory and asset management plan, ensuring the integrity of the water infrastructure. The Report addresses the full cost of providing water services, including provisions for the periodic rehabilitation and eventual replacement of the water infrastructure.

The Cost Recovery Plan consists of a revenue plan, identifying the revenue requirements to finance the system. The plan includes the development of water rates which will fund the expansion, upgrading, rehabilitation, replacement, operation and maintenance of the water systems. Financing, administrative and all other relevant costs related to providing the services are also included.

B. STUDY APPROACH

The first step in a rate setting study is to establish a population and household forecast as a basis for determining anticipated water consumption. The study period for this analysis examined the period of 2010 through 2019.

The City provided a completed inventory of water assets, including the expected useful life, and valuation costs. The remaining useful life of the assets was used to determine the asset replacements anticipated during the planning period. Growth related infrastructure needs are usually funded through development charges and direct developer contributions for local and internal servicing needs. The non-growth related costs will therefore require funding from the City, through the user rates.

The City’s current water rates, reserves and annual operating budgets are analysed. Based on this analysis, the financial position of the City’s water is determined.

The next step in the process is to compare the City’s current financial position with the fiscal requirements of the Act. A strategy for the City to achieve full cost recovery for its water services can then be developed.

The final step in the process is to evaluate the impacts of implementing the full cost recovery rates to the residents and businesses of the City.

The financial model was developed to assist the City in completing a number of tasks. Its primary objective is to assist in finalizing the required Financial Plan under the SDWA.

C. WATER RATES

The City of Belleville’s water rates contains two components: a fixed rate; and a volumetric rate. The rate table below summarizes the fixed rate for a 5/8” meter, broken down between Fire and Water services.

Proposed Fixed Monthly Charges – Water (per 5/8” meter)										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fire Protection	\$4.08	\$4.22	\$4.37	\$4.53	\$4.69	\$4.86	\$5.03	\$5.21	\$5.39	\$5.58
Water Service	\$17.53	\$17.95	\$18.37	\$18.81	\$19.26	\$19.72	\$20.20	\$20.60	\$21.20	\$21.72
Total Charge	\$21.61	\$22.17	\$22.74	\$23.34	\$23.95	\$24.58	\$25.23	\$25.81	\$26.59	\$27.30

The second component to the City’s water rate is the volumetric rate. These rates are based on the level of consumption used in a month. There are three tiers to the rates: less than 454 cubic metres; greater than 454 but not more than 22,727 cubic metres; and greater than 22,727 cubic metres. The table below summarizes the volumetric rates.

Proposed Volumetric Charges – Water										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
First 454 m³	\$1.30	\$1.34	\$1.39	\$1.44	\$1.49	\$1.54	\$1.60	\$1.65	\$1.71	\$1.77
454 – 22,727 m³	\$0.99	\$1.02	\$1.06	\$1.10	\$1.13	\$1.18	\$1.22	\$1.26	\$1.30	\$1.35
22,727 + m³	\$0.59	\$0.61	\$0.64	\$0.66	\$0.68	\$0.71	\$0.73	\$0.76	\$0.78	\$0.81

The City's 2010 water rates and policies are set out in By-law 2009-209. Schedule B to the By-law as attached, sets out the rates for the all types of users.

III WATER FINANCIAL PLAN

This section summarizes the complete financial plan for the City's water system. The financial plan represents a forecast or projection of the City's future financial position. The statements included in this study are not audited documents and contain estimates and assumptions as described in section IV of this report.

A. STATEMENT OF OPERATIONS – TABLE 1

The Statement of Operations provides information on the revenues and expenses generated from the water system in each year. An annual surplus will be generated where annual revenues exceed annual expenses for the year. Conversely, where the expenses exceed the revenues, an annual deficit will result. The annual surplus is available to fund non-operating expenses such as the acquisition of tangible capital assets, principal payments on debt, and transfers to replenish or grow the reserves and reserve funds.

In 2010, the projected revenue is \$11.4 million with expenditures of \$7.8 million. As revenues exceed expenses, an annual surplus is projected of \$3.6 million. The beginning period accumulated surplus of \$104.5million is the equal to the opening reserve balances, plus tangible capital assets, and less any debt obligations and deferred revenue. A reconciliation of this amount can be found in Table 5. The City's forecasted Statement of Operations indicates an annual surplus in each of the 10 years projected, with the accumulated surplus growing by approximately \$40 million. This supports the City's need to grow its reserves to pay for the repair and ultimate replacement of the City's tangible capital assets.

B. STATEMENT OF FINANCIAL POSITION – TABLE 2

The Statement of Financial Position provides information on the assets and liabilities of the City's water system. Net Financial Assets/(Debt) is the difference between assets and liabilities. A position of net financial assets occurs when assets are greater than liabilities. Conversely, net financial debt occurs when liabilities exceed their assets. A net financial assets position implies that the system has the financial resources required to fund its future operations. A net financial debt position indicates that future revenues will be required to pay for past transactions. This is the situation in the City of Belleville for 2010 through 2013. It is anticipated that the City will

need to issue new debt to support its capital requirements in the early years of the planning period. In 2010, the total liabilities are approximately \$13.7 million. This primarily consists of outstanding debt, \$10.8m. The total financial assets in 2010 are \$10.5 million resulting in net financial debt of \$3.3 million. Overall, however, the net financial assets are expected to increase to approximately \$27.5 million by 2019.

The Statement of Financial Position also provides information on the City's tangible capital assets. The reporting of tangible capital assets is a new requirement under PS3150 of the Public Sector Accounting Board. Previous to 2009, the costs to acquire or construct capital assets were expensed in the year in which they occur. Effective for the statements prepared in 2009, municipalities are required to capitalize their assets and to account for their ability to provide future benefits. An increase in the tangible capital asset balance suggests that new assets have been acquired, and a decrease in the balance indicates the disposal, write down or use of assets.

C. STATEMENT OF CASH FLOW – TABLE 3

The Statement of Cash Flow provides information on the generation and use of cash resources in the following categories: operating; capital; investments; and financing activities. The statement describes how the cash from operations (\$6.0 million) and financing transactions or new debt (\$5.1 million) will be used to support the 2010 capital transactions (\$10.1 million). The difference between the total cash generated and cash used, results in an increase or decrease in cash and cash equivalents. The beginning of period cash and cash equivalents is equal to the water reserves and reserve funds on hand at the start of the period. The City's cash position improves from approximately \$10.5 million in 2010 to \$28.4 million by 2019.

D. STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/DEBT – TABLE 4

The Statement of Change in Net Financial Assets/Debt provides information on whether the revenue generated is sufficient to support the operating and tangible capital assets costs. The statement also reconciles the difference between the annual surplus/deficit and the change in net financial assets/debt for the period. The statement outlines that the forecasted capital expenditures of \$10.1 million exceeds the surplus (\$3.6 million) and amortization (\$1.3 million) resulting in a net debt for the year. This results from the use of debt in 2010 to construct tangible capital assets.

Table 1
City of Belleville
Statement of Operations
Water Services in (000's)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
<i>Water Sales</i>										
Metered	\$6,634	\$6,885	\$7,144	\$7,411	\$7,694	\$7,984	\$8,285	\$8,598	\$8,923	\$9,260
Bulk	\$305	\$311	\$317	\$324	\$330	\$337	\$343	\$350	\$357	\$365
Flat Rate	\$26	\$27	\$27	\$28	\$28	\$29	\$30	\$30	\$31	\$31
<i>Fixed Water Sales</i>										
Service Charges	\$3,477	\$3,596	\$3,733	\$3,866	\$4,009	\$4,155	\$4,304	\$4,459	\$4,626	\$4,794
Fire Charges	\$720	\$734	\$749	\$764	\$779	\$795	\$811	\$827	\$844	\$860
Customer Fees & Charges	\$70	\$72	\$73	\$75	\$76	\$78	\$79	\$81	\$82	\$84
Earned DC Revenue	\$18	\$3,099	\$386	\$1,425	\$690	\$1,414	\$724	\$1,438	\$1,421	\$1,404
Other	\$156	\$159	\$162	\$166	\$169	\$172	\$176	\$179	\$183	\$186
Total Revenue	\$11,407	\$14,883	\$12,592	\$14,058	\$13,776	\$14,963	\$14,752	\$15,963	\$16,468	\$16,984
Expenditures										
Amortization Expense	\$1,290	\$2,904	\$3,038	\$3,170	\$3,248	\$3,270	\$3,346	\$3,472	\$3,544	\$3,625
Interest on Debt Expense	\$794	\$980	\$888	\$945	\$829	\$705	\$574	\$696	\$537	\$416
Operating Expense	\$5,687	\$5,803	\$5,922	\$6,044	\$6,168	\$6,294	\$6,423	\$6,555	\$6,689	\$6,827
Total Expenditures	\$7,771	\$9,687	\$9,849	\$10,159	\$10,245	\$10,270	\$10,343	\$10,723	\$10,770	\$10,867
Annual Surplus/(Deficit)	\$3,636	\$5,195	\$2,743	\$3,899	\$3,531	\$4,694	\$4,409	\$5,240	\$5,698	\$6,117
Annual Surplus/(Deficit)	\$3,636	\$5,195	\$2,743	\$3,899	\$3,531	\$4,694	\$4,409	\$5,240	\$5,698	\$6,117
Accumulated Surplus, Beginning of Period	\$104,513	\$108,149	\$113,345	\$116,088	\$119,986	\$123,517	\$128,211	\$132,620	\$137,860	\$143,557
Accumulated Surplus, End of Period	\$108,149	\$113,345	\$116,088	\$119,986	\$123,517	\$128,211	\$132,620	\$137,860	\$143,557	\$149,674

Table 2
City of Belleville
Statement of Financial Position
Water Services in (000's)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Financial Assets										
Cash	\$10,456	\$9,052	\$10,823	\$11,870	\$13,980	\$15,760	\$18,300	\$20,792	\$24,444	\$28,387
Total Assets	\$10,456	\$9,052	\$10,823	\$11,870	\$13,980	\$15,760	\$18,300	\$20,792	\$24,444	\$28,387
Liabilities										
Debt	\$10,776	\$9,308	\$10,548	\$8,670	\$6,677	\$4,559	\$7,011	\$4,371	\$2,302	\$109
Deferred Revenue	\$2,953	\$920	\$1,769	\$1,573	\$2,132	\$2,034	\$2,645	\$2,456	\$2,277	\$2,108
Total Liabilities	\$13,729	\$10,228	\$12,318	\$10,244	\$8,809	\$6,593	\$9,656	\$6,826	\$4,578	\$2,217
Net Financial Assets/(Debt)	(\$3,272)	(\$1,176)	(\$1,495)	\$1,626	\$5,171	\$9,167	\$8,644	\$13,966	\$19,866	\$26,170
Non-Financial Assets										
Tangible Capital Assets	\$111,422	\$114,520	\$117,582	\$118,360	\$118,346	\$119,044	\$123,976	\$123,894	\$123,691	\$123,504
Accumulated Surplus/(Deficit)	\$108,149	\$113,345	\$116,088	\$119,986	\$123,517	\$128,211	\$132,620	\$137,860	\$143,557	\$149,674

Table 3
City of Belleville
Statement of Cash Flow
Water Services in (000's)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operating Transactions										
Annual Surplus/(Deficit)	\$3,636	\$5,195	\$2,743	\$3,899	\$3,531	\$4,694	\$4,409	\$5,240	\$5,698	\$6,117
Add: Amortization of TCA's	\$1,290	\$2,904	\$3,038	\$3,170	\$3,248	\$3,270	\$3,346	\$3,472	\$3,544	\$3,625
Less: DC Revenue	(\$18)	(\$3,099)	(\$386)	(\$1,425)	(\$690)	(\$1,414)	(\$724)	(\$1,438)	(\$1,421)	(\$1,404)
Add: Development Charge Proceeds	\$1,101	\$1,066	\$1,235	\$1,229	\$1,249	\$1,315	\$1,336	\$1,249	\$1,242	\$1,235
Less: Interest Proceeds										
Cash Provided by Operating :	\$6,009	\$6,067	\$6,631	\$6,873	\$7,338	\$7,865	\$8,367	\$8,522	\$9,062	\$9,573
Capital Transactions										
Proceeds on Sale of Tangible Capital Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Cash Used to Acquire Tangible Capital Assets	(\$10,118)	(\$6,003)	(\$6,100)	(\$3,948)	(\$3,234)	(\$3,968)	(\$8,278)	(\$3,390)	(\$3,341)	(\$3,438)
Cash Applied to Capital	(\$10,118)	(\$6,003)	(\$6,100)	(\$3,948)	(\$3,234)	(\$3,968)	(\$8,278)	(\$3,390)	(\$3,341)	(\$3,438)
Investing Transactions										
Proceeds from Investments	\$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
Cash Provided by Investing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Transactions										
Proceeds from Debt Issues	\$6,000	\$0	\$2,800	\$0	\$0	\$0	\$4,600	\$0	\$0	\$0
Less: Debt Repayment (principal only)	(\$884)	(\$1,468)	(\$1,560)	(\$1,878)	(\$1,994)	(\$2,117)	(\$2,148)	(\$2,640)	(\$2,069)	(\$2,193)
Cash Applied to Financing	\$5,116	(\$1,468)	\$1,240	(\$1,878)	(\$1,994)	(\$2,117)	\$2,452	(\$2,640)	(\$2,069)	(\$2,193)
Increase/(Decrease) in Cash and Cash Equivalents	\$1,007	(\$1,404)	\$1,771	\$1,047	\$2,111	\$1,780	\$2,540	\$2,492	\$3,653	\$3,942
Cash and Cash Equivalents										
Beginning of Period	\$9,449	\$10,456	\$9,052	\$10,823	\$11,870	\$13,980	\$15,760	\$18,300	\$20,792	\$24,444
Increase/(Decrease)	\$1,007	(\$1,404)	\$1,771	\$1,047	\$2,111	\$1,780	\$2,540	\$2,492	\$3,653	\$3,942
End of Period	\$10,456	\$9,052	\$10,823	\$11,870	\$13,980	\$15,760	\$18,300	\$20,792	\$24,444	\$28,387

Table 4
City of Belleville
Statement of Change in Net Financial Assets/(Debt)
Water Services in (000's)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Annual Surplus/(Deficit)	\$3,636	\$5,195	\$2,743	\$3,899	\$3,531	\$4,694	\$4,409	\$5,240	\$5,698	\$6,117
Amorization of Tangible Capital Assets	\$1,290	\$2,904	\$3,038	\$3,170	\$3,248	\$3,270	\$3,346	\$3,472	\$3,544	\$3,625
Less: Acquisition of Tangible Capital Assets	(\$10,118)	(\$6,003)	(\$6,100)	(\$3,948)	(\$3,234)	(\$3,968)	(\$8,278)	(\$3,390)	(\$3,341)	(\$3,438)
Change in Net Financial Assets/(Debt)	(\$5,192)	\$2,097	(\$319)	\$3,121	\$3,545	\$3,995	(\$523)	\$5,322	\$5,901	\$6,303
Net Financial Assets/(Debt)										
Beginning of Period	\$1,919	(\$3,272)	(\$1,176)	(\$1,495)	\$1,626	\$5,171	\$9,167	\$8,644	\$13,966	\$19,866
Increase/(Decrease)	(\$5,192)	\$2,097	(\$319)	\$3,121	\$3,545	\$3,995	(\$523)	\$5,322	\$5,901	\$6,303
End of Period	(\$3,272)	(\$1,176)	(\$1,495)	\$1,626	\$5,171	\$9,167	\$8,644	\$13,966	\$19,866	\$26,170

IV NOTES AND ASSUMPTIONS TO FINANCIAL PLAN

Section 3(2) of O Reg. 453/07 states that the information is required only if the information is known to the owner at the time the financial plans are prepared. To that end, the City does not maintain all financial information separately for water services. The assumptions used in preparing the financial plan are noted below. The notes are referenced in Table 1 through 5 with the number shown below.

1. Cash

The beginning of period Cash and Cash equivalents contained in the Statement of Cash Flows is the total of the opening balance of reserves and reserve funds. The opening balances were unaudited at the time the Financial Plan was prepared and may change.

2. Receivables and Payables

It is assumed that the water receivables and payables are not significant and therefore have not been identified

3. Debt

Outstanding debt of \$10,776,000 existed at the end of 2009. All new debt was based on a 10 year debenture term, and a 5.5% interest rate. A summary of new debt included in the analysis is summarized below:

Year	Non-Growth Related	Growth-Related (DC's)	Total
2010	\$3,600,000	\$2,400,000	\$6,000,000
2012		\$2,800,000	\$2,800,000
2016		\$4,600,000	\$4,600,000
Total	\$3,600,000	\$9,800,000	\$13,400,000

For the purposes of preparing the Financial Plan, it was assumed that all new debt requirements would be funded through debentures. This does not preclude the City from opting to fund debt internally or through other means that they deem appropriate.

4. Deferred Revenue

Deferred revenue represents the development charge reserve fund balance. For financial reporting purposes, development charges are deemed a liability until they are used to acquire or construct the infrastructure for which they were collected.

5. Tangible Capital Assets

The following assumptions were made in regard to tangible capital assets:

- The amortization of assets was calculated using a straight-line approach with amortization commencing in the year that it was acquired or constructed.
- The useful life of each asset, as included in the City's asset register, was included in the calculation of amortization
- It is assumed that no write-offs occurred in any of the years
- It is assumed that there were no gains or losses on the disposal of assets (assets were disposed when they had reached the end of their useful life and therefore the historic cost is equal to accumulated depreciation)
- Contributed assets were unknown and therefore not included in the forecast
- It is assumed that the City would replace 60% of their tangible capital assets at the end of their useful life. This is based on the City's experience of assets lasting longer than the useful life maintained for accounting purposes.

A summary of the tangible capital asset balances (in \$000's) follows:

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Opening Tangible Capital Assets	\$153,300	\$163,296	\$170,111	\$177,435	\$180,535	\$182,620	\$184,604	\$192,618	\$195,209	\$198,075
Plus: Acquisitions - Repair/Replacement	\$2,813	\$2,137	\$2,200	\$1,948	\$1,934	\$668	\$1,878	\$1,390	\$1,741	\$2,038
Plus: Acquisitions - Growth Related	\$6,900	\$3,466	\$3,500	\$1,600	\$900	\$2,900	\$6,000	\$1,600	\$1,200	\$1,000
Plus: Acquisitions - Others	\$405	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Less: Disposals	(\$122)	(\$287)	(\$276)	(\$248)	(\$249)	(\$84)	(\$264)	(\$200)	(\$274)	(\$332)
Closing Tangible Capital Assets	\$163,296	\$169,011	\$175,935	\$181,135	\$183,520	\$186,504	\$192,618	\$195,809	\$198,275	\$201,182
Opening Accumulated Amortization	\$50,706	\$51,874	\$54,491	\$57,253	\$60,175	\$63,174	\$66,360	\$69,442	\$72,714	\$75,984
Plus: Amortization Expense	\$1,290	\$2,904	\$3,038	\$3,170	\$3,248	\$3,270	\$3,346	\$3,472	\$3,544	\$3,625
Less: Amortization of Disposals	(\$122)	(\$287)	(\$276)	(\$248)	(\$249)	(\$84)	(\$264)	(\$200)	(\$274)	(\$332)
Closing Accumulated Amortization	\$51,874	\$54,491	\$57,253	\$60,175	\$63,174	\$66,360	\$69,442	\$72,714	\$75,984	\$79,277
Net Book Value	\$111,422	\$114,520	\$118,682	\$120,960	\$120,346	\$120,144	\$123,176	\$123,094	\$122,291	\$121,904

6. Accumulated Surplus

The accumulated surplus for all years in the forecast period is contained in Table 5.

Table 5
City of Belleville
Reconciliation of Accumulated Surplus
Water Services in (000's)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Accumulated Surplus consists of:										
Opening Reserve Balance										
Development Charges	\$1,870									
Water Reserve	\$7,579									
Total Reserve Balance	\$9,449									
Less: Debt Obligations and Deferred Revenue	(\$7,530)									
Add: Adjustment for Tangible Capital Assets	\$102,594									
Total Opening Balance	\$104,513	\$108,149	\$113,345	\$116,088	\$119,986	\$123,517	\$128,211	\$132,620	\$137,860	\$143,557
Add: Contributions to/(from) Reserves (excl DC)										
Water Reserve	(\$76)	\$629	\$921	\$1,243	\$1,552	\$1,878	\$1,929	\$2,681	\$3,832	\$4,111
Total Change in Reserve	(\$76)	\$629	\$921	\$1,243	\$1,552	\$1,878	\$1,929	\$2,681	\$3,832	\$4,111
Add: Changes in TCA during the year										
Capital Assets Acquired/(Disposed)	\$10,118	\$6,003	\$6,100	\$3,948	\$3,234	\$3,968	\$8,278	\$3,390	\$3,341	\$3,438
Amortization of Capital Assets	(\$1,290)	(\$2,904)	(\$3,038)	(\$3,170)	(\$3,248)	(\$3,270)	(\$3,346)	(\$3,472)	(\$3,544)	(\$3,625)
Total Changes in Tangible Capital Assets	\$8,828	\$3,098	\$3,062	\$778	(\$14)	\$698	\$4,932	(\$82)	(\$203)	(\$187)
Subtract Changes in Debt Position										
New Debt	(\$6,000)	\$0	(\$2,800)	\$0	\$0	\$0	(\$4,600)	\$0	\$0	\$0
Debt Repayment	\$884	\$1,468	\$1,560	\$1,878	\$1,994	\$2,117	\$2,148	\$2,640	\$2,069	\$2,193
Total Change in Debt	(\$5,116)	\$1,468	(\$1,240)	\$1,878	\$1,994	\$2,117	(\$2,452)	\$2,640	\$2,069	\$2,193
Total Ending Balance	\$108,149	\$113,345	\$116,088	\$119,986	\$123,517	\$128,211	\$132,620	\$137,860	\$143,557	\$149,674