Financial statements

(Unaudited – see advisory to readers)

Municipality of the County of Richmond Water Utility

March 31, 2023

Contents

Advisory to readers

The Municipality of the County of Richmond Water Utility prepares these financial statements to show the details of the individual funds managed by the Utility. In particular, they provide information as to how each of the funds performed compared to the approved Operating Budget of the Utility.

These financial statements have **not** been audited. The financial statements are **not** presented in full accordance with Canadian generally accepted accounting principles.

Municipality of the County of Richmond Water Utility
Operating fund statement of financial position

(Unaudited - see advisory to readers)

March 31	2023	2022
Assets		
Cash	**$ 629,811**	$ 714,860
Receivables		
Rates (less allowance for doubtful accounts $277 2022 - $2,643)	**117,998**	120,775
Other receivables	**14,230**	11,142
	$ 762,039	$ 846,777
Liabilities		
Payables and accruals	**$ 50,725**	$ 53,932
Due to General operating fund	**104,070**	104,821
Due to Water utility capital fund	**102,185**	98,352
	256,980	257,105
Net assets	**$ 505,059**	$ 589,672
Fund balance	**$ 505,059**	$ 589,672

On behalf of the Municipality of the County of Richmond

Warden Deputy Warden

See accompanying notes to the financial statements.

Municipality of the County of Richmond Water Utility
Operating fund statement of financial activities

(Unaudited - see advisory to readers)

Year ended March 31		2023	2022
	Budget	Actual	Actual
Operating revenues			
Base rate sales	$ 182,500	$ **188,836**	$ 187,903
Metered sales	340,500	**333,026**	331,293
Public fire protection	147,063	**147,063**	147,063
Other revenue	17,500	**22,060**	23,183
	687,563	**690,985**	689,442
Operating expenditures			
Pumping	137,500	**94,466**	138,976
Water treatment	90,000	**152,431**	89,686
Transmission and distribution	354,314	**353,299**	315,792
Administrative and general	109,000	**76,764**	60,741
Depreciation	100,000	**98,638**	98,352
	790,814	**775,598**	703,547
Net operating loss	(103,251)	**(84,613)**	(14,105)
Non-operating expenditure			
Capital from operations	95,000	**-**	57,230
Excess of expenditures over revenues	$ (198,251)	**(84,613)**	(71,335)
Beginning fund balance		**589,672**	661,007
Ending fund balance		**$ 505,059**	$ 589,672

See accompanying notes to the financial statements.

Municipality of the County of Richmond Water Utility
Capital fund statement of financial position

(Unaudited - see advisory to readers)

March 31	2023	2022
Assets		
Cash – depreciation fund	**$ 173,820**	$ 75,468
Due from Water utility operating fund	**102,185**	98,352
	276,005	173,820
Liabilities		
Deferred government contributions, net	**2,188,141**	2,233,187
Net financial debt	**(1,912,136)**	(2,059,367)
Non financial assets		
Net utility plant in service	**8,475,386**	8,619,070
Net assets	**$ 6,563,250**	$ 6,559,703
Investment in capital assets (page 5)	**$ 6,563,250**	$ 6,559,703

On behalf of the Municipality of the County of Richmond

____________________ Warden ____________________ Deputy Warden

See accompanying notes to the financial statements.

Municipality of the County of Richmond Water Utility
Capital fund statement of investment in capital assets

(Unaudited - see advisory to readers)

Year ended March 31	**2023**	2022
Balance, beginning of year	**$ 6,559,703**	$ 6,502,473
Interest	**3,547**	-
Additions to capital from operations	**-**	57,230
Balance, end of year	**$ 6,563,250**	$ 6,559,703

See accompanying notes to the financial statements.

Municipality of the County of Richmond Water Utility
Schedule of utility plant and equipment

(Unaudited - see advisory to readers)

March 31	2023	2022
Land	**$ 93,060**	$ 93,060
Structures and improvements		
Lakes, rivers, and other intakes	**466,859**	466,859
Power and pumping structures	**1,882,301**	1,882,301
Distribution reservoirs and standpipes	**827,160**	827,160
Treatment plant	**3,231,032**	3,231,032
Equipment		
Other	**134,374**	134,374
Electric pumping	**93,317**	93,317
Other pumping	**35,264**	35,264
Water treatment	**417,478**	417,478
Transmission mains	**1,328,637**	1,328,637
Distribution mains	**1,703,915**	1,703,915
Services	**265,196**	265,196
Meters	**247,539**	247,539
Hydrants	**313,409**	313,409
	$11,039,541	$11,039,541

See accompanying notes to the financial statements.

Municipality of the County of Richmond Water Utility
Schedule of operating expenses

(Unaudited - see advisory to readers)

Year ended March 31	2023		2022
	Budget	**Actual**	Actual
Pumping			
Power	$ 76,000	**$ 66,546**	$ 71,977
Maintenance	61,500	**27,920**	66,999
	$ 137,500	**$ 94,466**	$ 138,976
Water treatment			
Supplies and expenses	$ 90,000	**$ 152,431**	$ 89,686
Transmission and distribution			
Administration charge – Richmond County	$ 262,314	**$ 262,313**	$ 233,398
Maintenance of mains and services	82,000	**86,075**	75,000
Maintenance of meters and meter reading	10,000	**4,911**	7,394
	$ 354,314	**$ 353,299**	$ 315,792
Administrative and general			
Regulatory expenses	$ 2,000	**$ 2,696**	$ 2,646
Professional fees	50,000	**20,388**	5,751
Insurance	21,000	**20,954**	20,954
Bad debts (recovery)	500	**(2,366)**	(921)
Office	3,000	**2,500**	2,500
Miscellaneous	32,500	**32,592**	29,811
	$ 109,000	**$ 76,764**	$ 60,741
Depreciation	$ 100,000	**$ 98,638**	$ 98,352

See accompanying notes to the financial statements.

1. Summary of significant accounting policies

Revenue and expenditure (operating fund)

Major revenue and expenditure items are recorded on an accrual basis.

Principal and interest payments relating to term debt are recorded as an expenditure when due.

Utility plant in service acquired with operating funds is recorded as an expenditure when incurred.

Capital fund

Utility plant in service
Utility plant in service is recorded at cost. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as deferred contributions and are amortized at the same rate as the related asset.

Depreciation
The Water Utility records depreciation which is calculated based on a formula prescribed by the Public Utilities Board. The Public Utilities Board requires that an amount of cash equal to the depreciation claimed is to be transferred to a special bank account which is used to help fund replacement of existing plant in service, or subject to approval by the Public Utilities Board, to repay principal on term debt. The Water Utility has set aside cash in the amount of $98,352 (2022 - $75,468). Interest on depreciation funds is retained in the Capital fund.

Use of estimates
In preparing the Water Utility's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Financial instruments
The Water Utility's financial instruments consist of cash, receivables, and payables and accruals. Unless otherwise noted, it is management's opinion that the Utility is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Municipality of the County of Richmond Water Utility
Notes to the financial statements

(Unaudited - see advisory to readers)
March 31, 2023

2. Depreciation fund	**2023**	2022
Cash, beginning of year	$ 75,468	$ -
Transfers from operating fund, net	98,352	75,468
Cash, end of year	$ 173,820	$ 75,468

3. Rate of return on rate base

For the year ended March 31, 2023, the Water Utility had a rate of return on rate base of -1.00% (2022: - 0.16%).