

# Financial statements

(Unaudited – see advisory to readers)

Municipality of the County of Richmond  
Water Utility

March 31, 2024

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# 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

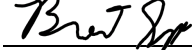
## Operating fund statement of financial position

(Unaudited - see advisory to readers)

March 31	2024	2023
<b>Assets</b>		
Cash	\$ 286,732	\$ 629,811
Receivables		
Rates (less allowance for doubtful accounts \$277, 2023 - \$277)	118,178	117,998
Other receivables	<u>15,161</u>	<u>14,230</u>
	<b><u>\$ 420,071</u></b>	<b><u>\$ 762,039</u></b>
<b>Liabilities</b>		
Payables and accruals	\$ 64,336	\$ 50,725
Due to General operating fund	60,047	104,070
Due to Water utility capital fund	<u>-</u>	<u>102,185</u>
	<b>124,383</b>	<b>256,980</b>
<b>Net assets</b>	<b><u>\$ 295,688</u></b>	<b><u>\$ 505,059</u></b>
<b>Fund balance</b>	<b><u>\$ 295,688</u></b>	<b><u>\$ 505,059</u></b>

On behalf of the Municipality of the County of Richmond

Signed by:  
  
 \_\_\_\_\_ Warden  
5A27DE1612674EB...

Signed by:  
  
 \_\_\_\_\_ Deputy Warden  
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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

2024

2023

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Operating revenues</b>			
Base rate sales	\$ 186,500	\$ 190,777	\$ 188,836
Metered sales	335,000	329,506	333,026
Public fire protection	147,063	147,063	147,063
Other revenue	<u>27,500</u>	<u>18,718</u>	<u>22,060</u>
	<u>696,063</u>	<u>686,064</u>	<u>690,985</u>
<b>Operating expenditures</b>			
Pumping	129,416	111,686	107,582
Water treatment	265,743	253,496	270,472
Transmission and distribution	177,496	202,839	169,679
Administrative and general	160,814	161,931	129,227
Depreciation	<u>103,721</u>	<u>99,300</u>	<u>98,638</u>
	<u>837,190</u>	<u>829,252</u>	<u>775,598</u>
<b>Net operating loss</b>	<u>(141,127)</u>	<u>(143,188)</u>	<u>(84,613)</u>
<b>Non-operating expenditure</b>			
Capital from operations	<u>90,000</u>	<u>66,183</u>	-
Excess of expenditures over revenues	<u>\$ (231,127)</u>	<u>(209,371)</u>	(84,613)
Beginning fund balance		<u>505,059</u>	<u>589,672</u>
Ending fund balance		<u>\$ 295,688</u>	<u>\$ 505,059</u>

See accompanying notes to the financial statements.

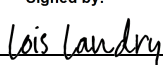
# Municipality of the County of Richmond Water Utility

## Capital fund statement of financial position

(Unaudited - see advisory to readers)

March 31	2024	2023
<b>Assets</b>		
Cash – depreciation fund (Note 2)	\$ 389,106	\$ 173,820
Due from Water utility operating fund	<u>-</u>	<u>102,185</u>
	<b>389,106</b>	276,005
<b>Liabilities</b>		
Deferred government contributions, net	<u>2,143,095</u>	<u>2,188,141</u>
<b>Net financial debt</b>	<u>(1,753,989)</u>	<u>(1,912,136)</u>
<b>Non-financial assets</b>		
Net utility plant in service	<u>8,397,223</u>	<u>8,475,386</u>
<b>Net assets</b>	<u>\$ 6,643,234</u>	<u>\$ 6,563,250</u>
<hr/>		
<b>Investment in capital assets</b> (page 5)	<u>\$ 6,643,234</u>	<u>\$ 6,563,250</u>
<hr/>		

On behalf of the Municipality of the County of Richmond

Signed by:  
  
 \_\_\_\_\_ Warden  
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Signed by:  
  
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See accompanying notes to the financial statements.

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# 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 2024 2023

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Balance, beginning of year	<b>\$ 6,563,250</b>	\$ 6,559,703
Interest	<b>13,801</b>	3,547
Additions to capital from operations	<u><b>66,183</b></u>	<u>-</u>
Balance, end of year	<u><b>\$ 6,643,234</b></u>	<u>\$ 6,563,250</u>

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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	2024	2023
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	893,343	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	<u>313,409</u>	<u>313,409</u>
	<b><u>\$11,105,724</u></b>	<b><u>\$11,039,541</u></b>

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

**2024**

**2023**

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Pumping			
Power	\$ 89,416	\$ <b>86,620</b>	\$ 79,662
Maintenance	<u>40,000</u>	<u><b>25,066</b></u>	<u>27,920</u>
	<u>\$ 129,416</u>	<u>\$ <b>111,686</b></u>	<u>\$ 107,582</u>
Water treatment			
Supplies and expenses	\$ <u>265,743</u>	\$ <u><b>253,496</b></u>	\$ <u>270,472</u>
Transmission and distribution			
Administration charge – Richmond County	\$ 80,496	\$ <b>80,495</b>	\$ 78,693
Maintenance of mains and services	87,000	<b>106,427</b>	86,075
Maintenance of meters and meter reading	<u>10,000</u>	<u><b>15,917</b></u>	<u>4,911</u>
	<u>\$ 177,496</u>	<u>\$ <b>202,839</b></u>	<u>\$ 169,679</u>
Administrative and general			
Regulatory expenses	\$ 2,650	\$ <b>1,982</b>	\$ 2,696
Professional fees	45,000	<b>30,635</b>	20,388
Insurance	21,000	<b>20,954</b>	20,954
Bad debts (recovery)	500	-	(2,366)
Office	3,000	<b>157</b>	2,500
Special assess admin & general	53,664	<b>53,664</b>	52,463
Miscellaneous	<u>35,000</u>	<u><b>54,540</b></u>	<u>32,592</u>
	<u>\$ 160,814</u>	<u>\$ <b>161,931</b></u>	<u>\$ 129,227</u>
Depreciation	\$ <u>103,721</u>	\$ <u><b>99,300</b></u>	\$ <u>98,638</u>

See accompanying notes to the financial statements.

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# Municipality of the County of Richmond Water Utility

## Notes to the financial statements

(Unaudited - see advisory to readers)

March 31, 2024

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### 1. Summary of significant accounting policies

#### Revenue and expenditure

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.

#### 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 Nova Scotia Utility and Review Board ("NSUARB"). The NSUARB 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 NSUARB, to repay principal on term debt. The Water Utility has set aside cash in the amount of \$389,106 (2023 - \$98,352). 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.

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# Municipality of the County of Richmond Water Utility

## Notes to the financial statements

(Unaudited - see advisory to readers)

March 31, 2024

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<b>2. Depreciation fund</b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Cash, beginning of year	\$ 173,820	\$ 75,468
Transfers from operating fund, net	<u>215,286</u>	<u>98,352</u>
Cash, end of year	<b><u>\$ 389,106</u></b>	<b><u>\$ 173,820</u></b>

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### 3. Rate of return on rate base

For the year ended March 31, 2024, the Water Utility had a rate of return on rate base of -1.7% (2023: - 1.00%).

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### 4. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.