

Financial statements

(Unaudited – see advisory to readers)

Municipality of the County of Richmond
Water Utility

March 31, 2026

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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)

Year ended March 31, 2026

2026

2025

Assets

Cash	\$ 430,443	\$ 344,821
Receivables		
Rates (less allowance for doubtful accounts \$ -, 2025 - \$277)	171,710	156,152
Other receivables	13,694	35,800
Due from water capital	234	-
	<u>\$ 616,081</u>	<u>\$ 536,773</u>

Liabilities

Payables and accruals	\$ 71,971	\$ 90,145
Due to General operating fund	<u>177,832</u>	<u>155,048</u>
	249,803	245,193

Net assets

\$ 366,278 \$ 291,580

Fund balance

\$ 366,278 \$ 291,580

On behalf of the Municipality of the County of Richmond

Signed by:

Lois Landry

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Warden

Signed by:

Amanda Mombourquette

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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, 2026

2026

2025

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Base rate sales	\$ 284,220	\$ 286,342	\$ 234,622
Metered sales	400,981	398,236	334,314
Public fire protection	147,063	147,063	147,063
Other revenue	<u>28,500</u>	<u>34,352</u>	<u>23,221</u>
	<u>860,764</u>	<u>865,993</u>	<u>739,220</u>
Operating expenditures			
Pumping	131,529	113,322	111,748
Water treatment	292,897	238,767	228,387
Transmission and distribution	181,456	193,533	172,599
Administrative and general	131,841	146,256	130,802
Depreciation	<u>153,040</u>	<u>99,417</u>	<u>99,792</u>
	<u>890,763</u>	<u>791,295</u>	<u>743,328</u>
Net operating surplus (loss)	<u>(29,999)</u>	<u>74,698</u>	<u>(4,108)</u>
Non-operating expenditure			
Capital from operations	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures (expenditures over revenues)	<u>\$ (29,999)</u>	<u>\$ 74,698</u>	<u>\$ (4,108)</u>
Beginning fund balance		<u>291,580</u>	<u>295,688</u>
Ending fund balance		<u>\$ 366,278</u>	<u>\$ 291,580</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)

Year ended March 31, 2026

2026

2025

Assets

Cash – depreciation fund (Note 2)	<u>\$ 520,966</u>	<u>\$ 457,338</u>
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Liabilities

Deferred government contributions, net	<u>2,097,056</u>	2,121,121
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Due from water operating fund	<u>234</u>	-
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	<u>2,097,290</u>	2,121,121
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Net financial liabilities

	<u>(1,576,324)</u>	<u>(1,663,783)</u>
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Non-financial assets

Net utility plant in service	<u>8,249,788</u>	<u>8,324,654</u>
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Net assets

	<u>\$ 6,673,464</u>	<u>\$ 6,660,871</u>
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Investment in capital assets (page 5)

	<u>\$ 6,673,464</u>	<u>\$ 6,660,871</u>
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On behalf of the Municipality of the County of Richmond

Signed by:

Lois Landry

Warden

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Signed by:

Amanda Mombourquette

Deputy Warden

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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, 2026

2026

2025

Balance, beginning of year	\$ 6,660,871	\$ 6,643,234
Interest	<u>12,593</u>	<u>17,637</u>
Balance, end of year	<u>\$ 6,673,464</u>	<u>\$ 6,660,871</u>

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)

Year ended March 31, 2026	2026	2025
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	893,343
Treatment plant	3,231,032	3,231,032
Equipment		
Other	177,279	143,018
Electric pumping	103,715	93,317
Other pumping	45,868	35,264
Water treatment	464,088	464,088
Transmission mains	1,328,637	1,328,637
Distribution mains	1,729,762	1,721,164
Services	265,196	265,196
Meters	253,723	247,539
Hydrants	313,409	313,409
	<u>\$11,248,272</u>	<u>\$11,178,227</u>

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, 2026

2026

2025

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Pumping			
Power	\$ 94,861	\$ 86,726	\$ 89,460
Maintenance	<u>36,668</u>	<u>26,596</u>	<u>22,288</u>
	<u>\$ 131,529</u>	<u>\$ 113,322</u>	<u>\$ 111,748</u>
Water treatment			
Supplies and expenses	<u>\$ 292,897</u>	<u>\$ 238,767</u>	<u>\$ 228,387</u>
Transmission and distribution			
Administration charge – Richmond County	\$ 85,398	\$ 85,398	\$ 82,911
Maintenance of mains and services	<u>96,058</u>	<u>108,135</u>	<u>89,688</u>
	<u>\$ 181,456</u>	<u>\$ 193,533</u>	<u>\$ 172,599</u>
Administrative and general			
Regulatory expenses	\$ 2,811	\$ 2,831	\$ 4,486
Professional fees	10,300	19,752	11,706
Insurance	20,954	20,954	20,954
Bad debts (recovery)	530	-	-
Office	3,183	5,781	2,750
Special assessments	56,932	56,932	55,274
Miscellaneous	<u>37,131</u>	<u>40,006</u>	<u>35,632</u>
	<u>\$ 131,841</u>	<u>\$ 146,256</u>	<u>\$ 130,802</u>
Depreciation	<u>\$ 153,040</u>	<u>\$ 99,417</u>	<u>\$ 99,792</u>

See accompanying notes to the financial statements.

Municipality of the County of Richmond Water Utility

Notes to the financial statements

(Unaudited - see advisory to readers)

Year ended March 31, 2026

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 Regulatory and Appeals Board ("NSRAB"). The NSRAB 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 NSRAB, to repay principal on term debt. The Water Utility has set aside cash in the amount of \$520,966 (2025 - \$457,338). 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.

2. Depreciation fund	<u>2026</u>	<u>2025</u>
Cash, beginning of year	\$ 457,338	\$ 389,106
Transfers from operating fund, net	<u>63,628</u>	<u>68,232</u>
Cash, end of year	<u>\$ 520,966</u>	<u>\$ 457,338</u>

3. Rate of return on rate base

For the year ended March 31, 2026, the Water Utility had a rate of return on rate base of 0.90% (2025: - 0.00%).