



**Union Water Supply System
Inc.
Finance & Audit
Committee**

**Wednesday, November 26, 2025
9:00 am**

**1615 Union Avenue, Ruthven
Water Treatment Plant - Board Room**

AGENDA

- A. Call to Order:**
- B. Welcoming Remarks**
- C. Disclosures of Pecuniary Interest:**
- D. Approval of the Minutes:**
Minutes of the Finance & Audit Committee meeting held on October 17, 2025
Pages 2 - 4
- E. Items for Consideration:**
 - 1. UWSS Inc. Financial Results to October 31, 2025
Pages 5 - 9
 - 2. UWSS Inc. 2026 Preliminary Budget
Pages 10 - 17
 - 3. Comparison of 2025/2026 Budget
Pages 18 - 19
 - 4. Draft UWSS Inc. Reserve Policy - Discussion
- F. New Business:**
- G. Action Items:**
- H. Adjournment:**
- I. Date of Next Meeting:** To be determined



Page 2
UWSS Inc.
Finance & Audit
Committee
Meeting

Friday, October 17, 2025
9:00 am

1615 Union Ave, Ruthven WTP
Board Room

MINUTES

Directors Dennis Rogers
 Mike St. Amant
 Tom Kissner
 Wayne Wharram
 Lori Atkinson - absent

Also in Attendance: Rodney Bouchard, UWSS Inc. Chief Executive Officer
For UWSS Khristine Johnson, UWSS Inc. Office Administrator (Recording Secretary)

Guest The CFO Nazzani, CPA, CA Capital Assist Valuation

Call to Order: 9:00 am

Welcoming Remarks:

Chair Rogers calls the meeting and welcomes everyone and hopes they had a nice Thanksgiving Weekend.

Disclosures of Pecuniary Interest

There are none.

Adoption of the Minutes of July 16th, 2025

No. FAC-15-25

Moved by: Director Kissner

Seconded by: Director Wharram

That the Minutes of the Finance & Audit Committee of July 16th are approved and shall be brought forward on the next Board of Directors meeting

Carried

Business to Discuss

The CFO then takes over the meeting presenting the financial updates since the last meeting. She notes that UWSS is ahead of budget for the year, flows are coming in slightly lower than budgeted for. She reminds members that every budget cycle UWSS will be analyzing average flows, but as we move forward year over year this number will become closer to the actual flow information. She also notes that UWSS is sharing 4% of the water loss, but billing 3%. This item will then be trued up at the end of 2025.

She also notes that interest earned on the UWSS bank accounts has gone down slightly due to the reduction of the Prime Rate of Canada.

The CFO then discusses the operating budget and notes that UWSS is below budget in some areas, but feels that some year end adjustments might be forthcoming. One area that might be slightly over budget is in engineering costs.

With regard to UWSS general administration, there is a notable reduction in salaries spent so far this year. This is due to the delay in hiring additional staff. Board and conference spending is also lower than anticipated.

Director St. Amant seeks clarification on the recoverable HST. The CFO notes that UWSS will not be able to cover 100% of the HST but will be able to recover a large portion. She does indicate that this is something that will be looked at more closely going forward, however the biggest cost so far this year is related the Reservoir #3 project.

With respect to accounts receivable, she notes that because the municipalities are being billed on actuals now, there will be higher invoices in the summer months compared to other seasons, just due to the nature of the flow seasons.

The discussion moves over to the reserves. Director St. Amant asks for confirmation that the UWSS Reserves are entitled to interest from the financial institution and the CFO confirms they are receiving the same interest as the main bank account. The movement of separating out the reserves has been a recent occurrence. Director St. Amant asks if there is a written policy regarding the reserves. The CEO confirms there is not. Director St. Amant provides direction to the CEO and CFO to ensure that a reserve policy is created and formalized in writing.

There is then a discussion regarding benefits for staff, and the line item presented. The CEO assures members that UWSS staff are completely under a separate UWSS insurance policy. The CEO notes that the number presented covers all aspects of benefits provided to staff. The CEO can break that out for better detail going forward for the committee. Director Wharram suggests that each year UWSS obtains insurance quotes for all aspects of insurance, as there could be potential savings. The CEO notes that as part of the Shareholders Agreement UWSS was required to increase the amount of insurance it carries. However, he will certainly obtain quotes going forward. Director Wharram does not think this needs to be policy, but perhaps just good office practice, with the decision to direct the CEO to obtain quotes for insurance each year going forward.

Director Kissner inquires about Lifecycle Reserves. The CEO explains that is an area that will require some work and appreciates the reminder.

No. FAC-16-25

Moved by: Director St. Amant

Seconded by: Director Wharram

That the financial results to August 31, 2025 are received; and

That the verbal updates on UWSS Inc. Reserves is received; and

That the CEO is directed to look into obtaining insurance quotes each year for savings comparisons.

Carried

There is some discussion on the reserves process and whether it will be completed by the end of 2025. The CFO and CEO feel that everything with the reserves should be completed by year end.

The CFO moves on to the 2026 Budget and notes that process for the budget season has started. The CEO notes that he met with the OCWA staff a day prior to begin reviewing budgets and the CFO notes that UWSS will be meeting the Financial Directors shortly, and reminds members that billings going forward will be to the actuals, as the budget now shows tracking to the actual flows. Her hope is to have a draft budget sometime in later November. The CEO also is hoping to have the HR adjustments completed, which will impact board and staff salaries.

There is a brief discussion on capital projects moving through the end of 2025 and into 2026 and how these items will impact the rates. Director St. Amant asks about the rate increases and how they are presented. The CEO confirms that the normal process has been to start any rate increase in the second quarter, or April 1st and run through March 31st. Any rate increase considers CPI component and capital requirements. The CEO's hope is to have the budget passed either December or early in the new year.

The CEO notes that the OCWA contract negotiations are nearing completion.

Director Wharram thanks the CFO for presenting material that is readable and streamlined.

There is a discussion on the next meeting, with a date of November 26th agreed to. The administrator will send out invitations.

Adjournment**No. FAC-17-25**

Moved by: Director Kissner

Seconded by: Director St. Amant

Time adjourned: 9:48 am

Date of Next Meeting: November 26th 9 am at the Ruthven Water Treatment Plant

UNION WATER SUPPLY SYSTEM INC.
INTERNAL BALANCE SHEET
AS OF OCTOBER 31, 2025



| | October 2025 | December 2024 | Variance to Year-End (\$) | Variance to Year-End (%) | Commentary |
|--------------------------------------|-----------------------|----------------------|---------------------------|--------------------------|--|
| | Actual | Audited | | | |
| ASSETS | | | | | |
| Cash and short-term investments | \$ 7,328,013 | \$ 21,214,424 | \$ (13,886,411) | (189.5%) | |
| Restricted funds | 18,200,000 | - | 18,200,000 | 100.0% | Includes - General and operating reserve (\$10.7MM) - Rate stabilization reserve (\$1.5MM) - Capital reserve (\$6MM) |
| Accounts receivable | 2,529,660 | 1,567,504 | 962,156 | 38.0% | Includes current receivable (October billings) of \$1.4 million and residual balance primarily represents September water flows of \$0.7k from Leamington and 2024 True Up of \$0.3k from Kingsville |
| Government remittances receivable | 3,879,599 | 851,688 | 3,027,911 | 78.0% | |
| Prepaid expenses | 159,246 | 168,719 | (9,473) | (5.9%) | Includes prepaid financing fees reclassified at year end (\$63.3K), and annual fees or software licenses amortized over the year such as PSD CityWide, Canadian Water Network Consortium, Cimssoft Corp. |
| Total current assets | 32,096,518 | 23,802,335 | 8,294,183 | 25.8% | |
| Property, plant and equipment | 82,601,438 | 59,183,874 | 23,417,564 | 28.4% | Increase due primarily to DAF #2 (complete) and Reservoir #3 project in progress |
| TOTAL ASSETS | \$ 114,697,956 | \$ 82,986,209 | \$ 31,711,747 | 27.6% | |

LIABILITIES

Current liabilities

| | | | | | |
|--|-----------|-----------|--------------|--------|---|
| Accounts payable and accrued liabilities | 6,222,284 | 3,955,943 | \$ 2,266,341 | 36.4% | Includes primarily : - \$4.975MM in trade AP for Alberici Constructors for Reservoir #3 and other construction costs - accrued expenses for administration costs, professional fees and property taxes not yet billed |
| Accrued payroll liabilities | 22,258 | - | 22,258 | 100.0% | |

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UNION WATER SUPPLY SYSTEM INC.
INTERNAL BALANCE SHEET
AS OF OCTOBER 31, 2025



| | October 2025 | December 2024 | Variance to Year-End (\$) | Variance to Year-End (%) | Commentary |
|---|-----------------------|----------------------|---------------------------|--------------------------|------------|
| | Actual | Audited | | | |
| Operating line | 20,273,818 | - | 20,273,818 | 100.0% | |
| Total current liabilities | 26,518,360 | 3,955,943 | 22,562,417 | 85.1% | |
| Long-term liabilities | | | | | |
| Asset retirement obligation | 1,232,615 | 1,232,615 | - | 0.0% | |
| Retirement provision | 282,400 | 282,400 | - | 0.0% | |
| Total long-term liabilities | 1,515,015 | 1,515,015 | - | 0.0% | |
| Total liabilities | 28,033,375 | 5,470,958 | 22,562,417 | 80.5% | |
| SHAREHOLDERS' EQUITY | | | | | |
| Class A Shares | 100 | 100 | - | 0.0% | |
| Opening retained earnings | 77,515,151 | 71,798,346 | 5,716,805 | 7.4% | |
| Current year earnings | 9,149,330 | 5,716,805 | 3,432,525 | 37.5% | |
| Total Shareholders' Equity | 86,664,581 | 77,515,251 | 9,149,330 | 10.6% | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 114,697,956 | \$ 82,986,209 | 31,711,747 | 27.6% | |

UNION WATER SUPPLY SYSTEM INC.
INTERNAL INCOME STATEMENT
FOR THE TEN MONTHS ENDED OCTOBER 31, 2025



| | YTD October 2025 | YTD Budget | Variance to Budget (\$) | Variance to Budget (%) | Actual to Budget Commentary |
|---|-------------------|-------------------|-------------------------|------------------------|--|
| | <i>Actual</i> | | | | |
| REVENUES | | | | | |
| Treatment & Transmission - Leamington | 8,133,462 | 7,869,239 | 264,223 | | 3% Higher actual flows (10.4MM) than budget (9.9MM) |
| Treatment & Transmission - Lakeshore | 357,547 | 513,399 | (155,852) | | (30%) Higher budgeted flows (649K) than actual (470K) |
| Treatment & Transmission - Essex | 684,871 | 685,671 | (800) | | (0%) Included additional billing for Harrow / Colchester water (\$55K), partially offset by higher budgeted flows (867K) than actual (808K) |
| Treatment & Transmission - Kingsville | 5,407,263 | 5,335,425 | 71,838 | | 1% Actual flows (6.9MM) slightly higher than budgeted flows (6.7MM) |
| Treatment & Transmission - Highbury Canco | 759,868 | 886,085 | (126,217) | | (14%) Higher budgeted flows (1.1MM) than actual (967K) |
| Treatment & Transmission | \$ 15,343,011 | \$ 15,289,819 | \$ 53,192 | | 0% |
| Non-Revenue Water Loss | (434,995) | (1,542,983) | 1,107,988 | | (72%) Water loss billed at 3%, lower than budget water loss (10%) |
| Investment income | 608,824 | 960,885 | (352,061) | | (37%) Lower than budgeted cash balances at declining interest rates from WFCU on cash |
| Other revenue | 116,536 | 44,457 | 72,079 | | 162% Includes CIMA cost recovery from Windsor Canada Utilities Ltd. for the UWSS -WUC Emergency Redundancy Project, not budgeted (\$34.4K) |
| Total revenues | 15,633,376 | 14,752,178 | \$ 881,197 | 6% | |
| OPERATING EXPENSES | | | | | |
| OCWA Operating Contract | 3,362,280 | 4,047,500 | (685,220) | | (17%) Higher budget on OCWA contract of approx. \$68k per month; R. Bouchard still in negotiation with OCWA |
| Utilities | 1,169,903 | 1,412,800 | (242,897) | | (17%) Timing difference on Hydro One billings to be trued up in Q4 2025 - Q1 2026 |
| Professional Fees - Engineering | 41,277 | 150,000 | (108,723) | | (72%) |
| Carbon Dioxide | 38,961 | 40,000 | (1,039) | | (3%) |
| Residuals Ponds Maintenance | 219,019 | - | 219,019 | | 0% Residual ponds maintenance not budgeted |
| Property Tax | 150,782 | 140,259 | 10,523 | | 8% |
| Municipal administrative charges | 162,500 | 101,563 | 60,938 | | 60% Estimated accrued administrative charged higher than budget due to recalculation of administrative costs of the municipalities post budget |
| Operational Programs & Studies | 140,011 | 440,003 | (299,992) | | (68%) |
| Repairs & Maintenance | 16,718 | 68,735 | (52,017) | | (76%) R&M budgeted as % of revenue, timing difference to actual spend |
| Software Support & Maintenance | 66,282 | 72,647 | (6,365) | | (9%) |

UNION WATER SUPPLY SYSTEM INC.
INTERNAL INCOME STATEMENT
FOR THE TEN MONTHS ENDED OCTOBER 31, 2025



| | YTD October 2025 | YTD Budget | Variance to Budget (\$) | Variance to Budget (%) | Actual to Budget Commentary |
|---|------------------|------------------|-------------------------|------------------------|---|
| | <i>Actual</i> | | | | |
| Insurance | 36,189 | 41,391 | (5,202) | (13%) | |
| Hardware Support & Maintenance | 64,751 | 39,899 | 24,852 | 62% | Includes on demand SCADA support calls, not budgeted (\$9.7K); maintenance budgeted based on prior year, but actual costs are higher than budget |
| Water Quality/Corrosion Monitoring Prgm | 20,833 | 25,000 | (4,167) | (17%) | |
| Telecommunication Expense | 16,135 | 19,750 | (3,615) | (18%) | |
| Advertising & Promotion | 3,710 | 4,167 | (457) | (11%) | |
| Shipping, Freight, and Delivery | 252 | 2,083 | (1,831) | 0% | |
| Total operating expenses | 5,509,603 | 6,605,796 | (1,096,193) | (17%) | |
| GENERAL AND ADMIN EXPENSES | | | | | |
| Salaried Wages | 388,187 | 544,712 | (156,525) | (29%) | Budget includes spend for asset management engineer, not hired |
| Professional Fees | 120,721 | 154,167 | (33,446) | (22%) | |
| Benefits | 96,695 | 77,951 | 18,744 | 24% | Actuals higher than budgeted for extended health (\$17K); budget based on prior year, and not adjusted for additional personnel (E. McKee) and rate increase with carrier |
| Board expenses | 34,618 | 50,574 | (15,956) | (32%) | Board expense budget include conference in April that did not occur (\$18K) |
| Conferences | 14,522 | 40,500 | (25,978) | (64%) | Higher budget due to planned conferences in early part of 2025 were not attended |
| Travel & Mileage | 6,879 | 850 | 6,029 | 709% | Travel and mileage not budgeted to prior year experience |
| Training | 1,860 | 10,000 | (8,140) | (81%) | |
| Dues, Memberships and Subscriptions | 4,294 | 5,471 | (1,177) | (22%) | |
| Office Expenses | 5,295 | 4,403 | 892 | 20% | |
| Interest expense | 258,790 | 737,688 | (478,898) | (65%) | Interest expense represents interest paid on operating line draws for the Reservoir #3 project; it is lower than budget due to decline in interest rate and timing of draws from operating line compared to budget. |
| Meeting Expenses | 4,237 | 2,500 | 1,737 | 69% | |

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UNION WATER SUPPLY SYSTEM INC.
 INTERNAL INCOME STATEMENT
 FOR THE TEN MONTHS ENDED OCTOBER 31, 2025



| | YTD October 2025 | YTD Budget | Variance to Budget (\$) | Variance to Budget (%) | Actual to Budget Commentary |
|---|---------------------|---------------------|-------------------------|------------------------|--|
| | <i>Actual</i> | | | | |
| Bank charges | 873 | 2,917 | (2,044) | (70%) | |
| Non-recoverable taxable expense | 37,472 | - | 37,472 | | Since UWSS has municipality status, HST is not fully recoverable and this expense represents the amount that has been paid and will not be recovered; this was not budgeted. |
| Total general and admin expenses | 974,443 | 1,631,732 | (657,289) | (40%) | |
| Net Income | \$ 9,149,330 | \$ 6,514,650 | \$ 2,634,680 | 40% | |

UNION WATER SUPPLY SYSTEM
PROJECTED BALANCE SHEET

| Period | 2026 BUDGET YEAR ("FY26") | | | | | | | | | | | |
|---|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan-26 | Feb-26 | Mar-26 | Apr-26 | May-26 | Jun-26 | Jul-26 | Aug-26 | Sep-26 | Oct-26 | Nov-26 | Dec-26 |
| Fiscal Year | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 |
| Cash and short-term investments | 14,640,429 | \$ 14,517,722 | \$ 14,353,251 | \$ 14,189,023 | \$ 14,177,079 | \$ 14,462,789 | \$ 14,885,160 | \$ 15,294,890 | \$ 15,799,428 | \$ 16,172,382 | \$ 16,322,630 | \$ 15,930,293 |
| Restricted funds | 18,398,452 | 18,610,340 | 18,870,157 | 19,224,134 | 19,677,879 | 20,217,938 | 20,744,051 | 21,277,791 | 21,744,859 | 22,109,276 | 22,392,239 | 22,645,936 |
| Accounts receivable | 953,107 | 1,017,337 | 1,246,454 | 1,439,487 | 1,843,950 | 2,193,879 | 2,137,339 | 2,168,258 | 1,897,965 | 1,481,806 | 1,151,586 | 1,032,934 |
| Government remittances receivable | 2,764,724 | 2,764,724 | 2,764,724 | 2,764,724 | 2,764,724 | 2,764,724 | 2,764,724 | 2,764,724 | 2,764,724 | 2,764,724 | 2,764,724 | 2,764,724 |
| Prepaid expenses | 326,499 | 326,499 | 326,499 | 326,499 | 326,499 | 326,499 | 326,499 | 326,499 | 326,499 | 326,499 | 326,499 | 326,499 |
| Current Assets | 37,083,210 | 37,236,622 | 37,561,084 | 37,943,866 | 38,790,131 | 39,965,829 | 40,857,773 | 41,832,161 | 42,533,474 | 42,854,687 | 42,957,679 | 42,700,386 |
| Property, plant & equipment | | | | | | | | | | | | |
| Land | 489,592 | 489,592 | 489,592 | 489,592 | 489,592 | 489,592 | 489,592 | 489,592 | 489,592 | 489,592 | 489,592 | 489,592 |
| Land improvements | 239,114 | 239,114 | 239,114 | 239,114 | 239,114 | 239,114 | 239,114 | 239,114 | 239,114 | 239,114 | 239,114 | 239,114 |
| Buildings | 34,655,571 | 34,655,571 | 34,655,571 | 34,655,571 | 34,655,571 | 34,655,571 | 34,655,571 | 34,655,571 | 34,655,571 | 34,655,571 | 34,655,571 | 34,655,571 |
| Machinery & Equipment | 25,128,639 | 25,224,889 | 25,351,139 | 25,508,222 | 25,612,805 | 25,667,389 | 25,956,972 | 26,136,555 | 26,316,139 | 26,507,389 | 26,653,639 | 27,012,389 |
| Linear Assets | 28,264,364 | 28,264,364 | 28,264,364 | 28,264,364 | 28,264,364 | 28,264,364 | 28,264,364 | 28,264,364 | 28,264,364 | 28,264,364 | 28,264,364 | 28,264,364 |
| Other tangible assets | 26,449,361 | 29,116,027 | 31,782,694 | 34,449,361 | 37,116,027 | 39,782,694 | 42,449,361 | 45,116,027 | 47,782,694 | 50,449,361 | 53,116,027 | 55,577,565 |
| Accumulated depreciation | (33,877,208) | (33,877,208) | (33,877,208) | (33,877,208) | (33,877,208) | (33,877,208) | (33,877,208) | (33,877,208) | (33,877,208) | (33,877,208) | (33,877,208) | (33,877,208) |
| Net Capital Assets | 81,349,432 | 84,112,349 | 86,905,265 | 89,729,015 | 92,500,265 | 95,221,515 | 98,177,765 | 101,024,015 | 103,870,265 | 106,728,182 | 109,541,099 | 112,361,386 |
| Website development | 32,320 | 32,320 | 32,320 | 32,320 | 32,320 | 32,320 | 32,320 | 32,320 | 32,320 | 32,320 | 32,320 | 32,320 |
| TOTAL ASSETS | \$ 118,464,962 | \$ 121,381,291 | \$ 124,498,669 | \$ 127,705,202 | \$ 131,322,716 | \$ 135,219,665 | \$ 139,067,859 | \$ 142,888,497 | \$ 146,436,060 | \$ 149,615,189 | \$ 152,531,097 | \$ 155,094,092 |
| WFCU operating line | 30,871,796 | 33,538,462 | 36,205,129 | 38,871,796 | 41,538,462 | 44,205,129 | 46,871,796 | 49,538,462 | 52,205,129 | 54,871,796 | 57,538,462 | 60,000,000 |
| Accounts payable | 901,089 | 929,402 | 1,037,387 | 1,027,345 | 1,091,607 | 1,100,498 | 1,140,786 | 1,116,563 | 1,056,686 | 972,923 | 983,724 | 961,633 |
| Accrued payroll liabilities | 24,075 | 24,075 | 24,075 | 24,075 | 24,075 | 24,075 | 24,075 | 24,075 | 24,075 | 24,075 | 24,075 | 24,075 |
| Other accrued liabilities | 282,400 | 282,400 | 282,400 | 282,400 | 282,400 | 282,400 | 282,400 | 282,400 | 282,400 | 282,400 | 282,400 | 282,400 |
| Current Liabilities | 32,079,360 | 34,774,340 | 37,548,991 | 40,205,616 | 42,936,545 | 45,612,102 | 48,319,057 | 50,961,500 | 53,568,291 | 56,151,194 | 58,828,662 | 61,268,109 |
| Asset retirement obligation | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 |
| WFCU term loan | - | - | - | - | - | - | - | - | - | - | - | - |
| Long Term Liabilities | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 |
| Class A Shares | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Closing retained earnings | 85,152,888 | 85,374,237 | 85,716,963 | 86,266,871 | 87,153,457 | 88,374,848 | 89,516,087 | 90,694,282 | 91,635,054 | 92,231,281 | 92,469,721 | 92,593,269 |
| Shareholders' Equity | 85,152,988 | 85,374,337 | 85,717,063 | 86,266,971 | 87,153,557 | 88,374,948 | 89,516,187 | 90,694,382 | 91,635,154 | 92,231,381 | 92,469,821 | 92,593,369 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 118,464,962 | \$ 121,381,291 | \$ 124,498,669 | \$ 127,705,202 | \$ 131,322,716 | \$ 135,219,665 | \$ 139,067,859 | \$ 142,888,497 | \$ 146,436,060 | \$ 149,615,189 | \$ 152,531,097 | \$ 155,094,092 |

**UNION WATER SUPPLY SYSTEM
PROJECTED BALANCE SHEET**

| | FY26 | | FY27 | | FY28 | | FY29 | | FY30 | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|--------|--|--------|--|
| Period | Dec-26 | | Dec-27 | | Dec-28 | | Dec-29 | | Dec-30 | |
| Fiscal Year | 2026 | | 2027 | | 2028 | | 2029 | | 2030 | |
| Cash and short-term investments | \$ 15,930,293 | \$ 16,731,627 | \$ 17,865,317 | \$ 21,124,649 | \$ 25,821,183 | | | | | |
| Restricted funds | 22,645,936 | 27,159,954 | 31,663,370 | 36,544,528 | 41,687,081 | | | | | |
| Accounts receivable | 1,032,934 | 1,085,386 | 1,739,934 | 1,892,355 | 2,039,876 | | | | | |
| Government remittances receivable | 2,764,724 | 2,764,724 | 2,764,724 | 2,764,724 | 2,764,724 | | | | | |
| Prepaid expenses | 326,499 | 326,499 | 326,499 | 326,499 | 326,499 | | | | | |
| | - | - | - | - | - | | | | | |
| Current Assets | 42,700,386 | 48,068,189 | 54,359,843 | 62,652,755 | 72,639,362 | | | | | |
| Property, plant & equipment | | | | | | | | | | |
| Land | 489,592 | 489,592 | 489,592 | 489,592 | 489,592 | | | | | |
| Land improvements | 239,114 | 239,114 | 239,114 | 239,114 | 239,114 | | | | | |
| Buildings | 34,655,571 | 34,655,571 | 34,655,571 | 34,655,571 | 34,655,571 | | | | | |
| Machinery & Equipment | 27,012,389 | 34,177,389 | 39,842,389 | 44,987,389 | 50,132,389 | | | | | |
| Linear Assets | 28,264,364 | 28,264,364 | 28,264,364 | 28,264,364 | 28,264,364 | | | | | |
| Other tangible assets | 55,577,565 | 55,577,565 | 55,577,565 | 55,577,565 | 55,577,565 | | | | | |
| Accumulated depreciation | (33,877,208) | (33,877,208) | (33,877,208) | (33,877,208) | (33,877,208) | | | | | |
| Net Capital Assets | 112,361,386 | 119,526,386 | 125,191,386 | 130,336,386 | 135,481,386 | | | | | |
| Website development | 32,320 | 32,320 | 32,320 | 32,320 | 32,320 | | | | | |
| TOTAL ASSETS | \$ 155,094,092 | \$ 167,626,896 | \$ 179,583,549 | \$ 193,021,461 | \$ 208,153,069 | | | | | |
| WFCU operating line | 60,000,000 | - | - | - | - | | | | | |
| Accounts payable | 961,633 | 956,616 | 1,026,767 | 1,059,727 | 1,087,653 | | | | | |
| Accrued payroll liabilities | 24,075 | 24,075 | 24,075 | 24,075 | 24,075 | | | | | |
| Other accrued liabilities | 282,400 | 282,400 | 282,400 | 282,400 | 282,400 | | | | | |
| Current Liabilities | 61,268,109 | 1,263,092 | 1,333,243 | 1,366,202 | 1,394,128 | | | | | |
| Asset retirement obligation | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | 1,232,615 | | | | | |
| WFCU term loan | - | 63,320,543 | 65,713,020 | 68,161,726 | 70,670,185 | | | | | |
| Long Term Liabilities | 1,232,615 | 64,553,158 | 66,945,635 | 69,394,341 | 71,902,800 | | | | | |
| Class A Shares | 100 | 100 | 100 | 100 | 100 | | | | | |
| Closing retained earnings | 92,593,269 | 101,810,547 | 111,304,571 | 122,260,818 | 134,856,041 | | | | | |
| Shareholders' Equity | 92,593,369 | 101,810,647 | 111,304,671 | 122,260,918 | 134,856,141 | | | | | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 155,094,092 | \$ 167,626,896 | \$ 179,583,549 | \$ 193,021,461 | \$ 208,153,069 | | | | | |

**UNION WATER SUPPLY SYSTEM
PROJECTED STATEMENT OF EARNINGS**

| Period | 2026 BUDGET YEAR ("FY26") | | | | | | | | | | | |
|---|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Jan-26 | Feb-26 | Mar-26 | Apr-26 | May-26 | Jun-26 | Jul-26 | Aug-26 | Sep-26 | Oct-26 | Nov-26 | Dec-26 |
| Fiscal Year | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 |
| Revenue | | | | | | | | | | | | |
| Treatment & Transmission | \$ 930,983 | \$ 994,015 | \$ 1,218,857 | \$ 1,342,701 | \$ 1,721,134 | \$ 2,048,541 | \$ 1,995,640 | \$ 2,024,569 | \$ 1,771,672 | \$ 1,382,297 | \$ 1,073,330 | \$ 962,314 |
| Lifecycle Rate Adjustment | - | - | - | 33,426 | 42,847 | 50,998 | 49,681 | 50,401 | 44,106 | 34,412 | 26,720 | 23,957 |
| Capital and Major Maintenance | 24,000 | 25,625 | 31,421 | 50,140 | 64,271 | 76,497 | 74,522 | 75,602 | 66,158 | 51,618 | 40,081 | 35,935 |
| Reservoir / Treatment Plant Expansion | 6,875 | 7,340 | 9,001 | 28,726 | 36,822 | 43,827 | 42,695 | 43,314 | 37,903 | 29,573 | 22,963 | 20,588 |
| Investment income | 105,796 | 98,841 | 91,083 | 101,335 | 92,429 | 87,850 | 107,860 | 100,167 | 91,447 | 102,490 | 96,729 | 89,678 |
| Other income | 4,487 | 4,487 | 4,487 | 4,487 | 4,487 | 4,487 | 4,487 | 4,487 | 4,487 | 4,487 | 4,487 | 4,487 |
| Total Revenue | 1,072,141 | 1,130,308 | 1,354,848 | 1,560,815 | 1,961,989 | 2,312,200 | 2,274,884 | 2,298,539 | 2,015,773 | 1,604,877 | 1,264,310 | 1,136,959 |
| <i>% Increase (Decrease)</i> | | | | | | | | | | | | |
| Operating expenses | | | | | | | | | | | | |
| OCWA Operating Contract | 434,698 | 434,698 | 434,698 | 434,698 | 434,698 | 434,698 | 434,698 | 434,698 | 434,698 | 434,698 | 434,698 | 434,698 |
| Utilities | 120,000 | 145,000 | 165,000 | 157,000 | 143,000 | 145,200 | 156,200 | 156,200 | 105,200 | 120,000 | 120,000 | 120,000 |
| Operational Programs & Studies | - | 25,000 | 95,000 | 95,000 | 157,143 | 157,143 | 157,143 | 157,143 | 157,143 | 77,143 | 77,143 | 70,000 |
| Professional Fees - Engineering | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 |
| Property Tax | 15,083 | 15,083 | 15,083 | 15,083 | 15,083 | 15,083 | 15,083 | 15,083 | 15,083 | 15,083 | 15,083 | 15,083 |
| Municipal administrative charges | 16,667 | 16,667 | 16,667 | 16,667 | 16,667 | 16,667 | 16,667 | 16,667 | 16,667 | 16,667 | 16,667 | 16,667 |
| Repairs & Maintenance | 34,938 | 35,329 | 36,723 | 37,696 | 40,100 | 42,180 | 41,844 | 42,028 | 40,421 | 37,948 | 35,985 | 35,280 |
| Carbon Dioxide | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 |
| Hardware Support & Maintenance | 5,342 | 5,342 | 5,342 | 5,342 | 5,342 | 5,342 | 5,342 | 5,342 | 5,342 | 5,342 | 5,342 | 5,342 |
| Insurance | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 |
| Software Support & Maintenance | 10,358 | 10,358 | 10,358 | 10,358 | 10,358 | 10,358 | 10,358 | 10,358 | 10,358 | 10,358 | 10,358 | 10,358 |
| Water Quality/Corrosion Monitoring Prgm | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 |
| Telecommunication Expense | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 |
| Advertising & Promotion | 417 | 417 | 417 | 417 | 417 | 417 | 417 | 417 | 417 | 417 | 417 | 417 |
| Shipping, Freight, and Delivery | 208 | 208 | 208 | 208 | 208 | 208 | 208 | 208 | 208 | 208 | 208 | 208 |
| Total Operating Expenses | 656,694 | 707,085 | 798,479 | 791,452 | 841,999 | 846,279 | 856,943 | 857,127 | 804,520 | 736,847 | 734,884 | 727,036 |
| <i>% Total Sales</i> | <i>61%</i> | <i>63%</i> | <i>59%</i> | <i>51%</i> | <i>43%</i> | <i>37%</i> | <i>38%</i> | <i>37%</i> | <i>40%</i> | <i>46%</i> | <i>58%</i> | <i>64%</i> |

**UNION WATER SUPPLY SYSTEM
PROJECTED STATEMENT OF EARNINGS**

| | 2026 BUDGET YEAR ("FY26") | | | | | | | | | | | |
|---|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Period | Jan-26 | Feb-26 | Mar-26 | Apr-26 | May-26 | Jun-26 | Jul-26 | Aug-26 | Sep-26 | Oct-26 | Nov-26 | Dec-26 |
| Fiscal Year | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 |
| General and admin expenses | | | | | | | | | | | | |
| Salaried Wages | 86,065 | 61,679 | 61,679 | 61,679 | 61,679 | 68,725 | 93,374 | 68,988 | 72,410 | 68,988 | 68,988 | 68,988 |
| Benefits | 5,899 | 4,499 | 4,499 | 4,499 | 4,499 | 4,499 | 5,899 | 4,499 | 4,499 | 4,499 | 4,499 | 4,499 |
| Professional Fees | 18,333 | 18,333 | 18,333 | 18,333 | 18,333 | 18,333 | 18,333 | 18,333 | 18,333 | 18,333 | 18,333 | 18,333 |
| Board expenses | 11,500 | 11,500 | 11,500 | 12,250 | 15,100 | 11,500 | 12,250 | 11,500 | 11,500 | 12,250 | 18,700 | 12,250 |
| Conferences | - | - | 2,450 | - | 2,450 | 2,450 | - | 5,300 | 2,450 | - | 4,900 | - |
| Training | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Vehicle Maintenance | 1,463 | 1,463 | 1,463 | 1,463 | 1,463 | 1,463 | 1,463 | 1,463 | 1,463 | 1,463 | 1,463 | 1,463 |
| Bank charges | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 |
| Office Expenses | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Meeting Expenses | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 |
| Dues, Memberships and Subscriptions | 676 | 676 | 676 | 676 | 676 | 676 | 676 | 676 | 676 | 676 | 676 | 676 |
| Travel & Mileage | 85 | 85 | 85 | 85 | 85 | 85 | 85 | 85 | 85 | 85 | 85 | 85 |
| Total General and admin expenses | 126,395 | 100,610 | 103,060 | 101,360 | 106,660 | 110,106 | 134,455 | 113,219 | 113,791 | 108,669 | 120,019 | 108,669 |
| <i>% Total Sales</i> | <i>12%</i> | <i>9%</i> | <i>8%</i> | <i>6%</i> | <i>5%</i> | <i>5%</i> | <i>6%</i> | <i>5%</i> | <i>6%</i> | <i>7%</i> | <i>9%</i> | <i>10%</i> |
| EBITDA | 289,052 | 322,613 | 453,310 | 668,003 | 1,013,331 | 1,355,815 | 1,283,487 | 1,328,193 | 1,097,462 | 759,361 | 409,406 | 301,254 |
| <i>% Total Sales</i> | <i>27%</i> | <i>29%</i> | <i>33%</i> | <i>43%</i> | <i>52%</i> | <i>59%</i> | <i>56%</i> | <i>58%</i> | <i>54%</i> | <i>47%</i> | <i>32%</i> | <i>26%</i> |
| Other expenses | | | | | | | | | | | | |
| Interest expense | 88,756 | 96,423 | 104,090 | 111,756 | 119,423 | 127,090 | 134,756 | 142,423 | 150,090 | 157,756 | 165,423 | 172,500 |
| Amortization | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-recoverable HST | 3,954 | 4,841 | 6,493 | 6,339 | 7,322 | 7,334 | 7,492 | 7,575 | 6,599 | 5,378 | 5,543 | 5,206 |
| Net income (loss) before taxes | 196,342 | 221,349 | 342,727 | 549,908 | 886,586 | 1,221,391 | 1,141,239 | 1,178,195 | 940,773 | 596,226 | 238,440 | 123,548 |
| <i>% Total Sales</i> | <i>18%</i> | <i>20%</i> | <i>25%</i> | <i>35%</i> | <i>45%</i> | <i>53%</i> | <i>50%</i> | <i>51%</i> | <i>47%</i> | <i>37%</i> | <i>19%</i> | <i>11%</i> |
| Retained earnings, beginning of period | 84,956,546 | 85,152,888 | 85,374,237 | 85,716,963 | 86,266,871 | 87,153,457 | 88,374,848 | 89,516,087 | 90,694,282 | 91,635,054 | 92,231,281 | 92,469,721 |
| Retained Earnings, end of period | 85,152,888 | 85,374,237 | 85,716,963 | 86,266,871 | 87,153,457 | 88,374,848 | 89,516,087 | 90,694,282 | 91,635,054 | 92,231,281 | 92,469,721 | 92,593,269 |

**UNION WATER SUPPLY SYSTEM
PROJECTED STATEMENT OF EARNINGS**

| | FY26 | FY27 | FY28 | FY29 | FY30 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Period | Dec-26 | Dec-27 | Dec-28 | Dec-29 | Dec-30 |
| Fiscal Year | 2026 | 2027 | 2028 | 2029 | 2030 |
| Revenue | | | | | |
| Treatment & Transmission | \$ 17,466,053 | \$ 18,798,691 | \$ 20,293,814 | \$ 22,094,053 | \$ 23,963,452 |
| Lifecycle Rate Adjustment | 356,548 | 444,179 | 228,714 | 243,154 | 193,196 |
| Capital and Major Maintenance | 615,870 | 304,357 | 228,714 | 243,154 | 193,196 |
| Reservoir / Treatment Plant Expansion | 329,627 | 381,717 | 393,102 | 417,921 | 442,740 |
| Investment income | 1,165,706 | 1,097,304 | 1,293,252 | 1,246,651 | 1,388,014 |
| Other income | 53,838 | 774,339 | 24,850 | 25,372 | 25,905 |
| Total Revenue | 19,987,642 | 21,800,587 | 22,462,446 | 24,270,305 | 26,206,502 |
| <i>% Increase (Decrease)</i> | | 9% | 3% | 8% | 8% |
| Operating expenses | | | | | |
| OCWA Operating Contract | 5,216,375 | 5,372,866 | 5,534,052 | 5,700,074 | 5,871,076 |
| Utilities | 1,652,800 | 1,818,080 | 1,945,346 | 2,042,613 | 2,083,465 |
| Operational Programs & Studies | 1,225,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Professional Fees - Engineering | 50,000 | 51,000 | 52,020 | 53,060 | 54,122 |
| Property Tax | 180,999 | 184,619 | 188,311 | 192,078 | 195,919 |
| Municipal administrative charges | 200,000 | 204,000 | 208,080 | 212,242 | 216,486 |
| Repairs & Maintenance | 460,468 | 483,653 | 494,593 | 505,789 | 517,248 |
| Carbon Dioxide | 66,000 | 72,600 | 77,682 | 79,236 | 80,820 |
| Hardware Support & Maintenance | 64,100 | 67,305 | 70,670 | 74,204 | 77,914 |
| Insurance | 37,500 | 75,000 | 78,750 | 82,688 | 86,822 |
| Software Support & Maintenance | 124,300 | 126,786 | 129,322 | 131,908 | 134,546 |
| Water Quality/Corrosion Monitoring Prgm | 50,000 | 51,000 | 52,020 | 57,222 | 60,083 |
| Telecommunication Expense | 24,300 | 25,515 | 28,067 | 29,470 | 30,059 |
| Advertising & Promotion | 5,000 | 5,100 | 5,202 | 5,306 | 5,412 |
| Shipping, Freight, and Delivery | 2,500 | 2,550 | 2,550 | 2,601 | 2,653 |
| Total Operating Expenses | 9,359,342 | 8,790,074 | 9,116,664 | 9,418,489 | 9,666,627 |
| <i>% Total Sales</i> | 47% | 40% | 41% | 39% | 37% |

**UNION WATER SUPPLY SYSTEM
PROJECTED STATEMENT OF EARNINGS**

| | FY26 | FY27 | FY28 | FY29 | FY30 |
|---|-------------------|--------------------|--------------------|--------------------|--------------------|
| Period | Dec-26 | Dec-27 | Dec-28 | Dec-29 | Dec-30 |
| Fiscal Year | 2026 | 2027 | 2028 | 2029 | 2030 |
| General and admin expenses | | | | | |
| Salaried Wages | 843,243 | 1,033,496 | 1,065,030 | 1,095,347 | 1,126,574 |
| Benefits | 56,788 | 58,899 | 61,095 | 63,377 | 65,751 |
| Professional Fees | 220,000 | 224,400 | 228,888 | 233,466 | 238,135 |
| Board expenses | 151,800 | 154,836 | 157,933 | 161,091 | 164,313 |
| Conferences | 20,000 | 20,400 | 20,808 | 21,224 | 21,649 |
| Training | 12,000 | 12,240 | 12,485 | 12,734 | 12,989 |
| Vehicle Maintenance | 17,551 | 17,902 | 18,260 | 18,625 | 18,998 |
| Bank charges | 3,500 | 3,570 | 3,641 | 3,714 | 3,789 |
| Office Expenses | 5,500 | 5,500 | 5,610 | 5,722 | 5,837 |
| Meeting Expenses | 7,500 | 7,650 | 7,803 | 7,959 | 8,118 |
| Dues, Memberships and Subscriptions | 8,112 | 8,274 | 8,440 | 8,609 | 8,781 |
| Travel & Mileage | 1,020 | 1,040 | 1,061 | 1,082 | 1,104 |
| Total General and admin expenses | 1,347,014 | 1,548,207 | 1,591,053 | 1,632,952 | 1,676,037 |
| <i>% Total Sales</i> | <i>7%</i> | <i>7%</i> | <i>7%</i> | <i>7%</i> | <i>6%</i> |
| EBITDA | 9,281,286 | 11,462,305 | 11,754,728 | 13,218,864 | 14,863,839 |
| <i>% Total Sales</i> | <i>46%</i> | <i>53%</i> | <i>52%</i> | <i>54%</i> | <i>57%</i> |
| Other expenses | | | | | |
| Interest expense | 1,570,486 | 2,183,701 | 2,196,443 | 2,195,943 | 2,200,559 |
| Amortization | - | - | - | - | - |
| Non-recoverable HST | 74,078 | 61,325 | 64,260 | 66,674 | 68,057 |
| Net income (loss) before taxes | 7,636,723 | 9,217,278 | 9,494,025 | 10,956,246 | 12,595,223 |
| <i>% Total Sales</i> | <i>38%</i> | <i>21%</i> | <i>42%</i> | <i>45%</i> | <i>48%</i> |
| Retained earnings, beginning of period | 84,956,546 | 92,593,269 | 101,810,547 | 111,304,571 | 122,260,818 |
| Retained Earnings, end of period | 92,593,269 | 101,810,547 | 111,304,571 | 122,260,818 | 134,856,041 |

UNION WATER SUPPLY SYSTEM
PROJECTED STATEMENT OF CASH FLOW

| Period | 2026 BUDGET YEAR ("FY26") | | | | | | | | | | | |
|---|---------------------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|-------------|-------------|-------------|--------------|
| | Jan-26 | Feb-26 | Mar-26 | Apr-26 | May-26 | Jun-26 | Jul-26 | Aug-26 | Sep-26 | Oct-26 | Nov-26 | Dec-26 |
| Fiscal Year | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 | 2026 |
| Net Income | \$ 196,342 | \$ 221,349 | \$ 342,727 | \$ 549,908 | \$ 886,586 | \$ 1,221,391 | \$ 1,141,239 | \$ 1,178,195 | \$ 940,773 | \$ 596,226 | \$ 238,440 | \$ 123,548 |
| Non-cash items | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Operating Cash Flows | 196,342 | 221,349 | 342,727 | 549,908 | 886,586 | 1,221,391 | 1,141,239 | 1,178,195 | 940,773 | 596,226 | 238,440 | 123,548 |
| Cash Flows from (Used in) Operating Activities | | | | | | | | | | | | |
| Operating and general reserve | (121,028) | (129,222) | (158,451) | (174,551) | (223,747) | (266,310) | (259,433) | (263,194) | (230,317) | (179,699) | (139,533) | (125,101) |
| Rate stabilization reserve | (46,549) | (49,701) | (60,943) | (67,135) | (86,057) | (102,427) | (99,782) | (101,228) | (88,584) | (69,115) | (53,666) | (48,116) |
| Capital reserve | (30,875) | (32,965) | (40,422) | (112,292) | (143,941) | (171,322) | (166,898) | (169,317) | (148,167) | (115,603) | (89,764) | (80,480) |
| Accounts receivable | 1,576,554 | (64,230) | (229,117) | (193,033) | (404,463) | (349,929) | 56,540 | (30,919) | 270,293 | 416,159 | 330,220 | 118,652 |
| Accounts payable | 4,732,297 | 28,313 | 107,985 | (10,042) | 64,262 | 8,891 | 40,288 | (24,223) | (59,876) | (83,764) | 10,801 | (22,091) |
| Cash Flows from (used in) Operations | 6,306,740 | (26,456) | (38,221) | (7,145) | 92,640 | 340,294 | 711,954 | 589,313 | 684,121 | 564,204 | 296,498 | (33,587) |
| Cash Flows from (Used in) Investing Activities | | | | | | | | | | | | |
| Additions to capital assets | | | | | | | | | | | | |
| New Reservoir | (2,666,667) | (2,666,667) | (2,666,667) | (2,666,667) | (2,666,667) | (2,666,667) | (2,666,667) | (2,666,667) | (2,666,667) | (2,666,667) | (2,666,667) | (2,461,538) |
| Other property, plant & equipment | (96,250) | (96,250) | (126,250) | (157,083) | (104,583) | (54,583) | (289,583) | (179,583) | (179,583) | (191,250) | (146,250) | (358,750) |
| Debt-funded fixed assets | | | | | | | | | | | | |
| Cash Flows from (used in) Investing Activities | (2,762,917) | (2,762,917) | (2,792,917) | (2,823,750) | (2,771,250) | (2,721,250) | (2,956,250) | (2,846,250) | (2,846,250) | (2,857,917) | (2,812,917) | (2,820,288) |
| Cash Flows from (Used in) Financing Activities | | | | | | | | | | | | |
| Term loan | - | - | - | - | - | - | - | - | - | - | - | - |
| Term loan principal repayment | | | | | | | | | | | | |
| Advances in operating line | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,461,538 |
| Repayment - operating line | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash Flows from (used in) Financing Activities | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,666,667 | 2,461,538 |
| Net Cash Flow | \$ 6,210,490 | \$ (122,706) | \$ (164,471) | \$ (164,228) | \$ (11,944) | \$ 285,710 | \$ 422,371 | \$ 409,730 | \$ 504,538 | \$ 372,954 | \$ 150,248 | \$ (392,337) |
| Cash, Beginning Balance | 8,429,938 | 14,640,429 | 14,517,722 | 14,353,251 | 14,189,023 | 14,177,079 | 14,462,789 | 14,885,160 | 15,294,890 | 15,799,428 | 16,172,382 | 16,322,630 |
| Cash, Ending Balance | 14,640,429 | 14,517,722 | 14,353,251 | 14,189,023 | 14,177,079 | 14,462,789 | 14,885,160 | 15,294,890 | 15,799,428 | 16,172,382 | 16,322,630 | 15,930,293 |

UNION WATER SUPPLY SYSTEM
PROJECTED STATEMENT OF CASH FLOW

| | FY26 | FY27 | FY28 | FY29 | FY30 |
|---|--------------|--------------|--------------|---------------|---------------|
| Period | Dec-26 | Dec-27 | Dec-28 | Dec-29 | Dec-30 |
| Fiscal Year | 2026 | 2027 | 2028 | 2029 | 2030 |
| Net Income | \$ 7,636,723 | \$ 9,217,278 | \$ 9,494,025 | \$ 10,956,246 | \$ 12,595,223 |
| Non-cash items | - | - | - | - | - |
| Net Operating Cash Flows | 7,636,723 | 9,217,278 | 9,494,025 | 10,956,246 | 12,595,223 |
| Cash Flows from (Used in) Operating Activities | | | | | |
| Operating and general reserve | (2,270,586) | (2,443,830) | (2,638,196) | (2,872,227) | (3,115,249) |
| Rate stabilization reserve | (873,303) | (939,936) | (1,014,691) | (1,104,703) | (1,198,173) |
| Capital reserve | (1,302,047) | (1,130,252) | (850,529) | (904,229) | (829,131) |
| Accounts receivable | 1,496,726 | (52,452) | (654,547) | (152,421) | (147,521) |
| Accounts payable | 4,792,842 | (5,017) | 70,151 | 32,960 | 27,925 |
| Cash Flows from (used in) Operations | 9,480,355 | 4,645,791 | 4,406,212 | 5,955,626 | 7,333,075 |
| Cash Flows from (Used in) Investing Activities | | | | | |
| Additions to capital assets | | | | | |
| New Reservoir | (31,794,871) | - | | | |
| Other property, plant & equipment | (1,980,000) | (2,165,000) | (1,665,000) | (1,145,000) | (1,145,000) |
| Debt-funded fixed assets | - | (5,000,000) | (4,000,000) | (4,000,000) | (4,000,000) |
| Cash Flows from (used in) Investing Activities | (33,774,871) | (7,165,000) | (5,665,000) | (5,145,000) | (5,145,000) |
| Cash Flows from (Used in) Financing Activities | | | | | |
| Term loan | | 65,000,000 | 4,000,000 | 4,000,000 | 4,000,000 |
| Term loan principal repayment | - | (1,679,457) | (1,607,523) | (1,551,294) | (1,491,541) |
| Advances in operating line | 31,794,871 | - | - | - | - |
| Repayment - operating line | - | (60,000,000) | - | - | - |
| Cash Flows from (used in) Financing Activities | 31,794,871 | 3,320,543 | 2,392,477 | 2,448,706 | 2,508,459 |
| Net Cash Flow | \$ 7,500,355 | \$ 801,334 | \$ 1,133,690 | \$ 3,259,332 | \$ 4,696,534 |
| Cash, Beginning Balance | 8,429,938 | 15,930,293 | 16,731,627 | 17,865,317 | 21,124,649 |
| Cash, Ending Balance | 15,930,293 | 16,731,627 | 17,865,317 | 21,124,649 | 25,821,183 |

UNION WATER SUPPLY SYSTEM
2025 CAPITAL BUDGET / ACTUALS REVIEW

| CAPITAL BUDGET | 2025 Budget | 2025 YTD Actual | 2025 Full Year Projected | 2025 Carryover Capital Budget to 2026 | 2026 Capital Budget | 2026 Capital Budget, including 2025 Carryover Budget | Notes |
|--|---------------|-----------------|--------------------------|---------------------------------------|---------------------|--|--|
| | A | B | C | D = A - C | E | F = D + E | |
| CASH FUNDED PROJECTS | | | | | | | |
| Backup Power System Upgrades | \$ 2,000,000 | \$ 1,188,407 | \$ 1,600,000 | \$ 400,000 | \$ - | \$ 400,000 | |
| Carbon Scrubber System | 125,000 | - | | 125,000 | 100,000 | 225,000 | |
| Chemical System | 130,000 | - | 50,000 | 80,000 | 300,000 | 380,000 | |
| DAF #2 and High Lift Upgrades | 5,000,000 | 11,585,875 | 5,000,000 | - | - | - | DAF#2 completed in 2025, Actual include spent of carryover budget from 2024 of \$7.5MM; approx. \$11.3 MM funded with debt |
| Distribution System | 970,000 | - | 300,000 | 670,000 | 900,000 | 1,570,000 | |
| Filtration | 50,000 | 8,415 | | 50,000 | 100,000 | 150,000 | |
| General Building Maintenance & Low Lift Station | 210,000 | 227,215 | 90,000 | 120,000 | 250,000 | 370,000 | |
| Main Plant Electrical | 1,095,000 | 64,022 | \$ 650,000 | 445,000 | 295,000 | 740,000 | |
| Main Plant Reservoirs and Clearwells | 75,000 | - | 75,000 | - | 75,000 | 75,000 | |
| Residuals management system upgrades | 30,000 | - | 30,000 | - | - | - | |
| SCADA System / Communication / Security | - | - | | - | 1,000,000 | 1,000,000 | |
| Treatment Plant Facade upgrades and Vehicles and Equipment Purchases | 310,000 | 54,484 | 175,000 | 135,000 | 70,000 | 205,000 | |
| Wastewater Treatment System | 1,500,000 | - | 150,000 | 1,350,000 | | 1,350,000 | |
| Water Treatment Plant Capacity Expansion | 215,000 | - | 215,000 | - | - | - | |
| Other non-identified capital projects | - | 41,531 | 90,000 | (90,000) | 90,000 | 90,000 | Not budgeted in 2025 but necessary |
| KW PowerLogic | 250,000 | - | 150,000 | 100,000 | | 100,000 | |
| Flow Chamber | - | - | | - | | | |
| Kingsville Utility Building | 800,000 | 310,367 | 850,000 | (50,000) | | | Additional 2025 budget of \$800k approved by Board at the March 2025 Board meeting |
| Water Quality Instrumentation | | 3,906 | | - | | | |
| Total Cash Funded Capital Projects | \$ 12,760,000 | \$ 13,637,184 | \$ 9,425,000 | \$ 3,335,000 | \$ 3,180,000 | \$ 6,655,000 | |

UNION WATER SUPPLY SYSTEM
2025 CAPITAL BUDGET / ACTUALS REVIEW

| CAPITAL BUDGET | 2025 Budget | 2025 YTD Actual | 2025 Full Year Projected | 2025 Carryover Capital Budget to 2026 | 2026 Capital Budget | 2026 Capital Budget, including 2025 Carryover Budget | Notes |
|---|----------------------|----------------------|--------------------------|---------------------------------------|----------------------|--|-------|
| DEBT- FUNDED PROJECTS | | | | | | | |
| New Reservoir #3 | 34,100,000 | 12,293,024 | 24,000,000 | 10,100,000 | 20,000,000 | 30,100,000 | |
| Cottam Water Main Upgrades | | | | | 250,000 | 250,000 | |
| Water Treatment Plant Capacity Expansion | | | | | 3,000,000 | 3,000,000 | |
| Administration building expansion | | | | | 1,900,000 | 1,900,000 | |
| Total Debt Funded Capital Projects | \$ 34,100,000 | \$ 12,293,024 | \$ 24,000,000 | \$ 10,100,000 | \$ 25,150,000 | \$ 35,250,000 | |