



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

**Wednesday, January 14, 2026
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 November 26, 2025
Pages 2 - 5
- E. Items for Consideration:**
 - 1. UWSS Inc. Financial Results to November 30, 2025
Pages 6 - 9
 - 2. UWSS Inc. 2026 Preliminary Budget
Pages 10 - 19
- F. New Business:**
- G. Action Items:**
- H. Adjournment:**
- I. Date of Next Meeting:** To be determined

/kmj



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**UWSS Inc.
Finance & Audit
Committee
Meeting**

Wednesday, November 26, 2025
9:00 am
1615 Union Ave, Ruthven WTP
Board Room

MINUTES

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

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: 8:58 am

Welcoming Remarks:

Chair Rogers calls the meeting and welcomes everyone.

Disclosures of Pecuniary Interest

There are none.

Adoption of the Minutes of October 17th, 2025

No. FAC-18-25

Moved by: Director Atkinson

Seconded by: Director St. Amant

That the Minutes of the Finance & Audit Committee of October 17th, 2025 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 reviews the items that will be discussed at this meeting. Noting that they are not seeking approval for the budget at this meeting, but a good review and discussion,

with the intent of presenting to the Board of Directors in January 2026. She indicates that another Finance & Audit Committee (FAC) meeting will most likely be required prior to bringing to the Board.

The CFO then reviews the Income Statement, noting that Leamington's flows are slightly higher than budgeted for, however most of the municipalities are on budget for 2025. She reminds members that the water loss is billed at 3%. She notes that income investment is lower than budgeted for, and that is due to fluctuating investment rates with the financial institution. Director Atkinson seeks clarification on this item, and there is confirmation that it is based on a variable rate.

Director St. Amant asks why Lakeshore's revenues are down so much. The CFO explains that the budget was based on historical flows, however, over the last year, it has been determined a large number of leaks in Lakeshore have been repaired and therefore, the actual flows are determined to be much lower.

There is a small discussion on shares and how they are determined every four (4) years. Chair Rogers asks if this determination coincides with terms of council. The CEO indicates he will have to speak with legal counsel to see if this determination can occur in between terms of council.

The CFO then reviews the remaining operational expenses and where some items might be carried over into the new year, and where there could be variances.

The Chair asks for an update on the OCWA contract negotiations, the CEO notes that he has a scheduled meeting in two (2) days, they are working on several new items within this contract, including new reporting and other areas of interest. For those reasons, this process has taken longer than anticipated. He is hoping to have something in place in January or February 2026, with the contract being backdated to January 1st, 2026.

The CFO turns attention back to reports and notes that salaries and wages are lower than budgeted for and that is due to timing of potential new hires, wherein the additional employee was not realized in 2025. The CEO notes that the HR study is almost complete and will be presented to both the FAC and Governance Committee. The CEO does not anticipate any retroactive salaries to be paid out for 2025.

No. FAC-19-25

Moved by: Director Wharram

Seconded by: Director St. Amant

That the financial results to October 31, 2025 are received;

Carried

The CFO moves on to preliminary 2026 UWSS Inc. Budget. She notes that tracking is now by class indicators and this allows for more precise numbers. There is some discussion about breaking out some of the numbers to show a few more line items, to allow for a more granular appearance and more details.

The CFO notes that she can certainly do that for the FAC but feels that the consolidated numbers will be presented at the Board level. There is agreement with this sentiment.

She moves on to discuss cash funded vs debt funded projects. Director St. Amant seeks clarification on a few items, specifically the Reservoir #3 and the amount left to spend prior to year end. The CEO explains the invoicing schedule, and it is anticipated that \$11.5 million will be spent prior to year end.

There are further questions and discussions surrounding the preliminary budget and some key projects and capital upgrades are reviewed. The Chair asks for clarification and information on the County Rd 34 watermain project.

With that the discussion then turns to the UWSS-WUC Redundancy Project. The CEO notes that he will need to set up a meeting with the municipalities to discuss this item. Director Atkinson feels that the budget suggested at the last board meeting for this project should at least be included in the preliminary budget to allow for discussion to be had. The CEO then discusses the benefits and the third-party analysis.

Director St. Amant feels that a briefing note to the Board might be beneficial, with Director Wharram noting that UWSS Inc.'s mission statement should be reiterated at the same time.

Director St. Amant provides direction, regarding the UWSS - WUC Redundancy Study, to the CEO as follows:

- The CEO shall provide the incremental costs to the UWSS Inc. Board;
- The 3rd party financial analysis shall be completed by February or March 2026, with results brought back to the FAC for discussion and review;
- Following the detailed review and analysis at the FAC the CEO shall provide the Board of Directors with recommendations to potentially move forward;
- The CEO shall reach out to the Board of Directors to obtain their thoughts on this study.

The CFO notes that the carry forward items from 2025 will be moved into the 2026 budget presentation. There is a discussion on Lifecycle costs, treatment and transmission costs, CPI adjustment numbers, the new wholesale water rate for 2026 and the agriculture rate. The draft new wholesale water rate for 2026 is expected to be \$ 0.8555 m³

There is a brief discussion on how this will impact residents and the agricultural sector. However, it is noted that the increase came in less than anticipated and there is still room for growth when looking at the flows. The discussion turns to the five-year horizon and what can be expected in the coming years.

Director Atkinson was clarification on other income presented and why it drops so much in the years ahead. There is a discussion on the rental income and the farm property and the plans going forward. The CEO notes that UWSS Inc. is in the process of severing the property.

Minutes of Union Water Supply System Inc. Finance & Audit Committee

Date: November 26, 2025

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Director Atkinson feels strongly that UWSS Inc. should be working on an Investment Policy. She provides Direction to the CEO to proceed with completing the Investment Policy for UWSS Inc.

The CFO moves back to the reports and finishes up her discussion on the budgetary items which include the operating costs. She then moves on to briefly discuss the remuneration for the Board of Directors and how that might look moving forward. This item will also be presented to the Governance Committee.

Director St. Amant seeks clarification on insurance for UWSS. The CEO describes insurance UWSS carries and some that OCWA carries.

No. FAC-20-25

Moved by: Director Atkinson

Seconded by: Director St. Amant

That the UWSS Inc. 2026 Preliminary Budget is received;

Carried

No. FAC-21-25

Moved by: Director Wharram

Seconded by: Director Atkinson

That the comparison of 2025/2026 Budget is received;

Carried

Reserve Policy

Due to time constraints the CFO suggests that she share with the FAC members the Reserve Policy and seek comments back to discuss at the next meeting. Director Wharram suggests that the Investment Policy should be completed first. Director St. Amant asks if there is any urgency, from the Auditors, to complete either policy. The CFO confirms that there have been no instructions from the auditors.

Adjournment

No. FAC-22-25

Moved by: Director Atkinson

Seconded by: Director Wharram

Time adjourned: 11:01 am

Date of Next Meeting: January 14, 2025 at the Ruthven Water Treatment Plant

UNION WATER SUPPLY SYSTEM INC.
INTERNAL BALANCE SHEET
AS OF NOVEMBER 30, 2025



	November 2025	December 2024	Variance to Year- End (\$)	Variance to Year- End (%)	Commentary
	Actual	Audited			
ASSETS					
Cash and short-term investments	\$ 6,161,638	\$ 21,214,424	\$ (15,052,786)	(244.3%)	
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	2,631,720	1,567,504	1,064,216	40.4%	Includes current receivable (November billings) of \$1.6 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	3,981,110	851,688	3,129,422	78.6%	
Prepaid expenses	129,605	168,719	(39,114)	(30.2%)	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, Cimsoft Corp.
Total current assets	31,104,073	23,802,335	7,301,738	23.5%	
Property, plant and equipment	83,382,552	59,183,874	24,198,678	29.0%	Increase due primarily to DAF #2 (complete) and Reservoir #3 project in progress
TOTAL ASSETS	\$ 114,486,625	\$ 82,986,209	\$ 31,500,416	27.5%	

UNION WATER SUPPLY SYSTEM INC.
INTERNAL BALANCE SHEET
AS OF NOVEMBER 30, 2025



	November 2025	December 2024	Variance to Year-End (\$)	Variance to Year-End (%)	Commentary
	Actual	Audited			
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	762,001	3,955,943	\$ (3,193,942)	(419.2%)	
Accrued payroll liabilities	21,953	-	21,953	100.0%	
Operating line	25,249,202	-	25,249,202	100.0%	
Total current liabilities	26,033,156	3,955,943	22,077,213	84.8%	
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	27,548,171	5,470,958	22,077,213	80.1%	
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	9,423,203	5,716,805	3,706,398	39.3%	
Total Shareholders' Equity	86,938,454	77,515,251	9,423,203	10.8%	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 114,486,625	\$ 82,986,209	31,500,416	27.5%	

UNION WATER SUPPLY SYSTEM INC.
INTERNAL INCOME STATEMENT
FOR THE 11 MONTHS ENDED NOVEMBER 30, 2025



	YTD November 2025	YTD Budget	Variance to Budget (\$)	Variance to Budget (%)	Actual to Budget Commentary
	Actual				
REVENUES					
Treatment & Transmission	\$ 16,261,914	\$ 16,357,675	\$ (95,761)	(1%)	
Non-Revenue Water Loss	(462,220)	(1,646,632)	1,184,412	(72%)	Water loss billed at 3%, lower than budget water loss (10%)
Investment income	625,846	1,052,557	(426,711)	(41%)	Lower than budgeted cash balances at declining interest rates from WFCU on cash
Other revenue	121,370	48,902	72,468	148%	Includes CIMA cost recovery from Windsor Canada Utilities Ltd. for the UWSS -WUC Emergency Redundancy Project, not budgeted (\$34.4K)
Total revenues	16,546,908	15,812,502	\$ 734,408	5%	
OPERATING EXPENSES					
OCWA Operating Contract	3,698,508	4,452,250	(753,742)	(17%)	Higher budget on OCWA contract of approx. \$68k per month; new OCWA contract to be finalized for 2026
Utilities	1,293,082	1,532,800	(239,718)	(16%)	
Professional Fees - Engineering	41,908	165,000	(123,092)	(75%)	Some engineering costs capitalized on projects; expected to be below budget.
Carbon Dioxide	39,647	44,000	(4,353)	(10%)	
Residuals Ponds Maintenance	222,873	-	222,873	0%	Residual ponds maintenance not budgeted
Property Tax	165,890	154,285	11,605	8%	
Municipal administrative charges	178,750	111,719	67,031	60%	Estimated accrued administrative charged higher than budget due to re-calcuation of administrative costs of the municipalities post budget
Operational Programs & Studies	149,296	490,000	(340,704)	(70%)	
Repairs & Maintenance	20,239	73,556	(53,317)	(72%)	R&M budgeted as % of revenue, timing difference to actual spend
Software Support & Maintenance	72,910	79,911	(7,001)	(9%)	
Insurance	40,279	45,530	(5,251)	(12%)	
Hardware Support & Maintenance	70,208	43,889	26,319	60%	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	22,917	27,500	(4,583)	(17%)	
Telecommunication Expense	17,608	21,725	(4,117)	(19%)	
Advertising & Promotion	4,576	4,583	(7)	(0%)	
Shipping, Freight, and Delivery	310	2,292	(1,982)	0%	
	-				
Total operating expenses	6,039,002	7,249,040	(1,210,038)	(17%)	

UNION WATER SUPPLY SYSTEM INC.
INTERNAL INCOME STATEMENT
FOR THE 11 MONTHS ENDED NOVEMBER 30, 2025



	YTD November 2025	YTD Budget	Variance to Budget (\$)	Variance to Budget (%)	Actual to Budget Commentary
	Actual				
GENERAL AND ADMIN EXPENSES					
Amortization Expense	-				
Salaried Wages	471,416	616,836	(145,420)	(24%)	Budget includes spend for asset management engineer, not hired
Professional Fees	157,249	169,583	(12,334)	(7%)	
Benefits	82,161	64,854	17,307	27%	Actuals higher than budgeted for extended health (\$26K); budget based on prior year, and not adjusted for additional personnel (E. McKee) and rate increase with carrier
Board Expenses	34,618	56,674	(22,056)	(39%)	Board expense budget include conference in April that did not occur (\$18K)
Conferences	16,352	54,000	(37,648)	(70%)	Higher budget due to planned conferences in early part of 2025 were not attended
Travel & Mileage	7,658	935	6,723	719%	Travel and mileage not budgeted to prior year experience
Training	2,190	10,000	(7,810)	(78%)	
Dues, Memberships and Subscriptions	4,699	6,018	(1,319)	(22%)	
Office Expense	5,684	4,844	840	17%	Includes one-time office expense for new HR hire
Interest Expense	320,511	864,875	(544,364)	(63%)	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 Expense	4,304	2,750	1,554	57%	
Bank Charges	888	3,208	(2,320)	(72%)	
Non-Recoverable Taxable Expense	(83)	-	(83)		
Total general and admin expenses	1,107,647	1,854,577	(746,930)	(40%)	
	0				
Net Income	\$ 9,423,203	\$ 6,708,885	\$ 2,714,318	40%	

UNION WATER SUPPLY SYSTEM
PROJECTED BALANCE SHEET

	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
Cash and short-term investments	14,625,686	\$ 14,286,309	\$ 14,397,658	\$ 13,611,914	\$ 13,659,029	\$ 13,427,687	\$ 13,254,776	\$ 13,062,301	\$ 13,003,392	\$ 12,825,995	\$ 12,438,162	\$ 11,851,675
Restricted funds	18,398,452	18,610,340	18,870,157	19,251,294	19,739,852	20,321,348	20,887,826	21,462,517	21,965,421	22,357,798	22,662,472	22,935,633
Accounts receivable	953,107	1,017,337	1,246,454	1,438,113	1,842,191	2,191,784	2,135,297	2,166,188	1,896,152	1,480,392	1,150,488	1,031,950
Government remittances receivable	2,764,724	2,764,724	2,024,724	2,024,724	1,284,724	1,284,724	1,284,724	1,284,724	1,284,724	1,284,724	1,284,724	1,284,724
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	37,068,468	37,005,209	36,865,491	36,652,543	36,852,294	37,552,041	37,889,121	38,302,228	38,476,188	38,275,408	37,862,344	37,430,480
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	25,152,139	25,483,555	26,079,972	26,840,972	27,596,139	28,136,972	28,967,805	29,696,972	30,384,472	31,063,639	31,688,639	32,167,389
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	26,437,324	29,103,990	31,770,657	34,437,324	37,103,990	39,770,657	42,437,324	45,103,990	50,770,657	56,437,324	62,103,990	67,565,528
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	81,360,895	84,358,978	87,622,062	91,049,728	94,471,562	97,679,062	101,176,562	104,572,395	110,926,562	117,272,395	123,564,062	129,504,349
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	\$ 118,461,683	\$ 121,396,507	\$ 124,519,873	\$ 127,734,592	\$ 131,356,176	\$ 135,263,423	\$ 139,098,003	\$ 142,906,943	\$ 149,435,069	\$ 155,580,123	\$ 161,458,725	\$ 166,967,150
WFCU operating line #1	30,871,796	33,538,462	36,205,129	38,871,796	41,538,463	44,205,129	46,871,796	49,538,462	52,205,129	54,871,796	57,538,463	60,000,000
WFCU operating line #2	-	-	-	-	-	-	-	-	3,000,000	6,000,000	9,000,000	12,000,000
Accounts payable	889,052	920,216	1,028,201	1,018,149	1,082,409	1,109,888	1,147,348	1,125,974	1,066,379	982,339	993,144	971,053
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	32,067,323	34,765,153	37,539,805	40,196,420	42,927,348	45,621,492	48,325,619	50,970,912	56,577,983	62,160,610	67,838,083	73,277,529
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 #1	-	-	-	-	-	-	-	-	-	-	-	-
WFCU term loan #2	-	-	-	-	-	-	-	-	-	-	-	-
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	85,161,645	85,398,639	85,747,353	86,305,456	87,196,113	88,409,215	89,539,667	90,703,315	91,624,371	92,186,797	92,387,927	92,456,906
Shareholders' Equity	85,161,745	85,398,739	85,747,453	86,305,556	87,196,213	88,409,315	89,539,767	90,703,415	91,624,471	92,186,897	92,388,027	92,457,006
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 118,461,683	\$ 121,396,507	\$ 124,519,872	\$ 127,734,591	\$ 131,356,176	\$ 135,263,422	\$ 139,098,002	\$ 142,906,942	\$ 149,435,069	\$ 155,580,122	\$ 161,458,725	\$ 166,967,149

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	\$	11,851,675	\$	5,830,276	\$	(560,140)	\$	(4,049,801)	\$	(3,743,678)
Restricted funds		22,935,633		28,545,681		35,319,080		43,533,972		53,276,240
Accounts receivable		1,031,950		1,081,888		1,920,085		2,322,081		2,789,892
Government remittances receivable		1,284,724		1,284,724		1,284,724		1,284,724		1,284,724
Prepaid expenses		326,499		326,499		326,499		326,499		326,499
Current Assets		37,430,480		37,069,068		38,290,247		43,417,474		53,933,676
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		32,167,388		39,232,388		44,897,389		50,042,388		55,187,389
Linear Assets		28,264,364		28,264,364		28,264,364		28,264,364		28,264,364
Other tangible assets		67,565,528		99,365,528		125,565,528		131,565,528		138,565,528
Accumulated depreciation		(33,877,208)		(33,877,208)		(33,877,208)		(33,877,208)		(33,877,208)
Net Capital Assets		129,504,348		168,369,348		200,234,349		211,379,348		223,524,349
Website development		32,320		32,320		32,320		32,320		32,320
TOTAL ASSETS	\$	166,967,149	\$	205,470,736	\$	238,556,916	\$	254,829,143	\$	277,490,346
WFCU operating line #1		60,000,000		-						
WFCU operating line #2		12,000,000		43,800,000		-		6,000,000		13,000,000
Accounts payable		971,053		953,210		1,022,163		1,054,443		1,081,655
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		73,277,529		45,059,685		1,328,638		7,360,919		14,388,131
Asset retirement obligation		1,232,615		1,232,615		1,232,615		1,232,615		1,232,615
WFCU term loan #1		-		58,522,732		57,137,753		55,871,591		54,633,487
WFCU term loan #2		-		-		69,624,819		68,414,036		67,147,629
Long Term Liabilities		1,232,615		59,755,347		127,995,187		125,518,242		123,013,731
Class A Shares		100		100		100		100		100
Closing retained earnings		92,456,906		100,655,605		109,232,990		121,949,883		140,088,384
Shareholders' Equity		92,457,006		100,655,705		109,233,090		121,949,983		140,088,484
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$	166,967,149	\$	205,470,736	\$	238,556,916	\$	254,829,143	\$	277,490,346

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
Revenue												
Treatment & Transmission	\$ 930,983	\$ 994,015	\$ 1,218,857	\$ 1,307,882	\$ 1,676,502	\$ 1,995,418	\$ 1,943,888	\$ 1,972,068	\$ 1,725,728	\$ 1,346,451	\$ 1,045,496	\$ 937,359
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	83,566	107,119	127,496	124,203	126,004	110,264	86,030	66,801	59,892
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	101,402	92,581	88,105	117,384	109,148	99,785	111,839	105,647	98,051
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	1,559,488	1,960,358	2,310,330	2,282,338	2,305,421	2,022,272	1,612,791	1,272,113	1,144,333
% Increase (Decrease)												
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	37,688	40,090	42,167	41,832	42,015	40,410	37,939	35,979	35,274
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	791,444	841,989	846,266	856,931	857,114	804,509	736,838	734,878	727,030
% Total Sales	61%	63%	59%	51%	43%	37%	38%	37%	40%	46%	58%	64%

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	75,604	53,695	53,695	53,695	53,695	76,899	99,089	77,181	80,844	77,181	77,181	77,181
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	115,934	92,626	95,076	93,376	98,676	118,280	140,170	121,412	122,225	116,862	128,212	116,862
% Total Sales	11%	8%	7%	6%	5%	5%	6%	5%	6%	7%	10%	10%
EBITDA	299,513	330,596	461,293	674,668	1,019,693	1,345,785	1,285,237	1,326,896	1,095,539	759,092	409,024	300,442
% Total Sales	28%	29%	34%	43%	52%	58%	56%	58%	54%	47%	32%	26%
Other expenses												
Interest expense	90,459	88,762	106,086	110,226	121,713	125,349	147,293	155,673	167,884	191,288	202,350	226,258
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	5,205
Net income (loss) before taxes	205,099	236,993	348,714	558,103	890,658	1,213,102	1,130,452	1,163,648	921,056	562,426	201,131	68,978
% Total Sales	19%	21%	26%	36%	45%	53%	50%	50%	46%	35%	16%	6%
Retained earnings, beginning of period	84,956,546	85,161,645	85,398,639	85,747,353	86,305,456	87,196,113	88,409,215	89,539,667	90,703,315	91,624,371	92,186,797	92,387,927
Retained Earnings, end of period	85,161,645	85,398,639	85,747,353	86,305,456	87,196,113	88,409,215	89,539,667	90,703,315	91,624,371	92,186,797	92,387,927	92,456,906

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	\$	17,094,647	\$	17,393,522	\$	20,198,516	\$	24,404,535	\$	29,482,331
Lifecycle Rate Adjustment		356,548		806,092		1,143,568		1,458,923		1,738,760
Capital and Major Maintenance		972,421		1,291,405		1,600,996		1,945,231		2,253,948
Reservoir / Treatment Plant Expansion		329,627		381,717		393,102		417,921		442,740
Investment income		1,219,661		1,338,570		1,565,386		1,492,712		1,824,764
Other income		53,838		774,339		24,850		25,372		25,905
Total Revenue		20,026,742		21,985,644		24,926,418		29,744,694		35,768,447
% Increase (Decrease)				10%		13%		19%		20%
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		460,380		480,934		491,792		502,904		514,277
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		9,359,254		8,787,355		9,113,864		9,415,605		9,663,656
% Total Sales		47%		40%		37%		32%		27%

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	855,941	995,180	1,019,814	1,043,127	1,067,001
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	1,359,712	1,509,891	1,545,837	1,580,732	1,616,464
% Total Sales	7%	7%	6%	5%	5%
EBITDA	9,307,777	11,688,398	14,266,717	18,748,357	24,488,328
% Total Sales	46%	53%	57%	63%	68%
Other expenses					
Interest expense	1,733,341	3,428,421	5,625,120	5,964,841	6,281,823
Amortization	-	-	-	-	-
Non-recoverable HST	74,076	61,278	64,211	66,624	68,004
Net income (loss) before taxes	7,500,360	8,198,699	8,577,386	12,716,893	18,138,501
% Total Sales	37%	9%	34%	43%	51%
Retained earnings, beginning of period	84,956,546	92,456,906	100,655,605	109,232,990	121,949,883
Retained Earnings, end of period	92,456,906	100,655,605	109,232,990	121,949,883	140,088,384

UNION WATER SUPPLY SYSTEM
PROJECTED STATEMENT OF CASH FLOW

	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
Net Income	\$ 205,099	\$ 236,993	\$ 348,714	\$ 558,103	\$ 890,658	\$ 1,213,102	\$ 1,130,452	\$ 1,163,648	\$ 921,056	\$ 562,426	\$ 201,131	\$ 68,978
Non-cash items	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Cash Flows	205,099	236,993	348,714	558,103	890,658	1,213,102	1,130,452	1,163,648	921,056	562,426	201,131	68,978
Cash Flows from (Used in) Operating Activities												
Operating and general reserve	(121,028)	(129,222)	(158,451)	(170,025)	(217,945)	(259,404)	(252,705)	(256,369)	(224,345)	(175,039)	(135,914)	(121,857)
Rate stabilization reserve	(46,549)	(49,701)	(60,943)	(65,394)	(83,825)	(99,771)	(97,194)	(98,603)	(86,286)	(67,323)	(52,275)	(46,868)
Capital reserve	(30,875)	(32,965)	(40,422)	(145,718)	(186,788)	(222,321)	(216,579)	(219,719)	(192,273)	(150,015)	(116,484)	(104,437)
Accounts receivable	1,576,554	(64,230)	(229,117)	(191,659)	(404,078)	(349,594)	56,487	(30,891)	270,036	415,761	329,904	118,538
Accounts payable	4,732,297	31,164	107,985	(10,051)	64,260	27,479	37,460	(21,374)	(59,596)	(84,039)	10,805	(22,091)
Government Rebates			740,000		740,000							
Cash Flows from (used in) Operations	6,315,498	(7,961)	707,766	(24,744)	802,282	309,491	657,922	536,692	628,591	501,770	237,167	(107,737)
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	(119,750)	(331,417)	(596,417)	(761,000)	(755,167)	(540,833)	(830,833)	(729,167)	(687,500)	(679,167)	(625,000)	(478,750)
Debt-funded fixed assets (WTP Expansion)	-	-	-	-	-	-	-	-	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Cash Flows from (used in) Investing Activities	(2,786,417)	(2,998,083)	(3,263,083)	(3,427,667)	(3,421,833)	(3,207,500)	(3,497,500)	(3,395,833)	(6,354,167)	(6,345,833)	(6,291,667)	(5,940,288)
Cash Flows from (Used in) Financing Activities												
Term loan #1	-	-	-	-	-	-	-	-	-	-	-	-
Term loan #1 principal repayment												
Term loan #2	-	-	-	-	-	-	-	-	-	-	-	-
Term loan #1 principal repayment												
Advances in operating line #1 (\$60 million)	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
Advances in operating line #2 (\$70 million)	-	-	-	-	-	-	-	-	3,000,000	3,000,000	3,000,000	3,000,000
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	5,666,667	5,666,667	5,666,667	5,461,538
Net Cash Flow	\$ 6,195,748	\$ (339,377)	\$ 111,350	\$ (785,744)	\$ 47,115	\$ (231,342)	\$ (172,911)	\$ (192,475)	\$ (58,909)	\$ (177,397)	\$ (387,833)	\$ (586,487)
Cash, Beginning Balance	8,429,938	14,625,686	14,286,309	14,397,658	13,611,914	13,659,029	13,427,687	13,254,776	13,062,301	13,003,392	12,825,995	12,438,162

UNION WATER SUPPLY SYSTEM PROJECTED STATEMENT OF CASH FLOW												
Cash, Ending Balance	14,625,686	14,286,309	14,397,658	13,611,914	13,659,029	13,427,687	13,254,776	13,062,301	13,003,392	12,825,995	12,438,162	11,851,675

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	\$	7,500,360	\$	8,198,699	\$	8,577,386	\$	12,716,893	\$	18,138,501
Non-cash items		-		-		-		-		-
Net Operating Cash Flows		7,500,360		8,198,699		8,577,386		12,716,893		18,138,501
Cash Flows from (Used in) Operating Activities										
Operating and general reserve		(2,222,304)		(2,261,156)		(2,625,807)		(3,172,590)		(3,832,703)
Rate stabilization reserve		(854,732)		(869,675)		(1,009,926)		(1,220,227)		(1,474,117)
Capital reserve		(1,658,596)		(2,479,214)		(3,137,666)		(3,822,075)		(4,435,448)
Accounts receivable		1,497,711		(49,938)		(838,197)		(401,996)		(467,811)
Accounts payable		4,814,299		(17,847)		68,953		32,280		27,212
Government Rebates		1,480,000		-		-		-		-
Cash Flows from (used in) Operations		10,556,737		2,520,869		1,034,743		4,132,285		7,955,634
Cash Flows from (Used in) Investing Activities										
Additions to capital assets										
New Reservoir		(31,794,871)		-						
Other property, plant & equipment		(7,135,000)		(7,065,000)		(5,665,000)		(5,145,000)		(5,145,000)
Debt-funded fixed assets (WTP Expansion)		(12,000,000)		(31,800,000)		(26,200,000)		(6,000,000)		(7,000,000)
Cash Flows from (used in) Investing Activities		(50,929,871)		(38,865,000)		(31,865,000)		(11,145,000)		(12,145,000)
Cash Flows from (Used in) Financing Activities										
Term loan #1				60,000,000		-				
Term loan #1 principal repayment		-		(1,477,267)		(1,384,979)		(1,266,162)		(1,238,104)
Term loan #2				-		70,000,000		-		-
Term loan #1 principal repayment		-		-		(375,181)		(1,210,783)		(1,266,406)
Advances in operating line #1 (\$60 million)		31,794,871		-		-		-		-
Advances in operating line #2 (\$70 million)		12,000,000		31,800,000		26,200,000		6,000,000		7,000,000
Repayment - operating line		-		(60,000,000)		(70,000,000)		-		-
Cash Flows from (used in) Financing Activities		43,794,871		30,322,732		24,439,840		3,523,055		4,495,489
Net Cash Flow	\$	3,421,737	\$	(6,021,399)	\$	(6,390,417)	\$	(3,489,661)	\$	306,123
Cash, Beginning Balance		8,429,938		11,851,675		5,830,276		(560,140)		(4,049,801)

UNION WATER SUPPLY SYSTEM					
PROJECTED STATEMENT OF CASH FLOW					
Cash, Ending Balance	11,851,675	5,830,276	(560,140)	(4,049,801)	(3,743,678)