



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

**Friday, October 17, 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 July 16, 2025
- E. Items for Consideration:**
 - 1. UWSS Inc. Financial Results to August 31, 2025
 - 2. Discussion on Reserves: percentages used, movement of funds at WFCU and amount in each UWSS Inc. Reserve Account
 - 3. Discussion on upcoming UWSS Inc. 2026 Budget
 - 4. Update on the 2024 Adjustments - True - Up Billings
- F. New Business:**
- G. Action Items:**
- H. Adjournment:**
- I. Date of Next Meeting:** To be determined

/kmj



UWSS Inc. Finance & Audit Committee Meeting

Wednesday, July 16, 2025
9:00 am
Roma Club, 19 Seacliff Drive

MINUTES

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

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

Guest The CFO Nazzani, CPA, CA Capital Assist Valuation

Call to Order: 8:59 am

Welcoming Remarks:

Chair Rogers calls the meeting and welcomes everyone.

Disclosures of Pecuniary Interest

There are none.

Business to Discuss

The CFO reminds members that the draft audited Financial Statements have been seen and reviewed by the members many times. She notes that these are the final numbers. She highlights a few areas that have been adjusted since the last meeting: the utility invoices have been adjusted to show actuals to December, land transfer tax is captured and there are some smaller accruals as well. In total about \$178k of extra expenses have been added since the previous version.

There is further discussion on the clean up of the Financial Statements for 2024, some editorial notes that have been adjusted, and reminds members that there is no residential exposure, however that might change going forward.

She further notes that the cash flow is a bit different in this version, the long term Sun Life debt has been paid off, post retirement benefits are now included and construction costs need to be corrected by auditor.

The CFO apologizes for the lateness of the statements however the audit took longer than anticipated as there was a lot to understand and she is planning on ensuring that going forward there is collaborative planning with the auditors.

The CEO clarifies that the 2024 audit is taking longer due to the transition between the Joint Board of Management and the new corporation and extra time is needed to ensure that we get it right.

There is a discussion around the asset retirement obligation.

The CFO and Director St. Amant discuss whether the auditor will provide an audit package. The CFO will reach out to the team at Baker Tilly to see if that is something they can provide.

Director St. Amant feels the auditors should be part of this meeting and given an opportunity to speak, in camera, if need be. He makes a motion.

No. FAC-11-25

Moved by: Director St. Amant

Seconded by: Director Atkinson

That the auditors from Baker Tilly are given an opportunity to attend this meeting; and

That we move in camera to allow time to discuss any sensitive material or issues regarding the audit of the UWSS Inc. 2024 Financial Statements.

Carried

Director Wharram suggests that if the above motion is something that is going to happen on a regular, yearly basis, that a policy should be created, as this feels a bit rushed. The CFO indicates that the auditor never raised this issue with her and she feels they do not need the opportunity this year, however asking them is certainly an option.

Director Kissner doesn't feel this item should be delayed any longer. He agrees with Director Wharram that a policy should be established. He makes a motion.

No. FAC-12-25

Moved by: Director Kissner

Seconded by: Director Wharram

That the UWSS Inc. create a policy to allow the auditors, of the UWSS Inc. Financial Statements, have the opportunity to attend the Finance and Audit Committee meeting prior to the regular Board of Directors meeting when bringing forward future years' Financial Statements.

Carried

The CEO suggests that the FAC speaks to the auditors prior to the Board of Directors meeting, which is taking place immediately following this meeting, and ask them if they wish to speak in camera.

No. FAC-13-25

Moved by: Director St. Amant

Seconded by: Director Kissner

That the Chair speak with the auditor immediately to determine if they wish to have the opportunity to attend this Finance and Audit Committee meeting or speak in camera regarding any sensitive material.

Carried

The auditors arrive. The Chair and the CFO speak to the Baker Tilly representatives and ask if they have any need to move into a closed session within the Finance and Audit Committee to discuss any sensitive materials relating to the UWSS Inc. 2024 Financial Statements. The Chair confirms the representative do not wish to move into camera. They feel they only need to attend the regular Board of Directors meeting taking place immediately following this meeting.

Adjournment

No. FAC-14-25

Moved by: Director Atkinson

Seconded by: Director Wharram

That the meeting is adjourned

Carried

Time adjourned: 9:27 am

Date of Next Meeting: To be determined.

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



	August 2025	December 2024	Variance to Year-End (\$)	Variance to Year-End (%)	Commentary
	Actual	Audited			
ASSETS					
Cash and short-term investments	\$ 22,883,665	\$ 21,214,424	\$ 1,669,241	7.3%	Includes - General and operating reserve (\$10.7MM) - Rate stabilization reserve (\$1.5MM) - Capital reserve (\$6MM)
Accounts receivable	6,275,933	1,567,504	4,708,429	75.0%	Accounts receivable higher due to higher billings in the summer months;
Government remittances receivable	2,764,724	851,688	1,913,036	69.2%	
Prepaid expenses	326,499	168,719	157,780	48.3%	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	32,250,821	23,802,335	8,448,486	26.2%	
Property, plant and equipment	73,689,928	59,183,874	14,506,054	19.7%	Increase due primarily to DAF #2 (complete) and Reservoir #3 project in progress
TOTAL ASSETS	\$ 105,940,750	\$ 82,986,209	\$ 22,954,541	21.7%	
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	5,058,796	3,955,943	\$ 1,102,853	21.8%	Includes primarily \$3.8MM in trade AP for Alberici Constructors for Reservoir #3; and other construction costs; also includes 2024 accrued liabilities for excess T&T revenues billed versus actual usage for 2024 (\$224K)
Accrued payroll liabilities	24,075	-	24,075	100.0%	
Operating line	14,386,218	-	14,386,218	100.0%	
Total current liabilities	19,469,089	3,955,943	15,513,146	79.7%	

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



	August 2025	December 2024	Variance to Year-End (\$)	Variance to Year-End (%)	Commentary
	Actual	Audited			
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	20,984,104	5,470,958	15,513,146	73.9%	
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	7,441,395	5,716,805	1,724,590	23.2%	
Total Shareholders' Equity	84,956,646	77,515,251	7,441,395	8.8%	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 105,940,750	\$ 82,986,209	22,954,541	21.7%	

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



	YTD August 2025	YTD Budget	Variance to Budget (\$)	Variance to Budget (%)	Actual to Budget Commentary
	<i>Actual</i>				
REVENUES					
Treatment & Transmission - Leamington	6,635,058	6,254,254	380,804	6%	Higher actual flows (8.5MM) than budget (7.9MM)
Treatment & Transmission - Lakeshore	291,268	408,035	(116,768)	(29%)	Higher budgeted flows (517.2K) than actual (386.7K)
Treatment & Transmission - Essex	571,125	544,952	26,173	5%	Included additional billing for Harrow / Colchester water (\$55K), partially offset by higher budgeted flows (690.8K) than actual (664.7K)
Treatment & Transmission - Kingsville	4,205,393	4,240,448	(35,055)	(1%)	Budgeted flows (5.4MM) approximate actual
Treatment & Transmission - Highbury Canco	529,559	704,236	(174,676)	(25%)	Higher budgeted flows (892.7K) than actual (678.4K)
Treatment & Transmission	\$ 12,232,403	\$ 12,151,925	\$ 80,478	1%	
Non-Revenue Water Loss	(349,442)	(1,238,409)	1,015,129	(82%)	Water loss billed at 3%, lower than budget water loss (10%)
Investment income	513,870	775,753	(261,882)	(34%)	Lower than budgeted cash balances at declining interest rates from WFCU on cash
Other revenue	71,078	35,565	(90,649)	(255%)	Includes CIMA cost recovery from Windsor Canada Utilities Ltd. for the UWSS -WUC Emergency Redundancy Project, not budgeted (\$34.4K)
Total revenues	12,467,910	11,724,834	\$ 743,076	6%	
OPERATING EXPENSES					
OCWA Operating Contract	2,689,824	3,238,000	(548,176)	(17%)	Higher budget on OCWA contract of approx. \$68k per month; R. Bouchard still in negotiation with OCWA
Utilities	770,691	1,187,600	(416,909)	(35%)	Timing difference on Hydro One billings to be trued up in Q4 2025 - Q1 2026
Professional Fees - Engineering	37,110	120,000	(82,890)	(69%)	
Carbon Dioxide	27,939	32,000	(4,061)	(13%)	
Residuals Ponds Maintenance	93,150		93,150	0%	Residual ponds maintenance not budgeted
Property Tax	12,960	112,207	(99,247)	(88%)	
Municipal administrative charges	130,000	81,250	(81,250)	(100%)	Estimated accrued administrative charged higher than budget due to recalculation of administrative costs of the municipalities post budget
Operational Programs & Studies	114,484	340,000	(225,516)	(66%)	
Repairs & Maintenance	16,400	54,568	16,400	30%	R&M budgeted as % of revenue, timing difference to actual spend
Software Support & Maintenance	52,639	60,815	(8,176)	(13%)	
Insurance	26,527	30,415	(3,888)	(13%)	
Hardware Support & Maintenance	55,291	31,919	23,372	73%	Includes on demand SCADA support calls, not budgeted (\$9.7K); maintenance budgeted based on prior year, but actual costs are higher than budget

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



	YTD August 2025	YTD Budget	Variance to Budget (\$)	Variance to Budget (%)	Actual to Budget Commentary
	<i>Actual</i>				
Water Quality/Corrosion Monitoring Prgm	16,667	20,000	(3,333)	(17%)	
Telecommunication Expense	13,327	15,800	(2,473)	(16%)	
Advertising & Promotion	3,710	3,333	376	11%	
Shipping, Freight, and Delivery	1,702	1,667	35	0%	
	-				
Total operating expenses	4,062,421	5,329,575	(1,261,337)	(24%)	
GENERAL AND ADMIN EXPENSES					
Salaried Wages	313,475	414,968	(101,493)	(24%)	Budget includes spend for asset management engineer, not yet realized
Professional Fees	96,727	123,333	(26,606)	(22%)	
Benefits	80,285	62,361	17,924	29%	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	21,634	44,205	(22,571)	(51%)	Board expense budget include conference in April that did not occur (\$18K)
Conferences	9,675	27,000	(17,325)	(64%)	Higher budget due to planned conferences in early part of 2025 were not attended
Travel & Mileage	6,045	680	5,365	789%	Travel and mileage not budgeted to prior year experience
Training	1,860	5,000	(3,140)	(63%)	
Dues, Memberships and Subscriptions	2,988	4,377	(1,389)	(32%)	
Office Expenses	4,736	3,523	1,214	34%	
Interest expense	146,363	508,750	(362,387)	(71%)	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	3,651	2,000	1,651	83%	
Bank charges	794	2,333	(1,539)	(66%)	

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



	YTD August 2025	YTD Budget	Variance to Budget (\$)	Variance to Budget (%)	Actual to Budget Commentary
	<i>Actual</i>				
Non-recoverable taxable expense	275,861	-	275,861		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.
Land Transfer Tax					
Total general and admin expenses	964,094	1,198,529	(234,434)	(20%)	-
Net Income	\$ 7,441,395	\$ 5,196,730	\$ 2,374,664	46%	-

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



	YTD August 2025	YTD August 2024	Variance to Prior Year (\$)	Variance to Prior Year (%)
	Actual	Actual		
REVENUES				
Treatment & Transmission - Leamington	6,635,058	6,022,549	612,509	10%
Treatment & Transmission - Lakeshore	291,268	307,412	(16,144)	(5%)
Treatment & Transmission - Essex	571,125	450,132	120,993	27%
Treatment & Transmission - Kingsville	4,205,393	3,897,116	308,277	8%
Treatment & Transmission - Highbury Canco	529,559	483,686	45,873	9%
Treatment & Transmission	\$ 12,232,403	\$ 11,160,895	\$ 1,071,508	10%
Non-Revenue Water Loss	(349,442)	(1,379,448)	1,030,006	(75%)
Investment income	513,870	906,605	(392,735)	(43%)
Other revenue	71,078	40,015	31,063	78%
Total revenues	12,467,910	10,728,067	1,739,842	16%
OPERATING EXPENSES				
OCWA Operating Contract	2,689,824	2,525,166	164,658	7%
Utilities	770,691	823,485	(52,794)	(6%)
Professional Fees - Engineering	37,110	147,725	(110,615)	(75%)
Carbon Dioxide	27,939	132,926	(104,987)	(79%)
Residuals Ponds Maintenance	93,150	119,875	(26,725)	0%
Property Tax	12,960	91,097	(78,137)	(86%)
Municipal administrative charges	130,000	-	130,000	0%
Operational Programs & Studies	114,484	65,314	49,170	75%
Repairs & Maintenance	16,400	166,599	(150,199)	(90%)
Software Support & Maintenance	52,639	21,451	31,188	145%
Insurance	26,527	40,466	(13,939)	(34%)
Hardware Support & Maintenance	55,291	38,864	16,427	42%

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



	YTD August 2025	YTD August 2024	Variance to Prior Year (\$)	Variance to Prior Year (%)
	Actual	Actual		
Water Quality/Corrosion Monitoring Prgm	16,667	15,004	1,663	11%
Telecommunication Expense	13,327	10,656	2,671	25%
Advertising & Promotion	3,710	3,077	633	21%
Shipping, Freight, and Delivery	1,702	1,317	385	0%
	-			
Total operating expenses	4,062,421	4,203,022	(270,601)	(6%)
GENERAL AND ADMIN EXPENSES				
Salaried Wages	313,475	166,391	147,084	88%
Professional Fees	96,727	183,789	(87,062)	(47%)
Benefits	80,285	41,452	38,833	94%
Board expenses	21,634	32,276	(10,642)	(33%)
Conferences	9,675	4,746	4,929	104%
Travel & Mileage	6,045	3,456	2,589	75%
Training	1,860	3,644	(1,784)	(49%)
Dues, Memberships and Subscriptions	2,988	2,321	667	29%
Office Expenses	4,736	2,057	2,679	130%
Interest expense	146,363	758,539	(612,176)	(81%)
Meeting Expenses	3,651	562	3,089	550%
Bank charges	794	846	(52)	(6%)

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INTERNAL INCOME STATEMENT
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2025



	YTD August 2025	YTD August 2024	Variance to Prior Year (\$)	Variance to Prior Year (%)
	<i>Actual</i>	<i>Actual</i>		
Non-recoverable taxable expense	275,861	-	275,861	
Land Transfer Tax		154,537	(154,537)	0% (100%)
Total general and admin expenses	964,094	1,393,808	(429,714)	(31%)
Net Income	\$ 7,441,395	5,131,237	\$ 2,310,158	45%