# Canora Rural Public Utility Board

## FINANCIAL STATEMENTS

### Year Ended December 31, 2025

bakertilly

## Independent Auditors' Report

To the Board of Directors
Canora Rural Public Utility Board

*Opinion*

We have audited the financial statements of Canora Rural Public Utility Board, (the organization), which comprise the Statement of Financial Position as at December 31, 2025 and the Statements of Operations, Change in Net Financial Assets and Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2025, and results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the organization's financial reporting process.

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Baker Tilly SK LLP**

Baker Tilly SK LLP

Yorkton, SK
June 22, 2026

## Canora Rural Public Utility Board

Canora, Saskatchewan

Statement of Financial Position as at December 31, 2025

| | 2025 | 2024 (Note 12) |
|---|---|---|
| **Assets** | | |
| **Current Assets** | | |
| Cash and cash equivalents | 1,083,664 | 1,040,628 |
| Accounts receivable - note 4 | 76,456 | 65,302 |
| Subscriber loans receivable - current portion - note 5 | | 4,270 |
| Inventories | 34,015 | 26,433 |
| Prepaid expenses | 2,129 | 2,129 |
| | 1,196,264 | 1,138,762 |
| **Portfolio Investments** | 5,000 | 5,000 |
| **Subscriber Loans Receivable** - note 5 | | |
| Loans receivable | 0 | 0 |
| **Current Assets, Portfolio Investments and Subscriber Loans Receivable** | 1,201,264 | 1,143,762 |
| **Capital Assets** - note 6 | 3,394,467 | 3,518,507 |
| **Other Assets** - note 7 | 26,002 | 26,983 |
| **Capital and Other Assets** | 3,420,469 | 3,545,490 |
| | $ 4,621,733 | $ 4,689,252 |
| **Liabilities and Net Assets** | | |
| **Current Liabilities** | | |
| Accounts payable and accrued liabilities | 14,570 | 10,278 |
| Deferred revenue | 6,215 | 6,963 |
| **Current Liabilities** | 20,785 | 17,241 |
| **Long-Term Liabilities** | | |
| Deferred subscriber contributions - note 9 | 2,673,524 | 2,772,340 |
| Deferred grants - note 9 | 1,024,393 | 1,073,070 |
| **Long-Term Liabilities** | 3,697,917 | 3,845,410 |
| | 3,718,702 | 3,862,651 |
| **Net Assets** | | |
| Capital fund | 732,359 | 478,443 |
| Operating fund | 170,672 | 348,158 |
| **Accumulated Surplus** | 903,031 | 826,601 |
| | $ 4,621,733 | $ 4,689,252 |

Approved on behalf of the board:

*The notes to financial statements are an integral part of these financial statements.*

# Canora Rural Public Utility Board

Canora, Saskatchewan

Statement of Financial Position by Fund as at December 31, 2025

| | Operating Fund | Capital Fund | 2025 Total | 2024 Total (Note 12) |
|---|---|---|---|---|
| **Assets** | | | | |
| **Current Assets** | | | | |
| Cash and cash equivalents | 111,223 | 972,441 | 1,083,664 | 1,040,628 |
| Accounts receivable - note 4 | 73,105 | 3,351 | 76,456 | 65,302 |
| Subscriber loans receivable - current portion - note 5 | | | | 4,270 |
| Inventories | | 34,015 | 34,015 | 26,433 |
| Prepaid expenses | 2,129 | | 2,129 | 2,129 |
| | 186,457 | 1,009,807 | 1,196,264 | 1,138,762 |
| **Portfolio Investments** | 5,000 | 0 | 5,000 | 5,000 |
| **Subscriber Loans Receivable** - note 5 | | | | |
| Loans receivable | 0 | 0 | 0 | 0 |
| **Current Assets, Portfolio Investments and Subscriber Loans Receivable** | 191,457 | 1,009,807 | 1,201,264 | 1,143,762 |
| **Capital Assets** - note 6 | | 3,394,467 | 3,394,467 | 3,518,507 |
| **Other Assets** - note 7 | | 26,002 | 26,002 | 26,983 |
| **Capital and Other Assets** | 0 | 3,420,469 | 3,420,469 | 3,545,490 |
| | $ 191,457 | $ 4,430,276 | $ 4,621,733 | $ 4,689,252 |
| **Liabilities and Net Assets** | | | | |
| **Current Liabilities** | | | | |
| Accounts payable and accrued liabilities | 14,570 | | 14,570 | 10,278 |
| Deferred revenue | 6,215 | | 6,215 | 6,963 |
| **Current Liabilities** | 20,785 | 0 | 20,785 | 17,241 |
| **Long-Term Liabilities** | | | | |
| Deferred subscriber contributions - note 9 | | 2,673,524 | 2,673,524 | 2,772,340 |
| Deferred grants - note 9 | | 1,024,393 | 1,024,393 | 1,073,070 |
| **Deferred Revenue** | 0 | 3,697,917 | 3,697,917 | 3,845,410 |
| | 20,785 | 3,697,917 | 3,718,702 | 3,862,651 |
| **Net Assets** | | | | |
| Invested in capital assets | | 732,359 | 732,359 | 478,443 |
| Unrestricted net assets | 170,672 | | 170,672 | 348,158 |
| **Accumulated Surplus** | 170,672 | 732,359 | 903,031 | 826,601 |
| | $ 191,457 | $ 4,430,276 | $ 4,621,733 | $ 4,689,252 |

*The notes to financial statements are an integral part of these financial statements.*

# Canora Rural Public Utility Board

Statement of Changes in Net Assets
For the year ended December 31, 2025

| | Invested in Capital Assets | Unrestricted Net Assets | 2025 Total | 2024 Total (Note 12) |
|---|---|---|---|---|
| Balance, beginning of year | 478,443 | 348,158 | 826,601 | 736,521 |
| Excess of revenue over expenses for the year | 38,643 | 37,787 | 76,430 | 90,080 |
| Interfund transfers | 215,273 | ( 215,273) | | |
| Balance, end of year | $ 732,359 | $ 170,672 | $ 903,031 | $ 826,601 |

*The notes to financial statements are an integral part of these financial statements.*

## Canora Rural Public Utility Board

Statement of Operations - Operating Fund
For the year ended December 31, 2025

| | 2025 | 2024 (Note 12) |
|---|---|---|
| **Revenue** | | |
| Water billings and service fees | 376,823 | 369,422 |
| Custom work and other revenue | 10,790 | 5,121 |
| Interest | 12,279 | 18,109 |
| | 399,892 | 392,652 |
| **Expenses** | | |
| Board - meeting indemnities | 10,866 | 11,659 |
| Conventions | 300 | 796 |
| Electricity - pumphouses | 24,886 | 28,426 |
| Insurance - building | 11,411 | 10,366 |
| Insurance - other | 249 | 359 |
| Maintenance by contract | 22,070 | 21,774 |
| Office | 12,868 | 12,276 |
| Operations and maintenance | 25,212 | 11,575 |
| Professional fees | 8,063 | 6,349 |
| Travel and maintenance cell phone | 2,209 | 3,651 |
| Wages and benefits - administration and maintenance | 78,413 | 102,175 |
| Water | 165,558 | 141,418 |
| | 362,105 | 350,824 |
| **Excess of Revenue over Expenses for the Year** | $ 37,787 | $ 41,828 |

*The notes to financial statements are an integral part of these financial statements.*

## Canora Rural Public Utility Board

Statement of Operations - Capital Fund
For the year ended December 31, 2025

| | 2025 | 2024 (Note 12) |
|---|---|---|
| **Revenue** | | |
| Government grants | 48,677 | 48,532 |
| Subscriber payments | 98,816 | 98,524 |
| Interest | 28,306 | 37,672 |
| | 175,799 | 184,728 |
| **Expenses** | | |
| Amortization | 137,156 | 136,476 |
| **Excess of Revenue over Expenses for the Year** | $ 38,643 | $ 48,252 |

## Canora Rural Public Utility Board

Statement of Cash Flow

For the year ended December 31, 2025

| | 2025 | 2024 (Note 12) |
|---|---|---|
| **Cash Provided By (Used In):** | | |
| Operations | | |
| Excess of revenue over expenses for the year | 76,430 | 90,080 |
| Add items not requiring cash resources | | |
| Amortization | 137,156 | 136,476 |
| Net change in working capital | ( 15,191) | 15,783 |
| | 198,395 | 242,339 |
| Investing activities | | |
| Capital asset purchases | ( 12,136) | ( 19,222) |
| Additions to long-term investments | | ( 5,000) |
| Subscriber loans repaid | 4,270 | 8,220 |
| | ( 7,866) | ( 16,002) |
| Financing activities | | |
| Deferred revenue amortized | ( 147,493) | ( 147,056) |
| **Net Cash Increase for the Year** | 43,036 | 79,281 |
| Cash position, beginning of year | 1,040,628 | 961,347 |
| **Cash Position, End of Year** | $ 1,083,664 | $ 1,040,628 |
| **Represented By:** | | |
| Cash and cash equivalents | $ 1,083,664 | $ 1,040,628 |
| Net change in working capital consists of: | | |
| Decrease (increase) - accounts receivable | ( 11,154) | 3,310 |
| - inventory | ( 7,581) | 2,790 |
| Increase (decrease) - accounts payable and accrued liabilities | 3,544 | 9,683 |
| | $( 15,191) | $ 15,783 |

*The notes to financial statements are an integral part of these financial statements.*

## 1. Nature of Operations

The association was formed on February 3, 2000 by the Rural Municipality of Buchanan No. 304, the Rural Municipality of Keys No. 303, the Rural Municipality of Good Lake No. 274, the Rural Municipality of Invermay No. 305 and the Rural Municipality of Sliding Hills No. 273. The Canora Rural Public Utility Board was formed to construct and operate a water pipeline for ratepayers in the participating municipalities. The association is not subject to income tax.

## 2. Significant Accounting Policies

These financial statements are the responsibility of management and have been prepared in accordance with Canadian public sector accounting (PSA) standards with adoption of standards for government not for profit organizations; using the accounting policies as summarized below:

(a) Fund accounting

The accounts of the association are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) Operating fund

The operating fund reflects the primary operations of the association, including revenues received for water billings to subscribers and the operating portion of interest income. Expenses consist primarily of the day-to-day operations of the water pipeline.

(ii) Capital fund

The capital fund is a restricted fund that reflects the equity of the association in capital assets after taking into consideration any associated long-term debt. The capital fund includes revenues received from government grants, water connection fees and investment income related to water supply agreements. Expenses consist primarily of amortization of capital assets, amortization of start-up costs and interest related to capital financing.

(b) Cash and cash equivalents

Cash and cash equivalents represents cash on hand and cash held in banks.

(c) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable selling costs.

2. **Significant Accounting Policies** - continued

(d) Capital assets

Capital assets are recorded at cost less accumulated amortization.

The assets are amortized on a straight-line basis over their estimated lives as follows:

| | |
|---|---|
| Water meters | 10 years |
| Furniture, fixtures and equipment | 10 years |
| Pump stations | 30 years |
| Storage shed | 30 years |
| Pipelines | 50 years |

(e) Deferred start-up costs

Certain expenditures relating to starting the pipeline project were deferred until the project's completion. These are now being amortized over the life of the project.

(f) Deferred revenue

Government grants and contributions made by subscribers towards the construction of the pipeline were deferred until the pipeline was complete. These contributions are being recognized as income over the life of the pipeline.

(g) Revenue

The organization follows the deferral method of accounting for contributions. Restricted contributions, subject to external stipulations, are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Restricted contributions for the purchase of capital assets that are amortized are deferred and recognized as revenue on the same basis as the amortization related to the acquired capital assets.

Water fees and other services revenue are recognized when the service is provided.

2. **Significant Accounting Policies** - continued

(h) Financial instruments

*Measurement of financial instruments*

The organization initially measures its financial assets and liabilities at fair value. Financial assets and liabilities originated or exchanged in related party transactions are initially measured at cost.

The organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.

Financial assets measured at amortized cost using the straight line method include cash and accounts receivable (excluding those from related parties). Amounts receivable from related parties are measured at cost. Equity investments are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses in the period they are incurred.

All financial liabilities are measured at amortized cost, except amounts payable to related parties which are measured at cost.

*Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

(i) Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the period in which they became known.

2. **Significant Accounting Policies** - continued

(j) New accounting standards and amendments to standards

A new conceptual framework was issued in December 2022 with an effective date of April 1, 2026, replacing the conceptual aspects of Sections PS 1000, Financial Statement Concepts and PS 1100, Financial Statement Objectives. This revised conceptual framework is a guide for the Public Sector Accounting Board as it develops new standards or amends existing ones. The purpose of the revised framework is to guide public sector entities as they need to develop accounting policies when no other standards in the PSA Handbook specifically apply to a transaction.

A new PS 1202, Financial Statement Presentation, standard was issued in November 2023, with an effective date of April 1, 2026, to replace previous PS 1201, Financial Statement Presentation, and to incorporate other relevant aspects of previous Sections 1000 and PS 1100.

The extent of the impact on adoption of these future standards is not known at this time.

3. **Risks Arising from Financial Instruments**

The association is exposed to various risks through its financial instruments. The following analysis presents the organization's risk exposure and concentrations at the reporting date.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The association is exposed to credit risk from the potential non-payment of accounts receivable from its subscribers. In order to reduce this risk, the association has agreements with member local municipalities whereby they will add any delinquent accounts to the tax roll to enforce payment.

Liquidity risk
Liquidity risk is the risk that the entity will encounter difficulty in meeting financial obligations as they fall due. The organization undertakes regular cash flow analyses to ensure that there are sufficient cash resources to meet all obligations.

## 4. Accounts Receivable

Accounts receivable are comprised of the following items:

| | 2025 | 2024 |
|---|---|---|
| *Operating Fund* | | |
| Water accounts receivable | 60,803 | 60,220 |
| Other accounts receivable | 8,017 | 194 |
| Goods and services tax payable | 4,285 | 1,362 |
| | $ 73,105 | $ 61,776 |
| *Capital Fund* | | |
| Rural municipalities - receivables added to tax roll | $ 3,351 | $ 3,526 |

## 5. Subscriber Loans Receivable

Canora Rural Public Utility Board has extended credit to subscribers for the contribution to capital expenditures. These loans may be amortized to a maximum of 10 years for resort subscribers and 15 years for rural and community subscribers. Interest is at a floating rate of prime plus 1%.

| | 2025 | 2024 |
|---|---|---|
| Subscriber loans receivable | | 4,270 |
| Less: Current portion | | 4,270 |
| | $ 0 | $ 0 |

## 6. Capital Assets

| | 2025 | 2024 |
|---|---|---|
| Cost | | |
| Land | 36,624 | 36,624 |
| Water meters | 104,441 | 103,650 |
| Furniture, fixtures and equipment | 39,272 | 39,273 |
| Pump stations | 1,225,581 | 1,225,581 |
| Storage shed | 14,298 | 14,298 |
| Pipelines | 4,550,313 | 4,538,968 |
| | 5,970,529 | 5,958,394 |
| Accumulated amortization | | |
| Water meters | 95,241 | 92,210 |
| Furniture, fixtures and equipment | 26,368 | 24,874 |
| Pump stations | 817,878 | 777,098 |
| Storage shed | 10,732 | 10,255 |
| Pipelines | 1,625,843 | 1,535,450 |
| | 2,576,062 | 2,439,887 |
| Net book value | $ 3,394,467 | $ 3,518,507 |

7. **Other Assets**

| | 2025 | 2024 |
|---|---|---|
| Deferred start-up costs - at cost | 49,056 | 49,056 |
| Accumulated amortization - deferred start-up costs | 23,054 | 22,073 |
| | $ 26,002 | $ 26,983 |

8. **Operating Loan**

The association has a demand operating line-of-credit available to a maximum of $100,000 with the CIBC.

The operating loan is secured by a general security agreement over all the association's assets.

9. **Deferred Subscriber Contributions and Grants**

| | Balance, Beginning of Year | Plus Amount Received | Less Amount Recognized | Balance, End of Year |
|---|---|---|---|---|
| Subscriber Contributions | 2,772,340 | | 98,816 | 2,673,524 |
| Grants | 1,073,070 | | 48,677 | 1,024,393 |
| | $ 3,845,410 | $ 0 | $ 147,493 | $ 3,697,917 |

10. **Commitments**

The Utility Board obtains its water supply from the Town of Canora and distributes water to participating municipalities and local customers under various service agreements.Subsequent to year end, the available volume of water supplied to the Utility Board was reduced. As a result, the Utility Board may be unable to meet certain contractual supply commitments to its customers. The ultimate impact of this reduction in supply is uncertain at this time. The Utility Board is currently assessing potential outcomes, including the possibility of financial impacts arising from unmet contractual obligations, service disruptions, or additional costs incurred to secure alternative supply or manage demand. As the likelihood and amount of any resulting obligation cannot be reasonably determined at this time, no provision has been recognized in the financial statements. Any amounts that may arise will be recorded in the period in which they become determinable..

## 11. History of Excess (Deficiency) of Revenue over Expenses by Year

| | Operating Fund | Capital Fund |
|---|---|---|
| 2002 | ( 28,537) | ( 2,469) |
| 2003 | ( 18,850) | 2,978 |
| 2004 | ( 11,053) | ( 4,326) |
| 2005 | ( 2,877) | 2,150 |
| 2006 | 2,394 | 6,346 |
| 2007 | 25,018 | 7,915 |
| 2008 | 19,596 | 6,647 |
| 2009 | 17,367 | 6,323 |
| 2010 | 30,432 | 16,539 |
| 2011 | 21,045 | 24,675 |
| 2012 | 19,254 | 26,067 |
| 2013 | 15,984 | 27,857 |
| 2014 | 8,122 | 28,672 |
| 2015 | 35,240 | 21,040 |
| 2016 | 7,667 | 23,420 |
| 2017 | 10,642 | 23,117 |
| 2018 | 22,778 | 26,251 |
| 2019 | 22,774 | 34,031 |
| 2020 | ( 12,635) | 21,906 |
| 2021 | ( 2,666) | 20,458 |
| 2022 | 65,599 | 25,701 |
| 2023 | 47,972 | 46,449 |
| 2024 | 39,831 | 48,252 |
| 2025 | 33,787 | 38,642 |
| | $ 368,884 | $ 478,641 |

## 12. Comparative Figures

The comparative financial statements have been restated to correct understated water billing accruals. As a result, the comparative statement of operations for the year ending December 31, 2024 has been restated as follows:

| Line Item | As Restated | As Previously Stated | Difference |
|---|---|---|---|
| **Revenues** | | | |
| Water billings and service fees | 369,422 | 367,424 | 1,998 |
| | | | $ 1,998 |
| **Expenses** | | | |
| Adjustment to excess (deficiency) of revenue over expenses | | | 1,998 |
| Adjustment to opening balance of net assets/fund balances | | | 49,507 |
| Balance of net assets/fund balances, end of year, as previously stated | | | 775,096 |
| Balance of net assets/fund balances, end of year, as restated | | | $ 826,601 |

The comparative statement of financial position as at December 31, 2024 has been restated as follows:

| Line Item | As Restated | As Previously Stated | Difference |
|---|---|---|---|
| Accounts receivable | $ 65,302 | $ 13,799 | $ 51,503 |
| Net assets, beginning of year | 736,521 | 687,014 | 49,507 |

## 13. Economic Dependence

The Organization purchases its entire water supply from the Town of Canora under a long-term supply arrangement. The Organization then distributes and sells water to participating municipalities and local customers.

As a result of this arrangement, the organization is economically dependent on the Town of Canora for its continued operations. Any disruption, termination, or significant change in the terms of the water supply agreement could have a material impact on the organization's ability to deliver services and generate revenue.

14. **Contingent Liabilities**

The Utility Board obtains its water supply from the Town of Canora and distributes water to participating municipalities and local customers under various service agreements.Subsequent to year end, the available volume of water supplied to the Utility Board was reduced. As a result, the Utility Board may be unable to meet certain contractual supply commitments to its customers. The ultimate impact of this reduction in supply is uncertain at this time. The Utility Board is currently assessing potential outcomes, including the possibility of financial impacts arising from unmet contractual obligations, service disruptions, or additional costs incurred to secure alternative supply or manage demand. As the likelihood and amount of any resulting obligation cannot be reasonably determined at this time, no provision has been recognized in the financial statements. Any amounts that may arise will be recorded in the period in which they become determinable.