

**CITY OF KITCHENER**  
**WATER UTILITY**  
**STATEMENT OF REVENUE AND EXPENSES AND STABILIZATION RESERVE FUND**  
for the twelve months ended December 31, 2022  
(with comparative figures for the twelve months ended December 31, 2021 )

	2022			Note	2021
	ACTUAL	BUDGET	VARIANCE *		ACTUAL
<b><u>REVENUE AND EXPENSE</u></b>					
Sale of Water	52,110,854	48,633,000	3,477,854	1	49,500,738
Water Supply	26,140,052	24,174,000	(1,966,052)	2	24,465,131
Gross Profit	25,970,802	24,459,000	1,511,802		25,035,607
Gross Profit Percentage	50%	50%			51%
<b><u>MISCELLANEOUS REVENUE</u></b>					
Other	514,631	494,050	20,581		450,615
	514,631	494,050	20,581		450,615
<b><u>EXPENSE</u></b>					
Administration	2,562,510	2,750,108	187,598	3	2,324,604
Water Maintenance	8,742,088	8,257,187	(484,901)	4	7,552,826
Transfer to capital fund	14,485,927	14,485,000	(927)		14,194,597
	25,790,525	25,492,295	(298,230)		24,072,027
<b>Net Revenue (Expense)</b>	<b>694,908</b>	<b>(539,245)</b>	<b>1,234,153</b>		<b>1,414,195</b>
<b><u>STABILIZATION RESERVE FUND</u></b>					
Opening Balance	7,425,111	7,425,111	-		7,538,584
Add: Net Revenue (Expense)	694,908	(539,245)	1,234,153		1,414,195
Add: Interest Revenue (Expense)	155,431	77,563	77,868		79,467
Less: Transfer to Capital Reserve	(458,822)		(458,822)	5	(1,607,135)
Closing Balance	7,816,628	6,963,429	853,199		7,425,111

**VARIANCE EXPLANATION:**

*\* Numbers in brackets are unfavourable variances*

- 1 Sales of water were higher than budget due to increased volumes from drier than expected weather.
- 2 Water supply costs were higher than budget, consistent with increased sales volumes.
- 3 Administration costs were lower than budget due to higher allocation of costs to capital than anticipated.
- 4 Water maintenance costs were higher than budget due to increased number of main breaks, as well as increased severity and cost of repair/restoration.
- 5 Stabilization reserve is at maximum, so excess is transferred to the capital reserve in accordance with policy.