
**GRAHAM LAKE IMPROVEMENT DISTRICT
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

**LLOYD M NEUFELD, BA, ChFP
INCOME TAX & ACCOUNTING**

Auditor's Report

To the Trustees of
Graham Lake Improvement District

I have audited the balance sheet of Graham Lake Improvement District as at December 31, 2013 and the statements of Renewal of Reserve Funds, Earned Surplus and Revenue and Expenditure for the year then ended. These statements are the responsibility of the Improvement District's management. My responsibility is to express an opinion on these statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion these financial statements present fairly, in all material respects, the financial position of the Improvement District as at December 31, 2013 and the results of its operation for the year ended in accordance with generally accepted accounting principles for the British Columbia Improvement Districts as described in Note 2.



Lloyd M Neufeld.
Income Tax & Accounting
February 10, 2014
Comox, BC


Graham Lake Improvement District
Balance Sheet
December 31, 2013

	<u>Assets</u>	
	<u>2013</u>	<u>2012</u>
<u>Current Assets</u>		
Bank - chequing	\$ 15,474	\$ 8,452
- savings, (Plan 24)	24,125	15,690
- term deposits	<u>138,594</u>	<u>116,943</u>
	178,193	141,085
 <u>Capital Assets (Note 3)</u>		
	<u>186,563</u>	<u>186,563</u>
	\$ 364,756	\$ 327,648
	=====	=====

Liabilities & Reserve Surplus

<u>Reserve Funds</u>		
Capital Renewal Reserve	138,594	116,943
Operating Reserve	<u>39,599</u>	<u>24,142</u>
	178,193	141,085
 <u>Investment in Capital Assets</u>		
	\$ 186,563	\$ 186,563
	<u>\$ 364,756</u>	<u>\$ 327,648</u>
	=====	=====

Approved by the Board  Trustee

 CHAIRMAN Trustee

Graham Lake Improvement District
Statement of Revenue & Expenditures
Year Ended December 31, 2013

	<u>2013</u>	<u>2012</u>
<u>Revenue</u>		
Tolls	\$ 9,945	\$ 9,945
Taxes	47,529	95,680
CVRD/DIWLSA	5,987	10,437
Interest & Other	<u>2,979</u>	<u>1,745</u>
	66,440	117,807
Transfer (to), Capital Renewal Reserve	(21,651)	(55,016)
	<u>44,789</u>	<u>62,791</u>
<u>Expenditures</u>		
<u>Operating</u>		
Utilities	4,237	3,722
Operations, testing & maintenance	18,965	15,282
Insurance	4,397	3,885
Bank Charges	180	161
Licences & permits	<u>820</u>	<u>606</u>
	28,599	23,656
	<u>16,190</u>	<u>39,135</u>
<u>Administration</u>		
Accounting	462	462
Office & miscellaneous	<u>271</u>	<u>326</u>
	733	788
Operating Surplus for year	<u>15,457</u>	<u>38,347</u>
Less capital expenditure	0	44,921
Earned Surplus for year	\$ <u>15,457</u>	\$ <u>(6,574)</u>

Graham Lake Improvement District
Year Ended December 31,2013

Statement of Capital Renewal Reserve

	<u>2013</u>	<u>2012</u>
Balance At Beginning Of Year	\$ 116,943	\$ 61,927
Additions to Reserve	21,651	55,016
Balance At End Of Year	\$ <u>138,594</u> =====	<u>\$116,943</u> =====

Statement of Operating Reserve

	<u>2013</u>	<u>2012</u>
Balance At Beginning Of Year	\$24,142	\$ 30,716
Earned surplus For Year	15,457	(6,574)
Balance At EndOf Year	<u>\$39,599</u> =====	<u>\$ 24,142</u> =====

Graham Lake Improvement District

Notes To Financial Statements

Year Ended December 31,2013

1. Nature of Organization

The ~~Graham Lake Improvement District~~ was incorporated under the provisions of the *Local Government Act* of the province of British Columbia.

2. Accounting Policies

a) Basis of Accounting

The improvement district's policy is to follow generally accepted accounting principles. The financial statements have been prepared using the cash basis of accounting. Revenues are recorded in the period in which they are received. Expenditures are recorded in the period in which they are paid.

b) Amortization

In accordance with the requirements of the Ministry of Municipal Affairs, the District does not provide for amortization on its assets but rather makes annual allocation to a Renewal Reserve.

3. Capital Asssets

	<u>2013</u>	<u>2012</u>
Pump House	\$ 61,854	\$ 61,854
Tools & Equipment	103,553	103,553
Water Lines & Hydrants	21,050	21,050
Office Equipment	<u>106</u>	<u>106</u>
	<u>\$ 186,563</u>	<u>\$186,563</u>

4.Statement of Cash Flow

Consistent with prior years a Cash Flow statement has not been prepared as this information is seen as adequately revealed in the other financial statements.