

GRAHAM LAKE IMPROVEMENT DISTRICT

Financial Statements

Year Ended December 31, 2016

(Unaudited - See Notice To Reader)

GRAHAM LAKE IMPROVEMENT DISTRICT

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Year Ended December 31, 2016

(Unaudited - See Notice To Reader)

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*incorporated professionals
Michael Pinch Inc.
Kelvin Reid Inc.

362A, 10th Street, Courtenay, BC V9N 1P5
Telephone (250) 338-1324
Fax (250) 338-2256

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Graham Lake Improvement District as at December 31, 2016 and the statements of revenues and expenditures and changes in net assets for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Courtenay, British Columbia
January 12, 2017

PINCH & REID
CHARTERED PROFESSIONAL ACCOUNTANTS

GRAHAM LAKE IMPROVEMENT DISTRICT

Statement of Financial Position

December 31, 2016


(Unaudited - See Notice To Reader)

| | 2016 | 2015 |
|--------------------------------|-------------------|-------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 30,801 | \$ 62,327 |
| Term deposits | <u>217,124</u> | <u>189,180</u> |
| | 247,925 | 251,507 |
| CAPITAL ASSETS (Note 3) | <u>48,431</u> | <u>37,705</u> |
| | <u>\$ 296,356</u> | <u>\$ 289,212</u> |
| NET ASSETS | | |
| Operating fund | \$ 30,801 | \$ 62,327 |
| Renewal reserve fund | 217,124 | 189,180 |
| Capital asset fund | <u>48,431</u> | <u>37,705</u> |
| | <u>\$ 296,356</u> | <u>\$ 289,212</u> |

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

GRAHAM LAKE IMPROVEMENT DISTRICT

Statement of Changes in Net Assets

Year Ended December 31, 2016

(Unaudited - See Notice To Reader)

| | 2015 Balance | Excess of revenue over expenditures | Contributions | Withdrawals | 2016 Balance |
|----------------------|-------------------|---|------------------|--------------------|-------------------|
| Operating Fund | \$ 62,327 | \$ 7,145 | \$ - | \$ (38,671) | \$ 30,801 |
| Renewal Reserve Fund | 189,180 | - | 27,944 | - | 217,124 |
| Capital Asset Fund | 37,705 | - | 15,822 | (5,096) | 48,431 |
| | <u>\$ 289,212</u> | <u>\$ 7,145</u> | <u>\$ 43,766</u> | <u>\$ (43,767)</u> | <u>\$ 296,356</u> |

See notes to financial statements

GRAHAM LAKE IMPROVEMENT DISTRICT
Statement of Revenues and Expenditures
Year Ended December 31, 2016
(Unaudited - See Notice To Reader)

| | 2016 | 2015 |
|--|-----------------|------------------|
| REVENUE | | |
| Revenue - Tolls and taxes | \$ 65,716 | \$ 54,865 |
| Revenue - CVRD/DIWLSA | 9,091 | 9,315 |
| Revenue - Bulk water sales | 1,010 | 950 |
| Revenue - GST rebate | - | 537 |
| | <u>75,817</u> | <u>65,667</u> |
| EXPENDITURES | | |
| Amortization | 5,096 | 4,700 |
| Business taxes, licenses and memberships | 492 | 354 |
| Insurance | 6,976 | 5,495 |
| Interest and bank charges | 204 | 184 |
| Office | 2,751 | 266 |
| Professional fees | 1,050 | 1,260 |
| Repairs and maintenance | 37,002 | 20,662 |
| Supplies | 10,575 | 3,965 |
| Utilities | 7,565 | 5,760 |
| | <u>71,711</u> | <u>42,646</u> |
| EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS | 4,106 | 23,021 |
| OTHER INCOME | | |
| Interest income | 3,039 | 2,637 |
| EXCESS OF REVENUE OVER EXPENDITURES | \$ 7,145 | \$ 25,658 |

See notes to financial statements

GRAHAM LAKE IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2016

(Unaudited - See Notice To Reader)

1.

Graham Lake Improvement District (the "organization") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The organization operates for the purpose to establish, maintain and operate a water operating system.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

| | | |
|-------------------------------|----------|----------------------|
| Buildings | 40 years | straight-line method |
| Equipment | 40 years | straight-line method |
| Other machinery and equipment | 40 years | straight-line method |

The organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

3. CAPITAL ASSETS

| | Cost | Accumulated amortization | 2016 Net book value | 2015 Net book value |
|-------------------------------|-------------------|-----------------------------|------------------------------------|---------------------------|
| Buildings | \$ 74,294 | \$ 51,665 | \$ 22,629 | \$ 12,000 |
| Equipment | 106,935 | 85,438 | 21,497 | 20,800 |
| Other machinery and equipment | 21,050 | 16,850 | 4,200 | 4,800 |
| Furniture and fixtures | 105 | - | 105 | 105 |
| | \$ 202,384 | \$ 153,953 | \$ 48,431 | \$ 37,705 |