

GRAHAM LAKE IMPROVEMENT DISTRICT

Financial Statements

Year Ended December 31, 2017

(Unaudited - See Notice To Reader)

GRAHAM LAKE IMPROVEMENT DISTRICT

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Year Ended December 31, 2017

(Unaudited - See Notice To Reader)

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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, 2017 and the statements of operations 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
February 6, 2018

REID HUNTER
CHARTERED PROFESSIONAL ACCOUNTANTS

GRAHAM LAKE IMPROVEMENT DISTRICT

Statement of Financial Position

December 31, 2017

(Unaudited - See Notice To Reader)

| | <u>2017</u> | <u>2016</u> |
|--------------------------------|--------------------------|--------------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 15,806 | \$ 30,801 |
| Term deposits | <u>234,358</u> | <u>217,124</u> |
| | 250,164 | 247,925 |
| CAPITAL ASSETS (Note 3) | <u>57,040</u> | <u>48,431</u> |
| | <u>\$ 307,204</u> | <u>\$ 296,356</u> |
| NET ASSETS | | |
| Operating fund | \$ 15,806 | \$ 30,801 |
| Renewal reserve fund | <u>234,358</u> | <u>217,124</u> |
| Capital asset fund | <u>57,040</u> | <u>48,431</u> |
| | <u>\$ 307,204</u> | <u>\$ 296,356</u> |

ON BEHALF OF THE BOARD

_____ *Trustee*

_____ *Trustee*

The accompanying notes are a part of these financial statements

GRAHAM LAKE IMPROVEMENT DISTRICT**Statement of Operations****Year Ended December 31, 2017***(Unaudited - See Notice To Reader)*

| | 2017 | 2016 |
|---|------------------|-----------------|
| REVENUES | | |
| Tolls and taxes | \$ 91,184 | \$ 65,716 |
| CVDR/DIWLSA | 16,689 | 9,091 |
| Bulk water sales | 1,515 | 1,010 |
| GST rebate | 2,594 | - |
| | <u>111,982</u> | <u>75,817</u> |
| EXPENDITURES | | |
| Amortization | 5,447 | 5,096 |
| Business taxes, licenses and memberships | 505 | 492 |
| Insurance | 7,635 | 6,976 |
| Interest and bank charges | 221 | 204 |
| Office | 3,293 | 2,751 |
| Professional fees | 1,050 | 1,050 |
| Repairs and maintenance | 62,500 | 37,002 |
| Supplies | 13,905 | 10,575 |
| Utilities | 9,522 | 7,565 |
| | <u>104,078</u> | <u>71,711</u> |
| EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS | 7,904 | 4,106 |
| OTHER INCOME | | |
| Interest income | 2,945 | 3,039 |
| EXCESS OF REVENUES OVER EXPENDITURES | \$ 10,849 | \$ 7,145 |

The accompanying notes are a part of these financial statements

GRAHAM LAKE IMPROVEMENT DISTRICT

Statement of Changes in Net Assets

Year Ended December 31, 2017

(Unaudited - See Notice To Reader)

| | Operating Fund | Renewal Reserve Fund | Capital Asset Fund | 2017 | 2016 |
|---|-------------------|-------------------------|-----------------------|-------------------|------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 30,801 | \$ 217,124 | \$ 48,431 | \$ 296,356 | \$ 289,211 |
| Excess of revenues over expenditures | 10,849 | - | - | 10,849 | 7,145 |
| Contributions | - | 17,234 | 14,056 | 31,290 | - |
| Withdrawals | (25,844) | - | (5,447) | (31,291) | - |
| NET ASSETS - END OF YEAR | \$ 15,806 | \$ 234,358 | \$ 57,040 | \$ 307,204 | \$ 296,356 |

The accompanying notes are a part of these financial statements

GRAHAM LAKE IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2017

(Unaudited - See Notice To Reader)

1. PURPOSE OF THE ORGANIZATION

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 the payment of income tax under Section 149(1) of the Income Tax Act.

The organization exists for the purpose of establishing, maintaining and operating a water system.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital assets

Capital assets is stated at cost or deemed cost less accumulated amortization. Capital assets is amortized over its estimated useful life on a straight-line basis at the following rates and methods:

| | |
|-------------------------------|----------|
| Buildings | 40 years |
| Equipment | 40 years |
| Furniture and fixtures | N/A |
| Other machinery and equipment | 40 years |

Capital assets acquired during the year are amortized at half the annual rate.

3. CAPITAL ASSETS

| | 2017 | | 2016 | |
|-------------------------------|-------------------|--------------------------|-------------------|--------------------------|
| | Cost | Accumulated amortization | Cost | Accumulated amortization |
| Buildings | \$ 74,294 | \$ 53,476 | \$ 74,294 | \$ 51,665 |
| Equipment | 120,991 | 88,474 | 106,935 | 85,438 |
| Furniture and fixtures | 105 | - | 105 | - |
| Other machinery and equipment | 21,050 | 17,450 | 21,050 | 16,850 |
| | \$ 216,440 | \$ 159,400 | \$ 202,384 | \$ 153,953 |
| Net book value | \$ 57,040 | | \$ 48,431 | |