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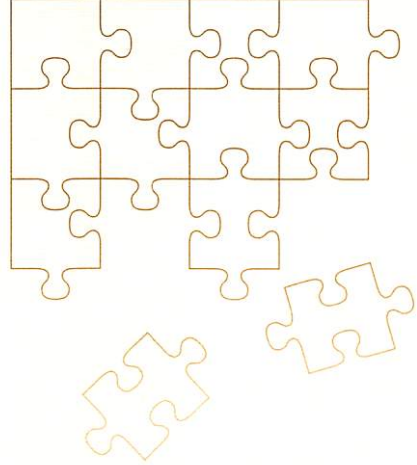
GRAHAM LAKE IMPROVEMENT DISTRICT

**FINANCIAL STATEMENTS
(Unaudited - See Notice to Reader)**

December 31, 2018

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Notice to Reader
Statement of Financial Position
Statement of Operations
Statement of Changes in Net Assets
Notes to Financial Statements



**Robbins &
Company**
Chartered Professional Accountants
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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, 2018 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.

Robbins & Company
Chartered Professional Accountants

Courtenay, BC
December 16, 2019

GRAHAM LAKE IMPROVEMENT DISTRICT
STATEMENT OF FINANCIAL POSITION
(Unaudited - See Notice to Reader)
December 31, 2018

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ASSETS

CURRENT	
Cash	\$ 21,755
Term deposits	263,994
Accounts receivable	6,052
Goods and Services Tax recoverable	<u>7,813</u>
TOTAL CURRENT ASSETS	299,614
CAPITAL ASSETS (Note 2)	<u>51,593</u>
TOTAL ASSETS	<u>\$ 351,207</u>

LIABILITIES

CURRENT	
Accounts payable and accrued liabilities	\$ <u>1,500</u>
TOTAL LIABILITIES	<u>1,500</u>

NET ASSETS

Operating fund	29,985
Renewal reserve fund	268,129
Capital asset fund	<u>51,593</u>
TOTAL NET ASSETS	<u>349,707</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 351,207</u>

Approved on behalf of the Directors:

_____, Director

GRAHAM LAKE IMPROVEMENT DISTRICT
STATEMENT OF OPERATIONS
(Unaudited - See Notice to Reader)
For the year ended December 31, 2018

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REVENUE

Taxes - GLID property owners	\$ 33,500
Tolls - GLID property owners	57,600
CVRD/DIWLSA - Allocation to taxes	11,500
CVRD/DIWLSA - Allocation to tolls	18,900
Bulk water sales	4,288
Water sales - CVRD	5,035
GST rebate	<u>4,781</u>
	<u>135,604</u>

EXPENSES

Amortization of tangible assets	5,447
Business taxes and licences	1,645
Insurance	7,571
Interest and bank charges	181
Office and general	2,863
Operations Personnel	32,207
Professional fees	3,436
Repairs and maintenance	10,553
Training	173
Utilities	7,893
Water treatment	6,853
Water tests and supplies	<u>4,138</u>
	<u>82,960</u>

EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS 52,644

OTHER

Interest income	3,725
SWTO - Study	(30,627)
SWTO - Study recoveries	<u>16,762</u>
	<u>(10,140)</u>

EXCESS OF REVENUE OVER EXPENSES **\$ 42,504**

GRAHAM LAKE IMPROVEMENT DISTRICT
STATEMENT OF CHANGES IN NET ASSETS
(Unaudited - See Notice to Reader)
For the year ended December 31, 2018

NET ASSETS	Operating Fund	Renewal Reserve Fund	Capital Asset Fund	Total 2018
Balance, beginning of year	\$ 15,806	\$ 234,358	\$ 57,040	\$ 307,204
Excess of revenues over expenses	42,504	-	-	42,504
Contributions	8,733	47,636	-	56,369
Withdrawals	<u>(37,058)</u>	<u>(13,865)</u>	<u>(5,447)</u>	<u>(56,370)</u>
Balance, end of year	<u>\$ 29,985</u>	<u>\$ 268,129</u>	<u>\$ 51,593</u>	<u>\$ 349,707</u>

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**GRAHAM LAKE IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Unaudited - See Notice to Reader)
December 31, 2018**

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PURPOSE OF THE ORGANIZATION

Graham Lake Improvement District is a public local body incorporated through an Order in Council by Letters Patent granted pursuant to the British Columbia Local Government Act.

Federal Income Tax: Section 149(1)(c) of the Federal Income Tax Act grants tax-exempt status to a municipal or public body performing a function of government in Canada.

BC Taxes: Section 27 of the BC Income Tax Act provides that if income is exempt from federal income tax under Section 149(1) of the Federal Income Tax Act, then it is also exempt from BC income tax. Land and improvements owned by an improvement district are exempt from taxation by the B.C. government, regional districts and municipalities pursuant to Section 731 of the BC Local Government Act.

Graham Lake Improvement District exists for the purpose of establishing, maintaining and operating a water system.

1. 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 bases 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.

2. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Buildings	\$ 74,294	\$ 55,287	\$ 19,007
Equipment	120,991	91,510	29,481
Furniture and fixtures	105	-	105
Other machinery and equipment	<u>21,050</u>	<u>18,050</u>	<u>3,000</u>
	<u>\$ 216,440</u>	<u>\$ 164,847</u>	<u>\$ 51,593</u>

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3. STATEMENT OF CHANGES IN NET ASSETS

Graham Lake Improvement District incurred a net expense of \$13,865 for the Water Treatment Plant Upgrade Project as part of its ongoing efforts to comply with the Surface Water Treatment Objectives (SWTO) that are mandated by the Vancouver Island Health Authority (VIHA). CVRD participated in the Water Treatment Plant Upgrade Project on a pro-rata basis, contributing \$16,762 in 2018.