

GRAHAM LAKE IMPROVEMENT DISTRICT

FINANCIAL STATEMENTS
(Unaudited - See Notice to Reader)

December 31, 2019

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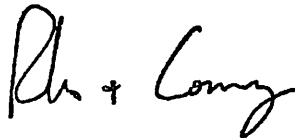
Notice to Reader
Statement of Financial Position
Statement of Operations
Statement of Changes in Net Assets
Notes to Financial Statements

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, 2019 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.

A handwritten signature in black ink that reads "Robb + Company". The signature is written in a cursive, flowing style.

Robbins & Company
Chartered Professional Accountants

Courtenay, BC
February 26, 2020

GRAHAM LAKE IMPROVEMENT DISTRICT
STATEMENT OF FINANCIAL POSITION
(Unaudited - See Notice to Reader)
December 31, 2019

ASSETS		<u>2019</u>	<u>2018</u>
CURRENT			
Cash	\$	74,624	\$ 21,755
Term deposits		268,337	263,994
Accounts receivable		898	6,052
Prepaid expenses		535	-
Goods and Services Tax recoverable		<u>1,265</u>	<u>7,813</u>
TOTAL CURRENT ASSETS		345,659	299,614
CAPITAL ASSETS (Note 2)		<u>46,146</u>	<u>51,593</u>
TOTAL ASSETS	\$	<u>391,805</u>	\$ <u>351,207</u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	\$	<u>2,052</u>	\$ <u>1,500</u>
TOTAL LIABILITIES		<u>2,052</u>	<u>1,500</u>
NET ASSETS			
Operating fund		40,282	29,985
Renewal reserve fund		303,325	268,129
Capital asset fund		<u>46,146</u>	<u>51,593</u>
TOTAL NET ASSETS		<u>389,753</u>	<u>349,707</u>
TOTAL LIABILITIES & NET ASSETS	\$	<u>391,805</u>	\$ <u>351,207</u>

Approved by the Trustees:

_____, Trustee

_____, Trustee

_____, Trustee

GRAHAM LAKE IMPROVEMENT DISTRICT
STATEMENT OF OPERATIONS
(Unaudited - See Notice to Reader)
For the year ended December 31, 2019

	<u>2019</u>	<u>2018</u>
REVENUE		
Taxes - GLID property owners	\$ 33,500	\$ 33,500
Tolls - GLID property owners	59,400	57,600
CVRD/DIWLSA - Allocation to taxes	11,500	11,500
CVRD/DIWLSA - Allocation to tolls	18,900	18,900
Bulk water sales	-	4,288
Water sales - CVRD	-	5,035
GST rebate	-	4,781
	<u>123,300</u>	<u>135,604</u>
EXPENSES		
Amortization of tangible assets	5,447	5,447
Business taxes and licences	444	1,645
Insurance	8,322	7,571
Bank charges	263	181
Office and general	4,786	2,863
Operations Personnel	17,700	32,207
Professional fees	2,894	3,436
Repairs and maintenance	9,150	10,553
Supplies	549	-
Training	-	173
Utilities	7,473	7,893
Water treatment	11,702	6,853
Water tests and supplies	5,409	4,138
	<u>74,139</u>	<u>82,960</u>
EXCESS OF REVENUE OVER EXPENSES	<u>49,161</u>	<u>52,644</u>
OTHER		
Interest income and late fees	5,031	3,725
SWTO - Study	(3,275)	(30,627)
SWTO - Pilot Project 1	(17,746)	-
SWTO - Study recoveries	1,638	16,762
SWTO - Pilot Project recoveries	5,263	-
	<u>(9,089)</u>	<u>(10,140)</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 40,072</u>	<u>\$ 42,504</u>

**GRAHAM LAKE IMPROVEMENT DISTRICT
STATEMENT OF CHANGES IN NET ASSETS
(Unaudited - See Notice to Reader)
For the year ended December 31, 2019**

NET ASSETS	Operating <u>Fund</u>	Renewal <u>Reserve Fund</u>	Capital Asset <u>Fund</u>	Total <u>2019</u>	Total <u>2018</u>
Balance, beginning of year	\$ 29,985	\$ 268,129	\$ 51,593	\$ 349,707	\$ 307,204
Excess of revenues over expenses	40,072	-	-	40,072	42,504
Contributions	4,849	49,343	-	54,192	56,369
Withdrawals	<u>(34,624)</u>	<u>(14,147)</u>	<u>(5,447)</u>	<u>(54,218)</u>	<u>(56,370)</u>
Balance, end of year	<u>\$ 40,282</u>	<u>\$ 303,325</u>	<u>\$ 46,146</u>	<u>\$ 389,753</u>	<u>\$ 349,707</u>

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PURPOSE OF THE NOT-FOR-PROFIT 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>	
			<u>2019</u>	<u>2018</u>
Buildings	\$ 74,294	\$ 57,098	\$ 17,196	\$ 19,007
Equipment	120,991	94,546	26,445	29,481
Furniture and fixtures	105	-	105	105
Other machinery and equipment	<u>21,050</u>	<u>18,650</u>	<u>2,400</u>	<u>3,000</u>
	<u>\$ 216,440</u>	<u>\$ 170,294</u>	<u>\$ 46,146</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 \$14,147 (2018 - \$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).