

Financial Statements of
GLADE IRRIGATION DISTRICT
December 31, 2013

GLADE IRRIGATION DISTRICT
Index to Unaudited Financial Statements
December 31, 2013

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February 24, 2014

Nelson, B.C.

REVIEW ENGAGEMENT REPORT

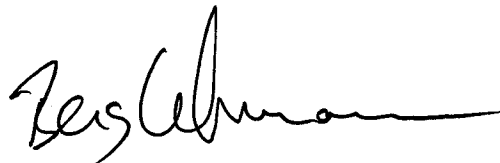
To the Members
Glade Irrigation District

We have reviewed the statement of financial position of Glade Irrigation District as at December 31, 2013 and the statements of changes in net assets, operations and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by management.

A review does not constitute an audit and consequently, we do not express an audit opinion on these financial statements.

As indicated in note 1, the District does not capitalize the cost of capital assets or subsequently amortize them. Under Canadian accounting standards for not-for-profit organizations, capital assets should be capitalized and amortized over their useful lives. The effect of this departure from Canadian accounting standards for not-for-profit organizations on the accompanying financial statements is to understate long-term assets and net assets by an undetermined amount.

Based on our review, except for the failure to capitalize the cost of capital assets, as described in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Accountants

February 24, 2014

Nelson, B.C.

GLADE IRRIGATION DISTRICT
STATEMENT OF FINANCIAL POSITION
As At December 31, 2013
(Unaudited)

| ASSETS | 2013 | 2012 |
|---|-------------------|-------------------|
| CURRENT ASSETS | | |
| Cash on hand | \$ 60,245 | \$ 50,874 |
| Short-term investments | 44,335 | 43,225 |
| Accounts receivable | 5,643 | 7,077 |
| | <u>\$ 110,223</u> | <u>\$ 101,176</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 1,149 | \$ 1,000 |
| NET ASSETS | | |
| Balance, beginning of year | 100,176 | 105,445 |
| Add: Excess (deficiency) of revenue over expenses | 8,898 | (5,269) |
| | <u>109,074</u> | <u>100,176</u> |
| | <u>\$ 110,223</u> | <u>\$ 101,176</u> |

Approved by the Directors:

GLADE IRRIGATION DISTRICT
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2013
(Unaudited)

| | 2013 | 2012 |
|---|-----------------|--------------------|
| REVENUE | | |
| Dues taxes | \$ 10,975 | \$ 5,803 |
| Dues tolls | 16,013 | 10,505 |
| Other income | 489 | - |
| Interest income | 2,553 | 1,999 |
| | <u>30,030</u> | <u>18,307</u> |
| EXPENSES | | |
| Advertising and promotion | 18 | 18 |
| Bank charges and interest | 192 | 190 |
| Chair expense | 413 | 236 |
| Freight | 479 | 658 |
| Operating supplies and equipment | 3,550 | 5,510 |
| Insurance | 520 | 443 |
| Professional fees | 1,300 | 1,000 |
| Repairs and maintenance - water system | 5,202 | 6,917 |
| Secretarial service | 1,300 | 1,070 |
| Stationery, postage and office | 399 | - |
| Subcontractors | 2,519 | 3,125 |
| Training | - | 224 |
| Travel and meals | 2,160 | 1,045 |
| Water warden | 3,080 | 3,140 |
| | <u>21,132</u> | <u>23,576</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES | \$ 8,898 | \$ (5,269) |

GLADE IRRIGATION DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013
(Unaudited)

| | 2013 | 2012 |
|--|-----------|------------|
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenue over expenditures | \$ 8,898 | \$(5,269) |
| Changes in non-cash working capital (note 3) | 1,583 | (3,433) |
| Cash Provided By (Used For) Operating Activities | 10,481 | (8,702) |
| INVESTING ACTIVITIES | | |
| Short-term investment purchases | (1,110) | (1,063) |
| INCREASE (DECREASE) IN CASH | 9,371 | (9,765) |
| CASH, BEGINNING OF YEAR | 50,874 | 60,639 |
| CASH, END OF YEAR | \$ 60,245 | \$ 50,874 |

1. PURPOSE OF THE ORGANIZATION

The Glade Irrigation District operates a water distribution system in the community of Glade, BC.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Property and Equipment

The District does not capitalize the cost of property and equipment acquired but expenses them in the year of acquisition. Property and equipment consist of water works infrastructure and maintenance equipment.

Revenue Recognition

Water taxes and rates are levied annually on a calendar year basis, and are recognized as revenue in the year charged. Other charges are recognized when billable, and reasonably certain of collection.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

3. CHANGES IN NON-CASH WORKING CAPITAL

| | 2013 | 2012 |
|---------------------|-----------------|-------------------|
| Accounts receivable | \$ 1,434 | \$(3,433) |
| Accounts payable | <u>149</u> | <u>-</u> |
| | <u>\$ 1,583</u> | <u>\$(3,433)</u> |

4. FINANCIAL INSTRUMENTS

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The District is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. This risk is mitigated by the ability to turn off water in the event of non-payment.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The District does not enter into any foreign exchange transactions so is not exposed to currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The District is not exposed to interest rate risk as it does not have any such financial liabilities.

Liquidity Risk

Liquidity risk is the risk that the District will encounter difficulty in meeting obligations associated with financial liabilities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The District's investments in term deposits are not exposed to significant risks in this area.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The District is not exposed to significant risks in this area.
