

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT
Consolidated Financial Statements
Year Ended December 31, 2024

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT
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Year Ended December 31, 2024

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of BRAITHWAITE ESTATES IMPROVEMENT DISTRICT have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of BRAITHWAITE ESTATES IMPROVEMENT DISTRICT's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Trustees is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility by meeting periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Board of Trustees approves the financial statements and considers, for review and approval by the members, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Morine Thomas CPA LLP, in accordance with Canadian generally accepted auditing standards.

Ms. Karen Bereczki, Administrator

Cobble Hill, BC
April 14, 2025



INDEPENDENT AUDITOR'S REPORT

To the Members of BRAITHWAITE ESTATES IMPROVEMENT DISTRICT

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of BRAITHWAITE ESTATES IMPROVEMENT DISTRICT (the "organization"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the organization as at December 31, 2024, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Morine + Thomas

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT
Consolidated Statement of Financial Position
December 31, 2024

	<i>December 31</i> 2024	<i>December 31</i> 2023
FINANCIAL ASSETS		
Cash	\$ 531,488	\$ 477,140
Term deposits	390,344	383,806
Accounts receivable	32,143	45,335
Interest receivable	9,759	3,447
	<u>963,734</u>	<u>909,728</u>
LIABILITIES		
Accounts payable	19,931	16,713
Deferred income	67,122	66,410
	<u>87,053</u>	<u>83,123</u>
NET FINANCIAL ASSETS	<u>876,681</u>	<u>826,605</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	4,139	4,114
Tangible capital assets <i>(Note 3)</i>	1,057,463	1,014,900
	<u>1,061,602</u>	<u>1,019,014</u>
ACCUMULATED SURPLUS	<u>\$ 1,938,283</u>	<u>\$ 1,845,619</u>
ON BEHALF OF THE BOARD		
_____ <i>Trustees</i>		
_____ <i>Trustees</i>		

See notes to financial statements

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT
Consolidated Statement of Operations and Accumulated Surplus
Year Ended December 31, 2024

	Budget 2024	Total 2024	Total 2023
REVENUES			
Water tolls	\$ 177,122	\$ 178,588	\$ 174,261
Taxes	79,370	80,120	71,435
Investment income	1,100	27,601	21,022
Other income	3,650	8,641	3,817
CEC charges collected	-	37,825	-
	261,242	332,775	270,535
EXPENSES			
Audit fees	4,500	4,500	4,500
Amortization	-	36,420	12,296
Licenses and memberships	920	653	886
Honoraria	10,000	11,000	10,000
Insurance	24,808	24,849	24,134
Interest and bank charges	1,670	1,962	1,632
Legal fees	1,000	-	-
Laboratory fees	1,527	1,609	539
Office	3,298	2,856	2,353
Repairs, maintenance and supplies	21,500	21,950	26,153
Salaries and wages	8,467	6,011	5,500
Operator contract	55,000	55,000	55,000
Admin contract	47,757	47,757	45,816
Telephone	626	419	2,188
Training	1,000	494	695
SCADA systems operations	3,524	5,379	1,397
Utilities	8,994	8,252	8,509
	194,591	229,111	201,598
SURPLUS FROM OPERATIONS	66,651	103,664	68,937
OTHER INCOME			
Gain (loss) on disposal of property, plant and equipment	-	(11,000)	(55,000)
ANNUAL SURPLUS	66,651	92,664	13,937
ACCUMULATED SURPLUS - BEGINNING OF YEAR	-	1,845,619	1,831,682
ACCUMULATED SURPLUS - END OF YEAR	\$ 66,651	\$ 1,938,283	\$ 1,845,619

See notes to financial statements

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2024

	Budget 2024	2024	2023
ANNUAL SURPLUS	\$ 66,651	\$ 92,664	\$ 13,937
Amortization of property, plant and equipment	-	36,420	12,296
Purchase of property, plant and equipment	-	(89,983)	(307,130)
Loss on disposal of assets	-	11,000	55,000
Decrease (increase) in prepaid expenses	-	(28)	(731)
	-	(42,591)	(240,565)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	66,651	50,073	(226,628)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	826,606	826,606	1,053,234
NET FINANCIAL ASSETS - END OF YEAR	\$ 893,257	\$ 876,679	\$ 826,606

See notes to financial statements

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT**Consolidated Statement of Cash Flows****Year Ended December 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Annual surplus	\$ 92,664	\$ 13,937
Items not affecting cash:		
Amortization of property, plant and equipment	36,420	12,296
Loss on disposal of property, plant and equipment	11,000	55,000
	<u>140,084</u>	<u>81,233</u>
Changes in non-cash working capital:		
Accounts receivable	13,192	(10,683)
Interest receivable	(6,312)	4,198
Accounts payable	3,218	(24,892)
Deferred income	712	11,370
Prepaid expenses	(25)	(732)
Wages payable	-	(753)
	<u>10,785</u>	<u>(21,492)</u>
Cash flow from operating activities	<u>150,869</u>	<u>59,741</u>
INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(89,983)</u>	<u>(307,130)</u>
Cash flow used by investing activity	<u>(89,983)</u>	<u>(307,130)</u>
INCREASE (DECREASE) IN CASH FLOW	60,886	(247,389)
Cash - beginning of year	<u>860,946</u>	<u>1,108,335</u>
CASH - END OF YEAR	\$ 921,832	\$ 860,946

See notes to financial statements

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT

Notes to Consolidated Financial Statements

Year Ended December 31, 2024

1. PURPOSE OF THE ORGANIZATION

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT (the "district") is incorporated by letters patent issued on February 5, 1976 and operates under the Local Government Act (British Columbia).

The organization operates to provide potable water for domestic use within its boundaries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards (GAAP).

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the District is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2024.

At each financial reporting date, the District reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at December 31, 2024 the District has not recorded any liability for contaminated sites as no sites exist

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives (20 - 75 years) on a straight-line basis.

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

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

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BRAITHWAITE ESTATES IMPROVEMENT DISTRICT
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The organization recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured
- amounts received but not earned are recorded as deferred revenue.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT**Notes to Consolidated Financial Statements****Year Ended December 31, 2024****3. PROPERTY, PLANT AND EQUIPMENT**

<u>Cost</u>	<u>2023</u> <u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>2024</u> <u>Balance</u>
Water System	\$ 702,500	\$ 58,539	\$ 11,000	\$ 750,039
Water Mains	878,200	13,682	-	891,882
Buildings	96,000	-	-	96,000
Fire Protection	82,500	-	-	82,500
SCADA Control System	228,900	-	-	228,900
Security	25,730	17,762	-	43,492
	\$ 2,013,830	\$ 89,983	\$ 11,000	\$ 2,092,813

<u>Accumulated Amortization</u>	<u>2023</u> <u>Balance</u>	<u>Amortization</u>	<u>Accumulated</u> <u>Amortization</u> <u>on Disposals</u>	<u>2024</u> <u>Balance</u>
Water System	\$ 352,792	\$ 8,158	\$ -	\$ 360,950
Water Mains	579,801	15,625	-	595,426
Buildings	10,473	1,907	-	12,380
Fire Protection	53,480	1,650	-	55,130
SCADA Control System	1,526	7,630	-	9,156
Security	858	1,450	-	2,308
	\$ 998,930	\$ 36,420	\$ -	\$ 1,035,350

<u>Net book value</u>	<u>2024</u>	<u>2023</u>
Water System	\$ 389,089	\$ 349,708
Water Mains	296,456	298,399
Buildings	83,620	85,527
Fire Protection	27,370	29,020
SCADA Control System	219,744	227,374
Security	41,184	24,872
	\$ 1,057,463	\$ 1,014,900

4. FINANCIAL INSTRUMENTS

The District, as part of its operations, carries a number of financial instruments. The District's financial instruments consist of cash and term deposits, accounts receivable and accounts payable and accrued liabilities. It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

5. BUDGET

The district does not differentiate capital from operating budgets. The following is a reconciliation of the budget appearing on the Consolidated Statement of Operations and the budget as approved by the Board of trustees during the year.

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BRAITHWAITE ESTATES IMPROVEMENT DISTRICT
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

5. BUDGET (*continued*)

	<u>2024</u>
<u>Reconciliation</u>	
	<u>2024</u>
<u>Reconciliation</u>	
Net surplus per statement of operations	\$ 66,651
Transfer to Renewal Reserve Fund	(74,151)
Prior year surplus	<u>7,500</u>
Net surplus per approved budget	<u>\$ -</u>

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT**Operations****(Schedule 1)****Year Ended December 31, 2024**

	2024	2023
REVENUES		
Water tolls	\$ 178,588	\$ 174,261
Taxes	80,120	71,435
Investment income	2,436	520
Other income	8,641	3,817
	<u>269,785</u>	<u>250,033</u>
EXPENSES		
Insurance	24,849	24,134
Office	2,856	2,353
Audit fees	4,500	4,500
Laboratory fees	1,609	539
Training	494	695
Repairs, maintenance and supplies	21,950	23,799
Salaries and wages	6,011	5,500
Honoraria	11,000	10,000
Admin contract	47,757	45,816
Utilities	8,252	8,509
Telephone	419	2,188
Interest and bank charges	1,965	1,631
Licenses and memberships	653	886
Operator contract	55,000	55,000
SCADA systems operations	5,379	1,397
	<u>192,694</u>	<u>186,947</u>
ANNUAL SURPLUS	<u>77,091</u>	<u>63,086</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>92,361</u>	<u>90,484</u>
TRANSFERS		
Transfers	<u>(74,151)</u>	<u>(61,209)</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 95,301</u>	<u>\$ 92,361</u>

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT**Backflow Prevention****(Schedule 2)****Year Ended December 31, 2024**

	2024	2023
REVENUES		
Investment income	\$ 1,036	\$ 220
EXPENSES	-	-
ANNUAL SURPLUS	1,036	220
ACCUMULATED SURPLUS, BEGINNING OF YEAR	18,300	18,080
TRANSFERS		
Transfer to acquire capital assets	(5,418)	-
ACCUMULATED SURPLUS, END OF YEAR	\$ 13,918	\$ 18,300

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT**Renewal Reserve****(Schedule 3)****Year Ended December 31, 2024**

	2024	2023
REVENUES		
Investment income	\$ 21,773	\$ 18,246
EXPENSES		
Repairs, maintenance and supplies	-	(1,149)
ANNUAL SURPLUS	21,773	19,395
ACCUMULATED SURPLUS, BEGINNING OF YEAR	605,828	806,624
TRANSFER		
Transfers	74,151	61,209
Transfer to acquire capital assets	(66,803)	(281,400)
	7,348	(220,191)
ACCUMULATED SURPLUS, END OF YEAR	\$ 634,949	\$ 605,828

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT**Capital Expenditure Charge Fund****(Schedule 4)****Year Ended December 31, 2024**

	2024	2023
REVENUES		
Investment income	\$ 2,357	\$ 2,037
CEC charges collected	<u>37,825</u>	<u>-</u>
	40,182	2,037
EXPENSES		
Repairs, maintenance and supplies	<u>-</u>	<u>3,504</u>
ANNUAL SURPLUS	<u>40,182</u>	<u>(1,467)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>114,231</u>	<u>141,428</u>
TRANSFERS		
Transfer to acquire capital assets	<u>(17,762)</u>	<u>(25,730)</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 136,651</u>	<u>\$ 114,231</u>

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT**Equity in Tangible Capital Assets****(Schedule 5)****Year Ended December 31, 2024**

	2024	2023
REVENUES		
Write down of tangible capital assets	\$ (11,000)	\$ (55,000)
EXPENSES		
Amortization	<u>36,420</u>	<u>12,296</u>
ANNUAL SURPLUS	<u>(47,420)</u>	<u>(67,296)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,014,900</u>	<u>775,066</u>
TRANSFERS		
Transfer to acquire capital assets	<u>89,983</u>	<u>307,130</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 1,057,463</u>	<u>\$ 1,014,900</u>