

**KEREMEOS
IRRIGATION DISTRICT**

Financial Statements

Year Ended December 31, 2023

KEREMEOS IRRIGATION DISTRICT

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Year Ended December 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Keremeos Irrigation District have been prepared in accordance with Canadian public sector accounting standards. 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 Keremeos Irrigation 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 and meets periodically with management and the Trustees' 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 approve of the financial statements. The Board also considers, for review and approval by the Trustees, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the Trustees by Omland Heal LLP, in accordance with Canadian public sector accounting standards.

Board Chair

Keremeos, BC
April 17, 2024



INDEPENDENT AUDITOR'S REPORT

To the Trustees of Keremeos Irrigation District

Report on the Financial Statements

Opinion

We have audited the financial statements of Keremeos Irrigation District (the District), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and accumulated surplus, changes in net financial debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Financial Statements* section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 Financial Statements

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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 District'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 District'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 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 District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Omland Heal LLP

Chartered Professional Accountants

Penticton, BC
April 17, 2024

KEREMEOS IRRIGATION DISTRICT

Statement of Financial Position

December 31, 2023

	2023	2022
Financial assets		
Cash and investments (Note 3)	\$ 567,495	\$ 398,799
Accounts receivable (Note 4)	109,687	246,737
	677,182	645,536
Liabilities		
Accounts payable and accrued liabilities (Note 5)	51,498	55,293
Deferred income	33,368	8,573
Long term debt (Note 6)	551,575	597,901
	636,441	661,767
Net financial assets (debt)	40,741	(16,231)
Non-financial assets		
Tangible capital assets (Schedule 2)	2,944,882	2,911,528
Supply inventory	32,271	22,878
Prepaid expenses	30,165	2,272
	3,007,318	2,936,678
Accumulated surplus	\$ 3,048,059	\$ 2,920,447

Commitments (Note 7)

On behalf of the District

_____ Trustee

_____ Trustee

See accompanying notes to financial statements.

KEREMEOS IRRIGATION DISTRICT

Statement of Operations and Accumulated Surplus

Year Ended December 31, 2023

	Budget (Unaudited) 2023	2023	2022
Revenues			
Domestic water	\$ 393,731	\$ 406,304	\$ 369,007
Irrigation taxes	321,705	321,746	301,504
Connection fees and upgrades	104,500	105,629	104,375
Capital levies	-	19,374	7,600
Sundry and expense recoveries	-	14,268	6,215
Percentage addition	-	9,258	10,419
Interest	-	1,475	2,790
Interest and penalties on taxes	500	1,019	460
Capital admin fee	-	-	100,000
Fortis rebate	-	-	65,000
	820,436	879,073	967,370
Expenses			
Operating expenses (Schedule 1)	557,847	611,709	541,930
Administrative expenses (Schedule 1)	143,706	139,752	125,022
	701,553	751,461	666,952
Annual surplus	118,883	127,612	300,418
Accumulated surplus - beginning of year	2,920,447	2,920,447	2,620,029
Accumulated surplus - end of year	\$ 3,039,330	\$ 3,048,059	\$ 2,920,447

See accompanying notes to financial statements.

KEREMEOS IRRIGATION DISTRICT

Statement of Changes in Net Financial Assets (Debt)

Year Ended December 31, 2023

	Budget (Unaudited) 2023	2023	2022
Annual surplus	\$ 118,883	\$ 127,612	\$ 300,418
Amortization of tangible capital assets	-	97,317	83,804
Purchase of tangible capital assets	(213,933)	(164,701)	(377,676)
Loss on disposal of tangible capital assets	-	34,030	16,447
	(95,050)	94,258	22,993
Acquisition of prepaid expenses	-	(30,165)	(2,272)
Use of prepaid expenses	-	2,272	24,181
Use of supply inventory	-	(9,393)	4,781
	-	(37,286)	26,690
Increase (decrease) in net financial assets	(95,050)	56,972	49,683
Net financial debt - beginning of year	(16,231)	(16,231)	(65,914)
Net financial assets (debt) - end of year	\$ (111,281)	\$ 40,741	\$ (16,231)

See accompanying notes to financial statements.

KEREMEOS IRRIGATION DISTRICT

Statement of Cash Flows

Year Ended December 31, 2023

	2023	2022
Operating activities		
Annual surplus	\$ 127,612	\$ 300,418
Items not affecting cash:		
Amortization of tangible capital assets	97,317	83,804
Loss on disposal of tangible capital assets	34,030	16,447
	258,959	400,669
Changes in non-cash working capital:		
Accounts receivable	137,050	(194,863)
Supply inventory	(9,393)	4,781
Accounts payable and accrued liabilities	(3,795)	25,603
Deferred income	24,795	(663)
Prepaid expenses	(27,893)	21,909
	120,764	(143,233)
Net change in cash from operating activities	379,723	257,436
Capital activity		
Purchase of tangible capital assets	(164,701)	(377,676)
Cash flow used by capital activity	(164,701)	(377,676)
Financing activity		
Repayment of long term debt	(46,326)	(49,978)
Cash flow used by financing activity	(46,326)	(49,978)
Increase (decrease) in cash flow	168,696	(170,218)
Cash and investments - beginning of year	398,799	569,017
Cash and investments - end of year	\$ 567,495	\$ 398,799

See accompanying notes to financial statements.

KEREMEOS IRRIGATION DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

1. Purpose of the District

Keremeos Irrigation District (the "District") operates and maintains a water system and provides water services to property owners in Keremeos, British Columbia. It is defined as an improvement district under the Municipal Act of British Columbia. The District is exempt from income tax under Section 149(1)(c) of the Income Tax Act.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Fund accounting

The District follows the fund method of accounting for revenues and expenses with the resources and operations of the District segregated into funds. The Operating Fund, Capital Reserve Fund, Capital Expenditure Fund, and Capital Asset Fund are used for accounting and financial reporting purposes. Revenue and expenses related to water supply and maintenance are reported in the Operating Fund. Interest earned on investments are reported in the applicable fund in which the cash is held. The Capital Asset Fund reports revenues and expenses related to the District's tangible capital assets.

Cash and investments

Investments are term deposits with maturity dates of 23 months or less. Because of the short term maturity of these investments, the carrying amount approximates fair value.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Revenue recognition

Domestic water taxes are recorded on an accrual basis and recognized when the service or product is provided by the District. Other revenue is recorded as it is earned and measurable. Accounts that have been received in advance of services being rendered are recorded as deferred revenues until the District discharges the obligation that led to the collection of funds.

Contributed tangible capital assets are recorded at fair market value and amortized over the useful life of the assets.

Reserve funds

The Capital Reserve Fund is established under bylaw, pursuant to Section 698 and 706 of the Local Government Act, for the upgrading, replacement or renewal of existing capital works. The funds set aside, and interest earned on the funds, are deposited in a separate account at a financial institution. Disbursements can only be made from the account after a bylaw is passed by the trustees of the irrigation district.

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KEREMEOS IRRIGATION DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

2. Significant accounting policies *(continued)*

Use of estimates

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the District's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of tangible capital assets;
- the estimated useful lives of tangible capital assets;
- the allowance for doubtful accounts;
- the allowance for inventory obsolescence.

Liability for contaminated sites

The District recognizes and measures a liability for remediation of contaminated sites where:

- a) an environmental standard exists;
- b) contaminated levels exceed the environmental standards;
- c) the District is directly responsible or accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made

The liability is based on the present value of the estimated costs directly attributable to the remediation and post-remediation activities.

As at December 31, 2023 and 2022, no contaminated sites have been identified that meet the criteria outlined in the standard.

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KEREMEOS IRRIGATION DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

2. Significant accounting policies (continued)

Financial instruments

The District's financial instruments consist of cash and investments, accounts receivable and accounts payable. Unless otherwise noted, it is the Board's opinion that the District is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Initial measurement

The District initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the District is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the District in the transaction.

Subsequent measurement

The District subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include the cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include the accounts payable and accrued liabilities and long term debt.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the District determines whether there are indications of possible impairment. When there are, and the District determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

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KEREMEOS IRRIGATION DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

2. Significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and method:

Land and right of ways	N/A	
Patrol truck and backhoe	15 & 20 years	straight-line method
Control systems and electrical	10 & 20 years	straight-line method
Tools and equipment	10 years	straight-line method
Hydrants, buildings and pumphouses	40 - 50 years	straight-line method
Pumps, water distribution systems, watermains and wells	30 - 75 years	straight-line method
Paving and fencing	20 years	straight-line method
Reservoir	80 years	straight-line method

The District regularly reviews its tangible capital assets to eliminate obsolete items.

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

Contributed tangible capital assets are recorded at their fair market value on the date of contribution, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value.

Impairment of tangible capital assets

The District tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the tangible capital assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Government transfers

Government transfers are the transfer of assets from senior levels of government and are not the result of any exchange transactions, meaning there is no expectation to repay the amounts in the future. Government transfers are recognized in the fiscal year in which events giving rise to the transfer occur, providing the transfer is authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

3. Cash and investments

	2023	2022
Cash	\$ 567,340	\$ 398,644
Term deposits - Capital Reserve Fund	155	155
	<u>\$ 567,495</u>	<u>\$ 398,799</u>

In 2023, cash of \$103,252 (2022 - \$97,588) was internally restricted for use in the Capital Expenditure Fund and \$323,490 (2022 - \$309,751) was internally restricted for use in the Capital Reserve Fund.

KEREMEOS IRRIGATION DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

4. Accounts receivable

	2023	2022
Trade receivables	\$ 85,918	\$ 213,981
Goods and service tax rebate	23,769	32,755
Accrued interest receivable	-	1
	<hr/> \$ 109,687	<hr/> \$ 246,737

5. Accounts payable and accrued liabilities

	2023	2022
Accrued liabilities	\$ 30,099	\$ 21,781
Payroll liabilities	12,455	10,284
Trade payables	5,426	21,147
Accrued interest	3,256	1,626
Banked hours payable	262	455
	<hr/> \$ 51,498	<hr/> \$ 55,293

KEREMEOS IRRIGATION DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

6. Long term debt

	2023	2022
CIBC loan bearing interest at 4.35% per annum, repayable in monthly blended payments of \$5,258. The loan matures on April 30, 2025 and is secured by all present and after acquired personal property.	\$ 399,366	\$ 440,382
CIBC loan bearing interest at prime (7.2% as of December 31, 2023) per annum, repayable in monthly blended payments of \$1,332. The loan matures on August 31, 2034 and is secured by all present and after acquired personal property.	152,209	157,519
	<u>\$ 551,575</u>	<u>\$ 597,901</u>

CIBC prime rate as of report date is 7.20%

In the event that CIBC does not demand the loan at maturity, aggregate scheduled principal repayments required under the terms of the long term debt over the next five years and in total are estimated as follows:

Principal repayment terms are approximately:

2024	\$ 51,841
2025	54,280
2026	56,838
2027	59,519
2028	62,332
Thereafter	<u>266,765</u>
	<u>\$ 551,575</u>

The loans are due on demand and the District is subject to externally imposed minimum capital requirements, namely they must maintain a minimum Debt Service Ratio of 1.25 to 1.0 on an annual basis. As at December 31, 2023 the District was in compliance with this ratio.

The carrying value of the security at December 31, 2023 is \$2,944,882 (2022 - \$2,911,528).

KEREMEOS IRRIGATION DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

7. Commitments

The District has two agreements with the Village of Keremeos ("the Village") (Bylaws 311 and 312). The agreements are for the provision of water and water system operation and maintenance. In 2022, under the terms of the agreement (Bylaws 349 and 350), an extension was signed extending the agreement up to June 30, 2026.

The District signed a Letter of Understanding with the Village in 2014. The District agreed to give a 25% ownership of the water reservoir in exchange for \$300,000 in Provincial funding received by the Village. The condition to co-own is necessary as the Gas Tax Agreement between the Village and the Province states the tangible capital asset must be a benefit that is owned by the Village. If this condition is not met or the Village sells its share at any time within 10 years from the date of completion, the Village must repay the funds. Therefore, the Letter of Understanding states at the end of the 10 year period referred to in the Gas Tax Agreement, the Village will consider transferring ownership to the District. Alternatively, they may transfer ownership to to Province of BC.

The District signed an agreement with the Regional District Okanagan Similkameen ("the RDOS") in 2017 for \$78,000 in funding for the installation of water meters on well pumps that service the Village of Keremeos and Area 'G' residents. The agreement states that the District must retain title to, and ownership of, the infrastructure resulting from the project for at least five years after project completion. If the District sells, leases, encumbers or otherwise disposes of, directly or indirectly, any asset constructed, rehabilitated or improved, in whole or in part, with funds contributed by the RDOS for this project, other than to the Federal Government, the Government of the Province of British Columbia, a Local Government, or a Crown Corporation of British Columbia, the District will be required to repay the RDOS, on demand, a proportionate amount of the funds contributed by the RDOS, as follows: Within two years, 100% of the funding, and between two and five years after completion, 50% of the funding.

The District signed a Letter of Understanding with the Village in 2018. The Village agreed to give a 50% ownership of the Sparks Drive Supply Main in exchange for \$137,981. The agreement states that the District will be fully responsible for any operating, maintenance or repair costs associated with the Sparks Drive Supply Main. Additionally, the Village must retain title to, and ownership of, the infrastructure resulting from the project for at least five years after project completion. If the Village sells, leases, encumbers or otherwise disposes of, directly or indirectly, any asset constructed, rehabilitated or renovated, in whole or in part, with funds contributed by the Canada or the Province for this project, other than to Canada, the Province of British Columbia, a local government, or otherwise with Canada's consent, the Village may be required to repay any funds received for the Project.

8. Related party transactions

Each Board member of the District receives compensation for acting in their capacity as Trustees. During 2023, a total of \$9,461 (2022 - \$9,076) in compensation was paid to the Trustees.

Transactions with related parties are recorded at the exchange amount, which is the amount of consideration agreed to between the related parties.

KEREMEOS IRRIGATION DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

9. Financial instruments

The District is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the District's risk exposure and concentration as of December 31, 2023.

(a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the District manages exposure through its normal operating and financing activities. The District is exposed to interest rate risk primarily through its floating interest rate credit facility.

Unless otherwise noted, it is management's opinion that the District is not exposed to significant other price risks arising from these financial instruments.

10. Budget

The District's budget was approved by the Board on March 29, 2023. The budget was not subject to audit or review.

KEREMEOS IRRIGATION DISTRICT

Schedule of Operations By Fund and Object
Year Ended December 31, 2023

(Schedule 1)

	Budget (Unaudited) 2023		Operating Fund	Capital Reserve Fund	Capital Expenditure Fund	Capital Asset Fund	2023		2022	
	\$						\$		\$	
Revenue										
Domestic water	\$ 393,731		\$ 406,304	-	-	-	\$ 406,304	\$ 369,007		
Irrigation taxes	321,705		321,746	-	-	-	321,746	301,504		
Connection fees and upgrades	104,500		105,629	-	-	-	105,629	104,375		
Capital levies	-		-	-	19,374	-	19,374	7,600		
Sundry and expense recoveries	-		14,268	-	-	-	14,268	6,215		
Percentage addition	-		9,258	-	-	-	9,258	10,419		
Interest	-		-	-	1,475	-	1,475	2,790		
Interest and penalties on taxes	500		1,019	-	-	-	1,019	480		
Capital admin fee	-		-	-	-	-	-	100,000		
Fortis rebate	-		-	-	-	-	-	65,000		
		820,436	858,224	-	20,849	-	879,073	967,370		
Operating expenses										
Amortization	-		-	-	-	97,317	97,317	83,804		
Consulting fees	5,500		7,560	-	-	-	7,560	5,181		
Insurance, licences and dues	37,900		44,898	-	-	-	44,898	39,096		
Loss on disposal of assets	-		-	-	-	34,030	34,030	16,447		
Management wages	-		127,186	-	-	-	127,186	103,455		
New reservoir costs	128,627		-	-	-	-	-	-		
Pumphouse maintenance	79,000		7,036	-	-	-	7,036	13,770		
Pumping power	20,700		158,932	-	-	-	158,932	158,151		
Supplies	164,200		1,243	-	-	-	1,243	247		
System maintenance	500		48,238	-	-	-	48,238	42,564		
Training	37,700		4,509	-	-	-	4,509	6,425		
Vehicles	3,500		9,352	-	-	-	9,352	8,536		
Wages	9,500		71,408	-	-	-	71,408	64,254		
	70,720		-	-	-	-	-	-		
Total operating expenses	557,847		480,362	-	-	131,347	611,709	541,930		

(continues)

See accompanying notes to financial statements.

KEREMEOS IRRIGATION DISTRICT

Schedule of Operations By Fund and Object (continued)

(Schedule 1)

Year Ended December 31, 2023

	Budget (Unaudited) 2023	Operating Fund	Capital Reserve Fund	Capital Expenditure Fund	Capital Asset Fund	2023	2022
Administrative expenses							
Bank charges and interest	500	432	-	-	-	432	391
Employee benefits	32,150	33,714	-	-	-	33,714	29,563
Financial administrator	35,000	35,650	-	-	-	35,650	33,194
Interest on long term debt	-	29,006	-	-	-	29,006	25,730
Office and miscellaneous	6,250	7,544	-	-	-	7,544	7,612
Professional fees	51,650	15,969	-	-	-	15,969	10,951
Telephone, internet and utilities	9,080	7,976	-	-	-	7,976	8,505
Trustee remuneration	9,076	9,461	-	-	-	9,461	9,076
Total administrative expenses	143,706	139,752	-	-	-	139,752	125,022
Annual surplus (deficit)	118,883	238,110	-	20,849	(131,347)	127,612	300,418
Accumulated surplus - beginning of year	2,920,447	131,976	309,751	165,093	2,313,627	2,920,447	2,620,029
Acquisition of tangible capital assets, net	-	(156,717)	-	(7,984)	164,701	-	-
Repayment of debt	-	(46,326)	-	-	46,326	-	-
Interfund transfers	-	(13,739)	13,739	-	-	-	-
Accumulated surplus - end of year	\$ 3,039,330	\$ 153,304	\$ 323,490	\$ 177,958	\$ 2,393,307	\$ 3,048,059	\$ 2,920,447

See accompanying notes to financial statements.

KEREMEOS IRRIGATION DISTRICT

Schedule of Tangible Capital Assets
Year Ended December 31, 2023

(Schedule 2)

Cost	Land and right of ways	Tools and equipment	Patrol truck and backhoe	Paving and fencing	Pumps, wells, water systems, watermains	Hydrants, buildings and pumphouses	Reservoir	2023		2022	
Opening balance	\$ 51,546	\$ 53,809	\$ 94,139	\$ 27,812	\$ 2,861,364	\$ 811,196	\$ 818,315	\$ 4,718,181	\$ 4,570,221		
Add: additions	-	5,724	-	1,161	149,837	7,979	-	164,701	377,676		
Less: disposals	-	-	-	-	(39,646)	-	-	(39,646)	(229,716)		
Accumulated amortization	51,546	69,533	94,139	28,973	2,971,555	819,175	818,315	4,843,236	4,718,181		
Opening balance	-	41,077	28,254	16,374	1,061,055	572,969	86,924	1,806,653	1,936,119		
Add: amortization	-	2,972	5,792	960	62,728	14,636	10,229	97,317	83,804		
Less: effects of disposals	-	-	-	-	(5,616)	-	-	(5,616)	(213,270)		
Net book value - December 31, 2023	\$ 51,546	\$ 15,484	\$ 60,093	\$ 11,639	\$ 1,853,388	\$ 231,570	\$ 721,162	\$ 2,944,882	\$ 1,806,653		
Net book value - December 31, 2022	\$ 51,546	\$ 12,732	\$ 65,885	\$ 11,438	\$ 1,800,309	\$ 238,227	\$ 731,391	\$ 2,911,528	\$ 1,806,653		

See accompanying notes to financial statements.