

**KEREMEOS
IRRIGATION DISTRICT**

Financial Statements

Year Ended December 31, 2021

KEREMEOS IRRIGATION DISTRICT

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Year Ended December 31, 2021

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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, 2021, 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, 2021, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Schedule 1 and 2 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

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
May 11, 2022

KEREMEOS IRRIGATION DISTRICT

Statement of Financial Position

December 31, 2021

	2021	2020
Financial assets		
Cash and investments <i>(Note 4)</i>	\$ 569,017	\$ 659,208
Accounts receivable <i>(Note 5)</i>	51,874	48,304
	620,891	707,512
Liabilities		
Accounts payable and accrued liabilities <i>(Note 6)</i>	29,690	25,433
Deferred income	9,236	5,888
Long term debt <i>(Note 7)</i>	647,879	690,691
	686,805	722,012
Net financial debt	(65,914)	(14,500)
Non-financial assets		
Tangible capital assets <i>(Schedule 2)</i>	2,516,390	2,410,122
Supply inventory	27,660	19,454
Prepaid expenses	24,181	21,908
	2,568,231	2,451,484
Accumulated surplus	\$ 2,502,317	\$ 2,436,984

Commitments *(Note 8)*

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, 2021

	Budget (Unaudited) 2021	2021	2020
Revenues			
Domestic water	\$ 336,189	\$ 348,094	\$ 328,314
Irrigation taxes	287,983	288,298	279,595
Capital levies	-	37,071	71,976
Percentage addition	-	7,472	6,669
Sundry and expense recoveries	-	5,673	2,007
Connection fees and upgrades	-	5,172	750
Interest	-	1,178	2,148
WCB wage loss recovery	-	600	-
Interest and penalties on taxes	500	429	1,348
Fortis rebate	-	-	10,000
Capital admin fee	6,300	-	-
	630,972	693,987	702,807
Expenses			
Operating expenses (Schedule 1)	456,440	512,694	440,925
Administrative expenses (Schedule 1)	246,460	115,960	113,485
	702,900	628,654	554,410
Annual surplus (deficit)	(71,928)	65,333	148,397
Accumulated surplus - beginning of year	2,436,984	2,436,984	2,288,587
Accumulated surplus - end of year	\$ 2,365,056	\$ 2,502,317	\$ 2,436,984

See accompanying notes to financial statements.

KEREMEOS IRRIGATION DISTRICT

Statement of Changes in Net Financial Debt

Year Ended December 31, 2021

	Budget (Unaudited) 2021	2021	2020
Annual surplus (deficit)	\$ (71,928)	\$ 65,333	\$ 148,397
Amortization of tangible capital assets	-	77,766	86,754
Purchase of tangible capital assets	(70,000)	(187,791)	(54,863)
Loss on disposal of tangible capital assets	-	3,757	564
	(141,928)	(40,935)	180,852
Acquisition of prepaid expenses	-	(24,181)	(21,908)
Use of prepaid expenses	-	21,908	21,014
Use of supply inventory	-	(8,206)	718
	-	(10,479)	(176)
Increase (decrease) in net financial assets	(141,928)	(51,414)	180,676
Net financial debt - beginning of year	(14,500)	(14,500)	(195,176)
Net financial debt - end of year	\$ (156,428)	\$ (65,914)	\$ (14,500)

See accompanying notes to financial statements.

KEREMEOS IRRIGATION DISTRICT

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
Operating activities		
Annual surplus	\$ 65,333	\$ 148,397
Items not affecting cash:		
Amortization of tangible capital assets	77,766	86,754
Loss on disposal of tangible capital assets	3,757	564
	146,856	235,715
Changes in non-cash working capital:		
Accounts receivable	(3,570)	(8,432)
Supply inventory	(8,209)	718
Accounts payable and accrued liabilities	4,261	6,458
Deferred income	3,348	(690)
Prepaid expenses	(2,273)	(894)
	(6,443)	(2,840)
Net change in cash from operating activities	140,413	232,875
Capital activity		
Purchase of tangible capital assets	(187,791)	(54,863)
Cash flow used by capital activity	(187,791)	(54,863)
Financing activity		
Repayment of long term debt	(42,813)	(40,708)
Cash flow used by financing activity	(42,813)	(40,708)
Increase (decrease) in cash flow	(90,191)	137,304
Cash and investments - beginning of year	659,208	521,904
Cash and investments - end of year	\$ 569,017	\$ 659,208

See accompanying notes to financial statements.

KEREMEOS IRRIGATION DISTRICT

Notes to Financial Statements

Year Ended December 31, 2021

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. Impacts of COVID-19

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The District has determined that no adjustment is needed to reflect the impact on the December 31, 2021 financial position. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position results of the District for future periods.

3. 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.

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KEREMEOS IRRIGATION DISTRICT

Notes to Financial Statements

Year Ended December 31, 2021

3. Significant accounting policies *(continued)*

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.

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.

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, 2021 and 2020, 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, 2021

3. 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.

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

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

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.

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.

KEREMEOS IRRIGATION DISTRICT

Notes to Financial Statements

Year Ended December 31, 2021

4. Cash and investments

	2021	2020
Cash	\$ 389,754	\$ 481,368
Term deposits - Capital Reserve Fund	102,755	101,637
Term deposits - Operating Fund	76,508	76,203
	\$ 569,017	\$ 659,208

In 2021, cash includes \$107,074 (2020 - \$119,716) internally restricted for use in the Capital Expenditure Fund and \$229,688 (2020 - \$279,688) internally restricted for use in the Capital Reserve Fund.

The Operating Fund term deposits consist of one GIC with Valley Fist Credit Union ("VFCU") that is cashable and matures November 9, 2022 at 0.4%.

The Capital Reserve Fund term deposits consists of one GIC with VFCU that matures on November 9, 2022 at Prime (2.45% as of December 31, 2021) less 1.35%. Its use is internally restricted for use in the Capital Reserve Fund.

5. Accounts receivable

	2021	2020
Trade receivables	\$ 27,236	\$ 32,850
Goods and service tax rebate	24,435	15,251
Accrued interest receivable	203	203
	\$ 51,874	\$ 48,304

6. Accounts payable and accrued liabilities

	2021	2020
Accrued liabilities	\$ 14,461	\$ 9,403
Payroll liabilities	9,804	6,575
Trade payables	4,099	7,547
Banked hours payable	942	1,498
Accrued interest	384	410
	\$ 29,690	\$ 25,433

KEREMEOS IRRIGATION DISTRICT

Notes to Financial Statements

Year Ended December 31, 2021

7. Long term debt

	2021	2020
CIBC loan bearing interest at 3.261% per annum, repayable in monthly blended payments of \$3,942. The loan matures on April 30, 2022 and is secured by all present and after acquired personal property.	\$ 479,798	\$ 510,900
CIBC loan bearing interest at prime (2.45% as of December 31, 2021) 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.	168,081	179,791
	647,879	690,691
Amounts payable within one year	(44,044)	(40,181)
	<u>\$ 603,835</u>	<u>\$ 650,510</u>

Prime rate as of report date is 3.20%

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:

2022	\$ 44,044
2023	45,402
2024	46,802
2025	48,247
2026	152,144
Thereafter	311,240
	<u>\$ 647,879</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, 2021 the District was in compliance with this ratio.

The carrying value of the security at December 31, 2021 is \$2,505,406 (2020 - \$2,410,122).

KEREMEOS IRRIGATION DISTRICT

Notes to Financial Statements

Year Ended December 31, 2021

8. 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 2019, under the terms of the agreement (Bylaws 336 and 337), an extension was signed extending the agreement up to June 30, 2022.

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.

9. Related party transactions

Each Board member of the District receives compensation for acting in their capacity as Trustees. During 2021, a total of \$8,623 (2020 - \$8,510) 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, 2021

10. 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, 2021.

(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.

11. Subsequent events

Subsequent to year end the District renewed their \$469,203 CIBC loan on May 4, 2022. The loan was renewed at a fixed rate of 4.35% per annum, repayable in monthly blended payments of \$5,258. The loan matures on April 30, 2025.

KEREMEOS IRRIGATION DISTRICT

Schedule of Operations By Fund and Object
Year Ended December 31, 2021

(Schedule 1)

	Budget (Unaudited) 2021	Operating Fund	Capital Reserve Fund	Capital Expenditure Fund	Capital Asset Fund	2021	2020
Revenue							
Domestic water	\$ 336,189	\$ 348,094	\$ -	\$ -	\$ -	\$ 348,094	\$ 328,314
Irrigation taxes	287,983	288,298	-	-	-	288,298	279,595
Capital levies	-	-	-	37,071	-	37,071	71,976
Percentage addition	-	7,472	-	-	-	7,472	6,669
Sundry and expense recoveries	-	5,673	-	-	-	5,673	2,007
Connection fees and upgrades	-	5,172	-	-	-	5,172	750
Interest	-	-	1,118	60	-	1,178	2,148
WCB wage loss recovery	-	600	-	-	-	600	-
Interest and penalties on taxes	500	429	-	-	-	429	1,348
Capital admin fee	6,300	-	-	-	-	-	-
Fortis rebate	-	-	-	-	-	-	10,000
	630,972	655,738	1,118	37,131	-	693,987	702,807
Operating expenses							
Amortization	-	-	-	-	77,766	77,766	86,754
Consulting fees	11,500	5,656	-	-	-	5,656	7,657
Insurance, licences and dues	31,400	36,627	-	-	-	36,627	31,704
Loss on disposal of assets	-	-	-	-	3,757	3,757	564
Management wages	112,380	88,643	-	-	-	88,643	71,126
Pumphouse maintenance	27,630	17,503	-	-	-	17,503	12,725
Pumping power	164,050	170,128	-	-	-	170,128	147,726
Supplies	-	377	-	-	-	377	57
System maintenance	38,500	42,849	-	-	-	42,849	26,666
Training	3,500	2,537	-	-	-	2,537	-
Vehicles	5,100	6,212	-	-	-	6,212	2,708
Wages	62,380	60,639	-	-	-	60,639	53,238
Total operating expenses	456,440	431,171	-	-	81,523	512,694	440,925

(continues)

See accompanying notes to financial statements.

KEREMEOS IRRIGATION DISTRICT

Schedule of Operations By Fund and Object *(continued)*

(Schedule 1)

Year Ended December 31, 2021

	Budget (Unaudited) 2021	Operating Fund	Capital Reserve Fund	Capital Expenditure Fund	Capital Asset Fund	2021	2020
Administrative expenses							
Bank charges and interest	500	392	-	-	-	392	409
Employee benefits	25,100	26,058	-	-	-	26,058	23,264
Financial administrator	32,100	33,759	-	-	-	33,759	30,653
Interest on long term debt	63,500	20,445	-	-	-	20,445	22,348
Office and miscellaneous	5,200	6,168	-	-	-	6,168	5,139
Payroll expenses	-	3,672	-	-	-	3,672	2,824
Professional fees	104,000	7,456	-	-	-	7,456	12,591
Telephone, internet and utilities	7,550	9,387	-	-	-	9,387	7,747
Trustee remuneration	8,510	8,623	-	-	-	8,623	8,510
Total administrative expenses	246,460	115,960	-	-	-	115,960	113,485
Annual surplus (deficit)	(71,928)	108,607	1,118	37,131	(81,523)	65,333	148,397
Accumulated surplus - beginning of year	2,436,984	216,348	381,485	119,720	1,719,431	2,436,984	2,288,587
Acquisition of tangible capital assets, net	-	(187,791)	-	-	187,791	-	-
Repayment of debt	-	(42,813)	-	-	42,813	-	-
Interfund transfers	-	50,000	(50,000)	-	-	-	-
Accumulated surplus - end of year	\$ 2,365,056	\$ 144,351	\$ 332,603	\$ 156,851	\$ 1,868,512	\$ 2,502,317	\$ 2,436,984

See accompanying notes to financial statements.

KEREMEOS IRRIGATION DISTRICT

Schedule of Tangible Capital Assets

(Schedule 2)

Year Ended December 31, 2021

	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	2021	2020
Cost									
Opening balance	\$ 51,546	\$ 53,809	\$ 59,798	\$ 27,812	\$ 2,540,138	\$ 717,254	\$ 818,315	\$ 4,268,672	\$ 4,214,937
Add: additions	-	-	34,341	-	153,450	-	-	187,791	54,863
Less: disposals	-	-	-	-	(3,954)	-	-	(3,954)	(1,128)
	51,546	53,809	94,139	27,812	2,689,634	717,254	818,315	4,452,509	4,268,672
Accumulated amortization									
Opening balance	-	34,750	17,815	14,494	1,180,532	544,493	66,466	1,858,550	1,772,360
Add: Amortization	-	3,218	4,647	940	44,949	13,783	10,229	77,766	86,754
Less: effects of disposals	-	-	-	-	(197)	-	-	(197)	(564)
	-	37,968	22,462	15,434	1,225,284	558,276	76,695	1,936,119	1,858,550
Net book value - December 31, 2021	\$ 51,546	\$ 15,841	\$ 71,677	\$ 12,378	\$ 1,464,350	\$ 158,978	\$ 741,620	\$ 2,516,390	
Net book value- December 31, 2020	\$ 51,546	\$ 19,059	\$ 41,983	\$ 13,318	\$ 1,359,606	\$ 172,761	\$ 751,849		\$ 2,410,122

See accompanying notes to financial statements.