

**WASA LAKE LAND IMPROVEMENT DISTRICT**  
**Financial Statements**  
**Year Ended December 31, 2020**

**WASA LAKE LAND IMPROVEMENT DISTRICT**  
**Index to Financial Statements**  
**Year Ended December 31, 2020**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Trustees of Wasa Lake Land Improvement District

I have reviewed the accompanying financial statements of Wasa Lake Land Improvement District (the Improvement District) that comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), 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.

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Wasa Lake Land Improvement District as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

The financial statements of Wasa Lake Land Improvement District for the year ended December 31, 2019 were audited by another practitioner who expressed an unmodified conclusion on those financial statements on March 19, 2020.




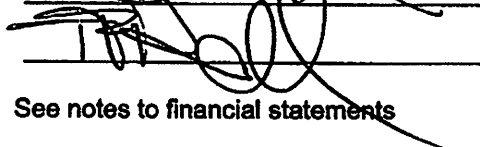
Cranbrook, British Columbia  
July 26, 2021

CHARTERED PROFESSIONAL ACCOUNTANT

**WASA LAKE LAND IMPROVEMENT DISTRICT**  
**Statement of Financial Position**  
**December 31, 2020**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 42,892	\$ 39,672
Term deposit and community bond (Note 4)	16,448	16,134
Accounts receivable	4,623	3,431
Goods and services tax recoverable	350	413
	64,313	59,650
<b>CAPITAL ASSETS (Notes 2, 5)</b>	<b>2,120</b>	<b>2,776</b>
	<b>\$ 66,433</b>	<b>\$ 62,426</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 2,300	\$ 2,684
Deposits received	764	300
Deferred income	700	-
	3,764	2,984
<b>NET ASSETS</b>	<b>62,669</b>	<b>59,442</b>
	<b>\$ 66,433</b>	<b>\$ 62,426</b>

**APPROVED ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Trustee  
  
 \_\_\_\_\_ Trustee

See notes to financial statements

**WASA LAKE LAND IMPROVEMENT DISTRICT**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2020**

	2020	2019
<b>REVENUES</b>		
Property taxes	\$ 19,000	\$ 19,100
Interest	759	861
Other	120	60
	<u>19,879</u>	<u>20,021</u>
<b>EXPENDITURES</b>		
AGM Expense	470	169
Advertising and website	178	1,386
Bad debts	772	-
Amortization	656	961
Aquatic plant control	-	1,337
Business taxes, licenses and memberships	150	150
Consulting fees	83	45
Insurance	1,500	1,450
Interest and bank charges	137	146
Lake & River Gauges	979	1,511
Management and WCB	5,459	5,111
Office	1,769	1,929
Professional fees	3,250	3,203
Rent	475	475
Repairs and maintenance	774	-
Travel/Conferences/Education	-	75
	<u>16,652</u>	<u>17,948</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	<u>3,227</u>	<u>2,073</u>
<b>OTHER INCOME</b>		
Grants received	-	(9,197)
Grant expenses	-	9,197
	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 3,227</u>	<u>\$ 2,073</u>

See notes to financial statements

**WASA LAKE LAND IMPROVEMENT DISTRICT**  
**Statement of Cash Flows**  
**Year Ended December 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 3,227	\$ 2,073
Item not affecting cash:		
Amortization of capital assets	656	961
	<u>3,883</u>	<u>3,034</u>
Changes in non-cash working capital:		
Accounts receivable	(1,192)	2,010
Accounts payable	(384)	(922)
Deferred income	700	-
Goods and services tax payable	63	31
Deposits received	464	(434)
	<u>(349)</u>	<u>685</u>
Cash flow from operating activities	<u>3,534</u>	<u>3,719</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	-	(1,362)
<b>INCREASE IN CASH FLOW</b>	<b>3,534</b>	<b>2,357</b>
Cash - beginning of year	<u>55,806</u>	<u>53,449</u>
<b>CASH - END OF YEAR</b>	<b>\$ 59,340</b>	<b>\$ 55,806</b>

**WASA LAKE LAND IMPROVEMENT DISTRICT**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**  
*(Unaudited)*

**1. PURPOSE OF THE IMPROVEMENT DISTRICT**

Wasa Lake Land Improvement District (the "Improvement District") is a duly elected body that has letters patent granted by the Province of British Columbia for water quality and quantity control of Wasa Lake. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

**2. BASIS OF PRESENTATION**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Some users may require further information as these statements have not been prepared for general purposes.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Boat and motor	10 years	straight-line method
Computer equipment	2 years	straight-line method
Equipment	10 years	straight-line method
Furniture and fixtures	10 years	straight-line method

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

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

**4. TERM DEPOSIT AND COMMUNITY BOND**

	<u>2020</u>	<u>2019</u>
East Kootenay Community Credit Union-Community Bond 2.10% maturing April 4, 2020	\$ -	\$ 10,156
East Kootenay Community Credit Union-GIC 1.75% maturing July 19, 2020	-	5,978
East Kootenay Community Credit Union-Community Bond 1.25% maturing April 4, 2021	10,366	-
East Kootenay Community Credit Union-GIC 0.75% maturing July 19, 2021	6,082	-
	<u>\$ 16,448</u>	<u>\$ 16,134</u>

Term deposit and community bond balances include accrued interest.

**WASA LAKE LAND IMPROVEMENT DISTRICT**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**  
*(Unaudited)*

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Boat and motor	\$ 1,362	\$ 204	\$ 1,158	\$ 1,294
Computer equipment	1,359	1,359	-	306
Equipment	1,737	955	782	956
Furniture and fixtures	400	220	180	220
	<b>\$ 4,858</b>	<b>\$ 2,738</b>	<b>\$ 2,120</b>	<b>\$ 2,776</b>

6. FINANCIAL INSTRUMENTS

The Improvement 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 Improvement District's risk exposure and concentration as of December 31, 2020.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Improvement District is exposed to credit risk from customers. In order to reduce its credit risk, the Improvement District reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Improvement District has a significant number of customers which minimizes concentration of credit risk.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Improvement District is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable.

**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 Improvement District manages exposure through its normal operating and financing activities. The Improvement District is exposed to interest rate risk primarily through its investment certificates.

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



## **Appendix A - Expected Form of Report**

To the Members of Wasa Lake Land Improvement District

I have reviewed the accompanying financial statements of Wasa Lake Land Improvement District (the Organization) that comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), 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.

### **Practitioner's Responsibility**

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

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The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Wasa Lake Land Improvement District as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

### **Other Matter**

The financial statements of Wasa Lake Land Improvement District for the year ended December 31, 2019 were reviewed by another practitioner who expressed an unmodified conclusion on those financial statements on .