

**Cherry Creek Waterworks District**  
**Consolidated Financial Statements**  
*December 31, 2018*

# Cherry Creek Waterworks District

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*For the year ended December 31, 2018*

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## Management's Responsibility

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To the Board of Trustees of Cherry Creek Waterworks District:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public Sector Accounting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Trustees is composed entirely of Trustees who are neither management nor employees of the District. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Board and management to discuss their audit findings.

April 1, 2019

  
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Administrator

# **Independent Auditor's Report**

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To the Board of Directors of the Cherry Creek Waterworks District

## *Opinion*

We have audited the consolidated financial statements of the Cherry Creek Waterworks District (the "District") which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows and related schedules 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 District as at December 31, 2018, and the results of its operations and its consolidated 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 Consolidated 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 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 Canadian Public Sector Accounting Standards 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 District'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 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.

## *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 Municipality'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 entity'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 District 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.

Nanaimo, British Columbia

April 1, 2019

*MNP LLP*

Chartered Professional Accountants

**Cherry Creek Waterworks District**  
**Consolidated Statement of Financial Position**

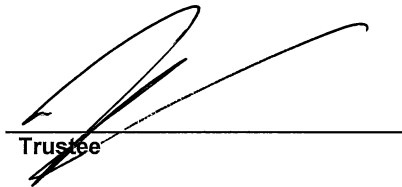
*As at December 31, 2018*

	2018	2017
<b>Financial assets</b>		
Cash	918,547	1,086,446
Accounts receivable (Note 3)	121,502	120,288
Short-term investments	1,321,589	974,499
<b>Total financial assets</b>	<b>2,361,638</b>	<b>2,181,233</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	55,299	93,387
Deferred revenue	5,775	7,625
Long-term debt (Note 4)	80,000	90,000
<b>Total liabilities</b>	<b>141,074</b>	<b>191,012</b>
<b>Net financial assets</b>	<b>2,220,564</b>	<b>1,990,221</b>
<b>Non-financial assets</b>		
Prepaid expenses	22,575	22,575
Inventory	51,964	53,897
Tangible capital assets (Schedule 1)	2,605,041	2,513,139
<b>Total non-financial assets</b>	<b>2,679,580</b>	<b>2,589,611</b>
<b>Accumulated surplus (Note 7)</b>	<b>4,900,144</b>	<b>4,579,834</b>

Approved on behalf of the Trustees



Trustee



Trustee

The accompanying notes are an integral part of these consolidated financial statements

# Cherry Creek Waterworks District

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended December 31, 2018*

	2018 <i>Budget</i> <i>(Note 6)</i>	2018	2017
<b>Revenues</b>			
Water tolls	387,828	<b>404,584</b>	378,495
Provincial tax levy - fire protection	276,793	<b>276,793</b>	271,366
Property taxes	303,471	<b>302,769</b>	293,753
Fire protection	21,600	<b>124,643</b>	160,271
Water connection fees	-	<b>29,770</b>	24,000
Interest income	1,500	<b>27,031</b>	15,737
Capital levy - user charge	2,750	<b>3,850</b>	4,400
Other income	13,000	<b>13,958</b>	3,404
	1,006,942	<b>1,183,398</b>	1,151,426
<b>Expenses</b>			
Administration <i>(Schedule 2)</i>	198,996	<b>212,860</b>	212,027
Water service <i>(Schedule 3)</i>	229,144	<b>387,030</b>	329,822
Fire protection <i>(Schedule 4)</i>	206,793	<b>263,198</b>	249,145
	634,933	<b>863,088</b>	790,994
<b>Annual surplus</b>	372,009	<b>320,310</b>	360,432
<b>Accumulated surplus, beginning of year</b>	4,579,834	<b>4,579,834</b>	4,219,402
<b>Accumulated surplus, end of year</b>	4,951,843	<b>4,900,144</b>	4,579,834

*The accompanying notes are an integral part of these consolidated financial statements*

**Cherry Creek Waterworks District**  
**Consolidated Statement of Change in Net Financial Assets**  
*For the year ended December 31, 2018*

	<i>2018 Budget (Note 6)</i>	<b>2018</b>	<i>2017</i>
<b>Annual surplus</b>	372,009	<b>320,310</b>	360,432
Acquisition of tangible capital assets	65,000	<b>(237,267)</b>	(218,498)
Amortization	-	<b>145,365</b>	138,186
Change in inventory	-	<b>1,935</b>	3,831
Change in prepaid expenses	-	-	(2,676)
<b>Change in net financial assets</b>	437,009	<b>230,343</b>	281,275
<b>Net financial assets, beginning of year</b>	1,990,221	<b>1,990,221</b>	1,708,946
<b>Net financial assets, end of year</b>	2,427,230	<b>2,220,564</b>	1,990,221

*The accompanying notes are an integral part of these consolidated financial statements*



**Cherry Creek Waterworks District**  
**Consolidated Statement of Cash Flows**

*For the year ended December 31, 2018*

	2018	2017
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	320,310	360,432
Amortization	145,365	138,186
Gain on sale of vehicle	(12,300)	-
	453,375	498,618
<b>Changes in non-cash operating balance</b>		
Accounts receivable	(1,212)	(42,785)
Inventory and prepaid expenses	1,933	1,156
Accounts payable and accrued liabilities	(38,088)	45,252
Deferred revenue	(1,850)	743
	(39,217)	4,366
<b>Net cash provided by operating activities</b>	<b>414,158</b>	<b>502,984</b>
<b>Investing activities</b>		
Cash used to purchase investments	(347,090)	(160,347)
<b>Capital activities</b>		
Proceeds on disposal of vehicle	12,300	-
Cash used to acquire tangible capital assets	(237,267)	(218,498)
	(224,967)	
<b>Financing activities</b>		
Repayment of long-term debt	(10,000)	(10,000)
<b>Increase (decrease) in cash resources</b>	<b>(167,899)</b>	<b>114,139</b>
<b>Cash resources, beginning of year</b>	<b>1,086,446</b>	<b>972,307</b>
<b>Cash resources, end of year</b>	<b>918,547</b>	<b>1,086,446</b>

*The accompanying notes are an integral part of these consolidated financial statements*

# Cherry Creek Waterworks District

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2018

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### 1. Incorporation and operations

Cherry Creek Waterworks District (the "District") was incorporated on June 4, 1957 and is subject to the provisions contained in the Local Government Act, a statute of the British Columbia provincial government. The principal activities of the District are to provide water service and fire protection to the residents of the Cherry Creek Waterworks District and to maintain and repair all water lines, and fire protection equipment associated with those services. Under Section 149(1)(c) of the Income Tax Act, the District is exempt from taxation.

### 2. Significant accounting policies

#### ***Basis of presentation***

It is the policy of the District to follow accounting principles accepted for British Columbia improvement districts and to apply such principles consistently. The consolidated financial statements have been prepared in accordance with the recommendations of the Public Sector Accounting Board of CPA Canada. In accordance with these recommendations, the District has implemented the consolidation of all funds. The consolidated financial statements reflect the removal of internal transactions and balances.

#### ***Fund accounting***

In order to ensure observance of limitations and restrictions placed on the use of resources available to the District, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Trustees.

Four funds are maintained: Operating Fund, Capital Fund and two Reserve Funds.

The Operating Fund is used to account for all revenues and expenses related to general and ancillary operations of the District.

The Capital Fund is used to account for all tangible capital assets of the District and to present the flow of funds related to their acquisition and disposal, unexpended capital resources and debt commitments.

The Restricted Reserve Fund consists of funds established by the Trustees of the District, by bylaw, to be used for expenditures related to the upgrading, replacement or renewal of the existing Waterworks tangible capital assets. These funds and interest earned thereon can only be disbursed upon approval of the Ministry of Community, Sport and Cultural Development.

The Unrestricted Reserve Fund consists of funds established by Board of Trustee motion, to be used as directed by the Board of Trustees for expenditures related to the upgrading, replacement or renewal of waterworks tangible capital assets. The Unrestricted Reserve Fund has three sub-funds: 4-3-2-1 Reserve, Fire Department Capital Reserve and Renewal Reserve.

#### ***Revenue recognition***

Property taxes are recognized upon issuance of tax notices for the fiscal year. Sale of services revenue for water services are recognized on a quarterly basis when they are levied. Fire service revenue consists of funds received from the Province and is recognized upon receipt. Interest and other income is recognized as revenue as earned on an accrual basis. Local government transfer is recognized as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the District recognizes revenue as the liability is settled.

#### ***Short-term investments***

Short-term investments consist of Guaranteed Investment Certificates ("GIC") which are valued at cost plus accrued interest with a maturity date of less than one year.

# Cherry Creek Waterworks District

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2018

### 2. Significant accounting policies (continued from previous page)

#### **Inventory**

Inventory of supplies are recorded at the lower of cost and net realizable value. Cost is determined using the specific identification method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

#### **Tangible capital assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Water distribution system	4 %
Equipment	20 - 55 %
Fire truck and equipment	20 %
Fire hall furniture and equipment	20 %
Fire hall buildings	4 %
Lacy Lake dam	4 %
Building improvements	6 %

Amortization is not taken unless an asset is in use. In the year of acquisition, amortization is taken at one-half of the above rates.

#### **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, 2018.

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, 2018 the District has not recorded any liability for contaminated sites as no sites exist.

#### **Measurement uncertainty (use of estimates)**

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the District is responsible for.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

# Cherry Creek Waterworks District

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2018

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### 2. Significant accounting policies (continued from previous page)

#### ***Recent accounting pronouncements***

##### ***PS 2200 Related Party Disclosures***

Effective January 1, 2018, the District adopted the recommendations relating to PS 2200 *Related Party Disclosures*, as set out in the CPA Canada public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

This new Section defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

There was no material impact on the consolidated financial statements of adopting the new Section.

##### ***PS 3210 Assets***

Effective January 1, 2018, the District adopted the recommendations relating to PS 3210 *Assets*, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

The new Section provides guidance for applying the definition of assets set out in PS 1000 *Financial Statement Concepts*. The main features of this standard are as follows:

- Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.
- Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.
- The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.
- A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.
- A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.
- An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

There was no material impact on the consolidated financial statements of adopting the new Section.

# Cherry Creek Waterworks District

## Notes to the Consolidated Financial Statements

*For the year ended December 31, 2018*

### 2. Significant accounting policies (continued from previous page)

#### ***PS 3320 Contingent Assets***

Effective January 1, 2018, the District adopted the recommendations relating to PS 3320 *Contingent Assets*, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

The new Section establishes disclosure standards on contingent assets. The main features of this standard are as follows:

- Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.
- When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

There was no material impact on the consolidated financial statements of adopting the new Section.

#### ***PS 3380 Contractual Rights***

Effective January 1, 2018, the District adopted the recommendations relating to PS 3380 *Contractual Rights*, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.
- Disclosures should include descriptions about nature, extent, and timing.

There was no material impact on the consolidated financial statements of adopting the new Section.

### 3. Accounts receivable

	<b>2018</b>	<b>2017</b>
Trade receivables	<b>107,962</b>	100,425
Goods and Services Tax receivable	<b>13,540</b>	19,863
	<b>121,502</b>	120,288

# Cherry Creek Waterworks District

## Notes to the Consolidated Financial Statements

*For the year ended December 31, 2018*

#### 4. Long-term debt

	<b>2018</b>	<b>2017</b>
Province of British Columbia; repayable in annual instalments of \$10,000 exempt from interest, matures April 2026 and is unsecured	<b>80,000</b>	90,000

Principal repayments on long-term debt are estimated as follows:

2019	10,000
2020	10,000
2021	10,000
2022	10,000
2023	10,000
<u>2024 and subsequent</u>	<u>30,000</u>
	80,000

#### 5. 4-3-2-1 Drinking Water Treatment for Surface Water Policy

In November 2007, Vancouver Island Health Authority adopted the 4-3-2-1 Drinking Water Treatment for Surface Water Policy. This policy sets minimum treatment specifications for drinking water systems that use surface water. In accordance with this policy Vancouver Island Health Authority has added conditions to the operating permit for the District.

The District is updating the 1995 Alberni Valley Regional Water Study and the results may affect planned upgrades to the water system. Any alterations may necessitate a review and revisions of the operating permit terms and conditions.

This is an ongoing project with Vancouver Island Health Authority and the District has yet to determine the completion date.

#### 6. Budget figures

Budget figures represent the budget adopted by Trustees on March 21, 2018. The following schedule reconciles the consolidated surplus as presented in the budget as approved by the Trustees to the consolidated surplus as shown on the consolidated Statement of Operations.

Budgeted surplus as approved by Trustees	290,009
Transfer to reserves	12,000
Purchases of tangible capital assets	65,000
Contingency	<u>5,000</u>
Budgeted annual surplus, as per consolidated Statement of Operations	<u><b>372,009</b></u>

# Cherry Creek Waterworks District

## Notes to the Consolidated Financial Statements

*For the year ended December 31, 2018*

### 7. Accumulated surplus

The District segregates its accumulated surplus into the following categories:

	2018	2017
<b>Operating fund</b>	<b>905,590</b>	892,589
<b>Capital fund</b>		
Waterworks	2,170,282	2,148,973
Fire protection	354,757	274,166
<b>Total equity in tangible capital assets</b>	<b>2,525,039</b>	2,423,139
<b>Restricted reserve fund</b>		
Capital levy reserve	62,715	57,691
<b>Unrestricted reserve fund</b>		
4-3-2-1 reserve	737,571	674,534
Fire department capital reserve	468,150	342,945
Renewal reserve	201,079	188,936
	<b>1,406,800</b>	1,206,415
<b>Total reserve funds</b>	<b>1,469,515</b>	1,264,106
	<b>4,900,144</b>	4,579,834

See Schedule 5 for reserve fund transactions.

### 8. Financial instruments

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

### 9. Environmental liabilities

The District makes every reasonable effort to comply with all environmental regulations that apply to its operations. These regulations may require future expenditures to meet applicable standards. Amounts required to meet these obligations will be charged to operations or set aside as future reserves when they can be reasonably estimated.

### 10. Comparative figures

The comparative figures have been reclassified where applicable to conform with to the current year's presentation.

**Cherry Creek Waterworks District**  
**Consolidated Schedule of Tangible Capital Assets**  
*As at December 31, 2018*

**Schedule 1**

	Water Service							Fire Protection			Totals	
	Land	Water distribution system	Watershed and parks	Lacy Lake dam	Building improvements	Equipment	Water treatment plant (Note 1)	Fire truck and equipment	Fire hall furniture and equipment	Fire hall buildings	2018	2017
<b>Cost</b>												
Balance, beginning of year	133,771	3,151,601	131,599	87,140	18,805	214,412	156,973	1,365,486	108,157	226,196	5,594,140	5,375,642
Add:												
Additions during the year	-	28,616	-	-	-	6,700	63,454	138,497	-	-	237,267	218,498
Less:												
Disposals during the year	-	-	-	-	-	-	-	(49,083)	-	-	(49,083)	-
Balance, end of year	133,771	3,180,217	131,599	87,140	18,805	221,112	220,427	1,454,900	108,157	226,196	5,782,324	5,594,140
<b>Accumulated amortization</b>												
Balance, beginning of year	-	1,444,483	-	72,861	4,747	133,237	-	1,210,000	58,462	157,211	3,081,001	2,942,815
Add:												
Amortization	-	68,858	-	571	1,125	16,906	-	43,885	11,001	3,019	145,365	138,186
Less:												
Reduction for dispositions	-	-	-	-	-	-	-	(49,083)	-	-	(49,083)	-
Balance, end of year	-	1,513,341	-	73,432	5,872	150,143	-	1,204,802	69,463	160,230	3,177,283	3,081,001
<b>Net book value of tangible capital assets</b>	<b>133,771</b>	<b>1,666,876</b>	<b>131,599</b>	<b>13,708</b>	<b>12,933</b>	<b>70,969</b>	<b>220,427</b>	<b>250,098</b>	<b>38,694</b>	<b>65,966</b>	<b>2,605,041</b>	<b>2,513,139</b>

Note 1 - Water treatment plant is under progress, no amortization has been taken as of December 31, 2018 (2017 - Nil)



**Cherry Creek Waterworks District**  
**Schedule of Administration Expenses**

*For the year ended December 31, 2018*

**Schedule 2**

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	<b>2018</b>	<b>2017</b>
Audit, accounting and legal	<b>25,157</b>	33,887
Advertising	<b>855</b>	1,752
Bad debts	<b>844</b>	563
Bank charges	<b>3,089</b>	2,592
Conference expenses	<b>965</b>	3,658
Insurance	<b>23,232</b>	23,161
Miscellaneous	<b>3,324</b>	2,949
Office expense and supplies	<b>18,644</b>	21,665
Payroll benefits	<b>17,905</b>	12,035
Salaries	<b>86,716</b>	78,610
Telephone and utilities	<b>6,287</b>	5,614
Trustees' allowance	<b>18,000</b>	17,700
Water licences and rentals	<b>7,842</b>	7,841
	<b>212,860</b>	212,027

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**Cherry Creek Waterworks District**  
**Schedule of Water Service Expenses**

*For the year ended December 31, 2018*

**Schedule 3**

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	<b>2018</b>	2017
Amortization	<b>87,460</b>	89,749
Contractor	<b>179,376</b>	139,712
Engineering fees	<b>10,717</b>	23,081
Materials and equipment	<b>105,951</b>	71,294
Miscellaneous	<b>2,820</b>	2,750
Vehicle	<b>706</b>	3,236
	<b>387,030</b>	329,822

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**Cherry Creek Waterworks District**  
**Schedule of Fire Protection Expenses**

*For the year ended December 31, 2018*

**Schedule 4**

	<b>2018</b>	<b>2017</b>
Amortization	<b>57,906</b>	48,435
Building repairs	<b>544</b>	2,702
Fire chief's allowance, wage and benefits	<b>46,577</b>	47,495
Special projects	<b>14,214</b>	-
Firemen's allowance	<b>21,165</b>	21,357
Fire prevention and public education	<b>294</b>	242
Insurance	<b>8,380</b>	13,682
Janitor service	<b>1,051</b>	1,492
Light and power	<b>2,633</b>	5,196
Licence and dues	<b>1,816</b>	1,489
Materials and supplies	<b>12,737</b>	9,290
Miscellaneous	<b>977</b>	821
Office supplies	<b>1,888</b>	2,602
Telephone and utilities	<b>4,193</b>	3,114
Training	<b>21,037</b>	34,628
Truck maintenance and operation	<b>17,207</b>	6,557
Wildfire protection	<b>13,120</b>	7,550
Wildfire wages and benefits	<b>37,459</b>	42,493
	<b>263,198</b>	249,145

**Cherry Creek Waterworks District**  
**Consolidated Schedule of Reserve Funds**

*For the year ended December 31, 2018*

**Schedule 5**

	4-3-2-1 Reserve	Capital Levy Reserve	Fire Department Capital Reserve	Renewal Reserve	<b>2018</b>	2017
Balance, beginning of year	<b>674,534</b>	<b>57,691</b>	<b>342,945</b>	<b>188,936</b>	<b>1,264,106</b>	1,026,617
Transfer in	-	-	<b>120,000</b>	<b>12,000</b>	<b>132,000</b>	150,677
Capital levy charge	-	<b>4,400</b>	-	-	<b>4,400</b>	4,400
Parcel taxes	<b>122,550</b>	-	-	-	<b>122,550</b>	108,000
Interest income	<b>3,941</b>	<b>624</b>	<b>5,205</b>	<b>143</b>	<b>9,912</b>	5,003
Expenditure	<b>(63,454)</b>	-	-	-	<b>(63,454)</b>	(30,591)
<b>Balance, end of year</b>	<b>737,571</b>	<b>62,715</b>	<b>468,150</b>	<b>201,079</b>	<b>1,469,515</b>	1,264,106