

SHIPS POINT IMPROVEMENT DISTRICT
Financial Statements
Year Ended December 31, 2022

SHIPS POINT IMPROVEMENT DISTRICT
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Year Ended December 31, 2022

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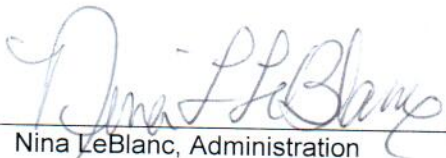
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

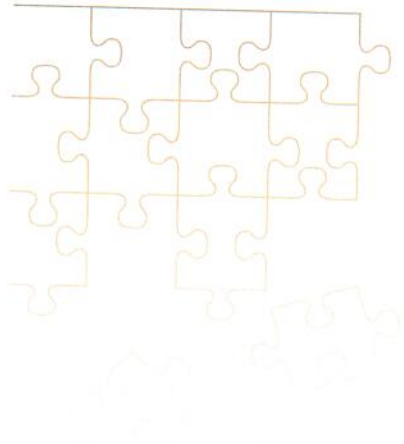
The Board of Trustees is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee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

The financial statements have been audited on behalf of the members by Robbins & Company Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards.



Nina LeBlanc, Administration

Fanny Bay, BC
April 13, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Ships Point Improvement District

Report on the Financial Statements

Opinion

We have audited the financial statements of Ships Point Improvement District (the Improvement District), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in 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 Improvement District as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS)

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Improvement District in accordance with 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 24, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statement:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 Improvement 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 Improvement District or to cease operations, or has no realistic alternative but to do so.

(continues)

Independent Auditor's Report to the Members of Ships Point Improvement District (continued)

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

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 Improvement 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 Improvement 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 Improvement 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.

Courtenay, British Columbia
April 13, 2023

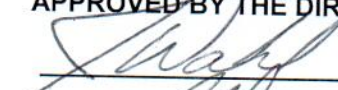



ROBBINS & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

SHIPS POINT IMPROVEMENT DISTRICT
Statement of Financial Position
December 31, 2022

| | 2022 | 2021 <i>(Revised)</i> |
|---|---------------------------|---------------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 423,344 | \$ 470,121 |
| Accounts receivable <i>(Note 5)</i> | 16,911 | 5,148 |
| Goods and services tax recoverable | <u>2,956</u> | <u>2,917</u> |
| | 443,211 | 478,186 |
| LIABILITIES | | |
| Accounts payable | 27,529 | 9,581 |
| Payroll liabilities | 5,051 | 5,233 |
| Government agency payable | 975 | 975 |
| Deferred revenue <i>(Note 6)</i> | 15,000 | - |
| Province of British Columbia debt <i>(Note 7)</i> | 95,109 | 112,632 |
| Royal Bank of Canada loans <i>(Note 8)</i> | 2,035,465 | 2,184,861 |
| Comox Valley Regional District contribution <i>(Note 9)</i> | <u>75,000</u> | <u>75,000</u> |
| | 2,254,129 | 2,388,282 |
| NET FINANCIAL DEBT | <u>(1,810,918)</u> | <u>(1,910,096)</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets <i>(Note 10)</i> | 2,786,584 | 2,954,109 |
| Supply inventory | 3,204 | 9,265 |
| Prepaid expenses | <u>14,267</u> | <u>12,657</u> |
| | 2,804,055 | 2,976,031 |
| ACCUMULATED SURPLUS | \$ 993,137 | \$ 1,065,935 |
| COMMITMENTS AND CONTIGENCIES <i>(Note 16)</i> | | |

APPROVED BY THE DIRECTORS


 _____ Trustee

 _____ Trustee

The accompanying notes are a part of these financial statements

SHIPS POINT IMPROVEMENT DISTRICT
Statement of Operations
Year Ended December 31, 2022

| | Budget 2022 | Total 2022 | Total 2021 |
|---|-------------------|---------------------------|--------------------|
| REVENUES | | | |
| Parcel taxes | \$ 70,600 | \$ 70,604 | \$ 70,604 |
| Capital expenditure fund | 172,200 | 172,200 | 172,200 |
| Water tolls | 99,200 | 101,030 | 100,594 |
| Interest income | 2,200 | 6,519 | 11,663 |
| Province of British Columbia | - | 18,895 | 20,353 |
| Other income | 250 | 443 | 377 |
| | <u>344,450</u> | <u>369,691</u> | <u>375,791</u> |
| EXPENSES | | | |
| Amortization of tangible assets | - | 182,302 | 181,656 |
| Donations | 1,900 | 323 | 750 |
| Insurance | 21,900 | 19,370 | 18,795 |
| Interest - Province of British Columbia | - | 1,373 | 4,978 |
| Interest - Royal Bank of Canada | - | 85,184 | 79,730 |
| Office | 12,625 | 8,293 | 13,382 |
| Professional fees | 8,000 | 12,470 | 8,660 |
| Repairs and maintenance | 39,190 | 21,414 | 27,347 |
| Travel | 7,250 | 4,660 | 4,188 |
| Utilities | 11,200 | 16,977 | 15,416 |
| Wages and benefits | 98,875 | 90,123 | 90,701 |
| | <u>200,940</u> | <u>442,489</u> | <u>445,603</u> |
| ANNUAL SURPLUS (DEFICIT) | <u>\$ 143,510</u> | <u>\$ (72,798)</u> | <u>\$ (69,812)</u> |

The accompanying notes are a part of these financial statements

SHIPS POINT IMPROVEMENT DISTRICT
Statement of Changes in Accumulated Surplus
Year Ended December 31, 2022

| | Budget 2022 | Total 2022 | Total 2021 |
|--|---------------------|-------------------|---------------------|
| ACCUMULATED SURPLUS - BEGINNING OF YEAR | \$ 1,304,882 | \$ 1,065,935 | \$ 1,135,747 |
| ANNUAL SURPLUS (DEFICIT) | 143,510 | (72,798) | (69,812) |
| ACCUMULATED SURPLUS - END OF YEAR | \$ 1,448,392 | \$ 993,137 | \$ 1,065,935 |

The accompanying notes are a part of these financial statements

SHIPS POINT IMPROVEMENT DISTRICT
Statement of Changes in Net Financial Debt
Year Ended December 31, 2022

| | Budget 2022 | 2022 | 2021 |
|---|-----------------------|-----------------------|-----------------------|
| ANNUAL SURPLUS (DEFICIT) | \$ 143,510 | \$ (72,798) | \$ (69,812) |
| Purchase of tangible capital assets | - | (14,777) | (18,754) |
| Amortization of tangible capital assets | - | 182,302 | 181,656 |
| Decrease (increase) in prepaid expenses | - | (1,610) | (404) |
| Decrease in supply inventory | - | 6,061 | - |
| | - | 171,976 | 162,498 |
| INCREASE IN NET FINANCIAL ASSETS | 143,510 | 99,178 | 92,686 |
| NET FINANCIAL DEBT - BEGINNING OF YEAR | (1,833,647) | (1,910,096) | (2,002,782) |
| NET FINANCIAL DEBT - END OF YEAR | <u>\$ (1,690,137)</u> | <u>\$ (1,810,918)</u> | <u>\$ (1,910,096)</u> |

The accompanying notes are a part of these financial statements

SHIPS POINT IMPROVEMENT DISTRICT
Statement of Cash Flows
Year Ended December 31, 2022

| | 2022 | 2021 (revised) |
|--|-------------------|-------------------|
| OPERATING TRANSACTIONS | | |
| Annual deficit | \$ (72,798) | \$ (69,812) |
| Item not affecting cash: | | |
| Amortization of tangible assets | <u>182,302</u> | 181,656 |
| | <u>109,504</u> | 111,844 |
| Changes in non-cash working capital | | |
| Accounts receivable | (11,763) | 1,187 |
| Goods and services tax recoverable | (39) | 47,325 |
| Supply inventory | 6,061 | - |
| Prepaid expenses | (1,610) | (404) |
| Accounts payable | 17,947 | 193 |
| Payroll liabilities | (182) | 653 |
| Government agency payable | - | 95 |
| Deferred revenue | <u>15,000</u> | - |
| | <u>25,414</u> | 49,049 |
| Cash flow from operating transactions | <u>134,918</u> | 160,893 |
| FINANCING TRANSACTIONS | | |
| Proceeds from long term financing | - | 4,917 |
| Repayment of long term debt | <u>(166,918)</u> | (331,051) |
| Cash flow used by financing transactions | <u>(166,918)</u> | (326,134) |
| CAPITAL TRANSACTIONS | | |
| Purchase of tangible capital assets | <u>(14,777)</u> | (18,754) |
| DECREASE IN CASH FLOW | | |
| | <u>(46,777)</u> | (183,995) |
| Cash and cash equivalents - beginning of year | <u>470,121</u> | 654,116 |
| CASH and CASH EQUIVALENTS - END OF YEAR | <u>\$ 423,344</u> | \$ 470,121 |
| CASH AND CASH EQUIVALENTS CONSIST OF: | | |
| Cash | \$ 231,956 | \$ 170,287 |
| Term deposits and redeemable guaranteed investment certificates | <u>191,388</u> | 299,834 |
| | <u>\$ 423,344</u> | \$ 470,121 |

The accompanying notes are a part of these financial statements

SHIPS POINT IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2022

1. PURPOSE OF THE IMPROVEMENT DISTRICT

Ships Point Improvement District (the "Improvement District") was incorporated in 1979 under the laws of the Province of British Columbia, to provide water supply and fire protection services to the residents of Ships Point Improvement District.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian public sector accounting standards excluding the Public Sector 4200 series for local government as recommended by the Public Sector Accounting Board.

The financial statements reflect the combined results and activities of the Improvement District which is comprised of operating and capital funds, and all organizations that are accountable for the administration of the Improvement District's financial affairs and resources to the Board of Trustees and are controlled or owned by the Improvement District. Interfund transactions have been eliminated on consolidation.

- i) Operating and Reserve Funds include the Waterworks and Fire Department's operating costs of the services provided by the Improvement District and funds established by the trustees of the Improvement District, by bylaw, to be used for expenditures related to upgrading, replacement or renewal of any existing tangible capital assets. These funds, and interest earned thereon, must only be invested and disbursed by bylaw passed by the trustees of the Improvement District.
- ii) Capital Funds include the Waterworks and Fire Department's capital fund which is used to record the acquisition and disposal of tangible capital assets and their related financing.

3. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, management prepares estimates for certain items such as allowance for doubtful accounts, useful lives of tangible capital assets, contingent liabilities and provisions for accrued liabilities.

(continues)

SHIPS POINT IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2022

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

Revenue recognition

Revenue for the Improvement District comes from parcel taxes, water tolls, capital expenditure fund, interest income and the Province of British Columbia. Revenue is recognized from all of these sources when the event has occurred or services been provided, the amount is reasonably determined, and the collection is assured.

Expense recognition

Expenses are recorded on an accrual basis and are recognized in the period in which the goods and services are acquired and a liability is incurred or transfers are due.

Deferred revenue

Funds received for specific purposes which are externally restricted by regulation, legislation or agreement and are not available for general purposes, are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purposes.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in term deposits and guaranteed investment certificates which are readily convertible to cash and subject to insignificant risk of change in fair value, liquidity and credit risk.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives, in accordance to the provisions of the Public Sector 3150.

| | | |
|--------------------|----------|--------------------------|
| Buildings | 6% | declining balance method |
| Equipment | 20% | declining balance method |
| Water mains | 6% | declining balance method |
| Wells and casings | 6% | declining balance method |
| Fire trucks | 20 years | straight-line method |
| Computer equipment | 55% | declining balance method |

Tangible capital assets are a special class of non-financial assets and are recorded at cost less accumulated amortization and are classified according to their functional use. Costs include all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs.

(continues)

SHIPS POINT IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2022

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

Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or living organism that exceeds an environmental standard. A liability for remediation of contaminated sites is to be recognized when all of the following criteria are met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) The Improvement District;
 - i) is directly responsible; or
 - ii) accepts responsibility; and
- d) it is expected that future economic benefits will be given up;
- e) a reasonable estimate of the amounts can be made.

No liability has been recorded in these financial statements. Should a liability be determined, it will be recorded net of any expected recoveries.

Non-financial assets

Non-financial assets are held for use in the provision of services and are not normally available to discharge liabilities. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year together with the net surplus (deficit) for the year, provides the changes in the financial assets.

5. ACCOUNTS RECEIVABLE

| | <u>2022</u> | <u>2021</u> |
|---|------------------|-----------------|
| Parcel taxes and water toll revenue and other receivables | \$ 15,354 | \$ 3 |
| Accrued interest receivable operating fund Province of British Columbia | - | 1,091 |
| Accrued interest receivable reserve fund | 1,557 | 2,501 |
| | <u>\$ 16,911</u> | <u>\$ 5,148</u> |

SHIPS POINT IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2022

6. DEFERRED REVENUE

| | 2022 | 2021 |
|----------------------------------|------------------|------|
| Union of BC Municipalities grant | \$ 15,000 | \$ - |

The Improvement District applied for a grant with the Union of BC Municipalities "UBCM" in 2022. The grant was approved in January 2023 and \$15,000 payment received by the Improvement District in April 2023 for eligible expenditures. Upon completion of the project in 2024, the Improvement District may be eligible for an additional \$15,000 based upon approval by UBCM. Eligible expenditures can be incurred from the 2022 application submission date to January 31, 2024.

7. PROVINCE OF BRITISH COLUMBIA DEBT

On November 19, 2012 the Improvement District received a \$250,000 capital tax advance from the Province of British Columbia in accordance with Bylaw No. 85, the 2012 Long Term Borrowing Bylaw to purchase a fire truck.

The capital tax advance is repayable with an annual payment in July of each year (2015 - 2027) in the amount of \$20,352.76 including interest at 2.75%.

| | 2022 | 2021 |
|--|------------------|------------|
| Bylaw No.85 approves the Province of British Columbia, in accordance with Section 756 of the Local Government Act, to collect the payment directly from the ratepayers within the Improvement District by way of their rural property tax assessments. | \$ 95,109 | \$ 112,632 |

Principal repayments, based on the loan terms and conditions at year end, are as follows

| | |
|------------------------|------------------|
| 2023 | \$ 16,832 |
| 2024 | 17,282 |
| 2025 | 17,782 |
| 2026 | 19,133 |
| 2027 | 19,808 |
| Thereafter | 4,272 |
| Total minimum payments | \$ 95,109 |

SHIPS POINT IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2022

8. ROYAL BANK OF CANADA LOANS

Bylaw No. 89 authorized the Improvement District to borrow up to \$2,500,000 to fund its water system infrastructure upgrade.

| | <u>2022</u> | <u>2021</u> |
|--|----------------------------|----------------------------|
| Royal Bank of Canada loan bearing interest at 3.38% per annum, repayable in monthly blended payments of \$4,964.10. The loan matures on July 31, 2024. | \$ 528,587 | \$ 627,804 |
| Royal Bank of Canada loan bearing interest at 4.4% per annum, repayable in monthly blended payments of \$3,575.08 plus interest. The loan matures on March 12, 2028. | 450,914 | 473,489 |
| Royal Bank of Canada loan bearing interest at 3.69% per annum, repayable in monthly blended payments of \$5,593.81. The loan matures on June 30, 2031. | <u>1,055,964</u> | <u>1,083,568</u> |
| Amounts payable within one year | <u>-</u> | <u>-</u> |
| | <u>\$ 2,035,465</u> | <u>\$ 2,184,861</u> |

Principal repayment terms are approximately:

| | |
|------------|----------------------------|
| 2023 | \$ 94,507 |
| 2024 | 98,092 |
| 2025 | 101,814 |
| 2026 | 105,680 |
| 2027 | 109,694 |
| Thereafter | <u>1,525,678</u> |
| | <u>\$ 2,035,465</u> |

9. COMOX VALLEY REGIONAL DISTRICT CONTRIBUTION

In 2014 the Comox Valley Regional District (CVRD) transferred funds from the Canadian Works Fund to the Improvement District. If after 10 years there has been no change in ownership, the amount will no longer be repayable.

| | <u>2022</u> | <u>2021</u> |
|---|-------------------------|-------------------------|
| Comox Valley Regional District contribution | <u>\$ 75,000</u> | <u>\$ 75,000</u> |

SHIPS POINT IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2022

10. TANGIBLE CAPITAL ASSETS

| | Cost | Accumulated amortization | 2022 Net book value | 2021 Net book value |
|------------------------|---------------------|-----------------------------|---------------------------|---------------------------|
| Buildings | \$ 108,879 | \$ 74,140 | \$ 34,739 | \$ 36,956 |
| Equipment | 146,637 | 122,049 | 24,588 | 14,111 |
| Water mains | 3,625,606 | 1,137,553 | 2,488,053 | 2,646,865 |
| Wells and casings | 131,429 | 82,468 | 48,961 | 52,086 |
| Fire trucks | 244,832 | 101,698 | 143,134 | 156,982 |
| Land and right of ways | 47,109 | - | 47,109 | 47,109 |
| | <u>\$ 4,304,492</u> | <u>\$ 1,517,908</u> | <u>\$ 2,786,584</u> | <u>\$ 2,954,109</u> |

11. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in tangible capital assets represents the net book value of the total tangible capital assets less long term obligations assumed to acquire those assets. The change in consolidated equity in tangible capital assets is as follows:

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Balance beginning | \$ 608,093 | \$ 442,741 |
| Operating fund acquisition of tangible capital assets | 14,777 | 18,754 |
| Amortization of tangible capital assets | (182,302) | (179,536) |
| Issuance of long term debt | - | (4,917) |
| Repayment of long term debt | 166,918 | 331,051 |
| | <u>\$ 607,486</u> | <u>\$ 608,093</u> |

12. ACCUMULATED SURPLUS

The Improvement District segregates accumulated surplus in the following categories:

| | 2022 | 2021 |
|------------------------------|-------------------|---------------------|
| Operating fund | \$ 228,706 | \$ 223,415 |
| Capital reserve renewal fund | 156,945 | 234,427 |
| Capital fund | 607,486 | 608,093 |
| | <u>\$ 993,137</u> | <u>\$ 1,065,935</u> |

SHIPS POINT IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2022

13. CAPITAL RESERVE RENEWAL FUND

These funds are available for the acquisition of tangible capital assets.

| | 2022 | 2021 |
|-----------------------------|------------|------------|
| Beginning balance | \$ 234,427 | \$ 464,274 |
| Contributions | - | 4,917 |
| Capital expenditure fund | 172,200 | 172,200 |
| Interest income | 3,793 | 8,794 |
| Loans and interest payments | (253,475) | (415,758) |
| | \$ 156,945 | \$ 234,427 |

14. BUDGET

The Improvement District's budget was approved by the board on September 22, 2021. Budget figures are neither audited nor reviewed.

15. HONORARIUMS

| | 2022 | 2021 |
|-----------------------|----------|----------|
| Trustees' honorariums | \$ 2,600 | \$ 2,600 |

The trustees of the Improvement District receive a remuneration of \$50 per meeting attended.

16. COMMITMENTS AND CONTINGENCIES

Ships Point Improvement District maintains capital reserves for future upgrades to its water infrastructure system as well as for the repayment of debt related to the water infrastructure system upgrade.

SHIPS POINT IMPROVEMENT DISTRICT
Schedule of Tangible Capital Assets
Year Ended December 31, 2022

(Schedule 1)

| | Buildings | Equipment | Water mains | Wells and casings | Fire trucks | Land and right of ways | 2022 | 2021 |
|---|------------------|------------------|---------------------|-------------------|-------------------|------------------------|---------------------|---------------------|
| Cost | | | | | | | | |
| Beginning balance | \$ 108,879 | \$ 131,860 | \$ 3,625,606 | \$ 131,429 | \$ 244,832 | \$ 47,109 | \$ 4,289,715 | \$ 4,273,380 |
| Additions | - | 14,777 | - | - | - | - | 14,777 | 18,754 |
| Disposals | - | - | - | - | - | - | - | (2,419) |
| Ending balance | 108,879 | 146,637 | 3,625,606 | 131,429 | 244,832 | 47,109 | 4,304,492 | 4,289,715 |
| Accumulated amortization | | | | | | | | |
| Beginning balance (revised) | 71,923 | 117,749 | 978,741 | 79,343 | 87,850 | - | 1,335,606 | 1,156,369 |
| Amortization of tangible capital assets | 2,217 | 4,300 | 158,812 | 3,125 | 13,848 | - | 182,302 | 181,656 |
| Effects of disposals and write down | - | - | - | - | - | - | - | (2,419) |
| Accumulated amortization total | 74,140 | 122,049 | 1,137,553 | 82,468 | 101,698 | - | 1,517,908 | 1,335,606 |
| Net book value | \$ 34,739 | \$ 24,588 | \$ 2,488,053 | \$ 48,961 | \$ 143,134 | \$ 47,109 | \$ 2,786,584 | \$ 2,954,109 |