

Deep Bay Improvement District
Consolidated Financial Statements
December 31, 2023

Deep Bay Improvement District Contents

For the year ended December 31, 2023

	Page
Independent Auditor's Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Financial Assets.....	3
Consolidated Statement of Cash Flows.....	4
Notes to the Consolidated Financial Statements	5
Schedules	
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	12
Schedule 2 - Consolidated Schedule of Changes in Accumulated Surplus.....	14
Schedule 3 - Schedule of Expenses - Water.....	16
Schedule 4 - Schedule of Expenses - Fire Protection.....	16

To the Board of Trustees of Deep Bay Improvement District:

Opinion

We have audited the consolidated financial statements of Deep Bay Improvement District (the "District"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, cash flows and the 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, 2023, and the results of its consolidated operations, changes in its consolidated net financial assets 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 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 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

July 18, 2024


MNP LLP

Chartered Professional Accountants

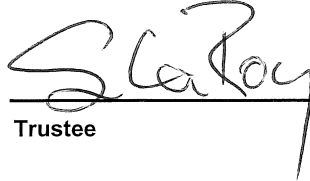
Deep Bay Improvement District
Consolidated Statement of Financial Position
As at December 31, 2023

	2023	2022
Financial assets		
Cash	177,853	572,290
Portfolio investments (Note 4)	2,408,176	1,894,448
Accounts receivable (Note 5)	71,847	63,363
	2,657,876	2,530,101
Liabilities		
Accounts payable and accruals	71,272	82,155
Deferred revenue	-	6,465
Capital tax advance debt (Note 6)	1,536,058	1,610,449
Asset retirement obligations (Note 7)	63,763	-
	1,671,093	1,699,069
Net financial assets	986,783	831,032
Commitments (Note 9)		
Non-financial assets		
Tangible capital assets (Schedule 1)	3,833,092	3,939,508
Inventories of supplies	5,156	5,156
Prepaid expenses	538,436	364,465
	4,376,684	4,309,129
Accumulated surplus (Note 10) (Schedule 2)	5,363,467	5,140,161

Approved on behalf of the Board of Trustees



 Trustee



 Trustee

Deep Bay Improvement District Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2023

	<i>Schedules</i>	2023 Budget (Note 11)	2023	<i>2022</i>
Revenue				
Parcel taxes and fire protection levy		442,077	442,413	368,881
Sale of services		199,034	220,861	204,332
Recognition of capital tax advance		-	105,536	105,536
Investment income		500	61,110	29,533
Donations		-	28,935	32,220
Fire service revenue		18,408	20,184	18,967
Other revenue		500	14,076	10,964
Penalties and interest		4,500	5,528	5,261
Connection fees		1,000	1,969	18,993
Capital expenditure charges		-	-	10,800
		666,019	900,612	805,487
Program expenses				
Water	3	242,018	422,071	403,496
Fire Protection	4	96,526	199,247	203,868
Total expenses		338,544	621,318	607,364
Annual surplus before other items		327,475	279,294	198,123
Other income (expense)				
Loss on write-down of tangible capital assets		-	(55,988)	-
Annual surplus		327,475	223,306	198,123
Accumulated surplus, beginning of year		5,140,161	5,140,161	4,942,038
Accumulated surplus, end of year		5,467,636	5,363,467	5,140,161

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

Deep Bay Improvement District Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2023

	2023 <i>Budget</i> <i>(Note 11)</i>	2023	2022
Annual Surplus	327,475	223,306	198,123
Acquisition of tangible capital assets	(1,045,692)	(110,691)	(129,901)
Amortization of tangible capital assets	-	161,120	145,844
Loss on write-off of tangible capital assets	-	55,988	-
Increase in prepaid expenses	-	(173,972)	(344,953)
Change in net financial assets	(718,217)	155,751	(130,887)
Net financial assets, beginning of year	831,032	831,032	961,919
Net financial assets, end of year	112,815	986,783	831,032

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

Deep Bay Improvement District Consolidated Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
Operating activities		
Annual surplus	223,306	198,123
Non-cash items		
Amortization	161,120	145,844
Loss on write-down of tangible capital assets	55,988	-
Non-cash reduction of capital tax advance	(74,391)	(74,160)
	366,023	269,807
Changes in working capital accounts		
Accounts receivable	(8,484)	(11,532)
Prepaid expenses and deposits	(173,971)	(344,955)
Accounts payable and accruals	(10,884)	(12,103)
Deferred revenue	(6,465)	1,618
Net cash provided by operating activities	166,219	(97,165)
Financing activities		
Long-term debt repayments	-	(125,858)
Capital tax advances received	-	92,513
	-	(33,345)
Capital activities		
Purchases of tangible capital assets	(46,928)	(129,905)
Investing activities		
Net change in portfolio investments	(513,728)	296,662
Increase (decrease) in cash resources	(394,437)	36,247
Cash resources, beginning of year	572,290	536,043
Cash resources, end of year	177,853	572,290

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

Deep Bay Improvement District

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

1. Incorporation and operations

The Deep Bay Improvement District (the "District") was incorporated on March 10, 1972, 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 Deep Bay Improvement District and to maintain and repair all wells, water lines and fire protection equipment associated with those services.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following 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 the 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.

Inventory

Inventory of supplies are recorded at the lower of cost and replacement cost. Cost is determined using the specific identification method.

Revenue recognition

Parcel taxes and fire protection 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 as service is provided. Fire service revenue consists of funds received from the Provincial Emergency Program and are recognized upon completion of fire rescue services. Capital expenditure charges are recognized when levied. Interest and other income is recognized as revenue as earned on an accrual basis.

Government transfers recorded as grant revenue are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Capital tax advances represent taxes received from the Province of BC in advance of the tax being levied. Amounts will be recorded as revenue when levied, over the period of the capital tax advance debt account that is held with the Province of BC.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards 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 revenue and expenses during the reporting period.

Accounts receivables 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. A liability for an asset retirement obligation reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the District is responsible for. Contributed tangible capital assets are estimated based on best available fair value information on date of contribution.

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

Deep Bay Improvement District
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

2. Significant accounting policies *(Continued from previous page)*

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the District to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the District reviews the carrying amount of the liability. The District recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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.

Financial instruments

The District recognizes its financial instruments when the District becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the District may irrevocably elect to subsequently measure any financial instrument at fair value. The District has made such an election during the year.

The District subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The District has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

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 tangible assets are recorded at their fair value at the date of contribution.

When conditions indicate that a tangible capital asset no longer contributes to the District's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the District reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

Deep Bay Improvement District Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

2. Significant accounting policies (Continued from previous page)

Tangible capital assets (Continued from previous page)

Amortization

Tangible capital assets are amortized annually on a straight-line basis at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Waterworks system		5 to 80 years
Buildings		20 to 50 years
Equipment		10 years
Vehicles		10 to 20 years
Office furniture and equipment		10 years
Computers		5 years

Liability for contaminated site

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, 2023.

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. At December 31, 2023, the District has not recorded any liability for contaminated sites as no sites were identified.

Deep Bay Improvement District
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

2. **Significant accounting policies** *(Continued from previous page)*

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.

Eight funds are maintained:

- 1) The Operating Fund - Water accounts for all the revenues and expenses related to the general and ancillary water services provided by the District.
- 2) The Operating Fund – Fire Protection accounts for all revenues and expenses related to the general and ancillary fire protection services provided by the District.
- 3) The Capital Fund - Water accounts for all the tangible capital assets of the District used in the provision of water services by the District and presents the flow of funds related to their acquisition and disposal, unexpended capital resources and debt commitments.
- 4) The Capital Fund – Fire Protection accounts for all tangible capital assets of the District used in the provision of fire protection services by the District and presents the flow of funds related to their acquisition and disposal, unexpended capital resources and debt commitments.
- 5) The Restricted Reserve Fund – Water Capital consists of funds established by the Board of the District, under bylaw 222, to be used for expenditures related to the capital cost of providing, constructing, altering or expanding water facilities in order to service directly or indirectly, the development in respect to which the charges are fixed. These funds, and interest earned thereon, must only be invested and disbursed by bylaw passed by the trustees.
- 6) The Restricted Reserve Fund – Water Renewal consists of funds established by the Board of the District under bylaw 205, to be used for expenditures related to the upgrading, replacement or renewal of existing tangible capital assets used in the provision of water services by the District. These funds, and interest earned thereon, must only be invested and disbursed by bylaw passed by the trustees.
- 7) The Internally Restricted Reserve Fund - Water Renewal consists of funds established by the Board of the District to be used for expenditures related to the upgrading, replacement or renewal of existing tangible capital assets used in the provision of water services by the District. These funds, and interest earned thereon, must only be invested and disbursed when approved by the trustees.
- 8) The Internally Restricted Reserve Fund - Fire Protection Capital consists of funds established by the Board of the District to be used for expenditures related to the upgrading, replacement or renewal of existing tangible capital assets used in the fire protection services by the District. These funds, and interest earned thereon, must only be invested and disbursed when approved by the trustees.

Deep Bay Improvement District
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

3. Change in accounting policies

Asset retirement obligations

Effective January 1, 2023, the District adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements.

Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met, as described in Note 2.

Pursuant to the recommendations, the change was applied prospectively and prior periods have not been restated. As such, the District recognized asset retirement obligations for those arising on or after January 1, 2023, as well as for those arising prior to January 1, 2023 but for which an obligation was not previously recognized.

The effect in the current year of adopting this new standard is to increase liabilities by \$63,763 and increase the associated tangible capital assets by \$63,763.

Financial instruments

Effective January 1, 2023, the District adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

4. Portfolio investments

Portfolio investments consists of term deposits and guaranteed investment certificates with interest rates ranging from 0.65% to 6% (2022 - .035% to 4.12%) with varying maturity dates up to November 2024.

5. Accounts receivable

	2023	2022
Trade accounts receivable	51,711	52,347
Goods and Services Tax receivable	20,136	11,016
	71,847	63,363

6. Capital tax advance debt

	2023	2022
Province of BC (Bylaw #243) loan bearing interest at 1.89% per annum, repayable in annual blended payments of \$77,667. The loan matures July 2, 2040.	1,120,279	1,175,724
Province of BC (Bylaw #247) loan bearing interest at 1.89% per annum, repayable in annual blended payments of \$21,933. The loan matures July 2, 2041.	332,027	347,395
Province of BC (Bylaw #250) loan bearing interest at 2.7% per annum, repayable in annual blended payments of \$5,936. The loan matures July 2, 2041.	83,752	87,330
	1,536,058	1,610,449

Deep Bay Improvement District
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

6. Capital tax advance debt *(Continued from previous page)*

Principal repayments on capital tax advance debt in each of the next five years are estimated as follows:

	Principal
2024	77,851
2025	79,314
2026	80,806
2027	83,458
2028	85,030

Interest on capital tax advance debt amounted to \$30,422 (2022 - \$32,085).

7. Asset retirement obligation

The District has a building which may contain asbestos and is legally required remove the asbestos when it becomes necessary to repair or replace the building. The District recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the building. The asset retirement cost is amortized on a straight-line basis over the useful life of the building.

The District estimated the amount of the liability using undiscounted future expenditures estimated to retire the tangible capital asset. The significant assumptions used to determine the best estimate of the liability include:

- the square feet of drywall and flooring that may contain asbestos and the cost of removing the asbestos.

	2023	2022
Balance, beginning of year	63,763	-
Balance, end of year	63,763	-

8. Financial Instruments

The District as part of its operations carries a number of financial instruments. It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

9. Commitments

The District has a five-year contract ending in 2027 for a water operator to provide routine operations and maintenance with an annual payment schedule as follows:

2024	41,286
2025	42,941
2026	44,659
2027	46,445

Deep Bay Improvement District
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

10. Accumulated surplus

Accumulated surplus consists of the following:

	2023	2022
Operating funds		
Water	266,783	313,995
Fire Protection	377,007	354,778
	643,790	668,773
Reserve funds		
Restricted Reserve Fund - Water Capital	444,372	434,765
Restricted Reserve Fund - Water Renewal	1,218,107	966,765
Internally Restricted Reserve Fund - Water Renewal	100,981	100,981
Internally Restricted Reserve Fund - Fire Protection Capital	737,048	654,642
	2,500,508	2,157,153
Equity in tangible capital assets		
Water	1,513,891	1,652,998
Fire Protection	705,278	661,237
	2,219,169	2,314,235
	5,363,467	5,140,161

11. Budget figures

Budget figures represent the budget adopted by the Board on October 20, 2022. The following schedule reconciles the consolidated surplus as presented in the budget as approved by the Board to the consolidated surplus for the year as shown on the Consolidated Statement of Operations and Accumulated Surplus.

Budget, as approved by the Board	(1,045,692)	
Contingency	17,382	
Transfer to reserves	310,093	
Capital purchases	1,045,692	
	327,475	

The District does not budget for all transactions, and the following items are not included in the budget figures on the Statement of Operations: capital tax advance revenue, imputed interest on capital tax advance, donations and amortization.

12. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Deep Bay Improvement District
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended December 31, 2023

	<i>Land</i>	<i>Waterworks system</i>	<i>Buildings</i>	<i>Equipment</i>	<i>Vehicles</i>	<i>Office furniture and equipment</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	14,327	3,862,047	2,178,709	388,416	462,359	25,514	6,931,372
Acquisition of tangible capital assets	-	-	63,763	46,928	-	-	110,691
Write-down of tangible capital assets	-	(55,988)	-	-	-	-	(55,988)
Balance, end of year	14,327	3,806,059	2,242,472	435,344	462,359	25,514	6,986,075
Accumulated amortization							
Balance, beginning of year	-	2,236,534	110,528	247,859	385,494	14,517	2,994,932
Annual amortization	-	72,823	46,806	26,760	11,957	1,158	159,504
Balance, end of year	-	2,309,357	157,334	274,619	397,451	15,675	3,154,436
Net book value of tangible capital assets	14,327	1,496,702	2,085,138	160,725	64,908	9,839	3,831,639
Net book value of tangible capital assets		2022					
	14,327	1,625,514	2,068,181	140,557	76,865	10,997	3,936,441

Deep Bay Improvement District
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended December 31, 2023

	<i>Subtotal</i>	<i>Computers</i>	<i>2023</i>	<i>2022</i>
Cost				
Balance, beginning of year	6,931,372	17,722	6,949,094	6,819,186
Acquisition of tangible capital assets	110,691	-	110,691	129,905
Write-down of tangible capital assets	(55,988)	-	(55,988)	-
Balance, end of year	6,986,075	17,722	7,003,797	6,949,091
Accumulated amortization				
Balance, beginning of year	2,994,932	14,653	3,009,585	2,863,739
Annual amortization	159,504	1,616	161,120	145,844
Balance, end of year	3,154,436	16,269	3,170,705	3,009,583
Net book value of tangible capital assets	3,831,639	1,453	3,833,092	3,939,508
				2022
Net book value of tangible capital assets	3,936,441	3,067	3,939,508	

Deep Bay Improvement District
Schedule 2 - Consolidated Schedule of Changes in Accumulated Surplus

For the year ended December 31, 2023

	<i>Water - Operating</i>	<i>Water - Capital</i>	<i>Water Capital - Restricted Reserve</i>	<i>Water Renewal - Restricted Reserve</i>	<i>Water Renewal - Internally Restricted Reserve</i>	<i>Fire Protection - Operating</i>	<i>Fire Protection - Capital</i>
Balance, beginning of year	313,995	1,652,998	434,765	966,765	100,981	354,778	661,237
Excess (deficiency) of revenue over expenses	(101,254)	(139,107)	9,607	251,342	-	202,300	(2,887)
Operating funds transferred to reserves	-	-	-	-	-	(91,250)	-
Interfund transfers	54,042	-	-	-	-	(54,042)	-
Funds used for tangible capital assets purchases	-	-	-	-	-	(34,779)	46,928
Change in accumulated surplus	(47,212)	(139,107)	9,607	251,342	-	22,229	44,041
Balance, end of year	266,783	1,513,891	444,372	1,218,107	100,981	377,007	705,278

Deep Bay Improvement District
Schedule 2 - Consolidated Schedule of Changes in Accumulated Surplus
For the year ended December 31, 2023

	<i>Fire Protection Capital - Internally Restricted Reserve</i>	<i>2023</i>	<i>2022</i>
Balance, beginning of year	654,642	5,140,161	4,942,038
Excess (deficiency) of revenue over expenses	3,305	223,306	198,123
Operating funds transferred to reserves	91,250	-	-
Interfund transfers	-	-	-
Funds used for tangible capital assets purchases	(12,149)	-	-
Change in accumulated surplus	82,406	223,306	198,123
Balance, end of year	737,048	5,363,467	5,140,161

Deep Bay Improvement District
Water
Schedule 3 - Schedule of Expenses
For the year ended December 31, 2023

	2023 <i>Budget</i> <i>(Note 11)</i>	2023	2022
Expenses			
Utilities	28,180	26,901	27,568
Repairs and maintenance	16,475	22,447	33,315
Insurance	32,000	34,378	29,075
Office supplies	13,860	9,921	12,741
Amortization	-	83,119	74,428
Professional fees	17,750	82,037	64,666
Salaries and benefits	123,753	162,632	161,102
Mileage	10,000	636	601
	242,018	422,071	403,496

Deep Bay Improvement District
Fire Protection
Schedule 4 - Schedule of Expenses
For the year ended December 31, 2023

	2023 <i>Budget</i> <i>(Note 11)</i>	2023	2022
Expenses			
Utilities	520	1,044	469
Repairs and maintenance	8,700	2,569	2,478
Insurance	2,293	2,293	2,293
Interest on long-term debt	-	30,422	32,085
Office supplies	6,230	2,393	4,960
Amortization	-	78,001	71,416
Equipment - Fire	15,200	11,683	14,258
Professional fees	5,250	7,900	6,969
Salaries and benefits	30,270	27,451	24,674
Training	17,500	25,614	16,977
Mileage	10,563	9,877	27,289
	96,526	199,247	203,868