Glenmore-Ellison Improvement District
Consolidated Financial Statements
December 31, 2024

Contents

For the year ended December 31, 2024

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Management's Responsibility

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 and ensuring that all information in the annual report is consistent with the statements. 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 primarily of individuals who are neither management nor employees of the District. The Board of Trustees is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board of Trustees fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board of Trustees is also responsible for recommending the appointment of the District's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board of Trustees 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 and separately with, both the Board of Trustees and management to discuss their audit findings.

May 2, 2025

e-Signed by Dawn Williams 2025-05-02 09:15:19:19 PDT	e-Signed by Marina Warrender 2025-05-02 09:57:40:40 PDT
Administrator	Deputy CFO, City of Kelowna

To the City of Kelowna Council:

Opinion

We have audited the consolidated financial statements of Glenmore-Ellison Improvement District (the "District"), which comprise the consolidated statement of financial position as at December 31, 2024, 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 and other explanatory information.

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, 2024, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

Kelowna, British Columbia

May 2, 2025

MNP LLP

Chartered Professional Accountants

Glenmore-Ellison Improvement District
Consolidated Statement of Financial Position
As at December 31, 2024

	2024	2023
Financial assets		
Cash *(Note 4)*	**13,933,406**	12,181,136
Accounts receivable *(Note 5)*	**809,365**	748,549
	14,742,771	12,929,685
Financial Liabilities		
Accounts payable and accrued liabilities	**423,742**	279,836
Deferred revenue and deposits	**479,307**	373,913
Long-term debt *(Note 6)*	**6,636,177**	7,201,165
	7,539,226	7,854,914
Net financial assets	**7,203,545**	5,074,771
Contingencies *(Note 7)*		
Subsequent event *(Note 10)*		
Non-financial assets		
Tangible capital assets *(Schedule 1)*	**74,639,060**	73,428,816
Inventory	**512,335**	543,940
Prepaid expenses	**34,515**	32,695
	75,185,910	74,005,451
Accumulated surplus *(Schedule 2)*	**82,389,455**	79,080,222

e-Signed by Dawn Williams
2025-05-02 09:18:36:36 PDT

Administrator

e-Signed by Marina Warrender
2025-05-02 09:57:52:52 PDT

Deputy CFO,
City of Kelowna

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

Glenmore-Ellison Improvement District
Consolidated Statement of Operations and Accumulated Surplus
For the year ended December 31, 2024

	Budget (Note 9)	2024	2023
Revenue			
Contributed tangible capital assets	-	1,513,315	598,555
Contributions to CEC reserve	-	746,693	644,867
Custom work	13,500	19,380	15,957
Domestic water connection fees	46,000	66,856	58,972
Domestic water rates	5,404,432	5,356,594	5,225,040
Gain on sale of tangible capital assets	-	9,693	20,500
Interest	85,000	646,009	571,859
Other income	61,641	132,401	61,755
Tax levy	424,400	426,290	400,126
	6,034,973	8,917,231	7,597,631
Expenses			
Amortization	-	1,208,657	1,093,026
Bad debts	-	-	1,035
Computer maintenance and support	58,000	50,059	61,154
Custom work	1,500	3,181	21,360
Honoraria	58,629	60,548	48,483
Insurance	307,750	321,664	274,832
Interest and bank charges	2,200	2,496	2,587
Interest on long-term debt	303,960	337,468	344,158
Licenses and dues	24,000	21,138	18,450
Miscellaneous	1,200	-	1,124
Office and administration	111,650	94,770	96,879
Professional fees	154,000	71,547	89,363
Repairs and maintenance	622,200	526,453	907,713
Salaries and benefits	2,060,814	1,988,991	1,287,952
Training	34,000	24,697	16,456
Utilities	576,000	601,934	536,207
Vehicles and heavy equipment	129,200	148,430	145,312
Water system operations	280,000	145,965	326,061
	4,725,103	5,607,998	5,272,152
Annual Surplus	1,309,870	3,309,233	2,325,479
Accumulated surplus, beginning of year	79,080,222	79,080,222	76,754,743
Accumulated surplus, end of year *(Schedule 2)*	80,390,092	82,389,455	79,080,222

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

Glenmore-Ellison Improvement District
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2024

	Budget (Note 9)	***2024***	*2023*
Annual surplus	**1,309,870**	**3,309,233**	2,325,479
Acquisition of tangible capital assets	**(2,002,208)**	**(2,418,901)**	(1,697,743)
Amortization of tangible capital assets	**-**	**1,208,657**	1,093,026
Proceeds on disposal of tangible capital assets	**-**	**9,693**	20,500
Gain on disposal of tangible capital assets	**-**	**(9,693)**	(20,500)
	(2,002,208)	**(1,210,244)**	(604,717)
Change in inventory	**-**	**31,605**	(6,765)
Change in prepaid expenses	**-**	**(1,820)**	2,338
	-	**29,785**	(4,427)
Increase (decrease) in net financial assets	**(692,338)**	**2,128,774**	1,716,335
Net financial assets, beginning of year	**5,074,771**	**5,074,771**	3,358,436
Net financial assets, end of year	**4,382,433**	**7,203,545**	5,074,771

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

Glenmore-Ellison Improvement District
Consolidated Statement of Cash Flows
For the year ended December 31, 2024

	2024	*2023*
Cash provided by (used for) the following activities		
Operating Activities		
Receipts from water taxes, tolls, developers and other	**6,792,790**	6,453,779
Cash paid to employees and suppliers	**(3,888,180)**	(3,809,296)
Interest received	**646,009**	571,859
Interest paid on long-term debt	**(337,468)**	(344,158)
	3,213,151	2,872,184
Capital Activities		
Acquisition of tangible capital assets	**(905,586)**	(1,099,188)
Proceeds on disposal of tangible capital assets	**9,693**	20,500
	(895,893)	(1,078,688)
Financing Activities		
Principal repayments of long-term debt	**(564,988)**	(583,331)
Increase in cash	**1,752,270**	1,210,165
Cash, beginning of year	**12,181,136**	10,970,971
Cash, end of year	**13,933,406**	12,181,136
Cash is represented by:		
Unrestricted cash	**6,973,556**	6,652,230
Restricted cash *(Note 2 (b))*	**6,959,850**	5,528,906
	13,933,406	**12,181,136**

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

1. Incorporation and operations

The Glenmore-Ellison Improvement District (the "District") was incorporated under the laws of the Province of British Columbia in 1921. It is engaged in the operation of an irrigation district in the Glenmore and Ellison areas of Kelowna, British Columbia. Under Section 149(1)(c) of the Income Tax Act, the District is exempt from taxation.

2. Significant accounting policies

The consolidated financial statements of the District are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of CPA Canada. Significant accounting policies adopted by the District are as follows:

a) Basis of accounting

The consolidated financial statements include the account of all funds for the District. All inter-fund transfers have been eliminated. Accordingly all revenues and expenses are recorded on the accrual basis of accounting. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation for pay.

b) Restricted financial assets

Restricted cash includes CEC reserve funds and renewal reserve fund.

c) 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, 2024.

d) Tangible capital assets

Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing in the year after the asset is acquired. Contributed tangible capital assets are reported at fair value at the time of the contribution. Estimated useful lives as follows:

Asset	***Rate***
Buildings	100 years
Furniture & equipment	15 years
Machinery & equipment	8-30 years
Automotive	4-15 years
I.T. infrastructure	4-8 years
Water system infrastructure	10-175 years

Construction in progress is valued at cost and represents capital projects under construction but not yet completed. Assets under construction are not amortized until the asset is available for productive use.

e) Natural resources

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

f) Interest capitalization

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

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

g) Inventory

Inventory is stated at the lower of cost and net realizable value. Costs include all expenses directly attributable to the purchase of inventory. Costs are assigned using the weighted average cost formula. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

h) Reserve Funds

- **Capital Expenditure Charge Reserve Fund**
  The fund was established for Capital Expenditure charges utilized for increasing source capacity, enlarging mains or otherwise in any way augmenting the capacity of the water system, and is supported by Bylaw #231.

- **Renewal Reserve Fund**
  The fund was established by Bylaw #98, for costs of upgrading, replacement, or renewal of existing works.

- **Building Fund**
  The fund was established for future building expansion.

- **Land and Access Fund**
  The fund was established in 2015 for future legal expense pertaining to District lands.

- **Meter Reserve Fund**
  The fund was established for the purpose of funding future water meter expenditures.

- **Rate Stabilization Reserve Fund**
  The fund was established to offset revenue anomalies as a result of climate driven events.

- **Risk Management Reserve Fund**
  The fund was established for the purpose of funding new regulation compliance, such as dam safety reviews.

- **Vehicle Reserve Fund**
  The fund was established for the replacement or acquisition of equipment for Glenmore-Ellison Improvement District.

- **Water Quality Improvement Fund**
  The fund was established for the purpose of funding future water quality improvements.

i) Revenue recognition

Revenue from exchange transactions includes domestic water tolls, connection fees, new account fees and sale of services. These transactions are recognized as revenue when the performance obligation to the customer is satisfied, and the amount is measurable and collectible. Revenue from non-exchange transactions includes capital expenditure charge (CEC) fees, interest and penalties, these amounts are recognized as revenue when the amount is measurable and collectible. Irrigation taxes are recognized as revenue when levied.

j) Deferred revenue

Deferred revenue represents funds which have been collected from non-government sources, but for which the performance obligation to the customer has not yet been satisfied. These amounts will be recognized as revenues in the fiscal year when all revenue recognition criteria have been met.

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

k) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They often have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

l) Use of estimates

The preparation of the consolidated financial statements 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 period.

Significant areas requiring the use of management estimates relate to provisions for accrued liabilities, allowance for doubtful accounts, obsolete inventory provisions, provision for contingencies, the determination of tangible capital asset estimated useful lives, related amortization expenses, and asset retirement obligations.

m) 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, 2024. 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.

n) 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 not 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 surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

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

n) Financial instruments *(Continued from previous page)*

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years in determining whether objective evidence of impairment exists. 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.

3. Change in accounting policy

Revenue

Effective January 1, 2024, the District adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 *Revenue*. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was 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. Cash

	2024	*2023*
Externally restricted cash		
CEC reserve *(Schedule 2)*	**5,750,035**	4,838,944
Renewal reserve *(Schedule 2)*	**1,209,815**	689,962
	6,959,850	5,528,906
Internally restricted cash	**5,193,121**	4,828,391
Unrestricted cash	**1,780,435**	1,823,839
	13,933,406	12,181,136

5. Accounts receivable

	2024	*2023*
Tolls and taxes	**724,144**	652,671
GST rebate	**57,443**	61,387
Trade and other	**27,778**	34,491
	809,365	748,549

6. Long-term debt

a) Fixed Rate Loan

The District has with TD Bank a swap agreement authorized for $8,500,000 repayable in equal monthly blended payments of $48,189 with interest as noted below, maturing October, 2033. Interest is determined based on an interest rate swap with a notional amount equal to the loan values of the original draw schedule. The District pays effective interest on the swap at 3.97%. The District receives interest at a floating rate at the daily Canadian Overnight Repo Rate Average (CORRA) on the difference between the scheduled loan drawn and the actual loan drawn.

b) Floating Rate Loan

The District has with TD Bank a banker's acceptance facility for an authorized amount of $4,000,000 repayable in equal monthly principal payments of $16,667 plus interest. Interest is determined based on an interest rate swap with a notional amount equal to the loan values of the original draw schedule. The District pays effective interest on the swap at the floating rate interest at the 30-day CORRA plus a stamping fee of 0.59%.

The CORRA rate at December 31, 2024, was 4.71%.

	2024	*2023*
Fixed Rate Loan		
Opening balance	**4,701,375**	5,084,702
Repayments	**(364,984)**	(383,327)
Ending balance	**4,336,391**	4,701,375
Floating Rate Loan		
Opening balance	**2,499,790**	2,699,794
Repayments	**(200,004)**	(200,004)
Ending balance	**2,299,786**	2,499,790
	6,636,177	7,201,165

The estimated aggregate repayments on long-term debt over the next five years are as follows, subject to renewal and contractual obligations:

2025	614,958
2026	631,734
2027	649,189
2028	667,350
2029	686,245

7. Contingencies

a) The District is involved in litigation and claims which arise from time to time in the normal course of operations. In the opinion of management, any liability that may arise from such contingencies would not have a significant adverse effect on the consolidated financial position of the District and will be recorded in the period that the ultimate loss, if any is known.

7. Contingencies *(Continued from previous page)*

b) The District and its employees contribute to the Municipal Pension Plan (a jointly trusteed pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a $3,761 million funding surplus for basic pension benefits on a going concern basis.

The District paid $122,990 (2023 - $119,710) for employer contributions to the plan in 2024.

The next valuation will be as at December 31, 2024, with results available in 2025.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

8. Asset retirement obligation

PS 3280 Asset Retirement Obligations, issued August 2018, establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective for the District as of January 1, 2023. A liability will be recognized when, as at the financial reporting date:

(a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
(b) The past transaction or event giving rise to the liability has occurred;
(c) It is expected that future economic benefits will be given up; and
(d) A reasonable estimate of the amount can be made.

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

The District owns wells which would require to be disassembled at the end of their useful life. The District estimated the amount of the liability using an estimate obtained in 2013. The estimate was adjusted for inflation to determine the current cost of the liability to be $60,284 (2023 - $56,340). However, no asset retirement obligation has been recorded.

9. Budget data

The budget data presented in these financial statements is based upon the 2024 operating and capital budgets adopted by the Board on June 13, 2024. The following table reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Surplus - Statement of Operations	**1,309,873**
Adjust for budgeted cash items not included in statement of operations	
Transfers from reserves	**2,089,208**
Acquisition of tangible capital assets	**(2,002,208)**
Financial plan surplus	**1,396,873**

10. Subsequent event

Subsequent to the year end, Glenmore-Ellison Improvement District ("GEID") officially joined the City of Kelowna on January 1, 2025, with a full transition expected by 2028. In March 2024, the GEID board unanimously signed a Transition Agreement with the goal of transferring the operation of GEID to the City of Kelowna. An Order in Council was signed by the Province in June 2024, making the transition official.

11. 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.

Glenmore-Ellison Improvement District
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended December 31, 2024

	Land	*Buildings*	*Furniture and equipment*	*Machinery and equipment*	*Automotive*	*I.T. infrastructure*	*Subtotal*
Cost							
Balance, beginning of year	**84,790**	**2,508,015**	**272,469**	**987,989**	**1,135,429**	**667,027**	**5,655,719**
Acquisition of tangible capital assets	**-**	**-**	**21,953**	**-**	**55,207**	**-**	**77,160**
Disposal of tangible capital assets	**-**	**-**	**-**	**-**	**(30,292)**	**-**	**(30,292)**
Balance, end of year	**84,790**	**2,508,015**	**294,422**	**987,989**	**1,160,344**	**667,027**	**5,702,587**
Accumulated amortization							
Balance, beginning of year	**-**	**221,686**	**55,365**	**343,551**	**268,805**	**118,471**	**1,007,878**
Annual amortization	**-**	**25,080**	**19,877**	**36,867**	**76,052**	**61,426**	**219,302**
Accumulated amortization on disposals	**-**	**-**	**-**	**-**	**(30,292)**	**-**	**(30,292)**
Balance, end of year	**-**	**246,766**	**75,242**	**380,418**	**314,565**	**179,897**	**1,196,888**
Net book value of tangible capital assets	**84,790**	**2,261,249**	**219,180**	**607,571**	**845,779**	**487,130**	**4,505,699**

Included in tangible capital assets are fully depreciated assets with cost and accumulated amortization of $1,532,784.46 (2023 - $1,508,494).

Glenmore-Ellison Improvement District
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended December 31, 2024

	Subtotal	Water system infrastructure	Construction in Progress	Total 2024	Total 2023
Cost					
Balance, beginning of year	**5,655,719**	**81,622,274**	**134,726**	**87,412,719**	85,787,516
Acquisition of tangible capital assets	**77,160**	**1,875,894**	**465,847**	**2,418,901**	1,697,743
Disposal of tangible capital assets	**(30,292)**	**-**	**-**	**(30,292)**	(72,540)
Balance, end of year	**5,702,587**	**83,498,168**	**600,573**	**89,801,328**	87,412,719
Accumulated amortization					
Balance, beginning of year	**1,007,878**	**12,976,025**	**-**	**13,983,903**	12,963,417
Annual amortization	**219,302**	**989,355**	**-**	**1,208,657**	1,093,026
Accumulated amortization on disposals	**(30,292)**	**-**	**-**	**(30,292)**	(72,540)
Balance, end of year	**1,196,888**	**13,965,380**	**-**	**15,162,268**	13,983,903
Net book value of tangible capital assets	**4,505,699**	**69,532,788**	**600,573**	**74,639,060**	73,428,816

Glenmore-Ellison Improvement District
Schedule 2 - Consolidated Schedule of Changes in Accumulated Surplus
For the year ended December 31, 2024

	Operating fund	*CEC reserve fund*	*Renewal reserve fund*	*Building fund*	*Land and access fund*	*Meter reserve fund*	*Rate stabilization reserve fund*
Accumulated surplus, beginning of year	**2,072,611**	**4,838,944**	**689,962**	**52,322**	**129,573**	**177,362**	**591,321**
Annual surplus	**1,768,468**	**970,835**	**25,256**	**2,700**	**6,686**	**9,792**	**30,097**
Acquisition of TCAs	**(66,352)**	**(59,744)**	**(205,403)**	**-**	**(18,797)**	**-**	**-**
Repayment of debt	**(564,988)**	**-**	**-**	**-**	**-**	**-**	**-**
Interfund transfers	**(976,137)**	**-**	**700,000**	**100,000**	**478,797**	**-**	**(232,540)**
Change in accumulated surplus	**160,991**	**911,091**	**519,853**	**102,700**	**466,686**	**9,792**	**(202,443)**
Accumulated surplus, end of year	**2,233,602**	**5,750,035**	**1,209,815**	**155,022**	**596,259**	**187,154**	**388,878**

Glenmore-Ellison Improvement District
Schedule 2 - Consolidated Schedule of Changes in Accumulated Surplus
For the year ended December 31, 2024

	Risk management reserve fund	Vehicle reserve fund	Water quality improvement fund	Equity in TCAs	Total 2024	Total 2023
Accumulated surplus, beginning of year	**1,329,363**	**245,261**	**2,725,852**	**66,227,651**	**79,080,222**	76,754,743
Annual surplus	**39,554**	**11,404**	**139,783**	**304,658**	**3,309,233**	2,325,479
Acquisition of TCAs	**(393,870)**	**(55,207)**	**(106,213)**	**905,586**	**-**	-
Repayment of debt	**-**	**-**	**-**	**564,988**	**-**	-
Interfund transfers	**17,009**	**-**	**(87,129)**	**-**	**-**	-
Change in accumulated surplus	**(337,307)**	**(43,803)**	**(53,559)**	**1,775,232**	**3,309,233**	2,325,479
Accumulated surplus, end of year	**992,056**	**201,458**	**2,672,293**	**68,002,883**	**82,389,455**	79,080,222