

**Seymour Arm Water Users Community
Financial Statements**

*April 30, 2011
(Unaudited - see Notice to Reader)*

Notice To Reader

On the basis of information provided by management, we have compiled the statement of financial position of Seymour Arm Water Users Community as at April 30, 2011 and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended. We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon. Readers are cautioned that these statements may not be appropriate for their purposes.

Vernon, British Columbia

June 6, 2011

MNP LLP
Chartered Accountants

Seymour Arm Water Users Community
Statement of Financial Position

As at April 30, 2011
(Unaudited - see Notice to Reader)

	2011	2010
A		
Term deposits	328,731	291,079
Accounts receivable	8,866	4,054
	377,198	313,779
Capital assets (Note 2)	98,830	105,328
	476,028	419,107
Liabilities		
Current		
Accounts payable and accruals	2,500	2,500
Customer deposits	1,450	2,918
	3,950	5,418
Net Assets		
Unrestricted	161,851	124,111
Capital reserve fund (Note 3)	211,150	184,250
Equity in capital assets	99,077	105,328
	472,078	413,689
	476,028	419,107

Approved on behalf of the Board

 Director

 Director

Seymour Arm Water Users Community Statement of Revenues and Expenses

*For the year ended April 30, 2011
(Unaudited - see Notice to Reader)*

	2011	2010
Revenue		
Assessments	53,900	52,100
Water licenses	18,000	9,000
Hook-ups, parts and repairs	14,862	11,222
Interest	7,652	11,961
	94,414	84,283
Expenses		
Insurance	6,600	6,594
Repairs and maintenance	6,522	12,622
Supplies	4,374	10,897
Office	3,871	2,440
Professional f	750	2,425
Utilities	1,270	937
Easements	1,200	1,210
Licences and fees	400	723
Interest and bank charges	87	40
Amortization	8,603	8,399
	35,677	46,287
Excess of revenues over expenses before other items	58,737	37,996
Other items		
Loss on disposal of capital assets	(348)	-
Excess of revenues over expenses	58,389	37,996

Seymour Arm Water Users Community
Statement of Changes in Net Assets

For the year ended April 30, 2011
(Unaudited - see Notice to Reader)

	<i>Unrestricted</i>	<i>Capital reserve fund</i>	<i>Equity in capital assets</i>	2011	<i>2010</i>
Net assets, beginning of year	124,111	184,250	105,328	413,689	375,693
Excess of revenues over expenses	58,389	-	-	58,389	37,996
Allocation to capital reserve fund	(26,900)	26,900	-	-	-
Purchase of capital assets	(2,700)	-	2,700	-	-
Loss on sale of capital assets	348	-	(348)	-	-
Amortization	8,603	-	(8,603)	-	-
Net assets, end of year	161,851	211,150	99,077	472,078	413,689

Seymour Arm Water Users Community
Statement of Cash Flows

For the year ended April 30, 2011
(Unaudited - see Notice to Reader)

	2011	2010
<hr/>		
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from customers	87,383	82,463
Cash paid to suppliers	(26,778)	(37,473)
Interest paid	(87)	(40)
	<hr/>	<hr/>
	60,518	44,950
Investing activities		
Purchase of capital assets	(2,700)	(22,708)
Proceeds on disposal of capital assets	274	-
	<hr/>	<hr/>
	(2,426)	(22,708)
Increase in cash resources	58,092	22,242
Cash resources, beginning of year	309,725	287,483
	<hr/>	<hr/>
Cash resources, end of year	367,817	309,725
	<hr/>	<hr/>
Cash resources are composed of:		
Cash	39,218	18,646
Term deposits	328,599	291,079
	<hr/>	<hr/>
	367,817	309,725
	<hr/>	<hr/>

Seymour Arm Water Users Community Notes to the Financial Statements

*For the year ended April 30, 2011
(Unaudited - see Notice to Reader)*

1. Incorporation and operations

The Seymour Arm Water Users Community was incorporated under section 76 (now section 51) of the *Water Act of British Columbia* as a public corporate body on October 21, 1996. The organization provides water to the community of Seymour Arm, British Columbia. The organization is exempt from income tax under subsection 149(1)(c) of the Income Tax Act.

2. Capital assets

	Cost	Accumulated amortization	2011 Net book value	2010 Net book value
Computer equipment	1,200	486	714	1,615
Water system	331,731	233,615	98,116	103,713
	332,931	234,101	98,830	105,328

3. Capital reserve fund

The members, at their annual general meeting on August 4, 2003, voted to increase the annual fees for service by \$50 per license. This money is then to be allocated to a separate Capital Reserve Fund. The purpose of this fund is to provide cash for long term capital projects.

The members, at their annual general meeting on August 4, 2003, voted to add to the Capital Reserve Fund all monies received from the issuance of new licenses.

	2011	2010
Capital Reserve Fund - opening balance	184,250	166,650
Transfer in - annual levy	8,900	8,600
Transfer in - license transfer	18,000	9,000
Capital Reserve Fund - ending balance	211,150	184,250

The cash assets supporting the Capital Reserve Fund are held in term deposits in the amount of \$328,731 (2010: \$291,079).