



Mayne Island
Improvement District
57th Annual General Meeting



Saturday, September 18, 2021

1:00 pm

Mayne Island Fire Hall

Agenda

1. Call to Order
 2. Request for additions and motion to approve agenda
 3. Approval of minutes of previous AGM - November 22, 2020
 4. Annual report from the Corporate Administrative Officer
 5. Annual report from the Fire Chief
 6. Annual report from the Auditor & presentation of 2020 financial statements
 7. Appointment of the Auditor for 2021
 8. Other Business / Town Hall
 9. Adjournment
-



Mayne Island Improvement District

56th Annual General Meeting

Meeting Minutes

Date: Sunday, November 22, 2020 @ 10:00 am
Location: Meeting Room, Fire Hall, 520 Felix Jack Rd

Present: Trustees Brian Dearden, Doug Hill, Debra Milne & Wayne Peace
Katherine Somerville, Corporate Administrative Officer
Kyle Stobart, Fire Chief
Eric Walker, Deputy Fire Chief
Hailey Flynn, Administrative Assistant

Guests: Two members of the public

1. CALL TO ORDER

The meeting was called to order at 10:02 am by Chairperson, Doug Hill.

2. REQUEST FOR ADDITIONS AND MOTION TO APPROVE AGENDA

CAO Somerville requested additional time to discuss COVID-19 meeting protocols.

MOTION: Trustee Peace moved and Trustee Dearden seconded the motion to approve the agenda as amended. CARRIED

3. COVID-19 MEETING PROTOCOLS

Chairperson Hill reviewed the COVID-19 safety measures put in place for the meeting.

- Seating spaced 2 meters apart.
- Face masks required.
- Hand sanitizer located at entrance table.
- Washrooms at coned off area.
- Attendance list and contact tracing required and held for a 30-day period.

4. APPROVAL OF MINUTES¹ OF PREVIOUS AGM

MOTION: Trustee Dearden moved and Trustee Milne seconded the motion to approve the minutes from the Annual General Meeting held on April 13, 2019. CARRIED

5. ANNUAL REPORT² FROM THE CORPORATE ADMINISTRATIVE OFFICER

MOTION: Trustee Milne moved and Trustee Peace seconded the motion to accept the annual report from the Corporate Administrative Officer. CARRIED

¹ AGM Meeting Minutes – April 13, 2019

² Corporate Administrative Officer's Annual Report 2019

6. ANNUAL REPORT³ FROM THE FIRE CHIEF

MOTION: Trustee Deaden moved and Trustee Milne seconded the motion to accept the annual report from the Fire Chief. CARRIED

7. ANNUAL REPORT⁴ FROM THE AUDITOR & 2019 FINANCIAL STATEMENTS

Sheila Henn, CPA, CA, submitted her Auditor’s Summary Report in lieu of her attendance to the meeting in person.

MOTION: Trustee Milne moved and Trustee Dearden seconded the motion to accept the auditor’s report and 2019 financial statements as submitted. CARRIED

8. APPOINTMENT OF THE AUDITOR FOR 2020

Trustee Hill made a recommendation to appoint the current accounting firm, Paterson Henn CPA, as auditor for 2020.

MOTION: Trustee Dearden moved and Trustee Peace seconded the motion that Paterson Henn CPA be appointed as auditor for 2020. CARRIED

9. OTHER BUSINESS / TOWN HALL

None.

10. TRUSTEE CANDIDATE ACCLIMATION

Chairperson Hill asked the Election Officer, Jon Hoff, to speak about the trustee election. He summarized the following:

- Due to COVID-19 the trustee nomination procedure was adjusted with guidance from the Ministry of Municipal Affairs and Housing. Advance nominations were requested in October.
- Two valid nominations were received. They were Bob McKinnon & Brian Dearden. Therefore, they were elected as trustees for the 3-year term by acclamation.

11. ADJOURNMENT

There being no further business, the Chair asked for a motion to adjourn. The Annual General Meeting was adjourned at 10:10 am by motion made by Trustee Milne.

Approved:

Doug Hill, Chair

Date:

Katherine Somerville, CAO

Date:

Recorded and Transcribed by H. Flynn

³ Fire Chief’s Annual Report 2019

⁴ Auditor’s Annual Report & Audited Financial Statements

Mayne Island Improvement District

57TH ANNUAL GENERAL MEETING

2020 was an extraordinary year, the impact of the COVID-19 pandemic was felt by everyone and local governments were no exception. After the provincial state of emergency was announced on March 17, 2020 it was hard to keep up with all the ministerial changes and pandemic precautions. Improvement districts were asked to postpone their AGM's and elections until the Provincial Health Officer gave advice that the pandemic no longer posed a threat to public health.

Regular monthly board meetings had to be closed to the public. The *COVID-19 Related Measures Act* (CRMA) temporarily allowed for improvement districts to hold electronic meetings in order to carry out the business of the district. This was something improvement districts were never able to do before COVID-19. The passing of Bill 10: *Municipal Affairs Statutes Amendments Act, 2021* has now permanently allowed improvement district's the ability to hold meetings electronically.

Other legislation changes were also made based on learnings and experiences from the pandemic. Ministerial Order M336 permanently amended letters patent of improvement districts to allow elections and AGMs to be held separately, and to remove the timeframe in which AGMs must be held (typically January 1st to May 1st). In 2021 these same amendments were made to the *Local Government Act* further solidifying the changes to ensure that improvement districts have the flexibility they need to effectively govern their communities.

As a result of the pandemic the Provincial Health Officer significantly restricted the types of medical calls that First Responders could be dispatched to, allowing response on only the most critical types of calls. This in turn drastically reduced the number of events the Fire Department responded to in 2020.

The pandemic also significantly reduced the number of training opportunities available to members of the fire department. The combination of fewer call outs and fewer training opportunities translated to less expenditures for the fire department. We therefore saw a significant surplus in the fire departments 2020 operating budget. Typically, any surpluses are moved from the operating funds to the reserve. This transfer helps to offset future capital expenditures.

2020 was the year we **almost** began taxation for the provision of garbage collection. One of the objects of the Mayne Island Improvement District (MIID) is the provision of garbage collection and disposal. However, the MIID has never taxed for this purpose. Collection has always been performed by private contractors. Some confusion seemed to surround the taxpayer on that issue when late in 2019 the MIID received a letter from Islands Trust requesting a long-term solution to garbage collection on Mayne Island. It appeared at that time the MIID would need to begin to provide this service through taxation as it soon became apparent there were no private contractors providing the service.

As we continued with the planning and preparations related to providing this service local private contractors had decided to resume service. The contractor the MIID had planned to hire had genuine concerns about moving forward given the situation. The MIID therefore could not in good faith raise taxes to ensure garbage collection and disposal services were provided. For now, private contractors are continuing to operate and taxation for this purpose is not needed.

57TH ANNUAL GENERAL MEETING

Thankfully, between lockdowns we managed to hold the AGM. The events of 2020 have permanently changed the way the MIID conducts its business. Delving into the possibility of taxation for the purpose of garbage collection was laborious and time consuming for staff and trustees. Doing this during the pandemic didn't make it any easier. During 2020 we all had to adjust to the new normal consisting of lockdowns, mask rules, travel bans and families separated. Thankfully the District has volunteers, trustees and staff that go the extra mile to make our local government a success despite the challenges we are sometimes faced with.

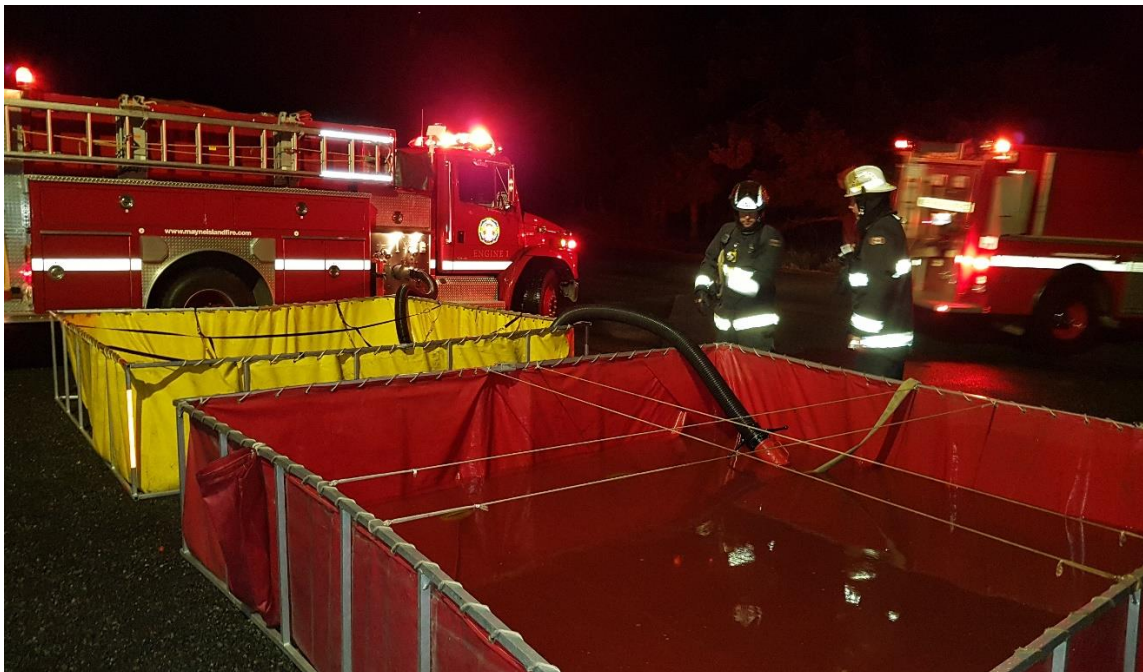
Respectfully submitted,

Katherine Somerville,
Corporate Administrative Officer,
Mayne Island Improvement District



Mayne Island Fire Rescue

2020 Annual Report

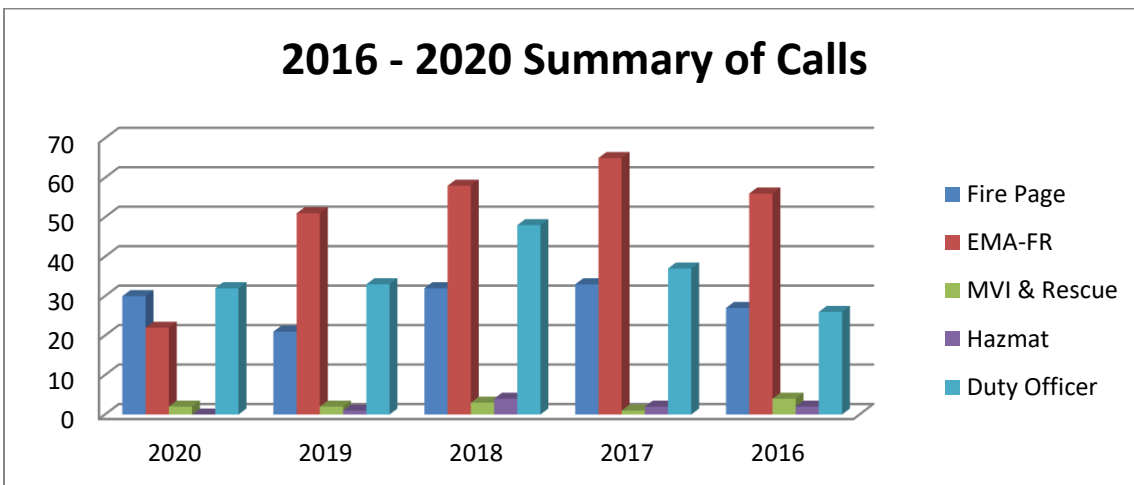


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Response Analysis

Mayne Island Fire Rescue responded to 86 pages in 2020, down from 108 in 2019. The major cause of this drop was the COVID-19 pandemic, also caused in part by new a BCAS “Critical Response Model” which categorizes incoming emergency calls and dictates resources required. These factors reduced our call volume of medical calls. MIFR also responded to Duty Officer pages, motor vehicle incidents, downed hydro lines, brush and grass fires and chimney fires. Average response time to scene was 10 to 15 minutes and the average call duration was 60 minutes.

The following chart details an analysis of call comparisons for the past five years:



The majority of calls responded to by MIFR in 2020 were Duty Officer calls. These are usually for open burn or equipment restriction complaints but also for general public assistance. Second after DO pages were fire pages, which include hydro incidents, RCMP assists, structural and wildland fires. There were 2 motor vehicle incidents and no hazmat incidents in 2020. MIFR responded in 15 minutes or less for 70% of calls in 2020. Call duration varied in length from a few minutes to over 2 hours. Even though we got paged out for some, there were no actual structure fires on Mayne Island in 2020. MIFR logged 758 hrs of response time in 2020.

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Service Level

The Office of the Fire Commissioner has defined 3 service levels for fire departments in British Columbia: Exterior, Interior and Full Service. Mayne Island Fire Rescue's service level as established by bylaw is defined as Full Service. A Full-Service fire department has the training and equipment to perform a full spectrum of fire services, such as performing an offensive (interior) attack on a fire in a more complex structure than a single-family dwelling (ie: school/hardware), hazmat, MVI etc.

Membership

2020 saw the loss of 3 firefighters which was offset by an intake of 6 new recruits. This brings us our numbers to 24 members. Pagers are issued after completion of Exterior Firefighter accreditation after which they will be encouraged to train further to FF2. Six of our newer members are enrolled in online training to attain FF2 (Full Service) designation. The work experience members came to us fully trained and volunteer their time to gain experience in the hope of getting hired on as career firefighters in a city department. MIFR logged 1,805 hours of practice time in 2020.

The following chart details current experience and training levels on the department:

Time Serving	Members	Training Level	Members
0 to 5 years	15	Exterior and FR only	11*
6 to 10 years	3	FF1	1
10 to 20 years	3	FF2	12
20-30 years	2	Fire Officer 1	3
30 years +	1	Fire Officer 2	1 in 2022

*6 Exterior Fire Fighters are 1 course away from completing to FF2

Apparatus

Mayne Island Fire Rescue's fleet currently consists of 6 apparatus. A primary attack engine, a secondary engine/tender (tanker), 2 dedicated tenders and 2 standard pick-up trucks equipped with emergency lights and sirens.

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Engine 2 is our primary pumper. It is a 2012 Spartan Legend series with 6 seats and a 1,500 GPM. Pump. The addition of Engine 2 in 2013 provided the capacity to action a fire with a complete attack crew out of one truck.

Engine 1 is our secondary pumper truck/tender. It is a 1996 Freightliner with 3 seats and a 1,250 GPM. Pump. Engine 1 is used for relay pumping to Engine 2 and as a Rapid Intervention Team water supply. Engine 1 will also respond as a primary pumper to a second alarm.

Tender 3 is a 2009 Freightliner with a 1,500 gal. water tank. In 2018 Tender 3 underwent a retrofit to install a rated pump and is now our primary responding tender (tanker). The new pump enables the unit to be filled by a single firefighter, freeing up personnel for other duties.

Tender 1 is a 2000 Freightliner carrying 1,700 gal. and a 500 GPM pump. It is usually last truck out the door on a fire call.

Rescue 1 is a 2018 Chevrolet Silverado pick up truck with a commercial canopy and a bed slide. It is our first truck out on medical and rope rescue incidents.

Utility 1 is a 2012 Ford F250 basic pickup truck. During the summer months we mound a skid unit in the bed which has a hose reel, pump and 200gal water tank.

2021

In January, due to increasing Covid case counts, senior staff were conflicted deciding in to conduct Tuesday night practices in person, however facing Zoom fatigue and worries of waning enthusiasm, we resumed in person practices. The results were very positive with good attendance and morale, which continues today.

In 2020, BCEHS restricted BC First Responders response due to the threat of responders contracting Covid-19. Our First Responders are now responding at pre-pandemic levels which means that medical call volume is increasing, and PPE requirements are decreasing.

As the pandemic eases, lessening restrictions means that the firehall is again open to public tours and other groups are able to book the training/meeting room. We are looking forward to increasing our community involvement and are planning a “re-opening house” at the fire hall this autumn.

As always, I am honored to represent MIFR and MIID in my capacity as Fire Chief of Mayne Island.

Kyle Stobart,
Fire Chief.

Serving Our Community with Pride

MAYNE ISLAND IMPROVEMENT DISTRICT
Financial Statements
Year Ended December 31, 2020

MAYNE ISLAND IMPROVEMENT DISTRICT
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Year Ended December 31, 2020

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Mayne Island Improvement District are the responsibility of Mayne Island Improvement District and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS). 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.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and 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 financial statements have been audited by Paterson Henn CPA Chartered Professional Accountants. The independent auditor's report addressed to the Trustees appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Improvement District in accordance with Canadian public sector accounting standards.


Trustee


Trustee

Mayne Island, BC
April 20, 2021



PATERSON HENN CPA
CHARTERED PROFESSIONAL ACCOUNTANTS

Caroline M. Paterson, CPA, CGA*

Sheila C. Henn, CPA, CA*

* denotes Incorporated Professionals

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of Mayne Island Improvement District

Opinion

We have audited the financial statements of Mayne Island Improvement District (the Improvement District), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in annual surplus (deficit), 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, 2020, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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.

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

(continues)

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.

Paterson Henn CPA

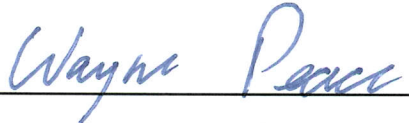
Sidney, British Columbia
April 20, 2021

Chartered Professional Accountants

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Financial Position
December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash	\$ 487,063	\$ 251,761
Renewal reserve funds (Note 6)	252,468	318,709
Accounts receivable	24,910	22,034
	<u>764,441</u>	<u>592,504</u>
LIABILITIES		
Accounts payable and accrued liabilities	203,726	34,878
Long term debt (Note 4)	1,905,361	2,004,822
	<u>2,109,087</u>	<u>2,039,700</u>
NET FINANCIAL DEBT	<u>(1,344,646)</u>	<u>(1,447,196)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 3)	3,394,682	3,413,904
Prepaid expenses	25,450	24,012
	<u>3,420,132</u>	<u>3,437,916</u>
ACCUMULATED SURPLUS (Notes 5, 6)	<u>\$ 2,075,486</u>	<u>\$ 1,990,720</u>

APPROVED BY THE TRUSTEES

 _____ Trustee

 _____ Trustee

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Operations
Year Ended December 31, 2020

	Budget 2020	Fire Protection 2020	Health Centre 2020	Total 2020	Total 2019
REVENUES					
Fire Protection Tax Levies	\$ 676,147	\$ 676,147	\$ -	\$ 676,147	\$ 624,207
Capital Tax Advance Levies	-	159,606	-	159,606	159,606
Health Centre Tax Levies	96,250	-	103,049	103,049	92,600
Rental Revenue	15,000	-	15,000	15,000	15,000
Penalties & Interest on Tax Levies	4,000	-	3,266	3,266	3,799
Burn Permit Sales	3,000	2,865	-	2,865	3,541
Operating Interest and Other Revenue	750	101	401	502	7,572
Interest Revenue on Reserve Funds	7,000	5,230	364	5,594	6,505
	<u>802,147</u>	<u>843,949</u>	<u>122,080</u>	<u>966,029</u>	<u>912,830</u>
EXPENSES					
Fire Protection Expenditures (<i>Schedule 1</i>)	540,961	534,866	-	534,866	551,639
Governance Expenditures (<i>Schedule 2</i>)	55,936	54,544	-	54,544	48,789
Health Centre Expenditures (<i>Schedule 3</i>)	105,250	-	108,068	108,068	103,571
	<u>702,147</u>	<u>589,410</u>	<u>108,068</u>	<u>697,478</u>	<u>703,999</u>
SURPLUS FROM OPERATIONS	<u>100,000</u>	<u>254,539</u>	<u>14,012</u>	<u>268,551</u>	<u>208,831</u>
OTHER REVENUE (EXPENSES)					
Amortization	-	(162,368)	(21,417)	(183,785)	(156,910)
Budgeted transfer to Fire Protection reserve	(85,000)	-	-	-	-
Budgeted transfer to capital - Fire Protection	(5,000)	-	-	-	-
Budgeted transfer to Health Centre reserve	(10,000)	-	-	-	-
	<u>(100,000)</u>	<u>(162,368)</u>	<u>(21,417)</u>	<u>(183,785)</u>	<u>(156,910)</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ -</u>	<u>\$ 92,171</u>	<u>\$ (7,405)</u>	<u>\$ 84,766</u>	<u>\$ 51,921</u>

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Changes in Annual Surplus (Deficit)
Year Ended December 31, 2020

	Fire Protection 2020	Health Centre 2020	Total 2020	Total 2019
ACCUMULATED SURPLUS (DEFICIT) - BEGINNING OF YEAR	\$ (1,739,783)	\$ (2,110)	\$ 1,990,720	\$ 1,938,799
Surplus (deficit) for the year	92,171	(7,405)	84,766	51,921
Amortization of tangible capital assets	(1,647,612)	(9,515)	2,075,486	1,990,720
Transfers to tangible capital assets <i>(Note 3)</i>	162,368	21,417	-	-
Transfers to renewal reserve funds <i>(Note 6)</i>	(150,863)	(13,700)	-	-
	62,905	3,336	-	-
ACCUMULATED SURPLUS (DEFICIT) - END OF YEAR <i>(Note 5)</i>	\$ (1,573,202)	\$ 1,538	\$ 2,075,486	\$ 1,990,720

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Changes in Net Financial Debt
Year Ended December 31, 2020

	Budget 2020	2020	2019
ANNUAL SURPLUS	\$ -	\$ 84,766	\$ 51,921
Amortization of tangible capital assets	-	183,785	156,910
Purchase of tangible capital assets	(95,000)	(164,563)	(110,024)
Decrease (increase) in prepaid expenses	-	(1,438)	(4,449)
	(95,000)	17,784	42,437
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(95,000)	102,550	94,358
NET FINANCIAL DEBT - BEGINNING OF YEAR	(1,447,196)	(1,447,196)	(1,541,554)
NET FINANCIAL DEBT - END OF YEAR	\$ (1,542,196)	\$ (1,344,646)	\$ (1,447,196)

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Cash Flows
Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Annual surplus	\$ 84,766	\$ 51,921
Item not affecting cash:		
Amortization of tangible capital assets	<u>183,785</u>	156,910
	<u>268,551</u>	<u>208,831</u>
Changes in non-cash working capital:		
Accounts receivable	(2,876)	(10,089)
Accounts payable and accrued liabilities	168,848	(17,630)
Prepaid expenses	<u>(1,438)</u>	<u>(4,449)</u>
	<u>164,534</u>	<u>(32,168)</u>
Cash flow from operating activities	<u>433,085</u>	<u>176,663</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	<u>(164,563)</u>	(110,024)
Cash flow used by capital transactions	<u>(164,563)</u>	(110,024)
INVESTING TRANSACTIONS		
(Increase) decrease in renewal reserve funds	<u>66,241</u>	(64,077)
FINANCING ACTIVITY		
Repayment of long term debt	<u>(99,461)</u>	(96,564)
Cash flow used by financing activity	<u>(99,461)</u>	(96,564)
INCREASE (DECREASE) IN CASH FLOW	235,302	(94,002)
Cash - beginning of year	<u>251,761</u>	<u>345,763</u>
CASH - END OF YEAR	\$ 487,063	\$ 251,761

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2020

1. NATURE OF OPERATIONS

The Mayne Island Improvement District (the "Improvement District") is an Improvement District in British Columbia, Canada, governed by the Local Government Act, Letters Patent and its own bylaws. It is tax-exempt pursuant to the Canadian Income Tax Act.

The Improvement District is empowered to levy taxes to support the provisions of fire protection, the operation of the Mayne Island Health Centre and the provision of garbage collection and disposal services to the community of Mayne Island. Fire protection consists of prevention services, fire control and public education. The Health Centre facility and heliport are maintained by the Improvement District while the operations are carried out by other parties, including Mayne Island Health Centre Association (MIHCA). Garbage collection and disposal, as included in the original mandate, is not provided by the Improvement District and is provided by independent operator(s). The Improvement District does not collect taxes for the provision of garbage collection and disposal services.

In 2020, Ministerial Order (Order M336) amends the Letters Patent of the Improvement District to allow for holding elections separate from the annual general meeting. In addition, this Order removes the restrictions on when the annual general meeting is to be held and instead annual general meetings must be held at least once every calendar year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian public sector accounting standards (GAAP) and are prepared using the accrual basis of accounting.

Basis of accounting

Operating Funds - Fire Protection and Health Centre

Revenues and expenses related to fire protection, governance of the fire protection operations and the Health Centre are reported in the Operating Fund. The programs consist of fire protection and governance as well as the Health Centre and heliport. The operating fund also accounts for the net bank debt and long term debt and the associated costs for these, unless considered construction costs. Costs specific to one function only are charged to the specific cost centre. When costs relate to the entire Improvement District, the expenses are consistently allocated 35% to Fire Protection, 30% to Governance of the Fire Protection operations, and 35% to the Health Centre.

Tangible Capital Assets Fund

The Tangible Capital Assets Fund reports the assets, liabilities, revenues, and expenses related to Mayne Island Improvement District's capital assets for fire protection and the Health Centre. Bank debt and long term debt relating to the fire hall building are considered part of the applicable operating fund.

Renewal Reserve Funds

The Renewal Reserve Funds are funds established through bylaw for the upgrading, replacement or renewal of existing works. The funds, as well as interest earned on the funds, are held in separate interest earning cash or cash equivalent accounts. Expenditures may only be made from these funds after a bylaw is approved by the trustees of the Improvement District.

(continues)

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2020

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

Measurement uncertainty

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. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Revenue recognition

The Improvement District collects taxes for Fire Protection and the Mayne Island Health Centre. The provincial government distributes the taxes collected for fire protection as an annual statutory advance in July. In addition, the provincial government collects taxes for the capital advance tax levy which is distributed directly to offset the long term debt held with the provincial government. Other revenues, including tax revenues, are recorded in the period in which the transaction or events that gave rise to the revenues occurred. Expenditures are recorded in the period that the goods and services are acquired and a liability is incurred.

Restricted contributions (if any) are recognized as revenue in the year in which the related expenses are incurred. When the related expenses have not been incurred, the restricted contribution is recognized as deferred revenue on the statement of financial position.

Budget

The budget reflects the Statutory Annual Budget as adopted by the Improvement District and is not subject to review or audit.

Financial instruments

The Improvement District's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, and long term debt. The carrying amounts of these financial instruments approximates their fair value.

Unless otherwise noted, it is management's opinion that the Improvement District is not exposed to significant interest, liquidity or credit risk arising from these financial instruments.

(continues)

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2020

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

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods, with one-half amortization charged in the year of acquisition:

Buildings - Health Centre	4%	declining balance method
Building - Fire hall	40 years	straight-line method
Computer equipment	2 years	straight-line method
Equipment and furniture	5 years	straight-line method
Fire fighting clothing	10 years	straight-line method
Fire fighting equipment	10 years	straight-line method
Generator	20 years	straight-line method
Heliport	20 years	straight-line method
Paving	20 years	straight-line method
Radios and pagers	5 years	straight-line method
Vehicles	10 years and 20 years	straight-line method
Water access and equipment	10 years	straight-line method
Water storage	20 years	straight-line method

The Improvement District regularly reviews its tangible capital assets to eliminate obsolete items. The tangible capital assets are considered for their fair value and any impairments are expensed. There were no impairments during the year.

Tangible capital assets acquired or constructed during the year but not placed into use are not amortized. There are currently no assets under construction. See also Note 7.

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2020

3. TANGIBLE CAPITAL ASSETS

	2020 Cost	Accumulated amortization	2020 Net book value	2019 Net book value
<u>Fire Protection</u>				
Land	\$ 4,690	\$ -	\$ 4,690	\$ 4,690
Building - fire hall	2,567,385	320,449	2,246,936	2,311,121
Computer equipment	51,893	51,893	-	3,375
Equipment and furniture	22,677	17,124	5,553	6,787
Fire fighting clothing	56,010	56,010	-	-
Fire fighting equipment	399,097	228,142	170,955	52,456
Generator	108,072	71,386	36,686	42,090
Paving	151,500	21,338	130,162	137,737
Radios and pagers	15,587	15,587	-	-
Vehicles	1,101,483	677,982	423,501	465,619
Water access and equipment	56,770	51,578	5,192	10,554
Water storage	55,197	55,197	-	2,437
	4,590,361	1,566,686	3,023,675	3,036,866
<u>Health Centre</u>				
Building	612,433	271,107	341,326	346,737
Computer equipment	23,627	20,252	3,375	5,063
Equipment	595	595	-	-
Heliport	60,173	40,250	19,923	18,320
Water system	10,682	4,299	6,383	6,918
	707,527	336,503	371,007	377,038
	\$ 5,297,871	\$ 1,903,189	\$ 3,394,682	\$ 3,413,904

(continues)

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2020

3. TANGIBLE CAPITAL ASSETS *(continued)*

The following additions and disposals occurred during the year:

	2019 Cost	2020 Additions	2020 Disposals	2020 Cost
<u>Fire Protection</u>				
Land	\$ 4,690	\$ -	\$ -	\$ 4,690
Building - fire hall	2,567,385	-	-	2,567,385
Computer equipment	51,893	-	-	51,893
Equipment and furniture	22,677	-	-	22,677
Fire fighting clothing	56,010	-	-	56,010
Fire fighting equipment	248,235	150,863	-	399,097
Generator	108,072	-	-	108,072
Paving	151,500	-	-	151,500
Radios and pagers	15,587	-	-	15,587
Vehicles	1,101,483	-	-	1,101,483
Water access and equipment	56,770	-	-	56,770
Water storage	55,197	-	-	55,197
	<u>4,439,499</u>	<u>150,863</u>	<u>-</u>	<u>4,590,361</u>
<u>Health Centre</u>				
Building	603,233	9,200	-	612,433
Computer equipment	23,627	-	-	23,627
Equipment	595	-	-	595
Heliport	55,673	4,500	-	60,173
Water system	10,682	-	-	10,682
	<u>693,810</u>	<u>13,700</u>	<u>-</u>	<u>707,510</u>
	<u>\$ 5,133,309</u>	<u>\$ 164,563</u>	<u>\$ -</u>	<u>\$ 5,297,871</u>

4. LONG TERM DEBT

	<u>2020</u>	<u>2019</u>
Bylaw 167 - Capital Tax Advance issued, for the purpose of financing the construction of the new fire hall, in the amount of \$2,400,000, requiring annual payments of loan bearing interest at 3% per annum, repayable in annual blended payments of \$159,606, beginning in 2016 through 2035.	<u>\$ 1,905,361</u>	<u>\$ 2,004,822</u>

Principal repayment terms for the next five years are approximately:

2021	\$ 102,445
2022	105,518
2023	108,684
2024	111,944
2025	115,302
	<u>\$ 543,893</u>

Tax levies are collected by the BC provincial government and applied directly each July to the debt held with the provincial government.

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2020

5. ACCUMULATED SURPLUS (DEBT)

Accumulated surplus (debt) is represented by the following:

	2020	2019
Fire Department Operating Surplus (Debt)	\$ (1,573,202)	\$ (1,739,783)
Health Centre Operating Surplus (Debt)	1,538	(2,110)
Tangible Capital Assets (Note 3)	3,394,682	3,413,904
Renewal Reserve Funds (Note 6)	252,468	318,709
	\$ 2,075,486	\$ 1,990,720

6. RENEWAL RESERVE FUNDS

Changes to renewal reserve funds for the year, are as follows:

	Fire Protection Renewal Reserve	Health Centre Renewal Reserve	2020
Budget transfer - as per approved budget	\$ 85,000	\$ 10,000	\$ 95,000
Current year interest earned on renewal accounts	2,958	364	3,322
	87,958	10,364	98,322
Bylaw 194 - Health Centre tree clearing	-	(4,500)	(4,500)
Bylaw 204 - Fire Protection - S.C.B.A. (Note 8)	(150,863)	-	(150,863)
Bylaw 205 - Health Centre painting	-	(9,200)	(9,200)
	(150,863)	(13,700)	(164,563)
Renewal reserve fund balance, beginning of year, December 31, 2020	283,996	34,713	318,709
BALANCE END OF YEAR, DECEMBER 31, 2020	\$ 221,091	\$ 31,377	\$ 252,468

Renewal reserve funds are held in separate interest earning cash or cash equivalent accounts in accordance to the the Improvement District's policies.

Bylaws where all funds have not been spent or the work not yet completed, may not yet be finalized by the year end. The expenditures included are actual expenditures incurred, unless otherwise disclosed. (see Note 7)

7. S.C.B.A PURCHASE

Bylaw 204 authorized the purchase of S.C.B.A. (Self-Contained Breathing Apparatus). These were purchased and shipment was received in 2020 with a portion of the shipment not received. The vendor indicated it had been shipped and after discussions it was determined part of the shipment was lost or stolen. Discussions have been ongoing and and a new shipment is expected in April 2021. The payment has not yet been made and is included in accounts payable until final shipment is received. The full amount has been included in tangible capital assets and has reduced the renewal reserve funds. It is not considered practicable to portion the amounts between the fiscal years 2020 and 2021 as the remaining equipment is expected to be received.

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2020

8. LEASE COMMITMENTS

The Improvement District renewed their lease as landlord for the Health Centre premises to Vancouver Island Health Authority ("VIHA") for the period of five (5) years from April 1, 2017 expiring on March 31, 2022 with an additional five (5) year renewal period with the same terms and conditions.

The Improvement District entered into a lease as the lessor with the Mayne Island Volunteer Firefighters' Association in 2014, whereby the Improvement District donated a building, with a nominal fair value, and agreed to lease the lands for a nominal value under a Ground Lease agreement dated May 9, 2014. The term of the lease is for ten (10) years expiring May 9, 2024. Water and sewer is supplied by the Improvement District and all other expenses, costs and improvements relating to this land and building are to be borne by the tenant.

9. OTHER COMMITMENTS

The Improvement District has entered into various contracts and agreements with individuals, companies and other organizations for maintenance, cleaning, gardening and general care of the facilities as well as general operating matters for the Improvement District. These agreements are under normal operations and have been approved by the trustees of the Improvement District.

The Improvement District has a signed Facility Access Agreement with the Capital Regional District ("CRD"). The purpose of this agreement is for the CRD to gain access to Improvement District property for the purpose of operating an ongoing communications centre, or in an event of an emergency, an operations centre. The Grant of License signed in 2017 is for 40 years with the revenue received in the year signed for the entire period.

10. COVID-19 IMPACT

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The Improvement District follows the BC provincial guidance and orders to conduct their operations in a safe manner following the Provincial Health Officer orders (PHO), BC provincial orders, BC Workers' Compensation and any other guidelines. The Improvement District has developed and continues to adapt guidelines to provide the Fire Protection and Health Centre services, within their mandate.

MAYNE ISLAND IMPROVEMENT DISTRICT

Fire Protection Expenditures

(Schedule 1)

Year Ended December 31, 2020

	Budget 2020	2020	Total 2019
FIRE PROTECTION EXPENDITURES			
Appreciation and awards	\$ 4,500	\$ 2,968	\$ 3,311
Audit fees	3,950	3,850	3,850
Building repairs and maintenance	13,890	18,427	17,670
Education and training	48,400	20,612	44,478
Equipment maintenance and supplies	52,760	41,403	30,496
Firefighter clothing	3,650	2,205	2,476
Fire prevention education	2,940	251	2,819
Insurance	13,990	14,214	13,162
Interest on long term debt	-	60,145	63,042
IT maintenance, security, hardware and software	4,193	5,591	-
Office supplies and sundry	3,589	3,617	7,328
Subscriptions and dues	1,515	763	3,648
Telecommunications	6,833	6,543	10,344
Travel	500	-	304
Utilities	8,500	6,636	6,670
Vehicle fuel and insurance	14,700	11,263	9,116
Vehicle repairs and maintenance	15,650	15,796	22,015
Wages and benefits - MIID office staff	40,663	38,299	37,152
Wages and benefits - firefighters	300,738	282,283	273,758
	<u>\$ 540,961</u>	<u>\$ 534,866</u>	<u>\$ 551,639</u>

MAYNE ISLAND IMPROVEMENT DISTRICT

Governance Expenditures

(Schedule 2)

Year Ended December 31, 2020

	Budget 2020	2020	Total 2019
GOVERNANCE EXPENDITURES			
Audit fees	\$ 3,386	\$ 3,300	\$ 3,300
Bank charges	1,600	1,670	1,600
Insurance	910	907	878
IT maintenance, security, hardware and software	7,691	9,712	-
Legal	2,000	-	-
Newsletters and bulletins	500	810	149
Office supplies and equipment	2,433	2,166	2,584
Public meetings, freedom of information, misc	400	561	-
Telecommunications	765	715	6,540
Training and continuing education	1,200	1,248	1,008
Travel	200	101	391
Wages and benefits of MIID office staff	34,851	33,354	32,339
	<u>\$ 55,936</u>	<u>\$ 54,544</u>	<u>\$ 48,789</u>

MAYNE ISLAND IMPROVEMENT DISTRICT

Health Centre Expenditures

(Schedule 3)

Year Ended December 31, 2020

	Budget 2020	2020	Total 2019
HEALTH CENTRE EXPENDITURES			
Audit fees	\$ 3,950	\$ 3,850	\$ 3,850
Bank charges	1,600	1,611	1,528
Billing costs	5,638	4,730	5,734
Building repairs and maintenance	23,355	29,454	20,893
Heliport operations and insurance	3,285	3,600	2,507
Insurance	6,775	6,874	5,343
IT maintenance, security, hardware and software	893	834	5,370
Legal	2,000	3,055	8,492
Maintenance contract	6,000	5,000	5,868
Telephone, internet and utilities	9,091	10,104	4,315
Wages and benefits - MIID office staff	40,663	38,298	37,515
Water system	2,000	658	2,156
	<u>\$ 105,250</u>	<u>\$ 108,068</u>	<u>\$ 103,571</u>