



**Mayne Island
Improvement District
55th Annual General Meeting**



Agenda

1:00pm, Saturday April 13th, 2019

Mayne Island Fire Hall

1. Meeting called to order
2. Approval of agenda
3. Approve Minutes of past Annual General Meeting April 21, 2018
4. Annual report from the Board of Trustees
5. Annual report from the Corporate Administrative Officer
6. Annual report from the Fire Chief
7. Presentation of the Audited Financial Statements
8. Motion to approve the Audited Financial Statements
9. Motion to appoint the Auditor for 2019
10. Other Business: Questions and comments
11. Election of Trustee – Election Officer, call for Volunteers
Two Trustees for a three (3) year term
12. Adjournment

Qualified Voters: must be a Canadian Citizen, 18 years or older, have been a resident of BC for the past 6 months, and be a registered owner or the designated agent of a registered company or society which is registered owner of real property on Mayne Island for more than 30 days.

Trustee Requirements: To run as a Trustee you must be a Canadian Citizen, 18 years or older, have been a resident of BC for the past 6 months, and be a registered owner, or their spouse, of real property on Mayne Island for more than 30 days.



Mayne Island Improvement District

Minutes of the 54th Annual General Meeting

Saturday, April 21st, 2018

Mayne Island Fire Hall

The 54th Annual General Meeting of the Mayne Island Improvement District (MIID) was held at the Fire Hall, Mayne Island, on Saturday, April 21st, 2018 commencing at 1:03 PM. Trustee David Maude chaired the meeting.

PRESENT:

Trustees: David Maude, Doug Hill, and Wayne Peace
Staff: Corporate Administrative Officer: Katherine Somerville;
Administrative Assistant: Hailey Flynn; Recording Secretary: Gerrie Wise;
Fire Chief Kyle Stobart, Deputy Fire Chief Eric Walker;
Auditor: Sheila Henn, CPA, CA of Paterson, Henn
Approx 7 Mayne Island property owners and/or members of the public

ABSENT: Trustees Sean Skiffington and Brian Dearden

1) MEETING CALLED TO ORDER:

The meeting was called to order at 1:03 PM and introductions of the Trustees, Fire Chief, Deputy Fire Chief, Auditor, and Staff were made by the Chair, Trustee Maude.

2) ADDITIONS TO/APPROVAL OF THE AGENDA

The Chair pointed out an error in the date of Item 10 which should be corrected to 2018, rather than 2017 as shown.

MOTION: Moved by Jan Peace and seconded by Katja Korinth that the Agenda for the 54th Annual General Meeting of Saturday, April 21st, 2018 be adopted as corrected.

Motion was carried by show of hands.

3) APPROVAL OF MINUTES OF PAST ANNUAL GENERAL MEETING HELD ON APRIL 8th, 2017:

MOTION: Moved by Deb Milne and seconded by Jon Hoff that the Minutes of the 53rd Annual General Meeting held on Saturday, April 8th, 2017 be adopted.

Motion was carried by show of hands.

4) APPROVAL OF MINUTES OF SPECIAL GENERAL MEETING HELD ON October 28th, 2017:

MOTION: Moved by Rick Milne and seconded by Faith D'Arcy that the Minutes of the 53rd Annual General Meeting held on Saturday, October 28th, 2017 be adopted.

Motion was carried by show of hands.

5) ANNUAL REPORT OF THE BOARD OF TRUSTEES:

The Chair presented the report¹, a copy of which is attached, and then asked for questions.

Q. Rick Milne asked about the terms of the License with CRD for space in the Fire Hall

A. The Chair explained the payment of \$20,000 was a one-time payment for the term. The CAO explained the lease defined the areas within the fire hall to be used by the Emergency Program (CRD).

Q. Rick Milne asked for details regarding the VIHA Lease for the Health Centre.

A. The CAO explained that Island Health (VIHA) pays \$500 per month as rent for part of the premises under the terms of a 5 year commercial lease. There are other tenants who pay rent as well.

MOTION: Moved by Jan Peace and seconded by Rick Milne that the Annual Report of the Board of Trustees be accepted as circulated.

Motion was carried by show of hands.

The Chair recognized the time and efforts of Trustee Skiffington to obtain the final Occupancy Certificate.

6) ANNUAL REPORT OF THE CORPORATE ADMINISTRATIVE OFFICER:

The Report², a copy of which is attached to these minutes, was reviewed by Katherine Somerville and she asked for questions.

Q. Rick Milne asked the CAO for her impression of the highlights of her report.

A. The CAO explained that her report is meant to be an explanation of the mandate and purpose of the Improvement District along with a bit of the history. She recognized and thanked all those Staff and Volunteers whose work contributes to meeting the goals of the District.

Q. Jan Peace asked if the Garbage collection would remain with a private business.

A. The CAO confirmed that Garbage collection would remain with the private business for now. Our Letters Patent allows for taxation to fund a garbage service if that service is what the population of the island wants at some time in the future.

Q. Rick Milne asked if there are measures used to analyze if it is a successful year; such as the number of fire calls or medical services used.

A. The CAO explained that the Fire Chief will address measurements for the Fire Department in his report; her concerns are to operate without exceeding the Budget, and to deal effectively and efficiently with any concerns which may arise.

MOTION: Moved by Jon Hoff and seconded by Katja Korinth to accept the Corporate Administrative Officer's Report.

Motion was carried by show of hands.

7) ANNUAL REPORT OF THE FIRE CHIEF:

The Fire Chief's Report, a copy³ of which is attached to these minutes, was reviewed by Fire Chief Kyle Stobart, who also invited the public to come to his office anytime.

Q. Rick Milne asked the Chief to explain what he saw as highlights of the year.

A. Chief Stobart explained he feels the increase in the number of firefighters is the most important goal achieved in the past year.

Q. Rick Milne asked why there are increasing numbers of 1st Responder calls.

¹ Report from the Board of Trustees

² Corporate Administrative Officer's Report

³ Fire Chief's Report for 2017

A. The Fire Chief explained that here, and actually world-wide, the incidence of fires is decreasing, but with population increasing people are injured or ill more frequently. Another consideration is the demographics of the population of Mayne.

Q. Rick Milne asked if there is a certain requirement for response time.

A. The Fire Chief explained that the department tries to respond within 15 minutes for all calls; however there is no specified time requirement for any of the calls. All calls are responded to as promptly as possible with no “priorities” established.

Q. Deb Milne asked what was meant by “hydro incidents” – were these the wind related trees on wires, etc.?

A. Chief Stobart confirmed that was the situation in most cases.

The Chair added that last year we had an uncomfortably low level of firefighters and in one year the Chief and Deputy have accomplished doubling that number to 28 with recruiting and training. He expressed that as a Board they leave the operation of the Fire Department to the management of the Fire Chief and Deputy Chief, and they have done an outstanding job. The Fire Chief stated he appreciates the high level of support from the Board.

Rick Milne expressed his compliments to the Chief and Deputy Chief and to the Board as well.

MOTION: Moved by Deb Milne and seconded by Rick Milne to accept the Fire Chief’s Report.
Motion was carried by show of hands.

8) PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS:

The Financial Statements⁴, copy of which is attached to these minutes, were presented by Sheila Henn, the Auditor for the Improvement District. She thanked Katherine for her time and assistance, and presented her “unqualified” Audit Report and went on to explain the term “unqualified” meant there are no concerns or problems. She then gave a short explanation of the Financial Statements including the Statement of Financial Position at December 31, 2017 and the expenses for the year. The “long term debt” referred to in the Financial Statements is the debt for building the Fire Hall. The Revenues and Expenses for the Fire Protection Governance and Health Centre Operation were reviewed as well as Notes and the Statements of Reserves and Surpluses. The Auditor answered question throughout her report.

Q. Faith D’Arcy asked about the source of the stated income.

A. The Auditor and CAO explained the income is primarily from taxes with contributions such as rent and permit fees and an occasional contribution. She referred to page 5 for details of the changes to Capital and Reserves.

Q. Rick Milne asked what is meant by “Tangible Capital Assets”.

A. The Auditor explained they are the buildings and equipment as listed on page 9 listed by historical costs.

The Auditor then suggested that any further questions could be emailed to Katherine (CAO) and she will answer them.

9) MOTION TO ACCEPT THE AUDITED FINANCIAL STATEMENTS:

MOTION: Moved by Rick Milne and seconded by Deb Milne that the Auditor’s Financial Report be accepted as presented.
Motion was carried by show of hands.

⁴ Audited Financial Statements

10) MOTION TO APPOINT THE AUDITOR:

The CAO made a recommendation to appoint our present Auditor.

MOTION: Moved by Jan Peace and seconded by Katja Korinth that the firm of Patterson Henn be appointed as Auditor for the year 2018.

Motion was carried by show of hands.

11) OTHER BUSINESS: Questions and comments:

Q Deb Milne asked about the building behind the fire hall.

A. Fire Chief Stobart explained that the Fire Fighters Association owns the building which was donated to the Association several years ago. They are renovating the heritage building with all volunteer labour so it is taking some time. It is used by the Association for their meetings and various community and charitable events; and will also house the Food Bank when completed.

12) ELECTION OF TRUSTEES

The Chair turned the meeting over to Jon Hoff, acting as Elections/Returning Officer, for the election of one Trustee for a 3-year term. Jon Hoff then provided a summary of the election process and the terms of the Trustees. A Nomination for the 3-year position, received prior to the meeting was presented:

Wayne Peace, Nominated by David Maude, Seconded by Katherine Somerville

A call was made for nominations from the floor.

A second call was made for further nominations from the floor.

A third call was made for further nominations from the floor.

There being none further, nominations were closed and Wayne Peace was declared elected as Trustee for the three year term by acclamation.

The Chair thanked Jon Hoff for acting as Elections Officer and asked for a motion to adjourn.

13) ADJOURNMENT:

MOTION: Jon Hoff moved to adjourn the meeting at 1:35 PM. **Carried.**

David Maude, Chair

Katherine Somerville,
Corporate Administrative Officer

Transcribed by Recording Secretary: Gerrie Wise

cc: Ministry, Trustees, Staff, Website, file

Mayne Island Improvement District

REPORT FROM THE BOARD OF TRUSTEES

55th Annual General Meeting

2018 was another year of growth and positive outcomes for the Mayne Island Improvement District. Under the leadership of Chief Stobart and Deputy Chief Walker the firefighters continue to excel in experience and numbers; the District purchased a new pickup truck to be used as a dedicated First Responder and Rescue vehicle and the Mayne Island Fire Hall obtained final occupancy in March 2018.

All engineering sign offs for the Fire Hall were obtained and physical deficiencies were completed. Liberty Contract Management, as of this writing, has not provided paper copies of project documentation. A hold back for this requirement is in place.

The Fire Chief is preparing an Operating and Maintenance manual for the Fire Hall based on the various equipment manuals and engineering recommendations.

The District has completed the process of changing banking arrangements which has allowed us to significantly decrease our net banking costs.

The District was slightly over budget for the Health Centre operating budget (mostly due to some extraordinary legal costs responding to one individual's lawsuit over the Health Centre Taxation, in which we were successful in court defending the taxation) and under budget for the Fire Department operating budget. Any surpluses are typically transferred into reserves subsequent to the audit thereby supplementing the long-term capital budget.

We have completed the purchase and installation of a new, improved, proactively managed IT system in conjunction with the required replacement of our computer servers.

The Health Centre continues to operate efficiently, with several minor upgrades over the past year and a full flooring replacement in the coming months for the Doctor's Office area.

Our sincere thanks to our full-time professional staff and support workers who work throughout the year to ensure we offer services and facilities to the island in an effort to keep the community safe and healthy.

Finally, our deep appreciation goes to retiring Trustee Skiffington for his years of service to the community and countless volunteer hours getting the Fire Hall project finished and signed off by all of the parties involved.

Board of Trustees,
Mayne Island Improvement District

Mayne Island Improvement District

REPORT FROM THE CORPORATE OFFICER

55th Annual General Meeting

The mission of the Mayne Island Improvement District is to provide responsible stewardship for fire protection, health centre facilities, and garbage service to the community of Mayne Island. In order to fulfill this, Improvement Districts must comply with the *Local Government Act*, the Ministry of Municipal Affairs and Housing, and all applicable Federal and Provincial legislation. Board motions and bylaws are passed to govern the operation of the Improvement District.

Trustees and staff work together to achieve the goals of the District. Through careful management and strategic planning, the District has been able to provide a consistent taxation level for the operating budgets of the Health Centre and Fire Department. At this time the District does not provide for refuse collection or disposal as adequate service is provided privately on the island.

The Fire Department was established in 1964 by Letters Patent. The objects of the Improvement District at the time were the provision of fire protection, the provision of garbage collection and disposal, and the acquisition, maintenance and operation of works, building and equipment for these purposes and all things incidental thereto. In 1983 the Letters Patent were amended to include the operation and maintenance of the Mayne Island Health Centre.

The District purchased land in 1968 to build the first fire hall. The firehall was then built in 1969. The first paid Fire Chief was hired in 1974, reducing fire insurance premiums. In 1983 a second-floor structure was added to the building for more space. Demolition of the old fire hall and construction of the new fire hall began in 2014. The new Fire Hall and office of MIID was officially completed March 19th, 2018.

The original Health Centre building was built in 1975, expanded in 1995 and the emergency treatment room was added to the building in 2013. The District and the Mayne Island Health Centre Association (MIHCA) maintain a strong working relationship to provide a health care facility for the residents and visitors of Mayne Island. Under our Letters Patent and a Memorandum of Understanding with MIHCA, it is the responsibility of the District to provide and maintain the building, water system, emergency power, grounds and Heliport for our island health care services.

The **MIID Website** at www.miionline.com is maintained and updated by the District and contains an abundance of information. All active bylaws are posted on the MIID website as are all meeting minutes and policies adopted by the Board. Please visit the website for notices of meetings, monthly minutes and other relevant information.

Thank you to the volunteers, trustees and staff for once again making it another year well done.

Respectfully submitted,

Katherine Somerville,

Corporate Administrative Officer,
Mayne Island Improvement District



Mayne Island Fire Rescue

2018 Annual Report

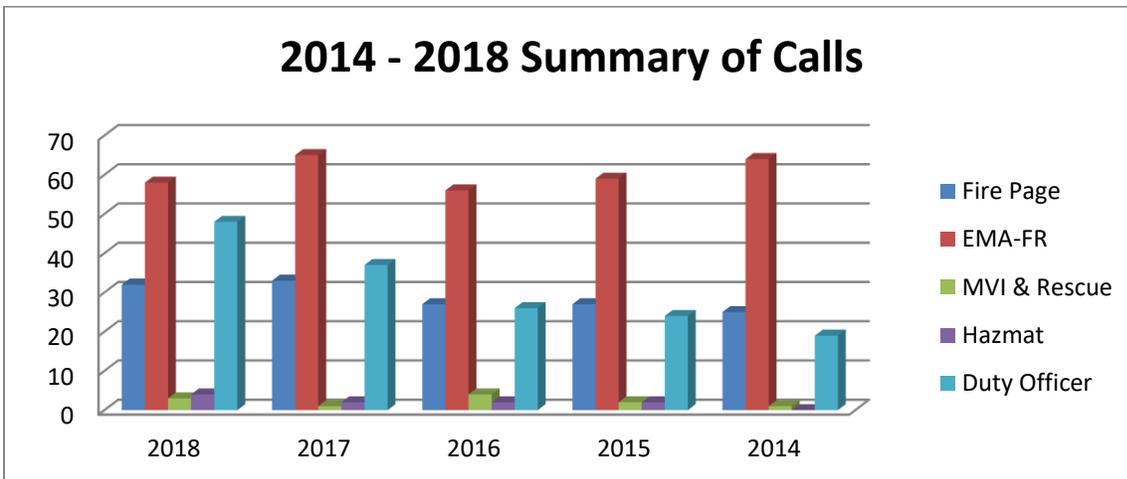


Serving Our Community With Pride

Response Analysis

Mayne Island Fire Rescue responded to 145 calls in 2018, including: Duty Officer pages, hazmat calls, motor vehicle incidents, downed hydro lines, fires and medical aid. The total number of pager responses is higher than previous years, due to more accurate record keeping. 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 2018 as in the previous 5 years were medical calls, which is consistent within the fire service across North America. Second after first responder calls were Duty Officer pages, which range from open burn complaints to equipment restriction violations. We also responded multiple times in 2018 for hydro incidents, fires, hazmat incidents and motor vehicle incidents. MIFR responded in 15 minutes or less for 80% of calls in 2018. Call duration varied in length from a few minutes to over 4 hours.

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.

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Membership

2018 continued as another good year for staffing at MIFR. Our numbers remain at 28 members, including the current 3 work experience members. 9 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.

There were 2 promotions in 2018 a 24 year firefighter was promoted to Lieutenant, and an existing Lieutenant was promoted to Captain. Increasing firefighter numbers means that we need more officers to manage a fireground or incident scene, so we are canvassing the department for suitable candidates in 2019.

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

Time Serving	Members	Training Level	Members
0 to 5 years	20	Exterior and FR only	15
6 to 10 years	1	FF1	1
10 to 20 years	4	FF2	12, + 9 in progress
20-30 years	2	Fire Officer 1	2
30 years +	1	Fire Officer 2	1 in 2019

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.

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.

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Tender 3 is a 2009 Freightliner with a 1,400 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 200 gal water tank.

2019

New in 2019 is the online training for firefighter 2 (full service) accreditation. Online training is more convenient for students and more cost effective for the department because students don't have to travel to obtain the accredited training. Previously students travelled to Pender Island in excess of 30 weekends in a calendar year to train with Pender Fire instructors. We are very pleased to have 9 firefighters enrolled in the online program.

2019 will also see the development of Mayne Island Fire Rescue's first ever wellness program, focusing on physical fitness, nutrition and mental health. A wellness program is a great investment in our membership, and may also qualify us for lower insurance rates in the future.

Both Deputy Chief Walker and I look forward to continuing to serve the community of Mayne Island in our capacities with the fire department.

Kyle Stobart,
Fire Chief.

Serving Our Community With Pride

MAYNE ISLAND IMPROVEMENT DISTRICT
Financial Statements
Year Ended December 31, 2018

MAYNE ISLAND IMPROVEMENT DISTRICT
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Year Ended December 31, 2018

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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. 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.

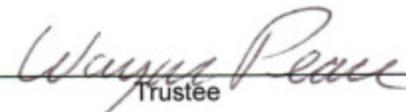
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that the 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
March 19, 2019



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

Report on the Financial Statements

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, 2018, and the statements of operations, changes in net debt, changes in accumulated surplus (deficit) 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, 2018, and the results of its operations 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 Financial Statements* section of our report. We are independent of the Improvement District in accordance with the 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 those 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 Canadian public sector accounting standards, 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 relating 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.

Sidney, British Columbia
March 19, 2019

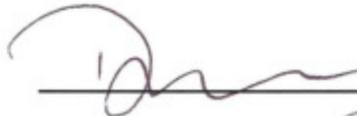
Paterson Henn CPA

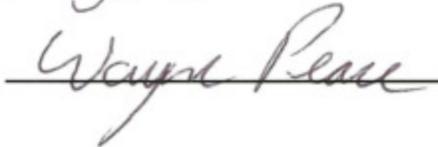
Chartered Professional Accountants

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Financial Position
December 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 345,763	\$ 327,886
Renewal reserve funds (Note 6)	254,632	246,160
Accounts receivable	11,945	15,414
	612,340	589,460
LIABILITIES		
Accounts payable and accrued liabilities	52,509	37,066
Long term debt (Note 4)	2,101,386	2,195,138
	2,153,895	2,232,204
NET FINANCIAL DEBT	(1,541,555)	(1,642,744)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 3)	3,460,791	3,470,987
Prepaid expenses	19,563	18,438
	3,480,354	3,489,425
ACCUMULATED SURPLUS (Notes 5, 6)	\$ 1,938,799	\$ 1,846,681

APPROVED BY THE TRUSTEES


 _____ Trustee


 _____ Trustee

MAYNE ISLAND IMPROVEMENT DISTRICT

Statement of Operations

Year Ended December 31, 2018

	Budget 2018	Fire Protection 2018	Health Centre 2018	Total 2018	Total 2017
REVENUES					
Fire Protection Tax Levies	\$ 617,587	\$ 617,587	\$ -	\$ 617,587	\$ 586,533
Capital Tax Advance Levies	-	159,606	-	159,606	159,606
Health Centre Tax Levies	90,763	-	90,404	90,404	88,466
Rental Revenue	15,000	-	15,000	15,000	15,000
Contributions <i>(Note 7)</i>	-	-	-	-	20,000
Penalties & Interest on Tax Levies	3,000	-	3,437	3,437	3,033
Burn Permit Sales	3,000	3,290	-	3,290	3,310
Interest Revenue and Other Revenue	750	5,645	271	5,916	3,251
Interest Revenue on Reserve Funds	-	3,260	531	3,791	1,427
	<u>730,100</u>	<u>789,388</u>	<u>109,643</u>	<u>899,031</u>	<u>880,626</u>
EXPENSES					
Fire Protection Expenditures <i>(Schedule 1)</i>	486,878	504,094	-	504,094	500,143
Governance Expenditures <i>(Schedule 2)</i>	45,459	42,946	-	42,946	43,780
Health Centre Expenditures <i>(Schedule 3)</i>	102,763	-	105,161	105,161	89,093
	<u>635,100</u>	<u>547,040</u>	<u>105,161</u>	<u>652,201</u>	<u>633,016</u>
SURPLUS FROM OPERATIONS	<u>95,000</u>	<u>242,348</u>	<u>4,482</u>	<u>246,830</u>	<u>247,610</u>
OTHER REVENUE (EXPENSES)					
Amortization	-	(135,085)	(19,627)	(154,712)	(157,849)
Budgeted transfer to Fire Protection reserve	(84,000)	-	-	-	-
Budgeted transfer to capital - Fire Protection	(5,000)	-	-	-	-
Budgeted transfer to Health Centre reserve	(6,000)	-	-	-	-
	<u>(95,000)</u>	<u>(135,085)</u>	<u>(19,627)</u>	<u>(154,712)</u>	<u>(157,849)</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ -</u>	<u>\$ 107,263</u>	<u>\$ (15,145)</u>	<u>\$ 92,118</u>	<u>\$ 89,761</u>

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Changes in Accumulated Surplus (Deficit)
Year Ended December 31, 2018

	Fire Protection 2018	Health Centre 2018	Total 2018	Total 2017
ACCUMULATED SURPLUS (DEFICIT) - BEGINNING OF YEAR	\$ (1,883,641)	\$ 13,175	\$ 1,846,681	\$ 1,756,920
Surplus (deficit) for the year	107,263	(15,145)	92,118	89,761
Amortization of tangible capital assets	(1,776,378)	(1,970)	1,938,799	1,846,681
Transfers to renewal reserve funds (Note 6)	135,085	19,627	-	-
	(140,409)	(12,579)	-	-
ACCUMULATED SURPLUS (DEFICIT) - END OF YEAR (Note 5)	\$ (1,781,702)	\$ 5,078	\$ 1,938,799	\$ 1,846,681

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Changes in Net Debt
Year Ended December 31, 2018

	Budget 2018	2018	2017
Annual Surplus	\$ -	\$ 92,118	\$ 89,761
Amortization of tangible capital assets	-	154,712	157,849
Purchase of tangible capital assets <i>(Note 3)</i>	(95,000)	(144,516)	(45,732)
Acquisition (use) of prepaid expenses	-	(1,125)	(58)
	(95,000)	9,071	112,059
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(95,000)	101,189	201,820
NET FINANCIAL DEBT - BEGINNING OF YEAR	(1,642,744)	(1,642,744)	(1,844,564)
NET FINANCIAL DEBT - END OF YEAR	\$ (1,737,744)	\$ (1,541,555)	\$ (1,642,744)

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Cash Flows
Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Surplus	\$ 92,118	\$ 89,761
Item not affecting cash:		
Amortization of tangible capital assets	<u>154,712</u>	157,849
	<u>246,830</u>	<u>247,610</u>
Changes in non-cash working capital:		
Accounts receivable	3,469	(6,167)
Accounts payable and accrued liabilities	15,441	1,479
Prepaid expenses	<u>(1,125)</u>	<u>(58)</u>
	<u>17,785</u>	<u>(4,746)</u>
Cash flow from operating activities	<u>264,615</u>	<u>242,864</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	<u>(144,516)</u>	<u>(45,732)</u>
Cash flow used by capital transactions	<u>(144,516)</u>	<u>(45,732)</u>
INVESTING TRANSACTIONS		
(Increase) decrease in renewal reserve funds	<u>(8,471)</u>	<u>(77,616)</u>
FINANCING ACTIVITY		
Repayment of long term debt	<u>(93,751)</u>	<u>(91,021)</u>
Cash flow used by financing activity	<u>(93,751)</u>	<u>(91,021)</u>
INCREASE IN CASH FLOW	17,877	28,495
Cash - beginning of year	<u>327,886</u>	<u>299,391</u>
CASH - END OF YEAR	\$ 345,763	\$ 327,886

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2018

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 on Mayne Island is provided by other operators and the Improvement District does not tax for this provision of services.

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. See Note 6.

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.

(continues)

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2018

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

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.

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.

(continues)

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2018

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

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

Fire hall costs include costs for demolition of the previous fire hall, site expenses, referendum costs and interest costs, up to substantial completion. After substantial completion interest costs relating to the fire hall are expensed in the year paid and/or accrued. The Improvement District received the final occupancy permit in March 2018.

3. TANGIBLE CAPITAL ASSETS

	2018 Cost	Accumulated amortization	2018 Net book value	2017 Net book value
<u>Fire Protection</u>				
Land	\$ 3,650	\$ -	\$ 3,650	\$ 3,650
Building - fire hall	2,567,385	192,080	2,375,305	2,428,925
Computer equipment	51,893	45,143	6,750	-
Equipment and furniture	22,677	14,656	8,021	9,255
Fire fighting clothing	56,010	56,010	-	-
Fire fighting equipment	248,234	187,704	60,530	73,415
Generator	108,072	60,579	47,493	52,897
Paving	66,500	8,313	58,187	61,512
Radios and pagers	15,587	15,587	-	-
Vehicles	1,101,483	593,747	507,736	429,465
Water access and equipment	56,770	40,853	15,917	21,279
Water storage	55,197	50,000	5,197	7,957
	4,353,458	1,264,672	3,088,786	3,088,355
<u>Health Centre</u>				
Building	579,249	242,548	336,701	350,730
Computer equipment	23,627	16,877	6,750	-
Equipment	595	595	-	30
Heliport	55,673	34,570	21,103	23,887
Water system	10,682	3,231	7,451	7,985
	669,843	297,821	372,005	382,632
	\$ 5,023,284	\$ 1,562,493	\$ 3,460,791	\$ 3,470,987

(continues)

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2018

3. TANGIBLE CAPITAL ASSETS *(continued)*

The following additions and disposals occurred during the year:

	2017 Cost	2018 Additions	2018 Disposals	2018 Cost
<u>Fire Protection</u>				
Land	\$ 3,650	\$ -	\$ -	\$ 3,650
Building - fire hall	2,556,950	10,435	-	2,567,385
Computer equipment	42,893	9,000	-	51,893
Equipment and furniture	22,677	-	-	22,677
Fire fighting clothing	56,010	-	-	56,010
Fire fighting equipment	248,234	-	-	248,234
Generator	108,072	-	-	108,072
Paving	66,500	-	-	66,500
Radios and pagers	15,587	-	-	15,587
Vehicles	985,402	116,081	-	1,101,483
Water access and equipment	56,770	-	-	56,770
Water storage	55,197	-	-	55,197
	<u>4,217,942</u>	<u>135,516</u>	<u>-</u>	<u>4,353,458</u>
<u>Health Centre</u>				
Building	579,249	-	-	579,249
Computer equipment	14,627	9,000	-	23,627
Equipment	595	-	-	595
Heliport	55,673	-	-	55,673
Water system	10,682	-	-	10,682
	<u>660,826</u>	<u>9,000</u>	<u>-</u>	<u>669,826</u>
	<u>\$ 4,878,768</u>	<u>\$ 144,516</u>	<u>\$ -</u>	<u>\$ 5,023,284</u>

4. LONG TERM DEBT

	<u>2018</u>	<u>2017</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>\$ 2,101,386</u>	<u>\$ 2,195,138</u>

Principal repayment terms for the next five years are approximately:

2019	\$ 96,564
2020	99,461
2021	102,445
2022	105,518
2023	108,684
	<u>\$ 512,672</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, 2018

5. ACCUMULATED SURPLUS (DEBT)

Accumulated surplus (debt) is represented by the following:

	2018	2017
Fire Department Operating Surplus (Debt)	\$ (1,781,702)	\$ (1,883,641)
Health Centre Operating Surplus	5,078	13,175
Tangible capital assets (Note 3)	3,460,791	3,470,987
Renewal reserve funds (Note 6)	254,632	246,160
	\$ 1,938,799	\$ 1,846,681

6. RENEWAL RESERVE FUNDS

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

	Fire Protection Renewal Reserve	Health Centre Renewal Reserve	Total
Budget transfer - as per approved budget	\$ 84,000	\$ 6,000	\$ 90,000
Prior year surplus transfer	53,149	6,048	59,197
Current year interest earned on renewal accounts	3,260	531	3,791
	140,409	12,579	152,988
Bylaw 175 - Fire hall additions	(10,435)	-	(10,435)
Bylaw 182 - Fire vehicle 'Rescue 1' addition	(56,230)	-	(56,230)
Bylaw 184/185 - Computer server	(9,000)	(9,000)	(18,000)
Bylaw 187 - Fire vehicle 'Tender 3' pump installation	(59,851)	-	(59,851)
	(135,516)	(9,000)	(144,516)
Renewal reserve fund balance, beginning of year, December 31, 2017	208,023	38,137	246,160
BALANCE, END OF YEAR, DECEMBER 31, 2018	\$ 212,916	\$ 41,716	\$ 254,632

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

Bylaw 175 was passed on February 21, 2017 to allow for \$60,000 from Fire Protection Renewal Reserve Fund for the completion of the fire hall of which \$45,167 have been disbursed. Final Occupancy Certification was received in March 2018. This Bylaw has not been finalized as there is an additional hold back of \$5,760 which has not been accrued or paid as it is uncertain if this will be payable.

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2018

7. CONTRIBUTION - CAPITAL REGIONAL DISTRICT

In the prior year, contributions in the amount of \$20,000 consisted of payment received from the Capital Regional District ("CRD") relating to a signed Facility Access Agreement. 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 and the payment is for granting of the license with the revenue was recorded in the prior year as there are no terms of repayment.

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. All 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.

MAYNE ISLAND IMPROVEMENT DISTRICT

Fire Protection Expenditures

(Schedule 1)

Year Ended December 31, 2018

	Budget 2018	Actual 2018	Actual 2017
FIRE PROTECTION EXPENDITURES			
Appreciation and awards	\$ 3,200	\$ 3,444	\$ 3,046
Audit fees	3,850	3,850	3,850
Building repairs and maintenance	19,520	21,249	12,429
Education and training	42,100	18,932	28,803
Equipment maintenance and supplies	40,307	37,540	48,519
Firefighter clothing	3,000	2,566	5,127
Fire prevention education	2,940	1,962	2,966
Insurance	12,300	12,691	12,635
Interest on long term debt	-	65,854	68,585
Office supplies and sundry	5,735	5,053	7,486
Subscriptions and dues	4,665	4,051	3,350
Telecommunications	9,647	10,582	11,943
Travel	2,218	2,482	1,929
Utilities	12,000	6,812	10,352
Vehicle fuel and insurance	11,000	5,248	8,606
Vehicle repairs and maintenance	13,650	15,640	8,589
Wages and benefits - MIID office staff	26,782	27,087	25,658
Wages and benefits - firefighters	273,964	259,051	236,270
	<u>\$ 486,878</u>	<u>\$ 504,094</u>	<u>\$ 500,143</u>

MAYNE ISLAND IMPROVEMENT DISTRICT

Governance Expenditures

(Schedule 2)

Year Ended December 31, 2018

	Budget 2018	Actual 2018	Actual 2017
GOVERNANCE EXPENDITURES			
Audit fees	\$ 3,300	\$ 3,300	\$ 3,300
Bank charges	1,375	1,823	1,195
Insurance	910	878	878
Legal	3,000	-	209
Newsletters and bulletins	500	200	501
Office supplies and equipment	2,516	2,343	4,494
Public meetings, freedom of information, misc	400	395	159
Telecommunications	4,152	5,235	5,410
Training and continuing education	750	275	901
Travel	200	-	234
Wages and benefits of MIID office staff	28,356	28,497	26,303
Water operations	-	-	196
	<u>\$ 45,459</u>	<u>\$ 42,946</u>	<u>\$ 43,780</u>

Mayne Island Improvement District

ELECTION AND VOTING PROCEDURES

55th Annual General Meeting

Procedure

Under the Letters Patent issued to the MIID, it is mandated that there will be 5 Trustees and each Trustee should serve a term of 3 Years. At the end of their 3-year term the Trustee must resign although he/she may be nominated for a further term of 3 years. Trustees are to be elected at an AGM.

List of Positions and Trustees to be Determined

The current status of each of the Trustees will be announced.

- *2 Trustees are to serve a further 1 year, namely: David Maude and Brian Dearden;*
- *1 Trustee is to serve a further 2 years, namely: Wayne Peace;*
- *2 Trustees must resign, and they are: Sean Skiffington and Doug Hill.*

Before proceeding to the voting, the following should be stated:

- 1. There are usually at least 12 board meetings annually and each Trustee is encouraged to attend them all. Members of the public are welcome to attend.*
- 2. A quorum at any board meeting comprises at least 3 Trustees. If there are not 3 Trustees present, the meeting must be postponed.*

Scrutineer and Ballot Counter

Before any voting takes place, it is required to have an Election Official and a Ballot Counter; Scrutineers may also be named. The Board or Staff usually request volunteers from those present or make arrangements prior to the AGM.

Distribution of Voting Slips

An administrator or staff member will distribute voting slips to eligible voters.

The MIID office staff distributed ballots when you registered at the door. If you did not receive a ballot and you are eligible to vote, please see the staff members.

Summary of Election Process

We will be asking three times for nominations from the floor. We ask that anyone making a nomination state his/her name and the Nominee should state his/her willingness to run. A Nomination form then must be completed. Names of those nominated will be written on a flip chart or board visible to all.

Mayne Island Improvement District

ELECTION AND VOTING PROCEDURES

The following nominations have been received: _____

Now for the first time, "Are there any further nominations from the floor?"

Now for the second time, "Are there any further nominations from the floor?"

Now finally for the Third time, "Are there any further nominations from the floor?"

I now declare that nominations are closed.

If only sufficient candidates have been nominated for each position to be filled the new Trustees will be declared as elected by acclamation, otherwise:

When nominations close, please print TWO names only on the ballot, fold it and put it into the sealed ballot box. All ballot slips will be counted by the Ballot Counter, after which I will announce the result.

All ballots should be marked clearly and placed into the sealed ballot box.

Results

All ballot slips will be counted by the Election Official and Ballot Counter, with a Scrutineer if one is present.

Announcements

The Election Official will announce the new trustees.

If by acclamation:

I announce that the new Trustee will be _____ by acclamation.

Or by vote:

I announce that the new Trustee(s) will be _____.

Tie

Refer to Bylaw #178 for procedures.

Adjournment

The meeting shall be adjourned by a member of the public.
