

MAYNE ISLAND IMPROVEMENT DISTRICT  
DRAFT MINUTES of the 48<sup>th</sup> ANNUAL GENERAL MEETING  
Held on SATURDAY, APRIL 28<sup>th</sup>, 2012

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The 48<sup>th</sup> Annual General Meeting of the Mayne Island Improvement District (MIID) was held at the Agricultural Hall, Mayne Island, on Saturday, April 28<sup>th</sup>, 2012 commencing at 1:00 PM. Trustee David Maude chaired the meeting.

**Present:**

Trustees: David Maude; Gary Akey, Tracey DeRousie, Dean Mackay, Bob McKinnon,  
Staff: Administrator: Gerrie Wise; Finance Officer: Katherine Somerville  
Fire Chief Jeff Francis; Deputy Chief Steve DeRousie  
Returning Officer: Jon Hoff; Auditor: Terence M. Miller  
Approx 41 Mayne Island property owners and/or residents

**1) MEETING CALLED TO ORDER:**

The meeting was called to order at 1:02PM and introductions of the Trustees, Auditor, Returning Officer and Staff were made by the Chair.

The Chair called on Fire Chief Jeff Francis to read a letter<sup>1</sup> from the family of Jan Korinth. The family has made a donation toward building a new fire hall in Jan's memory. The Memorial Service later today was announced.

**2) ADDITIONS TO/APPROVAL OF THE AGENDA**

**MOTION:** "Moved by Jon Hoff and seconded Colleen Ming by that the Agenda for the 48<sup>th</sup> (forty-eighth) Annual General Meeting of Saturday, April 28<sup>th</sup>, 2012 be adopted".  
**Motion was carried unanimously by show of hands.**

**3) APPROVAL OF MINUTES OF PAST ANNUAL GENERAL MEETING HELD ON APRIL 16<sup>th</sup>, 2011:**

**MOTION:** "Moved by Bill Warning and seconded by Pat Seebach that the Minutes of the 47<sup>th</sup> (forty-seventh) Annual General Meeting held on Saturday, April 16<sup>th</sup>, 2011 be adopted".

**Motion was carried unanimously by show of hands.**

**4) ANNUAL REPORT OF THE BOARD OF TRUSTEES:**

The Chair, David Maude presented the report<sup>2</sup>, a copy of which is attached.

**MOTION:** "Moved by Liz Howard and seconded Mary Cooper by that the Annual Report of the Board of Trustees be accepted as circulated".

**Motion was carried unanimously by show of hands.**

**5) ANNUAL REPORT OF THE FIRE CHIEF:**

The Fire Chief's Report, a copy<sup>3</sup> of which is attached to these minutes, was reviewed.

**Question:** Mary Cooper: What is included under the classification of Public Safety?

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<sup>1</sup> Copy of letter from K. Korinth

<sup>2</sup> Report from the Board of Trustees

<sup>3</sup> Fire Chief's Report for 2011

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**Answer:** Fire Chief Jeff Francis: Several things are included such as School visits, displays, etc. However Canada Post Address verifications are not included. We had 91 verifications in November and Dec ember.

**MOTION:** “Moved by Louis Vallee and seconded by Ian Dow by to accept the Fire Chief’s Report.”

**Motion was carried unanimously by show of hands.**

**6) ANNUAL REPORT OF THE ADMINISTRATOR AND FINANCIAL OFFICER:**

The Report<sup>4</sup>, a copy of which is attached to these minutes, was reviewed.

**MOTION:** “Moved by Pat Seebach and seconded by Carol Peacock to accept the Officers’ Report”.

**Motion carried unanimously by show of hands**

**7) PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS:**

The Financial Statements<sup>5</sup>, copy of which is attached to these minutes, were presented by Terry Miller, the Auditor for the Improvement District. The Auditor presented his “unqualified” Audit Report and an explanation of the Statement of Financial Position as stated for Government Accounting Standards. The Statements of Operations, Cash Flows and the Notes were briefly reviewed. The Revenues and Expenses for the Fire Protection Governance and Health Centre Operation were reviewed as well as the Statements of Reserves and Surpluses.

The Chair asked for questions. No questions were presented.

**8) MOTION TO APPROVE THE AUDITED FINANCIAL STATEMENTS.**

**MOTION:** “Moved by Louis Vallee and seconded by Janine Dodds that the Auditor’s Financial Report be adopted as presented”.

**Motion was carried unanimously by show of hands.**

**9) MOTION TO APPOINT AUDITOR FOR 2012**

**MOTION:** “Moved by Trustee Gary Akey and seconded by Louis Vallee that Terry Miller be retained as the Auditor for 2012”.

**Comment :** Louis Vallee: I would like to compliment the Auditor for a good job. I especially appreciate the details provided.

Chair thanked Terry, the Auditor; Katherine, our Bookkeeper; and Trustee Akey for their work in completing the Financial Statements.

**Motion was carried unanimously by show of hands.**

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<sup>4</sup> Administrator & Finance Officers’ Report

<sup>5</sup> Audited Financial Statements

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**10) COMMITTEE REPORTS:**

- i. **Fire Hall Committee** Presented by Trustee McKinnon. Trustee McKinnon explained that he is working with the Fire Hall Committee for the past year. A building committee was formed in November, 2011, and they have come up with a tentative site plan. A Site plan sketch was shown. We are trying to reduce the costs of the failed referendum by eliminating some of items included in that project. For example we are presently considering the Tank farm as a separate project as in-house cost. A collection system to feed rain water from a new fire hall is to be included. This work is to be outside of any fire hall or referendum. The site plan showed a footprint for a new fire hall which is sited after much reconsideration at the same location as past plans, with some modifications. The hall is a 6 bay fire hall, following the recommendation of the Auditor who reviewed Mayne Island Fire Department last summer. The office area is somewhat smaller than plans in the past. We have received some preliminary costs from three steel building manufacturing companies which were all similar at approximately \$300,000. This is the shell cost of the building without foundations and other costs. We are hoping to bring this project to a referendum within a year with a cost that is acceptable to the community. Hopefully we will have a projected cost of approximately \$2 million, which was the objective of the committee and the Board.

**Question:** Murray Gratham: Have you explored all the different methods to build?  
IE: pre-fab, cement block, wood, etc.

**Answer:** Trustee McKinnon The committee has not ruled any method out but we decided to explore primarily metal building systems for two reasons:  
One, it is easy to determine the cost quickly; and  
Two The erection and temporary location costs will be more minimal due to the shorter building time.

**Question:** Bill Wyness: Have the committee explored the number of building manufacturers that would be bidders?

**Answer:** Trustee McKinnon: The committee requested information from 4 different manufacturers/companies; with only 3 responding with cost proposals. None of this procedure has cost the Improvement District any money.

Trustee McKinnon concluded his remarks by expressing the hope that a proposal, public meetings and a referendum can occur within a year.

- ii. **Mayne Island Health Centre Association-  
Emergency Treatment Room Expansion.** – Trustee Gary Akey gave a short summary of the project as Dr. Brooke was unavailable. He reported details which were presented at the AGM of the Mayne Island Health Centre Association, this morning. He found it very reassuring that the residents of Mayne Island have donated \$100,000 for this project. He reminded the meeting that we all have to acknowledge MICHA for a job well done for this fund raising effort for such a worthy project as the expansion. The design sketch was handed out. Trustee Akey explained that the next job is to put the project into drawings. A committee is being formed of both the Improvement District

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and the Health Centre Association to ensure that the facility will be fully operational the entire time the renovation and expansion is made. The design that we are trying to do is to make sure that the building is clearly functional to all users, including those who may not be our own staff, in the case of emergencies. We are also planning for future capacities, such as full accommodation of computers. It is a team effort, and we are trying to make it happen this year.

**Question:** Mary Cooper: How much more is needed to build it?

**Answer:** Trustee Akey: \$100,000 already raised is earmarked for the building cost which is the budget at this time. There are additional donations for equipment which are not part of the building costs.

**11) Other Business: Questions and comments:** Nothing was raised.

**12) ELECTION OF ONE (1) TRUSTEE FOR A THREE (3) YEAR TERM:**

Chair David Maude turned the meeting over to Jon Hoff, the Returning Officer, for the one position of a 3-year term of Trustee open.

A call was made for nominations from the floor.

**NOMINATION:** Janine Dodds nominated and Wayne Ming seconded the nomination of Bob McKinnon, who accepted the nomination.

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, nominations were closed and Jon Hoff, Returning Officer declared Bob McKinnon elected to the 3-year term of Trustee by acclamation.

The Chair thanked the Returning Officer, and thanked everyone for attending the meeting today.

**13) ADJOURNMENT:**

**MOTION:** Janine Dodds moved to adjourn the meeting. **Carried.**

Meeting adjourned at 1:34PM

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David Maude, Chair

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Gerrie Wise, Administrator

cc: Ministry, Trustees, Staff, Website, Library, file

Recorded by: Gerrie Wise

April 18/2012

This donation is in memory  
of our son Jan Korinth.

We would like it to go towards  
the building of the new fire hall.

Jan used to be a junior member  
of the M1 Firedepartment and  
a first responder. We would like  
to make a contribution to  
a cause, we know, was close to  
his heart, in the community  
that was his home and  
always very supportive of him.

Thank you

Katja Korinth

**Mayne Island Improvement District**  
**48<sup>th</sup> Annual General Meeting for the year 2011**  
**Report from the Board of Trustees**

The past year has both been challenging and exciting for the Trustees. We have undertaken many changes within the organization including, but not limited to: reassigning staff positions, appointment of a new auditor, moving over to an electronic banking system, purchase and installation of a computer server, commissioning an audit of the Fire Department operations and have provided a training standard for the fire department.

The fire hall replacement still weighs heavily on the Trustees, the firefighters and the community. The volunteer building committee has made steady progress on developing a design and are now working with potential suppliers and contractors to refine the design and prepare a budget in advance of a referendum. Our wish is to have a referendum as soon as possible. However, we will only go to referendum after we have presented a design and budget to the firefighters and community, gone through the project tendering process and we have received sufficient positive feedback to assure us the referendum will be successful and meets the expectations of the island.

We continue to enjoy a very positive and functional relationship with the Mayne Island Health Centre Association (MICHA). Over the past year there have been several upgrades to the Health Centre and MICHA has successfully undertaken fundraising for the expansion of the emergency room, which will be started in the coming months. Our thanks also to the Mayne Island Lions for their assistance in coordinating and construction of the 'transition structure'.

The Health Centre tax billing continues to take much staff time and energy. This year we undertook a change to the taxation bylaw to use the required 'variable rate taxation' that is required by legislation for assessment based taxes. The variable rates are based on the type land use and resulted in some challenges in developing the calculations for the bylaw and subsequent billing. We would like to thank those who have paid their taxes in a timely manner despite the mail strike and those who have worked positively with our staff to resolve overdue accounts.

As everyone is aware, there have been many happenings in waste disposal over the past year. Many have tagged this with the term 'garbage wars', our contractor (Who is not subsidised by taxpayers) saw significant loss in revenue that threatened the viability of his business. We struck a garbage committee last summer that is reviewing how we provide service to islanders and exploring ways to enhance collection. To this end, there is a survey that is being circulated to solicit your direct feedback to help the committee in developing its recommendations to the Trustees.

In closing, we wish to express our sincere thanks to our Administrator / Secretary, Gerrie Wise; our Financial Officer, Katherine Somerville; Fire Chief, Jeff Francis; Deputy Chief, Steve DeRousie and all of the firefighters for their hard work and commitment to the residents of Mayne Island. The past year has not necessarily been easy at times and we could not provide the services that we do without their dedication and support.

**Board of Trustees**  
**Mayne Island Improvement District**  
**April 28, 2012**

**Mayne Island Fire/ Rescue  
Annual Fire Chief's Report on 2011  
April 28, 2012**

**Good afternoon,** 2011 saw a slight increase in the number of calls from 2010, and the duration of these calls has increased. In 2010, 845.5 person hours were spent on calls this increased in 2011 to 944 person hours. This is due to the number of Structure fires and Hazmat incidents in 2011.

I have put all of our calls under six headings. Each one of these headings has more than one type of callout for example Public Safety has, open burn complaints, equipment restriction complaints, address & driveway verifications, as one example.

MAYNE ISLAND FIRE/RESCUE 2006-2011 SUMMARY OF CALL OUTS							
Year	Fire Suppression	Medical	Public Safety	Search / Rescue	Fire Prevention & Public Education	Hazmat	Total Call Out's
2011	24	42	113	2	20	2	203
2010	26	35	98	4	27	4	194
2009	8	53	128	6	29	0	224
2008	10	49	71	3	15	0	148
2007	14	70	50	7	16	0	157
2006	22	61	38	5	2	0	128

**Equipment & Apparatus:** All Apparatus passed their annual inspections with no issues arising from these inspections. 2011 saw no major capital purchases of equipment or apparatus.

**Training:** 2011 was another busy year for fire fighter training. The fire fighters participated in 2473 person hours of training for the year 2011. In 2011 two firefighters completed their NFPA 1001 Firefighter 1 & 2 accredited training.

**Personnel:** Our personnel numbers remain at 22 for 2011. I would like to personally thank all of the firefighters and their families for giving so much of their time during 2011. I look forward to working with each and every one of them in 2012.

In conclusion, I would like to thank Deputy Chief Steven DeRousie, Gerrie Wise our Administrator, Katherine Somerville the Bookkeeper, and the Board of Trustees. It has been a pleasure to work with you over the last year in our common goal of providing Fire/Rescue Services to the residents of Mayne Island and I look forward to the year ahead.

Respectfully submitted,

Jeff Francis, Mayne Island Fire Chief

**Mayne Island Improvement District (MIID)**  
**48<sup>th</sup> Annual General Meeting for the year 2011**  
**28<sup>th</sup> April 2012**  
**Financial Officer and Administrator's Report**

2011 has been a year of changes for the Improvement District. The duties and responsibilities of the Administrator and the Secretary were reviewed and reorganized into two part-time positions. The bookkeeping and administration/secretarial responsibilities have been redefined by bylaw as the Financial Officer and Administrator. Budgets were reviewed in depth and expenses carefully attributed to the appropriate cost centre as reflected in the Financial Statements for 2011 and budgets for 2012.

Improvement Districts must comply with the Local Government Act, the Community Charter and the Ministry of Corporate Development and of course, the Income Tax Act and various Labour Acts and regulations, both Federal and Provincial. Board motions and bylaws are passed to govern the operation of the Improvement District. The Board approved seven (7) bylaws in 2011. All Bylaws are posted on the MIID website. The "Fire Protection Taxation Bylaw" and a "Health Centre & Heliport Tax Rates Bylaw" are passed annually, based on the Budgets reviewed and passed by the Board and submitted to the Ministry for approval by the Inspector of Municipalities. Those bylaws authorize the funds for the operation of MIFRS and the Health Centre & Heliport. A "Capital Works Renewal Reserve Fund Disbursement Bylaw" passed by the Board allows funds from Restricted Reserves to be released, but only for a specific reason and for a specific amount. However, a copy of the bylaw must be lodged with the Ministry, who retains the right to disapprove it. In 2011 only one disbursement Bylaw was passed, to replace the Health Centre roof.

A review was made of Financial Institutions and their service packages and fees. New arrangements have been made which allow for direct payroll deposits and other online services. It is hoped that taxpayers will soon be able to pay their Health Centre & Heliport Taxes through their online bill paying facility at most Canadian financial institutions.

The 2011 Financial Statements were prepared by the new Auditor chosen by the Board as empowered by the registered voters at the last Annual General Meeting.

**Health Centre & Heliport Tax Levies:**

A new policy of monthly Statements and diligent follow-up for collection of Health Centre and Heliport taxes was instituted and we are pleased to report that no tax sales were required this year, and Legal fees were approx \$5,500 less than the previous year. At present we have only 2 properties which will be eligible for Tax Sale if taxes are not paid by July 31, 2012. Thirty-six (36) property holders have not paid their 2011 Taxes.

**Freedom of Information & Protection of Privacy (FOIPP):**

MIID holds a great deal of your personal and confidential information and it is imperative that information released does not in any way contravene your rights under the Acts. This year there were 3 requests for information. It is the policy of the MIID Board that these requests and the answers are posted on the MIID Website. Please check there before requesting information.

The **MIID Website** at [www.miidonline.com](http://www.miidonline.com) is maintained and updated by our staff and contains a great deal of information. Please visit the site for notices of meetings, monthly minutes and reports and for information on several subjects of interest to you regarding the operation of your Improvement District.

We look forward to 2012, working with the MIID Board of Trustees, the Fire Chief, Deputy Fire Chief and all the volunteer Fire Fighters. Thank you for another safe year!

Respectfully submitted,

Katherine Somerville,  
Finance Officer

Gerrie Wise,  
Administrator

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**MAYNE ISLAND IMPROVEMENT DISTRICT**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

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## **INDEPENDENT AUDITORS' REPORT**

**TO: The Board of Trustees  
MAYNE ISLAND IMPROVEMENT DISTRICT**

I have audited the accompanying financial statements of Mayne Island Improvement District, which comprise the statement of financial position as at December 31, 2011, and the statements of operations and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for local governments and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mayne Island Improvement District as at December 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for local governments.

### **Comparative Figures for 2010**

The comparative figures for 2010 were audited by another firm of professional accountants.

**April 12, 2012  
Vancouver, Canada**

  
**Chartered Accountant**

**MAYNE ISLAND IMPROVEMENT DISTRICT  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2011 AND 2010**

	<b>2011</b>	<b>2010</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 316,730	\$ 297,984
Bank term deposits - Note 2	335,877	174,805
Accounts receivable	10,941	20,097
	663,548	492,886
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities	33,559	24,044
Deferred revenue - Note 2		1,200
Bank borrowings - Note 3	10,229	44,979
	43,788	70,223
 <b>NET FINANCIAL ASSETS</b>	619,760	422,663
 <b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - Notes 2 & 4	902,283	978,003
Prepaid expenses	17,434	20,390
	919,717	998,393
 <b>ACCUMULATED SURPLUS</b>	\$ 1,539,477	\$ 1,421,056
 <b>ACCUMULATED SURPLUS REPRESENTED BY:</b>		
Tangible capital assets - Note 4	902,283	978,003
Renewal reserve funds - Note 2 and Schedule 3 (Page 11)	335,877	191,593
Operating surplus - Schedule 4 (Page 12)	301,317	251,460
	\$ 1,539,477	\$ 1,421,056

**APPROVED BY THE TRUSTEES:**

  
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**MAYNE ISLAND IMPROVEMENT DISTRICT  
STATEMENT OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>Budget 2011</u>	<u>Actual 2011</u>	<u>Actual 2010</u>
<b>REVENUES</b>			
Fire Protection and Governance revenues - Schedule 1 (Page 9)	\$ 595,842	\$ 602,557	\$ 597,227
Health Centre revenues - Schedule 2 (Page 9)	<u>117,086</u>	<u>117,161</u>	<u>101,717</u>
	<u>712,928</u>	<u>719,718</u>	<u>698,944</u>
<b>EXPENSES</b>			
Fire Protection - Schedule 1 (Page 9)	385,912	360,153	341,262
Governance - Schedule 1 (Page 9)	72,995	62,864	50,747
Health Centre - Schedule 2 (Page 10)	<u>78,886</u>	<u>81,725</u>	<u>121,914</u>
<b>Total Expenses</b>	<u>537,793</u>	<u>504,742</u>	<u>513,923</u>
<b>NET SURPLUS BEFORE OTHER ITEMS</b>	<u>\$ 175,135</u>	214,976	185,021
Amortization of Capital Assets		(92,809)	(79,364)
Failed referendum new fire hall project expenditures		(3,746)	(205,014)
Gain (loss) on disposal of assets			<u>(6,369)</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>		<u>118,421</u>	<u>(105,726)</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>1,421,056</u>	<u>1,526,782</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b> (The composition of the surplus is presented on the Statement of Financial Position Page 2)		<u>\$ 1,539,477</u>	<u>\$ 1,421,056</u>

**MAYNE ISLAND IMPROVEMENT DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<b>2011</b>	<b>2010</b>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ 118,421	\$ (105,726)
Amortization (an expense not requiring the use of cash)	92,809	79,364
Reduction in accounts receivable	9,156	3,528
Decrease in prepaid expenses	2,956	206
Deferred revenue of 2010 taken into income in 2011	(1,200)	1,200
Increase (decrease) in accounts payable and accruals	9,515	(19,740)
<b>Cash provided by operating transactions</b>	<b>231,657</b>	<b>(41,168)</b>
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	(17,089)	(149,897)
Write off of new fire hall project, previously capitalized		205,014
Proceeds on disposition of capital assets		1,702
Loss on disposal of assets		6,369
<b>Cash provided by (applied to) capital transactions</b>	<b>(17,089)</b>	<b>63,188</b>
<b>INVESTING TRANSACTIONS</b>		
(Increase) decrease in bank term deposits	(161,072)	268,421
<b>FINANCING TRANSACTIONS</b>		
Helicopter principle loan payments	(15,000)	(15,000)
Equipment principle loan payments	(3,500)	(3,500)
Generator loan payments	(16,250)	(16,250)
<b>Cash used to pay down bank debt</b>	<b>(34,750)</b>	<b>(34,750)</b>
<b>NET INCREASE IN CASH DURING THE YEAR</b>	<b>18,746</b>	<b>255,691</b>
<b>CASH , BEGINNING OF YEAR</b>	<b>297,984</b>	<b>42,293</b>
<b>CASH (as shown on Statement of Financial Position), END OF YEAR</b>	<b>\$ 316,730</b>	<b>\$ 297,984</b>

**MAYNE ISLAND IMPROVEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

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**NOTE 1 - PURPOSE OF THE ORGANIZATION**

The Mayne Island Improvement District is an Improvement District governed by the Local Government Act, Community Charter, Letters Patent and its own bylaws. It is tax-exempt pursuant to the Income Tax Act.

The objects of the Improvement District are the provision of fire protection, the provision of garbage collection and disposal, the operation and maintenance of the Mayne Island Health Centre, and the acquisition, maintenance and operation of works, buildings and equipment for these purposes and all matters incidental thereto. While the Improvement District operates the fire department and maintains the Health Centre building, it relies on the Mayne Island Health Centre Association to operate the Health Centre and it delegates the garbage collection operation to an independent Mayne Island resident.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

**Accounting principles for Local Government**

The Improvement District follows accounting principles generally accepted for British Columbia local government, and consistently applies such principles. The format of the financial statements conforms with evolving Canadian generally accepted accounting principles for government bodies, as prescribed by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Additionally, the format conforms with published model financial statements issued by the Local Government Division of the Ministry of Community, Sports, and Cultural Development of the Province of British Columbia.

**Renewal Reserve Funds**

The Renewal Reserve Funds are funds established through bylaw for the upgrading, replacement or renewal of existing capital works. The funds, as well as interest earned on the funds, are invested in term deposits. Expenditures may only be made from these funds after a bylaw is approved by the trustees of the Improvement District and submitted for review to the Inspector of Municipalities.

**Basis of Presentation of Schedules**

As the Improvement District's objects are to provide more than one activity, the schedules segregate the activities into the following funds:

- The Fire Protection Operating Fund reports the revenue and expenses for fire protection.
- The Health Centre Operating Fund reports the revenue and expenses for the operation and maintenance of the Mayne Island Health Centre, including the heliport.

**MAYNE ISLAND IMPROVEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

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**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital Assets**

Capital Assets are recorded at cost and are amortized over their estimated useful lives at the following annual rates:

Buildings	4% declining balance
Computer equipment	2 years straight line
Equipment – other	10 years straight line
Fire fighting clothing	10 years straight line
Fire fighting equipment	10 years straight line
Generator	20 years straight line
Heliport	20 years straight line
Paving	20 years straight line
Radios and pagers	5 years straight line
Software	2 years straight line
Trailers	10 years straight line
Vehicles	20 years straight line
Water storage	20 years straight line
Water access and related equipment	10 years straight line

Amortization is charged at one-half of the above rates for acquisitions during the fiscal year.

**Financial Instruments**

Financial instruments are initially recorded at historical cost. If subsequent circumstances indicate that a decline in fair value is other than temporary, the financial asset is written down to its fair value. Unless otherwise indicated, the fair values of financial instruments approximate their recorded amounts.

**Revenue Recognition**

Restricted contributions 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.

Other 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.

**MAYNE ISLAND IMPROVEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 3 - DEBT**

	<u>2011</u>	<u>2010</u>
Bank demand loan for the Heliport pursuant to by-law #82, repayable at \$1,250 per month plus interest at prime.	\$ 5,000	\$ 20,000
Bank demand loan for Wildfire Fire Fighting Equipment pursuant to by-law #83, repayable at \$292 per month plus interest at prime.	1,167	4,667
Bank demand loan for a generator pursuant to by-law #85, repayable at \$1,354 per month plus interest at prime.	<u>4,062</u>	<u>20,312</u>
	<u>\$ 10,229</u>	<u>\$ 44,979</u>

The toll collecting and taxing powers of the Improvement District have been pledged as security for the above loans

**NOTE 4 - CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2011</u>	<u>2010</u>
<b>Fire Protection</b>				
Land	\$ 3,650	\$ -	\$ 3,650	\$ 3,650
Building – fire hall	159,402	63,733	95,669	99,655
Computer equipment	9,383	5,729	3,654	2,182
Equipment - other	10,337	6,884	3,453	3,065
Fire fighting clothing	56,010	31,337	24,673	25,029
Fire fighting equipment	137,369	67,753	69,616	76,433
Generator	104,278	23,228	81,050	86,264
Paving	43,667	30,567	13,100	15,283
Radios and pagers	15,587	10,066	5,521	7,446
Software	1,618	1,618		130
Vehicles	806,201	486,938	319,263	359,573
Water storage	55,197	30,681	24,516	27,276
Water access and related equipment	19,177	10,339	8,838	10,756
	<u>1,421,876</u>	<u>768,873</u>	<u>653,003</u>	<u>716,742</u>
<b>Health Centre</b>				
Building	353,890	147,454	206,436	215,453
Equipment	595	208	387	446
Heliport	55,673	15,084	40,589	43,373
Water system	2,397	528	1,869	1,989
	<u>412,555</u>	<u>163,274</u>	<u>249,281</u>	<u>261,261</u>
<b>Total tangible capital assets</b>	<u>\$ 1,834,430</u>	<u>\$ 932,147</u>	<u>\$ 902,283</u>	<u>\$ 978,003</u>

**MAYNE ISLAND IMPROVEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

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**NOTE 5 - ALLOCATION OF EXPENSES**

In 2010, a percentage of the expenses noted as governance and fire protection pertained to the Health Centre; and conversely, a percentage of the expense noted as Health Centre, pertained to fire protection and governance. Accordingly, at year end, a net allocation of expenses was made to the Health Centre to attempt to properly reflect the actual costs of each operation.

In 2011, an attempt was made to allocate, if appropriate, each expenditure at the time it was recorded in the accounts, and thus, there is no such allocation required at December 31, 2011.

**NOTE 6 - COMPARITIVE FIGURES**

Some comparative figures have been re-grouped to be comparable to the presentation adopted in the current fiscal year.

**MAYNE ISLAND IMPROVEMENT DISTRICT  
SCHEDULE 1 - FIRE PROTECTION AND GOVERNANCE REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>Budget 2011</u>	<u>Actual 2011</u>	<u>Actual 2010</u>
<b>REVENUES FOR FIRE PROTECTION AND GOVERNANCE</b>			
Fire Protection and Governance tax levies	\$ 592,842	\$ 592,842	\$ 579,272
Donations received			12,980
Burn permits		3,320	4,150
Investment income		1,625	326
Miscellaneous	3,000	4,770	499
	<u>\$ 595,842</u>	<u>\$ 602,557</u>	<u>\$ 597,227</u>
<b>EXPENSES FOR FIRE PROTECTION</b>			
Appreciation and awards	1,500	1,428	2,300
Asset and inventory management	1,000	413	468
Building repairs and maintenance	5,875	4,228	8,651
Record keeping for volunteer firefighters	3,000	3,100	1,496
Education and training	26,300	27,817	26,824
Equipment maintenance and supplies	8,950	5,832	17,004
Fire prevention	5,000	2,036	4,325
Insurance	14,250	13,913	13,488
Interest	500	286	785
Office supplies in firehall	4,000	2,321	5,537
Software Fire Department annual maintenance fees	1,200	1,110	1,154
Subscriptions and dues	1,828	1,782	1,404
Telecommunications	6,000	5,282	4,742
Travel	1,000	1,016	1,300
Firefighter clothing	2,000	1,643	5,886
Utilities	6,000	5,517	4,878
Vehicle fuel and insurance	7,000	6,333	5,865
Vehicle repairs and maintenance	15,000	9,653	11,599
Wages and payroll taxes of MIID office staff	31,909	22,856	19,468
Wages and payroll costs of full-time and volunteer firefighters	243,600	243,587	220,101
Allocation of expenses to Health Centre - Note 5			(16,013)
	<u>\$ 385,912</u>	<u>\$ 360,153</u>	<u>\$ 341,262</u>
<b>EXPENSES FOR GOVERNANCE</b>			
Audit fees	\$ 7,875	\$ 6,451	\$ 7,969
Bank charges	1,000	975	861
Consulting fees	6,000	8,344	6,787
Building and grounds maintenance	6,000	5,210	5,519
Insurance	1,012	1,012	1,013
Legal	1,000	1,450	3,051
Newsletters and bulletins	3,000	1,784	790
Office supplies and equipment	4,997	4,769	5,209
Public meetings, freedom of information, etc.	1,000	1,653	5,438
Telecommunications	8,875	9,926	7,672
Travel expense	1,000	432	476
Wages and payroll taxes of MIID office staff	31,236	20,858	16,687
Allocation of expenses to Health Centre - Note 5			(10,725)
	<u>\$ 72,995</u>	<u>\$ 62,864</u>	<u>\$ 50,747</u>

**MAYNE ISLAND IMPROVEMENT DISTRICT  
SCHEDULE 2 - HEALTH CENTRE REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>Budget 2011</u>	<u>Actual 2011</u>	<u>Actual 2010</u>
<b>REVENUES</b>			
Health Centre tax levies	\$ 105,086	\$ 101,411	\$ 87,362
Rent	12,000	12,000	12,000
Contributions and donations - Note 2		1,200	
Investment income		114	
Penalties and Interest on tax levy		2,436	2,355
	<u>\$ 117,086</u>	<u>\$ 117,161</u>	<u>\$ 101,717</u>
<b>EXPENSES</b>			
Audit fees	\$ 2,625	\$ 2,150	\$ 3,000
Billing costs	12,000	8,984	8,228
Building repairs and maintenance	17,550	18,051	32,749
Building roof replacement		9,985	
Heliport operation	2,000	152	553
Insurance	7,838	7,749	8,541
Interest	587	587	812
Legal	2,000	1,651	7,151
Management fees	11,000	9,060	9,675
Travel	150	75	108
Utilities	4,500	4,333	3,249
Wages and payroll taxes of MIID office staff	16,636	17,805	19,468
Water testing	2,000	1,143	1,642
Allocation of expenses - Note 5			26,738
	<u>\$ 78,886</u>	<u>\$ 81,725</u>	<u>\$ 121,914</u>

**MAYNE ISLAND IMPROVEMENT DISTRICT  
SCHEDULE 3 - CONTINUITY OF RESERVES  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2011**

	Health Centre Building	Fire Department		Building	Total
	Equipment	Vehicles	Building		
<b>Balance of reserves, Dec 31, 2009</b>	\$ 14,100	\$ 5,095		\$ 195,884	\$ 215,079
<b>Transactions in 2010</b>					
Transfers from surplus to increase reserves	10,000	5,000	55,000	50,000	120,000
Interest income		10		316	326
Withdrawals from reserves, as permitted by various by-laws	(12,725)			(155,000)	(167,725)
Transfers, back to reserves, of unspent monies from completed by-law projects				23,913	23,913
Change in reserves in year	(2,725)	5,010	55,000	(80,771)	(23,486)
<b>Balance of reserves, Dec 31, 2010</b>	11,375	10,105	55,000	115,113	191,593
<b>Transactions in 2011</b>					
Transfers to increase reserves	10,000	5,000	60,000	50,000	125,000
Interest income	114	92	550	983	1,739
Transfer, back to reserves, of excess funds previously withdrawn for Control Cost Estimate By-law 101				17,545	17,545
Change in reserves in year	10,114	5,092	60,550	68,528	144,284
<b>Balance of reserves, Dec 31, 2011</b>	\$ 21,489	\$ 15,197	\$ 115,550	\$ 183,641	\$ 335,877

**MAYNE ISLAND IMPROVEMENT DISTRICT  
SCHEDULE 4 - CONTINUITY OF SURPLUS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2011**

	Surplus allocation			<u>Total</u>
	<u>Capital Assets</u>	<u>Reserves</u>	<u>Operating Surplus</u>	
<b>Accumulated Surplus, Dec 31, 2009</b>	<u>\$1,120,553</u>	<u>\$ 215,079</u>	<u>\$ 191,150</u>	<u>\$ 1,526,782</u>
<b>Transactions in 2010</b>				
Net surplus for the year, before the following			(105,726)	(105,726)
Net Capital asset change - net of amortization over new purchases	(142,550)		142,550	
Net changes to reserves - see schedule 3		(23,486)	23,486	
Change in surplus in year	<u>(142,550)</u>	<u>(23,486)</u>	<u>60,310</u>	<u>(105,726)</u>
<b>Accumulated surplus, Dec 31, 2010</b>	<u>978,003</u>	<u>191,593</u>	<u>251,460</u>	<u>1,421,056</u>
<b>Transactions in 2011</b>				
Net surplus for the year, before the following			118,421	118,421
Net Capital asset change - net of amortization over new purchases	(75,720)		75,720	
Net changes to reserves - see schedule 3		144,284	(144,284)	
Change in surplus in year	<u>(75,720)</u>	<u>144,284</u>	<u>49,857</u>	<u>118,421</u>
<b>Accumulated surplus, Dec 31, 2011</b>	<u>\$ 902,283</u>	<u>\$ 335,877</u>	<u>\$ 301,317</u>	<u>\$ 1,539,477</u>