
MAYNE ISLAND IMPROVEMENT DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2004

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AUDITORS' REPORT

TO: The Members of
MAYNE ISLAND IMPROVEMENT DISTRICT

We have audited the statement of financial position of Mayne Island Improvement District as at December 31, 2004 and the statements of operations and fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the District's board. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2004, and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Barry, McLean and Sacker Inc.

BARRY, McLEAN AND SACKER INC.
Certified General Accountants

April 13, 2005
Salt Spring Island, British Columbia

MAYNE ISLAND IMPROVEMENT DISTRICT
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2004

	Operating Fund	Capital Asset Fund	Renewal Reserve Fund	Total 2004	Total 2003
CURRENT ASSETS					
Cash	\$	\$	\$	\$	\$
Term deposits <i>(incl. petty cash)</i>	101,011		209,775	310,786	185,892
Accounts receivable	3,523		932	4,455	7,508
Prepaid expense	9,266			9,266	8,376
	113,800		210,707	324,507	206,696
CAPITAL ASSETS - Notes 2 & 3		724,342		724,342	785,287
	\$ 113,800	\$ 724,342	\$ 210,707	\$ 1,048,849	\$ 991,983
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 13,229			\$ 13,229	\$ 9,871
Due to government agencies	324			324	454
	13,553			13,553	10,325
FUND BALANCES - Note 2		724,342		724,342	785,287
Invested in capital assets				5,000	
Internally restricted	5,000		210,707	210,707	80,723
Externally restricted				95,247	115,648
Unrestricted	95,247			1,035,296	981,658
	100,247	724,342	210,707	1,048,849	991,983
	\$ 113,800	\$ 724,342	\$ 210,707	\$ 1,048,849	\$ 991,983
APPROVED BY THE TRUSTEES:					

The accompanying notes are an integral part of these statements

**MAYNE ISLAND IMPROVEMENT DISTRICT
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Operating Fund	Capital Asset Fund	Renewal Reserve Fund	Total 2004	Total 2003
REVENUES					
Tax levy and permits	\$ 227,067	\$	\$	\$ 227,067	\$ 216,634
Investment income	1,982		1,729	3,711	2,969
	<u>229,049</u>		<u>1,729</u>	<u>230,778</u>	<u>219,603</u>
EXPENSES					
Administration	8,341			8,341	5,830
Advertising	738			738	2,235
Amortization		68,009		68,009	75,832
Directory 911 and grid maintenance	1,915			1,915	638
Education and training	9,967			9,967	12,190
Insurance - building	4,367			4,367	4,019
- trustees liability	1,445			1,445	1,466
- accident	4,503			4,503	4,419
- vehicle	3,036			3,036	3,406
Interest on loan					2,167
Memberships and donations	4,500			4,500	4,500
Office and miscellaneous	4,889			4,889	3,266
Professional fees	2,750			2,750	2,009
Repairs and maintenance - building	346			346	2,674
- equipment	5,013			5,013	8,132
Supplies	522			522	704
Telephone and alert systems	2,395			2,395	2,828
Travel	2,345			2,345	3,948
Utilities	4,496			4,496	3,830
Vehicle fuel and maintenance	15,373			15,373	7,299
Wages and costs	32,190			32,190	30,568
	<u>109,131</u>	<u>68,009</u>		<u>177,140</u>	<u>181,960</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS	119,918	(68,009)	1,729	53,638	37,643
GAIN ON DISPOSAL OF CAPITAL ASSET					800
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	119,918	(68,009)	1,729	53,638	38,443
FUND BALANCES, BEGINNING OF YEAR	115,648	785,287	80,723	981,658	943,215
	235,566	717,278	82,452	1,035,296	981,658
	(135,319)	7,064	128,255		
INTERFUND TRANSFERS					
FUND BALANCES, END OF YEAR	<u>\$ 100,247</u>	<u>\$ 724,342</u>	<u>\$ 210,707</u>	<u>\$ 1,035,296</u>	<u>\$ 981,658</u>

The accompanying notes are an integral part of these statements

MAYNE ISLAND IMPROVEMENT DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Operating Fund	Capital Asset Fund	Renewal Reserve Fund	Total 2004	Total 2003
CASH FLOWS FROM OPERATING ACTIVITIES					
Excess (deficiency) of revenues over expenses	\$ 119,918	\$ (68,009)	\$ 1,729	\$ 53,638	\$ 38,443
Net change in non-cash working capital	6,323		(932)	5,391	(2,602)
Add items not requiring cash: - amortization		68,009		68,009	75,832
- gain on disposal of capital asset					(800)
Cash flows from operating activities	<u>126,241</u>		<u>797</u>	<u>127,038</u>	<u>110,873</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds on disposal of capital asset		(7,064)		(7,064)	800
Purchase of capital assets		(7,064)		(7,064)	(9,724)
Cash flows from investing activities		<u>(7,064)</u>		<u>(7,064)</u>	<u>(8,924)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Change in long term debt	(135,319)	7,064	128,255		(76,788)
Interfund transfers	(135,319)	7,064	128,255		(76,788)
Cash flows from financing activities	<u>(135,319)</u>		<u>128,255</u>		
INCREASE IN CASH AND TERM DEPOSITS	<u>(9,078)</u>		<u>129,052</u>	<u>119,974</u>	<u>25,161</u>
CASH AND TERM DEPOSITS, BEGINNING OF YEAR	<u>110,089</u>		<u>80,723</u>	<u>190,812</u>	<u>165,651</u>
CASH AND TERM DEPOSITS, END OF YEAR	<u>\$ 101,011</u>	<u>\$</u>	<u>\$ 209,775</u>	<u>\$ 310,786</u>	<u>\$ 190,812</u>

The accompanying notes are an integral part of these statements

**MAYNE ISLAND IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004**

NOTE 1 - PURPOSE OF THE ORGANIZATION

The objects of the Improvement District are the provision of fire protection, provision of garbage collection and disposal, the operation of the Mayne Island Health Centre, the acquisition, maintenance and operation of works, buildings and equipment for these purposes and all matters incidental thereto.

The District is governed by the Local Government Act, Letters Patent and its own by-laws.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Mayne Island Improvement District follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the District's program delivery and administrative activities. The fund reports unrestricted and internally restricted resources.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the District's capital assets

The Renewal Reserve Fund is a fund established by bylaw for the upgrading, replacement or renewal of buildings or equipment for fire protection. Monies set aside under this bylaw are approved by the trustees by way of resolution. Expenditures may only be made from this fund by obtaining pre-approval from the Inspector of Municipalities with the submission of a renewal reserve expenditure bylaw.

Capital Assets

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

Paving	20 years straight line
Buildings	4% declining balance
Equipment and travel trailer	20% declining balance
Firefighting clothing and equipment	10% declining balance
Radios and pagers	20% declining balance
Utility trailer	30% declining balance
Vehicles	15% declining balance
Water storage	10% declining balance
Water access	10 years straight line

Amortization is charged at one half of the above rates for acquisitions in the year.

MAYNE ISLAND IMPROVEMENT DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2004

NOTE 3 - CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2004</u>	<u>2003</u>
Land	\$ 3,650	\$	\$ 3,650	\$ 3,650
Paving	43,667	15,283	28,384	30,567
Building				
- Fire Department	152,921	32,466	120,455	125,474
- Health Centre	330,000	82,022	247,978	258,310
Equipment and travel trailer	5,072	1,550	3,522	2,316
Firefighting clothing	60,620	28,757	31,863	34,695
Firefighting equipment	144,491	87,246	57,245	61,283
Radios and pagers	44,719	30,005	14,714	15,763
Utility trailer	815	476	339	485
Vehicles	487,512	298,603	188,909	222,246
Water Storage	39,413	17,239	22,174	24,638
Water Access	7,502	2,393	5,109	5,860
	<u>\$ 1,320,382</u>	<u>\$ 596,040</u>	<u>\$ 724,342</u>	<u>\$ 785,287</u>