



Mayne Island
Improvement District
58th Annual General Meeting



Monday, June 27, 2022

1:00 pm

Mayne Island Fire Hall

Agenda

1. Call to Order
 2. Request for additions and motion to approve agenda
 3. Approval of minutes of previous AGM - September 18, 2021
 4. Annual report from the Corporate Administrative Officer
 5. Annual report from the Fire Chief
 6. Annual report from the Auditor & presentation of 2021 financial statements
 7. Appointment of the Auditor for 2022
 8. Other Business / Town Hall
 9. Adjournment
-



Mayne Island Improvement District

57th Annual General Meeting

Meeting Minutes

Date: Saturday, September 18, 2021 @ 1:00 pm
Location: Meeting Room, Fire Hall, 520 Felix Jack Rd

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

Absent with notice: Trustee Brian Dearden

Guests: 1 member of the public

1. CALL TO ORDER

The meeting was called to order at 1:00 pm by Chairperson, Doug Hill. He acknowledged that the meeting was being held in the traditional territory of the Coast Salish First Nations.

2. REQUEST FOR ADDITIONS AND MOTION TO APPROVE AGENDA

MOTION: Trustee Peace moved and Trustee Milne seconded the motion to approve the agenda as circulated. CARRIED

3. APPROVAL OF MINUTES¹ OF PREVIOUS AGM

MOTION: Trustee McKinnon moved and Trustee Peace seconded the motion to approve the minutes from the Annual General Meeting held on November 22, 2020. CARRIED

4. ANNUAL REPORT² FROM THE CORPORATE ADMINISTRATIVE OFFICER

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

5. ANNUAL REPORT³ FROM THE FIRE CHIEF

Meeting Guest Aaron Reith brought attention to a typo in the report which was subsequently changed.

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

¹ AGM Meeting Minutes – November 22, 2020

² Corporate Administrative Officer's Annual Report 2020

³ Fire Chief's Annual Report 2020

6. ANNUAL REPORT⁴ FROM THE AUDITOR & 2020 FINANCIAL STATEMENTS

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

MOTION: Trustee Peace moved and Trustee Milne seconded the motion to accept the auditor’s report and 2020 financial statements as submitted. CARRIED

7. APPOINTMENT OF THE AUDITOR FOR 2021

Trustee Hill made a recommendation to appoint the current accounting firm, Paterson Henn CPA, as auditor for 2021.

MOTION: Trustee Milne moved and Trustee McKinnon seconded the motion that Paterson Henn CPA be appointed as auditor for 2021. CARRIED

8. OTHER BUSINESS / TOWN HALL

Guest Aaron Reith asked if the Trustees have discussed the option of paying off long-term debt sooner considering the District appears to be in a very good financial situation. Trustee McKinnon explained that the mortgage is fixed at a low rate for 20 years, therefore there is no advantage in paying it off earlier. Trustee Peace added that with long-term forecasting any surpluses are used in planning for capital expenses up to 30 years in advance. CAO Somerville added that in order to pay debt off sooner, the budget would have to be increased and the funds would be derived from an increase in taxation to the taxpayers today. Mr. Reith confirmed that it is not possible to withdraw funds from surplus revenue and apply them to principal.

9. ADJOURNMENT

There being no further business, the Chair asked for a motion to adjourn. The Annual General Meeting was adjourned at 1:06 pm by motion made by Trustee Peace.

Approved:

Doug Hill, Chair

Date:

Katherine Somerville, CAO

Date:

Recorded and Transcribed by H. Flynn

⁴ Auditor’s Annual Report & Audited Financial Statements

Mayne Island Improvement District

58TH ANNUAL GENERAL MEETING

2021 seemed to be a year of extremes. The summer brought the unrelenting heat dome and the winter began with a river of rainfall. At the Health Centre water became the main focus for 2021.

In the spring, Island Health sampled 17 faucets at the Health Centre and unfortunately none of them met today's Canadian drinking water standard for allowable limits of lead in the water. The source of the lead is not the actual well water but rather more likely to be caused by older plumbing and solder. Short of tearing out all of the plumbing in the building the only reasonable solution was to filter the drinking water at the faucets. Filters were then installed on some of the taps in the building.

The actual water system at the Health Centre was also a problem in 2021. Due to the reduced use of water in the building related to the pandemic and the limitation on persons inside the building the ultraviolet system was frequently overheating and shutting down all the water to the building. We managed to make some major changes to the system to allow for the reduction in usage and the system is now functionally properly.

That wasn't the last of the water problems at the Health Centre. In November, a "river of rain" resulted in flooding at the Health Centre. The flooding was not extensive, it was caught early and thanks to a lot helpful volunteers we were able to contain the flooding. After the flood we spent time investigating the reason for the flooding. During our investigation it was determined that the perimeter drains at the Health Centre were never daylighted during the original construction in 1975. In other words, the perimeter water couldn't drain or percolate into the ground quickly, therefore causing the flooding during the rain deluge. We have now rectified the situation and since then there have been no issues with flooding.

These weather and property issues highlighted the necessity for a review of the property and building maintenance. A preventative maintenance schedule was implemented and a contractor was hired to work with staff to oversee the maintenance of the buildings and property of the District.

Islanders came together in 2021 to help during the significant challenges we all faced. Thank you to those volunteers, trustees and staff for going the extra mile to make our local government a success.

Respectfully submitted,

Katherine Somerville,
Corporate Administrative Officer,
Mayne Island Improvement District



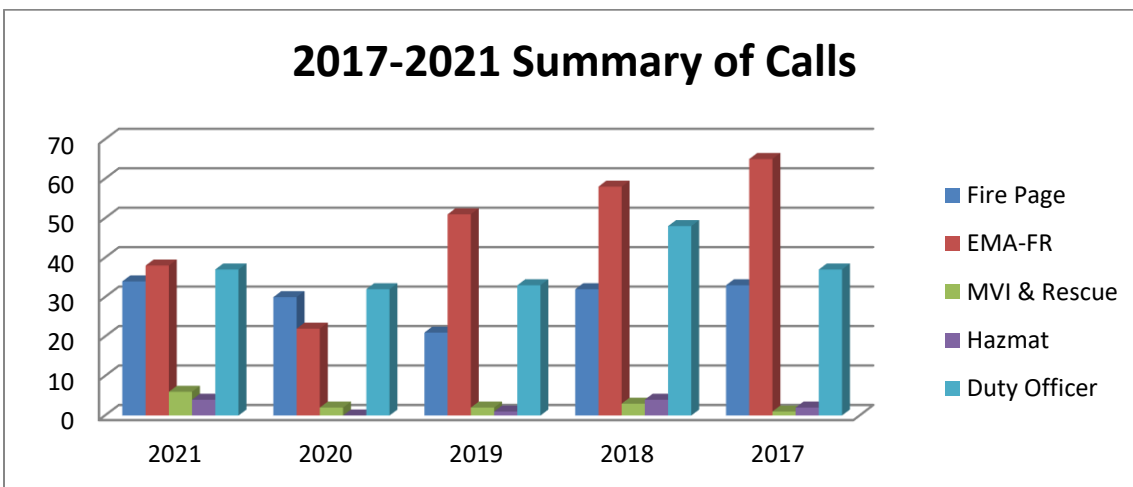
Mayne Island Fire Rescue 2021 Annual Report



Serving Our Community with Pride

Response Analysis

Mayne Island Fire Rescue responded to 118 pages in 2021, up from 86 calls in 2020, however call volume is down from historical levels. The major cause of this drop was the COVID-19 pandemic, also caused in part by new a BCAS “Critical Response Model” which categorizes incoming emergency calls and dictates resources required. These factors reduced our call volume of medical calls. MIFR also responded to Duty Officer pages, motor vehicle incidents, downed hydro lines, brush and grass fires and chimney fires, but no structure fires in 2021. 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 2021 were First Response medical calls. Second after FR were Duty Officer calls. These are usually for open burn or equipment restriction complaints but also for general public assistance. Third were fire responses which can include hydro incidents, RCMP assists, structural and wildland fires. There were 3 motor vehicle incidents and 3 rescues but no hazmat incidents in 2021. MIFR responded in 15 minutes or less for 74% of calls. Call duration varied in length from a few minutes to over 2.5 hours. Even though we got paged out for some, there were no actual structure fires on Mayne Island in 2021. MIFR logged 1,315 hrs of response time in 2021.

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

2021 saw the loss of 6 firefighters, 2 who have since returned. This brought our numbers to 20 members. Currently after further resignations and new recruit hires, we will have 28 on island firefighters. After re starting the program, we also have 3 fully trained work experience members. MIFR logged 1,700 hours of regular practice time in 2021 and 1,023 hrs of special training/event participation.

6 to 10 years	3	FF1	1
10 to 20 years	3	FF2	12
20-30 years	2	Fire Officer 1	3
30 years +	1	Fire Officer 2	1 in 2022

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.

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

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

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

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

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Moving forward, as the pandemic eases, in 2022 we are planning more public engagement with fire prevention, attendance at community events and hosting chipping days and other FireSmart activities at the fire hall.

Lessening restrictions means that the fire hall is again open to public tours and other groups are able to book the training/meeting room.

As always, MIFR is here to serve the needs of the community with pride, dedication and excellence.

Personally, I would like to thank the MIID board of trustees and the firefighters for continued support as we strive to always improve our team.

Kyle Stobart,
Fire Chief.

Serving Our Community with Pride

MAYNE ISLAND IMPROVEMENT DISTRICT
Financial Statements
Year Ended December 31, 2021

MAYNE ISLAND IMPROVEMENT DISTRICT
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Year Ended December 31, 2021

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


The financial statements of Mayne Island Improvement District are the responsibility of Mayne Island Improvement District and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS) These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that the financial information is reliable and accurate.

The Board of Trustees is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited by Paterson Henn CPA Chartered Professional Accountants. The independent auditor's report addressed to the Trustees appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Improvement District in accordance with Canadian public sector accounting standards.


Trustee


Trustee

Mayne Island, BC
April 26, 2022



PATERSON HENN CPA
CHARTERED PROFESSIONAL ACCOUNTANTS

Caroline M. Paterson, CPA, CGA*

Sheila C. Henn, CPA, CA*

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INDEPENDENT AUDITOR'S REPORT

To the Members 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, 2021, and the statements of operations, changes in accumulated surplus (deficit), changes in net financial debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Improvement District as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS)

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Improvement District in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Improvement District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Improvement District or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Improvement District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Improvement District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Improvement District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Sidney, British Columbia
April 26, 2022

Paterson Henn CPA

Chartered Professional Accountants

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Financial Position
December 31, 2021

	2021	2020
ASSETS		
Cash	\$ 272,826	\$ 487,063
Renewal reserve funds (Note 6)	441,311	252,468
Accounts receivable	21,230	24,910
	<u>735,367</u>	<u>764,441</u>
LIABILITIES		
Accounts payable and accrued liabilities	35,582	203,726
Long term debt (Note 5)	1,828,701	1,905,361
	<u>1,864,283</u>	<u>2,109,087</u>
NET FINANCIAL DEBT	<u>(1,128,916)</u>	<u>(1,344,646)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 4)	3,209,338	3,394,682
Prepaid expenses	26,333	25,450
	<u>3,235,671</u>	<u>3,420,132</u>
ACCUMULATED SURPLUS (Schedule 6)	<u>\$ 2,106,755</u>	<u>\$ 2,075,486</u>

APPROVED BY THE TRUSTEES


 _____ Trustee


 _____ Trustee

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Operations
Year Ended December 31, 2021

	Budget 2021	Total 2021	Total 2020
REVENUES			
Fire Protection Tax Levies	\$ 681,635	\$ 681,635	\$ 676,147
Capital Tax Advance Levies	-	159,606	159,606
Health Centre Tax Levies	99,550	99,550	96,209
Health Centre Rental Revenue	15,000	24,360	21,840
Penalties & Interest on Tax Levies	3,000	4,914	3,266
Burn Permit Sales	4,000	3,070	2,865
Operating interest and other revenue	6,350	4,353	502
Interest Revenue on Reserve Funds	2,400	1,753	5,594
	<u>811,935</u>	<u>979,241</u>	<u>966,029</u>
EXPENSES			
Fire Protection Expenditures (<i>Schedule 1</i>)	531,238	595,024	538,988
Governance Expenditures (<i>Schedule 2</i>)	52,147	50,230	50,423
Health Centre Expenditures (<i>Schedule 3</i>)	105,550	117,374	108,067
	<u>688,935</u>	<u>762,628</u>	<u>697,478</u>
SURPLUS FROM OPERATIONS	<u>123,000</u>	<u>216,613</u>	<u>268,551</u>
OTHER EXPENSES			
Amortization	-	185,344	183,785
Budgeted transfer to Fire Protection reserve	105,000	-	-
Budgeted transfer to capital - Fire Protection	5,000	-	-
Budgeted transfer to Health Centre reserve	13,000	-	-
	<u>123,000</u>	<u>185,344</u>	<u>183,785</u>
ANNUAL SURPLUS	<u>\$ -</u>	<u>\$ 31,269</u>	<u>\$ 84,766</u>

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Changes in Accumulated Surplus (Deficit)
Year Ended December 31, 2021

	Budget 2021	Total 2021	Total 2020
ACCUMULATED SURPLUS - BEGINNING OF YEAR	\$ 2,075,486	\$ 2,075,486	\$ 1,990,720
ANNUAL SURPLUS	-	31,269	84,766
ACCUMULATED SURPLUS - END OF YEAR	\$ 2,075,486	\$ 2,106,755	\$ 2,075,486

(Schedule 6)

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Changes in Net Financial Debt
Year Ended December 31, 2021

	Budget 2021	2021	2020
ANNUAL SURPLUS	\$ -	\$ 31,269	\$ 84,766
Amortization of tangible capital assets	-	185,344	183,785
Purchase of tangible capital assets	(118,000)	-	(164,563)
Decrease (increase) in prepaid expenses	-	(883)	(1,438)
	(118,000)	184,461	17,784
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(118,000)	215,730	102,550
NET FINANCIAL DEBT - BEGINNING OF YEAR	(1,542,196)	(1,344,646)	(1,447,196)
NET FINANCIAL DEBT - END OF YEAR	\$ (1,660,196)	\$ (1,128,916)	\$ (1,344,646)

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Annual surplus	\$ 31,269	\$ 84,766
Items not affecting cash:		
Amortization of tangible capital assets	185,344	183,785
Accrued interest on long term debt	25,784	-
	<u>242,397</u>	<u>268,551</u>
Changes in non-cash working capital:		
Accounts receivable	3,680	(2,876)
Accounts payable and accrued liabilities	(168,143)	168,848
Prepaid expenses	(883)	(1,438)
	<u>(165,346)</u>	<u>164,534</u>
Cash flow from operating activities	<u>77,051</u>	<u>433,085</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	-	(164,563)
Cash flow from (used by) capital transactions	<u>-</u>	<u>(164,563)</u>
INVESTING TRANSACTIONS		
Increase (decrease) in renewal reserve funds	<u>(188,843)</u>	<u>66,241</u>
FINANCING ACTIVITY		
Repayment of long term debt	<u>(102,445)</u>	<u>(99,461)</u>
INCREASE (DECREASE) IN CASH FLOW	(214,237)	235,302
Cash - beginning of year	<u>487,063</u>	<u>251,761</u>
CASH - END OF YEAR	\$ 272,826	\$ 487,063

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2021

1. NATURE OF OPERATIONS

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

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

2. COVID-19 IMPACT

The Covid-19 pandemic has had continuing effects globally, throughout the community and the Improvement District, in varying degrees. The Improvement District follows the BC provincial guidance and orders to conduct their operations in a safe manner following the Provincial Health Officer orders (PHO), BC provincial orders, BC Workers' Compensation and any other guidelines. The Improvement District has developed and continues to adapt guidelines and policies to provide the Fire Protection and Health Centre services, within their mandate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Basis of accounting

Operating Funds - Fire Protection and Health Centre

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

Tangible Capital Assets Fund

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

Renewal Reserve Funds

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

(continues)

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2021

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Revenue recognition

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

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

Budget

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

Financial instruments

The Improvement District's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, and long term debt. The carrying amounts of these financial instruments approximates their fair value. Beginning in the current year, the Improvement District is recording accrued interest on the long term debt to better reflect the balance as at December 31st.

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

(continues)

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2021

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

Tangible capital assets

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

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

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

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

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2021

4. TANGIBLE CAPITAL ASSETS

	2021 Cost	Accumulated amortization	2021 Net book value	2020 Net book value
<u>Fire Protection</u>				
Land	\$ 4,690	\$ -	\$ 4,690	\$ 4,690
Building - fire hall	2,567,385	384,633	2,182,752	2,246,936
Computer equipment	51,893	51,049	844	1,687
Equipment and furniture	22,677	18,358	4,319	5,553
Fire fighting clothing	56,010	56,010	-	-
Fire fighting equipment	399,097	268,054	131,043	170,955
Generator	108,072	76,789	31,283	36,686
Paving	151,500	28,913	122,587	130,162
Radios and pagers	15,587	15,587	-	-
Vehicles	1,101,483	720,100	381,383	423,501
Water access and equipment	56,770	56,770	-	5,192
Water storage	55,197	55,197	-	-
	<u>4,590,361</u>	<u>1,731,460</u>	<u>2,858,901</u>	<u>3,025,362</u>
<u>Health Centre</u>				
Building	612,433	284,760	327,673	341,326
Computer equipment	23,627	23,627	-	1,688
Equipment	595	595	-	-
Heliport	60,173	43,258	16,915	19,923
Water system	10,682	4,833	5,849	6,383
	<u>707,527</u>	<u>357,073</u>	<u>350,437</u>	<u>369,320</u>
	<u>\$ 5,297,871</u>	<u>\$ 2,088,533</u>	<u>\$ 3,209,338</u>	<u>\$ 3,394,682</u>

There were no additions or disposals in the current year.

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2021

5. LONG TERM DEBT

	2021	2020
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. See note below.	\$ 1,802,917	\$ 1,905,361
Accrued interest	25,784	-
	\$ 1,828,701	\$ 1,905,361

Principal repayment terms for the next five years are approximately:

2022	\$ 105,518
2023	108,684
2024	111,944
2025	115,302
2026	118,762
	\$ 560,210

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

During the current year, an accrual of interest in the amount of \$25,784 was recorded. This accrual is to reflect the interest for July to December 2021 to more accurately reflect the balance as at December 31, 2021. The prior balance did not include an interest accrual and has not been for this change in accounting method. Interest on long term debt is not budgeted and the annual payment has not changed.

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2021

6. RENEWAL RESERVE FUNDS

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

	Fire Protection Renewal Reserve	Health Centre Renewal Reserve	2021
Budget transfer - as per approved budget	\$ 105,000	\$ 13,000	\$ 118,000
Surplus transfer	65,078	4,012	69,090
Revenue - Interest earned on renewal accounts	1,550	203	1,753
	<u>171,628</u>	<u>17,215</u>	<u>188,843</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>221,091</u>	<u>31,377</u>	<u>252,468</u>
FUND SURPLUS, DECEMBER 31, 2021	<u>\$ 392,719</u>	<u>\$ 48,592</u>	<u>\$ 441,311</u>

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

Bylaws where all funds have not been spent or the work not yet completed, may not yet be finalized by the year end. The expenditures included are actual expenditures incurred.

7. 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. This contract has not yet been renewed and is currently operating on a month-to-month basis.

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

8. OTHER COMMITMENTS

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

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

MAYNE ISLAND IMPROVEMENT DISTRICT

Fire Protection Expenditures

(Schedule 1)

Year Ended December 31, 2021

	Budget 2021	2021	Total 2020
FIRE PROTECTION EXPENDITURES			
Appreciation and awards	\$ 4,500	\$ 4,131	\$ 2,968
Audit fees	4,043	4,025	3,850
Building repairs and maintenance	15,300	20,015	18,427
Education and training	45,000	25,372	20,612
Equipment maintenance and supplies	53,560	34,593	41,403
Firefighter clothing	3,810	1,293	2,205
Fire prevention education	3,000	379	251
Insurance	14,300	15,715	14,214
Interest on long term debt <i>(Note 5)</i>	-	82,945	60,145
IT maintenance, security, hardware and software	9,491	12,625	9,712
Office supplies and sundry	4,656	2,036	3,618
Subscriptions and dues	1,100	1,245	763
Telecommunications	7,033	6,351	6,543
Travel	500	-	-
Utilities	7,000	6,790	6,636
Vehicle fuel and insurance	13,700	12,157	11,263
Vehicle repairs and maintenance	17,200	11,436	15,796
Wages and benefits - MIID office staff	39,138	37,810	38,299
Wages and benefits - firefighters	287,907	316,106	282,283
	\$ 531,238	\$ 595,024	\$ 538,988

MAYNE ISLAND IMPROVEMENT DISTRICT

Governance Expenditures

(Schedule 2)

Year Ended December 31, 2021

	Budget 2021	2021	Total 2020
GOVERNANCE EXPENDITURES			
Audit fees	\$ 3,465	\$ 3,450	\$ 3,300
Bank charges	1,600	1,880	1,670
Insurance	930	977	907
IT maintenance, security, hardware and software	5,693	8,328	5,591
Legal	2,000	-	-
Newsletters and bulletins	500	543	810
Office supplies and equipment	1,849	972	2,166
Public meetings, freedom of information, misc	400	321	561
Telecommunications	765	739	715
Training and continuing education	1,200	-	1,248
Travel	200	62	101
Wages and benefits of MIID office staff	33,545	32,958	33,354
	<u>\$ 52,147</u>	<u>\$ 50,230</u>	<u>\$ 50,423</u>

MAYNE ISLAND IMPROVEMENT DISTRICT

Health Centre Expenditures

(Schedule 3)

Year Ended December 31, 2021

	Budget 2021	2021	Total 2020
HEALTH CENTRE EXPENDITURES			
Audit fees	\$ 4,043	\$ 4,025	\$ 3,850
Bank charges	1,599	1,880	1,610
Billing costs	4,956	4,327	4,730
Building repairs and maintenance	23,355	35,532	29,454
Heliport operations and insurance	3,525	2,677	3,600
IT maintenance, security, hardware and software	6,641	9,648	6,500
Insurance	7,000	7,586	6,874
Legal	2,000	-	3,055
Maintenance contract	6,000	5,242	5,000
Telecommunications	893	862	834
Utilities	4,400	3,758	3,604
Wages and benefits - MIID office staff	39,138	37,807	38,298
Water system	2,000	4,030	658
	\$ 105,550	\$ 117,374	\$ 108,067

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Fire Protection Operations
Year Ended December 31, 2021

(Schedule 4)

	Fire Protection Budget 2021	Total 2021	Total 2020
REVENUES			
Fire Protection Tax Levies	\$ 681,635	\$ 681,635	\$ 676,147
Capital Tax Advance Levies	-	159,606	159,606
Burn Permit Sales	4,000	3,070	2,865
Operating interest and other revenue	5,650	3,952	101
Interest Revenue on Reserve Funds	2,100	1,550	5,230
	<u>693,385</u>	<u>849,813</u>	<u>843,949</u>
EXPENSES			
Fire Protection Expenditures (Schedule 1)	531,238	595,024	538,988
Governance Expenditures (Schedule 2)	52,147	50,230	50,423
Amortization	-	166,461	162,368
	<u>583,385</u>	<u>811,715</u>	<u>751,779</u>
SURPLUS FROM OPERATIONS PRIOR TO TRANSFERS	<u>\$ 110,000</u>	<u>\$ 38,098</u>	<u>\$ 92,170</u>

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Health Centre Operations
Year Ended December 31, 2021

(Schedule 5)

	Health Centre Budget 2021	Total 2021	Total 2020
REVENUES			
Health Centre Tax Levies	\$ 99,550	\$ 99,550	\$ 96,209
Rental Revenue	15,000	24,360	21,840
Penalties & Interest on Tax Levies	3,000	4,914	3,266
Operating interest and other revenue	700	400	401
Interest Revenue on Reserve Funds	300	204	364
	<u>118,550</u>	<u>129,428</u>	<u>122,080</u>
EXPENSES			
Health Centre Expenditures (Schedule 3)	105,550	117,374	108,067
Amortization	-	18,883	21,417
	<u>105,550</u>	<u>136,257</u>	<u>129,484</u>
SURPLUS (DEFICIT) PRIOR TO TRANSFERS	<u>\$ 13,000</u>	<u>\$ (6,829)</u>	<u>\$ (7,404)</u>

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Changes in Annual Surplus (Deficit)
Year Ended December 31, 2021

(Schedule 6)

	Fire Protection 2021	Health Centre 2021	Tangible Capital Assets 2021	Renewal Reserve Funds 2021	Total 2021	Total 2020
ACCUMULATED SURPLUS (DEFICIT) BEGINNING OF YEAR	\$ (1,573,202)	\$ 1,538	\$ 3,394,682	\$ 252,468	\$ 2,075,486	\$ 1,990,720
Annual Surplus (Deficit)	38,098	(6,829)	-	-	31,269	84,766
	<u>(1,535,104)</u>	<u>(5,291)</u>	<u>3,394,682</u>	<u>252,468</u>	<u>2,106,755</u>	<u>2,075,486</u>
Amortization of tangible capital assets	166,461	18,883	(185,344)	-	-	-
Transfers to renewal reserve funds	<u>(171,628)</u>	<u>(17,215)</u>	<u>-</u>	<u>188,843</u>	<u>-</u>	<u>-</u>
	<u>(5,167)</u>	<u>1,668</u>	<u>(185,344)</u>	<u>(188,843)</u>	<u>-</u>	<u>-</u>
ACCUMULATED SURPLUS (DEFICIT) END OF YEAR	<u>\$ (1,540,271)</u>	<u>\$ (3,623)</u>	<u>\$ 3,209,338</u>	<u>\$ 441,311</u>	<u>\$ 2,106,755</u>	<u>\$ 2,075,486</u>

(Note 6)