



**Mayne Island
Improvement District
54th Annual General Meeting**



Agenda

1:00pm, Saturday April 21, 2018

Mayne Island Fire Hall

1. Meeting called to order
2. Approval of agenda
3. Approve Minutes of past Annual General Meeting April 8, 2017
4. Approve Minutes of Special General Meeting October 28, 2017
5. Annual report from the Board of Trustees
6. Annual report from the Corporate Administrative Officer
7. Annual report from the Fire Chief
8. Presentation of the Audited Financial Statements
9. Motion to approve the Audited Financial Statements
10. Motion to appoint the Auditor for 2017
11. Other Business: Questions and comments
12. Election of Trustee – Election Officer, call for Volunteers
One Trustee for a three (3) year term
13. 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
DRAFT MINUTES of the 53rd ANNUAL GENERAL MEETING
Held on SATURDAY, APRIL 8th, 2017

The 53rd Annual General Meeting of the Mayne Island Improvement District (MIID) was held at the Fire Hall, Mayne Island, on Saturday, April 8th 2017 commencing at 1:00 PM. Trustee Sean Skiffington chaired the meeting.

Present:

Trustees: Sean Skiffington, Dereck Atha, Bob Soper, and Brian Dearden,
Staff: Corporate Administrative Officer: Katherine Somerville;
Administrative Assistant: Gerrie Wise; Deputy Fire Chief Eric Walker;
Auditor: Sheila Henn, Paterson, Henn
Approx 36 Mayne Island property owners and/or members of the public

1) MEETING CALLED TO ORDER:

The meeting was called to order at 1:01 PM and introductions of the Trustees, Deputy Fire Chief, Auditor, and Staff were made by the Chair.

2) ADDITIONS TO/APPROVAL OF THE AGENDA

MOTION: Moved by Dereck Atha and seconded by Brian Dearden that the Agenda for the 53rd Annual General Meeting of Saturday, April 8th 2017 be adopted.

Motion was carried by show of hands.

3) APPROVAL OF MINUTES OF PAST ANNUAL GENERAL MEETING HELD ON APRIL 23th, 2016:

MOTION: Moved by Brian Dearden and seconded by Bob Soper that the Minutes of the 52nd Annual General Meeting held on Saturday, April 23th, 2016 be adopted.

Motion was carried by show of hands.

4) ANNUAL REPORT OF THE BOARD OF TRUSTEES:

The Chair and each Trustee presented their reports¹, a copy of which is attached. The Chair then asked for questions. None were asked.

MOTION: Moved by Jon Hoff and seconded by Bob McKinnon that the Annual Report of the Board of Trustees be accepted as circulated.

Motion was carried by show of hands.

5) ANNUAL REPORT OF THE FIRE CHIEF:

The Fire Chief's Report, a copy² of which is attached to these minutes, was reviewed by Deputy Fire Chief Walker.

Q. Bob McKinnon Is there a current plan in place to continue the dry hydrant program and do the new Chief and Deputy support that program?

¹ Report from the Board of Trustees

² Fire Chief's Report for 2016

MAYNE ISLAND IMPROVEMENT DISTRICT
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A. Deputy Chief Eric Walker Yes, the dry hydrant program will continue and the Chief and I are in support of the program.

MOTION: “Moved by Wayne Peace and seconded by Colin Shew to accept the Fire Chief’s Report.”

Motion was carried by show of hands.

6) ANNUAL REPORT OF THE CORPORATE ADMINISTRATIVE OFFICER:

The Report³, a copy of which is attached to these minutes, was reviewed by Katherine Somerville and she asked for questions

MOTION: “Moved by Colin Shew and seconded by Bob McKinnon to accept the Corporate Administrative Officer’s Report”.

Motion carried by show of hands

7) MOTION TO APPROVE REMUNERATION FOR TRUSTEES

The Chair explained that the MIID Trustees do not receive remuneration; but serve as volunteers.

MOTION: Moved by Richard Jarco and seconded by Carol Kennedy that Trustees receive no remuneration in 2017.

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. The Auditor then presented her “unqualified” Audit Report and gave an explanation of the Financial Statements including the Statement of Financial Position at December 31, 2016 and the Expenses for the year, as stated for Government Accounting Standards. The Notes were then briefly explained. This was the first year of the Loan repayment for the new fire hall. 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 effects of the fire hall build on the balance sheet and expenses to Dec 31st of this year were reviewed. The Auditor then asked for questions.

None were asked.

9) MOTION TO APPROVE THE AUDITED FINANCIAL STATEMENTS:

MOTION: “Moved by Brian Haller and seconded by Allan Evans that the Auditor’s Financial Report be adopted as presented”.

Motion was carried by show of hands.

³ Administrator & Finance Officers’ Report

⁴ Audited Financial Statements

MAYNE ISLAND IMPROVEMENT DISTRICT
DRAFT MINUTES of the 53rd ANNUAL GENERAL MEETING
Held on SATURDAY, APRIL 8th, 2017

10) MOTION TO APPOINT THE AUDITOR:

MOTION: Moved by Brian Dearden and seconded by Bob Soper that the firm of Patterson Henn be appointed as Auditor for the year 2017.

Motion was carried by show of hands.

11) COMMITTEE REPORTS: None

12) OTHER BUSINESS: Questions and comments: None

13) ELECTION OF TRUSTEES

Chair turned the meeting over to Jon Hoff, acting as Elections/Returning Officer, for the election of one Trustee for a 1-year term and two Trustees for a 3 year term.

The Returning Officer then provided a summary of the election process and asked for volunteer Ballot Counter: Brian Haller volunteered.

He then asked if any candidates wished to appoint a scrutineer to observe the ballot counting. Nominations received prior to the meeting were then presented:

For the 1-year position

Richard Jarco, Nominated by Brian Dearden Seconded by Bill Hayward
Wayne Peace. Nominated by Dereck Atha Seconded by Ralph Croizier

For the 3-year position:

Brian Dearden, Nominated by Bob Soper Seconded by Dereck Atha
David Maude. Nominated by Moe MacLeod Seconded by Ian Beattie

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 Brian Dearden and David Maude were declared elected as Trustees for the three year term by acclamation.

Jon Hoff asked each candidate for the one-year term to speak. Each candidate spoke for approximately 3 minutes.

The Returning Officer thanked all the candidates and reviewed the voting procedure. Voting commenced for the one-year term and ballots were collected in the ballot box and counted by Jon Hoff and Brian Haller.

Results were announced by Jon Hoff as Elections Officer that the election has resulted in a tie. The Ministry will be consulted on Monday as to the proper procedure**. He then thanked all the Candidates who put their name forward. The ballots were placed in safekeeping, pending checking the procedure under the Local Government Act.

MAYNE ISLAND IMPROVEMENT DISTRICT
DRAFT MINUTES of the 53rd ANNUAL GENERAL MEETING
Held on SATURDAY, APRIL 8th, 2017

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

14) ADJOURNMENT:

MOTION: Jon Hoff moved to adjourn the meeting at 1:45 PM. **Carried.**

, Chair

Katherine Somerville, Corporate Officer

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

****NOTE:**

Immediately following the meeting, Richard Jarco submitted a letter⁵ withdrawing his candidacy for Trustee.

The CAO has referred to Sections 151 and 152 of the Local Government Act regarding the procedure for a tie-vote. As MIID has no bylaw to determine the election by drawing a name, a second election must be held, with all candidates running again, unless a written withdrawal is submitted from any candidate.

Wayne Peace was then declared elected as Trustee for the one-year term

⁵ Letter withdrawing his candidacy: Richard Jarco

MAYNE ISLAND IMPROVEMENT DISTRICT
DRAFT MINUTES of the SPECIAL GENERAL MEETING
Held on SATURDAY, October 28th, 2017

A Special General Meeting of the Mayne Island Improvement District (MIID) was held at the Fire Hall, Mayne Island, on Saturday, October 28th 2017 commencing at 1:00 PM. Trustee David Maude chaired the meeting.

Present: Trustees: Sean Skiffington, David Maude, Wayne Peace
Staff: Corporate Administrative Officer: Katherine Somerville;
Administrative Assistant: Gerrie Wise; Fire Chief: Kyle Stobart
Approx. 10 Mayne Island property owners and/or members of the public

Absent: Trustee Brian Dearden

1) MEETING CALLED TO ORDER:

The meeting was called to order at 1:01 PM by Trustee Maude, Chair.

2) INTRODUCTIONS: The Trustees and Staff were introduced by the Chair.

3) ADDITIONS TO/APPROVAL OF THE AGENDA

MOTION: Moved by Jon Hoff and seconded Bob McKinnon that the Agenda for the Special General Meeting of Saturday, October 28th 2017 be adopted.

Motion was carried by show of hands.

4) ELECTION OF TRUSTEES

Chair turned the meeting over to Jon Hoff, acting as Elections Officer, for the election of one Trustee for a term of approx 1½ years

The Returning Officer then provided a summary of the election process.

Nominations received by the CAO prior to the meeting were then presented:

For the position of Trustee for 1½ year term:

Doug Hill, Nominated by: Henry Lange Seconded by: Maureen Pearl

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 Doug Hill was announced as elected by acclamation by Jon Hoff, Elections Officer.

The Chair thanked Jon Hoff for acting as Elections Officer.

5) OTHER BUSINESS: Questions and comments: None were brought forward.

6) ADJOURNMENT: There being no further business, the Chair asked for a motion to adjourn.

MOTION: Jill Hansche-Penny moved to adjourn the meeting at 1:15 PM. **Carried.**

David Maude, Chair

Katherine Somerville, Corporate Officer

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

Recorded and Transcribed by: Gerrie Wise, Administrative Assistant/Recording Secretary

Mayne Island Improvement District

REPORT FROM THE BOARD OF TRUSTEES

54th Annual General Meeting

The past year has seen many positive outcomes for the Improvement District. Under the leadership of Kyle and Eric, the number of firefighters has almost doubled to 28; one of our major firefighting apparatus was given an upgrade to ensure NFPA compliance, a new pickup type truck, which will arrive soon, was purchased as an effective and efficient first responder vehicle and many other small enhancements were seen to the facilities.

During the summer of 2017 the Health Centre was broken into. In consultation with the RCMP and Health Centre staff the security of the centre was upgraded. There were some issues with the water system which currently are resolved. Flooring upgrades have been identified but due to legal costs associated with a tax issue the flooring upgrades were delayed but are expected to be completed this year. The Health Centre budget contributed a portion to the IT upgrade recently completed.

We have signed a contract with CRD for a License for the use of space in the Firehall for the purpose of operating an ongoing communications centre, or in the event of an emergency, an operations centre. The License is for 40 years and the License fee from CRD was \$20,000. A new 5-year lease is in place with Vancouver Island Health Authority for their portion of leased space at the Health Centre.

We are almost finished the process of changing Banking arrangements which will allow us to significantly decrease our banking costs.

The 2017 Health Centre and Fire Department operating budgets were under budget. Typically, surpluses are transferred to reserves by Board motion following the year end audit.

We have installed a new, improved, proactively managed IT system in conjunction with the required replacement of our servers.

Under the leadership of Trustee Skiffington, we received a final occupancy permit from the CRD in March of this year. Much of the remaining work required to obtain this permit was related to deficiencies in the fire protection system. Electronic versions of equipment O&M manuals have been received from Liberty Contract Management. We await bound copies, this is their final deliverable prior to final payment. The staff is now working on generating an equipment maintenance manual and log book for the fire station. Included in this manual will be "cold weather" procedures specified by the fire protection engineer and are related to the fire water storage tanks.

The Board or Trustees wishes to express their sincere appreciation for the hard and dedicated work of the full and part time staff who daily serve the residents of Mayne Island in a professional and courteous manner.

Board of Trustees,
Mayne Island Improvement District

Mayne Island Improvement District

REPORT FROM THE CORPORATE OFFICER

54th Annual General Meeting

I am pleased to present the 2017 Annual Report for the Mayne Island Improvement District. The AGM offers the opportunity to summarize the operations of the District for the past year and look to 2018. This past year, 2017, was a successful year by all accounts.

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. All active Bylaws are posted on the MIID website as are all meeting minutes and Policies adopted by the Board. Minutes and Bylaws and Policies are available at the MIID office during business hours.

The mission of the Mayne Island Improvement District is to provide responsible stewardship for fire protection, health services facilities, and garbage service to the community of Mayne Island. Trustees and staff work together to achieve the goals of the District. District Trustees and staff have worked diligently, and 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 is one of the objects in the Letters Patent; adequate service is provided privately on the island.

The original Health Centre building was built in 1975 and expanded in 1995 and recently 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 new Fire Hall and office of MIID was officially completed March 19th, 2018. Thank you to Sean Skiffington for overseeing the final details over the past two years thus closing the door on this project. Thank you must also be made to the rest of the Board, past Trustees, staff and volunteers who also contributed so much of their time to see this project complete.

The **MIID Website** at www.miidonline.com is maintained and updated by the District and contains a great deal of information. Please visit the website for notices of meetings, monthly minutes and other relevant taxpayer information.

According to the District's Letters Patent, the Board must consist of 5 Trustees. The elections procedures are outlined on the last page of the package. There is 1 Trustee positions up for election this year.

Respectfully Submitted,

Katherine Somerville,
Corporate Administrative Officer,
Mayne Island Improvement District



Mayne Island Fire Rescue

2017 Annual Report

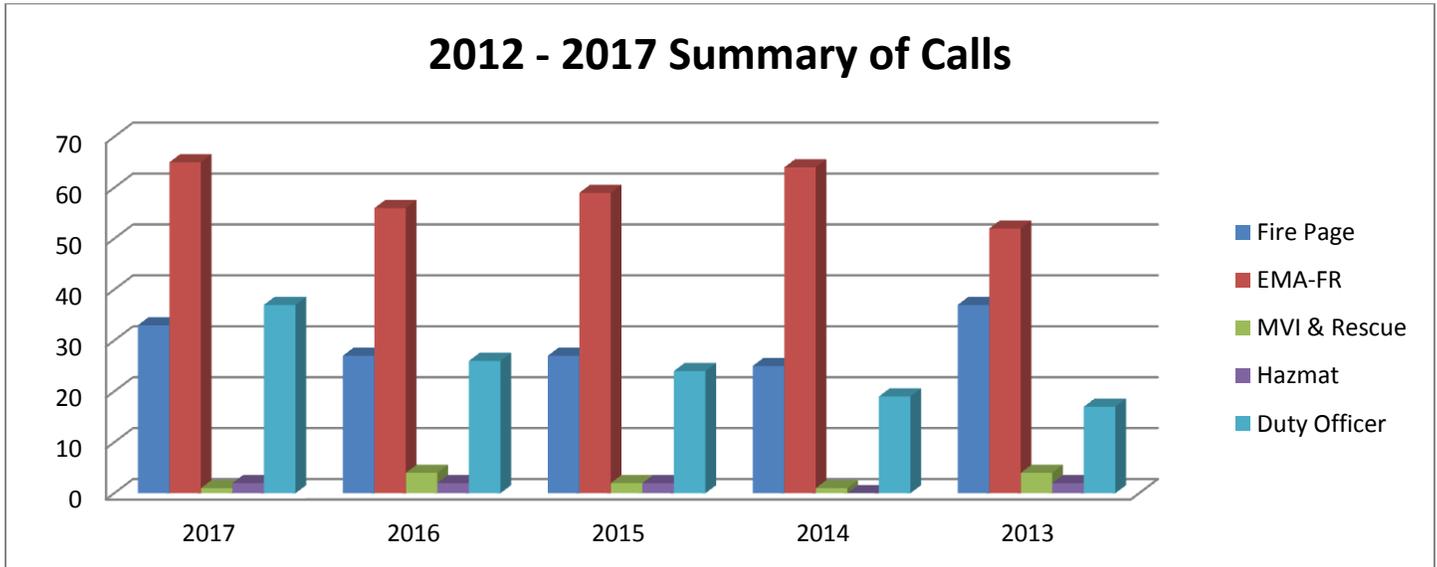


Serving Our Community With Pride

Response Analysis

Mayne Island Fire Rescue responded to 138 calls in 2017, including: Duty Officer pages, hazmat calls, a motor vehicle incident, 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 2017 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 smoke complaints to equipment restriction complaints. We responded multiple times in 2017 for hydro incidents plus 3 brush fires. MIFR also responded to a hazmat incident and 1 motor vehicle incident in 2017. MIFR responded in 15 minutes or less for 65% of calls in 2017. Call duration varied in length from a few minutes to over 3 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.

Serving Our Community With Pride

Membership

2017 was a good year for staffing at MIFR. We went from a record low of 15 firefighters to 28, including the current 4 work experience members. The work experience members are all trained to FF2, and the new recruits we trained in house to exterior level firefighter. The latter are encouraged to further their training to attain FF2 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.

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

Time Serving	Members	Training Level	Members
1 to 5 years	21	Exterior	11
6 to 10 years	0	FF1	1
10 to 20 years	4	FF2	15, + 1 in progress
20-30 years	2	Fire Officer 1	2
30 years +	1	Fire Officer 2	1 in 2018

A firefighter 2 can lead a fire attack team into a burning building. Mayne Island is fortunate to have 15 members certified to firefighter 2 (full service). Many rural fire departments face challenges related to the availability of accredited training for their members. The 15 FF2's are required to maintain our compliance with FUS staffing requirements for our insurance grading.

Apparatus

Mayne Island Fire Rescue's fleet currently consists of 5 apparatus. A primary attack engine, a secondary engine/tender (tanker) 2 dedicated tenders and a standard pick-up truck equipped with emergency lights and siren. In addition to our fleet, a 2018 Chevrolet is being acquired as a First Responder vehicle.

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 1,400 gal. water tank. Tender 3 is currently undergoing a retrofit of a rated water pump. It will then become our primary responding tender (tanker).

Serving Our Community With Pride

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.

Utility 1 is a 2012 Ford F250 standard pickup truck. Equipped with first responder gear it is first to respond on medical aid calls until the arrival of our 2018 Chevrolet (Rescue 1).

2017

Prior to 2017 the fire department management structure included a full time Fire Chief and 2 part time Captains. This year, we have a more conventional management structure at the fire hall, consisting of a full time Fire Chief and Deputy Fire Chief. This has already resulted in a number of positive developments, including the implementation of a volunteer program, new fire recruit training curriculum and increased firefighter morale. Additionally, the Fire Chief/Deputy Fire Chief allows for a more thorough distribution of administrative tasks and creates a clear avenue for succession planning.

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

Kyle Stobart,
Fire Chief.

Serving Our Community With Pride

MAYNE ISLAND IMPROVEMENT DISTRICT
Financial Statements
Year Ended December 31, 2017

MAYNE ISLAND IMPROVEMENT DISTRICT
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Year Ended December 31, 2017

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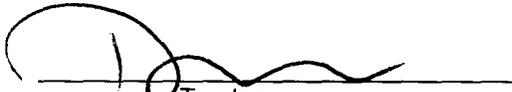
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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 accounting standards for local governments. 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.

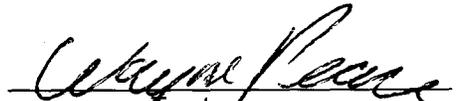
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that the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



Trustee



Trustee

Mayne Island, BC
April 4, 2018



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

We have audited the accompanying financial statements of Mayne Island Improvement District, which comprise the statement of financial position as at December 31, 2017 and the statements of operations, changes in net surplus (debt) and cash flows for the year then ended, and 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 accounting standards 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 judgment, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mayne Island Improvement District as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for local governments.

Paterson Henn CPA

Sidney, British Columbia

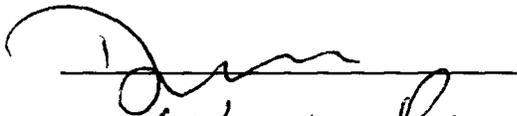
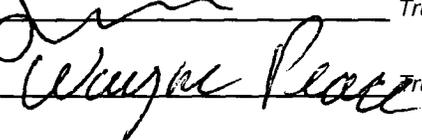
April 10, 2018

Chartered Professional Accountants

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Financial Position
December 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash	\$ 327,886	\$ 299,391
Renewal reserve funds (Note 6)	246,160	168,544
Accounts receivable	15,414	9,247
	589,460	477,182
LIABILITIES		
Accounts payable and accrued liabilities	37,066	35,587
Long term debt (Note 4)	2,195,138	2,286,159
	2,232,204	2,321,746
NET FINANCIAL DEBT	(1,642,744)	(1,844,564)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 3)	3,470,987	3,583,104
Prepaid expenses	18,438	18,380
	3,489,425	3,601,484
ACCUMULATED SURPLUS (Notes 5, 6)	\$ 1,846,681	\$ 1,756,920

APPROVED BY THE TRUSTEES


 _____ Trustee

 _____ Trustee

MAYNE ISLAND IMPROVEMENT DISTRICT

Statement of Operations

Year Ended December 31, 2017

	Budget 2017	Fire Protection 2017	Health Centre 2017	Total 2017	Total 2016
REVENUES					
Fire Protection Tax Levies	\$ 586,533	\$ 586,533	\$ -	\$ 586,533	\$ 587,969
Capital Tax Advance Levies (Note 4)	-	159,606	-	159,606	159,606
Health Centre Tax Levies	88,483	-	88,466	88,466	89,048
Rental Revenue	15,000	-	15,000	15,000	15,000
Contributions (Note 7)	-	20,000	-	20,000	-
Penalties & Interest on Tax Levies	2,700	-	3,033	3,033	4,760
Burn Permit Sales	3,000	3,310	-	3,310	2,690
Other Revenue	750	3,251	-	3,251	5,498
Interest Revenue on Reserve Funds	-	1,392	35	1,427	1,129
	<u>696,466</u>	<u>774,092</u>	<u>106,534</u>	<u>880,626</u>	<u>865,700</u>
EXPENSES					
Fire Protection expenditures (Schedule 1)	457,246	500,143	-	500,143	472,477
Governance expenditures (Schedule 2)	47,037	43,780	-	43,780	40,436
Health Centre expenditures (Schedule 3)	94,790	-	89,093	89,093	92,916
	<u>599,073</u>	<u>543,923</u>	<u>89,093</u>	<u>633,016</u>	<u>605,829</u>
Annual Surplus (Debt) from operations	<u>97,393</u>	<u>230,169</u>	<u>17,441</u>	<u>247,610</u>	<u>259,871</u>
OTHER REVENUE (EXPENSES)					
Amortization	-	(140,014)	(17,835)	(157,849)	(153,249)
Loss (gain) on disposal of tangible capital assets	-	-	-	-	(4,367)
Budgeted transfer to Fire Protection reserve	(86,000)	-	-	-	-
Budgeted transfer to Health Centre reserve	(11,393)	-	-	-	-
	<u>(97,393)</u>	<u>(140,014)</u>	<u>(17,835)</u>	<u>(157,849)</u>	<u>(157,616)</u>
ANNUAL SURPLUS (DEBT)	<u>\$ -</u>	<u>\$ 90,155</u>	<u>\$ (394)</u>	<u>\$ 89,761</u>	<u>\$ 102,255</u>

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Changes in Net Surplus (Debt)
Year Ended December 31, 2017

	Fire Protection 2017	Health Centre 2017	Tangible Capital Assets 2017	Renewal Reserves See Note 6 2017	Total 2017	Total 2016
NET SURPLUS (DEBT) - BEGINNING OF YEAR	\$ (2,004,782)	\$ 10,054	\$ 3,583,104	\$ 168,544	\$ 1,756,920	\$ 1,654,665
Annual surplus (debt)	90,155	(394)	-	-	89,761	102,255
Net tangible capital asset changes						
Amortization of tangible capital assets	140,014	(17,835)	(157,849)	-	-	-
Fire hall additions - Bylaw 175	(34,732)	-	34,732	-	-	-
Fire hall security - Bylaw 180	(3,500)	-	3,500	-	-	-
Health Centre security - Bylaw 181	-	(7,500)	7,500	-	-	-
	<u>(1,812,845)</u>	<u>19,995</u>	<u>3,470,987</u>	<u>168,544</u>	<u>1,846,681</u>	<u>1,756,920</u>
Renewal reserve transfers (per budget)	(86,000)	(11,393)	-	97,393	-	-
Transfer of prior year surplus	(21,636)	(2,892)	-	24,528	-	-
Reserve funds interest income	(1,392)	(35)	-	1,427	-	-
Fire protection - capital purchases per Bylaws	38,232	-	-	(38,232)	-	-
Health Centre - capital purchases per Bylaws	-	7,500	-	(7,500)	-	-
NET SURPLUS (DEBT) - END OF YEAR	<u>\$ (1,883,641)</u>	<u>\$ 13,175</u>	<u>\$ 3,470,987</u>	<u>\$ 246,160</u>	<u>\$ 1,846,681</u>	<u>\$ 1,756,920</u>

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT
Statement of Cash Flows
Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess Of Revenues Over Expenses	\$ 89,761	\$ 102,255
Items not affecting cash:		
Amortization of tangible capital assets	157,849	153,249
Loss on disposal of tangible capital assets	-	4,367
	<u>247,610</u>	<u>259,871</u>
Changes in non-cash working capital:		
Accounts receivable	(6,167)	49,375
Accounts payable and accrued liabilities	1,479	(185,488)
Prepaid expenses	(58)	398
Prepaid temporary occupancy costs	-	10,000
	<u>(4,746)</u>	<u>(125,715)</u>
Cash flow from operating activities	<u>242,864</u>	<u>134,156</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	<u>(45,732)</u>	<u>(250,916)</u>
Cash flow used by capital transactions	<u>(45,732)</u>	<u>(250,916)</u>
INVESTING TRANSACTIONS		
(Increase) decrease in renewal reserve funds	<u>(77,616)</u>	<u>217,725</u>
FINANCING ACTIVITY		
Repayment of long term debt	<u>(91,021)</u>	<u>(113,841)</u>
Cash flow used by financing activity	<u>(91,021)</u>	<u>(113,841)</u>
INCREASE (DECREASE) IN CASH FLOW	28,495	(12,876)
Cash - beginning of year	<u>299,391</u>	<u>312,267</u>
CASH - END OF YEAR	\$ 327,886	\$ 299,391

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2017

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 in collaboration with the 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 accounting standards for local governments (GAAP). This format conforms with the 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.

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 Care 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 and submitted for review to the Inspector of Municipalities. See Note 6.

(continues)

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2017

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 June. 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.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for local governments 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.

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, 2017

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, subsequent to the year end.

Certain costs relating to the construction do not qualify as capital assets and are expensed. In the prior year temporary occupancy costs were expensed as these were rented on a monthly basis.

3. TANGIBLE CAPITAL ASSETS

	2017 Cost	Accumulated amortization	2017 Net book value	2016 Net book value
<u>Fire Protection</u>				
Land	\$ 3,650	\$ -	\$ 3,650	\$ 3,650
Building - fire hall	2,556,950	128,025	2,428,925	2,454,139
Computer equipment	42,893	42,893	-	-
Equipment and furniture	22,677	13,422	9,255	10,489
Fire fighting clothing	56,010	56,010	-	-
Fire fighting equipment	248,234	174,819	73,415	98,237
Generator	108,072	55,175	52,897	58,301
Paving	66,500	4,988	61,512	64,837
Radios and pagers	15,587	15,587	-	-
Vehicles	985,402	555,937	429,465	462,968
Water access and equipment	56,770	35,491	21,279	26,798
Water storage	55,197	47,240	7,957	10,718
	<u>4,217,942</u>	<u>1,129,587</u>	<u>3,088,355</u>	<u>3,190,137</u>
<u>Health Centre</u>				
Building	579,249	228,519	350,730	357,688
Computer equipment	14,627	14,627	-	-
Equipment	595	565	30	89
Heliport	55,673	31,786	23,887	26,671
Water system	10,682	2,697	7,985	8,519
	<u>660,843</u>	<u>278,194</u>	<u>382,632</u>	<u>392,967</u>
	<u>\$ 4,878,768</u>	<u>\$ 1,407,781</u>	<u>\$ 3,470,987</u>	<u>\$ 3,583,104</u>

(continues)

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2017

3. TANGIBLE CAPITAL ASSETS *(continued)*

The following additions and disposals occurred during the year:

	2016 Cost	2017 Additions	2017 Disposals	2017 Cost
<u>Fire Protection</u>				
Land	\$ 3,650	\$ -	\$ -	\$ 3,650
Building - fire hall	2,518,718	38,232	-	2,556,950
Computer equipment	42,893	-	-	42,893
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	-	-	985,402
Water access and equipment	56,770	-	-	56,770
Water storage	55,197	-	-	55,197
	<u>4,179,710</u>	<u>38,232</u>	<u>-</u>	<u>4,217,942</u>
<u>Health Centre</u>				
Building	571,749	7,500	-	579,249
Computer equipment	14,627	-	-	14,627
Equipment	595	-	-	595
Heliport	55,673	-	-	55,673
Water system	10,682	-	-	10,682
	<u>653,326</u>	<u>7,500</u>	<u>-</u>	<u>660,826</u>
	<u>\$ 4,833,036</u>	<u>\$ 45,732</u>	<u>\$ -</u>	<u>\$ 4,878,768</u>

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2017

4. LONG TERM DEBT

	2017	2016
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.	\$ 2,195,138	\$ 2,286,159

Principal repayment terms for the next five years are approximately:

2018	\$ 93,751
2019	96,564
2020	99,461
2021	102,445
2022	105,518
	\$ 497,739

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

5. ACCUMULATED SURPLUS (DEBT)

Accumulated surplus (debt) is represented by the following:

	2017	2016
Fire Department Operating Surplus (Debt)	\$ (1,883,641)	\$ (2,004,782)
Health Centre Operating Surplus	13,175	10,054
Tangible capital assets (Note 3)	3,470,987	3,583,104
Renewal reserve funds (Note 6)	246,160	168,544
	\$ 1,846,681	\$ 1,756,920

MAYNE ISLAND IMPROVEMENT DISTRICT
Notes to Financial Statements
Year Ended December 31, 2017

6. RENEWAL RESERVE FUNDS

Renewal reserve funds are comprised of the following:

	2017	2016
Fire Protection Renewal Reserve	\$ 208,023	\$ 137,226
Health Centre Renewal Reserve	38,137	31,318
	\$ 246,160	\$ 168,544

Renewal reserve funds are held in separate interest earning cash or cash equivalent accounts in accordance to 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 to obtain Final Occupancy Certification. Final Occupancy Certification was received in March 2018 and expenditures relating to this were partially expended in 2017 with the amount for 2018 not yet finalized. (2017 - \$34,732)

Bylaw 182 was passed on November 21, 2017 to allow for \$65,000 to be expended for the purchase of Fire Apparatus known as "Rescue 1" and to purchase equipment deemed necessary to equip the Apparatus to meet the delivery mandate of the fire department. During the year, delivery of this Fire Apparatus has not yet been received and no funds have yet been expended.

7. CONTRIBUTION - CAPITAL REGIONAL DISTRICT

In the current year, contributions in the amount of \$20,000 consist 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 recorded in the current year as there are no terms of repayment.

8. LEASE COMMITMENTS

The Improvement District renewed their lease as landlord on April 1, 2017 for the Health Centre premises to Vancouver Island Health Authority ("VIHA") for the period of five (5) years 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 made in accordance to the Bylaws and are under normal operations and have been approved by the trustees of the Improvement District and submitted for review to the Inspector of Municipalities.

MAYNE ISLAND IMPROVEMENT DISTRICT

Fire Protection Expenditures

(Schedule 1)

Year Ended December 31, 2017

	Budget 2017	Actual 2017	Actual 2016
FIRE PROTECTION EXPENDITURES			
Appreciation and awards	\$ 3,000	\$ 3,046	\$ 2,890
Audit fees	4,375	3,850	3,850
Building repairs and maintenance	8,015	12,429	21,870
Education and training	34,020	28,803	23,583
Equipment maintenance and supplies	56,455	48,519	26,852
Firefighter clothing	3,000	5,127	5,342
Fire prevention education	3,000	2,966	4,299
Insurance	12,375	12,635	11,014
Interest on long term debt	-	68,585	45,764
Office supplies and sundry	8,000	7,486	7,273
Subscriptions and dues	3,790	3,350	5,074
Telecommunications	9,002	11,943	10,362
Travel	2,158	1,929	2,191
Utilities	6,750	10,352	3,241
Vehicle fuel and insurance	10,475	8,606	6,830
Vehicle repairs and maintenance	17,700	8,589	20,250
Wages and benefits - MIID office staff	23,125	25,658	21,413
Wages and benefits - firefighters	252,006	236,270	250,378
	<u>\$ 457,246</u>	<u>\$ 500,143</u>	<u>\$ 472,476</u>

MAYNE ISLAND IMPROVEMENT DISTRICT

Governance Expenditures

(Schedule 2)

Year Ended December 31, 2017

	Budget 2017	Actual 2017	Actual 2016
GOVERNANCE EXPENDITURES			
Audit fees	\$ 3,750	\$ 3,300	\$ 3,300
Bank charges	1,375	1,195	1,456
Insurance	910	878	878
Legal	3,000	209	-
Newsletters and bulletins	1,500	501	1,250
Office supplies and equipment	5,500	4,494	4,594
Public meetings, freedom of information, misc	404	159	428
Telecommunications	3,877	5,410	3,323
Training and continuing education	1,500	901	1,764
Travel	250	234	76
Wages and benefits of MIID office staff	24,791	26,303	23,208
Water operations	180	196	159
	\$ 47,037	\$ 43,780	\$ 40,436

MAYNE ISLAND IMPROVEMENT DISTRICT

Health Centre Expenditures

(Schedule 3)

Year Ended December 31, 2017

	Budget 2017	Actual 2017	Total 2016
HEALTH CENTRE EXPENDITURES			
Audit fees	\$ 4,375	\$ 3,850	\$ 3,850
Bank charges	1,375	1,202	1,199
Billing costs	4,500	4,649	7,675
Building repairs and maintenance	30,250	20,542	28,363
Heliport operations and insurance	4,200	2,276	2,166
Insurance	4,615	4,246	5,181
Legal	2,000	5,730	3,686
Maintenance contract	6,000	5,020	5,450
Telephone, internet and utilities	6,627	7,638	6,563
Wages and benefits - MIID office staff	28,848	30,686	26,951
Water system	2,000	3,254	1,832
	<u>\$ 94,790</u>	<u>\$ 89,093</u>	<u>\$ 92,916</u>

Mayne Island Improvement District

ELECTION AND VOTING PROCEDURES

54th Annual General Meeting

Under Provincial Legislation the Mayne Island Improvement District was granted “Letters Patent” in 1964. The Letters Patent mandates 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. Normally Trustees will be elected at an AGM.

LIST OF POSITIONS AND TRUSTEES TO BE DETERMINED:

2 Trustees to serve a further 1 Year, namely Sean Skiffington and Doug Hill;

2 Trustees to serve a further 2 Years, namely David Maude and Brian Dearden;

1 Trustee must resign at this meeting and this is: Wayne Peace.

Therefore, we will be electing 1 Trustee to serve 3 years. All eligible voters should have one ballot.

PLEASE NOTE THE FOLLOWING:

- There are usually 12 Board meetings annually and each Trustee is encouraged to attend them all. Members of the public are welcome to attend;
- A Quorum at any Board Meeting is comprised of at least 3 Trustees. If there are not 3 Trustees present, the meeting has to be postponed; no business may be conducted;
- If for any reason a Trustee resigns during his/her term, under the Provincial Legislation the Improvement District must hold a Special General Meeting to elect a new Trustee for the remainder of his/her term or elect a Trustee at the AGM if it is scheduled within 60 days of the resignation.

ELECTION OFFICIAL, BALLOT COUNTER/S and SCRUTINEER(S):

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.

NOMINATIONS:

The Chairman of the Nominating Committee will present names of Nominees received prior to the meeting. Nominations from the floor will be requested formally three times, at which time, if there are none further, Nominations will be declared closed.

Anyone making a nomination from the floor must 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.

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

OR - VOTING PROCEEDS:

The Election Official will oversee the election process and instruct Staff to distribute Ballots to eligible Voters (if they have not been received with package at the door). All ballots should be marked clearly and placed into the sealed Ballot Box. All Ballot Slips will be counted by the Election Official and Ballot Counter, with a Scrutineer if one is present, after which the Results will be announced.

The newly elected Trustees will be given a Trustee Manual and arrange the date and time for the “Re-organization” meeting to elect the Chair, establish the Signing Officers and assign the Committee chairs.