

THETIS ISLAND IMPROVEMENT DISTRICT
Financial Statements
Year Ended December 31, 2019

THETIS ISLAND IMPROVEMENT DISTRICT

Index to Financial Statements

Year Ended December 31, 2019

| | Page |
|---|---------|
| MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING | 1 |
| INDEPENDENT AUDITORS' REPORT | 2 - 3 |
| FINANCIAL STATEMENTS | |
| Combined Statement of Financial Position | 4 |
| Statement of Changes in Accumulated Surplus | 5 |
| Statement of Operations | 6 - 7 |
| Combined Statement of Cash Flows | 8 |
| Notes to Financial Statements | 9 - 13 |
| Fire Hall Renovation (<i>Schedule 1</i>) | 14 |
| Budget vs. Actual (<i>Schedule 2</i>) | 15 - 16 |

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Thetis Island Improvement District have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. 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.

The integrity and reliability of Thetis Island Improvement District's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Trustees are responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Trustees carry out this responsibility principally through its 5 board meetings where the finances are reviewed. Following the review of the financial statements and discussions with the auditors, the reports are shared with the Trustees prior to its approval of the financial statements.

The financial statements have been audited on behalf of the members by Palmer Leslie, Chartered Professional Accountants, in accordance with Canadian public sector accounting standards.

Trustee

Trustee

Thetis Island, BC
April 17, 2020



Alex E. Palmer, C.P.A., C.A.*
Tammy Leslie, C.P.A., C.G.A., C.A.*
Tavish Annis, C.P.A., C.G.A.*

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INDEPENDENT AUDITOR'S REPORT

To the Members of Thetis Island Improvement District

Report on the Financial Statements

Opinion

We have audited the financial statements of Thetis Island Improvement District (the Organization), which comprise the combined statement of financial position as at December 31, 2019, and the statements of changes in accumulated surplus operations 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 Organization as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to

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Independent Auditor's Report to the Members of Thetis Island Improvement District *(continued)*

cease operations, or has no realistic alternative but to do so.

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

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 Organization'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 Organization'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 Organization 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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, the Organization's financial statements have been prepared following Canadian public sector accounting standards.

THETIS ISLAND IMPROVEMENT DISTRICT

Combined Statement of Financial Position

December 31, 2019

| | 2019 | 2018 |
|---|-------------------|------------|
| FINANCIAL ASSETS | | |
| Cash (Note 5) | \$ 420,797 | \$ 380,727 |
| Accounts receivable | - | 426 |
| Goods and services tax recoverable | 7,972 | 20,476 |
| | 428,769 | 401,629 |
| LIABILITIES | | |
| Bank indebtedness | - | 404,350 |
| Accounts payable (Note 6) | 18,041 | 111,565 |
| Current portion of long term debt (Note 10) | 33,115 | - |
| Employee deductions payable | 4,252 | - |
| Deferred income (Note 7) | 154,015 | 152,600 |
| Long term debt (Note 10) | 741,157 | - |
| | 950,580 | 668,515 |
| NET FINANCIAL DEBT | (521,811) | (266,886) |
| NON-FINANCIAL ASSETS | | |
| Inventory | - | - |
| Prepaid expenses | 8,365 | 9,283 |
| Tangible capital assets (Note 8) | 1,016,507 | 720,406 |
| | 1,024,872 | 729,689 |
| ACCUMULATED SURPLUS | \$ 503,061 | \$ 462,803 |

APPROVED BY THE TRUSTEES

_____ *Trustee*

_____ *Trustee*

THETIS ISLAND IMPROVEMENT DISTRICT
Statement of Changes in Accumulated Surplus
Year Ended December 31, 2019

| | Operating Fund 2019 | Capital Replacement Fund 2019 | Property and Equipment Fund 2019 | Health and Wellness Fund 2019 | Total 2019 | Total 2018 |
|---|---------------------------|--|---|-------------------------------------|-------------------|-------------------|
| ACCUMULATED SURPLUS - BEGINNING OF YEAR | \$ 61,842 | \$ 163,583 | \$ 219,572 | \$ 17,806 | \$ 462,803 | \$ 361,026 |
| SURPLUS (DEFICIT) FOR THE YEAR | <u>3,143</u> | <u>56,467</u> | <u>(20,154)</u> | <u>802</u> | <u>40,258</u> | <u>101,777</u> |
| Prior year surplus | 64,985 | 220,050 | 199,418 | 18,608 | 503,061 | 462,803 |
| Acquisition of tangible capital assets | (26,011) | 26,011 | - | - | - | - |
| Firehall renovation | - | (9,661) | 9,661 | - | - | - |
| Proceeds from line of credit and accounts payable | - | (330,817) | 330,817 | - | - | - |
| Interest reimbursed to the line of credit | - | 304,178 | (304,178) | - | - | - |
| | <u>(13,100)</u> | <u>13,100</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| ACCUMULATED SURPLUS - END OF YEAR | <u>\$ 25,874</u> | <u>\$ 222,861</u> | <u>\$ 235,718</u> | <u>\$ 18,608</u> | <u>\$ 503,061</u> | <u>\$ 462,803</u> |

The accompanying notes form an integral part of these financial statements

THETIS ISLAND IMPROVEMENT DISTRICT
Statement of Operations
Year Ended December 31, 2019

| | Budget | Operating Fund | Capital Replacement Fund | Property and Equipment Fund | Health and Wellness Fund | Total | 2019 | Total | 2018 |
|--|------------|----------------|--------------------------|-----------------------------|--------------------------|------------|------------|-------|------|
| REVENUES | | | | | | | | | |
| Property Taxes | \$ 305,200 | \$ 250,200 | \$ 55,000 | \$ 30,147 | \$ - | \$ 335,347 | \$ 303,985 | | |
| Donations | 10,000 | 10,000 | - | - | 1,500 | 11,500 | 10,500 | | |
| Interest income | - | 889 | 1,467 | - | - | 2,356 | 1,190 | | |
| | 315,200 | 261,089 | 56,467 | 30,147 | 1,500 | 349,203 | 315,675 | | |
| EXPENSES | | | | | | | | | |
| Wages and benefits | 91,300 | 95,471 | - | - | - | 95,471 | 88,814 | | |
| Amortization | - | - | - | 44,378 | - | 44,378 | 26,263 | | |
| Travel and training - general | 2,800 | 1,445 | - | - | - | 1,445 | 1,650 | | |
| Travel and training firefighters | 10,000 | 3,996 | - | - | - | 3,996 | 11,929 | | |
| Travel and training first responders | 3,000 | 1,714 | - | - | - | 1,714 | 1,286 | | |
| Public education | 1,200 | 584 | - | - | - | 584 | 448 | | |
| Vehicle | 18,600 | 31,576 | - | - | - | 31,576 | 7,866 | | |
| Office | 3,000 | 3,761 | - | - | - | 3,761 | 831 | | |
| Insurance | 18,900 | 16,587 | - | - | - | 16,587 | 16,005 | | |
| Firefighting supplies and equipment maintenance | 4,500 | 5,634 | - | - | - | 5,634 | 5,457 | | |
| First responder supplies and equipment maintenance | 4,000 | 3,132 | - | - | - | 3,132 | 3,470 | | |
| Call out fuel expense | 12,000 | 11,484 | - | - | - | 11,484 | 9,860 | | |
| Uniforms and misc. | 1,400 | 2,476 | - | - | - | 2,476 | 1,595 | | |
| Property maintenance | 4,000 | 25,100 | - | - | - | 25,100 | 1,291 | | |
| Communicatoin equipment maintenance | 2,000 | 2,434 | - | - | - | 2,434 | 1,261 | | |
| Utilities | 9,600 | 13,548 | - | - | - | 13,548 | 7,506 | | |
| Association dues | 500 | 1,370 | - | - | - | 1,370 | 846 | | |
| Contract services | 4,000 | 2,031 | - | - | - | 2,031 | 2,786 | | |
| Bank charges and interest | 400 | 696 | - | - | - | 696 | 4,481 | | |
| Accounting and legal | 13,000 | 12,192 | - | - | - | 12,192 | 11,997 | | |
| Interest on long term debt | 45,000 | 12,989 | - | 5,923 | - | 18,912 | - | | |

(continues)

The accompanying notes form an integral part of these financial statements

THETIS ISLAND IMPROVEMENT DISTRICT

Statement of Operations (continued)

Year Ended December 31, 2019

| | Budget | 2019 | Operating Fund | 2019 | Capital Replacement Fund | 2019 | Property and Equipment Fund | 2019 | Health and Wellness Fund | 2019 | Total | 2019 | Total | 2018 |
|--|------------------|-----------------|-----------------|------------------|--------------------------|---------------|-----------------------------|---------------|--------------------------|------------------|------------------|------------------|-------------------|------|
| Meetings and conventions | 2,000 | 2,661 | 2,661 | - | - | - | - | - | - | - | 2,661 | 2,661 | - | |
| Minor capital | 500 | - | - | - | - | - | - | - | - | - | - | - | 4,370 | |
| Social events | 5,500 | 4,379 | 4,379 | - | - | - | - | - | - | - | 4,379 | 4,379 | 3,316 | |
| Health and wellness expenses | - | - | - | - | - | - | - | 698 | 698 | - | 698 | 698 | 570 | |
| Travel and training professional development | 3,000 | 2,686 | 2,686 | - | - | - | - | - | - | - | 2,686 | 2,686 | - | |
| | 260,200 | 257,946 | 257,946 | - | - | 50,301 | 698 | 698 | 698 | 308,945 | 308,945 | 308,945 | 213,898 | |
| ANNUAL SURPLUS (DEFICIT) | \$ 55,000 | \$ 3,143 | \$ 3,143 | \$ 56,467 | \$ (20,154) | \$ 802 | \$ 802 | \$ 802 | \$ 802 | \$ 40,258 | \$ 40,258 | \$ 40,258 | \$ 101,777 | |

The accompanying notes form an integral part of these financial statements

THETIS ISLAND IMPROVEMENT DISTRICT

Combined Statement of Cash Flows

Year Ended December 31, 2019

| | 2019 | 2018 |
|---|-----------------------|------------------------|
| OPERATING ACTIVITIES | | |
| Surplus | \$ 40,258 | \$ 101,777 |
| Item not affecting cash: | | |
| Amortization of tangible capital assets | 44,378 | 26,263 |
| | <u>84,636</u> | <u>128,040</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | 426 | (426) |
| Accounts payable | (93,526) | 102,841 |
| Deferred income | 1,415 | 607 |
| Prepaid expenses | 918 | (2,870) |
| Goods and services tax receivable | 12,504 | (17,811) |
| Employee deductions payable | 4,252 | - |
| | <u>(74,011)</u> | <u>82,341</u> |
| Cash flow from operating activities | <u>10,625</u> | <u>210,381</u> |
| INVESTING ACTIVITIES | | |
| Purchase of tangible capital assets | (340,477) | (545,344) |
| Repayment of loans and notes receivable | 800,000 | - |
| Cash flow from (used by) investing activities | <u>459,523</u> | <u>(545,344)</u> |
| FINANCING ACTIVITY | | |
| Repayment of long term debt | (25,728) | - |
| Cash flow from (used by) financing activity | <u>(25,728)</u> | <u>-</u> |
| INCREASE (DECREASE) IN CASH FLOW | 444,420 | (334,963) |
| Cash (deficiency) - beginning of year | <u>(23,623)</u> | <u>311,340</u> |
| CASH (DEFICIENCY) - END OF YEAR | <u>420,797</u> | <u>(23,623)</u> |
| CASH CONSISTS OF: | | |
| Cash | \$ 420,797 | \$ 380,727 |
| Bank indebtedness | - | (404,350) |
| | <u>\$ 420,797</u> | <u>\$ (23,623)</u> |

The accompanying notes form an integral part of these financial statements

THETIS ISLAND IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2019

1. GENERAL

The Thetis Island Improvement District ("District") was incorporated on December 16, 1982 and is subject to the provisions contained in the Local Government Act, a statute of the British Columbia provincial government. The principal activities of the District are to provide volunteer fire protection and first-response emergency services to the residents of Thetis Island Improvement District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the District were prepared in accordance with Canadian public sector accounting standards (GAAP) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Basis of presentation

The consolidated financial statements were prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

The consolidated financial statements reflect the assets, liabilities, revenue and expenditures and changes in fund balances and the financial position of the District. These consolidated statements consolidate the financial position of assets and liabilities of the funds.

Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the District, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Trustees.

The Operating Fund accounts for all revenues and expenses related to the general and ancillary fire protection and first response services provided by the District.

The Capital Replacement Fund know as the "Fire Protection - Capital Works and Equipment Renewal Reserve Fund" consists of funds established by the Board of the District to be used for Expenditures related to the upgrading, replacement or renewal of existing tangible capital assets used in the fire protection and first response services by the District. These funds have been augmented by annual assessments of property tax and must only be invested or disbursed when approved by resolution of the trustees and the Inspector of Municipalities. The fund was established by Bylaw No. 5 dated May 2, 1984 with an initial appropriation of \$2,500 from operating funds.

The Property and Equipment Fund accounts for all tangible capital property and equipment of the District used in the provision of fire protection and first response services by the District.

The Health and Wellness Fund consists of funds established in 2002 to provide supplemental assistance for volunteer fire department members and their families during the period of recovery from injury or illness, or to provide interim financial assistance to families of fire department members in the event of death. These funds are intended to supplement any insurance proceeds from the accident and sickness insurance policy of the District. The amounts disbursed from this fund as a supplement to insurance proceeds are not to exceed the fund balance and are to be disbursed when approved by resolution of the trustees.

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THETIS ISLAND IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2019

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

Revenue recognition

The Provincial government distributes the taxes collected for fire protection and first response services from property tax revenue which is recognized in the calendar year based on approved property tax assessments for the period. Donations, interest income and other income is recognized as revenue as earned on an accrual basis.

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfer are recognized in the financial statements as revenue in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and a reasonable estimate of the amounts can be determined.

The District is in receipt of government transfers in the form of property tax revenues received from senior levels of government.

Contributed services

Volunteers contribute significant time to assist the Improvement District in carrying out its mandate. Because of the difficulty of determining their fair value, contributed services are not recognized in the consolidated financial statements.

Estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting standards for Districts under the jurisdiction of the Local Government Act requires the Board of Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported year. Significant areas requiring the use of such estimates relate to the determination of the collectible of accounts receivable and provisions for contingencies. Actual results could differ from the estimates. These estimates are reviewed periodically, and, if adjustments become necessary, they are reported in earnings in the year in which they become known.

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

| | | |
|---------------------------|----------|----------------------|
| Buildings | 40 years | straight-line method |
| Water tanks | 10 years | straight-line method |
| Communication equipment | 10 years | straight-line method |
| Fire protection equipment | 10 years | straight-line method |
| Motor vehicles | 10 years | straight-line method |

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Districts' ability to provide goods or services, or when the value of the future economic benefits associated with the asset are less than the book value of the asset.

Amortization is charged at 50% the year of acquisition and not recorded in the year of disposal. The amortization policy has been applied prospectively to the financial statements on the adoption of the public sector accounting standards based on the original costs and acquisition dates of the tangible capital assets.

THETIS ISLAND IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2019

3. ANNUAL BUDGET

The financial statements include the annual budget as approved by the Board of Trustees. The budget numbers were compiled with information supplied by the management of the District and were not audited or reviewed.

4. FINANCIAL INSTRUMENTS

The District's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and line of credit. It is the Board of Trustees opinion that the District is not exposed to significant interest rate, credit, or currency risk arising from these financial instruments.

LOANS AND RECEIVABLES

The District has classified the following financial assets as loans and receivables: accounts receivable. The assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell items are recorded on the settlement date. Total interest income, calculated using the effective interest rate method, is recognized in total income.

OTHER FINANCIAL LIABILITIES

The District has classified the following financial liabilities as other financial liabilities: accounts payable. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date. Total interest expense (if any) is calculated using the effective interest rate method and would be recognized in net income.

5. CASH

At year end, the District's cash balance are as follows:

| | <u>2019</u> | <u>2018</u> |
|---------------------------------|-------------------|-------------------|
| Cash on deposit | \$ 421,847 | \$ 386,548 |
| Cheque's issued and outstanding | (1,050) | (5,821) |
| | <u>\$ 420,797</u> | <u>\$ 380,727</u> |

6. ACCOUNTS PAYABLE

Accounts payable represent trade accounts payable relating to operations and the capital funds replacement fund and to be paid out of their respective funds of the District.

| | <u>2019</u> | <u>2018</u> |
|-------------------------|-------------|-------------|
| Operating fund payables | \$ 18,040 | \$ 111,565 |

7. DEFERRED REVENUE

The District received \$154,015 from the provincial government relating to the taxes collected based on approved property tax assessments. The funds are to be used for the provision of fire protection and first response services in the 2020 fiscal year.

THETIS ISLAND IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2019

8. TANGIBLE CAPITAL ASSETS

| | Cost | Accumulated amortization | 2019 Net book value | 2018 Net book value |
|---------------------------|---------------------|-----------------------------|------------------------------------|---------------------------|
| Buildings | \$ 972,239 | \$ 66,450 | \$ 905,789 | \$ 595,142 |
| Water tanks | 23,936 | 10,125 | 13,811 | 11,385 |
| Communication equipment | 21,547 | 18,243 | 3,304 | 4,295 |
| Fire protection equipment | 152,513 | 90,641 | 61,872 | 68,031 |
| Motor vehicles | 325,940 | 294,209 | 31,731 | 41,553 |
| | <u>\$ 1,496,175</u> | <u>\$ 479,668</u> | <u>\$ 1,016,507</u> | <u>\$ 720,406</u> |

The District recorded amortization of \$44,378 in the current year (2018 - \$26,263).

9. ACCUMULATED SURPLUS

The District segregates its accumulated surplus into the following categories.

| | <u>2019</u> | <u>2018</u> |
|-----------------------------|--------------------------|-------------------|
| Operating Fund | \$ 32,686 | \$ 61,842 |
| Capital Replacement Fund | 214,036 | 163,583 |
| Property and Equipment Fund | 233,160 | 219,572 |
| Health and Wellness Fund | 18,608 | 17,806 |
| | <u>\$ 498,490</u> | <u>\$ 462,803</u> |

10. LONG TERM DEBT

| | <u>2019</u> | <u>2018</u> |
|---|--------------------------|-------------|
| Province of BC #1 loan bearing interest at 3.2% per annum, repayable in monthly blended payments of \$30,147. The loan matures on June 30, 2038 and is unsecured. | \$ 424,272 | \$ - |
| Province of BC #2 loan bearing interest at 3.2% per annum, repayable in monthly blended payments of \$23,694. The loan matures on June 30, 2039 and is unsecured. | 350,000 | - |
| | <u>774,272</u> | - |
| Amounts payable within one year | <u>(33,115)</u> | - |
| | <u>\$ 741,157</u> | <u>\$ -</u> |

Principal repayment terms are approximately:

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THETIS ISLAND IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2019

10. LONG TERM DEBT *(continued)*

| | |
|------------|-------------------|
| 2020 | \$ 33,115 |
| 2021 | 30,124 |
| 2022 | 31,088 |
| 2023 | 32,083 |
| 2024 | 33,109 |
| Thereafter | <u>614,753</u> |
| | <u>\$ 774,272</u> |

11. INTER-FUND TRANSFERS

The Capital Replacement Fund received proceeds of \$304,177 from a line of credit and payable balance. Funds from the Capital Replacement Fund were transferred in the amount of \$336,202 to the Property and Equipment Fund for the purchase of tangible capital assets and firehall renovations.

12. BUDGET FIGURES

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the District has modified its financial plan to prepare a budget that is consistent with the scope and accounting principals used to report the actual results. The unaudited budget figures used in these consolidated financial statements have been approved by the trustees.

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the method of presentation adopted in the current year.

THETIS ISLAND IMPROVEMENT DISTRICT

**Fire Hall Renovation
(Schedule 1)**

Year Ended December 31, 2019

| | Budget | 2018 Actual | 2019 Actual | Total |
|---|-------------------|-------------------|-------------------|-------------------|
| Fire Hall Renovation Project | | | | |
| Site Preparation and Demolition | \$ 38,000 | \$ 23,461 | \$ 229 | \$ 23,690 |
| Excavation and Concrete Foundation | 62,500 | 22,506 | 1,195 | 23,701 |
| Exterior Construction | 195,000 | 194,373 | 99,018 | 293,391 |
| Interior Construction | 272,900 | 176,549 | 96,353 | 272,902 |
| Renovation of Existing Structures | 5,900 | - | 53,099 | 53,099 |
| Landscaping | 30,000 | - | - | - |
| Miscellaneous | 138,000 | 66,120 | 80,914 | 147,034 |
| Contingency | 57,700 | - | - | - |
| Fire Hall Renovation Project total | \$ 800,000 | \$ 483,009 | \$ 330,808 | \$ 813,817 |

The accompanying notes form an integral part of these financial statements

THETIS ISLAND IMPROVEMENT DISTRICT

**Budget vs. Actual
(Schedule 2)**

Year Ended December 31, 2019

| | Budget 2019 | Actual 2019 |
|---|----------------|-----------------|
| Revenue | | |
| Property Taxes (Total \$305,200 including \$55,000 capital) | \$ 250,200 | \$ 250,200 |
| Donations | 10,000 | 10,000 |
| Interest income | - | 889 |
| Total Revenue Budget | 260,200 | 261,089 |
| Maintenance and Operations | | |
| Hydro | 4,500 | 7,293 |
| Telephones | 4,000 | 4,503 |
| Garbage TIRRA | 100 | 100 |
| Potable Water | 1,000 | 1,652 |
| Communication Equipment Maintenance | 2,000 | 2,434 |
| First Responder Supplies and Equipment Maintenance | 3,500 | 2,108 |
| Fire Fighting Supplies Equipment Maintenance | 4,500 | 5,634 |
| Uniforms and PPE | 1,400 | 2,476 |
| Vehicles - fuel | 3,600 | 4,128 |
| Vehicles - ferry | 1,500 | 2,210 |
| Vehicle Maintenance General | 10,000 | 21,974 |
| Vehicle Maintenance Emergency Response Vehicle | 3,500 | 3,264 |
| Canteen (incl: Aux & Social Events) | 3,000 | 3,953 |
| Property Maintenance | 4,000 | 25,097 |
| Weekday (\$150/day) & Weekend (\$75/day) Training | 2,000 | 1,425 |
| Training - firefighters | 10,000 | 3,996 |
| Training - First Responder | 3,000 | 1,714 |
| Training - Professional Development | 3,000 | 2,686 |
| Public Education/Fire Service | 1,200 | 584 |
| Association Dues | 500 | 1,370 |
| Conference | 2,000 | 2,661 |
| Office & Misc. Supplies | 1,800 | 3,072 |
| Contract Services | 4,000 | 2,031 |
| Minor Capital and Other First Responder Purchases | 1,000 | 1,025 |
| Total Maintenance and Operations | 75,100 | 107,390 |
| Administration Budget | | |
| Interest and Bank Charges - Op | 400 | 697 |
| Insurance - Members | 3,000 | 3,657 |
| Insurance - General | 11,400 | 10,619 |
| Insurance - Vehicles | 4,500 | 2,311 |
| Wages and Payroll Taxes | 91,300 | 95,472 |
| Call out Fuel Expenses Members | 12,000 | 11,484 |
| Appreciation Dinners | 2,500 | 426 |
| Accounting and Legal | 13,000 | 12,192 |
| Office & Misc. Supplies | 1,200 | 689 |
| Training and Development | 800 | 20 |
| Line of Credit Principal & Interest | 45,000 | 12,989 |
| Total Administration Budget | 185,100 | 150,556 |
| Total surplus (deficit) | \$ - | \$ 3,143 |

(continues)

The accompanying notes form an integral part of these financial statements

THETIS ISLAND IMPROVEMENT DISTRICT

Budget vs. Actual *(continued)*
(Schedule 2)

Year Ended December 31, 2019

| | Budget 2019 | Actual 2019 |
|---------------------------------------|------------------|------------------|
| Capital Projects | | |
| Capital Replacement Fund Contribution | \$ 55,000 | \$ 55,000 |
| PPE | 5,300 | - |
| Water Supply Project | 1,500 | 5,054 |
| Small Engines | 2,500 | - |
| Hoses | 2,400 | 2,688 |
| Equipment | 7,500 | 1,919 |
| Fire Hall Renovation | 8,500 | - |
| Total Capital expenditures | 27,300 | 9,661 |
| Total surplus | \$ 27,700 | \$ 45,339 |