

**Deep Bay Improvement District**  
**Consolidated Financial Statements**  
*December 31, 2019*

## Management's Responsibility

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To the Board of Trustees of Deep Bay Improvement District:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public Sector Accounting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Trustees is composed entirely of Trustees who are neither management nor employees of the District. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Board and management to discuss their audit findings.

March 18, 2020

  

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Administrator

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# Independent Auditor's Report

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To the Board of Trustees of Deep Bay Improvement District:

## Opinion

We have audited the consolidated financial statements of Deep Bay Improvement District (the "District"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, cash flows and related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2019, and the results of its consolidated operations and its consolidated 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 District in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 District or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 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 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 consolidated 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 District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

Nanaimo, British Columbia

March 18, 2020

*MNP* LLP

Chartered Professional Accountants

# Deep Bay Improvement District Consolidated Statement of Financial Position

As at December 31, 2019

	2019	2018
<b>Financial Assets</b>		
Cash	514,259	412,789
Short-term investments	1,689,882	1,839,571
Accounts receivable (Note 3)	44,617	37,387
	2,248,758	2,289,747
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	35,526	22,143
Deferred revenue (Note 4)	109,677	88,577
Long-term debt (Note 5)	45,535	59,466
	190,738	170,186
<b>Net Financial Assets</b>	<b>2,058,020</b>	<b>2,119,561</b>
Commitments (Note 12)		
<b>Non-Financial Assets</b>		
Prepaid expenses	17,701	17,037
Inventory	5,693	7,873
Tangible capital assets (Note 6) (Schedule 1) (Schedule 2)	2,049,818	1,615,301
	2,073,212	1,640,211
<b>Accumulated Surplus (Note 7)</b>	<b>4,131,232</b>	<b>3,759,772</b>

Approved on behalf of the Board of Trustees

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Trustee

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Trustee

The accompanying notes are an integral part of these consolidated financial statements

## Deep Bay Improvement District Consolidated Statement of Operations and Accumulated Surplus

*For the year ended December 31, 2019*

	2019 <i>Budget</i> <i>(Note 13)</i>	2019	2018
<b>Revenues</b>			
Parcel taxes and fire protection taxes <i>(Note 8)</i>	372,063	<b>372,063</b>	339,417
Sale of services	161,876	<b>172,726</b>	161,921
Grant revenue	-	<b>150,000</b>	-
Investment income	500	<b>31,463</b>	26,972
Fire service revenue	17,680	<b>19,160</b>	13,638
Penalties and interest	4,500	<b>5,956</b>	4,645
Connection fees	1,000	<b>2,868</b>	395
Capital expenditure charges	-	<b>5,400</b>	-
Other income	500	<b>1,158</b>	1,080
	558,119	<b>760,794</b>	548,068
<b>Expenses</b>			
Amortization	-	<b>107,377</b>	106,372
Bad debt	-	-	50
Equipment - firefighting	12,300	<b>14,771</b>	28,677
Insurance	17,564	<b>18,069</b>	17,446
Interest on long-term debt	-	<b>2,335</b>	2,926
Office expenses	20,750	<b>12,866</b>	9,325
Professional fees	13,980	<b>17,022</b>	12,600
Repairs and maintenance	32,550	<b>26,189</b>	34,932
Travel and training	17,300	<b>11,005</b>	16,071
Utilities	19,975	<b>19,055</b>	15,963
Vehicle expense	29,180	<b>12,536</b>	12,299
Wages and benefits	126,178	<b>123,221</b>	113,310
Loss on disposal of tangible capital assets	-	<b>24,888</b>	-
	289,777	<b>389,334</b>	369,971
<b>Annual surplus</b>	268,342	<b>371,460</b>	178,097
<b>Accumulated surplus, beginning of year</b>	3,759,772	<b>3,759,772</b>	3,581,675
<b>Accumulated surplus, end of year</b>	4,028,114	<b>4,131,232</b>	3,759,772

*The accompanying notes are an integral part of these consolidated financial statements*

## Deep Bay Improvement District Consolidated Statement of Change in Net Financial Assets

*For the year ended December 31, 2019*

	2019 <i>Budget</i> <i>(Note 13)</i>	2019	2018
<b>Annual surplus</b>	268,342	<b>371,460</b>	178,097
Acquisition of tangible capital assets	(686,495)	<b>(566,782)</b>	(15,974)
Loss on disposal of tangible capital assets	-	<b>24,888</b>	-
Amortization	-	<b>107,377</b>	106,372
	(418,153)	<b>(63,057)</b>	268,495
Decrease (increase) in prepaid expenses	-	<b>(664)</b>	896
Decrease (increase) in inventory	-	<b>2,180</b>	1,199
	-	<b>1,516</b>	2,095
<b>Change in net financial assets</b>	(418,153)	<b>(61,541)</b>	270,590
<b>Net financial assets, beginning of year</b>	2,119,561	<b>2,119,561</b>	1,848,971
<b>Net financial assets, end of year</b>	1,701,408	<b>2,058,020</b>	2,119,561

*The accompanying notes are an integral part of these consolidated financial statements*

## Deep Bay Improvement District Consolidated Statement of Cash Flows

*For the year ended December 31, 2019*

	<b>2019</b>	<b>2018</b>
<hr/>		
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	371,460	178,097
Loss on disposal of tangible capital assets	24,888	-
Amortization	107,377	106,372
	<hr/>	<hr/>
	<b>503,725</b>	<b>284,469</b>
<b>Changes in non-cash operating balance</b>		
Accounts receivable	(7,230)	2,848
Prepaid expenses	(664)	896
Inventory	2,180	1,199
Accounts payable and accrued liabilities	13,383	(1,007)
Deferred revenue	21,100	31,031
	<hr/>	<hr/>
	<b>28,769</b>	<b>34,967</b>
<b>Net cash provided by operating activities</b>	<hr/> <b>532,494</b>	<hr/> <b>319,436</b>
<b>Capital activities</b>		
Cash used to acquire tangible capital assets	(566,782)	(15,974)
<b>Investing activities</b>		
Net change of short-term investments	149,689	(34,017)
<b>Financing activities</b>		
Repayment of long-term debt	(13,931)	(13,351)
<b>Increase in cash resources</b>	<hr/> <b>101,470</b>	<hr/> <b>256,094</b>
<b>Cash resources, beginning of year</b>	<hr/> <b>412,789</b>	<hr/> <b>156,695</b>
<b>Cash resources, end of year</b>	<hr/> <b>514,259</b>	<hr/> <b>412,789</b>

*The accompanying notes are an integral part of these consolidated financial statements*

**1. Incorporation and operations**

The Deep Bay Improvement District (the "District") was incorporated on March 10, 1972 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 water service and fire protection to the residents of the Deep Bay Improvement District and to maintain and repair all wells, water lines and fire protection equipment associated with those services.

**2. Significant accounting policies**

***Basis of presentation***

It is the policy of the District to follow accounting principles accepted for British Columbia improvement districts and to apply such principles consistently. The consolidated financial statements have been prepared in accordance with the recommendations of the Public Sector Accounting Board of the CPA Canada. In accordance with these recommendations, the District has implemented the consolidation of all funds. The consolidated financial statements reflect the removal of internal transactions and balances.

***Revenue recognition***

Parcel taxes and fire protection taxes are recognized upon issuance of tax notices for the fiscal year. Sale of services revenue for water services are recognized on a quarterly basis as service is provided. Fire service revenue consists of funds received from the Provincial Emergency Program and are recognized upon completion of fire rescue services. Capital expenditure charges are recognized when levied. Interest and other income is recognized as revenue as earned on an accrual basis.

Government transfers recorded as grant revenue are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

***Deferred revenue***

Deferred revenue consists of water revenues received in advance of billings and contributions received that are externally restricted for specific purposes.

***Inventory***

Inventory of supplies are recorded at the lower of cost and replacement cost. Cost is determined using the specific identification method.

***Short-term investments***

Short-term investments consist of various term deposits with maturities between 3 months and 1 year and are valued at cost.

***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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the District is responsible for.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the periods in which they become known.

2. **Significant accounting policies** (continued from previous page)

**Tangible capital assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

	<b>Rate</b>
Buildings	20 to 50 years
Vehicles	10 to 20 years
Computer equipment	5 years
Maintenance equipment	10 years
Furniture and fixtures	10 years
Waterworks system	5 to 80 years
Communication equipment	10 years
Fire protection equipment	10 to 20 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt. Amortization is not taken until the asset is in use. Land is not amortized.

**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.

Nine funds are maintained:

- 1) The Operating Fund - Water accounts for all the revenues and expenses related to the general and ancillary water services provided by the District.
- 2) The Operating Fund – Fire Protection accounts for all revenues and expenses related to the general and ancillary fire protection services provided by the District.
- 3) The Capital Fund - Water accounts for all the tangible capital assets of the District used in the provision of water services by the District and presents the flow of funds related to their acquisition and disposal, unexpended capital resources and debt commitments.
- 4) The Capital Fund – Fire Protection accounts for all tangible capital assets of the District used in the provision of fire protection services by the District and presents the flow of funds related to their acquisition and disposal, unexpended capital resources and debt commitments.
- 5) The Restricted Reserve Fund – Water Capital consists of funds established by the Board of the District, under bylaw 222, to be used for expenditures related to the capital cost of providing, constructing, altering or expanding water facilities in order to service directly or indirectly, the development in respect to which the charges are fixed. These funds, and interest earned thereon, must only be invested and disbursed by bylaw passed by the trustees.
- 6) The Restricted Reserve Fund – Water Renewal consists of funds established by the Board of the District under bylaw 205, to be used for expenditures related to the upgrading, replacement or renewal of existing tangible capital assets used in the provision of water services by the District. These funds, and interest earned thereon, must only be invested and disbursed by bylaw passed by the trustees.

**2. Significant accounting policies** (continued from previous page)

**Fund accounting** (continued from previous page)

- 7) The Internally Restricted Reserve Fund - Water Renewal 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 provision of water services by the District. These funds, and interest earned thereon, must only be invested and disbursed when approved by the trustees.
- 8) The Internally Restricted Reserve Fund - Fire Protection Capital 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 services by the District. These funds, and interest earned thereon, must only be invested and disbursed when approved by the trustees.
- 9) The Internally Restricted Reserve Fund - Fire Hall Building Fund consists of funds established by the Board of the District to be used for expenditures related to the upgrading, or potential replacement of the existing fire hall used in the fire protection services by the District. These funds, and interest earned thereon, must only be invested and disbursed when approved by the trustees.

**Liability for contaminated sites**

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the District is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2019.

At each financial reporting date, the District reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. At December 31, 2019, the District has not recorded any liability for contaminated sites as no sites were identified.

**3. Accounts receivable**

	<b>2019</b>	<i>2018</i>
Trade accounts receivable	<b>34,182</b>	34,361
GST receivable	<b>10,435</b>	3,026
	<b>44,617</b>	37,387

**4. Deferred revenue**

	<b>2019</b>	<i>2018</i>
Prepaid water billings	<b>6,962</b>	6,862
Deferred contributions – fire hall building	<b>102,715</b>	81,715
	<b>109,677</b>	88,577

**Deep Bay Improvement District**  
**Notes to the Consolidated Financial Statements**  
*For the year ended December 31, 2019*

**5. Long-term debt**

	<i>2019</i>	<i>2018</i>
Province of British Columbia; repayable in annual instalments of \$16,518 including interest at 4.35%, matures July 2022 and is unsecured	<b>45,535</b>	59,466

Principal repayments on long-term debt are estimated as follows:

2020	14,537
2021	15,169
2022	15,829
	45,535

**6. Tangible capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2019 Net book value</i>	<i>2018 Net book value</i>
Land	14,327	-	14,327	14,327
Buildings	162,740	62,122	100,618	27,785
Vehicles	462,360	343,349	119,011	139,864
Computer equipment	14,765	13,346	1,419	1,986
Maintenance equipment	44,659	30,787	13,872	17,983
Furniture and fixtures	13,936	13,771	165	275
Waterworks system	3,764,883	2,064,876	1,700,007	1,305,747
Communication equipment	33,310	24,403	8,907	10,219
Fire protection equipment	228,404	136,912	91,492	97,115
	<b>4,739,384</b>	<b>2,689,566</b>	<b>2,049,818</b>	1,615,301

See Schedules 1 and 2 for more information.

**Deep Bay Improvement District**  
**Notes to the Consolidated Financial Statements**  
*For the year ended December 31, 2019*

**7. Accumulated surplus**

The District segregates its accumulated surplus into the following categories:

	<b>2019</b>	2018
<b>Fund balances</b>		
Operating Fund - Water	<b>303,854</b>	275,814
Operating Fund - Fire Protection	<b>309,646</b>	282,693
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Total operating funds	<b>613,500</b>	558,507
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Restricted Reserve Fund - Water Capital	<b>376,237</b>	365,349
Restricted Reserve Fund - Water Renewal	<b>523,510</b>	693,287
Internally Restricted Reserve Fund - Water Renewal	<b>98,887</b>	96,530
Internally Restricted Reserve Fund - Fire Protection Capital	<b>481,034</b>	412,605
Internally Restricted Reserve Fund - Fire Hall Building Fund	<b>33,781</b>	77,659
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Total reserve funds	<b>1,513,449</b>	1,645,430
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Capital Fund - Water	<b>1,733,628</b>	1,344,965
Capital Fund - Fire Protection	<b>270,655</b>	210,870
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Equity in tangible capital assets (Note 9)	<b>2,004,283</b>	1,555,835
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	<b>4,131,232</b>	3,759,772
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**8. Parcel taxes and fire protection taxes**

	2019 <i>Budget</i> <i>(Note 13)</i>	2019	2018
Parcel tax	156,811	<b>156,811</b>	140,678
Fire protection taxes	182,260	<b>182,260</b>	165,747
Fire hall building taxes	32,992	<b>32,992</b>	32,992
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	372,063	<b>372,063</b>	339,417
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**9. Equity in tangible capital assets**

Equity in tangible capital assets represents the net book value of the total tangible capital assets less long-term debt obligations assumed to acquire those assets. The change in consolidated equity in tangible capital assets is as follows:

	<b>2019</b>	<b>2018</b>
Beginning balance	<b>1,555,835</b>	1,632,883
Tangible capital asset acquisitions	<b>566,782</b>	15,973
Loss on disposal of tangible capital assets	<b>(24,888)</b>	-
Debt principal repayment	<b>13,931</b>	13,351
Amortization	<b>(107,377)</b>	(106,372)
	<b>2,004,283</b>	1,555,835

**10. Financial instruments**

The District as part of its operations carries a number of financial instruments. The District's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable and accrued liabilities and long-term debt. It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**11. Environmental liabilities**

The District makes every reasonable effort to comply with all environmental regulations that apply to its operations. These regulations may require future expenditures to meet applicable standards. Amounts required to meet these obligations will be charged to operations or set aside as future reserves when they can be reasonably estimated.

**12. Commitments**

The District has renewed a five-year contract with an annual payment schedule as follows:

**Fees for Routine Operations and Maintenance**

Year	Annual Total
2020	32,866
2021	33,524
2022	34,194

The District has committed to pay various contractors a total of \$580,866 in 2020 for engineering and project management relating to construction of the new fire hall.

The District has a \$2,000,000 credit facility with Royal Bank of Canada with a conversion date at November 30, 2020 for the new fire hall construction. The District will pay interest on the balance at RBC prime.

**13. Budget figures**

Budget figures represent the budget adopted by the Board on October 17, 2018. The following schedule reconciles the consolidated surplus as presented in the budget as approved by the Board to the consolidated surplus for the year as shown on the Consolidated Statement of Operations and Accumulated Surplus.

Budget, as approved by the Board	-
Contingency	3,539
Capital purchases	686,495
Transfer to reserves	(421,692)
Budgeted surplus for the year, per the Consolidated Statement of Operations and Accumulated Surplus	268,342

**Deep Bay Improvement District**  
**Schedule of Tangible Capital Assets - Waterworks**

*As at December 31, 2019*

**Schedule 1**

	Land	Buildings	Vehicles	Computer equipment	Maintenance equipment	Furniture and fixtures	Waterworks system	Totals	
								2019	2018
<b>Cost</b>									
Balance, beginning of year	7,164	37,020	5,000	11,580	44,659	3,522	3,458,123	<b>3,567,068</b>	3,564,568
Add:									
Additions during the year	-	-	-	-	-	-	484,509	<b>484,509</b>	2,500
Transfers in	-	-	-	-	-	-	-	-	-
Less:									
Disposals during the year	-	-	-	-	-	-	(177,749)	<b>(177,749)</b>	-
Transfers out	-	-	-	-	-	-	-	-	-
Write downs	-	-	-	-	-	-	-	-	-
<b>Balance, end of year</b>	<b>7,164</b>	<b>37,020</b>	<b>5,000</b>	<b>11,580</b>	<b>44,659</b>	<b>3,522</b>	<b>3,764,883</b>	<b>3,873,828</b>	<b>3,567,068</b>
<b>Accumulated amortization</b>									
Balance, beginning of year	-	24,844	3,382	11,580	26,676	3,247	2,152,376	<b>2,222,105</b>	2,152,395
Add:									
Amortization	-	1,122	254	-	4,111	110	65,361	<b>70,958</b>	69,710
Less:									
Accumulated amortization on disposals	-	-	-	-	-	-	152,861	<b>152,861</b>	-
<b>Balance, end of year</b>	<b>-</b>	<b>25,966</b>	<b>3,636</b>	<b>11,580</b>	<b>30,787</b>	<b>3,357</b>	<b>2,064,876</b>	<b>2,140,202</b>	<b>2,222,105</b>
<b>Net book value of tangible capital assets</b>	<b>7,164</b>	<b>11,054</b>	<b>1,364</b>	<b>-</b>	<b>13,872</b>	<b>165</b>	<b>1,700,007</b>	<b>1,733,626</b>	<b>1,344,963</b>

**Deep Bay Improvement District**  
**Schedule of Tangible Capital Assets - Fire Protection**

*As at December 31, 2019*

**Schedule 2**

								Totals				
	Land	Buildings	Vehicles	Computer equipment	Furniture and fixtures	Communication equipment	Fire protection equipment	2019	2018			
<b>Cost</b>												
Balance, beginning of year	7,163	50,750	457,360	3,185	10,414	32,679	221,732	<b>783,283</b>	769,809			
Add:												
Additions during the year	-	74,970	-	-	-	631	6,672	<b>82,273</b>	13,474			
Less:												
Disposals during the year	-	-	-	-	-	-	-	-	-			
<b>Balance, end of year</b>	<b>7,163</b>	<b>125,720</b>	<b>457,360</b>	<b>3,185</b>	<b>10,414</b>	<b>33,310</b>	<b>228,404</b>	<b>865,556</b>	<b>783,283</b>			
<b>Accumulated amortization</b>												
Balance, beginning of year	-	35,141	319,114	1,199	10,414	22,460	124,617	<b>512,945</b>	476,283			
Add:												
Amortization	-	1,015	20,599	567	-	1,943	12,295	<b>36,419</b>	36,662			
Less:												
Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-			
<b>Balance, end of year</b>	<b>-</b>	<b>36,156</b>	<b>339,713</b>	<b>1,766</b>	<b>10,414</b>	<b>24,403</b>	<b>136,912</b>	<b>549,364</b>	<b>512,945</b>			
<b>Net book value of tangible capital assets</b>	<b>7,163</b>	<b>89,564</b>	<b>117,647</b>	<b>1,419</b>	<b>-</b>	<b>8,907</b>	<b>91,492</b>	<b>316,192</b>	270,338			
		<b>Maintenance equipment</b>	<b>Waterworks system</b>									
Net book value of tangible capital assets - schedule 1		13,872	1,700,007	7,164	11,054	1,364	-	165	-	<b>1,733,626</b>	1,344,963	
<b>Total net book value of tangible capital assets</b>		<b>13,872</b>	<b>1,700,007</b>	<b>14,327</b>	<b>100,618</b>	<b>119,011</b>	<b>1,419</b>	<b>165</b>	<b>8,907</b>	<b>91,492</b>	<b>2,049,818</b>	<b>1,615,301</b>

**Deep Bay Improvement District**  
**Schedule of Operations and Changes in Fund Balances - Waterworks**

*For the year ended December 31, 2019*

**Schedule 3**

						Totals		
	Operating Fund - Water	Capital Fund - Water	Restricted Reserve Fund - Water Capital	Restricted Reserve Fund - Water Renewal	Internally Restricted Reserve Fund - Water Renewal	2019	2019 Budget (Note 13)	2018
<b>Revenue</b>								
Parcel taxes	-	-	-	156,811	-	156,811	156,811	140,678
Water tolls	172,726	-	-	-	-	172,726	161,876	161,921
Grant revenue	-	-	-	150,000	-	150,000	-	-
Connection fees	2,868	-	-	-	-	2,868	1,000	395
Interest	3,339	-	5,488	7,921	2,357	19,105	100	16,391
Other income	928	-	-	-	-	928	500	800
Penalties and interest	5,956	-	-	-	-	5,956	4,500	4,645
Capital expenditure charge	-	-	5,400	-	-	5,400	-	-
	<b>185,817</b>	<b>-</b>	<b>10,888</b>	<b>314,732</b>	<b>2,357</b>	<b>513,794</b>	<b>324,787</b>	<b>324,830</b>
<b>Expenses</b>								
Advertising	-	-	-	-	-	-	150	149
Amortization	-	70,958	-	-	-	70,958	-	69,709
Association dues	-	-	-	-	-	-	-	-
Audit	8,361	-	-	-	-	8,361	8,600	8,190
Bad debt	-	-	-	-	-	-	-	50
Building repairs	7,436	-	-	-	-	7,436	6,600	2,604
Insurance	15,810	-	-	-	-	15,810	15,305	15,187
Licences	1,234	-	-	-	-	1,234	3,750	5,005
Mileage	820	-	-	-	-	820	1,000	622
Office expense	7,809	-	-	-	-	7,809	13,700	6,362
Professional fees	4,159	-	-	-	-	4,159	1,000	-
Repairs and maintenance	17,483	-	-	-	-	17,483	18,250	23,341
Seminars and training	407	-	-	-	-	407	2,000	182
Telephone	529	-	-	-	-	529	550	533
Utilities	18,080	-	-	-	-	18,080	18,985	15,047
Trustee remuneration	6,200	-	-	-	-	6,200	6,200	6,200
Loss of disposal of tangible capital assets	-	24,888	-	-	-	24,888	-	-
Wages	93,398	-	-	-	-	93,398	93,288	83,412
	<b>181,726</b>	<b>95,846</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>277,572</b>	<b>189,378</b>	<b>236,593</b>
Annual surplus (deficit)	4,091	(95,846)	10,888	314,732	2,357	236,222	135,409	88,237
<b>Fund balance</b>								
Balance beginning	275,814	1,344,965	365,349	693,287	96,530	2,775,945	2,775,945	2,666,696
Purchase of tangible capital assets	-	484,509	-	(484,509)	-	-	-	-
Interfund transfers	23,949	-	-	-	-	23,949	23,949	21,012
<b>Ending balance</b>	<b>303,854</b>	<b>1,733,628</b>	<b>376,237</b>	<b>523,510</b>	<b>98,887</b>	<b>3,036,116</b>	<b>2,935,303</b>	<b>2,775,945</b>

**Deep Bay Improvement District**  
**Schedule of Operations and Changes in Fund Balances - Fire Protection**

*For the year ended December 31, 2019*

**Schedule 4**

					Totals		
	Operating Fund - Fire Protection	Capital Fund - Fire Protection	Internally Restricted Reserve Fund - Fire Protection Capital	Internally Restricted Reserve Fund - Fire Hall Building Fund	2019	2019 Budget (Note 13)	2018
<b>Revenue</b>							
Fire protection taxes	182,260	-	-	32,992	<b>215,252</b>	215,252	198,739
Fire service revenue	19,160	-	-	-	<b>19,160</b>	17,680	13,638
Interest	4,581	-	7,295	482	<b>12,358</b>	400	10,581
Permit revenue	230	-	-	-	<b>230</b>	-	280
	<b>206,231</b>	<b>-</b>	<b>7,295</b>	<b>33,474</b>	<b>247,000</b>	233,332	223,238
<b>Expenses</b>							
Amortization	-	36,419	-	-	<b>36,419</b>	-	36,662
Association dues	393	-	-	-	<b>393</b>	420	418
Audit	4,502	-	-	-	<b>4,502</b>	4,380	4,410
Building repairs	30	-	-	-	<b>30</b>	500	2,021
Equipment - firefighting	8,208	-	6,563	-	<b>14,771</b>	12,300	15,622
Honorariums	23,230	-	-	-	<b>23,230</b>	23,000	23,280
Insurance	2,259	-	-	-	<b>2,259</b>	2,259	2,259
Interest on long-term debt	2,335	-	-	-	<b>2,335</b>	-	2,926
Mileage	449	-	-	-	<b>449</b>	600	533
Office expense	2,675	-	-	2,382	<b>5,057</b>	3,150	2,814
Repairs and maintenance	6	-	-	-	<b>6</b>	7,200	15,017
Seminars and training	8,957	-	-	-	<b>8,957</b>	15,300	10,937
Service awards and clothing	1,192	-	-	-	<b>1,192</b>	3,270	4,419
Telephone	446	-	-	-	<b>446</b>	440	383
Vehicle expense	11,716	-	-	-	<b>11,716</b>	27,580	11,677
	<b>66,398</b>	<b>36,419</b>	<b>6,563</b>	<b>2,382</b>	<b>111,762</b>	100,399	133,378
Annual surplus (deficit)	139,833	(36,419)	732	31,092	<b>135,238</b>	132,933	89,860
<b>Fund balance</b>							
Balance beginning	282,693	210,870	412,605	77,659	<b>983,827</b>	983,827	914,979
Purchase of tangible capital assets	-	82,273	(7,303)	(74,970)	-	-	-
Transfer of long-term debt payment	(13,931)	13,931	-	-	-	-	-
Interfund transfers	(98,949)	-	75,000	-	<b>(23,949)</b>	(23,949)	(21,012)
<b>Ending balance</b>	<b>309,646</b>	<b>270,655</b>	<b>481,034</b>	<b>33,781</b>	<b>1,095,116</b>	1,092,811	983,827

**Deep Bay Improvement District**  
**Schedule of Reserve Funds**

*For the year ended December 31, 2019*

Schedule 5

						Totals	
	Restricted Reserve Fund - Water Capital	Restricted Reserve Fund - Water Renewal	Internally Restricted Reserve Fund - Water Renewal	Internally Restricted Reserve Fund - Fire Protection Capital	Internally Restricted Reserve Fund - Firehall Building Fund	2019	2018
<b>Beginning balance</b>	365,349	693,287	96,530	412,605	77,659	<b>1,645,430</b>	1,426,731
Transfer in (out)	-	150,000	-	75,000	32,992	<b>257,992</b>	92,992
Parcel taxes	-	156,811	-	-	-	<b>156,811</b>	140,678
Purchases	-	(484,509)	-	(13,866)	(77,352)	<b>(575,727)</b>	(33,650)
Capital expenditure charge	5,400	-	-	-	-	<b>5,400</b>	-
Interest income	5,488	7,921	2,357	7,295	482	<b>23,543</b>	18,679
<b>Ending balance</b>	<b>376,237</b>	<b>523,510</b>	<b>98,887</b>	<b>481,034</b>	<b>33,781</b>	<b>1,513,449</b>	1,645,430