

**NORTH CEDAR IMPROVEMENT DISTRICT**

**December 31, 2014**

**Consolidated Financial Statements**

# NORTH CEDAR IMPROVEMENT DISTRICT

## Consolidated Financial Statements

For the Year Ended December 31, 2014

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## STATEMENT OF RESPONSIBILITY

The accompanying consolidated financial statements are the responsibility of the management of the North Cedar Improvement District and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

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 financial information produced is relevant and reliable.

Trustees of the District met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

Hayes Stewart Little & Company as the District's appointed external auditors, have audited the consolidated financial statements. The independent auditor's report is addressed to the Trustees of the District and 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 District in accordance with Canadian public sector accounting standards.



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Ms. Heather Sarchuk  
Administrator

## INDEPENDENT AUDITOR'S REPORT

To the Trustees of the  
**NORTH CEDAR IMPROVEMENT DISTRICT**

### *Report on Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of the North Cedar Improvement District, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statements of operations, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 evaluation of the overall presentation of the consolidated 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, these consolidated financial statements present fairly, in all material respects, the financial position of the North Cedar Improvement District as at December 31, 2014 and its financial performance and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

*Other Matter*

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information, including Schedules 1 to 5, have been presented for purposes of additional analysis. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the consolidated financial statements taken as a whole.

Duncan, BC  
March 12, 2015

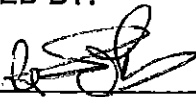
*Hayes Stewart Little + Co.*  
Chartered Accountants


**NORTH CEDAR IMPROVEMENT DISTRICT  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>FINANCIAL ASSETS</b>		
Cash and short term deposits (Note 2, 4)	\$ 3,345,241	\$ 2,409,679
Accounts receivable (Note 5)	318,493	303,071
	<u>3,663,734</u>	<u>2,712,750</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	140,365	171,132
Deferred revenue (Note 7)	-	22,313
Long-term debt (Note 8)	1,022,054	1,091,635
Capital development statutory reserve (Note 10)	265,702	244,834
	<u>1,428,121</u>	<u>1,529,914</u>
<b>NET FINANCIAL ASSETS</b>	<u>2,235,613</u>	<u>1,182,836</u>
<b>NON-FINANCIAL ASSETS (Note 13)</b>		
Net tangible capital assets (Schedule 1)	7,423,031	7,558,516
Inventories (Note 11)	205,186	205,186
Prepaid expenses	5,487	6,129
	<u>7,633,704</u>	<u>7,769,831</u>
<b>DISTRICT POSITION (Schedule 2)</b>	<u>\$ 9,869,318</u>	<u>\$ 8,952,667</u>

**COMITMENTS (Note 9)**

**APPROVED BY:**

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

See accompanying notes to the financial statements

**NORTH CEDAR IMPROVEMENT DISTRICT  
CONSOLIDATED STATEMENT OF OPERATIONS  
Year Ended December 31, 2014**

	<i>Unaudited</i> 2014 Budget (Note 15)	2014 Actual	2013 Actual
<b>REVENUE</b>			
Waterworks services (Schedule 3)	\$ 1,114,962	\$ 1,202,940	\$ 1,186,951
Fire protection services (Schedule 4)	1,032,249	1,041,804	944,004
Reserves (Schedule 5)	-	16,092	8,232
Total revenue	<u>2,147,211</u>	<u>2,260,835</u>	<u>2,139,187</u>
<b>EXPENSES</b>			
Waterworks services (Schedule 3)	814,735	826,385	741,664
Fire protection services (Schedule 4)	564,833	517,799	537,595
Total expenses (Note 14)	<u>1,379,568</u>	<u>1,344,184</u>	<u>1,279,259</u>
<b>ANNUAL SURPLUS</b>	<u>767,643</u>	<u>916,651</u>	<u>859,928</u>
<b>DISTRICT POSITION, BEGINNING OF YEAR</b>	<u>8,952,667</u>	<u>8,952,667</u>	<u>8,092,739</u>
<b>DISTRICT POSITION, END OF YEAR</b>	<u>\$ 9,720,310</u>	<u>\$ 9,869,318</u>	<u>\$ 8,952,667</u>

See accompanying notes to the financial statements

NORTH CEDAR IMPROVEMENT DISTRICT  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
Year Ended December 31, 2014

	<i>Unaudited</i> 2014 Budget (Note 15)	2014 Actual	2013 Actual
<b>ANNUAL SURPLUS</b>	<b>\$ 767,643</b>	<b>\$ 916,651</b>	<b>\$ 859,928</b>
Acquisition of tangible capital assets	-	(70,619)	(317,857)
Amortization of tangible capital assets	195,000	206,104	196,704
Loss on sale of tangible capital assets	-	-	20,148
Decrease (increase) in prepaid expense	-	641	3,677
	<u>195,000</u>	<u>136,126</u>	<u>(97,328)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>962,643</b>	<b>1,052,777</b>	<b>762,600</b>
<b>NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR</b>	<u><b>1,182,836</b></u>	<u><b>1,182,836</b></u>	<u><b>420,236</b></u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u><u><b>\$ 2,145,479</b></u></u>	<u><u><b>\$ 2,235,613</b></u></u>	<u><u><b>\$ 1,182,836</b></u></u>

See accompanying notes to the financial statements



**NORTH CEDAR IMPROVEMENT DISTRICT  
CONSOLIDATED STATEMENT OF CASH FLOWS  
Year Ended December 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 916,651	\$ 859,928
Items not affecting cash:		
Amortization	206,104	196,704
Loss on sale of tangible capital asset	-	20,148
	<u>1,122,755</u>	<u>1,076,780</u>
Changes in non-cash items:		
Accounts receivable	(15,422)	(44,895)
Prepaid expenses	642	3,677
Accounts payable and accrued liabilities	(30,768)	16,553
Deferred Revenue	(22,313)	22,313
Capital development reserve	20,868	2,556
	<u>1,075,762</u>	<u>1,076,984</u>
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	<u>(70,619)</u>	<u>(317,857)</u>
Cash applied to capital transactions	<u>(70,619)</u>	<u>(317,857)</u>
<b>FINANCING TRANSACTIONS</b>		
Debt repayment	<u>(69,581)</u>	<u>(66,426)</u>
Cash applied to financing transactions	<u>(69,581)</u>	<u>(66,426)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>935,562</u>	<u>692,701</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>2,409,679</u>	<u>1,716,978</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 3,345,241</u>	<u>\$ 2,409,679</u>

See accompanying notes to the financial statements

**NORTH CEDAR IMPROVEMENT DISTRICT  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
As at December 31, 2014**

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**1. General**

The District is an improvement district that was created on November 27, 1959. The District provides services such as fire protection, public works, and water distribution.

**2. Significant Accounting Policies**

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards and reflect the following significant accounting policies:

**a) Basis of accounting**

The consolidated financial statements are 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, revenues and expenditures and changes in fund balances and financial position of the District. These consolidated financial statements consolidate the following operations:

Operating Funds

These funds include the water and fire operating funds. They are used to record the operating costs of the services provided by the District. The operating funds also record the net acquisition costs of tangible capital assets and any related long term debt outstanding.

Reserve Funds

Under the Local Government Act of British Columbia, the District may by by-law establish reserve funds for specific purposes. Money in a reserve fund, and interest earned thereon, must be expended by by-law only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required, the District may, by by-law, transfer all or part of the amount to another reserve fund.

The District has no other reporting entities that meet the criteria for inclusion within these financial statements.

**b) Cash and short term deposits**

Cash and cash equivalents include cash on hand and balances with banks as described in Note 4.

*(continues)*

**NORTH CEDAR IMPROVEMENT DISTRICT  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 As at December 31, 2014**

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**2. Significant Accounting Policies (continued)**

**c) Reserves**

Reserve funds and accounts represent amounts set aside from past and current operations for future operating and capital expenditures.

**d) Revenue recognition**

The District collects parcel taxes, water tolls and other fees. The District records these revenues on an accrual basis. The provincial government distributes the taxes collected for fire protection as an annual statutory advance in June.

Government transfers are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

**e) Sick leave benefits**

The District provides sick leave to employees based on their banked sick time and to a maximum of 45 days. Accumulated sick leave benefits are available to be paid out upon retirement. The estimated sick leave liability has been calculated by management based on the following assumptions:

- annual inflation rate is 2.8%;
- discount rate is 3.75%;
- probability of compensated sick leave being used is 100% for the District staff.

The total liability for the accumulated sick leave benefits is included in the waterworks accounts payable (Note 6). The liability for 2014 is \$10,159 (2013 - \$12,468).

**f) Tangible capital assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The District does not capitalize interest charges as part of the cost of its tangible capital assets. Tangible capital assets are amortized on a straight-line basis over their estimated useful lives.

**General tangible capital assets**

Land	Indefinite
Land Improvements	20 to 25 years
Buildings	25 to 50 years
Machinery and equipment	4 to 30 years

*(continues)*

**NORTH CEDAR IMPROVEMENT DISTRICT  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
As at December 31, 2014**

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**2. Significant Accounting Policies (continued)**

**Infrastructure assets**

Engineering structures	25 to 100 years
Assets under construction	Life determined when complete

Land and subdivision owners are required to install, at their own expense, all assets deemed necessary by the District to provide an adequate supply of water for domestic and commercial use and for fire protection. These assets become the property of the District within one year after approval of completion of the development. These contributed assets are recorded at fair market value, based on engineer estimates, at the time the District acquires ownership. Contributed assets recorded by the District for 2014 is nil (2013 - nil). These contributions are included as revenue in the appropriate operating fund in the year of contribution.

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the District, forests, water, and other natural resources are not recognized as tangible capital assets.

**g) Leases**

Rental payments under operating leases are expensed as incurred.

**h) Use of estimates**

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from these estimates.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Significant areas requiring the use of management estimates relate to the determination of accrued sick benefits, the valuation of receivables, the useful lives of assets for amortization, deferred charges, provisions for contingencies, and the amounts recorded as accrued liabilities.

**NORTH CEDAR IMPROVEMENT DISTRICT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2014**

**3. Financial Instruments**

The District's financial instruments consist of cash and short term deposits, accounts receivable, accounts payable, deferred revenue and long term debt. The carrying amounts of these financial instruments approximates their fair value because they are short-term in nature or because they bear interest at market rates.

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

**4. Cash and Short Term Deposits**

Cash and cash equivalents are comprised of the following:

	<u>2014</u>	<u>2013</u>
Waterworks	\$ 327,729	\$ 327,686
Fire protection	410,574	400,566
Maintenance bond reserve account	425	420
	<u>738,728</u>	<u>728,672</u>
Reserve Funds (Schedule 5)		
Renewal reserve fund (Note 12)	1,383,360	734,573
Fire equipment replacement fund	711,239	496,859
Debt repayment reserve fund	246,212	204,741
	<u>2,340,811</u>	<u>1,436,173</u>
Statutory Reserve Fund (Note 10)		
Capital development fund	265,702	244,834
	<u>\$ 3,345,241</u>	<u>\$ 2,409,679</u>

Cash balances held on deposit in a single Chartered Bank are in excess of the \$100,000 insured by the Canadian Deposit Insurance Corporation.

**5. Accounts Receivable**

Accounts receivable are valued at their net realizable value.

	<u>2014</u>	<u>2013</u>
Tolls	\$ 194,878	\$ 194,818
Taxes	107,101	86,926
Goods and service taxes	16,514	21,327
	<u>\$ 318,493</u>	<u>\$ 303,071</u>

**NORTH CEDAR IMPROVEMENT DISTRICT  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
As at December 31, 2014**

**6. Accounts Payable and Accrued Liabilities**

	<u>2014</u>	<u>2013</u>
Waterworks (Note 2(e))	\$ 70,586	\$ 76,803
Fire protection	69,355	93,909
Maintenance bond reserve account	<u>424</u>	<u>420</u>
	<u>\$ 140,365</u>	<u>\$ 171,132</u>

**7. Deferred Revenue**

During the 2013 fiscal year, the District received funds from the Regional District of Nanaimo to produce an updated water system master plan ("Plan"). Work on the plan was completed in the 2014 year end.

	<u>2014</u>	<u>2013</u>
Opening balance	\$ 22,313	\$ 31,580
Less amount recognized as revenue - Waterworks	<u>(22,313)</u>	<u>(9,267)</u>
	<u>\$ -</u>	<u>\$ 22,313</u>

**8. Long Term Debt**

**Bylaw 342** - Capital Tax Advance issued, for the purpose of financing the construction of the new firehall, in the amount of \$1,600,000, requiring annual payments of \$121,434 and bearing interest at 4.75% per annum, maturing July 1, 2025.

	<u>2014</u>	<u>2013</u>
<b>Fire Protection Fund:</b>	<u>\$ 1,022,054</u>	<u>\$ 1,091,635</u>

Principal payments required in each of the next five years are as follows:

	<u>Fire protection</u>
2015	\$ 72,886
2016	76,348
2017	79,975
2018	83,774
2019	<u>87,753</u>
	<u>\$ 400,736</u>

**NORTH CEDAR IMPROVEMENT DISTRICT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2014**

**9. Lease Commitments**

The District is committed under various operating leases for the rental of office and public works equipment. Minimum lease payments are as follows:

2015	\$	3,510
2016		<u>908</u>
	\$	<u>4,418</u>

**10. Capital Development Statutory Reserve**

A Development Cost Charge (DCC) is levied for each newly created lot and these funds, together with interest earned, are accounted for in a separate reserve account as required by the Local Government Act of BC. Disbursements can be made by a resolution of the Trustees and by written approval of the Inspector or Deputy Inspector of Municipalities. Payments for extended service agreements require Trustee approval. The DCC's are recognized as revenue when the related costs are incurred.

	<u>2014</u>	<u>2013</u>
Balance, beginning of the year	\$ 244,834	\$ 242,278
Add: Interest	2,628	2,556
Add: Contributions	<u>18,240</u>	<u>-</u>
Balance, end of year	<u>\$ 265,702</u>	<u>\$ 244,834</u>
The balance consists of:		
Cash (Note 4)	<u>\$ 265,702</u>	<u>\$ 244,834</u>

**11. Inventories**

	<u>2014</u>	<u>2013</u>
Waterworks	<u>\$ 205,186</u>	<u>\$ 205,186</u>

Inventories held for consumption are recorded at the lower of cost or net realizable value. Cost is determined using specific identification for major equipment and average cost for all other inventory items.

**NORTH CEDAR IMPROVEMENT DISTRICT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2014**

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**12. Renewal Reserve**

The Renewal Reserve was established under Subsection 751 of the BC Municipal and Local Government Act. Under the direction of the Trustees, surplus funds have been placed in this fund to be used to renew the waterworks system. Disbursements are made by way of resolution from the Trustees.

**13. Tangible Capital Assets and Other Non-Financial Assets**

Tangible capital and other non-financial assets are accounted for as assets by the District because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the District unless they are sold.

**14. Consolidated Current Expenditure by Object**

	<u>2014 Budget (Note 15)</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Operations and maintenance	\$ 790,357	\$ 887,957	\$ 734,518
Salaries and honoraria	537,358	406,028	491,311
Debt service - interest	<u>51,853</u>	<u>50,200</u>	<u>53,430</u>
Total	<u>\$ 1,379,568</u>	<u>\$ 1,344,184</u>	<u>\$ 1,279,259</u>

**15. Budget**

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 principles used to report the actual results. The unaudited budget figures used in these financial statements have been approved by the trustees.

**16. Comparative Figures**

Certain comparative figures have been reclassified to conform with the current year's presentation.



NORTH CEDAR IMPROVEMENT DISTRICT  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
Year Ended December 31, 2014

SCHEDULE 1

Cost	2014						Totals
	Land	Buildings	Engineering Structures	Machinery and Equipment	Land Improvements	Assets Under Construction	2014
Opening costs	\$ 592,579	\$ 2,311,089	\$ 6,432,076	\$ 1,109,864	\$ 63,194	\$ 312,488	\$ 10,821,290
Additions during the year	-	4,308	26,059	34,742	-	5,510	70,619
Disposals during the year	-	-	-	-	-	-	335,649
Closing costs	592,579	2,315,397	6,458,135	1,144,606	63,194	317,998	10,891,909
Accumulated Amortization							(41,326)
Opening accum'd amortization	-	370,992	2,301,285	571,907	18,590	-	3,069,456
Disposals during the year	-	-	-	-	-	-	(3,386)
Amortization	-	46,462	96,215	60,587	2,840	-	196,704
Closing accum'd amortization	-	417,454	2,397,500	632,494	21,430	-	3,262,774
Net Book Value of Tangible Capital Assets	\$ 592,579	\$ 1,897,943	\$ 4,060,635	\$ 512,112	\$ 41,764	\$ 317,998	\$ 7,423,031
							\$ 7,558,516

**NORTH CEDAR IMPROVEMENT DISTRICT**  
**Consolidated Schedule of Accumulated Surplus**  
**Year Ended December 31, 2014**

**SCHEDULE 2**

	<u>2014</u>	<u>2013</u>
<b>OPERATING FUNDS</b>		
<b>Unappropriated</b>		
Fire protection	\$ 350,789	\$ 323,311
Waterworks	776,739	726,303
<b>Total Unappropriated</b>	<u>1,127,528</u>	<u>1,049,614</u>
<b>Total Operating Funds</b>	<u>\$ 1,127,528</u>	<u>\$ 1,049,614</u>
<b>Presented as:</b>		
Fire protection - operating (Schedule 4)	\$ 350,789	\$ 323,311
Waterworks - operating (Schedule 3)	776,739	726,303
<b>Total Operating Surplus</b>	<u>1,127,528</u>	<u>1,049,614</u>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>		
Net book value of tangible capital assets (Schedule 1)	7,423,031	7,558,516
Less: long term debt (Note 8)	<u>(1,022,054)</u>	<u>(1,091,635)</u>
	6,400,977	6,466,881
<b>RESERVE FUNDS (Schedule 5)</b>	<u>2,340,811</u>	<u>1,436,172</u>
<b>Total Accumulated Surplus</b>	<u>\$ 9,869,318</u>	<u>\$ 8,952,667</u>

NORTH CEDAR IMPROVEMENT DISTRICT  
 STATEMENT OF WATERWORKS OPERATING FUND  
 Year Ended December 31, 2014

SCHEDULE 3

	<i>Unaudited</i> 2014 Budget (Note 15)	2014 Actual	2013 Actual
<b>REVENUE</b>			
Water tolls	\$ 714,000	\$ 726,834	\$ 717,675
Water tolls - penalties	10,000	24,120	21,441
Water tolls - Nanaimo First Nations	26,112	25,776	49,517
District tax levy	363,550	391,166	387,585
Subdivision and connection fees	-	9,365	3,065
Interest	1,300	5,871	6,323
Loss on disposal of tangible capital assets	-	-	(20,148)
Sundry	-	19,809	21,493
<b>Total revenue</b>	<b>1,114,962</b>	<b>1,202,940</b>	<b>1,186,951</b>
<b>EXPENSES</b>			
Amortization	105,000	109,328	106,773
Audit and financial services	22,000	18,900	18,800
Bank charges	3,200	2,580	2,717
Employer payroll expenses	79,677	36,295	51,605
Engineering	25,000	41,913	37,613
Insurance	17,000	17,332	16,759
Office and general	60,900	153,476	90,383
Salaries and wages	326,658	205,338	287,294
Telephone	3,400	1,486	3,071
Trustee's honoraria	17,500	16,256	16,431
Utilities	31,200	32,588	27,544
Vehicle	8,300	1,566	9,015
Waterworks operations	114,900	189,327	73,659
<b>Total expenses</b>	<b>814,735</b>	<b>826,385</b>	<b>741,664</b>
<b>NET REVENUES</b>	<b>300,227</b>	<b>376,554</b>	<b>445,287</b>
<b>TRANSFERS</b>			
Invested in tangible capital assets	(2,107,000)	67,946	(40,610)
From Fire Protection Operating Fund (Schedule 4)	246,000	246,000	150,000
(To)/from Reserve Funds (Schedule 5)	(200,936)	(640,065)	(512,939)
<b>CHANGE IN FUND BALANCE</b>	<b>(1,761,709)</b>	<b>50,436</b>	<b>41,738</b>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<b>726,303</b>	<b>726,303</b>	<b>684,565</b>
<b>FUND SURPLUS, END OF YEAR</b>	<b>\$ (1,035,406)</b>	<b>\$ 776,739</b>	<b>\$ 726,303</b>

NORTH CEDAR IMPROVEMENT DISTRICT  
 STATEMENT OF FIRE PROTECTION OPERATING FUND  
 Year Ended December 31, 2014

SCHEDULE 4

	<i>Unaudited</i> 2014 Budget (Note 15)	2014 Actual	2013 Actual
<b>REVENUE</b>			
Taxes collected	\$ 829,254	\$ 829,254	733,254
Taxes collected - debt service	167,095	167,216	167,076
Fire protection fees	35,900	38,444	38,377
Interest	-	6,890	5,297
<b>Total revenue</b>	<b>1,032,249</b>	<b>1,041,804</b>	<b>944,004</b>
<b>EXPENSES</b>			
Administration	9,850	4,881	6,308
Amortization	90,000	96,775	89,931
Equipment maintenance and supplies	43,700	39,402	40,519
Fire hall - utilities	30,480	18,433	20,170
Fire hall - insurance	17,000	17,010	16,259
Fire hall - repairs and maintenance	10,000	8,890	8,164
Fire truck - insurance	7,000	4,969	6,902
Fire truck - operations	14,000	13,897	22,425
Health protection	3,000	2,879	2,943
Inspections	500	-	-
Interest on long term debt	51,853	50,200	53,430
Salaries and benefits	87,600	85,393	95,437
Street lighting	31,100	28,693	26,939
Telephone	4,400	3,268	4,066
Training	36,500	25,070	30,638
Uniforms and promotional	22,250	17,566	20,157
Volunteer firemen practices and honoraria	105,600	99,041	92,149
Worker's compensation	-	1,433	1,158
<b>Total expenses</b>	<b>564,833</b>	<b>517,799</b>	<b>537,595</b>
<b>NET REVENUES</b>	<b>467,416</b>	<b>524,004</b>	<b>406,409</b>
<b>TRANSFERS</b>			
Investment in tangible capital assets	(14,581)	(2,044)	(126,821)
Transfers to waterworks operating fund (Schedule 3)	(246,000)	(246,000)	(150,000)
Transfers from (to) reserve funds (Schedule 5)	(116,835)	(248,482)	(101,987)
<b>CHANGE IN FUND BALANCE</b>	<b>90,000</b>	<b>27,478</b>	<b>27,601</b>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<b>238,722</b>	<b>323,311</b>	<b>295,710</b>
<b>FUND SURPLUS, END OF YEAR</b>	<b>\$ 328,722</b>	<b>\$ 350,789</b>	<b>323,311</b>

NORTH CEDAR IMPROVEMENT DISTRICT  
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
 Year Ended December 31, 2014

SCHEDULE 5

	2014			2013	
	Renewal Reserve	Fire Equipment Replacement Reserve	Debt Repayment Reserve	Total	Total
<b>REVENUE</b>					
Interest	\$ 8,722	\$ 4,975	\$ 2,395	\$ 16,092	\$ 8,232
Total revenue	8,722	4,975	2,395	16,092	8,232
<b>TRANSFERS</b>					
Transfer from (to) waterworks operating fund	640,065		-	640,065	512,939
Transfer from (to) fire protection operating fund		209,406	39,076	248,482	101,987
<b>CHANGE IN RESERVE FUND BALANCES</b>	648,787	214,381	41,471	904,639	623,158
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	734,573	496,858	204,741	1,436,172	813,014
<b>FUND SURPLUS, END OF YEAR</b>	\$ 1,383,360	\$ 711,239	\$ 246,212	\$ 2,340,811	\$ 1,436,172