

NORTH CEDAR IMPROVEMENT DISTRICT

December 31, 2012

Consolidated Financial Statements

(Audited)

NORTH CEDAR IMPROVEMENT DISTRICT
Consolidated Financial Statements
For the Year Ended December 31, 2012

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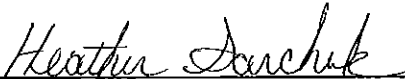
STATEMENT OF RESPONSIBILITY

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 generally accepted accounting principles 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 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 generally accepted accounting principles.



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, 2012, 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 generally accepted accounting principles, 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, 2012 and its financial performance and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

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 14, 2013

Hayes Stewart Little & Co.

Chartered Accountants

**NORTH CEDAR IMPROVEMENT DISTRICT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2012**

	2012	2011
FINANCIAL ASSETS		
Cash and short term deposits (Note 4)	\$ 1,716,978	\$ 1,448,294
Accounts receivable (Note 5)	258,176	233,933
	<u>1,975,154</u>	<u>1,682,227</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	154,579	166,558
Long-term debt (Note 7)	1,158,061	1,221,475
Capital development statutory reserve (Note 9)	242,278	410,725
	<u>1,554,918</u>	<u>1,798,758</u>
NET (DEBT) FINANCIAL ASSETS	<u>420,236</u>	<u>(116,531)</u>
NON-FINANCIAL ASSETS (Note 12)		
Net tangible capital assets (Schedule 1)	7,457,511	7,105,352
Inventories (Note 10)	205,186	205,186
Prepaid expenses	9,806	9,775
	<u>7,672,503</u>	<u>7,320,313</u>
DISTRICT POSITION (Schedule 2)	<u>\$ 8,092,739</u>	<u>\$ 7,203,781</u>

APPROVED BY:



Trustee



Trustee

See accompanying notes to the financial statements

**NORTH CEDAR IMPROVEMENT DISTRICT
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2012**

	<u>2012 Budget (Note 14)</u>	<u>2012 Actual</u>	<u>2011 Actual</u>
REVENUE			
Waterworks services (Schedule 3)	\$ 1,090,537	\$ 1,206,152	\$ 803,204
Fire protection services (Schedule 4)	839,437	849,546	748,916
Reserves (Schedule 5)	-	4,558	6,064
Total revenue	<u>1,929,974</u>	<u>2,060,256</u>	<u>1,558,184</u>
EXPENSES			
Waterworks services (Schedule 3)	985,748	700,700	874,326
Fire protection services (Schedule 4)	541,033	470,598	439,033
Total expenses (Note 13)	<u>1,526,781</u>	<u>1,171,298</u>	<u>1,313,359</u>
ANNUAL SURPLUS	<u>403,193</u>	<u>888,958</u>	<u>244,825</u>
DISTRICT POSITION, BEGINNING OF YEAR	<u>7,203,781</u>	<u>7,203,781</u>	<u>6,958,956</u>
DISTRICT POSITION, END OF YEAR	<u>\$ 7,606,974</u>	<u>\$ 8,092,739</u>	<u>\$ 7,203,781</u>

See accompanying notes to the financial statements

**NORTH CEDAR IMPROVEMENT DISTRICT
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2012**

	<u>2012 Budget (Note 14)</u>	<u>2012 Actual</u>	<u>2011 Actual</u>
ANNUAL SURPLUS	\$ 403,193	\$ 888,958	\$ 244,825
Acquisition of tangible capital assets	-	(546,597)	(375,137)
Proceeds on sale of tangible capital assets	-	1,000	-
Amortization of tangible capital assets	178,000	192,438	178,540
Loss on sale of tangible capital assets	-	999	12,340
(Increase) in inventories	-	-	(153,567)
(Increase) in prepaid expense	-	(31)	(3,069)
	<u>178,000</u>	<u>(352,191)</u>	<u>(340,893)</u>
CHANGE IN NET FINANCIAL ASSETS	581,193	536,767	(96,068)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	(116,531)	(116,531)	(20,463)
NET (DEBT) FINANCIAL ASSETS, END OF YEAR	\$ 464,662	\$ 420,236	\$ (116,531)

See accompanying notes to the financial statements

**NORTH CEDAR IMPROVEMENT DISTRICT
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2012**

	<u>2012</u>	<u>2011</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 888,958	\$ 244,825
Items not affecting cash:		
Amortization	<u>192,437</u>	<u>178,540</u>
	1,081,395	423,365
Changes in non-cash items:		
Amounts receivable	(24,243)	(43,997)
Prepaid expenses	(31)	(3,068)
Inventory	-	(153,567)
Accounts payable and accrued liabilities	(11,978)	(2,090)
Capital development reserve	(168,447)	4,288
Loss on sale of tangible capital asset	<u>999</u>	<u>12,340</u>
Cash provided by operating transactions	<u>877,695</u>	<u>237,271</u>
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(546,597)	(375,137)
Cash from sale of tangible capital assets	<u>1,000</u>	<u>-</u>
Cash applied to capital transactions	<u>(545,597)</u>	<u>(375,137)</u>
FINANCING TRANSACTIONS		
Debt repayment	<u>(63,414)</u>	<u>(60,539)</u>
Cash applied to financing transactions	<u>(63,414)</u>	<u>(60,539)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	268,684	(198,405)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,448,294</u>	<u>1,646,699</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,716,978</u></u>	<u><u>\$ 1,448,294</u></u>

See accompanying notes to the financial statements

**NORTH CEDAR IMPROVEMENT DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012**

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, 2012**

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.

e) Sick leave benefits

The District provides sick leave to employees based on their banked sick time and to a maximum of 45 days of 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 2012 is \$9,873 (2011 - \$5,971).

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

Infrastructure assets

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

(continues)

**NORTH CEDAR IMPROVEMENT DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012**

2. Significant Accounting Policies (continued)

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 2012 is nil (2011 - 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, investments, provisions for contingencies, and the amounts recorded as accrued liabilities.

3. Financial Instruments

The District's financial instruments consist of cash and short term deposits, accounts receivable, accounts payable, 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 or credit risks arising from these financial instruments.

NORTH CEDAR IMPROVEMENT DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012

4. Cash and Short Term Deposits

Cash and cash equivalents are comprised of the following:

	<u>2012</u>	<u>2011</u>
Waterworks	\$ 303,576	\$ 75,105
Fire protection	331,226	309,500
Maintenance bond reserve account	26,883	28,200
	<u>661,685</u>	<u>412,805</u>
Reserve Funds (Schedule 5)		
Renewal reserve fund (Note 11)	219,606	319,880
Fire equipment replacement fund	429,469	177,534
Debt repayment reserve fund	163,940	127,350
	<u>813,015</u>	<u>624,764</u>
Statutory Reserve Fund (Note 9)		
Capital development fund	242,278	410,725
	<u>242,278</u>	<u>410,725</u>
	<u>\$ 1,716,978</u>	<u>\$ 1,448,294</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>2012</u>	<u>2011</u>
Tolls	\$ 172,486	\$ 144,547
Taxes	52,131	32,952
GST/HST	32,629	54,620
Other	930	1,814
	<u>258,176</u>	<u>233,933</u>
	<u>\$ 258,176</u>	<u>\$ 233,933</u>

**NORTH CEDAR IMPROVEMENT DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012**

6. Accounts Payable and Accrued Liabilities

	<u>2012</u>	<u>2011</u>
Waterworks (Note 2(e))	\$ 75,214	\$ 87,306
Fire protection	52,483	51,052
Maintenance bond reserve account	<u>26,882</u>	<u>28,200</u>
	<u>\$ 154,579</u>	<u>\$ 166,558</u>

7. 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>2012</u>	<u>2011</u>
Fire Protection Fund:	<u>\$ 1,158,061</u>	<u>\$ 1,221,475</u>

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

	<u>Fire protection</u>
2013	\$ 66,426
2014	69,581
2015	72,886
2016	76,348
2017	<u>79,975</u>
	<u>\$ 365,216</u>

8. 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:

2013	\$ 3,510
2014	3,510
2015	3,510
2016	908
	<u>\$ 11,438</u>

NORTH CEDAR IMPROVEMENT DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012

9. 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 B.C.. 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>2012</u>	<u>2011</u>
Balance, beginning of the year	\$ 410,725	\$ 406,437
Add: Interest	3,018	4,288
Less: Transfers	<u>(171,465)</u>	<u>-</u>
Balance, end of year	<u>\$ 242,278</u>	<u>\$ 410,725</u>
The balance consists of:		
Cash (Note 4)	<u>\$ 242,278</u>	<u>\$ 410,725</u>

10. Inventories

	<u>2012</u>	<u>2011</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.

11. Renewal Reserve

The Renewal Reserve (Note 4) 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.

12. 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.

**NORTH CEDAR IMPROVEMENT DISTRICT
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 As at December 31, 2012**

13. Consolidated Current Expenditure by Object

	<u>2012 Budget (Note 14)</u>	<u>2012 Actual</u>	<u>2011 Actual</u>
Operations and maintenance	\$ 844,453	\$ 703,390	\$ 797,944
Salaries and honoraria	624,308	411,394	455,957
Debt service - interest	<u>58,020</u>	<u>56,514</u>	<u>59,458</u>
Total	<u>\$ 1,526,781</u>	<u>\$ 1,171,298</u>	<u>\$ 1,313,359</u>

14. 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.

15. Comparative Figures

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

16. Contingent Liabilities

At the end of the year the District was involved in a number of legal actions of which the outcomes are indeterminate at this time; therefore, no liability has been recognized as at December 31, 2012.

SCHEDULE 1

NORTH CEDAR IMPROVEMENT DISTRICT
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2012

	2012						Totals
	Land	Buildings	Engineering Structures	Machinery and Equipment	Land Improvements	Assets Under Construction	2011
Cost							
Opening costs	\$ 321,103	\$ 2,188,007	\$ 6,020,984	\$ 1,027,157	\$ 52,184	\$ 372,302	\$ 9,982,737
Additions during the year	271,476	3,200	266,381	49,022	-	17,792	385,800
Disposals during the year	-	-	-	(2,367)	-	(61,274)	(110,353)
Closing costs	592,579	2,192,207	6,287,365	1,073,812	52,184	328,820	9,982,737
Accumulated Amortization							
Opening accum'd amortization	-	282,796	2,116,153	464,702	13,736	-	2,877,387
Disposals during the year	-	-	-	(368)	-	-	(87,351)
Amortization	-	43,956	93,052	53,140	2,289	-	178,540
Closing accum'd amortization	-	326,752	2,209,205	517,474	16,025	-	2,877,385
Net Book Value of Tangible Capital Assets	\$ 592,579	\$ 1,865,455	\$ 4,078,160	\$ 556,338	\$ 36,159	\$ 328,820	\$ 7,457,511
							\$ 7,105,352

NORTH CEDAR IMPROVEMENT DISTRICT
Consolidated Schedule of Accumulated Surplus
Year Ended December 31, 2012

SCHEDULE 2

	<u>2012</u>	<u>2011</u>
OPERATING FUNDS		
Unappropriated		
Fire protection	\$ 295,710	\$ 235,070
Waterworks	684,565	326,000
Total Unappropriated	<u>980,275</u>	<u>561,070</u>
Appropriated		
Fire protection	-	56,544
Waterworks	-	77,527
Total Appropriated	<u>-</u>	<u>134,071</u>
Total Operating Funds	<u>\$ 980,275</u>	<u>\$ 695,141</u>
Presented as:		
Fire protection - operating (Schedule 4)	\$ 295,710	\$ 291,614
Waterworks - operating (Schedule 3)	684,565	403,527
Total Operating Surplus	<u>980,275</u>	<u>695,141</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Net book value of tangible capital assets (Schedule 1)	7,457,511	7,105,352
Less: long term debt (Note 7)	<u>(1,158,061)</u>	<u>(1,221,475)</u>
	<u>6,299,450</u>	<u>5,883,877</u>
RESERVE FUNDS (Schedule 5)	<u>813,014</u>	<u>624,763</u>
Total Accumulated Surplus	<u>\$ 8,092,739</u>	<u>\$ 7,203,781</u>

NORTH CEDAR IMPROVEMENT DISTRICT
 STATEMENT OF WATERWORKS OPERATING FUND
 Year Ended December 31, 2012

SCHEDULE 3

	2012 Budget (Note 14)	2012 Actual	2011 Actual
REVENUE			
Water tolls	\$ 737,083	\$ 646,321	\$ 550,475
Water tolls - penalties	10,000	18,728	15,352
Water tolls - Nanaimo First Nations	55,364	46,022	39,851
District tax levy	286,700	307,126	202,042
Subdivision and connection fees	-	2,835	2,240
Interest	1,390	4,614	1,876
Loss on disposal of tangible capital assets	-	-	(12,340)
Capital development fees (Note 9)	-	171,465	-
Sundry	-	9,041	3,708
Total revenue	1,090,537	1,206,152	803,204
EXPENSES			
Amortization	100,000	103,813	97,319
Audit and financial services	18,200	19,700	24,555
Bank charges	3,600	3,168	2,954
Employer payroll expenses	74,448	47,358	46,186
Engineering	50,000	19,181	41,390
Insurance	16,660	15,995	15,726
Office and general	79,449	74,214	78,892
Salaries and wages	391,068	275,509	370,303
Telephone	4,900	2,994	4,107
Trustee's honoraria	17,100	17,145	11,797
Utilities	37,000	30,081	31,590
Vehicle	7,100	7,003	12,623
Waterworks operations	186,223	84,539	136,884
Total expenses	985,748	700,700	874,326
NET REVENUES	104,789	505,452	(71,122)
TRANSFERS			
Invested in tangible capital assets	(2,235,000)	(398,028)	(71,439)
From Fire Protection Operating Fund	72,000	72,000	65,440
From Reserve Funds	348,811	101,614	-
CHANGE IN FUND BALANCE	(1,709,400)	281,038	(77,121)
FUND SURPLUS, BEGINNING OF YEAR	403,527	403,527	480,648
FUND SURPLUS, END OF YEAR	\$ (1,305,873)	\$ 684,565	\$ 403,527

NORTH CEDAR IMPROVEMENT DISTRICT
 STATEMENT OF FIRE PROTECTION OPERATING FUND
 Year Ended December 31, 2012

SCHEDULE 4

	2012 Budget (Note 14)	2012 Actual	2011 Actual
REVENUE			
Taxes collected	\$ 646,845	\$ 646,845	556,370
Taxes collected - debt service	160,850	162,660	155,925
Fire protection fees	31,742	35,313	31,952
Loss on disposal of tangible capital assets	-	(999)	-
Interest	-	5,727	4,669
Total revenue	839,437	849,546	748,916
EXPENSES			
Administration	26,930	4,378	10,828
Amortization	78,000	88,625	81,221
Equipment maintenance and supplies	34,398	45,655	62,795
Fire hall - utilities	19,445	19,882	17,867
Fire hall - insurance	16,000	15,995	15,726
Fire hall - repairs and maintenance	18,250	18,805	15,290
Fire truck - insurance	6,600	6,048	5,527
Fire truck - operations	19,400	14,324	14,815
Health protection	3,000	3,044	2,939
Inspections	1,500	60	60
Interest on long term debt	58,020	56,514	59,458
Salaries and benefits	81,125	37,089	-
Street lighting	26,400	23,674	21,951
Telephone	3,950	5,860	6,339
Training	36,100	31,814	33,511
Uniforms and promotional	13,000	15,696	15,946
Volunteer firemen practices and honoraria	98,915	81,651	73,857
Worker's compensation	-	1,484	903
Total expenses	541,033	470,598	439,033
NET REVENUES	298,404	378,948	309,883
TRANSFERS			
Investment in tangible capital assets	(53,000)	(17,546)	(173,357)
Transfers to waterworks operating fund	(72,000)	(72,000)	(65,440)
Transfers from (to) reserve funds	109,990	(285,306)	(18,194)
CHANGE IN FUND BALANCE	283,394	4,096	52,892
FUND SURPLUS, BEGINNING OF YEAR	238,722	291,614	238,722
FUND SURPLUS, END OF YEAR	\$ 522,116	\$ 295,710	291,614

NORTH CEDAR IMPROVEMENT DISTRICT
SCHEDULE 5
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 Year Ended December 31, 2012

	2012			2011
	Renewal Reserve	Fire Equipment Replacement Reserve	Debt Repayment Reserve	Total
REVENUE				
Interest	\$ 1,339	\$ 1,668	\$ 1,551	\$ 4,558
Total revenue	1,339	1,668	1,551	4,558
TRANSFERS				
Transfer from (to) waterworks operating fund	(101,614)	-	-	(101,614)
Transfer from (to) fire protection operating fund	-	250,266	35,040	285,306
CHANGE IN RESERVE FUND BALANCES	(100,275)	251,934	36,591	188,250
FUND SURPLUS, BEGINNING OF YEAR	319,881	177,534	127,349	624,764
FUND SURPLUS, END OF YEAR	\$ 219,606	\$ 429,468	\$ 163,940	\$ 813,014
				\$ 624,763