

MILL BAY FIRE PROTECTION DISTRICT							
			May	2020			
2020		PREVIOUS	MONTHLY	MONTHLY	YEAR TO	YEAR TO	
BUDGET		MONTH	EXP.	BUDGET	DATE EXP	BUDGET	
15000	VEHICLE LIC & INS	0.00	0.00	1250.00	12997.00	6250.00	
15000	VEHICLE I FUEL	1704.68	1337.74	1250.00	5594.54	6250.00	
20000	VEHICLE R&M	7613.34	1282.28	1666.67	20382.42	8333.35	
8000	TELEPHONE & SIGN	439.59	117.52	666.67	3372.69	3333.35	
2000	RADIO,PAGER R&M	0.00	205.98	166.67	332.74	833.35	
34000	UTILITIES	4695.80	2592.48	2833.33	16568.64	14166.65	
500	SHOP EXPENSE	377.42	54.86	41.67	1004.34	208.35	
5500	OFFICE EXPENSE	250.87	158.87	458.33	1406.86	2291.65	
30000	BUILDING R&M	4214.84	3134.02	2500.00	15532.70	12500.00	
42000	OTHER INSURANCE	1643.69	4352.67	3500.00	15323.74	17500.00	
3000	CONSUMABLE PRD	63.00	330.95	250.00	997.30	1250.00	
62500	GENERAL ADMIN.	6437.80	6277.74	5208.33	30321.20	26041.65	
310000	HONORARIUM	25043.85	24107.85	25833.33	120486.55	129166.65	
7000	MEMBERSHIP & DUE	1255.61	0.00	583.33	3414.61	2916.65	
9000	PROMOTIONAL EXP	370.50	0.00	750.00	370.50	3750.00	
7000	FIRE PREVENTION	103.23	0.00	583.33	405.35	816.65	
1000	EMERG PREPARD	0.00	0.00	83.33	0.00	416.65	
170,000	CALLS,DUTY,PRAC.	14166.67	14166.67	14166.67	70833.35	70833.35	
115000	TRAINING	937.85	17792.49	9583.33	24463.56	47916.65	
17000	CONVENTION	0.00	0.00	1416.67	1810.00	7083.35	
12000	TESTING/CERT	0.00	0.00	1000.00	0.00	5000.00	
38000	CAPITAL-EQUIPMEN	5163.53	16450.14	3166.67	35391.06	15833.35	
41000	CAPITAL-REPLACEM	6753.16	3444.11	3416.67	30803.30	23416.69	
500	MISC	20.00	27.00	41.67	170.16	208.35	
		81255.43	95833.37	80416.67	411982.61	406316.69	
	New Truck				1354396.88		
	Reserve Projects		2933.31		42632.52		
	Sub Total	81255.43	98766.68	80416.67	411982.61	406316.69	
	TOTAL YEARLY EXPENSES						
965000	TOTAL 2020 BUDGET						
85000	RESERVE						
1050000	TOTAL						
	BALANCE OF FUNDS						
	May Expenses			98766.68			
	May Interest			72.36			
	Chequing	133010.78					
	Savings	79939.33					
	Term	282,843.50					
	Savings	9,090.59					
	Terms	189,917.15					
	Shares	5.60					
		694,806.95					

Mill Bay Fire Protection District

Financial Statements

December 31, 2019

Mill Bay Fire Protection District

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For the year ended December 31, 2019

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Independent Auditor's Report

To the Board of Trustees of Mill Bay Fire Protection District:

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with 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 financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nanaimo, British Columbia

May 26, 2020

MNP LLP

Chartered Professional Accountants

Mill Bay Fire Protection District
Statement of Financial Position
As at December 31, 2019

	<i>2019</i>	<i>2018</i>
Financial Assets		
Cash	997,605	822,771
Restricted cash	261,280	285,702
Accounts receivable	-	-
GST rebate receivable	62,867	20,960
Interest receivable	1,368	8,689
	1,323,120	1,138,122
Financial Liabilities		
Accounts payable and accruals	21,109	39,173
Capital tax advance debt <i>(Note 3)</i>	2,530,341	1,770,895
	2,551,450	1,810,068
Net Debt	(1,228,330)	(671,946)
Commitment <i>(Note 4)</i>		
Subsequent event <i>(Note 5)</i>		
Non-Financial Assets		
Prepaid expenses	19,408	13,070
Tangible capital assets <i>(Note 6)</i>	4,232,234	3,667,012
	4,251,642	3,680,082
Accumulated Surplus <i>(Note 7)</i>	3,023,312	3,008,136

Approved on behalf of the Trustees



 Trustee

 Trustee

The accompanying notes are an integral part of these financial statements

Mill Bay Fire Protection District
Statement of Operations and Accumulated Surplus
For the year ended December 31, 2019

	2019	2019	2018
	<i>Budget (Note 8)</i>		
Revenue			
Operating tax advance	935,000	935,000	770,750
Capital tax advances	-	265,695	265,695
Other	-	44,546	45,323
Interest	-	11,625	18,072
	935,000	1,256,866	1,099,840
Expenses			
Advertising	9,000	13,153	9,570
Amortization	-	237,559	207,954
Business taxes and licenses	5,000	6,660	3,837
Calls, duty and drills	140,000	140,000	140,000
Fuel	16,000	14,051	18,343
Insurance	35,000	33,155	32,265
Interest and bank charges	-	1,774	1,252
Interest on long-term debt	-	75,141	75,130
Office and administration	50,000	36,685	5,504
Prevention	6,500	9,018	6,759
Professional fees	16,000	18,918	16,215
Repairs and maintenance	45,500	63,806	59,637
Replacement and renewals	40,000	79,925	29,427
Safety supplies, consumables and freight	6,000	8,780	5,736
Salaries and benefits	310,000	312,634	174,193
Telephone	9,000	6,731	7,860
Testing and certification	12,000	12,843	12,131
Training	98,000	106,201	104,182
Utilities	33,000	33,818	33,941
	831,000	1,210,852	943,936
Annual surplus before other items	104,000	46,014	155,904
Other Income and Expenses			
Loss on disposal of tangible capital assets	-	(30,838)	-
Annual surplus	104,000	15,176	155,904
Accumulated surplus, beginning of year	3,008,136	3,008,136	2,852,232
Accumulated surplus, end of year	3,112,136	3,023,312	3,008,136

The accompanying notes are an integral part of these financial statements

Mill Bay Fire Protection District
Statement of Change in Net Debt
For the year ended December 31, 2019

	<i>2019 Budget (Note 8)</i>	<i>2019</i>	<i>2018</i>
Annual surplus	104,000	15,176	155,904
Amortization	-	237,559	207,954
Prepaid expenses	-	(6,337)	485
Purchase of tangible capital assets	(69,000)	(883,620)	(210,652)
Loss on disposal of tangible capital assets	-	30,838	-
Proceeds on disposition of tangible capital assets	-	50,000	-
		(571,560)	(2,213)
Change in net debt	35,000	(556,384)	153,691
Net debt, beginning of year	(671,946)	(671,946)	(825,637)
Net debt, end of year	(636,946)	(1,228,330)	(671,946)

The accompanying notes are an integral part of these financial statements

Mill Bay Fire Protection District

Statement of Cash Flows

For the year ended December 31, 2019

	<i>2019</i>	<i>2018</i>
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	15,176	155,904
Amortization	237,559	207,954
Loss on disposal of tangible capital assets	30,838	-
Change in accounts receivable	-	850
Change in prepaid expenses	(6,337)	484
Change in GST rebate receivable	(41,907)	(5,695)
Change in interest receivable	7,321	(6,596)
Change in accounts payable and accruals	(18,064)	9,833
	224,586	362,734
Investing activities		
Proceeds on disposition of tangible capital assets	50,000	-
Purchase of tangible capital assets	(883,620)	(210,652)
	(833,620)	(210,652)
Financing activities		
Capital tax advance Bylaw #157	958,579	-
Repayment of long-term debt	(199,133)	(190,566)
	759,446	(190,566)
Increase (decrease) in cash resources	150,412	(38,484)
Cash resources, beginning of year	1,108,473	1,146,957
	1,258,885	1,108,473
Cash resources, end of year	1,258,885	1,108,473
Cash consists of:		
Cash	997,605	822,771
Restricted cash	261,280	285,702
	1,258,885	1,108,473

The accompanying notes are an integral part of these financial statements

Mill Bay Fire Protection District
Notes to the Financial Statements
For the year ended December 31, 2019

1. Incorporation and operations

Mill Bay Fire Protection District (the "District") was incorporated under the Municipal Act of the Province of British Columbia in order to carry out the functions of a Fire Protection District. Under Section 149(1)(c) of the Income Tax Act, the Fire Protection District is exempt from taxation.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards as recommended by the public sector accounting board of CPA Canada which encompasses the following principles:

Fund accounting

The District records accounting transactions using the fund accounting method generally in use for governments. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund has its own statement of operations which presents the results of operations for the fund. The statement of financial position of the District includes the assets, liabilities and accumulated surplus of all funds presented in the financial statements.

The District maintains a capital fund which accounts for the tangible capital assets of the District and an operations fund which includes the operations of the District. The operations fund is split into two categories. Operations accounts for the day-to-day activities of providing services and the renewal reserve, which was established to fund purchases and replacement of tangible capital assets. The renewal reserve can only be disbursed through a Bylaw. Details of the operations of each program are set out in the supplementary schedules.

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst programs have not necessarily been eliminated on the individual schedules.

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 over their estimated useful lives (ranging from 5 to 50 years) or on a straight-line basis.

Revenue recognition

Revenue is accounted for in the period in which the transactions or events occur that give rise to the revenue. Government transfers, from the Province of British Columbia, such as the operating tax advance, are recognized as revenue 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. Interest and other income is recognized as revenue as earned on an accrual basis.

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period.

Amortization is based on the estimated useful lives of tangible capital assets.

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

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Mill Bay Fire Protection District
Notes to the Financial Statements
For the year ended December 31, 2019

2. Significant accounting policies (Continued from previous page)

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. As at December 31, 2019 the District has not recorded any liability for contaminated sites as no sites exist.

3. Capital tax advance debt

	2019	2018
Province of BC (Bylaw #80) loan bearing interest at 6% per annum, repayable in annual blended payments of \$75,181. The loan matures on December 31, 2021 and is issued under Bylaw 102 (Ladder Truck - 2002).	137,836	200,959
Province of BC (Bylaw #94) loan bearing interest at 4.45% per annum, repayable in annual blended payments of \$62,977. The loan matures on December 31, 2021.	118,019	173,285
Province of BC (Bylaw #109) loan bearing interest at 3.7% per annum, repayable in annual blended payments of \$34,994. The loan matures on December 31, 2029.	288,116	311,581
Province of BC (Bylaw #132) loan bearing interest at prime plus 0.25% per annum. Repayable in annual blended payments of \$92,544. The loan matures on December 31, 2033.	1,027,791	1,085,070
Province of BC (Bylaw #157) loan bearing interest at 3.20% per annum. Repayable in annual blended payments of \$81,463. The loan matures on December 31, 2034.	958,579	-
	2,530,341	1,770,895

Mill Bay Fire Protection District
Notes to the Financial Statements
For the year ended December 31, 2019

3. Capital tax advance debt (Continued from previous page)

The five-year principal repayment schedule for capital tax advance debt is as follows:

	2024	2023	2022	2021	2020
Bylaw # 80	-	-	-	70,925	66,911
Bylaw # 94	-	-	-	60,384	57,635
Bylaw #109	28,139	27,136	26,167	25,234	24,333
Bylaw #132	67,212	65,097	63,048	61,063	59,141
Bylaw #157	57,608	55,822	54,091	52,414	50,788
	<u>152,959</u>	<u>148,055</u>	<u>143,306</u>	<u>270,020</u>	<u>258,808</u>

4. Commitment

On November 29th, 2019, the District entered into an agreement with Island Ford Superstore. Under this agreement, the District has ordered and agreed to pay Island Ford Superstore a total of \$56,780 for the purchase of a new Ford F350 pick-up truck. The District shall pay the full amount owed when the vehicle is delivered in February 2020.

5. Subsequent event

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Mill Bay Fire Protection District as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and isolation/quarantine measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

6. Tangible capital assets

	Cost	Accumulated amortization	2019 Net Book Value	2018 Net Book Value
Main hall	1,722,617	641,674	1,080,943	1,115,396
Satellite hall	1,263,370	150,764	1,112,606	1,138,027
Satellite well	7,328	4,397	2,931	3,078
Land	140,000	-	140,000	140,000
Firetrucks	2,931,385	1,295,987	1,635,398	1,016,511
Vehicles	136,771	49,872	86,899	93,738
Office furniture and equipment	22,380	7,899	14,481	6,298
Tools and equipment	275,315	130,694	144,621	144,365
Computers	27,326	12,971	14,355	9,599
	<u>6,526,492</u>	<u>2,294,258</u>	<u>4,232,234</u>	<u>3,667,012</u>

Mill Bay Fire Protection District
Notes to the Financial Statements
For the year ended December 31, 2019

7. Accumulated Surplus

Accumulated Surplus consists as follows:

	2019	2018
Operations	954,063	\$822,969
Renewal Reserve	367,356	\$289,049
Equity in TCA	1,701,893	\$1,896,118
	3,023,312	\$3,008,136

8. Budget

Budget figures represent the budget adopted by the Board on October 23, 2018. The following schedule reconciles the surplus as presented in the budget as approved by the Board to the surplus as shown on the Statement of Operations.

Budgeted surplus as approved by Trustees	-
Transfer to renewal reserve	75,000
Purchases of tangible capital assets	<u>29,000</u>
Budgeted annual surplus, as per Statement of Operations	<u>104,000</u>

9. Environmental regulations

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.

10. Financial instruments

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

11. Economic dependence

The District's primary source of income is funding from the Province of British Columbia. The funding can be cancelled if the District does not observe certain established guidelines. The District's ability to continue viable operations is dependent upon maintaining those established guidelines. As at the date of these financial statements the District believes that it is in compliance with the guidelines.

Mill Bay Fire Protection District
Schedule 1 - Segmented Information
For the year ended December 31, 2019

	Operations	Renewal Reserve	Tangible Capital Assets	2019
Revenue				
Operating tax advance	860,000	75,000	-	935,000
Capital tax advances	265,695	-	-	265,695
Other	44,546	-	-	44,546
Interest	8,310	3,315	-	11,625
	1,178,551	78,315	-	1,256,866
Expenses				
Advertising	13,153	-	-	13,153
Amortization	-	-	237,559	237,559
Business taxes and licenses	6,660	-	-	6,660
Calls, duty and drills	140,000	-	-	140,000
Fuel	14,051	-	-	14,051
Insurance	33,155	-	-	33,155
Interest and bank charges	1,766	8	-	1,774
Interest on long-term debt	75,141	-	-	75,141
Office and administration	36,685	-	-	36,685
Prevention	9,018	-	-	9,018
Professional fees	18,918	-	-	18,918
Repairs and maintenance	63,806	-	-	63,806
Replacement and renewals	79,925	-	-	79,925
Safety supplies, consumables and freight	8,780	-	-	8,780
Salaries and benefits	312,634	-	-	312,634
Telephone	6,731	-	-	6,731
Testing and certification	12,843	-	-	12,843
Training	106,201	-	-	106,201
Utilities	33,818	-	-	33,818
	973,285	8	237,559	1,210,852
Excess (deficiency) of Revenue over Expenses	205,266	78,307	(237,559)	46,014
Other Income and Expenses				
Loss on disposal of tangible capital assets	(30,838)	-	-	(30,838)
Annual surplus (deficit)	174,428	78,307	(237,559)	15,176
Transfers				
Net transfers to fund tangible capital asset acquisitions	155,799	-	(155,799)	-
Transfer to fund principal payments	(199,133)	-	199,133	-
Accumulated surplus, beginning of year	822,969	289,049	1,896,118	3,008,136
	779,635	289,049	1,939,452	3,008,136
Accumulated surplus, end of year	954,063	367,356	1,701,893	3,023,312

The accompanying notes are an integral part of these financial statements

Mill Bay Fire Protection District

Schedule 2 - Operations

For the year ended December 31, 2019

	2019	2018
Revenue		
Operating tax advance	860,000	695,750
Capital tax advances	265,695	265,695
Other	44,546	45,323
Interest	8,310	11,739
	1,178,551	1,018,507
Expenses		
Advertising	13,153	9,570
Business taxes and licenses	6,660	3,837
Calls, duty and drills	140,000	140,000
Fuel	14,051	18,343
Insurance	33,155	32,265
Interest and bank charges	1,766	1,243
Interest on long-term debt	75,141	75,130
Office and administration	36,685	5,504
Prevention	9,018	6,759
Professional fees	18,918	16,215
Repairs and maintenance	63,806	59,637
Replacement and renewals	79,925	29,427
Safety supplies, consumables and freight	8,780	5,736
Salaries and benefits	312,634	174,193
Telephone	6,731	7,860
Testing and certification	12,843	12,131
Training	106,201	104,182
Utilities	33,818	33,941
	973,285	735,973
Other Income and Expenses		
Loss on disposal of assets	(30,838)	-
	174,428	282,534
Transfers		
Transfers with renewal reserve	-	119,420
Transfer to fund tangible capital asset acquisitions	155,799	(210,652)
Transfer to fund principal payments	(199,133)	(190,566)
	(43,334)	(281,798)
Accumulated surplus, beginning of year	822,969	822,233
Accumulated surplus, end of year	954,063	822,969

The accompanying notes are an integral part of these financial statements

Mill Bay Fire Protection District
Schedule 3 - Renewal Reserve Fund
For the year ended December 31, 2019

	2019	2018
Revenue		
Operating tax advance	75,000	75,000
Interest	3,315	6,333
	78,315	81,333
Expenses		
Interest and bank charges	8	9
Annual surplus	78,307	81,324
Accumulated surplus, beginning of year	289,049	327,145
Transfers	-	(119,420)
Accumulated surplus, end of year	367,356	289,049

The accompanying notes are an integral part of these financial statements

Mill Bay Fire Protection District
Schedule 4 - Equity in Tangible Capital Assets
For the year ended December 31, 2019

	2019	2018
Expenses		
Amortization	237,559	207,954
Annual deficit	(237,559)	(207,954)
Accumulated surplus, beginning of year	1,896,118	1,702,854
Transfers		
Transfers of new capital tax advance debt	(958,579)	-
Transfers to fund tangible capital asset acquisitions	883,620	210,652
Transfers on disposal of tangible capital assets	(80,840)	-
Transfers to fund principal payments	199,133	190,566
	43,334	401,218
Accumulated surplus, end of year	1,701,893	1,896,118

The accompanying notes are an integral part of these financial statements