

**MILL BAY FIRE PROTECTION DISTRICT**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2023**

**MILL BAY FIRE PROTECTION DISTRICT**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

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The consolidated financial statements of Mill Bay Fire Protection District have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

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

The Board of Trustees is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility by meeting periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Board approves the financial statements and considers, for review and approval by the members, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Morine & Schindler CPAs LLP, in accordance with Canadian public sector accounting standards.

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Deb Murphy, Administrator

Mill Bay, B.C  
March 14, 2024



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Mill Bay Fire Protection District

### *Opinion*

We have audited the consolidated financial statements of Mill Bay Fire Protection District (the organization), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net financial debt and cash flows 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 organization as at December 31, 2023, and the consolidated results of its operations and 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 Consolidated Financial Statements* section of our report. We are independent of the organization in accordance with 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.

### *Other Matter*

The consolidated financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 27, 2023.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

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The consolidated financial statements of Mill Bay Fire Protection District have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

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

The Board of Trustees is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility by meeting periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Board approves the financial statements and considers, for review and approval by the members, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Morine & Schindler CPAs LLP, in accordance with Canadian public sector accounting standards.

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Deb Murphy, Administrator

Mill Bay, B.C  
March 14, 2024

# Morine & Schindler

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

Independent Auditor's Report to the Members of Mill Bay Fire Protection District (continued)

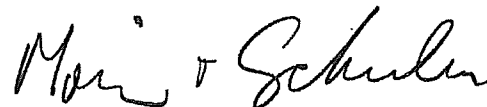
## *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 organization 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  
April 24, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS





**MILL BAY FIRE PROTECTION DISTRICT**  
**Consolidated Statement of Financial Position**  
**December 31, 2023**

	2023	2022
<b>FINANCIAL ASSETS</b>		
Cash	\$ 806,179	\$ 1,020,437
Restricted cash	974,141	321,524
Accounts receivable	-	102,336
Interest receivable	11,314	5,082
Goods and services tax recoverable	60,292	23,791
	<u>1,851,926</u>	<u>1,473,170</u>
<b>LIABILITIES</b>		
Accounts payable	41,861	81,877
Capital tax advance payable (Note 4)	2,622,796	1,870,940
	<u>2,664,657</u>	<u>1,952,817</u>
NET FINANCIAL DEBT	<u>(812,731)</u>	<u>(479,647)</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	37,745	90,310
Tangible capital assets (Note 3)	4,448,120	3,929,719
	<u>4,485,865</u>	<u>4,020,029</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 3,673,134</u>	<u>\$ 3,540,382</u>
<b>ON BEHALF OF THE BOARD</b>		
_____	Trustee	
_____	Trustee	

# Morine & Schindler

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

Independent Auditor's Report to the Members of Mill Bay Fire Protection District *(continued)*

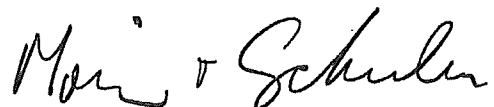
## *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

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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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 organization 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  
April 24, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

**MILL BAY FIRE PROTECTION DISTRICT**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**Year Ended December 31, 2023**

	2023	2023	2022
<b>REVENUES</b>			
Operating tax advance	\$ 1,503,500	\$ 1,503,500	\$ 1,227,740
Capital Tax advances	-	209,001	207,366
Other	-	51,630	65,043
Interest	-	24,062	12,297
Province of BC - Deployment	-	72,446	102,336
	<u>1,503,500</u>	<u>1,860,639</u>	<u>1,614,782</u>
<b>EXPENSES</b>			
Advertising	15,000	19,184	22,368
Amortization	-	257,013	243,661
Business taxes and licences	13,000	6,775	10,726
Calls, duty and drills	245,000	245,000	209,108
Insurance	68,100	80,644	54,970
Interest and bank charges	-	2,583	1,821
Interest on long term debt	-	60,856	62,899
Traning Meals	5,000	4,698	5,931
Office and administration	97,200	38,345	20,408
Replacement and renewals	38,500	90,631	76,934
Safety supplies, consumables and freight	3,000	4,563	3,211
Fuel	26,000	20,851	26,032
Prevention	-	5,277	4,432
Testing and certification	15,700	20,026	10,404
Professional fees	-	6,734	24,595
Repairs and maintenance	353,000	222,232	108,362
Salaries and wages	471,500	516,206	492,987
Telephone	9,500	8,203	12,576
Training	90,000	62,366	86,014
Utilities	53,000	55,700	41,543
	<u>1,503,500</u>	<u>1,727,887</u>	<u>1,518,982</u>
<b>ANNUAL SURPLUS</b>	-	132,752	95,800
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	-	3,540,382	3,444,582
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 3,673,134</u>	<u>\$ 3,540,382</u>



**MILL BAY FIRE PROTECTION DISTRICT**  
**Consolidated Statement of Changes in Net Financial Debt**  
**Year Ended December 31, 2023**

	2023	2022
<b>ANNUAL SURPLUS</b>	<b>\$ 132,752</b>	<b>\$ 95,800</b>
Amortization of tangible capital assets	257,013	243,661
Purchase of tangible capital assets	(775,415)	(19,460)
Decrease (increase) in prepaid expenses	52,566	(73,752)
	<u>(465,836)</u>	<u>150,449</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>(333,084)</b>	<b>246,249</b>
<b>NET FINANCIAL DEBT - BEGINNING OF YEAR</b>	<b>(479,647)</b>	<b>(725,896)</b>
<b>NET FINANCIAL DEBT - END OF YEAR</b>	<b>\$ (812,731)</b>	<b>\$ (479,647)</b>

**MILL BAY FIRE PROTECTION DISTRICT**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**Year Ended December 31, 2023**

	2023	2023	2022
<b>REVENUES</b>			
Operating tax advance	\$ 1,503,500	\$ 1,503,500	\$ 1,227,740
Capital Tax advances	-	209,001	207,366
Other	-	51,630	65,043
Interest	-	24,062	12,297
Province of BC - Deployment	-	72,446	102,336
	<u>1,503,500</u>	<u>1,860,639</u>	<u>1,614,782</u>
<b>EXPENSES</b>			
Advertising	15,000	19,184	22,368
Amortization	-	257,013	243,661
Business taxes and licences	13,000	6,775	10,726
Calls, duty and drills	245,000	245,000	209,108
Insurance	68,100	80,644	54,970
Interest and bank charges	-	2,583	1,821
Interest on long term debt	-	60,856	62,899
Traning Meals	5,000	4,698	5,931
Office and administration	97,200	38,345	20,408
Replacement and renewals	38,500	90,631	76,934
Safety supplies, consumables and freight	3,000	4,563	3,211
Fuel	26,000	20,851	26,032
Prevention	-	5,277	4,432
Testing and certification	15,700	20,026	10,404
Professional fees	-	6,734	24,595
Repairs and maintenance	353,000	222,232	108,362
Salaries and wages	471,500	516,206	492,987
Telephone	9,500	8,203	12,576
Training	90,000	62,366	86,014
Utilities	53,000	55,700	41,543
	<u>1,503,500</u>	<u>1,727,887</u>	<u>1,518,982</u>
<b>ANNUAL SURPLUS</b>	-	132,752	95,800
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	-	3,540,382	3,444,582
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 3,673,134</u>	<u>\$ 3,540,382</u>

**MILL BAY FIRE PROTECTION DISTRICT**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 132,752	\$ 95,800
Item not affecting cash:		
Amortization of tangible capital assets	257,013	243,661
	<u>389,765</u>	<u>339,461</u>
Changes in non-cash working capital:		
Accounts receivable	102,336	(7,316)
Interest receivable	(6,232)	(3,542)
Accounts payable	(40,015)	41,727
Prepaid expenses	52,565	(73,750)
Goods and services tax payable	(36,501)	30,813
Restricted cash	(652,617)	(163,911)
	<u>(580,464)</u>	<u>(175,979)</u>
Cash flow from (used by) operating activities	<u>(190,699)</u>	<u>163,482</u>
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	(775,415)	(19,460)
Cash flow used by investing activity	<u>(775,415)</u>	<u>(19,460)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	900,000	-
Repayment of long term debt	(148,144)	(144,468)
Cash flow from (used by) financing activities	<u>751,856</u>	<u>(144,468)</u>
<b>DECREASE IN CASH FLOW</b>	<b>(214,258)</b>	<b>(446)</b>
Cash - beginning of year	<u>1,020,437</u>	<u>1,020,884</u>
<b>CASH - END OF YEAR</b>	<b>\$ 806,179</b>	<b>\$ 1,020,438</b>





**MILL BAY FIRE PROTECTION DISTRICT**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

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1. PURPOSE OF THE ORGANIZATION

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments with maturities of twelve months or less.

Basis of presentation

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards (GAAP).

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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, 2023. 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, 2022 and 2023 the District has not recorded any liability for contaminated sites as no sites exist.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives (ranging from 5 to 50 years) on a straight-line basis.

The organization regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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**MILL BAY FIRE PROTECTION DISTRICT**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 132,752	\$ 95,800
Item not affecting cash:		
Amortization of tangible capital assets	<u>257,013</u>	243,661
	<u>389,765</u>	<u>339,461</u>
Changes in non-cash working capital:		
Accounts receivable	102,336	(7,316)
Interest receivable	(6,232)	(3,542)
Accounts payable	(40,015)	41,727
Prepaid expenses	52,565	(73,750)
Goods and services tax payable	(36,501)	30,813
Restricted cash	<u>(652,617)</u>	<u>(163,911)</u>
	<u>(580,464)</u>	<u>(175,979)</u>
Cash flow from (used by) operating activities	<u>(190,699)</u>	163,482
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	<u>(775,415)</u>	(19,460)
Cash flow used by investing activity	<u>(775,415)</u>	(19,460)
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	900,000	-
Repayment of long term debt	<u>(148,144)</u>	<u>(144,468)</u>
Cash flow from (used by) financing activities	<u>751,856</u>	(144,468)
<b>DECREASE IN CASH FLOW</b>	<b>(214,258)</b>	<b>(446)</b>
Cash - beginning of year	<u>1,020,437</u>	1,020,884
<b>CASH - END OF YEAR</b>	<u>\$ 806,179</u>	<u>\$ 1,020,438</u>

See notes to financial statements

**MILL BAY FIRE PROTECTION DISTRICT**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

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

Revenue recognition

The organization recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured
- amounts received but not earned are recorded as deferred revenue.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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**MILL BAY FIRE PROTECTION DISTRICT**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

**3. TANGIBLE CAPITAL ASSETS**

<u>Cost</u>	2022 Balance	Additions	Disposals	2023 Balance
Land	\$ 140,000	\$ -	\$ -	\$ 140,000
Buildings	3,078,532	-	-	3,078,532
Well	7,328	-	-	7,328
Firetrucks	3,055,020	775,415	-	3,830,435
Vehicles	223,233	-	-	223,233
Office furniture and equipment	24,242	-	-	24,242
Tools and equipment	306,495	-	-	306,495
Computers and equipment	60,908	-	-	60,908
	<b>\$ 6,895,758</b>	<b>\$ 775,415</b>	<b>\$ -</b>	<b>\$ 7,671,173</b>

<u>Accumulated Amortization</u>	2022 Balance	Amortization	Accumulated Amortization on Disposals	2023 Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	978,921	61,571	-	1,040,492
Well	4,836	147	-	4,983
Firetrucks	1,727,639	143,447	-	1,871,086
Vehicles	81,195	11,162	-	92,357
Office furniture and equipment	19,409	2,424	-	21,833
Tools and equipment	119,961	30,649	-	150,610
Computers and equipment	34,078	7,614	-	41,692
	<b>\$ 2,966,039</b>	<b>\$ 257,014</b>	<b>\$ -</b>	<b>\$ 3,223,053</b>

<u>Net book value</u>	2023	2022
Land	\$ 140,000	\$ 140,000
Buildings	2,038,040	2,099,611
Well	2,345	2,492
Firetrucks	1,959,349	1,327,381
Vehicles	130,876	142,038
Office furniture and equipment	2,409	4,833
Tools and equipment	155,885	186,534
Computers and equipment	19,216	26,830
	<b>\$ 4,448,120</b>	<b>\$ 3,929,719</b>

**4. CAPITAL TAX ADVANCE LIABILITY**

	2023	2022
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.	\$ 188,505	\$ 216,128

(continues)

**MILL BAY FIRE PROTECTION DISTRICT**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

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

Revenue recognition

The organization recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured
- amounts received but not earned are recorded as deferred revenue.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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**MILL BAY FIRE PROTECTION DISTRICT**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

4. CAPITAL TAX ADVANCE LIABILITY *(continued)*

	2023	2022
Province of BC (Bylaw #132) loan bearing interest at 3.25% per annum, repayable in annual blended payments of \$92,544. The loan matures on December 31, 2033.	791,486	857,624
Province of BC (Bylaw #157) loan bearing interest at 3.2% per annum, repayable in annual blended payments of \$81,463. The loan matures on December 31, 2034.	741,621	797,188
Province of BC (bylaw #175) loan bearing interest at 4.2% per annum, repayable in annual blended payments of \$64,034. The loan matures on December 31, 2038.	700,921	-
Province of BC (bylaw #176) loan bearing interest at 4.5% per annum, repayable in annual blended payments of \$18,295. The loan matures on December 31, 2038.	200,263	-
	<b>\$ 2,622,796</b>	<b>\$ 1,870,940</b>

Principal repayment terms are approximately:

2024	\$ 196,450
2025	203,376
2026	210,551
2027	217,982
2028	225,679
Thereafter	1,568,758
	<b>\$ 2,622,796</b>

5. FINANCIAL INSTRUMENTS

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

6. ECONOMIC DEPENDENCE

The District's primary source of revenue is funding from the Province of British Columbia. The District's ability to continue viable operations is dependent upon adherence to certain established guidelines which the District believes it is in compliance with.





## MILL BAY FIRE PROTECTION DISTRICT

## Operations

(Schedule 1)

Year Ended December 31, 2023

	2023	2022
<b>REVENUES</b>		
Operating tax advance	\$ 1,303,500	\$ 1,127,740
Capital Tax advances	209,001	207,366
Other	51,630	65,043
Interest	20,408	9,501
Province of BC - Deployment	72,446	102,336
	<u>1,656,985</u>	<u>1,511,986</u>
<b>EXPENSES</b>		
Calls, duty and drills	245,000	209,108
Insurance	80,644	54,970
Interest and bank charges	2,582	1,821
Office and administration	38,345	20,408
Advertising	19,184	22,368
Business taxes and licences	6,775	10,726
Interest on long term debt	60,856	62,899
Training	62,366	86,014
Repairs and maintenance	58,388	88,599
Salaries and wages	516,206	492,987
Prevention	5,277	4,432
Utilities	55,700	41,543
Telephone	8,203	12,576
Fuel	20,851	26,032
Professional fees	6,734	24,595
Replacement and renewals	90,631	76,934
Safety supplies, consumables and freight	4,563	3,211
Testing and certification	20,026	10,404
Traning Meals	4,698	5,931
	<u>1,307,029</u>	<u>1,255,558</u>
<b>ANNUAL SURPLUS</b>	<u>349,956</u>	<u>256,428</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>1,011,125</u>	<u>913,662</u>
<b>TRANSFERS</b>		
Transfer to fund capital assets acquisitions	(775,415)	(14,497)
Transfer to fund principal payments	(148,144)	(144,468)
Transfer to fund new debt	900,000	-
	<u>(23,559)</u>	<u>(158,965)</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 1,337,522</u>	<u>\$ 1,011,125</u>

See notes to financial statements

**MILL BAY FIRE PROTECTION DISTRICT**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

4. CAPITAL TAX ADVANCE LIABILITY *(continued)*

	2023	2022
Province of BC (Bylaw #132) loan bearing interest at 3.25% per annum, repayable in annual blended payments of \$92,544. The loan matures on December 31, 2033.	791,486	857,624
Province of BC (Bylaw #157) loan bearing interest at 3.2% per annum, repayable in annual blended payments of \$81,463. The loan matures on December 31, 2034.	741,621	797,188
Province of BC (bylaw #175) loan bearing interest at 4.2% per annum, repayable in annual blended payments of \$64,034. The loan matures on December 31, 2038.	700,921	-
Province of BC (bylaw #176) loan bearing interest at 4.5% per annum, repayable in annual blended payments of \$18,295. The loan matures on December 31, 2038.	200,263	-
	<b>\$ 2,622,796</b>	<b>\$ 1,870,940</b>

Principal repayment terms are approximately:

2024	\$	196,450
2025		203,376
2026		210,551
2027		217,982
2028		225,679
Thereafter		1,568,758
	<b>\$</b>	<b>2,622,796</b>

5. FINANCIAL INSTRUMENTS

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

6. ECONOMIC DEPENDENCE

The District's primary source of revenue is funding from the Province of British Columbia. The District's ability to continue viable operations is dependent upon adherence to certain established guidelines which the District believes it is in compliance with.

**MILL BAY FIRE PROTECTION DISTRICT**  
**Renewal Reserve Fund**  
**Year Ended December 31, 2023**

**(Schedule 2)**

	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
Operating tax advance	\$ 200,000	\$ 100,000
Interest	<u>3,654</u>	<u>2,797</u>
	<b>203,654</b>	<b>102,797</b>
<b>EXPENSES</b>		
Repairs and maintenance	<u>163,844</u>	<u>19,763</u>
<b>ANNUAL SURPLUS</b>	<u>39,810</u>	<u>83,034</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>459,330</u>	<u>381,259</u>
<b>TRANSFERS</b>		
Transfer to fund capital assets acquisitions	<u>-</u>	<u>(4,963)</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 499,140</b>	<b>\$ 459,330</b>



**MILL BAY FIRE PROTECTION DISTRICT**  
**Equity in Tangible Capital Assets**  
**Year Ended December 31, 2023**

(Schedule 3)

	2023	2022
<b>REVENUES</b>	\$ -	\$ -
<b>EXPENSES</b>		
Amortization	257,013	243,661
<b>ANNUAL SURPLUS</b>	<b>(257,013)</b>	<b>(243,661)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>2,069,928</b>	<b>2,149,661</b>
<b>TRANSFERS</b>		
Transfer to fund capital assets acquisitions	775,415	19,460
Transfer to fund principal payments	148,144	144,468
Transfer to fund new debt	(900,000)	-
	<b>23,559</b>	<b>163,928</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 1,836,474</b>	<b>\$ 2,069,928</b>

MILL BAY FIRE PROTECTION DISTRICT

Renewal Reserve Fund

(Schedule 2)

Year Ended December 31, 2023

	2023	2022
<b>REVENUES</b>		
Operating tax advance	\$ 200,000	\$ 100,000
Interest	3,654	2,797
	<u>203,654</u>	<u>102,797</u>
<b>EXPENSES</b>		
Repairs and maintenance	<u>163,844</u>	<u>19,763</u>
<b>ANNUAL SURPLUS</b>	<u>39,810</u>	<u>83,034</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>459,330</u>	<u>381,259</u>
<b>TRANSFERS</b>		
Transfer to fund capital assets acquisitions	<u>-</u>	<u>(4,963)</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 499,140</u>	<u>\$ 459,330</u>