

GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT

Financial Statements

Year Ended December 31, 2023

GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT

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Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of Gabriola Fire Protection Improvement District

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Gabriola Fire Protection Improvement District (the "improvement district"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets, changes in net financial assets (debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the improvement district as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Qualified Opinion

In common with many organizations, the improvement district derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the improvement district. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2023, and current assets and net assets as at December 31, 2023. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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 improvement district in accordance with 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 qualified audit 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 PSAS, 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 improvement 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 improvement district or to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing the improvement 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 improvement 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 improvement 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 improvement 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.

KMA Chartered Professional Accountants

Lantzville, British Columbia
April 11, 2024

KMA CHARTERED PROFESSIONAL ACCOUNTANTS

GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT**Statement of Financial Position****December 31, 2023**

	Total 2023	Total 2022
Assets		
Financial assets		
Cash and cash equivalents	\$ 950,119	\$ 744,336
Accounts receivable	46,935	7,517
Restricted Cash (Note 3)	22,396	36,800
Inventory (Note 8)	3,988	6,094
	<u>1,023,438</u>	<u>794,747</u>
Non-financial assets		
Prepaid expenses (Note 9)	66,012	52,485
Tangible capital assets (Note 4)	5,007,379	5,155,963
	<u>5,073,391</u>	<u>5,208,448</u>
	<u>6,096,829</u>	<u>6,003,195</u>
Liabilities		
Financial liabilities		
Accounts payable (Note 5)	32,915	51,744
Payroll liabilities (Note 5)	28,460	31,175
Deferred revenue (Notes 3, 10)	174,937	148,203
Current portion of long term debt (Note 6)	139,109	166,461
Long term debt (Note 6)	587,723	726,832
	<u>963,144</u>	<u>1,124,415</u>
Net assets	<u>\$ 5,133,685</u>	<u>\$ 4,878,780</u>

See notes to financial statements

GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT**Statement of Operations****Year Ended December 31, 2023**

	Budget	Total 2023	Total 2022
Revenues			
Provincial levy	\$ 841,820	\$ 841,820	\$ 751,880
Capital tax advance	-	186,660	186,660
Deployment revenue	-	107,005	-
Grant revenue	-	53,055	54,555
Lease revenue (Note 10)	-	30,750	18,527
Other revenue	-	14,684	10,255
Donations	-	13,818	19,955
	<u>841,820</u>	<u>1,247,792</u>	<u>1,041,832</u>
Expenses			
Amortization (Note 4)	-	246,029	252,292
Deployment expenses	-	35,595	-
EMR expenses	-	8,138	17,628
Emergency response	-	825	4,333
FireSmart expenses	-	22,229	54,555
Gabriola Volunteer Firefighters Association	16,500	16,500	6,000
Insurance	55,000	76,096	61,556
Interest on long term debt (Note 6)	-	18,171	21,744
Office	20,000	24,933	18,645
Professional fees	16,000	32,420	21,686
Repairs and maintenance - buildings	5,500	16,115	18,793
Repairs and maintenance - equipment	51,000	57,811	44,382
Telephone	7,000	7,397	6,232
Training	36,000	23,126	27,126
Travel	-	1,092	1,998
Utilities	31,000	26,286	26,216
Vehicle Expenses	43,500	40,458	65,501
Wages and benefits	392,320	337,375	328,751
	<u>673,820</u>	<u>990,596</u>	<u>977,438</u>
Surplus from operations	168,000	257,196	64,394
Other income			
Gain (loss) on disposal of tangible capital assets	-	(2,291)	3,615
Annual Surplus	<u>\$ 168,000</u>	<u>\$ 254,905</u>	<u>\$ 68,009</u>

See notes to financial statements

GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT

Statement of Changes in Net Assets

Year Ended December 31, 2023

	Total 2023	Total 2022
Net assets, beginning of the year	\$ 4,878,780	\$ 4,810,771
Annual surplus	<u>254,905</u>	<u>68,009</u>
Net assets, end of the year (Note 13)	<u>\$ 5,133,685</u>	<u>\$ 4,878,780</u>

GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT
Statement of Changes in Net Financial Assets (Debt)
Year Ended December 31, 2023

	Total	Total
	2023	2022
Annual Surplus	\$ 254,905	\$ 68,009
Amortization of tangible capital assets	246,029	252,292
Purchase of tangible capital assets	(99,733)	(194,171)
Proceeds on disposal of tangible capital assets	-	8,688
Loss (gain) on disposal of assets	2,291	(3,615)
Increase in prepaid expenses	(13,528)	(29,345)
	135,059	33,849
Increase in net financial assets	389,964	101,857
Net financial debt - beginning of year	(329,668)	(431,525)
Net financial assets (debt) - end of year	\$ 60,296	\$ (329,668)

See notes to financial statements

GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT**Statement of Cash Flows****Year Ended December 31, 2023**

	Total 2023	Total 2022
Operating activities		
Annual surplus	\$ 254,905	\$ 68,009
Items not affecting cash:		
Amortization of tangible capital assets	246,029	252,292
Loss (gain) on disposal of tangible capital assets	2,291	(3,615)
Lease revenue (<i>Notes 3, 10</i>)	(30,750)	(18,527)
	<u>472,475</u>	<u>298,159</u>
Changes in non-cash working capital:		
Accounts receivable	(39,418)	(28)
Inventory	2,106	(6,094)
Accounts payable	(18,831)	30,065
Deferred revenue (<i>Note 3</i>)	7,987	(515)
Prepaid expenses	(13,527)	(29,345)
Restricted Cash	14,404	(16,627)
Payroll liabilities	(2,715)	13,430
	<u>(49,994)</u>	<u>(9,114)</u>
Cash flow from operating activities	<u>422,481</u>	<u>289,045</u>
Investing activities		
Purchase of tangible capital assets (<i>Note 4</i>)	(99,733)	(194,171)
GCBF tenant improvements	49,496	138,351
Proceeds on disposal of tangible capital assets	-	8,688
Cash flow used by investing activities	<u>(50,237)</u>	<u>(47,132)</u>
Financing activity		
Repayment of long term debt (<i>Note 6</i>)	(166,461)	(162,364)
Cash flow used by financing activity	<u>(166,461)</u>	<u>(162,364)</u>
Increase in cash flow	205,783	79,549
Cash - beginning of year	<u>744,336</u>	<u>664,787</u>
Cash - end of year	\$ 950,119	\$ 744,336
Cash consists of:		
Cash and cash equivalents	<u>\$ 950,119</u>	<u>\$ 744,336</u>

See notes to financial statements

GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

1. Purpose of the Improvement District

Gabriola Fire Protection District ("the improvement district") was incorporated on July 25, 1969, pursuant to the issue of Letters Patent.

The improvement district operates under the provisions of the *Local Government Act*, Part 17 - Improvement Districts. The primary activities of the improvement district are providing fire protection services and fire safety education to residents of the incorporated area.

2. Summary of Significant Accounting Policies

Basis of Accounting

The improvement district prepares its financial statements in accordance with Canadian public sector accounting standards ("PSAS") for local governments.

Revenue Recognition

A provincial levy is received annually from the Province of British Columbia and is recognized as revenue in the year it is received.

Interest and property tax revenues are recognized in the period in which the transactions or events that generated them occurred.

Cash donations and other revenues are recognized when they are received if they are received for a general purpose. Donations received with a specified purpose are recognized as deferred until the related expenditures have occurred. In-kind donations are recognized at fair market value where that information is available. If fair market value is not available, they are recognized at cost.

Revenues from grants without restrictions are recognized in the period they are received. Revenue from grants with restrictions are recognized as revenues in the period in which eligible expenses are incurred. Until then, they are recorded as a deferred revenue liability.

Other revenue consists of fire extinguisher sales and fees charged. They are recognized when received, as all associated performance obligations are deemed fulfilled.

Deployment revenue is recognized when it is received from the payer.

Lease revenue is recognized during the period to which it applies.

Deferred Revenue

Revenue is deferred when one or more performance obligations have not yet been fulfilled at year-end. Revenue will be recognized as earned when these performance obligations have been fulfilled. For example, grants received for a specific purpose are recognized as revenue when the related expenses are incurred.

Donations are deferred when received for a specific purpose rather than for general operations. They are recognized as revenue when the related expenditures have been made.

Lease revenue is deferred when it is received before the lease term for which it applies. If a lump sum is received up front, it is deferred and recognized evenly over time to reflect the lease liability being fulfilled as a function of time.

Contributed Services

The improvement district's volunteers contribute several hours each year to keep the website running and assist with various community events. Contributed services are not recognized in the financial statements due to difficulty in determining their fair value.

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GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

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

Accounts Receivable

Accounts receivable are recorded when the improvement district has fulfilled its performance obligations and has either invoiced or expects to send an invoice to the payor. These amounts are recorded when the improvement district can reasonably expect to receive economic inflows in the near future.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Inventory

Inventory is valued at the lower cost and net realizable value, with the cost being determined on a first-in, first-out basis.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts directly related to the assets' acquisition, design, construction, development, improvement, or betterment. They are recognized where the cost exceeds \$500 and the useful life exceeds one year.

When historical costs are unavailable, other methods were used to estimate the cost and accumulated amortization of the assets. The improvement district applies a consistent method of estimating the fair value of tangible capital assets for which it does not have historical costs.

Buildings	40 years	straight-line method
Firefighting Equipment	3 to 15 years	straight-line method
Motor vehicles	20 years	straight-line method
Computer equipment	5 years	straight-line method
Furniture, Fixtures and Equipment	10 to 30 years	straight-line method
Communications Equipment	10 years	straight-line method
Water Management Systems	20 to 40 years	straight-line method
Parking Lot	5 years	straight-line method

The improvement district regularly reviews its tangible capital assets to eliminate obsolete items.

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

Long-term debt (capital tax advance repayments)

The Surveyor of Taxes collects capital tax advance repayments for British Columbia from taxes levied on properties in this improvement district's area. Revenue is received from the Ministry of Community Services net of long-term debt interest.

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GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

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

Financial Instruments

The following is a summary of the classifications the improvement district has elected to apply to each of its significant categories of financial instruments.

Financial Statement Accounts	Financial Instrument Category
Cash	Cash Instrument
Accounts receivable	Other Asset
Deferred revenue	Other Liabilities
Accounts payable and accrued liabilities	Other Liabilities
Long-term debt	Other Liabilities

Cash instruments of the improvement district are measured at their fair value.

Other liabilities are measured at amortized cost.

Environmental Issues

The improvement district's accounting policy is to record environmental liabilities as they become known and can be reasonably estimated. At year-end, there were no known environmental liabilities.

Use of Estimates

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reporting amounts 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 year. Items requiring significant estimates include the useful life of capital assets and the determination of accruals.

Impairment of long-lived assets

Long-lived assets are evaluated for impairment annually or when indicators of potential impairment are present. When certain events or changes in operating conditions occur, asset lives may be adjusted, and an impairment assessment may be performed to assess the recoverability of the carrying amounts.

GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

3. Deferred Revenue

EMR Deferred Revenue

In 2023, the improvement district continued raising donations for Emergency Medical Responder (EMR) training. The funds received were donated for that purpose only and kept in a "training fund." The goal of \$40,000 was reached, and training commenced.

These funds are restricted; they can only be used to facilitate the improvement district's firefighters obtaining their EMR certification.

This fund is also known as the Don Elkington Challenge.

	<u>2023</u>	<u>2022</u>
Opening balance, deferred revenue	\$ 28,379	\$ 20,173
Contributions and interest income received in the year	3,653	27,561
Less: Eligible expenditures in the year	<u>(10,666)</u>	<u>(19,355)</u>
Deferred EMR Fund revenue, end of the year	<u>21,366</u>	28,379

Deferred Lease Revenue

Gabriola Fire Improvement Protection District signed a lease with Gabriola Community Bus Foundation ("the foundation") in 2021. This lease has a ten-year term. In lieu of cash lease payments over the term, the foundation will renovate the leased property with funds received for this purpose. The maximum is the foundation's grant amount of \$187,847.

Deferred revenue is recognized when the foundation has made eligible grant expenditures. This revenue will be recognized over the lease term.

Opening balance, deferred revenue	119,824	-
Add: Eligible expenditures incurred by the foundation	49,496	138,351
Less: Revenue recognized in the year	<u>(30,750)</u>	<u>(18,527)</u>
	-	-
	-	-
Deferred Lease Revenue, end of the year	<u>138,570</u>	119,824

Deferred Grant Revenue

The district was approved for a grant to purchase firefighter equipment. The grant was approved in December 2023 and recorded as receivable at year-end. The equipment was ordered before December 31st but not received by the district until January 2024. The equipment was payable on receipt. The district determined that as the equipment was not in their possession, performance obligations related to this revenue were not met, so the revenue was deferred.

Opening balance of deferred grant revenue	-	-
Grants receivable at year-end	15,000	-
Related expenditures incurred	<u>-</u>	<u>-</u>
Deferred grant revenue at year-end	<u>15,000</u>	-
Deferred revenue grand total, end of the year	<u>\$ 174,936</u>	<u>\$ 148,203</u>

GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

4. Tangible Capital Assets

Cost	2022			2023
	Balance	Additions	Disposals	Balance
Hall #1	\$ 4,515,953	\$ 7,121	\$ 3,054	\$ 4,520,020
Vehicles	1,650,946	-	-	1,650,946
Furniture & Equipment	89,560	3,527	-	93,087
Communications equipment	47,309	1,860	-	49,169
Firefighting Equipment	190,175	31,548	-	221,723
Hall #2	14,940	1,851	-	16,791
Water Tanks	67,807	-	-	67,807
Parking Area	2,746	-	-	2,746
Burn Building	38,681	1,802	-	40,483
Mallet Creek Dam	356,432	-	-	356,432
EMR Equipment	1,558	2,528	-	4,086
Old North Hall (GERTIE)	138,351	49,496	-	187,847
	\$ 7,114,458	\$ 99,733	\$ 3,054	\$ 7,211,137

Accumulated Amortization	2022		Accumulated	2023
	Balance	Amortization	Amortization on Disposals	Balance
Hall #1	\$ 1,061,190	\$ 113,077	\$ 764	\$ 1,173,503
Vehicles	643,871	78,774	-	722,645
Furniture & Equipment	49,394	9,309	-	58,703
Communications equipment	19,672	4,917	-	24,589
Firefighting Equipment	117,801	18,109	-	135,910
Hall #2	14,940	46	-	14,986
Water Tanks	26,038	3,390	-	29,428
Parking Area	2,746	-	-	2,746
Burn Building	1,451	1,012	-	2,463
Mallet Creek Dam	17,822	11,881	-	29,703
EMR Equipment	111	816	-	927
Old North Hall (GERTIE)	3,459	4,696	-	8,155
	\$ 1,958,495	\$ 246,027	\$ 764	\$ 2,203,758

Net book value	2023		2022
Hall #1	\$ 3,346,517	\$ 3,454,763	
Vehicles	928,301	1,007,075	
Furniture & Equipment	34,384	40,166	
Communications equipment	24,580	27,637	
Firefighting Equipment	85,813	72,374	
Hall #2	1,805	-	
Water Tanks	38,379	41,769	
Burn Building	38,020	37,230	
Mallet Creek Dam	326,729	338,610	
EMR Equipment	3,159	1,447	
Old North Hall (GERTIE)	179,692	134,892	
	\$ 5,007,379	\$ 5,155,963	

GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

5. Accounts Payable and Accrued Liabilities

	<u>2023</u>	<u>2022</u>
<u>Accounts Payable</u>		
Trade payables	\$ 15,613	\$ 32,415
Accrued accounting fees	9,700	9,700
Payroll liabilities	28,460	31,175
Accrued interest on long-term debt	7,602	9,629
	<u>\$ 61,375</u>	<u>\$ 82,919</u>

6. Long Term Debt

	<u>2023</u>	<u>2022</u>
Bylaw #78 - 2008 Firetruck loan bearing interest at 4% per annum, repayable in monthly blended payments of \$31,560. The loan matured on July 1, 2023 and was secured by Firetruck #3 which had a carrying value of \$109,590.	\$ -	\$ 30,346
Bylaw #88 - Firehall Building loan bearing interest at 2.2% per annum, repayable in monthly blended payments of \$155,100. The loan matures on July 1, 2028 and is secured by Firehall #1 which had a carrying value of \$3,346,592.	<u>726,832</u>	862,947
	<u>726,832</u>	893,293
Amounts payable within one year	<u>(139,109)</u>	(166,461)
	<u>\$ 587,723</u>	<u>\$ 726,832</u>

Principal repayment terms are approximately:

2024	\$ 139,109
2025	142,170
2026	145,298
2027	148,494
2028	<u>151,761</u>
	<u>\$ 726,832</u>

7. Comparative Figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

8. Inventory

Inventory consists of fire extinguishers held for sale. They are sold at a marginal mark-up from cost. The primary purpose of the sale is to promote fire safety, not to earn a profit.

9. Prepaids

Prepaids consist of various prepaid insurance covering the buildings, vehicles, and firefighters.

GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

10. Lease to Gabriola Community Bus Foundation

In May 2021, the improvement district signed a commercial lease agreement with the Gabriola Community Bus Foundation ("the foundation"). The lease agreement stipulates that the foundation will lease the improvement district's old fire hall for ten years from the date the contract was signed.

In exchange, the foundation will use grant money from the B.C. Community Economic Recovery Infrastructure Program to upgrade the leased structure. The grant amount is \$187,896.

For 2022 and 2023, an asset has been recognized to the extent that the foundation has incurred eligible expenditures. A portion of this has been recorded as revenue in the year. This revenue covers the lease term to December 31, 2023. The remainder will be recognized over the lease term and deferred in the interim.

11. Commitments

In December 2023, the Improvement District committed to purchasing a new fire truck. The purchase will comprise the acquisition and payment of the truck chassis in 2024 for \$199,200 plus applicable taxes and the installation of the superstructure on the chassis for \$517,899 plus applicable taxes, for a total acquisition cost of \$717,099 before taxes. Completion of the superstructure and payment will occur in 2025. The acquisition will be funded out of the Capital Reserve Fund.

12. Subsequent Event

After year end, the Improvement District's ladder truck was involved in an accident, which resulted in the truck being written off. The book value of the truck as of year-end was \$15,500, and \$19,000 was received from the insurance on the vehicle. The estimated cost to replace this truck is between \$20,000, and \$40,000.

GABRIOLA FIRE PROTECTION IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2023

13. Accumulated Surplus and Fund Balances

Approved by the Board of Trustees, specific amounts are set aside in net assets for future operating and capital purposes.

Contributions to the capital reserve fund and the contingency reserve fund are approved by the Board of Trustees when the annual budget bylaw is passed. The contributions occur when the provincial levy is received the following year. The surplus attributed to the contingency and reserve funds represents any interest revenue earned on those funds in the year. The capital reserve fund is used to save for capital asset purchases. The contingency fund pays for unexpected expenditures that the budget cannot cover.

Contributions to the net investment in tangible capital assets are any capital assets purchased in the year. The deficit attributed to this fund represents amortization charged to the assets and the interest expense incurred on long-term debt related to capital assets. Any gains or losses on the disposal of assets are also captured in this fund. This fund is net of the outstanding long-term debt used to purchase capital assets.

The Training Fund represents amounts donated to upgrade the firefighters to EMRs. Contributions are the donations received in the year, and withdrawals are expenditures made to achieve that goal.

The General Fund surplus is whatever remains of net income (the current year surplus) after the surplus has been allocated to the other funds.

	General Fund	Net Investment in Tangible Capital Assets	Contingency Reserve Fund	Capital Reserve Fund	EMR Training Fund	Total 2023	Total 2022
Accumulated Surplus							
Opening Balance	\$ 84,104	\$ 4,263,265	\$ 17,336	\$ 485,696	\$ 28,379	\$ 4,878,780	\$ 4,810,771
Inter-Fund Transfers							
Contributions	-	284,370	5,000	115,000	3,315	407,685	419,239
Withdrawals	(397,019)	-	-	-	(10,666)	(407,685)	(419,239)
	(312,915)	4,547,635	22,336	600,696	21,028	4,878,780	4,810,771
Current Year Surplus	517,243	(270,421)	184	7,561	338	254,905	68,009
	-	-	-	-	-	-	-
Accumulated Surplus, ending balance	\$ 204,328	\$ 4,277,214	\$ 22,520	\$ 608,257	\$ 21,366	\$ 5,133,685	\$ 4,878,780

In 2022, \$46,750 was transferred from the contingency fund to the capital reserve fund. This transfer was authorized in 2020 to cover the expense of a replacement roof. The net effect on the accumulated surplus is nil, as it represents inter-fund transfers, not a change to revenue or expenditure.

The contingency reserve, capital reserve, and EMR training fund funds are held in separate bank accounts. The EMR training fund is externally restricted, while the contingency and capital reserve funds are designated assets.