Cowichan Bay Waterworks District

Request for Proposal

Supply of Financial Audit Services

Issue Date: June 30, 2021

Proposals will be received in the office of:
For details: please visit www.cowichanbaywater.com

Cowichan Bay Waterworks District
1760 Pavenham Road
Cowichan Bay, BC V0R 1N1
Attention: Administrator
Email: cbwater@telus.net

Up to 4:00 p.m. P.S.T., Thursday, July 22nd, 2021

Cowichan Bay Waterworks District

REQUEST FOR PROPOSALS (RFP)

Supply of Financial Audit Services

The Cowichan Bay Waterworks District (the "District") is requesting proposals for the Supply of Financial Audit Services.

The ability to deliver the services outlined in this RFP and the proposal which provides the best value to the District will be factors taken into consideration in the evaluation of this RFP. The District is interested in presentations from all suppliers of these services that have the proven experience and the qualifications to provide them.

This is a Request for Proposals only and will not necessarily give rise to a contract.
Proposals received after the closing time will be returned unopened.
The District will endeavour to keep all proposals confidential.

Information included in the District Contract document shall not be released if the Administrator of the District deems such releases inappropriate, subject to the Freedom of Information and Protection of Privacy Act.

The District reserves the right to accept the proposal deemed to serve the best interests of the District and to be most beneficial to the District.

Further information may be obtained from the District by contacting the District's Administrator, Caroline Stillinger, at either (250) 748-1687 or via email cbwater@telus.net.

Caroline Stillinger
District Administrator
Cowichan Bay Improvement District

Table of Contents

		Page
1.0	**Administrative Requirements……..……..**	4
1.1	Project Summary and Background……..……	4
1.2	Definitions……	5
1.3	Terms and Conditions of Engagement……..……	5
1.4	Evaluation……..……	5
1.5	Alternative Solutions……..……	6
1.6	Changes to Proposals……	6
1.7	Proponents' Expenses……..……	6
1.8	Currency and Taxes……..……	6
1.9	Sub-Contractors and Partnerships……..……	6
1.10	Conflict of Interest……..……	6
1.11	Acceptance of Proposals and Awarding of Contract……..…	6
1.12	Cancellation of RFP……	7
1.13	Freedom of Information……	7
1.14	Use of Document……	7
1.15	Confidentiality of Information……	7
2.0	**Submission Requirements……..……**	8
2.1	Proposal Submission……..……	8
2.2	Enquiries……..……	8
2.3	Disclaimer……..……	9
2.4	Proponent's Profile, Experience and Reliability ……..	9
2.5	Audit Approach……..…..……	9
2.6	Interviews……	9
3.0	**Specifications and Scope of Work……**	10
3.1	General……..……	10
3.2	Annual Audit……..……	10
3.3	Annual Schedule……..……	10
3.4	Qualified Opinion……	11
3.5	Audit Report and Independent Auditors Report……	11
3.6	Meetings and Related Services……	11
3.7	Financial Statements and Working Papers……	11
4.0	**Contract Conditions……..……..**	12
4.1	Compliance with Laws……..….	12
4.2	Laws of British Columbia……..……	12
4.3	Confidentiality……	12
4.4	Termination of Services……	12
4.5	Indemnity……	13
4.6	Insurance……	13
4.7	Registration with WorkSafeBC……	13
5.0	**Proposal Form……..**	14
6.0	**Appendices**	
A	2020 Financial Statements……	15
B	2021 Budget……	16
C	Extract from the Improvement District Manual……..	17-19

1.0 Administrative Requirements

1.1 Project Summary and Background

The Cowichan Bay Improvement District (the “District”) is seeking proposals from qualified firms for the provision of annual financial audit services for the fiscal year 2021 (inclusive).

This Request for Proposals (RFP) outlines the basic requirements for annual audit services to be provided by the successful proponent. (the “proponent”)

The District was established by Letters Patent on March 6th, 1967.

The District is governed by a five-person board of trustees, all volunteers, who are elected by the land-owners to serve a maximum of a three year renewal term at the Annual General Meeting of the District. A Chair is selected by the Trustees.
The District has an Administrator who also serves as Treasurer, an Administrative Assistant, and a Billing Clerk.

The District meets once a month at the Cowichan Bay Improvement District.

The 2021 operating budget is $555,100.00 which includes a modest amount set aside for capital purposes. Revenue is generated from property taxation, a process that is co-ordinated by the Ministry of Municipal Affairs & Housing.

The following documents are included in this RFP to assist proponents:

Appendix A - 2020 Financial Statements
Appendix B - 2021 Budget
Appendix C - Extract from the Improvement District Manual

The District currently uses Vadim/ICity/Central Square for Parcel Tax and Water Toll billing and Sage Accounting software for accounts payable/receivable and financial records.
Proponents are requested to include all labour, materials, supplies and incidentals, required to complete the services required by the District, in their proposal. Full compliance with the provisions and requirements of this RFP are expected and any deviation from these requirements must be fully disclosed in the proposal.

1.2 Definitions

Throughout this RFP, the following definitions apply:

“Auditors” means the successful proponent to this RFP who enters into a written contract with the District.

“Board” means the Board of Trustees of the Cowichan Bay Waterworks District.

“closing” means the closing date and time specified on the cover page of this Request for Proposals.

“contract” means the written agreement resulting from this Request for Proposal executed by the Cowichan Bay Waterworks District and the Auditors.

“District” means the Cowichan Bay Waterworks District.

“must”, “shall” or “mandatory” means a requirement that must be met in order for the proposal to receive consideration.

“project” means the work or services to be completed or provided in accordance with this RFP.

“proponent” means an individual, company or partnership that submits a proposal in response to this Request for Proposals.

“proposal” means a submission in response to this Request for Proposals.

“qualified” means a member of the Chartered Professional Accountants of Canada, accredited to undertake audits.

“RFP” means this Request for Proposals.

“should” or “desirable” means a requirement having a significant degree of importance to the objective of the Request for Proposal.

1.3 Terms and Conditions of Engagement

The terms and conditions applicable to this Request for Proposals are contained within this document. Submission of a proposal in response to this RFP indicates acceptance of all terms and conditions contained herein.

1.4 Evaluation

Proposals will be evaluated by the District based on the criteria identified in Part 2.6 of this RFP. The intent of the District is to enter into a contract with the proponent whose proposal represents the best value to the District based on the District’s evaluation of the proposals received.

1.5 Alternative Solutions

Proponents are encouraged to use innovation when developing a proposal and to propose revisions or alternatives to the provisions and requirements outlined in this document that would be considered beneficial to the District. If an alternative solution is proposed, details should be provided in the same format as a standard proposed response but should be clearly identified as an "Alternative Proposal".

1.6 Changes to Proposals

By written notice, submitted prior to closing, a proponent may amend or withdraw their proposal. Upon closing, all proposals become irrevocable and may not be amended or withdrawn prior to the deadline for acceptance except where the proponent and the District have mutually agreed to a change for the purpose of entering into a contract.

1.7 Proponents' Expenses

Proponents are solely responsible for any costs or expenses related to the preparation and submission of proposals.

1.8 Currency and Taxes

In Part 5 of the RFP, the Proposal Form, the fees quoted must be in Canadian dollars and net of any applicable taxes.

1.9 Sub-Contractors and Partnerships

Use of a sub-contractor or a partnership by the proponent is acceptable if full details of the proposed arrangements are clearly outlined in the proposal. The District will not permit any portion of this project to be given to a sub-contractor without the District`s prior written approval.

1.10 Conflict of Interest

Contracting or sub-contracting with any firm or individual whose corporate or other interests could, in the District's opinion, give rise to a conflict of interest in connection with the services will not be permitted. This includes, but is not limited to, any firm, partnership or individual involved in the preparation of this RFP. Confirmation of independence in the proposal is requested.

1.11 Acceptance of Proposals and Awarding of Contract

The District reserves the right to reject any and all proposals for any reason or to accept any proposal on the basis of proposals received which the District, in its sole unrestricted discretion, deems most advantageous to itself.

The lowest of any proposal may not necessarily be accepted. The proponent acknowledges the District's rights under this clause and absolutely waives any right of action against the District's failure to accept its proposal whether such

right of action arises in contract, negligence, bad faith or any other cause of action.

Acceptance of any proposal will be subject to budgetary considerations, and the approval of the District's Board.

Notice in writing to the successful proponent of the approval of its proposal and the appointment of auditors by the District's Board and the subsequent execution of a contract shall constitute the making of the Contract for Services. The proponent will not, without written consent of the District, assign or transfer this contract or any part thereof.

1.12 Cancellation of RFP

The District reserves the right to cancel this RFP at any time and for any reason, and will not be responsible for any direct or indirect loss, damage, cost or expense incurred or suffered by any proponent as a result of such cancellation.

1.13 Freedom of Information

The District is subject to the provisions of the *Freedom of Information and Protection of Privacy Act* and any information included in the contract document shall not be released, if the Administrator of the District deems such releases inappropriate and not reflective of the intent of the legislation.

1.14 Use of Document

This document, and any portion thereof, may not be used by proponents for any purpose other than the submission of proposals.

1.15 Confidentiality of Information

The District will endeavour to keep all proposals confidential.

Information pertaining to the District obtained by a proponent as a result of participation in this RFP process, other than information that is generally available as part of the public record, is to be treated as confidential and must not be disclosed without prior written authorization from the District.

2.0 Submission Requirements

2.1 Proposal Submission

Three (3) physical copies of each proposal, along with the detailed proposal form, included as part of this package, shall be submitted in a sealed envelope, and shall be addressed to:

Cowichan Bay Waterworks District
1760 Pavenham Rd
Cowichan Bay, B.C.
V0R 1N1
Attention: Administrator

The proposal envelope must be clearly marked “Supply of Financial Audit Services”.

Submitted proposals transmitted by facsimile machine or email will not be considered.

Proposals must be received no later than 4:00 pm P.S.T., Thursday, July 22nd, 2021. Proposals will not be opened in public.

It is incumbent upon the proponent to ensure their submission has been received by the District prior to the closing date and time.
All proposals shall become the property of the District.
Proposals received after the noted due date and time will not be considered and will be returned unopened to the proponent.
Your proposal should clearly show your complete company name and the name and contact information for the primary contact person.

Proponents are solely responsible for any costs or expenses related to the preparation and submission of proposals.

2.2 Enquiries

All enquiries or clarifications with respect to this RFP must be directed, in writing, to the following people.

Financial	-	District Administrator, Caroline Stillinger
RFP Document		E-mail: cbwater@telus.net

Any revisions or clarifications to this RFP will be issued by the District in writing. All questions should be submitted via email, at least five (5) working days prior to the closing time and date.

Information obtained from any other source is not official and should not be relied upon. Enquiries and responses will be recorded and may be distributed to all proponents at the District’s option.

2.3 Disclaimer

Each proponent is responsible to review and understand the terms and conditions of this RFP, and the scope of the work being requested. The District makes no representation or warranty as to the accuracy or completeness of the information contained in this RFP and proponents are solely responsible to ensure that they have obtained and considered all information necessary to understand the requirements of the RFP, and to prepare and submit their proposals. The District will not be responsible for any loss, damage or expense incurred by a proponent as a result of any inaccuracy or lack of completeness associated with this RFP, or as a result of any misunderstanding or misinterpretation of the terms of this RFP on the part of any proponent.

2.4 Proponent's Profile, Experience and Reliability

The proponent shall furnish satisfactory evidence that they can perform and deliver the services specified.

The proponent shall provide a corporate profile. The profile should include details of their size, services provided, areas of expertise and history of the company.

A minimum of three (3) references of organizations currently using similar services, provided by the proponent over the past 5 years, must be provided. If there are special concerns or restrictions on our use of a reference, these concerns must be addressed in the proposal. The District will not complete any contract without adequate reference checks.
Please include organization name and address, telephone and fax numbers and name of the primary contact for each of the references.

2.5 Audit Approach

In addition to the evidence requested under Part 2.4, the proponent must include a statement demonstrating an understanding of the work to be done, describing the audit approach, methodologies employed and commitment or ability to perform the work within the time specified in the annual schedule. A sample audit service plan document may be included with the proposal submission. The proponent may also include information relating to the Firm's experience in providing additional services to government organizations and a description of the nature of such services.

2.6 Interviews

An interview may be held with suitably qualified proponents. Interviews will be held either in-person or by conference call and will be held within a reasonable timeframe at the District's discretion.
The proponent shall bear all costs associated with or incurred in the preparation and presentation of its proposal, including, if applicable, costs incurred for interviews.

3.0 Specifications and Scope of Work

3.1 General

In compliance with Part 23 of the Local Government Act the Board of Trustees for the District is responsible for ensuring that the Improvement District meets its financial obligations. Specifically, Section 741.2 (1) of the Local Government Act states that the Board of Trustees must appoint an auditor for the Improvement District.

Section C of the Improvement District Manual, prepared by the Ministry of Community Services, outlines details of how Improvement District Accounting and Finance must be completed.

A copy of this section is attached as Appendix C for reference purposes.

3.2 Annual Audit

Commencing with the 2021 fiscal year, the successful proponent will provide external financial audit services for the District for one year. The audit must be in accordance with Canadian generally accepted auditing standards in order to express an opinion on the fair presentation of the District consolidated financial statements in conformity with generally accepted accounting principles and the Local Government Act.

3.3 Annual Schedule

Prior to the commencement of any work in each year of the contract, the Auditors will communicate with the District to discuss and agree upon a schedule of activities which will lead to the completion of the annual audit. This schedule will set out the key dates by which work is to be completed by both parties, and may include the following:

- Presentation of an audit planning report to the Board of Trustees (typically January to February each year);
- Requirement's letter, provided by Auditors to the District outlining specific items to be included with the audit working papers and levels of materiality;
- Year-end audit (traditionally completed in March each year);
- Audit report and presentation to the Board of Trustees (typically in March each year)

- Attendance and presentation of audited financial statements at the Annual General Meeting of the District (Held prior to April 30th)

The above list may not be inclusive of all scheduled activities.

3.4 Qualified Opinion

The Auditor shall immediately upon discovery of information or conditions, which would otherwise lead to the inclusion of a qualified opinion with respect to the financial statements, inform and fully discuss such matters with the appropriate District staff. In addition, the Auditor shall as far as possible, allow a reasonable period of time for District staff to make an investigation, analyze, report and take such corrective action as to avoid the inclusion of such qualification.

3.5 Audit Report and Independent Auditors Report

The Auditors shall issue a written opinion on the fair presentation of the consolidated financial statements in conformity with generally accepted accounting principles, suitable for printing with the financial statements. The auditor shall communicate in a post-audit report, in the form of an Independent Auditors Report to the District's Board, any reportable conditions, as determined by the Auditors, found during the audit. The Auditors reports, duly signed by the Auditors, shall be delivered to the District by the deadlines set out in the annual schedule.

The District must be advised of any observed weaknesses in internal controls, operating procedures or other areas of concern, noted during the audit, prior to the issuance of the Independent Auditors Report.

3.6 Meetings and Related Services

As indicated in Section 3.3, the Auditors will present the audit planning report at a meeting of the District's Board each year at which time the Board will be provided the opportunity to discuss any areas of concern or additional focus.

The Auditors will present the audit opinion with the annual financial statements at a meeting of the District's Board as set out by the annual schedule. At this time the Board may choose to convene an "in camera" session to speak with the Auditors about areas of concern, if any.

The Auditors will respond to and discuss with District staff any accounting, auditing, tax, and other issues arising throughout the year. It is expected that such inquiries, unless leading to significant extra work, are within the scope of work identified in this RFP and would not incur additional fees.

3.7 Financial Statements and Working Papers

The District expects that Financial Statements will be presented in accordance with Canadian Public Sector Accounting Standards, with the Audit performed according to Canadian Auditing Standards.
The District's Administrator will prepare and provide all working papers required by the Auditors to assist them in the preparation of the annual financial statements in conformity with generally accepted accounting principles.

Year-end working papers will include, but are not limited to:

- Supporting documentation for all significant asset and liability accounts;

- Comparative analysis of current and prior years' actual financial results;
- Comparative analysis of current actual financial results to budget;
- Audit confirmation requests to financial institutions;
- Audit confirmation requests to providers of insurance and legal services.

The District's Administrator will be available during the year-end audit to assist the Auditors in accessing information or providing explanations as required. The Auditors will also have independent access to the Chair of the District's Board.

4.0 Contract Conditions

4.1 Compliance with Laws

The proponent will comply with all laws, regulations and requirements of authorities having jurisdiction applicable to the work or performance of the contract.

4.2 Laws of British Columbia

Any contract resulting from this RFP will be governed by and will be construed and interpreted in accordance with all laws in effect in the Province of British Columbia.

4.3 Confidentiality

As referred to in Section 1.15 of the RFP, the Auditors will comply with all restrictions regarding disclosure of information pursuant to the *Local Government Act* and the *Freedom of Information and Protection of Privacy Act* in accordance with professional standards and codes of conduct. The Auditors will be responsible for ensuring that other firms and individuals who may be engaged as partners or sub-contractors in the performance of the work of the Contract are also in compliance with such standards and codes.

4.4 Termination of Services

The District may, by Notice of Default to the successful proponent, immediately terminate in whole or in part of the contract if the proponent fails to perform the services required. In the event the District does terminate the contract in whole or in part as specified above, the District may purchase services so terminated and the proponent shall be liable to the District for any excess costs for such services and for reasonable liquidated damages.

The District (at its sole discretion) may immediately terminate any contract awarded through this RFP process if there is a major violation of agreed conditions or where the proponent has taken an action against the District.

4.5 Indemnity

Notwithstanding the provision of insurance coverage by the proponent, the proponent hereby agrees to indemnify and save harmless the District, its trustees and employees from and against all claims, demands, losses, costs, damages, actions, suits or proceedings by whomever made, brought or prosecuted and in any manner based upon, arising out, related to, occasioned by or attributable to the activities of the proponent, its servants, agents, sub-contractors and sub-operators, in providing the services and performing the work of the contract, excepting always liability arising solely out of the negligent act or omission of the District.

4.6 Insurance

The Auditors shall maintain professional liability insurance with respect to professional liability as required and specifically named for the Services, including errors and omissions, with a limit of not less than $1,000,000 per occurrence with respect to the Services alone. The Auditor shall, without limiting its obligations or liabilities and at its own expense, provide and maintain insurance for its own equipment and continuously carry insurance with insurers licensed in British Columbia. The proponent is responsible for all insurance costs (as required by law). The proponent shall provide confirmation of their professional liability insurance policy.

4.7 Registration with WorkSafeBC

The Auditor will be registered with WorkSafeBC and maintain WorkSafeBC coverage for the duration of the engagement. The Auditor will abide by all provisions of the *Workers Compensation Act of British Columbia* and provide proof to the District that all assessments have been paid and that they are in good standing. It is a condition of contract that the Auditor must remain in good standing throughout the term of any contract between the District and the Auditors.

5.0 Proposal Form

COWICHAN BAY WATERWORKS DISTRICT

Proposal Bid Sheet for Supply of Financial Audit Services

The undersigned proponent has carefully examined the conditions, mandatory requirements and additional features for the Supply of Financial Audit Services requested and will provide and deliver the services requested.

This proposal is shall expire on July 22, 2021

Description	Audit Fee
For the provision of Financial Audit Services for a year period. Year 1	**$**
Other Disbursements (please identify)	**$**

Note: All fees quoted above are net of any applicable taxes:

Proponents should ensure that all requirements of the RFP are dealt with in their proposal submission and that all materials and products proposed comply with the specifications therein.

PROPONENT NAME:

_____

ADDRESS: _____

CITY: _____ POSTAL CODE: _____

PRIMARY CONTACT EMAIL: _____ WEBSITE: _____

PRIMARY CONTACT PHONE: _____ FAX: _____

SIGNATURE OF PROPONENT: _____ PRINT NAME: _____

****MUST BE AN OFFICIAL SIGNATORY OF COMPANY****

Appendix A

Insert copy of the 2020 Audited Financial Statements

Appendix B

Insert copy of the 2021 Approved Budget

Accounting

General

The board of trustees is responsible for ensuring that the Improvement District meets its financial obligations. For this reason, the board is authorized to levy taxes, tolls and other charges, to invest money, to spend money and to borrow money. The legislation provides a wide range of options that can be used by the board to implement each of these powers. The decisions will depend on local circumstances, the goals of the trustees and the impact on the landowners.

There are provisions in the legislation that specify the method of accounting that must be used, a requirement to have the financial accounts audited by a certified auditor, and an obligation for a summary of the financial transactions to be made available to the public. Each year at the annual general meeting, the board of trustees must present audited financial statements to the landowners. They must also be forwarded to the Inspector of Municipalities. The landowners have a significant stake in the financial decisions made by the board of trustees.

Accounting System

Section 741(1) of the *Local Government Act* requires the financial officer to prepare the financial statements and to present them to the board of trustees. In addition, they must be prepared in accordance with generally accepted accounting principles for local governments. The financial statements must be audited by a person who is qualified to be an auditor of a reporting company under the *Company Act*. The audited financial statements must be presented by the board of trustees to the landowners at the annual general meeting and they must then be sent to the Inspector of Municipalities by May 15 each year.

When deciding what accounting system to use, the Improvement District should consider one that is easy to use, flexible and will enable the auditor to have a complete record of financial transactions that are current and can be verified. It will also facilitate the completion of the financial statements. A sample set of financial statements starts on page 12 of this section.

The Improvement District's auditor may be able to assist the board of trustees with the choice of accounting system. An accounting system that provides accurate and timely financial information will assist the board of trustees to make informed decisions about the Improvement District's finances.

Accurate and complete financial records will allow the auditor to verify that proper accounting procedures have been used in the preparation of financial statements. It should also minimize the amount of time needed by the auditor to prepare their annual report to the board of trustees. The majority of expenses recorded in the accounting system will likely be administrative and operating costs.

An effective accounting system will enable the board of trustees to know: how much money has been invested; how much is payable by the Improvement District; how much is owing to the Improvement District; and, how much is available for expenses. This will allow the board of trustees to make informed decisions, to maintain a healthy financial position, and avoid unnecessary increases in taxes or tolls. The statement of revenue and expenditure is useful for determining how well the operating costs have been met in relation to the budget. The balance sheet will show the overall financial position.

Improvement Districts that provide more than one service, such as waterworks, fire protection or street lighting, must keep the revenues and expenses of each service separate. For example, money collected from water users cannot be spent on fire protection.

Unless the financial officer for an Improvement District is a professional accountant, the assistance of an accounting agency or the Improvement District auditor would be useful to ensure the accounting system meets the needs of the Improvement District.
The fiscal year end is December 31 for Improvement District financial statements and the auditor's reports (Section 741.1)

Improvement Districts are entitled to a full rebate of the amount of the Goods and Services Tax (GST) paid. An application for the rebate can be made by the Improvement District annually, quarterly, or monthly. This decision will depend to some extent on the amount of money that is involved and whether it is needed for other purposes. Further information on the GST is available from the Canada Customs and Revenue Agency.
The board of trustees will need to determine who has the authority to sign Improvement District cheques. It is recommended that each cheque have two signatures and it is common to assign this responsibility to the financial officer and the chair. However, it could also be assigned to two trustees.

At each meeting of the board of trustees, a summary of expenditures since the date of the last meeting should be reported. A policy could be established that expenditures above a certain limit would require a resolution from the board of trustees. Expenditures should be in keeping with the amounts estimated in the annual budget. This process will allow all trustees to be kept informed about the financial position of the Improvement District.

Payment of all invoices must be by cheque, not cash, to ensure that every financial transaction is property recorded. A petty cash fund should only be used to make payments for small, incidental expenses.
Duplicate receipts should be kept by the District when payments are received. All money collected should be deposited with the District's financial institution without delay.

Financial Statements

Statement of Revenue and Expenditure

The statement of revenue and expenditure appears in the audited financial statements and gives landowners an opportunity to see how the board of trustees spent the money that was collected from parcel taxes, tolls and other charges. The statement of revenue and expenditure shows total income by source and the total expenditures from this income. Noncash expenditures are dealt with by adjustments to surplus. If the statement does not disclose debt repayments and capital expenditures, there is a possibility that there might be a sizeable excess of revenue over expenditure. This might be misleading to the taxpayers who might conclude that taxes and tolls are set at levels that are unnecessarily high.

If an Improvement District provides more than one service, there is no need to show the revenues and expenditures for each service in the statement. However, the Improvement District must keep the revenues and expenditures for each service separate in its accounting system.

Further information about the items to be included in the revenue and expenditure statement is as follows.

Revenues

Taxes	All revenues obtained through taxation. This includes taxes levied and collected.
Tolls	All revenues obtained through tolls or user charges.
Connection Fees	Amounts received for a service connection to Improvement District works such as a water connection.
Capital Expenditure Charges	Amounts received from developers in consideration for a new unit of water service, if not shown separately on a Capital Expenditure Charge Fund schedule.
Other Revenue	Revenue items not included in previous revenue categories, including interest earned on investments and penalties paid by customers for late payment of taxes or tolls.

Expenditures

Administration	Items such as salaries, insurance, postage, phone bills, and printing costs.
Operations	Those expenditures concerned with the daily operation of the Improvement District. Expenses need to be classified into categories. Certain expenses are incurred where the benefit occurs in future fiscal periods as well as the present. These costs, although paid in one period, need to be divided between each benefiting period.
Capital Expenditures	All expenditures for capital purposes need to be included except for: those expenditures financed from long-term borrowings; capital works that are financed from capital expenditure charge funds; and, capital works that are financed from renewal reserve funds. Annual contributions to the renewal reserve fund are included under Capital Expenditures.
Debt Interest	Payment of interest on all temporary and long-term debts, including amounts levied and collected annually and retained by the Province for repayment of capital tax advances. Debt principal payments are shown after the net revenue