

SATURNA ISLAND FIRE PROTECTION SOCIETY

Financial Statements

Year Ended December 31, 2012

(Unaudited - See Notice To Reader)



Chartered Accountants
EST. 1930

SATURNA ISLAND FIRE PROTECTION SOCIETY

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Year Ended December 31, 2012

(Unaudited - See Notice To Reader)

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NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Saturna Island Fire Protection Society as at December 31, 2012 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Victoria, British Columbia
June 11, 2013

A handwritten signature in black ink that reads "Field & Company LLP". The signature is written in a cursive, flowing style.

CHARTERED ACCOUNTANTS

SATURNA ISLAND FIRE PROTECTION SOCIETY

Statement of Financial Position

December 31, 2012

(Unaudited - See Notice To Reader)

	2012	2011
ASSETS		
CURRENT		
Cash	\$ 29,860	\$ 53,490
Term deposits	75,318	75,470
Accounts receivable	-	5,527
HST receivable	5,743	12,551
Prepaid expenses	14,873	12,803
	<u>125,794</u>	159,841
PROPERTY, PLANT AND EQUIPMENT <i>(Note 3)</i>	<u>1,204,078</u>	1,199,255
	<u>\$ 1,329,872</u>	<u>\$ 1,359,096</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 4,211	\$ 14,549
Deferred income	133,363	138,006
Current portion of long term debt <i>(Note 5)</i>	29,109	26,593
	<u>166,683</u>	179,148
LONG TERM DEBT <i>(Note 5)</i>	<u>160,737</u>	230,054
	<u>327,420</u>	409,202
NET ASSETS		
Net assets invested in capital assets	1,014,230	942,608
Unrestricted	(11,778)	7,286
	<u>1,002,452</u>	949,894
	<u>\$ 1,329,872</u>	<u>\$ 1,359,096</u>

APPROVED BY THE BOARD

_____ *President*

_____ *Treasurer*



SATURNA ISLAND FIRE PROTECTION SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2012

(Unaudited - See Notice To Reader)

	Net assets invested in capital assets		Unrestricted	2012	2011
NET ASSETS - BEGINNING OF YEAR	\$ 942,608	\$ 7,286	\$ 949,894	\$ 695,761	
Surplus for the year	-	52,558	52,558	254,133	
Net purchase of capital assets	83,912	(83,912)	-	-	
Amortization on capital assets	(79,090)	79,090	-	-	
Debt principal repayment	66,800	(66,800)	-	-	
NET ASSETS - END OF YEAR	\$ 1,014,230	\$ (11,778)	\$ 1,002,452	\$ 949,894	

SATURNA ISLAND FIRE PROTECTION SOCIETY

Statement of Revenues and Expenditures

Year Ended December 31, 2012

(Unaudited - See Notice To Reader)

	2012	2011
REVENUE		
Property tax assessments	\$ 198,811	\$ 197,112
Donations - cash	400	29,272
Donations - SIR	9,702	3,883
Grant - VIHA	10,000	10,000
Grant - PILT	12,810	7,875
Sign rentals	934	935
Lease	4,643	4,119
Service fees	8,000	1,640
Interest	750	1,133
Gains on disposal of assets	1,500	203,340
	<u>247,550</u>	<u>459,309</u>
EXPENDITURES		
Amortization	79,090	68,205
Communications and signage	2,169	4,084
CRD fire withholding	13,047	-
Facility service fee and rental	5,050	5,050
Honorarium	10,800	10,800
Insurance	12,146	13,457
Interest on long term debt	11,843	10,804
Office	7,796	13,539
Professional fees	2,274	6,272
Protective gear	3,694	8,383
Repairs and maintenance	6,661	12,448
Supplies	3,551	6,998
Tax collection	4,100	3,530
Training	11,874	21,726
Travel	186	305
Utilities	5,367	4,273
Vehicles	14,716	14,326
Worksafe BC	628	976
	<u>194,992</u>	<u>205,176</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 52,558</u>	<u>\$ 254,133</u>

SATURNA ISLAND FIRE PROTECTION SOCIETY

Statement of Cash Flows

Year Ended December 31, 2012

(Unaudited - See Notice To Reader)

	2012	2011
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 52,558	\$ 254,133
Items not affecting cash:		
Amortization of property, plant and equipment	79,090	68,205
Gain on disposal of assets	(1,500)	(203,340)
	<u>130,148</u>	<u>118,998</u>
Changes in non-cash working capital:		
Accounts receivable	5,527	1,662
HST receivable	6,808	33,917
Accounts payable	(10,340)	10,657
Deferred income	(4,643)	105,881
Prepaid expenses	(2,070)	(2,166)
Deposit on sale of Fire Hall	-	(25,000)
	<u>(4,718)</u>	<u>124,951</u>
	<u>125,430</u>	<u>243,949</u>
INVESTING ACTIVITIES		
Net Proceeds on disposal of Fire Hall	-	204,587
Emergency services land and building #1	(22,890)	(211,225)
Emergency services building #2	(6,875)	(46,715)
Purchase of fire fighting equipment and trucks	(54,147)	(13,017)
Sale of pumper truck	1,500	-
Repayment of interim construction loan	-	(400,000)
Term debt advanced	-	300,000
Repayment of term debt	(66,800)	(43,353)
	<u>(149,212)</u>	<u>(209,723)</u>
INCREASE (DECREASE) IN CASH	(23,782)	34,226
Cash and term deposits - beginning of year	<u>128,960</u>	<u>94,734</u>
CASH AND TERM DEPOSITS - END OF YEAR	\$ 105,178	\$ 128,960
CASH CONSISTS OF:		
Cash	\$ 29,860	\$ 53,490
Term deposits	75,318	75,470
	<u>\$ 105,178</u>	<u>\$ 128,960</u>

SATURNA ISLAND FIRE PROTECTION SOCIETY

Notes to Financial Statements

Year Ended December 31, 2012

(Unaudited - See Notice To Reader)

1. NATURE OF ORGANIZATION

The Saturna Island Fire Protection Society was incorporated under the Society Act of the Province of British Columbia, January 14, 1994. The purposes of the Society are to provide fire protection and emergency response services to the inhabitants of Saturna Island. The majority of the funds raised by the Society come from the taxation of real property on Saturna Island.

2. PROPERTY PLANT AND EQUIPMENT POLICY

Property, plant and equipment are stated at cost less accumulated amortization. Property, plant and equipment are amortized over their estimated useful lives at the following rates and methods:

Buildings	4%	straight-line method
Fire and support vehicles	20%	straight-line method
Emergency transportation vehicle	20%	straight-line method
Equipment and radios	20%	straight-line method
Storage container	10%	straight-line method

3. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2012 Net book value	2011 Net book value
Land	\$ 115,651	\$ -	\$ 115,651	\$ 106,552
Buildings	1,093,490	86,653	1,006,837	1,029,910
Fire and support vehicles	197,220	129,846	67,374	40,416
Emergency transportation vehicle	4,000	2,400	1,600	2,400
Equipment	39,583	30,103	9,480	16,686
Radios	14,257	11,121	3,136	3,291
	\$ 1,464,201	\$ 260,123	\$ 1,204,078	\$ 1,199,255

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Notes to Financial Statements

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4. DEFERRED INCOME

	<u>2012</u>	<u>2011</u>
Grant - VIHA	\$ 2,500	\$ 2,500
Deferred lease - CRD	26,625	28,125
Deferred lease - Parks Canada	<u>104,238</u>	<u>107,381</u>
	<u>\$ 133,363</u>	<u>\$ 138,006</u>

The Society received a \$10,000 grant from the Vancouver Island Health Authority (VIHA) in support of Saturna Island Rescue of which \$7,500 was earned in the year.

The Society entered into a 20 year prepaid lease with the Southern Gulf Islands Emergency Management Commission (CRD) effective September 14, 2010 for the use of both Emergency Services Buildings. The prepaid deposit on the lease is amortized into income over the 20 year lease period.

The Society entered into a 35 year prepaid lease with Parks Canada effective February 29, 2011 for the use of a portion of Emergency Services Building #1. The prepaid deposit on the lease is amortized into income over the 35 year lease period.

5. LONG TERM DEBT

	<u>2012</u>	<u>2011</u>
TD Bank of Canada Term Loan #1		
- Bears interest at 5.219%		
- Monthly principal and interest payments of \$2,672		
- due March 2, 2016	\$ 163,596	\$ 210,397
TD Bank of Canada Term Loan #2		
- Bears interest at prime plus 0.75%		
- Monthly payments of \$417 principal plus interest		
- due March 2, 2016	<u>26,250</u>	<u>46,250</u>
	189,846	256,647
Amounts payable within one year	<u>(29,109)</u>	<u>(26,593)</u>
	<u>\$ 160,737</u>	<u>\$ 230,054</u>

Principal repayment terms are approximately:

(continues)

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5. LONG TERM DEBT <i>(continued)</i>		
	2013	\$ 29,109
	2014	30,395
	2015	31,751
	2016	33,178
	2017	<u>65,413</u>
		<u>\$ 189,846</u>

The term loans are secured by a first charge over real property, a general security agreement, assignment of lease revenues, and fire insurance
