

SATURNA ISLAND FIRE PROTECTION SOCIETY

Financial Statements

Year Ended December 31, 2010

(Unaudited - See Notice To Reader)



SATURNA ISLAND FIRE PROTECTION SOCIETY

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Year Ended December 31, 2010

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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, 2010 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 8, 2011

CHARTERED ACCOUNTANTS

SATURNA ISLAND FIRE PROTECTION SOCIETY

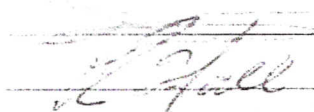
Statement of Financial Position

December 31, 2010

(Unaudited - See Notice To Reader)

	2010	2009
ASSETS		
CURRENT		
Cash	\$ 19,370	\$ 5,760
Term deposits	74,906	230,406
Accounts receivable	7,189	0
RST - Receivable	46,466	1,999
Interest receivable	457	745
Prepaid expenses	10,637	9,801
	<u>159,027</u>	<u>248,833</u>
PROPERTY, PLANT AND EQUIPMENT (Note 3)	<u>997,749</u>	<u>285,085</u>
	<u>\$ 1,156,776</u>	<u>\$ 533,918</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Deming interim construction loan (Note 7)	\$ 400,000	\$ -
Accounts payable	3,890	234
Deferred income (Note 5)	32,128	-
Deposit on sale of Fire Hall (Note 6)	25,000	-
	<u>461,018</u>	<u>234</u>
NET ASSETS		
Net assets invested in capital assets	619,721	291,141
Restricted for capital assets (vide 4)	-	80,503
Unrestricted	76,040	162,037
	<u>695,761</u>	<u>533,684</u>
	<u>\$ 1,156,776</u>	<u>\$ 533,918</u>

APPROVED BY THE BOARD


 _____ Treasurer



SATURNA ISLAND FIRE PROTECTION SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2010

(Unaudited - See Notice To Reader)

	Net assets invested in capital assets	Restricted for capital assets <i>(Note 8)</i>	Unrestricted	2010	2009
NET ASSETS - BEGINNING OF YEAR	\$ 291,144	\$ 80,503	\$ 162,037	\$ 533,684	\$ 363,100
Surplus for the year	-	-	162,077	162,077	170,584
Net purchase of capital assets	325,267	(80,503)	(244,764)	-	-
Amortization on capital assets	(16,215)	-	16,215	-	-
Donations and grants restricted for purchase of capital assets	19,525	-	(19,525)	-	-
NET ASSETS - END OF YEAR	\$ 619,721	\$ -	\$ 76,040	\$ 695,761	\$ 533,684



SATURNA ISLAND FIRE PROTECTION SOCIETY

Statement of Revenues and Expenditures

Year Ended December 31, 2010

(Unaudited - See Notice To Reader)

	2010	2009
REVENUE		
Property tax assessment	\$ 200,689	\$ 178,030
Donations - cash	42,032	86,493
Donations - SIR	7,043	-
Grant - VIHA	7,500	-
Grant - PILT	3,985	3,218
Signs	3,520	3,536
Gains on disposal of assets	1,999	-
Interest	1,299	1,347
HST/GST rebates	578	2,341
Lease	375	-
	<u>269,020</u>	<u>274,965</u>
EXPENDITURES		
Amortization	15,444	23,141
Communications and signage	3,371	1,740
Facility service fee and rental	5,050	5,050
Honorarium	10,800	10,800
Insurance	8,204	7,770
Office	7,545	4,954
Professional fees	2,133	514
Protective gear	8,804	6,247
Repairs and maintenance	1,787	2,800
Supplies	9,095	8,445
Tax collection	2,245	2,030
Training	14,431	18,087
Travel	1,687	1,053
Utilities	1,105	1,434
Vehicle	14,804	9,900
WCB	438	416
	<u>106,943</u>	<u>104,381</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 162,077</u>	<u>\$ 170,584</u>

SATURNA ISLAND FIRE PROTECTION SOCIETY

Statement of Cash Flows

Year Ended December 31, 2010

(Unaudited - See Notice To Reader)

	2010	2009
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 162,077	\$ 170,584
Items not affecting cash:		
Amortization of property, plant and equipment	15,444	23,141
Gain on disposal of assets	(1,999)	-
	<u>175,522</u>	<u>193,725</u>
Changes in non-cash working capital:		
Accounts receivable	(7,180)	31
HST Receivable	(44,469)	(1,999)
Accrued interest	291	(431)
Accounts payable	3,656	234
Deferred income	32,125	-
Prepaid expenses	(836)	(491)
Deposit on sale of Fire Hall	25,000	-
	<u>8,587</u>	<u>(2,656)</u>
	<u>184,109</u>	<u>191,069</u>
INVESTING ACTIVITIES		
Proceeds on disposal of equipment	2,000	-
Emergency services building #1	(510,945)	141
Emergency services building #2	(207,082)	(3,612)
Purchase of fire fighting equipment and trucks	(10,082)	(1,983)
Evaluation costs - existing hall	-	(2,182)
Advances from interim construction loans	400,000	-
	<u>(326,109)</u>	<u>(7,636)</u>
INCREASE (DECREASE) IN CASH	(142,000)	183,433
Cash and term deposits - beginning of year	<u>236,276</u>	<u>52,843</u>
CASH AND TERM DEPOSITS - END OF YEAR	\$ 94,276	\$ 236,276
CASH CONSISTS OF:		
Cash	\$ 19,370	\$ 5,780
Term deposits	74,906	230,496
	<u>\$ 94,276</u>	<u>\$ 236,276</u>

SATURNA ISLAND FIRE PROTECTION SOCIETY

Notes to Financial Statements

Year Ended December 31, 2010

(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	30%	straight-line method
Fire and support vehicles	10 - 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	2010 Net book value	2009 Net book value
Land	\$ 106,552	\$ -	\$ 106,552	\$ 106,552
Buildings - existing fire hall	3,366	-	3,366	3,366
Buildings under construction	811,229	-	811,229	93,202
Fire and support vehicles	177,933	123,232	54,701	61,193
Emergency transportation vehicle	4,000	800	3,200	-
Equipment	27,904	14,309	13,595	13,094
Radios	9,561	5,940	3,621	5,533
Storage container	6,600	5,115	1,485	2,145
	<u>\$ 1,147,145</u>	<u>\$ 149,396</u>	<u>\$ 997,749</u>	<u>\$ 285,085</u>

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Notes to Financial Statements

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4. SATURNA ISLAND RESCUE

On April 1, 2010 the Society absorbed the operations of Saturna Island Rescue (SIR). The following assets were transferred from the Saturna Community Club, the agency formerly responsible for SIR:

	<u>2010</u>
Cash	\$ 3,043
Emergency transportation vehicle	<u>4,000</u>
	<u>\$ 7,043</u>

5. DEFERRED INCOME

	<u>2010</u>
Grant - VIHA	\$ 2,500
Deferred lease	<u>29,625</u>
	<u>\$ 32,125</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.

During the year the Society signed a 20 year prepaid lease with the Southern Gulf Islands Emergency Management Commission (CRD) for the use of both Emergency Services Buildings. Income from the lease will be amortized over the 20 year lease period.

6. SALE OF EXISTING FIRE HALL

The current fire hall has been sold for \$206,000 closing February 15, 2011. The appraised value of this property was \$155,000.

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7. DEMAND INTERIM CONSTRUCTION LOAN

Interim construction financing has been arranged for \$700,000 of which \$400,000 has been advanced.

- due on demand, non-revolving;

- bears interest at prime plus 1%

- secured by a general security agreement over all property of the Society; a first charge over property located at Harris and Navarez Bay Road; assignment of insurance and rents.

On March 3, 2011 the Society arranged a takeout mortgage totaling \$300,000, \$250,000 of which has a fixed rate of 5.219% and the remaining \$50,000 has a variable rate of prime plus 0.75%. The mortgage carries a five year term and is amortized over ten years.

8. RESTRICTED FUNDS

These funds were donated for the purpose of providing appropriate facilities for the use of Saturna Island Rescue within Emergency Services Building #1 and all of the funds were expended during the year.

9. COMMITMENTS

The Society has established a budget of \$1,202,982 for the cost of land and construction of two new emergency services buildings. Construction costs incurred are outlined below:

	2010	2009
Emergency Services Building #1	\$ 604,147	\$ 93,202
Emergency Services Building #2	207,082	-
Subtotal	811,229	93,202
Land	106,552	106,552
	<u>\$ 917,781</u>	<u>\$ 199,754</u>

10. SUBSEQUENT EVENTS

Subsequent to the year end the Society entered into a prepaid lease with Parks Canada for the exclusive use of a portion of Emergency Services Building #1 for 35 years for \$110,000 effective February 1, 2011

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11. COMPARATIVE FIGURES

The comparative figures for GST recovered on equipment and site development purchases in a prior year have been reclassified to conform to the current year's presentation.

