

SATURNA ISLAND FIRE PROTECTION SOCIETY

Financial Statements

Year Ended December 31, 2013

(Unaudited - See Notice To Reader)



Chartered Accountants
Est. 1930

SATURNA ISLAND FIRE PROTECTION SOCIETY

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Year Ended December 31, 2013

(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, 2013 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
April 17, 2014

A handwritten signature in blue ink that reads "Field & Company LLP".

CHARTERED ACCOUNTANTS

SATURNA ISLAND FIRE PROTECTION SOCIETY

Statement of Financial Position

December 31, 2013

(Unaudited - See Notice To Reader)

	2013	2012
ASSETS		
CURRENT		
Cash	\$ 51,481	\$ 29,860
Term deposits	90,370	75,318
GST receivable	898	5,743
Prepaid expenses	14,697	14,873
	<u>157,446</u>	125,794
PROPERTY, PLANT AND EQUIPMENT <i>(Note 3)</i>	<u>1,142,723</u>	1,204,078
	<u>\$ 1,300,169</u>	<u>\$ 1,329,872</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 5,004	\$ 4,211
Deferred income	128,720	133,363
Current portion of long term debt <i>(Note 5)</i>	26,800	29,109
	<u>160,524</u>	166,683
LONG TERM DEBT <i>(Note 5)</i>	<u>87,279</u>	160,737
	<u>247,803</u>	327,420
NET ASSETS		
Net assets invested in capital assets	1,028,642	1,014,230
Unrestricted	23,724	(11,778)
	<u>1,052,366</u>	1,002,452
	<u>\$ 1,300,169</u>	<u>\$ 1,329,872</u>

APPROVED BY THE BOARD

_____ *President*

_____ *Treasurer*



SATURNA ISLAND FIRE PROTECTION SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2013

(Unaudited - See Notice To Reader)

	Net assets invested in capital assets		Unrestricted	2013	2012
NET ASSETS - BEGINNING OF YEAR	\$ 1,014,230	\$ (11,778)	\$ 1,002,452	\$ 949,894	
Surplus for the year	-	49,914	49,914	52,558	
Net purchase of capital assets	18,948	(18,948)	-	-	
Amortization on capital assets	(80,303)	80,303	-	-	
Debt principal repayment	75,767	(75,767)	-	-	
NET ASSETS - END OF YEAR	\$ 1,028,642	\$ 23,724	\$ 1,052,366	\$ 1,002,452	

SATURNA ISLAND FIRE PROTECTION SOCIETY

Statement of Revenues and Expenditures

Year Ended December 31, 2013

(Unaudited - See Notice To Reader)

	2013	2012
REVENUE		
Property tax assessments	\$ 203,520	\$ 198,811
Donations - cash	1,500	400
Donations - SIR	3,660	9,702
Grant - VIHA	10,000	10,000
Grant - PILT	9,357	12,810
Sign rentals	934	934
Lease	4,643	4,643
Service fees	673	8,000
Interest	918	750
Gains on disposal of assets	3,500	1,500
	<u>238,705</u>	<u>247,550</u>
EXPENDITURES		
Amortization	80,303	79,090
Communications and signage	3,917	2,169
CRD fire withholding	9,427	13,047
Facility service fee and rental	5,000	5,050
Honorarium	10,800	10,800
Insurance	14,542	12,146
Interest on long term debt	8,225	11,843
Office	5,935	7,796
Professional fees	2,831	2,274
Protective gear	4,510	3,694
Repairs and maintenance	6,942	6,661
Supplies	3,176	3,551
Tax collection	3,450	4,100
Training	7,591	11,874
Travel	104	186
Utilities	3,670	5,367
Vehicles	17,880	14,716
Worksafe BC	488	628
	<u>188,791</u>	<u>194,992</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 49,914</u>	<u>\$ 52,558</u>

SATURNA ISLAND FIRE PROTECTION SOCIETY

Statement of Cash Flows

Year Ended December 31, 2013

(Unaudited - See Notice To Reader)

	2013	2012
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 49,914	\$ 52,558
Items not affecting cash:		
Amortization of property, plant and equipment	80,303	79,090
Gain on disposal of assets	<u>(3,500)</u>	<u>(1,500)</u>
	<u>126,717</u>	<u>130,148</u>
Changes in non-cash working capital:		
Accounts receivable	-	5,527
GST receivable	4,845	6,808
Accounts payable	793	(10,340)
Deferred income	(4,643)	(4,643)
Prepaid expenses	176	(2,070)
	<u>1,171</u>	<u>(4,718)</u>
	<u>127,888</u>	<u>125,430</u>
INVESTING ACTIVITIES		
Emergency services land and building #1	-	(22,890)
Emergency services building #2	(16,103)	(6,875)
Purchase of fire fighting equipment and trucks	(2,845)	(54,147)
Sale of pumper truck	3,500	1,500
Repayment of term debt	<u>(75,767)</u>	<u>(66,800)</u>
	<u>(91,215)</u>	<u>(149,212)</u>
INCREASE (DECREASE) IN CASH	36,673	(23,782)
Cash and term deposits - beginning of year	<u>105,178</u>	<u>128,960</u>
CASH AND TERM DEPOSITS - END OF YEAR	\$ 141,851	\$ 105,178
CASH CONSISTS OF:		
Cash	\$ 51,481	\$ 29,860
Term deposits	<u>90,370</u>	<u>75,318</u>
	<u>\$ 141,851</u>	<u>\$ 105,178</u>

SATURNA ISLAND FIRE PROTECTION SOCIETY

Notes to Financial Statements

Year Ended December 31, 2013

(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	2013 Net book value	2012 Net book value
Land	\$ 115,651	\$ -	\$ 115,651	\$ 115,651
Buildings	1,109,593	131,036	978,557	1,006,837
Fire and support vehicles	197,220	153,628	43,592	67,374
Emergency transportation vehicle	4,000	3,200	800	1,600
Equipment	42,427	38,588	3,839	9,480
Radios	14,257	13,973	284	3,136
	<u>\$ 1,483,148</u>	<u>\$ 340,425</u>	<u>\$ 1,142,723</u>	<u>\$ 1,204,078</u>

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Notes to Financial Statements

Year Ended December 31, 2013

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4. DEFERRED INCOME

	<u>2013</u>	<u>2012</u>
Grant - VIHA	\$ 2,500	\$ 2,500
Deferred lease - CRD	25,125	26,625
Deferred lease - Parks Canada	<u>101,095</u>	<u>104,238</u>
	<u>\$ 128,720</u>	<u>\$ 133,363</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>2013</u>	<u>2012</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	\$ 114,079	\$ 163,596
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	-	26,250
	<u>114,079</u>	<u>189,846</u>
Amounts payable within one year	<u>(26,800)</u>	<u>(29,109)</u>
	<u>\$ 87,279</u>	<u>\$ 160,737</u>

Principal repayment terms are approximately:

(continues)

SATURNA ISLAND FIRE PROTECTION SOCIETY

Notes to Financial Statements

Year Ended December 31, 2013

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5. LONG TERM DEBT <i>(continued)</i>	
2014	\$ 26,800
2015	28,217
2016	29,709
2017	<u>29,353</u>
	<u>\$ 114,079</u>

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