

Saturna Island Fire Protection Society (SIFPS)
Annual General Meeting
Treasurer's Report for the Year Ended December 31, 2024

Doane Grant Thornton, Chartered Professional Accountants, were engaged to compile the 2024 annual financial statements based on information provided by SIFPS (the "Society"). This report should be read in conjunction with the information contained in the accompanying 2024 annual financial statements.

The following commentary provides information on some of the financial highlights in the year and in relation to the comparative year (2023).

An excess of revenues over expenditures amounted to \$64,406 in the current year which compared favourably to an excess of \$26,612 reported in 2023. The excess amount was driven by a planned increase in property tax assessments to bolster cash reserves in anticipation of funding increases in operating and capital expenditures in subsequent years.

Total revenues in 2024 were \$365,884 as compared to \$327,015 in 2023, an increase of \$38,869 or 11.9%. Property tax assessments increased by \$46,188 with relatively small increases/decreases in other revenue items. The property tax assessment revenue represented 82.7% of total reported revenues (78.4% in 2023).

Total expenditures in the current year amounted to \$301,478, virtually unchanged from expenditures of \$300,403 in 2023. Although the overall increase in 2024 was relatively minor, several expenditure categories had more significant variances which are highlighted below:

a) Training – An increase of \$19,457

Increased training costs in 2024 were attributed to both Saturna Island Rescue (SIR) and the firefighting operations. That said, training costs in the current year were not unusually high but, by contrast, training costs reported in 2023 were much lower than normal. Fluctuations in annual training costs can be caused by several factors including the timing of when new volunteers embark on their initial training, which is typically an expensive proposition.

b) Honorariums, Wages and Benefits – A decrease of \$13,023

Actual compensation costs in 2024 show a decrease when compared to comparative costs reported in 2023. However, costs in the prior year included a large, one-time health savings account (HSA) accrual of \$23,579 which distorts the comparison. The large accrual in 2023 resolved a previously unrecognized liability for HSA credits earned by volunteers but not utilized in the same year. As would typically be expected, actual paid compensation in 2024 increased (see below).

Following the successful introduction of a modest volunteer compensation plan for SIR volunteers in 2023, a similar plan for firefighters attending calls was introduced in 2024. Also, in recognition of the Fire and SIR Chiefs' high workloads, and their dedication and commitment to managing their respective emergency services operations, annual honorariums were increased effective January 1, 2024.

Amortization – A decrease of \$6,580

Amortization is writing down the original recorded cost of individual property, plant and equipment assets on a straight-line basis over each individual asset's estimated useful life. The Society's total equipment and vehicle assets are mostly fully amortized.

As reported in last year's report, the Society was awarded a Capital Gaming Grant of \$130,000 in December 2023 to match equivalent funds the Society had reserved for replacing the fire department's main water tender. In the fall of 2024, the fire chief identified a suitable tender located in Ontario that met the required specification and budget. A downpayment of \$10,000 was paid to the seller to secure the truck and trigger some minor modifications. Delivery of the truck occurred in March 2025, and associated operational equipment was scheduled for delivery in May 2025. Total cost of the project is expected to be close to the \$260,000 combined budget.

Purchases of property, plant and equipment in 2024 amounted to \$53,140 as compared to \$3,856 in 2023 and consisted of the \$10,000 down payment for the tender, \$40,103 for replacement self-contained breathing apparatus items including a Cascade fill system and cylinders and valves, and other minor purchases of \$3,037. Certain fire department equipment is required to be routinely replaced once a certain age limit is reached to remain compliant with Fire Underwriters Survey guidelines.

The Society reported an increase in cash and term deposits of \$65,318 in 2024 which was significantly less than an increase of \$276,566 reported in 2023. The larger increase in 2023 included the receipt of the \$130,000 Capital Gaming Grant funds along with the lesser amount spent on purchases of property, plant and equipment. A financing agreement for pagers was fully repaid in the prior year, so the Society had no long-term debt in 2024.

The restricted capital reserve account of \$260,000 was increased by \$30,000 in 2024 and earmarked for the acquisition of a replacement water tender. Cash held in term deposits represents cash invested in redeemable Guaranteed Investment Certificates.

The Society's end of year financial position remained solid and closely aligned with the financial plan approved by the board. It is worth noting that the annual property tax assessment is currently sitting in the 90-95% range of the maximum amount allowed requisition under the current CRD financing bylaw and the Society's financial plans over the next several years takes this limitation into account.

Finally, a special thank you goes out to the Fire and SIR Chiefs and all the SIR and firefighting volunteers who are the lifeblood of the Society. Their ongoing dedication and commitment to training and being available on demand to deliver emergency services is invaluable to the Saturna Island community.

Respectfully submitted,

Stephen Hardy
SIFPS Treasurer
May 19, 2025



Compiled Financial Information

Saturna Island Fire Protection Society

December 31, 2024

Saturna Island Fire Protection Society

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Compilation Engagement Report

To the Board of Directors of
Saturna Island Fire Protection Society

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, 2024, the statements of operations, changes in net assets and cash flows for the year then ended, and Note 2, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Victoria, Canada
March 26, 2025

Doane Grant Thornton LLP
Chartered Professional Accountants

Saturna Island Fire Protection Society

Statement of Operations

Year ended December 31

2024

2023

Revenues	2024	2023
Property tax assessments	\$ 302,461	\$ 256,273
Donations - VFD	2,255	6,000
Donations - SIR	8,073	10,095
Grant - VIHA	12,075	11,500
Grant - PILT	12,376	11,536
Grant - CRD	1,289	1,289
Grant - CEPF Fire	2,496	17,197
Lease	11,518	6,643
Interest and miscellaneous	<u>13,341</u>	<u>6,482</u>
	<u>365,884</u>	<u>327,015</u>
Expenditures		
Amortization	51,761	58,341
Facility service fee and rental	5,000	5,000
Honorariums, wages and benefits	80,333	93,356
Insurance	28,610	26,267
Office	11,184	8,379
Professional fees	5,586	8,085
Protective gear and uniforms	11,809	13,410
Repairs and maintenance	23,035	22,999
Supplies	8,368	7,581
Tax collection	5,356	3,762
Training	39,089	19,632
Travel	-	1,339
Utilities	5,724	4,847
Vehicle	23,161	25,875
Worksafe BC	<u>2,462</u>	<u>1,530</u>
	<u>301,478</u>	<u>300,403</u>
Excess of revenues over expenditures	<u>\$ 64,406</u>	<u>\$ 26,612</u>

Saturna Island Fire Protection Society

Statement of Changes in Net Assets

Year ended December 31

	Net assets invested in property, plant and equipment	Unrestricted	Restricted capital reserve	Total 2024	Total 2023
Balance, beginning of year	\$ 666,482	\$ 54,170	\$ 230,000	\$ 950,652	\$ 924,040
Excess of revenues over expenditures	1,269	63,137	-	64,406	26,612
Purchase of property, plant and equipment (net of capital contribution)	53,140	(53,140)	-	-	-
Amortization on property, plant and equipment	(51,761)	51,761	-	-	-
Allocation to restricted capital reserve	-	<u>(30,000)</u>	<u>30,000</u>	-	-
Balance, end of year	<u>\$ 669,130</u>	<u>\$ 85,928</u>	<u>\$ 260,000</u>	<u>\$ 1,015,058</u>	<u>\$ 950,652</u>

Saturna Island Fire Protection Society Statement of Financial Position

December 31	2024	2023
Assets		
Current		
Cash	\$ 133,172	\$ 152,810
Term deposits	433,916	348,960
Accounts receivable	4,000	2,358
Prepaid expenses	15,736	23,575
Goods and services tax receivable	<u>3,411</u>	<u>888</u>
	590,235	528,591
Long-term		
Property, plant and equipment (Note 4)	<u>702,627</u>	<u>701,247</u>
	<u>\$ 1,292,862</u>	<u>\$ 1,229,838</u>
 Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 29,196	\$ 27,479
Salaries payable	-	1,384
Deferred income (Note 5)	75,147	82,665
Current portion of long-term debt (Note 6)	<u>-</u>	<u>2,893</u>
	104,343	114,421
Deferred capital contribution	<u>173,461</u>	<u>164,765</u>
	<u>277,804</u>	<u>279,186</u>
 Net Assets		
Net assets invested in property, plant and equipment	669,130	666,482
Unrestricted	85,928	54,170
Restricted capital reserve	<u>260,000</u>	<u>230,000</u>
	<u>1,015,058</u>	<u>950,652</u>
	<u>\$ 1,292,862</u>	<u>\$ 1,229,838</u>

Saturna Island Fire Protection Society

Statement of Cash Flows

Year ended December 31

2024

2023

Increase (decrease) in cash

Operating

Excess of revenues over expenditures	\$ 64,406	\$ 26,612
Item not affecting cash		
Amortization	<u>51,761</u>	<u>58,341</u>
	116,167	84,953
Change in non-cash working capital items		
Accounts receivable	(1,642)	(2,358)
Prepaid expenses	7,839	(3,104)
Goods and services tax	(2,523)	2,662
Accounts payable and accrued liabilities	1,716	24,348
Salaries payable	(1,384)	1,384
Deferred income	<u>(7,518)</u>	<u>(4,643)</u>
	<u>112,655</u>	<u>103,242</u>

Financing

Repayment of long-term debt	(2,893)	(2,893)
Deferred capital contribution	<u>8,696</u>	<u>128,711</u>
	<u>5,803</u>	<u>125,818</u>

Investing

Purchase of property, plant and equipment	<u>(53,140)</u>	<u>(3,856)</u>
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Increase in cash

	65,318	225,204
Cash		
Beginning of year	<u>501,770</u>	<u>276,566</u>

	<u>5,803</u>	<u>125,818</u>
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	<u>5,803</u>	<u>125,818</u>
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Cash consists of:

Cash	\$ 133,172	\$ 152,810
Term deposits	<u>433,916</u>	<u>348,960</u>
	<u>\$ 567,088</u>	<u>\$ 501,770</u>

Saturna Island Fire Protection Society

Notes to the Compiled Financial Information

December 31, 2024

1. General information

Saturna Island Fire Protection Society was incorporated under the Society Act of the Province of British Columbia on 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. Basis of accounting

The basis of accounting applied in the preparation of the statement of financial position of Saturna Island Fire Protection Society as at December 31, 2024, the statements of operations, changes in net assets, and cash flows for the year then ended is on the cash basis of accounting with the addition of the following:

- (a) Accounts receivable are accrued as at the reporting date.
 - (b) Goods and services tax recoverable are accrued as at the reporting date.
 - (c) Prepaid expenses are recorded based on the terms of the invoice.
 - (d) Property, plant and equipment are recorded at historical cost and are amortized over their expected useful life.
 - (e) Accounts payable and accrued liabilities are accrued as at the reporting date.
 - (f) Unrestricted contributions are recognized as revenue when received.
 - (g) Contributions that are restricted by third parties are recognized as revenue when the related expenses have been incurred. When the related expenses have not yet been incurred, contributions that are restricted by third parties are recorded as deferred revenue.
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3. Significant accounting policy

Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated amortization and impairment losses. Amortization is calculated on a straight-line basis.

The amortization rates used for each class of property, plant and equipment are:

Buildings	4%
Equipment	20%
Emergency transportation vehicle	20%
Fire and support vehicles	20%
Radios	20%
Solar equipment	30 years

Saturna Island Fire Protection Society

Notes to the Compiled Financial Information

December 31, 2024

4. Property, plant and equipment

		2024	2023
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Land	\$ 115,651	\$ -	\$ 115,651
Buildings	1,116,410	620,545	540,521
Equipment	111,125	69,600	3,470
Emergency transportation vehicle	9,324	9,324	532
Fire and support vehicles	313,307	303,305	2
Radios	14,257	14,257	-
Solar equipment	<u>45,055</u>	<u>5,471</u>	<u>41,071</u>
	<u>\$ 1,725,129</u>	<u>\$ 1,022,502</u>	<u>\$ 702,627</u>
			<u>\$ 701,247</u>

Saturna Island Fire Protection Society

Notes to the Compiled Financial Information

December 31, 2024

5. Deferred income	<u>2024</u>	<u>2023</u>
Grant - VIHA	\$ -	\$ 2,875
Deferred lease - CRD	<u>8,625</u>	10,125
Deferred lease - Parks Canada	<u>66,522</u>	69,665
	<u><u>\$ 75,147</u></u>	<u><u>\$ 82,665</u></u>

The Society received a grant from the Vancouver Island Health Authority (VIHA) in support of Saturna Island Rescue which has been fully recognized as at December 31, 2024.

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.

6. Long-term debt	<u>2024</u>	<u>2023</u>
Financing arrangement with Crest for the purchase of 25 pagers and chargers at a total cost of \$20,250. Repaid during the year.	\$ -	\$ 2,893
Less current portion	<u>-</u>	<u>2,893</u>
Due beyond one year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

7. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.
