
Salt Spring Island Fire Protection District
Financial Statements
December 31, 2007

Auditor's Report

Statement of Financial Position

Statement 1

Statement of Revenue and Expenditure

Statement 2

Statement of Change in Financial Position

Statement 3

Schedule of Expenses

Notes to the Financial Statements

AUDITOR'S REPORT TO THE TRUSTEES

I have audited the statement of financial position of Salt Spring Island Fire Protection District as at December 31, 2007, and the statements of revenue and expenditure and change in financial position for the year then ended. These financial statements are the responsibility of the District's board of trustees. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2007, and the results of its operations for the year then ended, in accordance with the generally accepted accounting principles for improvement districts in the Province of British Columbia.




Jean Elwell
Chartered Accountant


Salt Spring Island, British Columbia
April 15, 2008

**SALT SPRING ISLAND FIRE PROTECTION DISTRICT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2007**

	2007	2006
FINANCIAL ASSETS		
Cash	\$ 269,406	\$ 836,436
Accounts receivable	7,845	9,114
Deposit on land (Note 3)	-	1,000
Prepaid expenses	21,689	46,511
	<u>298,940</u>	<u>893,061</u>
PHYSICAL ASSETS (NOTE 4)	3,033,527	3,025,671
TOTAL ASSETS	\$ 3,332,467	3,918,732
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 133,003	134,642
Unearned revenue (Note 5)	-	661,075
Current portion of long term debt (Note 6)	109,531	119,616
	<u>242,534</u>	<u>915,333</u>
LONG-TERM DEBT (NOTE 6)	744,051	853,582
TOTAL LIABILITIES	986,585	1,768,915
Financial Equity		
Street lighting	12,623	9,850
Firefighting	202,717	136,898
Total financial equity	<u>215,340</u>	<u>146,748</u>
Equity in Physical Assets (Note 4)	2,130,542	2,003,069
TOTAL EQUITY	2,345,882	2,149,817
TOTAL LIABILITIES AND EQUITY	\$ 3,332,467	\$ 3,918,732

ON BEHALF OF THE DISTRICT


Chairman


Corporate and Financial Administrator

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
 STATEMENT OF REVENUE AND EXPENDITURE
 DECEMBER 31, 2007

	Budget	2007	2006
REVENUE			
Taxes			
Operating tax advance	\$ 1,322,150	\$ 1,322,150	\$ 987,300
Capital tax advance	186,636	186,636	172,158
Total Taxes	<u>1,508,786</u>	<u>1,508,786</u>	<u>1,159,458</u>
Gain on sale of physical assets	-	-	6,000
Interest	5,000	17,693	11,849
Miscellaneous income	500	11,208	17,853
Other revenue	<u>5,500</u>	<u>28,901</u>	<u>35,702</u>
TOTAL REVENUE	<u>1,514,286</u>	<u>1,537,686</u>	<u>1,195,160</u>
EXPENDITURE			
Administration	172,500	163,323	125,359
Operations	1,113,450	1,114,954	975,724
Debt interest	67,020	63,345	69,105
Purchase of physical assets	<u>36,200</u>	<u>7,856</u>	<u>91,231</u>
TOTAL EXPENDITURE	<u>1,389,170</u>	<u>1,349,478</u>	<u>1,261,419</u>
Net Revenue	125,116	188,208	(66,259)
Less: Debt principal payments	(119,616)	(119,616)	(100,967)
Increase in debt	-	-	61,400
Change in Financial Equity	<u>5,500</u>	<u>68,592</u>	<u>(105,826)</u>
Financial Equity: Opening Balance		146,748	252,574
FINANCIAL EQUITY: CLOSING BALANCE		<u>\$ 215,340</u>	<u>\$ 146,748</u>

See Auditor's report dated April 15, 2008
 The accompanying notes are an integral part of these financial statements

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
STATEMENT OF CHANGE IN FINANCIAL POSITION
DECEMBER 31, 2007

	2007	2006
CASH FROM OPERATIONS		
Net revenue from operations *	\$ 188,208	\$ (66,259)
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	1,269	(539)
Decrease (increase) in deposits	1,000	(1,000)
Decrease (increase) in prepaid expenses	24,822	(27,710)
(Decrease) increase in deferred revenue	(661,075)	661,075
(Decrease) increase in accounts payable	(1,638)	54,747
Net cash provided by operations	<u>(447,414)</u>	<u>620,314</u>
CASH FLOWS (USED BY) INVESTING		
Net cash (used by) investing activities	<u>—</u>	<u>—</u>
CASH FLOWS FROM FINANCING		
Long-term debt repaid	(119,616)	(100,967)
Long-term debt issued	<u>—</u>	<u>61,400</u>
Net cash (used by) financing activities	<u>(119,616)</u>	<u>(39,567)</u>
Increase (decrease) in cash	\$ (567,030)	\$ 580,747
Cash (bank indebtedness), beginning of year	836,436	255,689
Cash, end of year	<u>\$ 269,406</u>	<u>\$ 836,436</u>

* **Note** – Net revenue from operations includes:

Interest received during the year	\$ 17,693
Interest paid during the year	\$ 67,020

See Auditor's report dated April 15, 2008
The accompanying notes are an integral part of these financial statements

Jean Elwell, Chartered Accountant

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
SCHEDULE OF EXPENSES
DECEMBER 31, 2007

	Budget	2007	2006
ADMINISTRATIVE EXPENSES			
Advertising	\$ 5,000	\$ 3,828	\$ 3,668
Annual dinner	5,500	4,171	5,362
Audit	4,000	4,000	3,500
Bank charges	500	337	130
Convention and dues	10,000	8,609	8,460
Education	45,000	33,247	46,882
Election	5,000	1,209	1,082
Freight & postage	2,500	2,003	1,774
Insurance	37,000	33,331	31,980
Legal	31,000	47,727	250
Office supplies	5,000	7,056	5,662
Telephone & communication	22,000	17,805	16,609
	<u>\$ 172,500</u>	<u>\$ 163,323</u>	<u>\$ 125,359</u>
OPERATING EXPENSES			
Bush fire	\$ 5,000	\$ -	\$ 3,144
Computer	2,500	3,809	1,824
Equipment repairs	21,000	15,761	13,934
Building repairs	18,000	5,835	34,866
Fire prevention	8,000	5,889	5,068
First response	11,500	6,833	6,795
Hydrant installation & repair	10,000	5,300	7,172
Land purchase	-	11,301	3,701
Landscaping	3,000	4,668	1,245
Life insurance and WCB	17,750	14,391	12,228
Miscellaneous	1,000	1,624	905
Pension plan	84,800	81,412	76,318
Protective clothing	48,650	35,074	35,558
Radio Equipment	6,000	5,742	4,599
SSI Firemen's Association	201,500	165,185	158,897
Supplies & small equipment	34,000	16,748	17,763
Street light power	14,000	11,226	12,350
Truck operation	55,000	48,161	40,164
Utilities	22,000	18,662	15,825
Wages and benefits	549,750	657,333	523,368
	<u>\$ 1,113,450</u>	<u>\$ 1,114,954</u>	<u>\$ 975,724</u>

See Auditor's report dated April 15, 2008
The accompanying notes are an integral part of these financial statements

Jean Elwell, Chartered Accountant

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

I. DESCRIPTION OF THE ORGANIZATION

Salt Spring Island Fire Protection District was incorporated as an improvement district under the Water Act of British Columbia, by Letters Patent issued on November 24, 1959 and is subject to the provisions contained in the *Local Government Act*, a statute of the provincial government. Its principal activities are to provide fire protection and street lighting to the residents of the district.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

It is the District's policy to follow accounting principles generally accepted for British Columbia local governments and to apply such principles consistently.

(b) Accrual basis of accounting

The financial statements have been prepared using the accrual basis of accounting. Revenues are recorded in the period which the transactions or events occurred that gave rise to the revenues. Expenditures are recorded in the period the goods and services are acquired.

(c) Donated services

The District benefits significantly from donated services in the form of volunteer time. Because of the difficulty of determining their fair value, the value of donated services is not recognized in these statements.

(d) Financial instruments

The fair market value of the accounts receivable, prepaid expenses, accounts payable and accrued liabilities approximate their carrying values due to the relatively short periods to maturity of the instruments.

(e) Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2007

3. NEW FIREHALL

In 2006, the District made a \$1,000 deposit to purchase a piece of property to be used to build and house a new firehall. During 2007 the deposit was refunded. A referendum for community approval of a different piece of land will be held on April 21, 2008.

4. PHYSICAL ASSETS

Capital assets are recorded at cost. In accordance with the guidelines set out by the Ministry of Community Services, no depreciation is recorded in connection with the capital assets.

	Opening Balance	Additions	Disposals	2007 Balance
Land	\$ 155,224	\$ -	\$ -	\$ 155,224
Buildings	534,159	-	-	534,159
Computer	41,650	3,503	-	45,153
Equipment	266,215	4,353	-	270,568
Radio equipment	86,440	-	-	86,440
Vehicles	1,941,983	-	-	1,941,983
	<u>\$ 3,025,671</u>	<u>\$ 7,856</u>	<u>\$ -</u>	<u>\$ 3,033,527</u>

STATEMENT OF EQUITY IN PHYSICAL ASSETS

	2007	2006
Increases		
Capital Expenditures	\$ 7,856	\$ 91,232
Reduction of debt – principal repayment	119,616	100,967
Decreases		
Assets disposed of at cost	-	(29,077)
Increase in debt	-	(61,400)
Change in equity in physical assets	<u>124,472</u>	<u>101,722</u>
Equity: Beginning of year	2,003,070	1,901,347
Equity: End of year	<u>\$ 2,130,542</u>	<u>\$ 2,003,070</u>

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2007

5. UNEARNED REVENUE

The District received \$661,075.00 in December, 2006 from the Ministry of Community Services. That payment represented the operational advance for the first half of 2007, and is classified as unearned revenue at December 31, 2007. The operational advance for the first half of 2008 was received in January, 2008.

6. LONG TERM DEBT

Long term debt is issued by the Province of British Columbia to finance significant physical assets. Interest and principal are collected at source by the province from local property taxes.

By-law	Purpose	Maturing	Rate	2007	2006
104	2007 Utility truck replacement	2011	4.5%	\$ 49,316	\$ 61,400
94	2003 Fire truck	2018	5.50%	504,526	537,318
81	2000 Fire truck	2015	7.00%	180,442	196,879
75	1997 Fire truck pumper	2007	6.75%	—	15,489
67	Central Fire Hall renos	2013	7.00%	85,427	96,589
66	1994 Fire trucks – mini pumpers (2)	2008	7.00%	19,469	37,665
65	1994 Fire truck tanker	2008	7.00%	14,400	27,858
				853,582	1,012,765
Less: current portion of long term debt				109,530	100,967
				\$ 744,052	\$ 853,582

The following principal repayments are due in the next five years:

2008	\$ 109,530
2009	80,144
2010	84,890
2011	89,944
2012	81,565
	446,085
2013 and later	407,497
	\$ 853,582