
Salt Spring Island Fire Protection District
Financial Statements
December 31, 2008

Auditor's Report

Statement of Financial Position

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Statement of Revenue and Expenditure

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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, 2008, 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, 2008, 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

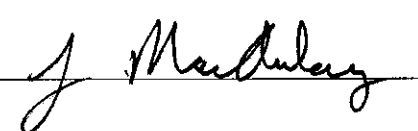
Salt Spring Island, British Columbia
April 17, 2008

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2008

	2008	2007
FINANCIAL ASSETS		
Cash	\$ 1,257,269	\$ 269,406
Accounts receivable	7,967	7,845
Prepaid expenses	16,619	21,689
	<u>1,281,855</u>	<u>298,940</u>
PHYSICAL ASSETS (NOTE 3)	<u>3,071,652</u>	<u>3,033,527</u>
TOTAL ASSETS	<u>\$ 4,353,507</u>	<u>\$ 3,332,467</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 63,456	\$ 133,003
Deferred revenue (Note 4)	991,675	-
Current portion of long term debt (Note 5)	80,144	109,531
	<u>1,135,275</u>	<u>242,534</u>
LONG-TERM DEBT (NOTE 5)	<u>663,907</u>	<u>744,051</u>
TOTAL LIABILITIES	<u>1,799,182</u>	<u>986,585</u>
Financial Equity		
Street lighting	13,502	12,623
Firefighting	262,625	202,717
Total financial equity	276,127	215,340
Equity in Physical Assets (Note 3)	2,278,198	2,130,542
TOTAL EQUITY	<u>2,554,325</u>	<u>2,345,882</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 4,353,507</u>	<u>\$ 3,332,467</u>

ON BEHALF OF THE DISTRICT

 Chairman

 Trustee

See Auditor's report dated April 17, 2009
 The accompanying notes are an integral part of these financial statements

Jean E. Jwell, Chartered Accountant

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
 STATEMENT OF REVENUE AND EXPENDITURE
 DECEMBER 31, 2008

	Budget	2008	2007
REVENUE			
Taxes			
Operating tax advance	\$ 1,625,880	\$ 1,625,880	\$ 1,322,150
Capital tax advance	169,201	169,201	186,636
Total Taxes	<u>1,795,081</u>	<u>1,795,081</u>	<u>1,508,786</u>
Interest	5,000	13,818	17,693
Miscellaneous income	500	10,125	11,208
Other revenue	5,500	23,943	28,901
TOTAL REVENUE	<u>1,800,581</u>	<u>1,819,024</u>	<u>1,537,686</u>
EXPENDITURE			
Administration	195,150	166,183	163,323
Operations	1,344,230	1,390,357	1,114,954
Debt interest	-	54,041	63,345
Purchase of physical assets	86,500	38,125	7,856
TOTAL EXPENDITURE	<u>1,625,880</u>	<u>1,648,706</u>	<u>1,349,478</u>
Net Revenue	<u>\$ 174,701</u>	170,318	188,208
Less: Debt principal payments		(109,531)	(119,616)
Increase in debt		-	-
Change in Financial Equity		60,787	68,592
Financial Equity: Opening Balance		215,341	146,748
FINANCIAL EQUITY: CLOSING BALANCE		<u>\$ 276,127</u>	<u>\$ 215,340</u>

See Auditor's report dated April 17, 2009
 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, 2008

	2008	2007
CASH FROM OPERATIONS		
Net revenue from operations *	\$ 170,318	\$ 188,208
Changes in non-cash working capital		
(Increase) decrease in accounts receivable	(122)	1,269
Decrease in deposits	—	1,000
Decrease in prepaid expenses	5,070	24,822
Increase (decrease) in deferred revenue	991,675	(661,075)
(Decrease) in accounts payable	(69,547)	(1,638)
Net cash provided by operations	<u>1,097,394</u>	<u>(447,414)</u>
CASH FLOWS (USED BY) INVESTING		
Net cash (used by) investing activities	<u>—</u>	<u>—</u>
CASH FLOWS FROM FINANCING		
Long-term debt repaid	(109,531)	(119,616)
Long-term debt issued	<u>—</u>	<u>—</u>
Net cash (used by) financing activities	<u>(109,531)</u>	<u>(119,616)</u>
Increase (decrease) in cash	\$ 987,863	\$ (567,030)
Cash, beginning of year	269,406	836,436
Cash, end of year	<u>\$ 1,257,269</u>	<u>\$ 269,406</u>

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

Interest received during the year \$ 13,818

Interest paid during the year \$ 59,670

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, 2008

	Budget	2008	2007
ADMINISTRATIVE EXPENSES			
Advertising	\$ 6,000	\$ 2,563	\$ 3,828
Annual dinner	5,500	5,237	4,171
Bookkeeping	—	2,063	—
Audit	4,000	4,800	4,000
Bank charges	650	517	337
Convention and dues	10,500	8,751	8,609
Education	55,000	52,303	33,247
Election	10,000	6,956	1,209
Freight & postage	2,500	2,267	2,003
Insurance	40,000	32,854	33,331
Legal	25,000	18,347	47,727
Office supplies	6,000	11,475	7,056
Telephone & communication	25,000	18,050	17,805
	<u>\$ 190,150</u>	<u>\$ 166,183</u>	<u>\$ 163,323</u>
OPERATING EXPENSES			
Bush fire	\$ 10,000	\$ —	\$ —
Computer	5,000	2,134	3,809
Equipment	26,600	12,557	15,761
Building repairs	21,500	21,205	5,835
Fire prevention	11,000	16,556	5,889
First response	11,500	10,926	6,833
Hydrant installation & repair	20,000	10,890	5,300
Land purchase	10,000	18,450	11,301
Landscaping	8,000	5,190	4,668
Life insurance and WCB	20,560	17,051	14,391
Miscellaneous	2,500	1,542	1,624
Pension plan	91,000	88,312	81,412
Protective clothing	42,900	39,230	35,074
Radio Equipment	6,000	8,929	5,742
SSI Firemen's Association	203,000	243,449	165,185
Supplies & small equipment	16,500	30,014	16,748
Street light power	14,170	13,291	11,226
Truck operation	55,000	58,040	48,161
Utilities	22,000	19,651	18,662
Wages and benefits	752,000	772,939	657,333
	<u>\$ 1,349,230</u>	<u>\$ 1,390,357</u>	<u>\$ 1,114,954</u>

See Auditor's report dated April 17, 2009
The accompanying notes are an integral part of these financial statements

Jean E. Jwell, Chartered Accountant

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

1. 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, in the form of volunteer time, from donated services. 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, 2008

3. 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	8,568	-	542,727
Computer	45,153	3,566	-	48,719
Equipment	270,568	14,383	-	284,951
Radio equipment	86,440	11,608	-	98,048
Vehicles	1,941,983	-	-	1,941,983
	\$ 3,033,527	\$ 38,125	\$ -	\$ 3,071,652

STATEMENT OF EQUITY IN PHYSICAL ASSETS

	2008	2007
Increases		
Capital Expenditures	\$ 38,125	\$ 7,856
Reduction of debt – principal repayment	109,531	119,616
Decreases		
Assets disposed of at cost	-	-
Increase in debt	-	-
Change in equity in physical assets	147,656	124,472
Equity: Beginning of year	2,130,542	2,003,069
Equity: End of year	\$ 2,278,198	\$ 2,130,542

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2008

4. DEFERRED REVENUE

The District received \$ 991,675.00 in December, 2008 from the Ministry of Community Services. That payment represented the operational advance for the first half of 2009, and is classified as deferred revenue at December 31, 2008. The operational advance for the first half of 2008 was received in January, 2008.

5. 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%	\$ 37,780	\$ 49,316
94	2003 Fire truck	2018	5.50%	469,931	504,526
81	2000 Fire truck	2015	7.00%	162,855	180,442
67	Central Fire Hall renos	2013	7.00%	73,485	85,427
66	1994 Fire trucks – mini pumpers (2)	2008	7.00%	–	19,469
65	1994 Fire truck tanker	2008	7.00%	–	14,400
				<u>744,051</u>	<u>853,582</u>
Less: current portion of long term debt				<u>80,144</u>	<u>109,531</u>
				<u>\$ 663,907</u>	<u>\$ 744,051</u>

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

2009	\$ 80,144
2010	84,900
2011	89,944
2012	81,565
2013	<u>86,632</u>
	423,185
2014 and later	<u>320,866</u>
	<u>\$ 744,051</u>