

Agenda

Salt Spring Island Fire Protection District Board of Trustees Special Meeting

Meeting will be held as follows:

Date: March 26, 2026

Time: 2:00 p.m.

Location: SSIFPD Administration Office

1202 - 115 Fulford-Ganges Road, Salt Spring Island (Microsoft Teams)

1. CALL TO ORDER

We would like to begin this meeting by acknowledging that we live and work in the territory of the Coast Salish First Nations. This meeting is an official forum for the Salt Spring Island Fire Protection District Board to conduct its business. This is a place of employment, and our staff have the right to a safe and respectful workplace.

2. APPROVAL OF AGENDA

3. REPORTS

3.1 March 24, 2026 Finance and Audit Committee Draft Minutes

4. OLD BUSINESS

5. NEW BUSINESS

5.1 2025 Audited Financial Statements Prepared by McLean, Lizotte, Wheadon and Company

At the March 24, 2026 meeting, the Finance and Audit Committee recommended the Board of Trustees approve the 2025 Audited Financial Statements, prepared by McLean, Lizotte, Wheadon and Company.

That the Board of Trustees receive and approve the 2025 Audited Financial Statements, prepared by McLean, Lizotte, Wheadon and Company.

5.2 Recommendation to appoint an Auditor for the 2026 Fiscal Year

At the March 24, 2026 meeting, the Finance and Audit Committee recommended the Board of Trustees appoint McLean, Lizotte, Wheadon and Company to be the auditor for the fiscal year ending December 31, 2026.

That the Board of Trustees recommend that McLean, Lizotte, Wheadon and Company be appointed as the auditor for the fiscal year ending December 31, 2026, at the 2026 Annual General Meeting.

6. IN-CAMERA MEETING

6.1 Motion to Close the Meeting

That the Board of Trustees close this meeting to the public subject to Community Charter Section 90 (1): (c) labour relations or other employee relations; and that staff be invited to remain.

The item of business to be considered is a labour-relations matter.

6.2 Motion to Re-open the Meeting

That the Board of Trustees re-open this meeting to a public session.

6.3 Arise and Report

7. NEXT MEETINGS

The 2026 Annual General Meeting will be held on April 13, 2026 at 6:30 p.m. at the Ganges Fire Hall. The next Regular Meeting will be held on April 20, 2026 at the Ganges Fire Hall.

8. ADJOURNMENT

Minutes of the Salt Spring Island Fire Protection District Finance and Audit Committee Special Meeting

Meeting held: March 24, 2026
SSIFPD Administration Office
1202 - 115 Fulford-Ganges Road, Salt Spring Island

Members Present: Robin Williams, Committee Chair
Rollie Cook, Board of Trustees Chair
Rob Oliver, Trustee (Teams)
John Wakefield, Public Member

Staff Members Present: Rodney Dieleman, Corporate Administrator and Financial Officer
Jamie Holmes, Fire Chief (Teams)
Sarah Shugar, Recorder

These minutes follow the order of the agenda although the sequence may have varied.

1. CALL TO ORDER

Chair Williams called the meeting to order at 11:00 a.m. and acknowledged that we live and work in the territory of the Coast Salish First Nations.

2. APPROVAL OF AGENDA

By general consent, the agenda was approved.

3. APPROVAL OF MINUTES

3.1 Minutes of the Regular Meeting held September 9, 2025

By general consent, the minutes of the Regular Meeting held September 9, 2025 were adopted.

4. OLD BUSINESS – None

5. NEW BUSINESS

5.1 2025 Audited Financial Statements Prepared by McLean, Lizotte, Wheadon and Company

CAO Dieleman presented the 2025 Audited Financial Statements Prepared by McLean, Lizotte, Wheadon and Company dated March 24, 2026.

MOVED by R. Cook,

That the Finance and Audit Committee recommend the Board of Trustees accept and approve the 2025 Audited Financial Statements, prepared by McLean, Lizotte, Wheadon and Company.

CARRIED

5.2 Recommendation to appoint an Auditor for the 2026 Fiscal Year

MOVED by J. Wakefield

That the Finance and Audit Committee recommend the Board of Trustees appoint McLean, Lizotte, Wheadon and Company to be the auditor for the fiscal year ending December 31, 2026.

CARRIED

6. IN CAMERA MEETING

6.1 Motion to Close the Meeting

MOVED by R. Cook,

That the Finance and Audit Committee close this meeting to the public subject to Community Charter Section 90 (1): (c) labour relations or other employee relations; and that staff be invited to remain.

CARRIED

The items of business to be considered in the in-camera meeting is a labour-relations matter.

The meeting moved to an in camera meeting at 11:30 a.m.

6.2 Motion to Re-open the Meeting

MOVED by R. Cook,

That the Board of Trustees re-open this meeting to a public session.

CARRIED

6.3 Arise and Report - None

7. NEXT MEETING

The next meeting of the Finance and Audit Committee will be held on April 14, 2026.

8. ADJOURNMENT

By general consent, the meeting adjourned at 12:00 p.m.

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
Financial Statements
Year Ended December 31, 2025

Draft for discussion purposes only

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
Index to Financial Statements
Year Ended December 31, 2025

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Accumulated Surplus	6
Statement of Changes in Net Financial Assets (Debt)	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 15

Draft for discussion purposes only

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Salt Spring Island Fire Protection District have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Salt Spring Island Fire Protection District's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by McLean, Lizotte, Wheadon and Company, in accordance with Canadian generally accepted auditing standards.

Jamie Holmes, Fire Chief

Rodney Dieleman, Chief
Administrative Office

Salt Spring Island, BC
March 14, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Salt Spring Island Fire Protection District

Report on the Financial Statements

Opinion

We have audited the financial statements of Salt Spring Island Fire Protection District (the "District"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in accumulated surplus, changes in net financial assets (debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the District in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District's financial reporting process.

(continues)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Salt Spring Island, British Columbia
March 14, 2026

MCLEAN, LIZOTTE, WHEADON AND COMPANY
Chartered Professional Accountants



Chartered Professional Accountants
Page 9 of 21

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
Statement of Financial Position
December 31, 2025

	2025	2024
ASSETS		
Cash (Note 3)	\$ 9,529,633	\$ 3,829,500
Accounts receivable	184,716	93,862
Long term Investments	1,641,498	1,357,354
TOTAL FINANCIAL ASSETS	11,355,847	5,280,716
LIABILITIES		
Accounts payable	1,224,763	543,074
Due to government agencies	25,489	7,229
Interest payable	49,111	-
Wages payable	123,994	105,240
Compensated absences and post-employment benefits	508,414	345,787
Deferred revenue	3,019,000	2,794,091
Long term debt (Note 6)	9,700,000	-
TOTAL FINANCIAL LIABILITIES	14,650,771	3,795,421
NET FINANCIAL ASSETS (DEBT)	(3,294,924)	1,485,295
NON-FINANCIAL ASSETS		
Inventory	-	345
Prepaid expenses	32,184	32,374
Tangible capital assets (Note 4)	11,399,491	5,565,575
	11,431,675	5,598,294
ACCUMULATED SURPLUS	\$ 8,136,751	\$ 7,083,589

ON BEHALF OF THE BOARD

_____ Trustee

_____ Trustee

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
Statement of Operations
Year Ended December 31, 2025

	Budget 2025	Total 2025	Total 2024
REVENUES			
Taxation	\$ 5,588,184	\$ 5,588,183	\$ 5,142,000
Other income	55,000	211,820	98,119
Interest	6,750	129,541	155,184
	<u>5,649,934</u>	<u>5,929,544</u>	<u>5,395,303</u>
OPERATING EXPENSES			
Automotive	103,500	116,014	101,681
Awards and recognition	10,300	1,898	1,760
Fire protection	80,500	27,248	14,996
Repairs and maintenance - building	76,800	33,720	34,561
Repairs and maintenance - equipment	136,020	201,414	106,449
Training	79,500	82,698	70,315
Utilities	39,500	39,026	78,392
	<u>526,120</u>	<u>502,018</u>	<u>408,154</u>
	<u>5,123,814</u>	<u>5,427,526</u>	<u>4,987,149</u>
ADMINISTRATIVE EXPENSES			
Advertising and promotion	30,000	9,846	35,081
Amortization	205,000	200,804	211,329
Annual dinner	8,000	9,031	7,610
Convention, dues and subscriptions	10,100	5,562	6,599
Fireworks	5,000	5,837	4,860
Insurance	54,000	57,064	53,357
Interest on long term debt	-	49,111	868
Office	99,950	48,888	34,100
Rental	18,000	15,518	15,018
Technical and professional fees	56,100	38,081	59,605
Telephone	20,000	3,909	17,462
	<u>506,150</u>	<u>443,651</u>	<u>445,889</u>
SURPLUS FROM OPERATIONS BEFORE WAGES, BENEFITS AND RELATED ITEMS	<u>4,617,664</u>	<u>4,983,875</u>	<u>4,541,260</u>
SURPLUS BEFORE WAGES AND BENEFITS			
Labour relations	(24,000)	(14,486)	(17,397)
Wages and benefits	(3,714,539)	(3,916,227)	(3,545,723)
	<u>(3,738,539)</u>	<u>(3,930,713)</u>	<u>(3,563,120)</u>
SURPLUS BEFORE OTHER ITEMS	879,125	1,053,162	978,140
OTHER ITEMS			
Community works funds (Note 7)	-	-	1,000,000
ANNUAL SURPLUS	<u>\$ 879,125</u>	<u>\$ 1,053,162</u>	<u>\$ 1,978,140</u>

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
Statement of Changes in Accumulated Surplus
Year Ended December 31, 2025

	2025	2024
ACCUMULATED SURPLUS (DEFICIT) - BEGINNING OF YEAR	\$ 7,083,589	\$ 5,105,449
ANNUAL SURPLUS	1,053,162	1,978,140
ACCUMULATED SURPLUS - END OF YEAR	\$ 8,136,751	\$ 7,083,589

Draft for discussion purposes only

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
Statement of Changes in Net Financial Assets (Debt)
Year Ended December 31, 2025

	Budget 2025	2025	2024
ANNUAL SURPLUS	\$ 879,125	\$ 1,053,162	\$ 1,978,140
Amortization of tangible capital assets	205,000	200,804	211,329
Purchase of tangible capital assets including capital leases	-	(6,034,719)	(2,560,708)
Loss (gain) on disposal of assets	-	-	(2)
Decrease (increase) in prepaid expenses	-	189	(2,909)
Decrease in inventory	-	345	900
	<u>205,000</u>	<u>(5,833,381)</u>	<u>(2,351,390)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	1,084,125	(4,780,219)	(373,250)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	<u>1,485,295</u>	<u>1,485,295</u>	<u>1,858,545</u>
NET FINANCIAL ASSETS (DEBT) - END OF YEAR (Note 3)	<u>\$ 2,569,420</u>	<u>\$ (3,294,924)</u>	<u>\$ 1,485,295</u>

Draft for discussion purposes only

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Annual surplus	\$ 1,053,162	\$ 1,978,140
Item not affecting cash:		
Amortization of tangible capital assets	<u>200,804</u>	<u>211,329</u>
	<u>1,253,966</u>	<u>2,189,469</u>
Changes in non-cash working capital:		
Accounts receivable	(90,854)	77,843
Accounts payable	681,688	459,310
Deferred revenue	224,909	223,091
Inventory	345	900
Prepaid expenses	190	(2,909)
Interest payable	49,111	-
Wages payable	18,754	(3,949)
Due to government agencies	18,260	-
Compensated absences and post-employment benefits	<u>162,627</u>	<u>(110,137)</u>
	<u>1,065,030</u>	<u>644,149</u>
Cash flow from operating activities	<u>2,318,996</u>	<u>2,833,618</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets including capital leases	(6,034,719)	(2,560,710)
Long term Investments	<u>(284,144)</u>	<u>448,102</u>
Cash flow used by investing activities	<u>(6,318,863)</u>	<u>(2,112,608)</u>
FINANCING ACTIVITIES		
Proceeds from long term financing	9,700,000	-
Repayment of obligations under capital lease	<u>-</u>	<u>(60,623)</u>
Cash flow from (used by) financing activities	<u>9,700,000</u>	<u>(60,623)</u>
INCREASE IN CASH FLOW	5,700,133	660,387
Cash - beginning of year	<u>3,829,500</u>	<u>3,169,113</u>
CASH - END OF YEAR (Note 3)	<u>\$ 9,529,633</u>	<u>\$ 3,829,500</u>

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
Notes to Financial Statements
Year Ended December 31, 2025

1. PURPOSE OF THE DISTRICT

The Salt Spring Island Fire Protection District (the "District") is an improvement district incorporated under the Local Government Act of British Columbia in 1959.

The purpose of the District is to provide fire protection services to the residents of the District.

2. SIGNIFICANT ACCOUNTING POLICIES

Financial Statement presentation

The financial statements of the district have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the district are as follows:

Basis of accounting

The District follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

Fund accounting

Funds within the financial statements consists of operating, tangible capital assets, and general capital purpose reserve.

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

The Tangible Capital Assets Fund reports the assets, liabilities, revenues, and expenses related to Salt Spring Island Fire Protection District's capital assets and building improvements campaign.

The General Capital Purpose Reserve Fund was established by bylaw #134 on June 25, 2018. These funds can only be disbursed through bylaws approved and passed by the Trustees and further approved by the Inspector of Municipalities of the Province of British Columbia for the purposes of upgrading or replacing existing tangible capital assets. Transfers to the Reserve will be made periodically from operating surplus or the sale of district land. Transfers from the Reserve will be made periodically to account for approved disbursements.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Investments

Investments are comprised of term deposits and are recorded at cost, plus accrued interest.

Compensated absences and post-employment benefits

It is the policy of the District to record banked post-employment benefits and compensated absences as an expense in the year earned.

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SALT SPRING ISLAND FIRE PROTECTION DISTRICT
Notes to Financial Statements
Year Ended December 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Employee future benefits

The District and its employees make contributions to the Municipal Pension Plan. The District's contributions are expensed as incurred.

Deferred revenue and deposits

Deferred revenue consists of an advance on next year's tax revenues. Revenue is recognized in the period which it was collected for.

Revenue recognition

The provincial government collects and distributes taxes to the District. Taxation revenues are recorded in the year in for which they are levied. In addition, the provincial government also collects taxes for the capital advance tax levy, which is used to offset the long term debt held with the provincial government.

Non-financial assets and liabilities

Non-financial assets and liabilities are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

I. Tangible capital assets including capital leases

Tangible capital assets are recorded at cost which includes amounts that are directly attributed to aquisition, construction, development or betterment of an asset. The cost, less residual value of the capital asset is amortized on a declining balance basis at the following rates:

Buildings	5%
Computers	30%
Containers and storage	10%
Equipment	20%
Motor vehicles	10%

The District regularly reviews its non-financial assets to eliminate obsolete items. Government grants are treated as a reduction of non-financial assets cost.

Non-financial assets acquired during the year but not placed into use are not amortized until they are placed into use. Non-financial assets no longer in use are not amortized.

Assets under construction are not depreciated until the asset is placed in service.

II. Inventory and prepaid expenses

Inventories and prepaid expenses are recorded at the lower of cost and replacement cost.

(continues)

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
Notes to Financial Statements
Year Ended December 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of estimates

Preparation of the financial statements in conformity with Canadian public sector accounting standards requires the Board to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets and estimating provisions for accrued liabilities. Actual results could differ from these estimates and adjustments, if any, will be reflected in the period of settlement or upon a change in the estimate.

Financial instruments

The District's financial instruments consist of cash, accounts receivable, investments, accounts payable, and deferred revenue. The carrying amount of these financial instruments approximates their fair value because they are short-term in nature or because they bear interest at market rates.

Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest, liquidity or credit risk arising from these financial instruments.

3. CASH

	2025	2024
Restricted cash	\$ 3,136	\$ 38,986
Unrestricted cash	9,526,497	3,790,514
	\$ 9,529,633	\$ 3,829,500

Restricted cash was established by bylaw #39 to fund the Capital Works Renewal Reserve Fund and the General Capital Purpose Reserve Fund. These funds can only be disbursed by a bylaw passed by the Trustees and approved by the Inspector of Municipalities of the Province of British Columbia for the purposes of upgrading or replacing existing tangible capital assets.

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
Notes to Financial Statements
Year Ended December 31, 2025

4. TANGIBLE CAPITAL ASSETS

<u>Cost</u>	2024 Balance	Additions	Disposals	2025 Balance
Buildings	\$ 661,078	\$ -	\$ -	\$ 661,078
Computer equipment	63,446	-	-	63,446
Containers and storage	38,676	-	-	38,676
Equipment	971,934	54,416	-	1,026,350
Land	801,492	83,365	-	884,857
Motor vehicles	4,039,342	38,848	-	4,078,190
Assets under construction	2,986,381	5,858,090	-	8,844,471
	\$ 9,562,349	\$ 6,034,719	\$ -	\$ 15,597,068

<u>Accumulated Amortization</u>	2024 Balance	Amortization	Accumulated Amortization on Disposals	2025 Balance
Buildings	\$ 458,712	\$ 10,118	\$ -	\$ 468,830
Computer equipment	60,728	815	-	61,543
Containers and storage	26,636	1,204	-	27,840
Equipment	793,535	46,563	-	840,098
Motor vehicles	2,657,163	142,103	-	2,799,266
	\$ 3,996,774	\$ 200,803	\$ -	\$ 4,197,577

<u>Net book value</u>	2025	2024
Buildings	\$ 192,248	\$ 202,366
Computer equipment	1,903	2,718
Containers and storage	10,836	12,040
Equipment	186,252	178,399
Land	884,857	801,492
Motor vehicles	1,278,924	1,382,179
Assets under construction	8,844,471	2,986,381
	\$ 11,399,491	\$ 5,565,575

Assets under construction have not been amortized. Amortization of these assets will commence when the asset is put into service.

5. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

The District provides sick leave and certain other benefits to its employees. The accrued benefit obligation has been estimated by the District.

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
Notes to Financial Statements
Year Ended December 31, 2025

6. LONG TERM DEBT

	2025	2024
Bylaw #161 loan bearing interest at 4.4% per annum, repayable in annual blended payments of \$636,976. The loan matures on July 1, 2050.	\$ 9,700,000	\$ -
Amounts payable within one year	-	-
	\$ 9,700,000	\$ -

The Province of British Columbia collects the capital advance tax levy on behalf of the District and these funds are used directly to offset these long term debt.

No interest has been paid, but interest was accrued to December 31, 2025 in the amount of \$49,111.

Principal repayment terms are approximately:

2026	\$ 373,880
2027	226,627
2028	236,598
2029	247,009
2030	257,877
	\$ 1,341,991

7. COMMUNITY WORKS FUNDS

Community Works Fund Agreement funding is provided by the Government of Canada and use of the funding is established by a funding agreement between the Capital Regional District and the Union of British Columbia Municipalities. Total funding under this agreement is one million dollars and must be used for the construction of the new fire hall.

8. PENSION PLAN

The District and certain of its employees contribute to the Municipal Pension Plan ("the plan"). The plan is a multi-employer defined benefit plan. The British Columbia Pension Corporation administers the Plan, including the payment of pension benefits on behalf of employers and employees in accordance with the Public Sector Pension Plans Act and the Municipal Pension Plan Rules. The risks and rewards associated with the Plan's unfunded liability or surplus are shared between the employers and the Plan's members and may be reflected in their future contributions.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year. This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

During the year, the District contributed \$281,201 (2024 - \$308,018) on behalf of the employees.

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
Notes to Financial Statements
Year Ended December 31, 2025

9. BUDGET

The financial plan is prepared on a revenue and expenditure basis. The unaudited budget figures presented in these financial statements have been approved by the trustees for the year and are presented for information purposes only.

10. FINANCIAL INSTRUMENTS

The District is exposed to certain risks from its financial instruments:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The District is exposed to credit risk through its cash and cash equivalents, accounts receivable and investments. The maximum exposure to credit risk on these instruments is their carrying value.

Credit risk associated with cash and cash equivalents is minimized by ensuring that these assets are held at financial institutions with a high credit quality. The District has deposited cash with reputable financial institutions, from which management believes the risk of loss to be remote.

The District assess, on a continuous basis, accounts receivables and provides for any amounts that are not collectible.

Liquidity risk

Liquidity risk is the risk that the District will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The District manages its liquidity risk by monitoring its operating and capital requirements. The District prepares budget and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations.

Market risk

Market risk is the risk that changes in market prices, as a result of changes in foreign exchange rates or interest rate will affect the District's value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing return on investments.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the District manages exposure through its normal operating and financing activities.

The District is exposed to interest rate risk primarily through its interest earned on its term deposits, and interest rate paid on its long term debt.

There has been no significant change to the risk exposure from the 2025 fiscal year.

SALT SPRING ISLAND FIRE PROTECTION DISTRICT
Notes to Financial Statements
Year Ended December 31, 2025

11. CONTRACTUAL OBLIGATIONS

New Fire Hall Construction

The District began construction of a new fire hall during the 2024 fiscal year. The total cost of this project is estimated to be \$13,000,000 which includes a 13% contingency. The total borrowing will not exceed \$9,700,000 as per the 2022 referendum. The borrowing term will be 20 years.

Construction began in the 2024 fiscal year, and continued into 2025. Expenditures towards the construction of the new fire hall have been capitalized as part of assets under construction.

The project is estimated to be completed during the 2026 fiscal year.

12. CONTINGENCIES

In January 2025, the District was served notice of litigation for which management is unable to determine the outcome. No provision has been made in the financial statements for this claim.

Draft for discussion purposes only