

**SALT SPRING ISLAND FIRE PROTECTION DISTRICT**  
**Financial Statements**  
**Year Ended December 31, 2024**

**SALT SPRING ISLAND FIRE PROTECTION DISTRICT**  
**Index to Financial Statements**  
**Year Ended December 31, 2024**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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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  
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Rodney Dieleman, Chief  
Administrative Office

Salt Spring Island, BC  
April 10, 2025

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## INDEPENDENT AUDITOR'S REPORT

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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, 2024, and the statements of operations, changes in accumulated surplus, changes in net financial assets 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, 2024, 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.

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Independent Auditor's Report to the Members of Salt Spring Island Fire Protection District (*continued*)

*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.

*McLean, Lizotte, Wheadon and Company*

**MCLEAN, LIZOTTE, WHEADON AND COMPANY**  
**Chartered Professional Accountants**

Salt Spring Island, British Columbia  
April 10, 2025




**SALT SPRING ISLAND FIRE PROTECTION DISTRICT**  
**Statement of Financial Position**  
**December 31, 2024**

	2024	2023
<b>ASSETS</b>		
Cash (Note 3)	\$ 3,829,500	\$ 3,169,113
Accounts receivable	93,862	171,705
Long term Investments	1,357,354	1,805,456
<b>TOTAL FINANCIAL ASSETS</b>	<b>5,280,716</b>	<b>5,146,274</b>
<b>LIABILITIES</b>		
Accounts payable	550,303	90,993
Current portion of obligations under capital lease (Note 4)	-	60,623
Wages payable	105,240	109,189
Compensated absences and post-employment benefits	345,787	455,924
Deferred revenue	2,794,091	2,571,000
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>3,795,421</b>	<b>3,287,729</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,485,295</b>	<b>1,858,545</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventory	345	1,245
Prepaid expenses	32,374	29,465
Tangible capital assets (Note 5)	5,565,575	3,216,194
	<b>5,598,294</b>	<b>3,246,904</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 7,083,589</b>	<b>\$ 5,105,449</b>

**ON BEHALF OF THE BOARD**

 \_\_\_\_\_ Trustee

 \_\_\_\_\_ Trustee

See notes to financial statements

**SALT SPRING ISLAND FIRE PROTECTION DISTRICT**  
**Statement of Operations**  
**Year Ended December 31, 2024**

	Budget 2024	Total 2024	Total 2023
<b>REVENUES</b>			
Taxation	\$ 5,080,250	\$ 5,142,000	\$ 4,589,725
Interest	6,750	155,184	140,986
Other income	55,000	98,119	119,298
	5,142,000	5,395,303	4,850,009
<b>OPERATING EXPENSES</b>			
Automotive	100,250	101,681	137,365
Awards and recognition	10,000	1,760	4,806
Fire protection	74,500	14,996	48,410
Repairs and maintenance - building	35,500	34,561	29,082
Repairs and maintenance - equipment	118,250	106,449	107,128
Training	75,000	70,315	59,408
Utilities	38,250	78,392	36,560
	451,750	408,154	422,759
	4,690,250	4,987,149	4,427,250
<b>ADMINISTRATIVE EXPENSES</b>			
Advertising and promotion	11,000	35,081	4,906
Amortization	200,000	211,329	214,107
Annual dinner	7,500	7,610	7,027
Convention, dues and subscriptions	12,000	6,599	4,741
Fireworks	2,500	4,860	5,897
Insurance	51,000	53,357	48,905
Interest on long term debt	-	868	1,233
Office	88,250	34,100	57,593
Rental	16,750	15,018	15,150
Technical and professional fees	55,000	59,605	40,035
Telephone	18,750	17,462	20,540
	462,750	445,889	420,134
<b>SURPLUS FROM OPERATIONS BEFORE WAGES, BENEFITS AND RELATED ITEMS</b>	4,227,500	4,541,260	4,007,116
<b>SURPLUS BEFORE WAGES AND BENEFITS</b>			
Labour relations	(21,250)	(17,397)	(24,367)
Wages and benefits	(3,347,133)	(3,545,723)	(3,175,499)
	(3,368,383)	(3,563,120)	(3,199,866)
<b>SURPLUS BEFORE OTHER ITEMS</b>	859,117	978,140	807,250
<b>OTHER ITEMS</b>			
Community works funds (Note 7)	-	1,000,000	-
<b>ANNUAL SURPLUS</b>	\$ 859,117	\$ 1,978,140	\$ 807,250

See notes to financial statements

**SALT SPRING ISLAND FIRE PROTECTION DISTRICT**  
**Statement of Changes in Accumulated Surplus**  
**Year Ended December 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>\$ 5,105,449</b>	<b>\$ 4,298,199</b>
<b>ANNUAL SURPLUS</b>	<b><u>1,978,140</u></b>	<b><u>807,250</u></b>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b><u>\$ 7,083,589</u></b>	<b><u>\$ 5,105,449</u></b>

See notes to financial statements



**SALT SPRING ISLAND FIRE PROTECTION DISTRICT**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2024**

	Budget 2024	2024	2023
<b>ANNUAL SURPLUS</b>	<b>\$ 859,117</b>	<b>\$ 1,978,140</b>	<b>\$ 807,250</b>
Amortization of tangible capital assets including capital leases	200,000	211,329	214,107
Purchase of tangible capital assets including capital leases	-	(2,560,708)	(733,445)
Loss (gain) on disposal of assets	-	(2)	-
Decrease (increase) in prepaid expenses	-	(2,909)	(1,931)
Decrease (increase) in inventory	-	900	(1,245)
	200,000	(2,351,390)	(522,514)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>1,059,117</b>	<b>(373,250)</b>	<b>284,736</b>
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<b>1,858,545</b>	<b>1,858,545</b>	<b>1,573,809</b>
<b>NET FINANCIAL ASSETS - END OF YEAR (Note 3)</b>	<b>\$ 2,917,662</b>	<b>\$ 1,485,295</b>	<b>\$ 1,858,545</b>

See notes to financial statements

**SALT SPRING ISLAND FIRE PROTECTION DISTRICT**  
**Statement of Cash Flows**  
**Year Ended December 31, 2024**

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 1,978,140	\$ 807,250
Item not affecting cash:		
Amortization of tangible capital assets including capital leases	211,329	214,107
	<u>2,189,469</u>	<u>1,021,357</u>
Changes in non-cash working capital:		
Accounts receivable	77,843	(152,959)
Accounts payable	459,310	55,829
Deferred revenue	223,091	2,571,000
Inventory	900	(1,245)
Prepaid expenses	(2,909)	(1,932)
Wages payable	(3,949)	(707)
Compensated absences and post-employment benefits	(110,137)	(2,472)
	<u>644,149</u>	<u>2,467,514</u>
Cash flow from operating activities	<u>2,833,618</u>	<u>3,488,871</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets including capital leases	(2,560,710)	(736,393)
Long term Investments	448,102	210,459
Cash flow used by investing activities	<u>(2,112,608)</u>	<u>(525,934)</u>
<b>FINANCING ACTIVITY</b>		
Repayment of obligations under capital lease	(60,623)	(57,325)
Cash flow used by financing activity	<u>(60,623)</u>	<u>(57,325)</u>
<b>INCREASE IN CASH FLOW</b>	<b>660,387</b>	<b>2,905,612</b>
Cash - beginning of year	<u>3,169,113</u>	<u>263,501</u>
<b>CASH - END OF YEAR (Note 3)</b>	<b><u>\$ 3,829,500</u></b>	<b><u>\$ 3,169,113</u></b>

See notes to financial statements

**SALT SPRING ISLAND FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

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**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.

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**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, 2024**

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**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 acquisition, 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.

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**SALT SPRING ISLAND FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

**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**

	<b>2024</b>	<b>2023</b>
Restricted cash	\$ 38,986	\$ 507,752
Unrestricted cash	<b>3,790,514</b>	2,661,361
	<b>\$ 3,829,500</b>	<b>\$ 3,169,113</b>

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.

**4. OBLIGATIONS UNDER CAPITAL LEASE**

	<b>2024</b>	<b>2023</b>
Calidon Equipment Leasing lease bearing interest at 5.75% per annum, repayable in annual blended payments of \$64,108. The lease matures on April 1, 2025.	\$ -	\$ 60,623
Amounts payable within one year	-	(60,623)
	<b>\$ -</b>	<b>\$ -</b>

**SALT SPRING ISLAND FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

**5. TANGIBLE CAPITAL ASSETS INCLUDING CAPITAL LEASES**

<u>Cost</u>	2023 Balance	Additions	Disposals	2024 Balance
Buildings	\$ 661,078	\$ -	\$ -	\$ 661,078
Computer equipment	63,446	-	-	63,446
Containers and storage	38,676	-	-	38,676
Equipment	971,934	-	-	971,934
Land	801,492	-	-	801,492
Motor vehicles	3,655,468	383,874	-	4,039,342
Assets under construction	875,398	2,110,983	-	2,986,381
	<u>\$ 7,067,492</u>	<u>\$ 2,494,857</u>	<u>\$ -</u>	<u>\$ 9,562,349</u>

<u>Accumulated Amortization</u>	2023 Balance	Amortization	Accumulated Amortization on Disposals	2024 Balance
Buildings	\$ 471,612	\$ -	\$ -	\$ 458,712
Computer equipment	59,563	1,165	-	60,728
Containers and storage	25,298	1,338	-	26,636
Equipment	748,935	44,600	-	793,535
Motor vehicles	2,545,890	111,273	-	2,657,163
	<u>\$ 3,851,298</u>	<u>\$ 158,376</u>	<u>\$ -</u>	<u>\$ 3,996,774</u>

<u>Net book value</u>	2024	2023
Buildings	\$ 202,366	\$ 189,466
Computer equipment	2,718	3,883
Containers and storage	12,040	13,378
Equipment	178,399	222,999
Land	801,492	801,492
Motor vehicles	1,382,179	1,109,578
Assets under construction	2,986,381	875,398
	<u>\$ 5,565,575</u>	<u>\$ 3,216,194</u>

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

**6. 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.

**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.

**SALT SPRING ISLAND FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

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**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 \$308,018 (2023 - \$281,774) on behalf of the employees.

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**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.

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**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.

There has been no significant change to the risk exposure from the 2023 fiscal year.

**SALT SPRING ISLAND FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

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**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.

During the 2024 fiscal year, expenditures towards the construction of the new fire hall have been capitalized as part of assets under construction.

The project is estimated to be complete by December 2025.

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**12. SUBSEQUENT EVENTS**

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.

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