

The Budget Setting Process

Denman Island Volunteer Fire Department

Stage 1 - Long-term Planning and Issue Identification

- Annual General Meeting
- Officers' meetings
- Firefighters meetings
- Incidents and training

Stage 2 - Identifying Priorities

Assessing solutions

- Training
- Equipment upgrades
- New equipment

Sourcing and pricing solutions

Stage 3 – Budget Setting (July-August)

- Utilities (telephone, hydro, heating)
- Administrative costs
- Honoraria
- Firefighting supplies
- Repairs and maintenance
- Training
- New equipment
 - a) Minor (normal purchasing procedures)
 - b) Major (Capital Equipment Reserve - 15-yr.plan)

Stage 4 – Budget presentation to DIRA (September)

- Modifications (if requested)
- Approval by residents via DIRA
- Submission to CVRD

Stage 5 – Review by CVRD Staff (November – December)

- Modifications negotiated

Stage 6 – Approval by CVRD Board of Directors (February)

Financial Management - 2010

Denman Island Volunteer Fire Department

Revenue

- Tax-based revenue is deposited quarterly (Jan., Apr., July, Oct.) by CVRD in DIVFD chequing account at Union Bay C.U.
- Rental Income from BCAS is deposited directly (monthly)
- Incidental Firehall rentals, donations deposited as received

Expenditures

- All invoices for goods or services are paid immediately upon receipt by cheque or, in some cases, internet banking
- Officers Honoraria paid monthly by cheque
- Firefighters Honoraria paid in December by cheque

Record Keeping/ Financial Management

- All expenditures are logged in a journal, upon payment, by category of expenditure and in specific detail (Payee, date of payment, cheque number, total invoice, HST, details related to expenditure)
- Cheques and deposits are reconciled monthly upon receipt of bank statement
- Following year-end (Dec. 31), all financial records are provided to an independent chartered accountant (Meyers Norris Penny) for the preparation of a financial statement

Financial Reporting

- Journal of expenditures available at any time to Officers and firefighters
- Revenue and expenditure reports prepared bi-monthly for Fire Chief and Deputy Chief
- Advertised open-house to review financial records held in March of the following year upon receipt of the financial statement from accountant
- Financial report for previous year presented at April DIRA meeting

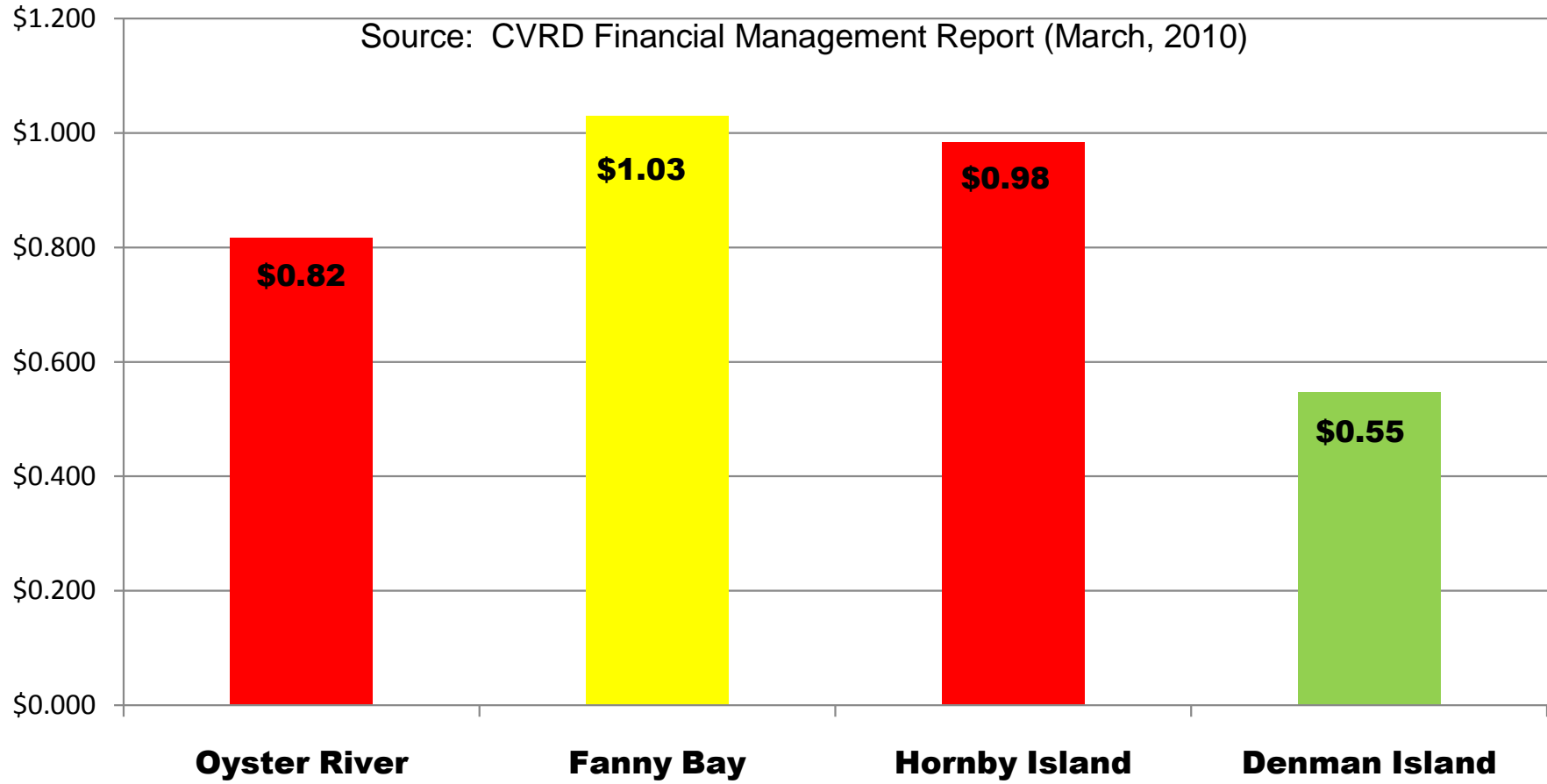
Overview of All Components Comprising the Denman Island Volunteer Fire Department's 2010 Budget

From: CVRD Financial Management Report - January, 2011

<u>Account Code</u>	<u>Description</u>	<u>Details</u>	<u>2010 Budget</u>
01-1-215-200	Support Services	CVRD Administrative costs	\$2,521
01-1-215-210	Grant - Operational	DIVFD Operating budget	\$100,050
01-1-215-220	Salaries and Wages	Fire Chief Salary + part of CVRD staff salaries *	\$27,702
01-1-215-225	Benefits	Salary benefits related to CVRD salaries in 220 (above)**	\$4,280
01-1-215-238	WCB	WCB premiums for 220 (above) + DI Firefighters	\$291
01-1-215-275	Licenses/Permits	Fees for DIVFD base station radio and portables	\$800
01-1-215-369	Insurance - Liability	Liability insurance premium - Denman Island Firehall	\$2,779
01-1-215-372	Insurance - Property	Property damage insurance premium - Firehall	\$1,044
01-1-215-381	Legal fees	Contingency fund for future legal services	\$1,000
01-1-215-387	Other professional fees	Consultants - various CVRD fire service projects	\$2,000
01-1-215-461	Insurance/License - Vehicles	Insurance premiums for DIVFD vehicles	\$4,197
01-1-215-468	Minor Capital	CVRD fire service-wide records management program	\$7,000
01-1-215-485	Contribution to Capital Works, Machinery Equipment Reserve	Accumulating fund for major capital purchases for DIVFD (Trucks, SCBA)	\$49,416
01-1-215-489	Reserve Contribution - Other	CVRD accumulating fund for legal contingencies	\$0
Denman Island Fire Total			\$203,080
* Includes \$12,000 Honorarium for D.I. Fire Chief + a part of the salary for CVRD Manager of Fire Services			
** Benefits accrue to CVRD Staff only.			

Comparison - 2011 Fire Service Cost per \$1000 Assessed Value

Source: CVRD Financial Management Report (March, 2010)



Denman Island Volunteer Fire Department
Statement of Financial Position

As at December 31, 2010
(Unaudited - see Notice to Reader)

Assets

Current

Cash	7,153
Harmonized sales tax receivable	3,998

11,151

Liabilities

Current

Accounts payable and accruals	2,000
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Accumulated Surplus

Operating surplus	9,151
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11,151

Approved on behalf of the Organization

Fire Chief

Treasurer

Denman Island Volunteer Fire Department
Statement of Operations and Accumulated Surplus

For the year ended December 31, 2010
(Unaudited - see Notice to Reader)

Revenue	
Operating grant	100,050
Rental income	4,415
Donations	510
Interest	8
	<hr/> 104,983
Fire protection services	
Fire and rescue supplies	8,205
Fire equipment repairs and maintenance	627
Firefighters honoraria	28,830
First responder equipment and supplies	2,627
High angle rescue	1,113
Officers honoraria	3,600
Radio equipment repairs and maintenance	6,439
Recruitment and retention	3,823
Training and education	8,077
Turnout gear	9,174
Vehicle fuel	3,518
Vehicle repairs and maintenance	7,267
	<hr/> 83,300
Administrative services	
Building electricity	1,300
Building repairs and maintenance	3,604
Directors insurance	550
Dues	966
Firefighters insurance	4,515
Office	4,016
Professional fees	2,000
Telephone	2,271
	<hr/> 19,222
Total expenses	<hr/> 102,522
Operating surplus	2,461
Accumulated surplus, beginning of year	6,690
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Accumulated surplus, end of year	9,151
