

2012-2013 Annual Report



RCM-SAR



**ROYAL CANADIAN MARINE
SEARCH & RESCUE**
Saving Lives on the Water

President's Report

RCM-SAR is a truly dynamic organization, and the one constant seems to be fast and furious change. We can be proud of our accomplishments during the past year.

Glenairley



The most significant accomplishment in the past year was our move from the Coast Guard property in Victoria to our new home at Glenairley in East Sooke. This monumental task was achieved in a very short period of time. The main office building was painted, a new phone system installed, and new offices refurbished with very little disruption to our ongoing operations.

While the offices are mostly complete, we continue to work towards the construction of the Training Centre itself. This building is being planned to ultimately house two full-size rescue craft simulators, along with classroom and office space. Designs are nearly complete and we plan to break ground on this project very soon.

Once again, I want to thank the visionaries and the drivers behind the purchase of this phenomenal piece of property, and those who worked so hard to bring this dream to fruition.

Fundraising

Earlier this year we were very excited to learn that we are to receive a large grant from Seaspan International through the Dennis and Phyllis Washington Foundation. The grant is for \$100,000 a year over a period of three years, half of which is earmarked for training and half to be shared by six RCMSAR Stations. We certainly appreciate the generosity of the Washington family and look forward to a continuing relationship with Seaspan International.

We have recently completed applications for federal grants totaling more than \$1 million, and are developing a comprehensive capital campaign during the fall.

Vessels

Our Delta and Crescent Beach stations are the first to receive our new Type 1 vessel. Two more are currently under construction. The Type 1 is a truly revolutionary vessel with its shock mitigating “ICE” console, and we look forward to getting many years of service out of this design.

We have now launched six Type II cabin vessels and have two more under construction. These vessels are proving to be excellent SAR platforms and continue to attract attention internationally.



Transportation Safety Board Report

Almost a year after the tragic loss of two RCM-SAR members in Skookumchuck Rapids, the Transportation Safety Board report was made public and is available online. As a result of the findings of both the TSB and our own internal investigation, we have adopted several improvements to our training, operations, policies, and equipment. We will continue to learn from this accident, which serves as a reminder that it is up to each and every one of us, as trained SAR volunteers, to make safety THE top priority at all times.



We will continue to build a culture of professionalism in our crews, and we will never forget the loss of Angie Nemeth and Beatrice Sorenson.

Congratulations

We are indeed proud of Cheryl Caldwell, our Director of Training, who recently completed all requirements for her Ocean Master Unlimited Certificate. That is the highest Master Mariner license available, and we are very fortunate to have Cheryl as part of our organization and bringing her skill and enthusiasm to our operations and training. Cheryl is an inspiration to all of us!

Staff

With the move to Glenairley comes a change in our Administrative Staff. We are very happy to have Rob Duffus take on the role of Director of Marketing and Communications. Rob has broad experience working in media and public affairs. He also served as a coxswain, trainer, and station leader with Station 35 Victoria.

Jason van der Valk took on the position of Operations Assistant. Jason is a coxswain with Station 37 Sooke, and has a background in Graphics and Design.

We are delighted to have Rob and Jason join our team!

Coast Guard

While we have been undergoing many changes over the past year, so too have our colleagues at the Coast Guard in our region as they deal with consolidation and shifting resources. There have been changes in personnel at the upper management levels. I have had the distinct pleasure of meeting and working closely with Miriam van Roosmalen, Regional Director of Marine Programs, Glenn Ormiston, Regional Director of SAR, and Roger Girouard, Assistant Commissioner. All three have demonstrated a keen interest in RCM-SAR and in building a close, respectful and cooperative relationship between our two agencies. I thank them for their interest and for their support for RCM-SAR.



Our People

As President, I am grateful to so many people for their insight and support over the past years. I benefit from the wise counsel of Past President Randy Strandt and the members of my Executive- Greg Miller, Chris Gouglas, and Reg Marrinier. We certainly benefit from a very strong and dynamic Board, and to each and every one of them I say “thank you” for all you bring to the table!

We all benefit from our strong staff. Laura, Devon, Rob, Jason, Francois, and Cheryl really give it their all, every day. They are a very strong team, but all of us need to remember load that we, as members, can put on them.

We have a very strong Management team. These are the volunteers who put in countless hours using specific skill sets that benefit the entire Region. They represent a creative and experienced core of our membership who lend their various skills across the board, and I greatly appreciate their dedication.

Our Executive Officer, Stan Warlow, is a true visionary whose strategic thinking, deep experience with RCM-SAR, and broad network of connections across the country are moving our organization to the next level of success. We couldn't ask for better.

But I am most proud of our members. We train hard and are called upon for some very tough missions. We and our families put many things "on hold" in order to save lives on the water. Our members are the fabric that holds RCM-SAR together, and our members collectively have made us one of the leading volunteer marine rescue organizations in the world.

So to all of you, my deepest appreciation for another successful year.

Jim Lee,
President

RCM-SAR Stats
April 4, 2012 to March 31 2013

	SAR Missions	695
	People assisted	664
	Personnel (crew and non-crew)	1056
	Training exercises	2420
	Total training hours	8336
	Total person hours	68575
	Value of property protected	\$18,800,000
	SAR Assets	70

Training

Training is a high priority for the Royal Canadian Marine Search and Rescue, and we continue to make great strides to ensure that our members are trained to the highest standards. The safety of our members is paramount, and we will continue to maintain standards to ensure our members are well prepared when they are tasked on a mission.

We continue to provide Transport Canada certified courses for our members, including Small Vessel Operator Proficiency (SVOP), Simulated Electronic Navigation-Limited (SEN-L), Emergency Duties A3 (MED A3), and recently Marine Advanced First Aid (MAFA).



The Fast Rescue Craft Simulator continues to be an excellent tool for learning. The Transas Software that supports the simulator provides increasingly realistic scenarios with each new upgrade. The simulator has proven itself to be a versatile tool for learning, as members could train for months on the water and not encounter some of the situations that are possible to create in the simulator. The simulator's proven success has prompted outside agencies to contact the RCM-SAR requesting courses designed towards their specific needs. For example, RCM-SAR has developed a custom course

for the Victoria Police Department using our Marine Simulator Facilities. The course two day course is called Navigation Safety Module 1, and covers basic navigation, chartwork and navigation theory, RADAR tools used in small vessel pilotage, collision regulations and aids to navigation. 18 members have completed this training. This course could be used as a template for other outside agencies who are interested in basic navigation training and refresher courses. Coxswains with Canadian Special Operations Forces Command (CANSOFCOM) also attended a training course.

We are excited about several new courses that we have started during the past year. Marine Advanced First Aid (MAFA) represents a significant addition to our training. This 44-hour course is designed for those who need a higher level of training to respond to medical emergencies in a marine setting. It meets the requirements of Transport Canada outlined in Transport Publication (TP) 13008.

When they complete the course, candidates receive both a Transport Canada Marine Advanced First Aid Certificate and a Red Cross First Responder Certificate. This course also covers off AED and CPR HCP certifica-

tions. Over the past year more than 100 RCM-SAR members have been certified to this higher level of first aid training. We have been fortunate to have been able to purchase our own training equipment, and have recently begun in-house training with certified instructors. RCM-SAR's goal is to have at least one member on every crew throughout the region trained in MAFA.

First Aid Committee

With the new level of first aid training in place, there are several new policies and protocols that will be implemented at all Stations. A first aid committee is being established to provide further support in this area. The committee will oversee training protocols for first aid, advise on appropriate levels and standards for first aid on vessels, determine first aid protocols, work with first aid/government authorities to determine correct regime to operate under, and - of particular importance - ensure proper procedures in place for recording, submitting, and storage of medical records.



The RCM-SAR Coxswain Leadership Course

The first draft of the RCM-SAR Coxswain Course has been completed and sent to a review committee for feedback. The course will develop and formalize the communication and leadership skills of our Coxswains, and provide new perspectives on styles of crew management. It will include strategies for communication, situational and practical leadership, roles and responsibilities, human factors, the importance of effective teamwork, and hands-on refinement of practical rescue operation skills.

Coxswain leadership and resource management is more than a concept. It is the implementation of a way of working which recognizes that reliable and consistent standards can only be maintained if direction and navigation are based upon sound principles and reinforced by effective organization. In this context it is up to all RCM-SAR Coxswains to make the best possible use of available resources, both human and material, to achieve the successful completion of the mission.

Critical Incident Stress Management

Like most other public safety organizations, RCM-SAR recognizes the tremendous benefit of critical incident stress management for members who have taken part in particularly demanding or stressful missions.

I am pleased that RCM-SAR is partnering with the Justice Institute of BC to provide an opportunity for members to take their Critical Incident Stress certification to the next level and increase CIS support to RCM-SAR Stations.

JIBC will be providing a 7-hour classroom session on the Introduction to Critical Incident Stress Management-CISM100. This course introduces participants to the history, philosophy, perspectives, concepts, and terms that are integral to critical incident stress management.

We will offer this training at various locations throughout the Region, and have our own team certified to provide further CIS Support.

Incident Command Training

RCM-SAR will provide further support to our Stations to provide more Incident Command training. The objective is to provide members with the knowledge and skills necessary to coordinate emergency response. This is an excellent opportunity to further the level of training at our Stations and to provide standard responses and operating procedures during incidents. RCM-SAR has partnered with the Justice Institute to provide opportunities for members to take the ICS Level 100 and 200 Courses. More than fifty members have participated in this training, and we're looking forward to continue this course in 2014.

Joint Training



Search and rescue exercises involving several stations provide valuable training and an opportunity for many members to meet each other and share ideas and techniques. This year there were major exercises in both the south and the north.

In May, Station 1 West Vancouver hosted the third annual SAR exercise for the southern area in Horseshoe Bay. With eight stations sending teams and more than 70 RCM-SAR members participating, this was the biggest annual gathering of the Royal

Canadian Marine Search and Rescue fleet. The exercise included the search for a missing diver, recovery of persons from the water and first aid treatment for hypothermic patients. As part of the exercise, a member of the organization acted as Coast Guard Radio to practice radio communication between RCM-SAR vessels and Coast Guard radio to coordinate JRCC taskings.

In September there was a great response from our northern Stations for SAREx 2013. 41 members took part, including crews from Station 45 Masset, Station 63 Kitimat, Station 64 Prince Rupert, Station 65 Port Simpson, Station 74 Kitkalta, and Station 74 Kincolith. The group gathered on Saturday morning for on-water/shoreside exercises. On Saturday night there was dinner and an awards and recognition ceremony. On Sunday, we rented the community pool to practice survival craft training. The groups rotated through various lessons including chartwork and first aid.

A joint coxswain sign-off day took place in August out of our new training location in East Sooke. It was the first training exercise out of the new location, and it was a very exciting day! 14 coxswains from various stations on the South Island participated. The day consisted of both classroom and on-water training, including a presentation by the Justice Institute of British Columbia on critical incident stress training. A similar joint training day was held in Nanaimo in September for 19 coxswains.

Cold Water Immersion Workshop

Four coxswains participated in the Cold Water Immersion Workshop in Vancouver in September. Topics included: mechanism of heat loss, thermal protection realities, triage of the hypothermic victim, extraction techniques, re-warming, packaging for transport and more. It was a good opportunity to spend time with other SAR personnel to enhance our knowledge and skills when dealing with a hypothermic victim. The course was well received by participants, and the coxswains will be sharing the skills learned with fellow members at their Station. This course was offered by the Canadian Safe Boating Council.

International Training (IMRF Exchange 2013)

Coxswains Dennis Chopko (34 Mill Bay) and Kevin Robertson (10 Richmond) were selected at last year's AGM to represent the region at the Maritime Rescue Institute's (MRI) training program in Stonehaven, Scotland. Sadly, due to record-breaking winter storms in December 2012, the MRI was forced to close its doors before Dennis and Kevin were able to attend. Happily, the International Maritime Rescue Federation (IMRF), which worked closely with the MRI, made space for our coxswains in their European Lifeboat Crew Exchange Program.

This program, which was piloted last year, brings together volunteers from eight countries to exchange ideas and experience the training of the host organization. Dennis trained in Germany with the German Maritime Search and Rescue, and Kevin trained with the Finnish Lifeboat Institute. RCM-SAR is looking forward to continuing this relationship with the IMRF, and hopes to be a host for the 2014 IMRF Exchange.





Transas Simulation User Conference/ RCM-SAR Simulator Upgrades

RCM-SAR members who have gone through one of our simulator courses know that the heart of the system is the Transas Software that creates such realistic displays and scenarios. In July, Simulator Instructor Francois Michaud attended the Transas User Conference in Baltimore. Mariners and

teachers from all over the world attended the conference to share ideas about the advantages of using simulators in maritime instruction programs. We are planning upgrades to RCM-SAR's simulator to provide an even better learning experience for our members. We look forward to incorporating some of the new technology to our current marine simulator.

Future Directions

Training will continue to be a priority for the RCM-SAR as we work towards establishing our new training facility in the East Sooke Basin. The new location will offer a variety of new training opportunities, and will provide a centralized location for classroom and on-the-water training. RCM-SAR will continue develop our team of Transport Canada certified instructors so that we will be able to provide a greater range of in-house courses to our members. The year 2013-2014 is going to be an exciting time and we look forward to the new training opportunities ahead.

Our members have dedicated thousands of hours to RCM-SAR Training Programs. Without their hard work and dedication, we would not be able to maintain such high standards of marine training or ensure such great service to the public.

Cheryl Caldwell
Director of Training and Operations

Operations

RCM-SAR Operates Marine Rescue Stations in 42 communities. We are mostly on the coast, however we also have a rescue station on Shuswap lake, and a number of boating safety stations in Vancouver, the Fraser Valley, and the Okanagan. On the coast we have stations in the metropolitan areas like Vancouver, Victoria and Nanaimo. We're also in some very small, very remote communities like Port Simpson and Kitkatla. We're a key part of the marine rescue system on the coast, along with the Canadian Coast Guard and other public safety agencies. We handle an average of more than 600 missions every year. That's about a third of all marine SAR missions on the coast. Our volunteers log more than 70-thousand hours every year- taking part in missions, training, and community events. Every year we help more than 700 people on the water. Those people are our priority, and helping them is what really drives us.

We are tasked by the Joint Rescue Coordination Centre in Victoria. JRCC is operated jointly by the Canadian Forces and the Canadian Coast Guard. We often work alongside the Coast Guard and other agencies such as police, fire departments, BC Ambulance, and our search and rescue counterparts on land. We have been working closely with Coast Guard to ensure our crews are actively engaged. Several joint training exercises have been arranged with RCM-SAR and Coast Guard Crews, as well as other outside SAR partners. These joint exercises help keep our volunteers engaged and everyone's skills sharp.

Our Stations all work extremely hard to maintain operational status, our crews are on call 24/7 all year long. Over the past year we have seen a variety of different calls in all kinds of weather and conditions. For example, this past summer, we handled 221 emergencies. That's up slightly from the previous summer. We assisted 224 people. About a third of the missions involved boats that were grounded or adrift. About 20 percent were mechanical breakdowns or disabled vessels. 7 percent were medical calls. RCM-SAR Station 27 Nanaimo experienced the greatest call volume this past year... 75 calls in total!! Station 1 West Vancouver was close behind with 64 calls, and 50 in North Vancouver. Great work to all Stations, it's been a busy past year and our crews have really stepped up to the challenge.

A great thank you to Bob McCauley and Ron Gieck. They diligently read and approve over 700 mission and 2,000 training reports every year, making sure the numbers are correct, times make sense, policies are respected, crew certifications are cross-checked, and sea-time and crew levels are met. We would be at a loss without their enormous contributions. Also, Rob Grant has stepped down as Manager of SAR Operations. We will miss him and we wish him well with his future projects.

Cheryl Caldwell
Director of Training and Operations

Prevention

This year the SAR Prevention program has been extremely active, and has been very well received within the communities that our stations serve.

The SAR Prevention program includes the Kids Don't Float Program, Bobbie the Safety Boat, Pleasure Craft Safety Checks, Pleasure Craft Operator Cards, SAR Prevention Education for children and SAR Prevention Displays. This year, with the help of Transport Canada added an additional SAR Prevention Program: the Vessel Safety Survey.

The RCM-SAR Vessel Safety Survey (VSS) program is the on-the-water extension of our land based SAR prevention program. The survey is a short checklist looking for basic safety equipment on-board, as well as questions on trip planning and safety preparedness.

All RCM-SAR stations have a role in SAR prevention, and we have four stations dedicated solely to boating safety.

Kids Don't Float



RCM-SAR now has 39 Kids Don't Float boards at busy marinas and beaches throughout the province. RCM-SAR has been offering this program since 2003. Its success lies in its simplicity: loaning PFDs to children. RCM-SAR would not be able to offer this program without the continued support of Mustang Survival. Mustang provides various children-sized PFDs for all of our boards throughout the Region. We continue to collaborate with local RCMP detachments, municipalities and marinas to provide Kids Don't Float boards in areas where there is no RCM-SAR station.

These boards are extremely successful in their communities and serve as a constant reminder of the vital role RCM-SAR play within the marine community. We will continue to expand the program.

Pleasure Craft Safety Checks

Thanks to the continued dedication of Ken Morissette, 2012-2013 was another successful year for Pleasure Craft Safety Checks. Morissette oversees the Pleasure Craft Safety Check (PCSC) program and administers the PCSC Course for members who want to deliver PCSCs to the public. There are currently 74 members trained to conduct PCSCs. This past season, RCM-SAR members conducted over 400 PCSCs throughout the province.

Ken continues to liaise with all of our stations arranging courses for new Examiners / Checkers, and providing refresher courses where required.

Bobbie the Safety Boat



Thanks to the hard work and dedication of Cathy Dupuis and many dedicated station members, Bobbie the Safety Boat has been very busy in the various communities spreading the SAR Prevention message to the general public. Bobbie is a hit with all of the young up and coming boater, and allows for a very interactive SAR Prevention message to be delivered.

We are currently working through several Bobbie refits, as some of the Bobbies have seen some rough seas, and continue to require much tender loving care.

Pleasure Craft Operator Card

The 2012-2013 year saw the RCM-SAR Pleasure Craft Operator Card program grow throughout the stations. The RCM-SAR PCOC program provided both the general public, and the stations themselves, with a professional, in depth PCOC course, as well as providing some much needed fundraising opportunities for stations. To date RCM-SAR has issued over 250 PCOC cards.

Vessel Safety Surveys

With the support of Transport Canada, this year RCM-SAR crews began conducting on-the-water voluntary Vessel Safety Surveys (VSS) in areas frequented used by anglers, paddlers, power boaters and sailors. These areas are chosen by our crews based on their extensive first-hand knowledge of their communities. The information gathered from these surveys is collected and analyzed to identify trends in pleasure craft operators. We share this data with Transport Canada and any like-minded organizations as requested.

The mere presence of RCM-SAR on the water helps reduce the number of boating accidents on the water. Seeing our crews and vessels on the water reminds pleasure craft operators to think about boating safety.

Our crews place re-usable signage in high-visibility areas to alert the public to the program before they head out on a VSS patrol. We have also created promotional material to coincide with a marketing campaign to increase awareness and understanding of the program.

The mandate of these surveys is education not enforcement. All pleasure craft operators who participate in the short surveys receive a safety incentive package, which includes relevant information on boating safety and small safety supplies.

Future Direction

SAR Prevention remains a high priority for the RCM-SAR. In the upcoming year, the RCM-SAR will continue to build on all of our SAR Prevention programs, and provide increased training for our members.

We will continue to ensure all SAR Prevention trailers, KDF Boards, and Bobbie the Safety Boat are all rebranded with our new RCM-SAR look.

With the help of Ian Grantham RCM-SAR will have a larger, more professional look at this year's Vancouver International Boat Show, highlighting to the general boating public the vital role RCM-SAR continues to play in the marine industry.

5 Key Steps to Safer Boating:

- Wear a pfd or lifejacket
- Don't drink & boat
- Take a boating course
- Be prepared, both you and your vessel
- Be wary of the dangers of cold water immersion

SAR Prevention by the numbers:

• Displays, Parades	48
• Community Events	76
• PCOC	277
• VSS checks	245
• PCSC	400
• Member Hours	5,165

Ron Drewry

Manager - SAR Prevention

Marketing and Communications



RCM-SAR's new brand really took hold with the public during the past year. Within months of our re-branding in 2012, most media outlets were correctly referring to our new name and taking care to distinguish us from the Coast Guard and other public safety agencies. This recognition as a distinct organization will serve us well for fundraising and recruiting.

Many stations have been very active developing good media relations, and have been quick to identify opportunities to promote their activities and accomplishments. Our station

media liaison officers have been doing a great job responding to media requests and building relationships with local reporters. Several stations have organized very successful public events, such as the vessel launch ceremonies in Delta and Crescent Beach. Station 27 Nanaimo hosted the CBC's Rick Mercer and his crew for a fun day of "training". A national audience will get a glimpse of RCM-SAR and the work we do.

At the regional level we issued a series of news releases to get our name in the public eye and remind editors and reporters of our role in the marine rescue system. We announced a new 24-hour media line to provide better access for reporters, targeted major media for a roundup of missions following a particularly busy period, promoted our SAREXs, worked with individual stations to publicize the Vessel Safety Survey Program, and launched the RCM-SAR Safe Boating iPhone App that has become a hit with the boating public.

Many stations are active on social media and have attracted hundreds of followers. They have successfully balanced social media's need for immediacy with our goals of showing our best search and rescue practices and protecting the privacy of those we help on the water.

Our latest marketing projects include RCM-SAR's capital campaign to attract major corporate fundraising support, a re-design of the RCM-SAR web site, renewed focus on internal communications, and ongoing media and stakeholder relations.

Rob Duffus
Director of Marketing and Communications

Board and Management

Board of Governors

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Jim Lee, Parksville

Vice President

Greg Miller, Richmond

Second Vice President

Chris Gouglas, Vancouver

Secretary/Treasurer

Reg Marrinier, Vancouver

Past President

Randy Strandt, Vancouver

Southern Area Representative

Hans Verbeek, Delta

Central and Northern Areas Representative

Steve Jackson, Nanaimo

Society Representative

Brian De Clare, Victoria

Community Representative

Bill Bullis, Victoria

Community Representative

Mandy Yip, Vancouver

Community Representative

David Chamberlain, Vancouver

Community Representative

Steve Wyatt, Vancouver

Member at Large

Timothy Kendrick, Vancouver

Member at Large

John Wiseman, Halfmoon Bay

Executive Officer (ex officio)

Stan Warlow

Management Team

Director, Training and Operations

Cheryl Caldwell

Director, Marketing and Communications

Rob Duffus

*Director, Vessels, Equipment and Societies**

Bruce Falkins

Operations Assistant

Jason van der Valk

Finance Officer

Laura Davis

*Manager, Human Resources**

Will Turner

*Manager, SAR Prevention**

Ron Drewry

*Manager, Vessel and Equipment Standards**

Paul Mottershead

*Safety Officer**

Graeme Bergh

*Manager, SAR Operations**

Bob McCauley

*volunteer position

ROYAL CANADIAN MARINE SEARCH AND RESCUE
Financial Statements
Year Ended March 31, 2013



INDEPENDENT AUDITOR'S REPORT

To the Members of Royal Canadian Marine Search and Rescue

We have audited the accompanying financial statements of Royal Canadian Marine Search and Rescue, which comprise the statement of financial position as at March 31, 2013 and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independent Auditor's Report to the Members of Royal Canadian Marine Search and Rescue *(continued)*

Basis for Qualified Opinion

As described in Note 3, the financial assistance provided by local supporting societies and related operating costs are not available. They represent a portion of the costs incurred by Stations in carrying out the Search and Rescue operations of Royal Canadian Marine Search and Rescue. As a result, we were unable to satisfy ourselves as to whether adjustments might be necessary to reflect additional operating costs and revenues, and to record amounts receivable and payable relating to the timing of those costs and revenues.

In common with many not-for-profit organizations, Royal Canadian Marine Search and Rescue derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Royal Canadian Marine Search and Rescue. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2013, current assets and net assets as at April 1, 2012 and March 31, 2013.

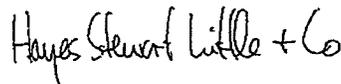
Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Royal Canadian Marine Search and Rescue as at March 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that Royal Canadian Marine Search and Rescue adopted Canadian Accounting Standards for Not-for-Profit Organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the April 1, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Victoria, BC
June 25, 2013



CHARTERED ACCOUNTANTS

Royal Canadian Marine Search and Rescue
Statement of Financial Position
As at March 31, 2013

	2013					2012	April 1 2011
	Restricted			Unrestricted		Total	Total
	Coast Guard Contribution Agreement Fund	Capital Fund	Gaming Fund	General Fund	Total		
Current assets							
Cash	\$ 20,468	\$ -	\$ 218,999	\$ 296,273	\$ 535,740	\$ 628,152	\$ 578,096
Accounts receivable	8,010	-	-	76,566	84,576	111,011	25,958
HST Receivable	17,710	-	10,017	19,338	47,065	-	-
Due from (to) other funds	(5,296)	-	(3,801)	9,097	-	-	-
Prepaid expenses	23,689	-	-	-	23,689	4,890	4,550
Inventory	4,786	-	-	23,651	28,436	14,342	14,342
	69,366	-	225,215	424,925	719,506	758,395	622,846
Property plant and equipment (Notes 4 & 6)	-	2,356,071	-	-	2,356,071	660,130	838,405
	\$ 69,366	\$ 2,356,071	\$ 225,215	\$ 424,925	\$ 3,075,577	\$ 1,418,625	\$ 1,261,351
Current liabilities							
Accounts payable & accrued liabilities	\$ 69,366	\$ -	\$ 7,747	\$ 38,874	\$ 115,987	\$ 126,156	\$ 54,763
Current portion of long term debt (Note 6)	-	41,799	-	-	41,799	-	-
	69,366	41,799	7,747	38,874	157,786	20,146	20,146
Long term debt (Note 6)	-	1,634,341	-	-	1,634,341	-	-
	69,366	1,676,140	7,747	38,874	1,692,127	225,472	225,472
Deferred contributions	-	-	-	-	-	8,614	-
Net assets							
Invested in capital assets	-	779,931	-	-	779,931	660,130	638,405
Externally restricted	-	-	217,468	-	217,468	253,525	187,283
Internally restricted (Note 7)	-	-	-	-	-	99,724	99,724
Unrestricted	-	-	-	386,051	386,051	270,376	301,185
	-	779,931	217,468	386,051	1,383,450	1,283,755	1,206,598
	\$ 69,366	\$ 2,356,071	\$ 225,215	\$ 424,925	\$ 3,075,577	\$ 1,418,625	\$ 1,261,351

Approved on behalf of the Board

Royal Canadian Marine Search and Rescue
Statement of Operations and Changes in Fund Balances
As at March 31, 2013

	2013				2012	
	Coast Guard Contribution Agreement Fund	Restricted Capital Fund	Gaming Fund	Unrestricted General Fund	Total	Total
Revenues						
Canadian Coast Guard - Operating grant	\$ 1,137,000	\$ -	\$ -	\$ -	\$ 1,137,000	\$ 1,003,000
- Supplementary allocation	10,000	-	-	-	10,000	29,660
Government of Canada SAR NIF grant	-	211,100	-	-	211,100	117,930
Contributions from B.C. Gaming	-	-	225,000	-	225,000	225,000
Donations	-	-	-	57,966	57,966	44,264
Unit training reimbursement	-	-	-	-	-	170
External training	-	-	-	5,700	5,700	7,585
Training expense recovery (Note 7)	-	-	-	10,672	10,672	15,310
Miscellaneous	22	-	603	130,334	130,959	13,119
Gain on disposal of assets	-	11,871	-	-	11,871	-
	1,147,022	222,971	225,603	204,672	1,800,268	1,456,038
Expenses						
Administration	316,141	-	5,552	54,479	376,172	374,110
Operations	289,114	-	2,380	59,428	350,922	254,352
Training (Note 7)	403,437	-	165,572	7,103	576,112	420,366
Members	107,132	-	-	681	107,813	92,919
Boating safety	21,967	-	-	1,331	23,298	21,237
Rebranding costs	-	-	-	21,541	21,541	21,088
Interest on long-term debt	-	-	32,000	-	32,000	-
Amortization	-	212,715	-	-	212,715	194,809
	1,137,792	212,715	205,504	144,563	1,700,573	1,378,881
Excess of revenues over expenses	9,231	10,256	20,099	60,109	99,695	77,157
Transfer from Coast Guard Fund (Note 7)	(11,428)	11,428	-	-	-	-
Transfer from General Fund (Note 7)	2,197	41,962	-	(44,159)	-	-
Transfer from Gaming Fund (Note 7)	-	56,156	(56,156)	-	-	-
	-	119,801	(36,057)	15,951	99,695	77,157
Net assets, beginning of year	-	660,130	253,525	370,100	1,283,755	1,206,598
Net assets, end of year	\$ -	\$ 779,931	217,468	\$ 388,051	\$ 1,383,450	\$ 1,283,755

Royal Canadian Marine Search and Rescue
Statement of Cash Flows
As at March 31, 2013

	2013					2012
	Restricted			Unrestricted		
	Coast Guard Contribution Agreement Fund	Capital Fund	Gaming Fund	General Fund	Total	
Operating activities:						
Excess of revenues over expenses	\$ 9,231	\$ 10,256	\$ 20,099	\$ 60,109	\$ 99,695	\$ 77,157
Items not involving cash						
Gain on disposal of equipment	-	-	-	-	-	-
Amortization of property, plant and equipment	-	212,715	-	-	212,715	194,809
	9,231	222,971	20,099	60,109	312,410	271,966
Changes in non-cash working capital	427	8,614	166	(72,898)	(63,689)	(13,990)
Change in deferred contributions	-	(8,614)	-	-	(8,614)	8,614
Transfer to / from unrestricted funds	2,197	-	-	(2,197)	-	-
Total cash derived from operating activities	11,855	222,971	20,265	(14,986)	240,105	266,590
Financing and investing activities						
Advances of long term debt	-	1,600,000	-	-	1,600,000	-
Repayment of long term debt	-	(23,860)	-	-	(23,860)	-
Proceeds on sale of property, plant and equipment	-	41,577	-	-	41,577	-
Acquisition of property, plant and equipment	(11,428)	(1,828,817)	(56,156)	(41,962)	(1,938,363)	(216,535)
	(11,428)	(211,100)	(56,156)	(41,962)	(320,646)	(216,535)
Increase (decrease) in cash & equivalents	427	11,871	(35,891)	(56,948)	(80,541)	50,056
Cash and equivalents, beginning of year	20,041	-	254,890	353,221	628,152	578,096
Cash and equivalents, end of year	\$ 20,468	\$ 11,871	\$ 218,999	\$ 296,273	\$ 547,611	\$ 628,152