

Financial Statements of

**BURK'S FALLS AND  
DISTRICT FIRE  
DEPARTMENT**

Year ended December 31, 2022

# BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

Table of Contents

Year ended December 31, 2022

---

	<b>Page</b>
<b>Management's Responsibility for the Financial Statements</b>	
<b>Independent Auditor's Report</b>	
<b>Financial Statements:</b>	
Statement of Financial Position .....	1
Statement of Operations and Accumulated Surplus.....	2
Statement of Changes in Net Financial Assets .....	3
Statement of Cash Flows .....	4
Notes to Financial Statements .....	5

### **Management's Responsibility for the Financial Statements**

The accompanying financial statements of The Burk's Falls and District Fire Department (the "Organization") are the responsibility of the Organization's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Organization's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the Organization. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Organization's financial statements.

Original signed by Mayor

\_\_\_\_\_

Mayor



**KPMG LLP**  
Times Square  
1760 Regent Street, Unit 4  
Sudbury, ON P3E 3Z8  
Canada  
Telephone 705 675 8500  
Fax 705 675 7586

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Council, Inhabitants and Ratepayers of the  
The Corporation of the Township of Ryerson

### ***Opinion***

We have audited the financial statements of The Burk's Falls and District Fire Department (the "Organization"), which comprise:

- the statement of financial position as at end of December 31, 2022
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***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 auditor's report.

We are independent of the Organization in accordance with the 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.



### ***Other Matter – Comparative Information***

The financial statements as at and for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on October 18, 2022.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

### ***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 the 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.



Page 3

- 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 Organization'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 Organization'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 Organization 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

December 12, 2023

# BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

## Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets:</b>		
Accounts receivable	\$ 17,503	\$ 17,302
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	12,106	11,557
Accrued interest on long-term debt	2,325	2,673
Long-term debt (note 2)	171,442	197,182
Employee benefits payable (note 3)	4,576	2,820
	<u>190,449</u>	<u>214,232</u>
Net debt	(172,946)	(196,930)
<b>Non-financial assets:</b>		
Tangible capital assets (note 4)	595,524	378,157
	<u>595,524</u>	<u>378,157</u>
Accumulated surplus (note 5)	\$ 422,578	\$ 181,227

The accompanying notes are an integral part of these financial statements.

On behalf of Council:

Original signed by Mayor \_\_\_\_\_ Mayor

# BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

## Statement of Operations and Accumulated Surplus

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget (note 6)	Actual 2022	Actual 2021
Revenue:			
Municipal contributions:			
Township of Armour	\$ 346,517	\$ 328,674	\$ 199,585
Village of Burk's Falls	207,157	196,490	119,317
Township of Ryerson	170,651	161,864	98,291
Other government transfers	5,500	3,364	8,035
Other	1,500	20,493	7,212
Gain on disposal of capital assets	-	21,574	1,688
<b>Total revenue</b>	<b>731,325</b>	<b>732,459</b>	<b>434,128</b>
Expenses:			
Salaries, wages and benefits	284,200	260,675	253,165
Interest on long-term debt	5,318	5,318	6,076
Materials and supplies	143,725	149,896	141,635
Contractual services	9,100	10,093	7,611
Rent	3,242	3,242	3,242
External transfers	-	-	50
Amortization	61,900	61,884	49,004
<b>Total expenses</b>	<b>507,485</b>	<b>491,108</b>	<b>460,783</b>
Annual surplus (deficit) (note 5)	223,840	241,351	(26,655)
Accumulated surplus, beginning of year	181,227	181,227	207,882
<b>Accumulated surplus, end of year</b>	<b>\$ 405,067</b>	<b>\$ 422,578</b>	<b>\$ 181,227</b>

The accompanying notes are an integral part of these financial statements.



# BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

## Statement of Change in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	Budget 2022	Actual 2022	Actual 2021
	(note 6)		
Annual surplus (deficit)	\$ 223,840	\$ 241,351	\$ (26,655)
Acquisition of tangible capital assets	(310,000)	(279,384)	-
Amortization of tangible capital assets	61,900	61,884	49,004
Gain on disposal of tangible capital assets	-	(21,574)	(1,688)
Proceeds from disposal of tangible capital assets	50,000	21,707	2,745
Change in net financial assets	25,740	23,984	23,406
Net debt, beginning of the year	(196,930)	(196,930)	(220,336)
Net deb, end of the year	\$ (171,190)	\$ (172,946)	\$ (196,930)

The accompanying notes are an integral part of these financial statements.

# BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

## Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 241,351	\$ (26,655)
Items not involving cash:		
Amortization of tangible capital assets	61,884	49,004
Gain on disposal of tangible capital assets	(21,574)	(1,688)
Change in employee benefits payable	1,756	1,585
	283,417	22,246
Change in non-cash assets and liabilities:		
Accounts receivable	(201)	(3,613)
Accounts payable and accrued liabilities	549	3,952
Accrued interest on long-term debt	(348)	(339)
Net change in cash from operating activities	283,417	22,246
Capital activities:		
Acquisition of tangible capital assets	(279,384)	-
Proceeds from disposal of tangible capital assets	21,707	2,745
Net change in cash from capital activities	(257,677)	2,745
Financing activities:		
Debt principal repayments	(25,740)	(24,991)
Net change in cash from financing activities	(25,740)	(24,991)
Net change in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

# BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

Notes to Financial Statements

Year ended December 31, 2022

---

The Burk's Falls and District Fire Department (the "Organization") is a joint committee of the Corporation of the Municipality of the Village of Burk's Falls, the Municipal Corporation of the Township of Armour and the Corporation of the Township of Ryerson, who contribute towards the organization in the following proportions: Burk's Falls - 28.60%; Armour - 47.84%; Ryerson - 23.56%.

## 1. Significant accounting policies:

Significant aspects of the accounting policies by the Organization are as follows:

(a) Basis of accounting:

(i) Accrual basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. Revenue is recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Investments:

Investments are recorded at cost plus accrued interest.

(iii) Non-financial assets:

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

(b) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as donations are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Estimated Useful Life
Buildings	40 years
Machinery, equipment and furniture	10-20 years
Vehicles	5-15 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as donations are recorded at their fair value at the date of receipt.

# BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

Notes to Financial Statements

Year ended December 31, 2022

---

## 1. Significant accounting policies (continued):

### (c) Reserves and reserve funds:

Certain amounts, as approved by the organization, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Statement of Financial Position.

### (d) Government transfers:

Government transfers which include the transfers from the joint municipalities are recognized in the financial statements as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Statement of Operations as the stipulation liabilities are settled.

### (e) Pensions and employee benefits:

The organization accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. Obligations for sick leave benefits and retirement gratuities under employee benefits payable are accrued as the employees render the services necessary to earn the benefits.

### (f) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the organization may undertake in the future. Significant accounting estimates include estimated useful lives of tangible capital assets and employee benefits payable. Actual results could differ from these estimates.

# BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

Notes to Financial Statements

Year ended December 31, 2022

## 2. Long-term debt

- a) The balance of the long-term debt reported on the Statement of Financial Position is made up of the following:

	2022	2021
Ontario Infrastructure and Lands Corporation amortizing debenture, due July 2028, repayable in semi-annual payments of \$15,703, including interest calculated at 2.97%, secured by future Provincial funding.	\$ 85,692	\$ 125,242

- b) Future estimated principal and interest payments on the municipal debt are as follows:

Year	Principal	Interest
2023	\$ 26,510	\$ 4,896
2024	27,303	4,103
2025	28,120	3,286
2026	28,961	2,445
2027	29,828	1,578
2028 onwards	30,720	686
	\$ 171,442	\$ 16,994

- c) Total charges for municipal debt which are reported in the financial statements are as follows:

	2022	2021
Principal payments	\$ 25,740	\$ 24,991
Interest	5,318	6,076
	\$ 31,058	\$ 31,067

## 3. Employee benefits payable:

Under the sick leave benefits plan, unused sick leave can accumulate to a prescribed maximum and qualifying employees may become entitled to a cash payment when they leave the organization's employment. The sick leave benefit liability estimates the use of accumulated sick leave prior to retirement, as well as any lump-sum payments upon retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 2% per annum. The liability for these accumulated days amounted to \$4,576 (2021 - \$2,820) at the end of the year.

# BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

Notes to Financial Statements

Year ended December 31, 2022

## 4. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions and betterments	Disposals and writedown	Balance at December 31, 2022
Land	\$ 9,035	\$ -	\$ -	\$ 9,035
Buildings	77,531	14,354	-	91,885
Machinery and equipment	211,530	171,430	(51,434)	331,526
Vehicles	759,452	91,687	(90,911)	760,228
Construction in progress	-	1,913	-	1,913
<b>Total</b>	<b>\$ 1,057,548</b>	<b>279,384</b>	<b>(142,345)</b>	<b>\$ 1,194,587</b>

Accumulated Amortization	Balance at December 31, 2021	Annual amortization	Disposals and writedown	Balance at December 31, 2022
Land	\$ -	\$ -	\$ -	\$ -
Buildings	40,513	1,240	-	41,753
Machinery and equipment	148,283	17,695	(51,301)	114,677
Vehicles	490,595	42,949	(90,911)	442,633
Construction in progress	-	-	-	-
<b>Total</b>	<b>\$ 679,391</b>	<b>\$ 61,884</b>	<b>\$ (142,212)</b>	<b>\$ 599,063</b>

	Net book value, December 31, 2021	Net book value, December 31, 2022
Land	\$ 9,035	\$ 9,035
Buildings	37,018	50,132
Machinery and equipment	63,247	216,849
Vehicles	268,857	317,595
Construction in progress	-	1,913
<b>Total</b>	<b>\$ 378,157</b>	<b>\$ 595,524</b>

# BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

Notes to Financial Statements

Year ended December 31, 2022

## 4. Tangible capital assets (continued):

Cost	Balance at December 31, 2020	Additions and betterments	Disposals and writedown	Balance at December 31, 2021
Land	\$ 9,035	\$ -	\$ -	\$ 9,035
Buildings	77,531	-	-	77,531
Machinery and equipment	216,816	-	(5,286)	211,530
Vehicles	769,323	-	(9,871)	759,452
Construction in progress	-	-	-	-
<b>Total</b>	<b>\$ 1,072,705</b>	<b>-</b>	<b>(15,157)</b>	<b>\$ 1,057,548</b>

Accumulated Amortization	Balance at December 31, 2020	Annual amortization	Disposals and writedown	Balance at December 31, 2021
Land	\$ -	\$ -	\$ -	\$ -
Buildings	39,452	1,061	-	40,513
Machinery and equipment	141,379	11,133	(4,229)	148,283
Vehicles	463,656	36,810	(9,871)	490,595
Construction in progress	-	-	-	-
<b>Total</b>	<b>\$ 644,487</b>	<b>\$ 49,004</b>	<b>\$ (14,100)</b>	<b>\$ 679,391</b>

	Net book value, December 31, 2020	Net book value, December 31, 2021
Land	\$ 9,035	\$ 9,035
Buildings	38,079	37,018
Machinery and equipment	75,437	63,247
Vehicles	305,667	268,857
Construction in progress	-	-
<b>Total</b>	<b>\$ 428,218</b>	<b>\$ 378,157</b>

# BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

Notes to Financial Statements

Year ended December 31, 2022

## 5. Accumulated surplus:

The 2022 continuity of accumulated surplus reported on the Statement of Financial Position is as follows:

	Balance, Beginning of year	Annual Surplus (Deficit)	Balance, End of Year
Tangible capital assets	\$ 378,157	\$ 217,367	\$ 595,524
Reserves	3,072	—	3,072
Unfunded employee benefits payable	(2,820)	(1,756)	(4,576)
Unfunded long-term debt	(197,182)	25,740	(171,442)
	\$ 181,227	\$ 241,351	\$ 422,578

## 6. Budget information:

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budgets is presented below.

	Budget
Adopted budget:	
Change in general operating fund	\$ —
Adjustments:	
Acquisition of tangible capital assets	310,000
Amortization of tangible capital assets	(61,900)
Proceeds from disposal of tangible and capital assets	25,740
Debt principal repayments	(50,000)
Annual surplus	\$ 223,840



# BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

Notes to Financial Statements

Year ended December 31, 2022

---

## 7. Related party transactions:

The related party transactions below are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

The following table summarizes the organization's related party transactions with its contributing municipalities during the year:

	2022	2021
Municipal contributions:		
Township of Armour	\$ 328,674	\$ 199,585
Village of Burk's Falls	196,490	119,317
Township of Ryerson	161,864	98,291
Expenses:		
Village of Burk's Falls rent	3,242	3,242
At the end of the year, amounts due from contributing municipalities are as follows:		
Township of Ryerson	\$ 17,503	\$ 17,302

---

The amounts due from contributing municipalities are reported in accounts receivable on the Statement of Financial Position. These amounts are non interest bearing, with no specific terms of repayment.

## 8. Segmented disclosure and expenses by object:

Since the Organization's operations are not considered diverse and operations are managed as one department, no segment disclosure has been provided. In addition, supplementary expenses by object information has been omitted as it would not provide additional meaningful information not readily determinable from the Statement of Operations and Accumulated Surplus.

# BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

Notes to Financial Statements

Year ended December 31, 2022

---

## 9. Pension agreements:

The Organization makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2022. The results of this valuation disclosed total actuarial liabilities of \$130,306 million with respect to benefits accrued for service with actuarial assets at that date of \$123,628 million indicating an actuarial deficit of \$6,678 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Organization does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2022 was \$13,619 (2021 - \$12,870) for current service and is included as an expense on the Statement of Operations and Accumulated Surplus.