

TORQUAY & DISTRICT FIRE DEPARTMENT
Financial Statements
December 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board
Torquay & District Fire Department

Opinion

We have audited the financial statements of the **TORQUAY & DISTRICT FIRE DEPARTMENT**, which comprise the statement of financial position as at December 31, 2024 and the statements of operations, 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 organization as at December 31, 2024, and its financial performance 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our 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.

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 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 going concern and using the going concern basis of accounting unless management intends to dissolve 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.

Auditors' 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 auditors' 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 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.

Independent Auditors' Report (continued)

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 over-ride 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 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 auditors' 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 auditors' 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.

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.

Regina, Saskatchewan

Dudley & Company LLP
Chartered Professional Accountants

TORQUAY & DISTRICT FIRE DEPARTMENT

Statement of Financial Position

As at December 31, 2024

Statement 1

	2024	2023
ASSETS		
Financial Assets		
Cash & Temporary Investments (Note 3)	\$ 36,538	\$ 36,201
Accounts Receivable (Note 4)	1,391	3,200
Total Financial Assets	37,929	39,401
LIABILITIES		
Accounts Payable (Note 5)	1,293	1,813
Asset Retirement Obligation (Note 8)	6,779	6,456
Total Liabilities	8,072	8,269
NET FINANCIAL ASSETS	29,857	31,132
Tangible Capital Assets (Schedule 1)	152,728	162,952
Total Non-Financial Assets	152,728	162,952
Accumulated Surplus (Deficit)	\$ 182,585	\$ 194,084

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

TORQUAY & DISTRICT FIRE DEPARTMENTStatement of Operations
For the year ended December 31, 2024

Statement 2

	2024	2023
Revenues		
Capital grant	\$ -	\$ -
Municipal grants	10,000	10,000
Fire calls	18,157	11,348
Fundraising	-	-
Interest	309	254
Gain (loss) on disposal of tangible capital assets	-	-
Donations	680	3,000
Total Revenues	29,146	24,602
Expenses		
Amortization of tangible capital assets	10,224	10,224
Insurance	5,402	5,447
Professional fees	3,053	2,775
Accretion	323	307
Bank charges	20	-
Radio and dispatch fees	2,580	2,580
Utilities	2,550	2,335
Salaries and wages	3,673	1,813
Shop supplies	1,517	386
Sub-contracts	10,575	-
Memberships	510	300
Repairs and maintenance	218	1,049
Total Expenses	40,645	27,216
Surplus (Deficit) of Revenues over Expenses	(11,499)	(2,614)
Accumulated Surplus (Deficit), Beginning of Year	194,084	196,698
Accumulated Surplus (Deficit), End of Year	\$ 182,585	\$ 194,084

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

TORQUAY & DISTRICT FIRE DEPARTMENT
Statement of Changes in Net Financial Assets
For the year ended December 31, 2024

Statement 3

	2024	2023
Surplus (Deficit)	\$ (11,499)	\$ (2,614)
(Acquisition) of tangible capital assets	-	-
Amortization of tangible capital assets	10,224	10,224
Proceeds of disposal of tangible capital assets	-	-
Loss (gain) on disposal of tangible capital assets	-	-
Surplus (Deficit) of capital expenses over expenditures	10,224	10,224
Increase/Decrease in Net Financial Assets	(1,275)	7,610
Net Financial Assets - Beginning of Year	31,132	23,522
Net Financial Assets - End of Year	\$ 29,857	\$ 31,132

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

TORQUAY & DISTRICT FIRE DEPARTMENT

Statement of Cash Flows

For the year ended December 31, 2024

Statement 4

	2024	2023
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	\$ (11,499)	\$ (2,614)
Amortization	10,224	10,224
Loss (gain) on disposal of tangible capital assets	-	-
	(1,275)	7,610
Changes in assets / liabilities		
Receivables	1,809	1,818
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	(520)	1,813
Deposits	-	-
Deferred Revenue	-	-
Other Liabilities	323	307
Stock and Supplies for Use	-	-
Prepayments and Deferred Charges	-	-
Other	-	-
Net cash from (used for) operations	337	11,548
Capital:		
Acquisition of Capital Assets	-	-
Proceeds from the Disposal of Capital Assets	-	-
Other Capital	-	-
Net cash from (used for) capital	-	-
Investing:		
Long-Term Investments	-	-
Other Investments	-	-
Net cash from (used for) investing	-	-
Financing:		
Long-Term Debt Issued	-	-
Long-Term Debt Repaid	-	-
Other Financing	-	-
Net cash from (used for) financing	-	-
Increase (Decrease) in cash resources	337	11,548
Cash and Temporary Investments - Beginning of Year	36,201	24,653
Cash and Temporary Investments - End of Year	\$ 36,538	\$ 36,201

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

TORQUAY & DISTRICT FIRE DEPARTMENT

Notes to the Financial Statements
For the year ended December 31, 2024

1. Purpose of Organization

Torquay & District Fire Department (the "organization") operates as an unregistered, not-for-profit organization in Torquay, Saskatchewan. The organization provides fire and rescue services to the Village of Torquay and area. As a non-profit, the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

2. Summary of Significant Accounting Policies

The financial statements of the organization have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada).

Significant aspects of the accounting policies adopted by the organization are as follows:

Basis of Accounting:

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

(a) Reporting Entity:

The financial statements report the assets, liabilities and flow of resources of the fire department. The entity is comprised of all of the organizations that are owned or controlled by the municipality and town and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

A partnership represents a contractual arrangement between the municipality/town and a party outside the reporting entity. The partners have significant, clearly defined common goals, make a financial investment in the partnership, share control of decision making, and share, on an equitable basis, the significant risks and benefits associated with the operation of the partnership.

(b) Revenue Recognition

Torquay & District Fire Department follows accrual accounting for the reporting of contributions.

Municipal grant income and capital grant income are recognized as revenue when funds are received and the conditions, if any, of the funding have been met.

Fire call revenue is recognized when services are provided and collection is reasonably assured.

Raffle, donation and fundraising income is recognized in the period in which funds are received.

(c) Deferred Revenue:

Fees and charges: Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.

TORQUAY & DISTRICT FIRE DEPARTMENT

Notes to the Financial Statements
For the year ended December 31, 2024

(d) Net Financial Assets:

Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

(e) Non-Financial Assets:

Tangible capital and other Non-Financial Assets are accounted for as assets by the organization because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the organization unless they are sold.

(f) Tangible Capital Assets:

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Donated tangible capital assets received are recorded at their fair market value at the date of contribution; these, and the tangible capital assets that are recognized at a nominal value, are disclosed on Schedule 1. The cost of tangible capital assets less any estimated residual value are amortized over the asset's estimated useful life using the straight-line method of amortization. The organization's tangible capital asset useful lives are estimated as follows:

<u>Assets</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Buildings	40 years
Vehicles and Equipment	
Vehicles	20 years
Machinery and Equipment	15 - 20 years

Government Contributions: Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Capitalization of Interest: The organization does not capitalize interest incurred while a tangible capital asset is under construction.

(g) Contributed Services:

The operations of the organization depend on the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

TORQUAY & DISTRICT FIRE DEPARTMENT

Notes to the Financial Statements
For the year ended December 31, 2024

(h) **Measurement Uncertainty:**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The "Opening Assets Costs" of tangible capital assets have been estimated where actual costs were not available.

The liability associated with asset retirement obligations are measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date, the discount rate, and inflation.

Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

(i) **New Accounting Policies Adopted During the Year**

PS 3400, Revenue, a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer. During the year, the municipality adopted a new accounting policy with respect to recording revenue. The municipality now accounts for such transactions using the prospective application. As a result of this adoption, it has not resulted in any impact to the financial statements.

PSG-8, Purchased intangibles, provides guidance on accounting for and reporting on purchased intangible capital assets. It provides clarity on the recognition criteria, along with instances of assets that would not meet the definition of such. Application may be made either retroactively or prospectively in accordance with PS 2120 Accounting Changes. During the year, the municipality adopted a new accounting policy with respect to recording purchased intangible capital assets. The municipality now accounts for such transaction using the modified retroactive application. As a result of this adoption, it has not resulted in any impact to the financial statements.

PS 3160, Public private partnerships, a new standard establishing guidance on how to account for and report on partnerships between public and private sector entities. Specifically those in which the entity in the public sector procures infrastructure in conjunction with a private sector entity. In these scenarios the private sector entity must have obligations to design, build, acquire or improve existing infrastructure. Furthermore they must also finance the transaction past the point in which the asset is initially ready for use along with operating and/or maintaining such on an ongoing basis. The standard may be applied either retroactively (with or without prior period restatement) or prospectively. As a result of this adoption, it has not resulted in any impact to the financial statements.

TORQUAY & DISTRICT FIRE DEPARTMENT

Notes to the Financial Statements
For the year ended December 31, 2024

3. Cash and Temporary Investments	2024	2023
Cash	\$ 36,538	\$ 36,201
Total Cash and Temporary Investments	\$ 36,538	\$ 36,201

Cash and temporary investments include balances with banks, redeemable term deposits, and marketable securities and other short-term investments with maturities of three months or less.

4. Accounts Receivable	2024	2023
Trade receivables	\$ 1,391	\$ 3,200
Total Accounts Receivable	1,391	3,200
Net Accounts Receivable	\$ 1,391	\$ 3,200

5. Accounts Payable	2024	2023
Trade payables	\$ -	\$ 1,813
Local government	1,293	-
Total Accounts Payable	\$ 1,293	\$ 1,813

6. Accumulated Surplus

Accumulated Surplus represents the financial assets and non-financial assets of the organization, less liabilities. This represents the accumulated balances of net surplus arising from the operations of the organization. Certain amounts of accumulated surplus, as approved by the board, have been designated for specific purposes. These internally restricted amounts are included in accumulated surplus presented in the statement of financial position. Details of accumulated surplus are as follows:

	2023	Change	2024
Unrestricted Surplus	\$ 31,132	\$ (1,275)	\$ 29,858
Invested in Tangible Capital Assets	162,952	(10,224)	152,728
Balance - End of Year	\$ 194,084	\$ (11,499)	\$ 182,586

7. Related Parties

The Torquay & District Fire Department, the Rural Municipality of Cambria and the Village of Torquay are related as a result of the rural municipality and village having shared control over the fire department. Included in municipal grants for the current year are \$10,000 (2023 - \$10,000) from the Rural Municipality of Cambria and the Village of Torquay. All transactions were carried out in the normal course of operations and are recorded at the exchange amount. This value corresponds to the consideration agreed upon by the parties.

The organization also received accounting services from the Rural Municipality of Cambria. No consideration has been received or paid in relation to these services.

TORQUAY & DISTRICT FIRE DEPARTMENT

Notes to the Financial Statements
For the year ended December 31, 2024

8. Asset Retirement Obligation

	2024	2023
Balance, beginning of the year	\$ 6,456	\$ 6,149
Accretion expense	323	307
Estimated Total Liability	\$ 6,779	\$ 6,456

Asbestos

The municipality owns a fire hall which contains asbestos, and therefore, the municipality is legally required to perform abatement activities upon renovation or demolition of this asset. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are an abatement cost in 2037 of \$12,174. The estimated total liability of \$6,779 (Prior year 2023- \$6,456) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 5% and assuming annual inflation of 5%. The fire department has not designated funds for settling the abatement activities.

9. Fair Value

The fair value of the financial assets and liabilities approximates their carrying value due to their short term nature.

10. Credit Risk

The organization is exposed to credit risk on the accounts receivable. The organization does not have significant exposure to any individual creditor.

TORQUAY & DISTRICT FIRE DEPARTMENT
Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2024

Schedule 1

2024	2023
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	General Assets					Infrastructure Assets	General / Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset Cost									
Opening Asset Costs	\$ 400	\$ -	\$ 42,453	\$ 223,962	\$ 6,032	\$ -	\$ -	\$ 272,847	\$ 272,847
Additions during the year	-	-	-	-	-	-	-	-	-
Disposals and write downs during the year	-	-	-	-	-	-	-	-	-
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Transfer of Capital Assets related to restructuring	-	-	-	-	-	-	-	-	-
Closing Asset Costs	\$ 400	\$ -	\$ 42,453	\$ 223,962	\$ 6,032	\$ -	\$ -	\$ 272,847	\$ 272,847
Accumulated Amortization									
Opening Accum. Amort. Cost	\$ -	\$ -	\$ 24,884	\$ 83,926	\$ 1,085	\$ -	\$ -	\$ 109,895	\$ 99,671
Add: Amortization taken	-	-	1,061	8,761	402	-	-	10,224	10,224
Less: Accum. Amort. on Disposals	-	-	-	-	-	-	-	-	-
Transfer of Capital Assets related to restructuring	-	-	-	-	-	-	-	-	-
Closing Accumulated Amort.	\$ -	\$ -	\$ 25,945	\$ 92,687	\$ 1,487	\$ -	\$ -	\$ 120,119	\$ 109,895
Net Book Value	\$ 400	\$ -	\$ 16,508	\$ 131,275	\$ 4,545	\$ -	\$ -	\$ 152,728	\$ 162,952

1. Total contributed/donated assets received in 2024:
2. List of assets recognized at nominal value in 2024 are:
 - Infrastructure assets
 - Vehicles
 - Machinery and Equipment
3. Amount of interest capitalized in 2024:

\$ -
\$ -
\$ -
\$ -
\$ -