

Chesley and District Fire Board  
Financial Statements  
For the year ended December 31, 2022

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Contents

Financial Statements

Independent Auditor's Report	2 - 3
Statement of Financial Position	4
Statement of Operations and Accumulated Surplus	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Summary of Significant Accounting Policies	8 - 9
Notes to Financial Statements	10 - 11



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## Independent Auditor's Report

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To the Board Members, Members of Council,  
Inhabitants and Ratepayers of the  
Participating Municipalities of the  
Chesley and District Fire Board

### Opinion

We have audited the accompanying financial statements of the Chesley and District Fire Board, which comprise the statement of financial position as at December 31, 2022, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Chesley and District Fire Board as at December 31, 2022 and the results of its operations, changes in net financial assets and 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 report. We are independent of the Chesley and District Fire Board 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 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 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 these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario  
February 13, 2024

Chesley and District Fire Board  
Statement of Financial Position

December 31	2022	2021
Financial assets		
Due from the Township of Chatsworth	\$ -	\$ 9,932
Due from the Municipality of Arran-Elderslie-Reserve	35,395	21,985
	35,395	31,917
Liabilities		
Due to the Municipality of Arran-Elderslie	-	9,932
Due to the Township of Chatsworth	3,864	-
Net financial assets	31,531	21,985
Non-financial assets		
Tangible capital assets (Note 2)	86,055	92,938
Accumulated surplus (Note 3)	\$ 117,586	\$ 114,923

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Chesley and District Fire Board  
Statement of Operations and Accumulated Surplus

For the year ended December 31	2022	2022	2021
	Budget (Note 1)	Actual	Actual
<b>Revenue</b>			
Municipal contributions			
Municipality of Arran-Elderslie	\$ 154,005	\$ 148,136	\$ 136,296
Municipality of Arran-Elderslie reserves	-	5,462	242
Township of Chatsworth	77,363	74,029	67,473
Provincial grant	-	-	3,100
Donations and other income	28,591	42,187	20,965
	<u>259,959</u>	<u>269,814</u>	<u>228,076</u>
<b>Expenses</b>			
Salaries and wages	148,385	132,591	114,841
Dispatch	7,399	7,028	7,034
Tanker expense	1,620	3,439	817
Materials, supplies and services	85,796	102,767	72,199
Amortization	-	21,326	23,222
	<u>243,200</u>	<u>267,151</u>	<u>218,113</u>
Annual surplus (Note 1)	16,759	2,663	9,963
Accumulated surplus, beginning of the year	<u>114,923</u>	<u>114,923</u>	<u>104,960</u>
Accumulated surplus, end of the year	<u>\$ 131,682</u>	<u>\$ 117,586</u>	<u>\$ 114,923</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Chesley and District Fire Board  
Statement of Changes in Net Financial Assets

For the year ended December 31	2022 Budget (Note 1)	2022 Actual	2021 Actual
Annual surplus (Page 5)	\$ 16,759	\$ 2,663	\$ 9,963
Acquisition of tangible capital assets	(16,759)	(14,443)	(15,437)
Amortization of tangible capital assets	-	21,326	23,222
	(16,759)	6,883	7,785
Increase in net financial assets	-	9,546	17,748
Net financial assets, beginning of the year	21,985	21,985	4,237
Net financial assets, end of the year	\$ 21,985	\$ 31,531	\$ 21,985

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Chesley and District Fire Board  
Statement of Cash Flows

For the year ended December 31	2022	2021
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 5)	\$ 2,663	\$ 9,963
Items not involving cash		
Amortization	21,326	23,222
	23,989	33,185
Changes in non-cash working capital balances		
Due from the Township of Chatsworth	9,932	(2,822)
Due from the Municipality of Arran-Elderslie-reserve	(13,410)	(17,748)
Due to the Municipality of Arran-Elderslie	(9,932)	2,822
Due to the Township of Chatsworth	3,864	-
	14,443	15,437
Capital transactions		
Cash used to acquire capital assets	(14,443)	(15,437)
Net change in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of the year	-	-
Cash and cash equivalents, end of the year	\$ -	\$ -

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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## Chesley and District Fire Board Summary of Significant Accounting Policies

December 31, 2022

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**Management Responsibility**      The management of the Corporation of the Municipality of Arran-Elderslie is responsible for the integrity, objectivity and accuracy of the financial information presented in these financial statements. Management reviews and approves the financial statements before they are submitted to the Board.

**Basis of Accounting**              The financial statements of the Chesley and District Fire Board are the representations of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ontario Ministry of Municipal Affairs and Housing.

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

**Use of Estimates**                      The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.

**Tangible Capital Assets**              Tangible capital assets are recorded at cost less accumulated amortization. Costs include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the assets is based on estimates made by Council. The following rates are used:

Vehicles	10 years
Equipment and clothing	12 years

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

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Chesley and District Fire Board  
Summary of Significant Accounting Policies

December 31, 2022

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Revenue Recognition

Revenues are reported on the accrual basis of accounting. Revenues are recognized as follows:

- (a) Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
  
  - (b) Government transfers are recognized as revenue in the financial statements 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.
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Chesley and District Fire Board  
Notes to Financial Statements

December 31, 2022

1. Budgets

Under Canadian public sector accounting standards, budget amounts are to be reported on the statement of operations and accumulated surplus and changes in net financial assets for comparative purposes. The following is a reconciliation of the budget approved by the Board.

	2022 Budget	2022 Actual	2021 Actual
Annual surplus (Page 5)	\$ 16,759	\$ 2,663	\$ 9,963
Transfers to reserves	-	(9,546)	(17,748)
Capital acquisitions	(16,759)	(14,443)	(15,437)
Amortization	-	21,326	23,222
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2. Tangible Capital Assets

	2022		
	Vehicles	Equipment & Clothing	Total
Cost, beginning of the year	\$ 710,945	\$ 335,691	\$ 1,046,636
Additions	-	14,443	14,443
Disposals	-	-	-
Cost, end of the year	<u>710,945</u>	<u>350,134</u>	<u>1,061,079</u>
Accumulated amortization, beginning of the year	710,945	242,753	953,698
Amortization	-	21,326	21,326
Disposals	-	-	-
Accumulated amortization, end of the year	<u>710,945</u>	<u>264,079</u>	<u>975,024</u>
Net carrying amount, end of the year	<u>\$ -</u>	<u>\$ 86,055</u>	<u>\$ 86,055</u>

Chesley and District Fire Board  
Notes to Financial Statements

December 31, 2022

2. Tangible Capital Assets - (continued)

	2021		
	Vehicles	Equipment & Clothing	Total
Cost, beginning of the year	\$ 710,945	\$ 320,254	\$ 1,031,199
Additions	-	15,437	15,437
Disposals	-	-	-
Cost, end of the year	710,945	335,691	1,046,636
Accumulated amortization, beginning of the year	710,945	219,531	930,476
Amortization	-	23,222	23,222
Disposals	-	-	-
Accumulated amortization, end of the year	710,945	242,753	953,698
Net carrying amount, end of the year	\$ -	\$ 92,938	\$ 92,938

3. Accumulated Surplus

	2022	2021
Invested in tangible assets	\$ 86,055	\$ 92,938
Reserve	31,531	21,985
	\$ 117,586	\$ 114,923