



DRUMMOND/NORTH ELSLEY TAY VALLEY FIRE RESCUE

AGENDA

Thursday, June 9th, 2022 – 12:00 p.m.
BBD&E Station – Training Room
14 Sherbrooke St. E, Perth, Ontario

12:00 p.m. *Fire Board Meeting*

Chair: Councilor Mick Wicklum

1. **CALL TO ORDER**
2. **AMENDMENTS/APPROVAL OF AGENDA**
3. **DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF**
4. **APPROVAL OF MINUTES**

- i) **Minutes – April 28, 2022 – *attached pages 4.***

Suggested Recommendation:

“THAT, the minutes of the Drummond/North Elmsley Tay Valley Fire Rescue Board Meeting held on April 28, 2022 be approved as circulated.”

5. **DELEGATIONS & PRESENTATIONS**

- i) **2021 Audited Financial Statements – *attached, page 11.***
Serena Deschampes, KPMG LLG

Suggested Recommendation:

“THAT, the 2021 Audited Financial Statements for the Drummond/North Elmsley Tay Valley Fire Rescue be adopted as presented.”

6. **BUSINESS**

- i) **2022 Auditor Appointment.**

Suggested Recommendation:

“THAT, KMPG LLP be appointed to complete the 2022 audit for the Drummond/North Elmsley Tay Valley Fire Rescue.”

- ii) **2021 Surplus Allotment.**

iii) **Deputy Fire Chief Update (verbal).**
Darren Gibson, Deputy Fire Chief.

iv) **Fire Chief Update (verbal).**
Greg Saunders, Fire Chief.

7. NEW/OTHER BUSINESS

None.

8. IN-CAMERA

None.

9. NEXT MEETING DATE AND PROPOSED AGENDA ITEMS

Proposed Meeting Date: TBD

10. DEFERRED ITEMS

**The following items will be discussed at the next and/or future meeting:*

- *Corporate Credit Card Account for Drummond/North Elmsley Tay Valley Fire Rescue/Corporate Credit Card Policy.*

11. ADJOURNMENT

MINUTES

DRUMMOND NORTH ELMSLEY TAY VALLEY FIRE BOARD MINUTES

Thursday, April 28, 2022

6:00 p.m.

BBD&E Station – 14 Sherbrooke Street East, Perth, Ontario

Training Room

ATTENDANCE:

Members Present:

Chair, Councillor Mick Wicklum
Vice-Chair, Councillor Paul Coutts
Councillor John Matheson
Councillor Fred Dobbie
Councillor RoxAnne Darling
Councillor Ray Scissons

Staff Present:

Greg Saunders, Fire Chief
Darren Gibson, Deputy Fire Chief
Megan Moore, Recording Secretary

Members & Staff Absent:

None.

1. CALL TO ORDER.

The meeting was called to order at 6:00 p.m.
A quorum was present.

2. AMENDMENTS/APPROVAL OF AGENDA.

The agenda was approved as presented.

3. DISCLOSURE OF PECUNIARY INTEREST AND/OR CONFLICT OF INTEREST & GENERAL NATURE THEREOF.

None at this time.

4. APPROVAL OF MINUTES.

- i) **Minutes – January 24, 2022.**

RESOLUTION # FB2022-10

MOVED BY: John Matheson
SECONDED BY: Paul Coutts

“**THAT**, the minutes of the Drummond/North Elmsley Tay Valley Fire Board meeting held on January 24, 2022 be approved as presented.”

ADOPTED

5. DELEGATIONS & PRESENTATIONS.

None.

6. BUSINESS.

- i) **RFP# 2022-001 Two (2) Fire Service Pumpers – RFP Award.**
Greg Saunders, Fire Chief.

One pumper is being purchased for the South Sherbrooke Station and the second one is for the BBD&E Station.

RESOLUTION # FB2022-11

MOVED BY: Fred Dobbie
SECONDED BY: RoxAnne Darling

“**THAT**, RFP #2022-001 - Two (2) Fire Service Pumpers, be awarded to Fort Garry Fire Trucks for the supply of two fire service pumpers at a cost of \$585,792.00 + tax per apparatus.”

ADOPTED

- ii) **Smiths Falls Fire Service Agreement Renewal.**
Greg Saunders, Fire Chief.

The Fire Chief has met with the Smiths Falls Fire Chief and would like to move forward with the renewal process of the Smiths Falls Fire Service Agreement.

RESOLUTION # FB2022-12

MOVED BY: John Matheson
SECONDED BY: Paul Coutts

“**THAT**, staff move forward with the Smiths Falls Fire Service Agreement Renewal;

AND THAT, the Agreement be brought forward to Drummond/North Elmsley Township Council for approval.”

ADOPTED

- iii) **Mandatory Certification Update.**
Darren Gibson, Deputy Fire Chief.

The Deputy Fire Chief gave the presentation and update that was attached to the agenda to the Fire Board regarding the upcoming mandatory certification for volunteer firefighters.

- iv) **Covid-19 Vaccination Policy Review.**

The Board discussed the Covid-19 Vaccination Policy and agreed to repeal the entire policy. The Fire Board did request that an email be sent to all volunteer firefighters thanking them for their cooperation and that the Covid-19 Standard Operating Guideline be updated to strongly recommend that all firefighters continue to follow the provincial guidelines pertaining to Covid-19 vaccination.

RESOLUTION # FB2022-13

MOVED BY: Ray Scissons
SECONDED BY: RoxAnne Darling

“**THAT**, the Covid-19 Vaccination Policy that was implemented on January 24, 2022 be repealed in its entirety.”

ADOPTED

- v) **2021 Audit Update.**
Megan Moore, Administrative Assistant/Treasurer.

The Administrative Assistant/Treasurer provided the Fire Board with an update on the status of the 2021 financial audit being completed by KPMG LLP. A Fire Board meeting will be scheduled to approve the 2021 financial audit.

- vi) **Billing Status Update.**

The Fire Chief reviewed the current billing status that was attached to the agenda with the Fire Board.

- vii) **Firefighter Hours & Pay Update**

The Fire Chief reviewed the total number of hours and provided a pay update that was attached to the agenda, for the 2022 call year for both fire stations.

- viii) **Deputy Fire Chief Update.**
Darren Gibson, Deputy Fire Chief.

Training

- The new recruits have completed their Fire Fighter1 training with the County and will be starting Fire Fighter 2 this weekend. Hazmat to follow.
- First live smoke house occurred at the Training Facility in South Sherbrooke last night, great turnout and great training exercise.
- Continuing to move forward with sharing of resources and training between two stations.
- Already registered the ones missing Fire Fighter 1 with an upcoming test date hosted by Perth Fire on July 9th. The Deputy Chief is putting together a schedule for extra training nights to help prepare these individuals for that challenge.

Prevention

- Provided a 500 word Cottage and Lake Fire Safety article for the Pike Lake Community Association for their upcoming annual newsletter and will be attending their Association in June for a presentation
- Fire Extinguisher training scheduled at the Tay Valley Municipal Office on May 18th
- Fire Extinguisher training to be scheduled at two other vulnerable occupancy

Inspections

- Started working west on Highway 7 inspecting the Motels, and garages between Perth and Glen Tay. Next step is looking east on Hwy 7 from Perth to Drummond Center
- Completed the Fire Safety Plan for Tay Valley Township Municipal Office and Garage and next up is the Drummond North/Elmsley. Plan to discuss possible dates tomorrow during our Fire Emergency Roles and Responsibilities Meeting.

Data Entry and Analysis

- Numbers were provided for all Fire Fighters at the 1st Quarter mark and staff are ready to provide them their 2nd Quarter numbers next week.

Human Resources

- In March and early April, the Fire Chief and Deputy Fire Chief completed a total of 56 employee annual reviews of all firefighters and officers. Data and information from these reviews has been collected, compiled, and feedback provided to individuals. Missing needs at PPE first item addressed.
- Created a basic Organization Chart with the breakdown of current roles for the DNETV Fire Rescue. The hope is that once on paper staff can

look at how this new position truly fits and what the possible ripple effect may be.

Community

- Students from local high schools have been asked to submit emails to the Associations for possible bursaries

Master Fire Plan Update.

- An update was provided to the Fire Board regarding the progress on the recommendations listed in the Master Fire Plan.

ix) **Fire Chief Update.**

Greg Saunders, Fire Chief.

- The Fire Board was given a demonstration of how the new fire permit system works.
- The Fire Board were presented with a video of the new training centre in South Sherbrooke.
- Calls to date, BBD&E Station has responded to 65 calls and South Sherbrooke Station has responded to 20 calls.
- Covid-19 procedures have been updated as the mandates have continued to change.
- Training for both stations has returned to the way it was before the pandemic started.
- 2022 capital items that have been purchased include new tables for the training room, an hydraulic spreader, 25 new fire prevention signs scattered throughout the fire departments coverage area.
- Fire service medals have been ordered for everyone who is entitled to receive one. The medals will be distributed at the Firefighter Appreciation Dinner in March 2023.
- Bob Ritchie has been a volunteer firefighter for 50 years. He is the last founding member still serving for the South Sherbrooke Station. His dedication will be recognized at the Firefighter Appreciation Dinner in March 2023.
- Both Firefighter Associations have started recognizing years of service on social media each month.
- Communications dispatch is up for tender this year. The Fire Chief is part of a committee overseeing the tender process.
- Fire Department staff have met with representatives from both Townships to discuss a plan to help ensure that the Fire Department will be notified about certain new development projects in both Townships.
- More work still needs to be completed but the new training centre is usable and both stations have completed various training sessions at the new center.

- Next week senior fire department staff will be attending the OAFC Conference and Trade show in Toronto. Deputy Chief D. Gibson and Station Chief J. Kirkham will be laying a helmet at the Fire Chief Memorial Service in memory of Reg Norris who was the Fire Chief for the South Sherbrooke Fire Department before amalgamation took place.
- The volunteer firefighter roster for South Sherbrooke Station is slowly declining and there were no applications received during the last recruitment drive. The fire department is looking at different ways to help boost numbers for that station.
- BBD&E Station is running an on-line 50/50 raffle.

8. NEW/OTHER BUSINESS.

None.

9. IN-CAMERA.

None.

10. NEXT MEETING DATE AND PROPOSED AGENDA ITEMS.

Next Meeting: To be determined.

11. DEFERRED ITEMS.

**The following items will be discussed at the next and/or future meeting:*

- None.

12. ADJOURNMENT.

The Board adjourned at 6:48 p.m.

DELEGATIONS & PRESENTATIONS

Financial Statements of

**DRUMMOND/NORTH
ELMSLEY TAY VALLEY
FIRE RESCUE**

Year ended December 31, 2021

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

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Management's Responsibility for the Financial Statements

The accompanying financial statements of Drummond/North Elmsley Tay Valley Fire Rescue are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the financial statements. The preparation of financial statements necessarily involved the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board'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 financial statements. These systems are monitored and evaluated by management.

Management meets with the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters. The Board of Directors meets with management subsequently to review these same matters prior to the Board's approval of the financial statements.

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

Greg Saunders
Fire Chief

Megan Moore
Administrative Assistant/Treasurer

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Drummond/North Elmsley Tay Valley Fire Rescue

Opinion

We have audited the financial statements of Drummond/North Elmsley Tay Valley Fire Rescue (the "Entity"), which comprise:

- the statement of financial position as at end of December 31, 2021
- 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 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 Entity as at December 31, 2021, and its results of operations 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 auditors' report.

We are independent of the Entity 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.

Management's Responsibility for the Financial Statements

The accompanying financial statements of Drummond/North Elmsley Tay Valley Fire Rescue are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the financial statements. The preparation of financial statements necessarily involved the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board'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 financial statements. These systems are monitored and evaluated by management.

Management meets with the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters. The Board of Directors meets with management subsequently to review these same matters prior to the Board's approval of the financial statements.

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

Greg Saunders
Fire Chief

Megan Moore
Administrative Assistant/Treasurer

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Drummond/North Elmsley Tay Valley Fire Rescue

Opinion

We have audited the financial statements of Drummond/North Elmsley Tay Valley Fire Rescue (the "Entity"), which comprise:

- the statement of financial position as at end of December 31, 2021
- 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 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 Entity as at December 31, 2021, and its results of operations 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 auditors' report.

We are independent of the Entity 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, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 13, 2021.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 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.

- 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 Entity'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 Entity'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 Entity 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.

Chartered Professional Accountants, Licensed Public Accountants

Perth, Canada

(date)

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Cash	\$ 1,937,402	\$ 1,687,544
Government receivable	44,853	58,182
Accounts receivable	34,901	70,426
	<u>2,017,156</u>	<u>1,816,152</u>
Financial liabilities:		
Accounts payable and accrued liabilities	95,746	145,302
Deferred revenue	—	4,791
	<u>95,746</u>	<u>150,093</u>
Net financial assets	1,921,410	1,666,059
Non-financial assets:		
Tangible capital assets (note 4)	1,677,149	1,742,059
Contingent liabilities (note 7)		
Accumulated surplus (note 3)	<u>\$ 3,598,559</u>	<u>\$ 3,408,118</u>

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

On behalf of the Board:

_____ Board Chair

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Statement of Operations and Accumulated Surplus

Year ended December 31, 2021, with comparative information for 2020

	Budget 2021	Actual 2021	Actual 2020
	(note 5)		
Revenue:			
Municipal contributions:			
Tay Valley Township	\$ 609,317	\$ 639,906	\$ 609,317
Township of Drummond/North Elmsley	421,071	425,882	421,071
Covid funding	–	21,265	3,665
Other government grants	–	12,880	–
Tay Valley government grant	–	–	50,850
Other income:			
Investment income	–	14,774	16,066
Fire fees, inspection, transfers	–	9,185	16,678
Sale of vehicle	–	941	19,748
Donations	–	550	5,315
	1,030,388	1,125,383	1,142,710
Expenses:			
Administration (schedule 2)	252,517	294,558	300,984
BBDE Fire Station (schedule 3)	361,500	429,073	424,693
South Sherbrooke Fire Station (schedule 4)	211,739	200,295	190,530
Smiths Falls Fire Agreement (schedule 5)	10,832	11,016	10,582
	836,588	934,942	926,789
Annual surplus	193,800	190,441	215,921
Accumulated surplus, beginning of year	3,408,118	3,408,118	3,192,197
Accumulated surplus, end of year	\$ 3,601,918	\$ 3,598,559	\$ 3,408,118

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

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Statement of Changes in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	Budget 2021 (note 5)	Actual 2021	Actual 2020
Annual surplus	\$ 193,800	\$ 190,441	\$ 215,921
Amortization of tangible capital assets	–	126,835	124,895
Acquisition of tangible capital assets	(101,300)	(61,925)	(219,827)
Change in net financial assets	92,500	255,351	120,989
Net financial assets, beginning of year	1,666,059	1,666,059	1,545,070
Net financial assets, end of year	\$ 1,758,559	\$ 1,921,410	\$ 1,666,059

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

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Operating activities:		
Annual surplus	\$ 190,441	\$ 215,921
Item not involving cash:		
Amortization of tangible capital assets	126,835	124,895
Change in non-cash operating working capital:		
Government receivable	13,329	19,464
Accounts receivable	35,525	(45,403)
Accounts payable and accrued liabilities	(49,556)	99,580
Deferred revenue	(4,791)	4,791
	311,783	419,248
Capital activities:		
Acquisition of tangible capital assets	(61,925)	(219,827)
Increase in cash	249,858	199,421
Cash, beginning of year	1,687,544	1,488,123
Cash, end of year	\$ 1,937,402	\$ 1,687,544

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

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Notes to Financial Statements

Year ended December 31, 2021

1. Status of the Board:

Drummond/North Elmsley Tay Valley Fire Rescue (the 'Board') was formed January 1, 2006 pursuant to an agreement between the Township of Drummond/North Elmsley and Tay Valley Township.

2. Significant accounting policies:

The financial statements of Drummond/North Elmsley Tay Valley Fire Rescue are the representations of management and have been prepared in all material respects in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies by the Board are as follows:

(a) Reporting entity:

The financial statements reflect financial assets, liabilities, operating revenues and expenses, reserves, reserve funds and changes in investment in tangible capital assets of the Board.

(b) Basis of accounting:

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

(c) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Significant accounting policies (continued):

(d) Tangible capital assets:

Tangible capital assets are recorded at cost, which include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. 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
Vehicles	20 years
Equipment	30 years
Linear assets	40 years

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other assets as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the Statement of Operations and Accumulated Surplus in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

When conditions indicate that a tangible capital asset no longer contributes to the Board's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the Statement of Operations and Accumulated Surplus.

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Significant accounting policies (continued):

(e) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(e) Deferred revenue:

The Board receives restricted contributions under the authority of Federal and Provincial legislation and Board by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Board has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

(f) Pension and benefits

The Board accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement and sick leave benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the Board's policy.

(g) Use of estimates:

The preparation of financial statements 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. Actual results could differ from these estimates.

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Notes to Financial Statements (continued)

Year ended December 31, 2021

3. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2021	2020
Surplus:		
BBDE Fire Station – Invested in tangible capital assets	\$ 1,260,066	\$ 1,320,147
South Sherbrooke Fire Station - Invested in tangible capital assets	417,083	421,912
	<u>1,677,149</u>	<u>1,742,059</u>
Current year surplus	98,469	–
Reserves (Schedule 1)	1,822,941	1,666,059
	<u>\$ 3,598,559</u>	<u>\$ 3,408,118</u>

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Notes to Financial Statements (continued)

Year ended December 31, 2021

4. Tangible capital assets:

BBDE Fire Station

Asset Class	Cost January 1, 2021	Additions	Disposals	Cost December 31, 2021
Land	\$ 30,000	\$ –	\$ –	\$ 30,000
Buildings	398,192	14,948	–	413,140
Vehicles	1,404,118	–	–	1,404,118
Equipment	339,535	24,417	–	363,952
Linear assets	26,862	–	–	26,862
	2,198,707	39,365	–	2,238,072

South Sherbrooke

Asset Class	Cost January 1, 2021	Additions	Disposals	Cost December 31, 2021
Equipment	\$ 178,349	\$ 22,560	\$ –	\$ 200,909
Vehicles	345,754	–	–	345,754
Linear assets	11,509	–	–	11,509
	535,612	22,560	–	558,172
Total	\$ 2,734,319	\$ 61,925	\$ –	\$ 2,796,244

BBDE Fire Station

Asset Class	Accumulated amortization January 1, 2021	Amortization	Disposals	Accumulated amortization December 31, 2021
Buildings	\$ 191,485	\$ 10,329	\$ –	\$ 201,814
Vehicles	627,116	69,640	–	696,756
Equipment	57,228	18,806	–	76,034
Linear assets	2,731	671	–	3,402
	878,560	99,446	–	978,006

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Notes to Financial Statements (continued)

Year ended December 31, 2021

4. Tangible capital assets (continued):

South Sherbrooke

Asset Class	Accumulated amortization January 1, 2021	Amortization	Disposals	Accumulated amortization December 31, 2021
Equipment	\$ 23,557	\$ 11,732	\$ —	\$ 35,289
Vehicles	89,567	15,369	—	104,936
Linear assets	576	288	—	864
	113,700	27,389	—	141,089
Total	\$ 992,260	\$ 126,835	\$ —	\$ 1,119,095

	Net Book Value December 31, 2020	Net Book Value December 31, 2021
Land	\$ 30,000	\$ 30,000
Buildings	206,707	211,326
Vehicles	1,033,189	948,180
Equipment	437,099	453,538
Linear assets	35,064	34,105
	\$ 1,742,059	\$ 1,677,149

5. Budget figures:

Drummond/North Elmsley Tay Valley Fire Rescue reviews its operating and capital budgets each year. The approved operating budget for 2021 is included in the budget figures presented in the Statement of Operations and Accumulated Surplus.

6. Pension contributions:

The Board makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent 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. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Board does not recognize any share of the OMERS pension surplus or deficit in these financial statements.

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Notes to Financial Statements (continued)

Year ended December 31, 2021

6. Pension contributions (continued)

The amount contributed to OMERS was \$15,547 (2020 - \$14,708) for current services and is included as an expenditure on the Statement of Operations and Accumulated Surplus classified under the appropriate functional expense.

7. Contingent liabilities

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2021, management believes that the Board has valid defences and appropriate insurance coverages in place.

In the event any claims are successful, the amount of any potential liability is not determinable, therefore no amount has been accrued in the financial statements.

8. Impact of COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these financial statements, the Board has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic.

- Closure of branches based on public health recommendations
- Optional working from home requirements for those able to do so
- Movement of programs and services to online offerings where applicable

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Schedule 1 – Continuity of Reserves

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 5)	2021	2020
Net transfers from (to) other funds			
Transfers from operations	\$ 193,800	\$ 218,806	\$ 230,202
Transfers to capital acquisitions	350,000	(61,924)	(109,213)
Total net transfers	543,800	156,882	120,989
Reserves, beginning of year	1,666,059	1,666,059	1,545,070
Reserves, end of year	\$ 2,209,859	\$ 1,822,941	\$ 1,666,059

Composition of Reserves

	2021	2020
Reserves – Administration		
Contingency	\$ 175,292	\$ 173,292
Reserves – BBDE Fire Station		
Working funds	50,000	50,000
Contingency	165,257	160,257
Equipment	88,209	75,209
Apparatus	422,193	339,693
Bunker gear	15,583	34,000
Buildings	209,053	196,000
	950,295	855,159
Reserves – South Sherbrooke		
Capital	470,607	470,607
Contingency	181,528	104,228
Bunker gear	19,276	36,836
	671,411	611,671
Reserves – Smiths Falls Fire Agreement		
Fire calls	25,943	25,937
Total reserves	\$ 1,822,941	\$ 1,666,059

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Schedule 2 – Administration Operations

Year ended December 31, 2021

	Budget 2021	Actual 2021	Actual 2020
	(note 5)		
Revenue:			
Municipal contributions:			
Township of Drummond/North Elmsley	\$ 137,439	\$ 138,259	\$ 137,439
Tay Valley Township	117,078	117,777	117,078
Other government grants	–	12,880	–
Township of Drummond/North Elmsley - COVID funding	–	11,483	1,979
Tay Valley Township - COVID funding	–	9,782	1,686
Tay Valley government grant	–	–	50,850
Other income:			
Investment income	–	14,774	16,066
Sale of equipment	–	941	–
Donations	–	550	300
	254,517	306,446	325,398
Expenses:			
Fire chief salary and benefits	119,695	127,378	120,319
Secretary treasurer salary and benefits	59,651	64,591	70,770
COVID-19	–	21,265	3,665
Insurance	11,110	15,767	11,139
Professional fees	6,000	14,330	5,237
Fire service agreements	10,000	10,000	10,000
Computer and fire response software	8,500	6,812	2,347
FP2 / Who's responding	7,000	6,780	3,578
Administration, other	3,600	6,629	3,264
Employer health tax	6,561	5,398	5,385
Telephone	5,600	4,810	4,921
Office supplies	3,800	2,851	3,570
Deputy fire chief	–	2,344	–
Fuel	3,000	2,340	1,805
Inspection and prevention	2,000	1,979	1,148
Advertising, subscription and memberships	2,500	939	1,460
Training and seminars	3,500	345	1,526
Fire master plan	–	–	50,850
	252,517	294,558	300,984
Annual surplus	\$ 2,000	\$ 11,888	\$ 24,414

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Schedule 3 – BBDE Fire Station Operations

Year ended December 31, 2021

	Budget 2021	Actual 2021	Actual 2020
	(note 5)		
Revenue:			
Municipal contributions:			
Township of Drummond/North Elmsley	\$ 272,800	\$ 276,601	\$ 272,800
Tay Valley Township	223,200	226,310	223,200
Other income:			
Fire fees, inspection, transfers	–	1,859	15,199
Sale of vehicle	–	–	18,576
	496,000	504,770	529,775
Expenses:			
Amortization			
Vehicles	–	69,640	69,640
Equipment	–	18,806	17,992
Building	–	10,329	9,955
Linear assets	–	671	671
Operations			
Firefighter honorariums	211,700	179,074	206,223
Training and seminars	20,000	25,234	13,089
Bunker gear cleaning	3,700	3,431	4,578
Communications maintenance	4,000	2,858	3,638
Clothing	4,500	2,390	5,288
Bunker gear	4,000	2,354	1,920
Licenses	1,300	1,866	1,823
BBDE Fire Hall			
Building maintenance and other	18,500	14,901	16,090
Power and water	8,700	8,178	6,543
Insurance	5,500	6,876	6,240
Heating fuel	5,000	5,291	3,755
Vehicle and Equipment			
Vehicle and equipment maintenance	22,000	27,220	24,141
Insurance	9,900	11,647	8,772
Minor equipment purchases	15,000	9,553	15,591
Fuel, oil, lubricants, etc.	7,700	8,568	5,437
Minor capital	20,000	20,186	3,307
	361,500	429,073	424,693
Annual surplus	\$ 134,500	\$ 75,697	\$ 105,082

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Schedule 4 – South Sherbrooke Fire Station Operations

Year ended December 31, 2021

	Budget 2021	Actual 2021	Actual 2020
	(note 5)		
Revenue:			
Municipal contributions:			
Tay Valley Township	\$ 269,039	\$ 295,819	\$ 269,039
Other income:			
Fire fees, inspection, transfers	–	7,326	1,479
Donations	–	–	5,015
Sale of vehicle	–	–	1,172
	269,039	303,145	276,705
Expenses:			
Amortization	–	27,389	26,637
Operations			
Firefighter honorariums	96,109	72,252	62,788
Training and seminars	15,000	11,026	7,630
Communications maintenance	3,000	2,845	369
Licenses	2,600	2,020	1,048
Bunker gear cleaning	2,500	1,677	1,819
Telephone	1,300	1,097	847
Clothing	3,500	25	1,818
Fire Prevention			
Advertising, subscriptions and memberships	500	–	–
Emergency First Response			
Medical supplies	2,000	1,608	929
South Sherbrooke Fire Hall			
Insurance	6,545	6,876	6,240
Building maintenance and other	7,500	6,753	18,684
Heating fuel	6,000	4,997	2,922
Power and water	6,000	4,664	4,073
Vehicle and Equipment			
Vehicle and equipment maintenance	15,000	19,021	19,396
Minor equipment purchases	15,000	12,350	9,646
Insurance	9,185	9,350	9,822
Fuel, oil, lubricants, etc.	3,500	1,417	1,083
Minor capital	16,500	14,928	14,779
	211,739	200,295	190,530
Annual surplus	\$ 57,300	\$ 102,850	\$ 86,175

DRUMMOND/NORTH ELMSLEY TAY VALLEY FIRE RESCUE

Schedule 5 – Smith Falls Fire Agreement

Year ended December 31, 2021

	Budget 2021	Actual 2021	Actual 2020
	(note 5)		
Revenue:			
Municipal contributions:			
Taxation raised in year	\$ 10,832	\$ 11,022	\$ 10,832
Expenses:			
Fire services agreement	10,832	11,016	10,582
Annual surplus	\$ -	\$ 6	\$ 250

DNE/TV FIRE BOARD
 DEC 31, 2021
 TRADITIONAL SURPLUS CALCULATION

	<u>ADMIN</u>	<u>BBDE</u>	<u>SS</u>	<u>SFALLS</u>	<u>TOTAL</u>
REVENUES	306,446	504,770	303,145	11,022	1,125,383
EXPENSES	<u>294,558</u>	<u>429,073</u>	<u>200,295</u>	<u>11,016</u>	<u>934,942</u>
NET INCOME PER SCHEDULE	11,888	75,697	102,850	6	190,441 per Financial Stmt
LESS:					
Transfers to Reserve	(2,000)	(134,500)	(82,300)	(6)	(218,806)
TCA additions		(39,364)	(22,560)		(61,924)
ADD:					
Transfer from reserve		39,363	22,560		61,923
Amortization		99,446	27,389		126,835
TRADITIONAL SURPLUS	<u>9,888</u>	<u>40,642</u>	<u>47,939</u>	<u>0</u>	<u>98,469</u>