

Financial Statements of the

Sundre Fire Department

December 31, 2009



Town of Sundre

Management's Responsibility for Financial Statements

The accompanying financial statements of the Sundre Fire Department (the "Department") are the responsibility of management. The financial statements have been prepared in conformity with Canadian generally accepted accounting principles, using management's best estimates and judgements, where appropriate. In the opinion of management, these financial statements reflect fairly the financial position, results of operation and changes in financial position of the Department within reasonable limits of materiality.

A system of internal accounting and administrative controls is maintained by management to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that the financial records are properly maintained to provide accurate and reliable financial statements.

The Town of Sundre is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls. The Town of Sundre carries out this responsibility through regular meetings with management throughout the year to review significant accounting and auditing matters.

These financial statements have been audited, in accordance with Canadian generally accepted auditing standards, by Chengkalath Van Eyck, Chartered Accountants, who were appointed by Town of Sundre. Chengkalath Van Eyck have full and unrestricted access to management and Sundre Fire Department to discuss their audit and related findings as to the integrity of the Department's financial reporting. The Auditor's Report outlining the scope of their examination and their opinion on the financial statements is presented on the following page.

Annette Clews
Mayor

Wanda Watson-Neufeld
Director of Corporate Services

October 28, 2010



Auditors' Report

To the Mayor and Council of the Town of Sundre

We have audited the statement of financial position of Sundre Fire Department as at December 31, 2009 and the statements of operations and changes in fund balances. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Department as at December 31, 2009 and the results of its financial activities for the year then ended in accordance with Canadian generally accepted accounting principles.

Chengkalath Van Eyck

Chartered Accountants

October 28, 2010

**Sundre Fire Department
Statement of Financial Position
As at December 31, 2009**

	2009	2008
Assets		
Current		
Cash and short-term deposits	\$ 164,732	\$ 132,333
GST receivable	<u>6,068</u>	<u>14,020</u>
	<u>170,799</u>	<u>146,353</u>
Other assets		
Shares	980	980
	<u>\$ 171,779</u>	<u>\$ 147,333</u>
Liabilities and Equity		
Current		
Accounts payable and accrued liabilities	\$ 27,013	\$ 30,030
Equity		
Reserves (Schedule 1)	<u>144,767</u>	<u>117,303</u>
	<u>144,767</u>	<u>117,303</u>
	<u>\$ 171,779</u>	<u>\$ 147,334</u>

On behalf of the Department


 _____ Mayor


 _____ Director of Corporate Services

**Sundre Fire Department
Statement of Operations
Year ended December 31, 2009**

	2009	2008
Revenue		
Local government transfers	\$ 163,550	\$ 123,570
Highway calls	7,880	9,480
Interest	385	1,328
Other	6,150	4,000
	<u>177,965</u>	<u>138,378</u>
Expenditures		
Administration	12,196	6,600
Contingency	-	2,430
Fuel	8,697	7,737
Honorarium	21,192	18,558
Insurance	6,063	5,558
Other expenses	2,785	340
Professional fees	2,750	2,000
Repairs and maintenance	25,264	23,376
Small equipment purchases	22,754	12,453
Supplies	10,826	9,370
Telephone, radio and utilities	27,407	22,066
Training	8,066	12,332
	<u>148,000</u>	<u>122,820</u>
Excess of revenue over expenditures (Changes in fund balances)	<u>\$ 29,964</u>	<u>\$ 15,558</u>

Sundre Fire Department
Notes to Financial Statements
Year ended December 31, 2009

1. General

The Sundre Fire Department was established by joint agreement between the Town of Sundre and Mountain View County to provide fire fighting services to the town and surrounding rural areas.

2. Summary of significant accounting policies

The financial statements of the Department have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.

(a) Fund accounting

The activities of the Department are segregated into the following fund:

Operating Fund

This fund includes any transaction related to or resulting from the operation of the Department and involves the assets (resources) consumed in the process of conducting business including expenditure for the repair and maintenance of assets.

(b) Government transfers

Government transfers are recognized in the financial statements as revenues in the periods that the events give rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality and reasonable estimates of the amounts can be made.

(c) Financial instruments

The Department's financial instruments consist of various assets and liabilities. Unless otherwise noted, it is management's opinion that the Department is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

(d) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within the reasonable limits of materiality. Actual results could differ from those estimates.

(e) Reserves for future expenditures

Reserves are established at the discretion of the Board to set aside funds for future operating expenditures. Transfer to and/or from reserves are reflected as an adjustment to the respective funds.

Sundre Fire Department
Notes to Financial Statements
Year ended December 31, 2009

3. Reserves

The Sundre Fire Department has established internally restricted reserves to fund future capital purchases. Changes in these reserves are as follows:

<u>Opening Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
\$ 117,303	\$ 29,964	\$ 2,500	\$ 144,767

4. Prior period adjustments

The Department has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook, which requires departments to record only the tangible capital assets that they have control over. The tangible capital assets operated are owned by the Town of Sundre and are accordingly reported on their financial statements. The provisions require the financial statements to be adjusted retroactively.

	<u>2008</u>
Adjustments to tangible capital assets:	
As previously reported	\$ 764,286
Adjustment to remove tangible capital assets reported	(764,286)
As restated	<u>\$ -</u>

5. Related part transactions

Town of Sundre provides administration and accounting services to Sundre Fire Department. During the year the Department paid Town of Sundre \$12,196 (2008 - \$ 18,939) for the services.

6. Statement of cash flow

A separate statement of cash flow is not presented since cash flows from operating, investing and financing activities are readily apparent from the financial statements.

7. Economic dependence

The Department is economically dependent upon the Town of Sundre and Mountain View County for the funding to contribute to the future stability of the Department.

8. Comparative figures

Certain comparative figures for the preceding year have been restated to conform to the basis of presentation for the current year.