

*Financial Statements of the*

**Sundre Fire Department**

*December 31, 2010*

## **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 judgments, 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 had 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

July 28, 2011

**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, 2010 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, 2010 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

*Chengkalath Van Eyck*  
Chartered Accountants  
July 28, 2011

**Sundre Fire Department  
Statement of Financial Position  
As at December 31, 2010**

	2010	2009
<b>Assets</b>		
<b>Current</b>		
Cash and short-term deposits	\$ 131,142	\$ 164,732
Accounts receivable	<u>6,514</u>	<u>6,067</u>
	<u>137,656</u>	<u>170,799</u>
<b>Other assets</b>		
Investments	1,028	980
	<u>\$ 138,684</u>	<u>\$ 171,779</u>
<b>Liabilities and Equity</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 3,772	\$ 27,012
<b>Equity</b>		
Reserves (Schedule 1)	<u>134,912</u>	<u>144,767</u>
	<u>134,912</u>	<u>144,767</u>
	<u>\$ 138,684</u>	<u>\$ 171,779</u>

On behalf of the Department

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Director of Corporate Services

**Sundre Fire Department  
Statement of Operations  
Year Ended December 31, 2010**

	2010	2009
<b>Revenue</b>		
Local government transfers	\$ 172,716	\$ 163,550
Highway calls	21,480	7,880
Interest	1,082	385
Other	7,674	6,150
	<u>202,952</u>	<u>177,965</u>
<b>Expenditures</b>		
Administration	15,432	12,196
Fuel	9,518	8,697
Honorarium	20,078	21,192
Insurance	6,201	6,063
Other expenses	4,141	2,785
Professional fees	-	2,750
Repairs and maintenance	49,001	25,264
Small equipment purchases	8,431	22,754
Supplies	9,157	10,826
Telephone, radio and utilities	38,981	27,407
Training	13,735	8,067
	<u>174,675</u>	<u>148,001</u>
<b>Excess of revenue over expenditures (Changes in fund balances)</b>	<u>\$ 28,277</u>	<u>\$ 29,964</u>

**Sundre Fire Department  
Schedule of Reserves  
Year ended December 31, 2010**

**Schedule 1**

	2010	2009
Balance at the beginning of the year	\$ 144,767	\$ 117,303
Add (deduct):		
Excess of revenues over expenditures	28,277	29,964
Utilized during the year	-	(2,500)
Transfers during the year	(38,132)	-
	<u>(9,855)</u>	<u>27,464</u>
Balance at the end of year (Note 3)	\$ <u><u>134,912</u></u>	\$ <u><u>144,767</u></u>

**Sundre Fire Department**  
**Notes to Financial Statements**  
**Year ended December 31, 2010**

---

**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 measurements 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, 2010**

---

**3. Reserves**

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

Balance at the Beginning of the year	\$ 144,767
Add: Increase in Reserves	\$ 28,227
Less: Transfers	\$ 38,312
Balance at the end of the year	<u>\$ 134,912</u>

During the year, Sundre Fire Department transferred \$38,132 held as restricted investments to the Town of Sundre on account of closure of bank account held with Mountain View Credit Union. The amounts representing restricted reserves have been reduced from the reserve balances of Sundre Fire Department. Subsequent to the year end, the reserves balance has been transferred to the Town of Sundre and utilizations were directly processed by the Town.

**4. Related part transactions**

Town of Sundre provides administration and accounting services to Sundre Fire Department. During the year the Department paid Town of Sundre \$15,432 (2009 - \$ 12,196) for the services.

**5. 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.