

DUNDURN AND DISTRICT FIRE COMMISSION

Auditor's Report

Financial Statements

December 31, 2025

MANAGEMENT'S RESPONSIBILITY

To the Subscribers of
Dundurn and District Fire Commission:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

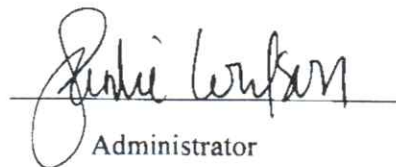
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Commission is composed primarily of Commissioners who are neither management nor employees of the Commission. The Commission is responsible for overseeing management in the performance of its financial reporting responsibilities. The Commission fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors.

Jensen Stromberg Chartered Professional Accountants, an independent firm of Chartered Professional Accountants, is appointed by the Commission to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Commission and management to discuss their audit findings.



Chair



Administrator

INDEPENDENT AUDITOR'S REPORT

To the **Chair of Dundurn and District Fire Commission**

Report on the Financial Statements

Opinion

We have audited the financial statements of **Dundurn and District Fire Commission**, which comprise the statement of financial position as at **December 31, 2025** and the statements of financial activities, changes in net financial assets, changes in financial position, and remeasurement gains and losses 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 Commission as at **December 31, 2025** and its financial performance 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 Commission 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 Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the Commission or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibility 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 Commission'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 Commission'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 Commission 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.

Saskatoon, Saskatchewan
March 31, 2026


Chartered Professional Accountants

DUNDURN AND DISTRICT FIRE COMMISSION

STATEMENT OF FINANCIAL POSITION

December 31, 2025
with comparative figures for 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Cash	\$ 28,836	42,452
Cash - in trust	74,739	73,458
Term deposits (Note 3)	189,618	281,561
Accounts receivable	18,107	24,974
GST receivable	<u>26,292</u>	<u>4,599</u>
Total financial assets	<u>337,592</u>	<u>427,044</u>
<u>LIABILITIES</u>		
Accounts payable	1,184	500
Lease obligations (Note 5)	<u>147,276</u>	<u>179,901</u>
Total liabilities	<u>148,460</u>	<u>180,401</u>
NET FINANCIAL ASSETS (DEBT)	189,132	246,643
Non-financial assets:		
Capital assets (Schedule 1)	885,712	742,995
Prepaid expenses	<u>980</u>	<u>-</u>
Total non-financial assets	<u>886,692</u>	<u>742,995</u>
Accumulated surplus (Deficit)	<u>\$ 1,075,825</u>	<u>989,638</u>
Accumulated surplus (Deficit) is comprised of:		
Accumulated surplus (Deficit) excluding remeasurement gains (losses)	1,075,825	989,638
Accumulated remeasurement gains (losses)	-	-

APPROVED ON BEHALF OF THE COMMISSION:

_____ Chair

_____ Commissioner

See accompanying notes to the financial statements.

DUNDURN AND DISTRICT FIRE COMMISSION

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2025

with comparative figures for 2024

	Budget 2025 (Note 6)	Actual 2025	Actual 2024
Revenues:			
Donations	\$ -	3,750	5,462
Fire protection services	58,500	49,608	59,985
Fundraising	-	4,500	3,000
Gain on disposal of capital assets	-	17,359	-
Interest	8,000	5,304	11,809
Member levies	200,160	242,160	199,640
SAFC lottery	-	-	669
Total Revenue	<u>266,660</u>	<u>322,681</u>	<u>280,565</u>
Expenditures:			
Accounting and legal	5,500	5,141	5,035
Amortization	45,000	44,161	44,252
Bad debt	-	-	4,434
Commission and firefighters wages	65,400	58,755	58,304
Contracted services	1,500	892	1,607
Insurance	19,000	20,363	19,674
Interest and bank charges	300	116	107
Interest on capital leases	-	8,359	6,936
Meals and travel	2,000	1,150	1,123
Memberships and licences	10,000	10,577	9,186
Office expenses	2,200	2,165	2,767
Repairs and maintenance	13,350	15,535	14,987
Supplies	45,500	49,659	44,119
Training	5,000	5,218	4,671
Utilities	7,000	7,823	7,394
911 dispatching services	6,700	6,580	6,580
Total Expenditures	<u>228,450</u>	<u>236,494</u>	<u>231,176</u>
Surplus (deficit) of revenues over expenditures	38,210	86,187	49,389
Accumulated surplus (deficit), excluding remeasurement gains (losses), beginning of year	<u>989,638</u>	<u>989,638</u>	<u>940,248</u>
Accumulated surplus (deficit), excluding remeasurement gains (losses), end of year	<u>\$ 1,027,848</u>	<u>1,075,825</u>	<u>989,638</u>

See accompanying notes to the financial statements.

DUNDURN AND DISTRICT FIRE COMMISSION

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2025

with comparative figures for 2024

	<u>2025</u> <u>Budget</u> (Note 6)	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
Surplus (deficit)	\$ <u>38,210</u>	<u>86,187</u>	<u>49,389</u>
(Acquisition) of tangible capital assets	-	(189,020)	(17,941)
Amortization of tangible capital assets	45,000	44,161	44,252
Proceeds on disposal of tangible capital assets	-	19,500	-
Loss (gain) on disposal of tangible capital assets	-	(17,359)	-
Transfer of assets/liabilities in restructuring transactions	<u>-</u>	<u>-</u>	<u>-</u>
Surplus (deficit) of capital expenses over expenditures	<u>45,000</u>	<u>(142,718)</u>	<u>26,313</u>
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expenses	-	(980)	-
Consumption of supplies inventories	-	-	-
Use of prepaid expenses	<u>-</u>	<u>-</u>	<u>2,100</u>
Surplus (deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>(980)</u>	<u>2,100</u>
Increase (decrease) in Net Financial Assets	83,210	(57,511)	77,802
Net Financial Assets (Debt) - Beginning of the year	<u>246,643</u>	<u>246,643</u>	<u>168,841</u>
Net Financial Assets (Debt) - End of year	<u>\$ 329,853</u>	<u>189,132</u>	<u>246,643</u>

See accompanying notes to the financial statements.

DUNDURN AND DISTRICT FIRE COMMISSION

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u>	<u>2024</u>
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenditures	\$ 86,187	49,389
Items not involving an outlay of cash:		
Amortization	44,161	44,252
Gain on disposal of capital assets	<u>(17,359)</u>	<u>-</u>
	<u>112,989</u>	<u>93,641</u>
Changes in non-cash working capital:		
Accounts receivable	(14,826)	(15,517)
Accrued interest receivable	(980)	2,100
Accounts payable and accrued liabilities	<u>683</u>	<u>18</u>
	<u>97,866</u>	<u>80,242</u>
Investing activities:		
Additions to capital assets	(189,020)	(17,941)
Proceeds on disposal of capital assets	19,500	-
Decrease (increase) in term deposits	<u>91,944</u>	<u>(65,030)</u>
	<u>(77,576)</u>	<u>(82,971)</u>
Financing activities:		
Lease obligations repaid	<u>(32,625)</u>	<u>(32,651)</u>
Net change in cash during the year	(12,335)	(35,380)
Cash position, beginning of year	<u>115,910</u>	<u>151,290</u>
Cash position, end of year	<u>\$ 103,575</u>	<u>115,910</u>

Cash position is comprised of cash in bank plus cash held in trust.

See accompanying notes to the financial statements.

DUNDURN AND DISTRICT FIRE COMMISSION

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
Accumulated remeasurement gains (losses), beginning of year	\$ -	-
Unrealized gains (losses)		
Derivatives	-	-
Equity investments measured at fair value	-	-
Foreign exchange	-	-
	-	-
Reclassified to the Statement of Financial Activities		
Derivatives	-	-
Equity investments measured at fair value	-	-
Foreign exchange	-	-
	-	-
Net remeasurement gains (losses)	-	-
Accumulated remeasurement gains (losses), end of year	\$ -	-

See accompanying notes to the financial statements.

DUNDURN AND DISTRICT FIRE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

1. ESTABLISHMENT

The Dundurn & District Fire Commission (Commission) is an unincorporated association, created pursuant to Section 42 of *The Municipalities Act*, by joint agreement of the following municipalities:

Rural Municipality of Dundurn, No. 314
Town of Dundurn
Resort Village of Shields
Resort Village of Thode

The Commission was formed on January 1, 2019 for the purposes of providing firefighting and rescue equipment and personnel services to each of the member municipalities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Commission are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board. Significant aspects of the accounting policies are as follows.

(a) **Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; 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.

(b) **Tangible Capital Assets**

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2019 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. The costs of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The Commission's tangible capital asset useful lives are estimated as follows:

Equipment	10 to 20 years - straight line
Computer hardware	5 years - straight line

Amortization is not taken until the year after acquisition at the above rates.

(c) **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.

(d) **Non-Financial Assets**

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

DUNDURN AND DISTRICT FIRE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Measurement uncertainty

The preparation of the financial statements in conformity with Canadian public sector accounting standards 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 amount of revenue and expenditures 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.

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 period in which they become known.

(f) Appropriated Reserves

Reserves are established at the discretion of the Commission to designate surplus for future operating and capital transactions.

(g) Revenue recognition

Member levies are based on assessed owners from the four member municipalities and are recognized when the levy has been invoiced to the member.

Fire protection service revenue is earned when the Commission takes a non-fire call and is recognized in the period that the call occurred.

All other revenue is recognized in the period earned.

3. TERM DEPOSITS

Short-term investments

	<u>2025</u>	<u>2024</u>
2.50% RBC GIC, maturing May 2026	\$ 45,669	-
2.50% RBC GIC, maturing June 2026	82,218	-
1.25% RBC GIC, maturing October 2026	5,011	-
2.00% RBC GIC, maturing October 2026	56,720	-
4.75% RBC GIC, maturing April 2025	-	71,316
4.75% RBC GIC, maturing May 2025	-	72,145
2.25% RBC GIC, maturing May 2025	-	2,110
4.50% RBC GIC, maturing June 2025	-	80,484
4.00% RBC GIC, maturing October 2025	-	55,506
	<u>189,618</u>	<u>281,561</u>

DUNDURN AND DISTRICT FIRE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

4. CAPITAL ASSETS

		<u>2025</u>		<u>2024</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment	\$ 1,245,053	359,854	885,199	741,970
Computer hardware	<u>2,563</u>	<u>2,050</u>	<u>513</u>	<u>1,025</u>
	<u>\$ 1,247,616</u>	<u>361,904</u>	<u>885,712</u>	<u>742,995</u>

Equipment includes assets under capital lease of \$356,529 with accumulated amortization of \$89,132. Amortization is recorded at 20 years commencing the year after acquisition using the straight line method.

5. LEASE COMMITMENTS

Future minimum lease payments under the capital lease together with the balance of the obligation due under capital leases are as follows:

2026		\$	40,984
2027			40,984
2028			40,984
2029			40,984
2030			<u>1</u>
Total future minimum lease payments			163,937
Amounts representing interest at a weighted average of 5%			<u>(16,661)</u>
Capital lease liability		\$	<u>147,276</u>

6. BUDGET

The Financial Plan (Budget) was not adopted by the Commission in 2025, although was presented to the Commission in December 2024 and adopted by its forming municipalities. The budget was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget expensed long-term debt repayments. As a result, the budget figures presented in the statements of financial activities and change in net financial assets include the following adjustments:

	<u>2025</u>
Budget net deficit	\$ (1,376)
Long-term debt repayments	<u>39,586</u>
Budget surplus per statement of operations	<u>\$ 38,210</u>

DUNDURN AND DISTRICT FIRE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

7. RISK MANAGEMENT

Through its financial assets and liabilities, the Commission is exposed to various risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in doing so, cause a loss for the other party. The Commission is mainly exposed to credit risk with respect to its cash and accounts receivable. It is management's opinion that the Commission is not exposed to significant credit risk as its cash is held by financial institutions with high credit ratings, and a significant portion of its accounts receivable is collectable from various levels of governments.

Liquidity Risk

Liquidity risk is the risk that the Commission will encounter difficulty in meeting financial obligations as they fall due. The Commission undertakes regular cash flow analyses to ensure that there are sufficient cash resources to meet all obligations. The Commission is mainly exposed to liquidity risk with respect to its accounts payable and accrued liabilities and lease obligations.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk.

- Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The financial instruments that potentially subject the Commission to interest rate risk consist of term deposits and long-term debt.
- Currency risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in currency fluctuations. The Commission is not subject to currency risk.
- Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the fair value of equity investments. The Commission is not subject to other price risk.

DUNDURN AND DISTRICT FIRE COMMISSION

SCHEDULE OF ASSETS

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u>	<u>2024</u>
Asset Cost		
Opening asset costs	\$ 1,071,096	1,053,155
Additions during the year	189,020	17,941
Disposals during the year	<u>(12,500)</u>	<u>-</u>
	<u>1,247,616</u>	<u>1,071,096</u>
Accumulated Amortization Cost		
Opening accumulated amortization costs	328,102	283,849
Amortization taken	44,161	44,252
Less: accumulated amortization on disposals	<u>(10,359)</u>	<u>-</u>
Closing Accumulated Amortization Costs	<u>361,904</u>	<u>328,102</u>
Net Book Value	<u>\$ 885,712</u>	<u>742,995</u>

See accompanying notes to the financial statements.

DUNDURN AND DISTRICT FIRE COMMISSION

SCHEDULE OF ACCUMULATED SURPLUS

Year ended December 31, 2025

	<u>2024</u>	<u>Changes</u>	<u>2025</u>
UNAPPROPRIATED SURPLUS	\$ <u>107,739</u>	<u>11,194</u>	<u>118,933</u>
APPROPRIATED RESERVES			
Capital	268,805	(100,351)	168,454
Operating	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total Appropriated	<u>318,805</u>	<u>(100,351)</u>	<u>218,454</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets	742,995	142,717	885,712
Less: Related debt	<u>(179,901)</u>	<u>32,625</u>	<u>(147,276)</u>
Net Investment in Tangible Capital Assets	<u>563,094</u>	<u>175,344</u>	<u>738,438</u>
Total Accumulated Surplus	\$ <u><u>989,638</u></u>	<u><u>86,187</u></u>	<u><u>1,075,825</u></u>

See accompanying notes to the financial statements.