# McKenzie-Clearwater Fire Protection Corporation

## Financial Statements

*December 31, 2024*

# Independent Practitioner's Review Engagement Report

To the Board of McKenzie-Clearwater Fire Protection Corporation:

We have reviewed the accompanying financial statements of McKenzie-Clearwater Fire Protection Corporation (the "Corporation") that comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

*Practitioner's Responsibility*
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

*Basis for Qualified Conclusion*
In common with many not-for-profit organizations, the Corporation derives contributions from donations and other sources, the completeness of which is not susceptible to satisfactory review verification. Accordingly, our review of these revenues did not extend beyond accounting for these contributions as recorded and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, or net assets.

*Qualified Conclusion*
In our opinion, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements to not present fairly, in all material respects, the financial position of McKenzie-Clearwater Fire Protection Corporation as at December 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Winnipeg, Manitoba

June 20, 2025

MNP LLP

Chartered Professional Accountants

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# McKenzie-Clearwater Fire Protection Corporation
## Statement of Financial Position
*As at December 31, 2024*

| | *General Fund* | *Externally Restricted - Mapping Fund* | ***2024*** | *2023* |
|---|---|---|---|---|
| **Assets** | | | | |
| **Current** | | | | |
| Cash | 104,857 | - | **104,857** | 288,210 |
| Restricted cash | 100,000 | - | **100,000** | 114,486 |
| Accounts receivable | 28,373 | - | **28,373** | 17,770 |
| Prepaid expenses and deposits | 14,422 | - | **14,422** | 68,444 |
| Investments *(Note 3)* | 15,719 | - | **15,719** | 15,000 |
| | **263,371** | **-** | **263,371** | 503,910 |
| **Capital assets** *(Note 4)* | 343,627 | - | **343,627** | 58,116 |
| | **606,998** | **-** | **606,998** | 562,026 |
| **Liabilities** | | | | |
| **Current** | | | | |
| Bank indebtedness | - | - | **-** | 19 |
| Accounts payable and accrued liabilities | 20,665 | - | **20,665** | 47,705 |
| Deferred contributions *(Note 5)* | - | - | **-** | 14,486 |
| | **20,665** | **-** | **20,665** | 62,210 |
| **Net Assets** | | | | |
| Unrestricted | 486,333 | - | **486,333** | 319,290 |
| Internally restricted *(Note 6)* | 100,000 | - | **100,000** | 180,526 |
| | **586,333** | **-** | **586,333** | 499,816 |
| | **606,998** | **-** | **606,998** | 562,026 |

**Approved on behalf of the Board of Directors**

"Signed Rick Suche"

**Director**

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

# McKenzie-Clearwater Fire Protection Corporation
## Statement of Operations
*For the year ended December 31, 2024*

| | ***General Fund*** | ***Externally Restricted - Mapping Fund*** | ***2024*** | *2023* |
|---|---|---|---|---|
| **Revenue** | | | | |
| The KeeMan Local Service Board | 210,680 | - | **210,680** | 211,140 |
| Fundraising | 107,866 | 49,627 | **157,493** | 33,768 |
| Donations | 30,066 | - | **30,066** | 20,015 |
| M.N.R. | 12,214 | - | **12,214** | 8,136 |
| Interest | 7,298 | - | **7,298** | 6,821 |
| M.T.O. | 6,701 | - | **6,701** | 19,821 |
| Emergency mapping response | - | 14,836 | **14,836** | 70,402 |
| | **374,825** | **64,463** | **439,288** | 370,103 |
| **Expenses** | | | | |
| Bank charges and interest | 5,440 | - | **5,440** | 1,970 |
| Dispatch | 4,868 | - | **4,868** | 7,834 |
| District 2 station expenses | 5,081 | - | **5,081** | 9,206 |
| Emergency mapping consulting fees | - | 64,463 | **64,463** | 70,395 |
| Equipment | 9,861 | - | **9,861** | 3,808 |
| Firefighter's ball | - | - | **-** | 8,779 |
| Fuel | 7,567 | - | **7,567** | 3,371 |
| Fundraising Expenses | 17,614 | - | **17,614** | - |
| Insurance | 41,852 | - | **41,852** | 37,319 |
| Land lease | 632 | - | **632** | 308 |
| Meals and entertainment | 1,301 | - | **1,301** | 1,961 |
| Miscellaneous | - | - | **-** | 1,141 |
| Office expense | 1,390 | - | **1,390** | 7,950 |
| Payroll - firefighters | 60,876 | - | **60,876** | 50,708 |
| Professional fees | 41,704 | - | **41,704** | 8,706 |
| Repairs and maintenance | 7,403 | - | **7,403** | 57 |
| Rescue Operations | 5,521 | - | **5,521** | - |
| Training | 7,350 | - | **7,350** | 7,517 |
| Travel | 9,035 | - | **9,035** | - |
| Truck repairs | - | - | **-** | 1,608 |
| Utilities | 18,667 | - | **18,667** | 12,612 |
| | **246,162** | **64,463** | **310,625** | 235,250 |
| **Excess of revenue over expenses before amortization** | **128,663** | **-** | **128,663** | 134,853 |
| **Amortization** | **44,176** | **-** | **44,176** | 25,186 |
| **Excess of revenue over expenses before other items** | **84,487** | **-** | **84,487** | 109,667 |
| **Other items** | | | | |
| Gain on disposal of capital assets | 2,030 | - | **2,030** | - |
| **Excess of revenue over expenses** | **86,517** | **-** | **86,517** | 109,667 |

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

# McKenzie-Clearwater Fire Protection Corporation
## Statement of Changes in Net Assets
*For the year ended December 31, 2024*

| | *General Fund* | *Externally Restricted - Mapping Fund* | ***2024*** | *2023* |
|---|---|---|---|---|
| **Balance, beginning of year** | 499,816 | - | **499,816** | 390,149 |
| **Excess of revenue over expenses** | 86,517 | - | **86,517** | 109,667 |
| **Balance, end of year** | **586,333** | **-** | **586,333** | 499,816 |

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

# McKenzie-Clearwater Fire Protection Corporation
## Statement of Cash Flows
*For the year ended December 31, 2024*

| | ***2024*** | *2023* |
|---|---|---|
| **Cash provided by (used for) the following activities** | | |
| **Operating** | | |
| Excess of revenue over expenses | **86,517** | 109,667 |
| Amortization | **44,176** | 25,186 |
| Gain on disposal of capital assets | **(2,030)** | - |
| | **128,663** | 134,853 |
| Changes in working capital accounts | | |
| Accounts receivable | **(10,603)** | (8,055) |
| Prepaid expenses and deposits | **54,022** | (53,006) |
| Accounts payable and accrued liabilities | **(27,040)** | 36,549 |
| Deferred contributions | **(14,486)** | (58,067) |
| | **130,556** | 52,274 |
| **Financing** | | |
| Change in bank indebtedness | **(19)** | (4,935) |
| **Investing** | | |
| Purchase of capital assets | **(333,306)** | (5,454) |
| Proceeds on disposal of capital assets | **5,649** | - |
| Change in restricted cash | **14,486** | 58,067 |
| Purchase of investments | **(719)** | (15,000) |
| | **(313,890)** | 37,613 |
| **Increase (decrease) in cash resources** | **(183,353)** | 84,952 |
| **Cash, beginning of year** | **288,210** | 203,258 |
| **Cash, end of year** | **104,857** | 288,210 |

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

**1. Incorporation and nature of the organization**

McKenzie-Clearwater Fire Protection Corporation (the “Organization”) was incorporated as a not-for-profit, non-share capital corporation under the laws of the Province of Ontario. The Corporation provides support for the volunteer fire team, provides training, and promotes the development and maintenance of programs for relief of fire victims, community service programs and fire prevention and suppression training.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada.

***Fund accounting***

The Organization follows the deferral method of accounting for contributions and reports using fund accounting. The Organization maintains two funds, namely the General Fund, and the Externally Restricted - Mapping Fund.

The General Fund reports the Organization’s unrestricted and internally restricted resources related to program delivery and administrative activities. Amortization of the fire protection assets is initially charged against the General Fund then transferred to the Fire Protection Fund through the statement of changes in net assets.

The Externally Restricted - Mapping Fund reports the Organization’s externally restricted resources related to the Emergency Mapping Project.

***Cash***

Cash include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

***Capital assets***

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

| | **Rate** |
|---|---|
| Building - fire hall | 25 years |
| Boathouse and dock | 10 years |
| Equipment | 5 years |
| Fireboat - aluminium inboard | 10 years |
| Fireboat - Stanley outboard | 10 years |
| Rescue fire truck | 10 years |
| Rescue snowmobile | 5 years |
| Rescue fire truck - tanker | 20 years |

***Long-lived assets***

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Organization determines that a long-lived asset no longer has any long-term service potential to the Corporation, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

**2. Significant accounting policies** *(Continued from previous page)*

***Revenue recognition***

The Corporation uses the deferral method of accounting for contributions and reports on a fund accounting basis. Unrestricted contributions are recognized as revenue in the General Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

***Contributed materials and services***

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

***Measurement uncertainty (use of estimates)***

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. No allowance has been deemed necessary in the current year. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in the statement of operations in the periods in which they become known.

***Financial instruments***

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

**Arm's length financial instruments**

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm’s length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization’s performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the statement of operations. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**2. Significant accounting policies** *(Continued from previous page)*

**Financial asset impairment**

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant, etc., Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the assets at the statement of financial position date.

Any impairment, which is not considered temporary, is included in the current year statement of operations.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations in the year the reversal occurs.

***Income taxes***

As a non-for profit, the Corporation is exempt from paying income taxes.

**3. Investments**

| | ***2024*** | *2023* |
|---|---|---|
| GIC, bearing interest at 3.40% per annum (2023 - 5.00%), maturing, October 17, 2025 | **15,719** | 15,000 |

## 4. Capital assets

| | ***Cost*** | ***Accumulated amortization*** | ***2024 Net book value*** |
|---|---|---|---|
| Building - fire hall | **13,590** | **12,021** | **1,569** |
| Boathouse and dock | **62,398** | **62,398** | **-** |
| Equipment | **123,087** | **119,689** | **3,398** |
| Fireboat - aluminium inboard | **10,626** | **10,626** | **-** |
| Fireboat - Stanley outboard | **109,985** | **78,337** | **31,648** |
| Rescue fire truck | **343,699** | **44,019** | **299,680** |
| Rescue snowmobile | **20,000** | **20,000** | **-** |
| Rescue fire truck - tanker | **146,637** | **139,305** | **7,332** |
| | **830,022** | **486,395** | **343,627** |

| | *Cost* | *Accumulated amortization* | *2023 Net book value* |
|---|---|---|---|
| Building - fire hall | 13,590 | 11,477 | 2,113 |
| Boathouse and dock | 62,398 | 62,398 | - |
| Equipment | 133,428 | 108,534 | 24,894 |
| Fireboat - aluminium inboard | 10,626 | 10,626 | - |
| Fireboat - Stanley outboard | 74,820 | 74,820 | - |
| Rescue fire truck | 45,557 | 29,111 | 16,446 |
| Rescue snowmobile | 20,000 | 20,000 | - |
| Rescue fire truck - tanker | 146,637 | 131,974 | 14,663 |
| Vehicles | 3,463 | 3,463 | - |
| | 510,519 | 452,403 | 58,116 |

The firehall building has not been recorded in these financial statements. It was constructed by volunteer labour and funding. It has an insured value of approximately $208,200.

### 5. Deferred contributions

Deferred contributions reported in the Externally Restricted - Mapping Fund consist of donations received that were provided to fund the Emergency Mapping Project. Recognition of these amounts as revenue is deferred to periods when the designated disbursements are made. Changes in the deferred contribution account are as follows:

| | ***2024*** | *2023* |
|---|---|---|
| Balance, beginning of year | **14,486** | 72,553 |
| Amount received during the year | **-** | 12,335 |
| Less: Amount recognized as revenue during the year | **(14,486)** | (70,402) |
| Balance, end of year | **-** | 14,486 |

### 6. Net assets

The Organization’s Board of Directors internally restricted $100,000 to be held for future replacement of firefighting equipment. Use of these internally restricted funds must be approved by the Board of Directors.

### 7. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

### 8. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.