

BEAVER EMERGENCY SERVICES COMMISSION

Financial Statements

For The Year Ended December 31, 2024

INDEPENDENT AUDITORS' REPORT

To the Members of Beaver Emergency Services Commission

Opinion

We have audited the financial statements of Beaver Emergency Services Commission (the "Commission"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, changes in net financial assets, and cash flows 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, 2024, and the results of its operations, changes in net financial assets, 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 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 those 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 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 Commission's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

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

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Independent Auditors' Report to the Members of Beaver Emergency Services Commission (continued)

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 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 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 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.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
March 12, 2025

BEAVER EMERGENCY SERVICES COMMISSION**Statement of Financial Position****As At December 31, 2024**

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 1,518,524	\$ 1,598,738
Receivables (<i>Note 3</i>)	337,272	592,028
	<u>1,855,796</u>	<u>2,190,766</u>
LIABILITIES		
Accounts payable and accrued liabilities	197,194	165,236
Deferred revenue	4,300	4,399
	<u>201,494</u>	<u>169,635</u>
NET FINANCIAL ASSETS	<u>1,654,302</u>	<u>2,021,131</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (<i>Note 4</i>)	4,812,844	4,326,132
Prepaid expenses	53,098	53,427
Inventory for consumption	5,194	7,119
Deposits for tangible capital assets	40,000	-
	<u>4,911,136</u>	<u>4,386,678</u>
ACCUMULATED SURPLUS	<u>\$ 6,565,438</u>	<u>\$ 6,407,809</u>

The accompanying notes are an integral part of these

BEAVER EMERGENCY SERVICES COMMISSION
Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2024

	2024 (Budget) (Note 11)	2024 (Actual)	2023 (Actual)
REVENUE			
Municipal requisitions - operating (Note 6)	\$ 1,172,450	\$ 948,009	\$ 1,121,084
Emergency call fees	305,000	374,799	381,592
Investment income	72,150	72,610	90,495
Insurance proceeds	-	18,662	-
Government transfers	-	7,999	10,000
	<u>1,549,600</u>	<u>1,422,079</u>	<u>1,603,171</u>
EXPENSES			
Contracted services	827,500	766,316	670,012
Materials, goods and utilities	379,750	412,516	352,691
Salaries, wages and benefits	339,600	371,830	304,169
Provision for allowances (bad debts)	12,750	19,136	51,858
	<u>1,559,600</u>	<u>1,569,798</u>	<u>1,378,730</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE	<u>(10,000)</u>	<u>(147,719)</u>	<u>224,441</u>
OTHER REVENUE (EXPENSE)			
Amortization of tangible capital assets	-	(314,416)	(263,073)
Municipal requisitions - capital (Note 6)	614,050	614,050	582,000
Gain on disposal of tangible capital assets	10,000	5,714	15,451
	<u>624,050</u>	<u>305,348</u>	<u>334,378</u>
ANNUAL SURPLUS	<u>614,050</u>	<u>157,629</u>	<u>558,819</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>6,407,809</u>	<u>6,407,809</u>	<u>5,848,990</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 7,021,859</u>	<u>\$ 6,565,438</u>	<u>\$ 6,407,809</u>

The accompanying notes are an integral part of these

BEAVER EMERGENCY SERVICES COMMISSION**Statement of Changes in Net Financial Assets****For the Year Ended December 31, 2024**

	2024 (Budget) (Note 11)	2024 (Actual)	2023 (Actual)
ANNUAL SURPLUS	\$ 614,050	\$ 157,629	\$ 558,819
Acquisition of tangible capital assets	-	(801,128)	(1,052,306)
Deposits on tangible capital assets	-	(40,000)	839,893
Amortization of tangible capital assets	-	314,416	263,073
Proceeds on disposal of tangible capital assets	-	5,714	26,200
Loss (gain) on disposal of tangible capital assets	-	(5,714)	(15,451)
	614,050	(369,083)	620,228
(Acquisition) use of supplies inventory	-	1,925	(7,119)
Use (acquisition) of prepaid expenses	-	329	(6,220)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	614,050	(366,829)	606,889
NET FINANCIAL ASSETS, BEGINNING OF YEAR	2,021,131	2,021,131	1,414,242
NET FINANCIAL ASSETS - END OF YEAR	\$ 2,635,181	\$ 1,654,302	\$ 2,021,131

The accompanying notes are an integral part of these

BEAVER EMERGENCY SERVICES COMMISSION**Statement of Cash Flows****For The Year Ended December 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Annual surplus	\$ 157,629	\$ 558,819
Non-cash items not included in excess of revenue over expenses:		
Amortization of tangible capital assets	314,416	263,073
Loss (gain) on disposal of tangible capital assets	(5,714)	(15,451)
	<u>466,331</u>	<u>806,441</u>
Changes in non-cash working capital balances related to operations:		
Decrease (increase) in accounts receivable	254,756	(308,526)
Increase (decrease) in accounts payable and accrued liabilities	31,958	2,494
Increase (decrease) in deferred revenue	(99)	3,747
Inventory for consumption	1,925	(7,119)
Prepaid expenses	329	(6,219)
	<u>288,869</u>	<u>(315,623)</u>
Cash flow from operating activities	<u>755,200</u>	<u>490,818</u>
CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	5,714	26,200
Purchase of tangible capital assets	(801,128)	(1,052,306)
Deposits on tangible capital assets	(40,000)	839,893
Cash flow used by capital activities	<u>(835,414)</u>	<u>(186,213)</u>
INCREASE (DECREASE) IN CASH FLOW	(80,214)	304,605
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,598,738</u>	<u>1,294,133</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,518,524</u>	<u>\$ 1,598,738</u>

The accompanying notes are an integral part of these

BEAVER EMERGENCY SERVICES COMMISSION
Statement of Changes in Accumulated Surplus
For the Year Ended December 31, 2024

	Equity in Tangible Capital Assets	Restricted Surplus (Note 5)	Unrestricted Surplus	2024	2023
BALANCE, BEGINNING OF YEAR	\$ 4,326,132	\$ 1,881,677	\$ 200,000	\$ 6,407,809	\$ 5,848,990
Annual surplus	-	-	157,629	157,629	558,819
Amortization	(314,416)	-	314,416	-	-
Acquisition of tangible capital assets	801,128	-	(801,128)	-	-
Disposals of tangible capital assets	-	-	-	-	-
Transfers	-	-	-	-	-
	486,712	-	(329,083)	157,629	558,819
BALANCE, END OF YEAR	\$ 4,812,844	\$ 1,881,677	\$ (129,083)	\$ 6,565,438	\$ 6,407,809

BEAVER EMERGENCY SERVICES COMMISSION**Schedule of Expenses by Object****For the Year Ended December 31, 2024**

	2024 (Budget)	2024 (Actual)	2023 (Actual)
Salaries, wages and benefits	\$ 339,600	\$ 371,830	\$ 304,169
Honorariums	289,000	310,429	253,813
Supplies	299,000	264,353	187,220
Repairs & maintenance	110,500	119,120	107,507
Contracted services	105,000	85,414	117,013
Office	53,750	82,646	37,075
Insurance	60,000	67,136	62,101
Utilities	55,000	55,274	51,069
Training	55,000	40,259	60,854
Fuel & vehicle supplies	22,500	30,573	18,044
Dispatch	30,000	26,247	26,247
Dues & fees	22,000	24,204	25,197
Telephone	22,000	22,635	19,631
Rent	23,500	19,817	23,246
Bad debts	12,750	19,136	51,858
Travel & subsistence	21,000	15,736	14,180
Professional fees	39,000	14,989	19,506
	<u>\$ 1,559,600</u>	<u>\$ 1,569,798</u>	<u>\$ 1,378,730</u>

The accompanying notes are an integral part of these

BEAVER EMERGENCY SERVICES COMMISSION

Notes to Financial Statements

December 31, 2024

1. NATURE OF THE ORGANIZATION

The Beaver Emergency Services Commission ("the commission") is a joint commission of municipalities constituted under the *Municipal Government Act* and was established for the purpose of maintaining, controlling and managing regional emergency services. The members of the commission are Beaver County, the Town of Tofield, the Town of Viking, the Village of Holden and the Village of Ryley.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of Accounting*

The financial statements of the Commission are the representations of management, prepared in accordance with Canadian public sector accounting standards.

(b) *Reporting Entity*

The financial statements reflect the assets, liabilities, revenues and expenses, and changes in financial position of the reporting Commission. The entity is comprised of all the organizations that are owned or controlled by the Commission and are, therefore, accountable to Commission Board of Directors for the administration of their financial affairs and resources.

(c) *Use of Estimates*

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions regarding significant items such as amounts relating to amortization, impairment assessments of tangible capital assets and allowances for uncollectible receivables that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized above. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(d) *Valuation of Financial Assets and Liabilities*

The Commission's financial assets and liabilities are measured as follows:

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Receivables	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost

(e) *Cash and Cash Equivalents*

Cash and cash equivalents include items that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of 90 days or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) Contaminated Sites**

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Commission is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

(g) Asset Retirement Obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation including, but not limited to, decommissioning or dismantling, remediation of contamination, post-retirement activities such as monitoring, and constructing other tangible capital assets to perform post-retirement activities.

A liability for asset retirement obligation is recognized when there is a legal obligation to incur retirement costs, the past transaction or event giving rise to the liability as occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying value of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed.

(h) Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization and any provision for impairment. Where an asset is disposed of, the gain or loss recognized in the statement of operations is calculated as the difference between the net sale price and the carrying amount of the fixed asset. Contributed assets are recorded at fair value at the date of contribution. Assets under construction are not amortized until the asset is put into use.

The cost, less the residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follow:

Buildings	50 years
Concrete	15 years
Machinery and equipment	10 - 25 years
Vehicle	10 - 25 years

The Commission regularly reviews its tangible capital assets to eliminate obsolete items. In the year of acquisitions, full year rates are applied. In the year of disposal, no amortization is applied.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(i) Revenue Recognition

Funds from external parties restricted by agreement or legislation are accounted or as deferred revenue until used for the purpose specified.

Service revenue from external sources are recogized as revenue in the period in which the services are delivered or in which the transactions or events occurred that gave rise to the revenue.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specfic work, or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, services performed or tangible capital assets are acquired. Government transfers for assets under construction are deferred until construction is complete.

Insurance proceeds are recorded when the insurance claim is approved, collection is assured and the amount recoverable is determinable.

BEAVER EMERGENCY SERVICES COMMISSION**Notes to Financial Statements****December 31, 2024****3. RECEIVABLES**

	<u>2024</u>	<u>2023</u>
Trade and other	\$ 221,680	\$ 118,871
Other governments	122,790	487,656
Goods and Services Tax	<u>65,779</u>	<u>40,894</u>
	410,249	647,421
Less: allowance for doubtful accounts	<u>(72,977)</u>	<u>(55,393)</u>
	<u>\$ 337,272</u>	<u>\$ 592,028</u>

BEAVER EMERGENCY SERVICES COMMISSION

Notes to Financial Statements

December 31, 2024

4. TANGIBLE CAPITAL ASSETS

	2024 Net Book Value	2023 Net Book Value
Land	\$ 22,400	\$ 22,400
Vehicles	3,026,002	2,839,311
Buildings	854,512	883,468
Machinery and equipment	831,872	495,415
Concrete	67,716	73,605
Office furniture and equipment	10,342	11,933
	\$ 4,812,844	\$ 4,326,132

	Cost Beginning of Year	Purchased Additions	Disposals	Transfers	Cost End of Year
Land	\$ 22,400	\$ -	\$ -	\$ -	\$ 22,400
Buildings	1,447,803	-	-	-	1,447,803
Concrete	88,325	-	-	-	88,325
Office furniture & equipment	15,911	-	-	-	15,911
Vehicles	4,515,671	356,796	172,286	-	4,700,181
Machinery and equipment	921,820	444,332	-	-	1,366,152
	\$ 7,011,930	\$ 801,128	\$ 172,286	\$ -	\$ 7,640,772

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
Buildings	\$ 564,335	\$ 28,956	\$ -	\$ -	\$ 593,291
Concrete	14,720	5,888	-	-	20,608
Office furniture & equipmen	3,978	1,591	-	-	5,569
Vehicles	1,676,360	170,105	(172,286)	-	1,674,179
Machinery and equipment	426,404	107,876	-	-	534,280
	\$ 2,685,797	\$ 314,416	\$ (172,286)	\$ -	\$ 2,827,927

5. RESERVES

	2024	2023
Tangible capital asset replacement	\$ 1,552,596	\$ 1,881,677

BEAVER EMERGENCY SERVICES COMMISSION**Notes to Financial Statements****December 31, 2024**

6. MUNICIPAL REQUISITIONS

Requisitions are based on the budget net operating costs of the Commission and are allocated amongst the Commission members based on population, usage, and parcel count.

	2024	2023
Operating Requisitions		
Beaver County	\$ 572,218	\$ 676,687
Town of Tofield	199,461	235,876
Town of Viking	96,128	113,678
Village of Ryley	47,211	55,830
Village of Holden	32,991	39,013
	\$ 948,009	\$ 1,121,084
	2024	2023
Capital Requisitions		
Beaver County	\$ 370,640	\$ 351,295
Town of Tofield	129,196	122,453
Town of Viking	62,265	59,015
Village of Ryley	30,580	28,984
Village of Holden	21,369	20,253
	\$ 614,050	\$ 582,000

In accordance with the Commission's Municipal Cost-Sharing Agreement, the requisitions for the following year will be increased or decreased by the current year operating deficit or surplus adjusted for amortization expense and the previous year's calculated increase or decrease in requisitions. The operating requisitions were decreased by \$224,441 for the year ending December 31, 2024 (2023 - \$83,417).

BEAVER EMERGENCY SERVICES COMMISSION

Notes to Financial Statements

December 31, 2024

7. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits, as defined by Alberta Regulation 255/00, for the Commission be disclosed as follows:

	2024	2023
Total debt limit	4,083,686	4,370,342
Total debt	-	-
Total debt limit remaining	\$ 4,083,686	\$ 4,370,342
Service on debt limit	\$ 714,645	\$ 764,810
Total service debt limit	-	-
Total service on debt limit remaining	\$ 714,645	\$ 764,810

The debt limit is calculated at 2 times revenue of the Commission (as defined in Alberta Regulation 76/2000) and the debt service limit is calculated at 0.35 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify Commissions which could be a financial risk if further debt is acquired. The calculation taken alone does not represent the stability of the Commission. Rather, the financial statements must be interpreted as a whole.

8. CONTRACTUAL OBLIGATIONS

The Commission operates from leased premises pursuant to a lease agreement expiring February 28, 2028. The annual minimum lease payments are \$18,000 (inclusive of GST). The Commission is also required to make payments for all operating costs on the leased premise.

9. LOCAL AUTHORITIES PENSION PLAN

Employees of the Commission participate in the Local Authorities Pension Plan (LAPP), which is covered by the *Public Sector Pension Plans Act*. The LAPP serves approximately 200,000 people and 418 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenses in the year in which they become due.

The Commission is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.23% on pensionable earnings above this amount.

Total current service contributions by the Commission to the LAPP in 2024 were \$11,303 (2023 - \$10,334).

At December 31, 2023, the Plan disclosed an actuarial surplus of \$15.1 billion (December 31, 2022 - \$12.7 billion).

BEAVER EMERGENCY SERVICES COMMISSION

Notes to Financial Statements

December 31, 2024

10. BUDGET FIGURES

The 2024 budget data presented in these financial statements is based upon the operating budget approved by the Commission and reflects all activities including capital projects and reserves for future use.

	Budget	Actual
Annual surplus	\$ 614,050	\$ 157,629
Aquisition of tangible capital assets	-	(801,128)
Net transfers from reserves	(614,050)	-
	\$ -	\$ (643,499)

11. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of December 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Commission is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Commission has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Commission is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Commission manages exposure through its normal operating and financing activities. The Commission is exposed to interest rate risk primarily through its cash and cash equivalents.

12. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors and management.