
BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

FINANCIAL STATEMENTS

DECEMBER 31, 2025

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

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Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of the Contributing Municipalities of the Burk's Falls and District Fire Department

Opinion

We have audited the financial statements of the Burk's Falls and District Fire Department ("the Fire Department"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations and accumulated surplus, change in net debt 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 Fire Department as at December 31, 2025, and its results of operations, its changes in its 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fire Department 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.

Other matter

The financial statements for the year ended December 31, 2024 were audited by another auditor who expressed an unqualified opinion on those financial statements on September 18, 2025.

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 Fire Department's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Fire Department or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 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 Fire Department'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 Fire Department'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 Fire Department 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.

Doane Grant Thornton LLP

North Bay, Canada
September 22, 2026

Chartered Professional Accountants
Licensed Public Accountants

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	2024
FINANCIAL ASSETS		
Accounts receivable <i>(Note 10)</i>	\$ -	\$ 16,223
	-	16,223
LIABILITIES		
Accounts payable and accrued liabilities <i>(Note 10)</i>	207,475	11,556
Accrued interest on long-term debt	1,214	1,595
Long-term debt <i>(Note 2)</i>	89,509	117,629
Asset retirement obligation <i>(Note 3)</i>	65,396	62,640
Employee benefits payable <i>(Note 5)</i>	2,132	917
	365,726	194,337
NET DEBT	(365,726)	(178,114)
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>(Note 7)</i>	1,535,440	1,170,681
ACCUMULATED SURPLUS <i>(Note 8)</i>	\$ 1,169,714	\$ 992,567

Contractual obligations *(Note 6)*

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

The accompanying notes are an integral part of these financial statements

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT
STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget 2025 (see Note 9)	Actual 2025	Actual 2024
REVENUE			
Municipal contributions			
Township of Armour	\$ 259,543	\$ 236,993	\$ 597,984
Village of Burk's Falls	155,161	141,681	357,490
Township of Ryerson	127,818	116,713	294,492
Other government transfers	58,800	272,108	51,274
Other	4,100	4,593	8,334
Gain on disposal of capital assets	-	-	8,587
TOTAL REVENUE	605,422	772,088	1,318,161
EXPENSES			
Salaries, wages and benefits	333,500	315,000	336,305
Interest on long-term debt	21,210	2,905	3,733
Materials and supplies	128,070	135,459	194,624
Contracted services	12,580	16,706	20,039
Rent	3,242	3,242	3,242
Accretion on asset retirement obligation	2,756	2,756	2,640
Amortization	118,873	118,873	93,262
TOTAL EXPENSES	620,231	594,941	653,845
ANNUAL SURPLUS (DEFICIT) (Note 8)	(14,809)	177,147	664,316
ACCUMULATED SURPLUS, BEGINNING OF YEAR	992,567	992,567	328,251
ACCUMULATED SURPLUS, END OF YEAR	\$ 977,758	\$ 1,169,714	\$ 992,567

The accompanying notes are an integral part of these financial statements

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT
STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget 2025 (see Note 9)	Actual 2025	Actual 2024
Annual surplus (deficit)	\$ (14,809)	\$ 177,147	\$ 664,316
Acquisition of tangible capital assets	(78,700)	(483,632)	(730,756)
Amortization of tangible capital assets	118,873	118,873	93,262
Gain on disposal of tangible capital assets	-	-	(8,587)
Proceeds from disposal of tangible capital assets	-	-	10,500
Decrease (increase) in net debt	25,364	(187,612)	28,735
Net debt, beginning of year	(178,114)	(178,114)	(206,849)
Net debt, end of year	\$ (152,750)	\$ (365,726)	\$ (178,114)

The accompanying notes are an integral part of these financial statements

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
Operating transactions		
Annual surplus	\$ 177,147	\$ 664,316
Non-cash charges to operations:		
Amortization	118,873	93,262
Gain on disposal of tangible capital assets	-	(8,587)
Change in employee benefits payable	1,215	(4,072)
Accretion of asset retirement obligation	2,756	2,640
	299,991	747,559
Changes in non-cash items:		
Accounts receivable	16,223	3,038
Accounts payable and accrued liabilities	195,919	(2,668)
Accrued interest on long-term debt	(381)	(370)
	211,761	-
Cash provided by operating transactions	511,752	747,559
Capital transactions		
Acquisition of tangible capital assets	(483,632)	(730,756)
Proceeds from disposal of tangible capital assets	-	10,500
Cash applied to capital transactions	(483,632)	(720,256)
Financing transactions		
Debt principal repayments	(28,120)	(27,303)
Cash applied to financing transactions	(28,120)	(27,303)
Net change in cash and cash equivalents	-	-
Cash and cash equivalents, beginning and end of year	\$ -	\$ -
Cash flow supplementary information:		
Interest paid	\$ 3,286	\$ 4,103

The accompanying notes are an integral part of these financial statements

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2025

The Burk's Falls and District Fire Department (the "organization") is a joint committee of the Corporation of the Municipality of the Village of Burk's Falls, the Municipal Corporation of the Township of Armour and the Corporation of the Township of Ryerson, who contribute towards the organization in the following proportions: Burk's Falls - 28.60%; Armour - 47.84%; Ryerson - 23.56%

MANAGEMENT RESPONSIBILITY

The financial statements of the organization are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the organization are as follows:

Basis of Accounting

(i) Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting. Revenue is recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Non-financial assets

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset, as well as any asset retirement obligations related to the asset. Borrowing costs related to the acquisition of tangible capital assets are expensed in the year incurred. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings - 40 years

Machinery and equipment - 10 to 20 years

Vehicles - 5 to 15 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as donations are recorded at their fair value at the date of receipt.

(iii) Reserves and reserve funds

Certain amounts, as approved by the organization, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Consolidated Statement of Financial Position.

(iv) Government transfers

Government transfers are recognized in the financial statements as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Statement of Operations as the stipulation liabilities are settled.

(v) Pensions and employee benefits

The organization accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. Obligations for sick leave under employee benefits payable are accrued as the employees render the services necessary to earn the benefits.

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(vi) Financial instruments

Financial instruments are classified as either fair value, amortized cost or cost.

Financial instruments classified as fair value are initially recognized at cost and subsequently carried at fair value. Financing fees and transaction costs on financial instruments measured at fair value are expensed as incurred. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses. Once realized, remeasurement gains and losses are transferred to the Statement of Operations. A Statement of Remeasurement Gains and Losses has not been included as there are no matters to report therein.

Financial instruments classified as amortized cost are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. The effective interest rate method allocates interest income or interest expense over the relevant period, based on the effective interest rate. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement, provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the Statement of Operations.

Financial liabilities (or part of a financial liability) are removed from the Statement of Financial Position when, and only when, they are discharged, cancelled or expire.

The organization's financial instruments are measured according to the following methods:

<u>Financial instrument</u>	<u>Measurement method</u>
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Accrued interest on long-term debt	Amortized cost
Long-term debt	Amortized cost

(vii) Asset retirement obligations

A liability for an asset retirement obligation is recognized when, at the financial reporting date, all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a capital asset at the financial statement date. The liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. When an asset retirement obligation is initially recognized, a corresponding asset retirement cost is added to the carrying value of the related capital asset when it is still in productive use. This cost is amortized over the useful life of the capital asset. If the related capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**(viii) Use of estimates**

The preparation of 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 amounts of revenue and expenses during the period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the organization may undertake in the future. Significant accounting estimates include estimated useful lives of tangible capital assets and employee benefits payable. Actual results could differ from these estimates.

There is a measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$65,396. These estimates are subject to uncertainty because of several factors including, but not limited to estimated settlement dates, estimated costs and change in the discount rate. These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

2. LONG-TERM DEBT

(a) The balance of the long-term debt reported on the Statement of Financial Position is made up of the following:

	2025	2024
Ontario Infrastructure and Lands Corporation amortizing debenture, due July 2028, repayable in semi-annual payments of \$15,703 including interest calculated at 2.97%, secured by future Provincial funding	\$ 89,509	\$ 117,629

(b) Future estimated principal and interest payments on the long-term debt are as follows:

	Principal	Interest
2026	\$ 28,961	\$ 2,445
2027	29,828	1,578
2028	30,720	686
	\$ 89,509	\$ 4,709

(c) Total charges for the year for long-term debt which are reported in the financial statements are as follows:

	2025	2024
Principal payments	\$ 28,120	\$ 27,303
Interest	2,905	3,733
	\$ 31,025	\$ 31,036

BURK'S FALLS AND DISTRICT FIRE DEPARTMENTNOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2025

3. ASSET RETIREMENT OBLIGATION

The organization has accrued for asset retirement obligations related to the legal requirement for the removal or remediation of suspected asbestos-containing materials in the fire hall. The obligation is recorded at the estimated removal and disposal costs as estimated at January 1, 2022, subsequently adjusted for accretion at a rate of 4.4%.

The continuity of the asset retirement obligation is as follows:

		2025		2024
Balance, beginning of year	\$	62,640	\$	60,000
Increase in liability due to accretion (the passage of time)		2,756		2,640
Balance, end of year	\$	65,396	\$	62,640

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

4. FINANCIAL INSTRUMENTS

Risks arising from financial instruments and risk management

The organization is exposed to various risks through its financial instruments. There have been no changes from the previous year in the policies, procedures and methods used to measure the risk.

Credit risk

Credit risk is the risk of financial loss to the organization if a debtor fails to honour its contractual obligations. The organization is not exposed to this risk in the current year, as it has no debtors, but was exposed to it in 2024 as result of its accounts receivable, due from a contributing municipality.

Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet its financial obligations as they become due. The organization is subject to this risk with respect to its accounts payable and accrued liabilities, long-term debt and related accrued interest.

The organization's financial liabilities are settled by a contributing municipality, who maintains sufficient cash balances to meet its obligations. The organization does not believe it is subject to significant liquidity risk.

The table below sets out the payable dates of the organization's accounts payable and accrued liabilities. This includes amounts owing to a contributing municipality, which have an indeterminate payable date. The long-term debt repayment schedule is disclosed in Note 2. Accrued interest is repayable within six months.

2025					
	Within 6 months	6 months to 1 year	1 to 5 years	Indeterminate payable date	TOTAL
Accounts payable and accrued liabilities \$	5,459	\$ 10,753	\$ -	\$ 191,263	\$ 207,475

2024					
	Within 6 months	6 months to 1 year	1 to 5 years	Indeterminate payable date	TOTAL
Accounts payable and accrued liabilities \$	2,396	\$ 9,160	\$ -	\$	\$ 11,556

There have been no significant changes from the previous year in exposure to liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk. The organization is not exposed to significant currency or equity risk as it does not transact materially in foreign currency and does not hold equity financial instruments.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its long-term debt. Fixed-rate instruments subject the organization to a fair value risk.

There have been no significant changes from the prior year in exposure to market risk.

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT**NOTES TO THE FINANCIAL STATEMENTS**Year Ended December 31, 2025

5. EMPLOYEE BENEFITS PAYABLE

Under the sick leave benefits plan, unused sick leave can accumulate to a prescribed maximum and employees may become entitled to a cash payment when they leave the organization's employment. The sick leave benefit liability estimates the use of accumulated sick leave prior to retirement as well as any lump-sum payments upon retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 2% per annum. The liability for these accumulated days amounted to \$2,132 (2024 - \$917) at the end of the year.

6. CONTRACTUAL OBLIGATIONS

In 2025 the organization engaged Domm Construction Ltd. to construct a new fire hall at a contracted price of \$3,634,901 plus HST. To the end of the year, \$293,000 of work was completed. The balance of the contract is expected to be completed in 2026.

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT**NOTES TO THE FINANCIAL STATEMENTS**
Year Ended December 31, 2025**7. TANGIBLE CAPITAL ASSETS**

The tangible capital assets of the organization by major asset class are outlined below.

2025							
	Land	Buildings	Machinery and Equipment	Vehicles	Construction in Progress	TOTAL	
COST							
Balance, beginning of year	\$ 9,035	\$ 151,885	\$ 335,880	\$ 1,260,568	\$ 5,570	\$	1,762,938
Additions and betterments	-	35,968	24,143	-	423,521		483,632
Disposals and writedowns	-	-	(4,269)	-	-		(4,269)
Transfer between classes	-	-	5,570	-	(5,570)		-
BALANCE, END OF YEAR	9,035	187,853	361,324	1,260,568	423,521		2,242,301
ACCUMULATED AMORTIZATION							
Balance, beginning of year	-	104,592	152,322	335,343	-		592,257
Annual amortization	-	1,869	26,121	90,883	-		118,873
Amortization disposals	-	-	(4,269)	-	-		(4,269)
BALANCE, END OF YEAR	-	106,461	174,174	426,226	-		706,861
TANGIBLE CAPITAL ASSETS-NET	\$ 9,035	\$ 81,392	\$ 187,150	\$ 834,342	\$ 423,521	\$	1,535,440
2024							
	Land	Buildings	Machinery and Equipment	Vehicles	Construction in Progress	TOTAL	
COST							
Balance, beginning of year	\$ 9,035	\$ 151,885	\$ 339,324	\$ 760,228	\$ 1,913	\$	1,262,385
Additions and betterments	-	-	7,832	717,354	5,570		730,756
Disposals and writedowns	-	-	(11,276)	(217,014)	(1,913)		(230,203)
BALANCE, END OF YEAR	\$ 9,035	\$ 151,885	\$ 335,880	\$ 1,260,568	\$ 5,570	\$	1,762,938
ACCUMULATED AMORTIZATION							
Balance, beginning of year	-	103,172	139,270	484,843	-		727,285
Annual amortization	-	1,420	24,328	67,514	-		93,262
Amortization disposals	-	-	(11,276)	(217,014)	-		(228,290)
BALANCE, END OF YEAR	-	104,592	152,322	335,343	-		592,257
TANGIBLE CAPITAL ASSETS-NET	\$ 9,035	\$ 47,293	\$ 183,558	\$ 925,225	\$ 5,570	\$	1,170,681

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT**NOTES TO THE FINANCIAL STATEMENTS**
Year Ended December 31, 2025**8. ACCUMULATED SURPLUS**

The 2025 continuity of accumulated surplus reported on the Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
Tangible capital assets	\$ 1,170,681	\$ 364,759	\$ 1,535,440
Reserves	3,072	-	3,072
Unfinanced capital expenditures	-	(211,761)	(211,761)
Unfunded employee benefits payable	(917)	(1,215)	(2,132)
Unfunded long-term debt	(117,629)	28,120	(89,509)
Unfunded asset retirement obligation	(62,640)	(2,756)	(65,396)
	\$ 992,567	\$ 177,147	\$ 1,169,714

9. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. For unbudgeted items (amortization of tangible capital assets and asset retirement obligation accretion), the actual amounts for 2025 were used to adjust the reported budget amounts. A reconciliation of the adopted and reported budgets is presented below.

	Budget
ADOPTED BUDGET:	
Change in general operating surplus	\$ -
ADJUSTMENTS:	
Acquisition of tangible capital assets	78,700
Amortization of tangible capital assets	(118,873)
Accretion of asset retirement obligation	(2,756)
Debt principal repayments	28,120
ANNUAL DEFICIT	\$ (14,809)

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

10. RELATED PARTY TRANSACTIONS

The related party transactions below are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

The following table summarizes the organization's related party transactions with its contributing municipalities during the year:

	2025	2024
Municipal contributions		
Township of Armour	\$ 236,993	\$ 597,984
Village of Burk's Falls	141,681	357,490
Township of Ryerson	116,713	294,492
Expenses		
Village of Burk's Falls rent	3,242	3,242
Township of Armour snow removal	3,333	1,510
At the end of the year, amounts due from (to) contributing municipalities are as follows:		
Township of Ryerson	(191,263)	16,223

The amounts due from contributing municipalities are reported in accounts receivable on the Statement of Financial Position. The amounts due to contributing municipalities are reported in accounts payable and accrued liabilities. These amounts are non interest bearing, with no specific terms of repayment.

11. SEGMENT DISCLOSURE AND EXPENSES BY OBJECT

Since the organization's operations are not considered diverse and operations are managed as one department, no segment disclosure has been provided. In addition, supplementary expenses by object information has been omitted as it would not provide additional meaningful information not readily determinable from the Statement of Operations.

12. PENSION AGREEMENTS

The organization makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2025. The results of this valuation disclosed total actuarial liabilities of \$151,365 million with respect to benefits accrued for service with actuarial assets at that date of \$150,043 million indicating an actuarial deficit of \$1,322 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the organization does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2025 was \$17,124 (2024 - \$17,153) for current service and is included as an expense on the Statement of Operations.

BURK'S FALLS AND DISTRICT FIRE DEPARTMENT**NOTES TO THE FINANCIAL STATEMENTS**Year Ended December 31, 2025

13. COMPARATIVE FIGURES

Certain prior year figures presented for comparative purposes have been reclassified to conform with the presentation adopted for the current year.