Fire Marshal's Public Fire Safety Council (FMPFSC)

Annual Report

2022 – 2023

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Letter from the Chair of the Fire Marshal's Public Fire Safety Council

I am pleased to present the 2022-23 Annual Report for the Fire Marshal's Public Fire Safety Council (hereinafter referred to as the Council). This year has marked tremendous growth for the Council as we not only achieved success with our board of directors, but also recruited an executive director to help shape the future of our organization.

Making Ontario the most fire-safe community in North America involves identifying unsafe practices that cause fires and replacing them with fire-safe behaviours that promote fire prevention and minimize everyone's risk of fire.

Fire investigations and careful analysis of fire loss statistics reveal that people behave in ways that needlessly put themselves and others at risk of fire and can result in avoidable fire tragedies. The best way of instilling behaviours with fire-safe practices is by increasing awareness and understanding through public education, while simultaneously fostering a safety culture across the province.

This enormous undertaking requires the participation, knowledge, and support of everyone – the fire service, the education and health care systems, government, private industry, interested groups and associations, and all private citizens. Partnerships with key organizations and agencies that can help amplify the message on fire safety is integral to the success of this undertaking.

I am honoured to serve as the Chair of this Council and pleased that we have a dedicated group of individuals who come together with a vested interest in making Ontario fire safe. In 2022-23, our focus was on rebranding our products and services and looking for ways to give back to the fire service; and we were able to successfully achieve this not only through our Distribution Centre but also through the establishment of our Firefighter Certification Grant.

We have a lot to be proud of in terms of accomplishments, but we also have a lot of work ahead as we onboard new Council members and develop a strategic plan to map out the next three years for our agency.

I look forward to the ongoing collaboration with the group of dedicated members we have around the Council's table.

Jon Pegg

Chair

Letter from the Executive Director

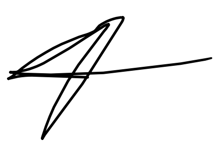
As we look back on an exciting year, I am delighted to share with you the annual report of the Fire Marshal's Public Fire Safety Council. It is with immense pleasure that I present our accomplishments, challenges, and plans in our collective mission to promote our mandate of fire safety in Ontario.

In my first year as the executive director, I am incredibly pleased at how the Council is growing, becoming relevant, innovative and most importantly listening to Ontario's fire services to better understand their needs so we can support them in their fire prevention and education efforts.

Throughout the year, we have remained steadfast in our commitment to raising awareness, working with the fire service to educate the public, and advocating for fire safety through education and increased collaboration.

I would like to extend my deepest gratitude to everyone in the fire service for their invaluable support and contributions to our organization. Without your commitment, passion, and dedication, none of our accomplishments would have been possible. As we reflect on the achievements of the past year and look forward to new opportunities, I am confident that we will continue to make a significant impact in the realm of fire safety.

Together, we can build a safer community for everyone.



Executive Director James Kovacs

Mandate

The Fire Marshal's Public Fire Safety Council was established in 1993 as an advisory agency to promote fire prevention and public education through sponsorships and partnerships with various groups and individuals with an interest in public safety.

With the introduction of the *Fire Protection and Prevention (FPPA) Act* in 1997, the Council was officially established under Part XI of the act as a non-profit corporation without share capital that can form partnerships, raise and disseminate funds and endorse programs and products necessary to further the development of Ontario as a fire-safe community. The Council has the capacity, rights, power, and privileges of a natural person for carrying out its objectives, subject to the limitations placed upon it under the FPPA and/or limitations imposed by Treasury Board/Management Board of Cabinet.

In April 2022, the Council was formally re-classified as a board-governed operational enterprise, which more closely aligns with the Council's mandate as set out in section 61 of the FPPA, which states that the Council's objectives are to:

a) Promote fire safety throughout the province.
b) Produce and distribute materials for public education with respect to fire safety.
c) Provide or endorse training, education, and fire prevention activities.
d) Facilitate and co-ordinate the public exchange of information and ideas on matters of fire safety.
e) Solicit, receive, manage, and distribute money and other property to support the objects described in (a), (b), (c) and (d) above.
f) Enter into partnerships and agreements with persons or organizations in the private sector or with public bodies or organizations to further the objects described in (a), (b), (c), (d) and (e), above.
g) Advise the fire marshal on matters of fire safety.

The FPPA also enables the Council to:

- Enter into agreements with organizations with similar objectives to the Council.
- Authorize any person or organization to use the Council's logo to indicate endorsement of a product, service, training/education course of activity.
- Otherwise endorse any product, service, training/education course or activity.
- Solicit, receive, manage, invest, transfer, use and distribute money and other property to support the objectives of the Council.
- Employ or contract for the services of such persons as it considers necessary for the functioning of the Council.

Vision, Mission, and Values

Vision

Making Ontario the most fire-safe community in North America.

Mission

The Council is committed to making Ontario the most fire-safe community in North America by developing open, innovative, and creative partnerships between members of the fire safety community and the public to increase awareness of fire-related issues and help shape policies, strategies, and legislation.

Values

- That the people of Ontario have a right to live in an environment safe from fire.
- That awareness of fire safety is critical in modifying behaviour that results in injury and loss of life, either directly or indirectly.
- That to educate the entire population of Ontario in fire safety, we must be sensitive to its needs and address them (disabilities, age, vulnerable groups, diverse needs of the community, etc.).
- That there is value in consulting with stakeholders about fire safety. Therefore, we must promote and develop innovative partnerships with the broader public and private sectors.
- To provide access to high quality programs and campaigns.
- To strengthen the relationship with the Office of the Fire Marshal and other partners.

Accomplishments

Over the last year, the Council focussed on a few key areas to help reconstitute and rebrand itself as a source for fire safety education in Ontario. Working collaboratively with key partners and stakeholders, the Council was able to make significant strides in articulating its goals and objectives to members of the fire service, re-invigorating the work with potential sponsors and focussing its efforts on giving back to Ontario's fire service.

Through its Distribution Centre, the Council helps support the efforts of fire departments in Ontario. The goal for 2022-23 was to ensure that departments recognized the work of the agency and understood the products and services it could provide, all while finding a way to give back and ensure that there was recognition for the years of dedicated support that fire departments showed to the Council.

i. **Community Outreach:** Our Council continues to build relationships with partners in the provincial fire service and external corporations to deliver fire safety education tailored to different age groups and demographics. Community outreach continued to be a major focus for the Council as it engaged at local events in concert with fire departments across Ontario.

ii. **Public Awareness Campaigns:** We launched successful public awareness campaigns utilizing various media channels, and print. These campaigns emphasized the importance of smoke alarms and home fire escape planning, holiday fire and carbon monoxide safety tips. There was considerable work done to align our messaging with key partners including the Office of the Fire Marshal who worked hard to ensure that fire departments and stakeholders were aligned in their approaches to key campaigns throughout the year.

iii. **Training and Certification:** We announced a three-year $750,000 grant to support fire departments as they worked towards compliance with O. Reg 343/22 – Firefighter Certification. The regulation came into force on July 1, 2022. We have successfully rolled out Year 1 of the grant, awarding $374,092 to 236 volunteer or composite departments. This funding supported the purchase of textbooks and training materials to help ensure they had the tools needed to aid in meeting the requirements of the provincial certification.

iv. **Collaboration with Fire Departments:** We fostered strong partnerships with local fire departments, working together to enhance their fire prevention and fire safety efforts. Through joint initiatives we promoted a unified and coordinated approach to fire safety.

v. **Launch of new website:** In 2022-23, the Distribution Centre introduced a new website. The new website has made remarkable strides, revolutionized our online presence, and driven substantial growth in various key metrics. Through meticulous planning, strategic design, and dedicated implementation, we have successfully launched a dynamic and user-friendly website that has captivated our target audience and exceeded expectations. Overall, our new website has played a pivotal role in enhancing our digital presence, driving growth, and reinforcing our position as a partner to the Ontario fire service community.

Risks

The Council works to proactively identify risks and uncertainties, leveraging sound risk-management methodologies as per the Ontario government's enterprise risk management framework. The Council regularly tracks identified risks and the success of its mitigation strategies to ensure it can continue to deliver on its mandate.

The Council's risks and mitigation strategies are reported to the Ministry of the Solicitor General on a quarterly basis. Risks that are rated high are required to be reported by the ministry to Treasury Board Secretariat. Currently, the Council is not tracking any risks that are rated as high.

Set out below are two medium-rated risks and associated mitigation strategies.

Supply Chain

With the Council's campaigns and warehouse operations highly dependent on the production and dissemination of goods to the fire service across Ontario, it became apparent over the last couple of years that global supply chain issues can impact the Council's ability to provide timely fire safety public education materials through the distribution centre. As a mitigation strategy, the Council directed its distribution centre supervisor to explore options to source products from North American suppliers, when available, to help ensure a constant and timely flow of goods to the distribution centre warehouse. The Council has also directed the supervisor to place more advanced orders to mitigate the risk of shipping and fulfillment delays.

Operational/Human Resources

The Council is a statutory corporation requiring a Board of Directors to direct its operations. If board members are not reappointed or replaced in a timely manner, resulting in vacancies, it may create organizational and operational difficulties. The chair and the Council are prioritizing appointing additional members to the Council, so that the pool of Council members may provide an opportunity for a faster replacement of non-returning board members, as it provides an opportunity for the chair to recommend Board of Director appointees to the Solicitor General as per section 62(2) of the FPPA.

Future Priorities

We are proud of our accomplishments this past year and the board continues to be forward looking and is committed to our mission. The Council will be undertaking a formalized strategic planning process once additional Council members are onboarded, and in the interim has identified the following key operational priorities for the upcoming year:

i. **Strengthening Partnerships:** We will continue to build strong partnerships and gain trust with fire departments, government agencies, educational institutions, and community organizations to maximize our impact and reach more individuals with our fire safety initiatives.

ii. **Expansion of Programs:** We aim to expand our programs and outreach efforts to cover additional target groups such as seniors, people with disabilities, First Nations, and marginalized communities. Addressing specific needs and vulnerabilities will ensure that fire safety information is easily accessible to all.

iii. **Sponsorships:** The Council will continue to partner with our current sponsors while working hard to develop new strategic partnerships with external corporations that share our passion towards fire safety and prevention utilizing new and innovative campaigns.

iv. **Modernize and innovate:** The Council will continue to move in new directions. As the province's demographics continue to evolve, we must ensure we are innovative in how we deliver our public education messages. Through listening to stakeholders, we will ensure our products and services are aligned with what is needed to help inform public fire safety education in Ontario.

Campaigns and Ontario Fire Department Subsidies

As per the *Fire Protection and Prevention Act*, one of the objectives of Council is to produce and distribute materials for public education with respect to fire safety. Below are a few examples of fire safety kits we assemble and distribute at reduced rates to make them accessible for all Ontario departments to support the implementation of effective fire prevention measures through education.

Our kits are designed as a "one stop shop" for departments to get what they need to ensure their summer public education days are a success and are designed to deliver value to the departments by providing materials at a much lower cost than if they were to source these items individually themselves.

In 2022-23, the Council designed, assembled, and distributed two different public education kits. The response from departments was overwhelmingly positive and the kits were utilized throughout the province.

Spring into Summer – Spring into Safety

This campaign focussed on barbeque, cottage, outdoors, camping and child safety. A specially designed kit was developed containing items designed to provide fire safety messaging for the season. Kits were sold to the fire service for distribution within their municipalities.

The following table provides a comparison of the sale of Spring into Summer kits for 2021-22 and 2022-23. 224 more kits were sold in 2022-23 compared to 2021-22, with a year-over-year revenue increase of $40,096 for the council.

Spring into Summer Kits – Sales Information	2021-22	2022-23
Number of Kits sold to Fire Departments	88	312
Sale Price per Spring into Summer Kit	$179	$179
Total Revenue from Spring into Summer Kits	$15,752	$55,848
Retail Cost of items included in each kit if purchased individually	$487	$414
Total Subsidy to Fire Departments	$27,104	$73,320

Fire Prevention Week

The Fire Prevention Week campaign is well-known to the public and to the fire service as the "flagship" of all campaigns. During this campaign, fire departments across Ontario collaborate to take action to raise public awareness of the dangers of fire and the importance of fire prevention and safety through multiple public education initiatives across the province.

For Fire Prevention Week, the Council's distribution centre offers fire services the opportunity to purchase "one stop shop" kits in English and French. The Fire Prevention Week kits contain public education information and promotional items selected to help fire departments implement successful Fire Prevention Week campaigns in their communities. The kits include an assortment of National Fire Protection Association themed items in addition to messaging that is relevant to Ontario and messaging developed by the Office of the Fire Marshal.

The following table provides a comparison of the sale of Fire Prevention Week kits for 2021-22 and 2022-23. 134 more kits were sold in 2022-23 compared to 2021-22, with a year-over-year revenue increase of $75,326 for the Council.

Fire Prevention Week Kits – Sales Information	2021-22	2022-23
Number of kits sold to fire departments	274	408
Sale Price per Fire Prevention Week kit	$349	$419
Total Revenue from Fire Prevention Week Kits	**$95,626**	**$170,952**
Retail cost of items included in each kit if purchased individually	$833	$676
Total Subsidy to Fire Departments	**$132,616**	**$104,738**

12 Days of Holiday Fire and Carbon Monoxide (CO) Safety

In 2022-23, the Council distributed applications to all Ontario fire departments to team up with their local media and offer the "12 Days of Holiday Fire and CO Safety" contest. Fire safety tips were broadcasted on radio stations for 12 days leading up to the holidays and listeners were invited to call back later in the day and repeat the tip to win a prize package. Each radio station received 12 complementary prize packages containing an assortment of smoke and carbon monoxide alarms, and kitchen and other household items. The prize packages also contained important fire and carbon monoxide safety messages.

In 2022-23 the Council sponsored the entire campaign at a total cost of $21,284 to provide daily prize packages to 77 rural and urban radio stations across the province making it our largest holiday campaign ever.

Fire Marshal's Public Fire Safety Council Firefighter Certification Grant

On July 1, 2022, O. Reg. 343/22: Firefighter Certification, came into force in Ontario. Following the government's consultation period, the Council's board of directors worked with the Office of the Fire Marshal to understand the requirements of the certification regulation and its impact on Ontario's fire services.

Over the course of the next three to five years, departments will be required to certify their members to the level of fire protection service established by their municipality. The Council recognized that fire departments will require financial support to assist with meeting requirements under O. Reg. 343/22. Some fire departments will require online access to training materials whereas others will be required to purchase textbooks to support their members in achieving certification.

In August 2022, the chair of the Council announced the creation of a $750,000 grant to support firefighter certification in Ontario. This grant will be provided over three years as follows.

- Year 1 2022-23 – up to $400,000

- Year 2 2023-24 – up to $200,000
- Year 3 2024-25 – up to $150,000

The grant is being administered by the distribution centre and is available to all Ontario fire departments impacted by the certification regulation, who can demonstrate a need for educational materials to support training and certifying their members.

In Year 1, the distribution centre worked closely with Jones and Bartlett Learning and the International Fire Service Training Association to provide a suite of hard copy and online materials that benefitted the fire service in meeting the requirements of the regulation.

Working with the Ontario Association of Fire Chiefs and our board of directors, we analyzed results from a questionnaire that was designed by the Council with input from the Office of the Fire Marshal. It was decided that the primary need for the first year of the grant was for composite or volunteer departments that would not be able to staff a full-time truck pending certification of its members.

A total of $375,808 was utilized to support 236 fire departments. The underspending will be carried over to the remaining two years.

Partner Campaigns

Another objective of the Council is to solicit, receive, manage, and distribute money and other property to support and promote fire safety throughout the province. As in prior years, this was achieved through a partnership with Enbridge Gas and the continued rollout of Project Zero and Project Assist.

Project Zero

The Council, in partnership with Enbridge Gas and participating fire departments, have been working to deliver combination smoke and carbon monoxide alarms to Ontario communities where Enbridge operates, through the Project Zero campaign. These alarms are distributed in neighbourhoods where the number of residential fire and fire-related deaths and injuries have been higher than average. With a focus on reaching high-risk residents, fire departments are encouraged to distribute these life saving devices to those most in need.

In 2022-23, Enbridge Gas provided $250,000 in funding for the campaign, while the Council’s distribution centre managed the program and distributed 8,064 combination alarms to 50

departments across Ontario and organized media events for each department. Due to pandemic-related supply chain issues and low inventory for alarms, $100,000 was carried over from the previous year into 2022-23 and an additional 3,330 combination alarms were distributed. Overall, this past year we distributed 11,394 combination alarms.

The Council is grateful to Kidde Alarms for supplying the combination alarms at the lowest possible price to ensure this life saving campaign could provide alarms to more homes.

Project Assist

This is a campaign to assist volunteer and composite fire departments to purchase necessary firefighting training education materials for enhancements in life-saving firefighting techniques. The Council and Enbridge Gas have teamed up with volunteer and composite departments throughout Ontario communities, where Enbridge operates, to provide a total of $250,000 in educational grants to fire departments.

In 2022-23, the campaign was fully funded by Enbridge Gas and the Council's distribution centre managed the program and distributed books and other educational items to 50 departments across Ontario and organized media events for each department.

Donations, Partnerships and Sponsorships

A key mandate of the Council is to provide or endorse training, education, and fire prevention activities. We are immensely proud of our partnerships and giving back to multiple organizations that represent thousands of individuals in the Ontario fire service.

Ontario Municipal Fire Prevention Officers Association

We provided donations and rebates as a platinum sponsor of their annual education and training symposium. This event was well attended with over 100 fire prevention officers and educators from across Ontario. The Council contributed $5,000 for the platinum level sponsorship and provided a $1,000 giveaway to be utilized on items from our distribution centre.

Ontario Association of Fire Chiefs

We attended 3 trade shows in 2022-23 for the first time in several years. We were proud to be part of the Ontario Association of Fire Chiefs trade shows in Thunder Bay, Huntsville, and Mississauga. Overall, the Council donated over $1,000 in public education items and provided a $1,000 giveaway to be utilized on items from our distribution centre.

International Plowing Match

A donation of public education items valued at $1,300 was provided to the North Grenville Fire Department to utilize and inform fire safety conversations at the plowing match that was held in Kemptville in September 2022.

Ontario Native Fire Fighters Society

We attended the Ontario Native Fire Fighters Society annual conference in Brantford and had great conversations around the importance of fire prevention through public education. The Council donated textbooks along with a $500 donation to be utilized on public education items from our distribution centre.

Ontario Association of Fire Training Officers

The Council donates a percentage of their members' books sales to help fund this organization. The total for 2022-23 was $3,393 and will be presented at their annual meeting.

Learn Not to Burn

Our Learn Not to Burn programs reach children using proven educational strategies that incorporate the National Fire Protection Association's philosophy of teaching positive, practical fire safety messaging and at no charge. The Council distributed materials valued at $4,200 in Learn Not to Burn curriculum to 13 fire departments across Ontario.

An Overview of the Council and its Distribution Centre

Council Membership

Section 62 of the Fire Protection and Prevention Act provides for the constitution of the Council membership as follows:

- The Fire Marshal is the chair of the Council.
- The Council consists of a Board of Directors and such other persons who are appointed as members of the Council by the Fire Marshal.
- The larger Council includes fire sector representatives and corporate partners with a vested interest in fire safety.
- The Board of Directors is composed of the Fire Marshal, or if he or she is absent or unable to act, a Deputy Fire Marshal, and at least six directors appointed from among the members by the Solicitor General on the recommendation of the Fire Marshal.

The Fire Marshal designates one or more directors to be vice-chair(s). The Fire Protection and Prevention Act prescribes that the affairs of the Council shall be managed by a Board of Directors appointed by the Solicitor General from amongst members of the Council. The Board of Directors, chaired by the Fire Marshal of Ontario, should have the ability to:

- Provide overall, leadership, direction, and oversight over the Council's operations, including the financial affairs of the Council and Distribution Centre.
- Provide advice to the Fire Marshal of Ontario on fire safety matters.
- Review and assess fire prevention and public education programs, including designing and implementing public education materials for distribution.

A Director is appointed for a term not exceeding three years and may be reappointed for successive terms not exceeding three years each. If a director's position becomes vacant, the Minister may appoint another person to the board for the remainder of his or her term.

The Fire Protection and Prevention Act prescribes that the appointed directors shall receive such remuneration and reimbursement for reasonable expenses as may be determined by the Council. Currently, the directors volunteer their time for the Council and do not receive any remuneration. They are reimbursed expenses in accordance with the Travel, Meal and Hospitality Expenses Directive issued by the Management Board of Cabinet, Government of Ontario.

While the Board of Directors is fully operational, recruiting members to the larger Council was put on pause pending the completion of the operational review of the Council and reclassification of the Council in April 2022. Now that those critical activities have been completed, a key priority for the Chair and the Board of Directors is the recruitment and onboarding of additional Council members to support the strategic directions of the agency.

Position	Member	Term	Location	Total Remuneration
Chair (Part-Time)	Jonathan Pegg	13-April-2022 - 20-Jul-2025	Toronto	$0
Member (Part-Time)	Doug Kellam	28-Jul-2022 - 27-Jul-2023	Brantford	$0
Member (Part-Time)	John Gignac	28-Jul-2022 - 27-Jul-2023	Brantford	$0
Member (Part-Time)	Nada Elbard	28-Jul-2022 - 27-Jul-2023	Toronto	$0
Member (Part-Time)	Randy Narine	28-Jul-2022 - 27-Jul-2023	Shelburne	$0
Member (Part-Time)	Wendy Landry	28-Jul-2022 - 27-Jul-2023	Shuniah	$0
Member (Part-Time)	Mark Berney	22-Sep-2022 - 21-Sep-2023	Scugog	$0

2022-2023 General Board Meetings

A total of three Council board meetings were held in 2022-23 as follows:

- June 30, 2022 - Virtual
- July 26, 2022- Virtual
- December 2, 2022 - Virtual

Executive Director

With the recruitment of the executive director in late April 2022, careful attention has been paid to rebuilding the team within the distribution centre to ensure that it has the capacity to support the transformation and revitalization of the Council. The executive director is poised to increase the sponsorship opportunities with the Council and will look for additional ways in which the agency can continually give back to the fire service in Ontario.

Distribution Centre

The Council is self-funded by the revenue generated through partnerships/sponsorships and goods that are coordinated and supplied by the Distribution Centre. The Distribution Centre delivers value for money. Independent audit reviews have validated that the Council has implemented good financial management practices and the results of its operations, and its cash flow are in accordance with Canadian accounting standards. In September 2022, the executive director filled the vacant Distribution Centre Supervisor position. The new Supervisor manages the day-to-day operations and other employees of the Distribution Centre and reports to the executive director.

The Distribution Centre is managed by the executive director and is staffed with five full-time and one part-time seasonal employee. Below is the organizational chart for the distribution centre.

- Jamie Kovacs, executive director
    - Distribution Centre Supervisor
        - Graphic Designer / Social Media and Webstore Management
        - Warehouse/Shipping Inventory Control
            - Summer Student (part-time)
        - Campaign Co-ordinator/ Purchasing
        - Accounting/Payroll

Financial Performance

The Council receives revenue from its distribution centre and through sponsorships from third parties.

Total revenue for the year amounted to $2,394,411 which includes sales of $1,656,469, sponsorships of $600,000, shipping and handling of $65,506, interest and other income of $43,836 and Distribution Centre affiliate memberships of $28,600.

Revenue generated has facilitated further development of the Councils programs and advancement of various initiatives in fulfilment of the Council's mandate.

Management Responsibility Report

The Council's management is responsible for preparing the accompanying financial statements in conformity with Canadian public sector accounting standards for government not-for-profit organizations as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA). In preparing these financial statements, management selects appropriate accounting policies and uses its judgment and best estimates to report events and transactions as they occur.

Management has determined such amounts on a reasonable basis to ensure that the financial statements are presented fairly in all material respects. Financial data included throughout this Annual Report is prepared on a basis consistent with that of the financial statements. We maintain a system of internal accounting controls designed to provide reasonable assurance, at a reasonable cost, that assets are safeguarded and that transactions are executed and recorded in accordance with our policies for doing business.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control and is responsible for reviewing and approving the financial statements. The Board fulfills this responsibility by reviewing quarterly finance statements. The Committee meets annually to review the final audit.

MNP has free access to the Board of Directors. Management acknowledges its responsibility to provide financial information that is representative of the Council's operations, is consistent and reliable, and is relevant for the informed evaluation of the Council's activities.

James Kovacs
Executive Director

Fire Marshal's Public Fire Safety Council
Financial Statements
March 31, 2023

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For the year ended March 31, 2023

To the Board of Directors of Fire Marshal's Public Fire Safety Council:

Opinion

We have audited the financial statements of Fire Marshal's Public Fire Safety Council (the "Council"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net 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 Council as at March 31, 2023, 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.

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 Council 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 the 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.

In preparing the financial statements, management is responsible for assessing the Council’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council’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.

MNP LLP
9 King Street West, Suite 201, PO Box 459, Brockville ON, K6V 5V6
T: 613.342.8424 F: 613.342.1714

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 Council'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 Council'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 Council 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.

MNP LLP

Brockville, Ontario | Chartered Professional Accountants

July 20, 2023 | Licensed Public Accountants

Fire Marshal's Public Fire Safety Council
Statement of Financial Position
As at March 31, 2023

	2023	2022
Assets		
Current		
Cash	**125,824**	267,486
Short-term investments *(Note 3)*	**436,796**	1,980,860
Accounts receivable *(Note 4)*	**152,581**	128,921
Inventory	**592,435**	420,685
Prepaid expenses and deposits	**73,589**	41,886
	1,381,225	2,839,838
Long-term investments *(Note 3)*	**979,722**	-
Capital assets *(Note 5)*	**26,703**	26,979
	2,387,650	2,866,817
Liabilities		
Current		
Accounts payable and accrued liabilities	**184,386**	113,748
Government remittances payable	**34,599**	13,707
Customer deposits	**12,154**	11,784
Deferred sponsorships *(Note 6)*	**-**	100,000
	231,139	239,239
Net Assets		
Investment in capital assets *(Note 7)*	**26,703**	26,979
Internally restricted *(Note 8)*	**375,908**	-
Unrestricted	**1,753,900**	2,600,599
	2,156,511	2,627,578
	2,387,650	2,866,817

Approved on behalf of the Board of Directors

Director **Director**

The accompanying notes are an integral part of these financial statements

Fire Marshal's Public Fire Safety Council
Statement of Operations
For the year ended March 31, 2023

	2023	*2022*
Revenue		
Sales	**1,656,469**	1,058,832
Sponsorships *(Note 6)*	**600,000**	650,000
Shipping and handling charges	**65,506**	40,273
Interest and other revenue	**43,836**	28,372
Membership fees	**28,600**	28,300
	2,394,411	1,805,777
Expenses		
Cost of inventory sold or distributed at no charge	**1,990,658**	1,204,081
Salaries, wages and benefits	**532,977**	322,213
Rent	**63,000**	64,000
Shipping and handling	**57,851**	51,234
Freight and brokerage	**43,788**	44,969
Office and administration	**33,398**	20,810
Professional fees	**30,782**	67,289
Information technology support services	**27,025**	24,708
Community support programs	**23,488**	2,791
Travel and meetings	**18,083**	254
Bank and credit card charges	**13,316**	7,908
Inventory writedown	**11,781**	2,376
Amortization	**7,427**	4,794
Warehouse supplies	**5,077**	1,669
Insurance	**3,434**	3,006
Partnership distributions	**3,393**	3,979
Strategic review	**-**	35,058
	2,865,478	1,861,139
Deficiency of revenue over expenses	**(471,067)**	(55,362)

The accompanying notes are an integral part of these financial statements

Fire Marshal's Public Fire Safety Council
Statement of Changes in Net Assets
For the year ended March 31, 2023

	Investment in capital assets	*Internally restricted*	*Unrestricted*	***2023***	*2022*
Net assets, beginning of year	**26,979**	**-**	**2,600,599**	**2,627,578**	2,682,940
Deficiency of revenue over expenses *(Note 7)*	**(7,427)**	**-**	**(463,640)**	**(471,067)**	(55,362)
Transfers *(Note 7), (Note 8)*	**7,151**	**375,908**	**(383,059)**	**-**	-
Net assets, end of year	**26,703**	**375,908**	**1,753,900**	**2,156,511**	2,627,578

Fire Marshal's Public Fire Safety Council
Statement of Cash Flows
For the year ended March 31, 2023

	2023	*2022*
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	**(471,067)**	(55,362)
Inventory writedown	**11,781**	2,376
Amortization	**7,427**	4,794
	(451,859)	(48,192)
Changes in non-cash operating working capital:		
Accounts receivable	**(23,660)**	(45,177)
Inventory	**(183,531)**	(14,567)
Prepaid expenses and deposits	**(31,703)**	(9,087)
Accounts payable and accrued liabilities	**70,638**	(17,160)
Government remittances payable	**20,892**	(4,626)
Customer deposits	**370**	5,443
Deferred sponsorships	**(100,000)**	100,000
Net cash used in operating activities	**(698,853)**	(33,366)
Investing		
Purchase of guaranteed investment certificates	**(1,415,359)**	(1,979,701)
Proceeds received for guaranteed investment certificates	**1,979,701**	1,954,673
Purchase of capital assets	**(7,151)**	(12,388)
Net cash provided by (used in) investing activities	**557,191**	(37,416)
Decrease in cash	**(141,662)**	(70,782)
Cash, beginning of year	**267,486**	338,268
Cash, end of year	**125,824**	267,486

1. Incorporation and nature of the organization

Fire Marshal's Public Fire Safety Council (the “Council”) was established on an ad hoc basis in 1993 with the primary purpose of bringing together various parties, including government agencies, with a keen interest in enhancing fire prevention and education in Ontario. The Ontario *Fire Protection and Prevention Act, 1997* formally established the Council as a corporation without share capital. The objects of the Council are as follows:

(a) promote fire safety throughout the province of Ontario;

(b) produce and distribute materials for public education with respect to fire safety throughout the province of Ontario;

(c) facilitate and coordinate the public exchange of information and ideas on matters of fire safety; and

(d) provide or endorse training, education and fire prevention activities.

The Council is registered as a charitable organization under the Income Tax Act (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Council must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

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, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Revenue recognition

The Council follows the deferral method of accounting for contributions.

Restricted contributions, which include sponsorships, are recognized as revenue when all performance obligations specified in a sponsorship agreement are completed and the related expenses are recognized. Sponsorships received but not yet earned are deferred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Sales and shipping and handling charges are derived from the distribution of fire safety publications and other products and are recognized at the date the publications and products are shipped.

Membership fees are recognized as revenue in the membership year that the fees are earned. Membership fees received in advance of the membership year are deferred and recognized as revenue in the membership year to which they relate.

Interest revenue is recognized when earned.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Inventory

Inventory consists of finished goods available for resale or for distribution at no charge or nominal charge. Inventory available for resale are valued at the lower of cost and net realizable value while inventory held for distribution at no or nominal charge is valued at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs. The cost of inventory includes all costs of purchases and other costs incurred in bringing the inventory to its present location and condition and is determined by the weighted average method.

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

Capital assets

Purchased capital assets are recorded at acquisition cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

Amortization is provided using the straight-line method at rates intended to amortize assets over their estimated useful lives using the following annual rates:

Computer equipment	33.33 %
Computer software	20 %
Office equipment	10% and 20 %

Long-lived assets

Long-lived assets consists of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policy. The Council writes down long-lived assets held for use when conditions indicate that the asset no longer has any long-term service potential to the Council. The assets are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Council determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

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 Council's operations and would otherwise have been purchased. There were no contributed materials recognized in the financial statements for the 2023 or 2022 fiscal years.

Financial instruments

The Council recognizes financial instruments when the Council 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 Council may irrevocably elect to subsequently measure any arm’s length financial instrument at fair value. The Council has not made such an election during the year.

The Council subsequently measures all financial assets and liabilities at amortized cost.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost.

Financial asset impairment

The Council assesses impairment of all its financial assets measured at amortized cost. The Council groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Council determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Council 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.

Any impairment, which is not considered temporary, is included in current year deficiency of revenue over expenses.

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

The Council 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 deficiency of revenue over expenses in the year the reversal occurs.

Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency are translated to Canadian dollars at exchange rates in effect at the balance sheet date and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenue and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in deficiency of revenue over expenses.

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. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

3. Investments

	2023	*2022*
Redeemable guaranteed investment certificate at 4.15%, maturing December 2023 (2022 - multiple certificates at rates ranging from 1.25% to 1.40%, matured by February 2023)	**208,767**	1,753,966
Non-redeemable guaranteed investment certificate at 4.10%, maturing August 2023 (2022 - 0.50% matured August 2022)	**228,029**	226,894
Total short-term investments	**436,796**	1,980,860
Redeemable guaranteed investment certificates at 5.00%, maturing December 2024	**979,722**	-
	1,416,518	1,980,860

4. Accounts receivable

	2023	*2022*
Trade receivables	**131,168**	125,966
Accrued interest receivable	**23,837**	5,379
Allowance for doubtful trade receivables	**(2,424)**	(2,424)
	152,581	128,921

5. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	**48,847**	**44,229**	**4,618**	5,574
Computer software	**81,458**	**73,366**	**8,092**	5,413
Office equipment	**53,043**	**39,050**	**13,993**	15,992
	183,348	**156,645**	**26,703**	26,979

6. Deferred contributions

Deferred contributions consist of unspent sponsorship contributions externally restricted for expenses of future periods. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2023	2022
Balance, beginning of year	**100,000**	-
Amount received during the year	**500,000**	750,000
Less: Amount recognized as revenue during the year	**(600,000)**	(650,000)
Balance, end of year	**-**	100,000

7. Change in investment in capital assets

The change in investment in capital assets is calculated as follows:

	2023	2022
Deficiency of revenue over expenses:		
Amortization	**(7,427)**	(4,794)
Net change in investment in capital assets:		
Purchase of capital assets	**7,151**	12,388

8. Internally restricted net assets

During the year, the Council’s Board of Directors internally restricted $750,000 of unrestricted net assets to be used over three years to provide support for fire departments in the province to be in compliance with *Ontario Regulation 343/22: Firefighter Certification* which came into effect July 1, 2022. During the year, $374,092 was utilized for this purpose, which has been included in cost of inventory sold or distributed at no charge in the statement of operations. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

9. Financial instruments

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

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Council is exposed to interest rate cash flow risk with respect to its cash which is subject to floating interest rates. The Council is exposed to interest rate price risk on its guaranteed investment certificates as they are at fixed rates ranging from 4.10% to 5.00% (2022 - 0.50% to 1.40%). The primary objective of the Council with respect to its investments is to ensure the security of principal amounts invested, provide for a high degree of liquidity and achieve a satisfactory investment return. There has been no change in risk exposure from the prior period.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk associated with cash is minimized substantially since the Council ensures that cash is held in accounts with a major financial institution that has been accorded investment grade ratings by a primary rating agency. Credit risk associated with guaranteed investment certificates is minimized substantially since the Council ensures that the certificates are insured by the Canada Deposit Insurance Corporation.

The Council is exposed to credit risk as management provides credit to its customers in the normal course of operations. As at March 31, 2023, one customer (2022 - two) accounted for 22% (2022 - 27%) of the trade receivables. The Council believes that there is no unusual exposure associated with the collection of these receivables. This risk is managed primarily by the on-going monitoring of individual receivable balances. Management determines probable losses on the collection of accounts receivable and sets up a provision for these losses. The Council maintains an allowance for doubtful trade receivables, and any such losses to date have been within management's expectations. It is management's opinion that the Council does not have significant risk exposure to any individual receivable.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Council enters into transactions to purchase inventory denominated in United States currency for which the related accounts payable balances are subject to exchange rate fluctuations. As at March 31, 2023 the following items are denominated in United States currency:

	2023 ***CAD$***	*2022* *CAD$*
Cash	**7,232**	1,602
Accounts payable and accrued liabilities	**(93,619)**	(19,046)

10. Commitments

The Council has entered into a long-term lease agreement for its premises which expires December 31, 2024 with estimated minimum payments of $82,500 in the year ending March 31, 2024 and $67,500 in the year ending March 31, 2025, for a total aggregate commitment of $150,000.

11. Comparative figures

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