

Oxford Community Police Services Board

Consolidated Financial Report *December 31, 2003*

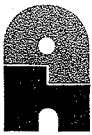
Contents

Auditor's Report.....Page 1

Financial Statements:

Consolidated Statement of Financial Position.....	2
Consolidated Statement of Financial Activities.....	3
Notes to Consolidated Financial Statements.....	4
Schedule of Revenue Fund Operations.....	6
Schedule of Capital Fund Operations.....	7
Schedule of Reserves and Reserve Funds.....	8





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AUDITOR'S REPORT

To the Board Members of the
Oxford Community Police Services Board

I have audited the consolidated statement of financial position of the **Oxford Community Police Services Board** as at December 31, 2003 and the consolidated statement of financial activities for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2003 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles.

Gordon Hardcastle _____

Chartered Accountant

Dorchester, Ontario
May 18, 2004

Oxford Community Police Services Board

Consolidated Statement of Financial Position December 31, 2003

	2003 \$	2002 \$
Financial assets		
Cash	168,439	104,984
Accounts receivable	<u>368,900</u>	<u>159,237</u>
	<u>537,339</u>	<u>264,221</u>
 Liabilities		
Accounts payable and accrued liabilities	184,936	122,517
Deferred employee benefits	<u>458,715</u>	<u>245,246</u>
	643,651	367,763
 Board position		
Revenue fund	(181,174)	(117,358)
Capital fund	-	-
Reserves and reserve funds	<u>533,577</u>	<u>259,062</u>
	352,403	141,704
Amounts to be recovered	<u>(458,715)</u>	<u>(245,246)</u>
	<u>(106,312)</u>	<u>(103,542)</u>
	<u>537,339</u>	<u>264,221</u>

Approved by the Board:

Ken W. Bant Chair
Sandra Medulig Treasurer

Oxford Community Police Services Board

Consolidated Statement of Financial Activities Year ended December 31, 2003

	2003	2002
	\$	\$
Revenue		
9-1-1 service	77,807	79,058
Accidents and miscellaneous reports	47,565	45,495
Alarm revenue	58,348	53,512
Court security	113,171	123,256
Municipal grants	8,121,184	7,577,193
Paid duty	22,913	17,251
Prisoner transport	39,426	44,538
Provincial grant	332,159	265,255
County Fire Dispatch	44,080	42,081
Sale of vehicles	18,435	21,175
Donations	5,950	35,033
OESC Revenue	156,735	-
Youth Crime Seminar	9,440	-
Development Charges	9,000	-
Other	13,473	16,216
Investment income	<u>3,608</u>	<u>4,958</u>
	9,073,294	8,325,021
Expenditures		
Accounting and payroll services	22,000	22,000
Building repairs and maintenance	57,606	45,773
Computer maintenance	97,635	106,764
Education and training	54,647	46,078
Equipment repairs and service	17,762	12,752
Insurance	71,924	74,225
Heat, hydro and utilities	71,551	79,549
Legal	12,367	16,611
Meetings, conventions and conferences	11,382	8,069
Police Services Board	34,822	33,242
Radio maintenance	17,457	19,688
Salaries and benefits	7,894,412	7,059,758
Stationery and supplies	110,612	71,338
Tactical services	12,411	14,536
Vehicle	286,144	247,369
Capital expenditures	<u>303,332</u>	<u>227,594</u>
	9,076,064	8,085,346
Net revenues	(2,770)	239,675
Board position, beginning of year	<u>(103,542)</u>	<u>(343,217)</u>
Board position, end of year	<u>(106,312)</u>	<u>(103,542)</u>

Oxford Community Police Services Board

Notes to Consolidated Financial Statements

December 31, 2003

The **Oxford Community Police Services Board** was established February 1, 1999 as a result of agreements between four municipal partners. Operations commenced on January 1, 1999. The Board provides policing services for the Township of Blandford-Blenheim, the Township of East Zorra-Tavistock, the Township of Norwich and the City of Woodstock. The municipalities provide funding based on a formula approved by agreement.

1. Significant accounting policies

The consolidated financial statements of the **Oxford Community Police Services Board** (the "Board") are prepared by management in accordance with accounting policies prescribed for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant accounting policies are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the Board.

Fund accounting

Funds within the consolidated financial statements consist of current, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

Capital assets

Expenditures made on capital assets are reported as capital expenditures on the statement of financial activities in the period incurred.

Reserves and reserve funds

Certain amounts, as approved by the Board, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and from reserves and reserve funds are recorded as an adjustment to the respective fund balance when approved.

Government grants

Government grants are recognized in the financial statements as revenues in the period in which events giving rise to the grant occurs, providing the grant is authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from these estimates.

2. Liability for vested sick leave benefits

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Board's employ. The liability for the vested portion of these accumulated days that could be taken in cash on termination amounted to approximately \$ 458,715, (2002 - \$ 245,246).

During the year payments under the plan amounted to \$ 0 (2002 - \$ 4,941).

Payments under this plan to employees eligible to retire in the next five years are:

	\$
2004	34,937
2005	0
2006	8,063
2007	39,713
2008	10,438

3. Pension agreements

The Board makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time 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. Due to significant surpluses, OMERS declared a temporary contribution holiday for all active employees and participating employers from August 1, 1998 to December 31, 2002. Contributions commenced again January 1, 2003.

4. Public Sector Salary Disclosure Act

In accordance with the provisions of the Public Sector Salary Disclosure Act, 1996, one employee of the Board was paid \$100,000 or more - Chief Ron Fraser - \$ 116,014.

5. Statement of Changes in Financial Position

A statement of changes in financial position is not presented since this information is readily apparent from other financial statements or is adequately disclosed in the notes to the financial statements.

Oxford Community Police Services Board

Schedule of Revenue Fund Operations Year ended December 31, 2003

	2003	2002
	\$	\$
Revenue		
9-1-1 service	77,807	79,058
Accidents and miscellaneous reports	47,565	45,495
Alarm revenue	58,348	53,512
Court security	113,171	123,256
Municipal grants	8,121,184	7,577,193
Paid duty	22,913	17,251
Prisoner transport	39,426	44,538
Provincial grant	332,159	265,255
County Fire Dispatch	44,080	42,081
Donations	5,950	35,033
OESC Revenue	156,735	-
Youth Crime Seminar	9,440	-
Development Charges	9,000	-
Other	13,473	16,216
	<u>9,051,251</u>	<u>8,298,888</u>
Expenditures		
Accounting and payroll services	22,000	22,000
Building repairs and maintenance	57,606	45,773
Computer maintenance	97,635	106,764
Education and training	54,647	46,078
Equipment repairs and service	17,762	12,752
Insurance	71,924	74,225
Heat, hydro and utilities	71,551	79,549
Legal	12,367	16,611
Meetings, conventions and conferences	11,382	8,069
Police Services Board	34,822	33,242
Radio maintenance	17,457	19,688
Salaries and benefits	7,894,412	7,059,758
Stationery and supplies	110,612	71,338
Tactical services	12,411	14,536
Vehicle	286,144	247,369
	<u>8,772,732</u>	<u>7,857,752</u>
Net revenues	278,519	441,136
Financing and transfers		
Change in amounts to be recovered	213,469	(52,254)
Transfers from (to) reserves and reserve funds	(293,573)	(92,100)
Transfers to capital fund	(262,231)	(38,471)
	<u>(342,335)</u>	<u>(182,825)</u>
Increase (decrease) in revenue fund	(63,816)	258,311
Revenue fund, beginning of year	(117,358)	(375,669)
Revenue fund, end of year	(181,174)	(117,358)

This schedule is unaudited and provided for information purposes only.

Oxford Community Police Services Board

Schedule of Capital Fund Operations Year ended December 31, 2003

	2003	2002
	\$	\$
Revenue		
Sale of vehicles	<u>18,435</u>	<u>21,175</u>
	18,435	21,175
Expenditures		
New vehicles	205,124	143,215
New equipment	98,208	84,196
Honour guard	<u>-</u>	<u>183</u>
	<u>303,332</u>	<u>227,594</u>
Net expenditures	(284,897)	(206,419)
Financing and transfers		
Transfers from revenue fund	262,231	38,471
Transfers from reserves and reserve funds	<u>22,666</u>	<u>167,948</u>
	<u>284,897</u>	<u>206,419</u>
Increase (decrease) in capital fund balance	-	-
Capital fund, beginning of year	<u>-</u>	<u>-</u>
Capital fund, end of year	<u><u>-</u></u>	<u><u>-</u></u>

Oxford Community Police Services Board

Schedule of Reserves and Reserve Funds Year ended December 31, 2003

	2003 \$	2002 \$
Revenue		
Investment income	<u>3,608</u>	<u>4,958</u>
	3,608	4,958
Net transfers from (to) other funds		
Revenue fund	293,573	92,100
Capital fund	<u>(22,666)</u>	<u>(167,948)</u>
	<u>270,907</u>	<u>(75,848)</u>
Decrease in reserves and reserve fund balance	274,515	(70,890)
Reserves and reserve fund balance, beginning of year	<u>259,062</u>	<u>329,952</u>
Reserves and reserve fund balance, end of year	<u>533,577</u>	<u>259,062</u>
 Reserves and reserve fund balance comprised as follows:		
Reserves set aside for specific purposes:		
Capital projects	62,745	62,745
Insurance loss	12,524	5,842
Furniture	30,744	30,744
Legal fees	27,910	22,215
Renovations	14,504	12,500
Honour guard	4,280	2,280
Canine unit	-	22,666
Salaries & Wages	215,800	-
	368,507	158,992
Reserve funds set aside for specific purposes:		
Sick leave severance	105,070	50,070
Voice radio	<u>60,000</u>	<u>50,000</u>
	<u>165,070</u>	<u>100,070</u>
Total reserves and reserve funds	<u>533,577</u>	<u>259,062</u>