

Oxford Community Police Services Board

Consolidated Financial Report *December 31, 2005*

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AUDITORS' REPORT

To the Board Members of the Oxford Community Police Services Board

We have audited the consolidated statement of financial position of the **Oxford Community Police Services Board** as at December 31, 2005 and the consolidated statement of financial activities for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian 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 our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2005 and the results of its operations for the year then ended, in accordance with Canadian generally accepted accounting principles.


Chartered Accountants

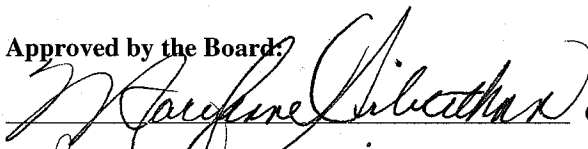
Dorchester, Ontario
April 20, 2006

Oxford Community Police Services Board

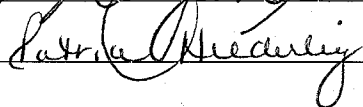
Consolidated Statement of Financial Position December 31, 2005

	2005 \$	2004 \$
Financial assets		
Cash	370,751	193,353
Accounts receivable	<u>700,384</u>	<u>428,952</u>
	<u>1,071,135</u>	<u>622,305</u>
 Liabilities		
Accounts payable and accrued liabilities	5,963	4,064
Deferred employee benefits	<u>645,638</u>	<u>604,028</u>
	<u>651,601</u>	<u>608,092</u>
 Board position		
Revenue fund	326,555	253,174
Capital fund	-	-
Reserves and reserve funds	<u>738,617</u>	<u>365,067</u>
	1,065,172	618,241
Amounts to be recovered	<u>(645,638)</u>	<u>(604,028)</u>
	<u>419,534</u>	<u>14,213</u>
	<u>1,071,135</u>	<u>622,305</u>

Approved by the Board:



Chair



Treasurer

Oxford Community Police Services Board

Consolidated Statement of Financial Activities Year ended December 31, 2005

	2005	2004
	\$	\$
Revenue		
9-1-1 service	80,628	77,807
Accidents and miscellaneous reports	73,711	61,487
Alarm revenue	74,255	57,338
Court security	165,041	156,500
Municipal grants	9,860,166	9,403,196
Paid duty	26,138	17,466
Prisoner transport	21,529	44,203
Provincial grant	290,732	264,263
County Fire Dispatch	45,733	42,081
Sale of vehicles	13,640	21,470
Donations	-	500
OESC Revenue	299,420	218,043
Development Charges	-	9,000
Other	3,917	9,276
Investment income	5,763	3,865
	10,960,673	10,386,495
Expenditures		
Accounting and payroll services	25,000	22,000
Building repairs and maintenance	64,481	49,973
Computer maintenance	110,286	93,985
Education and training	69,048	46,419
Equipment repairs and service	17,212	11,801
Insurance	87,682	84,862
Heat, hydro and utilities	89,366	91,493
Legal	52,009	53,344
Meetings, conventions and conferences	18,247	16,698
Police Services Board	54,088	44,097
Radio maintenance	22,263	22,445
Salaries and benefits	9,229,703	9,103,306
Stationery and supplies	155,756	105,528
Vehicle	331,076	288,909
Tactical services	7,572	12,211
Wireless communications	13,453	11,805
Capital expenditures	208,110	207,094
	10,555,352	10,265,970
Net revenues	405,321	120,525
Board position, beginning of year	14,213	(106,312)
Board position, end of year	419,534	14,213

The accompanying notes are an integral part of this financial statement.

Oxford Community Police Services Board

Notes to Consolidated Financial Statements December 31, 2005

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 \$645,638, (2004 - \$604,028).

During the year payments under the plan amounted to \$15,681 (2004 - \$40,403).

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

	\$
2006	110,274
2007	28,541
2008	0
2009	5,211
2010	27,198

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, three employees of the Board were paid \$100,000 or more:

Chief Ron Fraser	127,877
Deputy Chief Harry Paterson	106,508
Inspector Geoffrey Lee	101,386

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, 2005

	2005	2004
	\$	\$
Revenue		
9-1-1 service	80,628	77,807
Accidents and miscellaneous reports	73,711	61,487
Alarm revenue	74,255	57,338
Court security	165,041	156,500
Municipal grants	9,860,166	9,403,196
Paid duty	26,138	17,466
Prisoner transport	21,529	44,203
Provincial grant	290,732	264,263
County Fire Dispatch	45,733	42,081
Donations	-	500
OESC Revenue	299,420	218,043
Development Charges	-	9,000
Other	<u>3,917</u>	<u>9,276</u>
	10,941,270	10,361,160
Expenditures		
Accounting and payroll services	25,000	22,000
Building repairs and maintenance	64,481	49,973
Computer maintenance	110,286	93,985
Education and training	69,048	46,419
Equipment repairs and service	17,212	11,801
Insurance	87,682	84,862
Heat, hydro and utilities	89,366	91,493
Legal	52,009	53,344
Meetings, conventions and conferences	18,247	16,698
Police Services Board	54,088	44,097
Radio maintenance	22,263	22,445
Salaries and benefits	9,229,703	9,103,306
Stationery and supplies	155,756	105,528
Tactical services	7,572	12,211
Vehicle	331,076	288,909
Wireless communications	<u>13,453</u>	<u>11,805</u>
	10,347,242	10,058,876
Net revenues	594,028	302,284
Financing and transfers		
Change in amounts to be recovered	41,610	145,313
Transfers from (to) reserves and reserve funds	(371,939)	161,395
Transfers to capital fund	<u>(190,318)</u>	<u>(174,644)</u>
	(520,647)	132,064
Increase (decrease) in revenue fund	73,381	434,348
Revenue fund, beginning of year	<u>253,174</u>	<u>(181,174)</u>
Revenue fund, end of year	<u>326,555</u>	<u>253,174</u>

This schedule is unaudited and provided for information purposes only.

Oxford Community Police Services Board

Schedule of Capital Fund Operations Year ended December 31, 2005

	2005	2004
	\$	\$
Revenue		
Sale of vehicles	<u>13,640</u>	<u>21,470</u>
	13,640	21,470
Expenditures		
New vehicles	140,787	134,369
New equipment	62,849	72,130
Honour guard	<u>4,474</u>	<u>595</u>
	<u>208,110</u>	<u>207,094</u>
Net expenditures	(194,470)	(185,624)
Financing and transfers		
Transfers from revenue fund	190,318	174,644
Transfers from reserves and reserve funds	<u>4,152</u>	<u>10,980</u>
	<u>194,470</u>	<u>185,624</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>

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Schedule of Reserves and Reserve Funds Year ended December 31, 2005

	2005 \$	2004 \$
Revenue		
Investment income	<u>5,763</u>	<u>3,865</u>
	5,763	3,865
Net transfers from (to) other funds		
Revenue fund	371,939	(161,395)
Capital fund	<u>(4,152)</u>	<u>(10,980)</u>
	<u>367,787</u>	<u>(172,375)</u>
Decrease in reserves and reserve fund balance	373,550	(168,510)
Reserves and reserve fund balance, beginning of year	<u>365,067</u>	<u>533,577</u>
Reserves and reserve fund balance, end of year	<u>738,617</u>	<u>365,067</u>
 Reserves and reserve fund balance comprised as follows:		
Reserves set aside for specific purposes:		
Capital projects	116,375	88,375
Insurance loss	21,714	16,506
Furniture	38,359	35,359
Legal fees	79,564	6,270
Renovations	87,498	19,204
Honour guard	1,533	3,686
Canine unit	11,000	6,000
Specialized services	10,000	-
Clothing and uniforms	<u>7,000</u>	<u>-</u>
	373,043	175,400
Reserve funds set aside for specific purposes:		
Sick leave severance	158,986	119,667
Voice radio	<u>206,588</u>	<u>70,000</u>
	<u>365,574</u>	<u>189,667</u>
Total reserves and reserve funds	<u>738,617</u>	<u>365,067</u>