

# Oxford Community Police Services Board

## Consolidated Financial Report

*December 31, 2007*

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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, 2007 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 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 my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2007 and the results of its operations for the year then ended, in accordance with Canadian generally accepted accounting principles.



**Licensed Public Accountant**

*Dorchester, Ontario*

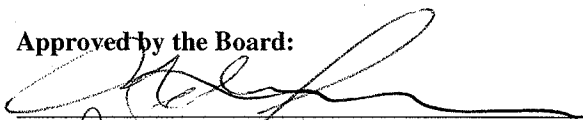
*May 7, 2008*

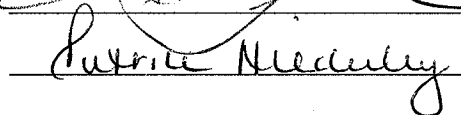
# Oxford Community Police Services Board

## Consolidated Statement of Financial Position December 31, 2007

	2007 \$	2006 \$
<b>Financial assets</b>		
Cash	278,659	393,145
Accounts receivable	<u>1,730,203</u>	<u>1,079,280</u>
	<u><b>2,008,862</b></u>	<u><b>1,472,425</b></u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	883,591	295,765
Deferred employee benefits	<u>989,798</u>	<u>832,074</u>
	<b>1,873,389</b>	<b>1,127,839</b>
<b>Board position</b>	<u>135,473</u>	<u>344,586</u>
	<u><b>2,008,862</b></u>	<u><b>1,472,425</b></u>

Approved by the Board:

  
\_\_\_\_\_ Chair

  
\_\_\_\_\_ Treasurer

# Oxford Community Police Services Board

## Consolidated Statement of Financial Activities Year ended December 31, 2007

	2007	2006
	\$	\$
<b>Revenue</b>		
9-1-1 service	75,731	75,171
Accidents and miscellaneous reports	58,521	56,353
Alarm revenue	67,116	73,640
Court security	166,116	166,587
Municipal grants	11,363,683	10,566,800
Paid duty	45,860	28,205
Prisoner transport	138,420	40,232
Provincial grant	421,627	345,829
County Fire Dispatch	47,334	47,334
Sale of vehicles	16,050	10,850
Donations	-	130
OESC Revenue	408,985	392,838
Other	-	1,090
Investment income	<u>16,741</u>	<u>15,757</u>
	<b>12,826,184</b>	<b>11,820,816</b>
<b>Expenditures</b>		
Accounting and payroll services	31,360	30,000
Building repairs and maintenance	134,952	70,513
Computer maintenance	113,108	120,954
Education and training	53,244	52,951
Equipment repairs and service	20,460	10,975
Insurance	182,963	181,263
Heat, hydro and utilities	87,523	96,335
Legal	99,270	44,881
Meetings, conventions and conferences	36,818	26,402
Police Services Board	85,056	58,517
Radio maintenance	23,280	21,161
Salaries and benefits	10,899,084	10,203,869
Stationery and supplies	203,391	172,147
Vehicle	451,980	409,839
Tactical services	12,022	8,682
Wireless communications	18,190	22,317
Capital expenditures	<u>582,596</u>	<u>364,958</u>
	<b>13,035,297</b>	<b>11,895,764</b>
<b>Net revenues</b>	<b>(209,113)</b>	<b>(74,948)</b>
Board position, beginning of year	<u>344,586</u>	<u>419,534</u>
<b>Board position, end of year</b>	<b><u>135,473</u></b>	<b><u>344,586</u></b>

# Oxford Community Police Services Board

## Notes to Consolidated Financial Statements December 31, 2007

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. Board Position

The board position comprises:

	2007	2006
	\$	\$
Revenue fund	(33,649)	9,373
Capital fund	-	-
Reserves and reserve funds	<u>1,158,920</u>	<u>1,167,287</u>
	1,125,271	1,176,660
Amounts to be recovered by future taxation	<u>(989,798)</u>	<u>(832,074)</u>
	<u><u>135,473</u></u>	<u><u>344,586</u></u>

## 3. 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 \$989,798, (2006 - \$832,074).

During the year payments under the plan amounted to \$49,700 (2006 - \$3,672).

Payments under this plan to employees eligible to retire are:

	\$
2008	250,534
2009	7,389
2010	26,724
2011	7,617
2012 and beyond	697,534

## 4. 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.

## 5. Public Sector Salary Disclosure Act

In accordance with the provisions of the Public Sector Salary Disclosure Act, 1996, 5 employees of the Board were paid \$100,000 or more:

	\$
Chief Ron Fraser	159,864
Constable Mark Cantlon	109,526
Sergeant Daryl Longworth	100,997
Constable Randall Rudy	101,428
Inspector Geoffrey Lee	101,451

## **6. 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.

## **7. Comparative Figures**

Certain prior year's figures have been restated to agree with the current year's presentation.

## **8. Subsequent Events**

Two member municipalities have indicated their desire to withdraw from the partnership effective January 1, 2009. As a result, the Police Services Board has made application to the Ontario Civilian Commission on Policing Services for a disbandment hearing. The Board is unable to determine the financial implications of disbandment in the event it is approved.

# Oxford Community Police Services Board

## Schedule of Revenue Fund Operations Year ended December 31, 2007

	2007	2006
	\$	\$
<b>Revenue</b>		
9-1-1 service	75,731	75,171
Accidents and miscellaneous reports	58,521	56,353
Alarm revenue	67,116	73,640
Court security	166,116	166,587
Municipal grants	11,363,683	10,566,800
Paid duty	45,860	28,205
Prisoner transport	138,420	40,232
Provincial grant	421,627	345,829
County Fire Dispatch	47,334	47,334
Donations	-	130
OESC Revenue	408,986	392,838
Other	-	1,090
	<b>12,793,394</b>	<b>11,794,209</b>
<b>Expenditures</b>		
Accounting and payroll services	31,360	30,000
Building repairs and maintenance	134,952	70,513
Computer maintenance	113,108	120,954
Education and training	53,244	52,951
Equipment repairs and service	20,460	10,975
Insurance	182,963	181,263
Heat, hydro and utilities	87,523	96,335
Legal	99,270	44,881
Meetings, conventions and conferences	36,818	26,402
Police Services Board	85,056	58,517
Radio maintenance	23,280	21,161
Salaries and benefits	10,899,085	10,203,869
Stationery and supplies	203,391	172,147
Tactical services	12,022	8,682
Vehicle	451,980	409,839
Wireless communications	18,190	22,317
	<b>12,452,702</b>	<b>11,530,806</b>
<b>Net revenues</b>	<b>340,692</b>	<b>263,403</b>
<b>Financing and transfers</b>		
Change in amounts to be recovered	157,724	186,436
Transfers from (to) reserves and reserve funds	(213,607)	(563,141)
Transfers to capital fund	(327,831)	(203,880)
	<b>(383,714)</b>	<b>(580,585)</b>
<b>Increase (decrease) in revenue fund</b>	<b>(43,022)</b>	<b>(317,182)</b>
Revenue fund, beginning of year	9,373	326,555
<b>Revenue fund, end of year</b>	<b>(33,649)</b>	<b>9,373</b>

*This schedule is unaudited and provided for information purposes only.*

# Oxford Community Police Services Board

## Schedule of Capital Fund Operations Year ended December 31, 2007

	2007	2006
	\$	\$
<b>Revenue</b>		
Sale of vehicles	<u>16,050</u>	<u>10,850</u>
	<b>16,050</b>	<b>10,850</b>
<b>Expenditures</b>		
New vehicles	293,445	203,633
New equipment	288,719	158,155
Honour guard	<u>432</u>	<u>3,170</u>
	<u>582,596</u>	<u>364,958</u>
<b>Net expenditures</b>	<b>(566,546)</b>	<b>(354,108)</b>
<b>Financing and transfers</b>		
Transfers from revenue fund	327,831	203,880
Transfers from reserves and reserve funds	<u>238,715</u>	<u>150,228</u>
	<u>566,546</u>	<u>354,108</u>
Increase (decrease) in capital fund balance	-	-
Capital fund, beginning of year	<u>-</u>	<u>-</u>
<b>Capital fund, end of year</b>	<u><u>-</u></u>	<u><u>-</u></u>

# Oxford Community Police Services Board

## Schedule of Reserves and Reserve Funds Year ended December 31, 2007

	2007	2006
	\$	\$
<b>Revenue</b>		
Investment income	<u>16,741</u>	<u>15,757</u>
	16,741	15,757
<b>Net transfers from (to) other funds</b>		
Revenue fund	213,607	563,141
Capital fund	<u>(238,715)</u>	<u>(150,228)</u>
	<u>(25,108)</u>	<u>412,913</u>
<b>Decrease in reserves and reserve fund balance</b>	<b>(8,367)</b>	<b>428,670</b>
Reserves and reserve fund balance, beginning of year	<u>1,167,287</u>	<u>738,617</u>
<b>Reserves and reserve fund balance, end of year</b>	<b><u>1,158,920</u></b>	<b><u>1,167,287</u></b>

**Reserves and reserve fund balance comprised as follows:**

Reserves set aside for specific purposes:		
Capital projects	231,239	282,853
Insurance loss	65,018	62,960
Furniture	68,359	53,359
Legal fees	34,493	24,493
Renovations	23,440	21,140
Honour guard	6,101	3,533
Canine unit	10,759	18,000
Labour relations	423,432	336,254
Clothing and uniforms	12,273	10,000
Specialized services	<u>20,965</u>	<u>15,634</u>
	<b>896,079</b>	<b>828,226</b>
Reserve funds set aside for specific purposes:		
Sick leave severance	215,614	210,314
Voice radio	<u>47,227</u>	<u>128,747</u>
	<b><u>262,841</u></b>	<b><u>339,061</u></b>
<b>Total reserves and reserve funds</b>	<b><u>1,158,920</u></b>	<b><u>1,167,287</u></b>

