



OXFORD COMMUNITY POLICE SERVICES BOARD

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MEMO TO: Mayor, Members of Council and CAO's/Clerks
Township of Blandford-Blenheim
Township of East Zorra-Tavistock
Township of Norwich
City of Woodstock

FROM: Mary Anne Silverthorn, Chairperson
Oxford Community Police Services Board

DATE: June 18, 2007

RE: OCPSB Consolidated Financial Report
Year ending December 31, 2006

Please find attached a copy of the Oxford Community Police Services Board Consolidated Financial Report for the Year Ending December 31, 2006 as prepared by Gordon Hardcastle Chartered Accountants. For your information and record.

MAS:mp

cc: Chief Ronald Fraser

Oxford Community Police Services Board

Consolidated Financial Report *December 31, 2006*

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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, 2006 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, 2006 and the results of its operations for the year then ended, in accordance with Canadian generally accepted accounting principles.



Licensed Public Accountants

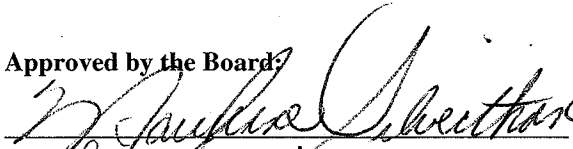
Dorchester, Ontario
April 20, 2007

Oxford Community Police Services Board


Consolidated Statement of Financial Position December 31, 2006

	2006 \$	2005 \$
Financial assets		
Cash	393,145	370,751
Accounts receivable	<u>1,079,280</u>	<u>700,384</u>
	<u>1,472,425</u>	<u>1,071,135</u>
Liabilities		
Accounts payable and accrued liabilities	55,765	5,962
Deferred employee benefits	<u>832,074</u>	<u>645,638</u>
	887,839	651,600
Board position	<u>584,586</u>	<u>419,534</u>
	<u>1,472,425</u>	<u>1,071,134</u>

Approved by the Board:



Chair



Treasurer

Oxford Community Police Services Board

Consolidated Statement of Financial Activities Year ended December 31, 2006

	2006 \$	2005 \$
Revenue		
9-1-1 service	75,171	80,628
Accidents and miscellaneous reports	56,353	73,711
Alarm revenue	73,640	74,255
Court security	166,587	165,041
Municipal grants	10,566,800	9,860,166
Paid duty	28,205	26,138
Prisoner transport	40,232	21,529
Provincial grant	345,829	290,732
County Fire Dispatch	47,334	45,733
Sale of vehicles	10,850	13,640
Donations	130	-
OESC Revenue	392,838	299,420
Other	1,090	3,917
Investment income	<u>15,757</u>	<u>5,763</u>
	11,820,816	10,960,673
Expenditures		
Accounting and payroll services	30,000	25,000
Building repairs and maintenance	70,513	64,481
Computer maintenance	120,954	110,286
Education and training	52,951	69,048
Equipment repairs and service	10,975	17,212
Insurance	181,263	87,682
Heat, hydro and utilities	96,335	89,366
Legal	44,881	52,009
Meetings, conventions and conferences	26,402	18,247
Police Services Board	58,517	54,088
Radio maintenance	21,161	22,263
Salaries and benefits	9,963,869	9,229,703
Stationery and supplies	172,147	155,756
Vehicle	409,839	331,076
Tactical services	8,682	7,572
Wireless communications	22,317	13,453
Capital expenditures	<u>364,958</u>	<u>208,110</u>
	<u>11,655,764</u>	<u>10,555,352</u>
Net revenues	165,052	405,321
Board position, beginning of year	<u>419,534</u>	<u>14,213</u>
Board position, end of year	<u>584,586</u>	<u>419,534</u>

Oxford Community Police Services Board

Notes to Consolidated Financial Statements December 31, 2006

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:

	2006	2005
	\$	\$
Revenue fund	9,373	326,555
Capital fund	-	-
Reserves and reserve funds	<u>1,407,287</u>	<u>738,617</u>
	1,416,660	1,065,172
Amounts to be recovered by future taxation	<u>(832,074)</u>	<u>(645,638)</u>
	<u>584,586</u>	<u>419,534</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 \$832,074, (2005 - \$645,638).

During the year payments under the plan amounted to \$3,672 (2005 - \$15,681).

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

	\$
2007	187,188
2009	21,254
2010	27,198

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. 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.

5. Public Sector Salary Disclosure Act

In accordance with the provisions of the Public Sector Salary Disclosure Act, 1996, 4 employees of the Board were paid \$100,000 or more:

Chief Ron Fraser	131,978
Deputy Chief Harry Paterson	108,306
Staff Sergeant Nancy Lenehan	106,581
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.

Oxford Community Police Services Board

Schedule of Revenue Fund Operations Year ended December 31, 2006

	2006	2005
	\$	\$
Revenue		
9-1-1 service	75,171	80,628
Accidents and miscellaneous reports	56,353	73,711
Alarm revenue	73,640	74,255
Court security	166,587	165,041
Municipal grants	10,566,800	9,860,166
Paid duty	28,205	26,138
Prisoner transport	40,232	21,529
Provincial grant	345,829	290,732
County Fire Dispatch	47,334	45,733
Donations	130	-
OESC Revenue	392,838	299,420
Other	<u>1,090</u>	<u>3,917</u>
	11,794,209	10,941,270
Expenditures		
Accounting and payroll services	30,000	25,000
Building repairs and maintenance	70,513	64,481
Computer maintenance	120,954	110,286
Education and training	52,951	69,048
Equipment repairs and service	10,975	17,212
Insurance	181,263	87,682
Heat, hydro and utilities	96,335	89,366
Legal	44,881	52,009
Meetings, conventions and conferences	26,402	18,247
Police Services Board	58,517	54,088
Radio maintenance	21,161	22,263
Salaries and benefits	9,963,869	9,229,703
Stationery and supplies	172,147	155,756
Tactical services	8,682	7,572
Vehicle	409,839	331,076
Wireless communications	<u>22,317</u>	<u>13,453</u>
	11,290,806	10,347,242
Net revenues	503,403	594,028
Financing and transfers		
Change in amounts to be recovered	186,436	41,610
Transfers from (to) reserves and reserve funds	(803,141)	(371,939)
Transfers to capital fund	<u>(203,880)</u>	<u>(190,318)</u>
	(820,585)	(520,647)
Increase (decrease) in revenue fund	(317,182)	73,381
Revenue fund, beginning of year	<u>326,555</u>	<u>253,174</u>
Revenue fund, end of year	<u>9,373</u>	<u>326,555</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, 2006

	2006	2005
	\$	\$
Revenue		
Sale of vehicles	<u>10,850</u>	<u>13,640</u>
	10,850	13,640
Expenditures		
New vehicles	203,633	140,787
New equipment	158,155	62,849
Honour guard	<u>3,170</u>	<u>4,474</u>
	<u>364,958</u>	<u>208,110</u>
Net expenditures	(354,108)	(194,470)
Financing and transfers		
Transfers from revenue fund	203,880	190,318
Transfers from reserves and reserve funds	<u>150,228</u>	<u>4,152</u>
	<u>354,108</u>	<u>194,470</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, 2006

	2006 \$	2005 \$
Revenue		
Investment income	<u>15,757</u>	<u>5,763</u>
	15,757	5,763
Net transfers from (to) other funds		
Revenue fund	803,141	371,939
Capital fund	<u>(150,228)</u>	<u>(4,152)</u>
	<u>652,913</u>	<u>367,787</u>
Decrease in reserves and reserve fund balance	668,670	373,550
Reserves and reserve fund balance, beginning of year	<u>738,617</u>	<u>365,067</u>
Reserves and reserve fund balance, end of year	<u>1,407,287</u>	<u>738,617</u>
 Reserves and reserve fund balance comprised as follows:		
Reserves set aside for specific purposes:		
Capital projects	282,853	116,375
Insurance loss	62,960	21,714
Furniture	53,359	38,359
Legal fees	24,493	79,564
Renovations	21,140	87,498
Honour guard	3,533	1,533
Canine unit	18,000	11,000
Labour relations	576,254	-
Clothing and uniforms	10,000	10,000
Specialized services	<u>15,634</u>	<u>7,000</u>
	1,068,226	373,043
Reserve funds set aside for specific purposes:		
Sick leave severance	210,314	158,986
Voice radio	<u>128,747</u>	<u>206,588</u>
	339,061	365,574
Total reserves and reserve funds	<u>1,407,287</u>	<u>738,617</u>