

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

FINANCIAL STATEMENTS

December 31, 2018

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

December 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
the United Counties of Stormont, Dundas and Glengarry

Opinion

We have audited the financial statements of the United Counties of Stormont, Dundas and Glengarry Police Services Board (the Organization) which comprise the statement of financial position as at December 31, 2018, and the statement of financial activities 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 United Counties of Stormont, Dundas and Glengarry Police Services Board as at December 31, 2018, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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 Administration and Those Charged with Governance for the Financial Statements

Administration is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards, and for such internal control as Administration determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

In preparing the financial statements, Administration is responsible for assessing the Organization'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 Administration either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.



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Auditors' 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 auditors' 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.

As part 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Administration.
- Conclude on the appropriateness of Administration'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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 Organization 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Cornwall, Ontario
June 17, 2019

MNP LLP
Chartered Professional Accountants
Licensed Public Accountants

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

STATEMENT OF FINANCIAL POSITION

As at December 31, 2018

	2018	2017
NET FINANCIAL ASSETS		
Assets		
Due from the United Counties of SD&G	\$ 270,965	\$ 383,855
Accumulated Surplus (Note 3)	\$ 270,965	\$ 383,855

See Accompanying Notes

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2018

	(Unaudited) 2018 BUDGET	2018 ACTUAL	2017 ACTUAL
REVENUE			
Taxation	\$ 9,945,489	\$ 9,945,489	\$ 10,292,655
Alarm registrations and fines	53,000	45,153	20,944
Service fees	70,000	73,443	68,945
RIDE program and donations	16,653	17,518	14,372
	10,085,142	10,081,603	10,396,916
EXPENSES			
Alarm coordinator expenses	39,006	36,395	33,159
Community expenses	5,000	2,423	4,900
Equipment	3,000	729	3,184
Membership and legal	4,100	3,990	3,947
OPP service costs	10,119,134	10,119,179	10,456,687
Police board	5,200	1,520	981
Ride program	15,653	15,519	14,372
Support costs	13,555	14,738	15,911
	10,204,648	10,194,493	10,533,141
DEFICIT FOR THE YEAR	(119,506)	(112,890)	(136,225)
ACCUMULATED SURPLUS, beginning of year	383,855	383,855	520,080
ACCUMULATED SURPLUS, end of year	\$ 264,349	\$ 270,965	\$ 383,855

See Accompanying Notes

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

(a) Basis of accounting

The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Equipment 3 years

2. ACCUMULATED SURPLUS

	2018	2017
Operating surplus	\$ 262,207	\$ 383,855
Reserves set aside for specific purposes by Council:	8,758	-
ACCUMULATED SURPLUS	\$ 270,965	\$ 383,855

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2018

3. BUDGET FIGURES

Budgets established for Capital, Reserves and Reserve Funds are based on a project-oriented basis, the costs of which may be carried out over one or more years.

4. STATEMENT OF CASH FLOWS

A statement of cash flows has not been prepared as all cash transactions flowed through the United Counties of Stormont, Dundas and Glengarry accounts.