

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

FINANCIAL STATEMENTS

December 31, 2019

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

December 31, 2019

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INDEPENDENT AUDITOR'S 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 Stormont, Dundas and Glengarry Police Services Board (the Organization) which comprise the statement of financial position as at December 31, 2019, and the statements of financial activities and cash flows 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 Stormont, Dundas and Glengarry Police Services Board as at December 31, 2019, 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 Auditor's 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.

Auditor's 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 auditor's 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 of 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 auditor's 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.

Cornwall, Ontario
June 15, 2020

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

STATEMENT OF FINANCIAL POSITION

As at December 31, 2019

	2019	2018
NET FINANCIAL ASSETS		
Assets		
Due from the United Counties of SD&G	\$ 251,020	\$ 270,965
Accumulated Surplus (Note 2)	\$ 251,020	\$ 270,965
Subsequent event (Note 5)		

See Accompanying Notes

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2019

	2019 BUDGET	2019 ACTUAL	2018 ACTUAL
REVENUE			
Taxation	\$ 10,076,058	\$ 10,076,058	\$ 9,945,489
Alarm registrations and fines	17,000	22,075	45,153
Service fees	70,000	80,278	73,443
RIDE program and donations	98,342	116,083	17,518
	10,261,400	10,294,494	10,081,603
EXPENSES			
Alarm coordinator expenses	31,082	27,891	36,395
Community expenses	5,000	4,675	2,423
Equipment	3,000	816	729
Membership and legal	4,100	4,178	3,990
OPP service costs	10,322,431	10,238,689	10,119,179
Police board	4,700	3,821	1,520
Ride program	15,471	18,773	15,519
Support costs	14,016	15,596	14,738
	10,399,800	10,314,439	10,194,493
DEFICIT FOR THE YEAR	(138,400)	(19,945)	(112,890)
ACCUMULATED SURPLUS, beginning of year	270,965	270,965	383,855
ACCUMULATED SURPLUS, end of year	\$ 132,565	\$ 251,020	\$ 270,965

See Accompanying Notes

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

STATEMENT OF CASH FLOWS

For the year ended December 31, 2019

	2019	2018
CASH FROM OPERATING ACTIVITIES		
Surplus for the year	\$ (19,945)	\$ (112,890)
Changes in non-cash working capital balances		
Due from the United Counties of SD&G	19,945	112,890
	-	-
CASH, beginning of year	-	-
CASH, end of year	\$ -	\$ -

See Accompanying Notes

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2019

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

Revenues and expenditures are reported on the accrual 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) Taxation and related revenue

Property tax billings are issued by the Counties based on assessment rolls prepared by the Municipal Property Assessment Corporation ("MPAC") and collects property tax revenue billed through the lower tier municipalities. The authority to levy and collect property taxes is established under the *Municipal Act 2001*, the *Assessment Act*, the *Education Act* and other legislation.

Taxation revenue consists of non-exchange transactions and is recognized in the period to which the assessment relates and a reasonable estimate of the amounts can be made. Annual taxation revenue also includes adjustments related to reassessments and appeals to prior years' assessments.

(c) Fees and service charges

Fees and service charges are recognized when the activity is performed or when the services are rendered and collection is reasonably assured.

(d) Government transfers

Government transfers are the transfer of assets from other levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. The Board recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Board recognizes revenue as the liability is settled.

(e) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires administration to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Significant items subject to such estimates and assumptions include the valuation of allowances for receivables. Actual results could differ from these estimates.

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2019

2. ACCUMULATED SURPLUS

	2019	2018
Operating surplus	\$ 238,895	\$ 262,207
Reserves set aside for specific purposes by Council:	12,125	8,758
ACCUMULATED SURPLUS	\$ 251,020	\$ 270,965

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 and was approved on February 20, 2019.

4. STATEMENT OF CASH FLOWS

All cash transactions flowed through the United Counties of Stormont, Dundas and Glengarry accounts.

5. SUBSEQUENT EVENT

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Organization's financial condition.