

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

FINANCIAL STATEMENTS

December 31, 2023

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

December 31, 2023

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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, 2023, 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 Organization as at December 31, 2023, and the results of its operations and its cash flows 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 public sector accounting standards, and for such internal control as administration determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

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

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 Organization'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 28, 2024

MNP **LLP**

Chartered Professional Accountants

Licensed Public Accountants

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	2023	2022
NET FINANCIAL ASSETS		
Assets		
Due from the United Counties of SD&G	\$ 184,899	\$ 274,383
Accumulated Surplus (Note 2)	\$ 184,899	\$ 274,383

See Accompanying Notes

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2023

	(Note 3) 2023 BUDGET	2023 ACTUAL	2022 ACTUAL
REVENUE			
Taxation	\$ 9,702,251	\$ 9,757,423	\$ 9,965,508
Provincial grant	79,933	100,177	89,366
Alarm registrations and fines	25,000	41,516	20,514
Service fees	75,000	107,551	105,198
RIDE program and donations	15,000	14,709	13,387
	9,897,184	10,021,376	10,193,973
EXPENSES			
Alarm coordinator expenses	38,234	29,180	28,934
Community expenses	10,000	9,722	2,500
Equipment	-	-	13,439
Membership and professional fees	5,540	4,591	4,224
OPP service costs	9,853,119	9,940,159	10,096,186
Police board	5,032	301	893
Ride program	15,000	21,757	4,360
Victim support costs	79,933	89,824	88,959
Support costs	15,326	15,326	15,287
	10,022,184	10,110,860	10,254,782
DEFICIT FOR THE YEAR	(125,000)	(89,484)	(60,809)
ACCUMULATED SURPLUS, beginning of year	274,383	274,383	335,192
ACCUMULATED SURPLUS, end of year	\$ 149,383	\$ 184,899	\$ 274,383

See Accompanying Notes

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

	2023	2022
CASH FROM OPERATING ACTIVITIES		
Deficit for the year	\$ (89,484)	\$ (60,809)
Changes in non-cash working capital balances		
Due to/from the United Counties of SD&G	89,484	60,809
	-	-
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, 2023

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 expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses 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 Organization 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 Organization recognizes revenue as the liability is settled.

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Financial instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Organization recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of Due from the United Counties of SD&G which is recorded at amortized cost.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of financial activities.

(f) Measurement uncertainty (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 expenses 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.

2. ACCUMULATED SURPLUS

	2023	2022
Operating surplus	\$ 97,654	\$ 217,654
Reserves set aside for specific purposes by Council	87,245	56,729
ACCUMULATED SURPLUS	\$ 184,899	\$ 274,383

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 15, 2023.

4. STATEMENT OF CASH FLOWS

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

STORMONT, DUNDAS AND GLENGARRY POLICE SERVICES BOARD

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2023

5. FINANCIAL INSTRUMENTS

The Organization has exposure to the following risks from its use of financial instruments: liquidity risk.

Liquidity risk:

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they become due.

The Organization manages liquidity risk by continually monitoring actual and forecasted cash flows from operations to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

There have been no changes to risk exposure from 2022 related to liquidity risks.