
Financial statements of Barrie Police Services Board

December 31, 2024

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Independent Auditor's Report

To the Board of Directors of
the Barrie Police Services Board

Opinion

We have audited the financial statements of the Barrie Police Services Board, which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated deficit, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Barrie Police Services Board as at December 31, 2024, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Barrie Police Services Board 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 Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management 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, management is responsible for assessing the Barrie Police Services Board'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 management either intends to liquidate the Barrie Police Services Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Barrie Police Services Board'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 GAAS 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 GAAS, 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 Barrie Police Services Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Barrie Police Services Board'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 Barrie Police Services Board 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.

Barrie Police Services Board**Statement of operations and accumulated deficit**

Year ended December 31, 2024

	Notes	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
		(Note 11)		
Revenue				
Municipal operating contribution	4	65,569,175	65,569,175	61,397,639
Return of previous municipal contribution	4	—	(1,559,617)	—
Provincial funding		6,345,715	9,127,650	8,011,325
Municipal capital contribution	4	1,954,145	1,954,145	1,843,063
Service fees		785,000	1,408,606	1,553,279
WSIB Reserve contribution	4	—	243,482	340,000
Other income		215,100	326,644	424,129
Contributions from Development	4	—	107,255	89,379
Charges Reserve Funds		—	107,255	89,379
		74,869,135	77,177,340	73,658,814
Expenses				
Salaries and benefits	3, 5 and 6	66,439,880	71,042,309	83,794,778
Maintenance, supplies and other expenses	4	8,648,991	8,634,882	6,997,059
Amortization		2,106,019	2,106,019	1,899,953
Transfer to City of Barrie – capital reserve	4	200,000	230,019	—
		77,394,890	82,013,229	92,691,790
Annual deficit		(2,525,755)	(4,835,889)	(19,032,976)
Accumulated deficit, beginning of year		(80,146,173)	(80,146,173)	(61,113,197)
Accumulated deficit, end of year		(82,671,928)	(84,982,062)	(80,146,173)

The accompanying notes are an integral part of the financial statements.

Barrie Police Services Board
Statement of change in net debt
Year ended December 31, 2024

	Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
(Note 11)			
Annual deficit	(2,525,755)	(4,835,889)	(19,032,976)
Acquisition of tangible capital assets	(1,754,145)	(3,792,067)	(2,685,323)
Amortization of tangible capital assets	2,106,019	2,106,019	1,899,953
Gain on sale of tangible capital assets	—	(164,616)	(237,041)
Proceeds on sale of tangible capital assets	—	317,365	261,972
	(2,173,881)	(6,369,188)	(19,793,415)
(Increase) decrease in inventories	—	(302,588)	10,001
Decrease in prepaid expenses	—	(1,537,062)	(18,399)
Decrease in non-financial assets	—	(1,839,650)	(8,398)
Change in net debt	(2,173,881)	(8,208,838)	(19,801,813)
Net debt, beginning of year	(86,770,298)	(86,770,298)	(66,968,485)
Net debt, end of year	(88,944,179)	(94,979,136)	(86,770,298)

The accompanying notes are an integral part of the financial statements.

Barrie Police Services Board
Statement of financial position
As at December 31, 2024

	Notes	2024 \$	2023 \$
Financial assets			
Cash	2	4,403,400	2,385,204
Accounts receivable		1,617,640	1,845,640
Grants receivable		1,021,962	687,716
Due from The Corporation of the City of Barrie	4	—	2,713,426
		7,043,002	7,631,986
Liabilities			
Accounts payable and accrued liabilities		4,923,710	3,801,439
Due to the Corporation of the City of Barrie		2,164,197	—
Employee vacation time payable		2,690,138	1,906,011
Employee future benefits liabilities	3	90,975,604	88,101,723
Deferred revenue		1,268,489	593,111
		102,022,138	94,402,284
Net debt		(94,979,136)	(86,770,298)
Non-financial assets			
Inventories	7	646,213	343,625
Tangible capital assets	8	6,331,579	4,798,280
Prepaid expenses		3,019,282	1,482,220
		9,997,074	6,624,125
Accumulated deficit	9	(84,982,062)	(80,146,173)

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Barrie Police Services Board, Board of Directors

_____, Chair

_____, Board Member

Barrie Police Services Board
Statement of cash flows
Year ended December 31, 2024

	2024 \$	2023 \$
Operating activities		
Annual deficit	(4,835,889)	(19,032,976)
Items not involving cash		
Amortization	2,106,019	1,899,953
Gain on sale of tangible capital assets	(164,616)	(237,041)
	(2,894,486)	(17,370,064)
Changes in non-cash operating balances		
Accounts receivable	228,000	(179,055)
Grants receivable	(334,246)	403,776
Inventories	(302,588)	10,001
Prepaid expenses	(1,537,062)	(18,399)
Accounts payable and accrued liabilities	1,122,271	397,983
Employee vacation time payable	784,127	(107,842)
Employee future benefits liabilities	2,873,881	22,058,747
Deferred revenue	675,378	399,509
	615,275	5,594,656
Capital activities		
Acquisition of tangible capital assets	(3,792,067)	(2,685,323)
Proceeds on sale of tangible capital assets	317,365	261,972
	(3,474,702)	(2,423,351)
Financing activity		
Change in amount due from The Corporation of the City of Barrie	4,877,623	(2,580,065)
Net change in cash	2,018,196	591,240
Cash, beginning of year	2,385,204	1,793,964
Cash, end of year	4,403,400	2,385,204

The accompanying notes are an integral part of the financial statements.

1. Summary of significant accounting policies

Management's responsibility for the financial statements

The financial statements of the Barrie Police Services Board (the "Board") are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada (CPA Canada). The Board is an unincorporated non-profit entity, and as such, is exempt from income tax under the Canadian Income Tax Act. The primary role of the Board is to provide law enforcement services to the residents of the City of Barrie.

Inventories

Inventories consist of uniforms, equipment, and supplies and are measured at the lower of cost and net realizable value, on a first-in, first-out basis.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing in the year following that in which the tangible capital asset is available for productive use as follows:

Leasehold improvements	10 years
Police services equipment	2 to 10 years
Radio equipment	3 to 5 years
Computer equipment	3 years
Office equipment	5 to 10 years
Fleet	2 to 15 years

Pension plan

The Board is an employer member of the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The Board has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. The Board records as pension expense the employer contributions made to OMERS for the year.

1. Summary of significant accounting policies (continued)

Other employee future benefit plans

The Board provides other future benefits to specified employee groups. These benefits include health care benefits, sick days and worker's compensation benefits. The Board has adopted the following policies with respect to accounting for these employee future benefits:

- (a) The costs of self-insured sick leave benefits and other employee future benefit plans are actuarially determined using management's best estimates of salary escalation, retirement ages of employees, accumulated sick days at retirement, health care cost trends, disability recovery rates, long-term inflation rates and discount rates.
- (b) For self-insured other post-retirement employee benefits that vest or accumulate over the periods of service provided by employees such as dental and medical benefits for retirees, or certain sick leave entitlements, the cost is actuarially determined using the projected benefit method prorated on services. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group. The expected average remaining service life of the employee group ranges from 9.4 years to 14 years depending on the plan.
- (c) For self-insured benefit obligations that arise from specific events that occur from time to time, such as long-term disability and worker's compensation benefits, the cost is recognized in the year in which the event occurs.
- (d) Vacation and lieu time entitlements are accrued for as entitlements are earned.

Revenue recognition

Revenues are recognized as follows:

Government transfers, which include municipal contributions and grants, are recognized as revenue in the period the transfers are authorized and any eligibility criteria have been met unless they are restricted through stipulations that require specific actions to be carried out in order to keep the transfer. For such transfers, revenue is recognized as the stipulation has been met.

WSIB Reserve contributions are recognized in the period to which the related expenditures are incurred.

Contributions from the development charges Reserve Fund ("DC Reserve Funds") are recognized over the period of service or when required expenditures occur if applicable.

Fees for services are recognized over the period of service.

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards 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 expenses during the reporting period. The principal estimates used in the preparation of these financial statements are related to the accrued liability, employee benefits liabilities, claims provisions and the estimated useful life of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Cash

The Board's bank accounts are held at one Canadian chartered bank. The bank account earns interest at prime minus 2.5%.

3. Employee future benefits liabilities

	2024 \$	2023 \$
Accumulated post-retirement benefits - accrued benefit obligation	40,425,659	38,066,486
Unamortized net actuarial gains (losses)	11,281,753	12,072,553
Post-retirement benefits - accrued benefit liability	51,707,412	50,139,039
Accumulated sick leave benefits - accrued benefit obligation	9,989,349	9,236,418
Unamortized net actuarial losses	(1,109,051)	(1,276,284)
Sick leave benefits - accrued benefit liability	8,880,298	7,960,134
Long-term disability - continuing benefits liability	1,951,126	2,287,243
WSIB claims - accrued benefit liability	28,436,768	27,715,307
	90,975,604	88,101,723

Information about post-retirement benefits expense is as follows:

	2024 \$	2023 \$
Current year benefit cost	1,606,400	1,964,638
Interest on accrued benefit obligation	1,762,700	1,945,884
Amortization of actuarial losses	(394,800)	20,453
Employee post-retirement benefit expense	2,974,300	3,930,975

Information about accumulated sick leave compensated absences expense is as follows:

	2024 \$	2023 \$
Current year benefit cost	505,200	778,700
Interest on accrued benefit obligation	507,700	414,000
Amortization of actuarial losses	(57,400)	878,100
Employee compensated absences expense	955,500	2,070,800

The amount of benefits paid during the year was \$1,405,900 (\$899,206 in 2023) for post-retirement benefits; \$770,000 (\$663,024 in 2023) for compensated absences benefits, and \$666,323 (\$648,829 in 2023) for WSIB claims.

Post-retirement health care benefits

The Board provides dental and health care benefits including out of province travel coverage to certain employee groups after retirement. Employees retiring prior to January 1, 2010 receive benefits until the age of 65. Employees retiring on or after January 1, 2010 receive benefits until the age of 75 or for their lifetime if certain conditions are met. The benefit costs and liabilities related to this plan are based on an actuarial valuation prepared by an independent firm. The date of the last actuarial valuation was as of December 31, 2023, with an extrapolation done to December 31, 2024.

3. Employee future benefits liabilities (continued)

Workplace Safety and Insurance Board

The Board assumes responsibility for the payment of all claims to its injured workers under the Workplace Safety Act. The benefit costs and liabilities recorded are based on an actuarial valuation prepared by an independent firm. The date of the last actuarial valuation was as of December 31, 2023, with an extrapolation done to December 31, 2024.

Sick leave benefits

The Board provides paid sick leave that can be accumulated up to a maximum defined by the employee group. The benefit costs and liabilities recorded for this benefit are based on an actuarial valuation prepared by an independent firm. The date of the last actuarial valuation was as of December 31, 2023, with an extrapolation done to December 31, 2024.

The accrued benefit obligations for the Board's employee benefit plans as at December 31, 2024 are based on actuarial valuations for accounting purposes as at December 31, 2024. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Board's best estimates of expected rates as follows:

	2024	2023
	\$	\$
Expected long-term inflation rate	2.0	2.0
Expected wage and salary increases	3.3 to 4.8	3.3 to 4.8
Discount on accrued benefit obligations	4.5	4.5
Health and dental care costs escalation	4.0 to 5.3	4.0 to 5.3

Health care costs escalation for 2024 to 2029 is assumed to be 4.2%, increasing to 5.3% for 2029-2034, decreasing to 5% for 2034-2039, decreasing to 4.4% for 2034-2042 and assumed to increase by 4.0% thereafter. The rate of increase in salaries is expected to be 4.8% per annum for 2024-2028, and 3.3% per annum thereafter.

4. Related party transactions and balances

The Corporation of the City of Barrie approves the annual funding for the Board and has representation on the Board of Directors. The following table summarizes the transactions with The Corporation of the City of Barrie:

	2024	2023
	\$	\$
Revenue		
Municipal operating contribution	65,569,175	61,397,639
Return of prior municipal contributions	(1,559,617)	—
Municipal capital contribution	1,954,145	1,843,063
WSIB reserve contribution	243,482	340,000
Contribution from DC Reserve Funds	107,255	89,379
Expenses		
Rent, maintenance and utilities	1,564,795	1,454,869
Transfer to City of Barrie - Capital Reserve		
Transfer for Radio System Upgrade	230,019	—

During the year \$1,559,617 of prior municipal contributions were returned to the City of Barrie. The Board approved a transfer of \$1,263,885 on October 19, 2023 which represented an accumulation of unallocated operating surplus prior to 2023. The Board also approved a transfer of \$295,732 on May 23, 2024 which represented a portion of the operating surplus for the year ended 2023.

At the end of the year, the amount due from The Corporation of the City of Barrie is as follows:

	2024	2023
	\$	\$
Due from (to) The Corporation of the City of Barrie	(2,164,197)	2,713,426

The balance is non-interest bearing, unsecured, with no fixed terms of repayment and has arisen from the transactions listed above less amounts received or expenditures paid on behalf of the Barrie Police Services Board. The transactions are measured at the exchange amount being the amount of consideration established and agreed to by these entities.

5. Pension agreement

OMERS provides pension services to more than 500,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension ("the Plan") by comparing the actuarial value of the invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted as at December 31, 2024. The results of this valuation disclosed total actuarial liabilities as at that date of \$142,489 million (\$136,185 million in 2023) (includes \$1,723 million (\$1,611 million in 2023) of Additional Voluntary Contribution (AVC) component) in respect of benefits accrued for service with actuarial net assets at that date of \$139,576 million (\$131,983 million in 2023) (includes \$1,723 million (\$1,611 million in 2023) of AVC component) indicating an actuarial deficit of \$2,913 million (\$4,202 million in 2023). The actuarial deficit may result in future payments by participating employers and their employee because OMERS is a multi employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Board does not recognize any share of the OMERS pension surplus or deficit.

Contributions made by the Board to OMERS for 2024 were \$5,394,001 (\$4,887,153 in 2023).

6. Salaries and benefits

	Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
(Note 11)			
Salaries and wages	48,101,718	51,007,329	46,462,308
Benefits			
Regular	14,579,872	15,624,542	14,559,921
Retirees	884,409	1,199,591	821,645
Decrease (increase) in employee vacation time payable	—	336,966	(107,843)
Increase in employee future benefits liabilities	2,873,881	2,873,881	22,058,747
	66,439,880	71,042,309	83,794,778

7. Inventories

	2024	2023
	\$	\$
Uniforms	447,166	268,940
Equipment and Supplies	199,047	74,685
	646,213	343,625

Barrie Police Services Board
Notes to the financial statements
December 31, 2024

8. Tangible capital assets

	Leasehold improvements \$	Police services equipment \$	Radio equipment \$	Computer equipment \$	Office equipment \$	Fleet \$	2024 Total \$	2023 Total \$
Cost, beginning of year	120,167	3,349,247	4,798,608	3,367,262	185,665	4,655,284	16,476,233	14,747,511
Additions	346,992	531,421	404,305	1,470,078	76,759	962,512	3,792,067	2,685,323
Disposals	—	(61,491)	(237,307)	(531,336)	(38,027)	(598,568)	(1,466,729)	(956,601)
Cost, end of year	467,159	3,819,177	4,965,606	4,306,004	224,397	5,019,228	18,801,571	16,476,233
Accumulated amortization, beginning of year	7,704	2,525,152	3,933,517	1,639,412	119,736	3,452,432	11,677,953	10,709,670
Amortization	12,017	243,129	349,847	784,402	14,763	701,861	2,106,019	1,899,953
Disposals	—	(61,491)	(225,881)	(531,336)	(38,027)	(457,245)	(1,313,980)	(931,670)
Accumulated amortization, end of year	19,721	2,706,790	4,057,483	1,892,478	96,472	3,697,048	12,469,992	11,677,953
Net carrying amount end of year	447,438	1,112,387	908,123	2,413,526	127,925	1,322,180	6,331,579	4,798,280

9. Accumulated deficit

The Board segregates its accumulated deficit into the following categories:

	2024	2023
	\$	\$
Invested in tangible capital assets	6,331,579	4,798,280
Unallocated accumulated surplus	(130,810)	3,575,174
Reserves		
Capital reserve	1,294,403	1,527,025
Operating reserves	1,188,508	(38,918)
Employee vacation time payable	(2,690,138)	(1,906,011)
Employee future benefits liabilities	(90,975,604)	(88,101,723)
	(84,982,062)	(80,146,173)

The invested in tangible capital assets represents amounts already spent and invested in leasehold improvements, equipment, and fleet net of accumulated amortization.

The Capital Reserve represents the unspent portion of the municipal capital grant at the end of the year. The Operating Reserve represents the funds accumulated from operating activities, excluding any expenses related to capital assets, the employee vacation time payable, and employee future benefits liabilities.

The employee future benefits liabilities represent amounts to be recovered for the estimated cost of benefits payable after retirement. When the amounts are incurred, they will be recovered from future operations.

10. Contingent liabilities

Legal actions and claims have been initiated against the Board for which the final outcome cannot be determined at this time. No provision has been made for any claims which may arise and it is management's opinion that there will be no material uninsured liability arising from these claims. In the event the Board is found liable for any uninsured claims, an expense is recognized in the period when it is determined that an amount is likely and a reasonable estimate can be made.

11. Budget

The Budget adopted by the Board on October 19, 2023 and approved by City Council was not prepared on a basis consistent with that used to report actual results (Canadian public sector accounting standards). The budget was prepared on a modified accrual basis while Canadian public sector accounting standards requires a full accrual basis. The budget expensed all tangible capital expenditures rather than including amortization expense. In addition, the budget did not include employee future benefit expense on a full accrual basis. As a result, the budget figures presented in the statements of operations and accumulated deficit and change in net debt represent the Financial Plan adopted by the Board on October 22, 2023 with adjustments as follows:

	2024 Approved budget	Capital expenditures/ Amortization	Post- employment benefits	2024 Budget presented in statements
	\$	\$	\$	\$
Revenue				
Municipal operating contribution	65,569,175	—	—	65,569,175
Provincial funding	6,345,715	—	—	6,345,715
Municipal capital contribution	1,954,145	—	—	1,954,145
Service fees	785,000	—	—	785,000
Other income	215,100	—	—	215,100
Contribution from Development Charges	—	—	—	—
WSIB Reserve Contribution	—	—	—	—
	74,869,135	—	—	74,869,135
Expenses				
Salaries and benefits	63,565,999	—	2,873,881	66,439,880
Maintenance, supplies and other expenses	8,648,991	—	—	8,648,991
Amortization	—	2,106,019	—	2,106,019
Transfer to City of Barrie – capital reserve	200,000	—	—	200,000
	72,414,990	2,106,019	2,873,881	77,394,890
Less budgeted capital expenditures	(1,754,145)	—	—	—
Add budgeted reserve transfers	(700,000)	—	—	—
Annual surplus (deficit)	4,908,290	(2,106,019)	(2,873,881)	(2,525,755)

The budgeted capital expenditures of \$1,754,145 are reflected on the statement of change in net debt.