

AYLMER POLICE SERVICES BOARD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

**AYLMER POLICE SERVICES BOARD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

-1-	Independent Auditor's Report
-3-	Statement of Financial Position
-4-	Statement of Operations and Accumulated Surplus (Deficit)
-5-	Statement of Cash Flows
-6-	Statement of Change in Net Financial Assets (Liabilities)
-7-	Notes to the Financial Statements
-11-	Schedule 1 - Schedule of Tangible Capital Assets

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors of Aylmer Police Services Board

Opinion

We have audited the accompanying financial statements of Aylmer Police Services Board (the "Board"), which comprise the Statement of Financial Position as at December 31, 2025, and Statements of Operations and Accumulated Surplus (Deficit), Cash Flows and Change in Net Financial Assets (Liabilities) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Aylmer Police Services Board as at December 31, 2025 and its financial performance and its change in cash flows and net financial assets (liabilities) for the year then ended in accordance with Canadian public sector accounting standards.

Basis of 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 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 these financial statements in accordance with Canadian public sector accounting standards, 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 consolidated financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 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 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 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 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.

April 10, 2026
London, Canada

Scrimgeour & Company
LICENSED PUBLIC ACCOUNTANT

**AYLMER POLICE SERVICES BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025**

	2025	2024
FINANCIAL ASSETS		
Accounts receivable	\$ 195,815	\$ 163,186
Due from Town of Aylmer (note 3)	636,920	796,350
	832,735	959,536
LIABILITIES		
Accounts payable and accrued liabilities	347,439	436,876
Employee post-employment benefit liability (note 7)	1,213,200	1,205,100
	1,560,639	1,641,976
NET FINANCIAL ASSETS (LIABILITIES)	(727,904)	(682,440)
NON-FINANCIAL ASSETS		
Capital assets (note 2.d) (Schedule 1)	424,148	316,965
Work in progress (note 2.d), (note 5)	33,313	74,462
Prepaid expense	9,312	8,478
	466,773	399,905
ACCUMULATED SURPLUS (DEFICIT) (NOTE 5)	\$ (261,131)	\$ (282,535)

Approved by:

Approved by:

The accompanying notes are an integral part of the financial statements

**AYLMER POLICE SERVICES BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budget 2025	Actual 2025	Actual 2024
REVENUE			
Government grants	\$ 218,729	\$ 381,385	\$ 409,095
Other revenue	1,000	102,266	39,192
Record checks	10,000	15,710	12,721
Requisition from Town of Aylmer (note 3)	2,951,736	2,955,012	2,752,427
	3,181,465	3,454,373	3,213,435
EXPENDITURES			
Advertising and other	2,015	3,651	1,184
Amortization	-	70,902	55,806
Association fees	4,000	3,431	3,164
Dispatch services	131,325	129,810	127,339
Equipment maintenance	23,605	20,076	24,966
Equipment rentals	4,635	2,898	3,140
Insurance	10,460	11,015	9,409
Office expenditures	31,845	38,591	21,529
Professional fees	4,660	3,709	43,796
Salaries and benefits	2,799,440	2,997,295	2,688,477
Telephone	17,000	16,399	17,605
Travel and training	21,059	23,615	25,275
Uniforms	18,000	19,802	23,367
Utilities	17,471	14,027	12,620
Vehicle repairs and maintenance	60,950	69,648	52,448
	3,146,465	3,424,869	3,110,125
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER			
	35,000	29,504	103,310
OTHER - POLICE SERVICES BOARD			
Requisition from Town of Aylmer (note 3)	27,462	24,186	24,748
Miscellaneous revenue	-	-	275
Salaries and benefits	(20,252)	(11,593)	(16,444)
General and administration	(7,210)	(12,593)	(8,579)
Post retirement benefits (note 7)	-	(8,100)	(30,400)
	-	(8,100)	(30,400)
EXCESS OF REVENUE OVER EXPENDITURES			
	35,000	21,404	72,910
ACCUMULATED DEFICIT, BEGINNING OF YEAR			
	(282,535)	(282,535)	(355,445)
ACCUMULATED DEFICIT, END OF YEAR			
	\$ (247,535)	\$ (261,131)	\$ (282,535)

The accompanying notes are an integral part of the financial statements

**AYLMER POLICE SERVICES BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	2025	2024
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess of revenue over expenditures (page 4)	\$ 21,404	\$ 72,910
Non-cash charges to operations		
Post retirement benefits	8,100	30,400
Amortization	70,902	55,806
Net change in working capital other than cash (A)	37,364	29,924
	137,770	189,040
INVESTING ACTIVITIES		
(Increase) decrease in prepaid insurance	(834)	(474)
Disposal of tangible capital assets	70,410	-
Acquisition of tangible capital assets	(248,495)	(114,104)
Decrease (increase) in work in progress	41,149	(74,462)
	(137,770)	(189,040)
Net change in cash and cash during the year	-	-
Cash, beginning of year	-	-
CASH, END OF YEAR	\$ -	\$ -

(A) Net change in non-cash operating items includes the net change in accounts receivable, due from Town of Aylmer and accounts payable and accrued liabilities.

The accompanying notes are an integral part of the financial statements

AYLMER POLICE SERVICES BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (LIABILITIES)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget 2025	Actual 2025	Actual 2024
Excess of revenue over expenditures (page 4)	\$ -	\$ 21,404	\$ 72,910
Amortization of tangible capital assets	-	70,902	55,806
(Increase) decrease in prepaid expenditures	-	(834)	(474)
Disposal of tangible capital assets	-	70,410	-
Acquisition of tangible capital assets	(301,000)	(248,495)	(114,104)
(Increase) decrease in work in progress	-	41,149	(74,462)
Increase (decrease) in net financial assets (liabilities)	(301,000)	(45,464)	(60,324)
NET FINANCIAL ASSETS (LIABILITIES), BEGINNING OF YEAR	(682,440)	(682,440)	(622,116)
NET FINANCIAL ASSETS (LIABILITIES), END OF YEAR	\$ (983,440)	\$ (727,904)	\$ (682,440)

The accompanying notes are an integral part of the financial statements

**AYLMER POLICE SERVICES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

1. Description of the Board

The Aylmer Police Services Board (the Board) was established to provide policing services for the Town of Aylmer. Its operations are governed by the provisions of provincial statutes.

2. Significant accounting policies

The financial statements of the Board are the representation of the Board prepared in accordance with Canadian public sector accounting standards (PS). The significant accounting policies are summarized as follows:

a. Reporting entity

The financial statements reflect the assets, liabilities, revenue and expenditures, and accumulated surplus of the Board.

b. Revenue recognition

The Board recognizes revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Government grants and transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

c. 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 revenue over expenditures, provides the change in net financial assets for the year.

d. Tangible capital assets

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

Building improvements	15 years
Equipment	10 to 15 years
Automotive	4 to 5 years

Amortization is charged for a half year in the year of acquisition and in the year of disposal. The Board has a capitalization threshold of \$10,000. Individual assets of lesser value are expensed unless they are pooled because collectively they have significant value.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt. The fair value is also recorded as revenue.

**AYLMER POLICE SERVICES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

2. Significant accounting policies continued

d. Tangible capital assets continued

Work in progress represents tangible capital assets that are under construction and are not amortized until the asset is available for use.

Tangible capital assets are detailed on the accompanying Schedule 1.

The tangible capital assets were evaluated for any asset retirement obligation as required by PS 3280 for years ending December 31, 2023 and after. The Board has determined that no accrual is required for retirement obligations.

e. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expense as incurred.

f. Financial instruments

Financial instruments of the Board consist mainly of cash and due from Town of Aylmer. The carrying values of these financial assets approximate their fair values unless otherwise disclosed.

g. Use of estimates

The preparation of financial statements in conformity 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 revenue and expenditures during the period. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. Actual results could differ from management's best estimates, as additional information becomes available in the future.

h. Budget

The operating budget approved by the Board, for 2025, is reflected on the Statement of Operations and Accumulated Surplus (Deficit). The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts.

3. Administration

The Town of Aylmer acts as the financial administrator for the Board and as such all cash and cash equivalents are held in the name of the Town of Aylmer. The Town of Aylmer budgeted a net requisition for both the police services of \$2,951,736 (2024 - \$2,751,609) and the police services board of \$27,462 (2024 - \$25,566). The Board transfers any unspent requisition to the reserve fund for police services.

**AYLMER POLICE SERVICES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

4. Pension agreements

The Board contributes to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 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 services and rates of pay. The amount contributed to OMERS for 2025 was \$246,101 (2024 - \$173,913) for current service and is included as an expenditure on the Statement of Operations and Accumulated Surplus (Deficit). The Board has no obligation, as of December 31, 2025, under the past service provisions. The OMERS funding ratio for 2025 is 99.0% (2024 - 98.0%).

5. Accumulated Surplus (Deficit)

Accumulated surplus (deficit) consists of the following surplus balance:

	2025	2024
Reserve fund	\$ 494,608	\$ 531,138
Tangible capital assets, including work in progress	457,461	424,148
Future post-retirement benefits	(1,213,200)	(1,205,100)
	\$ (261,131)	\$ (249,814)

6. Public sector salary disclosure

There are twelve employees paid a salary, as defined in the Public Sector Disclosure Act, 1996 of \$100,000 or more.

**AYLMER POLICE SERVICES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

7. Employee post-retirement benefit liability

Employee post-retirement benefits represents the Board's share of the cost to provide employees with extended benefits on retirement. This liability will require funding in future periods. The accrued benefit obligation and the net periodic benefit cost were determined by an actuarial valuation, completed in February 2025, in accordance with the financial reporting guideline of PS 3250.

	2025	2024
Total post-retirement benefits liability	\$ 1,213,200	\$ 1,205,100

Significant assumptions for the year ended December 31, 2025, are as follows:

General inflation	3.00%
Discount rate	4.20%
Rate of compensation increase	3.00%
Dental cost increase	6.20%
Healthcare increase overall	4.00%

8. Commitments

Subsequent to December 31, 2024, the Board signed a new dispatch contract that is in effect until December 31, 2028. The contracted amount for 2025 is \$84,632 (2024 - \$86,050).

**AYLMER POLICE SERVICES BOARD
SCHEDULE 1 - SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Building			2025	2024
	Improvements	Equipment	Automotive	Total	Total
COST					
Balance, beginning of year	\$ -	\$ 312,659	\$ 268,760	\$ 581,419	\$ 517,115
Add:					
Additions during the year	125,088	63,607	59,800	248,495	114,104
Less:					
Disposals during the year	-	-	(88,013)	(88,013)	(49,800)
Balance, end of year	125,088	376,266	240,547	741,901	581,419
ACCUMULATED AMORTIZATION					
Balance, beginning of year	-	131,754	132,700	264,454	258,448
Add:					
Amortization during the year	695	30,776	39,431	70,902	55,806
Less:					
Disposals during the year	-	-	(17,603)	(17,603)	(49,800)
Balance, end of year	695	162,530	154,528	317,753	264,454
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 124,393	\$ 213,736	\$ 86,019	\$ 424,148	\$ 316,965

This schedule is provided for information purposes only