

Conclusion

The Crisis Response Unit has made significant improvements in how the Hamilton Police Service and its Health Care Partners respond to persons in crisis. Vulnerable individuals are receiving quality, timely and coordinated service to address their complex mental health needs. Persons experiencing a mental health issue or crisis are receiving the right care at the right time and receiving appropriate follow up support.

Moving forward the members of the Crisis Response Unit will strive to educate members of the Community and their own members on the merits of the three combined programs. Education will create an awareness of Mental Health issues and assist in reducing the stigma of those afflicted by Mental Health afflictions.

HAMILTON POLICE SERVICES BOARD**- RECOMMENDATION -**

DATE: 2016 May 26
REPORT TO: Chair and Members
Hamilton Police Services Board
FROM: Eric Girt
Chief of Police
SUBJECT: *Year-End Report: Budget Variance Report - 2015*
(PSB 16-068; see also PSB 16-069, PSB 16-044 and PSB 15-059)

RECOMMENDATION:

That the Hamilton Police Services Board approves the Allocation Plan for the 2015 Operating Budget favorable variance of \$3,680,948.



Eric Girt
Chief of Police

FINANCIAL / STAFFING / LEGAL IMPLICATIONS:

FINANCIAL – See details in Appendices A-B.

STAFFING – n/a

LEGAL – n/a

BACKGROUND:

The Hamilton Police Service (HPS) has completed its 2015 year-end process; the detailed actual-to-budget and actual-to-actual analysis of revenues and expenditures for the year ended 2015.

Consistent with prior years, the Hamilton Police Service financial information and statements have been audited by the City's external auditing firm, KPMG, in conjunction with the City of Hamilton annual year-end audit. In addition, for 2015 year-end, at the request of Hamilton City Council and the HPS Board, KPMG has conducted a separate financial statement audit on the HPS's Schedule of Operations. This was an extension of the normal and historical annual audit the Service is subject to, as part of the City of Hamilton's annual consolidated audit, which is no different than any other department within the City of Hamilton.

The Hamilton Police Service final Independent Auditors' Report is attached (*see Appendix A*).

Quoted in Note 1 to the schedule, *"the schedule of operations has been prepared by management in accordance with the recognition and measurement principles of Canadian public sector accounting standards (PSAS)..."* As such, the report has been modified to reflect the Public Sector Accounting Standards (PSAS) reporting requirements.

In the "Opinion" paragraph of the Independent Auditors' Report, *"In our opinion, the statement of operations is prepared, in all material respects, in accordance with the basis of accounting..."*.

As anticipated and expected, there were no errors or issues identified by the City's external auditors, KPMG. As per the Audit Findings Report (*see PSB 16-069*), KPMG did *not* identify any audit differences that were communicated to management and subsequently corrected in the financial statements. Similarly, there were no audit differences identified that remain uncorrected.

The 2015 Hamilton Police Service operating budget was approved at \$149,091,955, which comprised of \$158,686,465 total expenditures, offset by \$9,594,510 total revenues.

The Collective Agreements with the Hamilton Police Association and the Senior Officers Association expired on December 31, 2012. New Collective Agreements were negotiated and ratified by all parties, in 2015, for the period January 1, 2013 to December 31, 2017. All retro payments were paid and/or accrued in 2015.

The 2015 Hamilton Police Service actual year-end position resulted in a favorable operating budget variance (surplus) of \$3,680,948.

The favorable variance is primarily attributed to the unbudgeted revenue recovery for the 2015 Pan Am Games, unbudgeted grants/subsidies, greater than anticipated revenue in Police Fees and savings realized in total net expenditures.

The favorable variance details are summarized below.

REVENUES

In July 2015, the City of Hamilton held the soccer event of the 2015 Pan Am Games and entered into a Cost Contribution Agreement with the Province/Toronto 2015 Organizing Committee, through the Provincial Integrated Security Unit (ISU) for the games. The planning phase which began in 2013/2014 moved to the operational phase for the games and then demobilization phase following the event in 2015. All expenses, including salaries, benefits and equipment, are to be reimbursed by the Province, on a cost recovery basis, as per the Cost Contribution agreement. The Province, through their external auditors Price Waterhouse Coopers, conducted an audit of the expenditures for the period April 1, 2014 to October 31, 2015 with no issues, problems, or errors found (*see PSB 16-044*). The allocated 2015 revenue recovery was \$2,369,902.

In addition, the Hamilton Police Service received the fourth year of the Provincial Court Security upload that resulted in additional revenue to the Hamilton Police Service of \$430,946. The Court Security upload is the result of the Provincial government initiative to help offset the cost of municipal court security services through a phased-in upload over seven (7) years that began in 2012. These monies are directly applied against court security costs incurred each year.

Furthermore, the Hamilton Police Service continued in 2015, as in prior years, to take advantage of Provincial funding initiatives to address operational, training, and equipment needs. These funding initiatives include Civil Remedies for Illicit Activities program, Proceeds of Crime (POC) Front Line Policing (PLP) "Crime Prevention – Community Mobilization" Grant Program for its Social Navigation Program, and the Provincial Youth in Policing initiatives to name a few. New for 2015 was the Internet Child Exploitation (ICE) Grant.

EXPENDITURES

The Hamilton Police Service realized, through prudent expenditure management, significant favorable variances in operational expenditures. Several of the highlighted areas are as follows:

Employee Related Costs – Net Savings \$346,772

Under Public Sector Accounting Standards (PSAS), the revenues and recoveries are not allowed to be offset against the related expense. They are to be stated on a gross basis as opposed to net basis as budgeted.

Based on the audited Schedule of Operations, the over-expenditure of (\$1,406,678) is mostly attributed to paid-voluntary duty expense and the HPA President salary/benefits. These expenses are fully recoverable in the amount of \$1,753,450, and offset the above over-expenditure resulting in a net savings of \$346,772.

The final net savings is attributed to the contract settlements negotiated, reached and approved with the Hamilton Police Association and the Hamilton Police Senior Officers Association in 2015.

Financial/Legal Charges – (\$11,819) over-expenditure is mostly attributable to credit charges and legal fees, offset by savings in medical/lab and membership fees.

Vehicle Expenses - \$140,792 savings is attributed to savings in fuel costs and vehicle repairs.

Material and Supplies - \$436,439 savings is mainly attributed to savings in OPP monitoring contract, investigative expenses, and in equipment and supplies.

Consulting - \$27,600 savings is attributed to the Board not using consultants in 2015.

Contractual - \$70,230 savings is attributed mostly to rental/lease equipment and snow removal.

Buildings and Grounds – (\$156,814) over-expenditure is attributed to building repairs, telephone, hydro and water/sewer charges. These over-expenditures were offset with savings in horticultural services, heating fuel and laundry/dry cleaning services.

Reserves/Recoveries – (\$25,598) over-expenditure is attributed to greater than expected charges from the City of Hamilton for computer leases and unbudgeted work completed, by the City's Public Works department, on the storm management Pond at Turner Park/Mountain Station.

In addition, the 2015 Hamilton Police Service budget included contributions from the Police Tax Stabilization Reserve of \$125,000, the Police Vehicle Reserve of \$125,000, and the Police Capital Reserve of \$175,000 as sources of revenue. Due to the greater than anticipated revenue generated/savings in expenditures, these contributions were not required and, as a result, remained in their respective reserve accounts. The 2015 continuity schedule for the Hamilton Police Reserves is shown in Appendix B.

Cost Allocations - \$87,241 savings is attributed to recoverable paid special duty from the City of Hamilton for City's funded events.

The 2015 final year-end position was a favorable operating budget variance of \$3,680,948. The following allocation plan is proposed:

2015 Operating Budget Surplus Variance: \$3,680,948

- 1. \$3,589,248 - To Police ISD Headquarters Capital Reserve - To fund HPS/COH's share for the Investigative Services Division (ISD) Headquarters**

The Hamilton Police Service's top capital priority is the proposed Investigative Services Division (ISD) headquarters. The Hamilton Police Service is pursuing a tri-party funding agreement with Provincial and Federal governments. The Hamilton Police Services Board and Hamilton City Council have approved the capital project on the basis of tri-party funding. As such, a funding formula was developed with cooperation with the City of Hamilton's Finance Department (approved by City Council) for the HPS/COH share.

- 2. \$23,700 - Police Expenditure Capital Work-In-Progress (WIP) account 3761351301 - Cardscan Device - Records Branch**

The RCMP no longer accepts inked prints. They must be scanned and digitized. The Cardscan device is required in order to digitize our existing inked fingerprints' holdings. Without this, we are unable to report dispositions on older charges for which the accused was printed prior to the implementation of electronic capture. This affects Officer safety, as well as the Crown Attorney as they will not be able to access dispositions for sentencing considerations.

- 3. \$68,000 - Police Expenditure Capital Work-In-Progress (WIP) account 3761351301 - High Density Shelving for Records storage room**

The installation of high-density shelving in the basement file room will expand our on-site storage capacity by minimum of ten (10) years of criminal file materials. It will satisfy our current and long term future needs. It maximizes the current space by more than tripling the density of existing shelving through the elimination of unproductive aisle space and taking advantage of unused vertical space.

The City of Hamilton's Finance Department, in its final entry to close the 2015 Hamilton Police operating surplus, recorded the monies in the Police Tax Stabilization Reserve; a standard operating procedure at year-end in adherence to "Operating Budget Surplus / Deficits" Policy (*see PSB 15-059*). The allocation plan recommended above will move the year-end surplus from the Police Tax Stabilization Reserve to the various accounts listed.

The 2015 year-end favorable variance of \$3,680,948 provides the Hamilton Police Service with the opportunity to strategically allocate funds to address needs in policing in 2016 and future years.

EG: J. Randazzo

Attachments: *Appendices A-B*

cc John Randazzo, Chief Accountant, Finance

Schedule of Operations

**HAMILTON
POLICE SERVICES**

Year ended December 31, 2015

DRAFT

INDEPENDENT AUDITORS' REPORT

To the Hamilton Police Services' Board

We have audited the accompanying schedule of operations of the Hamilton Police Services for the year ended December 31, 2015 and notes, comprising a summary of significant accounting policies and other explanatory information (the "schedule"). The schedule has been prepared by management in accordance with the basis of accounting described in Note 1 to the schedule.

Management's Responsibility for the Schedule

Management is responsible for the preparation of the schedule in accordance with the basis of accounting described in Note 1 to the schedule; this includes determining that the basis of accounting is an acceptable basis for the preparation of this schedule in the circumstances, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the schedule 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the schedule of operations of the Hamilton Police Services for the year ended December 31, 2015 is prepared, in all material respects in accordance with the basis of accounting described in Note 1 to the schedule.

Basis of Accounting and Restriction on Use

Without modifying our report, we draw attention to Note 1 to the schedule, which describes the basis of accounting. The schedule has been prepared by management for management purposes. Our report is intended solely for the Hamilton Police Services Board and the City of Hamilton and should not be used by parties other than the Hamilton Police Services Board and the City of Hamilton.

Comparative Information

The schedule of operations of the Hamilton Police Services for the year ended December 31, 2014 is unaudited. Accordingly, we do not express an opinion on it.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
May 26, 2016

HAMILTON POLICE SERVICES

Schedule of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget	2015	2014 Unaudited
Revenues:			
Municipal contributions: (Note 2)	\$ 147,287,587	\$ 146,862,587	\$ 142,371,691
Grants and Subsidies	6,453,150	9,364,221	6,515,453
Fees & General Revenues	2,307,430	4,301,452	2,935,002
Reserves/Capital Recoveries	310,230	349,692	309,785
Total revenues	156,358,397	160,877,952	152,131,931
Expenses:			
Employee Related Costs	142,528,575	143,935,253	137,346,602
Finance Costs	192,472	192,472	230,619
Financial/Legal Charges	280,230	292,049	351,244
Materials and Supplies	5,044,420	4,607,981	4,477,180
Vehicle Expenses	2,042,800	1,902,008	1,927,205
Buildings and Grounds	2,426,280	2,583,094	2,419,805
Consulting Expenses	27,600	-	42,674
Contractual Expenses	829,185	758,955	818,931
Agencies and Support Payments	34,300	34,300	34,300
Reserves/Recoveries	2,292,285	2,317,883	1,976,134
Cost Allocation	660,250	573,009	660,250
Total expenses	156,358,397	157,197,004	150,284,944
Annual surplus	-	3,680,948	1,846,987
Net transfers to reserves	-	3,680,948	1,846,987
Surplus, end of year	\$ -	\$ -	\$ -

See accompanying notes to schedule of operations.

HAMILTON POLICE SERVICES

Notes to the Schedule of Operations

Year ended December 31, 2015

Hamilton Police Services (the "HPS") is responsible for adequate and effective police services, law enforcement and crime prevention within the City of Hamilton.

1. Significant accounting policies:

The schedule of operations (the "schedule") has been prepared by management in accordance with the recognition and measurement principles of Canadian public sector accounting standards (PSAS) except that it records minor capital assets as an expense, does not capitalize or amortize tangible capital assets and does not record employee future benefits. The schedule does not include the presentation principles or the presentation of all the statements and note disclosures required by PSAS for a complete set of statements. Significant accounting policies adopted by the HPS are as follows:

(a) Accrued basis of accounting:

HPS follows the accrual method of accounting for revenues and expenditures with the exception of tangible capital asset and employee future benefits. Revenues are recognized in the year in which they are earned. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services.

(b) Use of estimates:

The preparation of the schedule in conformity with Canadian public sector accounting standards requires management to make estimates affecting the reported amounts of revenues and expenditures during the period. Actual results could differ from these estimates.

2. Municipal Contributions

	Budget	2015	2014 Unaudited
Principal Amount Cap Finance:	\$ (833,168)	\$ (833,168)	\$ (784,429)
Less:			
Contributions from Reserves to			
Current:	175,000	-	-
Tax Stable Reserve	125,000	-	-
Vehicle Reserve	125,000	-	-
Omers Type III	98,700	98,700	-
Net Expenditure	149,091,955	145,411,007	142,747,633
Vehicle Reserve	(1,494,900)	(1,494,900)	(1,438,500)
Surplus	-	3,680,948	1,846,987
	\$ 147,287,587	\$ 146,862,587	\$ 142,371,691

Hamilton Police Service **Summary of Reserve Balances** **2015 Reserve Activity**

Appendix B

Reserve Number	Reserve Name	Balance Dec 31/2014		Transfers To(+)	Interest Earned(+)	Transfers From (-)	Balance Dec 31/2015
104055	Tax Stabilization - Police	2,190,906	(9)	3,680,948	25,447	(3) 1,846,987	4,050,315
104056	Police ISD Forensic Building	-	(5)	2,100,000	37,136		2,137,136
110020	Police Vehicle Replacement	1,538,369	(1)	1,494,900	56,333	(2) 1,572,476	1,517,125
110065	Police Capital Expenses	1,816,157	(5)	817,059	26,688	(6) 1,500,000	1,159,904
110066	Conducted Energy Weapons	-	(4)	383,183	6,568	(8) 182,557	207,194
112029	Vacation Liability Reserve	1,405,906			32,130	-	1,438,035
112030	Sick Leave Police	5,726,713	(5)	129,928	132,607	-	5,989,248
112210	Provision Police Litigation	249,041			5,691	-	254,733
112220	Police Special Events	108,766			2,486	-	111,252
112225	Rewards - Police Board	154,267	(7)	10,000	3,716	-	167,983
22218-000100	OMERS Type III (see note below)	833,541			12,482	(4) 383,183	462,839
TOTAL RESERVES		14,023,667		\$ 8,616,018	\$ 341,284	\$ 5,485,203	17,495,766

- (1) -transfer to Vehicle Reserve from Police 2015 approved current budget for vehicle purchases and upfitting and proceeds from sale of replaced police vehicles.
- (2) -transfer from Vehicle Reserve to Police Capital Fund (WIP Accounts) for approved Police vehicle purchases and upfitting.
- (3) -approved allocation of 2014 surplus per PSB 15-053.
- (4) -transfer to a separate CEW Reserve to fund CEW (tasers).
- (5) -approved allocation of 2014 surplus per PSB 15-053.
- (6) -approved allocation for ISD Building from Capital Reserve to ISD Forensic Building Reserve per City Council, to fund TMS Project.
- (7) -transfer reward for Unsolved homicide per PSB 15-016.
- (8) -transfer from CEW Reserve to Police Capital Project #3761451404 for 2015 CEW purchases.
- (9) -unaudited surplus for 2015.

Note- OMERS Type III account represents the unused portion plus accumulated interest of the OMERS Type III surplus that was divided with the Hamilton Police Association, Senior Officers Association, the Chief and Deputies in 1997. These funds must be used in accordance with the agreement signed by the parties stated above. The monies must be used for specific improvements for the service and / or front line staff.

HAMILTON POLICE SERVICES BOARD

- INFORMATION -

DATE: 2016 May 26

REPORT TO: Chair and Members
Hamilton Police Services Board

FROM: Eric Girt
Chief of Police

SUBJECT: *Year End Report: HPS Audit - 2015*
(PSB 16-069; see also PSB 16-068)

BACKGROUND:

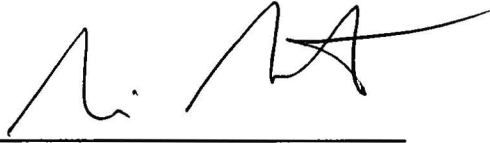
Hamilton City Council approved the annualized separate financial statement audit of the Hamilton Police Service operations beginning with the 2015 year-end (City Report FSC 15081). This audit was an extension of the normal and historical annual audit the Service is subject to, as part of the City of Hamilton's annual consolidated audit, which is no different than any other department within the City of Hamilton.

The City Auditors, KPMG, conducted and completed the independent audit of the HPS Schedule of Operations, as of May 18, 2016. KPMG performed various audit procedures including a detailed comparison of revenue and operating expenditures to budget and investigated significant variances. As a result, no misstatements were noted/identified during their testing.

Previously stated in the Year-End Budget Variance – 2015 report (*see PSB 16-068*), there were no issues or errors identified in the audit. Per KPMG's Independent Auditor's Report, *"In our opinion, the statement of operations is prepared, in all material respects in accordance with the basis of accounting..."* KPMG did not identify any audit differences that were communicated to management and subsequently corrected in the financial statements. Similarly, there were no audit differences identified that remain uncorrected (*see attached KPMG's Audit Findings Report*).

In addition, the Hamilton Police Service Board directed staff to have KPMG examine claims and statements made through the media (opinion articles) as part of the HPS 2015 year-end audit. As per KPMG's Audit Findings Report, it is clearly stated that *"no misstatement"* was identified in respect of each claim reviewed.

In conclusion, it is very clear the Schedule of Operations of the HPS is accurately reported in all material respects and free from material misstatement.

A handwritten signature in black ink, appearing to be 'E. Girt', written over a horizontal line.

Eric Girt
Chief of Police

EG/J. Randazzo

Attachment: *KPMG's Audit Findings Report*
(for year ended December 31, 2015)

cc Deputy Chief Ken Weatherill, Field Support



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AUDIT

Hamilton Police Services

Audit Findings Report
For the year ended December 31, 2015

KPMG LLP

Prepared May 18th, 2016 and presented on May 26th,
2016

kpmg.ca



The contacts at KPMG in connection with this report are:

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At KPMG, we are **passionate** about earning your **trust**. We take deep **personal accountability**, individually and as a team, to deliver **exceptional service and value** in all our dealings with you.

At the end of the day, we measure our success from the **only perspective that matters – yours.**

Executive summary

Purpose of this report*

The purpose of this Audit Findings Report is to assist you, as a member of the Board, in your review of the results of our audit of the Schedule of Operations for the Hamilton Police Services for the year ended December 31, 2015

Audit risks and results

We noted financial risks relating to various revenues and expenses that we have addressed throughout the audit.

We have also addressed specific concerns that were highlighted to KPMG that related to the financial reporting process.

See pages 5 and 6

Adjustments and differences

We did not identify differences that remain uncorrected.

* This Audit Findings Report should not be used for any other purpose or by anyone other than the Board. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Executive summary (continued)

Finalizing the audit

As of May 18th, 2016, we have completed the audit of the Schedule of Operations, with the exception of certain remaining procedures, which include amongst others:

- completing our discussions with the Board
- obtaining evidence of the Board's approval of the schedule.

We will update the Board, and not solely the Chair (as required by professional standards), on significant matters, *if any*, arising from the completion of the audit, including the completion of the above procedures. Our auditors' report will be dated upon the completion of any remaining procedures.

Control and other observations

We did not identify any control deficiencies that we determined to be significant deficiencies in ICFR.

Independence

We confirm that we are independent with respect to the Entity (and its related entities), within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada. We have extensive quality control and conflict checking processes in place.

Significant accounting policies and practices

There have been no initial selections of, or changes to, significant accounting policies and practices to bring to your attention.

* This Audit Findings Report should not be used for any other purpose or by anyone other than the audit committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Audit risks and results

Inherent risk of material misstatement is the susceptibility of a balance or assertion to misstatement which could be material, individually or when aggregated with other misstatements, assuming that there are no related controls.

Significant financial reporting risks

Our significant findings from the audit

Revenue recognition and deferral

We performed testing over the recognition of significant government grants and subsidies and agreed amounts recorded to contract agreements.

We performed substantive procedures over general fees and revenues to ensure that revenue was recognized in accordance with revenue recognition criteria.

We performed cut off testing for grant funding and other revenue to ensure that revenue is recorded in the correct fiscal period.

No misstatements related to revenue recognition were identified.

Operating expenditures

We completed various audit procedures around operating expenditures, including payroll and employee benefits expenditures.

We performed a detailed comparison of operating expenditures to budget and investigated significant variances.

No misstatements related to operating expenses were identified during our testing.

Other matters

Professional standards require us to communicate to the Board Other Matters, such as material inconsistencies or material misstatements, identified fraud or non-compliance with laws and regulations, consultations with other accountants, significant matters relating to the Entity's related parties, significant difficulties encountered during the audit, and disagreements with management.

Other matters:

We have highlighted below other significant matters that we would like to bring to your attention:

Matter	KPMG comment
Retro-active pay accrual	<ul style="list-style-type: none"> - Final settlement was for approximately \$9 million - Amounts accrued in previous year's were written off when settlement was made - The amount of settlement in excess of accruals was expensed during the year ended December 31, 2015 - No audit misstatement was identified
Accumulated sick leave	<ul style="list-style-type: none"> - Liability is estimated by the actuary - Expense for the year was determined by the actuary - Payments for sick leave made during the year reduced the liability - Estimated expense exceeded payments made, resulting in an increase to the liability - No audit misstatements were identified
Vacation accrual	<ul style="list-style-type: none"> - Vacation accrual is based on vacation hours not taken valued at the current rate of pay - The liability balance is adjusted annually to expense - Vacation taken and paid reduce the vacation hours owed and thus the liability - No audit misstatements were identified
Use of departmental vehicles and car allowances	<ul style="list-style-type: none"> - CRA consider personal use of a company vehicle to be a taxable benefit - When this change was implemented by the CRA, the Board made a decision to cover the taxes on this taxable benefit for the employees affected - This expense is paid directly to the CRA on behalf of the chief and deputies and is not an allowance paid directly to the employee - No audit misstatements were identified
Audit Fees	<ul style="list-style-type: none"> - Audit fees for this audit are \$10,000 and is considered to be a financial statement audit - A value for money audit would be an expensive engagement resulting in a fee in the six digit range - A value for money audit would be far more extensive than a financial statement audit
Police Association president salary	<ul style="list-style-type: none"> - Under PSAS revenues and recoveries are not allowed to be offset against the related expense - Proper accounting treatment is to show the gross cost in expense and the recovery in revenue - No audit misstatements were identified

Adjustments and differences

Adjustments and differences identified during the audit have been categorized as Corrected "adjustments" or Uncorrected "differences." These include disclosure adjustments and differences.

Professional standards require that we request of management and the audit committee that all identified adjustments or differences be corrected. We have already made this request of management.

Corrected adjustments

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

Uncorrected differences

We did not identify differences that remain uncorrected.



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