

Schedule of Operations

**HAMILTON
POLICE SERVICES**

Year ended December 31, 2015

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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

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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