



P.O. Box 1749  
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**Item No. 12.1.1**  
**Audit & Finance Standing Committee**  
**April 13, 2016**

**TO:** Chair and Members of Audit & Finance Standing Committee

Original Signed

**SUBMITTED BY:**

John Traves, Q.C. Acting Chief Administrative Officer

Original Signed

Jean-Michel Blais, Chief of Police, Halifax Regional Police

**DATE:** March 16, 2016

**SUBJECT:** Tangible Capital Asset Accounting Treatment (CE020001 - Police Services Replacement Equipment)

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**ORIGIN**

Preparation of the Financial Statements.

**LEGISLATIVE AUTHORITY**

Halifax Regional Council approved, Dec 11, 2012, that all budget increases are to be presented to the Audit and Finance Standing Committee, prior to submission to Council.

The Tangible Capital Asset Policy, which complies with pronouncements of the Public Sector Accounting Board (PSAB), specifically PS 3150 and the Financial Reporting and Accounting Manual, a regulation prescribed pursuant to subsection 451(1) of the Municipal Government Act.

**RECOMMENDATION**

It is recommended that the Audit and Finance Standing Committee recommend that Halifax Regional Council approve an increase to Project Account CE020001 - Police Services Replacement Equipment in the amount of \$551,300 with funding from the approved Halifax Regional Police (HRP) 2015/16 Operating budget with no net change to the Project Budget.

**BACKGROUND**

On April 28, 2015, Halifax Regional Council passed the 2015/16 Project Budget which did not include a budget for Police Services Replacement Equipment. Up until now, there has been no Project Budget for HRP equipment including officer protective equipment, firearms etc., as this equipment has always been funded in the Operating Budget.

For the 2016/17 fiscal year, a Project Budget was approved by Halifax Regional Council for equipment replacement items that meet the criteria for the Tangible Capital Assets Policy.

**DISCUSSION**

A review of operating purchases in the 2015/16 fiscal year has identified several equipment items that meet HRM's Tangible Capital Assets Policy criteria for small equipment and therefore should be capitalized in a project budget account. In light of this, HRP recommends transferring \$551,300 from HRP's operating accounts to CE020001, Police Services Replacement Equipment. The Police Services Replacement Equipment project account will be managed by Halifax Regional Police staff on behalf of the Halifax Board of Police Commissioners.

**FINANCIAL IMPLICATIONS**

The following transfers of funding from HRP operating accounts to the Police Equipment Replacement project account should take place. The budget availability has been confirmed by Finance.

**Operating Budget Summary:**

P250 – Police Fleet	\$ 87,000
P255 – Exhibits and Property	\$287,500
P312 – SES Technical Unit	\$ 19,700
P340 – Criminal Intel Unit	\$ 10,100
P440 – ERT	<u>\$147,000</u>
<b>Total to be Transferred</b>	<b>\$551,300</b>

**Project Budget Summary:**

**Project No. CE020001 – Police Services Replacement Equipment**

Cumulative Unspent Budget	\$ 0
Plus: Transfer of funds from Operating	\$551,300
Less: Transfer of expenses from Operating	<u>(\$551,300)</u>
<b>Remaining Balance</b>	<b>\$ 0</b>

**COMMUNITY ENGAGEMENT**

N/A

**ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications with this report.

**ALTERNATIVES**

As the equipment items identified are all considered small equipment capital assets according to HRM's Tangible Capital Assets Policy, there are no other alternatives as to how these purchases should be accounted for.

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**Project Budget Summary:**

**Project No. CE020001 – Police Services Replacement Equipment**

Cumulative Unspent Budget	\$ 0
Plus: Transfer of funds from Operating	\$551,300
Less: Transfer of expenses from Operating	<u>(\$551,300)</u>
<b>Remaining Balance</b>	<b>\$ 0</b>

**COMMUNITY ENGAGEMENT**

N/A

**ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications with this report.

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**ATTACHMENTS**

None.

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A copy of this report can be obtained online at <http://www.halifax.ca/boardscom/SCfinance/index.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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Report Approved by:

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Financial Approval by:

Amanda Whitewood, Director of Finance & ICT/CFO, 902.490.6308

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