Statement of Revenues and Expenses

THE CITY OF WINNIPEG -
WINNIPEG POLICE SERVICES
December 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Winnipeg Police Board

We have audited the statement of revenues and expenses of The City of Winnipeg - Winnipeg Police Services, ("the schedule") for the year ended December 31, 2015. This schedule has been prepared in accordance with the financial reporting provisions in The City of Winnipeg By-Law No 148/2012 dated November 28, 2012.

Management's Responsibility for the Schedule

Management is responsible for the preparation of the schedule in accordance with The City of Winnipeg By-Law No 148/2012 dated November 28, 2012 referred to above, 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.

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Opinion

In our opinion, the financial information in the statement of revenues and expenses of The City of Winnipeg - Winnipeg Police Services for the year ended December 31, 2015 is prepared in all material respects, in accordance with the financial reporting provisions in The City of Winnipeg By-Law No 148/2012 dated November 28, 2012.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the schedule, which describes the basis of accounting. The schedule is prepared to provide information to The City of Winnipeg, the Manitoba Police Commission and the Winnipeg Police Board regarding The City of Winnipeg By-Law No 148/2012 dated November 28, 2012. As a result, the schedule may not be suitable for another purpose. Our report in intended solely for The City of Winnipeg, the Manitoba Police Commission and the Winnipeg Police Board, and should not be used by parties other than The City of Winnipeg, the Manitoba Police Commission and the Winnipeg Police Board.

KPMG LLP

Chartered Professional Accountants

June 3, 2016

Winnipeg, Canada

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICES
Statement of Revenues and Expenses
Year Ended December 31, 2015

	2015 $	2014 $
REVENUES		
Provincial government grants	**19,322,948**	**19,354,474**
Regulation Fees	**22,019,959**	**19,530,674**
Sale of goods and services	**6,798,097**	**8,597,106**
Other revenue	**5,853**	**7,360**
Recoveries	**803,866**	**837,171**
TOTAL REVENUES	**48,950,723**	**48,326,785**
EXPENSES (Schedule 1)		
Salaries and benefits	**225,050,810**	**219,166,431**
Services	**15,886,959**	**15,374,223**
Materials - parts and supplies	**4,764,606**	**5,128,236**
Assets and purchases	**1,891,061**	**2,929,703**
Debt and finance charges	**362,384**	**477,337**
Grants transfers	**15,144,291**	**14,745,258**
TOTAL EXPENSES	**263,100,111**	**257,821,188**
Funded by Commitment Reserve (note 2 (b))	**(1,210,596)**	**(698,216)**
NET TOTAL EXPENSES	**261,889,515**	**257,122,972**
EXCESS OF EXPENSES OVER REVENUES	**212,938,792**	**208,796,187**

1. Nature of the organization:

Winnipeg Police Services, a department of The City of Winnipeg, has a mandate to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law.

The City of Winnipeg (the "City") is a municipality that was created on January 1, 1972 pursuant to The City of Winnipeg Act, a statute of the Legislature of the Province of Manitoba (the "Province"). The City continued as a body corporate by virtue of the enactment by the Province of The City of Winnipeg Charter on January 1, 2003.

2. Significant Accounting Policies

The statement of revenue and expenses are prepared in accordance with Canadian public sector accounting standards.

(a) Basis of presentation:

These statements of revenue and expenses present the results of operations of the Winnipeg Police Services been accounted for on a stand-alone basis. Management has extracted the information used to prepare this statement of revenue and expenses from the consolidated financial statements of The City of Winnipeg.

This statement of revenue and expenses is not necessarily indicative of the results that would have been attained if the Winnipeg Police Services had been operated as a separate legal entity during the year presented.

The basis of accounting used in this statement of operations materially differs from Canadian public sector accounting standards because statements of financial position and cash flows are not included.

(b) Commitment reserve:

An amount of $1,210,596 of the expenses reported during 2015 (2014 - $698,216) was charged to the City’s Commitment Reserve Fund. The Commitment Reserve Fund was established by The City of Winnipeg for the purpose of allowing departments to carry forward committed budget dollars to the succeeding year thereby eliminating the need to re-budget.

3. Related party transactions

Type of Charge	Category	2015 $
Municipal Accommodations	Rent	**$7,308,173**
City of Winnipeg- Corp Finance	Debt & finance	**$362,384**
City of Winnipeg – Fleet Service	Fleet-Insurance/Lease/Fuel	**$4,074,491**
City of Winnipeg – Corp Finance	Translation costs	**$9,000**
City of Winnipeg – Parking Authority	Parking rentals	**$175,329**
City of Winnipeg-Corporate Services	Postage meter	**$59,409**
City of Winnipeg- Corporate Finance	Cash to capital	**$4,986,000**
City of Winnipeg-Business Tech.	Radio shop services	**$389,166**
City of Winnipeg-Corporate Services	% of Salary of Occ. Health Nurse	**$83,157**
Total		**$17,447,109**

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICES
Schedule 1 - Detailed Statement of Winnipeg Police Services Expenses
Year ended December 31, 2015

		2015 $	2014 $
SALARIES			
	Salaries - permanent	170,915,862	168,109,831
	Salaries - temporary	420,121	349,926
	Sick Leave and Severance Pay	2,397,770	2,151,032
	Vacation/Overtime cashout	1,329,582	1,055,256
	Shift premium	975,373	985,107
	Long service pay	8,250	8,650
	Overtime	9,446,651	8,364,428
	Standby Pay	453,705	453,879
	Fatality pension premium	504,560	487,111
	Payroll costs	310,896	377,023
	Pension Awards	35,360	41,387
	Vision care	319,096	319,843
	Interest and Administration	332,469	314,261
	Acting pay	718,730	673,617
	Furlough recoveries - permanent	(112,297)	-
BENEFITS			
	Civic pension	26,852,084	25,286,480
	Civic pension cash out	30,791	118,710
	Canada pension	4,811,308	4,731,416
	Employment insurance	2,433,946	2,388,040
	Dental plan	2,026,737	1,882,629
	Group insurance	545,968	722,087
	Medical Expenses	237,059	288,744
	Ambulance/hospital coverage	56,789	56,974
TOTAL SALARIES AND BENEFITS		225,050,810	219,166,431

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Year ended December 31, 2015

		2015 $	2014 $
SERVICES			
	Professional and consultant services	267,312	823,412
	Office equipment maintenance	1,005,836	925,890
	Duffy's Taxi	18,096	19,098
	Freight and messenger services	50,812	45,105
	Non-professional services	7,049,789	6,418,800
	Janitorial Services	5,077	12,992
	Allocated department costs	9,828	16,962
	Auto allowance	5,583	8,603
	Light and Power	14,572	15,872
	Real property contracts - construction and maintenance	38,472	23,716
	Vehicle Maintenance	162,061	191,842
	Towing Services	34,368	42,227
	Cleaning and Laundry	67,931	67,448
	Other Equipment Servicing	553,351	381,448
	Printing,Binding,Photocopying	62,226	71,490
	Telephone-Regular Desk Set	409,132	378,719
	Telephone-Cellular	419,112	398,168
	Telephone-Alarm Systems	698	4,654
	Data Comm DSL	631,794	572,301
	Advertising	1,150	72,512
	Insurance and Licenses-Auto	253,555	217,399
	Fleet Insurance	810,490	746,481
	Drivers' Licenses	21,204	13,096
	Certificates,Permits,Licenses	35,246	34,133
	Hauling Expense	42,849	38,149
	Rentals	583,105	558,403
	Fleet Capital Lease	1,949,162	1,941,301
	Equipment Rental-External	245,707	213,273
	Parking Space Rental	175,330	166,507
	Meal Expense	6,465	4,439
	Luncheons, Receptions & Events	47,685	50,676
	Membership Fees	26,949	30,546
	Postage	59,409	52,539
	Training,Workshops and Tuition	582,155	556,082
	Conferences	21,951	27,927
	Conferences Involving Travel	171,870	169,662
	Travel-City Business	46,627	62,351
		15,886,959	15,374,223

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Year ended December 31, 2015

	2015 $	2014 $
MATERIALS, PARTS AND SUPPLIES		
Photographic Supplies	12,848	11,513
Stationery and Office Supplies	206,523	200,088
Periodicals and Subscriptions	33,044	17,927
Computer Software	40,228	54,615
Medical,Dental & Lab Supplies	64,072	45,169
Animal Food and Supplies	10,341	9,741
Cleaning Supplies	51,194	30,380
Other Operating Supplies	729,213	536,297
Small Tools	3,125	6,877
Uniforms & Protective Clothing	368,877	366,736
Uniforms/Clothing Other	757,983	866,964
Motive Fuels and Lubricants	260,898	304,332
Lubricants	2,170	23,288
Fleet Fuel	1,314,840	1,702,884
Electrical and Communication	3,164	4,767
Automotive Parts	495,276	529,472
Clothing Allowance	413,241	414,694
Inventory Adjustment	(2,431)	2,492
	4,764,606	5,128,236
ASSETS AND PURCHASES		
Motive Equipment	113,278	90,820
Elec,Light and Comm Equipment	195,543	147,440
Office Equipment	5,639	1,615
Other Equipment	496,641	1,759,847
Computer Hardware	459,178	763,356
Office Furniture	613,816	154,238
Books	6,966	5,907
Other Personal Property	-	6,480
	1,891,061	2,929,703
TOTAL DEBT AND FINANCES		
Interest	39,671	53,657
Principal	191,033	253,271
Letter of Credit Fees	101,092	142,099
Debenture Issue Expense	11,312	10,288
Credit Card Commission	19,276	18,022
	362,384	477,337
TOTAL GRANTS		
Grants-Cash	55,814	54,514
Claims	26,118	51,123
Claims-Vehicles	-	2,758
Claims	252,196	260,460
	334,128	368,855
TRANSFERS TO OTHER FUNDS		
Tsf to General Capital Fund	212,013	-
Tsf to GCF-cash to capital	4,986,000	4,143,000
Tsf to Insurance Reserve	27,232	(95,712)
Tsf to Civic Accommodations	7,308,173	7,405,120
Tsf to Commitment Reserve	1,826,440	2,466,505
Inter-Dept Tsf to GRF - BTS	389,166	387,230
Inter-Dept Tsf to GRF - HRPS	83,157	87,608
Purchasing Card Rebate	(22,018)	(17,348)
	14,810,163	14,376,403
Total Expenses	263,100,111	257,821,188