Winnipeg Police Board

2018
ANNUAL REPORT



MESSAGE FROM THE BOARD CHAIR



On behalf of the Winnipeg Police Board, I am pleased to provide this report on the activities of the Board in 2018.

It was an honour to be appointed Board Chair in November 2018 and I would like to extend appreciation to past Chair, David Asper. David was the first civilian appointed by the Mayor to the position. The Board is grateful for his service and leadership during his tenure. The Board would also like to acknowledge and thank the outgoing members whose terms on the Board expired at the end of 2018, Councillor Ross Eadie, Mary Jane Loustel and Barry Tuckett. Mary Jane served on the Board since it was established in 2013, Councillor Eadie was first appointed to the Board in 2014 and Barry served as the Vice-Chair for the past four years.

A focus for the Board in 2018 was to improve how we communicated with the public. The new approach to connecting with the public allowed the Board members to speak to varied audiences. The Board wants to hear directly from citizens about current public safety issues being faced throughout the city. One of the core accountabilities for the Board is to express the community's values and expectations through the Strategic Plan.

The Board recognizes that safety is a priority for all and we will continue to engage with the citizens of Winnipeg through regular public board meetings, community consultations throughout the year and via its website to confirm our understanding of strategic priorities.

I look forward to hearing directly from the community about what is important in each neighbourhood.

Sincerely,

Kevin Klein
Chair, Winnipeg Police Board
Councillor, Charleswood-Tuxedo-Westwood

EXECUTIVE SUMMARY

This report presents highlights of the Board's work in 2018, as well as information on its financial performance.

Many changes occurred within the Board in 2018, including the hiring of a new Secretary to the Board, the appointments of a new Board Chair and a Councillor member, and the expiration of the terms of appointment for the first citizen Chair and two Board members. The Board reduced the number of times they met on a regular basis and streamlined the committee meetings for further efficiency.

At the end of 2018, the provincial government had not yet appointed a second member to the Board.

The Board's 2018 audited summary of expenditures is appended to this report. Information on the Board's activities is published on an ongoing basis on the City of Winnipeg's Decision Making Information System (DMIS) in the form of monthly reports and meeting minutes.

OVERVIEW OF THE WINNIPEG POLICE BOARD

The Winnipeg Police Board provides civilian governance and oversight of the Winnipeg Police Service.

The Board receives its mandate from Manitoba's Police Services Act, enacted in 2009. The Act created a requirement for all municipalities with their own police services to have civilian police boards to govern the police, establish priorities and policies for the effective management of police and improve transparency and accountability. In 2012, Winnipeg City Council adopted By-Law No. 148/2012 to establish the Winnipeg Police Board. The by-law has been amended since that time.

Since its first meeting in June 2013, the Board has been establishing the relationships, governance structures and processes enabled by the *Police Services Act*.

Meet the Board

The Board is composed of up to nine members. In 2018, the following people served on the Board:

- Councillor Kevin Klein (Chair since November 2018)
- David Asper (Chair until November 2018)
- Councillor Markus Chambers (since November 2018)
- Councillor Ross Eadie (until November 2018)
- Mary Jane Loustel (until December 2018)
- Brian Scharfstein
- Alicja Szarkiewicz*
- Barry Tuckett (Vice Chair until December 2018)

* Member appointed by the Province

MEETINGS

The Board held four regular public meetings in 2018:

January	February	March	April	May	June
no meeting held	no meeting held	2	no meeting held	no meeting held	1

July	August	September	October	November	December
no meeting held	no meeting held	14	no meeting held	no meeting held	7

Total Board and Committee meetings in 2018

Meeting Type	Number
Public Board meetings	4
Committee meetings (all committees) and consultation meetings	17
Paid training sessions*	2

**Board members receive remuneration for attending training sessions arranged by the Board or the Manitoba Police Commission. Board members may choose to attend additional training opportunities and community events on their own time.*

Training opportunities

In 2018, new Board members had opportunities to meet with Board staff to become familiar with their responsibilities. In addition, the following opportunities were offered to all Board members:

- The Board hosted the Canadian Association of Police Governance in Winnipeg in August 2018. The conference provided the opportunity for education, training and networking with counterparts from across Canada. Five Board members attended the event.
- Opportunities for Board members to shadow members of the Service's communications centre to understand how emergency calls are received and dispatched, to participate in ride-a-longs with patrol officers and to join members of the Service's Flight Operations Unit for a portion of their shift were offered.

Remuneration for Board meetings

The Winnipeg Police Board By-law states that citizen members of the Board shall receive remuneration for any official Board or committee meetings that they attend, as well as any training sessions arranged by the Board or the Manitoba Police Commission.

Board members who are also City Councillors are not eligible for remuneration. In 2018, this included:

- Councillor Ross Eadie until November 2018
- Councillor Kevin Klein since November 2018
- Councillor Markus Chambers since November 2018

	Rate of Remuneration		
Meeting Length	**Regular Members**	**Board Chair and Vice-Chair**	**City Councillors**
4 hours or less	$109	$190	Not eligible
Over 4 hours	$192	$336	Not eligible

Board Member Remuneration Report as of December 31, 2018		
Board Member	2018 Board & Committee Meetings Attended	Amount Paid
David Asper – Board Chair until November 2018	16	$3,332.00
Mary Jane Loustel – Board Member	10	$1,256.00
Brian Scharfstein – Board Member	19	$2,237.00
Alicja Szarkiewicz – Board Member	19	$2,237.00
Barry Tuckett – Vice-Chair	17	$3,522.00
Total		**$12,584.00**

HIGHLIGHTS

- The Board oriented two new Councillors as new Board Members, including a new Board Chair.
- The Board reviewed the Winnipeg Police Service's 2018 Business Plan and received quarterly updates on its implementation.
- The Board rescinded three of its existing policies for the effective management of the Winnipeg Police Service (Use of Force, Vehicle Pursuits and Evidence Control) under the direction provided by the Manitoba Police Commission in accordance with the Police Services Act on the policy role of the Board. The Board policy in regard to complying with the Commission for Accreditation of Law Enforcement Agencies (CALEA) remains in place.
- Board Members attended public forums across the city that were organized by the Winnipeg Police Service and were well-attended by the community; the events opened with remarks from the Police Chief and the Board Chair, who used the opportunity to promote awareness of the Board and its mandate and to provide the community with the chance to share their priorities.
- Board Members delivered a presentation on the strategic plan to elected officials of the Province of Manitoba. This started a dialogue with the MLAs on issues related to safety. This evolved into an invitation for the Board members to present to the community at a south end constituency office.
- The Board was proud to host the Canadian Association of Police Governance (CAPG) conference in Winnipeg from August 7-11, 2018. CAPG is the only national organization dedicated to excellence in police governance in Canada.
- Board members attended scheduled meetings of community organizations to bring awareness of the Board's mandate and to inform the next iteration of the strategic plan.
- Board members toured the Main Street Project facilities to observe how the community benefits from the work that is being done.
- The Board Chair was interviewed on a local radio station and encouraged citizens to reach out to the Board to voice their priorities for the Service.
- The Board streamlined the number of meetings held during the year and reduced the public meetings from a minimum of nine meetings per year to meeting at least once every three months.
- The Board met less as individual committees and more often as a Committee of the Whole Board to conduct board business and only met as separate committees when necessary.

COMMITTEE HIGHLIGHTS

The Board met most often as a Committee of the Whole during 2018 and the separate committees met on an as needed basis when required to discuss reports and complete Board activities. The deliverables that had been divided among committees were managed collectively and it is determined that this is the most effective way to ensure consensus among the Board on key tasks. Outcomes included; recommending budget estimates, the review of existing Board policies, furthering the relationship with the Manitoba Police Commission, assessing the performance of the chief of police, receiving reporting that demonstrates the Winnipeg Police Service's commitment to the shared strategic objectives of the Board and the Service and reviewing some of the WPB Rules of Practice and Procedure. Specific results are detailed below.

Committee of the Whole Board

- Monitored WPS budget performance through monthly and quarterly reports
- Worked on WPS budget estimates and allocations
- Monitored WPS budget adjustments and risks
- Reviewed WPS risk and audit reports
- Monitored WPS risk management framework
- Scanned the environment for policing in Winnipeg
- Drafted a strategic plan update
- Drafted a communication plan
- Amended the Board's Rules of Practice and Procedure

Governance Committee

- Revised Part 11 of the Rules of Practice and Procedure
- Added Part 13 to the Rules of Practice and Procedure

STRATEGIC PLANNING

The Winnipeg Police Board adopted a five-year plan outlining its vision and priorities for the Winnipeg Police Service. The 2015-2019 Strategic Plan was first published in May 2015. For 2018, the Board focused on using data on community safety and police performance to gauge the relevance and feasibility of the strategic plan, and made some adjustments to ensure the document reflects the Board's priorities based on the needs, values and expectations of Winnipeg residents.

In 2018, the Winnipeg Police Board received community input from:

- Service hosted public forums attended by members of the Winnipeg Police Board
    - Gordon Bell High School on February 12
    - St. John's High School on June 18
    - Kildonan East Collegiate on October 10
    - Shaftesbury High School on November 20
- Community members who reached out to the Board directly
- Community members referred to the Board by City Councillors
- Organizations that invited the Board to participate in their scheduled meetings, including the Rotary Club and the Manitoba Multi Faith Council
- Municipal and Provincial Government representatives

The public forums were hosted by the Winnipeg Police Service and provided an opportunity to promote awareness of the Board and its mandate and attract community members who wanted to learn more about crime and safety issues in their neighborhoods. The Board Chair spoke at some of these events to explain the Board's role in setting strategic priorities for the Service and to encourage people to engage with the Board.

The Board determined that the environment for policing in Winnipeg has shifted since the Board first adopted its strategic plan for the Service in May 2015. While the City's population and crime have increased, it is notable that the desire to live in a safe, prosperous and sustainable city has not changed. In light of these shifts, the Board refined some of its targets for the 2018 Strategic Plan Update:

- The Board revised its targets for reducing the crime severity index and violent crime severity index in Winnipeg, recognizing that much of this is not within the control of the police service
- The Board eliminated its target that would keep budget increases to the rate of inflation; the new target commits the Service to annual efficiency projects. The Board also refined some targets to make them more focused, so the Police Chief and Service are only held accountable for performance in areas within their control. Crime in Winnipeg increases and decreases based on a variety of factors, including social and economic factors outside the control of the Board or the Service. These factors are identified in the Board's Environmental Scan.

Implementation of the 2015-2019 Strategic Plan for the Winnipeg Police Service

The Board and the Winnipeg Police Service are almost at the end of the life cycle of the 2015-2019 Strategic Plan. The Board considers strategic planning to be flexible, updating the plan each year to reflect experience, shifting priorities and changes to the environment for policing.

Most of the targets in the strategic plan measure the Service's implementation based on reaching certain milestones by 2019. The targets that can be measured in 2018 are listed in the following table.

Goal: Reduce crime & victimization		
Measure	**Target**	**Progress**
Percentage of police time spent on proactive policing and crime control activities	33% of General Patrol time is spent on proactive policing by 2019	In 2018 there were 71,474 police initiated events dispatched (General Patrol 11,101). The total number of police initiated events accounts for 46% of all events dispatched.
Implementation of "Smart Policing Initiative"	Completed operationalization, ongoing	Progressive development since implementation in 2014/2015.
Implementation of traffic strategy to reduce vehicle collisions due to distracted and impaired driving	Completed operationalization and ongoing	Strategy implemented and outlined in the WPS Business Plan
Goal: Engaged communities		
Diversity within the Service	Reflects the City's available workforce by 2025	14% of the members of Recruit Class #161 and #161 lateral (October 2018) were Indigenous. 14% - visible minority 18% - female
Goal: Effective & efficient service		
Managing costs of service delivery and enhancing quality of service	Establish efficiency targets for specific projects annually and report progress though WPS Business Plan	Outlined in the WPS Business Plan
Goal: A healthy organization		
All targets are expected to be completed in 2019		

The Board will continue to review its strategic plan to ensure priorities and targets reflect the current environment for policing. The fiscal reality as expressed by elected officials, who represent significant community input, must be considered while continuing to pursue the same vision and goals.

THE WINNIPEG POLICE BOARD BUDGET

The Board was allocated $477,346 from the budget for the City Clerk's department in 2018. The Board received quarterly budget update reports in June, September and December and submitted them to the Standing Policy Committee on Finance for information.

The Board operated within its budget in 2018. Its primary expenditures were staff salaries which included a retirement payout and benefits; office rent; remuneration for Board members; memberships, conferences, travel and events; office operations; and professional governance support services.

The Board's audited summary of expenditures is appended to this report.

THE WINNIPEG POLICE SERVICE BUDGET

The Winnipeg Police Board By-law directs the Board to prepare annual estimates for the Winnipeg Police Service's operating and capital budgets. The Board submits these estimates to City Council, along with any other budget information Council requires.

The Board's budget estimates must reflect an assessment of what it will cost to provide adequate and effective police services and that are in keeping with the objectives set out in the strategic plan. The estimate and any supporting materials shared by the Board help inform Council's decision of the amount of the total City of Winnipeg budget for the Winnipeg Police Service. Consistent with the Board's strategic plan, the Board's recommended budget estimate for 2018 limited the Service's operating budget increase to the rate of inflation. Budgets include both operating and capital funds.

Key considerations for the Board in 2018 included:

- The Winnipeg Police Service Collective agreement increased salary costs by 2.5% in 2018
- 86% of the total budget is for salaries
- Debt and finance charges have increased
- Council set a $1 million expenditure management target for the Service, with the expectation that the Service find these savings throughout the year
- By adjusting future Capital Budget project expenditures $1 million in savings were to be realized in the 2018 WPS Operating Budget.

Further details on the allocation of the Service's operating and capital budgets and its budget performance in 2018 can be found in the Board's meeting minutes, particularly in the Service's quarterly budget update reports. Meeting minutes and reports are available through the City of Winnipeg's Decision Making Information System.

2018 Operating Budget	
Adopted Budget	$291,449,496
2018 Capital Budget	
Adopted Budget	$3,277,000

The Service's audited statement of revenues and expenses is appended to this report.

THE INDIGENOUS COUNCIL ON POLICING AND CRIME PREVENTION

The terms of reference of the Winnipeg Police Board Indigenous Council on Policing and Crime Prevention (ICPCP) which was created as an advisory committee of the Board, ceased to have effect after December 31, 2018.

The Board would like to express their appreciation to all the members who gave of their time to serve on the Indigenous Council on Policing and Crime Prevention advisory committee.

Members

Jarred Baker, Co-Chair

Jackie Anderson

Chantell Barker

Ken Fleury

Jade Harper

Damon Johnston

Angela Lavallee *(until May 2018)*

Alaya McIvor

Kim McPherson *(until May 2018)*

Serenity Pangman

Eleanor Paulic, Alternate

APPENDIX 1 | ANNUAL REPORT REQUIREMENTS

The Winnipeg Police Board By-law requires the Board to issue an annual report at the end of each year that summarizes the Board's activities for the year. The report is submitted to Council for information through the Standing Policy Committee on Protection, Community Services and Parks.

The Policy and Procedure Manual for Manitoba Police Boards developed by the Manitoba Police Commission ("the MPC Manual") states that the Commission must receive a copy of the Board's annual report as well. It prescribes that the annual report must include the following information:

a) a progress report on the strategic objectives, goals and/or tactics identified by the police board in their strategic plan;

b) highlights of activities and achievements throughout the year;

c) a breakdown of police service spending for the year;

d) a reporting of the number of police board meetings held in the fiscal year including private meetings; and

e) the minutes of any regular meetings of the police board in the form of an appendix to the annual report.

The Winnipeg Police Board also includes audited statements on its spending for the year, including the remuneration paid to Board members.

APPENDIX 2 | COMMITTEE MANDATES AND MEMBERSHIP

Budget and Risk Management Committee

Mandate

- Receives updates on the respective budgets of the Board and the Winnipeg Police Service
- Makes recommendations to the Board related to preparing and submitting budget estimates that reflect the strategic goals for the Winnipeg Police Service to Winnipeg City Council
- Reviews and assesses the Winnipeg Police Service's risk management framework and audits including all relevant information on accreditation
- Leads the Board's internal risk management and evaluation activities

Members

- Mary Jane Loustel, Committee Chair (until December 2018)
- Brian Scharfstein
- Alicja Szarkiewicz
- David Asper, ex officio member (until November 2018)
- Councillor Kevin Klein, ex officio member (since November 2018)

Governance Committee

Mandate

- Leads development of the Board's Rules of Practice and Procedure
- Provides advice and recommendations to the Board regarding its governance framework

Members

- Barry Tuckett, Committee Chair (until December 2018)
- Councillor Ross Eadie (until November 2018)
- Alicja Szarkiewicz
- David Asper, ex officio member (until November 2018)
- Councillor Kevin Klein, ex officio member (since November 2018)

Indigenous Liaison Committee

The terms of reference for this Committee ceased to have effect after December 31, 2018.

- Acts as the Board's point of contact for the Indigenous Council on Policing and Crime Prevention
- Advises the Board on how to consider and implement the Council's advice

Members

- Brian Scharfstein, Committee Chair (since June 2018)
- Mary Jane Loustel (until June 2018)
- Alicja Szarkiewicz
- Councillor Ross Eadie (June to November 2018)
- David Asper, ex officio member (until November 2018)
- Councillor Kevin Klein, ex officio member (since November 2018)

Strategic Planning Steering Committee

Mandate

- Provides direction on the organization of annual community consultation meetings and the development of multi-year strategic plans for the Winnipeg Police Service

Members

- David Asper, Committee Chair (until November 2018)
- Councillor Kevin Klein, Committee Chair (since November 2018)
- Councillor Ross Eadie (until November 2018)
- Mary Jane Loustel
- Brian Scharfstein
- Alicja Szarkiewicz
- Barry Tuckett

APPENDIX 3 | BOARD MEETING MINUTES

The Winnipeg Police Board publishes minutes for all of its public meetings on the City of Winnipeg's Decision Making Information System. The following links connect to each of the four public meetings the Board held in 2018.

March 2, 2018: http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=16867&SectionId=&InitUrl=

June 1, 2018: http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=17111&SectionId=&InitUrl=

September 14, 2018: http://clkapps.winnipeg.ca/dmis/ViewDocasp?DocId=17392&SectionId=&InitUrl=

December 7, 2018: http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=17485&SectionId=&InitUrl=

Summary of Expenditures

THE CITY OF WINNIPEG
WINNIPEG POLICE BOARD

And Independent Auditors' Report thereon

Year ended December 31, 2018



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INDEPENDENT AUDITORS' REPORT

To the Corporate Controller of the City of Winnipeg

Opinion

We have audited the summary of expenditures of The City of Winnipeg - Winnipeg Police Board, of the City of Winnipeg (the City) for the year ended December 31, 2018 and the notes to the schedule (hereinafter referred to as the “schedule”).

In our opinion, the accompanying schedule of the City for the year ended December 31, 2018 is prepared, in all material respects, in accordance with the financial reporting framework described in the notes to the schedule.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Schedule***” section of our auditors’ report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the schedule in Canada and we have fulfilled our other 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.

Emphasis of Matter - Financial Reporting Framework

We draw attention to note 1(a) in the schedule, which describes the applicable financial reporting framework. The schedule is prepared to assist the City to comply with the financial reporting provisions in The City of Winnipeg By-Law No 148/2012 dated November 28, 2012 and The City of Winnipeg By-Law No 100/2017 dated November 15, 2017. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Matter - Restriction on Use

Our report is intended solely for the City and the Manitoba Police Commission and should not be used by other parties.

Responsibilities of Management for the Schedule

Management is responsible for the preparation of the financial statements in accordance with the financial reporting framework described in the notes, 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.

Those charged with governance are responsible for overseeing the City‘s financial reporting process.

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Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the schedule.

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 schedule, 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 City's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

June 7, 2019

THE CITY OF WINNIPEG
WINNIPEG POLICE BOARD

Summary of Expenditures

Year ended December 31, 2018

	2018	2017
Expenditures:		
Staff wages	$ 276,085	$ 322,076
Office rent	58,279	57,585
Honoraria	13,043	33,073
Public consultations and meetings	1,129	974
Other administration costs	8,429	10,266
Education and training	7,731	10,088
Conference grant	15,000	-
WPS professional services	5,616	5,508
Board memberships	5,945	6,002
Total expenses	$ 391,257	$ 445,572
Expenses charged against Winnipeg Police Board budget	$ 391,257	$ 445,572

See accompanying notes to financial information.

THE CITY OF WINNIPEG
WINNIPEG POLICE BOARD

Notes to Financial Information

Year ended December 31, 2018

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1. Significant accounting policies:

(a) Basis of accounting:

This schedule has been prepared in accordance with the financial reporting provisions as set out in The City of Winnipeg ("the City") By-Law No. 148/2012 dated November 28, 2012, amended with By-Law No. 100/2017 dated November 15, 2017. As a result, the schedule may not be suitable for other purposes. Winnipeg Police Board expenses are those charged against the Winnipeg Police Board budget in the General Revenue Fund and the Commitment Reserve Fund.

(b) Expenditures:

(i) Staff wages:

Agreements for employment of Board staff have been authorized and approved by The City of Winnipeg - Winnipeg Police Board ("the Board").

(ii) Honoraria:

The Board shall hold a minimum of nine (9) monthly meetings per year and shall annually hold a minimum of two additional public consultations to solicit community input on public safety issues and priorities. On November 15, 2017, the By-Law was amended to state the Board must hold a meeting at least once every three months.

Citizen members of the Board shall be paid the following remuneration by the City for time spent in attendance at meetings of the Board, including public consultations:

(a) Chair and Vice Chair:
(i) $190.00 for four (4) meeting hours or less;
(ii) $336.00 for more than four (4) meeting hours.

(b) Other Citizen members:
(i) $109.00 for four (4) meeting hours or less;
(ii) $192.00 for more than four (4) meeting hours.

Statement of Revenues and Expenses

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

And Independent Auditors' Report thereon

Year ended December 31, 2018



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INDEPENDENT AUDITORS' REPORT

To the Winnipeg Police Board

Opinion

We have audited the statement of revenues and expenses of The City of Winnipeg - Winnipeg Police Service of the City of Winnipeg (the City) for the year ended December 31, 2018, schedules and notes to the financial statement, including a summary of significant accounting policies (hereinafter referred to as the "financial statement").

In our opinion, the accompanying financial statement of the City for the year ended December 31, 2018 is prepared, in all material respects, in accordance with the financial reporting framework described in Note 2(a) to the financial statement.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statement*" section of our auditors' report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada and we have fulfilled our other 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.

Emphasis of Matter - Financial Reporting Framework

We draw attention to Note 2(a) in the financial statement, which describes the applicable financial reporting framework and the purpose of the schedule. The financial statement is prepared to assist the City to comply the financial reporting provisions in The City of Winnipeg By-Law No 148/2012 dated November 28, 2012. As a result, the financial statement may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Matter - Restriction on Use

Our report is intended solely for the City, the Manitoba Police Commission and the Winnipeg Police Board and should not be used by other parties.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation of the financial statement in accordance with the financial reporting framework described in Note 2(a), and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the City‘s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors’ 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 the financial statement.

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 statement, 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 City’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 City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statement 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 auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

- 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.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

July 5, 2019

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE
Statement of Revenues and Expenses
Year ended December 31, 2018

	2018 $	2017 $
REVENUES		
Provincial government grants	**19,988,909**	**19,090,505**
Regulation fees	**20,405,366**	**20,163,535**
Sale of goods and services	**7,583,260**	**6,470,856**
Other revenue	**84**	**2,593**
Recoveries	**1,114,995**	**817,911**
TOTAL REVENUES	**49,092,614**	**46,545,400**
EXPENSES (Schedule 1)		
Salaries and benefits	**243,986,105**	**238,814,492**
Services	**16,697,433**	**16,966,432**
Materials - parts and supplies	**5,934,571**	**5,344,792**
Assets and purchases	**1,658,719**	**1,370,059**
Debt and finance charges	**8,809,968**	**8,198,678**
Grants and transfers	**14,592,213**	**14,377,586**
TOTAL EXPENSES	**291,679,009**	**285,072,039**
Funded by Commitment Reserve [note 2 (b)]	**-**	**(248,467)**
NET TOTAL EXPENSES	**291,679,009**	**284,823,572**
EXCESS OF EXPENSES OVER REVENUES	**242,586,395**	**238,278,172**

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE
Notes to the Statement of Revenues and Expenses
December 31, 2018

1. Nature of the organization:

Winnipeg Police Service, a department of The City of Winnipeg (the “City”), is responsible for protecting and preserving the public peace, preventing crime, assisting victims of crime, apprehending criminals, and enforcing the law.

The City of Winnipeg 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:

The statements are presented in accordance with financial reporting provisions in The City of Winnipeg By-Law No 148/2012 dated November 28, 2012. This statement of operations materially differs from Canadian public sector accounting standards because statements of financial position and cash flows are not included.

These statements of revenue and expenses present the results of operations of the Winnipeg Police Service as if it has 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 Service had been operated as a separate legal entity during the year presented.

(b) Commitment reserve:

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. During the year, an amount of nil (2017 - $248,467) of the expenses reported were charged to the City’s Commitment Reserve Fund from the expenses reported.

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE
Notes to the Statement of Revenues and Expenses (continued)
December 31, 2018

3. Related party transactions:

Type of Charge	Category	2018 $	2017 $
Municipal Accommodations	Rent	**9,983,494**	**10,135,633**
City of Winnipeg - Corporate Finance	Debt and finance	**8,809,968**	**8,198,678**
City of Winnipeg - Fleet Service	Fleet-Insurance/Lease/Fuel	**3,967,005**	**3,848,423**
City of Winnipeg - Corporate Finance	Translation cost/Neighbourhood watch	**10,039**	**10,770**
City of Winnipeg - Parking Authority	Parking rentals	**131,270**	**138,785**
City of Winnipeg - Corporate Services	Postage meter	**102,064**	**45,736**
City of Winnipeg - Corporate Finance	Cash to capital	**3,277,000**	**3,075,000**
City of Winnipeg - Business Technology	Radio shop services	**621,492**	**547,668**
City of Winnipeg - Corporate Services	% of Salary of Occ. Health Nurse	**174,632**	**167,494**
Total		**$ 27,076,964**	**$ 26,168,187**

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

Schedule 1 - Detailed Statement of Winnipeg Police Service Expenses

Year ended December 31, 2018

		2018	2017
		$	$
SALARIES			
	Salaries - permanent	184,817,646	179,778,774
	Salaries - temporary	342,481	345,008
	Shift premium	1,128,713	1,169,896
	Acting pay	771,685	750,779
	Long service pay	8,750	10,679
	Overtime	8,304,082	8,579,345
	Standby pay	476,087	480,597
	Furlough recoveries - permanent	(119,854)	(108,551)
BENEFITS			
	Civic pension	32,833,260	31,313,969
	Civic pension cash out	30,596	45,036
	Canada pension	4,994,280	5,039,070
	Group insurance	300,008	569,318
	Employment insurance	2,231,251	2,171,861
	Payroll costs	480,880	314,747
	Medical expenses	453,311	435,150
	Pension awards	107,419	61,624
	Fatality pension premium	566,974	552,594
	Interest and administration	551,703	548,291
	Sick leave and severance pay	2,130,317	2,920,704
	Employee paid benefits	2,477,204	2,352,328
	Dental plan	-	41,238
	Vision care	-	12,186
	Vacation/Overtime cash out	1,099,312	1,429,850
TOTAL SALARIES AND BENEFITS		243,986,105	238,814,492

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

Schedule 1 - Detailed Statement of Winnipeg Police Service Expenses

Year ended December 31, 2018

	2018	2017
	$	$
SERVICES		
Professional and consultant services	1,092,948	989,723
Non-professional services	6,990,294	6,964,304
Duffy's Taxi	40,508	28,202
Freight and messenger services	42,185	41,168
Allocated department costs	10,039	10,770
Auto allowance	2,499	4,467
Light and power	16,635	15,154
Real property contracts - construction and maintenance	159,183	578,392
Office equipment maintenance	1,336,697	1,396,129
Vehicle maintenance	139,096	84,620
Towing services	40,482	40,828
Cleaning and laundry	49,434	58,478
Other equipment servicing	610,796	490,063
Printing, binding & photocopying	72,055	72,599
Telephone - Regular desk set	354,411	393,418
Telephone - Cellular	421,592	411,885
Telephone - Alarm systems	13,878	7,855
Data Comm DSL	359,240	502,063
Data Comm leased lines	2,624	-
Advertising	190,564	5,864
Insurance and licenses - Auto	249,687	256,557
Fleet insurance	912,646	883,251
Drivers' licenses	21,191	25,913
Certificates, permits & licenses	66,731	42,063
Hauling expenses	26,855	31,191
Rentals	277,401	613,072
Fleet capital lease	1,669,294	1,768,891
Equipment rental - External	279,961	235,853
Parking space rental	131,271	138,785
Meal expenses	5,529	6,560
Luncheons, receptions & events	62,996	45,443
Membership fees	51,053	42,022
Postage	102,064	45,736
Training, workshops & tuition	182,530	169,205
Conferences	17,740	13,131
Conferences involving travel	268,192	316,218
Training/Workshops with travel	373,997	207,238
Travel - City business	53,135	29,320
	16,697,433	16,966,432

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

Schedule 1 - Detailed Statement of Winnipeg Police Service Expenses

Year ended December 31, 2018

	2018	2017
	$	$
MATERIALS, PARTS AND SUPPLIES		
Photographic supplies	10,195	11,563
Stationery and office supplies	203,366	191,058
Periodicals and subscriptions	29,227	23,732
Computer software	258,153	179,733
Medical, dental & lab supplies	96,902	182,346
Animal food and supplies	10,420	10,322
Cleaning supplies	79,694	64,455
Other operating supplies	605,080	747,079
Small tools	3,157	5,163
Uniforms & protective clothing	835,922	491,470
Uniforms/Clothing other	1,104,311	1,033,904
Motive fuels and lubricants	321,472	265,161
Fleet fuel	1,385,063	1,196,281
Automotive parts	619,826	541,094
Clothing allowance	370,443	390,280
Inventory adjustment	1,340	11,151
	5,934,571	5,344,792
ASSETS AND PURCHASES		
Motive equipment	178,538	151,593
Elec, light & comm equipment	121,495	273,155
Office equipment	1,835	3,843
Other equipment	787,042	622,282
Computer hardware	481,968	222,284
Office furniture	61,993	93,313
Books	1,752	3,589
Other personal property	24,096	-
	1,658,719	1,370,059

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

Schedule 1 - Detailed Statement of Winnipeg Police Service Expenses

Year ended December 31, 2018

	2018	2017
	$	$
TOTAL DEBT AND FINANCES		
Interest	6,539,516	6,209,669
Principal	1,934,139	1,800,413
Letter of Credit Fees	116,047	98,586
Debenture Issue Expense	174,916	59,165
Credit Card Commission	45,350	30,845
	8,809,968	8,198,678
TOTAL GRANTS		
Grants - Cash	55,814	55,814
Claims - Vehicles	50,631	45,500
Claims	430,548	383,237
	536,993	484,551
TRANSFERS TO OTHER FUNDS		
Tsf to General Capital Fund	-	128,198
Tsf to GCF - cash to capital	3,277,000	3,075,000
Tsf to Insurance Reserve	(35,133)	(117,113)
Tsf to Civic Accommodations	9,983,494	10,135,633
Adjust Prior Year Operation	54,715	-
Inter-Dept Tsf to GRF - BTS	621,492	547,668
Inter-Dept Tsf to GRF - HRPS	174,632	167,494
Purchasing Card Rebate	(20,980)	(43,845)
	14,055,220	13,893,035
Total Expenses	291,679,009	285,072,039

Winnipeg Police Board

Winnipeg