Statement of Revenues and Expenses

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

Year ended December 31, 2019

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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, (the "schedule") for year ended December 31, 2019. In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with financial reporting provisions in The City of Winnipeg By-Law No 148/2012 dated November 28, 2012.

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 Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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.

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.

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

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

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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are/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 statements.

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 statements, 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 Entity'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 Entity'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 statements 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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

June 25, 2020

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE
Statement of Revenues and Expenses
Year Ended December 31, 2019

	2019 $	2018 $
REVENUES		
Provincial government grants	**20,505,742**	**19,988,909**
Regulation Fees	**17,395,924**	**20,405,366**
Sale of goods and services	**8,835,717**	**7,583,344**
Recoveries	**734,177**	**1,114,995**
TOTAL REVENUES	**47,471,560**	**49,092,614**
EXPENSES (Schedule 1)		
Salaries and benefits	**253,658,607**	**243,986,105**
Services	**16,277,347**	**16,697,433**
Materials - parts and supplies	**5,791,001**	**5,934,571**
Assets and purchases	**2,146,135**	**1,568,057**
Debt and finance charges	**9,206,543**	**8,809,968**
Grant transfers	**15,076,100**	**14,682,875**
TOTAL EXPENSES	**302,155,733**	**291,679,009**
NET TOTAL EXPENSES	**302,155,733**	**291,679,009**
EXCESS OF EXPENSES OVER REVENUES	**254,684,173**	**242,586,395**

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 both 2019 and 2018, no amount was charged to the City’s Commitment Reserve Fund from the expenses reported.

3. Related party transactions

Type of Charge	Category	**2019 $**
Municipal Accommodations	Rent	**9,723,518**
City of Winnipeg - Corp Finance	Debt & finance	**9,206,543**
City of Winnipeg - Fleet Service	Fleet-Insurance/Lease/Fuel	**3,870,933**
City of Winnipeg - Corp Finance	Translation cost/Neighbourhood watch	**11,892**
City of Winnipeg - Parking Authority	Parking rentals	**145,279**
City of Winnipeg - Corporate Services	Postage meter	**57,659**
City of Winnipeg - Corporate Finance	Cash to capital	**2,900,000**
City of Winnipeg - Business Tech.	Radio shop services	**633,974**
City of Winnipeg - Corporate Services	% of Salary of Occ. Health Nurse	**178,688**
Total		**26,728,486**

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

Schedule 1 - Detailed Statement of Winnipeg Police Service Expenses

Year ended December 31, 2019

		2019	2018
		$	$
SALARIES			
	Salaries - permanent	192,435,773	184,817,646
	Salaries - temporary	389,390	342,481
	Shift premium	1,194,180	1,128,713
	Acting pay	762,568	771,685
	Long service pay	12,812	8,750
	Overtime	7,699,503	8,304,082
	Standby Pay	497,528	476,087
	Furlough recoveries - permanent	(149,047)	(119,854)
BENEFITS			
	Civic pension	33,652,932	32,833,260
	Civic pension cash out	-	30,596
	Canada pension	5,420,048	4,994,280
	Group insurance	316,383	300,008
	Employment insurance	2,272,731	2,231,251
	Payroll costs	214,413	480,880
	Medical expenses	471,324	453,311
	Pension awards	115,007	107,419
	Fatality pension premium	576,385	566,974
	Interest and administration	644,827	551,703
	Sick leave and severance pay	2,984,354	2,130,318
	Vacation/overtime cashout	1,538,194	1,099,312
	Employer paid benefits	2,609,302	2,477,203
TOTAL SALARIES AND BENEFITS		253,658,607	243,986,105

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

Schedule 1 - Detailed Statement of Winnipeg Police Service Expenses

Year ended December 31, 2019

	2019 $	2018 $
SERVICES		
Professional and consultant services	390,660	1,092,948
Non-professional services	6,945,914	6,990,294
Taxi services	57,380	40,508
Freight and messenger services	66,368	42,185
Allocated department costs	11,892	10,039
Auto allowance	3,463	2,499
Light and Power	17,371	16,635
Real property contracts - construction and maintenance	418,831	159,183
Office equipment maintenance	1,549,447	1,336,697
Vehicle Maintenance	102,462	139,096
Towing Services	28,401	40,482
Cleaning and Laundry	49,442	49,434
Other Equipment Servicing	838,564	610,796
Printing,Binding,Photocopying	67,275	72,055
Telephone-Regular Desk Set	335,372	354,411
Telephone-Cellular	442,103	421,592
Telephone-Alarm Systems	15,389	13,878
Data Comm DSL	267,300	359,240
Data Comm Leased Lines	-	2,624
Advertising	59,176	190,564
Insurance and Licenses-Auto	236,293	249,687
Fleet Insurance	937,557	912,646
Drivers' Licenses	20,772	21,191
Certificates,Permits,Licenses	59,872	66,731
Hauling Expense	26,709	26,855
Rentals	247,986	277,401
Fleet Capital Lease	1,599,528	1,669,294
Equipment Rental-External	286,830	279,961
Parking Space Rental	145,279	131,271
Meal Expense	7,816	5,529
Luncheons, Receptions & Events	47,351	62,996
Membership Fees	44,426	51,053
Postage	57,659	102,064
Training,Workshops and Tuition	215,544	182,530
Conferences	14,037	17,740
Conferences Involving Travel	349,586	268,192
Training/Workshops with Travel	297,116	373,997
Travel-City Business	16,176	53,135
	16,277,347	16,697,433

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

Schedule 1 - Detailed Statement of Winnipeg Police Service Expenses

Year ended December 31, 2019

	2019	2018
	$	$
MATERIALS, PARTS AND SUPPLIES		
Photographic Supplies	7,266	10,195
Stationery and Office Supplies	230,421	203,366
Periodicals and Subscriptions	30,244	29,227
Computer Software	72,326	258,153
Medical,Dental & Lab Supplies	186,698	96,902
Animal Food and Supplies	18,194	10,420
Cleaning Supplies	82,242	79,694
Other Operating Supplies	784,066	605,080
Small Tools	1,764	3,157
Uniforms & Protective Clothing	485,810	835,922
Uniforms/Clothing Other	1,200,475	1,104,311
Motive Fuels and Lubricants	311,794	321,472
Fleet Fuel	1,333,848	1,385,063
Carbon Tax	42,696	-
Automotive Parts	646,773	619,826
Clothing Allowance	371,709	370,443
Inventory Adjustment	(15,325)	1,340
	5,791,001	5,934,571
ASSETS AND PURCHASES		
Motive Equipment	109,538	178,538
Elec,Light and Comm Equipment	169,863	121,495
Office Equipment	10,458	1,835
Other Equipment	898,751	696,380
Fuel Site Upgrades	(4,815)	-
Computer Hardware	746,504	481,968
Office Furniture	194,480	61,993
Books	2,986	1,752
Other Personal Property	18,370	24,096
	2,146,135	1,568,057

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

Schedule 1 - Detailed Statement of Winnipeg Police Service Expenses

Year ended December 31, 2019

	2019	2018
	$	$
TOTAL DEBT AND FINANCES		
Interest	6,917,593	6,539,516
Principal	2,116,898	1,934,139
Letter of Credit Fees	-	116,047
Debenture Issue Expense	129,505	174,916
Credit Card Commission	42,547	45,350
	9,206,543	8,809,968
TOTAL GRANTS		
Grants-Cash	55,814	55,814
Claims-Vehicles	52,000	50,631
Claims	246,326	430,548
	354,140	536,993
TRANSFERS TO OTHER FUNDS		
Tsf to General Capital Fund	1,316,432	90,662
Tsf to GCF-cash to capital	2,900,000	3,277,000
Tsf to Insurance Reserve	(9,279)	(35,133)
Tsf to Civic Accommodations	9,723,518	9,983,494
Inter-Dept Tsf to GRF - BTS	633,974	621,492
Inter-Dept Tsf to GRF - HRPS	178,688	174,632
Adjust Prior Year Operation	-	54,715
Purchasing Card Rebate	(21,373)	(20,980)
	14,721,960	14,145,882
Total Expenses	302,155,733	291,679,009