Statement of Revenues and Expenses

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

And Independent Auditors' Report thereon

Year ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Winnipeg Police Board

Opinion

We have audited the statement of revenues and expenses ("schedule") of The City of Winnipeg - Winnipeg Police Service, (the "City") for year ended December 31, 2020. In our opinion, the accompanying schedule of the City is 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 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 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.

Other Matter – Restriction on Use

Our report is 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 Schedule

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 the schedule that is free from material misstatement, whether due to fraud or error.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.
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Those charged with governance are responsible for overseeing the City‘s financial reporting process.

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 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 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.

- 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 schedule, including the disclosures, and whether the schedule 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 7, 2021

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

Statement of Revenues and Expenses

Year Ended December 31, 2020

	2020	2019
	$	$
REVENUES		
Provincial government grants	**22,227,239**	**20,505,742**
Regulation fees	**12,878,579**	**17,395,924**
Sale of goods and services	**9,176,673**	**8,835,717**
Recoveries	**625,995**	**734,177**
TOTAL REVENUES	**44,908,486**	**47,471,560**
EXPENSES (Schedule 1)		
Salaries and benefits	**258,900,670**	**253,658,607**
Services	**16,357,424**	**16,277,347**
Materials - parts and supplies	**6,638,684**	**5,791,001**
Assets and purchases	**3,108,632**	**2,146,135**
Debt and finance charges	**8,061,166**	**9,206,543**
Grant transfers	**12,589,028**	**15,076,100**
TOTAL EXPENSES	**305,655,604**	**302,155,733**
Funded by Commitment Reserve (note 2 [b])	**-**	**-**
NET TOTAL EXPENSES	**305,655,604**	**302,155,733**
EXCESS OF EXPENSES OVER REVENUES	**260,747,118**	**254,684,173**

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 is 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 2020 and 2019, no amount was charged to the City’s Commitment Reserve Fund from the expenses reported.

3. Related party transactions:

Type of Charge	Category	**2020 $**	**2019 $**
Municipal Accommodations	Rent	**9,778,516**	**9,723,518**
City of Winnipeg - Corp Finance	Debt and finance	**8,061,166**	**9,206,543**
City of Winnipeg - Fleet Service	Fleet-Insurance/lease/fuel/carbon tax	**3,845,691**	**3,913,628**
City of Winnipeg - Corp Finance	Translation cost/ Neighbourhood watch	**9,000**	**11,892**
City of Winnipeg - Parking Authority	Parking rentals	**141,950**	**145,279**
City of Winnipeg - Corporate Services	Postage meter	**43,309**	**57,659**
City of Winnipeg - Corporate Finance	Cash to capital	**1,625,000**	**2,900,000**
City of Winnipeg - Business Tech.	Radio shop services	**623,600**	**633,974**
City of Winnipeg - Corporate Services	% of Salary of Occ. Health Nurse	**217,226**	**178,688**
Total		**24,345,458**	**26,771,181**

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

Schedule 1 - Detailed Statement of Winnipeg Police Service Expenses

Year ended December 31, 2020

		2020	2019
SALARIES			
	Salaries - permanent	$ 197,840,567	$ 192,435,773
	Salaries - temporary	371,968	389,390
	Shift premium	1,059,327	1,194,180
	Acting pay	832,160	762,568
	Long service pay	15,966	12,812
	Overtime	6,429,002	7,699,503
	Standby Pay	532,855	497,528
	Furlough recoveries - permanent	(168,581)	(149,047)
BENEFITS			
	Civic pension	34,373,892	33,652,932
	Canada pension	5,684,616	5,420,048
	Group insurance	322,906	316,383
	Employment insurance	2,064,945	2,272,731
	Payroll costs	557,899	214,413
	Medical Expenses	403,407	471,324
	Pension Awards	10,321	115,007
	Fatality pension premium	602,049	576,385
	Interest and Administration	608,064	644,827
	Sick Leave and Severance Pay	3,401,192	2,984,354
	Employer Paid Benefits	2,159,979	2,609,302
	Vacation/Overtime cashout	1,798,136	1,538,194
TOTAL SALARIES AND BENEFITS		258,900,670	253,658,607

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

Schedule 1 - Detailed Statement of Winnipeg Police Service Expenses

Year ended December 31, 2020

		2020	2019
SERVICES			
	Professional and consultant services	$ 563,421	$ 390,660
	Non-professional services	6,321,881	6,945,914
	Taxi services	32,199	57,380
	Freight and messenger services	50,529	66,368
	Allocated department costs	9,000	11,892
	Auto allowance	2,114	3,463
	Light and Power	33,884	17,371
	Real property contracts - construction and maintenance	574,997	418,831
	Office equipment maintenance	1,799,064	1,549,447
	Vehicle Maintenance	93,024	102,462
	Towing Services	14,584	28,401
	Cleaning and Laundry	37,739	49,442
	Other Equipment Servicing	911,344	838,564
	Printing,Binding,Photocopying	51,414	67,275
	Telephone-Regular Desk Set	337,658	335,372
	Telephone-Cellular	450,890	442,103
	Telephone-Alarm Systems	11,459	15,389
	Data Comm DSL	379,596	267,300
	Advertising	302,663	59,176
	Insurance and Licenses-Auto	209,067	236,293
	Fleet Insurance	928,519	937,557
	Drivers' Licenses	25,358	20,772
	Certificates,Permits,Licenses	51,405	59,872
	Hauling Expense	27,626	26,709
	Rentals	253,212	247,986
	Fleet Capital Lease	1,719,637	1,599,528
	Equipment Rental-External	334,489	286,830
	Parking Space Rental	141,950	145,279
	Meal Expense	5,155	7,816
	Luncheons, Receptions & Events	13,735	47,351
	Membership Fees	55,209	44,426
	Postage	43,309	57,659
	Training,Workshops and Tuition	310,506	215,544
	Conferences	4,849	14,037
	Conferences Involving Travel	131,967	349,586
	Training/Workshops with Travel	102,423	297,116
	Travel-City Business	21,548	16,176
		16,357,424	16,277,347

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

Schedule 1 - Detailed Statement of Winnipeg Police Service Expenses

Year ended December 31, 2020

		2020	2019
MATERIALS, PARTS AND SUPPLIES			
	Photographic Supplies	$ (5,835)	$ 7,266
	Stationery and Office Supplies	178,350	230,421
	Periodicals and Subscriptions	25,869	30,244
	Computer Software	651,462	72,326
	Medical,Dental & Lab Supplies	191,591	186,698
	Animal Food and Supplies	11,587	18,194
	Cleaning Supplies	243,986	82,242
	Other Operating Supplies	1,195,883	784,066
	Small Tools	11,929	1,764
	Uniforms & Protective Clothing	528,212	485,810
	Uniforms/Clothing Other	1,022,836	1,200,475
	Motive Fuels and Lubricants	281,491	311,794
	Fleet Fuel	1,112,710	1,333,848
	Carbon Tax	84,826	42,696
	Maintenance Materials	3,450	-
	Automotive Parts	664,579	646,773
	Clothing Allowance	381,206	371,709
	Inventory Adjustment	54,552	(15,325)
		6,638,684	5,791,001
ASSETS AND PURCHASES			
	Motive Equipment	163,067	109,538
	Elec,Light and Comm Equipment	100,676	169,863
	Office Equipment	9,701	10,458
	Other Equipment	1,599,907	898,751
	Computer Hardware	1,032,246	746,504
	Fuel Site Upgrades	-	(4,815)
	Office Furniture	184,956	194,480
	Books	4,470	2,986
	Other Personal Property	13,609	18,370
		3,108,632	2,146,135
TOTAL DEBT AND FINANCES			
	Interest	6,221,696	6,917,593
	Principal	1,657,937	2,116,898
	Debenture Issue Expense	76,519	129,505
	Credit Card Commission	105,014	42,547
		8,061,166	9,206,543

THE CITY OF WINNIPEG - WINNIPEG POLICE SERVICE

Schedule 1 - Detailed Statement of Winnipeg Police Service Expenses

Year ended December 31, 2020

		2020	2019
TOTAL GRANTS			
	Grants-Cash	$ 52,033	$ 55,814
	Claims-Vehicles	436,345	52,000
	Claims	46,500	246,326
		534,878	354,140
TRANSFERS TO OTHER FUNDS			
	Tsf to General Capital Fund	42,795	1,316,432
	Tsf to GCF-cash to capital	1,625,000	2,900,000
	Tsf to Insurance Reserve	(213,202)	(9,279)
	Tsf to Civic Accommodations	9,778,516	9,723,518
	Inter-Dept Tsf to GRF - BTS	623,600	633,974
	Inter-Dept Tsf to GRF - HRPS	217,226	178,688
	Purchasing Card Rebate	(19,785)	(21,373)
		12,054,150	14,721,960
	Total Expenses	305,655,604	302,155,733