



OFFICE *of the* FIRE
COMMISSIONER

2013-2014 ANNUAL REPORT



MISSION STATEMENT

To safeguard both persons and property from fire and life safety hazards through education, investigations, emergency response and code application.

OUR VALUES

We believe people have the right to live in safe communities.

We believe in providing the best possible programs and services to our clients.

We believe being responsible for our organization and in our organization being fair, effective and efficient.

We believe in the loyalty of our people and value their continued development.



Minister of Labour and Immigration

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8



His Honour, The Honourable Philip S. Lee, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg MB R3C 0V8

Your Honour:

I have the privilege of presenting the eighteenth Annual Report of the Office of the Fire Commissioner for the fiscal year ended March 31, 2014.

Respectfully submitted,

A handwritten signature in black ink that reads "Erna Braun". The signature is written in a cursive, flowing style.

Erna Braun
Minister of Labour and Immigration



Deputy Minister of Labour and Immigration

Rm. 352 Legislative Building
Winnipeg, Manitoba, Canada R3C 0V8
T 204-945-5600 F 204-945-0442
Email: dmlabim@leg.gov.mb.ca



Honourable Erna Braun
Minister of Labour and Immigration
Room 162 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I am pleased to submit, for your consideration, the eighteenth Annual Report of the Office of the Fire Commissioner for the year ended March 31, 2014.

The Board and Management continue to strive to meet the important organizational mission of safeguarding both persons and property through education, investigations, emergency response and code application.

Respectfully submitted,



Jeff Parr
Deputy Minister



Jeff Parr
Deputy Minister
Labour and Immigration
352 Legislative Building
Winnipeg MB R3C 0V8

Dear Mr. Parr:

I am pleased to submit for your review the 2013/14 Annual Report of the Office of the Fire Commissioner (OFC) for the year ended March 31, 2014.

Several highlights from the past year stand out for the Agency as significant achievements:

- Responding to the training and education needs of the Manitoba Fire Service.
- Continuing the investment in fire prevention and public education initiatives.
- Completing the new technical safety legislation.
- Adopting the National Energy Code for Buildings – 2011.
- Strengthening of the comptrollership and risk management framework.

The OFC is dedicated to enhancing the level of public safety in Manitoba, and to providing the highest level of customer service to our clients. We will continue to strive towards excellence in all aspects of our diverse service delivery mandate.

Sincerely,

David Schafer
Fire Commissioner



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Winners of the 2013 Manitoba Firefighters Burn Fund contest.

SPECIAL OPERATING AGENCY ADVISORY BOARD

The role of the Advisory Board is to provide advice on the Office of the Fire Commissioner's (OFC) strategic operations and on changes to its mandate, structure, business practices and finances. The Advisory Board reviews and provides comments on the OFC's proposed business plans, quarterly and annual reports.

THE ADVISORY BOARD CONSISTS OF THE FOLLOWING INDIVIDUALS:

Dave Dyson

Board Chair

Ex Officio

Assistant Deputy Minister

Labour Programs

Manitoba Family Services and Labour

David Schafer

Ex Officio

Fire Commissioner

Office of the Fire Commissioner

MEMBERS

Karl Jaikaransingh

Client Representative

Sovereign General Insurance

Gail Finkel

Client Representative

Danny Thorsteinson

Client Representative

Manitoba Association of Fire Chiefs

Brad Mason

Client Representative

Ralph Groening

Client Representative

Association of Manitoba Municipalities

Dick Harvey

Agency Staff Representative

Office of the Fire Commissioner

Client Representative

Winnipeg Fire Paramedic Service

AUDIT COMMITTEE

The role of the Audit Committee is to oversee the OFC's financial reporting processes, understand financial and business risks, manage internal and external audit relationships, ensure compliance with public sector reporting requirements and internal policies, and to make recommendations relating to policies and procedures for "whistle-blowing", in accordance with *The Public Interest Disclosure Act*, and fraud awareness. The Audit Committee reviews OFC reports and issues in conjunction with the Advisory Board.

THE AUDIT COMMITTEE CONSISTS OF THE FOLLOWING INDIVIDUALS:

Dave Dyson

Board Chair

Ex Officio

Assistant Deputy Minister

Labour Programs

Manitoba Family Services and Labour

David Schafer

Ex Officio

Fire Commissioner

Office of the Fire Commissioner

Jim Burch

Ex Officio

A/Director Support Services

Office of the Fire Commissioner

MEMBERS

Karl Jaikaransingh

Representative from the Advisory Board

Sovereign General Insurance

Dan McCausland

External Representative

Access Credit Union and Rural

Fire Service Member

Craig Halwachs

Assistant Deputy Minister

Corporate Services



AGENCY PROFILE



HISTORICAL PERSPECTIVE

The OFC's role in public safety has expanded significantly since the first Fire Commissioner was appointed in 1876.

The Fires Prevention Act was originally created in 1872 for the prevention of prairie fires and included the authority to conduct fire investigations. In 1876, the first Fire Commissioner was appointed to administer and enforce this Act. In 1885, the Act was amended to include fire protection of wooded lands. In 1940, the Act was separated into two parts. Part I dealt with forest fires and Part II outlined the responsibilities of the Fire Commissioner in the area of fire prevention. In the early 1960's, training of fire fighters was included in this Act. Part I of the Act was replaced with *The Wildfires Act* in 1997.

In addition to the responsibilities for fire prevention and management, the Agency also has responsibilities for ensuring that buildings are constructed properly with public safety taken into account. The legal responsibility for building construction was first introduced in 1877 through *The Manitoba Public Buildings Safe Egress Act* and was followed by *The Manitoba Public Building Act* in 1884. The focus of both these Acts was the assurance of safe public assembly buildings and means of egress. The proliferation of building codes and standards resulted in the introduction of *The Buildings and Mobile Homes Act* in 1974, which came into effect on April 1, 1977.

Effective April 1, 1996, the OFC was designated as a Special Operating Agency (SOA) under *The Special Operating Agencies Financing Authority Act* (SOAFA). The range of activities undertaken by the Agency has continued to expand under the SOA model.

As a result of the tragic events on September 11, 2001, Bill 2, *The Security Management Act* (Various Acts Amended) was passed in 2002. This resulted in the renaming of *The Fires Prevention Act* as *The Fires Prevention and Emergency Response Act* (FPERA) and provided the Fire Commissioner with the authority to take whatever action necessary to save lives and property, and to ensure that an effective incident management system is in place.

In 2011, the Mechanical and Engineering Branch of the Manitoba Labour and Immigration was transferred to the OFC, which is now known as Inspection and Technical Services Manitoba (ITSM). As a result of this amalgamation, the OFC administers *The Amusements Act*, *The Electricians' Licence Act*, *The Elevator Act*, *The Gas and Oil Burner Act*, *The Power Engineers Act* and *The Steam and Pressure Plants Act*. This allowed the OFC to streamline the permit application and licensing process for contractors and trades-people by offering single-window technical safety services.

ORGANIZATIONAL STRUCTURE AND SECTION RESPONSIBILITIES

ADMINISTRATION

Under the direction of the Fire Commissioner, the Administration section provides overall leadership and direction to the organization, including planning for fiscal, operational, human resource management and policy development. The Policy unit supports all sections, and is integral to business planning, reporting, board administration, policy and regulatory development.

SUPPORT SERVICES

The Support Services section supports all sections by providing effective oversight, financial planning and processing, information technology, and direct administrative and clerical support. This section is responsible for the development and implementation of the Comptrollership Plan.

OPERATIONS

The Operations section provides a wide variety of services to municipal councils, and the Manitoba fire service related to the operation and management of fire departments. The Operations section is responsible for the oversight of the provincial mutual aid system, and the implementation of the OFC's public education, fire prevention, and fire investigation programs.

MANITOBA EMERGENCY SERVICES COLLEGE (MESC)

The MESC provides a wide range of emergency services training to the Manitoba fire service and municipalities. The college is located in Brandon and consists of the main campus, as well as an 11.4 acre practical training site. A satellite training facility is also located in Thompson.

The comprehensive emergency services training offered by the MESC includes training related to fire fighting, rescue, fire and life safety, fire service management, public education and building construction. The MESC holds accreditation in 29 program areas. The traditional clients of the MESC are the Manitoba fire service and the Search and Rescue Manitoba network.





INSPECTION AND TECHNICAL SERVICES MANITOBA (ITSM)

The ITSM section administers and enforces six separate pieces of technical safety legislation. As part of its mandate, ITSM issues permits, provides inspections of technical safety equipment, and provides examination and licensing of trades personnel. The following is an overview of the various technical safety services provided by ITSM:

- Electrical equipment inspections and approval
- Boiler and Pressure vessel inspections
- Elevators, elevating devices and amusement ride inspections
- Gas and oil burning equipment inspections
- Pressure weld testing and certification
- Pressure vessel and piping registrations
- Quality Assurance program review and approvals
- Trades licensing and examinations
- Post-secondary technical training review and approvals

CODES AND STANDARDS

The Codes and Standards section administers and enforces the Manitoba construction codes, including the building, plumbing, farm building and energy codes. This section also administers the Manitoba fire code, and provides education and support to local authorities regarding their respective construction and fire inspection programs.

The Codes and Standards section also provides guidance to The Building Standards Board, which provides advice to the Minister of Labour and Immigration on matters related to Manitoba's construction codes.

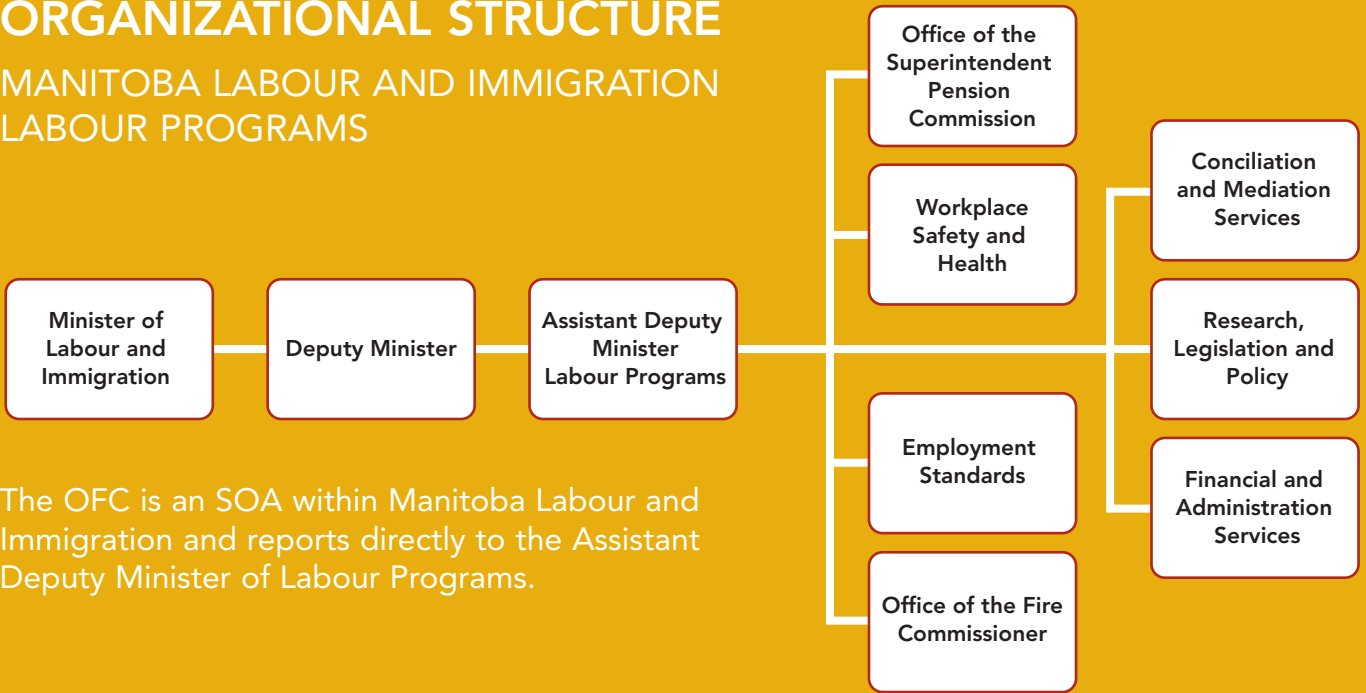
EMERGENCY RESPONSE

Under the direction of the Fire Commissioner, the emergency response services are a shared responsibility across all sections of the OFC. The OFC provides emergency response capabilities on behalf of the province to support municipalities, provincial departments, policing agencies and local authorities when emergency incidents are too large or complex for local or regional resources. The OFC is responsible for the provincial search and rescue network.



ORGANIZATIONAL STRUCTURE

MANITOBA LABOUR AND IMMIGRATION LABOUR PROGRAMS

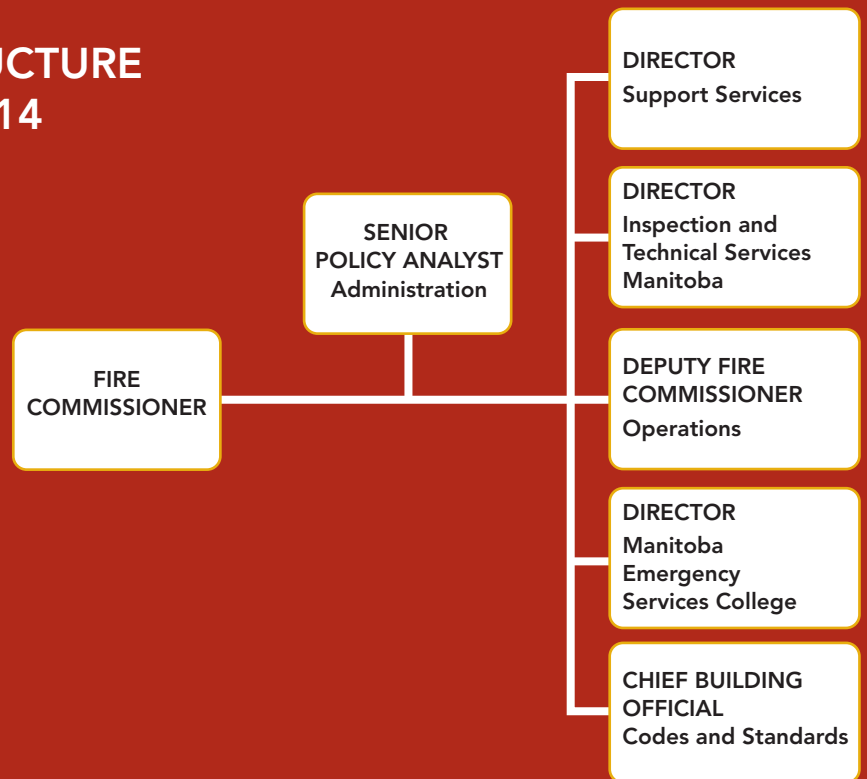


The OFC is an SOA within Manitoba Labour and Immigration and reports directly to the Assistant Deputy Minister of Labour Programs.

ORGANIZATIONAL STRUCTURE OF THE OFC FOR 2013/14

The Fire Commissioner provides overall supervision and guidance to the Agency. The senior management team, the Deputy Fire Commissioner, three Directors, the Chief Building Official and the Senior Policy Analyst, is responsible for the day-to-day management of the organization.

The OFC has offices in Winnipeg, Brandon, Portage la Prairie and Dauphin. The OFC was approved for 116 FTE's in the fiscal year 2013/14.



PROVINCIAL FIRE STATISTICS

DISTRIBUTION OF FIRES

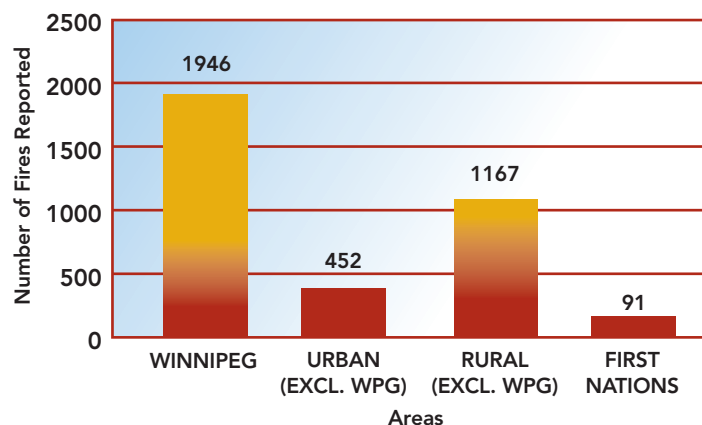
	2013	2012	2011	2010
Winnipeg	1,946	2,818	3,088	3,331
Urban (Excl. Wpg)	452	438	382	480
Rural (Excl. Wpg)	1,167	1,745	1,411	1,693
First Nations	91	118	161	160
Total - Manitoba	3,656	5,119	5,042	5,664

Manitoba reported 3,656 fires in 2013. This was a decrease of 1,463, or 29 per cent, in comparison to the 5,119 fires reported in 2012.

The majority of fires reported were in Winnipeg, which accounted for 53 per cent of all reported fires in Manitoba in 2013.

Thirty-nine per cent of the fires throughout Manitoba were structural which resulted in \$114 million value loss. Outdoor property accounted for 44 per cent of the loss amounting to a \$1.4 million value loss and vehicle fires accounted for 17 per cent of the loss amounting to \$9.7 million value loss.

2013 MANITOBA FIRES BY AREA



FIRES AND PROPERTY DAMAGE BY PROPERTY TYPE

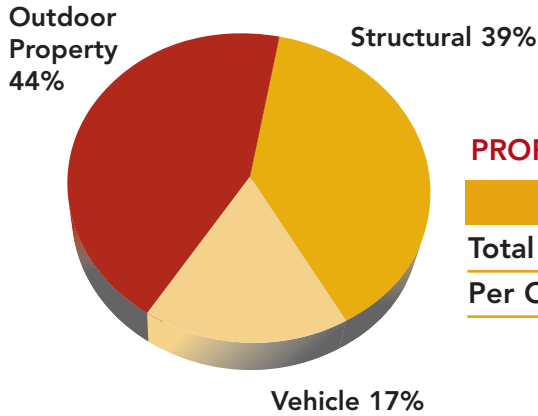
	Number of Fire	Est. Value Loss (\$)
Structural	1437	\$ 114,427,725
Vehicle	618	\$ 9,719,562
Outdoor Property	1601	\$ 1,351,011

NUMBER OF FIRES PER 100,000 POPULATION

	2013	2012	2011	2010
Manitoba	284	403	376	429

Relative to population, the number of fires in 2013 was 284 per 100,000 population.

PERCENTAGE OF FIRES BY PROPERTY TYPE



Forty-two major loss fires (damages of \$500,000 and over) accounted for \$59 million (47 per cent) of the total estimated property loss in 2013. In 2012, Manitoba recorded 47 major losses with damages of \$74.3 million.

The City of Winnipeg accounted for 33 per cent of property damages resulting from fires in Manitoba in 2013.

During 2013, an estimated \$4.7 billion in property was saved as a result of the containment and suppression of fires by the Manitoba fire service.



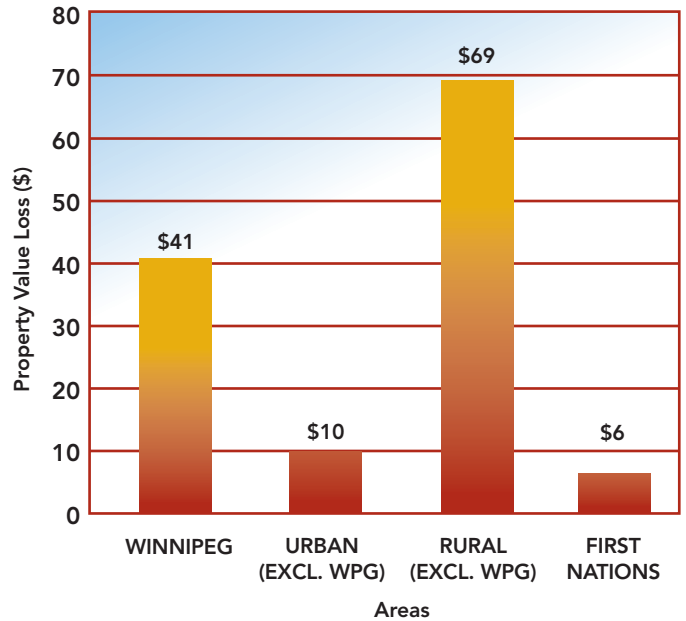
PROPERTY LOSS

Property damage as a result of fires in 2013 is estimated to have been \$125 million. This was a decrease of \$17 million, or 12 per cent, in comparison with the previous year.

PROPERTY LOSS AS A RESULT OF FIRES IN MANITOBA

	2013	2012	2011	2010
Total	\$125,498,298	\$142,332,577	\$136,351,763	\$169,134,457
Per Capita	\$97	\$112	\$103	\$128

2013 MANITOBA FIRES - PROPERTY VALUE LOSS BY AREA (MILLIONS)



INJURIES AND FATALITIES

	2013	2012	2011	2010
Injuries	138	227	251	255
Fatalities	13	23	22	18

Thirteen adults perished in 11 separate fires across the Province in 2013, which is a decrease of 10 from the previous year's total of 23 fatalities. Twelve of these fatalities occurred in residential fires.

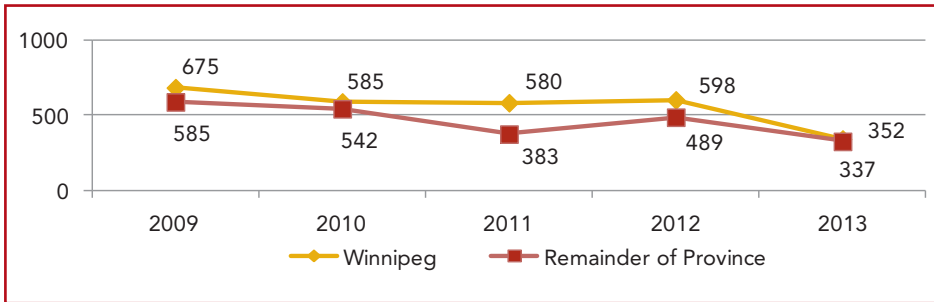
There were 138 fire-related injuries reported in 2013, which was a decrease of 89 injuries from the 227 reported in 2012. The Manitoba fire service assisted in evacuating 911 individuals from fires in 2013.

*INCENDIARY AND SUSPICIOUS FIRES

In 2013, the City of Winnipeg reported 352 incidents which were determined to be incendiary or suspicious in nature. This was a decrease of 41 per cent or 246 fires below the 598 incidents of this nature in 2012. Of the 352 incendiary or suspicious fires, 160 involved outdoor property. The Winnipeg Fire and Paramedic Service along with Winnipeg Police Service, community advocates, and city by-law officers proactively visited high risk areas of the city providing residents with fire prevention information and ensured prompt removal of garbage and discarded furniture. This venture significantly contributed to the decrease of incendiary incidents.

The remainder of the province reported 337 incendiary and suspicious fires. This resulted in a decrease of 152, or 31 per cent in comparison to the 489 reported in 2012.

MANITOBA INCENDIARY/SUSPICIOUS FIRES 2009-2013



The table below shows the percentages of fires and property damages in 2013 resulting from four major causes: incendiary, suspicious, accidental and undetermined.

FIRES AND PROPERTY DAMAGE BY CAUSE

	FIRES	PROPERTY DAMAGE
Incendiary	12%	13%
Suspicious	7%	1%
Accidental	46%	55%
Undetermined	35%	31%

Note: All statistics presented in this section are based on information provided to the OFC by local authorities, insurance adjusters, Manitoba Fire Investigators, RCMP/Police authorities. Information is based on a calendar year.

**Incendiary is defined as a fire that has been deliberately ignited under circumstances in which the person knows that the fire should not be ignited.*



KEY CONTINUOUS IMPROVEMENT OBJECTIVES



THE OFC IDENTIFIED THE FOLLOWING FIVE KEY PRIORITIES IN THE 2013/14 BUSINESS PLAN, BEYOND ITS CORE YEAR-TO-YEAR ACTIVITIES.

MODERNIZING LEGISLATION

Amendments were made to FPERA. Bill 10 was introduced to provide more effective enforcement tools under the FPERA to support the enforcement of the Manitoba Fire Code.

A Fire Safety Task Force was created to review fire safety in personal care homes, hospitals and other facilities housing vulnerable Manitobans. The task force has been asked to review:

- fire protection and early warning systems
- code enforcement and inspections
- education and prevention
- emergency and fire planning within these facilities

New technical safety legislation development continued through 2013/14. This work will bring the existing technical safety legislation under one modern statute.

The National Energy Code of Canada for Buildings 2011 was adopted with Manitoba amendments in December 2013 with an enforcement date of December 1, 2014.

STRENGTHENING OUR COMPTROLLERSHIP AND RISK MANAGEMENT FRAMEWORK

The 2013/14 fiscal year was successful for the OFC from a financial and accountability perspective. The Support Services section began working on the formal comptrollership plan for the Agency.

The OFC Audit Committee was established and meets regularly to oversee the financial reporting and audit processes of the OFC.

Development and revision of new and existing policies and procedures continues to be a priority for all sections.

INVESTING IN FIRE PREVENTION AND PUBLIC EDUCATION

The OFC continued to invest in prevention and public education initiatives. The SOA Advisory Board provided the OFC with advice and recommendations on fire and life safety initiatives from provincial, regional and local perspectives.

The OFC partnered with the Fire Fighters Burn Fund and Red River Mutual Insurance to distribute five additional Fire and Life Safety Education trailers to the Manitoba fire service in 2013/14. Fire and Life Safety Education trailers provided to Mutual Aid Districts were used at various events throughout the province. The OFC used one of the trailers to tour through northern communities and festivals providing valuable fire prevention information.

The OFC endorsed the FireSmart Canada Community Recognition Program. The FireSmart program provides community leaders living in wildfire prone areas with the knowledge and organizational means to significantly reduce their community's vulnerability to wildfire. To support this program, the Prevention unit developed a FireSmart your Farm brochure, and circulated it through the Manitoba fire service and to rural municipalities.

Fire Prevention Week was held October 6 – 11, 2013. The OFC and the Manitoba Fire Fighters Burn Fund partnered to offer a poster contest and distribute fire and life safety curriculum materials to the schools.

The OFC Fire Investigators provided presentations on fire cause and determination, reporting and recording at the Mutual Aid Districts training sessions. These presentations are intended to ensure fire departments have the right information when notifying the OFC about fire cause and to assist with department cause determination.



SUPPORTING FIRE PROTECTION IN FIRST NATIONS

During 2013/14, the Report on the First Nations Community Fire Prevention and Fire Protection Assessment was finalized in partnership with the Assembly of Manitoba Chiefs.

As a follow up to the report, the OFC continued to lead quarterly steering committee meetings and connected with Fire Safety Officers to explore common fire incident reporting processes and to promote fire prevention and public education opportunities.

RESPONDING TO STAKEHOLDER NEEDS FOR TRAINING AND EDUCATION

During the fall of 2013, the OFC initiated an independent review of the services provided by the MESC in an effort to develop a long-term business plan model for the MESC. MNP Consulting Services was hired to complete the review. The Manitoba fire service and other clients of the MESC were consulted and a number of areas for improved service delivery were identified. The OFC began to address the recommendations and will work closely with the Manitoba fire service during future implementation.

During 2013/14, the MESC continued to prepare for the re-accreditation of the 29 programs accredited by the International Fire Service Accreditation Congress, the Fire Service Professional Qualification Board and the Canadian Medical Association.

In October of 2013, the OFC planned a Provincial Search and Rescue Exercise in Ninette, MB. The exercise challenged the interoperability between the Provincial Urban Search and Rescue Team and the Provincial SARMAN Network. Approximately 120 responders attended the large scale tornado simulated exercise that focused on an all hazards response approach.

During 2013/14, the OFC increased and supported the existing specialty instructor network by offering lead instructor workshops to support local training, and employed 15 new causal employees to support regional program delivery, and provincial evaluations.

During 2013/14, the MESC offered bundled training weekends in Brandon and Thompson, established stronger communication strategies by streamlining the course registration process, and delivered 27 training courses hosted by Mutual Aid Districts.

The MESC continued to be represented on the Incident Command System (ICS) Canadian national working group that is dedicated to the development of national training curriculum and personnel standards as they relate to the ICS 100, 200, 300 and 400 programs. A meeting was held to create the instructor network required for course delivery.

CORE ACTIVITY INDICATORS

OPERATIONS

FIRE INVESTIGATIONS

Fire Investigations are conducted by members of the Manitoba fire service or the OFC in co-operation with policing authorities. Clients call upon the services of OFC fire investigators for situations involving fire fatalities, serious injuries, explosions, fires resulting in a major loss to the community, or where origin or cause cannot be determined at the local level.

The investigation work done by the OFC may assist in the laying of criminal charges and conviction of criminals. No specific targets are set in these areas as the number of charges and convictions fluctuate with the number of arson incidents. Decisions made and actions taken by the police and prosecutors influence both the number of charges and convictions.

Investigative work also provides valuable evidence of the adequacy of existing building codes by identifying how a structure performed during a fire.

This valuable information provides direct support to the building and fire code development process. The reduction of investigations completed by OFC investigators is a result of the OFC's efforts to strengthen the investigation capabilities of the local authorities.

MUNICIPAL SUPPORT

In addition to providing advice and training to municipalities on fire fighting, the OFC has been working with municipalities to place greater emphasis on fire prevention and public education in an effort to minimize loss to life and property. This effort was supported through the development of a working group dedicated to the development of a Provincial Fire Protection Plan. The working group was represented by the Association of Manitoba Municipalities, the Manitoba Association Fire Service, and the OFC.

In support of the Provincial Mutual Aid System, OFC staff representatives regularly attend scheduled meetings of the Provincial Mutual Aid and Northern Training Districts, to provide consultative support and promote district training. The OFC has committed to attending 50 per cent of district meetings on an annual basis.

INDICATORS	2013	2012	2011
Fire Investigations	261	451	706
Percentage for Which Cause was Determined	79%	85%	81%



INDICATORS	2013/14	2012/13	2011/12
Attendance of Emergency Services Officers or OFC Representatives at Mutual Aid and Training District Meetings	55%	49%	75%
Delivery of Elected Officials Seminars at the Mutual Aid Level	0	3	3
Fire Protection Surveys Completed	1	3	3

INSPECTION AND TECHNICAL SERVICES MANITOBA

ITSM conducts inspections of and issues permits for mechanical or electrical equipment, reviews facility and equipment designs, and issues licences to qualified trades people.

The goal is to ensure that Manitobans are not exposed to hazardous situations related to any mechanical or electrical equipment covered by legislation, including boilers, pressure vessels, refrigeration systems, gas and oil burning equipment, amusement rides and elevators.

EMERGENCY RESPONSE

The OFC engages in a wide variety of emergency response operations, including Ground Search and Rescue, Wildland Urban Interface fires, hazardous materials response (Hazmat), floods, and other technical rescues. In 2013/14, the OFC responded to 21 emergency situations including nine Ground Search and Rescue operations, four Hazmat incidents, five Wildland Urban Interface fires and three other incidents of various types.

The OFC trains and manages a number of specialized tactical teams. These teams are trained to effectively engage in emergency response, and are supported by the various provincial and federal funding arrangements. The teams are nationally recognized and include: Heavy Urban Search and Rescue (ex: Canada Task Force 4); Hazardous Materials, Chemical, Biological, Radiological, Nuclear, Explosive and Search and Rescue Manitoba.

The OFC collaborated with the Pembina Triangle Mutual Aid District to form a hazardous materials technician team. Eight firefighters from the district successfully completed their hazardous materials technician training in April 2013. The OFC provided a fully equipped hazardous materials technician trailer which is located in Winkler. The strategic placement of this trailer complements technician level teams currently located in Brandon and Thompson. The teams are staffed and equipped to respond to large scale hazardous materials incidents in support of local responders.

INDICATORS	2013/2014	2012/13	2011/12
Elevator Inspections	3,387	3,007	2,627
Amusement Rides Inspections	158	154	142
Boiler, Pressure Vessel and Refrigeration Plant Inspections	8,739	10,112	7,393
Canadian Registration Number Designs (boilers, pressure vessels, etc.) Reviewed and Accepted	1,027	1,041	825
Gas Permits Issued	21,351	22,815	24,971
Special Acceptances Approvals of Electrical and Gas Equipment	706	679	706
Quality Assurance Manuals Reviewed and Approved	81	102	61
Trades Licences issued	8,158	8,384	3,763

INDICATORS	2013/14	2012/13	2011/12
Number of emergency response operations	21	30	53



CODES AND STANDARDS

The Codes and Standards section works to ensure that buildings meet the provincial (building, farm buildings fire and plumbing codes) by reviewing building plans, inspecting buildings and providing consultative services to the public. The goal is to reduce injuries, deaths and property losses arising from sub-standard construction on building maintenance. The Codes and Standards section enforce the Manitoba construction codes on behalf of the agency in many parts of the province. Contract inspection services are also provided to local authorities in some areas. Fire safety inspections are conducted on behalf of other provincial agencies including Manitoba Aboriginal and Northern Affairs and Manitoba Infrastructure and Transportation.



EDUCATION AND TRAINING

The MESIC provides training in program areas including Fire Fighting Practices, Fire Service Instructor, Public Safety, Rescue, Hazardous Materials, Driver/Operator, Institutional Fire Protection, Fire Officer, Fire Investigation, Building Standards and Fire Prevention.

The large number of graduates from the MESIC courses helps ensure that the province maintains a network of trained emergency response personnel, building officials, and fire prevention officers.

The Critical Incident Stress Management program is currently under redevelopment.

INDICATORS	2013/14	2012/13	2011/12
Delivery of Educational Programs for Other Government Agencies	2	12	2
Delivery of Contractor Information Sessions	18	10	10
Building Permits Issued	831	986	882
Plumbing Permits Issued	233	275	214
Occupancy Permits Issued	118	79	122
Mobile Home and RV Inspections	76	176	565
Fire Safety Inspections	117	171	156

TRAINING PROGRAMS OFFERED PER PROGRAM AREA 2013/14

	Courses Delivered	Students
Fire Fighting	79	779
Emergency Services Instructor	14	83
Fire and Life Safety Educator	4	58
Technical Rescue	27	346
Canine - Search and Rescue	3	11
Hazardous Materials Response	61	442
Emergency Vehicle - Driver/Operator	23	405
Incident Command and Management	30	1118
Fire Investigation	6	72
Fire Safety Inspections	5	86
Building Codes and Standards	10	92
Emergency Medical Response	8	73
Protection	5	62

FINANCIAL DISCUSSION AND ANALYSIS

The following is a discussion and analysis for the year ended March 31, 2014, comparing actual operating results to budget and financial position to the previous year. It should be read in conjunction with the OFC's audited financial statements.

OPERATING RESULTS

NET INCOME (000's) Net income for the year was \$2,191 and exceeded budget by \$2,165.

REVENUES (000's) Revenues of \$16,297 exceeded budget by \$208. The variance in revenues from budget is accounted for as follows:

Grants	Provincial Government
\$81	Manitoba Conservation - Unbudgeted cost recovery for wildfire emergency response.
\$(2)	Manitoba Municipal Government - Claims not maximized.
Grants	Federal Government
\$193	New Initiatives Fund (NIF) - Additional funding made available during the fiscal year by the National Search and Rescue Secretariat.

FEES AND OTHER REVENUE

\$244	Insurance levy - Increased activity in the insurance industry.
\$95	Construction permit fees - Increased activity in the construction sector.
\$3	Fire safety inspections - Increased demand for fire safety inspections.
\$47	Term investments - Higher than anticipated cash on deposit resulting in increased interest income.
\$(252)	Inspection and Technical Services fees - Reduced revenue due to cyclical demands.
\$(99)	MESC tuition - Contract revenue was under budget.
\$(54)	Emergency Services Conference - Lower than expected conference registration.
\$(48)	Other Revenue

EXPENSES (000'S) Expenses of \$13,356 were under budget by \$1,957. The variance in expenses from budget are accounted for as follows:

\$62	Supplies and Services - Increased expenditures relate to unbudgeted public education, emergency response and consulting fees.
\$(1,277)	Personnel services - Increased vacancies due to retirements, staff turnover and expenditure management initiative.
\$(45)	Mutual Aid training incentive claims - Less than budgeted.
\$(191)	Transportation - Reduced fleet vehicle management and travel costs.
\$(87)	Communications - Implementation of expenditure management initiative and public education initiatives included in supplies and services.
\$(4)	Debt servicing - Lower than anticipated interest cost associated with capital lease buyout.
\$(139)	Minor capital - Expenditure management.
\$(119)	Amortization - Reduced capital expenditures due to expenditure management.
\$(157)	Other operating expenses - Lower than budgeted operating expenses for emergency response.

**OFFICE OF THE FIRE COMMISSIONER
FINANCIAL STATEMENTS
MARCH 31, 2014**




Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of management of Office of the Fire Commissioner and have been prepared in accordance with Canadian public sector accounting standards. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgments regarding all necessary estimates and all other data available as at July 15, 2014.

Management maintains internal controls to properly safeguard the assets of Office of the Fire Commissioner and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The financial statements of Office of the Fire Commissioner have been audited by Magnus Chartered Accountants LLP, independent external auditors. The responsibility of the auditor is to express an independent opinion on whether the financial statements of Office of the Fire Commissioner are fairly represented, in all material respects, in accordance with Canadian public sector accounting standards. The Independent Auditors' Report outlines the scope of the audit examination and provides the audit opinion on the financial statements.

On behalf of Management of
Office of the Fire Commissioner


David Schafer

Fire Commissioner
(Chief Operating Officer)

INDEPENDENT AUDITORS' REPORT

To the Special Operating Agencies Financing Authority of
Office of the Fire Commissioner

Report on the Financial Statements

We have audited the accompanying financial statements of Office of the Fire Commissioner, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba, which comprise the statement of financial position as at March 31, 2014 and the statements of operations, change in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Office of the Fire Commissioner as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Magnus Chartered Accountants LLP

July 15, 2014
Winnipeg, Canada

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Statement of Financial Position
(in thousands)
March 31, 2014

	2014 Actual	2013 Actual
Financial assets		
Cash and cash equivalents	\$ 14,717	\$ 8,145
Accounts receivable (Note 4)	852	5,268
Portfolio investments	787	787
	16,356	14,200
Liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 2,944	\$ 3,309
Unearned revenue	546	482
Employee future benefits (Note 6)	772	876
Capital lease obligations (Note 7)	-	74
	4,262	4,741
Net financial assets	12,094	9,459
Non-financial assets		
Tangible capital assets (Note 8)	7,381	7,850
Prepaid expenses	118	93
	7,499	7,943
Accumulated surplus	\$ 19,593	\$ 17,402

Designated assets (Note 9)
Commitments (Note 10)

See accompanying notes to financial statements.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Statement of Operations

(in thousands)

Year ended March 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Revenue:			
Government grants/transfers:			
Province of Manitoba	\$ 130	\$ 209	\$ 129
Federal Government	51	244	1,077
Total Government grants/transfers	181	453	1,206
Fees and other revenue	15,883	15,772	15,432
Investment income	25	72	58
Total revenue (Schedule 1)	16,089	16,297	16,696
Expenses:			
Salaries and employee benefits	9,570	8,293	8,150
Mutual Aid expenses	260	215	200
Transportation (Schedule 2)	822	631	754
Communications (Schedule 3)	384	297	268
Supplies and services (Schedule 4)	1,525	1,587	1,551
Debt servicing - capital lease obligations	8	4	8
Minor capital expenses	188	49	281
Amortization of tangible capital assets	1,006	887	990
Other operating expenses (Schedule 5)	1,550	1,393	1,441
	15,313	13,356	13,643
Net income before the transfer of funds to the Province of Manitoba	776	2,941	3,053
Transfer of funds to the Province of Manitoba (Note 11)	750	750	750
Net income for the year	26	2,191	2,303
Accumulated surplus, beginning of year	16,448	17,402	15,099
Accumulated surplus, end of year	\$ 16,474	\$ 19,593	\$ 17,402

See accompanying notes to financial statements.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Statement of Change in Net Financial Assets

(in thousands)

Year ended March 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Net income for the year	\$ 26	\$ 2,191	\$ 2,303
Tangible capital assets:			
Acquisitions of tangible capital assets	(800)	(418)	(1,342)
Disposals of tangible capital assets	-	-	1
Amortization of tangible capital assets	1,006	887	990
Net acquisition of tangible capital assets	206	469	(351)
Other non-financial assets:			
Increase in prepaid expenses during the year	-	(25)	(13)
Net acquisition of other non-financial assets	-	(25)	(13)
Increase (decrease) in net financial assets	232	2,635	1,939
Net financial assets, beginning of year	8,376	9,459	7,520
Net financial assets, end of year	\$ 8,608	\$ 12,094	\$ 9,459

See accompanying notes to financial statements.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Statement of Cash Flow

(in thousands)

Year ended March 31, 2014

	2014 Actual	2013 Actual
Cash provided by (applied to):		
Operating activities:		
Net income for the year	\$ 2,191	\$ 2,303
Adjustment for:		
Amortization of tangible capital assets	887	990
Gain on disposal of tangible capital assets	-	(9)
	3,078	3,284
Changes in the following:		
Accounts receivable	4,416	(1,052)
Accounts payable and accrued liabilities	(365)	(78)
Unearned revenue	64	59
Employee future benefits	(104)	53
Prepaid expenses	(25)	(13)
Cash provided by operating activities	7,064	2,253
Capital activities:		
Acquisitions of tangible capital assets	(418)	(1,342)
Proceeds on disposal of tangible capital assets	-	10
Cash applied to capital activities	(418)	(1,332)
Financing activities:		
Capital lease obligations	(74)	(35)
Cash applied to financing activities	(74)	(35)
Change in cash and cash equivalents	6,572	886
Cash and cash equivalents, beginning of year	8,145	7,259
Cash and cash equivalents, end of year	\$ 14,717	\$ 8,145

See accompanying notes to financial statements.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2014

1. Nature of organization

Effective April 1, 1996, the Office of the Fire Commissioner (the "Agency") was designated as a Special Operating Agency (SOA) under *The Special Operating Agencies Financing Authority Act*, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 1996, a Transfer Agreement executed between the Government of Manitoba (Labour) and the Financing Authority, a corporation under *The Special Operating Agencies Financing Authority (SOAFA) Act*, transferred all assets in the Fires Prevention Fund valued at \$11,809 to the Financing Authority.

A Management Agreement executed between the Financing Authority and the Government of Manitoba (Labour) assigned responsibility to the Office of the Fire Commissioner to manage and account for the related assets and operations on behalf of the Financing Authority. The Office of the Fire Commissioner does not hold title to the assets. Effective April 1, 1996, the Financing Authority established a fund referred to as the Fires Prevention Fund to hold these assets.

Effective April 1, 2011, the operations and related net liabilities valued at \$358 of the Mechanical and Engineering Branch of the Department of Labour and Immigration were transferred to the Financing Authority to be managed and accounted for by the Office of the Fire Commissioner.

The Office of the Fire Commissioner is part of the Department of Labour and Immigration and is ultimately under the policy direction of the Minister of Labour and Immigration. The Agency is bound by relevant legislation and regulations. The Agency is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

During the year ended March 31, 2013, the Agency's operating charter was updated and an Audit Committee established to oversee the financial reporting and overall operations of the Agency.

2. Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards which are Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board.

3. Significant accounting policies

(a) Revenue

Government grants/transfers

Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized.

Government transfers with eligibility criteria but without stipulations are recognized as revenue when the transfer is authorized and all eligibility criteria have been met.

Government transfers with or without eligibility criteria but with stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to a liability.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2014

3. Significant accounting policies (continued)

Fees and other revenue

Insurance Levy

The Fires Prevention and Emergency Response Act imposes a special assessment on licensed insurers equal to a set percentage of total property insurance premiums. The levy rate is currently set at 1.25% (2013 - 1.25%).

The Agency collects this levy based on the value of premiums and assessments in respect to property insurance in a calendar year. Levy revenue with respect to the 2013 calendar year is recognized as revenue in the fiscal year ending March 31, 2014 with no amounts recognized in the financial statements for January to March of the current fiscal year due to it not being practicable to determine a reasonable estimate for these amounts.

Mechanical and engineering fees including amusement rides, boiler and pressure vessel, gas and oil, electrical, and elevator fees including certificates, design registrations, examinations, inspections, licenses, permits, searches and special acceptances under *The Amusements Act, The Electricians' License Act, The Elevator Act, The Gas and Oil Burner Act, The Power Engineers Act and The Steam and Pressure Plants Act* are recognized on an accrual basis.

Codes and standards revenue including building, mobile home and plumbing code inspections and permits under the *Buildings and Mobile Homes Act* is recognized on an accrual basis.

Tuition fees and fire inspections, investigations and reports under *The Fires Prevention and Emergency Response Act* are recognized on an accrual basis.

Emergency services conference revenue, other revenue and investment income are recognized on an accrual basis.

(b) Expenses

Expenses

Expenses incurred for goods and services are recorded on an accrual basis when the related goods or services are received.

Government transfers

Government transfers are recognized as expenses in the period in which the transfers are authorized and all eligibility criteria have been met.

(c) Financial assets

Cash and cash equivalents

Cash and cash equivalents include cash on hand and short term investments and deposits with original maturities of three months or less.

Accounts receivable

Accounts receivable are recorded at the lower of cost and net realizable value. An allowance for doubtful accounts is recorded when there is uncertainty whether the amounts will be collected.

Portfolio investments

Portfolio investments are investments and deposits with original maturities of more than three months. These investments are recognized at cost.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2014

3. Significant accounting policies (continued)

(d) Liabilities

Liabilities are present obligations as a result of transactions and events occurring at or prior to the end of the fiscal year the settlement of which will result in the future transfer or use of assets or other form of settlement. Liabilities are recognized when there is an appropriate basis of measurement and a reasonable estimate can be made of the amount involved.

(e) Non-financial assets

Non-financial assets do not normally provide resources to discharge existing liabilities of the Agency. These assets are normally employed to provide future services.

Tangible capital assets

Tangible capital assets are recognized at cost. Cost includes the purchase price as well as other acquisition costs. The costs of tangible capital assets, less any residual value, are amortized over their estimated useful lives as follows:

Building	5% declining balance
Practical training site	10% declining balance
Equipment	20% declining balance
Fire engines	30% declining balance
Other vehicles	30% declining balance
Air compressors	20% declining balance
Furniture	20% declining balance
Computer equipment and software	30% declining balance

Prepaid expenses

Prepaid expenses are payments for goods or services which will provide economic benefit in future periods. The prepaid amount is recognized as an expense in the year the goods or services are consumed.

(f) Financial instruments - measurement

Financial instruments are classified into one of two measurement categories: (a) fair value; or (b) cost or amortized cost.

The Agency records its financial assets at cost, which include cash and cash equivalents, accounts receivable and portfolio investments. The Agency also records its financial liabilities at cost, which include accounts payable, accrued liabilities and capital lease obligations.

Gains and losses on financial instruments measured at cost or amortized cost are recognized in the statement of operations in the period the gain or loss occurs. Gains and losses on financial instruments measured at fair value, if any, are recorded in accumulated surplus as remeasurement gains and losses until realized; upon disposition of the financial instruments, the cumulative remeasurement gains and losses are reclassified to the statement of operations.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2014

3. Significant accounting policies (continued)

(g) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

4. Accounts receivable

Accounts receivable at March 31 is comprised of the following:

	2014	2013
Financial Institutions Branch of Department of Finance - Fire Prevention Levy	\$ 188	\$ 3,646
Public Safety Canada - Joint Emergency Preparedness Initiative	-	915
National Search and Rescue Secretariat - New Search and Rescue Initiative	236	115
Trade accounts receivable	823	764
Allowance for doubtful accounts (Note 13)	(395)	(172)
	\$ 852	\$ 5,268

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities at March 31 is comprised of the following:

	2014	2013
Trade payables	\$ 989	\$ 725
Natural Resources Canada - Green Building	-	705
Province of Manitoba transfer payment	750	750
Vacation and overtime	726	724
Accrued salaries and employee benefits	189	159
City of Winnipeg - professional services	53	55
PST and GST payable	18	30
Other accruals	219	161
	\$ 2,944	\$ 3,309

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2014

6. Employee future benefits

	2014	2013
Severance benefits	\$ 653	\$ 720
Sick pay benefits	119	156
	\$ 772	\$ 876

Pension benefits

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the *Civil Service Superannuation Act (CSSA)*, administered by the Civil Service Superannuation Board. The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Agency, through the Civil Service Superannuation Fund.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees. Commencing April 1, 2011, the Agency was required to pay to the Province an amount equal to the current pension contributions of its employees. The amount paid for 2014 was \$495 (2013 - \$427). Under this agreement, the Agency has no further pension liability.

Severance benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life (EARSL) of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2011. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarially determined net liability for accounting purposes as at March 31, 2014 is \$653 (2013 - \$720), with the actuarial losses of \$113 (2013 - \$113) being amortized over the 15 year EARSL of the employee group.

Significant long-term actuarial assumptions used in the March 31, 2011 valuation, and in the determination of the March 31, 2014 present value of the accrued severance benefit liability, are:

Annual rate of return:	
Inflation component	2.00%
Real rate of return	4.00%
	6.00%
Assumed salary increase rates:	
Annual productivity increase	1.00%
Annual general salary increase	2.75%
	3.75%

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2014

6. Employee future benefits (continued)

The severance benefit liability at March 31 includes the following components:

	2014	2013
Accrued benefit liability	\$ 709	\$ 784
Less: unamortized actuarial losses	(56)	(64)
Severance benefit liability	\$ 653	\$ 720

Total severance benefits paid during the year ended March 31, 2014 were \$162 (2013 - \$58). The total expense related to severance benefits for the year ended March 31 includes the following components:

	2014	2013
Interest on obligation	\$ 51	\$ 49
Current period service cost	36	36
Amortization of actuarial losses over EARSL	8	8
Total expense related to severance benefits	\$ 95	\$ 93

Sick pay benefits

The Agency provides sick leave benefits for employees that accumulate but do not vest. The accrued benefit obligation related to sick leave entitlements earned by employees is determined using a valuation model developed by an actuary. The valuation is based on employee demographics, sick leave usage and actuarial assumptions. These assumptions include a 5.00% (2013 - 5.00%) annual return and a 3.00% (2013 - 3.00%) annual salary increase. The Agency's sick leave benefit liability as at March 31, 2014 based on the valuation model is \$119 (2013 - \$156). The increase (decrease) in the sick leave benefit liability of (\$37) (2013 - \$19) represents the total sick leave benefit expense (recovery) for the year.

7. Capital lease obligations

	2014	2013
Polaris Leasing Ltd., capital lease due November 1, 2013, interest at 7.318% per year with annual principal and interest payments of \$43 for the first 4 years and a final payment of principal and interest of \$79 in 2014	\$ -	\$ 74

Obligations under capital lease are secured by the equipment under lease. Future minimum lease payments until maturity are \$nil (2013 - \$74).

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2014

8. Tangible capital assets

	2014			
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Buildings	\$ 7,782	\$ 37	\$ -	\$ 7,819
Practical training site	2,630	-	-	2,630
Equipment	3,334	172	-	3,506
Fire engines	1,707	-	-	1,707
Other vehicles	1,429	-	-	1,429
Air compressors	913	79	-	992
Furniture	141	96	-	237
Computer equipment and software	595	34	-	629
	\$ 18,531	\$ 418	\$ -	\$ 18,949
Accumulated amortization				
Buildings	\$ 2,788	\$ 252	\$ -	\$ 3,040
Practical training site	1,621	101	-	1,722
Equipment	2,686	164	-	2,850
Fire engines	1,369	101	-	1,470
Other vehicles	1,067	108	-	1,175
Air compressors	624	75	-	699
Furniture	89	50	-	139
Computer equipment and software	437	36	-	473
Total accumulated amortization	\$ 10,681	\$ 887	\$ -	\$ 11,568
Net book value	\$ 7,850	\$ (469)	\$ -	\$ 7,381

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2014

8. Tangible capital assets (continued)

	2013			
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Buildings	\$ 7,654	\$ 128	\$ -	\$ 7,782
Practical training site	2,388	242	-	2,630
Equipment	3,166	168	-	3,334
Fire engines	1,400	307	-	1,707
Other vehicles	1,267	188	(26)	1,429
Air compressors	838	75	-	913
Furniture	96	45	-	141
Computer equipment and software	406	189	-	595
	\$ 17,215	\$ 1,342	\$ (26)	\$ 18,531
Accumulated amortization				
Buildings	2,526	262	-	2,788
Practical training site	1,509	112	-	1,621
Equipment	2,523	163	-	2,686
Fire engines	1,225	144	-	1,369
Other vehicles	936	156	(25)	1,067
Air compressors	552	72	-	624
Furniture	75	14	-	89
Computer equipment and software	370	67	-	437
Total accumulated amortization	\$ 9,716	\$ 990	\$ (25)	\$ 10,681
Net book value	\$ 7,499	\$ 352	\$ (1)	\$ 7,850

9. Designated assets

The Agency has allocated \$787 (2013 - \$787) of its portfolio investments as designated assets for cash received from the Province of Manitoba for vacation entitlements earned by employees of the Agency prior to its designation as an SOA and for severance pay benefits for certain of its employees. As at March 31, 2014, \$559 is designated for the vacation entitlements and severance pay benefits accumulated to March 31, 1998 for certain of its employees and \$228 is designated for the severance pay benefits accumulated to April 1, 2011 for employees transferred from the Mechanical and Engineering Branch. These amount are held in an interest bearing account until the cash is required to discharge the related liabilities. Any unused balance is reinvested annually.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2014

10. Commitments

The Agency has entered into a lease agreement with the City of Brandon for the land on which the practical training facility has been constructed. The term of the lease expires May 31, 2017. Minimum annual rent is \$12 due in equal monthly installments, plus all operating costs with respect to the subject land.

Computer and office equipment operating leases exist for 138 machines. The longest lease term expires on December 31, 2017.

The Agency has entered into leases on a fleet of 43 vehicles.

These three categories of leases give rise to lease commitments as follows:

2015	\$	228
2016		167
2017		145
2018		94
2019		43
Thereafter		4
		<hr/>
		\$ 681

11. Transfer of funds to the Province of Manitoba

During the year, with Lieutenant-Governor-in-Council approval by Order in Council, the Agency transferred \$750 (2013 - \$750) of its surplus funds to the Province of Manitoba.

12. Professional services - Family Services and Labour

The Agency has a professional services agreement with the Department of Family Services and Labour to provide financial and administrative services, information and communications technology services, and research, legislation and policy services to the Agency. The amount paid for March 31, 2014 was \$180 (2013 - \$180).

13. Financial instruments and financial risk management

The Agency does not have any significant financial instruments subsequently measured at fair value or denominated in a foreign currency therefore the Agency did not incur any remeasurement gains or losses during the year (2013 - \$nil).

Financial risk management – overview

The Agency has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; market risk; interest risk; and foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Agency to credit risk consist principally of cash and cash equivalents, accounts receivable and portfolio investments.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2014

13. Financial instruments and financial risk management (continued)

The maximum exposure of the Agency to credit risk at March 31 is:

	2014	2013
Cash and cash equivalents	\$ 14,717	\$ 8,145
Accounts receivable	852	5,268
Portfolio investments	787	787
	<u>\$ 16,356</u>	<u>\$ 14,200</u>

Cash and cash equivalents and portfolio investments: The Agency is not exposed to significant credit risk as these amounts are held by the Minister of Finance.

Accounts receivable: The Agency is not exposed to significant credit risk as the majority of the receivables are due from other reliable organizations and payment in full is typically collected when payment is due. The Agency establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, customer analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

The balance in the allowance for doubtful accounts as at March 31, 2014 is \$395 (2013 - \$172). The change in the allowance for doubtful accounts during the year is as follows:

	2014	2013
Balance, beginning of the year	\$ 172	\$ 172
Provision for receivable impairment	223	2
Amounts written off during the year	-	(2)
Balance, end of the year	<u>\$ 395</u>	<u>\$ 172</u>

Liquidity risk

Liquidity risk is the risk that the Agency will not be able to meet its financial obligations as they come due.

The Agency manages liquidity risk by maintaining adequate cash balances and by review from the Province of Manitoba to ensure adequate funding will be received to meet the obligations.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Agency's income or the fair values of its financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to cash and cash equivalents and portfolio investments.

The interest rate risk on cash and cash equivalents is considered to be low because of their short-term nature. The interest rate risk on portfolio investments is considered low as the original deposits are reinvested at rates for investments with similar terms and conditions.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2014

13. Financial instruments and financial risk management (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Agency is not exposed to significant foreign currency risk as it does not have any significant financial instruments denominated in a foreign currency.

14. Comparative information

Certain of the amounts from the year ended March 31, 2013 have been reclassified to conform to the financial statement presentation adopted in the current year.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Schedule 1 - Revenue

(in thousands)

Year ended March 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Revenue			
Government grants/transfers:			
Province of Manitoba:			
Manitoba Local Government - Mutual Aid	\$ 130	\$ 128	\$ 129
Conservation - Disaster Financial Assistance	-	81	-
Total Province of Manitoba	130	209	129
Federal Government:			
Public Safety Canada - Joint Emergency Preparedness Initiative	-	-	741
National Search and Rescue Secretariat - New Search and Rescue Initiative	51	244	143
Public Safety Canada - National Heavy Urban Search and Rescue Exercise	-	-	49
National Resources Canada - Green Building - Recovery	-	-	144
Total Federal Government	51	244	1,077
Fees and other revenue:			
Insurance Levy	7,136	7,380	6,962
Mechanical and engineering fees	5,326	5,074	5,434
Codes and standards	1,832	1,927	1,815
Tuition fees	1,254	1,155	970
Fire inspections, investigations and reports	130	133	113
Emergency services conference	115	61	82
Other revenue	90	42	56
Total fees and other revenue	15,883	15,772	15,432
Investment income	25	72	58
Total revenue	\$ 16,089	\$ 16,297	\$ 16,696

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Schedule 2 - Transportation Expenses

(in thousands)

Year ended March 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Transportation expenses:			
Vehicle leases	\$ 626	\$ 490	\$ 598
Travel	147	106	134
Fuel - owned vehicles	45	23	19
Emergency response	-	8	1
Boards and committees	4	4	2
	<hr/>	<hr/>	<hr/>
	\$ 822	\$ 631	\$ 754

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Schedule 3 - Communications Expenses

(in thousands)

Year ended March 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Communications expenses:			
Communications	\$ 185	\$ 168	\$ 164
Postage and courier	40	57	47
Marketing	85	53	43
Public education material	74	19	14
	<hr/>	<hr/>	<hr/>
	\$ 384	\$ 297	\$ 268

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

Schedule 4 - Supplies and Services Expenses

(in thousands)

Year ended March 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Supplies and services expenses:			
Supplies	\$ 290	\$ 229	\$ 283
Public Emergency Responder Certification Program	85	-	139
Repairs and maintenance	250	200	259
Rent	402	301	306
Professional services - Labour and Immigration	180	180	180
Professional fees and contracted services	143	475	224
Mutual Aid - air compressor maintenance	75	57	49
Fuel - training supplies	25	33	20
Utilities	69	80	71
Other	6	12	14
Emergency response - Crown lands	-	20	6
	\$ 1,525	\$ 1,587	\$ 1,551

**OFFICE OF THE FIRE COMMISSIONER
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PROVINCE OF MANITOBA**

Schedule 5 - Other Operating Expenses

(in thousands)

Year ended March 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Other operating expenses:			
Desktop management	\$ 501	\$ 455	\$ 471
Travel	275	271	308
Bad debts	-	223	2
Property taxes	190	173	166
Insurance	139	131	143
Clothing	80	9	103
Publications	25	28	48
Professional development	30	13	15
Boards and committees	6	4	3
Seminar and conference registration	10	3	16
Memberships and subscriptions	18	7	8
Mutual Aid - meetings	5	2	3
Other	6	8	4
Emergency response - municipal lands	265	66	151
	\$ 1,550	\$ 1,393	\$ 1,441



**Office of the Fire
Commissioner**

508 - 401 York Avenue
Winnipeg, MB R3C 0P8
Phone: 204-945-3322
Fax: 204-948-2089
Toll Free: 1-800-282-8069
Email: firecomm@gov.mb.ca

**Office of the Fire
Commissioner
Manitoba Emergency
Services College**

1601 Van Horne Avenue East
Brandon, MB R7A 7K2
Phone 204-726-6855
Fax: 204-726-6847
Toll Free: 1-888-253-1488
Email: firecomm@gov.mb.ca