



OFFICE *of the* FIRE
COMMISSIONER

2014-2015 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 in 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



Her Honour, The Honourable Janice C. Filmon, 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 nineteenth Annual Report of the Office of the Fire Commissioner for the fiscal year ended March 31, 2015.

Respectfully submitted,

Original signed by

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 358 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I am pleased to submit, for your consideration, the nineteenth Annual Report of the Office of the Fire Commissioner for the year ended March 31, 2015.

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,

Original signed by

Dave Dyson
Acting Deputy Minister



Dave Dyson
Acting Deputy Minister
Labour and Immigration
352 Legislative Building
Winnipeg MB R3C 0V8

Dear Mr. Dyson:

I am pleased to submit for your review the 2014/15 Annual Report of the Office of the Fire Commissioner (OFC) for the year ended March 31, 2015.

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 Section 9.36 of the National Building Code of Canada-2011 with Manitoba amendments to improve energy efficiency in homes and small buildings.
- Developing regulations for updating the Manitoba building and fire codes in accordance with the recommendations of the Fire Safety Task Force.
- 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,

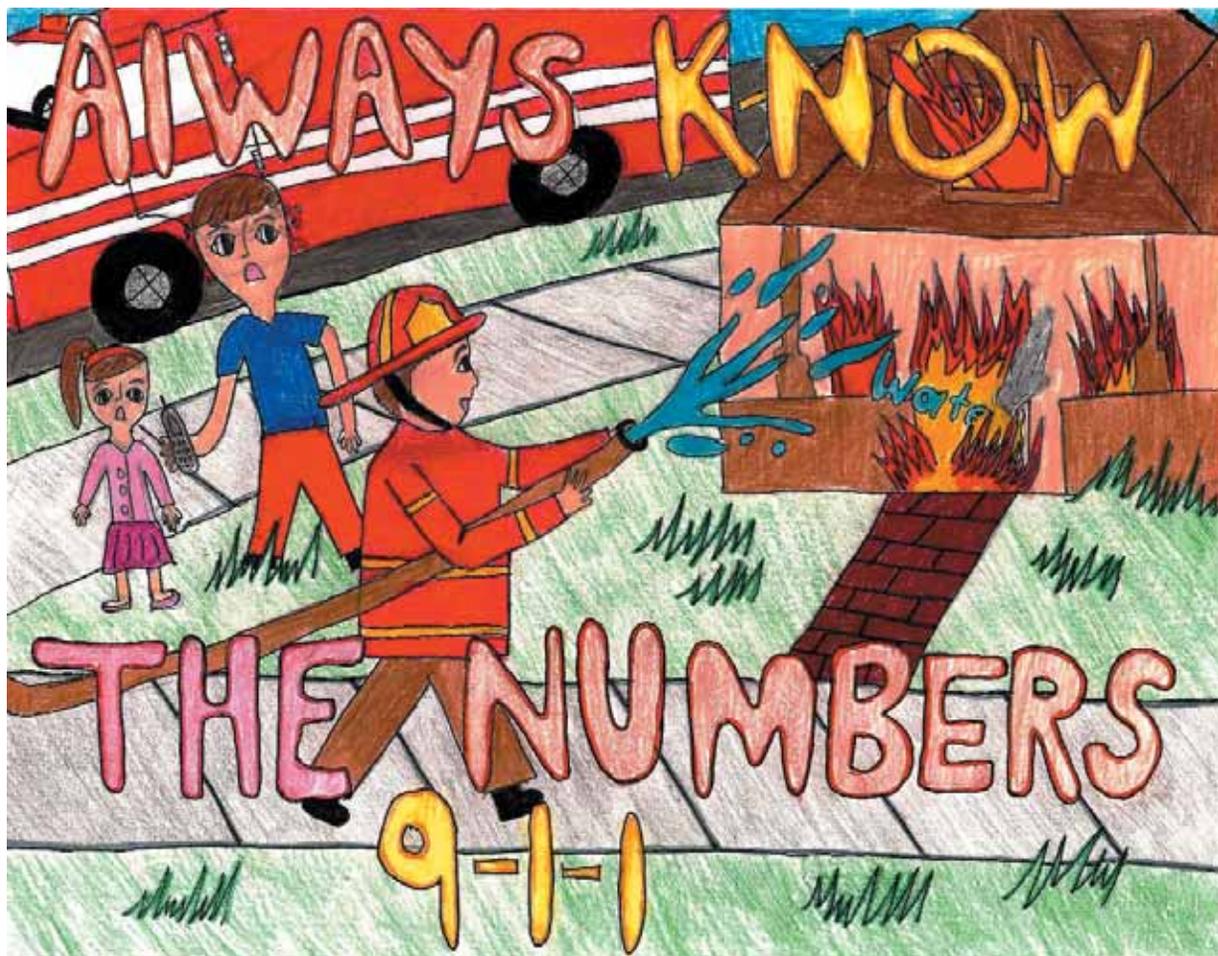
Original signed by

David Schafer
Fire Commissioner



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Winners of the 2014 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 (the Agency's) strategic operations and on changes to its mandate, structure, business practices and finances. The Advisory Board reviews and provides comments on the Agency'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 Labour and Immigration

David Schafer

Ex Officio

Fire Commissioner

Office of the Fire Commissioner

MEMBERS

Karl Jaikaransingh

Client Representative

Sovereign General Insurance

Gail Finkel

Client Representative

Ben Vanderzwaag

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

John A. Lane

Client Representative

Winnipeg Fire Paramedic Service

Audit Committee

The role of the Audit Committee is to oversee the Agency'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 regarding policies and procedures related to whistleblower protection in accordance with fraud awareness and The Public Interest Disclosure Act. The Audit Committee reviews Agency 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 Labour and Immigration

David Schafer

Ex Officio

Fire Commissioner

Office of the Fire Commissioner

Cindy Giesbrecht

Ex Officio

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 Agency'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 1960s, training of fire fighters was included in this act and in 1997, Part I of the act was replaced with *The Wildfires Act*.

In addition to the responsibilities for fire prevention and management, the Agency is responsible for ensuring that buildings are constructed 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 creation of *The Buildings and Mobile Homes Act* in 1974.

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

As a result of the tragic events on September 11, 2001, Bill 2, *The Security Management (Various Acts Amended) Act* was passed in 2002. This resulted in the renaming of *The Fires Prevention Act* as *The Fires Prevention and Emergency Response Act* and provided the fire commissioner with the authority to take whatever action is necessary in order 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 Department of Labour and Immigration was transferred to the Agency, and was renamed Inspection and Technical Services Manitoba (ITSM). This amalgamation expanded the Agency's mandate to include administration responsibilities for various technical safety acts, which include: *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 Agency to streamline permit application and licensing processes for contractors and trades people by offering single window technical safety services.

Organizational Structure and Section Responsibilities

Policy and Planning

The Policy and Planning section is responsible for the Agency's business planning, statistical analysis, regulatory and policy development. The policy unit has been separated into two units, each led by a senior policy analyst. The policy unit provides support to all sections in achieving the Agency's goals and planned actions. This section also provides support to advisory boards and committees that were established under various statutes which the Agency administers.

Support Services

The Support Services section provides effective comptrollership oversight, financial planning and processing, supports the Agency's information technology systems and upgrades, and provides direct administrative and clerical support to the Agency.

Operations

The Operations section provides a variety of consultative and support services to municipal fire services and councils. These services are related to the operation and management of fire departments, oversight of the provincial mutual aid system, public education, fire prevention and fire investigation services. This section also coordinates the Fire Smart program, which assists communities across Manitoba by proactively addressing Wildland Urban Interface fire protection.

The Fire Investigation unit provides investigation services across the province. Although investigating fires is a municipal responsibility, the Agency is often called upon to provide expert support for complex fires, or where injuries, deaths, or major property damage has occurred.

The Public Education and Prevention unit develops and delivers public education programs based on provincial need and statistical trends. The unit also provides fire safety programs to assist in building safer communities in Manitoba.

Manitoba Emergency Services College (MESC)

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

The comprehensive emergency services training offered by the MESC includes training and certification related to fire fighting, rescue, fire and life safety, fire service management, public education and building construction. The MESC holds accreditation in 35 program areas. The traditional clients of the MESC are the Manitoba fire service, the Search and Rescue Manitoba network, and the Manitoba police service.



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 people. The following is an overview of the technical safety services provided by ITSM:

- electrical equipment inspections
- boiler and pressure vessel inspections
- elevators, elevating devices and amusement rides 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, the Mobile Homes Standards and Permits Regulation, and the Fire Safety Inspection Regulation. The Fire Safety Inspection unit provides fire inspection services to other departments and government agencies on behalf of the Agency. They also provide inspections on a fee-for-service basis to clients requesting services. Their primary responsibility is to provide education and support to local authorities when implementing their fire inspection programs. This service is provided at no charge.

The Building Code Inspection section provides building code services on a contract basis to municipalities throughout Manitoba. In exchange for the services, the Agency receives a fee per capita per municipality and a permit fee. In areas of the province where the local authority has not been delegated with the authority to administer Part 3 of the Manitoba Building Code, the section provides this service and permit fees are collected by the Agency. This section also provides support to the Building Standards Board, which advises the Minister of Manitoba Labour and Immigration and the fire commissioner on matters related to Manitoba's construction codes. As part of this function, the section provides technical support to a number of sub-committees and task groups that are responsible for the revisions and updates to the construction codes.

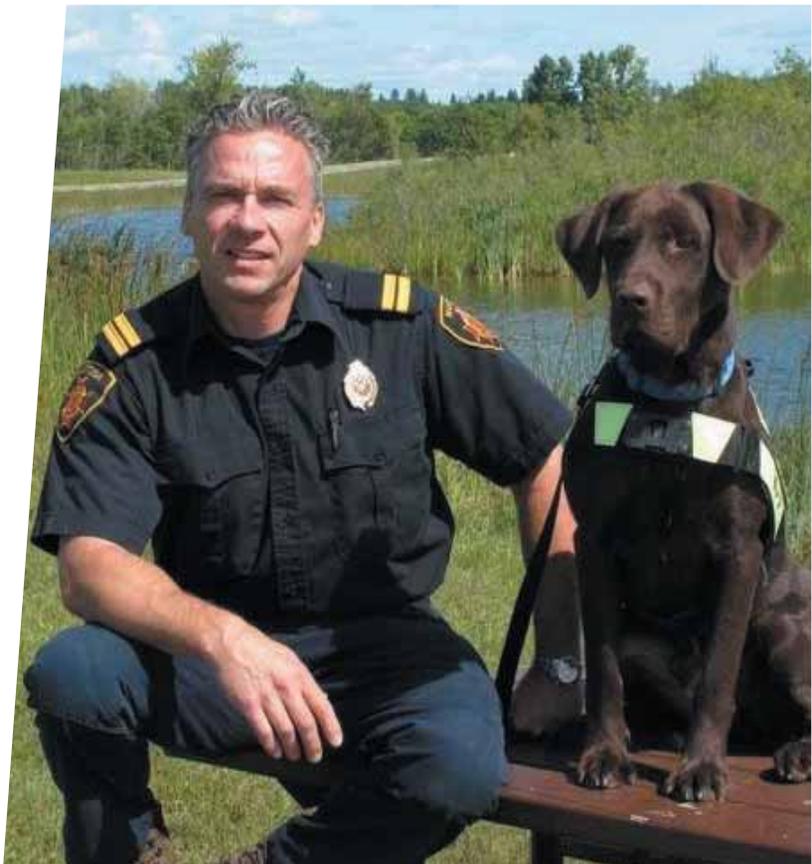
Emergency Response

In support of the *Manitoba Emergency Plan* administered under the Manitoba Emergency Measures Organization (EMO), the Agency provides emergency response services on behalf of the province to support municipalities, other provincial departments, policing agencies and other local authorities when emergency incidents are too large or complex for local or regional resources.

Under the direction of the fire commissioner, emergency response services are a shared responsibility across all sections of the Agency. This is not a dedicated section of the Agency, but due to the importance of this service within the Agency's mandate, it is important to identify it separately.

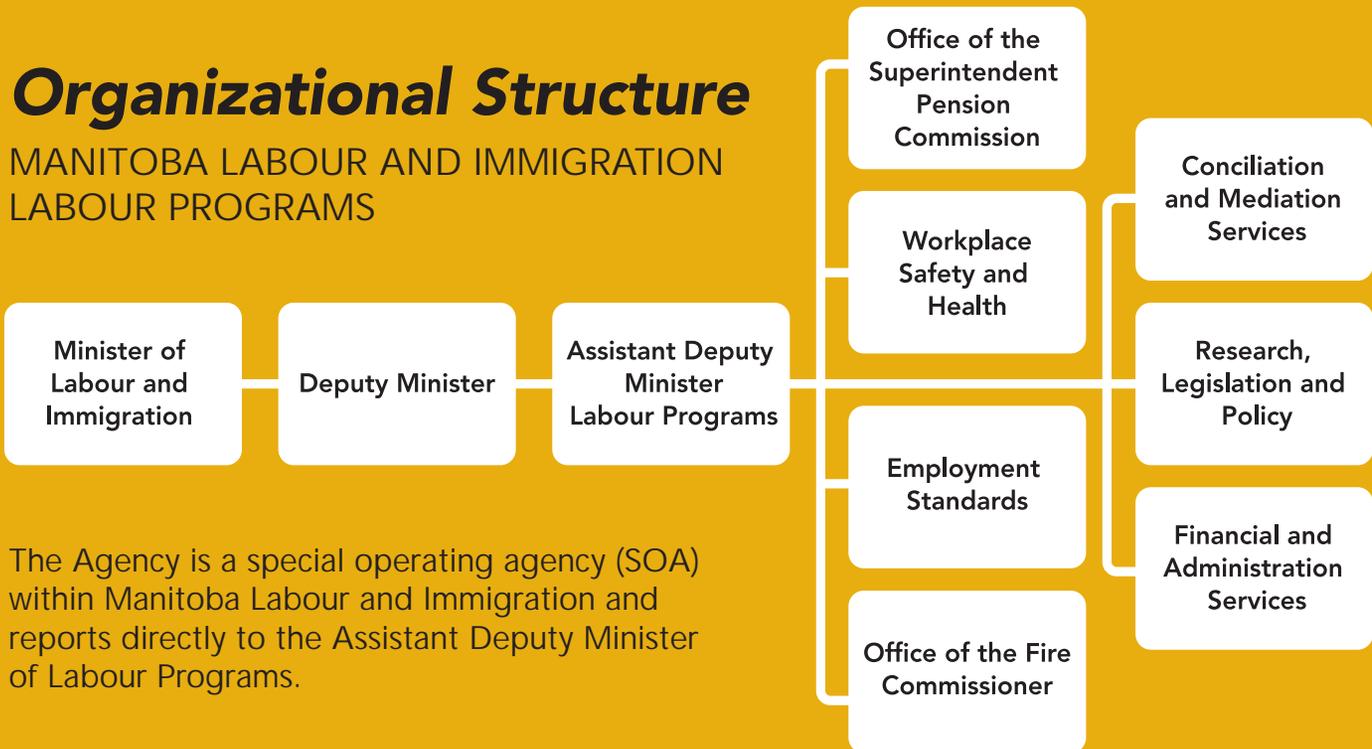
The Agency has established a comprehensive response system to respond to any incident that is too large, technical or complex for a local authority to handle. The emergency response services provided by the Agency include, but are not limited to:

- Ground Search and Rescue
- Urban Search and Rescue
- Chemical, Biological, Radiological, Nuclear and Explosive events
- Hazardous Materials response (technician level)
- Wildland Urban Interface (WUI) fires and community protection
- Implementation of the Incident Command System (ICS) at the scene of major emergencies or disasters



Organizational Structure

MANITOBA LABOUR AND IMMIGRATION
LABOUR PROGRAMS



The Agency is a special operating agency (SOA) within Manitoba Labour and Immigration and reports directly to the Assistant Deputy Minister of Labour Programs.

Organizational Structure 2014/15

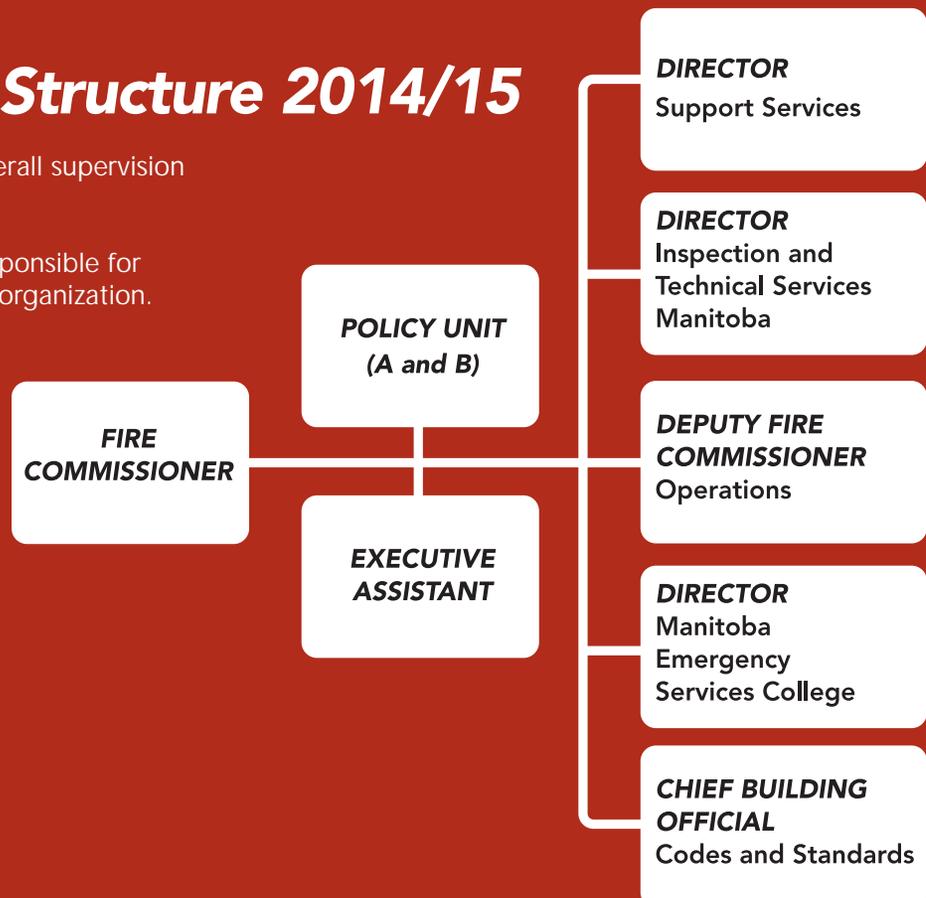
The Fire Commissioner provides overall supervision and guidance to the Agency.

The senior management team is responsible for the day-to-day management of the organization.

The Policy Units provide policy and planning support to all areas of the organization.

The Agency has offices in Winnipeg, Brandon, Portage la Prairie, and Dauphin.

The Agency was approved for 116 full-time and 7 term staff in the fiscal year 2014/15.



Provincial Fire Statistics

Manitoba reported 3,585 fires in 2014. This was a decrease of 71 fires, or 2%, compared to 2013.

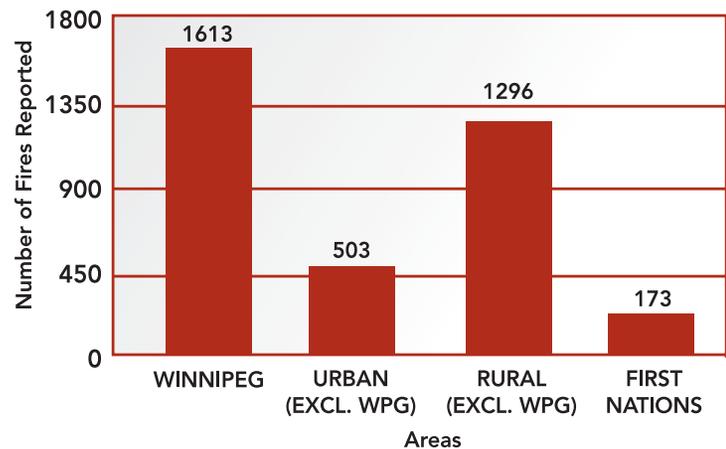
TABLE 1.1 - Distribution of Fires

	2011	2012	2013	2014
Winnipeg	3,088	2,818	1,946	1,613
Urban (Excl. Wpg)	382	438	452	503
Rural (Excl. Wpg)	1,411	1,745	1,167	1,296
First Nations	161	118	91	173
Total - Manitoba	5,042	5,119	3,656	3,585



The majority of fires reported were in Winnipeg, which accounted for 45% of all reported fires in Manitoba in 2014.

Chart 1.1 - 2014 Manitoba Fires by Area
- Numbers of Fires Reported



Property Damage and Loss

TABLE 1.2 - Fires and Property Damage by Property Type

	Number of Fires	Est. Value Loss (\$)
Structural	1,576	\$ 124,941,848
Vehicle	617	\$ 7,452,033
Outdoor Property	1,392	\$ 810,054

TABLE 1.3 - Property Loss as a Result of Fires in Manitoba

	2011	2012	2013	2014
Total	\$136,351,763	\$142,332,577	\$125,498,298	\$133,203,935

Forty major loss fires (damages of \$500,000 and over) accounted for \$65.5 million (49%) of the total estimated property loss in 2014. In 2013, Manitoba recorded 42 major losses with damages of \$59 million.

TABLE 1.4 - Major loss fires resulting in \$500,000 or more in property value loss in Manitoba

	2011	2012	2013	2014
Number of major loss fires	46	47	42	40
Total Est. Value Loss (\$)	\$61.3	\$74.3	\$59	\$65.5
Percentage of major loss from total property loss	45	40	47	49

The City of Winnipeg accounted for 44% of property damages resulting from fires in Manitoba in 2014.

CHART 1.2 - Percentage of Fires by Property Type

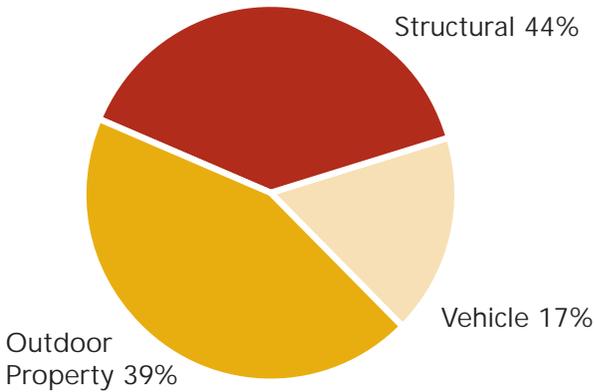


Chart 1.3 - 2014 Manitoba Fires - Property Value Loss by Area (\$ Millions)

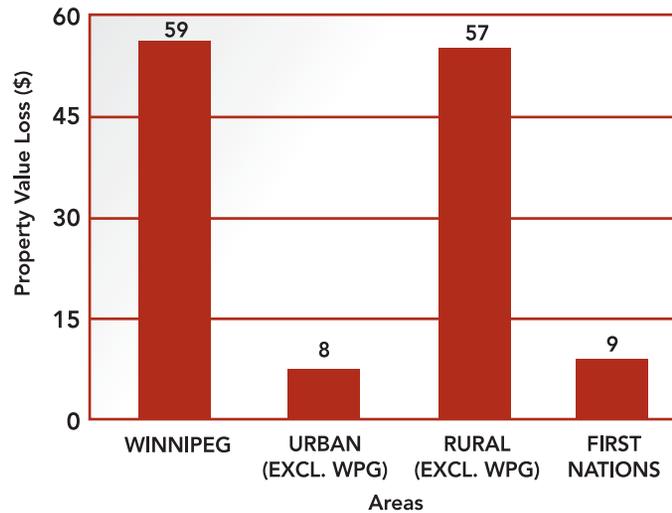


TABLE 1.5 - Manitoba Property Value Loss by Area

	Estimated Property Loss (\$ millions)	% of losses
Winnipeg	59	44
Urban (Excl. Wpg)	8	6
Rural (Excl. Wpg)	57	43
First Nations	9	7
Total - Manitoba	133	100

In 2014, an estimated \$5.4 billion in property was saved as a result of the containment and suppression of fires by the Manitoba Fire Service.

Injuries and Fatalities

Nine adults lost their lives as a result of fires in 2014. Seven of the fatalities occurred in residential fires. There were 130 fire related injuries reported in 2014, which represents a decrease of 6% compared to 2013. The Manitoba fire service assisted in evacuating 374 individuals from fires in 2014.

TABLE 1.6 - Number of Injuries and Fatalities due to Fire

	2011	2012	2013	2014
Injuries	251	227	138	130
Fatalities	22	23	13	9

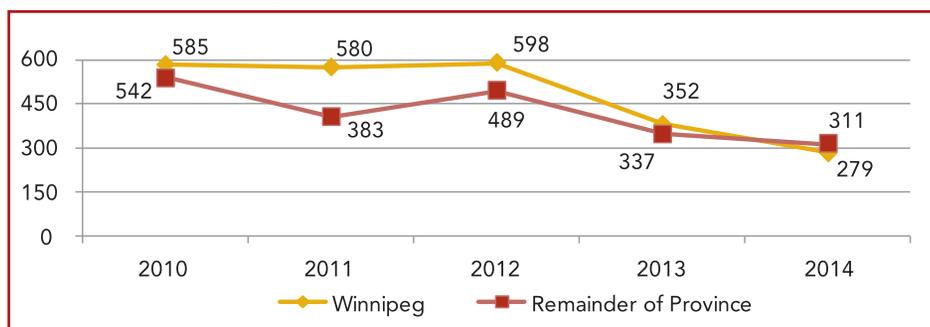
Suspicious Fires

In 2014, the City of Winnipeg reported 279 incidents that were determined to be incendiary* or suspicious in nature. Of these, 150 were outdoor property. This was a decrease of 21%, or 73 fires, compared to 2013.

In 2014, the City of Winnipeg continued to work with the

Winnipeg Police Service and community advocates. The City of Winnipeg bylaw officers proactively visited high risk areas of the city, providing residents with fire prevention material and ensuring the removal of all furniture and large outdoor garbage in the area. This venture continues to contribute to the decrease of incendiary incidents in the City of Winnipeg.

Manitoba Incendiary/Suspicious Fires 2010-2014



The remainder of the province reported 311 incendiary and suspicious fires. This was a decrease of 8% or 26 fires compared to 2013. The table below shows the percentages of fires and property damages in 2014 resulting from four major causes: incendiary, suspicious, accidental and undetermined.

TABLE 1.7 -
2014 NUMBER OF FIRES AND PROPERTY DAMAGE BY CAUSE

	NUMBER OF FIRES	% OF FIRES	EST. PROPERTY DAMAGE
Incendiary	375	11%	\$17,811,900
Suspicious	215	6%	\$676,353
Accidental	1,869	52%	\$73,976,806
Undetermined	1,126	31%	\$40,738,876

*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.

Note: All statistics presented in this section are based on information provided to the Agency by local authorities, insurance adjusters, Manitoba fire investigators, RCMP/police authorities. Information is based on a calendar year.

Key Continuous Improvement Objectives



The Agency identified six key priorities in the 2014/15 business plan. These priorities were in addition to its core year-to-year activities.

Strengthening the Manitoba Building and Fire Code to Enhance Public Safety

The Agency committed to leading a provincial Fire Safety Task Force to review fire safety in hospitals, personal care homes and other occupancies housing vulnerable people. The task force developed a terms of reference for the steering committee, established three sub-committees and organized initial and follow-up stakeholder consultations in an effort to ensure that recommendations from the task force were developed in a timely manner.

The Agency combined the recommendations from the task force and the Residential Care Working Group and prepared a discussion paper for the Minister of Labour and Immigration. The Manitoba government approved and accepted the recommendations and the Agency is now developing regulations based on these recommendations.

The Agency continued to improve energy efficiency in Manitoba buildings. The 2011 National Energy

Code of Canada for Buildings came into force with amendments in December 2014. The Minister approved the amendments to the energy efficiency requirements for homes and small buildings under Section 9.36 of the National Building Code. These changes will come into force April 1, 2016.

Modernizing the Technical Safety Legislation and Developing the Supporting Regulatory Framework

Bill - 69 *The Technical Safety Act* has been under development since January 2012 and will bring six pieces of existing safety legislation under one modern statute.

The Technical Safety Act was introduced into the legislature in May 2014, and will take effect upon proclamation. This is expected to take place once the development of new regulations to support the act is completed. The regulatory development process has already begun, and the Agency continues its close collaboration with industry stakeholders.

Completion of a Formal Comptrollership/Risk Management Plan and Integration of Information Systems

The Agency continued to update its financial systems and establish effective procedures to improve financial reporting, including the completion of the formal Comptrollership Plan.

The Director of Support Services continued to oversee the development of the organization's business continuity plan on behalf of Manitoba Labour and Immigration, and continued to work on finalizing the Agency's formal Comptrollership Plan.

Investing in Fire Prevention and Public Education Opportunities

The Agency remained committed to investing in both staff and resources to enhance prevention and public education initiatives. New initiatives and opportunities continued to be explored under the advisement of the Provincial Fire and Life Safety Advisory Committee and the Special Operating Agency Advisory Board. The committee and board provide the Agency with advice and recommendations on fire and life safety initiatives from a provincial perspective also taking into account local and regional concerns.

The Agency completed the Manitoba Provincial Fire Protection Plan and it was distributed at the Association of Manitoba Municipalities Convention in November of 2014. The working group has begun to coordinate the implementation of this plan.

The first session of the Firefighter Pre-Cadet Program was offered at the Northern Technical Centre at Frontier Collegiate Institute Campus in Cranberry Portage. The 110-hour program was developed by the Agency in partnership with Frontier School Division. The program, delivered by training specialists from the Agency and Frontier School Division, introduced cadets to the skills they require for success in fire fighting and public safety. Eight participants, 18 to 22 years of age, from seven different communities across the province attended. The program focused on developing important life skills, such as pride, leadership, commitment, discipline and teamwork.

The Agency continued to work with the Ontario Office of the Fire Marshal to explore the implementation of a new Youth Fire Stop (YFS) program, similar to the Arson Protection Program for Children (TAPP-C) started in

Ontario. A member of the Ontario Fire Marshal's Office was invited to provide training to the Manitoba YFS network. The Agency held an informational training session for the TAPP-C program. Materials and references were distributed and discussed; this training will support the implementation of similar programs in Manitoba.

Responding to the Training and Education Needs of the Manitoba Fire Service

The comprehensive emergency services training offered by the MESC includes training and certification related to fire fighting, rescue, fire and life safety, fire service management and building construction. The MESC received accreditation of 35 programs through the International Fire Service Accreditation Congress. The Agency staff will focus their efforts on preparing for the upcoming December 2015 accreditation site visit by the National Board on Fire Service Professional Qualifications (Pro Board). Pro Board is the second international entity providing accreditation to the fire and rescue programs. As well, Phase 1 of the Canadian Medical Association accreditation process was completed and a two year accreditation was achieved.

Ensuring the Agency is Positioned to Effectively Respond to Emergency Incidents in Support of Municipalities and Other Provincial Agencies

The Agency participated in the Provincial Environmental Emergency Strategy working group led by Manitoba Conservation. The working group is in response to a number of large scale industrial fires and explosions involving dangerous goods across Canada and the United States. The Agency continued to assist the Emergency Measures Organization with finalizing the Environmental Emergency Annex of the Manitoba Emergency Plan.

In response to the provincial initiative, the Agency took the lead in developing a provincial pre-plan with rail and pipeline industries and the Manitoba Association of Fire Chiefs to ensure there is a well supported and coordinated response on behalf of government, industry and the municipal fire services to any potential event in Manitoba.

The Agency remains committed to strengthening the various emergency response teams and networks through annual exercises and training sessions.

Core Activity Indicators

Fire Investigations

Fire investigations are conducted by members of the Manitoba fire service or the Agency in co-operation with policing authorities. Clients request the services of Agency 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.

INDICATORS	2012	2013	2014
Fire Investigations	451	261	381
Percentage for which Cause was Determined	85%	79%	68%

The investigation work done by the Agency may assist local authorities to lay criminal charges and convict 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 identifies 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 Agency investigators is a result of the Agency's efforts to strengthen the investigation capabilities of the local authorities, and the overall reduction in fire activity across the province.

In 2014/15, the Winnipeg Police Service laid 61 arson-related charges. Of those charged, 38 per cent were youths under the age of 17.

The Agency also provided coordination and support to the provincial Youth Fire Stop program. In 2014/15, 58 youths (55 Winnipeg, 3 rural) were referred to the program.

The Agency continues to support police services in responding to illegal drug operations such as methamphetamine laboratories and marijuana grow operations. In 2014/15, the Agency responded to 24 illegal drug operations.

Municipal Support

In addition to providing advice and training to municipalities on fire fighting, the Agency 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 Provincial Fire Protection Plan working group. The working group was represented by the Association of Manitoba Municipalities, the Manitoba Association of Fire Chiefs and the Agency.

In support of the Provincial Mutual Aid System, Agency staff representatives regularly attended meetings of the Provincial Mutual Aid and Northern Training Districts, in order to provide consultative support and to promote district training. In 2014/15, Agency staff attended 62 per cent of the Provincial Mutual Aid and Northern Training district meetings.

Education and Training

The MESC provides the following training programs: Public Fire Paramedic, Emergency Services Instructor, Public Safety, Technical Rescue, Canine Search and Rescue, Hazardous Materials, Emergency Vehicle Driver/Operator, Incident Command and Fire Officer, Fire Investigation, Fire Safety Inspection, Institutional Fire Protection, Fire Fighting and Emergency Medical Response.

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



TRAINING PROGRAM	NUMBER OF COURSES DELIVERED/REGISTERED	NUMBER OF STUDENTS
September 2014 to June 2015 (Full time 10 month program)		
Public Fire Paramedic*	1	39
April 2014 to March 2015 (includes MESC Scheduled, Contract, District, and WFPS courses)		
Emergency Services Instructor	4	39
Public Safety	8	77
Technical Rescue	49	621
Canine Search and Rescue	5	32
Hazardous Materials	8	54
Emergency Vehicle Driver/Operator	14	154
Incident Command and Fire Officer	38	1104
Fire Investigation	3	39
Fire Safety Inspection	4	55
Institutional Fire Protection	3	34
April 2014 to March 2015 (registered and delivered by the Manitoba fire service)		
Fire Fighting	50	475
Emergency Medical Response	2	10

* This program is a 10 month pre-employment program.



Inspection and Technical Services Manitoba

Inspection and Technical Services Manitoba 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.

INDICATORS	2012/2013	2013/14	2014/15
Elevator and Handicap Lift Inspections	3,007	3,387	3,125
Amusement Rides Inspections	154	158	155
Rope and Ski Tows and Chair Lift Inspections	n/a**	n/a**	14
Boiler, Pressure Vessel and Refrigeration Plant Inspections	10,112	8,739	9,038
Canadian Registration Number Designs (boilers, pressure vessels, etc.) Reviewed and Accepted	1,041	1,027	1,377
Gas Permits Issued	22,815	21,351	21,995
Special Acceptance Approval of Electrical and Gas Equipment	679	706	575
Variance Approvals	n/a**	n/a**	47
Quality Assurance Manuals Reviewed and Approved	102	81	132
Trades Licences issued*	8,384	4,200	3,699
Number of Trade Examinations Written (Electrical, Gas, Power Engineering and Welding)	n/a**	n/a**	1,720

* Subject to annual fluctuations due to various trades requiring four-year renewal.

** The indicators were not captured or tabulated in previous years.

Codes and Standards

The Codes and Standards section works to ensure that buildings meet the provincial building, 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 substandard construction or building maintenance.

INDICATORS	2012/13	2013/14	2014/15
Delivery of Educational Programs for Other Government Agencies	12	2	14
Delivery of Contractor Information Sessions	10	18	7
Building Permits Issued	986	831	799
Plumbing Permits Issued	275	233	237
Occupancy Permits Issued	79	118	64
Recreational Vehicle Inspections	176*	76*	427
Mobile Home Inspections			60
Fire Safety Inspections	171	117	181
Assistance to Local Authorities	n/a**	n/a**	24

* The Recreational Vehicle and Mobile Home Inspections were reported together in previous years.

** The indicators were not tabulated in previous years.

Emergency Response

The Agency engages in a wide variety of emergency response operations including Ground Search and Rescue (GSAR), Wildland Urban Interface (WUI) and Hazmat incidents. In 2014/15, the Agency responded to 22 emergency situations including 13 GSAR operations, four hazmat incidents, one WUI incident, and four other emergency situations. The Agency also trains and manages a number of specialized tactical teams. These teams are trained to effectively engage in emergency response, and are supported by various provincial and federal funding arrangements. These teams are nationally recognized and include: Heavy Urban Search and Rescue, Hazardous Materials, Chemical, Biological, Radiological, Nuclear, Explosive and Search and Rescue Manitoba.

Financial Discussion and Analysis

The following is a discussion and analysis for the fiscal year April 1, 2014 to March 31, 2015, comparing the actual operating results to the budget and the Agency's financial position from the previous year. It should be read in conjunction with the Agency's audited financial statements.

Operating Results

NET INCOME (000's) Net income for the year was \$2,902.

REVENUES (000's) Revenues of \$17,618 exceeded budget by \$1,538. The variance in revenues from budget is accounted for as follows:

CATEGORY	\$ (000's)	RATIONAL
<i>Grants</i>		
Provincial Government Manitoba Justice	\$71	Cost recovery. Proceeds of Crime Program.
Federal Government New Initiatives Fund (NIF)	\$28	Additional funding made available during the fiscal year by the National Search and Rescue Secretariat.
<i>Fees and other revenue</i>		
Insurance levy	\$468	Increased activity in the insurance industry.
Construction permit fee	\$897	Increased activity in the construction sector.
Term investments	\$29	Higher than anticipated cash on deposit causing higher interest income.
Inspection and Technical Services fees	\$433	Increased inspection demands.
MESC tuition	(\$301)	Contract revenue was reduced due to college resources being focused on providing education opportunities to the Manitoba Fire Service.
Other revenue	(\$87)	Miscellaneous revenue lower than anticipated.

EXPENSES (000's) Expenses of \$13,966 were under budget by \$1,309. The variances in expenses from budget are accounted for as follows:

CATEGORY	\$ (000's)	RATIONAL
Supplies and services	\$58	Additional office space was acquired in Winnipeg, increased utility cost and unanticipated emergency response expenditures occurred.
Mutual aid	(\$53)	Lower claims by districts than anticipated.
Personnel services	(\$568)	Increased vacancies due to retirements and staff turnover.
Transportation	(\$191)	Management of fleet vehicles and travel costs.
Communications	(\$124)	Expenses for marketing and published material were lower than anticipated.
Minor capital	(\$7)	Lower than budgeted minor capital purchases.
Amortization	(\$100)	Capital expenditures were delayed in the fourth quarter reducing amortization.
Capital assets	\$13	Loss on disposal of tangible capital asset.
Other operating expenses	(\$337)	Lower than budgeted operating expenses for emergency response.

FINANCIAL POSITION (000's) The accumulated surplus has increased to \$22,495 as a result of a net income for the year of \$2,902. This change is reflected by an increase in net financial assets of \$2,811, as well as an increase of non-financial assets of \$91.

OFFICE OF THE FIRE COMMISSIONER
FINANCIAL STATEMENTS
MARCH 31, 2015



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 June 30, 2015.

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

Original signed by

David Schafer
Fire Commissioner

Original signed by

Cindy Giesbrecht
Director of Support Services

INDEPENDENT AUDITORS' REPORT

To the Special Operating Agencies Financing Authority
and 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 Government of Manitoba, which comprise the statement of financial position as at March 31, 2015 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, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



June 30, 2015
Winnipeg, Canada

Magnus Chartered Accountants LLP

June 22, 2015

Office of the Fire Commissioner
508 - 401 York Avenue
Winnipeg Manitoba
R3C OP8

Dear Management and Audit Committee members:

We have been engaged to audit the financial statements of the Office of the Fire Commissioner for the year ended March 31, 2015. Canadian generally accepted auditing standards require that we communicate the following information with you in relation to the audit.

Internal Control Matters or Deficiencies

Audits include a review and evaluation of the system of internal control relevant to the preparation 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 internal control. However, we will communicate to you any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during our audit.

During the course of our audit, we encountered the following specific internal control matters that we wish to bring to your attention:

(1) Accounts Receivable (A/R) and the Allowance for Doubtful Accounts - Consistent with our audit findings in the prior year, we noted that the balance in the allowance for doubtful accounts had not changed and that receivable balances may not be being reviewed regularly with older balances followed up and/or written off as necessary. During the current year, we noted that all amounts outstanding greater than 90 days had been allowed for given the uncertainty of collecting aged balances outstanding at year end.

Recommendation: While allowing for all amounts outstanding > 90 days is conservative, we continue to recommend that procedures be implemented to review accounts receivable balances on a regular basis with timely follow up of individual balances outstanding > 90 days to improve collections. Best practice is to base the allowance for doubtful accounts on specific accounts.

Management Response: Based on discussions with management, management is fully aware of this issue and approval has been obtained from Treasury Board for a new Revenue Collections position to oversee and follow up on overdue A/R balances and improve the procedures and controls in place relating to collection of accounts receivable and writing off or allowing for uncollectible amounts. Management has informed us they hope to fill this position by July of 2015.

(2) IACS Follow-up Review of Internal Audit Recommendations Implementation - While our audit procedures designed to provide an opinion on the overall financial statements of the Agency do not require the same scope or depth of review as provided by Internal Audit and Consulting Services (IACS), we have reviewed the most recent status report dated August 31, 2014 and noted that all but 2 of the 57 recommendations have been closed or deemed substantially closed as at August 31, 2014. Per review of the status report, as at August 31, 2014, the outstanding recommendations include the continued integration of M&E into the overall operations of the Agency and various minor improvements. Consistent with prior years, we recommend that the Agency continue to work towards implementing all recommendations identified by IACS.

(3) Expense Reports - Although we did not note any errors or exceptions during our review of a sample of expense reports during the year, we make it a standard practice to recommend to all Audit Committees and Boards that they specifically review a sample of expense reports for senior management positions within the Agency as an added control to ensure compliance with policies and procedures and legitimacy of expenses.

Compliance with Laws or Regulations

During the course of our audit, we did not encounter any significant instances of non-compliance with laws or regulations that should be brought to your attention or disclosed in the notes to the financial statements.

Evidence of Fraud or Suspected Fraud

Due to the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. However, we will communicate to you any evidence of fraud or suspected fraud encountered during our audit.

We are pleased to inform you we did not encounter any instances of fraud or suspected fraud during our audit procedures performed for the year ended March 31, 2015.

Disagreements with Management

We are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate, significant to the financial statements or our auditor's report.

Disagreements may arise over:

- Selection or application of the financial reporting framework to be applied and/or specific accounting policies;
- Assumptions and related judgments for preparing accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the auditor's report, including inclusion of additional paragraphs where considered necessary in the circumstances.

We are pleased to inform you that we had no disagreements with management during the course of our audit.

Difficulties Encountered During the Audit

For your reference, significant difficulties encountered while performing the audit could include, but are not limited to:

- Significant delays in management providing information required for the audit;
- An unnecessarily brief time in which to complete the audit; and
- Lack of cooperation by management and/or staff during the performance of our audit procedures.

We encountered no significant difficulties during our audit that should be brought to your attention.

Uncorrected Errors / Misstatements

We are required to request management to correct all errors or misstatements, other than those that are clearly trivial, identified during the course of our audit and then report to you all uncorrected errors or misstatements.

We are pleased to inform you that there are no uncorrected errors or misstatements relating to the audit of the financial statements of Office of the Fire Commissioner for the year ended March 31, 2015.

Financial Reporting Framework and Significant Accounting Policies

Management is responsible for ensuring the financial reporting framework used in the preparation of the financial statements is appropriate and for the appropriate selection and application of accounting policies included in the applicable framework. Our role is to review the appropriateness and application of the financial reporting framework and specific accounting policies as part of our audit.

The financial reporting framework and accounting policies used by Office of the Fire Commissioner are described in the summary of significant accounting policies, as part of the notes to the financial statements. Ensuring that an acceptable financial reporting framework is used in the preparation of the financial statements is one of the pre-conditions for accepting an audit engagement under current auditing standards.

During the course of our audit, we did not encounter any instances where the application of specific accounting policies applicable to the financial reporting framework selected were not appropriate in the circumstances.

Other

We are not aware of any other significant issues or unusual transactions entered into by Office of the Fire Commissioner that you should be informed about.

We did not encounter any instances of illegal acts during the course of our audit.

We did not encounter any significant related party transactions outside the normal course of operations that were not previously disclosed to us during our audit.

We did not encounter any significant concerns or issues relating to Office of the Fire Commissioner's ability to continue as a going concern into the foreseeable future not previously disclosed to us during our audit.

We shall be pleased to discuss with you further any matters mentioned above, at your convenience.

This communication is prepared solely for the information of management and/or those charged with governance and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication. Should you wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

Yours truly,

MAGNUS CHARTERED ACCOUNTANTS LLP

Magnus Chartered Accountants LLP

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE PROVINCIAL GOVERNMENT
PROVINCE OF MANITOBA**

Statement of Financial Position

(in thousands)

March 31, 2015

	2015 Actual	2014 Actual
Financial assets		
Cash and cash equivalents	\$ 16,631	\$ 14,717
Accounts receivable (Note 4)	943	852
Portfolio investments	787	787
	<u>18,361</u>	<u>16,356</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 2,043	\$ 2,944
Deferred revenue	537	546
Employee future benefits (Note 6)	876	772
	<u>3,456</u>	<u>4,262</u>
Net financial assets	<u>14,905</u>	<u>12,094</u>
Non-financial assets		
Tangible capital assets (Note 7)	7,212	7,381
Prepaid expenses	110	118
Inventories of supplies	268	-
	<u>7,590</u>	<u>7,499</u>
Accumulated surplus	<u>\$ 22,495</u>	<u>\$ 19,593</u>

Designated assets (Note 8)

Commitments (Note 9)

See accompanying notes to financial statements.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE PROVINCIAL GOVERNMENT
PROVINCE OF MANITOBA**

Statement of Operations

(in thousands)

Year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue (Schedule 1):			
Government grants/transfers:			
Province of Manitoba	\$ 130	\$ 201	\$ 209
Federal Government	50	78	244
Total Government grants/transfers	180	279	453
Fees and other revenue	15,850	17,260	15,772
Investment income	50	79	72
	16,080	17,618	16,297
Expenses:			
Salaries and employee benefits	9,810	9,242	8,293
Mutual Aid expenses	260	207	215
Transportation (Schedule 2)	780	589	631
Communications (Schedule 3)	380	256	287
Supplies and services (Schedule 4)	1,445	1,503	1,587
Debt servicing - capital lease obligations	-	-	4
Minor capital expenses	190	183	49
Amortization of tangible capital assets	860	760	887
Loss on disposal of tangible capital assets (Note 7)	-	13	-
Other operating expenses (Schedule 5)	1,550	1,213	1,403
	15,275	13,966	13,356
Net income before the transfer of funds to the Province of Manitoba	805	3,652	2,941
Transfer of funds to the Province of Manitoba (Note 10)	750	750	750
Net income for the year	55	2,902	2,191
Accumulated surplus, beginning of year	17,821	19,593	17,402
Accumulated surplus, end of year	\$ 17,876	\$ 22,495	\$ 19,593

See accompanying notes to financial statements.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE PROVINCIAL GOVERNMENT
PROVINCE OF MANITOBA**

Statement of Change in Net Financial Assets

(in thousands)

Year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Net income for the year	\$ 55	\$ 2,902	\$ 2,191
Tangible capital assets:			
Acquisitions of tangible capital assets	(725)	(604)	(418)
Disposals of tangible capital assets	(4)	13	-
Amortization of tangible capital assets	860	760	887
Net acquisition of tangible capital assets	131	169	469
Other non-financial assets:			
Decrease (increase) in prepaid expenses	-	8	(25)
(Increase) in inventories of supplies	-	(268)	-
Net acquisition of other non-financial assets	-	(260)	(25)
Increase in net financial assets	186	2,811	2,635
Net financial assets, beginning of year	10,197	12,094	9,459
Net financial assets, end of year	\$ 10,383	\$ 14,905	\$ 12,094

See accompanying notes to financial statements.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE PROVINCIAL GOVERNMENT
PROVINCE OF MANITOBA**

Statement of Cash Flow

(in thousands)

Year ended March 31, 2015

	2015 Actual	2014 Actual
<i>Cash provided by (applied to)</i>		
Operating activities:		
Net income for the year	\$ 2,902	\$ 2,191
Adjustments for:		
Amortization of tangible capital assets	760	887
Loss on disposal of tangible capital assets	13	-
	3,675	3,078
Changes in the following:		
Accounts receivable	(91)	4,416
Accounts payable and accrued liabilities	(901)	(365)
Deferred revenue	(9)	64
Employee future benefits	104	(104)
Prepaid expenses	8	(25)
Inventories of supplies	(268)	-
Cash provided by operating activities	2,518	7,064
Capital activities:		
Acquisitions of tangible capital assets	(604)	(418)
Cash (applied to) capital activities	(604)	(418)
Financing activities:		
Capital lease obligations	-	(74)
Cash (applied to) financing activities	-	(74)
Change in cash and cash equivalents	1,914	6,572
Cash and cash equivalents, beginning of year	14,717	8,145
Cash and cash equivalents, end of year	\$ 16,631	\$ 14,717

See accompanying notes to financial statements.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE PROVINCIAL GOVERNMENT
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2015

1. Nature of organization

Effective April 1, 1996, the Office of the Fire Commissioner (the "Agency") was designated as a Special Operating Agency (SOA) pursuant to *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 between the Government of Manitoba (Labour) and the Special Operating Agencies Financing Authority (SOAFA), a corporation pursuant to *The Special Operating Agencies Financing Authority 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 for these assets 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. Summary of 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 PROVINCIAL GOVERNMENT
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2015

3. Summary of significant accounting policies (continued)

(a) Revenue (continued)

Fees and other revenue

Insurance levy revenue is recognized in accordance with the underlying legislation. *The Fires Prevention and Emergency Response Act* imposes a special assessment on licensed insurers in Manitoba equal to a set percentage of total property insurance premiums. The levy rate is currently set at 1.25% (2014 - 1.25%). The Agency collects this levy based on the value of premiums and assessments relating to property insurance premiums in a calendar year. Levy revenue with respect to the 2014 calendar year is recognized as revenue in the fiscal year ending March 31, 2015 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 the 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 the accrual basis.

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

Emergency services and other conferences revenue and all other revenue and are recognized on the accrual basis.

Amounts received in advance for tuition fees, conferences and mechanical and engineering fees are deferred and recognized as revenue during the period the revenue relates to.

Investment income is recognized on the accrual basis.

(b) Expenses

Expenses

Expenses incurred for goods and services are recorded on the 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.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE PROVINCIAL GOVERNMENT
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2015

3. Summary of significant accounting policies (continued)

(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.

(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
Leasehold improvements	10% 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.

Inventories of supplies

Inventories of supplies are recorded at cost and recognized as an expense in the year the supplies are consumed.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE PROVINCIAL GOVERNMENT
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2015

3. Summary of significant accounting policies (continued)

(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 and accrued liabilities.

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.

(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 may differ from these estimates.

4. Accounts receivable

Accounts receivable at March 31 is comprised of the following:

	2015	2014
Financial Institutions Branch of the Department of Finance - Fire Prevention Levy	\$ 227	\$ 188
National Search and Rescue Secretariat - New Search and Rescue Initiative	54	236
Trade accounts receivable	1,043	823
Allowance for doubtful accounts (Note 12)	(381)	(395)
	\$ 943	\$ 852

5. Accounts payable and accrued liabilities

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

	2015	2014
Trade payables	\$ 865	\$ 989
Province of Manitoba transfer payment	-	750
Vacation and overtime entitlements	811	726
Accrued salaries and benefits	258	189
City of Winnipeg - professional services	53	53
PST and GST payable	8	18
Other accruals	48	219
	\$ 2,043	\$ 2,944

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE PROVINCIAL GOVERNMENT
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2015

6. Employee future benefits

	2015	2014
Severance benefits	\$ 738	\$ 653
Sick pay benefits	138	119
	\$ 876	\$ 772

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 2015 was \$515 (2014 - \$495). 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, 2014. 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, 2015 is \$738 (2014 - \$653), with the net actuarial losses of \$220 (2014 - \$112) based on the completed actuarial reports being amortized over the 15 year EARSL of the employee group.

Significant long-term actuarial assumptions used in the March 31, 2014 valuation, and in the determination of the March 31, 2015 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 PROVINCIAL GOVERNMENT
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2015

6. Employee future benefits (continued)

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

	2015	2014
Accrued benefit liability, beginning of year	\$ 709	\$ 784
Actuarial losses	108	-
Current period service costs	53	36
Interest on accrued severance benefits	49	51
Severance benefits paid	(32)	(162)
Accrued benefit liability, end of year	887	709
Less: unamortized actuarial losses	(149)	(56)
Severance benefit liability, end of year	\$ 738	\$ 653

The total expense related to severance benefits for the year ended March 31 includes the following components:

	2015	2014
Current period service costs	53	36
Interest on accrued severance benefits	\$ 49	\$ 51
Amortization of actuarial losses over EARSL	15	8
Total expense related to severance benefits	\$ 117	\$ 95

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% (2014 - 5.00%) annual return and a 3.00% (2014 - 3.00%) annual salary increase. The Agency's sick leave benefit liability as at March 31, 2015 based on the valuation model is \$138 (2014 - \$119). The increase (decrease) in the sick leave benefit liability of \$19 (2014 - (\$37)) represents the total sick leave benefit expense (recovery) for the year.

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE PROVINCIAL GOVERNMENT
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2015

7. Tangible capital assets

	2015			
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Buildings	\$ 7,819	\$ 26	\$ -	\$ 7,845
Practical training site	2,630	96	-	2,726
Equipment	3,506	134	-	3,640
Fire engines	1,707	-	-	1,707
Other vehicles	1,429	21	-	1,450
Air compressors	992	159	-	1,151
Furniture	237	94	-	331
Computer equipment and software	629	-	(41)	588
Leasehold improvements	-	74	-	74
	\$ 18,949	\$ 604	\$ (41)	\$ 19,512
Accumulated amortization				
Buildings	\$ (3,040)	\$ (231)	\$ -	\$ (3,271)
Practical training site	(1,722)	(94)	-	(1,816)
Equipment	(2,850)	(135)	-	(2,985)
Fire engines	(1,470)	(58)	-	(1,528)
Other vehicles	(1,175)	(68)	-	(1,243)
Air compressors	(699)	(82)	-	(781)
Furniture	(139)	(52)	-	(191)
Computer equipment and software	(473)	(32)	28	(477)
Leasehold improvements	-	(8)	-	(8)
Total accumulated amortization	\$ (11,568)	\$ (760)	\$ 28	\$ (12,300)
Net book value	\$ 7,381	\$ (156)	\$ (13)	\$ 7,212

**OFFICE OF THE FIRE COMMISSIONER
AN AGENCY OF THE PROVINCIAL GOVERNMENT
PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2015

7. Tangible capital assets (continued)

	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

8. Designated assets

The Agency has allocated \$787 (2014 - \$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, 2015, \$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 re-invested annually.

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PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2015

9. 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 41 vehicles.

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

2016	\$	167
2017		145
2018		94
2019		43
2020		4

10. 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 (2014 - \$750) of its surplus funds to the Province of Manitoba.

11. Professional services - Labour and Immigration

The Agency has a professional services agreement with the Department of Labour and Immigration for the provision of legislation and policy services to the Agency for total fees of \$75 for the year ended March 31, 2015. In the prior year, a similar agreement was in place for financial and administrative services, information and communications technology services, research, legislation and policy services. The amount paid pursuant to this professional services agreement for the year ended March 31, 2015 was \$75 (2014 - \$180). As at year end, all amounts owing pursuant to this agreement have been paid.

12. 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 (2014 - \$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.

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PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2015

12. Financial instruments and financial risk management (continued)

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

	2015	2014
Cash and cash equivalents	\$ 16,631	\$ 14,717
Accounts receivable	943	852
Portfolio investments	787	787
	<u>\$ 18,361</u>	<u>\$ 16,356</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 exposed to credit risk on its trade accounts receivable. 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 at March 31, 2015 is \$381 (2014 - \$395). The change in the allowance for doubtful accounts during the year is as follows:

	2015	2014
Balance, beginning of the year	\$ 395	\$ 172
Provision for receivable impairment	-	223
Reversals of previously recognized impairments	(14)	-
Balance, end of the year	<u>\$ 381</u>	<u>\$ 395</u>

The aging of accounts receivable and the related allowance for doubtful accounts at March 31, 2015 is as follows:

	Accounts receivable	Allowance	Net
Current	\$ 818	\$ -	\$ 818
30-60 days past the billing date	88	-	88
61-90 days past the billing date	37	-	37
90 days past the billing date	381	(381)	-
Balance, end of the year	<u>\$ 1,324</u>	<u>\$ (381)</u>	<u>\$ 943</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.

Notes to Financial Statements

(in thousands)

Year ended March 31, 2015

12. Financial instruments and financial risk management (continued)

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.

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.

13. Comparative information

Certain of the amounts for the year ended March 31, 2014 have been reclassified to conform to the financial statement presentation adopted in the current year.

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

Schedule 1 - Revenue

(in thousands)

Year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Government grants/transfers:			
Province of Manitoba:			
Manitoba Local Government - Mutual Aid	\$ 130	\$ 130	\$ 128
Conservation - Disaster Financial Assistance	-	-	81
Other - Criminal Property Forfeiture	-	71	-
Total Province of Manitoba	130	201	209
Federal Government:			
National Search and Rescue Secretariat - New Search and Rescue Initiative	50	78	244
Total Federal Government	50	78	244
Fees and other revenue:			
Insurance Levy	7,400	7,868	7,380
Mechanical and engineering fees	5,000	5,433	5,074
Codes and standards	1,900	2,797	1,927
Tuition fees	1,300	999	1,155
Fire inspections, investigations and reports	130	124	133
Emergency services and other conferences	30	18	61
Other revenue	90	21	42
Total fees and other revenue	15,850	17,260	15,772
Investment income	50	79	72
	\$ 16,080	\$ 17,618	\$ 16,297

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

Schedule 2 - Transportation Expenses

(in thousands)

Year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Transportation expenses:			
Vehicle leases	\$ 550	\$ 456	\$ 490
Travel	200	115	106
Fuel - owned vehicles	25	13	23
Emergency response	-	3	8
Boards and committees	5	2	4
	<hr/>	<hr/>	<hr/>
	\$ 780	\$ 589	\$ 631

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

Schedule 3 - Communications Expenses

(in thousands)

Year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Communications expenses:			
Communications	\$ 185	\$ 161	\$ 168
Postage and courier	40	55	47
Marketing	85	13	53
Public education material	70	27	19
	\$ 380	\$ 256	\$ 287

**OFFICE OF THE FIRE COMMISSIONER
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Schedule 4 - Supplies and Services Expenses

(in thousands)

Year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Supplies and services expenses:			
Supplies	\$ 229	\$ 219	\$ 229
Repairs and maintenance	200	206	200
Rent	300	338	301
Professional services - Labour and Immigration (Note 11)	75	75	180
Professional fees and contracted services	475	420	475
Mutual Aid - air compressor maintenance	60	83	57
Fuel - training supplies	30	18	33
Utilities	70	88	80
Other	6	10	12
Emergency response - Crown lands	-	46	20
	\$ 1,445	\$ 1,503	\$ 1,587

**OFFICE OF THE FIRE COMMISSIONER
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Schedule 5 - Other Operating Expenses

(in thousands)

Year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Other operating expenses:			
Desktop management	\$ 501	\$ 452	\$ 455
Travel	275	280	271
Bad debts (recovery) expense	-	(14)	223
Property taxes	190	161	173
Insurance	139	129	131
Clothing	80	70	9
Publications	25	38	28
Professional development	30	37	23
Boards and committees	6	3	4
Seminar and conference registration	10	2	3
Memberships and subscriptions	18	7	7
Mutual Aid - meetings	5	2	2
Other	6	10	8
Emergency response - municipal lands	265	36	66
	\$ 1,550	\$ 1,213	\$ 1,403



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