



OFFICE *of the* FIRE
COMMISSIONER

2017-2018 ANNUAL REPORT



Mission Statement

To safeguard both persons and property from fire and life safety hazards through education, investigations, inspections, 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.



Énoncé de mission

Protéger les personnes et les biens contre l'incendie et les autres dangers pour la sécurité des personnes au moyen d'éducation, d'enquêtes, d'inspections, d'interventions d'urgence et de l'application des codes.

Nos valeurs

Nous croyons que la population a le droit de vivre dans des collectivités sécuritaires.

Nous croyons que nous devons offrir les meilleurs programmes et services possible à nos clients.

Nous croyons que nous devons assumer nos responsabilités au nom de notre organisation et que celle-ci est équitable, juste, efficace et efficiente.

Nous croyons dans la loyauté de nos membres et nous apprécions leur développement professionnel continu.



**MINISTER
OF GROWTH, ENTERPRISE AND TRADE**

Room 358
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

May it Please Your Honour:

I have the privilege of presenting the twenty-first Annual Report of the Office of the Fire Commissioner for the fiscal year ended March 31, 2018.

Respectfully submitted,

Original signed by

Blaine Pedersen
Minister





**MINISTRE
DE LA CROISSANCE, DE L'ENTREPRISE ET DU COMMERCE**

Bureau 358
Palais législatif
Winnipeg (Manitoba) Canada
R3C 0V8

Son Honneur l'honorable Janice C. Filmon, C.M., O.M.
Lieutenante-gouverneure du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C 0V8

Votre Honneur,
J'ai le privilège de vous présenter le vingt et unième rapport annuel du Bureau du
commissaire aux incendies pour l'exercice terminé le 31 mars 2018.

Le tout respectueusement soumis.

Le ministre,

Original signé par

Blaine Pedersen





**Growth, Enterprise and Trade
Deputy Minister**

Honourable Blaine Pedersen
Minister of Growth, Enterprise and Trade
Room 358 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I am pleased to submit, for your consideration, the twenty-first Annual Report of the Office of the Fire Commissioner for the year ended March 31, 2018.

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
Deputy Minister of Growth, Enterprise and Trade





Croissance, Entreprise et Commerce Manitoba
Sous-ministre

M. Blaine Pedersen
Ministre de la Croissance, de l'Entreprise et du Commerce
Palais législatif, bureau 358
Winnipeg (Manitoba) R3C 0V8

Monsieur le Ministre,

J'ai l'honneur de vous présenter le vingt et unième rapport annuel du Bureau du commissaire aux incendies pour l'exercice se terminant le 31 mars 2018.

Le conseil d'administration et la direction continuent à s'efforcer de mener à bien l'importante mission du Bureau consistant à protéger les personnes et les biens grâce à l'éducation, les enquêtes, les interventions d'urgence et par l'application des codes.

Le tout respectueusement soumis.

Le sous-ministre de la Croissance, de l'Entreprise et du Commerce,

Original signé par

Dave Dyson



OFFICE *of the* FIRE COMMISSIONER



Dave Dyson
Deputy Minister of Growth, Enterprise and Trade
352 Legislative Building
Winnipeg MB R3C 0V8

Dear Mr. Dyson:

I am pleased to submit for your review the 2017/18 Annual Report of the Office of the Fire Commissioner (OFC) for the year ended March 31, 2018.

Highlights from the past year that stand out for the Agency as significant achievements include:

- Working to modernize the Agency's regulatory framework to align with other western jurisdictions, streamline services and support red tape reduction and organizational efficiencies.
- Continuing to work to improve the Agency's comptrollership, create efficiencies and streamline services.
- Enhancing the training and educational opportunities for the Manitoba Fire Service, Indigenous communities and other local authorities.
- Continuing to support local authorities and other provincial agencies with a wide variety of emergency response services on behalf of the province.
- Implement program reforms that measure organizational efficiency and effectiveness, and promote staff engagement and personal development.

With its diverse mandate, the Agency plays a critical role in maintaining Manitoba's public safety network and remains committed to working towards operational excellence in all aspects of our diverse service delivery mandate.

Sincerely,

Original signed by

David Schafer
Fire Commissioner



Monsieur Dave Dyson
Sous-ministre de la Croissance, de l'Entreprise et du Commerce
Palais législatif, bureau 352
Winnipeg (Manitoba) R3C 0V8

Monsieur,

J'ai l'honneur de vous présenter le rapport annuel 2017-2018 du Bureau du commissaire aux incendies pour l'exercice se terminant le 31 mars 2018.

Les réalisations importantes effectuées par le Bureau au cours de l'exercice passé comprennent les suivantes :

- le travail visant la modernisation du cadre de réglementation du Bureau pour l'aligner aux autres administrations de l'Ouest, la simplification des services et le soutien des mesures d'allègement des lourdeurs administratives et d'amélioration de l'efficacité organisationnelle;
- la poursuite du travail d'amélioration du contrôle financier du Bureau, de réalisation de gains d'efficience et de simplification des services;
- l'amélioration des possibilités de formation et d'éducation pour le service d'incendie du Manitoba, les Premières Nations et les autres autorités locales;
- l'offre continue de soutien aux autorités locales et aux autres agences provinciales concernant un large éventail de services d'intervention en cas d'urgence, au nom de la province;
- la mise en œuvre de réformes de programmes pour mesurer l'efficience organisationnelle et l'efficacité, et promouvoir l'engagement du personnel ainsi que le développement personnel.

Grâce à son mandat diversifié, le Bureau joue un rôle crucial dans le maintien du réseau de sécurité publique du Manitoba. Il demeure engagé à travailler en vue de l'excellence dans ses activités visant tous les aspects de notre mandat de prestation de services divers.

Je vous prie d'agréer, Monsieur, mes salutations distinguées.

Le commissaire aux incendies du Manitoba,

Original signé par

David Schafer



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SPECIAL OPERATING AGENCY ADVISORY BOARD

The role of the Advisory Board is to provide advice on the Office of the Fire Commissioner's (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
Deputy Minister
Manitoba Growth, Enterprise and Trade

David Schafer

Ex Officio
Fire Commissioner
Office of the Fire Commissioner

MEMBERS

Karl Jaikaransingh

Client Representative
Sovereign General Insurance

Chad Cooper

Client Representative
Manitoba Association of Fire Chiefs

Brad Mason

Client Representative
Mechanical Contractors
Association of Manitoba

Neil Christoffersen

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 The Public Interest Disclosure Act, and fraud awareness. 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
Deputy Minister
Manitoba Growth, Enterprise and Trade

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 Manitoba
Fire Service Member

Amy Thiessen

Acting Executive Director
Finance and Strategic Services
Manitoba Growth, Enterprise and Trade



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. 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 a 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 and Planning Section provides support to all sections of the Agency and assists each in achieving the Agency's goals and planned actions. This section also provides support to advisory boards and committees that have been 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. The section also provides support through financial information to the Advisory Board and Audit Committee of the Agency.

MUNICIPAL SUPPORT

The Municipal Support Section provides a variety of consultative and support services to municipal fire services, councils and Indigenous communities. These services are related to the operation and management of fire departments, oversight of the provincial mutual aid system, public education, and fire investigation services. This section also coordinates the FireSmart Program, which assists communities across Manitoba by proactively addressing Wildland Urban Interface (WUI) fire risks.

The Fire Investigation Unit provides fire cause and origin investigation services across the province. Although investigating fires is a municipal responsibility, the Agency assists when called upon and is essential for complex fires, or where injuries, deaths, or major property damage has occurred.

MANITOBA EMERGENCY SERVICES COLLEGE

The Manitoba Emergency Services College (MESCC) provides comprehensive emergency services education, training and certification related to fire fighting, rescue, paramedic, critical incident stress management, fire code inspections, life safety education, emergency services instruction, fire officer, and management training.

The college is located in Brandon and consists of a main campus and an 11.4 acre practical training site. The MESCC is also responsible for a satellite training facility in Thompson, and provides regional training across the province at the request of the Manitoba fire service.

The MESCC holds accreditation in 36 program areas. The traditional clients of the MESCC are the Manitoba fire service, the Search and Rescue Manitoba network, and the Manitoba police service.

INSPECTION AND TECHNICAL SERVICES

The Inspection and Technical Services (ITS) Section is responsible for safety related to boilers and pressure vessels, and gas and oil burning equipment. This section conducts inspections of and issues permits for various types of mechanical equipment, examines and reviews equipment including installation designs, conducts exams and issues licences to qualified trades people.

The following is an overview of the technical safety services provided by this section:

- boiler and pressure vessel 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; and
- post-secondary technical training review and approvals.



BUILDING AND FIRE SAFETY

The Building and Fire Safety 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 Electricians' Licence Act, The Elevator Act, Part 2 of The Amusements Act, The Electricians' Licence Act, and the Fire Safety Inspections Regulation.

The Building Code Inspection Unit administers the building code on a contract basis to municipalities throughout Manitoba. 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 unit provides this service.

The Electrical and Fire Safety Inspection Unit provides fire inspection services to other departments and government agencies on behalf of the Agency and provides education and support to local authorities when implementing their fire inspection programs. As well, this unit is responsible for approvals of electrical equipment and installations.

The Elevator and Amusements Unit is responsible for the inspection of amusement rides and the installation, inspection, and review of elevating and lifting devices. As well, this unit is responsible for the licence renewal of individuals working on elevators and lifting devices within the province.

EMERGENCY RESPONSE

Under the direction of the Fire Commissioner, the Agency's 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.

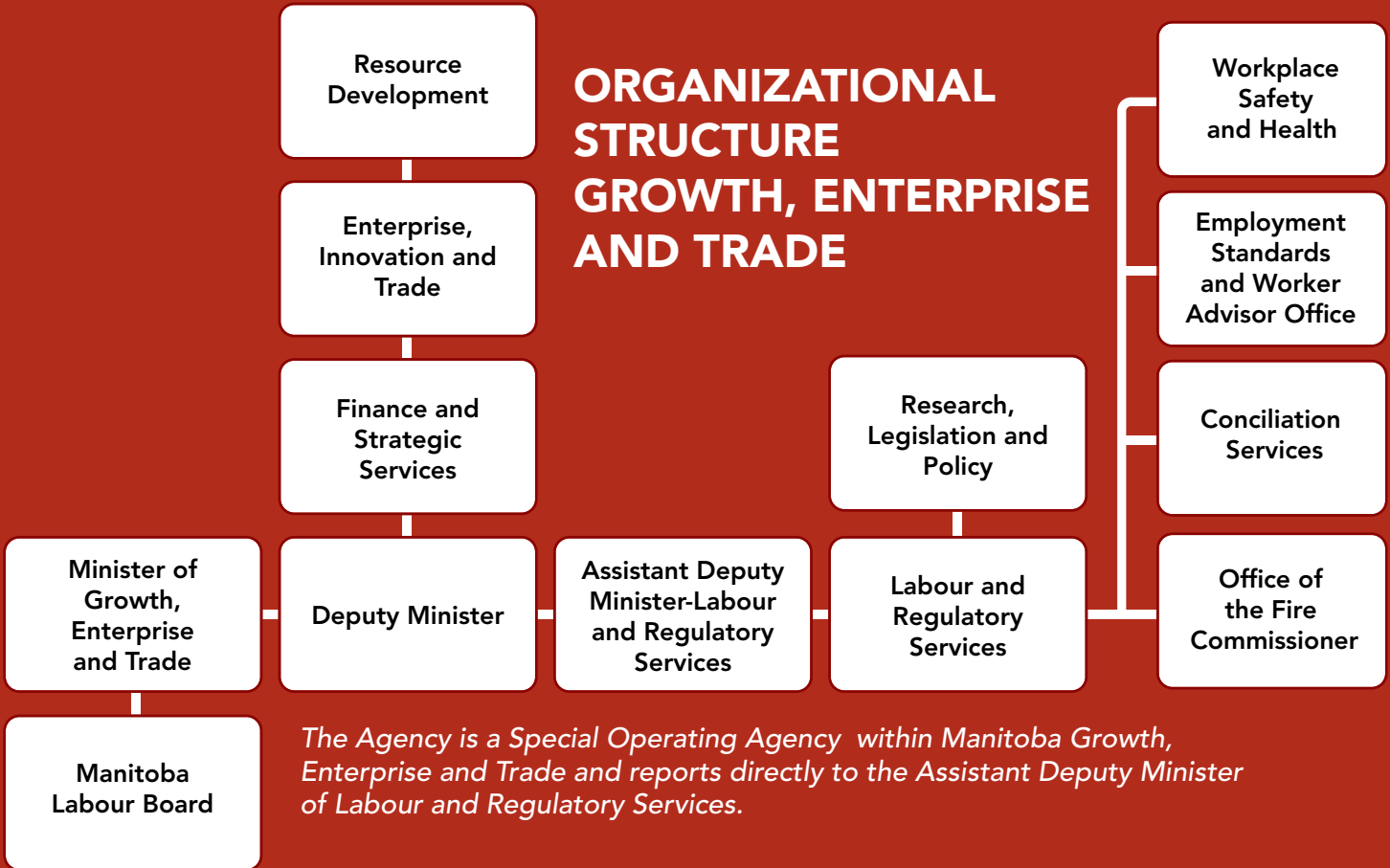
In support of the Manitoba Emergency Plan, the Agency provides emergency response services on behalf of the province to support municipalities, other provincial departments, policing agencies, and other local authorities when emergency incidents are too large or complex for local or regional resources.

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



ORGANIZATIONAL STRUCTURE GROWTH, ENTERPRISE AND TRADE



The Agency is a Special Operating Agency within Manitoba Growth, Enterprise and Trade and reports directly to the Assistant Deputy Minister of Labour and Regulatory Services.

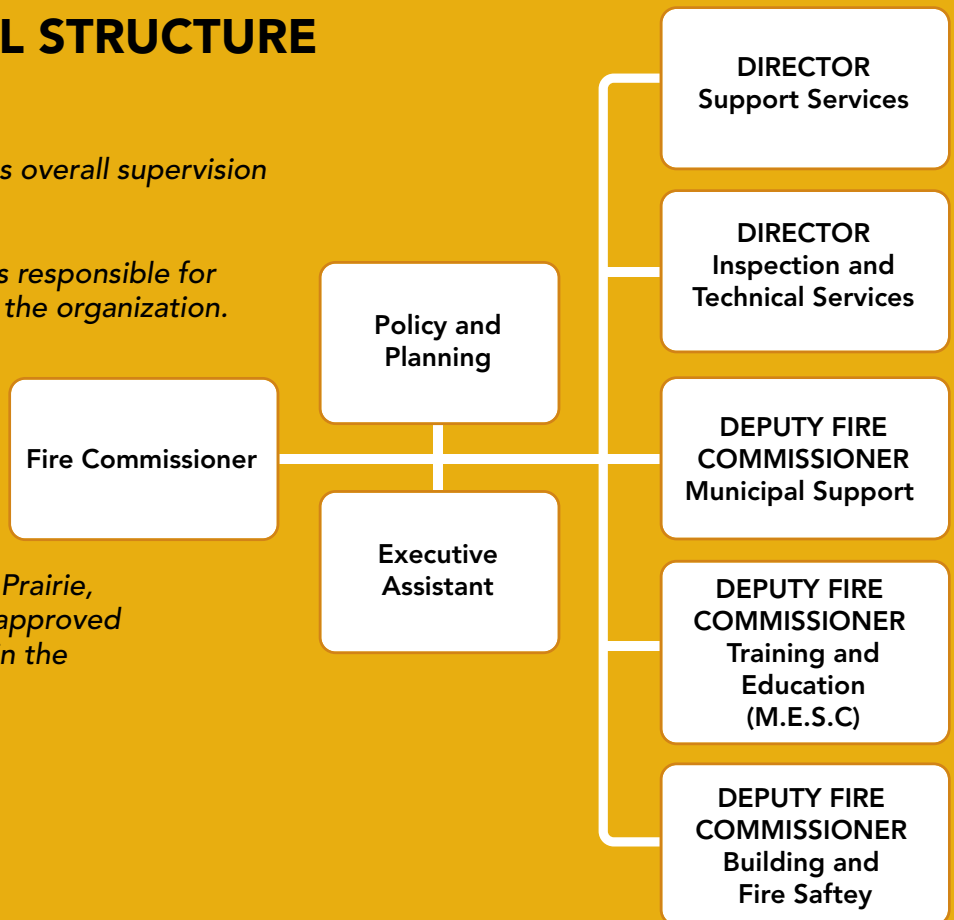
ORGANIZATIONAL STRUCTURE FOR 2017/2018

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 and Planning Section provides 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 128 regular and term staff in the 2017/2018 fiscal year.



PROVINCIAL FIRE STATISTICS

Injuries and Fatalities

Eleven adults lost their lives as a result of fires in 2017. All the fatalities occurred in residential fires. There were 139 fire related injuries reported in 2017, which represents an increase of 27.5% compared to 2016. The Manitoba Fire Service assisted in evacuating 732 individuals from fires in 2017.

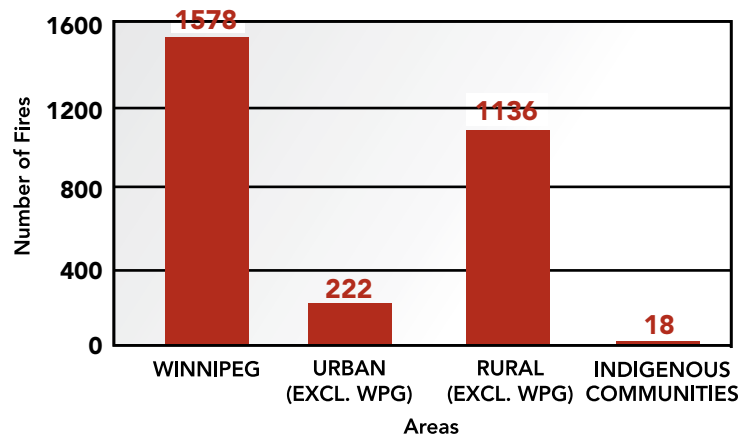
Table 1.1 – Number of Injuries & Fatalities due to Fire

	2014	2015	2016	2017
Injuries	135	107	109	139
Fatalities	11	13	20	11



The majority of fires reported were in Winnipeg, which accounted for 53% of all reported fires in Manitoba in 2017.

Chart 1.1 – Number of Fires Reported by Area



Manitoba reported 2954 fires in 2017. This was an increase of 34 fires, or 1.2%, compared to 2016.

Table 1.2 – Distribution of Fires

	2014	2015	2016	2017
Winnipeg	1,637	1,562	1,519	1,578
Urban (Excluding Winnipeg)	504	422	398	222
Rural (Excluding Winnipeg)	1,336	1,501	950	1,136
Indigenous Communities	176	118	53	18
Total	3,653	3,603	2,920	2,954

Property Damage And Loss

Table 1.3 – 2017 Fires and Property Damage by Property Type

	Number of Fires	Est. Value Loss
Structure	1,190	\$142,335,613
Vehicle	531	\$10,177,386
Outdoor Property	1,233	\$1,424,218

Table 1.4 – Property Loss as a Result of Fires in Manitoba (\$)

	2014	2015	2016	2017
Total	\$144,230,974	\$147,099,485	\$106,572,077	\$153,937,217



Forty-six major loss fires (damages of \$500,000 and over) accounted for \$96.2 million (63%) of the total estimated property loss in 2017. In 2016, Manitoba recorded 43 major losses with damages of \$49.6 million.

Table 1.5 – Major loss fires resulting in \$500,000 or more in property value loss in Manitoba

	2014	2015	2016	2017
Number of major loss fires	48	55	43	46
Total Est. Value Loss (\$) per million	\$71.8	\$73.9	\$49.6	\$96.2
% of major loss from total property loss	50	52	47	63

The City of Winnipeg accounted for 56% of property damages resulting from fires in Manitoba in 2017.

Chart 1.2 – Manitoba Fires-Property Value Loss by Area (\$ million)

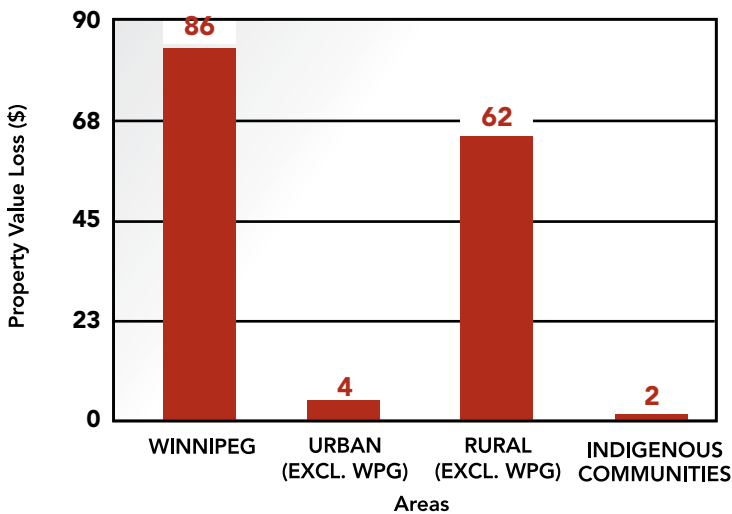


Chart 1.3 – Percentage of Fires by Property Type

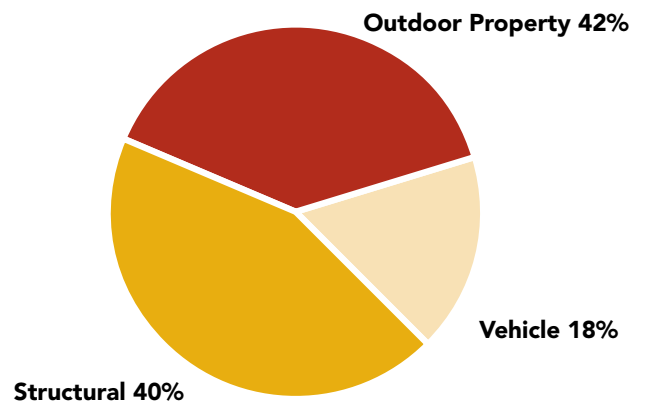


Table 1.6 – Manitoba property value loss by area

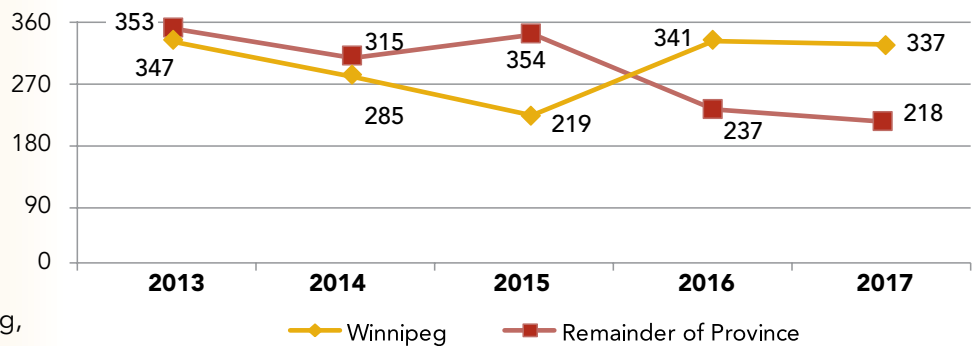
	Estimated Property Loss (\$ millions)	% of losses
Winnipeg	\$86	56
Urban (Excluding Winnipeg)	\$4	2
Rural (Excluding Winnipeg)	\$62	41
Indigenous Communities	\$2	1
Total	\$154	100

In 2017, an estimated \$6.74 billion in property was saved as a result of the containment and suppression of fires by the Manitoba Fire Service.

Suspicious Fires

In 2017, the City of Winnipeg reported 337 incidents which were determined to be incendiary* or suspicious in nature. This was a decrease of 1.2% or four fires compared to 2016. Of the 337 incendiary or suspicious fires in Winnipeg in 2017, 152 involved outdoor property.

Table 1.7 - Manitoba Incendiary/Suspicious Fires 2013-2017



For regions other than Winnipeg, 218 fires were determined as incendiary or suspicious. This was a decrease of 8% or 19 fires compared to 2016.

The table below shows the percentages of fires and property damages in 2017 resulting from four major causes: incendiary, suspicious, accidental, and undetermined.

Table 1.8 – 2017 Number of Fires and Property Damage by Cause

	Number of Fires	% of Fires	Est. Property Damage
Incendiary	370	13	\$16,477,919
Suspicious	185	6	\$49,895,493
Accidental	1,274	43	\$54,641,178
Undetermined	1,125	38	\$32,922,627

*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 and may change as new information is received.

KEY CONTINUOUS IMPROVEMENT OBJECTIVES

The Agency identified seven key priorities in the 2017/18 Business Plan. These priorities were in addition to its core year-to-year activities.

Modernizing the Manitoba building and fire codes in support of code harmonization and energy efficiency

The Agency is responsible for the administration of the Manitoba construction codes, including the building, plumbing, farm building, energy, and fire codes. During 2017/18, the Agency consulted with stakeholder groups and provided them with information on code interpretation and enforcement.

In order to reduce red tape and the administrative burden associated with overly complex regulations, the Agency undertook a review of the Mobile Homes Standards and Permits Regulation. This included consulting with stakeholder groups, exploring ways to streamline services, reviewing references to codes and standards related to factory-built homes and recreational vehicles, exploring ways to align Manitoba requirements with other Western Canada jurisdictions and finding ways to reduce the regulatory requirements governing the sale of factory built homes and recreational vehicles.

The Agency provided assistance to Authorities having Jurisdiction (AHJ) in fulfilling the fire inspection duties that fall under their area of responsibility in the Fires Prevention and Emergency Response Act. This assistance was provided with a goal of educating and strengthening AHJ's capacity to adequately fulfill their fire inspection duties.

In 2017, the Agency, in partnership with Manitoba Agriculture and with input from industry stakeholders, worked to amend the Manitoba Farm Building Code. These changes were designed to better support the needs of the agricultural sector and to align Manitoba's requirements with other Western Canadian provinces. The 'Farm Building User Guide: Updates to the Manitoba Building Code' was developed and training sessions were delivered to assist internal staff, building officials, engineers, architects, contractors, farm owners and others in the design community to understand the new requirements.

Modernizing the regulatory and policy framework in support of new technical safety legislation

The Agency is responsible for the administration of six technical safety acts that regulate the design, construction, installation, operation and maintenance of technical safety equipment in Manitoba. This includes elevators, amusement rides, boilers and pressure vessels, refrigeration equipment, electrical equipment, and gas and oil burning equipment.

Bill 69, The Technical Safety Act, will bring six pieces of existing safety legislation under one modern statute. To ensure that the new regulations are reflective of industry changes and advancements, the Agency continued to move forward with the development of regulations in support of the new Technical Safety Act and to update other existing pieces of legislation that fall under the purview of the Agency. This included working to removing outdated requirements, updating referenced standards and definitions and finding innovative solutions to provide services in a more forward thinking outcome driven manner.

To help streamline services across the Agency and with other provincial and municipal departments, the Agency, in consultation with Manitoba Hydro and other stakeholders, developed a reference guide entitled 'Installing Your Grain Dryer: Information for Agricultural Producers' to assist agricultural producers in getting their grain drying equipment installed and ready for operation. The reference guide provides information on both the gas (natural gas or propane) and electrical requirements for grain dryers in Manitoba.



Strengthening the comptrollership and risk management framework and improving information systems

The Agency continued to work to update its financial systems and to develop effective procedures to improve financial reporting with guidance and direction provided by the Audit Committee and Departmental Executive Financial Officer. As well, the Agency undertook a review of inspection and service fees to ensure that they are reflective of the cost of service delivery.

In order to continue to find Agency-wide efficiencies and to streamline services, the integration and enhancement of information systems continued to be a priority. By upgrading and enhancing these systems, the Agency is working to increase the efficiency of service delivery across the Agency and to improve service delivery times for Agency stakeholders.

Supporting municipalities, Indigenous communities and other local authorities in the development of emergency services, fire protection, fire prevention and public education programs

Fire prevention and public education initiatives are core activities of the Agency. The Agency remains committed to investing in staff and resources to enhance both prevention and public education initiatives. Advice and recommendations on fire and life safety continued to be explored under the advisement of the Provincial Fire and Life Safety Advisory Committee.

The Agency continued to work in partnership with the Tribal Council Fire Safety Officer Working Group to improve fire prevention and training in support of indigenous communities across Manitoba.

The Agency worked closely with Indigenous Services Canada and Canada Mortgage and Housing Corporation to purchase nine inflatable burn houses. These compact and portable units assisted the Agency in providing fire safety information sessions to children and community members in remote communities across the province.

The Agency continued to meet with local authorities in communities across Manitoba to assist with the implementation and development of their FireSmart plans. FireSmart plans help prevent and control interface

fires, which can occur wherever residential, industrial, or agricultural developments are located within or near wildland settings with natural vegetation.

The Agency continued to support Manitoba's municipal fire services and councils in the operation and management of fire departments, the provincial mutual aid system, and fire prevention and fire investigation services. The Agency distributed funds to support Manitoba's Mutual Aid Districts with specialty training, equipment and supplies to assist in the implementation of district training plans. The Agency also delivered a number of seminars to assist Manitoba's Mutual Aid Districts in determining the cause and origin of fires to improve fire service capability across the province.

The Agency continued to deliver the successful Elected Officials and Municipal Administrators Training Program, which outlines administration and management responsibilities and authorities. The Agency continued to work to promote education and awareness of industry standards and best practices related to firefighter safety and wellness, fire department operations, and community fire protection planning.



Responding to the training and education needs of the Manitoba fire service and code officials

As Manitoba's premier leader in fire fighter, paramedic and emergency services training, the Manitoba Emergency Services College (MESC) has received re-accreditation from the National Board on Fire Service Professional Qualifications for 35 Fire and Rescue programs, as well as a full six-year accreditation from the Canadian Medical Association for the Primary Care Paramedic Program.

Through the MESC, the Agency provides comprehensive emergency services education and certification related to fire fighting, rescue, paramedic, critical incident stress management, fire inspections, life safety education, emergency services instruction, fire officer and management training.

A record number of training programs continue to be delivered by the MESC to the Manitoba Fire Service, and as the needs of the Manitoba's emergency responders evolve, the MESC continues to work to strengthen its programming and resources to ensure it is meeting the training needs of its clients. This has included co-hosting the Road to Mental Readiness Program, the re-development of the Fire Officer 1 and 2 Programs and the development of a curriculum for a Grain Safety Program for first responders in collaboration with the Canadian Agricultural Safety Association.

Ensuring the Agency is positioned to effectively respond to emergency incidents to support municipalities and other provincial agencies

The Agency supports local authorities and other provincial agencies with a wide variety of emergency response services on behalf of the province. The Agency remains committed to ensuring each speciality response team remains trained, equipped and ready to respond on behalf of Manitoba.

In its role as a provider of emergency services on behalf of Manitoba, the Agency is positioned to deploy resources in support of provincial departments, local authorities, or nationally at the discretion of the Manitoba government. This commitment has been demonstrated by interprovincial emergency deployments in coordination with other provincial agencies as part of the National Emergency Response System.

The Emergency Response Section provides emergency response to all areas in the province when requested by a local authority or government department to assist, or where an incident is too large or complex for the responding agency to handle. This may include:

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

Implement program reforms that measure organizational efficiency and effectiveness, and promote staff engagement and personal development.

The Agency continued to work to promote operational excellence and to build a culture that empowers staff to continually improve the way they work. The Agency increased its efforts to provide valuable learning opportunities for staff, to encourage employees to formally share improvement ideas and to work together to identify and implement organizational efficiencies.

The Agency undertook a number of consultations with internal staff, government entities, industry and stakeholder groups to identify and address unnecessary barriers, duplication of services, and inefficiencies that impede service delivery. To aid this process, the Agency has worked to implement program reforms that support and measure organizational efficiencies to ensure that the services we offer are both cost effective and provide value to clients.



KEY PERFORMANCE 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	2015	2016	2017
Fire Investigations	336	135	146
Percentage for which cause was determined	85%	84%	78%

The investigation work done by the Agency may assist local authorities in laying criminal charges, which may lead to possible conviction. 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 the number of 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 2017/18, the Winnipeg Police Service laid 61 arson-related charges. Of those charged, 28% were youths under the age of 18. The Agency also provided coordination and support to the provincial Youth Fire Stop Program. In 2017/18, 33 youths 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 2017/18, the Agency responded to 13 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 Manitoba Provincial Fire Protection Plan working group. This working group is a partnership between the the Association of Manitoba Municipalities, Winnipeg Fire and Paramedic Service, Manitoba Municipal Administrators' Association, 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 2017/18, Agency staff attended 61% of the Provincial Mutual Aid and Northern Training District meetings.

EDUCATION AND TRAINING

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

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

Clients of the MESC ranked their satisfaction with course content, instructional effectiveness, and other aspects of course delivery at 92% for 2017/2018.



Training Program	Number of Courses Delivered/Registered	Number of Students
September 2017 to June 2018 (Full time 10 month program)		
Public Fire Paramedic*	12	40
April 2017 to March 2018 (Includes MESC Scheduled, Contract, District, and WFPS Courses)		
Emergency Services Instructor	7	72
Public Safety	6	75
Rescue	66	735
Canine Search and Rescue	3	7
Hazardous Materials	18	152
Emergency Vehicle Driver/Operator	5	55
Incident Command and Fire Officer	20	223
Fire Investigation	3	24
Fire Safety Inspection	2	36
Institutional Fire Protection	2	23
Building Codes and Standards	3	17
April 2016 to March 2017 (registered and delivered by the Manitoba fire service)		
Fire Fighting	62	641
Emergency Medical Response	1	12

*This program is a 10 month pre-employment program

INSPECTION AND TECHNICAL SERVICES

Inspection and Technical Services conducts inspections of, and issues permits for, mechanical 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 and gas and oil burning equipment.

INDICATORS	2015/16	2016/17	2017/18
Boiler, Pressure Vessel and Refrigeration Plant Inspections	7,900	8,967	5,479
Canadian Registration Number Designs (boilers, pressure vessels, etc.) Reviewed and Accepted	1,264	1,133	1,181
Gas Permits Issued	25,776	21,360	21,215
Special Acceptance approval of Electrical and Gas Equipment	381	307	278
Variance Approvals	49	40	44
Quality Assurance Manual and Audit Reviews and Approvals	143	116	98
Trades Licences issued*	3,359	9,831	4,980
Number of Trade Examinations Administered (Electrical, Gas, Power Engineering & Welding)	1,140	2,044	1,611

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

BUILDING AND FIRE SAFETY

The Building and Fire Safety Section works to ensure that buildings meet the provincial building, fire, plumbing, electrical, and elevating device 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. As well, this section is responsible for the inspection of amusement rides.

INDICATORS	2015/16	2016/17	2017/18
Elevator and Handicap Lift Inspections	3,385	3,314	3,671
Amusement Ride Inspections	174	166	171
Rope & Ski Tows & Chair Lift Inspections	22	24	25
Building Permits Issued	655	643	696
Plumbing Permits Issued	147	139	184
Occupancy Permits Issued	154	163	172
Recreational Vehicle Inspections	573	380	70
Mobile Home Inspections	40	28	27
Fire Safety Inspections	180	241	240
Assistance to Local Authorities	8	9	14
Delivery of Educational Programs for other Government Agencies	8	13	5
Delivery of Stakeholder Information Sessions	2	9	3

EMERGENCY RESPONSE

The Agency engages in a wide variety of emergency response operations including GSAR, WUI and Hazmat incidents. In 2017/18, the Agency responded to 29 emergency situations including 21 GSAR incidents, 5 WUI, and 3 Wildfires. 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: CANTF-4, Heavy Urban Search and Rescue, CBRNE and the Search and Rescue Manitoba Volunteer Network.



FINANCIAL DISCUSSION AND ANALYSIS

The following is a discussion and analysis for the fiscal year April 1, 2017 to March 31, 2018, 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 (000s) Net (loss) income for the year was \$(2,808).

Revenues (000s) Revenues of \$17,618 did not meet the budget, there was a short fall of \$(705). The variance in revenues from budget is accounted for as follows:

CATEGORY	\$ (000S)	RATIONALE
Grants		
Federal Government New Initiatives Fund (NIF)	(131)	Delayed approval resulted in carry over of available funding.
Fees and other revenue		
Insurance levy	(182)	Reduced value of insurance policies resulting in lower premiums and fire levy collected.
Construction Permit Fee	65	Value of permits were higher than anticipated.
Term Investments	32	Interest rates were higher than previous years.
Inspection and Technical Services Fees	(364)	Reduced number of inspections completed over previous years.
MESC Tuition	(105)	Contract revenue reduced due to college resources being focused on providing education opportunities to the Manitoba Fire Service.
Fire Inspections	(54)	Reduced number of illegal grow operations.
Emergency Response	4	Not budgeted due to the nature of the recovery.
Other Revenue	30	Gain on trade-in of capital assets.

Expenses (000s) Expenses of \$15,426 were under budget by \$1,872. The variances in expenses from budget are accounted for as follows:

CATEGORY	\$ (000S)	RATIONALE
	(666)	Reduction of discretionary purchases due to expenditure management initiative.
	(33)	Mutual Aid Districts not capitalizing on full funds available.
	(1,082)	Higher staff vacancies than anticipated.
	(108)	Management of vehicle leases.
	(39)	Reduction due to expenditure management.
	(29)	Capital asset purchases were received late in the fiscal year resulting in lower amortization expense.
	85	Increased costs due to accommodations, bad debt expense, and HUSAR operations and maintenance.

Financial Position (000s) The accumulated surplus has decreased to \$23,614 as a result of a net income loss for the year of \$2,808. This change is reflected by a decrease in net financial assets of \$3,309, and an increase of non-financial assets of \$501.

**OFFICE OF THE FIRE COMMISSIONER
MANAGEMENT REPORT AND FINANCIAL
STATEMENTS MARCH 31, 2018**



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 May 22, 2018.

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 LLP, Chartered Professional Accountants, 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 Auditor's 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

Cindy Giesbrecht, CPA, CGA
Director of Support Services

INDEPENDENT AUDITOR'S 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, 2018 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, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



May 22, 2018
Winnipeg, Canada

Chartered Professional Accountants

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

Statement of Financial Position

(in thousands)

March 31, 2018

	2018 Actual	2017 Actual
Financial assets		
Cash and cash equivalents	\$ 16,864	\$ 20,266
Accounts receivable (Note 4)	1,001	872
Portfolio investments	787	787
	<u>18,652</u>	<u>21,925</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	1,425	1,666
Deferred revenue and government grants (Note 6)	976	763
Employee future benefits (Note 7)	1,108	1,044
	<u>3,509</u>	<u>3,473</u>
Net financial assets	<u>15,143</u>	<u>18,452</u>
Non-financial assets		
Tangible capital assets (Note 8)	7,980	7,508
Prepaid expenses	157	128
Inventories of supplies	334	334
	<u>8,471</u>	<u>7,970</u>
Accumulated surplus	<u>\$ 23,614</u>	<u>\$ 26,422</u>

Designated assets (Note 9)

Commitments (Note 10)

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, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue (Schedule 1):			
Government grants/transfers:			
Province of Manitoba	\$ 130	\$ 134	\$ 305
Federal Government	516	386	480
	646	520	785
Fees and other revenue	17,637	17,026	18,295
Investment income	40	72	48
	18,323	17,618	19,128
Expenses:			
Salaries and employee benefits	11,030	9,948	10,087
Mutual Aid expenses	390	357	286
Transportation (Schedule 2)	675	567	582
Communications (Schedule 3)	385	333	415
Supplies and services (Schedule 4)	2,235	1,569	1,942
Minor capital expenses	150	111	293
Amortization of tangible capital assets	1,000	971	839
(Gain) loss on disposal of tangible capital assets	-	(4)	17
Other operating expenses (Schedule 5)	1,433	1,574	1,481
	17,298	15,426	15,942
Net income before transfer of funds to the Province of Manitoba	1,025	2,192	3,186
Transfer of funds to the Province of Manitoba (Note 11)	5,000	5,000	950
Net (loss) income for the year	(3,975)	(2,808)	2,236
Accumulated surplus, beginning of year	25,691	26,422	24,186
Accumulated surplus, end of year	\$ 21,716	\$ 23,614	\$ 26,422

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, 2018

	2018 Budget	2018 Actual	2017 Actual
Net (loss) income for the year	\$ (3,975)	\$ (2,808)	\$ 2,236
Tangible capital assets:			
Acquisitions of tangible capital assets	(1,570)	(1,444)	(1,319)
Disposals of tangible capital assets	-	2	74
Amortization of tangible capital assets	1,000	971	839
Net acquisition of tangible capital assets	(570)	(471)	(406)
Other non-financial assets:			
(Increase) in prepaid expenses	(25)	(30)	(8)
Net acquisition of other non-financial assets	(25)	(30)	(8)
Change in net financial assets	(4,570)	(3,309)	1,822
Net financial assets, beginning of year	15,604	18,452	16,630
Net financial assets, end of year	\$ 11,034	\$ 15,143	\$ 18,452

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, 2018

	2018 Actual	2017 Actual
Cash provided by (applied to)		
Operating activities:		
Net (loss) income for the year	\$ (2,808)	\$ 2,236
Adjustments for:		
Amortization of tangible capital assets	971	839
(Gain) loss on disposal of tangible capital assets	(4)	17
	(1,841)	3,092
Changes in the following:		
Accounts receivable	(129)	(264)
Accounts payable and accrued liabilities	(241)	(290)
Deferred revenue and government grants	213	214
Employee future benefits	64	60
Prepaid expenses	(30)	(8)
Cash provided by operating activities	(1,964)	2,804
Capital activities:		
Acquisitions of tangible capital assets	(1,444)	(1,319)
Proceeds on disposal of tangible capital assets	6	57
Cash (applied to) capital activities	(1,438)	(1,262)
Change in cash and cash equivalents	(3,402)	1,542
Cash and cash equivalents, beginning of year	20,266	18,724
Cash and cash equivalents, end of year	\$ 16,864	\$ 20,266

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, 2018

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 Agency to manage and account for the related assets and operations on behalf of the Financing Authority. The Agency does not hold title to these 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 former 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 Agency is now part of the Department of Growth, Enterprise and Trade and is ultimately under the policy direction of the Minister of Growth, Enterprise and Trade. 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, 2018

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% (2017 - 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 2017 calendar year is recognized as revenue in the fiscal year ending March 31, 2018 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.

Inspection technical services revenue 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.

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

Tuition fees, emergency services and other conferences revenue are recognized on the accrual basis.

Amounts received in advance for tuition fees, conferences and inspection technical services are deferred on the statement of financial position and recognized as revenue during the period the revenue relates to.

Investment income and all other revenue 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.

(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.

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

Notes to Financial Statements

(in thousands)

Year ended March 31, 2018

3. Summary of significant accounting policies (continued)

(c) Financial assets (continued)

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 benefits 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
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PROVINCE OF MANITOBA**

Notes to Financial Statements

(in thousands)

Year ended March 31, 2018

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. These estimates are reviewed periodically and adjustments are recognized in the period they become known. Actual results may differ from these estimates.

4. Accounts receivable

	2018	2017
Financial Institutions Branch of the Department of Finance - Fire Prevention Levy	\$ 559	\$ 291
National Search and Rescue Secretariat - New Search and Rescue Initiative	-	176
Trade accounts receivable	914	724
Allowance for doubtful accounts (Note 13)	(472)	(319)
	\$ 1,001	\$ 872

5. Accounts payable and accrued liabilities

	2018	2017
Trade payables and accruals	\$ 521	\$ 817
Vacation and overtime entitlements	838	840
City of Winnipeg - professional services	53	-
Provincial sales and goods and services taxes payable	13	9
	\$ 1,425	\$ 1,666

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

Notes to Financial Statements

(in thousands)

Year ended March 31, 2018

6. Deferred revenue and government grants

Included in deferred revenue and government grants at year end is \$432 (2017 - \$250) relating to funding received from Public Safety Canada for the Heavy Urban Search and Rescue Program for which the related eligible expenditures have not been incurred. Pursuant to the funding agreement, these expenditures along with all final reports must be submitted to Public Safety Canada by June 30, 2018 or the funding must be returned.

7. Employee future benefits

	2018	2017
Severance benefits	\$ 959	\$ 893
Sick pay benefits	149	151
	\$ 1,108	\$ 1,044

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 the year ended March 31, 2018 was \$645 (2017 - \$704). 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 expected and/or because of changes in the 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 at March 31, 2017. 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, 2018 is \$959 (2017 - \$893), with the net actuarial losses of \$289 (2017 - \$220) based on the completed actuarial reports being amortized over the 15 year EARSL of the employee group.

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

Notes to Financial Statements

(in thousands)

Year ended March 31, 2018

7. Employee future benefits (continued)

Significant long-term actuarial assumptions used in the March 31, 2017 valuation, and in the determination of the March 31, 2018 present value of the accrued severance benefit liability, are:

Annual rate of return:	
Inflation component	2.00% (2017 - 2.00%)
Real rate of return	1.80% (2017 - 4.00%)
	3.80% (2017 - 6.00%)
Assumed salary increase rates:	
Annual productivity increase	1.00% (2017 - 1.00%)
Annual general salary increase	2.75% (2017 - 2.75%)
	3.75% (2017 - 3.75%)

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

	2018	2017
Accrued benefit liability, beginning of year	\$ 1,013	\$ 969
Actuarial losses	69	-
Current period service costs	68	62
Interest on accrued severance benefits	41	58
Severance benefits paid	(58)	(76)
Accrued benefit liability, end of year	1,133	1,013
Less: unamortized actuarial losses	(174)	(120)
Severance benefit liability, end of year	\$ 959	\$ 893

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

	2018	2017
Current period service costs	\$ 68	\$ 62
Interest on accrued severance benefits	41	58
Amortization of actuarial losses over EARSL	15	14
Total expense related to severance benefits	\$ 124	\$ 134

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% (2017 - 5.00%) annual return and a 3.00% (2017 - 3.00%) annual salary increase. The Agency's sick leave benefit liability as at March 31, 2018 based on the valuation model is \$149 (2017 - \$151). The (decrease) in the sick leave benefit liability of \$(2) (2017 - increase of \$2) represents the total sick leave benefit (recovery) expense 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, 2018

8. Tangible capital assets

	2018			
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Buildings	\$ 7,835	\$ -	\$ -	\$ 7,835
Practical training site	2,772	-	-	2,772
Equipment	3,043	435	-	3,478
Fire engines	2,118	-	-	2,118
Other vehicles	1,260	426	(10)	1,676
Air compressors	1,391	312	-	1,703
Furniture	294	-	-	294
Computer equipment and software	501	140	-	641
Leasehold improvements	74	-	-	74
Capital assets under construction	-	131	-	131
	\$ 19,288	\$ 1,444	\$ (10)	\$ 20,722
Accumulated amortization				
Buildings	\$ (3,680)	\$ (207)	\$ -	\$ (3,887)
Practical training site	(1,928)	(84)	-	(2,012)
Equipment	(2,128)	(199)	-	(2,327)
Fire engines	(1,547)	(171)	-	(1,718)
Other vehicles	(1,030)	(134)	8	(1,155)
Air compressors	(829)	(127)	-	(956)
Furniture	(154)	(28)	-	(182)
Computer equipment and software	(464)	(16)	-	(480)
Leasehold improvements	(20)	(5)	-	(25)
	\$ (11,780)	\$ (971)	\$ 8	\$ (12,742)
Net book value	\$ 7,508	\$ 473	\$ (2)	\$ 7,980

As at March 31, 2018, the total net book value of tangible capital assets not subject to amortization is \$304 (2017 - \$nil). Amortization will commence once construction is complete and the assets are in use.

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

Notes to Financial Statements

(in thousands)

Year ended March 31, 2018

8. Tangible capital assets (continued)

	2017			
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Buildings	\$ 7,873	\$ -	\$ (38)	\$ 7,835
Practical training site	2,848	-	(76)	2,772
Equipment	3,859	356	(1,172)	3,043
Fire engines	1,827	539	(248)	2,118
Other vehicles	1,450	154	(344)	1,260
Air compressors	1,269	251	(129)	1,391
Furniture	345	19	(70)	294
Computer equipment and software	588	-	(87)	501
Leasehold improvements	74	-	-	74
	\$ 20,133	\$ 1,319	\$ (2,164)	\$ 19,288
Accumulated amortization				
Buildings	(3,500)	(216)	36	(3,680)
Practical training site	(1,914)	(88)	74	(1,928)
Equipment	(3,129)	(126)	1,127	(2,128)
Fire engines	(1,585)	(204)	242	(1,547)
Other vehicles	(1,305)	(42)	317	(1,030)
Air compressors	(856)	(115)	142	(829)
Furniture	(193)	(28)	67	(154)
Computer equipment and software	(535)	(14)	85	(464)
Leasehold improvements	(14)	(6)	-	(20)
	\$ (13,031)	\$ (839)	\$ (2,090)	\$ (11,780)
Net book value	\$ 7,102	\$ 480	\$ (74)	\$ 7,508

9. Designated assets

The Agency has allocated \$787 (2017 - \$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, 2018, \$559 (2017 - \$559) is designated for the vacation entitlements and severance pay benefits accumulated to March 31, 1998 for certain of its employees and \$228 (2017 - \$228) is designated for the severance pay benefits accumulated to April 1, 2011 for employees transferred from the former Mechanical and Engineering Branch, now Inspection Technical Services. These amounts 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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(in thousands)

Year ended March 31, 2018

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, 2022. Minimum annual rent is \$18 due in equal monthly installments, plus all operating costs with respect to the subject land.

The Agency has entered into leases on a fleet of 48 vehicles.

These leases give rise to lease commitments as follows:

2019	\$	250
2020		212
2021		188
2022		164
2023		117
Thereafter		57

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 \$5,000 (2017 - \$950) of its surplus funds to the Province of Manitoba.

12. Professional services - Growth, Enterprise and Trade

The Agency has a professional services agreement with the Department of Growth, Enterprise and Trade for the provision of legislation and policy services to the Agency as required throughout the year. The total amount paid pursuant to this agreement for the year ended March 31, 2018 was \$56 (2017 - \$75). As at year end, no additional amounts are owing pursuant to this agreement for the year ended March 31, 2018.

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 (2017 - \$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 primarily of cash and cash equivalents, accounts receivable and portfolio investments.

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Notes to Financial Statements

(in thousands)

Year ended March 31, 2018

13. Financial instruments and financial risk management (continued)

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

	2018	2017
Cash and cash equivalents	\$ 16,864	\$ 20,266
Accounts receivable	1,001	872
Portfolio investments	787	787
	<u>\$ 18,652</u>	<u>\$ 21,925</u>

Cash and cash equivalents and portfolio investments: The Agency is not exposed to significant credit risk as these amounts are held primarily 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, 2018 is \$472 (2017 - \$319). The change in the allowance for doubtful accounts during the year is as follows:

	2018	2017
Balance, beginning of the year	\$ 319	\$ 234
Provision for receivable impairment	153	85
Balance, end of the year	<u>\$ 472</u>	<u>\$ 319</u>

Bad debt expense for the year includes \$nil (2017 - \$25) of adjustments to accounts receivable for total bad debt expense for the year of \$153 (2017 - \$110).

The aging of accounts receivable and the related allowance for doubtful accounts at March 31, 2018 is as follows:

	Accounts receivable	Allowance	Net
Current	\$ 812	\$ -	\$ 812
30-60 days past the billing date	155	-	155
61-90 days past the billing date	34	-	34
Over 90 days past the billing date	472	(472)	-
Balance, end of the year	<u>\$ 1,473</u>	<u>\$ (472)</u>	<u>\$ 1,001</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 its obligations.

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Notes to Financial Statements

(in thousands)

Year ended March 31, 2018

13. 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.

14. Comparative information

Certain of the amounts for the year ended March 31, 2017 have been reclassified to conform to the financial statement presentation adopted in the current year.

**OFFICE OF THE FIRE COMMISSIONER
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Schedule 1 - Revenue

(in thousands)

Year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue:			
Government grants/transfers:			
Province of Manitoba:			
Indigenous and Municipal Relations - Mutual Aid	\$ 130	\$ 130	\$ 130
Sustainable Development - Emergency Response Cost Recovery	-	4	150
Sustainable Development - FireSmart Initiative	-	-	25
Total Province of Manitoba	130	134	305
Federal Government:			
Public Safety Canada - New Initiative Fund	-	-	176
Public Safety Canada - Heavy Urban Search and Rescue Program	516	368	304
Indian Affairs and Northern Development	-	18	-
Total Federal Government	516	386	480
Fees and other revenue:			
Insurance Levy	9,094	8,912	8,816
Inspection technical services	5,043	4,678	5,967
Codes and standards	2,300	2,364	2,291
Tuition fees	1,000	895	986
Fire inspections, investigations and reports	180	126	183
Other revenue	20	51	52
Total fees and other revenue	17,637	17,026	18,295
Investment income	40	72	48
	\$ 18,323	\$ 17,618	\$ 19,128

**OFFICE OF THE FIRE COMMISSIONER
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Schedule 2 - Transportation Expenses

(in thousands)

Year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Transportation expenses:			
Vehicle leases	\$ 500	\$ 405	\$ 361
Travel	150	134	152
Fuel - owned vehicles	20	19	16
Emergency response	-	9	53
Boards and committees	5	-	-
	\$ 675	\$ 567	\$ 582

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Schedule 3 - Communications Expenses

(in thousands)

Year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Communications expenses:			
Communications	\$ 200	\$ 183	\$ 176
Postage and courier	85	74	93
Marketing	30	48	50
Public education material	70	28	96
	\$ 385	\$ 333	\$ 415

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

(in thousands)

Year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Supplies and services expenses:			
Supplies	\$ 225	\$ 199	\$ 217
Repairs and maintenance	275	326	337
Rent	400	380	389
Professional services - Growth, Enterprise and Trade (Note 12)	80	56	75
Professional fees - contracted services	500	291	347
Professional fees - legal and audit	80	34	87
Mutual Aid - air compressor maintenance	140	100	122
Fuel - training supplies	20	21	21
Utilities	95	97	99
Other	20	27	33
Emergency response	400	38	215
	\$ 2,235	\$ 1,569	\$ 1,942

Schedule 5 - Other Operating Expenses

(in thousands)

Year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Other operating expenses:			
Desktop management	\$ 555	\$ 538	\$ 509
Travel	325	336	367
Bad debt expense	25	153	110
Property taxes	170	158	154
Insurance	150	143	137
Clothing	60	130	66
Publications	50	9	46
Professional development	50	63	55
Boards and committees	5	-	-
Seminar and conference registration	10	2	6
Memberships and subscriptions	10	15	10
Mutual Aid - meetings	3	-	2
Other	20	27	19
	\$ 1,433	\$ 1,574	\$ 1,481



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