The City of Winnipeg Annual Financial Report | 2009



Winnipeg



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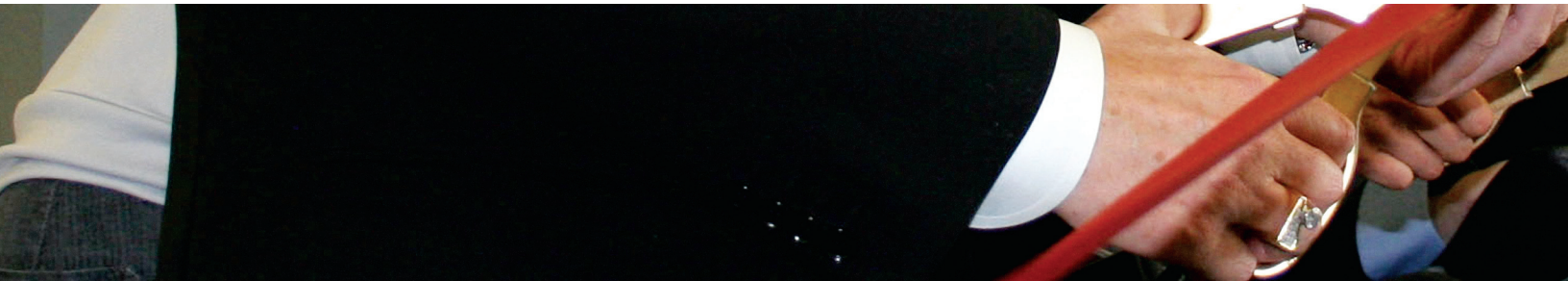




Message from the Mayor



As Mayor, on behalf of the City of Winnipeg, it is my pleasure to present to you the 2009 Annual Report.

Throughout 2009, Winnipeg experienced a steady economic hold during an economic downturn felt around the globe. No city was immune to a national recession, and we felt the side effects right here in Winnipeg. But the experience allowed us to seize new and alternative opportunities that have contributed to our continued growth and investment during an international economic storm. I am proud of the work we have done here at City Hall – as Mayor and Council and our dedicated Public Service – to collectively seize our momentum and grow our City of opportunity and remain focused on the priorities of our citizens.

Winnipeg City Council has ensured that the safety and well-being of our citizens remained a priority at City Hall throughout 2009. We will continue to advance public safety, deliver innovative solutions to challenges and work together to continue providing the men and women of the Winnipeg Police Service and our Fire and Paramedic Service with the tools they need to protect and serve our citizens.

Over the past year we have continued to reinvest in our crumbling infrastructure. Winnipeg's streets and bridges saw an increased investment of 450 per cent over the last six years as well as new investments toward trails and pathways for our Active Transportation network city-wide.

As we move forward in 2010, we will continue to meet challenges head on and seek out innovative ways to keep Winnipeg sustainable, competitive, and investment-friendly.

Public safety remains a top priority of investment; neighbourhood safety and crime prevention strategies are key components in making Winnipeg a safer city; and our infrastructure – transportation as well as recreational – will continue to improve and reach a level of quality that taxpayers deserve. The City of Winnipeg, as an organization, will continue to evolve and meet the expectations of our citizens on the services we deliver.

I want to thank all our City Councillors and members of the Public Service for their input and hard work in making Winnipeg a great place to live, work, play and invest in. As we continue to plan for the future, I remain positive on our City's outlook and look forward to harnessing our potential as we build on our momentum in 2010.



Sam Katz, Mayor of the City of Winnipeg



Message from the Chief Administrative Officer



As a Public Service, our goal is always excellence – in planning, management, and service provision – to advance our Mayor and Council's vision, and support citizens as they pursue their dreams for our community.

In 2009, Winnipeg showed its resilience in the face of the world economic downturn. During this period, employment continued to rise, and the Conference Board of Canada predicts economic growth, employment expansion, and population growth for 2010.

This resilience is the product of a diverse economy, an innovative business community, and a highly-skilled and hard-working labour force. As a City organization, we have been working to support Winnipeg's economic health by making the best possible use of the resources entrusted to us.

In their most recent updates at the opening of 2010, Standard & Poor's and Moody's Investors Service once again reaffirmed Winnipeg's credit rating, at AA stable and Aa1 stable, respectively. Effective budgeting techniques and strong fiscal discipline were cited as key factors in our current ratings, and this discipline continues.

Winnipeg now has lower per capita operating costs than most major Canadian cities; we have kept costs down by focusing on priorities like public safety and infrastructure, while keeping a tight rein on administrative costs. We are always looking for economies: in 2009 a consolidation of internal services at the civic campus saved the City $1 million.

We'll keep looking for savings, because providing the best value for money possible is critical.

At the same time, we know that the bottom line for citizens is great service, and we take pride in providing it: on their doorsteps; on city streets; at parks, pools, libraries, and offices – and increasingly, online as well. And we are always looking for ways to improve and serve people better.

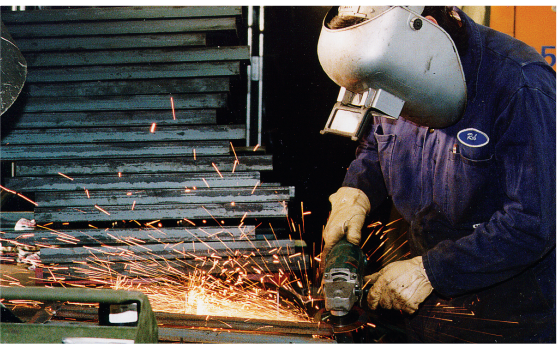
Over the past year, the Public Service has been working all-out, engaging in a direct discussion with citizens about their ideas for the development of a new civic plan, Our**Winnipeg**. It has been a conversation of unprecedented scale and depth; we've directly consulted over 42,000 Winnipeggers, and had over 8.5 million hits on our website.

We are confident that these discussions, along with the feedback we receive from Winnipeggers every day, will help us raise our game and improve our focus and performance. We look forward to meeting the challenge.



Glen Laubenstein, Chief Administrative Officer


NO
CONSTRUCTION
TRAFFIC








AT
MAIN
WAREHOUSE
LIMITED EDITION
PRINTS & GRAPHICS
GALLERY






CITY HALL







12th Council of the City of Winnipeg Members & Appointments (for 2009)

Mayor Sam Katz
Chairperson, Executive Policy Committee
Secretary of Urban Aboriginal Opportunities (commencing November 5, 2008) (name change to Urban Aboriginal Affairs on November 4, 2009)
Secretary of Intergovernmental Affairs (commencing November 4, 2009)

Jeff Browaty
NORTH KILDONAN WARD
Youth Ambassador
Councillor responsible for the Kansas City Economic Partnership (commencing November 5, 2008)
Chairperson, Alternate Service Delivery (ASD) Committee (commencing September 8, 2009)

Bill Clement
CHARLESWOOD – TUXEDO WARD
Chairperson, Standing Policy Committee on Infrastructure Renewal and Public Works

Scott Fielding
ST. JAMES – BROOKLANDS WARD
Chairperson, Standing Policy Committee on Property and Development (commencing November 5, 2008 until November 4, 2009)
Chairperson, Standing Policy Committee on Finance (commencing November 4, 2009)

Jenny Gerbasi
FORT ROUGE – EAST FORT GARRY WARD
Chairperson, Mayor's Environmental Advisory Committee (until February 2009)

Harry Lazarenko
MYNARSKI WARD
Speaker of Council
Chairperson, Secretariat Committee
Chairperson, Riverbank Management Committee

John Orlikow
RIVER HEIGHTS – FORT GARRY WARD
(commencing March 25, 2009)

Grant Nordman
ST. CHARLES WARD
Chairperson, Seniors Advisory Committee
Councillor responsible for Assiniboine Park Governance (commencing November 5, 2008)
Councillor responsible for Corporate Sponsorship (commencing November 5, 2008)
Deputy Speaker (commencing September 30, 2009)

Mike O'Shaughnessy
OLD KILDONAN WARD
Deputy Speaker (commencing November 5, 2008 until September 8, 2009)
Secretary, Strategic Infrastructure Renewal (commencing September 8, 2009)

Michael Pagtakhan
POINT DOUGLAS WARD
Chairperson, Standing Policy Committee on Downtown Development (commencing November 5, 2008 until November 4, 2009)
Chairperson, Winnipeg Housing Steering Committee
Chairperson, Standing Policy Committee on Protection and Community Services (commencing November 4, 2009)

Harvey Smith
DANIEL MCINTYRE WARD

Gord Steeves
ST. VITAL WARD
Acting Deputy Mayor
Chairperson, Standing Policy Committee on Protection and Community Services (until November 4, 2009)
Secretary of Intergovernmental Affairs (commencing November 5, 2008 until November 4, 2009)
Chairperson, Standing Policy Committee on Property and Development (commencing November 4, 2009)

Justin Swandel
ST. NORBERT WARD
Deputy Mayor
Chairperson, Standing Policy Committee on Finance (commencing November 5, 2008 until November 4, 2009)
Chairperson, Alternate Service Delivery (ASD) Committee (until September 8, 2009)
Chairperson, Standing Policy Committee on Downtown Development (commencing November 4, 2009)

Lillian Thomas
ELMWOOD – EAST KILDONAN WARD

Daniel Vandal
ST. BONIFACE WARD

Russ Wyatt
TRANSCONA WARD
Co-Chairperson, Mayor's Environmental Advisory Committee (commencing February 2009)
Secretary, Strategic Infrastructure Renewal (commencing November 5, 2008 until September 8, 2009)

2009 Senior Administrators

Glen Laubenstein
Chief Administrative Officer

Alex Robinson
Deputy Chief Administrative Officer

Mike Ruta
Deputy Chief Administrative Officer/ Chief Financial Officer

Phil Sheegl
Deputy Chief Administrative Officer

Linda Black
Director, Corporate Support Services

Jim Brennan
Chief, Winnipeg Fire Paramedic Service

Deepak Joshi
Director, Planning, Property and Development

Barry MacBride
Director, Water and Waste

Keith McCaskill
Chief, Winnipeg Police Service

Brad Sacher
Director, Public Works

Dave Wardrop
Director, Winnipeg Transit

Clive Wightman
Director, Community Services

Richard Kachur
City Clerk

Brian Whiteside
City Auditor
(Acting City Auditor until November 25, 2009)



Winnipeg and its Economy

Diverse, Vibrant and Culturally Rich

In the heart of the continent and geographic centre of Canada, Winnipeg is home to a vibrant, diverse economy and population. As the economic engine and capital city of the province of Manitoba, Winnipeg has a population of 675,100, is home to 55 per cent of Manitoba residents, and is the seventh-largest city municipality in Canada.

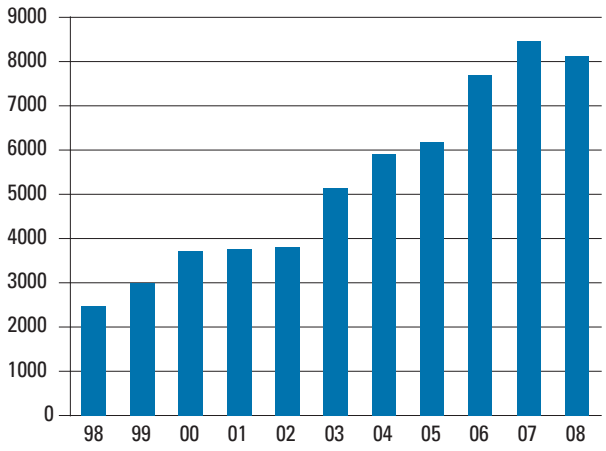
Described as the "cultural cradle of Canada," *Winnipeg offers a variety of arts, culture, sports, recreation and entertainment to satisfy every taste. A four-season city, Winnipeg celebrates a rich colourful history through many historic sites, exhibits, attractions and yearly festivals.

Winnipeg is characterized as having one of the most diverse economies in Canada, which allows the City to experience consistent and steady growth, in the face of unexpected economic downturns. **In comparing the economic diversities of the largest cities in the country, the Conference Board of Canada rates Winnipeg's index at 0.91 out of 1.00, with the average of major cities at 0.82.** The year 2009 saw the economy across North America take a hard hit, yet despite a 2.5 per cent decline to the national economy, Winnipeg weathered the downturn well, experiencing only a 0.5 per cent decline.

Winnipeg is a city that is vibrant and friendly, proud of its rich history and heritage, where people from around the world unite to live, work and play together. An ideal place for people of all ages and nationalities, the City offers affordable housing, an abundance of office and industrial space, low unemployment rates, manageable traffic volumes, and a diverse economy.

*(Source: Destination Winnipeg)

RECENT IMMIGRATION TO WINNIPEG



Source: Citizenship and Immigration Canada, Immigration Overview: Facts and Figures 2008

2008 IMMIGRATION TOP 7 CITY REGIONS

CENSUS METROPOLITAN AREA (CMA'S)

Toronto	86,929
Montreal	38,884
Vancouver	37,375
Calgary	13,034
Winnipeg	**8,114**
Edmonton	7,507
Ottawa	6,285
80%	198,128
Total Canada	**247,243**

Source: Citizenship and Immigration Canada, Immigration Overview: Facts and Figures 2008

TO WINNIPEG

Philippines	2,511
India	1,123
China	688
Israel	416
Korea	379
Ethiopia	238
Germany	194
U.S.A.	165
Nigeria	156
Sudan	140

Source: Manitoba Immigration Facts – 2008















Population Growth

Over the last decade (1999 – 2009), Winnipeg's population, which presently stands at 675,100, has grown by 44,000 or seven per cent.

Winnipeg continues to experience modest population growth relative to other large Canadian cities. The population growth is largely due to immigration. In 2008, total provincial immigration reached just over 8,100 people. Historically, Winnipeg is destination to about 75 per cent of immigrants to Manitoba.

Housing Demand Rise Forecasted

Winnipeg's housing starts moderated in 2009 to 1,811 units; however, they are expected to pick up in 2010 and then reach 3,000 units by 2012. A population increase over the next 22 years is forecasted at approximately 177,000 people, and as such the demand for housing is anticipated to continue. Over the last decade, since 2000, Winnipeg's average resale house price has increased 133 per cent. This means the average house price has more than doubled in value over the last ten years.

Property taxes remain in the low range compared to other Canadian Cities.

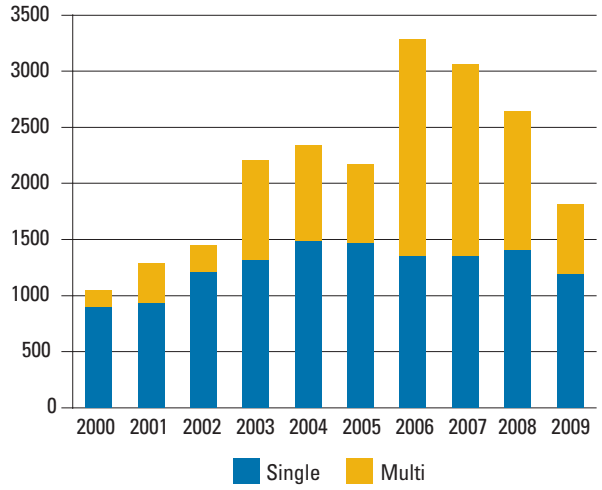
*Winnipeg's property tax ranking out of 14 large cities for the average house:

- **3rd lowest for Municipal property taxes only**
- **3rd lowest for total property tax bill and utilities***

Total owner costs include municipal taxes, school taxes, municipality-charged utilities and other utilities

*(Source: City of Edmonton 2009 residential property taxes and utility charges survey)

CONSTRUCTION OF DWELLING UNITS IN WINNIPEG



Source: City of Winnipeg, Planning, Property and Development Dept.

Economic Indicators

Winnipeg's Gross Domestic Product (GDP) in 2009: $25.0 billion (2002 dollars)

The Winnipeg region has 55 per cent of Manitoba's population and generates 64 per cent of the province's total economic output.

- **Building permit values in 2009: $1.111 billion**
- **Labour Force: 418,000**

VALUE OF BUILDING PERMITS ($ MILLIONS) CITY OF WINNIPEG

	2005	2006	2007	2008	2009
Residential	$ 337	$ 445	$ 449	$ 511	$ 414
Non-Residential	319	404	394	542	697
Total	$ 656	$ 849	$ 843	$1,053	$1,111

Source: City of Winnipeg, Planning, Property and Development Dept.



Major Economic Strengths

Gross Domestic Product

Winnipeg's 0.5 per cent GDP shrinkage in 2009 was the first in 18 years, but remained less than Canada's. A stabilizing manufacturing sector and an improved outlook for most industries suggests a healthy 2.2 per cent GDP advance in 2010. Winnipeg is expected to bounce back with a predicted 2.8 per cent gain between 2010 and 2013.

(Source: Conference Board of Canada)

Labour Market

Winnipeg's labour force grew by one per cent in 2009 and the employment rate remained stable. The City's average unemployment rate surpassed that of the national average at 5.4 per cent. Job growth is expected to remain modest in 2010, but even slight employment increases will fuel persistent population growth in housing starts.

Winnipeg's mature and stable economy will serve as a foundation for steady population growth over the medium term (2009-11).

In the long term, Winnipeg's labour force is expected to undergo major changes, partly due to the aging population. Fortunately, the Conference Board of Canada forecasts Winnipeg will experience increasing immigration – reaching nearly 11,000 immigrants annually by 2020. Thanks to the Province of Manitoba's successful immigration policy over the past decade, immigration is expected to continue over the long term, which will help feed and support the city's labour force growth.

While Winnipeg's manufacturing sector is recovering from an 11.4 per cent output drop due to the economic slowdown and the US/Canadian currencies being at or near par in 2009. Local manufacturing output growth is pegged at 2.5 per cent in 2010 and is forecast to rise to 3.4 per cent annually from 2012 to 2014. Overall, the industry is expected to keep generating high-paying quality jobs and stabilize over the next few years.

Investment and Major Construction Projects

On the heels of remarkable double-digit growth in three out of the past four years, Winnipeg's construction sector is expected to decrease slightly over the next two years. While the forecast predicts a slight dip of 2.2 per cent in 2010 and 0.5 per cent in 2011, growth is expected to rebound again in 2012 and average 3.7 per cent in 2012 to 2014.

Construction and land assembly are in progress for the $138 million first phase of the **Southwest Rapid Transit Corridor**, connecting the downtown to the University of Manitoba. **Road upgrades in Waverley West** and the **expanding Winnipeg Active Transportation network** are featured in the upcoming year. Longer term projects include the $195 million **Disraeli Bridges Project** which will see entirely new bridges built with construction beginning in 2011. The existing bridge piers will be transformed into a separate Active Transportation bridge alongside the new freeway. Construction of a new $137.5 million **football stadium** to be located at the University of Manitoba will also get underway in the coming year.

(Source: Conference Board of Canada, Metropolitan Outlook – Spring 2010)



New state-of-the-art water treatment plant began delivering water to residents December 2009





Southdale Roundabout Retrofit





Fort Garry Twin Bridges rehabilitation completed in 2009



Service Highlights

Infrastructure Investments

State-of-the-Art Drinking Water Treatment Plant – The 'Toast' of Our Community

After 10 years of planning and four years of construction, Winnipeg's new state-of-the-art $300 million drinking water treatment plant began delivering treated water to residents in December 2009. Located at Deacon Reservoir just east of Winnipeg, the drinking water treatment plant is the largest infrastructure project undertaken so far by the City of Winnipeg. The plant protects public health by virtually eliminating the risk of waterborne disease, reducing disinfection by-products, and meeting increasingly strict Canadian drinking water quality guidelines.

Rehabilitation of the Fort Garry Twin Bridges Completed

The rehabilitation of the Fort Garry Twin Bridges was completed in 2009. The work undertaken will extend the life of these bridges an additional 50 years. The westbound bridge was widened to accommodate a third lane of traffic. The eastbound bridge incorporated an active transportation pathway and was tied into the Bishop Grandin Greenway.

Traffic Signal Enhancement Program

Public Works deployed new traffic signal timing plans along St. Anne's Road, St. Mary's Road and Portage Avenue. A new wireless communication network was installed which involved eight 50 foot towers with a 30 km wireless path and was completed in December 2009. A new Traffic Signals Management System was brought online which communicates with and monitors traffic controllers via wired and wireless communications on Kenaston Boulevard, Lagimodiere Boulevard and sections of Regent Avenue.

Based on information collected from similar traffic signal timing plans developed along Kenaston, Lagimodiere and portions of Regent Ave in 2008, improvements on those routes have resulted in a reduction of approximately five minutes of driving time per motorist in peak times, as well as increasing the flow of traffic by reducing the number of stops for motorists. An improvement in traffic flow was also noted during non-peak times.

Southdale Roundabout Retrofit

The Public Works Department used "out-of-the-box" thinking to address increased traffic congestion at the intersection of Lakewood Boulevard and Beaverhill Boulevard – a traffic roundabout was designed and constructed. This retrofit is the first time that a traffic roundabout was applied to an existing intersection in Winnipeg. The project will serve as a model for future retrofits, providing a space-conscious solution and improved neighbourhood aesthetics. Developing an intersection into a roundabout also reduces fuel consumption, air pollution and noise pollution as compared to a traditional signalized or stop sign-controlled intersection due to fewer vehicle stoppages.

Water Main Repairs at Record 35-year Low

The number of water main repairs has been declining since a record high in 1983 of 2,549 repairs. The all-time low number of 433 repairs in 2009 can be attributed to:

- An increased long-term commitment to water main renewals
- Reduced inventory of cast iron water mains (which have the highest occurrence of breaks)
- A more rigorous water main selection process
- Favourable weather conditions



Phase One of Central Park renovations included a new turf field, landscaping, sand and water play structure, slide hill, market area and lighting.

Disraeli Bridges Project

Following approval by Council in September 2008, plans for the $195 million Disraeli Bridges Project moved forward in 2009. The design concept features four vehicular lanes that include two shared vehicle and cyclist curb lanes, one sidewalk (on the east side) and a separate cycling/pedestrian bridge.

Stakeholder involvement in planning the location, routing, connections and design criteria for the separated pedestrian/cycling crossing followed. In February, the Collaborative Planning Working Group, comprised of affected and interested stakeholders and the neighbouring Elmwood and Point Douglas communities, was established to work with City representatives to identify options for locating the crossing and connections leading to and from the crossing and design criteria. The Disraeli Bridges Project road system is approximately two kilometres in length. Design will begin in 2010 and river bridge construction in early 2011.

Southwest Rapid Transit Corridor

Construction on Stage One of the Southwest Rapid Transit Corridor began in 2009, following Council approval in October 2008. This corridor will improve the speed and reliability of transit service by allowing transit vehicles to bypass traffic congestion. Construction is expected to be completed by 2012 at an estimated cost of $138 million.

Community and Recreation Facilities Redeveloped

A number of community recreation and leisure facility redevelopment projects were advanced in 2009. These include: Valour Community Centre, formerly Isaac Brock Community Centre; North Centennial Recreation and Leisure Facility; Bronx Park Community Centre – the new home of the Good Neighbours Active Living Centre (formerly the Good Neighbours Senior Centre); and Norberry-Glenlee Community Centre. These projects are delivered through the $43 million Recreation and Leisure Infrastructure Program with funding from the federal and provincial governments and The City of Winnipeg.

Downtown Parks Revitalized

Old Market Square Park

Coordinated through the Planning, Property and Development and Public Works Departments, the redevelopment of the park included a new sunken event lawn amphitheatre; tree planters with seating, floral plantings and uplighting; a circular patio and integration of new tree vaults and pavement with King Street and Bannatyne Avenue.

Phase 2 of the project sees the redevelopment of the stage which will serve as a performance venue and become the focal point of the Old Market Square neighbourhood park.

The stage is scheduled for completion in June 2010.

The project was funded through a partnership with the Winnipeg Foundation which provided $500,000, the Cultural Spaces Canada Program grant of $250,000, CentreVenture which contributed $200,000 and the Planning, Property and Development Department Downtown Enhancements budget which provided $300,000, for a total project budget of $1.25 million.

Central Park

Following Council approval in July 2008, the first phase of this $5.5 million project included the installation of a turf field (flooded in winter to use as a skating rink), market area, sand and water play structure, slide hill, landscaping and park lighting. Additional capital improvements are scheduled for 2010, including construction of the park's south end, a water park and new park building and canopy.

Funding for the project came through a partnership with CentreVenture contributing $1,311,011, the Province of Manitoba, The City of Winnipeg and the Gray Family



each contributing $1 million, a $500,000 contribution from the Winnipeg Foundation, $150,000 from the Richardson Foundation, and a contribution from the Recreation Infrastructure Canada program which provided $538,989.

Environment and Sustainability

The Mayor's Symposium on Sustainability and Our**Winnipeg** Launch

The Mayor's April 2009 Symposium on Sustainability brought together more than 250 delegates including individual citizens, representatives of community organizations, and a panel of invited speakers to share their views on what a sustainable Winnipeg should look like. The Symposium served as the official launch of the City of Winnipeg's Our**Winnipeg** Initiative – a year long planning and public consultation process to develop a new official plan for the City of Winnipeg.

Our**Winnipeg**'s online interactive home – www.speakupwinnipeg.com – provides citizens the opportunity to post comments, participate in polls, share videos of their vision for the City's future, and serves as a way for the City to share its research and report back to Winnipeggers.

Improvements to Active Transportation

Accomplishments in 2009 to the City's Active Transportation network included:

- Publishing the Winnipeg Cycling Map in print form and online
- Expanding the downtown bike lane program
- Conducting the OttoCycle GPS Cycle Route Study with the Centre for Sustainable Transportation to map routes currently used by cyclists
- Developing and partially funding Trail Head Signage for marking community multi-use pathways in partnership with the Winnipeg Trails Association

In addition, in December 2009, Council approved $20.4 million in capital funding to support an extensive Active Transportation network throughout the City. Funding was made available under the new Infrastructure Stimulus Fund, part of Canada's Economic Action Plan, and comes from the three levels of government (the City, Province and Federal governments each contributing one-third, or $6.8 million). The program involves the creation of 35 projects throughout the city in 2010. Projects range from multi-use pathways to bike boulevards.

Winnipeg's First Giveaway Weekend

September 26 and 27 was Winnipeg's first giveaway weekend. Residents were invited to place their unwanted household items at the curb on their front lawn. Everyone was then welcome to cruise the curbs and shop for free. Bargain-lovers scooped up treasures such as air conditioners, gas-powered scooters, furniture, exercise equipment, toys, bicycles, and appliances. Giveaway weekends are planned for May and September 2010.

Safety and Emergency Response

District Model for Medical Supervisors

Winnipeg has developed a district model for Medical Supervisors. The object is to provide support, in-service and ensure quality assurance to both the Ambulance-based paramedics and the Fire-based paramedics. Having a district offers the opportunity for the Medical Supervisor to become familiar with the staff in his/her district. They can then identify and provide the support and education needed to help maintain the high standards expected by the Paramedic profession.

2009 – The Year of the Ice Flood

Winnipeg was faced with a challenging and unique set of circumstances in the spring of 2009 to protect Winnipeg properties from river flooding – first from ice jams and then from higher than expected water levels on our rivers and streams. Once the ice cleared out of the city, the crest from the Red River south of the border coincided with local runoff, causing the fourth-largest flood on record and only two feet below the 1997 peak. For a four-week period City staff worked tirelessly in protecting Winnipeg citizens from floodwaters.

The Public Works Department worked closely with the Water and Waste Department to protect approximately 200 properties that were at risk and about 650,000 sandbags were produced and delivered to support this effort.

H1N1 Planning

The City of Winnipeg Pandemic Plan is an evolving document first introduced in January of 2008. As a Pandemic is a health-related event, the City works closely with Manitoba Health and the plan is consistent with existing provincial and federal guidelines, regulations, and directions.

With the Winnipeg Pandemic Plan in place, The City of Winnipeg was prepared to maintain all City services and address the evolving challenges if the situation warranted in 2009 when H1N1 surfaced in Winnipeg. Essential City of Winnipeg services were identified and staff redeployment plans with appropriate cross training were in place and ready to move forward if necessary. Plans for public communication were developed and City of Winnipeg staff received regular communications which encouraged appropriate health protocols for the prevention of H1N1.

'Flu Cars'

In the event the Winnipeg Fire Paramedic Service (WFPS) experienced a significant increase in call volume and/ or an upsurge in employee absenteeism during a pandemic, a Primary Treatment and Referral Service ('Flu Car') process was developed to respond to an increase in the number of calls for influenza-like illness (ILI). A non-emergency response unit was equipped to respond to low acuity ILI calls to conserve ambulance resources.

MIRV (Major Incident Response Vehicle) Expands Role

Since June 2008, the MIRV has been used by WFPS as a resource sent to multiple-alarm fires, major potential multi-casualty incidents such as airport incidents, and kept on stand by at public events. In November 2009, the MIRV was implemented as a front line unit, thereby expanding its utilization capability.

This unit is now also used for bariatric transports of critical patients, multi-patient transfers between Winnipeg Regional Health Authority (WRHA) facilities, motor vehicle collisions, and relief of fire units with either multiple patients or relief of multiple fire units with single patients.

Auxiliary Force Cadet Program

The Winnipeg Police Service laid the groundwork to establish an Auxiliary Force Cadet program during 2009. This program provides an additional employment opportunity for those interested in a career in law enforcement. It is also a new resource to build on positive relationships with the community, be visible and promote safety in areas throughout the City, as well as augmenting efficiency and effectiveness by allowing police officers to focus on core policing duties.

Auxiliary cadets will perform a variety of duties such as assisting police in pedestrian and motor vehicle accident scenes, receiving initial information and starting report-taking for minor property-related offences and motor vehicle collisions, community safety presentations and foot patrols, and attending to reports of traffic light malfunctions and parking by-law complaints.

Nurse/Paramedic at Main Street Project

In January 2009, a pilot initiative began at the Winnipeg Main Street Project, through consultation with the WFPS, WRHA and the Winnipeg Police Service (WPS). A nurse/paramedic was assigned to the Project with the main goal of providing initial medical clearance and ongoing assessments to detainees admitted under the Intoxicated Person Detention Act (IPDA). The role has been expanded into one that encompasses the clients' other living needs; several of these clients have addictions and often do not seek out the help they require. The nurse/paramedic can assist by referring them to other agencies, making sure they meet medical appointments and specialty clinics.



In 2009, WPS laid the ground work for the Auxiliary Force Cadet Program



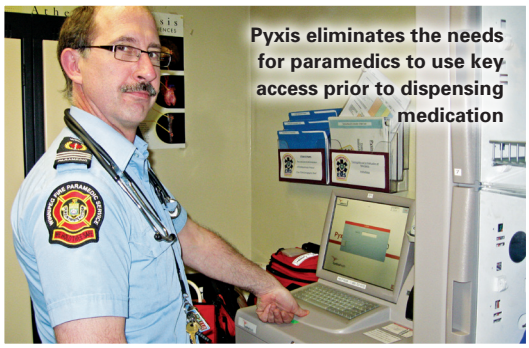






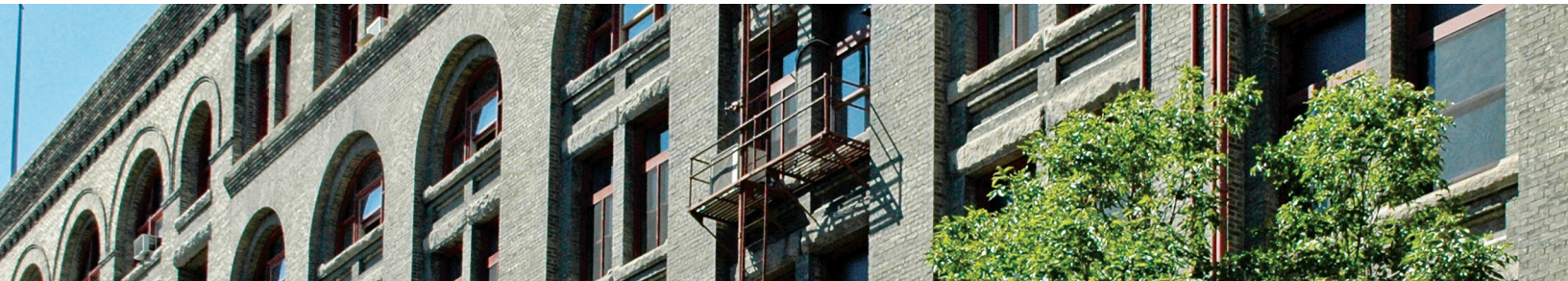
WFPS inaugural summer camp taught fire, EMS and life skills





Pyxis eliminates the needs for paramedics to use key access prior to dispensing medication





Gang Response and Suppression Plan (G.R.A.S.P)

The City of Winnipeg took action to enhance response to crime-related 'street gang' activity. In 2009, WPS in partnership with Manitoba Justice developed G.R.A.S.P., the Gang Response and Suppression Plan. This plan is a blend of new and proven tactics used by the highly successful Winnipeg Auto Theft Suppression Strategy. Police and Justice officials will partner to target the worst of the worst in the street gang world, and use every option, and tool available to ensure these dangerous individuals are identified, monitored, and arrested when they breach their court-ordered conditions, or become re-involved in crime. The City expects this strategy will further reduce gang activity in our city. In 2010 G.R.A.S.P. will become operational.

'Restore, Rebuild and Sustain'

In summer 2009 the WPS created 'Restore, Rebuild and Sustain' to address the problems, issues and concerns associated with violent crime in the City's north end. The intent was to restore community order and public confidence by combating and suppressing the crime problem through intelligence-based identification of High Value Targets and 'hot spot' crime locations.

The initiative proved successful with a noted decrease in random street violence over the summer months and early fall and was widely accepted by all stakeholders as a sound approach to addressing a critical problem.

This initiative was developed in partnership with the Crown, Corrections, Probation, CORHROU, Parole Services, Manitoba Liquor Control Commission, Manitoba Justice's Safer Communities and Neighbourhoods, and the City of Winnipeg Bylaw Enforcement Branch.

Public Education – Inaugural Summer Camp

In August 2009 the WFPS Public Education Branch, in partnership with Equity and Diversity, delivered a very successful summer camp to a group of 12 students of Aboriginal descent, recent immigrant and refugee youth, who were taught fire, EMS and life skills. This was well received by all involved and will become an annual event.

This camp is one of two the City hosted in 2009. The other camp exposed youth to the large variety of careers available at the City and encouraged youth to stay in school.

Partnerships

Downtown Development

In 2009 The City of Winnipeg played a key role in a number of initiatives, negotiations and partnerships that proved instrumental in furthering economic and downtown development, including: establishment of IKEA in Winnipeg; re-development of the Union Bank Tower Building for a Red River College (RRC) Culinary Arts Program; construction of the WRHA office on Main Street; extension of the Weather Protected Walkway System; and, acquisition of the Canada Post Building for relocation of the consolidated Winnipeg Police Service headquarters.

LiveSAFE: An Interconnected Crime Prevention Strategy

Building a Community of Commitment for Action

In January 2009, the City's CAO and the Executive Director of the Social Planning Council of Winnipeg co-facilitated a participative community strategic planning process (Search Conference) around the question of ' What is the future of crime prevention through social development in Winnipeg by 2014?' This community planning process was a significant step towards the development of initial cross-sectoral action themes for crime prevention that are community-owned and built upon leadership commitment and accountability from a variety of sectors. The City of Winnipeg will champion those themes that relate specifically to its service mandates. They are:

- The community and the Winnipeg Police Service work closely together in neighbourhoods using a preventive approach resulting in reduced crime and disorder with the goal of achieving equality of safety throughout the city.
- Building community capacity to develop resiliency in youth, children and families by focusing on recreation and school attendance.

SPIN - 'Sports in Inner Winnipeg Neighbourhoods Program'

SPIN is an initiative of the City of Winnipeg's LiveSAFE Crime Prevention Policy that provides free sport programming support for 6-14 year olds with numerous community-based agencies and service organizations. The strategy is designed to combat the root causes of crime and to eliminate barriers that children face to participate in organized sport programming. Year round programming enhancements were established in 2009 including table tennis, volleyball and tennis resulting in hundreds more inner Winnipeg children and youth participation in sports. SPIN was recognized as a best practice in the 2009 provincial report on 'Healthy Lifestyles for Newcomers in Manitoba'.



Staff were trained at the 311 Contact Centre which launched in 2009

Pyxis

The WFPS, in conjunction with the Winnipeg Regional Health Authority, implemented the Pyxis automated medication management system for narcotics and controlled substances. The initial installation was at one hospital, with the intention to roll out other Pyxis locations as emergency departments convert to the system for medication management. All paramedics have been trained in the use of the Pyxis system.

Pyxis eliminates the need for key access, by recognizing the paramedics' fingerprint and password prior to dispensing any medication through biometric security access technology. The system also collects detailed reports about the usages of medication which are reviewed and reconciled to ensure an accurate account of controlled substances is being dispensed.

Medical Careers Exploration Program (MCEP)

In 2009 WFPS participated in the Medical Careers Exploration Program by introducing a student from Children of the Earth School to a paramedic Medical Supervisor, of Aboriginal decent, for a mentorship opportunity which occurred over the course of several weeks. This mentorship period provided the student with exposure to the WFPS emergency communications centre, paramedic training academy and to the provision of pre-hospital care in the community. The program provides support and encouragement to inner-city Aboriginal high school students to stay in school and gain confidence in their educational aspirations to pursue careers in the healthcare sector.

Partnership with Justice Institute of British Columbia School of Health Sciences for Precepting SARtech's

The WFPS and the Justice Institute of British Columbia School of Health Sciences (JIBC) finalized an agreement, forming a partnership which would see Department of National Defence (DND) personnel who were undergoing paramedic training at the JIBC, now able to complete their Field Preceptorship with the WFPS. This agreement has already provided the opportunity for 14 SARtech (Search and Rescue Technician) personnel to receive their Field Preceptorship in Winnipeg. Another group of DND MEDtech's (Medical Technician) is scheduled for Field Preceptorship in March 2010 with the anticipation of other groups to follow.

Given the expertise of both the WFPS and the JIBC School of Health Sciences, this partnership was seen as the first step towards the development of a relationship that would allow both parties the ability to work collaboratively in the field of Paramedicine and in the future be expanded to include further opportunities and joint endeavors which would prove beneficial for both parties.

Aboriginal Youth Strategy

In 2007, City Council directed that an Aboriginal Youth Strategy be developed to guide the City's urban Aboriginal agenda during the current term of Council, 2006 to 2010. Oshki Annishinabe Nigaaniwak or Young Aboriginal People Leading is the name given to the Aboriginal Youth Strategy by Elders Jules Lavalee and Mary Richard in a naming ceremony held on August 7, 2009 at Miskobiik Training Centre. The name pays tribute to Aboriginal youth *as leaders of today as well as tomorrow.*

In 2009, 11 community-based agencies successfully implemented employment and employment development projects and met the performance measurements established within each of their funding agreements. In addition as a



iBUS technology offers real time information about bus schedules

part of Phase 2 of the Aboriginal Youth Strategy, the City is working with these agencies to link the project participants, as they complete their employment development programs, to employment, volunteer, mentorship and internship opportunities within the civic service. Phase 2 also includes the provision of Aboriginal youth-focused civic service initiatives beyond employment that focus on increased and enhanced literacy and education-based initiatives, as well as physical activity-based opportunities.

Customer Service

311 Contact Centre Launched

In January 2009, the 311 Contact Centre – the City's first integrated call centre – was launched. This was the City's most comprehensive customer service enhancement to date, and is a more accessible, easier-to-use way for the public to get the information they need about civic services, on the web, by telephone, or in person. Winnipeggers can now contact one phone, email address or fax number to find information about all non-emergency City services. Approximately 1.9 million calls were received in 2009. There are approximately 110 employees dedicated to this service with 20 per cent of staff bilingual.

Self-service was launched in November 2009, and is located at www.winnipeg.ca. This online resource offers additional ways to get information and access City services by processing requests for City services online.

Winnipeg Transit Upgrades

The installation of Electronic Bus Departure Displays (BUSwatch) at major stops throughout the city began in 2009. As well, several projects to enhance passenger comfort and safety were completed, including:

- Installation of Intelligent Bus technology (iBUS) on the entire transit fleet was completed. This included:
  - Advanced Bus Radio Communications system
  - GPS-based Automatic Vehicle Location system (AVL)
  - Automatic Schedule Adherence monitoring
  - Automated 'Next Stop' display and enunciation system
- Installation of new digital video/audio surveillance system on entire transit fleet
- Delivery of 63 new air-conditioned buses
- Increased transit fleet size from 535 buses to 545 buses to meet growing service demands
- Final year of bus stop upgrade program which included the installation of 139 new shelters in 2009 (28 of which are heated)
- Final year of the on-street transit priority program, including new diamond lanes on Portage, Main, and Goulet, and several transit signal priority lights

Snow Mapping Service on Winnipeg.ca

The City's Public Works Department was the first public works authority in Canada to implement a web-based application to inform the public in which areas of the city crews will be clearing snow overnight during a residential overnight parking ban. This service, developed in-house, improves customer service and communication to the public by providing overnight plowing schedules on the City's website.

New Water Billing System

In June, more than 190,000 water customers began receiving their new and improved water bill. The new bill features an easy-to-read format, a fresh new look, a clear breakdown of the charges and detailed messages for account holders.

Integrated Community Services Delivery Model

Two service divisions were amalgamated in 2009 to form the new Community Development and Recreation Services Division that will have a dedicated focus on the assessment of community needs and priorities, utilizing recreation as a primary community development tool in contributing to building healthy communities.





Cindy Klassen Recreation Complex opened its doors in 2009. The West End Library re-located inside the complex.

Certified Permit Coordinator Program

As part of the City's building permit services, this new training program, piloted in 2009, facilitates and fast-tracks foundation permits for qualifying new commercial construction projects for certified professionals. This program was developed as a first step in response to a City Council-approved directive to implement recommendation nine of the Mayor's Red Tape Commission Report, relating to the proposed implementation of a certified professional program for industry professionals applying for commercial building permits.

Recreation and Leisure

Cindy Klassen Recreation Complex

The Cindy Klassen Recreation Complex opened to the public in February 2009. Winnipeg's one-of-a-kind complex is in recognition of the achievements of the Winnipeg athletes at the 2006 Torino Olympics. The facility is named in honor of Winnipegger Cindy Klassen, a six-time Olympic medalist and four-time speed skating World Champion.

The $8.8 million recreation and leisure complex is home to:

- The new Olympian Indoor Track on the second floor complete with fitness and weight room areas
- The original swimming pool building
- The Susan Auch Speed Skating Oval
- Litza's Café
- Six new tennis courts
- Landscaped entrance plaza and drop-off zone and enhanced accessibility

West End Library

The new West End Library opened as part of the Cindy Klassen Recreation Complex in February 2009. The 6,000-square-foot facility offers the West End community significant improvements in library services and amenities, including increased study and reading space, improved collections, increased parking, dedicated programming space and additional computer workstations. In its first year of operating in the new location, there has been a 53 per cent increase in circulation and a dramatic increase in the number of residents using the library.

Free Wi-Fi at City Libraries

In 2009, the Library Services Division moved from a Pay-as-you-go service to Free Wi-Fi for library users at all branches in the city and at the Pan Am Pool. Since that time, more than 38,000 hours of Wi-Fi access have been used by library patrons to find information, support their research needs, and communicate via the web.

Animal Services Experiences Increase in Activity

- Animal Services stepped up effort promoting licensing in 2009. An automated program was also acquired to implement courtesy phone calls to residents who had let dog licenses expire.
- Animal Services continues to expand in new media and social media opportunities including joining Petfinder.com and creating a Facebook. These two internet initiatives helped Animal Services experience a record 62 per cent increase in adoptions to 381.
- Animal Services actively works with animal shelters and rescue groups. Dogs are frequently transferred to other groups to increase the odds of adoption. In 2009, 63 dogs were transferred.
- Animal Services experienced an 84 per cent increase in service calls to ensure by-law enforcement in 2009. This large increase was mainly due to the implementation of the 311 system.



Consolidated Financial Statements

Report from the Chief Financial Officer
Financial Statement Discussion and Analysis

I am pleased to present the following Financial Statement Discussion and Analysis, which has been prepared by management. The following discussion and analysis of the financial performance of The City of Winnipeg (the "City") should be read in conjunction with the audited consolidated financial statements (the "Statements") and their accompanying notes and schedules. The Statements, as well as the accompanying materials, are prepared in accordance with Canadian generally accepted accounting principles for governments established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

The Statements provide information about the economic resources, obligations and accumulated surplus of the City. They include departments of the City, special operating agencies, utilities, and corporations that are controlled by the City, as well as the City's investment in government businesses. A brief description of the major funds, entities and investments included in the Statements follows below.

Funds, Entities, and Investment in Government Businesses

Funds

A fund is a grouping of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, establishes these funds to ensure and demonstrate compliance with finance-related requirements.

The General Revenue Fund reports on tax-supported operations, which includes services provided by the City to citizens such as police, fire, ambulance, library and street maintenance. The General Capital Fund was created to account for tax-supported capital projects. The tax-supported capital program is made up of, but is not limited to, reporting on the acquisition and/or construction of streets, bridges, parks and recreation facilities. The utility operations are comprised of the Transit System, Waterworks System, Sewage Disposal System and Solid Waste Disposal Funds, each accounting for its own operations and capital program.

There are four Special Operating Agency ("SOA") Funds operating within the City's organization. Animal Services (2000), Winnipeg Golf Services (2002), Fleet Management (2003) and Winnipeg Parking Authority (2005) provide services as special units of the City.

SOAs have been given the authority to provide direct public services, internal services, or regulatory and enforcement programs. SOA status is granted when it is in the City's interest that they remain within the government but require greater freedom to operate in a more business-like manner. Each SOA is governed by its own operating charter and prepares an annual business plan for adoption by City Council.

City Council has approved the establishment of Reserve Funds, which can be categorized into three types. Capital Reserves were established to finance current and anticipated future capital projects, thereby reducing or eliminating the need to issue debt. Special Purpose Reserves were established to provide designated revenue to fund the Reserves' authorized costs. Stabilization Reserves were created to assist in the funding of major unexpected expenses or deficits recorded in the General Revenue Fund.

Entities and Investment in Government Businesses

The civic corporations included in the Statements are the Winnipeg Public Library Board, The Convention Centre Corporation, Destination Winnipeg Inc., Winnipeg Enterprises Corporation, Winnipeg Arts Council Inc., and CentreVenture Development Corporation. These corporations are involved in various activities including economic development, recreation, tourism, entertainment and conventions. North Portage Development Corporation ("NPDC") and Winnipeg Housing Rehabilitation Corporation ("WHRC") are included in the Statements as an investment in government businesses.

Results of Operations

The Consolidated Statement of Operations and Accumulated Surplus reports the City's changes in economic resources and accumulated surplus for 2009, on a comparative basis. Since annual revenues exceeded expenses, the Statements indicate the City increased its accumulated surplus during the year.

During 2009, the City recorded consolidated revenues of $1.343 billion (2008 – $1.271 billion), which included government transfers and developer contributions-in-kind that related to the acquisition of tangible capital assets. Consolidated expenses totalled $1.150 billion (2008 – $1.061 billion). As a result, the City's accumulated surplus increased by $0.193 billion (2008 – $0.210 billion).

CONSOLIDATED REVENUES

For the years ended December 31 (in thousands of dollars)	2009		2008		Variance
Taxation	$ 534,571	40%	$ 521,684	41%	$ 12,887
Sales of services and regulatory fees	413,243	31%	412,984	32%	259
Government transfers					
Operating	134,710	10%	122,722	10%	11,988
Capital	122,113	9%	90,588	7%	31,525
Investment, land sales and other revenues	68,061	5%	82,976	7%	(14,915)
Developer contributions-in-kind	70,950	5%	40,304	3%	30,646
	$ 1,343,648		$ 1,271,258		$ 72,390

Revenues improved in 2009 from 2008 by $72.4 million due to several factors. The major reason was government transfers and developer contributions-in-kind related to the acquisition of tangible capital assets, which represented 86% of the year-over-year increase in total revenues. The Transit System accounted for a $36.8 million increase in government transfers related to capital, due to the acquisition of 63 air-conditioned buses and the commencement of the construction of stage one of the Southwest Rapid Transit Corridor. In addition, developer contributions-in-kind rose substantially as a result of increased development activity in the city.

The major components of taxation revenues are property, business, electricity and natural gas taxes. The primary reason for the increase in taxation is that property taxes rose by $9.3 million because of growth and adjustments to the assessment roll. Taxation also increased by $2.5 million due to the introduction of the accommodation tax late in 2008. The accommodation tax supports organizations, projects and special events that encourage tourism in Winnipeg.

Operating government transfer revenues rose in 2009 from 2008 mainly because of additional funding from the Province of Manitoba (the "Province"): $4.1 million in disaster financial assistance associated with the 2009 spring flood; $1.0 million for the Our**Winnipeg** initiative; $0.9 million for the Police Service department by way of additional gaming revenue; $4.0 million for the Fire Paramedic Service department for emergency medical services; and $1.4 million for waste reduction support. In 2009, the Province implemented the new waste reduction and recycling support levy ("WRARS") in the amount of $10 per tonne on the operators of all Manitoba landfills. The Province indicated that the revenue will be used to encourage sustainable waste management practices and improve waste diversion activities such as recycling and composting. The WRARS will be phased in commencing in 2009 to 2011. Landfills that accept at least 30,000 tonnes per year were required to apply the levy as of July 1, 2009. The one remaining landfill operated by the City – Brady Road Landfill – accepts approximately 420,000 tonnes per year. Under the WRARS program, 80% of the levy will be returned to municipalities based on their recycling tonnage as reported to Multi-Material Stewardship Manitoba.

Investment income, land sales and other revenues decreased by $14.9 million. This decrease can be attributed to interest income that declined by $8.7 million due to reductions in the Bank of Canada rate during the year.

CONSOLIDATED EXPENSES

For the years ended December 31 (in thousands of dollars)	2009		2008		Variance
Protection and community services	$ 362,341	31%	$ 344,158	32%	$ 18,183
Utility operations	278,848	24%	258,788	24%	20,060
Public works	270,877	24%	250,534	24%	20,343
Property and development	97,958	9%	93,738	9%	4,220
Finance and administration	61,575	5%	67,590	6%	(6,015)
General government	49,252	4%	17,283	2%	31,969
Civic corporations	29,582	3%	29,383	3%	199
	$ 1,150,433		$ 1,061,474		$ 88,959

Consolidated expenses grew by $89.0 million or eight percent from the previous year, due partially to an $18.2 million increase in protection and community services expenses. This expense category includes the Police Service, Fire Paramedic Service, and Community Service departments and Museums, which reported additional salaries and employee benefits of $17.9 million during the year.

Expenses for utility operations rose by $20.1 million, which can be attributed to the Waterworks System – $9.6 million and the Sewage Disposal System – $7.0 million. The Waterworks System's expenses increased due to the completion of the Water Treatment Plant, resulting in higher operating costs such as salaries and benefits and chemical costs. The Sewage Disposal System also experienced increased amortization costs, primarily due to the capitalization of $69.4 million related to the sewage treatment plants and lift stations, and $16.7 million for underground networks during 2008. In 2009 these tangible capital assets were amortized for the full year, compared to one-half the year during 2008.

The public works category includes the Public Works and Water and Waste (garbage collection and land drainage) departments. Public works experienced higher costs in 2009 because of spring flood preparation and recovery, and snow removal activities.

Moreover, general government expenses rose from the previous year. This was partially the result of changes in estimated environmental liabilities. Also included in general government expenses is a $16.0 million cash contribution to the Canadian Museum for Human Rights ("CMHR"). Part of the cash contribution was financed by the Province in the form of an $11.1 million interest-free loan. The loan will be repaid based on future payments-in-lieu of taxes received by the City on the museum facility. Further, as part of the contributions to this project, the City has agreed to sell, transfer and convey to the Government of Canada, for the price of one dollar, land located at The Forks, which will form part of the site on which the CMHR will be constructed. The Government of Canada will hold the land so long as the land is used for the purpose of creation, operation and maintenance of the CMHR. The City will also return development and permit fees up to an estimated value of $1.3 million.

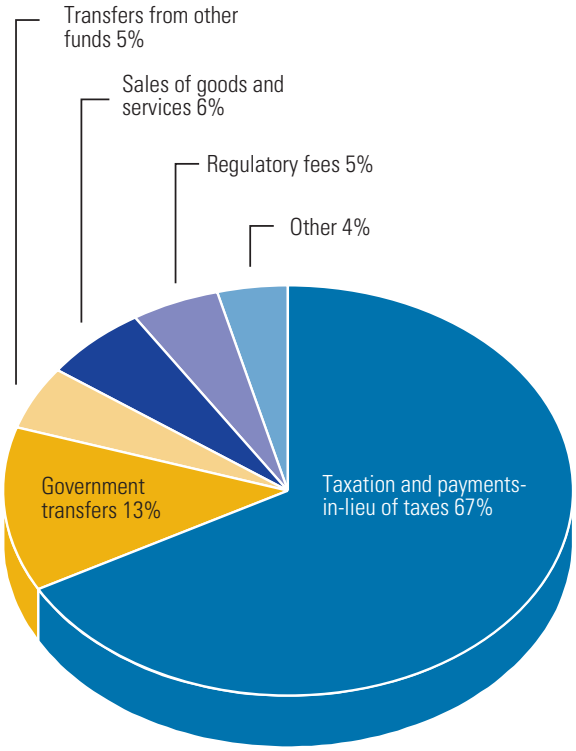
CONSOLIDATED EXPENSES BY OBJECT

For the years ended December 31 (in thousands of dollars)	2009		2008		Variance
Salaries and benefits	$ 598,576	52%	$ 565,071	53%	$ 33,505
Goods and services	314,746	27%	291,061	28%	23,685
Amortization	155,382	14%	141,099	13%	14,283
Interest	49,588	4%	50,952	5%	(1,364)
Other expenses	32,141	3%	13,291	1%	18,850
	$ 1,150,433		$ 1,061,474		$ 88,959

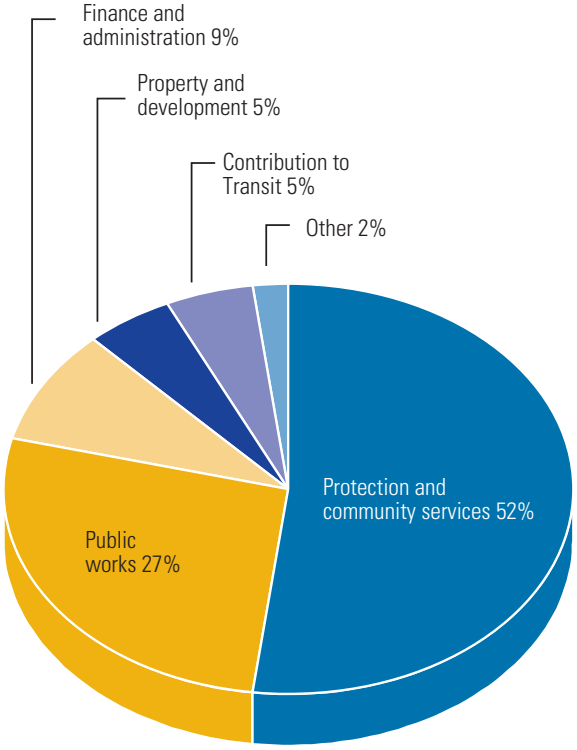
General Revenue Fund

As mentioned previously, the Statements incorporate the services reported in the General Revenue Fund. The 2009 budget for tax-supported operations was adopted by City Council on March 24, 2009. During the budget process, the City faced several challenges to produce a balanced budget, including maintaining service levels, a commitment to a competitive tax environment, and global economic uncertainty. The result was the twelfth consecutive approved budget without an increase to property tax rates. The budget focused on expenditure investment for public safety, transit and infrastructure.

GENERAL REVENUE FUND
2009 ACTUAL REVENUES



GENERAL REVENUE FUND
2009 ACTUAL EXPENSES

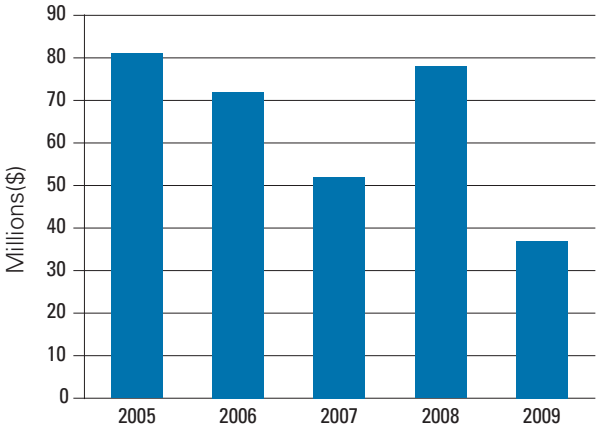


During 2009, the General Revenue Fund incurred revenues and expenses of $794.8 million (2008 – $780.6 million). Several unexpected events occurred that impacted the financial results of tax-supported operations at the City, such as better than expected revenues from investments and government transfers, which were offset by snow removal and spring flood preparation and recovery activities. At the end of the year, the General Revenue Fund reported a net surplus of $9.0 million, which was transferred to the General Purpose Reserve, as directed by City Council.

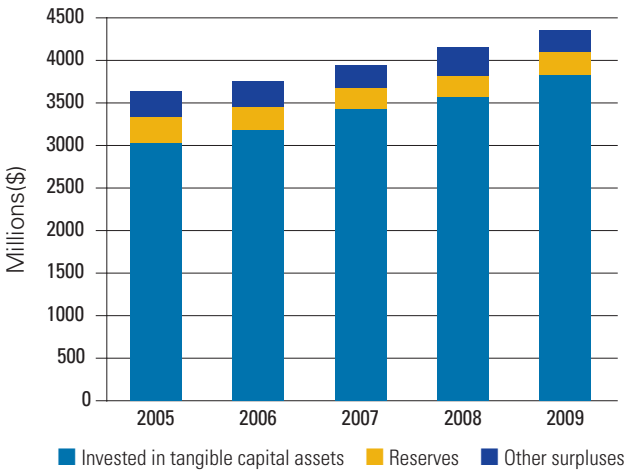
Financial Position

The Consolidated Statement of Financial Position reports the City's financial and non-financial resources, obligations and accumulated surplus as at December 31, 2009, on a comparative basis. This statement is used to evaluate the City's ability to finance its activities and to meet its liabilities and commitments. The City's net financial assets is an important financial indicator on the Consolidated Statement of Financial Position.

NET FINANCIAL ASSETS



ACCUMULATED SURPLUS



Net financial assets is the difference between financial assets and liabilities, which provides an indication of the affordability of additional spending. As at December 31, 2009, the City was in a net financial asset position of $36.9 million (2008 – $77.9 million). The change in net financial assets during the year resulted primarily from the investment in tangible capital assets of $384.1 million, partially offset by the excess of revenues over expenses of $193.2 million and amortization of tangible capital assets of $155.4 million.

Another important financial indicator on the Consolidated Statement of Financial Position is the accumulated surplus position. The accumulated surplus represents the net assets of the City, and the yearly change in the accumulated surplus is equal to the annual excess of revenues over expenses for the year (results of operations). In 2009, the accumulated surplus increased primarily as a result of investments made in tangible capital assets.

The following is a discussion on some of the items that are included on the Consolidated Statement of Financial Position.

Cash and Cash Equivalents

During 2009, the City's cash position declined by $23.4 million. This reduction resulted primarily from cash invested in tangible capital assets exceeding cash generated by operating activities.

Accounts Receivable

The largest component of accounts receivable is trade accounts and other receivables (63%). Approximately half of this amount results from services rendered in the Waterworks System and Sewage Disposal System. Management has determined a low credit risk on the outstanding receivables in these two Funds and has provided an allowance for doubtful accounts of $469 thousand (2008 – $361 thousand).

As at December 31, 2009, property, payments-in-lieu and business tax receivables, net of the estimated allowance for uncollectible amounts, represented 16% (2008 – 17%) of total receivables. Taxation revenue is 40% (2008 – 41%) of total consolidated revenues.

The City of Winnipeg Charter provides the Public Service with the authority to collect taxes due on real property in the city.

TAXES RECEIVABLE

As at December 31 (in thousands of dollars)	2009	2008	2007	2006	2005
Taxes receivable	$ 30,036	$ 29,893	$ 38,038	$ 41,350	$ 37,698
Allowance for tax arrears	(3,784)	(3,657)	(6,228)	(6,326)	(6,364)
	$ 26,252	$ 26,236	$ 31,810	$ 35,024	$ 31,334

Investments

As at December 31 (in thousands of dollars)	2009	2008
Marketable securities		
Government of Canada	$ 9,385	$ 11,963
Provincial	18,940	20,343
Municipal	41,159	27,358
	69,484	59,664
Manitoba Hydro long-term receivable	226,640	232,679
Other	2,991	3,251
	$ 299,115	$ 295,594
Market value of marketable securities	$ 71,017	$ 61,143

In 2002, Manitoba Hydro acquired Winnipeg Hydro from the City. The resulting long-term receivable from the sale includes payments of $20 million per annum for 2008 to 2010 and $16 million annually thereafter in perpetuity. The accounting value of the investment is based on the discounted sum of future cash flows that have been guaranteed by the Province.

Marketable securities are generally long-term in nature. These securities are being held to finance future anticipated costs such as perpetual maintenance at the three cemeteries maintained by the City. City Council has approved an Investment Policy to provide the Public Service with a framework for managing its investment program. The Investment Policy provides guidance and parameters for developing a portfolio strategy; a performance measurement section, including benchmarks and objectives; an enhanced reporting framework; and additional categories of investments that can be made. Safety of principal remains the overriding consideration for investment decisions. Consideration is also given to risk/return, liquidity and the duration and convexity of the portfolio.

Debt

As at December 31 (in thousands of dollars)	2009	2008
Debt		
Sinking fund debentures	**$ 453,000**	$ 588,500
Equity in sinking funds	**(199,025)**	(276,158)
	253,975	312,342
Serial and installment debt	**118,935**	84,833
Province of Manitoba and bank loans	**76,349**	47,873
Capital lease obligations	**30,233**	31,886
	$ 479,492	$ 476,934

The City of Winnipeg has several types of debt obligations. The largest component of debt is sinking fund debentures. Under The City of Winnipeg Charter, the City is required to make annual payments towards the retirement of sinking fund debt for which the City maintains two sinking funds. One of the sinking funds is managed by The Sinking Fund Trustees of the City of Winnipeg. The second fund was created as a result of revisions to The City of Winnipeg Charter and is managed by the City for sinking fund arrangements after December 31, 2002. The City typically finances capital borrowing with 20-year sinking fund debentures. The City pays interest on the principal to the investors and contributes a set percentage of the principal into the sinking funds. The sinking fund contribution percentage is set at the time of debt issuance and is estimated to be sufficient to retire the debentures as they mature.

These annual payments are invested primarily in government and government-guaranteed bonds and debentures. By investing in bonds and debentures of investees that are considered to be high quality, the City reduces its credit risk. Credit risk arises from the potential for an investee to fail or to default on its contractual obligations.

Two sinking fund debentures matured during 2009, $50.0 million that carried an interest rate of 5.4% and 10.0% on $85.5 million. Repayments were made from the sinking funds with the $50.0 million debenture having a sinking fund shortfall of $31.0 million. The shortfall along with a $17.5 million shortfall of serial and installment debt that matured in 2007, was refinanced through the issuance of $48.5 million in serial debt that matures on October 6, 2019 and carries an interest rate of 4.5%.

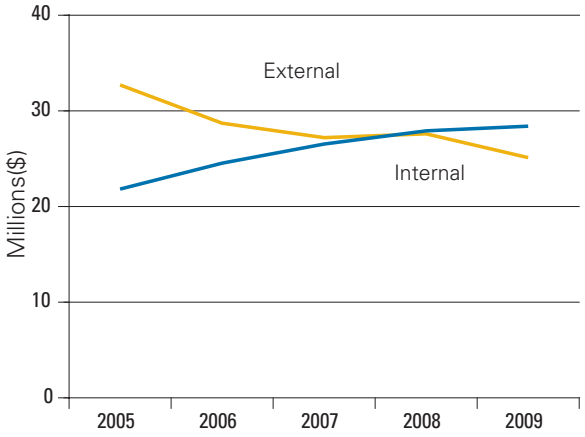
DEBT RETIRED OVER THE NEXT FIVE YEARS

As at December 31 (in thousands of dollars)	2010	2011	2012	2013	2014	Thereafter
Sinking fund debentures	$ –	$ –	$ –	$ 90,000	$ 85,000	$ 278,000
Other debt	43,331	31,777	34,075	31,758	18,339	66,237
	$ 43,331	$ 31,777	$ 34,075	$ 121,758	$ 103,339	$ 344,237

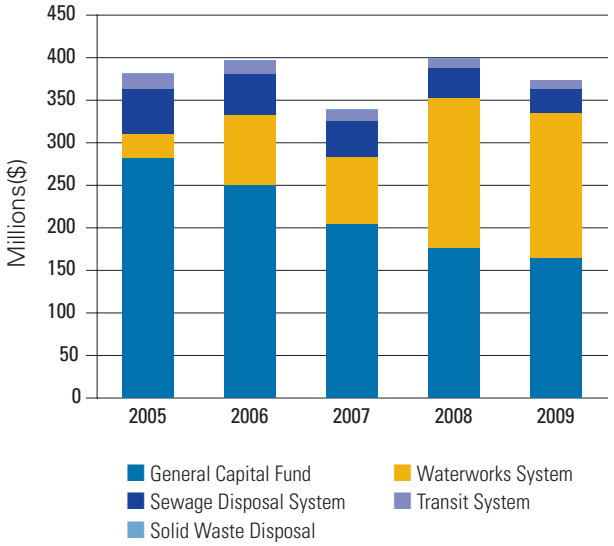
The City has also incurred serial and installment debt having varying maturities up to 2019, and carrying a weighted average interest rate of 4.8% (2008 – 4.6%). Annual interest and principal payments are made on the debt to the investors. In addition, the City has guaranteed the payment of principal and interest on capital loans totalling $4.9 million (2008 – $5.1 million) for several third parties. The City does not anticipate incurring future payments relating to these guarantees.

Early in 2010, Standard & Poor's ("S&P") affirmed the City's AA credit rating. The rationale for the rating was attributed to "healthy budgetary surpluses, robust liquidity for the ratings, and strong economic performance compared with that of peers." However, S&P noted these strengths are offset to some degree by substantial infrastructure deficiencies that the City will need to address, and the increase in debt levels resulting from Winnipeg's capital plan, particularly for the utility operations. Moody's Investors Service also announced it would be maintaining the City's credit rating at Aa1.

GENERAL CAPITAL FUND
(TAX-SUPPORTED) INTEREST EXPENSE



NET SINKING FUND DEBENTURES,
SERIAL AND INSTALLMENT DEBT



These debt ratings contribute to the City's ability to access capital markets and to obtain competitive and comparable borrowing terms to other cities.

Beginning in 1998, the City discontinued issuing new tax-supported debt in the General Capital Fund. Under its capital plan, all tax-supported projects are financed internally through the Equity in Capital Assets Fund except for design, build, finance and maintain projects and local improvements. As a result, the level of tax-supported debt has decreased by $309.1 million since 1999.

In addition, the 2005 to 2010 capital budgets for the utilities and their 2011 to 2015 capital forecasts anticipate $988.2 million of future debt to fund projects mandated by the Province of Manitoba. During 2003, the Clean Environment Commission ("CEC") at the request of the Minister of Conservation, conducted public hearings to receive and review comments on the City's wastewater collection and treatment improvement program. The CEC made several recommendations to upgrade and improve the wastewater collection and treatment systems, which was subsequently supported by the Minister of Conservation. In response, Manitoba Conservation issued Environment Act Licenses to the City for the North End, West End, and South End Water Pollution Control Centers. The Licenses place specific compliance terms and conditions beyond those that were contemplated in the original wastewater improvement plan. With this direction, a wastewater upgrade program has been developed and provides for effluent disinfection, nutrient control, centrate treatment, combined sewer overflow mitigation, biosolids management, and other CEC recommendations. Based on preliminary assessments, the upgrade program is estimated to cost between $1.2 to $1.8 billion depending on market factors and interpretation of compliance requirements.

Other major funding sources for these improvements will be provided by the Environmental Projects Reserve, (which had a balance of $31.5 million at December 31, 2009), the Canada Strategic Infrastructure Fund ("CSIF"), and accumulated surplus.

Tangible Capital Assets

The challenge in creating a capital budget is balancing infrastructure needs, protecting the environment, and ensuring fiscal responsibility. The 2009 capital budget and the 2010 to 2014 five-year forecast was adopted by City Council on December 16, 2008. The capital investment plan detailed $2.1 billion in spending over the next six years with $476.5 million authorized for 2009. Areas of major capital investment included in the six-year plan are $867.8 million for sewage disposal projects; $430.1 million for street projects; $305.4 million for the transit system; $114.1 million for the water system; $77.0 million for land drainage and flood control; and $55.6 million for public safety infrastructure.

Also included in the capital investment plan is $45.8 million of funding from the senior levels of government through the CSIF, which was applied towards the Nutrient Removal/Expansion South End Water Pollution Control Centre project – $39.0 million and the recreation and leisure facilities – $6.8 million. It is anticipated that $67.2 million will be provided under the Manitoba/Winnipeg Infrastructure Program, $246.2 million under the Federal Gas Tax Agreement, and $150.0 million from Provincial funding for road improvements.

During 2009, the City spent $384.1 million on capital projects (2008 – $330.3 million), which included $189.2 million for tax-supported projects. Spending on tax-supported projects was primarily on roads and bridges, water and waste infrastructure, buildings and information technology.

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less estimated residual value, of the tangible capital assets is amortized on a straight-line basis over the assets' estimated useful lives, ranging from 5 to 100 years.

During the year, there were no write-downs of tangible capital assets. Roads and underground networks contributed to the City totalled $70.9 million (2008 – $40.3 million), and were capitalized at their fair value at the time of receipt, along with $2.6 million (2008 – $1.5 million) of interest.

In 2006, the City early-adopted Public Sector Accounting Handbook section PS 3150 – Tangible Capital Assets. This was an important step in the City's plan to develop its systems of managing capital assets. The City will be improving these systems in the future through enhanced reporting and a robust asset management methodology. One definition of asset management is an integrated optimization process of managing infrastructure assets to minimize the total cost of owning them, while continuously delivering the service levels customers desire, at an acceptable level of risk. As with most municipalities, the City faces challenges including funding, growth, capital and operating budgets, potential loss of knowledge through retirements, deteriorating infrastructure and climate change. The City has identified comprehensive asset management as a key initiative to help address these challenges and set the stage for continued high performance and organizational sustainability. As well, the City has implemented processes that will result in better matching of approved capital budgets to the actual cash flows. Existing capital projects are reviewed semi-annually to determine whether any surplus capital funds are available for other capital project purposes, or will impact future capital program budgets.

TANGIBLE CAPITAL ASSETS

As at December 31 (in thousands of dollars)	2009	2008
General		
Land	**$ 189,507**	$ 169,529
Buildings	**292,478**	256,559
Vehicles	**165,860**	144,500
Computer	**51,975**	39,157
Other	**83,833**	63,830
Infrastructure		
Plants and facilities	**599,450**	312,481
Roads	**821,659**	794,274
Underground and other networks	**1,733,992**	1,660,563
Bridges and other structures	**307,643**	308,620
	4,246,397	3,749,513
Assets under construction	**44,957**	308,806
	$ 4,291,354	$ 4,058,319

TANGIBLE CAPITAL ASSETS BY FUND

As at December 31 (in thousands of dollars)	2009		2008	
General Capital Fund	**$ 2,411,176**	56%	$ 2,312,744	57%
Waterworks System Fund	**833,393**	20%	788,176	19%
Sewage Disposal System Fund	**780,847**	18%	754,722	19%
Transit System Fund	**161,378**	4%	107,273	3%
Other Funds	**104,560**	2%	95,404	2%
	$ 4,291,354		$ 4,058,319	

Accumulated Surplus

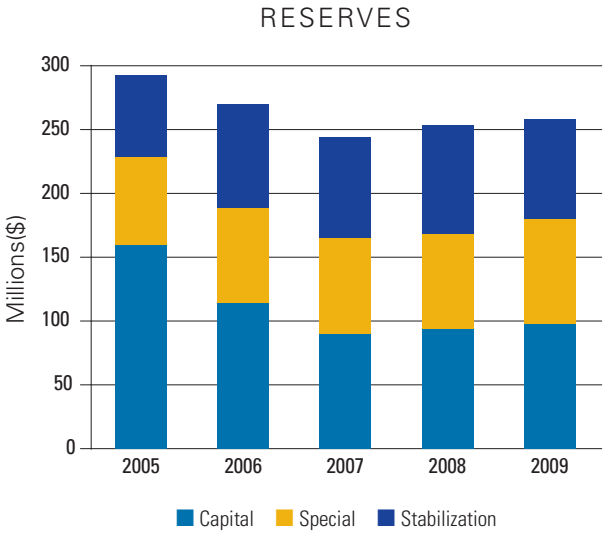
Accumulated surplus is comprised of all the accumulated surpluses and deficits of the funds, reserves and corporations that are included in the Statements along with the City's unfunded liabilities such as vacation, retirement allowance, compensated absences and legal liabilities. Accumulated surplus primarily consists of the City's investment in tangible capital assets (2009 – 88%; 2008 – 86%).

The investment in tangible capital assets basically represents the unamortized cost of the tangible capital asset which will be reported as an expense in future accounting periods, except for land. Land is non-depreciable property due to its infinite life. Investment in tangible capital assets is not readily accessible for use in funding future obligations.

Reserves

Reserve balances have increased overall by $6.3 million (2008 – $9.0 million) from the prior year. The City's Capital Reserve balances have increased by $4.2 million, the Special Purpose Reserves rose by $8.4 million, while the Stabilization Reserves declined by $6.3 million.

The Stabilization Reserves' accumulated surpluses are $476 thousand, slightly under their combined targeted level of 10% of the General Revenue Fund's adopted budget expenses. Individually, the Fiscal Stabilization Reserve is at 93% of the target level and the Mill Rate Stabilization Reserve has surpassed the 5% target.



Financial Indicators

An analysis of the Consolidated Statement of Financial Position and the Consolidated Statement of Operations and Accumulated Surplus provides an overview of the City's financial condition. The financial condition of the City is assessed by its ability to meet its existing financial obligations to creditors, employees and others in a timely manner, while continuing to meet its service obligations to the public. Financial condition is measured in terms of a City's sustainability, flexibility and vulnerability.

INDICATORS OF FINANCIAL CONDITION

As at December 31	**2009**	2008	2007	2006	2005
Sustainability indicators					
Assets-to-liabilities	**6.05**	5.88	5.89	5.61	5.98
Financial assets-to-liabilities	**1.04**	1.09	1.06	1.09	1.11
Flexibility indicators					
Public debt charges-to-revenues	**0.04**	0.04	0.04	0.04	0.05
Own-source revenues-to-taxable assessment	**0.03**	0.03	0.03	0.03	0.04
Vulnerability indicators					
Operating government transfers-to-operating revenues	**0.12**	0.11	0.11	0.10	0.10
Total government transfers-to-total revenues	**0.19**	0.17	0.15	0.14	0.12

Sustainability is the degree to which the City can maintain its existing service and financial commitments without increasing the relative debt or tax burden on the economy. Sustainability indicators include the City's assets-to-liabilities ratio, which has exceeded one in the current year and the previous four years. This positive ratio indicates the City has not been financing its operations by issuing debt. The financial assets-to-liabilities ratio has also exceeded one, indicating that financial resources are on hand that can finance future operations. The City is facing challenges, including some of those discussed later on under Business Risks, that need to be addressed in order to provide for a continuing fiscally sustainable future.

Flexibility is the degree to which the City can change its debt or tax burden on the economy to meet its existing financial and service commitments. The City's public debt charges (interest expense)-to-revenues has remained constant over the past several years at 0.04 to 0.05. This trend indicates the City has not chosen borrowing over other sources of revenues or transfers from senior levels of government to meet its financial and service commitments. Another flexibility indicator is the ratio of own-source revenues-to-taxable assessment. This ratio has remained constant over the last few years, indicating the City has not reduced its flexibility to access own-source revenues in the future.

Vulnerability is the degree to which the City is dependent on sources of funding outside its control or influence, or is exposed to risks that could impair its ability to meet financial and service commitments. The government transfers-to-total revenues ratio indicates the proportion of revenues that the City receives from the senior levels of government. Over the past several years this ratio has risen marginally mainly because of funding for tangible capital assets. If the ratio is recalculated to exclude funding related to tangible capital assets, the ratio has remained relatively constant. This indicates the City has not increased its dependence on other levels of government for operating revenue.

Accounting Policies

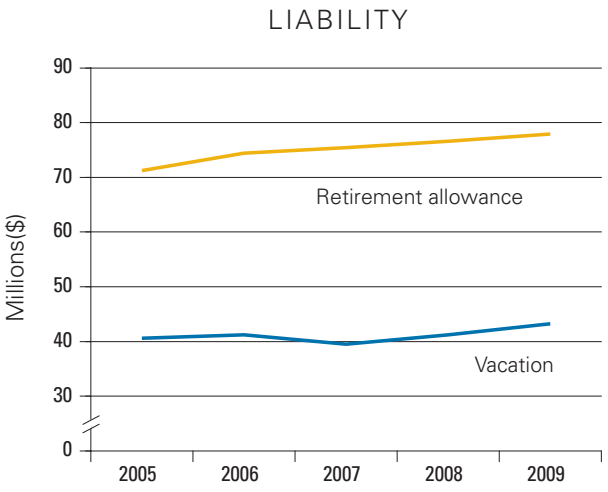
The significant accounting policies used in preparing the City's consolidated financial statements are summarized in Note 2 to the Statements. The accounting policies section of the Statements sets out management's decisions concerning estimates that may significantly impact the City's financial results. The precision of these estimates and the likelihood of future changes depend on a number of underlying variables and a range of possible outcomes. The following is a discussion of these critical accounting estimates.

Employee Benefits

The City provides pension, sick leave and severance pay benefit plans for qualified employees. The cost of these employee benefits is actuarially determined each year. These calculations use management's best estimate of a number of assumptions. The critical assumptions made by management are the long-term rate of investment return on plan assets, certain employee-related factors such as turnover, sick leave utilization, retirement age and mortality, inflation, salary escalation and the discount rate used to value liabilities. Management applies judgment in the selection of these assumptions based on past experience and on forecasts of future economic and investment conditions. As these assumptions relate to factors that are long-term in nature, they are subject to a degree of uncertainty. Differences between actual experience and the assumptions, as well as revisions to the assumptions resulting from changes in future expectations, may lead to adjustments to the City's pension, sick leave and severance pay benefits expense in future years.

The City contributes to a number of pension plans. The two major plans are The Winnipeg Civic Employees' Pension Plan and the Winnipeg Police Pension Plan. The Winnipeg Civic Employees' Pension Plan has similar characteristics to a defined contribution pension plan in that it is a multi-unit pension plan governed by an independent board of trustees and a trust agreement that limits the City's contribution rate. This structure eliminates the City's exposure to future unfunded liabilities.

During 2009, the members of The Winnipeg Civic Employees' Benefits Program, of which The Winnipeg Civic Employees' Pension Plan is part, contributed 6 1/2% of their Canada Pension Plan ("CPP") earnings plus 7 1/2% of any pensionable earnings in excess of CPP earnings, or 6.7% of pensionable earnings on average, which rate was matched by the City and other participating employers. Effective for 2010, contribution rates will increase to an average of 8% of pensionable earnings. This resulted from a recent strategic review of the Program, which indicated that the cost of the benefits under the Program was 24.4% of pensionable earnings while combined contributions from the employers and employees were 13.4% of pensionable earnings, resulting in a shortfall of 11% of pensionable earnings. In the short-term, this funding shortfall is addressed through the Plan's special-purpose reserves. Increasing contributions to an average of 8% of pensionable earnings for both employer and employees will have the effect of reducing the shortfall, but not eliminating it. The Board of Trustees of the Program is continuing to review the program with a view to ensuring its long term financial sustainability.



The Winnipeg Police Pension Plan is a defined benefit plan to which the members and the City each contribute 8% of pensionable earnings, with the City being responsible for any unfunded liabilities. As at December 31, 2009, the market value of this pension fund's assets was $854.7 million (2008 – $760.1 million), which is $1.2 million greater (2008 – $95.1 million less) than the accrued pension obligation.

The cost of benefits accrued under this Plan is 23.2% of pensionable earnings. The excess of this cost over the contributions paid is funded by this Plan's Contribution Stabilization Reserve. As at December 31, 2009, this reserve has a balance of $54.6 million. To mitigate the impact of potential funding deficiencies on the Contribution Stabilization Reserve, future years of strong investment returns will be required to absorb the balance of the effect of the 2008 financial market downturn on the pension fund. In 2009, this Plan experienced a rate of return, net of investment expenses, on Plan assets of 15.05%, a significant improvement from the 2008 level of -15.28%.

Tangible Capital Assets

The City's management makes estimates about the expected useful lives, projected residual values and the potential for impairment of its tangible capital assets. In estimating the lives and expected residual values of assets, reliance is placed mainly on experience with the asset. Revisions to the estimates of the asset can be caused by maintenance and renewal expenditures that may result in a change in service levels, and can affect the life expectancy of the asset. Management evaluates these estimates and potential impairment on all tangible capital assets annually, and when events and circumstances indicate that the assets may be impaired. The effects of maintenance and renewal costs on estimated useful lives is not reported until the reduction in future economic benefits is expected to be permanent.

Business Risks

Environmental Matters

The City's water distribution and treatment system is governed by a license issued under the Drinking Water Safety Act and the sewage treatment plants are governed by licenses issued under the Environment Act. As well, The City of Winnipeg operates one landfill, the Brady Road Landfill Site, and maintains and monitors several former landfill sites. The City estimates costs associated with future landfill closure and post-closure care requirements in the determination of its environmental liability. In estimating future landfill closure costs, management has estimated the total cost to cover, landscape, and maintain the site based upon remaining life and capacity. The liability is measured on a discounted basis using the long-term cost of borrowing at year-end.

Labour Negotiations

For the year ended December 31, 2009, 52% (2008 – 53%) of the City's expenses related to salaries and employee benefits. The City's annual average headcount was 9,827, the majority being represented by eight unions and associations. The City has labour agreements in place with its unions and associations as follows:

Union/Association	Average Annual Headcount	Agreement Expiry Date
ATU	1,318	January 15, 2011
CUPE	4,649	December 31, 2010
MGEU	252	February 13, 2010
UFFW	933	December 26, 2011
WAPSO	609	October 11, 2011
WFPSOA	40	February 22, 2010
WPA	1,779	December 23, 2010
WPSOA	25	December 19, 2010

ATU – Amalgamated Transit Union Local 1505; CUPE – Canadian Union of Public Employees Local 500; MGEU – Manitoba Government and General Employees' Union The Paramedics of Winnipeg Local 911; UFFW – United Fire Fighters of Winnipeg Local 867; WAPSO – Winnipeg Association of Public Service Officers; WFPSOA – Winnipeg Fire Paramedic Senior Officers' Association; WPA – Winnipeg Police Association; and WPSOA – Winnipeg Police Senior Officers' Association

The collective agreements provide a process to revise wage and employee benefit levels through negotiations. In addition, collective bargaining disputes with certain of the bargaining units are resolved through compulsory arbitration at the request of either or both parties.

Infrastructure Deficit

In December 2008, the Public Service established an inter-departmental working group of department heads, managers and specialists to review the condition of the City's infrastructure. This resulted in the creation of an administrative report entitled Infrastructure Deficit and Possible Funding Options that was approved by City Council on July 22, 2009. The report indicated that the City's total infrastructure deficit at the end of 2009 is estimated at $3.9 billion growing to $7.4 billion in 10 years.

The future challenge is to reduce the infrastructure deficit through various means including consideration of other funding options.

Organizational Initiatives

City-Owned Utility

The City's Water and Waste Department provides a broad range of services to residents and businesses in Winnipeg and continues to face a number of key challenges, including:

- Population growth in the south regions of the City causing increasing capacity requirements;
- The Manitoba Environment Act requiring the City to make upgrades to the City's wastewater treatment plants to meet nutrient and bio-solid standards mandated by the Province by December 2012 and December 2014; and
- Demographics of the current workforce and the labour force in general creating a human resource challenge. Based on years of service, 28% of the workforce is eligible to retire within four years.

To address these challenges, on July 22, 2009, City Council approved the creation of a utility corporation that will remain 100% owned by the City and ensure the protection of public health and the environment. City Council also requested that the Province pass a regulation under section 212 of The City of Winnipeg Charter to establish the utility corporation.

Performance Reporting

The City exists to carry out public policy objectives as set out by legislative mandate, budgets or strategic plans. It is in the context of this environment that public sector performance is reported in order to demonstrate accountability as to how these public policy objectives are being met.

One of the first steps towards performance reporting was to undertake a comprehensive review of effectiveness and efficiency measurements for all City services. Departments developed measures that were reliable, valid, relevant, comparable and easily understood to the public. The creation of a system of effectiveness and efficiency indicators will be used to assess a service's progress, to adjust to changing conditions, and to help achieve its planned outcomes.

Performance measures will also be expanded in the future to include benchmarking against other cities. Winnipeg has recently joined the Ontario Municipal Benchmarking Initiative ("OMBI"), a voluntary collaboration of City Managers from many Ontario municipalities working together to achieve service excellence by leading the development and application of municipal performance measurement and benchmarking. OMBI has developed a common performance measurement framework to help cities measure/compare their programs/services on four types of measures – service level, efficiency, customer service and community impact. Winnipeg will work together with partnering municipalities to identify, collect and report comparable service-specific performance measures to build a performance culture that supports the overall objective of municipal excellence.

Controls and Procedures and Recent Accounting Pronouncements

Over the past year, a number of audit reports were presented by the City Auditor to City Council. One report having significant implications is the Capital Projects Management audit report. Delivering capital works is an integral part of a government's ability to supply services. Successful capital project management is key to providing value for money and demonstrating sound stewardship. In total, 29 recommendations were made to strengthen and improve upon those stages critical to delivering successfully on capital projects–capital planning, budgeting, monitoring and reporting, and capital project management. A number of other reports were issued, including audits on Winnipeg Police Service Overtime, Fire Paramedic Overtime and Sick Leave, and Building Permits and Inspections Services. The Public Service considers all internal control recommendations seriously, and balances the cost of implementation against available resources and the extent of controls required to mitigate potential areas of concern. The City has a satisfactory level of controls required to ensure the accuracy of its financial statements.

This past year, City Council also introduced the role of Chief Performance Officer to the City Auditor position. Over the next few years, the Audit Department will work with the Public Service to focus on improving performance measurement at the City. The Audit Department will be providing advice and recommendations to the Public Service on the definition and development of performance measures and assistance on the implementation of performance management systems.

During February 2010, PSAB issued an accounting standard concerning tax revenue, Section 3510. The standard provides principles for the recognition, measurement and disclosure of tax revenue in government financial statements for fiscal years beginning on or after April 1, 2012. Currently the potential impact on the City's Statements is being reviewed. In November 2008, PSAB also issued a Statement of Recommended Practice on Assessment of Tangible Capital Assets. As discussed earlier, the City is reviewing plans to implement an enterprise-wide asset management system. Among other benefits, this will provide the City with additional information to aid its capital maintenance and planning processes.

Looking Forward

Section 284(2) of The City of Winnipeg Charter requires City Council to adopt the capital budget for that year, and a capital forecast for the next five fiscal years, before December 31 of each fiscal year. On December 15, 2009, City Council adopted the 2010 annual capital budget and the 2011 to 2015 five-year forecast. The capital budget focuses on investment in priority streets and bridges, sewer systems, and community infrastructure and amenities. The six-year plan authorizes over $2.0 billion in City capital projects, with $439.4 million earmarked in 2010.

Some of the upcoming projects included in the 2010 capital budget are: total street projects of $187.5 million, including; $15.8 million – street improvements to Inkster Blvd. (Keewatin Street to Brookside Blvd.); $36.6 million – regional and local streets; and $51.3 million – Waverley West arterial roads project; $8.0 million – redevelopment of Assiniboine Park through the Assiniboine Park Conservancy; $13.1 million – transit buses; and $64.0 million – nutrient removal and plant expansion at the South End Water Pollution Control Center.

The City continues progress on two infrastructure projects for delivery using a design, build, finance and maintain model. Plenary Roads Winnipeg ("PRW") was chosen as the preferred proponent to deliver a replacement facility to the Disraeli Bridges. Under a 30-year agreement, PRW will be responsible to design, build, finance and maintain the new facility. For its part, the City will make a commissioning payment and annual performance-based service payments to PRW.

Key features of the proposal include:

- During construction, traffic will not be interrupted at peak travel times;
- The existing bridges will be replaced by new structures;
- The roadway will be realigned, and exits and entrances redesigned to allow for smoother traffic and pedestrian flow; and
- A separate new active transportation bridge will be built utilizing the existing facility's river bridge piers.

Section 284(1) of The City of Winnipeg Charter requires City Council to approve the tax-supported budget before March 31 of each fiscal year. On March 23, 2010, City Council approved the 2010 operating budget, which provides for the 13th consecutive year of property tax freezes or reductions. The budget plan also includes the implementation of an enhanced small business tax credit program worth $3.2 million to eliminate business taxes for the smallest businesses (36% of all businesses). It also provides for eight additional police officers on the street, 12 paramedics to provide additional ambulance services and five positions to coordinate inter-facility medical transfers.

Currently the Public Service is developing processes and policies on creating a consolidated budget, which will be included in future consolidated financial statements.

GENERAL REVENUE FUND–BUDGET					
For the years ended December 31 (in thousands of dollars)	2010	2009	2008	2007	2006
Revenues					
Property tax	$ 431,113	$ 428,692	$ 424,422	$ 419,035	$ 404,828
Government transfers	102,768	101,663	90,237	81,172	87,991
Sale of goods and services	76,142	73,772	66,810	63,312	65,720
Business tax	57,584	57,584	57,584	57,584	62,240
Frontage levy and other taxation	63,198	46,107	25,253	22,943	22,158
Regulation fees	35,385	37,272	30,349	26,948	23,573
Transfer from other funds	40,631	32,940	62,361	59,918	45,557
Interest	10,142	9,328	9,326	9,310	7,796
Other	723	1,372	1,280	1,020	1,096
	817,686	788,730	767,622	741,242	720,959
Expenses					
Police service	189,909	178,997	169,936	160,223	153,312
Public works	161,509	166,132	165,502	161,890	153,567
Fire paramedic service	137,648	129,452	123,613	113,899	108,753
Community services	103,479	98,869	97,150	97,228	88,588
Corporate	59,437	60,367	60,492	61,435	71,203
Planning, property and development	38,791	39,104	37,120	37,186	35,146
Water and waste	33,823	30,093	29,373	30,674	32,140
Corporate support services	33,079	30,541	27,053	26,049	–
Assessment and taxation	22,565	17,987	19,229	14,139	–
City clerks	11,913	12,475	12,133	11,847	11,256
Street lighting	10,854	10,520	10,533	10,492	10,128
Corporate finance	7,543	7,288	6,642	6,831	9,832
Other departments	7,136	6,905	8,846	9,349	47,034
	817,686	788,730	767,622	741,242	720,959
	$ –	$ –	$ –	$ –	$ –

Request for Information

The Financial Statement Discussion and Analysis and the Statements are designed to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances, and to show accountability for the funding it receives. Both the Annual Financial Report and the Detailed Financial Statements Document are available on-line at www.winnipeg.ca. Questions concerning the information provided in these reports should be addressed to the Corporate Controller's Office, Corporate Finance Department, 4-510 Main Street, Winnipeg, Manitoba, R3B 1B9.



Michael Ruta, FCA
Deputy Chief Administrative Officer/Chief Financial Officer



Responsibility for Financial Reporting

The accompanying Consolidated Financial Statements and all other information contained in this Annual Report are the responsibility of the management of The City of Winnipeg. The preparation of periodic financial statements involves the use of estimates and approximations because the precise determination of financial information frequently depends on future events. These Consolidated Financial Statements have been prepared by management within reasonable limits of materiality and within the framework of Canadian generally accepted accounting principles for governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Prior to their submission to City Council, the Consolidated Financial Statements are reviewed and approved by the Audit Committee–the Mayor, the Deputy Mayor, and the chairpersons of City Council's Standing Committees. In addition, the Audit Committee meets periodically with management and with both the City's internal and external auditors to approve the scope and timing of their respective audits, to review their findings and to satisfy itself that their responsibilities have been properly discharged. The Committee is readily accessible to external and internal auditors.

Ernst & Young LLP, Chartered Accountants, as the City's appointed external auditors, have audited the Consolidated Financial Statements. The Auditors' Report is addressed to the Mayor and members of City Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of operations of the City in accordance with Canadian generally accepted accounting principles.



Michael Ruta, FCA
Deputy Chief Administrative Officer/Chief Financial Officer



Auditors' Report

To the Mayor and Members of City Council of
The City of Winnipeg

We have audited the consolidated statement of financial position of **The City of Winnipeg** as at December 31, 2009 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of **The City of Winnipeg** as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Winnipeg, Canada,

April 23, 2010.

Chartered Accountants

Consolidated Statement of Financial Position

As at December 31 (in thousands of dollars)	2009	2008
Financial Assets		
Cash and cash equivalents (Note 3)	**$ 401,145**	$ 424,593
Accounts receivable (Note 4)	**161,535**	157,985
Land held for resale	**12,467**	12,351
Investments (Note 5)	**299,115**	295,594
Deposits	**–**	16,000
Investment in government businesses (Note 6)	**23,266**	23,525
	897,528	930,048
Liabilities		
Accounts payable and accrued liabilities (Note 7)	**139,020**	159,891
Deferred revenue (Note 8)	**50,943**	42,535
Debt (Note 9)	**479,492**	476,934
Other liabilities (Note 10)	**46,882**	32,104
Retirement allowance, vacation, compensated absences and other (Note 11)	**144,288**	140,734
	860,625	852,198
Net Financial Assets	**36,903**	77,850
Non-Financial Assets		
Tangible capital assets (Note 13)	**4,291,354**	4,058,319
Inventories	**15,333**	14,707
Prepaid expenses and deferred charges	**5,906**	5,405
	4,312,593	4,078,431
Accumulated Surplus (Note 14)	**$ 4,349,496**	$ 4,156,281
Commitments and contingencies (Notes 10, 15 and 16)		

See accompanying notes and schedules to the consolidated financial statements

Approved on behalf of the Audit Committee:



Sam Katz – Mayor



Scott Fielding – Chairperson,
Standing Policy Committee on Finance

Consolidated Statement of Operations and Accumulated Surplus

For the years ended December 31 (in thousands of dollars)	2009	2008
Revenues		
Taxation (Note 16)	**$ 534,571**	$ 521,684
Sales of services and regulatory fees (Note 17)	**413,243**	412,984
Government transfers (Note 18)	**134,710**	122,722
Investment income	**39,488**	48,139
Land sales and other revenue (Note 6)	**28,573**	34,837
Total Revenues	**1,150,585**	1,140,366
Expenses		
Protection and community services	**362,341**	344,158
Utility operations	**278,848**	258,788
Public works	**270,877**	250,534
Property and development	**97,958**	93,738
Finance and administration	**61,575**	67,590
General government	**49,252**	17,283
Civic corporations	**29,582**	29,383
Total Expenses (Note 19)	**1,150,433**	1,061,474
Excess Revenues Over Expenses Before Other	**152**	78,892
Other		
Government transfers related to capital (Note 18)	**122,113**	90,588
Developer contributions-in-kind related to capital (Note 13)	**70,950**	40,304
	193,063	130,892
Excess Revenues Over Expenses	**193,215**	209,784
Accumulated Surplus, Beginning of Year	**4,156,281**	3,946,497
Accumulated Surplus, End of Year	**$ 4,349,496**	$ 4,156,281

See accompanying notes and schedules to the consolidated financial statements

Consolidated Statement of Cash Flows

For the years ended December 31 (in thousands of dollars)	2009	2008
Net Inflow (Outflow) of Cash Related to the Following Activities:		
Operating		
Excess revenues over expenses	**$ 193,215**	$ 209,784
Non-cash charges to operations		
Amortization	**155,382**	141,099
Other	**20,804**	(6,431)
	369,401	344,452
Net change in non-cash working capital balances related to operations	**(29,497)**	(23,768)
Cash provided by operating activities	**339,904**	320,684
Capital		
Acquisition of tangible capital assets	**(384,110)**	(330,344)
Proceeds on disposal of tangible capital assets	**6,018**	4,912
Cash used in capital activities	**(378,092)**	(325,432)
Financing		
Increase in sinking fund investments	**(27,386)**	(27,472)
Sinking fund investments applied to debt redemption	**104,519**	–
Debenture and serial debt retired	**(149,878)**	(13,706)
Sinking fund and serial debenture issued	**48,480**	97,411
Other	**26,864**	18,519
Cash provided by financing activities	**2,599**	74,752
Investing		
Decrease (increase) of investments	**12,141**	(50,153)
Cash provided by (used in) investing activities	**12,141**	(50,153)
(Decrease) increase in cash and cash equivalents	**(23,448)**	19,851
Cash and Cash Equivalents, Beginning of Year	**424,593**	404,742
Cash and Cash Equivalents, End of Year	**$ 401,145**	$ 424,593

See accompanying notes and schedules to the consolidated financial statements

Consolidated Statement of Change in Net Financial Assets

For the years ended December 31 (in thousands of dollars)	2009	2008
Excess Revenues Over Expenses	**$ 193,215**	$ 209,784
Amortization of tangible capital assets	**155,382**	141,099
Proceeds on disposal of tangible capital assets	**6,018**	4,912
Loss on sale of tangible capital assets	**1,875**	604
Change in inventories, prepaid expenses and deferred charges	**(1,127)**	(3,245)
Acquisition of tangible capital assets	**(384,110)**	(330,344)
Other	**(12,200)**	2,600
(Decrease) Increase In Net Financial Assets	**(40,947)**	25,410
Net Financial Assets, Beginning Of Year	**77,850**	52,440
Net Financial Assets, End Of Year	**$ 36,903**	$ 77,850

See accompanying notes and schedules to the consolidated financial statements

Notes to the Consolidated Financial Statements

December 31, 2009
(all tabular amounts are in thousands of dollars, unless otherwise noted)

1. Status of The City of Winnipeg

The City of Winnipeg (the "City") is a municipality that was created on January 1, 1972 pursuant to The City of Winnipeg Act, a statute of the Legislature of the Province of Manitoba (the "Province"). The City continued as a body corporate by virtue of the enactment by the Province of The City of Winnipeg Charter on January 1, 2003. The City provides municipal services such as police, fire, ambulance, public works, urban planning, parks and recreation, library and other general government operations. The City owns and operates a number of public utilities, has designated reserves and provides funding support for other entities involved in economic development, recreation, entertainment, convention, tourism and housing activities.

2. Significant Accounting Policies

These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for governments established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. The significant accounting policies are summarized as follows:

a) Basis of consolidation

The consolidated financial statements include the assets, liabilities, reserves, surpluses/deficits, revenues and expenses of those City funds and governmental functions or entities which have been determined to comprise a part of the aggregate City operations based upon control exercised by the City except for the City's government businesses which are accounted for on the modified equity basis of accounting. Inter-fund and inter-corporate balances and transactions have been eliminated.

i) Consolidated entities

The organizations included in the consolidated financial statements are as follows:

- CentreVenture Development Corporation
- Winnipeg Arts Council Inc.
- Destination Winnipeg Inc.
- Winnipeg Enterprises Corporation
- The Convention Centre Corporation
- Winnipeg Public Library Board

ii) Government businesses

The investment in North Portage Development Corporation is reported as a government business partnership and Winnipeg Housing Rehabilitation Corporation as a government business enterprise. These businesses are accounted for using the modified equity method. Under this method, the government businesses' accounting principles are not adjusted to conform with those of the City and inter-corporate transactions are not eliminated (Note 6).

iii) Other organizations

The employees' pension and group life insurance funds of the City are administered on behalf of the pension and group life insurance plan participants by the Board of Trustees of the Winnipeg Civic Employees' Benefits Program (Pension Fund) for the payment of pensions and life insurance benefits and accordingly are not included in the consolidated financial statements.

b) Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

c) School taxes

The City is required by The Public Schools Act to bill, collect and remit provincial education support levies in respect of residential and other properties on behalf of the Province, and school division special levies on behalf of school divisions. The City has no jurisdiction or control over the school divisions' operations or their mill rate increases. Therefore, the taxation, other revenues, expenses, assets and liabilities with respect to the operations of school boards are not reflected in these consolidated financial statements.

2. Significant Accounting Policies (continued)

d) Cash equivalents

Cash equivalents consist of Government of Canada treasury bills, crown corporation bonds, provincial government bonds, City of Winnipeg municipal bonds, schedule 1 bank bonds and bankers' acceptances, and asset backed commercial paper. Cash equivalents are recorded at cost, which approximates their quoted market value, and are redeemable on demand.

e) Land held for resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

f) Investments

Bonds and debentures are carried at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the remaining terms to maturity with annual amortization computed at amounts which, when combined with actual income received, result in a constant effective yield on the amortized book value.

Bond residues and coupons are carried at cost, plus accrued interest. Interest is accrued on the book value of the investments at a rate equivalent to the effective yield of each investment.

g) Assessment appeal costs

Assessment appeal costs are estimated at the beginning of the four-year assessment cycle and are amortized over the cycle. The liability is net of the unamortized costs.

h) Solid waste landfills

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill site's capacity is used.

i) Environmental provisions

The City provides for the cost of compliance with environmental legislation when conditions are identified which indicate non-compliance with environmental legislation and costs can be reasonably determined. The estimated amounts of future restoration costs are reviewed regularly, based on available information and governing legislation.

j) Deferred revenue

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

k) Employee benefit plans

The Winnipeg Civic Employees' Benefits Program is a multi-employer contributory defined benefit program and accordingly contributions are expensed as incurred. The costs of other pensions and other retirement benefits have been accounted for based on actuarially determined amounts using the projected benefit method prorated on services and management's best estimate of retirement ages of employees, salary escalation and plan investment performance. Actuarial gains and losses are amortized on a straight-line basis over the average remaining service period. The liabilities are discounted using current interest rates on long-term bonds.

l) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

2. Significant Accounting Policies (continued)

i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	10 to 50 years
Vehicles	
Transit buses	18 years
Vehicles	5 to 10 years
Computer hardware and software	5 to 10 years
Other	
Machinery and equipment	10 years
Land improvements	15 years
Water and waste plants and networks	
Underground networks	50 to 100 years
Sewage treatment plants and lift stations	50 to 75 years
Water pumping stations and reservoirs	50 to 75 years
Flood stations and other infrastructure	50 to 75 years
Transportation	
Roads	10 to 50 years
Bridges and structures	25 to 75 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

m) Government transfers

Government transfers are the transfer of assets from the senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future or are the result of a direct financial return.

Government transfers are recognized in the consolidated financial statements as revenue in the financial period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amounts can be determined.

n) Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions on such areas as employee benefits, assessment appeals and environmental provisions. These estimates and assumptions are based on the City's best information and judgment and may differ significantly from actual results.

3. Cash and Cash Equivalents

	2009	2008
Cash	$ 1,411	$ 7,020
Cash equivalents	399,734	417,573
	$ 401,145	$ 424,593

The average effective interest rate for cash equivalents at December 31, 2009 is 0.6% (2008 – 3.0%). Cash and cash equivalents are net of $86.1 million (2008 – $198.1 million) which has been received from various entities including the Board of Trustees of the Winnipeg Civic Employees' Benefits Program. The funds are invested on a pooled basis to obtain maximum investment returns. Cash received for interest during the year is $42.2 million (2008 – $46.3 million).

4. Accounts Receivable

	2009	2008
Property, payments-in-lieu and business taxes receivable	$ 30,036	$ 29,893
Allowance for property, payments-in-lieu and business tax arrears	(3,784)	(3,657)
	26,252	26,236
Trade accounts and other receivables	102,345	91,833
Province of Manitoba	33,207	34,668
Government of Canada	6,836	11,751
Allowance for doubtful accounts	(7,105)	(6,503)
	135,283	131,749
	$ 161,535	$ 157,985

5. Investments

	2009	2008
Marketable securities		
Government of Canada bonds and treasury bills	$ 9,385	$ 11,963
Provincial bonds and coupons	18,940	20,343
Municipal bonds	41,159	27,358
	69,484	59,664
Manitoba Hydro long-term receivable	226,640	232,679
Other investments	2,991	3,251
	$ 299,115	$ 295,594

The aggregate market value of marketable securities at December 31, 2009 is $71.0 million (2008 – $61.1 million).

On February 27, 2002, City Council approved Manitoba Hydro's proposal to purchase Winnipeg Hydro. The terms of the proposal included payments to the City of $25 million per annum commencing in 2002 and for the next four years thereafter; $20 million per annum for years six through nine; and $16 million per annum for years ten in perpetuity.

The Manitoba Hydro investment represents the sum of the discounted future cash flows of the above annual payments to the City discounted at the City's 2002 average long-term borrowing rate of 6%.

6. Investment in Government Businesses

a) North Portage Development Corporation

North Portage Development Corporation ("NPDC") is a government partnership that is owned equally by the Government of Canada, the Province of Manitoba and The City of Winnipeg. The mission of NPDC is to act as a catalyst, encouraging activities for people in the downtown through public and private partnerships and to work to ensure financial self-sufficiency. NPDC is responsible for the continuing renewal and stewardship of two sites in Winnipeg's downtown: the North Portage area and The Forks. NPDC is involved in certain business and core activities regarding the ownership, development and management of its two sites that include land investment properties and public amenities.

The condensed supplementary financial information of NPDC is as follows:

		2009		2008
Financial position				
Capital assets and investment in properties and infrastructure enhancements	**$**	**78,154**	$	78,711
Investments		**16,965**		19,040
Other assets		**2,780**		2,456
	$	**97,899**	$	100,207
Deferred contributions	**$**	**21,014**	$	23,033
Long-term debt		**12,668**		12,940
Current and other liabilities		**6,888**		5,577
		40,570		41,550
Net assets		**57,329**		58,657
	$	**97,899**	$	100,207
Results of operations				
Revenues	**$**	**10,365**	$	10,110
Expenditures		**9,555**		9,174
		810		936
Amortization		**(1,183)**		(1,393)
Unrealized and realized losses		**(955)**		(129)
Deficiency of revenues over expenditures for the year	**$**	**(1,328)**	$	(586)

6. Investment in Government Businesses (continued)

b) Winnipeg Housing Rehabilitation Corporation

Winnipeg Housing Rehabilitation Corporation ("WHRC") is a non-profit developer and manager of affordable housing in Winnipeg. WHRC was founded by the City. Pursuant to operating agreements, WHRC receives subsidies from Canada Mortgage and Housing Corporation and Manitoba Housing and Renewal Corporation.

The condensed supplementary financial information of WHRC is as follows:

	2009	2008
Financial position		
Capital assets	$ 30,521	$ 31,779
Current and other assets	6,037	5,688
	$ 36,558	$ 37,467
Long-term debt	$ 28,221	$ 29,345
Current and other liabilities	4,181	4,148
	32,402	33,493
Replacement Reserves	3,572	3,487
WHRC Building and Acquisition Reserve	320	312
Net assets	264	175
	4,156	3,974
	$ 36,558	$ 37,467
Results of operations		
Revenues	$ 7,191	$ 6,991
Expenditures	7,104	7,163
Excess (deficiency) of revenues over expenditures for the year	87	(172)
Gain on sale of capital assets	2	568
Change to Replacement Reserves during the year	85	384
Change to WHRC Building and Acquisition Reserve during the year	8	312
	$ 182	$ 1,092

During the year, the City paid WHRC an operating grant of $200 thousand (2008 – $200 thousand). In addition, the City has guaranteed WHRC's operating line of credit to a value of $2.0 million (2008 – $2.0 million).

Summary of investment in Government Businesses

	2009	2008
North Portage Development Corporation (1/3 share)	$ 19,110	$ 19,551
Winnipeg Housing Rehabilitation Corporation	4,156	3,974
	$ 23,266	$ 23,525

Summary of Results of Operations

	2009	2008
North Portage Development Corporation (1/3 share)	$ (441)	$ (176)
Winnipeg Housing Rehabilitation Corporation	182	1,092
	$ (259)	$ 916

The results of operations are included in the Consolidated Statement of Operations and Accumulated Surplus as land sales and other revenue. These organizations report their activities based on a March 31 year-end.

7. Accounts Payable and Accrued Liabilities

	2009	2008
Accrued liabilities	**$ 68,859**	$ 83,500
Trade accounts payable	**56,871**	61,795
Accrued interest payable	**13,290**	14,596
	$ 139,020	$ 159,891

8. Deferred Revenue

	2009	2008
Province of Manitoba	**$ 21,740**	$ 3,350
Federal gas tax transfer	**13,494**	2,158
Federal public transit transfer	**8,457**	29,616
Other	**7,252**	7,411
	$ 50,943	$ 42,535

9. Debt

Sinking fund debentures outstanding

					Amount of Debt	
Term	Maturity Date	Rate of Interest	Series	By-Law No.	2009	2008
1999-2009	Feb. 2	**5.350**	VV	7368/99	**$ –**	$ 50,000
1989-2009	Dec. 14	**10.000**	VH	5286/89	**–**	85,500
1993-2013	Feb. 11	**9.375**	VN	6090/93	**90,000**	90,000
1994-2014	Jan. 20	**8.000**	VQ	6300/94	**85,000**	85,000
1995-2015	May 12	**9.125**	VR	6620/95	**88,000**	88,000
1997-2017	Nov. 17	**6.250**	VU	7000/97	**30,000**	30,000
2006-2036	July 17	**5.200**	VZ	183/2004 and 72/2006	**60,000**	60,000
2008-2036	July 17	**5.200**	VZ	72/2006B	**100,000**	100,000
					453,000	588,500
Equity in The Sinking Funds (Note 9b)					**(199,025)**	(276,158)
Net sinking fund debentures outstanding					**253,975**	312,342
Other debt outstanding						
Serial and installment debt issued by the City with varying maturities up to 2019 and a weighted average interest rate of 4.84% (2008 – 4.56%)					**118,935**	84,833
The Province and bank loans with varying maturities up to 2019 and a weighted average interest rate of 3.75% (2008 – 3.92%)					**76,349**	47,873
Capital lease obligations (Note 9c)					**30,233**	31,886
					$ 479,492	$ 476,934

9. Debt (continued)

Debt segregated by fund/organization:

	2009	2008
General Capital Fund	**$ 195,489**	$ 208,806
Waterworks System	**170,047**	175,761
Sewage Disposal System	**31,094**	38,232
Solid Waste Disposal	**388**	591
Special operating agencies and other	**72,845**	42,718
Transit System	**9,629**	10,826
	$ 479,492	$ 476,934

Debt to be retired over the next five years:

	2010	2011	2012	2013	2014	2015+
Sinking fund debentures	$ –	$ –	$ –	$ 90,000	$ 85,000	$ 278,000
Other debt	43,331	31,777	34,075	31,758	18,339	66,237
	$ 43,331	$ 31,777	$ 34,075	$ 121,758	$ 103,339	$ 344,237

a) As at December 31, 2009, sinking fund assets have a market value of $209.2 million (2008 – $289.8 million). Sinking fund assets are mainly comprised of government and government-guaranteed bonds and debentures, which include City of Winnipeg debentures with a carrying value of $17.0 million (2008 – $40.6 million) and a market value of $17.2 million (2008 – $41.3 million).

b) The City of Winnipeg Charter requires the City to make annual payments to The Sinking Fund Trustees of The City of Winnipeg, on debt outstanding as at December 31, 2002. Sinking fund arrangements after December 31, 2002 are managed in a separate fund by the City. The City is currently paying one percent or greater on its outstanding sinking fund debentures. These annual payments are invested for the retirement of the debenture issues on their maturity dates.

c) Future minimum lease payments under the capital leases together with the balance of the obligation due under the capital leases are as follows:

	Capital Leases
2010	$ 4,117
2011	4,117
2012	3,018
2013	3,095
2014	3,098
Thereafter	41,473
Total future minimum lease payments	58,918
Amount representing interest at a weighted average rate of 8.42%	(28,685)
Capital lease liability	$ 30,233

d) Interest on debt recorded in the Consolidated Statement of Operations and Accumulated Surplus in 2009 is $49.6 million (2008 – $51.0 million).

e) Cash paid for interest during the year is $50.9 million (2008 – $48.8 million).

10. Other Liabilities

	2009	2008
Developer deposits	$ 9,084	$ 8,861
Other liabilities	19,298	7,243
	28,382	16,104
Environmental liabilities	18,500	16,000
	$ 46,882	$ 32,104

In 2009, the City has accrued an overall liability for environmental matters in the amount of $18.5 million (2008 – $16.0 million) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

Included in environmental liabilities is $17.1 million (2008 – $14.1 million) of the estimated total landfill closure and post-closure care expenses. The estimated liability for these expenses is recognized as the landfill site's capacity is used. Estimated total expenses represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the City's average long-term borrowing rate of 6.0% (2008 – 6.0%).

Landfill closure and post-closure care requirements have been defined in accordance with the Environment Act and include final covering and landscaping of the landfill, pumping of ground, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 100-year period using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The estimated capacity of the City's one remaining landfill, the Brady Road Landfill Site, is 95% of its total capacity and its remaining life is approximately 95 years, after which perpetual post-closure maintenance is required.

The Brady Landfill Site Rehabilitation Reserve was established for the purpose of providing funding for the future development of the Brady Road Landfill Site. The reserve is financed through a transfer from the Solid Waste Disposal Fund and is based upon residential and commercial tonnes. As at December 31, 2009, the reserve had a balance of $3.4 million (2008 – $2.9 million).

11. Retirement Allowance, Vacation, Compensated Absences and Other

	2009	2008
Retirement allowance – accrued obligation	$ 85,198	$ 83,380
Unamortized net actuarial loss	(7,252)	(6,805)
Retirement allowance – accrued liability	77,946	76,575
Vacation	43,170	41,210
Compensated absences	7,667	7,602
Other	15,505	15,347
	$ 144,288	$ 140,734

Under the retirement allowance plan, qualifying employees become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). In addition, adjustments arising from plan amendment, changes in assumptions, and experience gains and losses are amortized on a straight-line basis over 11.8 years, which represents the expected average remaining service life of the employee group. Amortization is calculated beginning in the year following the year of occurrence of the actuarial gains or losses.

The City measures its accrued retirement allowance obligation as at December 31 of each year. An actuarial valuation report of the obligation was prepared effective December 31, 2008. The results of this valuation were extrapolated to December 31, 2009.

Information about the City's retirement allowance benefit plan is as follows:

	2009	2008
Retirement allowance – accrued liability		
Balance, beginning of year	$ 76,575	$ 75,413
Current service cost	4,338	4,120
Interest cost	3,838	3,784
Amortization of net actuarial loss	1,016	936
Benefit payments	(7,821)	(7,678)
Balance, end of year	$ 77,946	$ 76,575

11. Retirement Allowance, Vacation, Compensated Absences and Other (continued)

Retirement allowance expense consists of the following:

	2009	2008
Current service cost	$ 4,338	$ 4,120
Interest cost	3,838	3,784
Amortization of net actuarial loss	1,016	936
	$ 9,192	$ 8,840

The significant actuarial assumptions adopted in measuring the retirement allowance obligation for the year ended December 31 are as follows:

	2009	2008
Discount rate on liability	4.40%	4.70%
General increases in pay	3.00%	3.00%

Demographic assumptions such as utilization of sick leave credits, salary increases as a result of increments and promotion, continuation of employment and the probability of retirement or death in future years are based on employment experience.

Compensated absences represent benefits expected to be paid during future employee absences in respect of sick leave days earned in previous years.

12. Pension Costs and Obligations

a) Winnipeg Civic Employees' Benefits Pension Plan

The Winnipeg Civic Employees' Benefits Pension Plan is similar to a defined contribution pension plan because it is a multi-unit pension plan governed by an independent board of trustees and a trust agreement that limits the City's contribution rate. The Plan provides pension and disability benefits to all City of Winnipeg employees, other than police officers, and to employees of certain other participating employers. During 2009, members contributed 6.5% of their Canada Pension Plan earnings and 7.5% of pensionable earnings in excess of Canada Pension Plan earnings. The City and participating employers are required to make matching contributions. In the event of unfavourable financial experience, members' and employers' contributions can be increased, on an equal basis, to a rate not exceeding 8% of pensionable earnings.

An actuarial valuation of the plan was prepared on December 31, 2008, which indicated an excess of actuarial value of program assets over actuarial liabilities of $358.0 million. The Pension Trust Agreement specifies how the excess of actuarial surpluses can be used but does not attribute the excess of actuarial surpluses to individual employers. However, a portion of the excess of actuarial surpluses is allocated to a City Account that the City and other participating employers may use to finance reductions in their contributions.

The balance of the City Account at December 31, 2009 was $85.3 million (2008 – $87.2 million).

Total contributions by the City to the program in 2009 were $12.4 million (2008 – $11.5 million), which were expensed as incurred.

12. Pension Costs and Obligations (continued)

b) Winnipeg Police Pension Plan

The Winnipeg Police Pension Plan is a contributory defined benefit plan, providing pension benefits to police officers. Members are required to make contributions at the rate of 8% of pensionable earnings. The City is required to finance the cost of the plan's benefits other than cost-of-living adjustments and to contribute 1% of pensionable earnings in respect of cost-of-living adjustments. A contribution stabilization reserve has been established to maintain the City's contribution rate at 8% of pensionable earnings. The plan incorporates a risk-sharing arrangement under which actuarial surpluses are first allocated to maintain cost-of-living adjustments to pensions at 75% of the inflation rate and maintain the contribution stabilization reserve and thereafter are shared equally between the City and plan members. Funding deficiencies are resolved through reductions in the contribution stabilization reserve and the rate of cost-of-living adjustments to pensions.

An actuarial valuation of the plan was prepared as of December 31, 2008 and the results were extrapolated to December 31, 2009. The principal long-term assumptions on which the valuation was based were: discount rate of 6.25% per year (2008 – 6.00%); inflation rate of 2.00% per year (2008 – 2.25%); and general pay increases of 3.50% per year (2008 – 3.75%). The accrued pension obligation was valued using the projected benefit method pro-rated on services. Based on this valuation and extrapolation, the Plan's assets, accrued pension obligation and pension expenses are as follows:

	2009	2008
Plan assets		
Fair value, beginning of year	**$ 760,147**	$ 916,138
Employer contributions	**9,026**	8,602
Employee contributions and transfers	**9,327**	9,442
Benefits and expenses paid	**(36,718)**	(35,408)
Net investment income	**112,953**	(138,627)
Fair value, end of year	**854,735**	760,147
Actuarial adjustment	**53,361**	123,833
Actuarial value, end of year	**$ 908,096**	$ 883,980
Accrued pension obligation		
Beginning of year	**$ 855,245**	$ 828,910
Current period benefit cost	**28,024**	29,166
Benefits and expenses paid	**(36,718)**	(35,408)
Interest on accrued pension obligation	**51,953**	48,047
Actuarial gain	**(44,942)**	(15,470)
End of year	**$ 853,562**	$ 855,245
Funded status	**$ 54,534**	$ 28,735
Less: contribution stabilization reserve	**(54,534)**	(28,735)
Actuarial surplus	**$ –**	$ –
Expenses related to pensions		
Current period benefit cost	**$ 28,024**	$ 29,166
Amortization of actuarial gains	**(8,237)**	(7,599)
Less: employee contributions and transfers	**(9,327)**	(9,442)
Pension benefit expense	**10,460**	12,125
Interest on accrued pension obligation	**51,953**	48,047
Expected return on plan assets	**(53,387)**	(51,570)
Pension interest expense	**(1,434)**	(3,523)
Total expenses related to pensions	**$ 9,026**	$ 8,602

12. Pension Costs and Obligations (continued)

The actuarial value of the Plan's assets is determined by averaging over five years differences between the pension fund's net investment income and expected investment income based on the expected rate of return.

Total contributions made by the City to the Plan in 2009 were $9.0 million (2008 – $8.6 million). Total employee contributions to the Plan in 2009 were $9.2 million (2008 – $8.8 million). Benefits paid from the Plan in 2009 were $35.9 million (2008 – $34.7 million).

The expected rate of return on Plan assets in 2009 was 6.00% (2008 – 6.00%). The actual rate of return, net of investment expenses, on Plan assets in 2009 was 15.05% (2008 – (15.28%)).

As the City's contribution to the Plan each year are equal to its pension expense, no accrued pension asset or liability is reflected in the Statement of Financial Position.

c) Councillors' Pension Plan

i) Pension Plan Established Under By-Law Number 3553/83

On November 2, 1992, the pension plan provided to members of City Council was terminated, thereby not allowing new members to be accepted to the plan and current members being entitled to receive retirement benefits once they become eligible. In 2009, the City paid out $0.3 million (2008 – $0.3 million).

ii) Pension Plan Established Under By-Law Number 7869/01

On November 22, 2000, City Council adopted the policy that effective January 1, 2001, a Council Pension Plan be created for all members of City Council for The City of Winnipeg which is consistent with the Civic Employees' Pension Plan.

d) Group Life Insurance Plan

Employees of the City who are members of the Civic Employees' Benefits Pension Plan and the Winnipeg Police Pension Plan must become members of the Civic Employees' Group Life Insurance Plan and the Police Employees' Group Life Insurance Plan, respectively. These plans provide life insurance coverage for members while employed and coverage can be continued into retirement at the employees' option. Plan members and the City share the cost of basic life insurance coverage. An actuarial valuation indicated that this post-retirement liability is fully funded.

An actuarial valuation of the plan was prepared as of December 31, 2007 and the results were extrapolated to December 31, 2009. The principal long-term assumptions on which the valuation was based were: discount rate of 5.15% per year; and general pay increases of 3.75% per year. The accrued group life insurance obligation was valued using the projected benefit method pro-rated on services. Based on this valuation and extrapolation, the funded status of the plan is as follows:

		2009		2008
Group life insurance plan assets, at actuarial value	**$**	**129,656**	$	125,231
Accrued post-retirement life insurance obligations	**$**	**84,010**	$	81,573

13. Tangible Capital Assets

	Net Book Value	
	2009	2008
General		
Land	**$ 189,507**	$ 169,529
Buildings	**292,478**	256,559
Vehicles	**165,860**	144,500
Computer	**51,975**	39,157
Other	**83,833**	63,830
Infrastructure		
Plants and facilities	**599,450**	312,481
Roads	**821,659**	794,274
Underground and other networks	**1,733,992**	1,660,563
Bridges and other structures	**307,643**	308,620
	4,246,397	3,749,513
Assets under construction	**44,957**	308,806
	$ 4,291,354	$ 4,058,319

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 1).

During the year, there were no write-downs of assets (2008 – $nil). Interest capitalized during 2009 was $2.6 million (2008 – $1.5 million). In addition, roads and underground networks contributed to the City totalled $71.0 million in 2009 (2008 – $40.3 million) and were capitalized at their fair value at the time of receipt.

14. Accumulated Surplus

Accumulated surplus consists of individual fund surplus/ (deficit) and reserves as follows:

	2009	2008
Surplus		
Invested in tangible capital assets	**$ 3,834,764**	$ 3,568,485
Unamortized gain on Winnipeg Hydro sale	**226,640**	232,679
Waterworks System	**84,949**	109,947
Sewage Disposal System	**45,769**	71,234
North Portage Development Corporation	**19,110**	19,551
Fleet Management–Special Operating Agency	**13,444**	12,637
Equipment and Material Services	**11,442**	11,403
CentreVenture Development Corporation	**9,481**	11,225
Solid Waste Disposal	**3,864**	5,620
Other	**16,104**	13,965
Winnipeg Parking Authority–Special Operating Agency	**(4,510)**	(7,257)
(Unfunded) funded expenses		
Canadian Museum for Human Rights grant	**(11,100)**	4,900
Environmental liabilities	**(17,858)**	(15,550)
Retirement allowance, vacation, compensated absences and other	**(141,270)**	(134,968)
Total Surplus	**4,090,829**	3,903,871
Reserves (Schedule 4)		
Capital Reserves		
Sewer System Rehabilitation Reserve	**35,998**	36,318
Environmental Projects Reserve	**31,539**	27,224
Transit Bus Replacement Reserve	**11,808**	16,885
Rapid Transit Infrastructure Reserve	**7,046**	2,790
Other	**11,938**	10,939
	98,329	94,156
Special Purpose Reserves		
Land Operating Reserve	**20,668**	16,106
General Purpose Reserve	**14,162**	7,707
Perpetual Maintenance Fund–Brookside Cemetery	**12,123**	11,653
Heritage Investment Reserve	**7,484**	8,654
Contribution in Lieu of Land Dedication Reserve	**5,497**	3,595
Destination Marketing Reserve	**4,760**	–
Workers Compensation Reserve	**3,173**	3,500
Insurance Reserve (Note 20)	**1,639**	1,769
Snow Clearing Reserve	**–**	4,364
Other	**12,435**	16,226
	81,941	73,574
Stabilization Reserves		
Mill Rate Stabilization Reserve	**41,912**	49,932
Fiscal Stabilization Reserve	**36,485**	34,748
	78,397	84,680
Total Reserves	**258,667**	252,410
	$ 4,349,496	$ 4,156,281

15. Commitments and Contingencies

The significant commitments and contingencies that existed at December 31, 2009 are as follows:

a) The City had entered into a number of lease agreements mainly for the lease of accommodations for civic offices and office equipment. Future minimum lease payments are as follows:

	Operating Leases
2010	$ 4,120
2011	3,946
2012	3,312
2013	2,804
2014 and thereafter	12,133
	$ 26,315

b) The City is not a defendant in any significant lawsuits as at December 31, 2009. Where the occurrence of future events is considered likely to result in a loss with respect to an existing condition and the amount of loss can be reasonably estimated, amounts have been recorded in the consolidated financial statements.

c) The City has also unconditionally guaranteed the payment of principal and interest on capital improvement loans for several organizations. The outstanding balance on these loans as at December 31, 2009 is $4.9 million (2008 – $5.1 million).

16. Taxation

	2009	2008
Municipal and school property taxes	$ 852,364	$ 833,802
Payments-in-lieu of property (municipal and school) and business taxes	38,871	39,210
	891,235	873,012
Payments to Province and school divisions	(474,445)	(465,001)
Net property taxes and payments-in-lieu of property taxes available for municipal purposes	416,790	408,011
Business tax and license-in-lieu of business taxes	56,539	56,284
Local improvement and frontage levies	29,055	28,745
Electricity and natural gas sales taxes	17,989	17,762
Amusement and accommodation taxes and mobile home license	14,198	10,882
	$ 534,571	$ 521,684

The property tax roll includes school taxes of $451.4 million (2008 – $442.2 million) assessed and levied on behalf of the Province and school divisions. Payments-in-lieu of school taxes assessed in 2009 totalled $23.0 million (2008 – $22.8 million) and are treated the same as school taxes. School taxes and payments-in-lieu of school taxes are remitted to the Province and school divisions based upon a formula and schedule set by the Province. If property taxes are reduced due to an assessment reduction, the City is required by legislation to fund the repayment of both the municipal and school taxes with applicable interest.

17. Sales of Services and Regulatory Fees

	2009	2008
Water sales and sewage services	$ 205,533	$ 209,249
Other sales of goods and services	93,001	92,952
Transit fares	63,906	61,493
Regulatory fees	50,803	49,290
	$ 413,243	$ 412,984

18. Government Transfers

	2009	2008
Operating		
Province of Manitoba		
Building Manitoba Fund	$ 55,404	$ 55,404
Ambulance, libraries and other	48,058	35,547
Transit	24,276	25,130
Unconditional	19,888	19,888
Support	10,632	10,226
Support for provincial programs	(23,650)	(23,650)
	134,608	122,545
Government of Canada		
Other	102	177
Total Operating	134,710	122,722
Capital		
Province of Manitoba	52,983	63,950
Government of Canada		
Federal gas tax revenue	29,731	19,516
Public transit	21,159	6,150
Other capital funding	18,240	972
	69,130	26,638
Total Capital	122,113	90,588
	$ 256,823	$ 213,310

In accordance with the recommendations of PSAB, government transfers and developer contributions-in-kind related to capital acquisitions are required to be recognized as revenue in the consolidated financial statements in the period in which the tangible capital assets are acquired.

19. Expenses by Object

	2009	2008
Salaries and benefits	$ 598,576	$ 565,071
Goods and services	314,746	291,061
Amortization	155,382	141,099
Interest	49,588	50,952
Other expenses	32,141	13,291
	$ 1,150,433	$ 1,061,474

20. Property and Liability Insurance

The City purchases comprehensive insurance coverage for property and liability with a self-insured retention level of $250 thousand per claim for most of the policies. The City has established an Insurance Reserve Fund (Note 14) that enables the City to carry a large self-insured retention level which mitigates the effect of poor claims experience in any given year. The balance of the reserve as at December 31, 2009 is $1.6 million (2008 – $1.8 million).

21. Segmented Information

The City of Winnipeg is a diversified municipal government institution that provides a wide range of services to its citizens, including police, fire, ambulance, public transit and water. For management reporting purposes the City's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

City services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Protection

Protection is comprised of the Police Service and Fire Paramedic Service departments. The mandate of the Police Service department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The Fire Paramedic Service department is responsible for providing fire suppression service; fire prevention programs; and training and education related to prevention, detection or extinguishment of fires. It is also responsible for pre-hospital emergency paramedical care and the transport of sick and injured; for handling hazardous materials incidents; for the mitigation of calamitous incidents; and for the evacuation of people when in charge at an incident.

Community Services

The Community Services department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and aquatic programs. It provides public services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement such as insect control and the regulation of food service establishments. The department also contributes towards the information needs of the City's citizens through the provision of library services.

Planning

The Planning, Property and Development department provides a diverse bundle of services. It manages urban development for business interests, environmental concerns, heritage matters, local neighbourhoods and the downtown through city planning, community development, parks and riverbank planning. It ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, and building standards. It facilitates economic development by providing services for the approval of all land development plans, the processing of building permit applications and the provision of geomatics services, as well as providing cemetery services to citizens.

21. Segmented Information (continued)

Public Works and Water

The Public Works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, the maintenance of parks and open space, and street lighting.

Transit System Fund

The Transit department is responsible for providing local public transportation service.

Water and Waste Funds

The Water and Waste department consists of three distinct utilities–water, wastewater and solid waste disposal. The department provides drinking water to citizens of Winnipeg, collecting and treating wastewater, and providing collection, disposal and waste minimization programs and facilities for solid waste. Their land drainage and garbage collection operations are reported in the General Revenue Fund and are included in the Public Works and Water segment.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The General Revenue Fund reports on municipal services that are funded primarily by taxation such as property and business tax revenues. Taxation and payments-in-lieu of taxes are apportioned to General Revenue Fund services based on the Fund's net surplus. Certain government transfers, transfers from other funds, and other revenues have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2. For additional information see the Consolidated Schedule of Segment Disclosure–Service (Schedule 2) and Schedule of Segment Disclosure with Budget Information (Schedule 3).

22. Funds Held in Trust

Trust funds administered by the City for the benefit of external parties of $0.6 million (2008 – $0.6 million) are not included in the consolidated financial statements.

23. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Consolidated Schedule of Tangible Capital Assets SCHEDULE 1

As at December 31
(in thousands of dollars)

	GENERAL					INFRASTRUCTURE					TOTALS	
	Land	Buildings	Vehicles	Computer	Other	Plants and Facilities	Roads	Underground and Other Networks	Bridges and Other Structures	Assets Under Construction	**2009**	2008
Cost												
Balance, beginning of year	$ 169,529	$ 479,594	$ 275,310	$ 109,252	$ 113,736	$ 489,755	$ 1,576,374	$ 2,469,381	$ 494,378	$ 308,806	**$ 6,486,115**	$ 6,206,458
Add: Additions during the year	8,734	57,579	40,062	23,669	28,726	300,346	69,633	109,835	9,375	(263,849)	**384,110**	330,344
Less: Disposals during the year	956	4,853	13,006	783	2,051	1,607	23,468	4,281	–	–	**51,005**	48,087
Other	12,200	–	–	–	–	–	–	–	–	–	**12,200**	(2,600)
Balance, end of year	189,507	532,320	302,366	132,138	140,411	788,494	1,622,539	2,574,935	503,753	44,957	**6,831,420**	6,486,115
Accumulated amortization												
Balance, beginning of year	–	223,035	130,810	70,095	49,906	177,274	782,100	808,818	185,758	–	**2,427,796**	2,329,268
Add: Amortization	–	18,296	18,704	10,851	8,691	12,307	42,104	34,077	10,352	–	**155,382**	141,099
Less: Accumulated amortization on disposals	–	1,489	13,008	783	2,019	537	23,324	1,952	–	–	**43,112**	42,571
Balance, end of year	–	239,842	136,506	80,163	56,578	189,044	800,880	840,943	196,110	–	**2,540,066**	2,427,796
Net Book Value of Tangible Capital Assets	$ 189,507	$ 292,478	$ 165,860	$ 51,975	$ 83,833	$ 599,450	$ 821,659	$ 1,733,992	$ 307,643	$ 44,957	**$ 4,291,354**	$ 4,058,319

Consolidated Schedule of Segment Disclosure – Service SCHEDULE 2

For the year ended December 31, 2009
(in thousands of dollars)

	GENERAL REVENUE FUND									
	Protection	Community Services	Planning	Public Works and Water	Finance and Administration	Transit System Fund	Water and Waste Funds	Other Funds and Corporations	Eliminations	Consolidated
Revenues										
Taxation	$ 204,598	$ 64,319	$ 7,334	$ 167,054	$ 89,909	$ –	$ –	$ 17,583	$ (16,226)	$ 534,571
Sales of services and regulatory fees	42,295	17,399	15,917	3,917	10,484	65,910	224,473	74,963	(42,115)	413,243
Government transfers (Note 18)	53,068	12,407	4,389	20,321	14,630	49,340	3,787	108,826	(9,945)	256,823
Transfer from other funds	3,363	1,443	8,771	20,358	3,070	78,879	31,839	298,683	(446,406)	–
Other	7,962	2,617	1,221	5,733	12,187	1,318	39,127	75,386	(6,540)	139,011
	311,286	98,185	37,632	217,383	130,280	195,447	299,226	575,441	(521,232)	1,343,648
Expenses (Note 19)										
Salaries and benefits	265,975	44,159	19,701	59,711	34,326	77,583	52,783	37,336	7,002	598,576
Goods and services	30,651	11,847	3,105	100,952	12,155	36,961	71,017	90,105	(42,047)	314,746
Interest	1,494	363	2,413	36,296	4,805	3,054	20,768	55,607	(75,212)	49,588
Transfer to other funds	7,575	35,520	8,564	4,984	59,011	11,481	50,289	150,693	(328,117)	–
Other	5,591	6,296	3,849	15,440	19,983	10,818	34,311	144,037	(52,802)	187,523
	311,286	98,185	37,632	217,383	130,280	139,897	229,168	477,778	(491,176)	1,150,433
Net Surplus	$ –	$ –	$ –	$ –	$ –	$ 55,550	$ 70,058	$ 97,663	$ (30,056)	$ 193,215

Consolidated Schedule of Segment Disclosure – Service SCHEDULE 2

For the year ended December 31, 2008
(in thousands of dollars)

	GENERAL REVENUE FUND									
	Protection	Community Services	Planning	Public Works and Water	Finance and Administration	Transit System Fund	Water and Waste Funds	Other Funds and Corporations	Eliminations	Consolidated
Revenues										
Taxation	$ 186,687	$ 59,578	$ 10,096	$ 152,151	$ 103,467	$ –	$ –	$ 25,885	$ (16,180)	$ 521,684
Sales of services and regulatory fees	40,780	15,115	15,511	3,782	11,548	63,509	231,360	72,835	(41,456)	412,984
Government transfers (Note 18)	45,226	11,342	3,107	18,228	14,306	30,720	8,079	90,992	(8,690)	213,310
Transfer from other funds	13,227	6,218	8,510	24,446	6,080	49,081	38,084	262,098	(407,744)	–
Other	7,740	2,650	1,244	5,887	9,994	664	18,145	112,881	(35,925)	123,280
	293,660	94,903	38,468	204,494	145,395	143,974	295,668	564,691	(509,995)	1,271,258
Expenses (Note 19)										
Salaries and benefits	248,798	42,543	19,192	56,057	33,876	74,651	48,949	36,175	4,830	565,071
Goods and services	29,936	11,770	2,782	86,266	13,252	38,898	64,190	84,068	(40,101)	291,061
Interest	1,774	328	2,405	37,635	6,477	2,920	18,571	58,670	(77,828)	50,952
Transfer to other funds	6,196	34,498	9,517	7,274	65,112	10,273	60,139	109,575	(302,584)	–
Other	6,956	5,764	4,572	17,262	26,678	8,577	26,666	154,327	(96,412)	154,390
	293,660	94,903	38,468	204,494	145,395	135,319	218,515	442,815	(512,095)	1,061,474
Net Surplus	$ –	$ –	$ –	$ –	$ –	$ 8,655	$ 77,153	$ 121,876	$ 2,100	$ 209,784

Schedule of Segment Disclosure with Budget Information SCHEDULE 3

General Revenue Fund
For the years ended December 31
(in thousands of dollars)

	2009		2008
Protection	**Budget**	**Actual**	Actual
Revenues			
Taxation	**$ 200,099**	**$ 204,598**	$ 186,687
Sales of services and regulatory fees	**45,980**	**42,295**	40,780
Government transfers	**53,713**	**53,068**	45,226
Transfer from other funds	**3,297**	**3,363**	13,227
Other	**7,890**	**7,962**	7,740
	310,979	**311,286**	293,660
Expenses			
Salaries and benefits	**265,238**	**265,975**	248,798
Goods and services	**31,267**	**30,651**	29,936
Interest	**1,494**	**1,494**	1,774
Transfer to other funds	**8,076**	**7,575**	6,196
Other	**4,904**	**5,591**	6,956
	310,979	**311,286**	293,660
Net Surplus	**$ –**	**$ –**	$ –
Community Services			
Revenues			
Taxation	**$ 65,058**	**$ 64,319**	$ 59,578
Sales of services and regulatory fees	**17,710**	**17,399**	15,115
Government transfers	**11,777**	**12,407**	11,342
Transfer from other funds	**1,116**	**1,443**	6,218
Other	**2,567**	**2,617**	2,650
	98,228	**98,185**	94,903
Expenses			
Salaries and benefits	**42,822**	**44,159**	42,543
Goods and services	**12,170**	**11,847**	11,770
Interest	**375**	**363**	328
Transfer to other funds	**35,752**	**35,520**	34,498
Other	**7,109**	**6,296**	5,764
	98,228	**98,185**	94,903
Net Surplus	**$ –**	**$ –**	$ –

Schedule of Segment Disclosure with Budget Information SCHEDULE 3

General Revenue Fund
For the years ended December 31
(in thousands of dollars)

	2009		2008
	Budget	**Actual**	Actual
Planning			
Revenues			
Taxation	**$ 7,663**	**$ 7,334**	$ 10,096
Sales of services and regulatory fees	**17,512**	**15,917**	15,511
Government transfers	**4,230**	**4,389**	3,107
Transfer from other funds	**8,411**	**8,771**	8,510
Other	**1,181**	**1,221**	1,244
	38,997	**37,632**	38,468
Expenses			
Salaries and benefits	**19,988**	**19,701**	19,192
Goods and services	**3,509**	**3,105**	2,782
Interest	**2,413**	**2,413**	2,405
Transfer to other funds	**8,268**	**8,564**	9,517
Other	**4,819**	**3,849**	4,572
	38,997	**37,632**	38,468
Net Surplus	**$ –**	**$ –**	$ –
Public Works and Water			
Revenues			
Taxation	**$ 160,884**	**$ 167,054**	$ 152,151
Sales of services and regulatory fees	**4,458**	**3,917**	3,782
Government transfers	**17,979**	**20,321**	18,228
Transfer from other funds	**16,893**	**20,358**	24,446
Other	**6,216**	**5,733**	5,887
	206,430	**217,383**	204,494
Expenses			
Salaries and benefits	**55,388**	**59,711**	56,057
Goods and services	**94,009**	**100,952**	86,266
Interest	**36,296**	**36,296**	37,635
Transfer to other funds	**5,231**	**4,984**	7,274
Other	**15,506**	**15,440**	17,262
	206,430	**217,383**	204,494
Net Surplus	**$ –**	**$ –**	$ –

Schedule of Segment Disclosure with Budget Information SCHEDULE 3

General Revenue Fund
For the years ended December 31
(in thousands of dollars)

	2009		2008
Finance and Administration	**Budget**	**Actual**	Actual
Revenues			
Taxation	**$ 99,035**	**$ 89,909**	$ 103,467
Sales of services and regulatory fees	**11,315**	**10,484**	11,548
Government transfers	**13,964**	**14,630**	14,306
Transfer from other funds	**3,003**	**3,070**	6,080
Other	**6,560**	**12,187**	9,994
	133,877	**130,280**	145,395
Expenses			
Salaries and benefits	**34,814**	**34,326**	33,876
Goods and services	**18,740**	**12,155**	13,252
Interest	**7,193**	**4,805**	6,477
Transfer to other funds	**47,227**	**59,011**	65,112
Other	**25,903**	**19,983**	26,678
	133,877	**130,280**	145,395
Net Surplus	**$ –**	**$ –**	$ –

Schedule of Reserves SCHEDULE 4

For the years ended December 31
(in thousands of dollars)

	2009 Budget	2009 Actual	2008 Actual
Capital			
Revenues			
Taxation	$ 7,500	$ 7,500	$ 27,415
Sales of services and regulatory fees	–	3	–
Government transfers	63,331	50,890	25,666
Transfer from other funds	41,604	39,781	17,455
Other	2,905	785	4,394
	115,340	98,959	74,930
Expenses			
Goods and services	1,221	637	521
Transfer to other funds	157,344	94,139	70,140
Other	10	10	–
	158,575	94,786	70,661
Net Surplus (Deficit)	(43,235)	4,173	4,269
Opening Equity	94,156	94,156	89,887
Ending Equity	$ 50,921	$ 98,329	$ 94,156
Special Purpose			
Revenues			
Taxation	$ 9,360	$ 8,979	$ 2,336
Sales of services and regulatory fees	166	122	152
Transfer from other funds	8,878	16,535	16,989
Other	59,499	17,596	17,546
	77,903	43,232	37,023
Expenses			
Salaries and benefits	1,003	450	78
Goods and services	29,782	6,708	9,908
Transfer to other funds	21,393	19,220	11,178
Other	22,536	8,487	17,205
	74,714	34,865	38,369
Net Surplus (Deficit)	3,189	8,367	(1,346)
Opening Equity	73,574	73,574	74,920
Ending Equity	$ 76,763	$ 81,941	$ 73,574

Schedule of Reserves SCHEDULE 4

For the years ended December 31
(in thousands of dollars)

	2009		2008
Stabilization	**Budget**	**Actual**	Actual
Revenues			
Taxation	**$ –**	**$ 421**	$ (4,564)
Transfer from other funds	**–**	**870**	14,103
Other	**2,329**	**1,421**	2,376
	2,329	**2,712**	11,915
Expenses			
Goods and services	**254**	**–**	–
Transfer to other funds	**7,918**	**8,995**	5,854
	8,172	**8,995**	5,854
Net (Deficit) Surplus	**(5,843)**	**(6,283)**	6,061
Opening Equity	**84,680**	**84,680**	78,619
Ending Equity	**$ 78,837**	**$ 78,397**	$ 84,680

Consolidated Financial Statements Five-Year Review

December 31 ("$" amounts in thousands of dollars, except as noted) (Unaudited)		2009	2008	2007	2006	2005
1.	Population (as restated per Statistics Canada)	**675,100**	665,900	658,900	653,500	650,900
	Unemployment rate (per Statistics Canada)					
	Winnipeg	**5.4%**	4.3%	4.7%	4.6%	4.8%
	National average	**8.3%**	6.1%	6.0%	6.3%	6.8%
2.	Average annual headcount (restated)	**9,827**	9,623	9,552	9,536	9,534
3.	Number of taxable properties	**213,574**	211,048	209,127	206,658	206,170
	Payments-in-lieu of taxes – Number of properties	**903**	908	945	922	874
4.	Assessment (see note)					
	Residential	**$ 24,048,221**	23,666,110	23,223,839	22,800,354	18,460,471
	Commercial and industrial	**8,242,789**	8,161,490	8,095,206	7,959,866	7,209,121
	Farm and golf	**128,611**	131,414	156,357	162,390	102,742
		$ 32,419,621	31,959,014	31,475,402	30,922,610	25,772,334
	Assessment per capita (in dollars)	**$ 48,022**	47,994	47,770	47,318	39,595
	Commercial and industrial as a percentage of assessment	**25.43%**	25.54%	25.72%	25.74%	27.97%
5.	Tax arrears	**$ 30,036**	29,893	38,038	41,350	37,698
6.	Tax arrears - per capita (in dollars)	**$ 44.49**	44.89	57.73	63.27	57.92
7.	Municipal mill rate	**25.448**	25.448	25.448	25.448	29.686
	- Percentage change adjusted for portioning and reassessment	**0.00%**	0.00%	0.00%	0.00%	0.00%
8.	Winnipeg consumer price index (per Statistics Canada) (annual average)					
	2002 base year 100	**113.9**	113.3	110.8	108.5	106.5
	Percentage increase	**0.5%**	2.3%	2.1%	1.9%	2.7%
9.	Consolidated revenues					
	Taxation	**$ 534,571**	521,684	515,197	518,661	503,594
	User charges	**413,243**	412,984	381,273	356,761	339,539
	Government transfers	**256,823**	213,310	188,563	152,300	120,725
	Interest and other revenue	**139,011**	123,280	135,781	77,811	75,266
		$ 1,343,648	1,271,258	1,220,814	1,105,533	1,039,124
10.	Consolidated expenses by function					
	Municipal operations	**$ 842,003**	773,303	765,732	729,753	712,630
	Public utilities	**278,848**	258,788	242,797	231,306	225,133
	Civic corporations	**29,582**	29,383	25,000	24,174	25,636
		$ 1,150,433	1,061,474	1,033,529	985,233	963,399
11.	Growth in accumulated surplus	**$ 193,215**	209,784	187,285	120,300	75,725

(Note: In 2006, the City conducted a general reassessment which moved from a 1999 level of value to a 2003 level of value.)

Consolidated Financial Statements Five-Year Review

December 31 ("$" amounts in thousands of dollars, except as noted) (Unaudited)		2009	2008	2007	2006	2005
12. Consolidated expenses by object						
Salaries and benefits	$	**598,576**	565,071	539,405	530,881	510,928
Goods and services		**314,746**	291,061	291,032	271,530	270,707
Amortization		**155,382**	141,099	133,635	125,681	122,718
Interest		**49,588**	50,952	46,950	45,665	50,283
Other expenses		**32,141**	13,291	22,507	11,476	8,763
	$	**1,150,433**	1,061,474	1,033,529	985,233	963,399
13. Payments to school authorities	$	**474,445**	465,001	452,937	437,317	435,205
14. Debt						
Tax-supported	$	**294,449**	378,872	379,836	411,043	429,287
Transit		**22,088**	24,914	25,464	26,813	27,520
City-owned utilities		**288,899**	304,834	206,261	207,581	151,700
Other		**73,081**	44,472	34,587	24,893	5,160
Total gross debt		**678,517**	753,092	646,148	670,330	613,667
Less: Sinking Funds		**199,025**	276,158	248,686	222,723	198,965
Total net long-term debt	$	**479,492**	476,934	397,462	447,607	414,702
Percentage of total assessment		**1.48%**	1.49%	1.26%	1.45%	1.61%
15. Acquisition of tangible capital assets	$	**384,110**	330,344	352,149	263,066	199,313
16. Net financial assets	$	**36,903**	77,850	52,440	71,767	81,020
17. Accumulated surplus						
Surpluses						
Invested in tangible capital assets	$	**3,834,764**	3,568,485	3,434,876	3,181,870	3,038,586
Unamortized gain on Winnipeg Hydro sale		**226,640**	232,679	238,376	243,751	253,539
Other surpluses		**199,653**	253,225	187,543	215,383	192,331
Unfunded liabilities		**(170,228)**	(150,518)	(157,724)	(152,059)	(138,345)
		4,090,829	3,903,871	3,703,071	3,488,945	3,346,111
Reserves						
Capital		**98,329**	94,156	89,887	114,359	159,772
Special Purpose		**81,941**	73,574	74,920	74,679	69,025
Stabilization		**78,397**	84,680	78,619	81,229	64,004
		258,667	252,410	243,426	270,267	292,801
	$	**4,349,496**	4,156,281	3,946,497	3,759,212	3,638,912
18. Government specific indicators						
Assets-to-liabilities		**6.05**	5.88	5.89	5.61	5.98
Financial assets-to-liabilities		**1.04**	1.09	1.06	1.09	1.11
Public debt charges-to-revenues		**0.04**	0.04	0.04	0.04	0.05
Own-source revenues-to-taxable assessment		**0.03**	0.03	0.03	0.03	0.04
Government transfers-to-revenues		**0.19**	0.17	0.15	0.14	0.12

Key City Contacts

Mayor Sam Katz
Phone: (204) 986-5665
Fax: (204) 949-0566

Glen Laubenstein
Chief Administrative Officer
Phone: (204) 986-8601
Fax: (204) 949-1174

Michael Ruta
Deputy Chief Administrative Officer/
Chief Financial Officer
Phone: (204) 986-2378
Fax: (204) 949-1174

Leonard Strijack
City Solicitor
Phone: (204) 986-2288
Fax: (204) 947-9155

Richard Kachur
City Clerk
Phone: (204) 986-2428
Fax: (204) 947-3452

Brian Whiteside
City Auditor
Phone: (204) 986-2450
Fax: (204) 986-4134

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Winnipeg's commercial real estate market escaped the recession relatively unscathed compared to other locations. PHOTOGRAPHER Wayne Glowacki

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Cranes rise over the Human Rights Museum site at The Forks. Construction has remained a pillar of economic strength for Manitoba in the global downturn. PHOTOGRAPHER Ken Gigliotti

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Destination Winnipeg

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