Agenda - Audit Committee – May 6, 2011

REPORTS

Item No. 1 Review of 2010 Consolidated Financial Statements – Presentation by Corporate Finance Department

That Audit Committee approve the consolidated financial statements of The City of Winnipeg for the year-ended December 31, 2010 and direct the Chief Financial Officer to submit these to Council for information.

ADMINISTRATIVE REPORT

Title: **Annual Consolidated Financial Statements of The City of Winnipeg, for the year ended December 31, 2010**

Issue:

Critical Path: **Audit Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
P. Olafson	M. Geer Acting CFO	M. Geer Acting CFO	P. Sheegl Acting CAO

RECOMMENDATIONS

That Audit Committee approve the consolidated financial statements of The City of Winnipeg for the year-ended December 31, 2010 and direct the Chief Financial Officer to submit these to Council for information.

REASON FOR THE REPORT

The City of Winnipeg Charter requires the Chief Financial Officer submit to Council within six months of the fiscal year-end of the City, a report on the financial position of the city at the end of the fiscal year. Further, the Chief Financial Officer will submit this report to the Province of Manitoba within six months of the fiscal year-end, as well.

IMPLICATIONS OF THE RECOMMENDATIONS

The City of Winnipeg can meet this Charter requirement.

HISTORY

The City of Winnipeg prepares annually a set of consolidated financial statements. These are prepared in accordance with generally accepted accounting principles recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The consolidated financial statements have been audited by KPMG LLP.

The City's 2010 consolidated financial statements reflect the financial position and the results of operations of the City of Winnipeg, which includes organizations controlled by the City, as of and for the year ended December 31, 2010.

The City's financial position is positive, with net financial assets of $48.6 million. This is indicative of the City not overextending itself by requiring future revenues to pay for today's service delivery

The City's total consolidated revenues were $1.354 billion, an increase of $10 million over 2009, while consolidated expenses totaled $1.185 billion, an increase of $34 million. This produced excess of revenues over expenses of $169 million. Most of this is attributable to government transfers in support of the City's investments in tangible capital assets. The net book value of tangible capital assets increased by $157 million over 2009.

Without the capital purposed revenues, the City's consolidated operations resulted in a $19 million surplus, nearly on budget of $20 million. This is an improvement over 2009 when consolidated operations were break even.

These consolidated financial statements represent the first time the City has included a consolidated budget comparison. The consolidated budget was prepared using approved budgets and the consolidation principles used for accounting purposes.

FINANCIAL IMPACT

Financial Impact Statement Date: April 27, 2011

Project Name:

Annual Consolidated Financial Statements of The City of Winnipeg, for the year ended December 31, 2010

COMMENTS:

This report is prepared for information purposes.

"original signed by Paul Olafson, CA"
Corporate Controller

CONSULTATION

In preparing this report there was consultation with:

All City of Winnipeg Departments

SUBMITTED BY

Department: Corporate Finance
Division: Corporate Controller's
Prepared by: Paul Olafson
Date: April 27, 2011
File No.



2010 Consolidated
Financial Statements