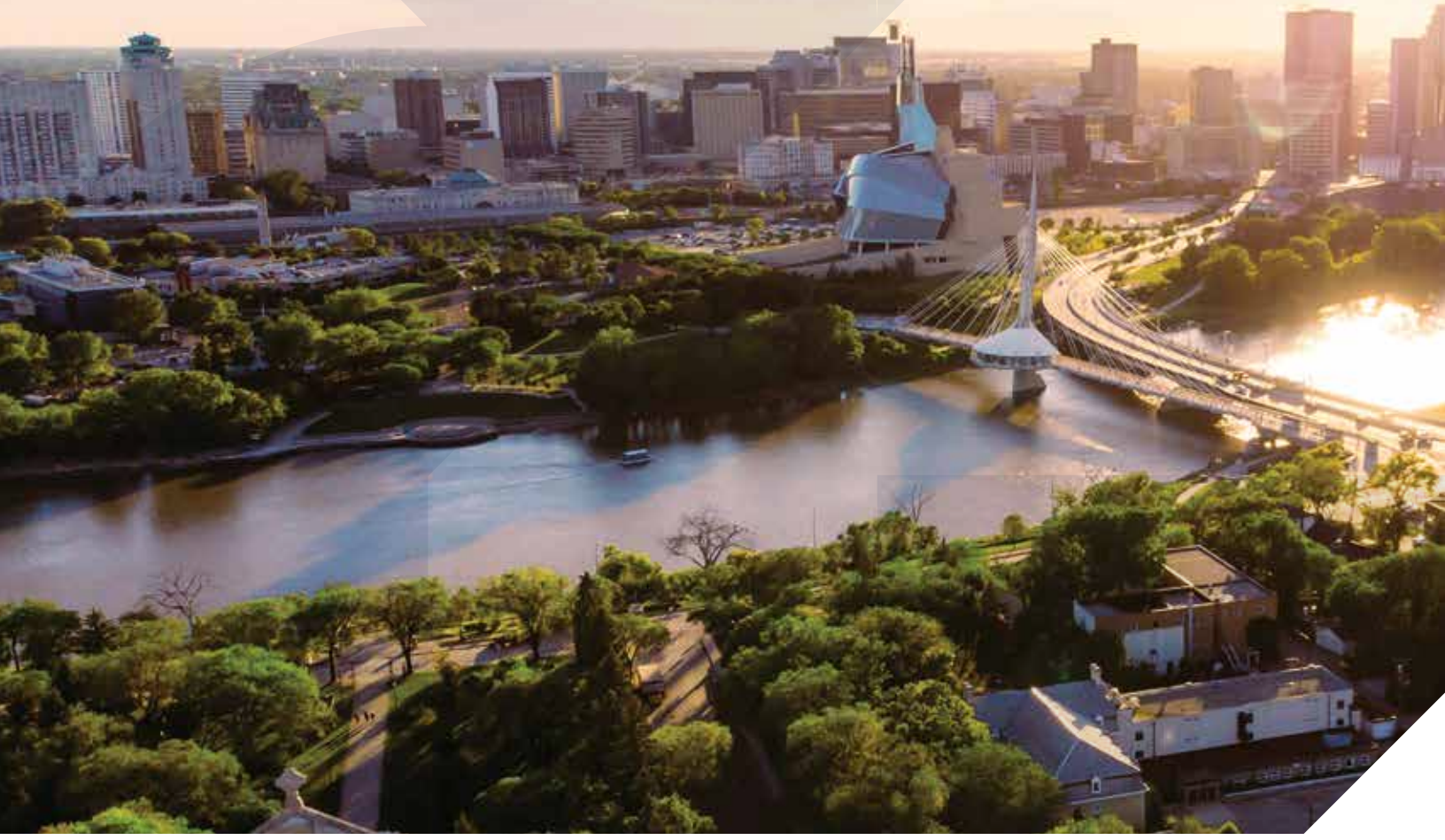
Winnipeg

2021

Financial Annual Report

City of Winnipeg

Winnipeg, Manitoba, Canada



For the fiscal year ended December 31, 2021

City of Winnipeg 2021 Financial Annual Report

Winnipeg, Manitoba, Canada

This annual report for the fiscal year ended December 31, 2021 has been prepared and compiled by the City of Winnipeg's Corporate Finance Department.

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Vision, Mission & Values

VISION

A vibrant, healthy, and inclusive city for all Winnipeg residents and visitors.

MISSION

Achieve effective and efficient service delivery through a collaborative, engaged, and value-driven organizational culture.

VALUES

Accountability – as stewards of public assets and the work we do
Diversity – in who we are
Respect – for each individual person
Trust – with elected officials and the residents we serve
Transparency – in all we do

Land & Water Acknowledgement

Winnipeg is located in Treaty One Territory, the home and traditional lands of the Anishinaabe (Ojibwe), Ininew (Cree), and Dakota peoples, and in the National Homeland of the Red River Métis. Our drinking water comes from Shoal Lake 40 First Nation, in Treaty Three Territory.

The City of Winnipeg recognizes the importance of First Nations, Inuit, and Métis Peoples (also referenced in this Plan as Indigenous Peoples and governments) connected to Winnipeg's history, and the vibrant, diverse people who make up Indigenous communities today.

The City of Winnipeg acknowledges the harms and mistakes of the past, and is dedicated to upholding Indigenous rights, and to moving forward in partnership with Indigenous communities in a spirit of truth, reconciliation and collaboration.



Table of Contents

INTRODUCTORY SECTION

Message from the Mayor 8

City Council
- 15th Council of the City of Winnipeg 10

City of Winnipeg governance 12
- Openness & transparency 12
- Office of the Integrity Commissioner 13
- Voluntary lobbyist registry 13

City of Winnipeg administration 14
- Statutory officers 14
- 2021 organization chart 15

Consolidated financial results 16

City at a glance 16

Citizen satisfaction survey highlights 17

Message from the Chief Administrative Officer 18

City of Winnipeg service highlights 20
- Adapting to the ongoing impacts of COVID-19 20
- Investing in public transportation 23
- Investing in street renewal 26
- Investing in safe & secure communities 28
  - o *A sustainable community* 28
  - o *Community amenities* 28
  - o *Offering safe outdoor recreation* 28
  - o *Building and renewing community amenities* 29
  - o *Supporting the community* 29
  - o *Imagining a City without racism* 30
- Awarded excellence 31

Capital projects 31

Journey of Reconciliation 32

FINANCIAL SECTION

Report from the Chief Financial Officer
- Financial statement discussion & analysis 36

Responsibility for financial reporting 57

Independent Auditors' report 58

Consolidated financial statements 60

STATISTICAL SECTION

Five-year review 94

CITY CONTACT INFORMATION & PHOTO CREDITS 96



Introductory Section

Message from the Mayor



Mayor Brian Bowman
City of Winnipeg

Writing about the struggle against apartheid, the late Archbishop Desmond Tutu observed, "A time of crisis is not just a time of anxiety and worry. It gives a chance, an opportunity, to choose well or to choose badly."

Over the last two years, Winnipeggers have faced a perfect storm of crises: the COVID-19 pandemic, global economic uncertainty, war and suffering overseas, and the growing realization of injustice and inequity here at home. But we are weathering the storm because of the community-spirited and caring choices Winnipeggers have made. Together, we've continued the work of transforming our community by collaborating with one another.

The struggle is not over yet, but because we pulled together so effectively to support each other, our future is bright. The Conference Board of Canada's May 2022 Major City Insights report projects a strong recovery for Winnipeg, with real GDP expanding by 4.0 percent this year, and 3.5 percent in 2023. The unemployment rate is quickly approaching pre-pandemic levels, and per capita household income is projected to continue rising. Fueling all these trends, our population continues to grow toward a million strong; the Conference Board anticipates the Winnipeg Census Metropolitan Area will exceed 822,000 residents by 2025.

The continuing improvement in Winnipeg's outlook rests on a foundation of careful planning and determination to make choices consonant with good financial health. Our 2021 ratings from S&P Global and Moody's Investors Service were reaffirmed at "AA" and "Aa2 stable" respectively. S&P Global notes that "Winnipeg's prudent financial management, adequate debt burden, and robust liquidity will help to sustain the City's creditworthiness in the longer term", while Moody's references the City's "sound governance and management structure and mature institutional framework." In June 2022 S&P Global has upgraded the city's rating to AA+.

The pandemic has exacted major costs on the City, in both financial and operational terms. In 2022, we continue to face a COVID-19 related budget shortfall of approximately $41.3 million, reflecting decreases in Winnipeg Transit ridership, parking revenue, and recreation-related fee revenue – as well as additional pandemic-related costs. Addressing this balanced budget shortfall requires discipline and innovation to limit expenditures and manage revenues: a task which has been aided by the City's ongoing multi-year budget process, the City of Winnipeg COVID-19 Economic Response and Recovery Plan, and the City of Winnipeg COVID-19 Crisis Cash Flow Management Plan.

In the midst of these extraordinary challenges, the pandemic has also provided a powerful reminder that we have the capacity to collaborate effectively in saving lives, and livelihoods. Throughout the pandemic, the City has worked hard to be an effective partner in the implementation of public health orders, and a strong and consistent advocate for vaccination – as we are to this day. In a constantly changing public health environment, we remain vigilant.

Council also moved quickly after the pandemic struck to establish the Winnipeg COVID-19 Economic Support Grant Program, which provided grants of $1,500 each to eligible small businesses and not-for-profit organizations. Two rounds of the grant program were ultimately approved, resulting in the disbursement of 3,403 grants totaling $5.1 million.

While coping with COVID-19 has often seemed like an all-consuming effort, there is much more to the story of 2021. Winnipeggers' creativity, entrepreneurship and skill are transforming our city, and this is something to celebrate.

It's wonderful to witness the emergence of a truly revitalized downtown, with the development of True North Square and 300 Main. It's exciting to see economic reconciliation flourishing with Treaty One Nation's development of Naawi-Oo-dena at the former Kapyong Barracks site, and the Southern Chiefs' Organization's redevelopment of the former HBC building downtown as Wehwehneh Bahgahkinahgohn. And it's a source of deep pride to see all these things happening as Winnipeg's international reputation continues to grow, with our city having been named the World's Top Intelligent Community for 2021 – in recognition of our dramatic expansion of digital services, and strong commitment to open data.

As a civic government, we are determined to be the best partners and collaborators in community recovery we can be. The 2022 Balanced Budget Update supports the City of Winnipeg COVID-19 Economic Response and Recovery Plan and focuses us on the future with:

- a 2.33 percent cap on property tax increases for each of the next two years;
- a business tax threshold that is increased to $44,220;
- an approximately $2.9 billion six-year capital investment plan – which we estimate will boost Manitoba's GDP by over $1.3 billion, while investing in critical infrastructure like road renewal, transit, sewers, fire stations, the tree canopy, and active transportation;
- a $20 million investment from the additional Canada Community-Building Funding, which includes $10 million for projects that will support the economic recovery of the downtown, as well as $10 million for projects in other areas of the city;
- new temporary investments to support our most vulnerable residents during the multi-year recovery phase of the pandemic, including: funding to support mobile outreach services and address homeless encampments, support for the operation of public washrooms downtown, and staffing support to deliver the Rapid Housing Initiative funds the City has received from the Government of Canada;
- support for Airport Area West water and sewer servicing; and,
- enhancements to the permitting system.

As this Council term draws to a close, I would like to express my heartfelt thanks: to the Members of City Council, the Winnipeg Public Service, and most of all, the residents of Winnipeg. It has been my honour to serve as Mayor, and take part in this transformative work with you. I know that there is much more to be done, but I believe we can take great pride in our common efforts to promote recovery, reconciliation, and inclusion in the community – and to make Winnipeg a place all of us can be proud to call home.

2018–2022

15th Council of the City of Winnipeg Members and appointments

(As at December 31, 2021)



Mayor Brian Bowman
Chairperson, Executive Policy Committee



Matt Allard
ST. BONIFACE
Chairperson, Standing Policy Committee on Infrastructure Renewal and Public Works



Jeff Browaty
NORTH KILDONAN
Chairperson, Standing Policy Committee on Innovation and Economic Development



Markus Chambers
ST. NORBERT – SEINE RIVER
Acting Deputy Mayor



Ross Eadie
MYNARSKI
Deputy Speaker



Scott Gillingham
ST. JAMES
Chairperson, Standing Policy Committee on Finance



Cindy Gilroy
DANIEL MCINTYRE
Chairperson, Standing Policy Committee on Property and Development, Heritage and Downtown Development



Kevin Klein
CHARLESWOOD – TUXEDO – WESTWOOD



Janice Lukes
WAVERLEY WEST



Brian Mayes
ST. VITAL
Chairperson, Standing Policy Committee on Water and Waste, Riverbank Management and the Environment

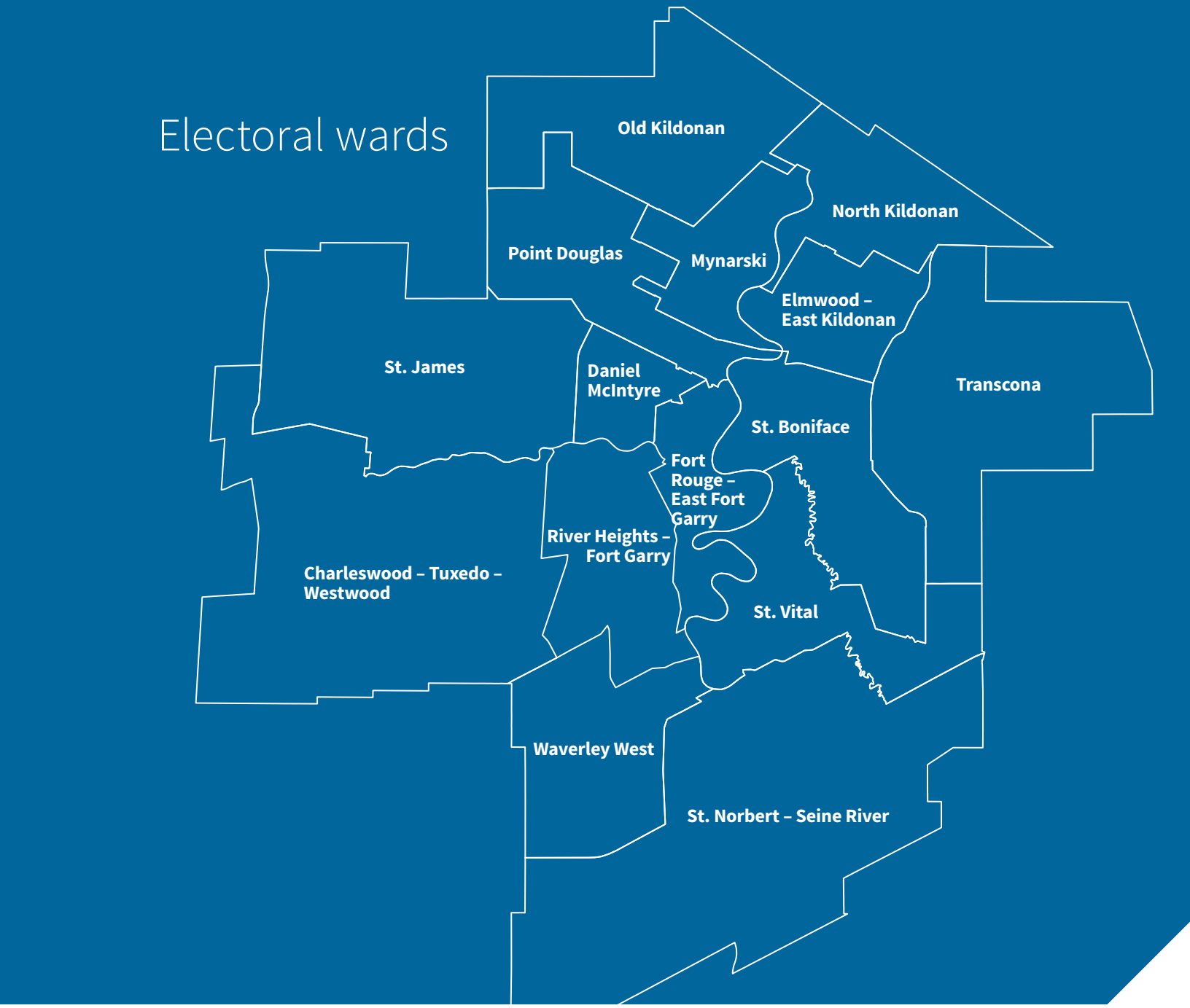


Shawn Nason
TRANSCONA



John Orlikow
RIVER HEIGHTS – FORT GARRY
Deputy Mayor

Electoral wards





Sherri Rollins
FORT ROUGE – EAST FORT GARRY
Chairperson, Standing Policy Committee on Protection, Community Services and Parks



Vivian Santos
POINT DOUGLAS



Jason Schreyer
ELMWOOD – EAST KILDONAN



Devi Sharma
OLD KILDONAN
Speaker

City of Winnipeg governance

City Council ("Council") is the governing body of the City of Winnipeg ("City") and the custodian of its powers, both legislative and administrative. The City may exercise only those powers granted to it by legislation.

Policymaking at the local level is limited and controlled by provincial government statute. The *City of Winnipeg Charter* ("Charter") provides the majority of powers and authority to the City. However, other statutes extend additional authority to Council in its decision-making process.

The composition of Council is legislated under Part 3 of the Charter and consists of 15 Councillors and the Mayor. Each Councillor represents an individual ward while the Mayor is elected by a vote of the city-at-large. Members of Council are accountable to the people of Winnipeg, and hold office for four-year terms.

Councillors have a dual role: they are members of Council, where decisions affecting the whole city are made; and members of the Community Committees, where decisions affecting local community issues are made.

Council exercises its powers either by bylaw or resolution passed at a regular or special meeting when a quorum is present.

Pursuant to the Charter, Council has the authority to establish committees of Council, and Council may delegate a power, duty, or function to a committee of Council.

Currently, there are six standing committees of Council whose chairpersons are appointed by the Mayor. These are the Standing Policy Committee on:

- Finance
- Infrastructure Renewal and Public Works
- Protection, Community Services and Parks
- Property and Development, Heritage and Downtown Development
- Water and Waste, Riverbank Management and the Environment
- Innovation and Economic Development

These standing policy committees provide policy advice to Council, and consider and report to Council through the Executive Policy Committee ("EPC") on matters respecting their areas of jurisdiction.

The standing policy committee chairpersons and the Mayor collectively form EPC, with the Mayor chairing the committee. EPC formulates and presents recommendations to Council respecting policies, plans, budgets, bylaws, and other matters that affect the city as a whole; ensures the implementation of policies adopted by Council; recommends to Council the appointment, suspension, or dismissal of statutory officers; supervises the Chief Administrative Officer; co-ordinates the work of committees of Council; and receives reports of other committees of Council and forwards them to Council with its own recommendations.

OPENNESS & TRANSPARENCY

The Council-approved City of Winnipeg *Open Government Policy* provides a framework to continue to move towards being more open, transparent, and accountable.

The key objectives of the policy are to:

1. Establish greater trust in government;
2. Ensure better outcomes at less cost;
3. Raise compliance levels;
4. Ensure equity of access to public policy making;
5. Foster innovation and new economic activity; and
6. Enhance effectiveness by leveraging knowledge and resources of residents.

Winnipeggers seeking to be more engaged with their local government have more tools than ever at their disposal to access information and become involved in the political process. Council and committee meetings, as well as Board of Revision hearings are live-streamed online and are recorded for later viewing. Hansard and disposition documents created for, and shared through the Decision Making Information System are available in machine-readable format.

Residents are able to register as delegations where they can provide opinions and feedback on matters before committees and Council.

One of the objectives set out in the Open Government Policy is to proactively release information through open data. Open data is information that is widely available in a format that can be read by a computer and is made available for anyone to use, transform, or republish without restriction. It normally only requires that the data source be cited. The practice of providing open data must respect all legislation and regulations regarding freedom of information and protection of privacy. In total, the City released 28 new datasets throughout 2021 including City Council voting data, for which users can filter data by meeting date, Council term, and member.

As part of its commitment to greater transparency and accountability, the City also publishes records of interest to the public both proactively and in response to requests submitted under The Freedom of Information and Protection of Privacy Act ("FIPPA"). The City processed 957 FIPPA applications in 2021, which marked a 13% increase from the 846 FIPPA applications processed in 2020.

OFFICE OF THE INTEGRITY COMMISSIONER

The Integrity Commissioner forms an important part of the accountability framework which has been put in place for members of Council.

The Integrity Commissioner reports to Council through the Governance Committee except when presenting investigative reports where a member of Council has been found to have breached the Code of Conduct, in which case the Integrity Commissioner reports directly to Council.

The Office of the Integrity Commissioner was established to provide a transparent, accessible, and open process through which Councillors and members of the public may report, or receive information on perceived conflicts of interest by a sitting member of Council.

The Integrity Commissioner is appointed by Council for a minimum two-year renewable term, and is required to publish an annual report of their activities. Their role is to assist members of Council in understanding their ethical obligations under The *Municipal Council Conflict of Interest Act* and Code of Conduct, to identify areas of possible conflict and to provide Councillors with advice on preventing conflicts and breaches of ethical conduct from occurring.

The Integrity Commissioner is also mandated to investigate complaints made about members of Council which relate to alleged violations of conflict of interest requirements, and any bylaws and policies relating to ethical conduct, including the Code of Conduct.

The authority to investigate matters raised relating to members of Council falls to the Integrity Commissioner; however, they do not have the authority to investigate City employees whose activities are currently covered by the City's *Employee Code of Conduct*.

VOLUNTARY LOBBYIST REGISTRY

The voluntary lobbyist registry was created to publish information on any meetings where an individual representing a financial or business interest, or the financial interest of a not-for-profit with paid staff, communicates with a member of Council or a City employee, to try and influence a decision on governmental matters, outside of the standard process.

The Integrity Commissioner has oversight of the registry and is responsible for reviewing any future changes to the registry process.

The Integrity Commissioner's activities are fully described in the Annual Reports issued, at
winnipeg.ca/integritycommissioner

City of Winnipeg administration

The City of Winnipeg's administration welcomed two significant appointments in 2021 to the roles of Chief Administrative Officer and Chief Financial Officer. These senior leadership positions were both filled following extensive executive searches conducted by separate recruitment committees.

First, the City welcomed Catherine Kloepfer to the position of Chief Financial Officer following Council's approval of her appointment in February 2021. Kloepfer joined the City as an external candidate with an accomplished history of executive leadership within the private sector.

In July 2021, a recruitment committee recommended the appointment of Michael Jack to the position of Chief Administrative Officer. Jack, an experienced member of Winnipeg's Public Service since 2000, was serving as the Deputy Chief Administrative Officer prior to Council approving his appointment as Chief Administrative Officer.

STATUTORY OFFICERS

Council appoints four statutory officers: Chief Administrative Officer, Chief Financial Officer, City Clerk, and City Auditor.

The Chief Administrative Officer is the administrative head of the City, and advises and informs Council on the operation and affairs of the City. They also ensure policies and programs are implemented; provide input on behalf of the administration to Council's goals, objectives, and strategies; supervise the City's employees responsible for the care of the City's real property and other assets; and approve and coordinate administrative reports to the Standing Policy Committees, EPC, and Council, among other responsibilities.

The Chief Financial Officer reports to the Chief Administrative Officer, the Mayor, and City Council. In addition to supervising the operations of Corporate Finance and Assessment and Taxation, the Chief Financial Officer monitors the financial status of the City and provides advice on fiscal policy and strategy.

The City Auditor is independent of the City's Public Service. They conduct examinations of the operations of the City and its affiliated bodies to assist Council in its governance role of ensuring the Public Service's accountability for the quality of stewardship over public funds and for the achievement of value for money in City operations.

Independent of the City's Public Service, the City Clerk supports the work of Council, EPC, Standing Policy Committees, Community Committees, the Mayor and Mayor's Office, and members of Council, as well as liaises with the Chief Administrative Officer and senior administrators.

Two senior executive officers report directly to the CAO – the Chief Financial Officer and Deputy Chief Administrative Officer.

The Deputy Chief Administrative Officer supports the overall responsibilities of the CAO and is also responsible for the delivery of special projects impacting several operational areas within the Public Service. These include affordable housing and supporting Winnipeg most vulnerable residents; integration of City services with external stakeholders; and, acting as a direct support to the City's emergency measures.

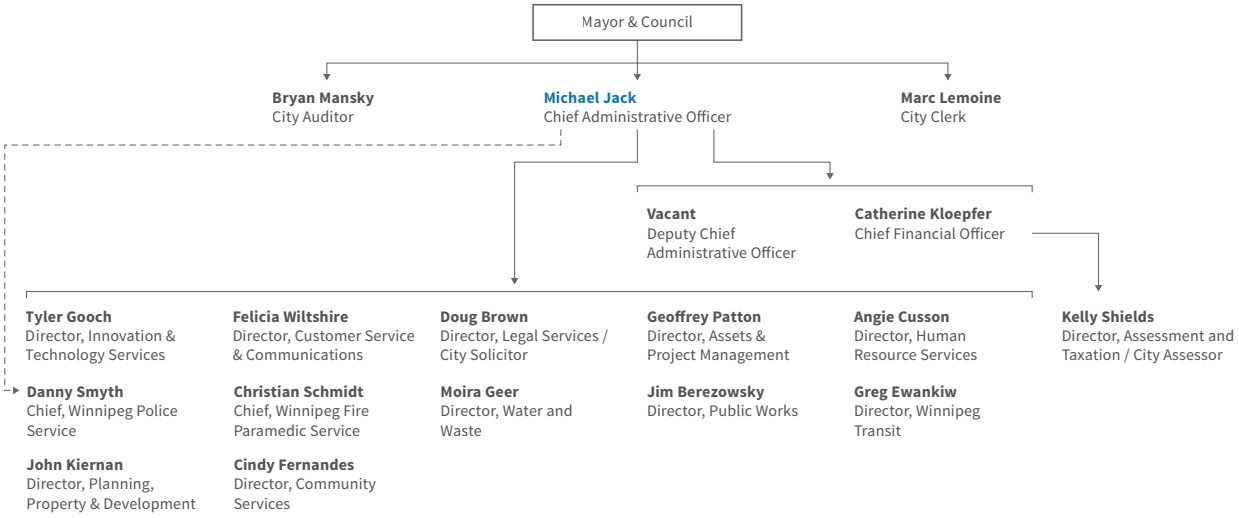
The following departments are direct reports of the CAO:

- Assets & Project Management
- Community Services
- Customer Service & Communications
- Human Resource Services
- Innovation & Technology Services
- Legal Services
- Planning, Property & Development
- Public Works
- Water and Waste
- Winnipeg Fire Paramedic Service
- Winnipeg Transit

The Chief of the Winnipeg Police Service reports directly to the Winnipeg Police Board and has a working relationship with the City in respect of administrative matters, such as financial, human resources, and asset management.

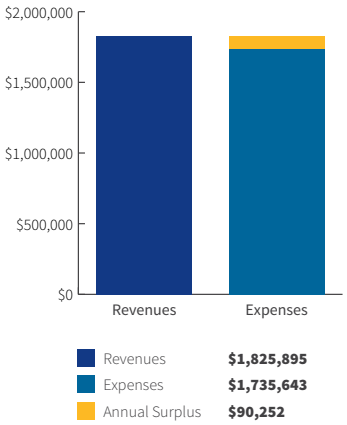
2021 ORGANIZATION CHART

(As at December 31, 2021)

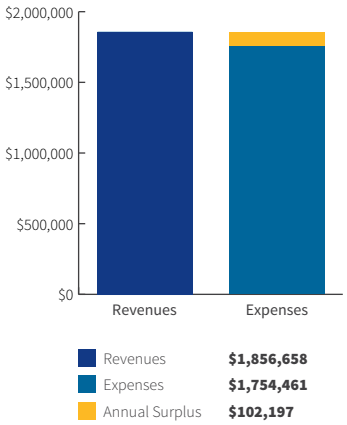


Consolidated financial results

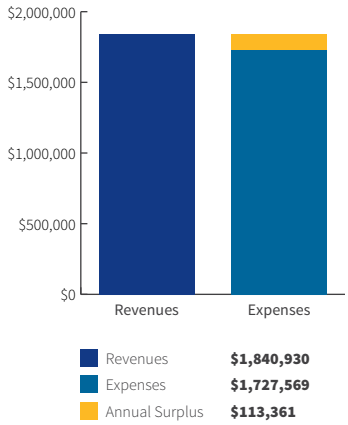
BUDGET 2021



ACTUAL 2021



ACTUAL 2020



Note: "$" amounts in thousands of dollars

City at a glance

767,500¤ | Population

(354)¤ | Annual population change *(2020-2021)*

38.8¤ | Median age

$42.9 billion+ | GDP

3.1%¤ | CPI

$49,900+ | Personal income per capita

467,500+ | Labour force

444,000+ | Employment

6.8%¤ | Unemployment rate

$313,590* | Average home assessment

$1,857* | Average municipal property taxes *(excluding school taxes)*

4,892‡ | Housing starts

313,465¤ | Total households

5,753* | Total residential permits issued

2,928* | Total non-residential permits issued

$1,058 million* | Residential permit values

$690 million* | Non-residential permit values

¤ Statistics Canada

\+ Conference Board of Canada, Metropolitan Outlook (Spring 2022)

‡ CMHC Starts and Completions Survey (2021)

* City of Winnipeg

Citizen satisfaction survey highlights

The City conducts an annual citizen satisfaction survey to solicit opinions on its performance in the delivery of key services. In 2021, 600 Winnipeggers, aged 18 and older, provided their thoughts on their level of satisfaction regarding their city to determine their current needs and gauge trends on specific issues. In light of the COVID-19 pandemic, questions were adjusted to ask participants to reflect on their typical behaviours and level of satisfaction with City services.

89% rate **quality of life** as very good or good

78% rate **customer service** as very or somewhat satisfied*

64% rate **value of tax dollar** as very good or good

Citizen satisfaction with City services

87% rate **overall City services** as very or somewhat satisfied



75%
are very satisfied or somewhat satisfied with **snow removal**



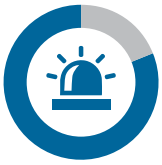
90%
are very satisfied or somewhat satisfied with **condition of major parks****



70%
are very satisfied or somewhat satisfied with **efforts in crime prevention**



83%
are very satisfied or somewhat satisfied with **City-operated recreation programs****



81%
are very satisfied or somewhat satisfied with **level of City preparedness to respond, assist**



69%
are very satisfied or somewhat satisfied with **public transit****



90%
are very satisfied or somewhat satisfied with **garbage collection**



84%
are very satisfied or somewhat satisfied with **recycling program**



86%
are very satisfied or somewhat satisfied with **insect control**

To see more results from the survey, please visit: **winnipeg.ca/citizensatisfaction**

* Those who indicated they have contacted the City

** Those who indicated they have used the service

Message from the Chief Administrative Officer



Michael A. Jack
Chief Administrative Officer

In 2021 our challenge as a Public Service was to think beyond the COVID-19 pandemic and plan meaningfully for recovery, while dealing effectively with urgent community needs and the very real public health issues still in play. As a new CAO, I pledged to work hard to improve Public Service processes and service provision, and thanks to the City of Winnipeg team we made a strong start.

Keeping Winnipeggers and City staff safe remained job one from the outset of the year right through to the Omicron wave at its conclusion, and beyond. Though vigilance was required, robust workplace safety protocols were in place and we adapted quickly as public health orders changed. Immense credit is due to all the City workers who masked, got vaccinated, and ensured the public was kept safe with careful attention to health and safety best practices and innovative services like contactless library pick-up.

The pandemic was not nature's only challenge to us in 2021. Summer brought record-breaking heat and severe drought; City staff found a number of creative ways to help residents get respite from the sun, from cooling stations at City facilities, to temporary water tanks at strategic downtown locations, to a heat relief tent in Central Park.

Winter brought extremely low temperatures (in February shattering a 140-year-old record) and the third-highest snowfall since 1872, resulting in a constant demand for snow-clearing services. And, as no Winnipegger will ever forget, winter persisted until three successive Colorado lows buffeted the city with still more snow and then rainfall in April 2022: the second-wettest April in history. Staff of many departments – including 311, Public Works, Water and Waste, and the Office of Emergency Management – worked 24/7 to assist Winnipeggers at risk of flooding until the threat subsided.

Frontline staff got us through this series of extreme weather events with grit, hard work and professionalism. As they did so, other members of the civic team continued planning and preparation so that the City is well-positioned for a steady multi-year recovery. In 2021 we made significant progress in planning across a wide spectrum of policy areas.

Financial planning is at the core of our civic preparedness, and for many years the City's work in this area has been commended by the major international bond rating agencies. So this March we were not surprised but very pleased to learn that the City of Winnipeg had been awarded the prestigious Government Finance Officers Association Triple Crown Medallion for Financial Reporting, Distinguished Budget Presentation and Popular Annual Financial Reporting, for the 2019 fiscal year. We're very proud of this achievement, and more importantly encouraged by what it represents in terms of our organizational planning capacity.

One of the landmark planning achievements of 2021 was the preparation of the City of Winnipeg COVID-19 Economic Response and Recovery Plan. The plan was developed with Council and community partners, and included a series of strategies and actions to promote collective recovery, including infrastructure investment, policy review, service delivery adaptations, and collaboration and advocacy efforts with key community stakeholders. Moving into recovery, the City has a comprehensive and collaborative plan of action to spur economic development and can face the future with confidence.

The broadest civic planning horizon of 2021 was that of *OurWinnipeg 2045*, the City's 25-year development plan. The result of an intensive multi-year co-creation process, the new plan aligns the City's goals with the United Nations' Sustainable Development Goals. In doing so, *OurWinnipeg 2045* reflects and strengthens our commitment to effective strategic planning, implementation, and performance measurement consonant with international best practices. To further focus the work of the Winnipeg Public Service, in 2021 we developed a Corporate Strategic Plan founded on four key strategic directions: culture, continuous improvement, communication and engagement, and customer service.

Complementing *OurWinnipeg 2045* and meeting a crucial community need, in November 2021 Council approved the City's first-ever Poverty Reduction Strategy. Co-created with the community and conceived with an Indigenous lens, the Strategy establishes a practical approach to reducing poverty, increasing equity and incorporating a culture of caring in all City endeavours over the coming decade. Key partners in the Strategy's development included the City of Winnipeg Public Service, Make Poverty History Manitoba, the Winnipeg Poverty Reduction Council (United Way Winnipeg) and Ka Ni Kanichihk Inc., along with several advisors with lived experience of poverty.

Cultivating a genuine culture of caring in our Public Service is a priority that I believe resonates strongly with both City staff and residents. It also goes hand in hand with making our workplaces and our service provision more fully and genuinely inclusive. In 2021 the City took further steps forward toward this goal as we collaborated with community partners in hosting Winnipeg's first Anti-Racism Week. Together, we asked the question, "What would Winnipeg look like without racism?" – beginning a dialogue that continues to challenge and inspire us.

For all of us, 2021's residential school revelations were devastating, and a clear call to redouble our efforts devoted to Winnipeg's Journey of Reconciliation. As the year progressed, the City's Indigenous Relations Division provided strong leadership in responding to the revelations, and in continuing to build relationships. We've seen their effectiveness in many hopeful moments, from the commemoration of Rooster Town, to the flourishing of Winnipeg's Indigenous Accord, to the raising of the Treaty One Nation, Dakota Nations, and Métis Nation flags here at City Hall.

Nothing matters more to building a healthy and inclusive community than ensuring all residents have a safe and affordable place to call home. Under round two of the Government of Canada's Rapid Housing Initiative (RHI) announced in 2021, the City of Winnipeg has received $12.8 million of capital funding to expedite the delivery of affordable housing units to vulnerable people and populations targeted under the National Housing Strategy, especially those affected by COVID-19. Community partners in this initiative include the Manitoba Métis Federation, the West Central Women's Resource Centre, and the Westminster Housing Society.

Throughout 2021, the City of Winnipeg continued to make a positive difference in residents' lives. This was apparent in countless ways: in infrastructure investments like the 146.6 lane kilometres of capital street renewal, including regional streets, local streets and alleys; in the opening of amenities like the new Bill and Helen Norrie Library, the renovated Cornish Library, and the upgraded Bonivital Pool; and in initiatives like the elimination of overdue library fines, fare-free Transit travel for children 11 and under, reduction in the cost of the WINNpass lower-income bus pass, and introduction of the Winnipeg WAV (Wheelchair Accessible Vehicle) Program.

As a Public Service, we care about Winnipeggers, and we're dedicated to making our city a better place for everyone. I'd like to thank Mayor Bowman and the Members of Winnipeg City Council for the unique opportunity you've given me; and I'd like to thank my co-workers in the Winnipeg Public Service for their passion, idealism and consummate teamwork. You're a great group of people with whom to serve.

City of Winnipeg service highlights

ADAPTING TO THE IMPACTS OF COVID-19

An important trait of an effective public service is adaptability. In response to changing economic or environmental realities, administration may need to adjust its service delivery models or budgets in a way that maintains quality of service and ensures value for taxpayer dollars.

COVID-19 presented new and ongoing challenges for the City since the first cases of the virus were confirmed locally in 2020. Since then and throughout the pandemic, adapting how we operate as an organization while ensuring the safety of our employees and residents has been guiding the work of our public service.

Beginning in September 2021, the City began rolling out its vaccine program, which required COVID-19 vaccination for front-line employees who have ongoing contact with vulnerable residents. Of the approximately 10,400 employees in the City's workforce, approximately 5,500 positions were identified as meeting this requirement. Approximately 96 percent of the identified employees were able to provide proof of vaccination, while the remaining employees were required to complete online education regarding COVID-19 vaccination and participate in regular interval testing for COVID-19. The requirement was expanded in December 2021 to include all City employees.

To help remove barriers that may have existed for employees accessing the vaccine, the City hosted four provincial immunization clinics in the workplace and also hosted an internal town hall with Public Health officials so employees could ask them questions about COVID-19 and vaccines.

During an emergency activation, the City's Office of Emergency Management ("OEM") brings together representatives from all civic departments to consult and collaborate. OEM established a process with all departments early in the pandemic that allowed the City to vet operational changes through a safety lens, ensured they aligned with public health orders, and maintained a consistent approach across the Public Service.

The City acted early in the pandemic to facilitate remote work for thousands of City employees. This transition was made possible by way of a significant behind-the-scenes effort by Innovation & Technology Services to provide the tools needed for employees to stay connected and complete any and all tasks required. Remote work continued through 2021 in an effort to minimize the spread of COVID-19 in our community.

Throughout 2021, over 5,000 employees collaborated through enhanced software.

Supporting our residents

One result of the pandemic was that Winnipeg residents spent more time outdoors while seeking opportunities to be active, and in many cases to socialize in a safe environment. In an effort to accommodate people's efforts to be get outdoors, the City launched a pilot program in 2020 that built upon the existing annual Sunday/Holiday Bicycle Routes.

Following the success of the pilot in 2020, the City expanded and updated the program, adding more routes and enhancing safety by clarifying traffic rules for the program. Council approved the changes to the *Enhanced Summer Bike Routes Program* in April 2021 and the City's list of Sunday/Holiday Bike Routes grew to 17 routes across Winnipeg. While in operation, motor vehicle traffic on these routes was limited to one block allowing cyclists primary access to these routes.

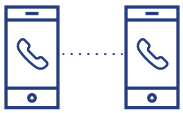
Multiple stretches of extreme heat in Winnipeg over the course of summer 2021 required action by the OEM to organize relief and support for Winnipeg residents. During these heat spells, the City placed four 250 gallon water tanks in key locations around Winnipeg for people to access cold drinking water. A combined 1,050 gallons of water were used on average each day this summer from these locations.

There were also nearly 24,000 bottles of water handed out through our libraries, at the heat relief tent in Central Park, at City Hall, and at nine community centres that opened as heat relief spaces.

To ease some of the financial burden on residents during the pandemic, the Winnipeg Parking Authority ("WPA") offered relaxed parking enforcement on residential streets and complimentary one-hour parking at all metered locations throughout the city. Complimentary one-hour parking was extended through the year, allowing customers to take advantage of the free hour of parking through to the end of 2021.

The City extended the deferral date for property taxes in 2021 to help ease the financial burden of COVID-19 on Winnipeg homeowners. Penalties were waived for unpaid property taxes until September 30. This allowed deferred payment of outstanding property taxes in 2021 without penalty for three months. Annually, the due dates for property taxes are the last business day in June.

CITY OF WINNIPEG CONNECTING REMOTELY IN 2021



76,418
ONE-ON-ONE AND GROUP CALLS



3,989,916
CHAT/POST MESSAGES



2,400+
EMPLOYEES USED MICROSOFT TEAMS TO CONNECT VIRTUALLY



109,185
MEETING PARTICIPATIONS



2,000+
SIMULTANEOUS REMOTE CONNECTIONS

Supporting businesses

The pandemic had a tremendous impact on local businesses, especially on those in the tourism and hospitality industry.

The City continued to offer the *Temporary Patio Registration Program* in 2021 as a way to help local businesses operate patio service during summer months. In response to the Province of Manitoba's *Restoring Safe Services* plan that allowed restaurants to serve patrons outdoors. The program was developed in 2020 to allow restaurants to establish temporary patio spaces through an expedited approval process.

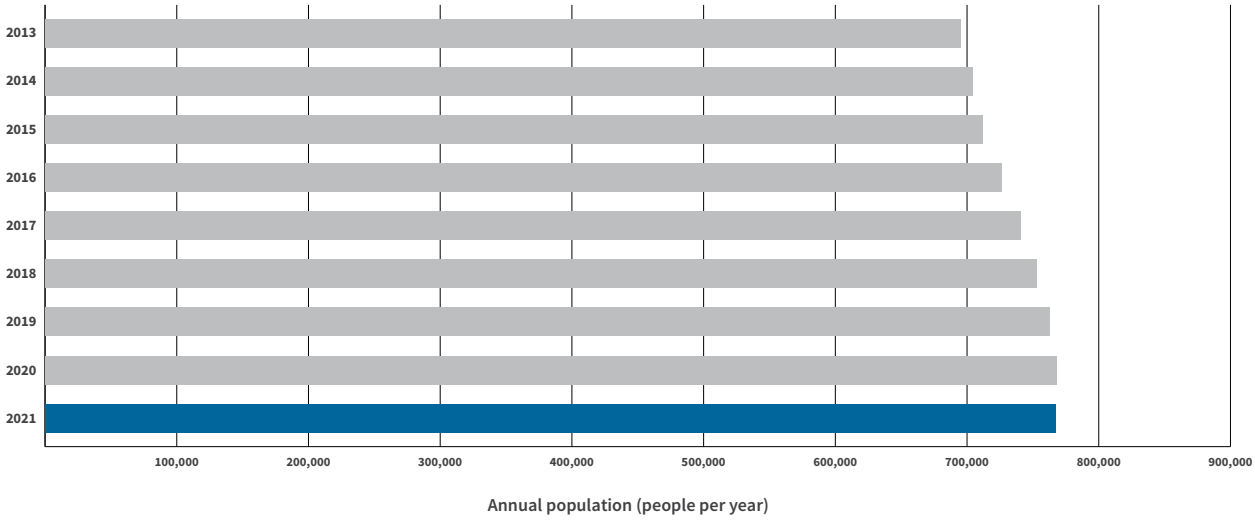
The program saw even greater uptake in 2021 following a successful first summer season for the program. After seeing 66 businesses register in 2020 for summer operation in the *Temporary Patio Registration Program*, that number grew to 115 in 2021.

Early in the pandemic, WPA added temporary 15-minute loading zones in various locations throughout the Downtown and the Exchange District to benefit area businesses for curbside pickup as a service delivery option. These temporary loading zones remained in effect through 2021.

In response to further public health measures announced by the Province in May 2021, the City launched the *Winnipeg COVID-19 Economic Support Grant Program*, which was originally introduced in 2020 to assist small businesses and not-for-profit organizations that were impacted by COVID-19 public health restrictions. Council approved $3 million for the program to assist qualified businesses and organizations. Recipients applied for a non-repayable grant of $1,500 to use for rent, utilities, wages, personal protective equipment, sanitizing equipment, or other business expenses incurred.

Just as the City extended the deferral date for property taxes by three months in 2021, business owners were given the same grace period on penalties for late payment of business taxes. The due date for business taxes is the last business day of May. For 2021, late payment fees weren't applied until September 1 following the City's three-month extension of the deferral date.

City of Winnipeg annual population growth



Source: Statistics Canada

Population trends affected by the pandemic

Winnipeg's estimated population for 2021 was reported by Statistics Canada as being 767,500, which represented a minor decrease of approximately 400 people when compared to 2020 population data. The marginal decrease stands out as an anomaly in Winnipeg's recent historical population trends, but is a reality experienced in many other Canadian cities over the same time frame. Major urban centres in Canada, such as Toronto, Montreal, and Vancouver, all experienced an uncharacteristic decrease in their population data.

The reasons for population decline in Winnipeg and other cities can be attributed in part to a decrease in immigration during the pandemic. Immigration decreased in Winnipeg by 48% when compared to the most recent pre-pandemic period. Immigration, which is the biggest contributor to population growth in Winnipeg, is expected to return to pre-pandemic levels in our city and across Canada over the next several years.

Planning for our future

With Winnipeg's population growth trends expected to return to pre-pandemic levels in the coming years, the City continued to develop its strategy for sustainable growth.

The City's two interconnected planning initiatives, *OurWinnipeg 2045* and *Complete Communities Direction Strategy 2.0*, were each given second reading by Council in June 2021. *OurWinnipeg* is the City's 25-year development plan for strategic growth and developments. *Complete Communities Direction Strategy 2.0* is a city-wide secondary plan that guides growth, development, and land use in Winnipeg.

Infill development is an important feature of *Complete Communities* and is one way to create additional and diverse housing in our mature communities, making use of existing services, amenities, and infrastructure.

The City initiated consultations on infill development in 2017 to collect feedback on the infill process from all stakeholders. The most recent phases of public engagement have focused on design guidelines, with feedback collected on the City's draft infill guidelines over 2020 and 2021. The City presented its updated *Small-Scale and Low-Rise Residential Development Guidelines* in a way that provides a standard for zoning, construction, and architecture within each of our mature communities. The final guidelines were presented and approved by Council in June 2021.



INVESTING IN PUBLIC TRANSPORTATION

Public transportation

The City is served by Winnipeg Transit, which operates seven days a week, 365 days a year, providing a valuable service to over 48 million passengers annually*. Ensuring this service meets the needs of its users and remains both safe and accessible is the utmost priority.

Maintaining safety & service during the pandemic

Winnipeg Transit adapted its operations in a way that maintained safety for riders and operators as soon as COVID-19 was detected in the community. Winnipeg Transit maintained an enhanced cleaning program that was implemented early in the pandemic and continued with mask requirements for riders and operators throughout 2021 to meet the level of caution recommended by provincial health orders. On-street Transit inspectors handed out single-use masks to aid with education, and mask compliance among passengers remained over 98 per cent from August 2020 when mask requirements began through to the end of 2021.

Just as in 2020, COVID-19 continued to have a direct and significant negative impact on the demand for transit services in Winnipeg through 2021. Over the course of 2021, Transit ridership was 44% of pre-pandemic (2019) levels.

*Pre-pandemic figure

In response to continued lower ridership and as approved in the 2021 budget, Winnipeg Transit reduced the total service hours by 6% from full service levels and Winnipeg Transit Plus adjusted contractor hours down to levels needed to meet the lower demand.

Enhancing safety for operators & passengers

As part of Winnipeg Transit's ongoing commitment to increasing operator and passenger safety, a pilot project to live-stream bus camera feeds into Transit's Control Centre in emergency situations began in June 2021. Bus operators are trained to contact Transit's Control Centre in emergencies, and with this new technology, Control Centre supervisors are able to immediately tap into the live camera feed from the bus to assess the situation and dispatch the appropriate emergency services. The Transit Control Centre is staffed by Transit supervisors 24-hours a day, 7 days a week, and the pilot project includes a total of 50 buses.

Transit welcomed further safety enhancements in December 2021 with the installation of new emergency signal technology that gives bus operators another way to signal for help in the event there is an emergency on their bus. The entire fleet of buses is now equipped with the ability for operators to activate a digital sign on the outside of the bus in emergency situations that reads "Emergency Call 911" and "Do Not Board Bus". Bus operators are trained to use the signal in an event where emergency responders are needed. The new system allows operators to alert the public at the same time as Transit's Control Centre.

2021 Winnipeg Transit statistics



646
Number of buses in fleet

6.5%
Running early

82.5%
Running on-time

11.0%
Running late

5,104
Number of bus stops

83
Number of routes

71,523
(AVERAGE WEEKDAY)
Passengers carried

21,465,663
(ANNUAL)
Passengers carried

2021 Winnipeg Transit Plus statistics



221,256
(ANNUAL)
Passengers carried

727
(AVERAGE WEEKDAY)
Passengers carried

2021 Vehicles for Hire statistics



4,299,260
Total number of trips by all service providers

14
Personal Transportation Providers

9
Limousine and Luxury Vehicle Dispatchers

10
Taxi Dispatchers

The future of transit

The Winnipeg Transit Master Plan ("WTMP"), a project initiated in late 2018 and developed with feedback from three phases of public engagement, was adopted by Council in April 2021 as the long-term strategic plan for public transit in Winnipeg.

The WTMP includes an entirely new transit network to better respond to the needs of residents, with a system that is designed to be resilient, changing and adapting as Winnipeg grows. The new network is based on a frequent transit network concept adapted to fit Winnipeg which will more than double the number of Winnipeg households within a short walk of frequent transit service once completed.

Along with the adoption of the WTMP, Council also voted to make an application to the Investing in Canada Infrastructure Program ("ICIP") to fund six key capital projects critical to advancing the long-term vision for Transit, including Primary Transit Network Infrastructure and Rapid Transit (Downtown Corridors) Preliminary Design.

Vehicles for hire

The WPA began administrating regulation of vehicles for hire ("VFH") within Winnipeg on behalf of the City in 2018. VFH has played an important role during the COVID-19 pandemic by helping residents continue to get where they need to go, whether for work, medical appointments, or attending vaccination appointments and clinics.

The City coordinated support for the Manitoba COVID-19 Immunization Program in 2021 by providing vouchers and discounts toward trips hailed from taxi companies Duffy's and Unicity and VFH dispatcher Uber to cover portions of the cost associated with transporting residents to and from vaccine sites. The program, which had considerable uptake, was developed to assist Winnipeggers who wished to get vaccinated but faced transportation challenges getting to vaccine sites.

Ensuring the availability of accessible vehicles has always been a priority for the City since assuming regulatory oversight of vehicles for hire in 2018. Along with encouraging a minimum ratio of accessible vehicles for all personal transportation providers and taxi dispatchers, the City also implemented an accessibility surcharge of $0.07 on all rides offered by personal transportation providers ("PTP") and taxi dispatchers that did not meet a minimum ratio of active accessible vehicles. The surcharge is intended to be used to support programming that improves accessible service within the VFH industry as well as the service providers.

Complaints brought forward to the WPA concerning safety continue to be a priority as each complaint received is investigated and followed up by City officials. There were 74 vehicle for hire complaints filed with the City throughout 2021.

INVESTING IN STREET RENEWAL

A well-maintained transportation system promotes economic vitality and a positive city image. As such, the City dedicated $152.2 million towards the Regional and Local Streets Renewal programs in 2021.

Over 36 regional street renewal projects worth $96.5 million were budgeted in 2021 and the remaining $55.7 million went towards local street renewals, including granular roadway improvements, sidewalk and active transportation renewals, and 46 residential street renewal projects.

2021 roadway construction & maintenance statistics



76.3
(LANE-KM)
Capital rehabilitation of local streets

23.2
(LANE-KM)
Capital reconstruction of regional streets

37.5
(LANE-KM)
Capital rehabilitation of regional streets

7.3
(LANE-KM)
Capital reconstruction of local streets

2.3
(LANE-KM)
Capital reconstruction of alleys

0.6
(LANE-KM)
Capital addition of surfaced alleys

48.6
(LANE-KM)
Roadway transferred from developers



605
(METERS)
Capital addition of pedestrian/ cycle pathways

2,070
(METERS)
Capital renewal of pedestrian/cycle pathways

8,500
(METERS)
Sidewalks transferred from developers

1,854
(METERS)
Capital addition of sidewalks

3,278
(METERS)
Pedestrian/cycle pathways transferred from developers

4,969
(METERS)
Capital renewal of sidewalks



INVESTING IN SAFE AND SECURE COMMUNITIES

Safety is a basic requirement of a liveable city and makes for a more sustainable community. When people feel safe, they can fully participate in social and economic life – they can enjoy their neighbourhoods, work without injury, and travel and use public spaces without fear.

Significant investments were made in 2021 in the Winnipeg Police Service ("WPS") for $312.7 million and in the Winnipeg Fire Paramedic Service ("WFPS") for $216.3 million.

A sustainable community

Social, environmental, and economic sustainability are essential to Winnipeg. The City has a role to play in planning for sustainability, in continuing to value and respect our natural environment, and the conservation of heritage resources.

Sustainability is integral to City business processes, and is reflected in policies and programs that respect and value the natural and built environments – protecting our city's natural areas and heritage resources. The City acts as a corporate role model for social, environmental and economic sustainability, and reports progress in key corporate and community sustainability areas.

Community amenities

The City's role in delivering recreation services and as a wellness leader and facilitator includes working to address age, gender, ability, cultural, and socio-economic barriers to participation to build a healthy community.

Recreation, active living, and leisure programs and services strengthen families, build healthy communities, and support the healthy development of children. Opportunities to participate in recreation activities enhance life skills, community leadership development, and overall quality of life for residents, particularly among children and youth.

The Library Services Division provides residents of Winnipeg with valuable supports for literacy, healthy recreation, and lifelong learning. Library employees strive to build community connections by participating in various community events and by developing partnerships with local organizations.

Recreational amenities offered by the City were significantly impacted by the pandemic; our City-owned and operated facilities temporarily closed and some of our services were adjusted.

The City adapted its operations during the pandemic to offer limited recreational programming and services in ways that respected public health orders and the restrictions on gathering sizes and physical distancing. Being able to offer limited services provided recreation and leisure opportunities to residents and their families.

Offering safe outdoor recreation

In an effort to encourage safe outdoor activity for residents and assist with physical distancing requirements during the pandemic, residents were encouraged to get outdoors and explore our parks and open spaces and active transportation network while adhering to all applicable public health orders and guidelines.

The City's golf courses were a safe and welcome retreat for residents throughout the pandemic. City-operated courses implemented COVID-19 measures in 2020 that allowed golfers to maintain physical distancing and reduce common touch points on the course and in the clubhouse. These same measures were implemented throughout 2021, and courses were able to maintain operations throughout the golf season.

After a banner year in 2020 for all three City-operated courses – Kildonan Park, Crescent Drive, and Windsor Park – participation grew even further in 2021. In total, there were over 114,000 rounds of golf played across the three courses in 2021, making it the City's busiest season of golf since 2003.

The 2021 golf season was an extra special one for the Kildonan Park Golf Course; the City's oldest municipally-owned course celebrated its 100th season. In recognition of its centennial, the City offered a promotional rate of $19.21 for a limited time as an ode to the year the course first opened in Winnipeg. As part of its 100th year, the City also allowed golfers and residents to donate a tree to the course or purchase a seating bench with a commemorative and personalized plaque.

Building and renewing community amenities

A significant project that continued throughout the pandemic was the building of the Bill and Helen Norrie Library, which broke ground in fall 2019 and opened in March 2021. The new 14,000 square foot facility, which replaces the River Heights Library on Corydon Avenue, was developed through engagement with residents and in consultation with Rooster Town families to ensure the history of the land has been recognized in the project.

The new library was designed to better meet the needs of the community with a fully accessible public space, more parking, proximity to public transportation, tutorial and programming rooms, improved study and leisure areas, and an outdoor reading and programming area. The building also received Three Green Globes certification for its eco-efficiency and environmental design.



2021 Cornish Library renovation

The City reopened the doors at Cornish Library in May 2021 following major renovations that began in 2018. The 105-year-old building was redeveloped to meet modern needs while maintaining its heritage characteristics. New features included an extension, new lounge spaces, accessible washrooms, a 24-hour book return, a children's 'family literacy playground,' and redesigned computer areas.

Supporting the community

Beginning in 2021, Winnipeg Public Library eliminated overdue fines for materials borrowed from its collection, and customers' accounts with existing fines were also cleared. The move to eliminating fines is a way for Winnipeg Public Library to better support our residents and removes barriers that may have prevented people from using library services in the past.

On November 25, 2021, Council approved the City's first-ever *Poverty Reduction Strategy* (2021-2031), a comprehensive plan, co-created with the community, that includes a practical approach to reducing poverty, increasing equity, and incorporating a "culture of caring" in all City endeavours over the next decade.

The strategy aims to be a catalyst for additional and increasing action and partnerships going forward to address underlying root causes and localized impacts of poverty in our city, which requires collaboration by all levels of governments, the community, and people with lived experience of poverty.

The first implementation plan for the Strategy includes 80 specific actions across City departments. The Public Service will report back to Council in spring 2023 with a status update and the next implementation plan.

Community Services leads a number of key deliverables aligned with the Poverty Reduction Strategy, including the 24/7 Safe Space Grant program and the Mobile Outreach Support Services Grant program. The 24/7 Safe Space Grant Program provides multi-year funding to Ka Ni Kanichihk and West End 24/7. Through this funding, Ka Ni Kanichihk opened Velma's House, a low-barrier safe space for women exiting sexual exploitation, fleeing intimate partner violence or experiencing unsheltered homelessness. West End 24/7 expanded its overnight safe space for vulnerable and unsheltered youth ages 13-26. Collectively, these organizations supported over 16,000 visits to their programs.

Community Services also rolled out the Mobile Outreach Support Services Grant in 2021, providing multi-year funding to Main Street Project and Saint Boniface Street Links. The outreach services provided by these organizations include safety and well-being checks, transportation, transfer to emergency shelters, as well as distribution of warm clothing, blankets, water, coffee, food, harm reduction supplies. Through this funding, between August and December, Main Street Project and Saint Boniface Street Links collectively reported 20,855 interactions with individuals. In addition, these agencies supported more than 100 individuals in accessing housing.

Needing a washroom and not having access to one is an uncomfortable predicament. For those experiencing homelessness, that may be an everyday occurrence.

Guided by policies in the *Places to Go – Public Restroom Strategy*, the City installed seven temporary public washrooms across five different locations in Winnipeg's downtown area. The strategy identified gaps and high-need areas for public washrooms for individuals experiencing homelessness in Winnipeg. The locations for the temporary public washrooms were determined in consultation with End Homelessness Winnipeg and other community partners.

In addition, the City awarded a bid opportunity in 2021 for the construction of a permanent public washroom on Main Street next to Circle of Life Thunderbird House, with an expected opening in 2022.

In an effort to encourage voluntary compliance with the Province of Manitoba's public health orders, in May, the City's Community Service Ambassador program was reinstated to educate members of the public on the health orders in place. A number of Community Services Department employees affected by the closure of City recreation facilities were temporarily redeployed to support the program in Assiniboine Park, St. Vital Park, and Kildonan Park.

In November 2021, the City rolled out its Arena Ambassador program, similar to the Community Services Ambassador program, which focused on education and compliance with provincial public health orders, ensuring that arena permit holders understood their rental agreements and were abiding by their responsibilities as outlined in the provincial public health orders.

An important function of the City is Emergency Social Services ("ESS"), which is provided by the Community Development Division in collaboration with the Winnipeg Fire Paramedic Service. Throughout 2021, the ESS team supported over 300 individuals and worked over 200 hours of service dedicated to ESS responses, including responses to fires and evacuations.

Community By-law Enforcement Services ("CBES") focuses on developing and maintaining safe, orderly, viable and sustainable communities and to promote and maintain the health, safety, and well-being of residents. An important aspect of health and safety in our community included ensuring residents followed public health orders throughout the pandemic.

CBES held its annual bike auction online for a second time in April 2021 after pivoting the year prior from an in-person event to being held online. The change has continued to allow for greater accessibility and participation.

Animal Services provides animal control measures under the Responsible Pet Ownership By-law. The Agency operates innovative adoption, volunteer, and outreach programs. Additional services include housing and care for stray pets and reuniting them with their owners, as well as emergency response to help animals in house fires or car accidents. In 2021, Animal Services addressed over 7,000 service requests involving people and animals.

Spay and neuter services are key in preventing pet overpopulation and helping improve community safety. In 2021, the FIXIT Spay/Neuter program was expanded to include Animal Services Officer assistance in providing transportation to help low income residents spay and neuter their cats. The Prevent a Litter Program (PAL) was also established to assist low income dog owners spay/neuter their dogs. In 2021, 40 dogs were spayed/neutered under the PAL program.

Under the Northern Outreach Initiative, Animal Services collaboratively works with rescues and places homeless dogs up for adoption. This helps improve the health and safety of northern communities, while giving the dogs a new start in Winnipeg. In 2021, the program was expanded to include a 3-day course at Animal Services regarding the basics of animal control and welfare.

Imagining a City without racism

It can be difficult to imagine a world without racism, but that vision and how to get there was the focus of the City's first-ever *Anti-Racism Week* held in March 2021. Its theme: "What would Winnipeg look like without racism?" helped shape discussions over the course of the week. Throughout, residents had the opportunity to participate in virtual events on a variety of topics that explored identifying and eliminating systemic racism.

Anti-Racism Week was organized by the City in partnership with Immigration Partnership Winnipeg, Winnipeg Chamber of Commerce, Treaty Relations Commission of Manitoba, Elmwood Community Resource Centre, Manitoba Association for Rights and Liberties, Human Rights Hub, and Black History Manitoba.

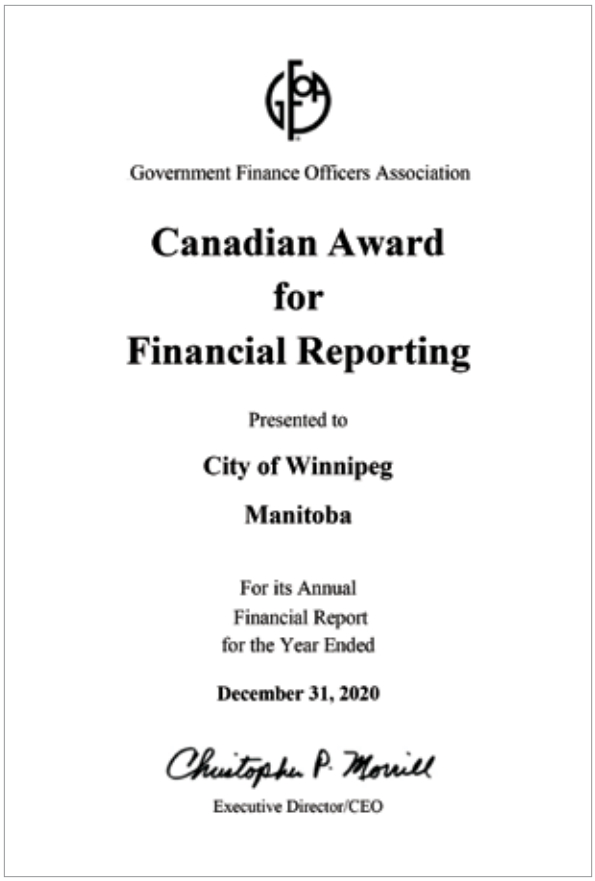
Anti-Racism Week is one part of the Anti-Racism Initiatives Report supported and approved by Council in July 2020. This is one of the ways we are building on the work done in our *Newcomer Welcome and Inclusion Policy*.

AWARDED EXCELLENCE

Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Canadian Award for Financial Reporting to the City for its annual financial report for the fiscal year ended December 31, 2020. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In addition to this award, the City was also recognized with the Distinguished Budget Presentation Award and the Popular Annual Financial Reporting Award in 2020. The accumulation of all three awards in fiscal 2019 earned the City a special Triple Crown medallion for financial reporting from GFOA.

To be considered for these awards, financial reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

City of Winnipeg

Manitoba

For its Annual Financial Report for the Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

Capital projects

6-year capital investment plan of $2,278.7 million (2021 Budget & 5 year forecast)

$1,054.6
Public Works & local improvements

$464.0
Sewer projects

$165.5
Winnipeg Transit

$237.2
Water & solid waste projects

$130.9
Community Services, Planning, Property & Development, Municipal Accommodations

$68.3
Public safety

$158.2
Land drainage, flood control & other

(In millions of dollars)

Journey of Reconciliation

In January 2016, Mayor Brian Bowman declared 2016 the Year of Reconciliation in Winnipeg. Working with Council and the Mayor's Indigenous Advisory Circle, the Mayor committed to developing an Indigenous Accord and supported the implementation of the Truth and Reconciliation Commission ("TRC") Calls to Action directed at municipalities.

The City, through the Indigenous Relations Division ("IRD"), supported these commitments and coordinated work with several civic departments, the National Centre for Truth and Reconciliation, The University of Winnipeg, Knowledge Keepers, cultural teachers, Elders, and other groups involved in the process of reconciliation both locally and nationally.

That declaration was just the first step in the City's ongoing Journey of Reconciliation.

INDIGENOUS FLAGS AT CITY HALL

Three new flags raised at City Hall in 2021 will serve as important symbols of the City's relationships with First Nations and Métis people and of our ongoing commitment to the Journey of Reconciliation.

On September 15, 2021, an outdoor ceremony was held at City Hall to permanently raise the flags of Treaty One Nation, Dakota Nations, and the Métis Nation. In an honour walk from The Forks, horse riders, drummers, Elders, children, community members, and First Nations and Dakota leaders arrived at City Hall to join leaders of the Métis Nation, Winnipeg's Mayor and Council, and the City's CAO in this historical event and celebration.

For this event, a new flag was designed by a Dakota Tipi artist to represent the five Dakota First Nations of Manitoba: Sioux Valley Dakota Nation; Canupawakpa Dakota First Nation; Dakota Plains Wahpeton Oyate First Nation; Dakota Tipi First Nation; and Birdtail Sioux Dakota Nation. The Treaty One Nation Flag represents seven Treaty One First Nations: Long Plain, Brokenhead Ojibway Nation, Peguis, Roseau River Anishinaabe, Sagkeeng, Sandy Bay Ojibway, and Swan Lake. The Métis Nation flag represents the Manitoba Métis with seven regional associations: Winnipeg, Southwest, Southeast, Interlake, The Pas, Northwest, and Thompson.

WELCOMING WINNIPEG

Council passed a motion to adopt the Welcoming Winnipeg: Reconciling our History Policy in 2020. This policy was developed to guide the City in making decisions regarding requests to create new, add to, or remove/rename historical markers and place names and resolve the absence of Indigenous perspectives, experiences, and contributions in the stories remembered and commemorated. The policy proactively uses a lens of balance, inclusion, and Indigenous perspectives.

A formal Welcoming Winnipeg request form was launched in February 2021, allowing members of the public to conveniently submit naming requests to the City for consideration. Throughout 2021, the Committee of Community Members ("CCM") met 10 times and considered two requests that pre-dated the request form, and eight requests that were submitted through the new form.

RENAMING OF BISHOP GRANDIN BOULEVARD AND GRANDIN STREET

In late May 2021, the Tk'emlúps te Secwépemc First Nation revealed that preliminary findings from a survey of the grounds at the former Kamloops Indian Residential School uncovered the remains of 215 children buried at the site. This announcement gained national and international attention, renewing calls from the community in Winnipeg to address how the City currently commemorates Bishop Vital-Justin Grandin with Bishop Grandin Boulevard.

In June 2021, EPC directed IRD to engage in consultations with Indigenous People, including but not limited to residential school survivors, Elders, knowledge keepers, as well as Indigenous governments and community organizations to bring forward their proposal for renaming Bishop Grandin Boulevard and Grandin Street to a name which honours Indigenous experience, culture, and history, and is in accordance with the *Street Names By-law*. In response, and with the guidance of the CCM, IRD created the Indigenous Naming Knowledge Circle to bring members of the Indigenous community together for this consultation process.

It's anticipated that a recommended new name will be brought forward for Council's consideration in 2022.



WINNIPEG'S INDIGENOUS ACCORD

Unanimously adopted by Council in 2017, Winnipeg's Indigenous Accord sets out the City's vision, commitments, and principles in building an ongoing process of reconciliation in Winnipeg. It is rooted in the creation and fostering of mutually respectful partnerships with Indigenous Peoples, along with the engagement of multiple sectors, organizations, groups, and individuals across Winnipeg to extend these relationships.

On September 9, 2021, 39 additional local organizations, businesses, groups, and individuals joined the City and the other 161 signatories in their commitment to the ongoing Journey of Reconciliation in Winnipeg by formally becoming partners of Winnipeg's Indigenous Accord at a signing ceremony held at City Hall. These newest signatories brought the total number of Accord partners to 200 at the time of the ceremony and demonstrates a strong community commitment to Winnipeg's Journey of Reconciliation.

One hundred and nine Accord Partners, including the City, completed and submitted annual reports identifying the progress made on their goals and commitments. IRD compiled the feedback contained therein into the annual *Partner Goals and Progress Report* published in June 2021. Highlights from the report include:

- 7,434 members and employees from 61 Accord partner organizations participated, and are continuing to participate, in education and training in response to TRC Calls to Action 57 and 92
- 232 individuals who identified as Indigenous were newly hired by 49 Accord partner organizations this year
- 74% of Accord partners have reported practicing traditional territories acknowledgments as part of daily announcements and at events, meetings, and gatherings
- 166 policies and practices were amended or newly adopted by 57 partner organizations to recognize Indigenous rights, reflect Indigenous priorities, or improve Indigenous access and inclusion

For more information, see:
winnipeg.ca/journeyofreconciliation



Financial Section

December 31, 2021

Report from the Chief Financial Officer

FINANCIAL STATEMENT DISCUSSION & ANALYSIS



I am pleased to present the 2021 Financial Statement Discussion and Analysis. The following discussion and analysis of the financial status and performance of the City of Winnipeg (the "City") should be read together with the audited 2021 consolidated financial statements and their accompanying notes and schedules ("Statements"). The Statements are prepared in accordance with Canadian public sector accounting standards for governments, established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The City received the prestigious Canadian Award for Financial Reporting ("CAnFR") from the Government Finance Officers Association ("GFOA") for its December 31, 2020 annual report. The CAnFR recognizes excellence in government accounting and financial reporting and represents a significant achievement for the City. The award reflects the tremendous effort not only of our employees in Corporate Finance, but also of all our departments, Special Operating Agencies ("SOAs") and elected officials in producing high quality documents for use by our community.

COVID-19 PANDEMIC

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19's continuing financial impact is apparent in the City's Statements. With residents working from home, businesses and public facilities closing temporarily to the public and other implications of public health order restrictions, significant revenue losses occurred. The revenue losses result primarily from reduced transit ridership, recreational programming and parking. The City's COVID-19 Crisis Cash Flow Management Plan assisted to offset these revenue losses.

COVID-19 Crisis Cash Flow Management Plan

On April 27, 2020, "Addressing the Financial Challenges of COVID-19" was presented to the Standing Policy Committee on Finance. This plan identifies levers the City could utilize to maintain liquidity and minimize the financial impact of COVID-19. Two updates to the COVID-19 Crisis Cash Flow Management Plan were presented in 2021, along with monthly updates on the financial implications to the City of the pandemic. In 2021, actions taken through the Council approved 2021 Budget and in response to evolving public health order restrictions included freezes to hiring and discretionary spending, public transit, recreational programming and library services reductions and draws on reserves, including the Financial Stabilization Reserve.

Throughout the ongoing pandemic, the City is continually monitoring its financial and liquidity status.

COVID-19 Economic Response and Recovery Plan

On November 25, 2021, Council approved the COVID-19 Economic Response and Recovery Plan Framework. The objectives of this two-year plan are to promote job and economic growth, equity and resiliency to:

- Assist the sectors with the most pandemic induced negative economic impact;
- Stimulate growth in the downtown; and
- Use available levers to accelerate servicing of employment lands.

The longer-term goal is to strengthen and revitalize the Winnipeg economy, which in turn will contribute to the re-building of the Financial Stabilization Reserve.

The COVID-19 Economic Response and Recovery Plan is a combination of strategies that include grants, policy amendments, process improvements as well as collaboration and advocacy strategies that also encourages private investment and development.

Financial Support for Business and Residents

The City also recognizes the significant financial impact the pandemic is having on its residents and businesses.

Included in the adopted 2021 Budget, Council used part of the 2020 Federal Safe Restart Agreement to ease the economic, social and emotional burden of the pandemic and to restart our economy. Measures include:

- $3.8 million to partially offset revenue lost from re-introducing waivers of penalties on late payment of property and business taxes;
- $3.0 million for an Economic Support grant program, supporting 2,000 small Winnipeg businesses and not-for-profit organizations;
- $2.0 million in support of Winnipeg's affordable housing strategy; and
- $0.6 million for a Winnipeg Wellness grant program, supporting community activities and initiatives that reduce the emotional, physical and spiritual stress of the pandemic.

Small businesses were further assisted in the adopted 2021 Budget through a freeze of the business tax rate and an increase to the small business tax credit threshold. Doing so resulted in almost 1,000 more businesses being fully business tax exempt, allowing those businesses to save $1,926 on average. The adopted 2022 Budget also freezes the business tax rate.

Additionally, on May 27, 2021, Council approved a second round of the Economic Support grant program, allowing for up to an additional $3.0 million.

FINANCIAL REPORTING MODEL

The objective of financial statements is to describe to the user the organization's financial position, the results of its operations and the methods by which the economic resources for its various activities have been derived and consumed. The Statements provide information about the economic resources, obligations and accumulated surplus of the City:

Consolidated Statement of Financial Position	Provides information to describe a government's financial position in terms of its assets and liabilities as at the end of the reporting year. Net financial position (assets or liabilities) and accumulated surplus are important indicators to determining the government's financial well-being.
Consolidated Statement of Operations and Accumulated Surplus	Provides information on a government's current year operations and the related achievement of objectives for the reporting year. It also describes the change in accumulated surplus.
Consolidated Statement of Changes in Net Financial Liabilities	Provides information regarding the extent to which expenditures made in the year are met by the revenues recognized in the current year.
Consolidated Statement of Cash Flows	Provides information about the impact of a government's activities on its cash resources in the current year.

FUNDS, ENTITIES AND INVESTMENT IN GOVERNMENT BUSINESSES

The Statements are consolidated to reflect all resources and operations controlled by the City. These Statements include City departments, SOAs, utility operations, entities that are controlled by the City and the City's investment in government businesses. The following is a brief description of the major funds, entities and investments included in the Statements.

Funds

A fund is used to report on resources that have been segregated for specific activities or objectives. The City, like other local governments, establishes these funds to demonstrate accountability of the resources allocated for the services the particular fund delivers.

The General Revenue Fund reports on tax-supported operations, which include services provided by the City, including police, fire, ambulance, recreational activities and street maintenance. The General Capital Fund accounts for tax-supported capital projects. The tax-supported capital program includes the acquisition and/or construction of streets, bridges, parks and recreation facilities. Utility operations are comprised of the Transit, Waterworks, Sewage Disposal, Land Drainage and Solid Waste Disposal Funds. Each utility accounts for its own operations and capital program.

There are four SOA Funds: Animal Services, Winnipeg Golf Services, Fleet Management, and Winnipeg Parking Authority.

SOAs have the authority to provide public services, internal services, and regulatory and enforcement programs. SOA status is granted when it is in the City's interest that the service delivery remains within the government, but it requires greater flexibility to operate in a more business-like manner. Each SOA is governed by its own operating charter, and each prepares an annual business plan for adoption by Council.

Council has approved the establishment of several Reserve Funds, which are categorized as:

- Capital Reserves to finance current and anticipated future capital projects, thereby reducing or eliminating the need to issue debt;
- Special Purpose Reserves to provide designated revenue to fund the reserves' authorized costs; and
- Financial Stabilization Reserve to assist in the funding of major unexpected expenses or revenue deficits incurred in the General Revenue Fund.

Entities and Investment in Government Businesses

The civic corporations included in the Statements are the Assiniboine Park Conservancy Inc., Winnipeg Public Library Board, The Convention Centre Corporation, Winnipeg Arts Council Inc. and CentreVenture Development Corporation. Economic Development Winnipeg Inc. is a partnership with the Province of Manitoba and is proportionately consolidated. The activities of these corporations include economic development, recreation, tourism, entertainment and conventions.

North Portage Development Corporation, River Park South Developments Inc. and Park City Commons are included in the Statements as investments in government businesses.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

This statement presents information to describe the government's financial position at the end of the accounting year. Such information allows users to evaluate the government's ability to finance its activities and to meet its liabilities and contractual obligations, as well as the government's ability to provide future services. To this end, governments need to understand the total economic resources they have on hand to deliver services. These resources can be financial (e.g., cash, accounts receivable) and non-financial (e.g., tangible capital assets).

Governments also have liabilities for service delivery to be settled in the future that will consume the financial resources. This is measured by the government's net financial asset/liability position. This measure is considered in tandem with accumulated surplus to determine the government's ability to deliver services in the future. A significant portion of accumulated surplus includes the investment made in tangible capital assets which, for governments, represent service delivery capacity.

(in thousands of dollars)	**2021**	2020	**Variance**
Cash and cash equivalents	**$ 909,496**	$ 800,433	**$ 109,063**
Other financial assets	**750,551**	692,570	**57,981**
Financial assets	**1,660,047**	1,493,003	**167,044**
Liabilities	**2,543,193**	2,343,945	**(199,248)**
Net financial position	**(883,146)**	(850,942)	**(32,204)**
Non-financial assets	**7,865,799**	7,731,398	**134,401**
Accumulated surplus	**$ 6,982,653**	$ 6,880,456	**$ 102,197**

The four key indicators in the Consolidated Statement of Financial Position are cash resources, net financial position, non-financial assets and accumulated surplus.

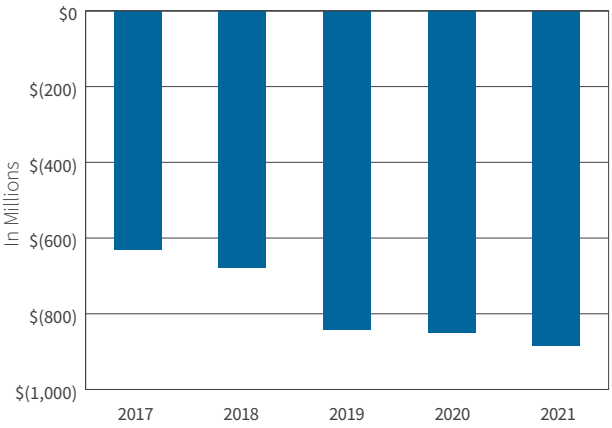
Cash Resources

The City's cash resources are cash and cash equivalents. Cash includes cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are held for meeting short-term obligations rather than for other purposes like investing. During 2021, the City's cash and cash equivalents increased by $109 million. This increase mainly resulted from funding received from the Province of Manitoba for the North End Water Pollution Control Centre ("NEWPCC") capital project, to be separately held in an interest bearing bank account, until an Investing in Canada Infrastructure Program ("ICIP") funding agreement is signed.

Net Financial Position

Net financial position is the difference between financial assets and liabilities and indicates the affordability of additional spending. As at December 31, 2021, the City is in a net financial liability position of $883.1 million (2020 – $850.9 million), an increase of $32.2 million partially due to the fiscal challenges presented by the pandemic.

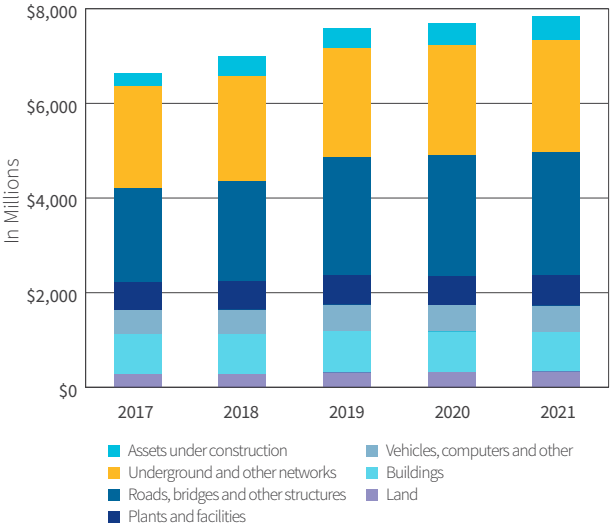
NET FINANCIAL POSITION



Non-Financial Assets

Non-financial assets of the City are assets that are, by nature, normally for use in service delivery and include purchased, constructed, contributed, developed and leased tangible capital assets, inventories of supplies and prepaid expenses. Tangible capital assets are the most significant component of non-financial assets.

TANGIBLE CAPITAL ASSETS (NET BOOK VALUE)



As indicated in the chart beside, the City continues to prioritize investing in infrastructure. The acquisition of tangible capital assets is authorized largely through the Council approved capital budget. On December 16, 2020, Council adopted the 2021 annual capital budget and the 2022 to 2026 five-year capital forecast. The six-year plan projected $2.3 billion in City capital projects, with $386.4 million authorized for 2021. The 2021 Budget includes:

- a record $152.2 million for regional and local street renewal and $5.5 million for waterway crossings and grade separations
- $76.3 million for sewage disposal collection and treatment systems projects, including $32.0 million for combined sewer overflow and basement flood management strategy and $33.0 million for waterworks systems projects, including $18.0 million for water main renewals
- $33.0 million for community services, including $16.7 million for recreation and library facility investment strategy and $5.4 million for Boni-Vital Pool
- $23.7 million for public transit projects, including new transit buses
- $12.6 million for parks and open space, including $5.8 million for reforestation improvements and the urban forest enhancement program
- $5.0 million for police service, including information system upgrades at the Police Headquarters

Also included in the capital investment plan over the six-year period (2021 to 2026) is $362.7 million of federal funding under the Canada Community-Building Fund (formerly the Gas Tax), New Building Canada Fund, and Veterans Affairs Canada; $162.7 million of provincial funding and; $79.5 million of cash to capital funding.

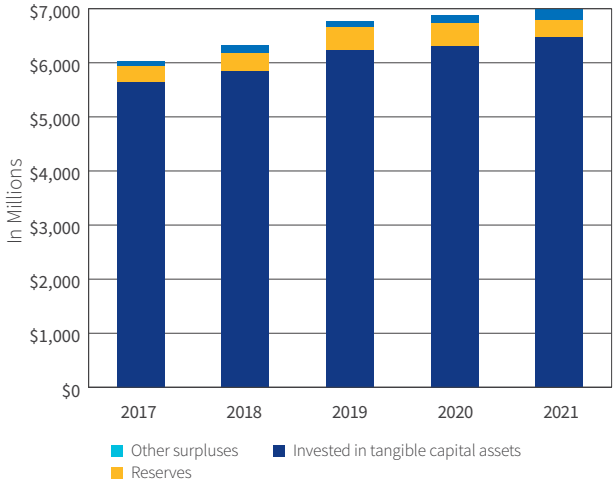
During 2021, the City acquired $424.1 million of tangible capital assets (2020 – $409.4 million), including contributed roads and underground networks totaling $63.5 million (2020 – $24.2 million). Contributed assets are capitalized at their fair value at the time of receipt. Of the assets acquired, $213.3 million was for tax-supported projects (50%). Spending on tax-supported projects was primarily on roads, a priority of Council.

Accumulated Surplus

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 or annual surplus).

Accumulated surplus is comprised of all the accumulated surpluses and deficits of the funds, reserves and controlled entities that are included in the Statements, along with the City's unfunded liabilities, such as vacation, retirement allowance, compensated absences and landfill liabilities. Accumulated surplus primarily consists of the City's investment in tangible capital assets (2021 – 93%; 2020 – 92%). Investment in tangible capital assets is an important aspect of service delivery and is not intended or readily accessible for use in funding ongoing operations.

ACCUMULATED SURPLUS

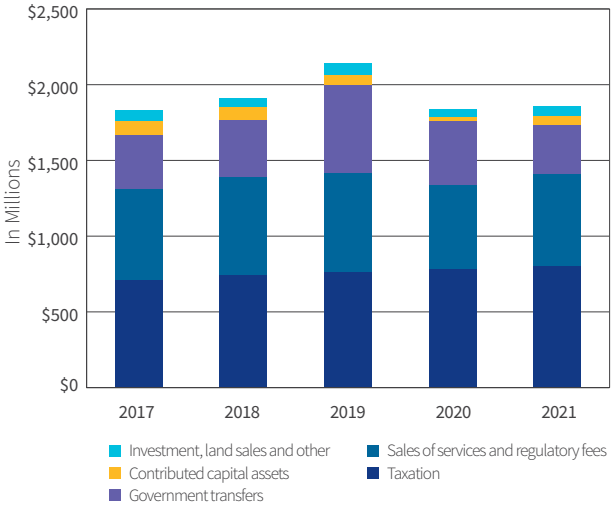


The City's accumulated surplus, through its investment in tangible capital assets, has grown by $102.2 million in 2021, indicating a strong foundation upon which services will continue to be delivered in the future.

CONSOLIDATED STATEMENT OF OPERATIONS

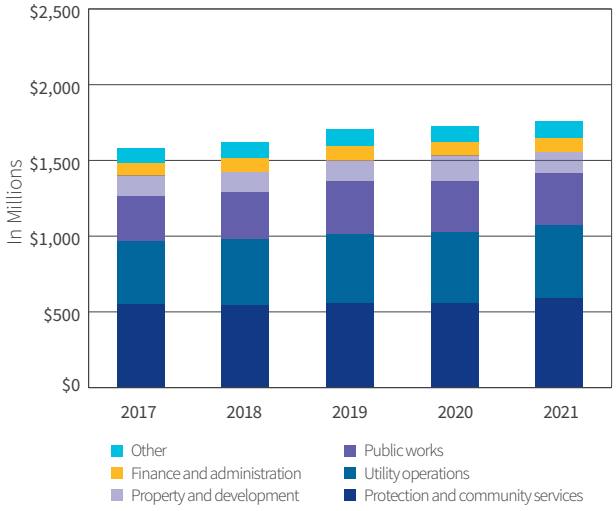
The Consolidated Statements of Operations shows how and where the City realizes its revenues. It provides information to understand the City's revenue sources and contribution to operations. It also shows the nature and purpose of the City's expenses, showing the allocation and consumption of resources.

REVENUES



Note: Revenues include capital related transfers and contributions included in the other category on the Consolidated Statement of Operations and Accumulated Surplus.

EXPENSES



Beyond government transfers, the City has a balance of revenue sources, with the majority coming from taxation, sales of services and regulatory fees. PSAB has defined indicators of financial condition to assist users of government financial statements to assess financial condition. Indicators of vulnerability measure a government's risk of over-dependency on sources of funding outside its control or exposure to risks that could impair its ability to meet financial and service commitments. Over the five year period, government transfers as a percentage of total revenue has ranged from 18% to 27%. For 2021, government transfers represent 18% of total revenues.

Spending in all categories is consistent with 2020 and reflects Council's priorities of public safety and roads. Property and Development expenses decreased from 2020 relating to the impact fee refunds paid in 2020.

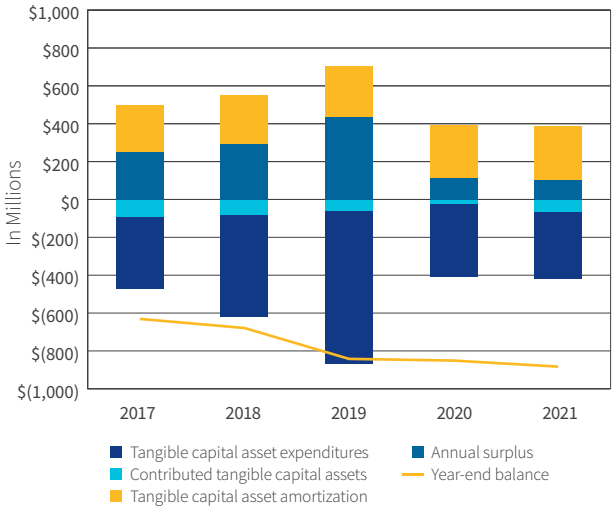
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL LIABILITIES

Net financial liabilities represent the difference between the City's liabilities and its financial assets readily available to satisfy those liabilities. This statement explains why this change differs from the annual surplus produced by the City.

The City has been making significant investments in its infrastructure over the past five years. With the investments exceeding financial assets generated through operations, the City has partially financed this difference through the assumption of debt.

The City continues to assume debt in a responsible and prudent manner as reflected in the results of its credit rating review. In November 2021, Standard & Poor's ("S&P") affirmed the City's AA credit rating. The rationale for the rating included a "diversified economy" and "well-balanced institutional framework."

CHANGES IN NET FINANCIAL LIABILITIES



Moody's Investors Service ("Moody's") announced in June 2021 it maintained the City's credit rating at Aa2, noting "strong debt affordability" and "economic diversity". The announcement also expressed "strong governance and management structure" as a strength but that the rating is constrained by Winnipeg's debt burden as the City continues to invest in infrastructure. The rating reflects the economic and fiscal pressures of the pandemic.

These debt ratings contribute to the City's ability to access capital markets and obtain favourable borrowing terms.

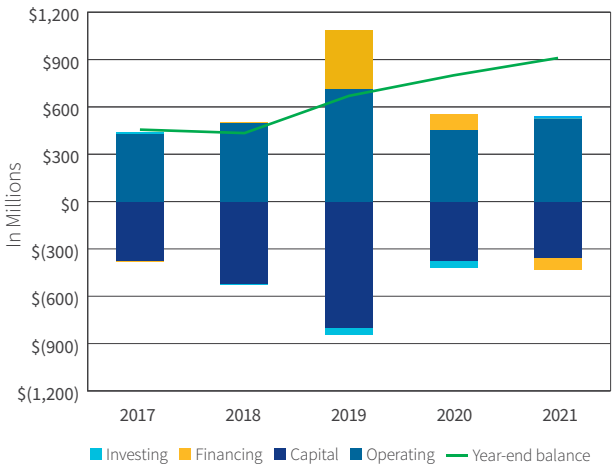
Another indicator of financial condition introduced by PSAB measures flexibility. Flexibility is the degree to which the City can issue more debt or increase taxes to meet its existing financial and service commitments. Even with the assumption of more debt, the City's interest expense-to-revenues has remained constant over the past several years between 2.7% – 3.6%. This measure indicates the City has sufficient sources of revenue to meet its financial and service commitments. It also demonstrates the low interest rates the City borrows at, which reflect not only the current market but also the City's strong credit rating.

CONSOLIDATED STATEMENT OF CASH FLOWS

The City finances its activities and meets its obligations by generating revenues through external borrowing and by using existing cash resources. Cash resources are generated and consumed through operating, capital, financing and investing activities.

Managing cash flow to ensure sufficient liquidity was a key area of focus again in 2021 due to the impacts of the COVID-19 pandemic.

CASH FLOWS



ANALYSIS OF STATEMENTS

Accounts Receivable

The accounts receivable balance has increased by $73 million from the prior year, largely related to an increase in Provincial receivables related to capital grants for 2021. The largest component of accounts receivable is trade accounts and other receivables at 54% (2020 – 63%). Approximately 51% (2020 – 58%) of trade accounts and other receivables result from water and sewer services. Management has determined credit risk to be low on these outstanding receivables and has provided an allowance for doubtful accounts of $400,000 (2020 – $400,000). The largest component of the total allowance for doubtful accounts relates to ambulance services.

As at December 31, 2021, property, payments-in-lieu and business tax receivables (taxes receivable), net of the estimated allowance for tax arrears, represented 17% (2020 – 25%) of total receivables. Taxation revenue is 43% (2020 – 42%) of total consolidated revenues. The decreased allowance for tax arrears in 2021 relates to the reduced uncertainties of the impacts of the pandemic on collectability of business taxes.

Taxes Receivable

As at December 31 (in thousands of dollars)	**2021**	2020	2019	2018	2017
Taxes receivable	**$ 57,005**	$ 67,309	$ 60,120	$ 56,704	$ 52,599
Allowance for tax arrears	**(1,500)**	(2,849)	(1,207)	(813)	(756)
	$ 55,505	$ 64,460	$ 58,913	$ 55,891	$ 51,843

Investments

As at December 31 (in thousands of dollars)	**2021**	2020
Marketable securities		
Municipal bonds	**$ 115,794**	$ 130,107
Provincial bonds and bond coupons	**28,729**	34,376
Federal entity bonds	**25,733**	20,919
	170,256	185,402
Manitoba Hydro long-term receivable	**220,238**	220,238
Other	**156**	33
	$ 390,650	$ 405,673
Market value of marketable securities	**$ 178,368**	$ 205,840

Manitoba Hydro acquired Winnipeg Hydro from the City in 2002. The resulting long-term receivable included annual payments starting in 2002, which declined gradually to $16 million annually in perpetuity starting in 2011. The carrying value of this investment is based on the discounted future cash flows that have been guaranteed by the Province, which coincides with the payments remaining at $16 million in perpetuity.

Marketable securities are generally long-term. These securities are being held to finance anticipated future costs, such as perpetual maintenance at the three cemeteries maintained by the City. Council has approved an Investment Policy to provide a framework for managing the 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 allowable categories for investments. 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

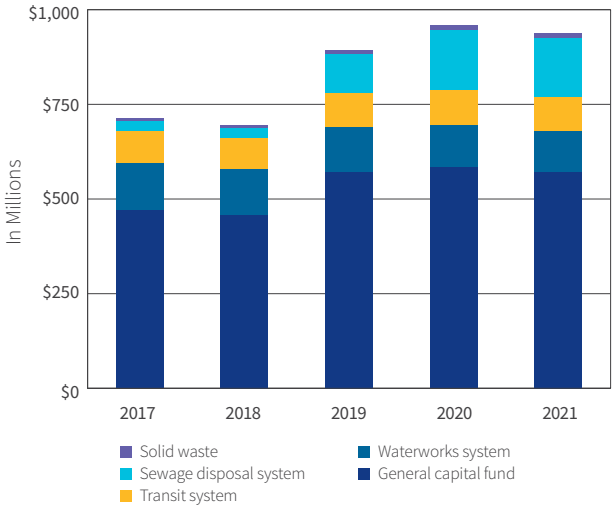
As at December 31 (in thousands of dollars)	**2021**	2020
Sinking fund debentures	**$ 1,072,568**	$ 1,702,568
Equity in sinking funds	**(132,049)**	(112,945)
	940,519	959,623
Service concession arrangement obligations	**274,787**	279,852
Bank loans and other	**140,528**	182,732
Capital lease obligations	**19,045**	20,410
	1,374,879	1,442,617
Unamortized premium on debt	**108,089**	111,785
	$ 1,482,968	$ 1,554,402

The City of Winnipeg has several types of debt obligations. The largest component of debt is sinking fund debentures. The City of Winnipeg Charter requires the City 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. As a result of revisions to The City of Winnipeg Charter, a second sinking fund was created for sinking fund debentures issued since December 31, 2002 and is managed by the City.

For the City managed sinking fund, the City pays interest on the principal to the investors and contributes a set percentage of the principal into the sinking fund annually. 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. The City has the ability to adjust this interest rate on future debenture issuance to meet maturity amounts.

These annual sinking fund 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.

NET SINKING FUND DEBENTURES, SERIAL AND INSTALMENT DEBT



The Sinking Fund Trustees of the City of Winnipeg manage debt related to Winnipeg Hydro, which will be fully retired by 2029. As part of the sales agreement with Manitoba Hydro, this sinking fund is required to hold Manitoba Hydro Electric Board bonds issued by Manitoba Hydro. These bonds were issued to enable the City to repay and defease the Winnipeg Hydro debt. The bonds have identical terms and conditions as to par value, interest and date of maturity as the debt. The bonds are guaranteed by the Province of Manitoba and are non-transferable and non-redeemable prior to maturity. This debt has been defeased under this arrangement and accordingly, is not reported in the Statements.

No sinking fund debentures were issued in 2021.

The City has entered into three service concession arrangements with respect to Chief Peguis Trail Extension, Disraeli Bridges and the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass. Taking into account the various forms of funding and financing, the effective interest rates incurred by the City are 4.6%, 5.2% and 1.6% for these projects, respectively.

Liquidity is an important measure of an organization's ability to readily service its debt obligations. Liquidity is measured by a debt service coverage ratio, comparing free cash and liquid assets to annual debt servicing (principal and interest). The following table presents the last five years:

Debt Service Coverage Ratio	**2021**	2020	2019	2018	2017
Free Cash and Liquid Assets/ Debt Service	**832.3%**	1261.1%	1052.8%	774.4%	803.8%

A second measure the City uses to actively monitor liquidity is Total City Liquidity and it is measured to ensure it remains within acceptable parameters. An internal target of a minimum of 30% is used for treasury management and reporting.

The City calculates liquidity as Free Cash plus Liquid Assets and Committed Credit Facilities, divided by Consolidated Operating Expenditures less Amortization.

Total City Liquidity Ratio	**2021**	2020	2019	2018	2017
Free Cash, Liquid Assets and Committed Credit/ Consolidated Operating Expenses less Amortization	**70.3%**	77.5%	61.3%	46.4%	47.7%

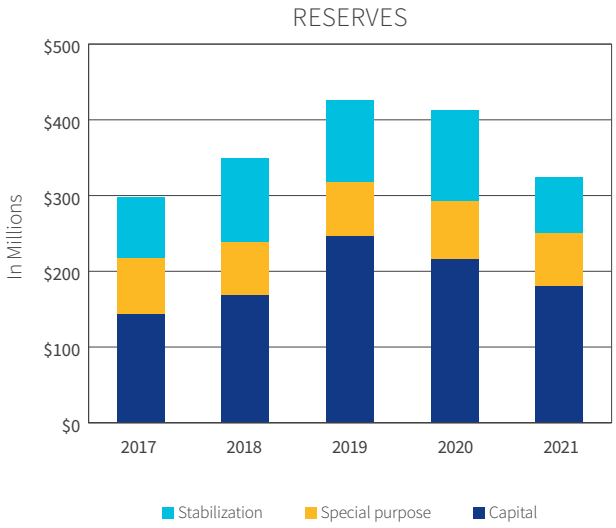
In its recent credit rating report, Standard and Poor's commented that the City maintains robust liquidity, which they expect will continue.

Reserves

Reserve balances have decreased overall by $88.1 million (2020 – $12.5 million decrease) from the prior year.

The Financial Stabilization Reserve's accumulated surplus is $8.9 million (including net interest revenue) over its minimum balance of 6% of the General Revenue Fund adopted 2022 budgeted expenses. The surplus over the minimum balance has decreased due to the need to draw on the reserve to balance 2021's General Revenue Fund deficit as well as continued budget pressures due to the COVID-19 pandemic. Overall, the Financial Stabilization Reserve balance decreased $44.8 million in 2021.

The Capital Reserve balance decreased by $36.1 million mainly due to the NEWPCC Headworks project. The project is partially funded by the Environmental Projects Reserve Fund and work began in 2021.



During 2013, a reserve was established to track dedicated revenue for the sole purpose of funding the renewal of local streets, back lanes and sidewalks. The long-term proposal, subject to annual Council approval, is to fund this Local Street Renewal Reserve Fund with dedicated annual 1% property tax increases. The reserve transferred $47.5 million to the General Capital Fund during 2021 to fund local street, back lane and sidewalk projects.

A similarly dedicated 1% property tax increase was introduced in 2014 to fund a Regional Street Renewal Reserve. Approximately 80% of the traffic volume in the City occurs on 1,800 lane kilometers of regional streets. The long-term proposal, subject to annual Council approval, is to dedicate annual 1% property tax increases to the renewal of regional streets, sidewalks and bridges. The reserve transferred $42.9 million to the General Capital Fund during 2021 to fund regional street projects.

Consolidated Revenue and Expense Comparisons

The Consolidated Statement of Operations and Accumulated Surplus reports the City's changes in economic resources and accumulated surplus for 2021 on a comparative basis. The City increased its accumulated surplus during the year because annual revenues exceeded expenses. This statement includes the consolidated budget to provide additional transparency and accountability.

During 2021, the City recorded consolidated revenues of $1.857 billion (2020 – $1.841 billion), which included government transfers, developer contributions-in-kind and other capital contributions related to the acquisition of tangible capital assets. Consolidated expenses totaled $1.754 billion (2020 – $1.728 billion).

Consolidated revenues before government transfers, developer contributions-in-kind and other capital contributions totaled $1.676 billion (2020 – $1.675 billion). As a result, the City reported a deficit of $78.1 million (2020 deficit of $52.4 million) before these other items. This deficit includes the results of accruing for unfunded liabilities, such as landfill liabilities and future-oriented employee benefit liabilities. These future-oriented employee benefits, such as unused vacation and sick leave, are recorded in these Statements on an accrual basis but are budgeted on a pay-as-you-go basis. Similarly, amortization is recorded over the life of the tangible capital asset; however, the budget is developed to consider the cash flows associated with constructing the asset and servicing any associated debt.

Consolidated Revenues

For the years ended December 31 (in thousands of dollars)	**Budget 2021**		**Actual 2021**		Actual 2020		Budget to Actual Variance	Actual to Actual Variance
Taxation	**$ 801,244**	44%	**$ 800,949**	43%	$ 779,994	43%	$ (295)	$ 20,955
Sales of services and regulatory fees	**581,152**	32%	**605,229**	33%	556,624	30%	24,077	48,605
Government transfers – Operating	**214,019**	12%	**219,869**	12%	287,579	16%	5,850	(67,710)
Investment, land sales and other revenues	**57,396**	3%	**50,364**	3%	50,943	3%	(7,032)	(579)
Revenue before Other	**1,653,811**		**1,676,411**		1,675,140		22,600	1,271
Government transfers – Capital	**87,114**	5%	**105,592**	6%	134,267	7%	18,478	(28,675)
Developer contributions-in-kind	**78,870**	4%	**63,500**	3%	24,200	1%	(15,370)	39,300
Other capital contributions	**6,100**	0%	**11,155**	0%	7,323	0%	5,055	3,832
	172,084		**180,247**		165,790		8,163	14,457
	$ 1,825,895		**$ 1,856,658**		$ 1,840,930		$ 30,763	$ 15,728

Revenues were $15.7 million higher in 2021 due to several factors. Sale of services and regulatory fees increased compared to 2020 and to budget largely due to increased water and sewer sales from higher consumption and rates. As well, several revenue streams rebounded from the impact in 2020 of the pandemic, including Police Service special duty revenue and building permit revenues. Offsetting these increases, transit fare revenue decreased due to the full year impact of the pandemic in 2021.

Taxation revenue increased due mainly to assessment roll growth and a 2.33% property tax increase. Developer contributions-in-kind increased and indicates the variability of developments from year to year.

These increases were partially offset by decrease in operating and capital government transfers. Most of this is due to the one-time Safe Restart Agreement funding from the Government of Canada not repeating in 2021. As well, Canada Community-Building Fund revenue decreased with revenue accounting matched to capital expenditures.

Consolidated Expenses By Service

For the years ended December 31 (in thousands of dollars)	**Budget 2021**		**Actual 2021**		Actual 2020		Budget to Actual Variance	Actual to Actual Variance
Protection and community services	**$ 582,837**	34%	**$ 589,273**	35%	$ 560,484	33%	$ (6,436)	$ (28,789)
Utility operations	**498,676**	29%	**481,631**	27%	465,937	27%	17,045	(15,694)
Public works	**339,696**	20%	**341,832**	19%	336,182	19%	(2,136)	(5,650)
Property and development	**154,601**	9%	**145,136**	8%	170,662	10%	9,465	25,526
Finance and administration	**88,905**	5%	**89,713**	5%	88,770	5%	(808)	(943)
Civic corporations	**62,085**	3%	**63,818**	4%	60,240	3%	(1,733)	(3,578)
General government	**8,843**	0%	**43,058**	2%	45,294	3%	(34,215)	2,236
	$ 1,735,643		**$ 1,754,461**		$ 1,727,569		$ (18,818)	$ (26,892)

Consolidated expenses increased by $26.9 million or 1.6% from the previous year for the following reasons:

- Protection and community services expenses increased by $28.8 million primarily due to contractual pay increases to employees and a retroactive actuarially determined police pension contribution rate increase.
- Property and development expenses decreased by $25.5 million compared to 2020. This is due to the refund of the impact fee in 2020 totalling $37 million, offset by Rapid Housing Initiative grants, partially made in 2021, the first year of expenses under this initiative.

Consolidated Expenses by Object

For the years ended December 31 (in thousands of dollars)	**2021**		2020		Variance
Salaries and benefits	**$ 932,407**	53%	$ 906,039	52%	$ (26,368)
Goods and services	**429,939**	25%	424,602	25%	(5,337)
Amortization	**286,475**	16%	279,943	16%	(6,532)
Interest	**66,324**	4%	65,142	4%	(1,182)
Impact Fee refunds	**–**	0%	36,995	2%	36,995
Other expenses	**39,316**	2%	14,848	1%	(24,468)
	$ 1,754,461		$ 1,727,569		$ (26,892)

- Increases in salaries and benefits expenses resulted primarily due to contractual pay increases to employees and a retroactive actuarially determined police pension contribution rate increase.
- The increase in other expenses is primarily due to higher grant expense in 2021. The City provided grants from the Rapid Housing Initiative and the COVID-19 Economic Support Grant Program for the first time in 2021.
- The Impact Fee refunds in 2020 were a one time cost.

RISKS AND RISK MITIGATION

Financial Sustainability

Over the past several years, the City has prepared a Community Trends and Performance Report as part of the budget process. Included in the report is a financial trends section providing a longer range perspective of the major financial trends that exist in the City of Winnipeg. The 2019 report identified the need for a new multi-year balanced view for the tax-supported budget to mitigate the risk of ongoing structural deficits.

On March 20, 2020, Council took steps to alleviate this risk and adopted its first multi-year balanced budget. This multi-year balanced budget provides the City with a blueprint for transformative change in the way it delivers key services and invests in infrastructure while providing certainty and predictability for ratepayers. Multi-year balanced budgeting allows the City to take a longer term view of Winnipeg's needs. As well, it provides the City with greater ability to provide stable service delivery and to make strategic investments.

Council is required to vote on the annual operating and capital budget each year in accordance with the City of Winnipeg Charter.

Comprehensive Asset Management

The City faces a significant infrastructure deficit to address infrastructure needs relating to the major service areas across the organization. Based on the published 2018 State of the Infrastructure Report, an investment of $6.9 billion is required over the decade.

To assist in addressing this issue, the City is using the dedicated property taxes for local and regional roads (1% each), and leveraging Federal and Provincial funding opportunities. As well, the City has committed to comprehensive asset management as a key initiative to help address challenges associated with infrastructure maintenance and development. Several near and long-term strategies to address the deficit have been outlined in the 2018 City Asset Management Plan, which sets the stage to routinely monitor and improve asset performance and organizational sustainability.

The asset management program helps the City to effectively invest limited resources into long-term capital plans by balancing risk, cost and customer levels of service. The program is meant to align investments with infrastructure priorities to deliver established levels of service in a fiscally responsible manner. In short, it allows the City to make the right investment, at the right time, in the right way.

In January 2015, Council approved an Asset Management Policy. This policy guides the City in incorporating best practices in asset management. Asset management aligns the elements of governance, process and technology to deliver established levels of service at an acceptable level of risk. In fulfilling the policy's requirements, the following documents have been delivered:

- **Asset Management Administrative Standard**: This document establishes the City's approach to managing the City's physical assets.
- **Investment Planning Manual**: This manual provides a methodology to develop a consistent, efficient and effective process to develop Investment Plans (Capital Budget).
- **Project Management Manual**: This manual provides consistency in project delivery in the City. It is to be used by all business units in all departments for delivery of capital projects in the City. This manual is largely based on the Project Management Body of Knowledge, which is generally considered to be best practices for project management in North America.
- **Templates**: Templates such as a Business Case Template and a Basis of Estimate Template were created to ensure consistency throughout the Public Service when working on investment planning or project management.
- **Asset Management Strategy Documents**:
  - **Departmental Asset Management Plan:** This plan contains critical asset information pertaining to inventory, replacement value, condition, age and performance. It outlines tactical and financial strategies for managing assets throughout their life cycle.
  - **City Asset Management Plan ("CAMP"):** This plan provides a summary of asset information, strategies and funding deficits related to the entire portfolio of new and existing infrastructure. It presents a cross-comparison of major City services and facilitates broader decision making across the organization. The plan also outlines corporate strategies and improvement initiatives focusing on people, process, technology and assets across City departments and functional teams.

- **State of the Infrastructure Report:** This report provides a high level summary of the CAMP and it reports on 13 major infrastructure elements that the City manages in order to deliver services. The report provides a comparison of asset condition, capital budget allocations and a service area's overall contribution to the deficit based on new and existing infrastructure needs.
- **Infrastructure Plan:** The Infrastructure Plan is meant to capture the City's 10-year investment strategy, which outlines capital priorities and the limited availability of funding to support the development of a multi-year capital budget. Enhanced decision-making is facilitated through capital optimization and continuous monitoring of the City's infrastructure deficit, debt capacity, and financing sources. The Infrastructure Plan will guide the City's investment planning efforts based on aligned capital priorities and budget availability. It is meant to inform the capital planning process and ensure alignment with long-term City objectives as set out in *OurWinnipeg*, Council priorities, and departmental plans.
- **Strategic Asset Management Plan ("SAMP"):** This document provides the City's commitment and approach to achieving Council's approved policy. The SAMP will summarize the City's strategy for asset management and will outline how organizational objectives will be converted into asset management objectives. The document was endorsed through the City's Asset Management Advisory Committee.

The following documents are in progress and will be delivered as part of the Asset Management Policy's requirements:

- **Customer Levels of Service**: This document, to be approved by Council, will provide the level to which front-line infrastructure supported services will be delivered.

The City has applied for funding under ICIP, the current major 10-year federal infrastructure funding program (2018 to 2027). Funding is available under three infrastructure streams:

- Green infrastructure (environmental) ("GIS")
- Community, culture and recreation infrastructure ("CCRIS")
- Public transit infrastructure ("PTIS")

In October 2019, with Council's approval, the City submitted four projects under ICIP GIS and CCRIS streams:

- NEWPCC: Headworks facilities
- NEWPCC: Biosolids facilities
- South Winnipeg Recreation Campus: Phase One – Recreation Centre
- St. James Civic Centre – Facility Expansion

In May 2021, with Council's approval, the City submitted six projects under ICIP PTIS stream:

- Radio and Intelligent Transportation System ("ITS") Replacement
- North Garage Replacement
- Transition to Zero Emission Buses
- Rapid Transit (Downtown) Preliminary Design
- Primary Transit Network Infrastructure
- Wheelchair Securements Retro-fit

In 2021, the City received notice of approval of funding for NEWPCC: Headworks facilities, South Winnipeg Recreation Campus and St. James Civic Centre. The NEWPCC: Biosolids facilities and all six projects under PTIS are still under review by Infrastructure Canada.

Capital Project Management

One of the major functions of the City is the delivery of capital investments. In 2021, the City invested $0.4 billion in tangible capital assets, rehabilitating and investing in new assets such as roads, bridges and buildings. Tangible capital assets serve as key components to service delivery.

The City values strong project management and has been working diligently to mitigate against capital project delivery challenges associated with time, budget and scope by doing the following:

- The Public Service has been vigilant in the establishment of Major Capital Project Advisory Committees to ensure project risks are being appropriately identified and addressed. As well, regular reporting to the Standing Policy Committee on Finance enhances public transparency.

- The City has transitioned to a system where all capital budget submissions require a supporting business case that can be challenged on the basis of need (level of service and risk), assumptions and recommended solutions.
- In 2018, the City rolled out its Open Capital Projects Dashboard (the "Dashboard") on its website. The Dashboard is a visually engaging, interactive tool that reports on the progress of the City's open capital projects with budgets of $5 million or more. It eliminates the complexity of analyzing a capital project's financial and non-financial information. Its schedule and cost variance matrix were custom developed to do this analysis for users. The Dashboard was awarded GFOA's Award for Excellence in Government Finance. This award recognizes this initiative as a contribution to the practice of government finance that exemplifies outstanding financial management.
- The Dashboard complements the Open Budget, which reports fundamental financial information of adopted budget, amended budget and actual costs categorized by department, category and subcategory for the City's entire portfolio of more than 700 open capital projects.
- In 2018, the City began publishing a list of unfunded major capital projects. The list is meant to provide a longer term outlook of forthcoming, unfunded projects that have been identified as needed investments to sustain the City's infrastructure.
- A Capital Expenditures Monthly Report is posted to the City's website to improve transparency and accountability. A version was made available through the City's Open Data Portal early in 2016.

Financial Management Plan

The latest Financial Management Plan (the "Plan") was adopted by Council on March 20, 2020. The Plan outlines the City's strategy for guiding financial decision-making, meeting long-term obligations and improving its economic position and financial stability. It sets forth guidelines upon which current and future financial performance can be measured. The goals and targets have been refreshed from the previous plan adopted in 2011. A new goal added to the Plan supports long-term financial planning, with the target of transitioning to multi-year balanced tax-supported operating budgets. This target will help address financial sustainability. One of the eight targets included in the Plan is to ensure debt issuance and outstanding debt levels are in accordance with the Debt Management Policy and Debt Strategy. A review of forecasted net debt and servicing costs, including the financial implications of service concession arrangements, is conducted on an ongoing basis.

Debt Strategy

To help manage the City's debt responsibly and transparently, on October 28, 2015, Council approved an updated debt strategy for the City. The following table provides the Council approved limits; the debt metrics as at December 31, 2021; and the forecasted peak levels based on the Council approved borrowing from the 2022 Capital Budget and Five-Year Forecast.

Debt Metrics	Maximum	As at December 31, 2021	Forecasted Peak
Debt as a % of revenue			
City	**90.0%**	74.1%	76.2%
Tax-supported and other funds	**80.0%**	48.0%	58.4%
Utilities and other	**220.0%**	66.0%	103.0%
Debt-servicing as a % of revenue			
City	**11.0%**	7.5%	7.5%
Tax-supported and other funds	**10.0%**	4.0%	5.3%
Utilities and other	**20.0%**	8.6%	9.6%
Debt per capita			
City	**$ 2,800**	$ 1,791	$ 2,064
Tax-supported and other funds	**$ 1,500**	$ 1,005	$ 1,120
Utilities and other	**$ 1,500**	$ 688	$ 1,168

Note: "City" includes "tax-supported and other funds", "Utilities and Other" and consolidated entities. "Tax-supported and other funds" includes Municipal Accommodations and Fleet Management. "Utilities and Other" includes Transit System, Waterworks System, Sewage Disposal System and Solid Waste Disposal. "Forecasted Peak" does not account for the implications of consolidated accounting entries.

Loan Guarantees

The City has 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, 2021 is $34.1 million (2020 – $36.1 million). Included in the outstanding balance on guaranteed loans is a $5.3 million guarantee related to financing provided by the Federation of Canadian Municipalities to the private Fort Rouge Yards project. The City is fully indemnified for this guarantee through an indemnity agreement with First National Financial LP.

Some of the capital projects related to guarantees are in progress at year-end, using lines of credit. The potential full use of these credit facilities, or at risk amount, is $36.5 million (2020 – $38.9 million). The City does not anticipate incurring future payments on these guarantees.

On September 28, 2016, Council adopted a renewed Loan Guarantee policy. The main objectives of this policy revision were to ensure that loan guarantees are only provided to organizations that assist the City in achieving its goals while minimizing the financial risk associated with the guarantee. Other revisions include application and standby fees, a cap on the amount of loan guarantees to non-consolidated entities and a minimum threshold for loan guarantee applications.

COVID-19 has financially impacted most businesses and organizations, including those for which the City has provided a loan guarantee. The City is in regular contact with these organizations and is monitoring the status of its loan guarantees.

Employee Benefit Programs

The City provides pension, group life insurance, 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, including the long-term rate of investment return on plan assets, inflation, salary escalation and the discount rate used to value liabilities. As well, it includes certain employee-related factors such as turnover, sick leave utilization, retirement age and mortality.

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 reported in future financial statements.

Pension Plans

The City has two major pension plans – The Winnipeg Civic Employees' Benefits Program and the Winnipeg Police Pension Plan.

The Winnipeg Civic Employees' Benefits Program has similar characteristics to a defined contribution pension plan in that it is a multi-employer benefits program governed by an independent board of trustees and a trust agreement that limits the City's contribution rate. This structure limits the City's exposure to future unfunded liabilities.

The Winnipeg Civic Employees' Benefits Program's special-purpose reserves have been used to subsidize the cost of benefits. Since the inception of the Winnipeg Civic Employees' Benefits Program, it has been recognized that these reserves would gradually diminish over time as they were drawn down, unless they were able to be replenished through actuarial surpluses generated by "excess" investment returns. In part due to the 2008 market downturn, the Program's reserve position was insufficient to continue to subsidize the cost of benefits on a sustainable basis.

As a result, a multi-faceted approach was approved consisting of increased employer and employee contributions and benefit adjustments, while considering forecasted investment returns and reserve balances. Contribution rate increases of one-half per cent each year for four years were approved, starting September 1, 2011, to an average of 10% of pensionable earnings for each of the participating employers and contributing plan members. The increases in 2012 to 2014 were effective January 1.

The future service cost of the Winnipeg Civic Employees' Benefits Program in 2021 was 27.62% of pensionable earnings.

The Winnipeg Police Pension Plan (the "Plan") is a defined benefit plan to which the members contribute 8% of pensionable earnings, with the City being responsible for any unfunded liabilities. As at December 31, 2021, the market value of this pension fund's assets was $2,112.7 million (2020 – $1,866.4 million), which is $233.0 million more (2020 – $135.1 million more) than the accrued pension obligation.

Based on the last valuation of the Plan as at December 31, 2020, the cost of benefits accruing under this Plan in 2021 represents 31.73% of pensionable earnings, of which the employees contributed 8% of earnings. In accordance with Provincial pension legislation, the Plan's Contribution Stabilization Reserve can be used to reduce the City's contributions to match the employees' contributions to the extent the Plan is funded in excess of both 105% on a solvency basis and fully funded, including the prescribed Provision for Adverse Deviation, on a going-concern basis. The balance in the Contribution Stabilization Reserve has been below the required threshold to reduce City contributions since May 2012. Further, in accordance with the Plan provisions and the actuarial report on the valuation, 1.95% of earnings was not required to be contributed by the City. Therefore, the City contributed the balance of the cost – that is, 21.78% of pensionable earnings.

The date of the next required actuarial valuation of the Plan to be prepared and filed with the Manitoba Office of the Superintendent – Pension Commission is December 31, 2023. In addition to a calculation of the actuarial surplus or funding deficiency, in accordance with pension legislation in Manitoba, the Plan must also be valued under the hypothetical scenario that the Plan is wound up and members' benefit entitlements settled on the valuation date. As of the last valuation filed with the Pension Commission as of December 31, 2020, the Plan had a solvency deficiency under this wind-up scenario.

This deficiency had to be addressed over the five years following the valuation date by the City, either through an increase in contributions starting in 2021, or by obtaining a letter of credit with face value equal to the value of additional contributions cumulatively required. City Council approved the letter of credit option and has obtained a letter of credit for $2.3 million as of December 31, 2021 with respect to the December 2020 valuation.

In December 2011, Council approved a report entitled "Winnipeg Police Plan – Solvency Exemption". One of the recommendations of that report stated that in the event solvency exemption was not achieved, the City was to explore all options to reduce the significant financial impact related to solvency deficiency rules. In early 2013, the members of the Police Pension Plan voted in significant numbers to reject the election for solvency exemption.

Group Life Insurance Plans

The City's Group Life Insurance Plan was established in 1975 and is comprised of two separate plans: the Civic Employees' Group Life Insurance Plan and the Police Employees' Group Life Insurance Plan ("GLIP"). The GLIP historically treated its income as non-taxable since the net assets were considered to be an extension of the City's government.

However, as a result of enquiries from one of the GLIP's investment managers seeking confirmation of this, the City engaged a tax professional to review the tax status of the GLIP. The review determined the GLIP may not be tax exempt. The City then voluntarily approached the Canada Revenue Agency ("CRA") to discuss the issue. CRA informed the City that, in its view, the assets held in the GLIP constitute trust funds and, therefore, the income should be considered taxable. CRA agreed to grandfather the tax-exempt status assumed by the present GLIP and, acknowledging that the City was actively working to address this issue, granted an extension until the end of December 2015.

In 2015, Council approved By-Law 80/2015 in respect of the GLIP. The purpose of the By-Law was to transfer the GLIP's administration from the Winnipeg Civic Employees' Benefits Program and the Winnipeg Police Pension Board to The Civic and Police Employees' Group Life Insurance Plans Corporation ("CPEGLIPCo"). The Province of Manitoba approved the establishing of the CPEGLIPCo as a municipal corporation. The benefits offered by the GLIP have not changed. This new structure maintains the tax-exempt status of the GLIP.

Full valuations of the GLIP were undertaken as at December 31, 2019 and continued to reflect favourable financial positions. The Board of the CPEGLIPCo reviewed the results of the valuations and the GLIP's surplus policies during 2020 and approved the continuation of the employer and member contribution rates in effect. The next full valuations of the GLIP as at December 31, 2022 are expected to be completed in 2023.

Environmental Matters

The City's water distribution and treatment system is governed by a Provincial licence issued under The Drinking Water Safety Act, and the sewage treatment plants are governed by Provincial licences issued under The Environment Act.

The 2005 to 2021 Council approved capital budgets for the Water and Waste utilities and their 2022 to 2026 capital forecasts anticipate $237.8 million of future debt to fund projects mandated by the Province. During 2003, at the request of the Minister of Conservation, the Clean Environment Commission ("CEC") 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 were subsequently supported by the Minister of Conservation. In response, Manitoba Conservation issued Environment Act Licences to the City for the North End, West End, and South End Sewage Treatment Plants.

In 2011, "The Save Lake Winnipeg Act" (Bill 46) was passed, which further enforces limits and imposes treatment options for the NEWPCC. In 2013, an additional licence was issued under the Environment Act, which governs combined sewers and overflow structures. With this direction, a waste-water upgrade program is underway that will address nutrient control and biosolids management, estimated (class 3) to cost approximately $1.8 billion. The combined sewer overflow mitigation Master Plan was approved by the Province on November 13, 2019. The estimated cost (class 5) is approximately $2.3 billion. These estimates are based on preliminary assessments and are dependent on market factors and interpretation of the compliance requirements.

Council has approved a project that includes upgrades to the Headworks facilities of NEWPCC. The scope of this project is necessary for the subsequent Biosolids and Nutrient Removal Facilities projects that will address regulatory requirements. These projects will also include replacement of end-of-life equipment. Biosolids from all three sewage treatment plants are processed at NEWPCC, which is nearing biosolids treatment capacity. The Biosolids project will also provide for a new treatment facility in order to meet regulatory requirements regarding maximizing biosolids reuse. Without Provincial or Federal support of this project, it will be a challenge for the City to upgrade this facility. On September 26, 2019, Council approved the submission of an application to ICIP for upgrades to the NEWPCC project.

Other major funding sources for these improvements will be provided by the Environmental Projects Reserve, the Canada Strategic Infrastructure Fund, the Green Infrastructure Fund and accumulated surplus.

The City of Winnipeg operates one landfill, located at the Brady Road Resource Management Facility, 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. The Provincial Environment Act Licence issued on April 23, 2014 provides direction on closure and post closure requirements. 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 City's budgeted long-term borrowing rate.

The City also records liabilities under PS3260 Liability for Contaminated Sites. The City recognizes a liability for remediation of contaminated sites when conditions are identified that indicate non-compliance with environmental legislation. As at December 31, 2021, the City recorded a $5.3 million (2020 – $5.8 million) liability related to contaminated sites.

Labour Negotiations

For the year ended December 31, 2021, 53% (2020 – 52%) of the City's expenses related to salaries and employee benefits. The City's annual average headcount was 10,279 (2020 – 10,388). The majority of employees are represented by eight unions and associations as follows:

Union/Association	Average Annual Headcount	Agreement Expiry Date
ATU	1,454	January 7, 2023
CUPE	4,262	February 28, 2021
MGEU	385	February 28, 2021
UFFW	951	December 31, 2023
WAPSO	848	December 31, 2023
WFPSOA	53	August 31, 2021
WPA	1,977	December 31, 2021
WPSOA	36	December 31, 2021
Other (non-union/association)	313	Not applicable

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 bargaining units are resolved through compulsory arbitration at the request of either or both parties.

Corporate Risk Management Division

The City has a separate Risk Management Division reporting to the Chief Financial Officer. This division provides services designed to control and minimize the adverse financial effects of accidental or unforeseen events. Working with City departments and SOAs, this division strengthens the City's long-term financial performance through the development and provision of a solid framework of risk management and loss control techniques based on an informed balance of risk and cost. Identifying, understanding and evaluating the City's risks allow the City to measure and prioritize them, and respond with appropriate actions to manage the risk through loss prevention and reduction strategies, insurance programs and contractual transfer.

FINANCIAL ACCOUNTABILITY

Audit Department

The City Auditor is a statutory officer appointed by Council under The City of Winnipeg Charter. The City Auditor reports to Council through the Audit Committee and is independent of the City's Public Service. The Audit Department is classified as an independent external auditor under Government Auditing Standards due to statutory safeguards that require the City Auditor to report directly to Council through the Audit Committee. The Audit Department's primary client is Council, through the Audit Committee.

The purpose of the Audit Department is to provide independent and objective information, advice and assurance with respect to the performance of civic services in support of open, transparent and accountable governments. The value to Council is the ability to use credible information to support their decision- making efforts. Stakeholders are the Public Service and residents. The City Auditor conducts examinations of the operations of the City and its affiliated bodies to assist Council in its governance role of ensuring the Public Service's accountability for the quality of stewardship over public funds and for the achievement of value for money in City operations.

External Auditor

The City of Winnipeg Charter requires that an audit of the annual consolidated financial statements of the City is performed. These consolidated financial statements have been audited by KPMG LLP, as the City's appointed external auditors. KPMG LLP's role is to express an independent opinion on the fair presentation of the City's financial position and operating results, and to confirm that the statements are free from material misstatement.

Budget Process

In 2020, the City, for the first time ever, produced a balanced four-year, multi-year operating budget (2020 to 2023). Section 284(1) of The City of Winnipeg Charter requires Council to approve the operating budget before March 31 of each fiscal year. The City also prepares a six-year capital investment plan, including related funding sources. Section 284(2) of The City of Winnipeg Charter requires that before December 31 of each fiscal year, Council must adopt a capital budget for that year and a capital forecast for the next five fiscal years.

The Budget Working Group develops the budget. The preliminary operating and capital budgets are tabled by the Executive Policy Committee and referred to the City's Standing Policy Committees and the Winnipeg Police Board for review and recommendations. These are then presented to Council for consideration in adoption of the budget. Each year, both operating and capital budgets are approved by Council. The 2020 budget included the approval of the City's multi-year budget policy.

2021 was the first update to the 2020 multi-year budget. The next multi-year budget will be completed in 2024.

LOOKING FORWARD

2022-2023 Multi-year Balanced Operating and Capital Budgets Updates

On December 15, 2021, Council adopted both budgets for The City of Winnipeg – the 2022 operating budget update and the 2022 capital budget including the 2023-2027 five-year capital forecast. 2022 is the second budget update to the 2020 multi-year balanced budget.

The key priorities in this budget were:

- Pandemic response: Economic recovery and community support
- Financial resilience
- Protect the environment
- Affordability and expenditure control
- Strategic investments

In the context of the 2022 Budget Update, these Council approved priorities balance the ongoing uncertain financial waters of the COVID-19 global pandemic while simultaneously presenting a sustainable fiscal blueprint to support our growing City.

The adopted 2022 Balanced Budget Update includes a six-year capital investment plan of $2.9 billion. This plan is $0.6 billion higher than last year's six-year plan and is anticipated to create over 10,000 person-years of employment. The increase is primarily due to new investments in Transit under ICIP in conjunction with Council's approved Winnipeg Transit Master Plan.

The six-year capital investment plan includes $872.9 million in regional and local street renewals; $586.4 million in Transit, including $276.4 million invested in the transition to zero-emission buses; $568.2 million in Sewage Disposal System projects, including $240.0 million in combined sewer overflow and basement flood management strategy; and $288.6 million invested in Waterworks System, including $121.5 million in water main renewals.

The 2022 Budget Update includes a 2.33% property tax increase. Keeping the budget balanced in the context of a pandemic requires discipline and innovation. 0.33% of this increase will continue to fund future payments for the South-west Rapid Transitway (Stage 2) and Pembina Highway Underpass projects. For 2022 only, $12.6 million from the two percent increase will be used to protect front line services rather than finance regional and local street renewals. Instead, this $12.6 million for regional and local street renewals will be funded by the Canada Community-Building Fund.

The City was awarded the GFOA's Distinguished Budget Presentation Award for its 2021 to 2023 multi-year budget update.

The adopted 2022 Budget Update document includes the 2021 and 2022 consolidated budgets that are prepared on the same basis as the consolidated financial statements.

Unconsolidated General Revenue Fund – Adopted Budget

For the years ended December 31 (in thousands of dollars)	2021 Restated	**2022 Budget**	2023 Projection*
Revenues			
Property tax	$ 664,717	**$ 688,491**	$ 711,785
Property tax credits	(6,036)	**(6,346)**	(6,695)
Business tax	65,278	**64,435**	62,458
Business tax credits	(7,362)	**(7,439)**	(5,462)
Other taxation	26,325	**28,285**	29,593
Street renewal frontage levy	63,951	**64,184**	64,484
Government transfers	149,127	**150,794**	150,578
Regulation fees	69,298	**79,509**	79,772
Sale of goods and services	50,867	**51,817**	54,845
Interest	7,518	**7,318**	7,011
Transfer from other funds	37,672	**17,878**	17,416
Utility dividend	35,681	**37,278**	38,261
Other	23,276	**18,350**	23,907
	1,180,312	**1,194,554**	1,227,953
Expenses			
Police service	301,151	**310,649**	315,094
Public works	153,189	**154,145**	156,553
Fire paramedic service	210,703	**215,041**	217,866
Community services	109,858	**111,145**	113,307
Corporate	92,993	**90,733**	71,745
Planning, property and development	34,441	**34,582**	35,184
Water and waste	24,610	**22,391**	23,968
Street lighting	13,302	**13,815**	14,571
Assessment and taxation	14,601	**18,579**	18,780
Assets and project management	8,490	**8,551**	8,575
Innovation and technology	21,434	**21,261**	22,121
City clerk's	12,027	**11,982**	11,994
Corporate finance	8,265	**8,337**	8,580
Customer service and communications	7,085	**7,012**	7,249
Human resource services	6,123	**7,319**	7,505
Other departments	18,561	**18,594**	18,816
Operational expenditures	1,036,833	**1,054,136**	1,051,908
Capital related expenses (e.g. transfers to street renewal reserves and debt and finance charges)	143,479	**140,418**	176,045
Balanced Budget	$ –	**$ –**	$ –

* Subject to annual Council approval

Accounting Pronouncements

PSAB has issued several pronouncements that may impact the City's future financial statements. The pronouncements the City will be reviewing to determine their impact on the Statements include:

- In June 2011, PSAB approved two new standards: section 3450 Financial Instruments and section 2601 Foreign Currency Translation. Both standards must be adopted in the same fiscal period. The new standards are effective for fiscal years beginning on or after April 1, 2022. Upon adoption, the City must also adopt the related financial statement presentation changes in Section 1201 Financial Statement Presentation and Section 3041 Portfolio Investments.
- In March 2018, PSAB issued section 3280 Asset Retirement Obligations. This standard addresses recognition, measurement and disclosure of legal obligations associated with the retirement of tangible capital assets. The new standards are effective for fiscal years beginning on or after April 1, 2022.
- In November 2018, PSAB issued section PS 3400 Revenues. This standard addresses revenue recognition principles that apply to revenues common in the public sector other than government transfers and tax revenue. The new standard is effective for fiscal years beginning on or after April 1, 2023.
- In December 2020, PSAB approved the Public Private Partnerships standard, Section PS 3160. The standard addresses the accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. This standard is effective for fiscal years beginning on or after April 1, 2023.

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 revenue it receives. Both the Annual Financial Report and the Detailed Financial Statements Document are available online at **winnipeg.ca**. Questions concerning the information provided in these reports should be addressed to Paul Olafson, CPA, CA – Corporate Controller, Corporate Finance Department, 4-510 Main Street, Winnipeg, Manitoba, R3B 1B9.



Catherine Kloepfer, FCPA, CGA, FCA, ICD.D.
Chief Financial Officer
May 18, 2022

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 public sector accounting standards.

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 Consolidated Financial Statements contained herein were approved by Audit Committee on May 18, 2022. 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 Audit Committee is readily accessible to external and internal auditors.

KPMG LLP, 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 pages. 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 public sector accounting standards.



Catherine Kloepfer, FCPA, CGA, FCA, ICD.D.
Chief Financial Officer
May 18, 2022

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of The City of Winnipeg (the "Entity"), which comprise the consolidated statement of financial position as at December 31, 2021, the consolidated statements of operations and accumulated surplus, changes in net financial liabilities and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2021, and its consolidated results of operations, its consolidated changes in net financial liabilities and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "2021 Annual Financial Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, and remain alert for indications that the other information appears to be materially misstated.

The information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "2021 Annual Financial Report" is expected to be made available to us after the date of this auditors' report.

If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity‘s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants
May 18, 2022
Winnipeg, Canada

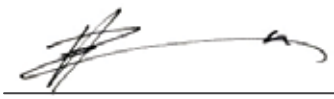
KPMG LLP, is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity. KPMG Canada provides services to KPMG LLP.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31 (in thousands of dollars)	**2021**	2020
Financial Assets		
Cash and cash equivalents (Note 3)	**$ 909,496**	$ 800,433
Accounts receivable (Note 4)	**328,329**	255,446
Investments (Note 5)	**390,650**	405,673
Investment in government businesses (Note 6)	**22,689**	23,496
Land held for resale	**8,883**	7,955
	1,660,047	1,493,003
Liabilities		
Accounts payable and accrued liabilities (Note 7)	**279,619**	265,134
Deferred revenue (Note 8)	**376,641**	138,954
Debt (Note 9)	**1,482,968**	1,554,402
Other liabilities (Note 10)	**152,807**	139,303
Employee benefits and other (Note 11)	**251,158**	246,152
	2,543,193	2,343,945
Net Financial Liabilities	**(883,146)**	(850,942)
Non-Financial Assets		
Tangible capital assets (Note 12)	**7,829,569**	7,696,113
Inventories	**26,717**	25,584
Prepaid expenses and deferred charges	**9,513**	9,701
	7,865,799	7,731,398
Accumulated Surplus (Note 13)	**$ 6,982,653**	$ 6,880,456
Commitments and contingencies (Notes 14)		

See accompanying notes and schedules to the consolidated financial statements.

Approved on behalf of the Audit Committee:



Mayor Brian Bowman



Councillor Jeff Browaty
Chairperson, Standing Policy Committee on Finance

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the years ended December 31 (in thousands of dollars)	**Budget 2021** (Note 20)	**Actual 2021**	Actual 2020
Revenues			
Taxation (Note 15)	**$ 801,244**	**$ 800,949**	$ 779,994
Sales of services and regulatory fees (Note 16)	**581,152**	**605,229**	556,624
Government transfers (Note 17)	**214,019**	**219,869**	287,579
Investment income	**33,426**	**30,669**	34,895
Land sales and other revenue (Note 18)	**23,970**	**19,695**	16,048
Total Revenues	**1,653,811**	**1,676,411**	1,675,140
Expenses			
Protection and community services	**582,837**	**589,273**	560,484
Utility operations	**498,676**	**481,631**	465,937
Public works	**339,696**	**341,832**	336,182
Property and development	**154,601**	**145,136**	170,662
Finance and administration	**88,905**	**89,713**	88,770
Civic corporations	**62,085**	**63,818**	60,240
General government	**8,843**	**43,058**	45,294
Total Expenses (Note 19)	**1,735,643**	**1,754,461**	1,727,569
Annual Deficit Before Other	**(81,832)**	**(78,050)**	(52,429)
Other			
Government transfers related to capital (Note 17)	**87,114**	**105,592**	134,267
Developer contributions-in-kind related to capital (Note 12)	**78,870**	**63,500**	24,200
Other capital contributions	**6,100**	**11,155**	7,323
	172,084	**180,247**	165,790
Annual Surplus	**$ 90,252**	**102,197**	113,361
Accumulated Surplus, Beginning of Year		**6,880,456**	6,767,095
Accumulated Surplus, End of Year		**$ 6,982,653**	$ 6,880,456

See accompanying notes and schedules to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL LIABILITIES

For the years ended December 31 (in thousands of dollars)	**Budget 2021** (Note 20)	**Actual 2021**	Actual 2020
Annual Surplus	**$ 90,252**	**$ 102,197**	$ 113,361
Amortization of tangible capital assets	**285,215**	**286,475**	279,943
Proceeds on disposal of tangible capital assets	**5,277**	**1,047**	9,854
Loss (gain) on disposal of tangible capital assets	**1,959**	**1,685**	(953)
Other changes in non-financial assets and net transfers to land held for resale	**1,146**	**(779)**	(3,317)
Tangible capital assets received as contributions (Note 12)	**(78,870)**	**(63,500)**	(24,200)
Acquisition of tangible capital assets	**(476,035)**	**(359,329)**	(383,844)
Increase in Net Financial Liabilities	**(171,056)**	**(32,204)**	(9,156)
Net Financial Liabilities, Beginning of Year	**(948,035)**	**(850,942)**	(841,786)
Net Financial Liabilities, End of Year	**$ (1,119,091)**	**$ (883,146)**	$ (850,942)

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)	**2021**	2020
Net Inflow (Outflow) of Cash Related to the Following Activities:		
Operating		
Annual surplus	**$ 102,197**	$ 113,361
Add (deduct) items not impacting cash and cash equivalents		
Amortization of tangible capital assets	**286,475**	279,943
Developer contributions-in-kind related to capital (Note 12)	**(63,500)**	(24,200)
Change in other liabilities and employee benefits obligations	**18,510**	16,114
Loss (gain) on sale of tangible capital assets	**1,685**	(953)
Change in investments in Government Businesses	**807**	(383)
Net transfer between land held for resale and tangible capital assets	**166**	506
	346,340	383,882
Net change in non-cash working capital balances related to operations (Note 21)	**177,416**	70,023
Cash provided by operating activities	**523,756**	454,411
Capital		
Acquisition of tangible capital assets	**(359,329)**	(383,844)
Proceeds on disposal of tangible capital assets	**1,047**	9,854
Cash used in capital activities	**(358,282)**	(373,990)
Financing		
(Decrease) increase in bank loans and other debt	**(42,204)**	5,055
Increase in sinking fund investments	**(19,104)**	(14,096)
Service concession arrangements retired	**(5,065)**	(4,760)
(Decrease) increase in debt premium and obligation for leased tangible capital assets	**(5,061)**	25,141
Debenture debt issued	**–**	85,000
Cash (used in) provided by financing activities	**(71,434)**	96,340
Investing		
Net decrease (increase) in investments	**15,023**	(47,129)
Cash provided by (used in) investing activities	**15,023**	(47,129)
Increase in cash and cash equivalents	**109,063**	129,632
Cash and Cash Equivalents, Beginning of Year	**800,433**	670,801
Cash and Cash Equivalents, End of Year	**$ 909,496**	$ 800,433

See accompanying notes and schedules to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2021
(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, and tourism services.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in governments worldwide, including Canada's federal, provincial and local governments enacting emergency measures to combat the spread of the virus. These measures resulted in the temporary shutdown of various programs and services. As at December 31, 2021, the City programs and services have been altered to ensure compliance with Provincial public health orders and reflect consumer demand. Management assessed the financial impact on the City and as at December 31, 2021, the City did not have significant accounting estimate adjustments to reflect the implications of COVID-19.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. 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 by the City. 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:

- Assiniboine Park Conservancy Inc.
- CentreVenture Development Corporation
- The Convention Centre Corporation
- Winnipeg Arts Council Inc.
- Winnipeg Public Library Board

ii) Government businesses

The investments in North Portage Development Corporation, Park City Commons and River Park South Developments Inc. are reported as government business partnerships. 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) Partnerships

Economic Development Winnipeg Inc. is reported as a partnership with the proportionate consolidation method being used. Accordingly, fifty percent of the assets, liabilities, revenues and expenses have been included in the City's consolidated financial statements (Schedule 1).

iv) Pension and group insurance funds

Active, retired and otherwise terminated civic employees and elected officials participate in registered defined benefit pension plans, a multi-employer pension plan and group life insurance plans. Related assets and liabilities under administration for the benefit of these parties have been excluded from the reporting entity and accounted for in accordance with PSAB accounting standards PS 3250 Retirement Benefits.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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) Cash equivalents

Cash equivalents consist of federal and federal guarantee bonds; guaranteed investment certificates; municipal bonds; schedule 1 bank bonds; bankers' acceptances; schedule 2 bankers' acceptances; asset backed commercial paper; and Canada treasury bills. Cash equivalents are recorded at cost, which approximates their quoted market value, and are redeemable on demand and with maturity dates of 90 days or less from the date of acquisition.

d) 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.

e) Investments

Bonds 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.

f) Unamortized premium on debt

Debt is reported at face value and is adjusted by premiums which are amortized on a straight-line basis over the term to maturity of the respective debt instrument. The corresponding amortization is recorded as interest expense.

g) Solid waste landfills

The obligation to close and maintain solid waste landfill sites is based on the present value of estimated future expenses, adjusted for estimated inflation. The cost of the City's only active landfill is charged to expenses as the landfill site's capacity is used.

h) Contaminated sites

The City recognizes a liability for remediation of contaminated sites when conditions are identified which indicate non-compliance with environmental legislation and when the site is no longer in productive use or an unexpected event resulting in contamination has occurred. The liability reflects the City’s best estimate of the amount required to remediate the site to the current minimum standard of use prior to contamination, as of the financial statement date.

Recorded liabilities are adjusted each year for the passage of time, new obligations, changes in management estimates and actual remediation costs incurred.

i) 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 acquisition and construction 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.

j) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the case of the Winnipeg Police Pension Plan, this plan's by-law provides that, in the event of a funding surplus or deficiency, within certain prescribed constraints, the contribution stabilization reserve will be utilized and amendments made to the rate of cost-of-living adjustments to pensions according to specific rules set out in the by-law. Consequently, actuarial gains and losses are recognized immediately to the extent that they are offset by changes in the plan's contribution stabilization reserve and changes in the plan's accrued benefit obligation for future cost-of-living adjustments to pensions.

k) 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 annual surplus, provides the consolidated changes in net financial liabilities.

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 tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	10 to 50 years
Vehicles	
Transit buses	18 years
Other vehicles	5 to 10 years
Computer hardware and software	5 to 10 years
Other	
Machinery and equipment	5 to 40 years
Land improvements	5 to 100 years
Water and waste plants and facilities	
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	20 to 75 years
Transportation	
Roads	10 to 50 years
Bridges and other structures	25 to 75 years

Amortization of tangible capital assets commences when the asset is available for use.

In certain circumstances, assets under construction are charged an administration fee equal to 1.25% of specific costs of the project to a maximum of $100 thousand on any individual project. In addition, interim financing charges of 2% are also capitalized as part of the project cost funded by the City.

Works of art and historical treasures are not recorded as tangible capital assets.

a) Contributions of tangible capital assets

Developer-contributed tangible capital assets are recorded at their fair value at the date of receipt. The contribution is recorded as revenue.

b) 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 leased tangible capital assets. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

c) Service concession arrangements

Service concession arrangements are long-term performance-based approaches for procuring public infrastructure, where the City contracts with a private sector partner who assumes a major share of the responsibility for the delivery of the infrastructure. The operator is compensated over the period of the arrangements. The arrangements

are governed by a contract that sets out performance standards and mechanisms for adjusting prices. The contract is binding on the parties to the arrangement and obliges the operator to maintain the tangible capital asset on behalf of the City.

In the case of tangible capital assets, where the operator bears the construction risk, the timing of initial recognition of the service concession asset by the City will be when the tangible capital asset is available for productive use.

ii) Inventories

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

l) Tax revenues

Tax revenues result from non-exchange transactions that are compulsorily paid to governments in accordance with the laws and regulations established to provide revenue to the government for public services. The revenue is recognized when the tax has been authorized and the taxable event has occurred.

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, no tax revenue is recognized in these consolidated financial statements for amounts collected on behalf of the Province and school divisions, nor are the assets, liabilities, revenues and expenses, with respect to the operations of the school boards (Note 15).

Property taxation revenue is based on market assessments that are subject to appeal. Therefore, a provision has been estimated for assessment appeals outstanding as at December 31. As well, estimates have been made for property tax amounts owing for prior years that have not yet been assessed at the end of the current fiscal year. By their nature, these estimates are subject to measurement uncertainty and the impact on future financial statements could be material (Note 2o).

m) Government transfers

Government transfers are transfers of monetary assets or tangible capital assets to or from the City that are not the result of an exchange transaction, a direct financial return, or expected to be repaid in the future.

Government transfers received are recognized in the consolidated financial statements as revenue in the financial period in which the transfers are authorized, any eligibility criteria have been met, stipulations, if any, have been met and reasonable estimates of the amounts can be determined.

Stipulations attached to transfers to the City that give rise to an obligation on the City's behalf are deferred in the consolidated financial statements to the extent that the obligation meets the definition of a liability.

n) Loan guarantees

Periodically the City provides loan guarantees on specific debt issued by other entities not consolidated in these financial statements. Loan guarantees are disclosed as contingent liabilities (Note 14c) and no amounts are accrued in the consolidated financial statements until the City considers it likely that the borrower will default on the specified loan obligation. Should a default occur, the City's resulting liability would be recorded in the consolidated financial statements.

o) Use of Accounting Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions in such areas as employee benefits, the useful life of tangible capital assets, assessment appeals, lawsuits and environmental provisions. These estimates and assumptions are based on the City's best information and judgment and may differ significantly from actual results.

p) Budget

The 2021 budget is included on the consolidated statements of operations and accumulated surplus and changes in net financial liabilities. The budget is compiled from the City Council-approved Operating Budget, estimates for controlled entities, adjustments to report the budget on a full accrual basis including capital revenue adjustments, assets capitalized on the statement of financial position, amortization of tangible capital assets and accruals for unfunded liabilities and administrative adjustments to provide for proper comparison to actual results presented herein.

3. CASH AND CASH EQUIVALENTS

		2021		2020
Cash	$	**587,825**	$	466,226
Cash equivalents		**321,671**		334,207
	$	**909,496**	$	800,433

The average effective interest rate for cash equivalents at December 31, 2021 is 0.60% (2020 – 0.41%).

Cash and cash equivalents exclude $28.7 million (2020 – $55.1 million) which has been received from various entities including Winnipeg Civic Employees' Benefits Program. The funds are invested on a pooled basis to obtain maximum investment returns.

Cash received for interest from all cash, cash equivalents and investments during the year is $31.3 million (2020 – $35.4 million).

Included in the cash balance above is a restricted cash amount of $126.8 million (2020 – nil). This amount includes the original advance by the Province for the North End Water Pollution Control Centre upgrades (Headworks Facilities and Biosolids Facilities Projects) and accumulated interest (2021 – $0.4 million, 2020 – nil) on the advance. There is an external restriction to hold these funds separately until the projects are approved by the Government of Canada and the City has entered into contribution agreements for the funding. An amount equal to the restricted cash amount has been accounted for as deferred revenue (Note 8).

4. ACCOUNTS RECEIVABLE

		2021		2020
Trade accounts and other receivables	$	**177,848**	$	159,881
Province of Manitoba		**88,902**		26,766
Government of Canada		**34,650**		31,473
Allowance for doubtful accounts		**(28,576)**		(27,134)
		272,824		190,986
Property, payments-in-lieu and business taxes receivable		**57,005**		67,309
Allowance for property, payments-in-lieu and business taxes receivable		**(1,500)**		(2,849)
		55,505		64,460
	$	**328,329**	$	255,446

5. INVESTMENTS

		2021		2020
Marketable securities (Note 5a)				
Municipal bonds	$	**115,794**	$	130,107
Provincial bonds and bond coupons		**28,729**		34,376
Federal entity		**25,733**		20,919
		170,256		185,402
Manitoba Hydro long-term receivable (Note 5b)		**220,238**		220,238
Other		**156**		33
	$	**390,650**	$	405,673

5. INVESTMENTS (CONTINUED)

a) Marketable securities

The aggregate market value of marketable securities at December 31, 2021 is $178.4 million (2020 – $205.8 million) and their maturity dates range from 2022 to 2053.

b) Manitoba Hydro long-term receivable

On February 27, 2002, City Council approved Manitoba Hydro's proposal to purchase Winnipeg Hydro from the City. 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 year ten and continuing thereafter 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 historical average long-term borrowing rate.

6. INVESTMENT IN GOVERNMENT BUSINESSES

a) North Portage Development Corporation

North Portage Development Corporation (the "NPDC") is a government business partnership that is jointly controlled 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.

b) Park City Commons

On February 17, 2016 the City and EdgeCorp Developments Ltd. entered into an agreement to form Park City Commons joint venture to develop and sell certain land owned by the participants in the community of Transcona.

c) River Park South Developments Inc.

On April 21, 2011, the City and Qualico Developments (Winnipeg) Ltd. entered into an agreement to jointly develop and sell residential land owned by the partners in the River Park South community of Winnipeg.

Summary of investment in government businesses

		2021		2020
North Portage Development Corporation (1/3 share)	**$**	**19,823**	$	19,894
Park City Commons (1/2 share)		**2,396**		3,202
River Park South Developments Inc. (1/2 share)		**470**		400
	$	**22,689**	$	23,496

Summary of results of operations

		2021		2020
North Portage Development Corporation (1/3 share)	**$**	**(71)**	$	382
Park City Commons (1/2 share)		**215**		11
River Park South Developments Inc. (1/2 share)		**70**		(10)
	$	**214**	$	383

The condensed supplementary financial information of the government business entities are disclosed in schedule 1.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Accrued liabilities	**$ 159,124**	$ 142,562
Trade accounts payable	**113,345**	115,221
Accrued interest payable	**7,150**	7,351
	$ 279,619	$ 265,134

8. DEFERRED REVENUE

	2020	Inflows	Revenue Recognized	2021
Operating				
Prepayment for services	$ 18,533	$ 10,609	$ (5,824)	**$ 23,318**
Government of Canada – Rapid Housing Initiative	12,497	12,776	(10,986)	**14,287**
Province of Manitoba	1,530	1,987	(1,935)	**1,582**
Other	4,674	131	(1,061)	**3,744**
	37,234	25,503	(19,806)	**42,931**
Capital				
Province of Manitoba (Note 3)	74,827	210,555	(27,225)	**258,157**
Canada Community Building Fund	25,793	90,810	(42,622)	**73,981**
Other	1,100	621	(149)	**1,572**
	101,720	301,986	(69,996)	**333,710**
	$ 138,954	$ 327,489	$ (89,802)	**$ 376,641**

9. DEBT

Sinking fund debentures outstanding

Term	Maturity Date	Rate of Interest	Series	By-Law No.	2021	2020
2006–2036	Jul. 17	5.200	VZ	183/04, 72/06	**$ 60,000**	$ 60,000
2008–2036	Jul. 17	5.200	VZ	72/06B, 32/07	**100,000**	100,000
2010–2041	Jun. 3	5.150	WB	183/08	**60,000**	60,000
2011–2051	Nov. 15	4.300	WC	72/06, 183/08, 150/09	**50,000**	50,000
2012–2051	Nov. 15	3.853	WC	93/11	**50,000**	50,000
2012–2051	Nov. 15	3.759	WC	120/09, 93/11, 138/11	**75,000**	75,000
2013–2051	Nov. 15	4.391	WC	93/11, 84/13	**60,000**	60,000
2014–2045	Jun. 1	4.100	WD	144/11, 23/13, 149/13	**60,000**	60,000
2014–2045	Jun. 1	3.713	WD	100/12, 23/13, 149/13	**60,000**	60,000
2014–2051	Nov. 15	3.893	WC	93/11, 145/13	**52,568**	52,568
2015–2045	Jun. 1	3.828	WD	144/11, 100/12, 23/13, 149/13, 5/15, 61/15	**60,000**	60,000
2016–2045	Jun. 1	3.303	WD	72/06, 23/13, 149/13, 5/15, 96/15, 40/16	**80,000**	80,000
2019-2051	Nov. 15	3.499	WC	6520/94, 6774/96, 6973/97, 6976/97, 7751/01, 72/06, 32/07 219/07, 184/08, 136/16	**100,000**	100,000
2019-2051	Nov. 15	2.667	WC	6976/97, 7751/01 219/07, 184/08, 150/09 40/16, 133/17	**120,000**	120,000
2020-2051	Nov. 15	2.663	WC	183/04, 150/009, 149/13, 5/15, 40/16 136/16, 133/17	**85,000**	85,000
					1,072,568	1,072,568
Equity in The Sinking Funds (Notes 9a and b)					**(132,049)**	(112,945)
Net sinking fund debentures outstanding					**940,519**	959,623
Other debt outstanding						
Service concession arrangement obligations (Notes 9c and 14d)					**274,787**	279,852
Bank loans and other with varying maturities up to 2046 and a weighted average interest rate of 2.96% (2020 – 2.71%)					**140,528**	182,732
Obligations for leased tangible capital assets (Note 9d)					**19,045**	20,410
					1,374,879	1,442,617
Unamortized premium on debt (Note 9e)					**108,089**	111,785
					$ 1,482,968	$ 1,554,402

9. DEBT (CONTINUED)

Debt segregated by fund/organization:

	2021	2020
General Capital Fund	**$ 833,011**	$ 847,089
Transit System	**246,650**	283,578
Sewage Disposal	**182,700**	186,755
Waterworks System	**106,297**	111,514
Fleet Special Operating Agency	**42,115**	46,883
Consolidated entities	**33,107**	37,906
Solid Waste Disposal	**25,040**	27,438
Other	**12,295**	11,220
Land Drainage	**1,753**	2,019
	$ 1,482,968	$ 1,554,402

Debt to be retired over the next five years and thereafter excluding unamortized premium and equity in sinking funds:

	2022	2023	2024	2025	2026	2027+
Sinking fund debentures	**$ –**	$ –	$ –	$ –	$ –	$ 1,072,568
Other debt	**29,211**	23,572	24,497	19,917	18,678	318,485
	$ 29,211	$ 23,572	$ 24,497	$ 19,917	$ 18,678	$ 1,391,053

a) As at December 31, 2021, sinking fund assets have a market value of $142.0 million (2020 – $130.9 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 $17.6 million (2020 – $31.0 million) and a market value of $18.3 million (2020 – $36.8 million).

b) For sinking fund securities issued, The City of Winnipeg Charter requires the City to make annual payments to the sinking fund. Sinking fund arrangements are managed in a separate fund by the City. The City is currently paying between 1 to 2% on its outstanding sinking fund debentures. These annual payments are invested for the retirement of the debenture issues on their maturity dates.

c) Service concession arrangement obligations are as follows:

	2021	2020
i) Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass	**$ 133,810**	$ 136,226
ii) Disraeli Bridges	**97,168**	98,955
iii) Chief Peguis Trail Extension	**43,809**	44,671
	$ 274,787	$ 279,852

The City has entered into fixed price design, build, finance and maintain contracts with concessionaires for each project under the following terms:

Debt Repayment Period	Annual Capital and Interest Payments	Interest Rate
i) October 2019 – October 2049	$ 8,350	4.4%
ii) October 2012 – October 2042	$ 9,806	8.1%
iii) January 2012 – January 2042	$ 4,539	8.2%

The City will also make monthly performance-based maintenance payments relating to all service concession arrangements as disclosed in Note 14d.

9. DEBT (CONTINUED)

d) Future minimum lease payments together with the balance of the obligation for leased tangible capital assets are as follows:

2022	$	**2,930**
2023		**3,141**
2024		**5,225**
2025		**1,301**
2026		**1,301**
Thereafter		**13,089**
Total future minimum lease payments		**26,987**
Amount representing interest at a weighted average rate of 8.18%		**(7,942)**
Obligations for leased tangible capital assets	$	**19,045**

e) Included in the Consolidated Statement of Financial Position are investments and cash equivalents of $116.8 million (2020 – $118.2 million) that will be used for making semi-annual debt service payments on the sinking fund debentures issued with a premium.

f) Interest on debt recorded in the Consolidated Statement of Operations and Accumulated Surplus in 2021 is $66.3 million (2020 – $65.1 million) and cash paid for interest during the year is $66.5 million (2020 – $64.8 million).

g) On February 27, 2002, City Council approved Manitoba Hydro's proposal to purchase Winnipeg Hydro from the City. As part of the purchase agreement, The City of Winnipeg Sinking Fund Trustees are required to hold Manitoba Hydro Electric Bonds issued by Manitoba Hydro to the City of Winnipeg in connection with the Winnipeg Hydro portion of the City's debt. The bonds were issued for the purpose of enabling the City to repay the Winnipeg Hydro portion of the City's debt, and were issued with identical terms and conditions as to par value, interest and date of maturity as the Winnipeg Hydro portion of the City's debt. The bonds are guaranteed by the Province of Manitoba and are non-transferable and non-redeemable prior to maturity. This debt has been defeased under this arrangement, and accordingly, is not reported in the Consolidated Statement of Financial Position. The book value of this debt as at December 31, 2021 is $60.0 million (2020 – $60.0 million).

10. OTHER LIABILITIES

		2021		2020
Landfill	$	**75,230**	$	65,040
Expropriation		**55,018**		50,520
Contaminated sites		**5,269**		5,787
Veolia agreement (Note 14e)		**2,077**		2,490
Developer deposits and other		**15,213**		15,466
	$	**152,807**	$	139,303

Landfill

Included in landfill liabilities is the estimated total landfill closure and post-closure care expenses. The estimated liability for the City's only active landfill is recognized as the landfill site's capacity is used. Estimated total expenses represent the sum of the discounted future cash flows for future closure and post-closure care activities discounted at the City's average, long-term borrowing rate of 3.5% (2020 – 4.0%). Amounts to be accrued in future years as the landfill's capacity is consumed are estimated at $34.6 million (2020 – $29.6 million).

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 greater than 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 remaining capacity of the City's one remaining landfill, the Brady Road Landfill Site, is 82% of its total capacity and its remaining life is estimated to be over 100 years after which perpetual post-closure maintenance is required.

The Landfill Rehabilitation Reserve was established for the purpose of providing funding, over time, for closure and post-closure landfill needs including leachate management, environmental monitoring and site restoration costs for active and closed landfills maintained under the responsibility of the City. It is financed through a monthly transfer from the Solid Waste Disposal Fund based on tonnages processed at the landfill. As at December 31, 2021, the reserve had a balance of $5.1 million (2020 – $5.1 million) (Schedule 3).

Contaminated sites

As of December 31, 2021, the liability for contaminated sites includes sites associated with former City operations, sites acquired through tax forfeiture, and historical acquisition of properties. The nature of contamination includes chemicals, heavy metals, salt, and other organic and inorganic contaminants. The sources of contamination include underground fuel storage tanks, rail lines, fuel handling, vehicle storage and maintenance, snow storage and stockyards.

Liability estimates are based on environmental site assessments or are derived by extrapolating remediation costs incurred by the City for similar sites.

11. EMPLOYEE BENEFIT OBLIGATIONS

		2021		2020
Retirement allowance and compensated absences (Note 11a)	$	**122,944**	$	119,688
Vacation (Note 11b)		**67,392**		65,277
Workers compensation (Note 11c)		**54,831**		56,113
Defined benefit pension plans (Note 11d)		**5,991**		5,074
	$	**251,158**	$	246,152

11. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

a) Retirement allowance and compensated absences

Under the retirement allowance programs, upon retirement, death or termination of service under certain conditions (excluding resignation), qualifying employees may be entitled to a cash pay-out based on the value of the employees' remaining accumulated sick leave bank. In addition, certain employees may be entitled to a severance benefit based on length of service.

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

Adjustments arising from plan amendments, changes in assumptions, and experience gains and losses are amortized on a straight-line basis over 15.0 years (2020 – 15.0 years) for retirement allowance and compensated absences, which represents the expected average remaining service life of the employee group. Amortization is calculated beginning in the year following the year the actuarial gains or losses occur.

The City measures its accrued retirement allowance and compensated absences obligations as at December 31 of each year. An actuarial valuation of the obligation was calculated as of July 31, 2020. The results of this valuation were extrapolated to the financial reporting date of December 31, 2021 using year-end assumptions.

Information about the City's retirement allowance benefit plan and compensated absences are as follows:

	Retirement Allowance	Compensated Absences	Total 2021	Total 2020
Obligation balance, beginning of year	$ **88,730**	$ **61,018**	$ **149,748**	$ 135,881
Current service cost	**5,657**	**6,270**	**11,927**	10,386
Interest cost	**1,619**	**1,162**	**2,781**	3,639
Actuarial loss (gain)	**(4,533)**	**(3,139)**	**(7,672)**	12,988
Benefit payments	**(9,296)**	**(5,307)**	**(14,603)**	(13,146)
Obligation balance, end of year	**82,177**	**60,004**	**142,181**	149,748
Unamortized net actuarial (loss) gain	**4,563**	**(23,800)**	**(19,237)**	(30,060)
Accrued benefit liability	$ **86,740**	$ **36,204**	$ **122,944**	$ 119,688
Reconciliation of unamortized net actuarial (loss) gain:				
Balance beginning of year	$ **(332)**	$ **(29,728)**	$ **(30,060)**	$ (19,471)
Amortization for current year	**362**	**2,789**	**3,151**	2,399
Actuarial (loss) gain	**4,533**	**3,139**	**7,672**	(12,988)
Balance end of year	$ **4,563**	$ **(23,800)**	$ **(19,237)**	$ (30,060)
Expense consists of the following:				
Current service cost	$ **5,657**	$ **6,270**	$ **11,927**	$ 10,386
Interest cost	**1,619**	**1,162**	**2,781**	3,639
Amortization of net actuarial (gain) loss	**362**	**2,789**	**3,151**	2,399
	$ **7,638**	$ **10,221**	$ **17,859**	$ 16,424

11. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

The significant actuarial assumptions adopted in measuring the retirement allowance and compensated absences obligations for the year ended December 31 are as follows:

	2021	2020
Discount rate on liability	**2.40%**	1.80%
General increases in pay	**2.50–3.00%**	2.50–3.00%

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.

b) Vacation

Employees are entitled to bank and accrue unused vacation time as outlined in collective bargaining and other agreements. The liability for these benefits is determined using current rates of pay and is undiscounted.

c) Workers compensation

Section 73 of The Workers Compensation Act groups employers into five broad classes (Classes A to E). Employers in Classes A to D, known as self-insured employers, are individually liable for the claim costs of their workers plus their share of annual administrative costs of Manitoba's workers compensation system. The City is in Class D.

The liability, as determined by the Workers Compensation Board of Manitoba, for work related injury benefits including provision of medical aid, wage loss, compensation, permanent partial impairment awards, long latency diseases and fatalities.

d) Defined benefit pension plans

		2021		2020
i) Councillors' Pension Plans:				
a) Pension Plan Established Under By-Law Number 3553/83	**$**	**3,640**	$	3,640
b) Pension Plan Established Under By-Law Number 7869/2001		**(125)**		–
ii) Supplementary Executive Pension Plan		**2,476**		1,434
	$	**5,991**	$	5,074

i) Councillors' Pension Plans

a) 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. This plan has no dedicated assets or contributions and benefit payments are paid by the City in accordance with the plan's provisions. In 2021, the City paid out $0.3 million (2020 – $0.3 million). An actuarially determined pension obligation of $3.6 million (2020 – $3.6 million) has been reflected in the employee benefit obligations on the Consolidated Statement of Financial Position.

b) Pension Plan Established Under By-Law Number 7869/2001

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. All members of Council are required to become members of the plan. Members of the plan contribute 6 ½% of their Canada Pension Plan earnings plus 7 ½% of any earnings in excess of their Canada Pension Plan earnings. The City makes contributions as required, based on the recommendation of the actuary.

An actuarial valuation of the Program was prepared as at December 31, 2019 and extrapolated to December 31, 2021 by Mercer (Canada) Limited ("Mercer"). The actuarial present value of accrued pension benefits for the valuation was determined using the projected benefit method pro-rated on service and using assumptions approved by the Board with input from the actuary.

11. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

The significant long-term assumptions used in the valuation of accrued pension benefits provided for a discount rate on liabilities of 4.20% (2020 – 3.95%) per annum, a rate of return on assets of 4.20% (2020 – 3.95%) per annum, and a general rate of salary increase of 2.50% (2020 – 2.50%) per annum. The results of the valuation indicated an obligation at December 31, 2021 of $8.1 million, which is offset by assets in the plan of $8.2 million, resulting in net assets of $0.1 million.

Total contributions made by the City to the Plan in 2021 were $0.5 million (2020 – $0.8 million). Total program member contributions to the Plan in 2021 were $0.1 million (2020 – $0.1 million). In 2021, this plan paid out $0.4 million (2020 – $0.2 million).

ii) Supplementary Executive Pension Plan

The Supplementary Executive Pension Plan ("SEPP") was established January 1, 2001. Senior management are eligible for the plan when established by the employment contract. This plan has no dedicated assets or contributions and benefit payments are paid by the City in accordance with the plan's provisions. In 2021, the City paid benefits of $0.1 million (2020 – $0.1 million). An actuarially determined pension obligation of $2.5 million (2020 – $1.4 million) has been reflected in the accrued employee benefit obligation on the Consolidated Statement of Financial Position.

iii) Winnipeg Police Pension Plan

The Winnipeg Police Pension Plan (the "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 2% of pensionable earnings in respect of cost-of-living adjustments. A contribution stabilization reserve has been established by the Plan to maintain the City's contribution rate at 8% of pensionable earnings, when permitted under provincial pension legislation. The Plan incorporates a risk-sharing arrangement under which actuarial surpluses are first allocated to maintain the rate of cost-of-living adjustments to pensions at 75% of the inflation rate and maintain the contribution stabilization reserve. Thereafter actuarial surpluses are shared equally between the City and Plan members. Funding deficiencies are resolved through reductions in the Plan's contribution stabilization reserve and the rate of cost-of-living adjustments to pensions.

An actuarial funding valuation of the Plan was prepared as of December 31, 2020. The valuation revealed a funding deficit, which, in accordance with the terms of the Plan, was resolved by a decrease in the contribution stabilization reserve and by decreasing the rate of cost-of-living adjustments to pensions from 52.7% to 50.0% of the inflation rate.

An actuarial valuation of the Plan as of December 31, 2021 is to be prepared and filed with the Office of the Superintendent – Pension Commission. In addition to a calculation of the actuarial surplus or funding deficiency, in accordance with pension legislation in Manitoba, the Plan must also be valued under the hypothetical scenario that the Plan is wound up and members' benefit entitlements settled on the valuation date. As of the date of the last valuation of the Plan that was filed with the Office of the Superintendent – Pension Commission, December 31, 2020, the actuarial valuation showed that the Plan has a solvency deficiency at December 31, 2020 under this wind-up scenario. This deficiency is being addressed by the City by obtaining a yearly renewable letter of credit with face value equal to the accumulated value of additional contributions with interest that would otherwise be required.

The results of the December 31, 2020 actuarial valuation of the Plan were extrapolated to December 31, 2021. In accordance with the terms of the Plan, extrapolated surpluses and deficiencies are resolved through transfers to and from the contribution stabilization reserve and increases or reductions in the rate of cost-of-living adjustments to pensions. The principal long-term assumptions on which the extrapolation was based were: discount rate of 4.75% per year (2020 – 4.75%); inflation rate of 3.50% for two years followed by 2.00% per year (2020 – 2.00%); and general pay increases of 3.25% per year (2020 – 3.25%) The accrued pension obligation was valued using the projected benefit method pro-rated on services.

11. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

Based on this valuation and extrapolation, the Plan's assets, accrued pension obligation and pension expenses are as follows:

	2021	2020
Plan assets:		
Fair value, beginning of year	**$ 1,866,360**	$ 1,724,937
Employer contributions	**37,223**	30,575
Employee contributions and transfers	**16,299**	15,777
Benefits and expenses paid	**(66,432)**	(62,052)
Net investment income	**251,266**	157,123
Fair value, end of year	**2,104,716**	1,866,360
Actuarial adjustment	**(227,210)**	(135,091)
Actuarial value, end of year	**$ 1,877,506**	$ 1,731,269
Accrued pension costs and obligations:		
Beginning of year	**$ 1,696,294**	$ 1,589,268
Interest on accrued pension obligation	**80,346**	78,440
Current period benefit cost	**56,819**	52,798
Actuarial loss (gain)	**53,571**	37,840
Benefits and expenses paid	**(66,432)**	(62,052)
End of year	**$ 1,820,598**	$ 1,696,294
Funded status	**$ 56,908**	$ 34,975
Less: city account	**(7)**	–
Less: contribution stabilization reserve	**(56,901)**	(34,975)
Actuarial surplus	**$ –**	$ –
Expenses related to pensions:		
Current period benefit cost	**$ 56,819**	$ 52,798
Amortization of actuarial gains	**(1,714)**	(5,040)
Less: employee contributions and transfers	**(16,299)**	(15,777)
Pension benefit expense	**38,806**	31,981
Interest on accrued benefit obligation	**80,346**	78,440
Expected return on plan assets	**(81,929)**	(79,846)
Pension interest income	**(1,583)**	(1,406)
Total expenses related to pensions	**$ 37,223**	$ 30,575

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 2021 were $37.2 million (2020 – $30.6 million). Total employee contributions to the Plan in 2021 were $13.8 million (2020 – $13.5 million). Benefits paid from the Plan in 2021 were $64.8 million (2020 – $60.7 million).

The expected rate of return on Plan assets in 2021 was 4.75% (2020 – 4.95%). The actual rate of return, net of investment expenses, on the fair value of Plan assets in 2021 was 13.51% (2020 – 9.15%).

As the City's contributions to the Plan each year are equal to its pension expense, no accrued pension asset or liability is reflected in the Consolidated Statement of Financial Position. As noted above, the Plan provides that within certain prescribed constraints, in the event of a funding deficiency, a transfer from the contribution stabilization reserve and

amendments to the rate of cost- of-living adjustments to pensions will be utilized to resolve the deficiency, and vice versa in the event of a surplus. The above extrapolation anticipates that the funding surplus at December 31, 2021 will be resolved through an allocation to both the city account and contribution stabilization reserve and an increase in the rate of cost-of-living adjustments.

e) Other benefit plans

i) Winnipeg Civic Employees' Benefits Program

The Winnipeg Civic Employees' Benefits Program (the "Benefits Program") is a multi-employer benefit program governed by an independent board of trustees and a trust agreement that limits the City's contribution rate. Accordingly, the Benefits Program is accounted for similar to a defined contribution benefits program. The Benefits Program provides pension and disability benefits to all City of Winnipeg employees, other than police officers, and to employees of certain other participating employers.

Members' contribution rates were 9.5% of their Year's Maximum Pensionable Earnings under the Canada Pension Plan and 11.8% of pensionable earnings in excess of the Year's Maximum Pensionable Earnings in 2021, and for future years, consistent with 2020. The City and participating employers are required to make matching contributions.

An actuarial valuation of the Benefits Program was prepared as at December 31, 2020, which indicated an excess of actuarial value of program assets over actuarial liabilities of $152.3 million. The Pension Trust Agreement specifies how actuarial surpluses can be used but does not attribute actuarial surpluses to individual employers. However, a portion of actuarial surpluses is allocated to a City Account that the City and other participating employers may use to finance reductions in their contributions. In the event of unfavourable financial experience, additional amounts may be transferred from the City Account to cover a funding deficiency.

The balance of the City Account at December 31, 2021 was nil (2020 – nil).

Total contributions by the City to the Benefits Program in 2021 were $53.4 million (2020 – $52.9 million), which were expensed as incurred.

ii) Group Life Insurance Plan

Employees of the City who are members of the Civic Employees' Pension Plan or the Winnipeg Police Pension Plan must become members of the Civic Employees' Group Life Insurance Plan and the Police Employees' Group Life Insurance Plan, (the "Plans") respectively. These plans provide life insurance for members while employed and can be continued into retirement at the employees' option. Plan members and the City share the cost of basic life insurance until retirement. An actuarial valuation as of December 31, 2019 indicated that this post-retirement liability is fully funded.

During 2015, City Council approved by-law 80/2015 in respect of the Plans. The purpose of the by-law was to transfer the plans' administration from the Winnipeg Civic Employees' Benefits Program and the Winnipeg Police Pension Board to The Civic and Police Employees' Group Life Insurance Plans Corporation ("CPEGLIPCo"). The Province of Manitoba approved the establishing of CPEGLIPCo as a municipal corporation. The benefits offered by the plans have not changed.

The Plans are administered and managed by CPEGLIPCo, including investment management. The investments are held to meet the Plans' benefit obligations and the City cannot unilaterally access any surplus funds. As such, the City expenses contributions as incurred and the plan's assets and liabilities are excluded from the City's consolidated financial statements.

An actuarial valuation of the Plans was prepared as of December 31, 2019 and the results were extrapolated to December 31, 2021. The principal long-term assumptions on which the valuation was based were: discount rate of 5.00% per year (2020 – 5.00%); and general pay increases of 3.25% per year (2020 – 3.25%). 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 Plans is as follows:

		2021		2020
Group life insurance plan assets, at actuarial value	**$**	**190,949**	$	180,061
Accrued post-retirement life insurance obligations	**$**	**104,190**	$	100,970

12. TANGIBLE CAPITAL ASSETS

	Net Book Value	
	2021	2020
General		
Land	**$ 336,309**	$ 316,765
Buildings	**839,105**	865,033
Vehicles	**237,123**	229,662
Computer	**37,636**	42,154
Other	**284,340**	284,990
Infrastructure		
Plants and facilities	**636,268**	608,944
Roads	**1,944,635**	1,880,512
Underground and other networks	**2,365,061**	2,327,724
Bridges and other structures	**657,811**	668,622
	7,338,288	7,224,406
Assets under construction	**491,281**	471,707
	$ 7,829,569	$ 7,696,113

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 2).

During the year, there were no write-down of tangible capital assets (2020 – $nil). Interest capitalized during 2021 was $3.1 million (2020 – $3.7 million). In addition, roads and underground networks contributed to the City totaled $63.5 million in 2021 (2020 – $24.2 million) and were capitalized at their fair value at the time of receipt.

Included in the above net book values are $632.9 million (2020 – $647.7 million) of tangible capital assets that were acquired through service concession arrangements. The amount includes estimated, yet to be determined settlements for land expropriations.

13. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
Invested in tangible capital assets	**$ 6,468,698**	$ 6,311,139
Reserves (Schedule 3)	**324,934**	412,996
Other surplus accumulated in utility operations, consolidated entities and other	**280,599**	234,325
Manitoba Hydro long-term receivable (Note 5)	**220,238**	220,238
Equity in government businesses (Note 6)	**22,689**	23,496
Unfunded expenses to be funded from future revenues:		
Accrued employee benefits and other	**(252,039)**	(247,963)
Landfill (Note 10)	**(75,230)**	(65,040)
Contaminated sites (Note 10)	**(5,269)**	(5,787)
Canadian Museum for Human Rights grant	**(1,967)**	(2,948)
	$ 6,982,653	$ 6,880,456

Invested in tangible capital assets represents equity in non-financial assets, which is either a portion or the entire accumulated surpluses of specific funds consolidated in these statements. For those funds, where a portion of their accumulated surplus is allocated to invested in tangible capital assets, the amount is determined based on tangible capital assets less debt.

14. COMMITMENTS AND CONTINGENCIES

The significant commitments and contingencies existing at December 31, 2021 are as follows:

a) Operating leases

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

2022	$	**8,650**
2023		**8,223**
2024		**8,001**
2025		**7,215**
2026		**7,206**
Thereafter		**48,866**
	$	**88,161**

b) Legal obligations

As part of the normal course of operations, lawsuits are pending against the City. The final outcome with respect to actions that will arise from these lawsuits as at December 31, 2021 cannot be predicted with certainty. 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. Where the occurrence of future events is considered undeterminable, no amount has been accrued in the financial statements.

c) Loan guarantees

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, 2021 is $34.1 million (2020 – $36.1 million). The City does not anticipate incurring future payment on these guarantees, and no amount has been accounted as a liability accordingly.

Some of the capital projects related to guarantees are in progress at year-end, meaning that the full line of credit has not been used. The authorized limit is $36.5 million (2020 – $38.9 million).

d) Service concession arrangements

As disclosed in Note 9(c), the City will pay the concessionaire monthly performance-based maintenance payments that are adjusted by CPI until the end of the service concession contract are as follows:

		Annual Maintenance
i) Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass	$	3,200
ii) Disraeli Bridges	$	1,800
iii) Chief Peguis Trail Extension	$	1,500

e) Veolia agreement

On April 20, 2011, the City entered into an agreement ("Agreement") with VWNA Winnipeg Inc. ("Veolia") for the provision of expert advice to the City to assist with construction and operating improvements to the City's sewage treatment system (the "Program"). The Agreement commenced May 1, 2011, and has a term of 30 years, subject to certain termination provisions.

The City's sewage treatment system treats and handles wastewater and resulting residuals at its existing three major sewage treatment facilities, the South End, West End and North End Water Pollution Control Centres (the "Facilities"). Veolia's role is to provide services to the City. Representatives of Veolia are working collaboratively with representatives of the City providing advice and recommendations in respect of the City's (i) management and operation of the Facilities (ii) assessment, planning and delivery of upgrades and capital modification to the Facilities; and (iii) assessment, planning and delivery of operational improvement to the Facilities during the term of this agreement. The Program does not include the City's supply of water or its waterworks system or work relating to the collection system or land drainage system.

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Under the Agreement, the City: retains complete ownership of all the sewage system assets; continues to exercise control over the sewage treatment systems by means of City Council budget approvals and by setting service quality standards that will be reported publicly on a regular basis; continues to control operating and maintenance parameters by which the sewage system shall operate; and retains full accountability for compliance with regulatory permits and licenses.

Decisions for the sewage treatment system are made by the City based upon the best advice of City management and Veolia experts working together.

The Agreement provides both parties with a variety of responsibilities, rights, protections, and obligations reflecting reasonable commercial terms.

Compensation to Veolia under the Agreement includes the following components:

1. Reimbursement of Veolia's actual direct costs related to the Program ("Direct Costs");
2. An agreed-upon margin percentage which is applied to Direct Costs of the Program. The quantum of the margin percentage is dependent on the nature of the cost ("Fee");
3. For capital projects and operations under the Program, a target cost is to be set. Veolia is to receive a share of the savings when actual operating costs and/or capital costs are below target costs ("Gainshare"). Veolia is to receive a share of the expense when actual operating costs and/or capital costs are above target costs ("Painshare");
4. Key performance indicators ("KPIs") will be established under the Program. Veolia is to earn amounts for achieving or completing established KPIs ("KPI earnings"), and to be deducted amounts for failing to achieve minimum KPIs ("KPI Deductions"); and
5. Positive interest adjustment to the Earnings at Risk Account ("EARA").

The Agreement only guarantees payment to Veolia in respect of the Direct Costs incurred in providing services as indicated in item 1 in the above paragraph.

Amounts earned by Veolia over the term of the Agreement (Fee, Gainshare, KPI earnings and EARA interest adjustment) are credited to an Earning at Risk Account ("EARA" – (note 10)). Painshare and KPI deductions reduce the EARA. All of these amounts remain at risk for the duration of the Agreement and are not guaranteed to be paid to Veolia, and by their nature, are dependent on the financial and overall results of the Program.

Veolia's withdrawals of amounts from the EARA are subject to certain limits and security posting requirements. In 2021, Veolia withdrew $nil (2020 – $2.1 million) from EARA and replaced this at risk amount with a standby letter of credit. Total EARA secured by a standby letter of credit at December 31, 2021 is $13.1 million (2020 – $13.1 million).

If at the end of the 30-year term the EARA is negative, Veolia must repay the City this amount.

The Agreement requires a Performance Guarantee Security ("PGS"), which is a letter of credit and performance bond that together provide security to the City. In addition to the PGS, Veolia provides a Parental Guarantee by its parent company.

f) Forgivable loans

The City has received funding from the federal and provincial governments for the purchase of certain properties. Repayment of this funding is not required as long as the properties operate as an affordable housing complex or offer services for the homeless. As at December 31, 2021, the forgivable loans totaled $1.7 million (2020 – $2.0 million).

15. TAXATION

		2021		2020
Municipal and school property taxes	$	**1,328,889**	$	1,309,949
Payments-in-lieu of property (municipal and school) taxes		**49,805**		50,414
		1,378,694		1,360,363
Payments to Province and school divisions		**(729,019)**		(732,304)
Net property taxes and payments-in-lieu of property taxes available for municipal purposes		**649,675**		628,059
Local improvement and frontage levies		**64,433**		65,499
Business and payments-in-lieu of business taxes		**57,146**		59,575
Electricity and natural gas sales taxes		**22,263**		21,213
Amusement and accommodation taxes and mobile home licences		**7,432**		5,648
	$	**800,949**	$	779,994

The property tax roll includes school taxes of $698.8 million (2020 – $701.5 million) assessed and levied on behalf of the Province and school divisions. Payments-in-lieu of school taxes assessed in 2021 totalled $30.2 million (2020 – $30.8 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.

The business tax roll includes an amount assessed and levied on behalf of business improvement zones of $6.5 million (2020 – $6.4 million). Collections of this levy are remitted to the business improvement zones and excluded from business taxes.

16. SALES OF SERVICES AND REGULATORY FEES

		2021		2020
Water sales and sewage services	$	**350,570**	$	329,591
Other sales of goods and services		**131,444**		103,005
Regulatory fees		**82,949**		76,834
Transit fares		**40,266**		47,194
	$	**605,229**	$	556,624

17. GOVERNMENT TRANSFERS

	2021	2020
Operating		
Province of Manitoba		
Municipal Operating Grant	**$ 139,804**	$ 139,804
Public Safety	**23,955**	23,955
	163,759	163,759
Less: Support for Provincial Programs	**(23,650)**	(23,650)
	140,109	140,109
Transfer for paramedic services	**48,199**	46,378
Other	**15,210**	19,874
	203,518	206,361
Government of Canada		
Rapid Housing Initiative	**10,986**	–
Federal Safe Restart	**–**	74,497
Other	**5,365**	6,721
	16,351	81,218
Total Operating	**219,869**	287,579
Capital		
Province of Manitoba		
Accelerated Regional Street Renewal Project	**20,490**	15,805
Urban Forest Enhancement Program	**3,300**	–
Transit Bus Purchases	**2,900**	–
Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass	**653**	2,335
Waverley underpass	**516**	2,566
Local Street Renewal Program	**–**	10,184
Public Transit Infrastructure Fund	**–**	306
Other	**9,144**	6,267
	37,003	37,463
Government of Canada		
Canada Community Building Fund (Note 8)	**42,622**	66,810
Accelerated Regional Street Renewal Project	**20,490**	15,805
Assiniboine Park Conservancy	**3,907**	2,291
Waverley underpass	**519**	2,581
Public Transit Infrastructure Fund	**–**	3,703
Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass	**–**	1,321
Other	**1,051**	4,293
	68,589	96,804
Total Capital	**105,592**	134,267
	$ 325,461	$ 421,846

In accordance with the recommendations of the Public Sector Accounting Board, government transfers, to the extent a liability does not exist, 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.

18. LAND SALES AND OTHER REVENUE

		2021		2020
Land sales	$	**6,995**	$	5,383
Contributions in lieu of land dedication		**1,298**		1,947
Income from government businesses (Note 6)		**214**		383
Other		**11,188**		8,335
	$	**19,695**	$	16,048

19. EXPENSES BY OBJECT

		2021		2020
Salaries and benefits	$	**932,407**	$	906,039
Goods and services		**429,939**		424,602
Amortization of tangible capital assets		**286,475**		279,943
Interest		**66,324**		65,142
Impact Fee refunds*		**–**		36,995
Other expenses		**39,316**		14,848
	$	**1,754,461**	$	1,727,569

*On July 8, 2020, Manitoba Court of Queen's Bench ruled that, while the City has the power or authority to impose an impact fee generally, the by-law and resolution regarding the impact fees "imposes a constitutionally invalid indirect tax" and ordered the City to refund the impact fees paid together with any interest earned on the funds. The City began processing refund payments November 30, 2020 with all refunds completed by December 31, 2020.

20. BUDGET

On December 16, 2020 Council approved the 2021 budget for the City, including operating budgets for tax supported, utility, special operating agency and reserve operations as well as a capital budget. Included in the Council approved 2021 budget document is the 2021 consolidated budget that considers inter-fund transaction eliminations, tangible capital asset based revenues and amortization, controlled entity operations and the accrual of unfunded expenses. The resulting 2021 consolidated budget has been utilized in these consolidated financial statements.

21. CHANGES IN NON-CASH WORKING CAPITAL BALANCES

		2021		2020
Accounts receivable	$	**(72,883)**	$	58,216
Land held for resale		**(928)**		(765)
Accounts payable and accrued liabilities		**14,485**		(22,553)
Deferred revenue		**237,687**		38,948
Inventories		**(1,133)**		(1,640)
Prepaid expenses and deferred charges		**188**		(2,183)
	$	**177,416**	$	70,023

22. 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 (Schedule 3) that enables the City to carry a large self-insured retention level which mitigates the effect of poor claims experience in any given year.

23. 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.

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 4).

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 services these departments are responsible for include: police response, crime prevention, traffic safety and enforcement, fire and rescue response, fire and injury prevention, medical response and emergency management.

Community Services

The Community Services department provides public services that contribute to neighbourhood development and sustainability and is responsible for the following services: recreation, community liveability, libraries and arts, entertainment and culture.

Planning

The Planning, Property and Development department provides a diverse bundle of services. Services it is responsible for include: city planning, neighbourhood revitalization, development approvals, building permits and inspections, heritage conservation, property asset management, economic development and cemetery.

Public Works and Garbage Collection

The Public Works department is responsible for the following services: roadway construction and maintenance, transportation planning and traffic management, roadway snow removal and ice control, crime prevention (street lighting), parks and urban forestry, insect control and city beautification. The Water and Waste department is responsible for garbage collection operations.

Finance and Administration

Finance and Administration is comprised of Assessment and Taxation, City Clerks, Audit, Corporate Finance, Innovation and Technology, Legal Services, Human Resource Services, Council, Mayor's Office, Customer Service and Communication, Chief Administration Office and Policy and Strategic Initiatives departments. Services these departments are responsible for include: innovation, transformation and technology, organizational support services, assessment, taxation and corporate, council services and contact centre – 311.

Transit System Fund

The Transit department is responsible for providing local public transportation service including conventional transit, Transit Plus and chartered and special events transit.

Water and Waste Funds

The Water and Waste department consists of four distinct utilities and provides the following services: water, wastewater, land drainage and flood control, solid waste disposal and recycling and waste diversion.

24. CONTRACTUAL RIGHTS

Developer contributions

The City has entered into a number of property development agreements which require the developers to contribute various infrastructure assets to the City, including roads and underground networks. The timing and extent of these future contributions vary depending on development activity and fair value of the assets received at time of contribution, which cannot be determined with certainty at this time.

25. FUNDS HELD IN TRUST

Trust funds administered by the City for the benefit of external parties, which total $3.8 million (2020 – $3.0 million), are not included in the consolidated financial statements.

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation made in the current year.

CONSOLIDATED SCHEDULE OF GOVERNMENT BUSINESSES AND PARTNERSHIP

Schedule 1

As at and for the years ended (in thousands of dollars)

	GOVERNMENT BUSINESSES								GOVERNMENT PARTNERSHIP	
	North Portage Development Corporation		Park City Commons		River Park South Developments Inc.		Total		Economic Development Winnipeg[1]	
	March 31		December 31		December 31				December 31	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
FINANCIAL POSITION										
Assets										
Current	**$ 6,889**	$ 5,881	**$ 2,491**	$ 3,929	**$ 2,506**	$ 2,566	**$ 11,886**	$ 12,376	**$ 3,869**	$ 4,657
Capital	**73,970**	76,496	**–**	–	**–**	–	**73,970**	76,496	**807**	677
Other	**452**	613	**–**	–	**–**	–	**452**	613	**–**	–
	$ 81,311	$ 82,990	**$ 2,491**	$ 3,929	**$ 2,506**	$ 2,566	**$ 86,308**	$ 89,485	**$ 4,676**	$ 5,334
Liabilities										
Current	**$ 4,240**	$ 4,073	**$ –**	$ 712	**$ 1,566**	$ 1,766	**$ 5,806**	$ 6,551	**$ 61**	$ 214
Long-term	**17,602**	19,234	**–**	–	**–**	–	**17,602**	19,234	**1,033**	1,812
	21,842	23,307	**–**	712	**1,566**	1,766	**23,408**	25,785	**1,094**	2,026
Net equity	**59,469**	59,683	**2,491**	3,217	**940**	800	**62,900**	63,700	**3,582**	3,308
	$ 81,311	$ 82,990	**$ 2,491**	$ 3,929	**$ 2,506**	$ 2,566	**$ 86,308**	$ 89,485	**$ 4,676**	$ 5,334
City share	**$ 19,823**	$ 19,894	**$ 2,396**	$ 3,202	**$ 470**	$ 400	**$ 22,689**	$ 23,496	**$ 1,791**	$ 1,654
RESULTS OF OPERATIONS										
Revenues	**$ 12,473**	$ 18,641	**$ 415**	$ –	**$ 153**	$ –	**$ 13,041**	$ 18,641	**$ 6,975**	$ 7,152
Expenses	**12,687**	17,494	**3**	2	**13**	20	**12,703**	17,516	**6,701**	6,950
Net income (loss)	**$ (214)**	$ 1,147	**$ 412**	$ (2)	**$ 140**	$ (20)	**$ 338**	$ 1,125	**$ 274**	$ 202
City share	**$ (71)**	$ 382	**$ 215**	$ 11	**$ 70**	$ (10)	**$ 214**	$ 383	**$ 137**	$ 101

[1] The City proportionally consolidates fifty percent of Economic Development Winnipeg's assets, liabilities, revenues and expenses with adjustments to their results including elimination of transactions with the City, such as grants provided by the City and recording the City's portion of the Special Event Marketing Fund.

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS Schedule 2

As at December 31 (in thousands of dollars)

	General					Infrastructure					Totals	
	Land[1]	Buildings	Vehicles	Computer	Other	Plants and Facilities	Roads	Under-ground and Other Networks	Bridges and Other Structures	Assets Under Construc-tion	2021	2020
Cost												
Balance, beginning of year	$ 316,765	$ 1,377,202	$ 481,048	$ 197,163	$ 612,002	$ 980,927	$ 3,312,673	$ 3,584,785	$ 984,531	$ 471,707	$ 12,318,803	$ 11,953,176
Add: Additions during the year	21,021	10,369	38,568	6,939	32,573	46,028	154,360	89,203	5,475	19,574	424,110	409,444
Less: Disposals during the year	1,477	9,946	22,202	3,472	76	–	5,039	3,812	–	–	46,024	43,817
Balance, end of year	336,309	1,377,625	497,414	200,630	644,499	1,026,955	3,461,994	3,670,176	990,006	491,281	12,696,889	12,318,803
Accumulated amortization												
Balance, beginning of year	–	512,169	251,386	155,009	327,012	371,983	1,432,161	1,257,061	315,909	–	4,622,690	4,375,757
Add: Amortization	–	35,798	29,782	11,247	33,223	18,704	89,585	51,850	16,286	–	286,475	279,943
Less: Accumulated amortization on disposals	–	9,447	20,877	3,262	76	–	4,387	3,796	–	–	41,845	33,010
Balance, end of year	–	538,520	260,291	162,994	360,159	390,687	1,517,359	1,305,115	332,195	–	4,867,320	4,622,690
Net Book Value of Tangible Capital Assets	$ 336,309	$ 839,105	$ 237,123	$ 37,636	$ 284,340	$ 636,268	$ 1,944,635	$ 2,365,061	$ 657,811	$ 491,281	$ 7,829,569	$ 7,696,113

[1] Included in land additions is $1.281 million (2020 – $1.400 million) of land transfers from land held for resale.
[1] Included in land disposals is $1.447 million (2020 – $1.906 million) of land transfers to land held for resale.

CONSOLIDATED SCHEDULE OF RESERVES Schedule 3

As at December 31 (in thousands of dollars)		**2021**		2020
RESERVES				
Capital Reserves				
Environmental Projects	**$**	**115,324**	$	164,569
Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Payment		**12,880**		12,743
Water Meter Renewal		**12,548**		4,664
Water Main Renewal		**12,372**		8,681
Waste Diversion		**10,882**		4,746
Landfill Rehabilitation		**5,119**		5,136
Computer, Critical Systems and Support		**3,521**		2,467
Sewer System Rehabilitation		**3,081**		6,908
Canada Community-Building Fund		**1,416**		1,416
Southwest Rapid Transit Corridor		**1,276**		2,176
Local Street Renewal		**824**		685
Regional Street Renewal		**347**		347
Transit Bus Replacement		**30**		1,229
		179,620		215,767
Special Purpose Reserves				
Perpetual Maintenance Fund – Brookside Cemetery		**18,431**		18,015
Contributions in Lieu of Land Dedication		**10,881**		9,047
Land Operating*		**6,909**		7,436
Insurance (Note 22)		**5,075**		3,676
Commitment		**4,998**		7,033
Workers Compensation		**4,427**		4,574
Housing Rehabilitation Investment		**4,011**		3,850
Destination Marketing		**3,197**		4,658
Insect Control Urgent Expenditures		**3,000**		2,546
Economic Development Investment		**2,106**		4,589
Permit		**2,000**		204
Perpetual Maintenance Fund – St. Vital Cemetery		**1,363**		1,320
General Purpose		**1,080**		9,034
Perpetual Maintenance Fund – Transcona Cemetery		**988**		942
Multi-Family Dwelling Tax Investment		**902**		597
Heritage Investment		**854**		(183)
		70,222		77,338
Stabilization Reserve				
Financial Stabilization		**75,092**		119,891
TOTAL RESERVES	**$**	**324,934**	$	412,996

*This excludes the investments held for the River Park South Developments Inc. and Park City Commons government business partnerships.

		2021		2020
Reserve balance as disclosed above	**$**	**6,909**	$	7,436
Investments held in government business (Note 6)		**2,866**		3,602
	$	**9,775**	$	11,038

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE—SERVICE Schedule 4

For the year ended December 31, 2021 (in thousands of dollars)

	GENERAL REVENUE FUND									
	PROTECTION	COMMUNITY SERVICES	PLANNING	PUBLIC WORKS AND GARBAGE COLLECTION	FINANCE AND ADMIN-ISTRATION	TRANSIT SYSTEM FUND	WATER AND WASTE FUNDS	OTHER FUNDS AND CORPORA-TIONS	ELIMINA-TIONS	CONSOLI-DATED
REVENUES										
TAXATION	$ 339,165	$ 72,460	$ –	$ 248,985	$ 145,209	$ –	$ –	$ 11,082	$ (15,952)	$ 800,949
SALES OF SERVICES AND REGULATORY FEES	51,020	6,447	35,255	9,855	20,713	42,256	412,957	90,249	(63,523)	605,229
GOVERNMENT TRANSFERS (NOTE 17)	106,587	9,216	–	20,168	16,215	45,557	6,704	140,629	(19,615)	325,461
TRANSFER FROM OTHER FUNDS	19,525	4,475	8,943	13,031	13,658	127,351	145,621	432,076	(764,680)	–
OTHER	26,815	6,538	2,266	15,491	17,357	1,169	18,210	76,629	(39,456)	125,019
	543,112	99,136	46,464	307,530	213,152	216,333	583,492	750,665	(903,226)	1,856,658
EXPENSES (NOTE 19)										
SALARIES AND BENEFITS	465,382	36,033	28,456	76,835	65,129	121,862	75,844	58,107	4,759	932,407
GOODS AND SERVICES	46,398	6,627	4,637	122,098	15,426	52,767	134,879	110,529	(63,422)	429,939
INTEREST	7,170	3,138	22	3,707	11,251	11,530	13,820	49,853	(34,167)	66,324
TRANSFER TO OTHER FUNDS	18,753	31,217	14,449	116,729	(197,639)	101	(6,769)	801,158	(777,999)	–
OTHER	5,409	22,121	(1,100)	(11,839)	318,985	50,305	228,332	(257,526)	(28,896)	325,791
	543,112	99,136	46,464	307,530	213,152	236,565	446,106	762,121	(899,725)	1,754,461
ANNUAL SURPLUS	$ –	$ –	$ –	$ –	$ –	$ (20,232)	$ 137,386	$ (11,456)	$ (3,501)	$ 102,197

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE—SERVICE Schedule 4

For the year ended December 31, 2020 (in thousands of dollars)

	GENERAL REVENUE FUND									
	PROTECTION	COMMUNITY SERVICES	PLANNING	PUBLIC WORKS AND GARBAGE COLLECTION	FINANCE AND ADMIN-ISTRATION	TRANSIT SYSTEM FUND	WATER AND WASTE FUNDS	OTHER FUNDS AND CORPORA-TIONS	ELIMINA-TIONS	CONSOLI-DATED
REVENUES										
TAXATION	$ 320,987	$ 71,654	$ –	$ 238,871	$ 148,615	$ –	$ –	$ 12,458	$ (12,591)	$ 779,994
SALES OF SERVICES AND REGU-LATORY FEES	40,199	7,184	30,305	11,376	18,204	49,271	383,072	84,076	(67,063)	556,624
GOVERNMENT TRANSFERS (NOTE 17)	125,428	14,071	–	32,272	24,537	81,357	9,131	162,939	(27,889)	421,846
TRANSFER FROM OTHER FUNDS	2,416	776	12,746	4,604	(5,101)	101,767	92,598	456,768	(666,574)	–
OTHER	28,642	6,590	2,587	16,481	18,576	1,537	9,875	44,993	(46,815)	82,466
	517,672	100,275	45,638	303,604	204,831	233,932	494,676	761,234	(820,932)	1,840,930
EXPENSES (NOTE 19)										
SALARIES AND BENEFITS	440,874	36,093	27,702	77,756	62,848	118,420	74,571	57,656	10,119	906,039
GOODS AND SERVICES	47,324	6,833	4,357	124,697	15,896	51,615	130,715	109,129	(65,964)	424,602
INTEREST	6,827	2,996	14	4,418	10,280	11,575	13,679	44,868	(29,515)	65,142
TRANSFER TO OTHER FUNDS	18,158	33,804	14,715	112,357	95,790	13,701	128,831	261,879	(679,235)	–
OTHER	4,489	20,549	(1,150)	(15,624)	20,017	33,701	67,433	241,634	(39,264)	331,786
	517,672	100,275	45,638	303,604	204,831	229,012	415,229	715,166	(803,859)	1,727,569
ANNUAL SURPLUS	$ –	$ –	$ –	$ –	$ –	$ 4,920	$ 79,447	$ 46,068	$ (17,073)	$ 113,361

Statistical Section

December 31, 2021

CONSOLIDATED FINANCIAL STATEMENTS FIVE-YEAR REVIEW

December 31 ("$" amounts in thousands of dollars, except as noted) (Unaudited)		**2021**	2020	2019	2018	2017
1. Population (as restated per Statistics Canada)		**767,500**	767,854	763,071	753,218	740,839
Unemployment rate						
- Winnipeg CMA (note 1)		**6.8%**	8.8%	5.3%	6.4%	5.8%
- National average		**7.5%**	9.5%	5.7%	5.9%	6.4%
2. Average annual headcount		**10,279**	10,388	10,638	10,490	10,444
3. Number of taxable properties		**244,702**	238,973	236,380	234,098	231,360
Payments-in-lieu of taxes						
Number of properties		**1,294**	1,521	1,432	1,410	1,433
4. Assessment						
- Residential	$	**76,557,497**	75,141,769	70,993,769	69,872,623	67,339,104
- Commercial and industrial		**21,457,395**	21,307,140	19,385,942	19,288,744	17,649,138
- Farm and golf		**388,140**	436,962	427,772	436,161	356,731
	$	**98,403,033**	96,885,871	90,807,483	89,597,528	85,344,973
Assessment per capita (in dollars)	$	**128,212**	126,177	119,003	118,953	115,200
Commercial and industrial as a percentage of assessment		**21.81%**	21.99%	21.35%	21.53%	20.68%
5. Tax arrears	$	**57,005**	67,309	60,120	56,704	52,599
6. Tax arrears – per capita (in dollars)	$	**74.27**	87.66	78.79	75.28	71.00
7. Municipal mill rate		**13.161**	12.861	13.290	12.987	13.063
- Adjustment for tax increase		**2.3%**	2.3%	2.3%	2.3%	2.3%
- Adjustment for general assessment (note 2)		**0.0%**	(5.4%)	0.0%	(2.8%)	0.0%
8. Tax Levies						
- Municipal property taxes	$	**630,061**	608,485	588,365	568,274	539,043
- Payments-in-lieu of taxes		**21,235**	21,310	21,349	20,338	20,652
- Local improvement and frontage levies		**64,433**	65,499	64,256	65,006	63,120
- Business taxes and license-in-lieu of business taxes		**55,525**	57,839	55,442	57,634	55,844
- Electricity and other taxes		**29,695**	26,861	35,176	34,837	33,550
Total taxes levied for municipal purposes		**800,949**	779,994	764,588	746,089	712,209
Taxes levied on behalf of others						
Province and school divisions		**729,019**	732,304	713,974	699,765	667,369
Total taxes levied	$	**1,529,968**	1,512,298	1,478,562	1,445,854	1,379,578
9. Winnipeg CMA consumer price index (per Statistics Canada) (note 1) (annual average)						
- 2002 base year 100		**141.5**	137.2	136.4	133.3	130.2
- Percentage increase		**3.1%**	0.6%	2.3%	2.4%	1.6%
10. Consolidated revenues						
- Taxation	$	**800,949**	779,994	764,588	746,089	712,209
- User charges		**605,229**	556,624	653,079	645,356	599,342
- Government transfers		**325,461**	421,846	574,630	374,845	351,258
- Interest and other revenue		**125,019**	82,466	147,958	148,010	171,388
	$	**1,856,658**	1,840,930	2,140,255	1,914,300	1,834,197
11. Consolidated expenses by function						
- Municipal operations	$	**1,209,012**	1,201,392	1,165,131	1,111,811	1,094,370
- Public utilities		**481,631**	465,937	456,805	433,215	417,361
- Civic corporations		**63,818**	60,240	81,943	74,004	71,604
	$	**1,754,461**	1,727,569	1,703,879	1,619,030	1,583,335

CONSOLIDATED FINANCIAL STATEMENTS FIVE-YEAR REVIEW Cont.

December 31 ("$" amounts in thousands of dollars, except as noted) (Unaudited)		**2021**	2020	2019	2018	2017
12. Growth in accumulated surplus	$	**102,197**	113,361	436,376	295,270	250,862
13. Consolidated expenses by object						
Salaries and benefits	$	**932,407**	906,039	898,682	860,556	845,087
Goods and services		**429,939**	424,602	463,660	420,798	404,044
Amortization		**286,475**	279,943	266,623	257,362	245,941
Interest		**66,324**	65,142	59,017	51,962	52,834
Other expenses		**39,316**	51,843	15,897	28,352	35,429
	$	**1,754,461**	1,727,569	1,703,879	1,619,030	1,583,335
14. Payments to school authorities	$	**729,019**	732,304	713,974	699,765	667,369
15. Debt						
Tax-supported	$	**815,033**	815,507	799,319	685,939	702,014
Transit		**258,372**	292,880	281,747	147,444	112,019
City-owned utilities		**349,842**	352,402	296,062	214,687	214,010
Other		**83,681**	94,773	94,294	87,706	82,126
Total gross debt		**1,506,928**	1,555,562	1,471,422	1,135,776	1,110,169
Less: Sinking Funds		**132,049**	112,945	98,849	82,065	67,468
Total net long-term debt	$	**1,374,879**	1,442,617	1,372,573	1,053,711	1,042,701
Percentage of total assessment		**1.40%**	1.49%	1.51%	1.18%	1.22%
Debt per capita	$	**1,791**	1,879	1,801	1,398	1,415
16. Additions of tangible capital assets	$	**424,110**	409,444	872,771	613,849	475,911
17. Net financial liabilities	$	**883,146**	850,942	841,786	678,915	630,786
18. Accumulated surplus						
Invested in tangible capital assets	$	**6,468,698**	6,311,139	6,235,368	5,836,664	5,638,975
Reserves						
Capital		**179,620**	215,767	245,746	168,606	143,413
Stabilization		**75,092**	119,891	107,766	110,961	79,764
Special Purpose		**70,222**	77,338	71,970	68,992	74,608
		324,934	412,996	425,482	348,559	297,785
Surpluses						
Manitoba Hydro long-term receivable		**220,238**	220,238	220,238	220,238	220,238
Other surpluses		**303,288**	257,821	188,124	220,806	169,443
Unfunded expenses		**(334,505)**	(321,738)	(302,117)	(295,548)	(290,992)
		189,021	156,321	106,245	145,496	98,689
	$	**6,982,653**	6,880,456	6,767,095	6,330,719	6,035,449
19. Government-specific indicators						
Assets-to-liabilities		**3.75**	3.94	4.05	4.58	4.46
Financial assets-to-liabilities		**0.65**	0.64	0.62	0.62	0.64
Public debt charges-to-revenues		**0.04**	0.04	0.03	0.03	0.03
Own-source revenues-to-taxable assessment		**0.02**	0.02	0.02	0.02	0.02
Government transfers-to-revenues		**0.18**	0.23	0.27	0.20	0.19

Notes:
1. The Winnipeg Census Metropolitan Area (CMA) is an economic region defined by Statistics Canada.
2. Current provincial legislation requires that a general assessment be performed every two years. A general assessment occurred in 2014, 2016, 2018 and 2020. In the year of a general assessment, the mill rate is adjusted to offset the effect of market value changes of the entire assessment base.



City Contact Information

Information on the City of Winnipeg is available at **winnipeg.ca**
Inquiries may also be directed to **311** | Outside of Winnipeg: **1-877-311-4974**

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