THE CITY OF WINNIPEG
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31
(in thousands of dollars)

	2023	2022 Restated Note 2cii
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	**$ 819,017**	$ 857,804
Accounts receivable (Note 4)	**468,806**	331,773
Investments (Note 5)	**372,392**	401,225
Investment in business partnerships (Note 6)	**20,216**	19,977
Land held for resale	**6,289**	10,527
	1,686,720	1,621,306
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	**334,442**	350,063
Deferred revenue (Note 8)	**524,483**	416,926
Debt (Note 9)	**1,411,222**	1,463,134
Other liabilities (Note 10)	**318,352**	295,711
Employee benefits obligations (Note 11)	**267,131**	248,844
	2,855,630	2,774,678
NET FINANCIAL LIABILITIES	**(1,168,910)**	(1,153,372)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	**8,423,939**	8,040,932
Inventories	**30,141**	28,915
Prepaid expenses and deferred charges	**19,878**	11,744
	8,473,958	8,081,591
ACCUMULATED SURPLUS (Note 13)	**$ 7,305,048**	$ 6,928,219

Commitments and contingencies (Note 14)

See accompanying notes and schedules to the consolidated financial statements

Approved on behalf of the Audit Committee:

MAYOR

CHAIRPERSON
STANDING POLICY COMMITTEE ON
FINANCE AND ECONOMIC DEVELOPMENT

THE CITY OF WINNIPEG
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

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

	Budget 2023 (Note 20)	Actual 2023	Actual 2022 Restated Note 2cii
REVENUES			
Taxation (Note 15)	**$ 882,730**	**$ 884,442**	$ 836,980
Sales of services and regulatory fees (Note 16)	**693,131**	**690,991**	644,358
Government transfers (Note 17)	**256,873**	**262,451**	226,616
Investment income	**32,127**	**64,387**	43,809
Land sales and other revenue (Note 18)	**32,705**	**25,433**	17,289
Total Revenues	**1,897,566**	**1,927,704**	1,769,052
EXPENSES			
Protection and community services	**608,632**	**619,519**	620,726
Utility operations	**544,266**	**529,152**	522,918
Public works	**378,089**	**380,359**	421,187
Property and development	**143,571**	**138,947**	133,391
Civic corporations	**98,826**	**103,148**	80,622
Finance and administration	**100,375**	**95,277**	96,825
General government	**29,132**	**49,006**	37,811
Total Expenses (Note 19)	**1,902,891**	**1,915,408**	1,913,480
Annual Surplus (Deficit) Before Other	**(5,325)**	**12,296**	(144,428)
OTHER			
Government transfers related to capital (Note 17)	**227,467**	**214,933**	108,698
Developer contributions-in-kind related to capital (Note 12)	**59,570**	**142,178**	84,767
Other capital contributions	**5,800**	**7,422**	7,808
	292,837	**364,533**	201,273
Annual Surplus	**$ 287,512**	**376,829**	56,845
ACCUMULATED SURPLUS, BEGINNING OF YEAR		**6,928,219**	6,982,653
ADJUSTMENT ON ADOPTION OF ASSET RETIREMENT OBLIGATION STANDARD (Note 2cii)		**-**	(111,279)
ACCUMULATED SURPLUS, BEGINNING OF YEAR (RESTATED)		**6,928,219**	6,871,374
ACCUMULATED SURPLUS, END OF YEAR		**$ 7,305,048**	$ 6,928,219

See accompanying notes and schedules to the consolidated financial statements

THE CITY OF WINNIPEG
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL LIABILITIES

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

	Budget 2023 (Note 20)	**Actual 2023**	Actual 2022 Restated Note 2cii
ANNUAL SURPLUS	**$ 287,512**	**$ 376,829**	$ 56,845
Amortization of tangible capital assets	**300,671**	**306,512**	295,013
Proceeds on disposal of tangible capital assets	**5,673**	**6,515**	6,733
(Gain) / Loss on disposal of tangible capital assets	**1,872**	**(278)**	716
Other changes in non-financial assets and net transfers to land held for resale	**2,035**	**(11,861)**	(3,420)
Developer contributions-in-kind related to capital (Note 12)	**(59,570)**	**(142,178)**	(84,767)
Acquisition of tangible capital assets	**(546,296)**	**(551,077)**	(409,455)
INCREASE IN NET FINANCIAL LIABILITIES	**(8,103)**	**(15,538)**	(138,335)
NET FINANCIAL LIABILITIES, BEGINNING OF YEAR	**(1,009,108)**	**(1,153,372)**	(883,146)
ADJUSTMENT ON ADOPTION OF ASSET RETIREMENT OBLIGATION STANDARD (Note 2cii)	**-**	**-**	(131,891)
NET FINANCIAL LIABILITIES, BEGINNING OF YEAR (RESTATED)	**(1,009,108)**	**(1,153,372)**	(1,015,037)
NET FINANCIAL LIABILITIES, END OF YEAR	**$ (1,017,211)**	**$ (1,168,910)**	$ (1,153,372)

See accompanying notes and schedules to the consolidated financial statements

THE CITY OF WINNIPEG
CONSOLIDATED STATEMENT OF CASH FLOWS

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

	2023	2022 Restated Note 2cii
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	**$ 376,829**	$ 56,845
Add (deduct) items not impacting cash and cash equivalents		
Amortization of tangible capital assets	**306,512**	295,013
Developer contributions-in-kind related to capital (Note 12)	**(142,178)**	(84,767)
Change in other liabilities and employee benefits obligations	**40,928**	20,421
Change in investments in business partnerships	**(239)**	2,712
(Gain) / Loss on sale of tangible capital assets	**(278)**	716
	581,574	290,940
Net change in non-cash working capital balances related to operations (Note 21)	**(50,219)**	89,490
Net transfer between land held for resale and tangible capital assets	**(2,501)**	1,009
Cash provided by operating activities	**528,854**	381,439
CAPITAL		
Acquisition of tangible capital assets	**(551,077)**	(409,455)
Proceeds on disposal of tangible capital assets	**6,515**	6,733
Cash used in capital activities	**(544,562)**	(402,722)
FINANCING		
Increase in sinking fund investments	**(20,558)**	(20,405)
Service concession arrangements retired	**(5,735)**	(5,388)
Decrease in debt premium and obligation for leased tangible capital assets	**(7,677)**	(5,316)
Increase (decrease) in bank loans and other debt	**(17,942)**	11,275
Cash used in financing activities	**(51,912)**	(19,834)
INVESTING		
Net (increase) decrease in investments	**28,833**	(10,575)
Cash (used in) provided by investing activities	**28,833**	(10,575)
(Decrease) in cash and cash equivalents	**(38,787)**	(51,692)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**857,804**	909,496
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 819,017**	$ 857,804

See accompanying notes and schedules to the consolidated financial statements

THE CITY OF WINNIPEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023
(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 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.

The classification of the COVID-19 pandemic as a public health emergency ended in the early part of 2023. Management has assessed the financial impact as at December 31, 2023 and has determined that no significant accounting estimate adjustments are required to reflect the City's ongoing economic recovery from this event.

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

ii) Business partnerships

The investments in North Portage Development Corporation and River Park South Developments Inc. are reported as business partnerships (Schedule 1). These partnerships are accounted for using the modified equity method. Under this method, the partnerships' accounting principles are not adjusted to conform with those of the City and inter-corporate transactions are not eliminated (Note 6).

2. Significant Accounting Policies (continued)

iii) Partnerships

Economic Development Winnipeg Inc. and Transcona Joint Venture are reported as partnerships. These partnerships are accounted for using the proportionate consolidation method. Under this method, 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.*

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) Change in accounting policy

i) Financial instruments

On January 1, 2023, the City has prospectively adopted PS 3450 *Financial Instruments* , which requires the simultaneous adoption of PS 1201 *Financial Statement Presentation* , PS 2601 *Foreign Currency Translation* , and PS 3041 *Portfolio Investments* . These new standards provide comprehensive requirements for the recognition, measurement, presentation, and disclosure of financial instruments and foreign currency transactions. Under PS 3450, all financial instruments, including derivatives, are included on the Consolidated Statement of Financial Position and are measured either at fair value, cost or amortized cost based on the characteristics of the instrument and the City's accounting policy choices (See Note 2d).

As part of PS 2601 *Foreign Currency Translation* , the City has elected to recognize any related unrealized foreign exchange gain or loss directly to the Statement of Operations and Accumulated Surplus.

Recognition, derecognition and measurement policies of periods, prior to the effective date, have not been reversed and therefore, prior periods and comparative information have not been restated.

ii) Asset retirement obligation

Effective January 1, 2022 the City adopted PSAB's new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations* . The new standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in buildings and closure requirements in landfill sites. Previously, the City recorded the provision for landfill site rehabilitation in accordance with PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability* . Under the new standard, a liability for an asset retirement obligation is recognized as the best estimate of the amount to retire a tangible capital asset when certain criteria are met.

The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

2. Significant Accounting Policies (continued)

ii) Asset retirement obligation (continued)

Restatement of prior period financial statements:

	Annual Surplus for the year ended December 31, 2022	Tangible Capital Assets as at December 31, 2022	Other Liabilities as at December 31, 2022	Accumulated Surplus as at December 31, 2022
Balance before restatement	$ 70,603	$ 8,021,705	$ 151,447	$ 7,053,256
Adjustments:				
Asset retirement obligation asset	-	75,951	-	-
Asset retirement obligation liability	-	-	200,571	-
Elimination of landfill obligation under PS 3270	-	-	(68,680)	-
Accumulated accretion expense at beginning of year	-	-	-	(111,279)
Accumulated amortization at beginning of year	-	(55,339)	-	-
2022 Asset retirement expense	(9,890)	-	9,890	(9,890)
2022 Accretion expense	(2,483)	-	2,483	(2,483)
2022 Amortization expense	(1,385)	(1,385)	-	(1,385)
Balance after restatement	$ 56,845	$ 8,040,932	$ 295,711	$ 6,928,219

d) Financial instruments

Financial instruments are any contracts that give rise to financial assets of one entity and financial liabilities or equities of another. Financial instruments are measured at fair value, cost or amortized cost. For those instruments at cost or amortized cost, the associated transaction costs are added to the carrying amount of the asset or liability upon initial recognition. Transaction costs are defined as incremental costs directly attributable to the acquisition or issue of a financial asset or liability.

At each financial statement date the City will assess their financial instruments to determine if they are impaired. Any impairment losses would be reported in the Consolidated Statement of Operations and Accumulated Surplus. As all financial instruments are measured at cost or amortized cost, there have been no remeasurement gains or losses. Therefore the Statement of Remeasurement Gains (Losses) has been excluded.

Financial risk management

The City, collectively through its consolidated entities and business and other partnerships has exposure to the following risks related to its financial instruments: credit risk, liquidity risk, and market risk. An analysis of these risks is provided below.

i) Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. The City is primarily exposed to credit risk on its cash & cash equivalents, investments, accounts receivable and loan guarantees. For items recognized in the

2. Significant Accounting Policies (continued)

i) Credit risk (continued)

Statement of Financial Position, the carrying amount best represents its maximum exposure to credit risk. In the case of loan guarantees (Note 14c), its maximum exposure to credit risk is the amount the City would have to pay if the guarantee is called on.

Credit risk is measured through monitoring and evaluation of receivables and investments. If the evaluations indicate the other party may be unable to meet their obligations the City will recognize an allowance. Allowances on accounts receivable are disclosed in Note 4 of the consolidated financial statements.

Credit risk on investments is monitored in accordance with the Investment Policy approved by City Council. The key objective of the policy is to ensure the safety of principal and liquidity of the investment portfolio. The policy sets parameters for monitoring credit risk and is reviewed annually by management and during each term of City Council.

The City does not believe that it is exposed to significant credit risk on receivables from the Provincial and Federal Governments.

ii) Liquidity risk

Liquidity risk is the risk that the City will encounter difficulty in meeting obligations associated with financial liabilities. The City is exposed to liquidity risk on its accounts payable, accrued liabilities, debt and loan guarantees.

Exposure to liquidity risk is managed by distributing maturities over a range of years and terms, maintaining a sinking fund for repayment of long-term debt issues, cash flow monitoring and forecasting, and holding adequate cash reserves as contingent sources of liquidity.

The City measures liquidity by a debt service coverage ratio, comparing free cash and liquid assets to annual debt servicing (principal and interest).

A maturity analysis of debt is disclosed in Note 9 of the consolidated financial statements. Accounts payable and accrued liabilities are short-term in nature, with payment due within 30 days after the receipt of goods and services and related invoice. Loan guarantees cover various periods expiring between 2025 and no stated expiry date.

iii) Market risk

Market risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk.

a. Foreign currency risk

Foreign currency risk is the risk that future cash flows related to financial instruments will vary due to fluctuations in foreign exchange rates. The City's only exposure to foreign currency risk is through USD accounts payable and USD cash held to pay these obligations. As at December 31, 2023 the City has no material foreign currency exposure.

2. Significant Accounting Policies (continued)

b. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in interest rates. The City is exposed to interest rate risk on its interest-bearing investments and debt.

The City manages interest rate risk on investments by investing in long-term fixed rate securities and holding them to maturity. As of December 31, 2023, the City holds $251 million in floating rate investments. A one percent increase (decrease) in interest rates could increase (decrease) investment income by $2.5 million.

The City manages interest rate risk on debt by primarily issuing longer-term debt obligations with fixed interest rates to maturity. The current portion of debt at December 31, 2023 is $52.4 million. The City does not hold any variable rate debt.

c. Other price risk

Other price risk is the risk that the fair value or future cash flows related to financial instruments will fluctuate due to changes in market prices other than those arising from interest rate risk or currency risk. The City considers the market risk related to its financial instruments to be concentrated in currency risk and interest rate risk because it does not have any financial instruments whose carrying value is linked to commodity or equity prices.

e) Financial assets

i) Cash equivalents

Cash equivalents can 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 or with maturity dates of 90 days or less from the date of acquisition.

ii) Accounts receivable

Accounts receivable are initially recorded at cost and reported at the lower of cost and net recoverable value through a valuation allowance. Changes in the valuation allowance are recognized to expense.

iii) Investments

Investments are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method.

iv) Land held for resale

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

f) Financial liabilities

i) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are recorded at cost for all amounts due for work performed, goods or services received or for charges incurred in accordance with terms of the contract.

2. Significant Accounting Policies (continued)

ii) Debt

Debt is reported at face value and is adjusted by premiums, which are amortized using the effective interest method over the term to maturity of the respective debt instrument. The corresponding amortization is recorded as interest expense. Discounts on debt issuance are recorded as prepaid.

iii) Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

Liabilities have been recognized based on estimated future expenses and include both closure and post-closure costs, where applicable. Liabilities are discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability will result in an accompanying increase to the respective tangible capital asset, where applicable. The increase in the tangible capital asset is amortized in accordance with the depreciation accounting policies.

iv) 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.

g) 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.

h) Employee benefits plans

The Winnipeg Civic Employees' Benefits Program is a jointly-trusteed 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)

h) Employee benefits plans (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.

i) 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 initially 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 productive 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 and revenue are recorded at their fair value at the date of receipt and when the asset value is measurable.

2. Significant Accounting Policies (continued)

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 (concessionaire) who assumes a major share of the responsibility for the delivery of the infrastructure. The concessionaire 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 concessionaire to maintain the tangible capital asset on behalf of the City.

In the case of tangible capital assets, where the concessionaire 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 are recorded at the lower of cost and replacement cost.

j) 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 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 2m).

k) 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 and stipulations, if any, have been met and reasonable estimates of the amounts can be determined.

2. *Significant Accounting Policies (continued)*

k) Government transfers (continued)

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.

l) 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.

m) 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.

In addition, the City's implementation of PS3280 *Asset Retirement Obligation* has resulted in the requirement for management to estimate the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

n) Budget

The 2023 adopted consolidated 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*

	2023	2022
Cash equivalents	**$ 306,335**	$ 355,188
Cash	**211,524**	315,514
Restricted cash	**301,158**	187,102
	$ 819,017	$ 857,804

The average effective interest rate for cash equivalents at December 31, 2023 is 5.54% (2022 - 3.84%).

Cash received for interest from all cash, cash equivalents and restricted cash during the year is $61.4 million (2022 - $40.2 million).

Restricted cash above includes advances by the Province for a number of capital projects under various programs and accumulated interest on the advances. There is an external restriction to hold these funds separately until the eligible expenditures have been incurred. An amount equal to the restricted cash amount has been accounted for as deferred revenue (Note 8).

4. Accounts Receivable

	2023	2022
Trade accounts and other receivables	**$ 218,918**	$ 192,662
Province of Manitoba	**124,622**	63,209
Government of Canada	**93,406**	41,317
Allowance for doubtful accounts	**(36,493)**	(32,703)
	400,453	264,485
Property, payments-in-lieu and business taxes receivable	**69,625**	68,565
Allowance for property, payments-in-lieu and business taxes receivable	**(1,272)**	(1,277)
	68,353	67,288
	$ 468,806	$ 331,773

5. Investments

	2023	2022
Marketable securities (Note 5a)		
Municipal bonds	**$ 113,724**	$ 111,319
Provincial bonds	**28,725**	40,429
Federal bonds and related entities	**998**	26,344
	143,447	178,092
Manitoba Hydro long-term receivable (Note 5b)	**220,238**	220,238
Other	**8,707**	2,895
	$ 372,392	$ 401,225

a) Marketable securities

The aggregate market value of marketable securities at December 31, 2023 is $118.9 million (2022 - $146.0 million) and their maturity dates range from 2027 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 Business Partnerships

a) North Portage Development Corporation

North Portage Development Corporation (the "NPDC") is a 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 revitalization strategies and to work to ensure financial self-sufficiency. NPDC is responsible for the continuing renewal and stewardship of two sites in Winnipeg 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.

6. Investment in Business Partnerships (continued)

b) 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 business partnerships

	2023	2022
North Portage Development Corporation (1/3 share)	**$ 19,703**	$ 19,512
River Park South Developments Inc. (1/2 share)	**513**	465
	$ 20,216	$ 19,977

Summary of results of operations

	2023	2022
North Portage Development Corporation (1/3 share)	**$ 191**	$ (311)
River Park South Developments Inc. (1/2 share)	**48**	(5)
	$ 239	$ (316)

The condensed supplementary financial information of the business partnerships are disclosed in Schedule 1.

7. Accounts Payable and Accrued Liabilities

	2023	2022
Accrued liabilities	**$ 186,272**	$ 184,024
Trade accounts payable	**141,056**	158,921
Accrued interest payable	**7,114**	7,118
	$ 334,442	$ 350,063

8. Deferred Revenue

	2022	Inflows	Revenue Recognized	**2023**
Operating				
Prepayment for services	$ 25,125	$ 7,537	$ (5,481)	**$ 27,181**
Government of Canada				
- Rapid Housing Initiative	5,765	11,632	(4,189)	**13,208**
- Housing Accelerator Fund	-	30,607	-	**30,607**
Province of Manitoba	2,075	2,166	(2,359)	**1,882**
Other	3,915	1,216	(1,967)	**3,164**
	36,880	53,158	(13,996)	**76,042**
Capital				
Province of Manitoba	312,731	141,198	(65,052)	**388,877**
Canada Community-Building Fund	65,735	48,432	(56,041)	**58,126**
Other	1,580	-	(142)	**1,438**
	380,046	189,630	(121,235)	**448,441**
	$ 416,926	$ 242,788	$ (135,231)	**$ 524,483**

9. Debt

Sinking fund debentures outstanding

Term	Maturity Date	Rate of Interest	By-Law No.	**2023**	2022
2006-2036	July 17	5.200	183/04, 72/06	**$ 60,000**	$ 60,000
2008-2036	July 17	5.200	72/06B, 32/07	**100,000**	100,000
2010-2041	June 3	5.150	183/08	**60,000**	60,000
2011-2051	Nov. 15	4.300	72/06, 183/08, 150/09	**50,000**	50,000
2012-2051	Nov. 15	3.853	93/11	**50,000**	50,000
2012-2051	Nov. 15	3.759	120/09, 93/11, 138/11	**75,000**	75,000
2013-2051	Nov. 15	4.391	93/11, 84/13	**60,000**	60,000
2014-2045	June 1	4.100	144/11, 23/13, 149/13	**60,000**	60,000
2014-2045	June 1	3.713	100/12, 23/13, 149/13	**60,000**	60,000
2014-2051	Nov. 15	3.893	93/11, 145/13	**52,568**	52,568
2015-2045	June 1	3.828	144/11, 100/12, 23/13, 149/13, 5/15, 61/15	**60,000**	60,000
2016-2045	June 1	3.303	72/06, 23/13, 149/13, 5/15, 96/15, 40/16	**80,000**	80,000
2019-2051	Nov. 15	3.499	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	6976/97, 7751/01, 219/07, 184/08, 150/09, 40/16, 133/17	**120,000**	120,000
2020-2051	Nov. 15	2.663	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)				**(173,012)**	(152,454)
Net sinking fund debentures outstanding				**899,556**	920,114
Other debt outstanding					
Service concession arrangement obligations (Notes 9c and 14d)				**263,664**	269,399
Bank loans and other with varying maturities up to 2046 and a weighted average interest rate of 3.05% (2022 - 3.23%)				**133,861**	151,803
Obligations for leased tangible capital assets (Note 9d)				**15,458**	17,427
				1,312,539	1,358,743
Unamortized premium on debt (Note 9e)				**98,683**	104,391
				$ 1,411,222	$ 1,463,134

9. Debt (continued)

Debt segregated by fund/organization:

	2023	2022
General Capital Fund	**$ 792,018**	$ 817,191
Transit System	**235,760**	242,559
Sewage Disposal	**174,106**	178,538
Waterworks System	**95,143**	100,843
Fleet Special Operating Agency	**43,983**	45,100
Consolidated entities	**30,038**	39,471
Solid Waste Disposal	**22,904**	24,001
Other	**16,069**	13,950
Land Drainage	**1,201**	1,481
	$ 1,411,222	$ 1,463,134

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

	2024	2025	2026	2027	2028	2029+
Sinking fund debentures	$ 16,398	$ 16,398	16,398	$ 16,398	$ 16,398	$ 990,578
Other debt	35,996	23,704	22,367	19,638	17,210	294,068
	$ 52,394	$ 40,102	$ 38,765	$ 36,036	$ 33,608	$ 1,284,646

a) As at December 31, 2023, sinking fund assets have a market value of $157.1 million (2022 - $128.3 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 $48.3 million (2022 - $37.0 million) and a market value of $46.4 million (2022 - $32.6 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:

		2023	2022
i)	Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass	**$ 128,647**	$ 131,285
ii)	Disraeli Bridges	**93,149**	95,237
iii)	Chief Peguis Trail Extension	**41,868**	42,877
		$ 263,664	$ 269,399

9. Debt (continued)

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.

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

2024	$ 5,225
2025	1,301
2026	1,301
2027	1,314
2028	1,392
Thereafter	10,383
Total future minimum lease payments	20,916
Amount representing interest at a weighted average rate of 8.18%	(5,458)
Obligations for leased tangible capital assets	$ 15,458

e) Debt includes $98.6 million (2022 - $104.4 million) of unamortized premiums. Unamortized discounts on debt of $2.5 million (2022 - $2.6 million) are included in prepaid expense. Included in the Consolidated Statement of Financial Position are investments and cash equivalents of $112.3 million (2022 - $114.2 million) that will be used for making semi-annual debt service payments on the sinking fund debentures issued with a premium.

f) Interest expense recorded in the Consolidated Statement of Operations and Accumulated Surplus in 2023 is $62.4 million (2022 - $64.2 million). Interest paid during the year is $62.4 million (2022 - $64.2 million).

g) On February 27, 2002, Manitoba Hydro purchased 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, 2023 is $60.0 million (2022 - $60.0 million).

10. Other Liabilities

	2023	2022 Restated Note 2cii
Asset retirement obligation (Note 10a)	**$ 209,323**	$ 212,944
Expropriation	**61,442**	52,928
Contaminated sites (Note 10b)	**10,036**	8,136
Developer deposits and other	**37,551**	21,703
	$ 318,352	$ 295,711

a) Asset retirement obligation

The transition and recognition of asset retirement obligations involved an accompanying increase to the applicable tangible capital asset, where applicable, and a restatement of prior year numbers (see Note 2cii). In instances where an asset retirement obligation exists for an asset that has not been recognized, the accompanying increase is to expense. The asset retirement obligation consists of the following:

i) Landfill closure and post-closure costs

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 liability for the closure of operational sites and post-closure care has been recognized under *PS 3280 - Asset Retirement Obligation* . The liability for post-closure costs is incurred when the site starts accepting waste. The costs were based upon all presently known obligations that will exist at the estimated year of closure of the sites and extended for a 100 year period from the reporting date. These costs have been discounted to December 31, 2023 using a discount rate of 4.5% per annum. The estimated total liability at December 31, 2023 is $62.1 million (2022 - $68.3 million).

ii) Asbestos obligation

The City owns and operates buildings that are known or expected to contain asbestos. The City is legally required to perform abatement activities upon renovation or demolition of these buildings. Abatement activities include handling and disposing of asbestos in a prescribed manner when disturbed. The estimated total liability at December 31, 2023 is $122.9 million (2022 - $121.2 million).

iii) Other

The City has other retirement obligations which require remediation at the termination of the agreement. The estimated total liability at December 31, 2023 is $24.3 million (2022 - $23.4 million).

Where the timing of the remediation is known or can be estimated, the liability has been discounted at a rate of 4.5% on implementation. In subsequent periods the asset retirement obligation will be adjusted for accretion. Future events may result in significant changes to the estimated liability and would be recognized prospectively, as a change in estimate, when applicable.

The Landfill Rehabilitation Reserve was established for the purpose of providing funding, over time, for closure and post-closure landfill needs. Other asset retirement obligations are unfunded. The Landfill Rehabilitation Reserve is financed through a monthly transfer from the Solid Waste Disposal Fund based on tonnages at the landfill. As at December 31, 2023, the reserve had a balance of $3.4 million (2022 - $4.5 million) (see Schedule 3).

10. *Other Liabilities (continued)*

a) Asset retirement obligation (continued)

The following table shows the in-year changes in the obligation:

	2023	2022
Asset retirement obligation, beginning of year	**$ 212,944**	$ 200,571
Asset retirement expense	**(6,216)**	9,890
Accretion expense	**2,595**	2,483
Asset retirement obligation, end of year	**$ 209,323**	$ 212,944

b) Contaminated sites

As of December 31, 2023, 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 includes underground fuel storage tanks, fuel handling, vehicle storage and maintenance, snow storage and soil lead concentration.

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

11. *Employee Benefits Obligations*

	2023	2022
Retirement allowance and compensated absences (Note 11a)	**$ 129,547**	$ 126,882
Vacation (Note 11b)	**58,288**	56,562
Workers compensation (Note 11c)	**73,124**	59,536
Defined benefit pension plans (Note 11d)	**6,172**	5,864
	$ 267,131	$ 248,844

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 15.4 years (2022 - 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, 2023. The results of this valuation were extrapolated to the financial reporting date of December 31, 2023 using year-end assumptions.

11. Employee Benefits Obligations (continued)

a) Retirement allowance and compensated absences (continued)

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

	Retirement Allowance	Compensated Absences	Total 2023	Total 2022
Obligation balance, beginning of year	**$ 67,551**	**$ 52,874**	**$ 120,425**	$ 142,181
Current service cost	**4,228**	**5,271**	**9,499**	11,339
Interest cost	**2,418**	**2,490**	**4,908**	3,522
Actuarial gain (loss)	**(275)**	**2,168**	**1,893**	(23,115)
Benefit payments	**(7,077)**	**(5,579)**	**(12,656)**	(13,502)
Obligation balance, end of year	**66,845**	**57,224**	**124,069**	$ 120,425
Unamortized net actuarial gain (loss)	**17,672**	**(12,194)**	**5,478**	6,457
Accrued benefit liability	**$ 84,517**	**$ 45,030**	**$ 129,547**	126,882
Reconciliation of unamortized net actuarial gain (loss):				
Balance beginning of year	**$ 18,450**	**$ (11,993)**	**$ 6,457**	$ (19,237)
Amortization for current year	**(1,053)**	**1,967**	**914**	2,579
Actuarial gain (loss)	**275**	**(2,168)**	**(1,893)**	23,115
Balance end of year	**$ 17,672**	**$ (12,194)**	**$ 5,478**	$ 6,457
Expense consists of the following:				
Current service cost	**$ 4,228**	**$ 5,271**	**$ 9,499**	$ 11,339
Interest cost	**2,418**	**2,490**	**4,908**	3,522
Amortization of net actuarial (gain) loss	**(1,053)**	**1,967**	**914**	2,579
	$ 5,593	**$ 9,728**	**$ 15,321**	$ 17,440

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

	2023	2022
Discount rate on liability	**4.20%**	4.50%
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 individually assessed 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, is 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

		2023	2022
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	**56**	(252)
ii)	Supplementary Executive Pension Plan	**2,476**	2,476
		$ 6,172	$ 5,864

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 2023, the City paid benefits of $0.3 million (2022 - $0.3 million). An actuarially determined pension obligation of $3.6 million (2022 - $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 Council Benefits Program (the "Program"). Members of the Program contribute 6 1/2% of their Canada Pension Plan earnings plus 7 1/2% of any earnings in excess of their Canada Pension Plan earnings. The City makes contributions to the Program as required, based on the recommendation of the actuary.

An actuarial valuation of the Program was prepared as at December 31, 2022 and extrapolated to December 31, 2023 by Mercer (Canada) Limited (the "actuary"). 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.

b) Pension plan established under By-Law number 7869/2001 (continued)

The significant long-term assumptions used in the valuation of accrued pension benefits provided for a discount rate on liabilities of 5.00% (2022 - 5.35%) per annum, a rate of return on assets of 5.00% (2022 - 5.35%) per annum, and a long-term general rate of salary increase of 2.50% (2022 - 2.50%) per annum. The results of the valuation indicated an obligation at December 31, 2023 of $8.3 million (2022 - $6.9 million), which is offset by assets in the plan of $8.2 million (2022 - $7.2 million), resulting in a net obligation of $0.06 million (2022 - net asset - $0.3 million).

Total contributions made by the City to the Program in 2023 were $0.4 million (2022 - $0.6 million). Total program member contributions to the Program in 2023 were $0.1 million (2022 - $0.1 million). In 2023, this Program paid out $0.2 million (2022 - $0.7 million) in benefits including commuted values.

ii) Supplementary executive pension plan

The Supplementary Executive Pension Plan (the "Plan") was established January 1, 2001. Senior management are eligible for the plan when established by 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 2023, the City paid benefits of $0.1 million (2022 - $0.1 million). An actuarially determined pension obligation of $2.5 million (2022 - $2.5 million) has been reflected in the employee benefit obligation on the Consolidated Statement of Financial Position.

iii) Winnipeg police pension plan

The Winnipeg Police Pension Plan (the "WPP 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 Plan was amended by City By-Law in 2023 to increase member and City matching contributions, from 8.0% of pensionable earnings to 8.8% effective from February 1, 2024, and 9.6% of pensionable earnings effective from February 1, 2025. The City is required to finance the cost of the WPP 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 to maintain the City's matching contribution rate, at 8%, 8.8% or 9.6% of pensionable earnings as applicable, when permitted under provincial pension legislation. The WPP 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 WPP Plan members. Funding deficiencies are through reductions in the WPP Plan's contribution stabilization reserve and the rate of cost-of-living adjustments to pensions.

An actuarial funding valuation of the WPP Plan was prepared as of December 31, 2022. The valuation revealed a funding excess, which, in accordance with the terms of the WPP Plan, was resolved by an increase in the contribution stabilization reserve and by increasing the rate of cost-of-living adjustments to pensions from 52.5% to 56.8% of the inflation rate.

An actuarial valuation of the WPP Plan as of December 31, 2023 is to be prepared and may be 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 WPP Plan must also be valued under the hypothetical scenario that the WPP 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, 2022, the actuarial valuation showed that the WPP Plan has a solvency excess at December 31, 2022 under this wind-up scenario.

11. Employee Benefits Obligations (continued)

iii) Winnipeg police pension plan (continued)

The results of the December 31, 2022 actuarial valuation of the WPP Plan were extrapolated to December 31, 2023. In accordance with the terms of the WPP Plan, 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 5.00% per year (2022 - 4.75%); inflation rate of 2.25% (2022 - 3.50% for one year followed by 2% per year); and general pay increases of 3.25% per year (2022 - 3.25%). The accrued pension obligation was valued using the projected benefit method pro-rated on services.

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

	2023	2022
WPP Plan assets:		
Fair value, beginning of year	**$ 2,042,466**	$ 2,115,947
Employer contributions	**14,682**	38,380
Employee contributions and transfers	**18,153**	15,723
Benefits and expenses paid	**(74,061)**	(68,402)
Net investment income	**183,307**	(59,182)
Fair value, end of year	**2,184,547**	2,042,466
Actuarial adjustment	**(83,553)**	(53,577)
Actuarial value, end of year	**$ 2,100,994**	$ 1,988,889
Pension costs and obligations:		
Beginning of year	**$ 1,924,668**	$ 1,821,795
Interest on accrued pension obligation	**91,184**	86,307
Current period benefit cost	**64,062**	58,794
Actuarial loss (gain)	**(4,524)**	26,174
Benefits and expenses paid	**(74,061)**	(68,402)
End of year	**$ 2,001,329**	$ 1,924,668
Funded status	**$ 99,665**	**$** 64,221
Less: city account	**(51)**	(32)
Less: contribution stabilization reserve	**(99,614)**	(64,189)
Actuarial surplus	**$ -**	**$ -**

11. Employee Benefits Obligations (continued)

	2023	2022
Expenses related to pensions:		
Current period benefit cost	**$ 64,062**	$ 58,794
Amortization of actuarial gains	**(2,577)**	(2,038)
Less: transfers from contribution stabilization reserve	**(26,341)**	-
Less: employee contributions and transfers	**(18,153)**	(15,723)
Pension benefit expense	**16,991**	41,033
Interest on accrued benefit obligation	**91,184**	86,307
Expected return on plan assets	**(93,493)**	(88,960)
Pension interest income	**(2,309)**	(2,653)
Total expenses related to pensions	**$ 14,682**	$ 38,380

The actuarial value of the WPP 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 WPP Plan in 2023 were $14.7 million (2022 - $38.4 million). Total employee contributions to the WPP Plan in 2023 were $14.8 million (2022 - $14.2 million). Benefits paid from the WPP Plan in 2023 were $72.5 million (2022 - $67.0 million).

The expected rate of return on WPP Plan assets in 2023 was 4.75% (2022 - 4.75%). The actual rate of return, net of investment expenses, on the fair value of WPP Plan assets in 2023 was a return of 9.07% (2022 - negative 2.81%).

As the City's contributions to the WPP 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 WPP 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, 2023 will be resolved through an allocation to the 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 2023, and for future years, consistent with 2022. The City and participating employers are required to make matching contributions.

11. Employee Benefits Obligations (continued)

i) Winnipeg civic employees' benefits program (continued)

An actuarial valuation of the Benefits Program was prepared as at December 31, 2022, which indicated an excess of actuarial value of program assets over actuarial liabilities of $211.9 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 the 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, 2023 was nil (2022 - nil).

Total contributions by the City to the Benefits Program in 2023 were $57.5 million (2022 - $54.2 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. The Plans members and the City share the cost of basic life insurance until retirement. An actuarial valuation as of December 31, 2022 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, 2022 and the results were extrapolated to December 31, 2023. The principal long-term assumptions on which the valuation and extrapolation was based were: discount rate of 5.50% per year (2022 - 5.50%); and general pay increases of 3.25% per year (2022 - 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:

	2023	2022
Group life insurance plan assets, at actuarial value	**$ 204,116**	$ 196,423
Accrued post-retirement life insurance obligations	**$ 100,693**	$ 98,576

12. Tangible Capital Assets

	Net Book Value	
	2023	2022 Restated Note 2cii
General		
Land	**$ 359,163**	$ 340,600
Buildings	**805,945**	827,511
Vehicles	**203,212**	217,272
Computer	**48,692**	40,944
Other	**405,765**	405,483
Infrastructure		
Plants and facilities	**908,659**	825,861
Roads	**2,079,030**	1,984,339
Underground and other networks	**2,567,222**	2,440,088
Bridges and other structures	**652,702**	643,357
	8,030,390	7,725,455
Assets under construction	**393,549**	315,477
	$ 8,423,939	$ 8,040,932

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

During the year, $0.02 million of tangible capital assets were written-down (2022 - $nil). Interest capitalized during 2023 was $4.9 million (2022 - $2.7 million). In addition, roads and underground networks contributed to the City totaled $142.2 million in 2023 (2022 - $84.8 million). They are capitalized at their fair value at the time of receipt and when the asset value is measurable.

Included in the above net book values are $603.2 million (2022 - $618.3 million) of tangible capital assets that were acquired through service concession arrangements.

The net book value of land includes estimated, yet to be determined settlements for land expropriations.

13. Accumulated Surplus

Accumulated surplus consists of the following:

	2023	2022 Restated Note 2cii
Invested in tangible capital assets	**$ 7,072,308**	$ 6,691,828
Reserves (Schedule 3)	**346,548**	348,986
Other surplus accumulated in utility operations, consolidated entities and other	**125,080**	111,888
Manitoba Hydro long-term receivable (Note 5)	**220,238**	220,238
Equity in business partnerships (Note 6)	**20,216**	19,977
Equity in other partnerships (Schedule 1)	**7,064**	-
Unfunded expenses to be funded from future revenues:		
Accrued employee benefits and other	**(282,922)**	(262,263)
Asset Retirement Obligation (Note 10)	**(191,481)**	(192,332)
Contaminated sites (Note 10)	**(10,036)**	(8,136)
Canadian Museum for Human Rights grant	**(1,967)**	(1,967)
	$ 7,305,048	$ 6,928,219

13. Accumulated Surplus (continued)

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, 2023 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:

2024	$	8,856
2025		8,986
2026		8,761
2027		8,188
2028		7,631
Thereafter		29,655
	$	72,077

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, 2023 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 unconditionally guaranteed the payment of principal and interest on capital improvement loans and lines of credit for several organizations. The outstanding balance on these as at December 31, 2023 is $28.8 million (2022 - $32.3 million). The City does not anticipate incurring future payment on these guarantees, and therefore no amount has been included as a liability.

Some of the loans and lines of credit that are guaranteed are not fully used at December 31. The authorized limit of these guarantees is $32.1 million (2022 - $35.4 million).

These guarantees cover various periods expiring between 2025 and no stated expiry date.

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 as follows:

		Annual Maintenance
i) Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass	$	3,200
ii) Disraeli Bridges		2,900
iii) Chief Peguis Trail Extension		2,400

14. Commitments and Contingencies (continued)

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.

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). In 2023, total EARA accrued is $5.8 million (2022 - $7.1 million). 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.

14. Commitments and Contingencies (continued)

e) Veolia agreement (continued)

Veolia's withdrawals of amounts from the EARA are subject to certain limits and security posting requirements. In 2023, Veolia withdrew $3.9 million (2022 - $nil) 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, 2023 is $17.0 million (2022 - $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.

15. Taxation

	2023	2022
Municipal and school property taxes	**$ 1,371,369**	$ 1,345,985
Payments-in-lieu of property (municipal and school) taxes	**61,079**	56,623
	1,432,448	1,402,608
Payments to Province and school divisions	**(733,459)**	(727,416)
Net property taxes and payments-in-lieu of property taxes available for municipal purposes	**698,989**	675,192
Local improvement and frontage levies	**83,242**	65,726
Business and payments-in-lieu of business taxes	**60,177**	58,129
Electricity and natural gas sales taxes	**23,926**	24,164
Amusement, accommodation taxes and mobile home licences	**18,108**	13,769
	$ 884,442	$ 836,980

The property tax roll includes school taxes of $697.3 million (2022 - $690.0 million) assessed and levied on behalf of the Province and school divisions. Payments-in-lieu of school taxes assessed in 2023 totaled $36.2 million (2022 - $37.4 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 $6.6 million (2022 - $6.6 million). Collections of this levy are remitted to the business improvement zones and excluded from business taxes.

16. Sales of Services and Regulatory Fees

	2023	2022
Water sales and sewage services	**$ 343,044**	$ 347,808
Other sales of goods and services	**179,711**	151,533
Regulatory fees	**88,408**	83,636
Transit fares	**79,828**	61,381
	$ 690,991	$ 644,358

17. Government Transfers

	2023	2022
Operating		
Province of Manitoba		
Municipal Operating Grant	**$ 165,963**	$ 144,838
Public Safety	**24,216**	18,919
	190,179	163,757
Less: Support for Provincial Programs	**(23,650)**	(23,650)
	166,529	140,107
Transfer for paramedic services	**52,321**	50,316
Other	**28,084**	15,701
	246,934	206,124
Government of Canada		
Transit	**10,378**	9,000
Rapid Housing Initiative	**4,189**	8,522
Other	**950**	2,970
	15,517	20,492
Total Operating	**262,451**	226,616
Capital		
Province of Manitoba		
Investing in Canada Infrastructure Program (ICIP)		
NEWPCC Headworks facilities	**18,906**	-
Accelerated Regional Street Renewal Project	**18,739**	18,392
Strategic Infrastructure Basket	**14,414**	11,303
Other	**23,402**	4,806
	75,461	34,501
Government of Canada		
ICIP - NEWPCC Headworks facilities	**62,939**	-
Canada Community-Building Fund (Note 8)	**56,041**	54,660
Accelerated Regional Street Renewal Project	**18,737**	18,389
Other	**1,755**	1,148
	139,472	74,197
Total Capital	**214,933**	108,698
	$ 477,384	$ 335,314

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*

	2023	2022
Land sales	**$ 12,443**	$ 6,969
Contributions in lieu of land dedication	**1,015**	1,770
Income (loss) from business partnerships (Note 6)	**239**	(316)
Other	**11,736**	8,866
	$ 25,433	$ 17,289

19. *Expenses by Object*

	2023	2022 Restated Note 2cii
Salaries and benefits	**$ 997,609**	$ 980,478
Goods and services	**522,603**	530,604
Amortization of tangible capital assets	**306,512**	295,013
Interest (Note 9f)	**62,371**	64,202
Other expenses	**26,313**	43,183
	$ 1,915,408	$ 1,913,480

20. *Budget*

On March 22, 2023 Council approved the 2023 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 2023 budget is the 2023 consolidated budget that considers inter-fund transaction eliminations, tangible capital asset based revenues and expenses, controlled entity operations and the accrual of unfunded expenses. The resulting 2023 consolidated budget has been used in these consolidated financial statements.

21. *Changes in Non-Cash Working Capital Balances*

	2023	2022
Accounts receivable	**$ (137,033)**	$ (3,444)
Land held for resale	**4,238**	(1,644)
Accounts payable and accrued liabilities	**(15,621)**	58,722
Deferred revenue	**107,557**	40,285
Inventories	**(1,226)**	(2,198)
Prepaid expenses and deferred charges	**(8,134)**	(2,231)
	$ (50,219)	$ 89,490

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, 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 cemeteries.

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, 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.

23. Segmented Information (continued)

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.

Other Funds and Corporations

This segment consists of the General Capital Fund, Reserve Funds (Schedule 3), Special Operating Agencies, Municipal Accommodations Fund and consolidated entities (Note 2ai).

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

The City receives funds from various entities including Winnipeg Civic Employees' Benefits Program which are administered under the terms of an investment agreement and invested on a pooled basis to obtain maximum investment returns. These investments are accounted for as a trust and the relating cash equivalents balance of $54.2 million (2022 - $25.7 million) are not included in the consolidated financial statements.

Additional Trust funds of $3.9 million (2022 - $4.3 million), administered by the City for the benefit of external parties, 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. No comparative figure reclasses resulted in changes to annual surplus.

THE CITY OF WINNIPEG
CONSOLIDATED SCHEDULE OF BUSINESS AND OTHER PARTNERSHIPS

Schedule 1

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

	BUSINESS PARTNERSHIPS						OTHER PARTNERSHIPS					
	North Portage Development Corporation March 31		River Park South Developments Inc. December 31		Total		Economic Development Winnipeg[1] December 31		Trancona Joint Venture December 31		Total December 31	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Financial Position												
Assets												
Current	**$ 5,919**	$ 5,185	**$ 2,451**	$ 2,473	**$ 8,370**	$ 7,658	**$ 5,527**	$ 4,157	**$ 16,212**	$ -	**$ 21,739**	$ 4,157
Capital	**73,721**	73,614	**-**	-	**73,721**	73,614	**793**	714	**-**	-	**793**	714
Other	**58**	283	**-**	-	**58**	283	**-**	-	**-**	-	**-**	-
	$ 79,698	$ 79,082	**$ 2,451**	$ 2,473	**$ 82,149**	$ 81,555	**$ 6,320**	$ 4,871	**$ 16,212**	$ -	**$ 22,532**	$ 4,871
Liabilities												
Current	**$ 4,798**	$ 4,344	**$ 1,424**	$ 1,543	**$ 6,222**	$ 5,887	**$ 1,250**	$ 366	**$ 1,381**	$ -	**$ 2,631**	$ 366
Long-term	**15,790**	16,203	**-**	-	**15,790**	16,203	**727**	651	**704**	-	**1,431**	651
	20,588	20,547	**1,424**	1,543	**22,012**	22,090	**1,977**	1,017	**2,085**	-	**4,062**	1,017
Net equity	**59,110**	58,535	**1,027**	930	**60,137**	59,465	**4,343**	3,854	**14,127**	-	**18,470**	3,854
	$ 79,698	$ 79,082	**$ 2,451**	$ 2,473	**$ 82,149**	$ 81,555	**$ 6,320**	$ 4,871	**$ 16,212**	$ -	**$ 22,532**	$ 4,871
City share	**$ 19,703**	$ 19,512	**$ 513**	$ 465	**$ 20,216**	$ 19,972	**$ 2,172**	$ 1,927	**$ 7,064**	$ -	**$ 9,235**	$ 1,927
Results of Operations												
Revenues	**$ 16,713**	$ 12,870	**$ 109**	$ 2	**$ 16,822**	$ 12,872	**$ 11,486**	$ 8,576	**$ 11,961**	$ -	**$ 23,447**	$ 8,576
Expenses	**16,138**	13,805	**12**	12	**16,150**	13,817	**10,997**	8,311	**5,257**	-	**16,254**	8,311
Net income (loss)	**$ 575**	$ (935)	**$ 97**	$ (10)	**$ 672**	$ (945)	**$ 489**	$ 265	**$ 6,704**	$ -	**$ 7,193**	$ 265
City share	**$ 191**	$ (311)	**$ 48**	$ (5)	**$ 239**	$ (316)	**$ 245**	$ 133	**$ 3,352**	$ -	**$ 3,597**	$ 133

[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.

THE CITY OF WINNIPEG
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

As at December 31
(in thousands of dollars)

	General				
	Land [1] [2]	**Buildings**	**Vehicles**	**Computer**	**Other**
Cost					
Balance, beginning of year	**$ 340,600**	**$ 1,340,485**	**$ 491,195**	**$ 210,571**	**$ 784,060**
Asset Retirement Obligation prior year adjustment		**58,360**			**17,591**
Balance Beginning of the year	**340,600**	**1,398,845**	**491,195**	**210,571**	**801,651**
Add:					
Additions during the year	**21,964**	**14,776**	**14,833**	**18,316**	**35,496**
Less:					
Disposals during the year	**3,401**	**4,383**	**14,295**	**4,367**	**36,597**
Balance, end of year	**359,163**	**1,409,238**	**491,733**	**224,520**	**800,550**
Accumulated amortization					
Balance, beginning of year	**-**	**517,174**	**273,923**	**169,627**	**393,605**
Asset Retirement Obligation prior year adjustment		**54,160**			**2,562**
Balance Beginning of the year	**-**	**571,334**	**273,923**	**169,627**	**396,167**
Add:					
Amortization	**-**	**36,342**	**28,383**	**10,501**	**35,504**
Less:					
Accumulated amortization on disposals	**-**	**4,383**	**13,785**	**4,300**	**36,886**
Balance, end of year	**-**	**603,293**	**288,521**	**175,828**	**394,785**
Net Book Value of Tangible Capital Assets	**$ 359,163**	**$ 805,945**	**$ 203,212**	**$ 48,692**	**$ 405,765**

1 Included in land additions is $2.673 million (2022 - $0.318 million) of land transfers from land held for resale.
2 Included in land disposals is $0.173 million (2022 - $1.327 million) of land transfers to land held for resale.

Schedule 2

Infrastructure					Totals	
Plants and Facilities	**Roads**	**Underground and Other Networks**	**Bridges and Other Structures**	**Assets Under Construction**	**2023**	2022
$ 1,234,451	**$ 3,591,158**	**$ 3,795,734**	**$ 991,862**	**$ 315,477**	**$ 13,095,593**	$ 12,696,889
					75,951	75,951
1,234,451	**3,591,158**	**3,795,734**	**991,862**	**315,477**	**13,171,544**	12,772,840
109,038	**194,321**	**183,271**	**25,840**	**78,072**	**695,927**	494,540
3,134	**19,948**	**6,305**	**-**	**-**	**92,430**	95,836
1,340,355	**3,765,531**	**3,972,700**	**1,017,702**	**393,549**	**13,775,041**	13,171,544
408,590	**1,606,819**	**1,355,646**	**348,504**	**-**	**5,073,888**	4,867,320
					56,722	55,339
408,590	**1,606,819**	**1,355,646**	**348,504**	**-**	**5,130,610**	4,922,659
26,115	**97,035**	**56,136**	**16,496**	**-**	**306,512**	295,013
3,009	**17,353**	**6,304**	**-**	**-**	**86,020**	87,060
431,696	**1,686,501**	**1,405,478**	**365,000**	**-**	**5,351,102**	5,130,612
$ 908,659	**$ 2,079,030**	**$ 2,567,222**	**$ 652,702**	**$ 393,549**	**$ 8,423,939**	$ 8,040,932

THE CITY OF WINNIPEG
CONSOLIDATED SCHEDULE OF RESERVES

Schedule 3

As at December 31
(in thousands of dollars)

	2023	2022
Reserves		
Capital Reserves		
Environmental Projects	**$ 164,383**	$ 197,348
Water Meter Renewal	**38,338**	23,417
Waste Diversion	**16,819**	17,331
Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Payment	**16,513**	13,389
Water Main Renewal	**11,560**	18,252
Canada Community-Building Fund	**7,900**	3,572
Computer, Critical Systems and Support	**4,283**	3,293
Landfill Rehabilitation	**3,437**	4,535
Transit Bus Replacement	**1,009**	411
Sewer System Rehabilitation	**920**	4,941
Climate Action	**656**	-
Local Street Renewal	**596**	709
Southwest Rapid Transit Corridor	**252**	1,297
Regional Street Renewal	**241**	291
	266,907	288,786
Special Purpose Reserves		
Perpetual Maintenance Fund - Brookside Cemetery	**19,422**	18,886
Contributions in Lieu of Land Dedication	**15,674**	12,278
Housing Rehabilitation Investment	**5,490**	4,435
Commitment	**4,424**	2,832
Workers Compensation	**4,214**	3,336
Destination Marketing	**4,031**	2,822
General Purpose	**3,969**	1,685
Insurance (Note 22)	**2,488**	4,404
Insect Control Urgent Expenditures	**2,036**	888
Perpetual Maintenance Fund - St. Vital Cemetery	**1,480**	1,421
Multi-Family Dwelling Tax Investment	**1,363**	826
Perpetual Maintenance Fund - Transcona Cemetery	**1,100**	1,047
Heritage Investment	**977**	821
Economic Development Investment	**186**	16
Land Operating *	**(2,925)**	2,368
	63,929	58,065
Stabilization Reserve		
Financial Stabilization	**15,712**	2,135
Total Reserves	**$ 346,548**	$ 348,986

***** This excludes the investments held for the River Park South Developments Inc. business partnership and Transonca Joint Venture partnership.

	2023	2022
Reserve balance as disclosed above	**$ (2,925)**	$ 2,368
Investment held in other partnership (Schedule 1)	**7,064**	-
Investments held in business partnership (Note 6)	**513**	465
	$ 4,652	$ 2,833

THE CITY OF WINNIPEG
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE - SERVICE

For the year ended December 31, 2023
(in thousands of dollars)

	General Revenue Fund			
	Protection	**Community Services**	**Planning**	**Public Works and Garbage Collection**
REVENUES				
Taxation	**$ 342,498**	**$ 87,875**	**$ -**	**$ 305,263**
Sales of services and regulatory fees	**51,154**	**14,037**	**33,248**	**11,040**
Government transfers (Note 17)	**134,548**	**12,583**	**-**	**32,161**
Transfer from other funds	**533**	**351**	**3,459**	**2,107**
Other	**26,867**	**5,935**	**1,815**	**17,294**
	555,600	**120,781**	**38,522**	**367,865**
EXPENSES *(Note 19)*				
Salaries and benefits	**468,207**	**47,276**	**31,044**	**82,278**
Goods and services	**54,072**	**10,393**	**4,169**	**129,416**
Interest	**7,824**	**3,966**	**214**	**4,931**
Transfer to other funds	**14,261**	**33,576**	**4,175**	**165,572**
Other	**11,236**	**25,570**	**(1,080)**	**(14,332)**
	555,600	**120,781**	**38,522**	**367,865**
ANNUAL SURPLUS	**$ -**	**$ -**	**$ -**	**$ -**

For the year ended December 31, 2022
(in thousands of dollars)

	General Revenue Fund			
	Protection	Community Services	Planning	Public Works and Garbage Collection
REVENUES				
Taxation	$ 340,056	$ 74,101	$ -	$ 290,623
Sales of services and regulatory fees	47,032	12,304	34,758	9,233
Government transfers (Note 17)	109,574	9,128	-	19,750
Transfer from other funds	37,112	8,216	(894)	24,562
Other	26,896	5,925	1,789	14,500
	560,670	109,674	35,653	358,668
EXPENSES (Note 19)				
Salaries and benefits	478,988	42,360	29,104	82,595
Goods and services	50,838	7,773	4,433	168,930
Interest	7,165	3,243	23	3,794
Transfer to other funds	13,617	32,238	3,071	115,987
Other	10,062	24,060	(978)	(12,638)
	560,670	109,674	35,653	358,668
ANNUAL SURPLUS	$ -	$ -	$ -	$ -

1 This segment includes the revenues and expenses from Government Business and Partnerships (Schedule 1)

Schedule 4

Finance and Administration	Transit System Fund	Water and Waste Funds	Other Funds and Corporations [1]	Eliminations	Consolidated
$ 147,221	**$ -**	**$ -**	**$ 20,681**	**$ (19,096)**	**$ 884,442**
27,357	**82,841**	**411,467**	**129,823**	**(69,976)**	**690,991**
25,440	**42,212**	**87,460**	**173,295**	**(30,315)**	**477,384**
6,141	**120,121**	**136,901**	**564,820**	**(834,433)**	**-**
26,470	**1,444**	**115,947**	**87,001**	**(43,353)**	**239,420**
232,629	**246,618**	**751,775**	**975,620**	**(997,173)**	**2,292,237**
69,883	**131,110**	**79,733**	**70,532**	**17,546**	**997,609**
19,233	**70,746**	**149,708**	**150,103**	**(65,237)**	**522,603**
10,505	**11,263**	**13,788**	**50,114**	**(40,234)**	**62,371**
(228,815)	**(753)**	**(7,364)**	**850,211**	**(830,863)**	**-**
361,823	**53,489**	**239,136**	**(287,727)**	**(55,290)**	**332,825**
232,629	**265,855**	**475,001**	**833,233**	**(974,078)**	**1,915,408**
$ -	**$ (19,237)**	**$ 276,774**	**$ 142,387**	**$ (23,095)**	**$ 376,829**

Finance and Administration	Transit System Fund	Water and Waste Funds	Other Funds and Corporations	Eliminations	Consolidated
$ 128,110	$ -	$ -	$ 22,247	$ (18,157)	$ 836,980
23,903	64,243	406,714	113,489	(67,318)	644,358
16,051	51,420	5,969	157,562	(34,140)	335,314
34,195	114,853	81,353	557,797	(857,194)	-
19,933	1,192	77,491	55,531	(49,584)	153,673
222,192	231,708	571,527	906,626	(1,026,393)	1,970,325
68,224	125,479	78,937	64,110	10,681	980,478
18,277	69,639	146,663	130,858	(66,807)	530,604
12,239	11,414	13,758	49,423	(36,857)	64,202
(170,087)	(765)	(6,038)	870,777	(858,800)	-
293,539	53,902	298,036	(268,975)	(58,812)	338,196
222,192	259,669	531,356	846,193	(1,010,595)	1,913,480
$ -	$ (27,961)	$ 40,171	$ 60,433	$ (15,798)	$ 56,845