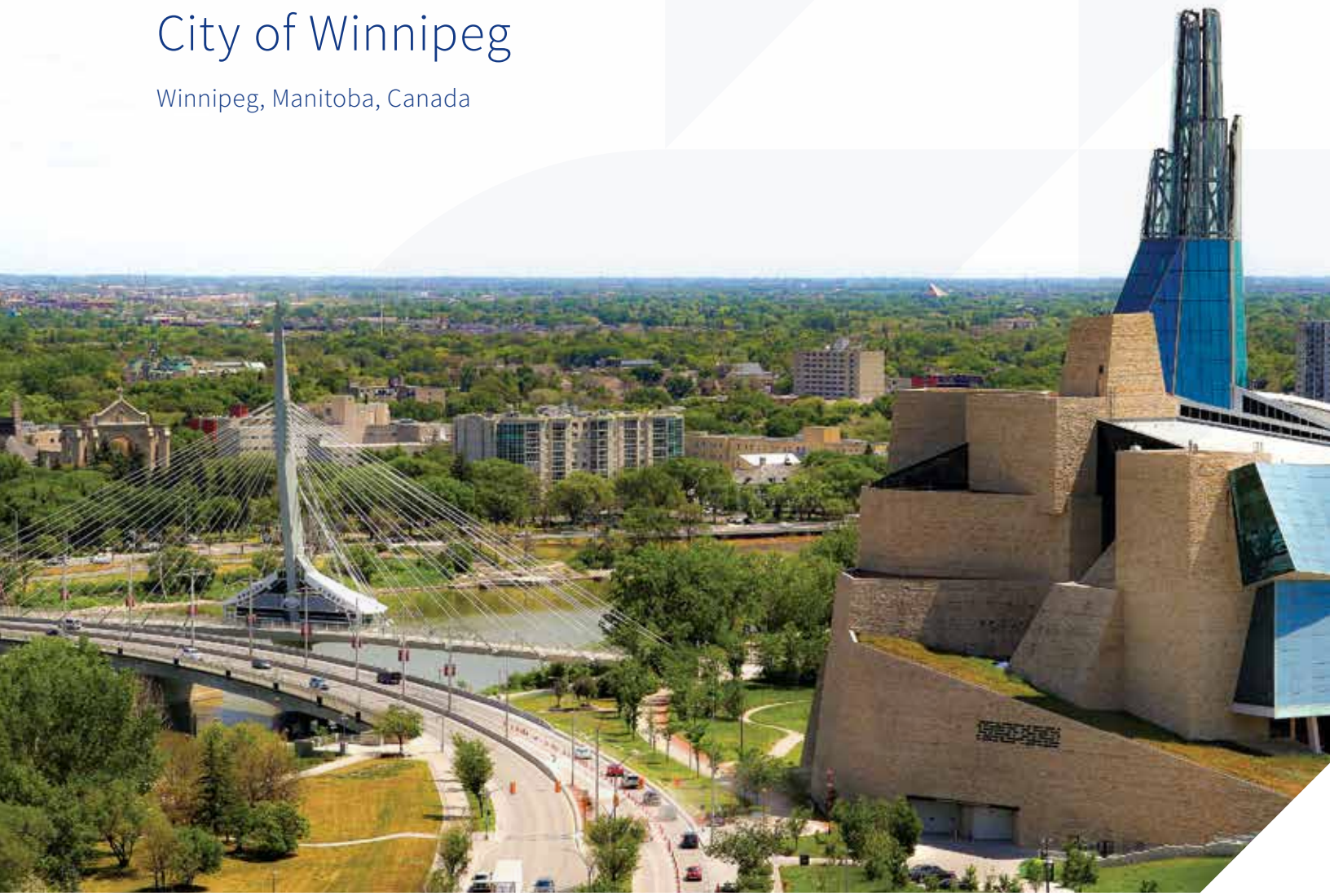
Winnipeg

2023

Annual Financial Report

City of Winnipeg

Winnipeg, Manitoba, Canada



For the fiscal year ended December 31, 2023

City of Winnipeg 2023 Annual Financial Report

Winnipeg, Manitoba, Canada

This annual report for the fiscal year ended December 31, 2023 has been prepared and compiled by the City of Winnipeg's Corporate Finance and Customer Service & Communications Departments.

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Vision, Mission & Values

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

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

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

Land & Water Acknowledgement

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

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

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

WIN

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Introductory Section

Message from the Mayor

Mayor Scott Gillingham
City of Winnipeg

As this 2023 Annual Financial Report is being published, the City of Winnipeg is marking its 150th anniversary year. This is a time when Winnipeggers are reflecting on our shared stories and shared future, and uniting to reclaim the vision and ambition of our founders – from Chief Peguis and our first Premier, Louis Riel, to those who followed.

Like all Canadian municipal governments, we are keenly aware of the economic headwinds we face, including the ongoing effects of higher inflation, higher interest rates, and global economic uncertainty. However, we believe that even in the midst of uncertainty, there is continued economic opportunity for Winnipeg.

Our population continues to grow, with Statistics Canada estimating the City of Winnipeg's population at 815,600 and the Winnipeg Census Metropolitan Area (CMA) at 910,200 as of July 1, 2023. Our Consumer Price Index (CPI) inflation averaged +1.0% in the first quarter of 2024, in part due to the temporary cut in the provincial fuel tax, and further declined to +0.5% in April. And Oxford Economics projects that our average annual real GDP growth for 2024-2027 will be +2.7%, ranking us third out of 13 major Canadian cities.

As a City Council and Public Service, we are determined to manage risk, rather than letting risk manage us. While we continue to seek needed growth revenue options and transfer reforms through collaborative discussions with our partners at the Province of Manitoba, we remain focused on ensuring responsible financial management across all departments. Our 2023 audited consolidated financial statements reflect this commitment, showing an operating surplus of $12.3 million – a major improvement from 2022's deficit of $144.4 million before capital-related revenues.

In 2023, the City's bond raters continued to express confidence in the City of Winnipeg's financial stewardship. Moody's Investors Service reaffirmed the City's rating at "Aa2 stable", while S&P Global Ratings maintained our rating at "AA+". Both bond raters cited the City's strong financial management in their review, with Moody's noting that "The City's governance and management structure remains strong and includes prudent financial policies for both debt and cash management." Both bond raters also emphasized the underlying strength and diversity of Winnipeg's economy as a whole.

The City's 2024-2027 Multi-Year Balanced Budget stays the course on financial responsibility, while delivering on key community priorities. It holds the line at a 3.5% property tax increase throughout the 2024-2027 plan to help residents and businesses maintain cost stability. As of 2024, this will mean that a typical Winnipeg homeowner will be paying less in municipal property tax – including frontage levies – than the owner of a comparable home in every other major city in Canada.

Some of the key community investments of the 2024-2027 Multi-Year Balanced Budget include:

- Nearly $1 billion over six years for road renewal and active transportation work.
- Next Generation 911 service, to allow users to text and share photos with emergency responders.
- A $20 million Aquatic Facility Modernization Plan, to build spray pads city-wide.
- A New Communities Fund, which will provide $2 million annually to support neighbourhood-specific projects.
- Expanded library hours city-wide, a new library in northwest Winnipeg, and library security improvements.
- New Transit fare technology to allow easier payment options, including by phone and tapping credit and debit cards.
- A 45% increase to funding for tree pruning and planting.

For Winnipeg's future, we're filled with hope and ambition. At my annual State of the City address this February, I set out three immediate challenges for City Council, the Winnipeg Public Service, and our community partners to work on together.

First, I want us to tackle one of the biggest challenges facing all Canadian cities – the shortage of available and affordable housing. For our economy and our labour market, but most of all for every Winnipegger in need of a place to call home, we need to approve more housing, more quickly.

We've made a strong beginning. The City of Winnipeg has a Housing Accelerator Fund agreement with the Government of Canada through the Canada Mortgage and Housing Corporation (CMHC). We've developed eight targeted Action Plan Initiatives aimed at speeding up the rate of development and increasing the number of affordable units available in Winnipeg. Thousands of housing units are already in the pipeline for approval, and Council has approved critical changes to our zoning rules to allow for greater density in mature neighbourhoods.

Now, all partners are focusing on delivery. I believe that all levels of government, business, and community organizations are committed to this goal – and that Winnipeg can be a leader in the field of new housing development. For us in City government this means that every civic department is now a housing department.

Second, I want the City of Winnipeg to use new technologies – including Artificial Intelligence (AI) – to modernize our City's customer service delivery. Past investments in customer service have cut wait times for 311 almost in half and increased our permitting system's digital capacity, and we should build on these advances. I've asked the Public Service to look at ways AI could help us increase the capacity and functionality of systems like 311, permitting, building review, and planning for road construction.

Third, I want to see our community refine its approach to economic development – so that we focus on areas where we're uniquely able to compete and grow. With this in mind, the City is partnering with the Winnipeg Chamber of Commerce and Economic Development Winnipeg to convene a Winnipeg 150 Economic Summit later this fall. This summit will bring together leaders from business, labour, trade associations, Indigenous governments, and community development organizations to meet and target markets where Winnipeg can make a difference.

At the close of 2023, *The Globe and Mail* named our city the best place in Canada to raise a family. We're determined to keep building on that status, while convincing ever-growing numbers of people from across Canada and around the world that they, too, belong in Winnipeg. With continued sound management, an ambitious vision for the future, and an unparalleled quality of life, that is exactly what we plan to do.

2022–2026

16th Council of the City of Winnipeg Members and appointments

(As at December 31, 2023)

Mayor Scott Gillingham
Chairperson, Executive Policy Committee

Matt Allard
ST. BONIFACE

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

Markus Chambers
ST. NORBERT – SEINE RIVER
Acting Deputy Mayor
Chairperson of the Winnipeg Police Board

Shawn Dobson
ST. JAMES

Evan Duncan
CHARLESWOOD – TUXEDO – WESTWOOD
Chairperson, Standing Policy Committee on Community Services

Ross Eadie
MYNARSKI
Deputy Speaker

Cindy Gilroy
DANIEL MCINTYRE

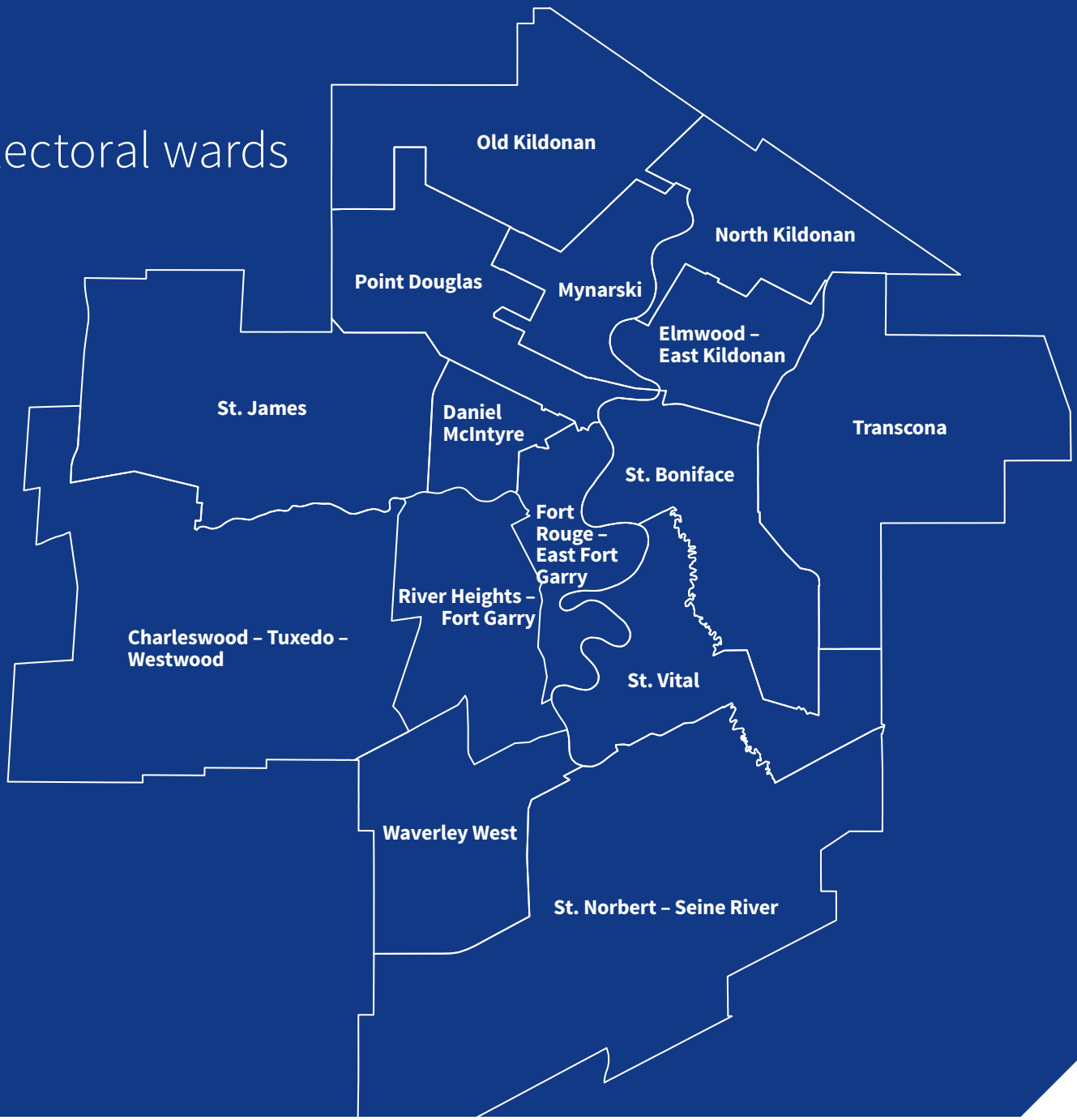
Janice Lukes
WAVERLEY WEST
Chairperson, Standing Policy Committee on Public Works
Deputy Mayor

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

John Orlikow
RIVER HEIGHTS – FORT GARRY

Sherri Rollins
FORT ROUGE – EAST FORT GARRY
Chairperson, Standing Policy Committee on Property and Development

Electoral wards



Vivian Santos
POINT DOUGLAS

Jason Schreyer
ELMWOOD – EAST KILDONAN

Devi Sharma
OLD KILDONAN
Speaker

Russ Wyatt
TRANSCONA

City of Winnipeg governance

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

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

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

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

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

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

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

- Community Services
- Finance and Economic Development
- Public Works
- Property and Development
- Water, Waste and Environment

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

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

OPENNESS & TRANSPARENCY

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

The key objectives of the policy are to:

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

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

Residents are able to register as delegations where they can provide opinions and feedback on matters before committees and Council. Information on how to appear as a delegation is available online.

OFFICE OF THE INTEGRITY COMMISSIONER

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

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

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

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

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

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

VOLUNTARY LOBBYIST REGISTRY

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

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

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

City of Winnipeg administration

The City's administration is comprised of a number of civic departments and special operating agencies ("SOAs") which provide a variety of services, including the areas of public safety, transportation, environment, planning and development, and leisure and wellness.

STATUTORY OFFICERS

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

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

The role of the City Clerk is to support the work of Council, Executive Policy Committee, Standing Committees, Community Committees, the Mayor and Mayor's Office, and members of Council, as well as liaise with the Chief Administrative Officer and senior administrators.

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

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

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

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

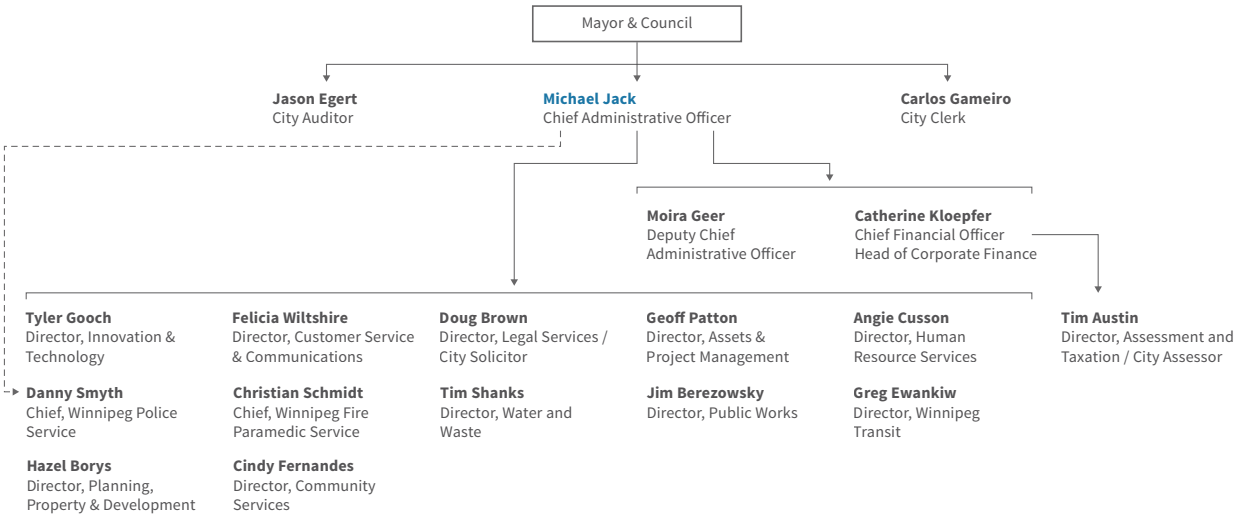
The following departments are direct reports of the CAO:

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

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

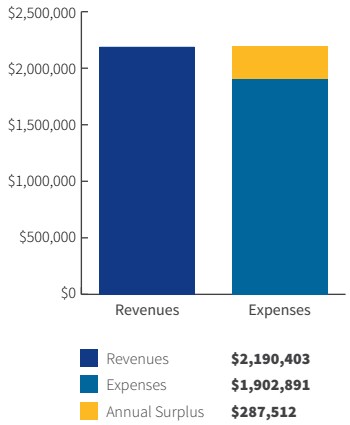
2023 ORGANIZATION CHART

(As at December 31, 2023)

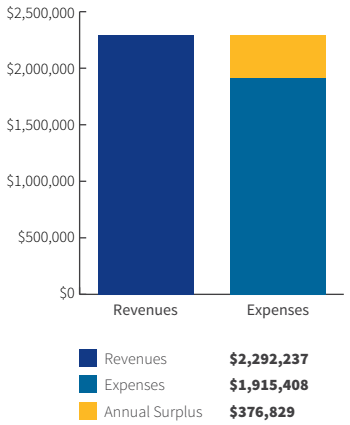


Consolidated financial results

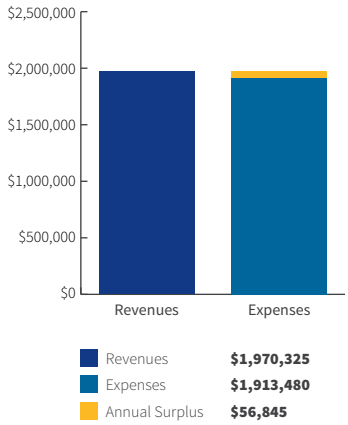
BUDGET 2023



ACTUAL 2023



ACTUAL 2022 RESTATED



Note: "$" amounts in thousands of dollars

City at a glance

815,600¤ | Population

30,514¤ | Annual population change *(2022-2023)*

38.8¤ | Median age

$47.9 billion+ | GDP

3.8%¤ | CPI

$50,700+ | Personal income per capita

497,800¤ | Labour force

473,700¤ | Employment

4.8%¤ | Unemployment rate

$338,900* | Average home assessment

$1,967* | Average municipal property taxes *(excluding school taxes)*

4,788‡ | Housing starts

315,465¤ | Total households

6,490* | Total residential permits issued

2,354* | Total non-residential permits issued

$1,501 million* | Residential permit values

$833 million* | Non-residential permit values

¤ Statistics Canada
+ Oxford Economics (Spring 2024)
‡ CMHC Starts and Completions Survey (2023)
* City of Winnipeg

Citizen satisfaction survey highlights

The City conducts an annual citizen satisfaction survey to solicit opinions on its performance in the delivery of key services. In 2023, 600 Winnipeggers, aged 18 and older, provided their thoughts on what the City is doing well and what needs improvement.

84% rate **quality of life** as very good or good

72% rate being very or somewhat satisfied with **customer service** provided by the City*

59% rate **value of tax dollar** as very good or good

Citizen satisfaction with City services

80% rate being very or somewhat satisfied with **City services**

66% are very satisfied or somewhat satisfied with **snow removal**

88% are very satisfied or somewhat satisfied with **condition of major parks****

89% are very satisfied or somewhat satisfied with **protection from river flooding**

80% are very satisfied or somewhat satisfied with **condition of local park in your neighbourhood**

88% are very satisfied or somewhat satisfied with **fire and rescue response to fire emergencies**

81% are very satisfied or somewhat satisfied with **quality of drinking water**

87% are very satisfied or somewhat satisfied with **garbage collection**

81% are very satisfied or somewhat satisfied with **animal services**

81% are very satisfied or somewhat satisfied with **insect control**

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

* Those who indicated they have contacted the City

** Those who indicated they have used the service

Message from the Chief Administrative Officer

Michael A. Jack (he/him/his)
Chief Administrative Officer

Municipal government presents special challenges and opportunities for public servants. U.S. Transportation Secretary Pete Buttigieg puts it this way: "In local government, it's very clear to your customers – your citizens – whether or not you're delivering. . . .The results are very much on display, and that creates a very healthy pressure to innovate."

This Annual Financial Report is one important way for us to share our civic team's results for 2023. Quality reporting matters to us. We're honoured that in 2023, our 2022 Annual Financial Report received the Canadian Award for Financial Reporting from the Government Finance Officers Association of the United States and Canada, for the sixth year in a row. We hope you find this year's report just as clear and informative.

Throughout 2023, the Public Service focused on Council's vision for Winnipeg. *Council's Strategic Priorities Action Plan 2023-2026* provided us with a detailed guide to that vision – and a healthy pressure to innovate! Within this framework, we're working to meet our strategic challenges and continue the excellent daily service Winnipeggers deserve.

Some of the priority needs we're working on include improving housing availability, community safety, and customer service. In response, we're building new Public Service capacity. We're recruiting knowledgeable and motivated staff, and exploring how we can use new technologies.

To support new housing development, we've hired a new Housing Accelerator Fund Manager, Affordable Housing Concierges, and a Land Enhancement Administrator. To improve community safety, we recruited and trained a new Community Safety Team. And to improve customer service, we used additional funds provided by Council to cut 311 wait times in half.

The creative use of technology is essential to our progress. In 2023, our Innovation & Technology Department did a major upgrade of the City's Permitting and Inspection Management software. They also completed a major upgrade of the City's Contact Centre (311) Management software, and got us all working on Office 365. Right now, Innovation & Technology are preparing proposals to improve customer service with Artificial Intelligence; they're also pursuing "What Works Cities" certification to improve our use of data.

As CAO, I'm very proud of our team members' commitment to service excellence. In 2023, the Vehicles for Hire unit of the Winnipeg Parking Authority was named the International Association of Transportation Regulators' (IATR's) Regulator of the Year. Working with the City's Indigenous Relations Division (IRD) and community leaders, Vehicles for Hire provided cultural competency training to over 300 vehicles for hire drivers. Also in 2023, the Winnipeg WAV program provided triple the number of wheelchair-accessible trips it did in 2022, and reduced wait times to 20 minutes, down from upwards of two hours.

Care for the most vulnerable is a crucial priority for us. In 2023, the Winnipeg Fire Paramedic Service (WFPS) worked to set up the Downtown Community Safety Partnership (DCSP) on the HEXAGON Computer-Aided Dispatch System. This will enable faster and more effective communication and coordination in the field between the WFPS and the DCSP.

Quality of life matters to us, too. Our team of dedicated staff is working to maintain and improve the quality of life in every neighbourhood. In 2023, Community Services completed a renovation of the beloved Ah Kha Koo Gheesh Indigenous Children's Space at the Millennium Library. The St. John's Library partnered with North End Connect to provide free used computers and digital literacy classes to North End residents. Recreation Services hired 199 Instructor Lifeguards for

the Learn to Swim program, and hosted the World Police and Fire Games at the Cindy Klassen Recreation Centre. Also, Animal Services established the warmly-received Doggie Dates program, which enables residents to meet and spend time with adoptable dogs.

The City's Journey of Reconciliation with Indigenous peoples continued in 2023. The Winnipeg Indigenous Accord continues to grow, and now has 243 partners from multiple sectors and organizations. This June marks a very memorable moment; the City is officially recognizing the re-naming of Bishop Grandin Boulevard, Bishop Grandin Trail, and Grandin Street. They will now be called Abinojii Mikanah, Awasisak Mēskanôw, and Taapweewin Way. This milestone would not have been possible without the leadership and hard work of the City's Indigenous Relations Division (IRD).

Everyone belongs in Winnipeg, and everyone is welcome to be part of our public service! This value inspired the Winnipeg Fire Paramedic Service's 2023 newcomer skills camp. The camp encouraged newcomer youth to consider careers in the WFPS, by introducing them to firefighters, paramedics, and members of the 911 communications team.

The value of inclusion is also reflected in the work of our Human Resource Services Department and Equity Office. In 2023, the City received four Chartered Professionals in Human Resources (CPHR) Excellence Awards, focusing on our work in Equity, Diversity and Inclusion.

All of our activities in 2023 rested on a foundation of careful financial stewardship and planning. In 2023, for the sixth year in a row, the Government Finance Officers Association of Canada and the U.S. awarded the City of Winnipeg the Distinguished Budget Presentation Award – this time with special recognition for our use of performance measures. Planning and budgeting effectively requires the collaboration of elected officials and staff in all departments, something we value and will continue to practise.

I'd like to conclude by thanking our Mayor and Council and the residents of Winnipeg for the opportunity to serve them. I'd also like to thank every member of this fine civic team, the Winnipeg Public Service. There are many challenges ahead, and we approach them with humility and respect. We also approach them with confidence, because we're tackling them together with a desire to innovate and achieve. It's a privilege to work with all of you for this community, on the verge of our next 150 years.

Commitment to reconciliation

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

Requests and any accompanying feedback are considered by the Welcoming Winnipeg Committee of Community Members in making a recommendation to Council. The committee is guided by values and principles established in the Welcoming Winnipeg policy. These include honouring the original peoples of this land and their descendants, that the Treaty Relationship be upheld, that Indigenous Rights are respected, and that traditional Indigenous laws, ceremonies and ways of being are recognized and affirmed.

Throughout the course of 2023, there were nine new requests received, either through the online Welcoming Winnipeg request form or through direction of the Executive Policy Committee. In 2023, 11 Welcoming Winnipeg requests that had outstanding actions from previous years were closed

Conducted separately from the Welcoming Winnipeg process, the City's Indigenous Relations Division convened an Indigenous Knowledge Naming Circle to create options for renaming Bishop Grandin Boulevard, Bishop Grandin Trail, and Grandin Street to a name which honours Indigenous experience, culture, and history. The Indigenous Relations Division was asked to provide recommendations for names that better honour the survivors of the residential school system, which Bishop Vital-Justin Grandin had played an integral role in.

The Indigenous Knowledge Naming Circle was comprised of Indigenous Elders, residential school survivors, knowledge keepers, and youth. The names recommended, which were approved in principle by Council in March 2023, included the following:

- Bishop Grandin Boulevard to **Abinojii Mikanah**
- Bishop Grandin Trail to **Awasisak Mēskanow**
- Grandin Street to **Taapweewin Way**

Approval of the names marked the first step in the renaming process, which later included steps to enact the street renaming bylaw and notify impacted residents and businesses along these streets. The changes to the street signs would come in 2024 following Council approval of the bylaw enactment.

TRIBUTE TO COMMUNITY OF SHOAL LAKE 40 FIRST NATION

In the name of reconciliation, the City of Winnipeg and Downtown Winnipeg BIZ unveiled a tribute to the community of Shoal Lake 40 First Nation at the refurbished Broadway Centennial Fountain. The tribute features a large copper plaque, inscribed with a message of gratitude and support for the community of Shoal Lake 40 First Nation. The water fountain, which required repairs and refurbishment, had originally been constructed in 1970 to recognize the 50th anniversary of the supply of water to Winnipeg from Shoal Lake. Until the new tribute unveiled in June 2023, this monument failed to acknowledge the community at the source of this water – Shoal Lake 40 First Nation.

WINNIPEG'S INDIGENOUS ACCORD

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

In November 2023, 16 additional local organizations and businesses joined the City of Winnipeg and the other previous signatories in their commitment to the ongoing Journey of Reconciliation in Winnipeg by formally becoming partners of the Indigenous Accord at a signing ceremony held at the Canadian Museum for Human Rights. These signatories bring the total number of Accord partners to 243 and demonstrates a strong community commitment to Winnipeg's Journey of Reconciliation.

The Accord guides our shared commitment to the Journey of Reconciliation in Winnipeg, and is rooted in the Truth and Reconciliation Commission's (TRC) 94 Calls to Action and more recently the Missing and Murdered Indigenous Women, Girls, and Two-Spirited (MMIWG2S+) Calls for Justice, and is guided by the commitments and principles contained in the Accord.

City of Winnipeg service highlights

There may have been lingering effects from the pandemic in 2023, but the City of Winnipeg had mostly returned to pre-pandemic operations by the beginning of the year. From Transit schedules to swimming lessons and other recreational programming, the City had largely resumed offering services at the level residents had experienced before COVID-19 changed our shared realities in 2020.

If there was a valuable takeaway from the City's response to the COVID-19 pandemic, it was the reinforcement that coordination and collaboration across City departments is crucial when addressing major issues impacting Winnipeg residents.

ADDRESSING PROBLEM PROPERTIES

A growing issue in Winnipeg has become the prevalence and enforcement of vacant and derelict buildings. These are properties without active use, where often the structure or house falls into severe disrepair. The City has longstanding bylaws to govern the securement of these properties to ensure safety for nearby residents. However, the sheer number of vacant properties in Winnipeg, combined with a rising rate of structure fires, has led to an alarming and hazardous trend in our city.

From incident to demolition, the issue of vacant building fires crosses many departments. In the vein of coordination and collaboration, the City has struck a committee of staff and supervisors from various departments to review and update policies that address the issue of vacant buildings. The Problem Properties Committee is comprised of representatives from Winnipeg Fire Paramedic Service; Community Services; Planning, Property and Development; Assets and Project Management; Corporate Communications; and is chaired by the Deputy CAO.

The goal of the committee is to consider ways to improve or strengthen City policies related to vacant buildings and other problem property matters. The primary goal of the committee is to improve the safety of our neighbourhoods by having vacant properties redeveloped or restored to a developable condition.

FIGHTING FIRES

As noted, fires have been trending in a concerning direction in Winnipeg and WFPS is charged with addressing the rising number of incidents. Data kept by WFPS shows that structure fires they have responded to in the past year climbed to 954 – nearly three per day.

One result of the rise in fire responses is an increasing need for support from the City's Emergency Social Services (ESS) team. ESS are those services provided on a short-term basis to support the emotional and physical well-being of individuals displaced from their home due to an emergency. Typically, the services provided by the City's ESS team include registration and the opening of a reception centre, the provision of lodging and food, and referral to other supports and services such as health services or income supports.

In Winnipeg, the City is responsible to provide up to 72 hours of emergency social services for residents displaced due to emergencies. This typically includes residential building fires, gas leaks, and flooding, but could also include other natural disasters, or large-scale events such as a train derailment.

Since 2019 the City's ESS team has seen a 521% increase in the number of calls for support. Most calls are related to low-income housing fires at rooming houses, single room occupancy hotels, buildings with poor building maintenance, negligent landlords and vulnerable tenants.

The upward trend in activations continued throughout 2023. From January 1 to December 31, the ESS team responded to 87 calls, or roughly one call every four days. During these activations the ESS team supported over 1,100 individuals. Compared to 2022, this accounts for an increase of 13% in terms of the number of activations, and over 50% in terms of individuals supported.

SUPPORTING UNHOUSED RESIDENTS

City departments have come together to address a rise in the number and frequency of encampments being established by residents experiencing homelessness. These encampments have become a more common and dynamic issue for the City of Winnipeg.

When the City is made aware of an encampment, City staff work closely with partner agencies to provide residents of encampments with appropriate supports to ensure their health and safety. WFPS fire prevention staff visit encampments regularly, especially during stretches of cold weather when these residents are especially vulnerable to cold weather and the risks associated with different heating methods. Staff will intervene if there is an immediate risk to public or personal safety as a result of activity in an encampment. Otherwise officials provide guidance on life and fire safety, and will refer encampment sites on to outreach partners to provide additional supports, including shelter and transportation.

ADDRESSING THE HOUSING CRISIS

Cities all across Canada are facing significant challenges related to housing affordability and availability. Population growth has led to a rising demand for housing that the current rate of housing construction cannot meet.

In recent years, the City of Winnipeg has taken on a major role partnering with the Canada Mortgage and Housing Corporation (CMHC) on distributing federal funds to support local housing projects. Beginning in 2020, the City has been working with CMHC and the Province of Manitoba on the Rapid Housing Initiative (RHI) by reviewing funding applications and recommending local projects for support. The third round of RHI funding was awarded in June 2023. Through three total intakes of the Rapid Housing Initiative, the City has disbursed over $40 million in support for local housing projects, accounting for the creation of nearly 200 new housing units in Winnipeg.

The City was approved for participation in another major housing program in December 2023 when Winnipeg's application to the Housing Accelerator Fund was approved. The City of Winnipeg was approved to receive $122.4 million in funding through the CMHC funding program to support a series of eight targeted initiatives aimed at speeding up the rate of development and increasing the number of affordable units available in Winnipeg.

REGULATING SHORT-TERM RENTAL ACCOMMODATIONS

Short-term rental accommodations (STRAs), also known commonly as vacation rental properties, have been part of a growing industry around the world for many years now. STRAs are a part of the hospitality industry, competing with established accommodation services like hotels. While there are obvious benefits to STRAs from the perspective of both property owner and renter, the business has also revealed common issues for these parties and neighbouring residents that have necessitated more rules and regulations.

The City of Winnipeg began exploring methods of regulating STRAs in 2021, scanning best practices across Canada and considering Winnipeg's context to decide how new regulations could address local issues as simply and directly as possible. Public and stakeholder consultations followed, giving the City a more fulsome picture of people's experiences with STRAs in Winnipeg.

Following extensive consultation on STRAs, the City proposed a three-pronged regulatory program in February 2023 that focused on: zoning and land use; licensing and enforcement; and taxation. The recommendations were accepted by Council with some refinement, introducing a new regulatory framework for STRAs in Winnipeg.

THE FUTURE OF OUR DOWNTOWN

The City began work in 2023 on the creation of a plan for Downtown Winnipeg. *CentrePlan 2050* is being created to guide investment and growth in Downtown Winnipeg for the next 30 years. With the goal of getting more people living downtown, the City began engaging Winnipeggers in May 2023 on their priorities related to Downtown Winnipeg.

A key feature of *CentrePlan 2050* that the project team asked Winnipeggers about is a re-imagining of Graham Avenue. Implementation of the *Winnipeg Transit Master Plan* is expected to shift bus traffic off of Graham Avenue, offering an opportunity to reinvent how the street is used and who it is designed for.

The final draft of *CentrePlan 2050* will be presented to Council in 2024, along with next steps related to Graham Avenue redesign and other priority actions.

REDUCING 311 WAIT TIMES

The 311 Contact Centre is the single point of contact for residents when they need to reach the City of Winnipeg. 311 fields hundreds of thousands of requests a year and requires a tremendous amount of coordination with City departments to respond to all citizen inquiries.

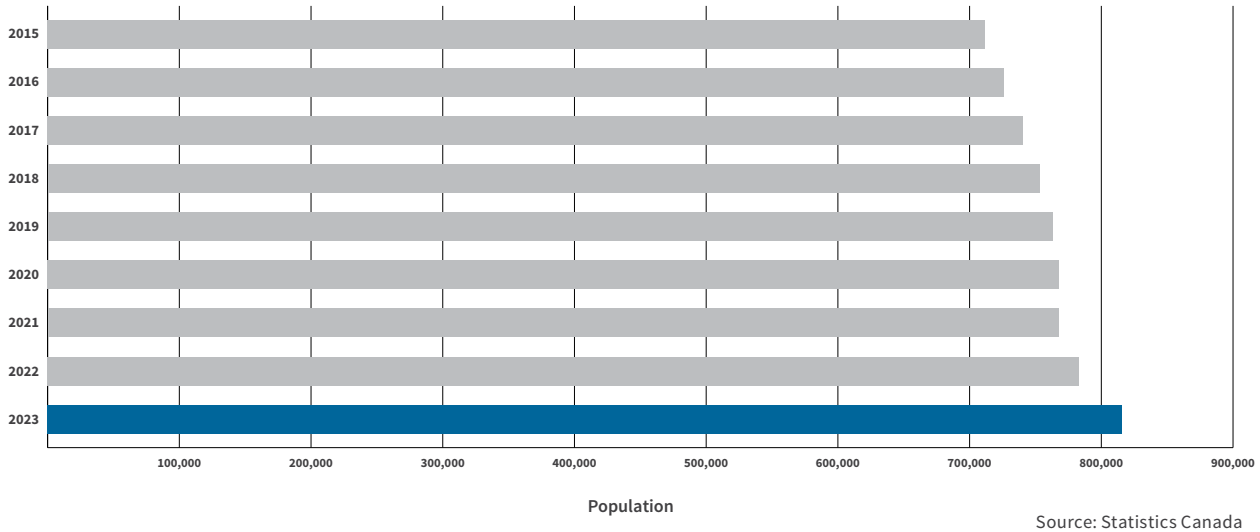
In an effort to improve wait times at the 311 Contact Centre, the City funded six new full-time positions and the overtime budget was increased to offer more hours to deal with unexpected increases in calls to 311. There were also more phone lines added to help prevent residents from receiving a busy signal when calling 311 during times of high call volume. The average phone wait times did decrease significantly over 2023, from approximately 11 minutes in 2021 and 2022, down to less than six minutes in 2023.

RECRUITING FUTURE LIFEGUARDS

Following the pandemic, there was a shortage of part-time and full-time lifeguards to staff swimming facilities across Canada. Here in Winnipeg, the City launched its Instructor Guard Recruitment Program in 2022 to attract new applicants to the position and better support our recreation services. The recruitment program provided free training toward the certifications required to apply as an Instructor Guard. By offering this training, the City incentivized candidates by investing financially in their training to get as many new applicants in as possible.

A second round of the recruitment program was launched in 2023, helping the City make further progress on restoring its aquatics staffing levels. In the fall of 2023, the City was able to offer its highest level of swimming lessons since before the pandemic.

City of Winnipeg Population Estimate by Year



Source: Statistics Canada

BROOKSIDE GAINS MAJOR RECOGNITION

A years-long application process culminated in 2023 with the recognition of Brookside Cemetery as a National Historic Site by the Government of Canada. More than 100,000 people have been laid to rest at Winnipeg's largest cemetery, including over 10,000 Veterans. The Field of Honour at Brookside Cemetery is also one of Canada's largest military cemeteries.

The achievement puts Brookside Cemetery on a distinguished list of national treasures, becoming the 24th National Historic Site in Winnipeg. Other recognized sites include the Exchange District, Louis Riel's Grave, and The Forks.

WINNIPEG SEES LARGEST SINGLE YEAR OF GROWTH IN ITS HISTORY

After Winnipeg's population showed a steady upward incline up until 2020, growth flatlined when COVID-19 severely impacted immigration into our city. It was a drastic change of pace from a city that had grown at an annual average rate of 6,500 people over the previous 20 years.

Statistics Canada's population estimates as of July 2023 mark Winnipeg's population at 815,600, which is the highest our population has ever been.

For the City of Winnipeg compared to 2022, this represents an increase in population of 3.9%, or 30,514 people. This is a significant figure, as it likely represents the single largest increase in population in Winnipeg's history. As of 2023, the City of Winnipeg is the sixth largest municipality in Canada.

IMPROVING SAFETY BY REDUCING SPEEDS

With Council approval of the Road Safety Strategic Action Plan in 2022 and adoption of a number of other pedestrian and cyclist-friendly best practice documents, the City has been working to make roads safer for all users.

Vehicle speed limits continue to be reduced on select routes with high cycling traffic through the neighbourhood greenway program. The slate of designated 30 km/h neighbourhood greenways more than doubled in 2023 with the introduction of nine new routes.

In March 2023, the City also launched a pilot to test reduced speed limits in residential neighbourhoods. The pilot aims to determine how a citywide reduction in residential street speed limits could change Winnipeggers perceptions of safety and liveabililty in their neighbourhoods. Results of the pilot will inform recommendations on the future of residential speed limits citywide and these recommendations are expected to be presented to Council in late 2024.

ENHANCING SNOW CLEARING POLICIES

Snow is a reality Winnipeggers know very well. It happens every winter – some more than others. We are almost assured more than one significant dump of snow every year. City staff plan extensively for ice control and snow clearing operations each that cover more than 10,000 kilometres of streets and 3,000 kilometres of sidewalks and pathways. These operations are guided by the City's Council-approved Snow Clearing & Ice Control Policy.

Clearing snow quickly and in a coordinated manner is essential to keeping Winnipeggers moving throughout the city. No matter how much snow falls and over how much time , operators ensure the highest priority streets and sidewalks are cleared as quickly as possible to keep Winnipeg moving, especially emergency vehicles and Transit.

The City made significant changes to the snow clearing policy ahead of the 2023-24 winter season to improve sidewalk conditions and general accessibility after major snow events.

The updates, approved by Council in September 2023, mean sidewalks and pathways will be cleared sooner and within a shorter period time than previously. To accommodate these changes, the City made a capital investment in additional sidewalk clearing machines, along with additional funds for staff and external contracts.

MAKING PROGRESS ON MAJOR PROJECTS

Infrastructure needs change over time as our population grows in different areas and traffic volumes shift. City staff are constantly studying ways to improve traffic flow and planning infrastructure projects that help make sure all our neighbourhoods and communities remain connected.

One such project that began construction in 2023 is the St. Vital Bridge Rehabilitation. The St. Vital Bridge is technically two adjacent bridges that cross the Red River. These structures are an essential connection to south Winnipeg. They were last rehabilitated in 1988. The rehabilitation project, budgeted at $52 million, is expected to be completed in the summer of 2025 and extend the useable life of St. Vital Bridge by about 50 years.

Another major infrastructure project that reached a major milestone in its planning timeline last year was the Route 90 Improvement Study (between Taylor Avenue and Ness Avenue). Since 2018, the study has been investigating improvements to help address the needs of current and future traffic, new developments, pedestrians, cyclists and transit users, as well as the surrounding communities. The City released a proposed design in May 2023 for residents to view and provide feedback.

INVESTING IN STREET RENEWAL

A well-maintained transportation system promotes economic vitality and a positive city image. As such, the City dedicated $159.0 million towards the Regional and Local Streets Renewal programs in 2023.

Over 34 regional street renewal projects worth $88.5 million were budgeted in 2023 and the remaining $70.5 million went towards local street renewals, including granular roadway improvements, sidewalk and active transportation renewals, and 79 residential street renewal projects.

2023 roadway construction & maintenance statistics

73.4
(LANE-KM)
Capital rehabilitation of local streets

39
(LANE-KM)
Capital reconstruction of regional streets

46.6
(LANE-KM)
Capital rehabilitation of regional streets

6.7
(LANE-KM)
Capital reconstruction of local streets

2.13
(LANE-KM)
Capital reconstruction of alleys

43.2
(LANE-KM)
Roadway transferred from developers

1.3
(LANE-KM)
Capital addition of surfaced alleys

6,486
(METERS)
Capital addition of pedestrian/cycle pathways

3,800
(METERS)
Capital renewal of pedestrian/cycle pathways

12,079
(METERS)
Sidewalks transferred from developers

3,036
(METERS)
Capital addition of sidewalks

4,218
(METERS)
Pedestrian/cycle pathways transferred from developers

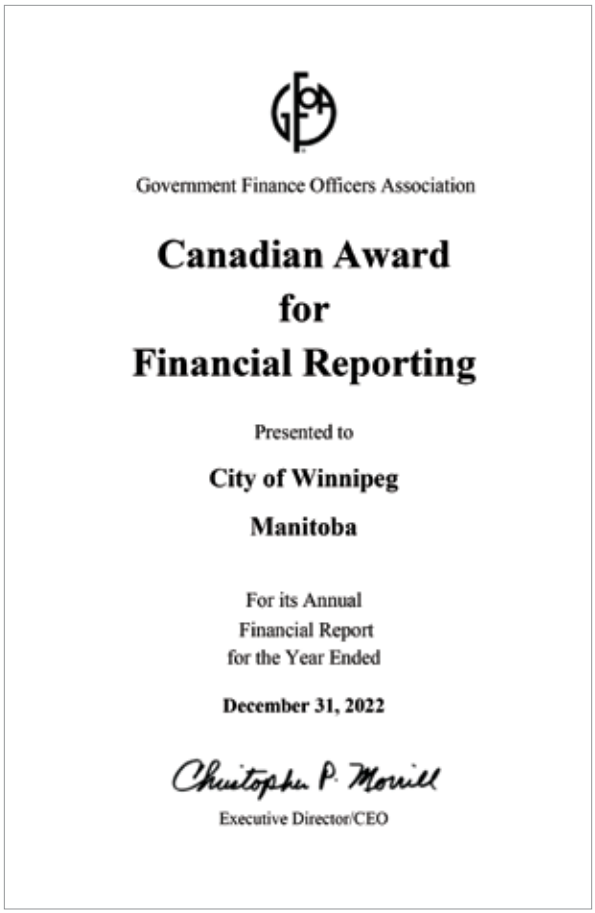
48,900
(METERS)
Capital renewal of sidewalks

AWARDED EXCELLENCE

The City has been awarded the Canadian Award for Financial Reporting for a sixth consecutive year from the Government Finance Officers Association of the United States and Canada ("GFOA"). The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

To be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

This past year, the City of Winnipeg and Treaty One Nation arrived at the Gaawijijigemangit Agreement, a Municipal Development & Services Agreement, that would see the City provide municipal services for a proposed urban reserve at the Naawi-Oodena site (formerly referred to as the Kapyong Barracks), which is expected to be the largest urban reserve in Canadian history.


Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

City of Winnipeg

Manitoba

For its Annual Financial Report for the Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

After years of work between representatives of Treaty One Nation and the City's Public Service, the proposed Agreement is the result of discussion, review, and analysis of common and best practices across Canada, through the lens of reconciliation.

Capital projects

6-year capital investment plan of $3,105.6 million (2023 Budget & 5 year forecast)

$1,258.9
Public Works & local improvements

$620.3
Sewer projects

$361.6
Water & solid waste projects

$530.1
Winnipeg Transit

$88.2
Community Services, Planning, Property & Development, Municipal Accommodations

$73.9
Public safety

$172.6
Land drainage, flood control & other

(In millions of dollars)

Financial Section

December 31, 2023

Report from the Chief Financial Officer

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

I am pleased to present the 2023 Financial Statement Discussion and Analysis. The following discussion and analysis of the financial status and performance of the City of Winnipeg (the "City") should be read together with the audited 2023 consolidated financial statements and their accompanying notes and schedules ("Statements"). Management of The City of Winnipeg is responsible for the preparation of the Consolidated Financial Statements. The Statements are prepared in accordance with Canadian public sector accounting standards for governments, established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The City received the prestigious Canadian Award for Financial Reporting ("CAnFR") from the Government Finance Officers Association ("GFOA") for its December 31, 2022 annual report for the sixth year in a row. The CAnFR recognizes excellence in government accounting and financial reporting and represents a significant achievement for the City. The award reflects the tremendous effort not only of employees in Corporate Finance, but also of all departments, Utilities, Special Operating Agencies ("SOAs") and elected officials in producing high quality documents for use by our community.

The City was also awarded the GFOA's Distinguished Budget Presentation Award for its 2023 budget update.

FINANCIAL REPORTING MODEL

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

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

FUNDS, CONSOLIDATED ENTITIES AND PARTNERSHIPS

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

Certain 2022 figures have been restated due to the adoption of PSAB standard PS 3280 *Asset Retirement Obligations*.

Funds

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

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

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

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

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

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

Consolidated Entities and Partnerships

The Statements include the financial results of consolidated entities and business and other partnerships. Consolidated entities include: Assiniboine Park Conservancy Inc., Winnipeg Public Library Board, The Convention Centre Corporation, Winnipeg Arts Council Inc., and CentreVenture Development Corporation. Business partnerships include: North Portage Development Corporation (a partnership with the Government of Canada and the Province of Manitoba), and River Park South Developments Inc. (a partnership with Qualico Developments (Winnipeg) Ltd). Other partnerships include: Economic Development Winnipeg (a partnership with the Province of Manitoba), and Transcona Joint Venture (a partnership with Genstar Development Partnership).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

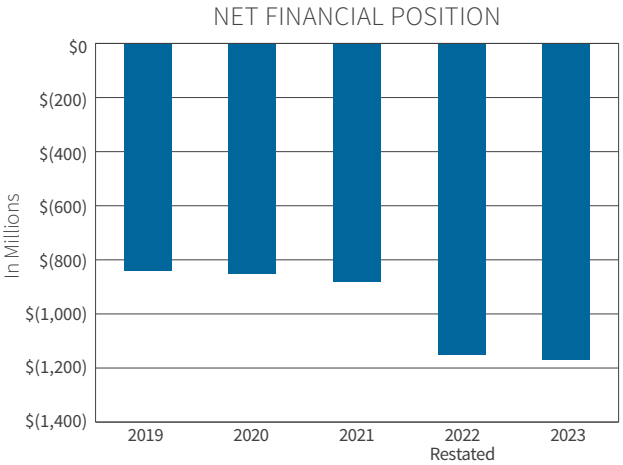
Governments also have liabilities for service delivery to be settled in the future that will consume financial resources. This is measured by the government's net financial asset/liability position. This measure is considered in tandem with accumulated surplus to determine the government's ability to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

Consolidated Statement of Financial Position

(in thousands of dollars)	**2023**	2022 Restated	**Variance**
Financial assets	**$ 1,686,720**	$ 1,621,306	**$ 65,414**
Liabilities	**2,855,630**	2,774,678	**(80,952)**
Net financial position	**(1,168,910)**	(1,153,372)	**(15,538)**
Non-financial assets	**8,473,958**	8,081,591	**392,367**
Accumulated surplus	**$ 7,305,048**	$ 6,928,219	**$ $376,829**

Net Financial Position

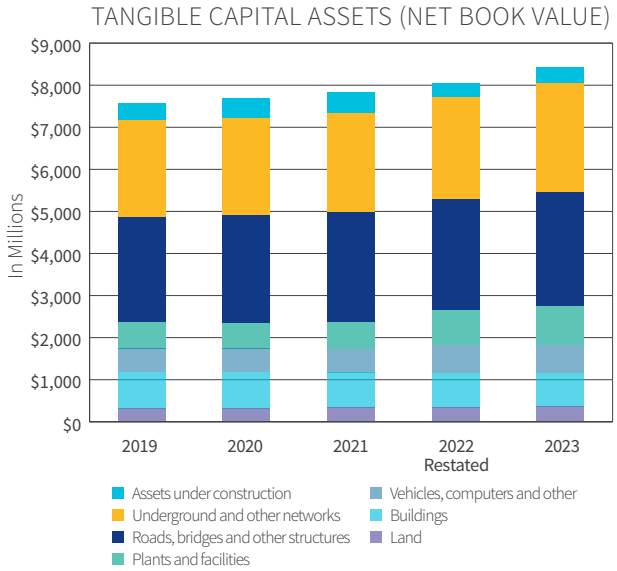
Net financial position is the difference between financial assets and liabilities and indicates the affordability of additional spending. As at December 31, 2023, the City is in a net financial liability position of $1,168.9 million (2022 – $1,153.4 million), an increase of $15.5 million. The primary components of the net financial liability balance are debt of $1,411.2 million and other liabilities such as payables, employee benefits and deferred revenue of $1,444.4 million. Financial assets include cash and investments of $1.191.4 million, accounts receivable of $468.8 million and other financial assets of $26.5 million.



Non-Financial Assets

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

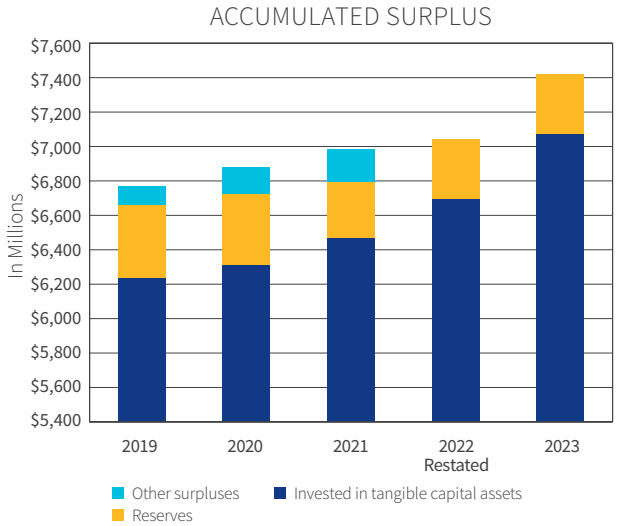
The City's non-financial assets are $8,474.0 million at the end of 2023, an overall increase of $392.4 million from 2022. During 2023, the City acquired $695.9 million of tangible capital assets (2022 – $494.5 million), including contributed roads and underground networks totaling $142.2 million (2022 – $84.8 million). Contributed assets are capitalized at their fair value at the time of receipt. Of the assets acquired, $309.2 million was for tax-supported projects (44%). Spending on tax-supported projects was primarily on roads and, underground and other networks.



Accumulated Surplus

The accumulated surplus represents the net assets of the City, and the yearly change in the accumulated surplus is equal to the annual excess of revenues over expenses for the year (results of operations or annual surplus).

Accumulated surplus is comprised of all the accumulated surpluses and deficits of the funds, reserves and controlled entities that are included in the Statements, along with the City's unfunded liabilities, such as vacation, retirement allowance, compensated absences and asset retirement obligations. Accumulated surplus primarily consists of the City's investment in tangible capital assets (2023 – 96.8%; 2022 – 96.6%). Investment in tangible capital assets is an important aspect of service delivery and is not intended or readily accessible for use in funding ongoing operations.

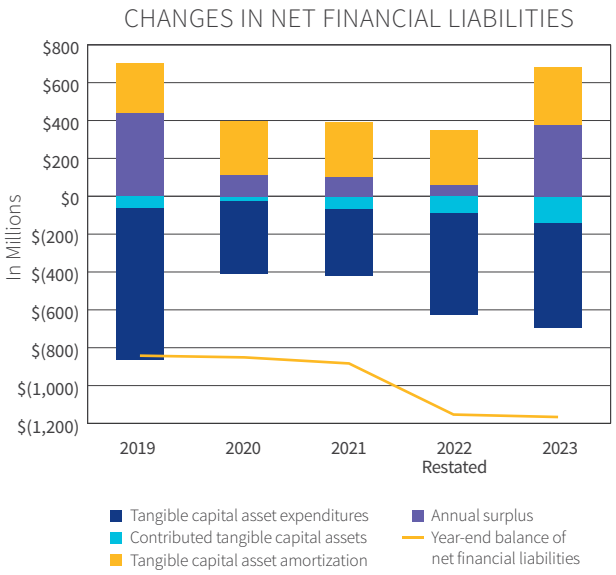


The City's accumulated surplus at the end of 2023 was $7,305.0 million. The City's accumulated surplus, through its investment in tangible capital assets, has grown by $376.8 million in 2023, indicating a strong foundation upon which services will continue to be delivered in the future. See note 13 of the Consolidated Financial Statements for a detailed breakdown of accumulated surplus.

Refer to the Consolidated Financial Statements Five-Year Review Section of the annual financial report for additional trending and statistical information.

Changes In Net Financial Liabilities

Changes in net financial liabilities represent the difference between the City's liabilities and the net financial assets, readily available to satisfy those liabilities. At the end of 2023 the City is in a net financial liability position. This statement explains why this change differs from the annual surplus produced by the City.



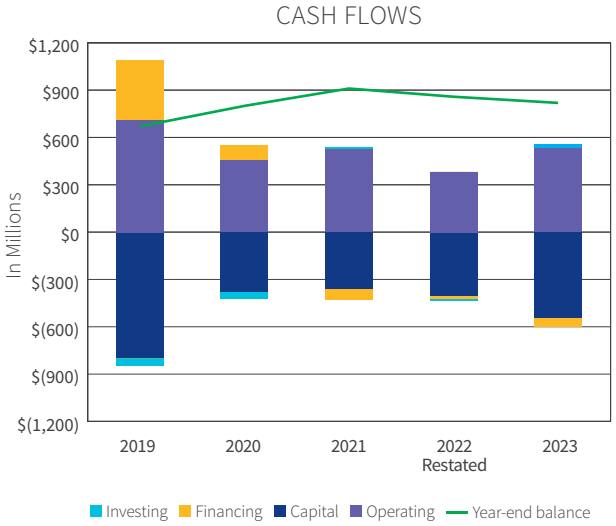
The City has been making significant investments in its infrastructure over the past five years. With the investments exceeding financial assets generated through operations, the City has partially financed this difference through the assumption of debt.

The City continues to assume debt in a responsible and prudent manner as reflected in the results of its credit rating review. In November 2023, Standard & Poor's Global Ratings ("S&P") affirmed that the long-term issuer credit rating on the City of Winnipeg is AA+, due to Winnipeg's "diversified economy" and "extremely supportive and predictable institutional framework". Moody's Investors Service ("Moody's") announced in October 2023 it maintained the City's credit rating at Aa2, noting "high levels of long-term liquidity and strong debt affordability" and "sector diversity". The announcement also expressed "sound governance and management and mature institutional framework" as a strength but that the rating is constrained by Winnipeg's debt burden as the City continues to invest in infrastructure.

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

Cash Flows

The Consolidated Statement of Cash Flows summarizes the sources and uses of cash by the City in 2023. The City finances its activities and meets its obligations by generating revenues, external borrowing and by using existing cash resources. Cash resources are generated and used through operating, capital, financing, and investing activities. Managing cash flow to ensure sufficient liquidity is a key area of focus for the City.



FINANCIAL ASSETS

Cash and Cash Equivalents

The City's cash resources are cash and cash equivalents. Cash includes cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are held for meeting short-term obligations rather than for other purposes, like investing. During 2023, the City's cash and cash equivalents decreased by $38.8 million. This decrease resulted primarily because cash and cash equivalents used to construct and purchase tangible capital assets and repay debt was greater than the amount of cash generated from operating activities.

Accounts Receivable

The accounts receivable balance has increased by $137.0 million from the prior year, largely related to outstanding claims for the North End Water Pollution Control Centre ("NEWPCC") Upgrade and provincial capital grants. The largest component of accounts receivables is trade accounts and other receivables at 47% (2022 – 58%). Approximately 41% (2022 – 47%) of trade accounts and other receivables result from water and sewer services. The City will recognize an allowance if collection is uncertain. The largest component of the total allowance for doubtful accounts relates to ambulance services.

As at December 31, 2023, property, payments-in-lieu and business tax receivables (taxes receivable), net of the estimated allowance for tax arrears, represented 15% (2022 – 20%) of total receivables. Taxation revenue is 39% (2022 – 42%) of total consolidated revenues. The decreased allowance for tax arrears in 2023 relates to the reduced uncertainties of the impacts of the pandemic on collectability of business taxes.

Taxes Receivable

As at December 31 (in thousands of dollars)	**2023**	2022	2021	2020	2019
Taxes receivable	**$ 69,625**	$ 68,565	$ 57,005	$ 67,309	$ 60,120
Allowance for tax arrears	**(1,272)**	(1,277)	(1,500)	(2,849)	(1,207)
	$ 68,353	$ 67,288	$ 55,505	$ 64,460	$ 58,913

Investments

As at December 31 (in thousands of dollars)	**2023**	2022
Marketable securities	**$ 143,447**	$ 178,092
Manitoba Hydro long-term receivable	**220,238**	220,238
Other	**8,707**	2,895
	$ 372,392	$ 401,225
Market value of marketable securities	**$ 118,876**	$ 146,047

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

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

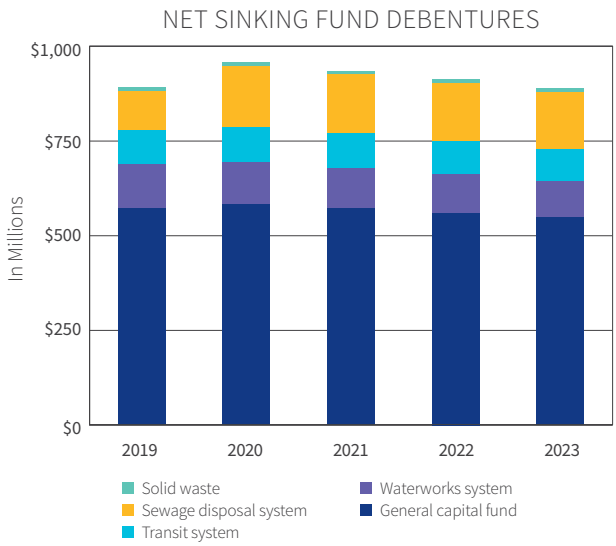
LIABILITIES

Debt

As at December 31 (in thousands of dollars)	**2023**	2022
Sinking fund debentures	**$ 1,072,568**	$ 1,072,568
Equity in sinking funds	**(173,012)**	(152,454)
	899,556	920,114
Service concession arrangement obligations	**263,664**	269,399
Bank loans and other	**133,861**	151,803
Capital lease obligations	**15,458**	17,427
	1,312,539	1,358,743
Unamortized premium on debt	**98,683**	104,391
	$ 1,411,222	$ 1,463,134

The City of Winnipeg has several types of debt obligations. The largest component of debt is sinking fund debentures. The City of Winnipeg Charter requires the City to make annual payments towards the retirement of sinking fund debt for which the City maintains two sinking funds. One of the sinking funds is managed by The Sinking Fund Trustees of the City of Winnipeg. As a result of revisions to The City of Winnipeg Charter, a second sinking fund was created for sinking fund debentures issued since December 31, 2002 and is managed by the City.

For the City managed sinking fund, the City pays interest on the principal to the investors and contributes a set percentage of the principal into the sinking fund annually. The sinking fund contribution percentage is set at the time of debt issuance and is estimated to be sufficient to retire the debentures as they mature. The City has the ability to adjust this interest rate on future debenture issuance to meet maturity amounts.



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

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

No sinking fund debentures were issued in 2023.

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

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

Debt Service Coverage Ratio	**2023**	2022	2021	2020	2019
Free Cash and Liquid Assets/ Debt Service	**190.2%**	633.5%	832.3%	1261.1%	1052.8%

The reduction from 2022 is mainly due to increase cash spending for capital and higher deferred revenue.

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

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

Total City Liquidity Ratio	**2023**	2022 Restated	2021	2020	2019
Free Cash, Liquid Assets and Committed Credit/ Consolidated Operating Expenses less Amortization	**50.6%**	57.8%	70.3%	77.5%	61.3%

As noted above, Moody's noted in their recent credit report that the City had "high levels of long-term liquidity".

Debt Strategy

To help manage the City's debt responsibly and transparently, on February 5, 2024, Council approved an updated debt strategy for the City which removed debt per capita and debt servicing as a percentage of revenue metrics and streamlined measurements using the City as a whole. The following table provides the Council approved limits as at December 31, 2023.

Debt Metrics	**Maximum**	As at December 31, 2023	Forecasted Peak
Debt as a % of revenue			
City	**100.0%**	57.3%	93.5%

Note: "Forecasted Peak" does not account for the implications of consolidated accounting entries.

Accounts Payable

Accounts payable and accrued liabilities include trade payables, accrued liabilities and accrued interest payable. The balance of $334.4 million at year-end is a decrease of $15.7 million from the prior year balance of $350.1 million. This variance is mainly due to a reduction in trade payables from $158.9 in 2022 to $141.1 million in 2023, a difference of $17.8 million, which is due to more timely payment for goods and services.

Deferred Revenue

Deferred revenue is largely made up of government transfers provided to fund operating and capital expenditures. The use of these revenues is restricted until they are used for the purposes intended. The deferred balance increased from $416.9 million in 2022 to $524.5 million in 2023, an increase of $107.6 million. The increase is mainly due to funds advanced by the Government of Canada under the Housing Accelerator Fund of $30.6 million, which will be used for programming in 2024 and capital funding from the Province of Manitoba, which was received in advance of project expenditures.

Other Liabilities

Other liabilities include obligations for expropriation, contaminated sites, developer deposits, and asset retirement obligations. The balance increased from $295.7 million in 2022 to $318.4 million in 2023, an increase of $22.7 million. The 2022 balance includes a restatement due to adoption of the PSAB standard PS 3280 *Asset Retirement Obligations*. See note 2cii of the 2023 Consolidated Financial Statements for details on this restatement.

Employee Benefit Obligations

The City provides pension, group life insurance, sick leave, and severance pay benefit plans for qualified employees. The cost of these employee benefits is actuarially determined each year. These calculations use management's best estimate of a number of assumptions, including the long-term rate of investment return on plan assets, inflation, salary escalation, and the discount rate used to value liabilities. As well, it includes certain employee-related factors such as turnover, sick leave utilization, retirement age, and mortality.

Management applies judgment in the selection of these assumptions based on past experience and on forecasts of future economic and investment conditions. As these assumptions relate to factors that are long-term in nature, they are subject to a degree of uncertainty. Differences between actual experience and the assumptions, as well as revisions to the assumptions resulting from changes in future expectations, may lead to adjustments to the City's pension, sick leave and severance pay benefits expense reported in future financial statements.

Employee benefit obligations increased from $248.8 million in 2022 to $267.1 million in 2023, an increase of $18.3 million.

Pension Plans

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

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

The Winnipeg Police Pension Plan (the "Plan") is a defined benefit plan to which the members contribute 8% of pensionable earnings, with the City being responsible for any unfunded liabilities. 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 February 1, 2024, and 9.6% of pensionable earnings effective February 1, 2025.

Group Life Insurance Plans

The City's Group Life Insurance Plan was established in 1975 and is comprised of two separate plans: the Civic Employees' Group Life Insurance Plan and the Police Employees' Group Life Insurance Plan ("GLIP"). GLIP is administered and managed by The Civic and Police Employees' Group Life Insurance Plans Corporation (CPEGLIPCo).

Full valuations of the GLIP were undertaken as at December 31, 2022 and continued to reflect favourable financial positions. The Board of the CPEGLIPCo reviewed the results of the valuations and the GLIP's surplus policies during 2023 and approved decreases to the employer and member contribution rates effective February 2024. The next full valuation of the GLIP is scheduled for financial results ending at December 31, 2025 and are expected to be completed in 2026.

Labour Negotiations

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

For the year ended December 31, 2023, 52% (2022 – 51%) of the City's expenses related to salaries and employee benefits. The City's annual average headcount was 10,550 (2022 – 10,286). The majority of employees are represented by eight unions and associations as follows:

Union/Association	Average Annual Headcount	Agreement Expiry Date
ATU	1,378	January 10, 2027
CUPE	4,492	February 28, 2025
MGEU	395	February 29, 2024
UFFW	983	December 31, 2023
WAPSO	880	December 31, 2023
WFPSOA	46	December 31, 2024
WPA	2,022	December 31, 2025
WPSOA	36	December 31, 2025
Other (non-union/association)	318	Not applicable

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

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

NON-FINANCIAL ASSETS

Tangible Capital Assets

Tangible Capital assets have increased from $8,040.9 million in 2022 to $8,423.9 million in 2023, an increase of $383 million. The City continues to prioritize investing in infrastructure. The acquisition of tangible assets is authorized largely through the Council approved capital budget. On March 22, 2023, Council adopted the 2023 capital budget and the 2024 to 2028 five-year capital forecast. The six-year plan projected $3.1 billion in City capital projects, with $571.4 million authorized for 2023. Key projects included in this plan were:

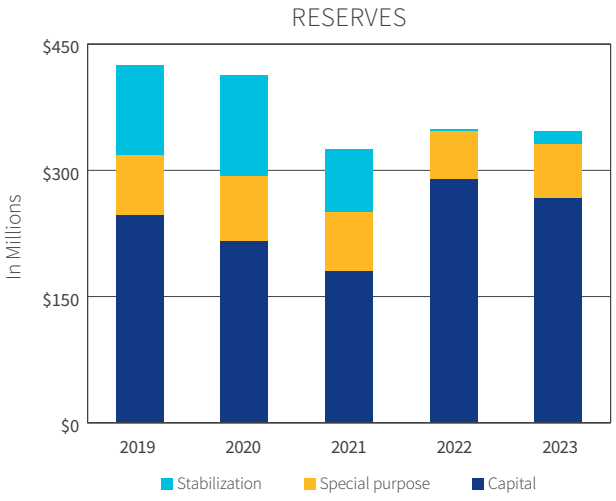
- $159.0 million for regional and local road renewals with a six-year investment of over $980.6 million
- $40.0 million to advance development of water and sewer servicing in the first phase of CentrePort South
- $28.0 million for combined sewer overflow and basement flood management, with a total of $240 million over the six-year forecast
- $22.3 million for the transition from diesel buses to electric battery and/or hydrogen fuel cell buses, with a total $267.8 million over the six-year capital program
- $18.0 million in active transportation projects
- $15.0 million to begin work on a nutrient removal plan for the North End wastewater treatment plant
- $12.6 million to build a new centre for Winnipeg's Archives to be located in the Carneige building on William Avenue
- $10.9 million for a new fire paramedic station in Waverley West in 2024 to be heated and cooled by geothermal technology
- $10.4 million for the protection and enhancement of Winnipeg's tree canopy

Included in the capital investment plan over the six-year period (2023 – 2028) is $484.1 million of federal funding under the Canada Community-Building Fund, New Building Canada Fund, Natural Resources Canada and Investing in Canada Infrastructure Program, $216.5 million of provincial funding and $129.9 million of cash to capital funding.

Reserves

The City operates capital and special purpose reserves to accommodate differences between expenses and related funding sources.

The City also has a Financial Stabilization Reserve (FSR), which is used to counteract the budgetary effect of fluctuations from year to year in property and business taxes and/or to fund deficits in the General Revenue Fund which assist in the stabilization of the City's mill rate and/or property tax requirements. The FSR is required to maintain a target of 6% of tax-supported expenditures. As of December 31, 2023, the equity balance in the FSR was $15.7 million which is $62.3 million lower than the Council mandated minimum balance. In 2023, the Reserve received a transfer of $15.0 million from Waterworks Fund as approved by Council.



The FSR is projected to be $31.7 milion in 2024, which is $49.6 million below its minimum target balance at the end of 2024.

As of December 31, 2023 the equity balance in the Capital Reserves was $266.9 million compared to $288.8 million in 2022, an overall decrease of $21.9 million. The following provides details on some of the capital reserves.

On January 25, 2006, Council authorized the establishment of the Federal Gas Tax Revenue Reserve Fund. The purpose of the reserve is to account for funds received from the Province under the Federal Gas Tax funding agreement. The name of the reserve has been amended to the "Canada Community-Building Fund Reserve" to reflect the change in the name of the federal government program. The reserve transferred $53.0 million to the General Capital Fund during 2023 to fund various eligible capital projects.

During 2013, the Local Street Renewal Reserve was established to track dedicated revenue for the sole purpose of funding the renewal of local streets, back lanes and sidewalks. The reserve is currently funded with a dedicated annual 1.7% tax increase. The reserve transferred $62.9 million to the General Capital Fund during 2023.

A similar reserve, the Regional Street Renewal Reserve, was introduced in 2014 to fund regional street renewal. Volume in the City occurs on 1,800 lane kilometers of regional streets. The reserve is currently funded with a dedicated 0.3% property tax increase. The reserve transferred $49.9 million to the General Capital Fund during 2023.

As of December 31, 2023 the equity balance in the Special Purpose Reserves was $63.9 million compared to $58.1 million, an increase of $5.8 million. Special purpose reserves are established by Council to fund various initiatives such as perpetual cemetery maintenance, insect control and economic development.

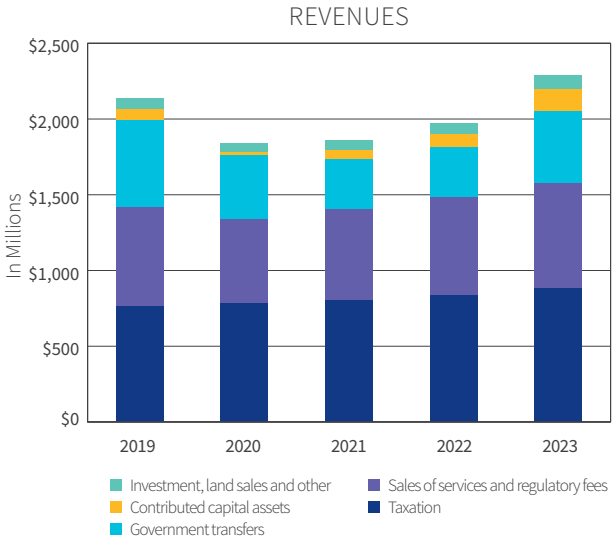
CONSOLIDATED FINANCIAL OPERATIONS

The Consolidated Statement of Operations and Accumulated Surplus reports the City's changes in economic resources and accumulated surplus for 2023 on a comparative basis. The City increased its accumulated surplus during the year because annual revenues exceeded expenses. This statement includes the consolidated budget to provide additional transparency and accountability.

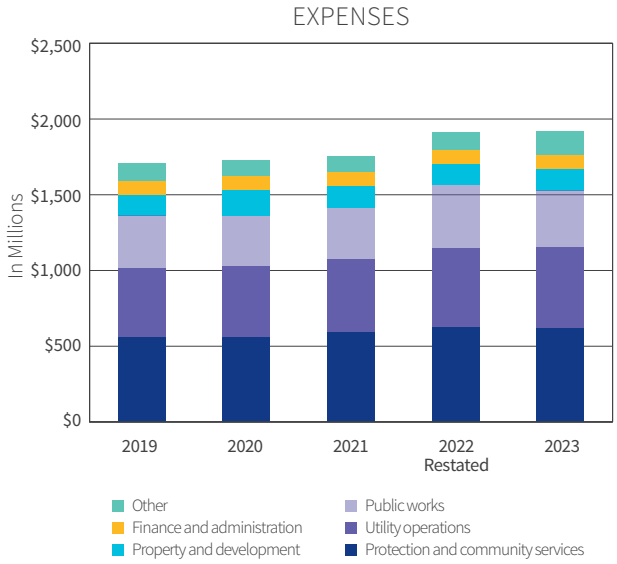
Consolidated Statement of Operations

(in thousands of dollars)	**2023**	2022 Restated	**Variance**
Operating Revenues	**$ 1,927,704**	$ 1,769,052	**$ 158,652**
Capital Revenues	**364,533**	201,273	**163,260**
	2,292,237	1,970,325	**321,912**
Operating Expenses	**1,915,408**	1,913,480	**1,928**
Excess of Revenue over Expenses	**$ 376,829**	$ 56,845	**$ 319,984**

The City has a balance of revenue sources, including government transfers, taxation, sales of services, and regulatory fees. To ensure an entity is not overly dependent on outside funding sources, PSAB has defined indicators of financial condition to help users of government financial statements make an assessment. Indicators of vulnerability measure a government's risk of over-dependency on sources of funding outside its control or exposure to risks that could impair its ability to meet financial and service commitments. Over the five year period, government transfers as a percentage of total revenue has ranged from 17% to 27%. For 2023, government transfers represent 21% of total revenues.



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



During 2023, the City recorded consolidated revenues of $2.292 billion (2022 – $1.970 billion), which included government transfers, developer contributions-in-kind and other capital contributions related to the acquisition of tangible capital assets. Consolidated expenses totaled $1.915 billion (2022 – $1.913 billion).

Consolidated Revenues

For the years ended December 31 (in thousands of dollars)	**Budget 2023**		**Actual 2023**		Actual 2022		Budget to Actual Variance	Actual to Actual Variance
Taxation	**$ 882,730**	40%	**$ 884,442**	39%	$ 836,980	42%	$ 1,712	$ 47,462
Sales of services and regulatory fees	**693,131**	32%	**690,991**	30%	644,358	33%	(2,140)	46,633
Government transfers – Operating	**256,873**	12%	**262,451**	11%	226,616	12%	5,578	35,835
Investment, land sales and other revenues	**64,832**	3%	**89,820**	4%	61,098	3%	24,988	28,722
Operating Revenues	**1,897,566**		**1,927,704**		1,769,052		30,138	158,652
Government transfers – Capital	**227,467**	10%	**214,933**	9%	108,698	6%	(12,534)	106,235
Developer contributions-in-kind	**59,570**	3%	**142,178**	7%	84,767	4%	82,608	57,411
Other capital contributions	**5,800**	0%	**7,422**	0%	7,808	0%	1,622	(386)
Capital Revenues	**292,837**		**364,533**		201,273		71,696	163,260
	$ 2,190,403		**$ 2,292,237**		$ 1,970,325		$ 101,834	$ 321,912

Operating revenues totaled $1.928 billion in 2023 compared to $1.769 billion in 2022, an increase of $159 million from prior year. This is the result of increases across all the City's revenue categories. Taxation increased $47 million due to a 3.5% tax increase and an increase in the frontage levy rate of $1.50 per foot. Sales and service and regulatory fees increased mainly due to the majority of City operations returning to normal operating levels. Government transfers increased due to increases in funding from the Province. Other revenue increased due to an increase in interest earned due to higher rates.

Operating revenues were higher than budget by $30.1 million mainly due to higher than expected interest earnings as a result of higher interest rates.

Capital revenues totaled $364.5 million in 2023 compared to $201.3 million in 2022, an increase of $163.3 million. This is mainly due to revenue being recognized in 2023 for the NEWPCC Upgrade as the contribution agreement was signed in 2023. Developer contributions also increased from prior year as more work was completed and the assets contributed were of a higher value.

Capital revenues are higher than budget by $71.7 million mainly due to higher than expected developer contributions.

Consolidated Expenses By Function

For the years ended December 31 (in thousands of dollars)	**Budget 2023**		**Actual 2023**		Actual 2022 Restated		Budget to Actual Variance	Actual to Actual Variance
Protection and community services	**$ 608,632**	32%	**$ 619,519**	32%	$ 620,726	32%	$ 10,887	$ (1,207)
Utility operations	**544,266**	29%	**529,152**	28%	522,918	27%	(15,114)	6,234
Public works	**378,089**	20%	**380,359**	20%	421,187	22%	2,270	(40,828)
Property and development	**143,571**	8%	**138,947**	7%	133,391	7%	(4,624)	5,556
Civic corporations	**98,826**	5%	**103,148**	5%	80,622	4%	4,322	22,526
Finance and administration	**100,375**	5%	**95,277**	5%	96,825	5%	(5,098)	(1,548)
General government	**29,132**	1%	**49,006**	3%	37,811	3%	19,874	11,195
	$ 1,902,891		**$ 1,915,408**		$ 1,913,480		$ 12,517	$ 1,928

Consolidated expenses totaled $1.915 billion in 2023 compared to $1.913 billion in 2022 and increase of $1.9 million from prior year. Though overall the 2023 amount was consistent from prior year there were significant increases in Civic Corporations of $22.5 million due to operations returning to normal levels of bookings and attendance and higher General Government charges due to changes in employee benefit obligations. This was offset by lower snow clearing and ice control costs in public works compared to the prior year.

Consolidated expenses were higher than budget mainly due to higher than expected changes in the employee benefit obligations and higher than expected overtime costs in Protection and Community Services. These increases were offset by lower than expected costs in utilities.

Consolidated Expenses by Object

For the years ended December 31 (in thousands of dollars)	**2023**		2022 Restated		Variance
Salaries and benefits	**$ 997,609**	52%	$ 980,478	51%	$ 17,131
Goods and services	**522,603**	27%	530,604	28%	(8,001)
Amortization	**306,512**	16%	295,013	15%	11,499
Interest	**62,371**	3%	64,202	3%	(1,831)
Other expenses	**26,313**	2%	43,183	3%	(16,870)
	$ 1,915,408		$ 1,913,480		$ 1,928

Salaries and benefits have increased from the prior year mainly due to contractual pay increases to employees. Amortization expense has increased primarily due to the higher value of assets that were capitalized in 2023. These increases were offset by a reduction in goods and services and other expenses. Goods and services expenditures are lower mainly due to lower snow clearing and ice control activities in 2023. Other expenses are higher in 2022 compared to 2023 due to the new asset retirement obligation standard (PS 3280), which required some of the liability to be expensed on implementation.

FINANCIAL CONTROL AND ACCOUNTABILITY

Financial and Strategic Planning

The latest Financial Management Plan (the "Plan") was adopted by Council on March 20, 2020. The Plan outlines the City's strategy for guiding financial decision-making, meeting long-term obligations and improving its economic position and financial stability. It sets forth guidelines upon which current and future financial performance can be measured. Periodic review and reporting on the Plan is done in accordance with OurWinnipeg, which provides financial strategies and targets with a view to long-term financial health and sustainability.

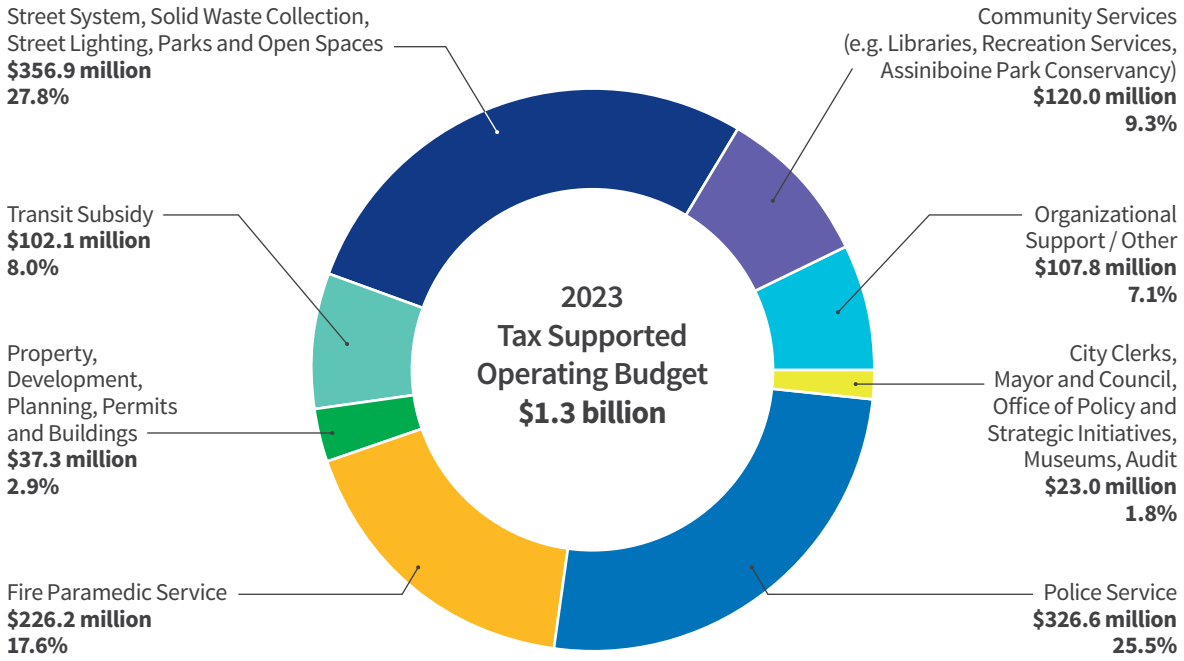
In 2023, Council also adopted its first Strategic Priorities Action Plan (the "SPAP"). The SPAP outlines Council's key priorities and actions for the current four-year Council term. The SPAP identifies five key priority themes and 42 priority actions for strategic focus and investment. The five key priority themes include: the Downtown; a strong economy; a livable, safe, healthy, happy city; a green growing city with sustainable renewal of infrastructure and a City that works for residents through improved customer service.

Budget Process

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

The Budget Working Group, in conjunction with Executive Policy Committee ("EPC"), develops the budget. The preliminary operating and capital budgets are tabled by EPC and referred to the City's Standing Policy Committee's and the Winnipeg Police Board for review and recommendations. These are then presented to Council for consideration in adoption of the budget. Each year, both operating and capital budgets are approved by Council. The 2020 budget included the approval of the City's multi-year budget policy. 2023 was the last update to the 2020 multi-year budget.

The following chart shows how the 2023 tax supported operating budget was spent:



Capital Project Management

One of the major functions of the City is the delivery of capital investments. The City mitigates against capital project delivery challenges associated with time, budget and scope by doing the following:

- Major Capital Project Advisory Committees to ensure project risks are being appropriately identified and addressed.
- Regular reporting to the Standing Policy Committee on Finance and Economic Development to enhance public transparency.
- All capital budget submissions require a supporting business case that can be challenged on the basis of need (level of service and risk), assumptions and recommended solutions.
- The Open Capital Projects Dashboard (the "Dashboard") on its website.
- The Open Budget, which reports fundamental financial information of adopted budget, amended budget and actual costs categorized by department, category and subcategory for the City's entire portfolio of open capital projects.
- Capital Expenditures Monthly Report on the City's website to improve transparency and accountability.

Accounting and Financial Reporting

The City prepares financial reports for the General Revenue Fund in March, June, September, November and December. These reports are reviewed by Management and presented to the Standing Policy Committee on Finance and Economic Development. This report provides a comparison of year-end projected results to corresponding budgets and to the previous years results.

The City reports on the financial status of Major Capital Projects ($25 million or greater) to the same Committee. Major capital projects are required to form a Major Capital Project advisory committee within 180 calendar days of project authorization.

The City includes in its annual budget documents a Consolidated Statement of Operations and a Consolidated Statement of Changes in Net Financial Liabilities in a format consistent with the audited annual financial statements that are amended for adjustments required to adhere to PSAB standards. The objective is to provide Council and other users of the financial statements and budget documents with an improved understanding of the budget approved by Council compared to actual results reported in the audited financial statements.

The City is committed to compliance with public sector accounting standards as established by PSAB. Details of future accounting standards and pronouncements are included in this report.

Auditing Process

Internal Audit

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

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

External Audit

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

RISKS AND RISK MITIGATION

Economic Risks

Winnipeg has not been immune to the economic challenges faced by Canadians since the onset of the pandemic. In particular, construction prices for municipal capital assets have risen 21% since 2019 and have caused significant cost escalation among major capital projects in progress or in the planning stages within Winnipeg. While construction price increases levelled off in 2023, Winnipeg continues to face fiscal challenges around financing growth-related infrastructure to accommodate record population growth, restoring its Financial Stabilization Reserve, and sluggish revenue growth in certain services such as Transit.

Other risks that could pose downside risk to economic growth and expenditure management for the City include the risk of drought and wildfires, high household debt and elevated rents and housing prices from high population growth and high interest rates.

The City's multi-year balanced budget approach provides the City with a blueprint for transformative change in the way it delivers key services and invests in infrastructure, while providing certainty and predictability for rate payers. Multi-year balanced budgeting allows the City to take a longer term view of Winnipeg's needs. As well, it provides the City with greater ability to provide stable service delivery and to make strategic investments to help mitigate these risks.

Other Risks

The City manages risks to help ensure its long-term sustainability and achievement of Council's strategic outcomes. Some key areas that are monitored include the following:

- Environmental risks are monitored through internal City practices and policies, which aid in the effective management of environmental risks and responsibilities. Standard environmental management system practices across the City address environmental regulatory compliance, pollution prevention and continual improvement.
- The Corporate Risk Management Division, reporting to the Chief Financial Officer, provides services designed to control and minimize the adverse financial effects of accidental or unforeseen events. Working with City departments and SOAs, this division strengthens the City's long-term financial performance through the development and provision of a solid framework of risk management and loss control techniques based on an informed balance of risk and cost. Identifying, understanding and evaluating the City's risks allow the City to measure and prioritize them, and respond with appropriate actions to manage the risk through loss prevention and reduction strategies, insurance programs and contractual transfer.
- The City's Debt Management Policy provides prudent management of debt and ensures debt is issued responsibly without burdening the financial health and long-term sustainability of the City. Administration continues to monitor the use of debt and provide debt forecasts as part of ongoing reporting to Council.
- The City has a Financial Stabilization Reserve that may be used to address emergent needs without impacting the City's financial position in the long-term. The annual fund balance target is 6% of tax supported expenditures. When the plan falls below the target, Council adopts a replenishment plan.
- The City faces a significant challenge to address infrastructure needs relating to the major service areas across the organization. The 2024 Infrastructure Plan and interactive tool was released in late 2023 and outlines a 10-year infrastructure deficit of approximately $8.0 billion.
    - To assist in addressing this issue, the City is using dedicated property taxes for local and regional roads (1.7% and 0.3% respectively) and leveraging federal and provincial funding opportunities. As well, the City has committed to comprehensive asset management as a key initiative to help address challenges associated with infrastructure investments.
    - The asset management program helps the City to effectively invest limited resources into long-term capital plans by balancing risk, cost and customer levels of service. The program is meant to align investments with infrastructure priorities to deliver established levels of service in a fiscally responsible manner. In short, it allows the City to make the right investment, at the right time, in the right way.

Accounting Pronouncements

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

- In November 2018, PSAB issued section PS 3400 Revenues. This standard addresses revenue recognition principles that apply to revenue common in the public sector other than government transfers and tax revenue. The new standard is effective for fiscal years beginning on or after April 1, 2023.
- In December 2020, PSAB approved the Public Private Partnerships standard, PS 3160. The standard addresses the accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. This standard is effective for fiscal years beginning on or after April 1, 2023.
- In December 2022, PSAB approved the Conceptual Framework for Financial Reporting in the Public Sector and a series of consequential amendments to various standards in the Public Sector Handbook. This standards promotes consistency in understanding and interpreting public sector accounting standards. The new standards are effective for fiscal years beginning on or after April 1, 2026. Upon adoption, the City must also adopt the related financial statement presentation changes in Section 1202 Financial Statement Presentation.
- 2022 – 2023 annual improvements implemented by PSAB clarified the guidance on recognizing purchased intangible assets that meet the definition of an asset. The recognition criteria is effective for fiscal years beginning on or after April 1, 2023.

REQUEST FOR INFORMATION

The Financial Statement Discussion and Analysis and the Statements are designed to provide citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show accountability for the revenue it receives. Both the Annual Financial Report and the Detailed Financial Statements Document are available online at **winnipeg.ca**. Questions concerning the information provided in these reports should be addressed to John Speidel, CPA, CGA, B.Comm(Hons) – Corporate Controller, Corporate Finance Department, 4-510 Main Street, Winnipeg, Manitoba, R3B 1B9.

Catherine Kloepfer, FCPA, CGA, FCA, ICD.D.
Chief Financial Officer
May 22, 2024

RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying Consolidated Financial Statements and all other information contained in this Annual Report are the responsibility of the management of The City of Winnipeg. The preparation of periodic financial statements involves the use of estimates and approximations because the precise determination of financial information frequently depends on future events. These Consolidated Financial Statements have been prepared by management within reasonable limits of materiality and within the framework of Canadian public sector accounting standards.

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

Prior to their submission to Council, the Consolidated Financial Statements are reviewed and approved by the Audit Committee. The Consolidated Financial Statements contained herein were approved by Audit Committee on May 22, 2024. In addition, the Audit Committee meets periodically with management and with both the City's internal and external auditors to approve the scope and timing of their respective audits, to review their findings and to satisfy itself that their responsibilities have been properly discharged. The Audit Committee is readily accessible to external and internal auditors.

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

Catherine Kloepfer, FCPA, CGA, FCA, ICD.D.
Chief Financial Officer
May 22, 2024

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of The City of Winnipeg (the "Entity"), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statements of operations and accumulated surplus, changes in net financial liabilities and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2023, and its consolidated results of operations, its consolidated changes in net financial liabilities and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Emphasis of Matter – Comparative Information

We draw attention to note 2c in the financial statements which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 2c explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion such adjustments are appropriate and have been properly applied.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

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

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

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

KPMG LLP

Chartered Professional Accountants
May 22, 2024
Winnipeg, Canada

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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 (Notes 14)		

See accompanying notes and schedules to the consolidated financial statements.

Approved on behalf of the Audit Committee:

Mayor Scott Gillingham

Councillor Jeff Browaty
Chairperson, Standing Policy Committee on Finance and Economic Development

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.

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.

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.

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

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).

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*.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Basis of accounting

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

c) 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.

	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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii) Inventories

Inventories held for consumption 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.

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.

5. INVESTMENTS (CONTINUED)

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.

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	Jul. 17	5.200	183/04, 72/06	**$ 60,000**	$ 60,000
2008–2036	Jul. 17	5.200	72/06B, 32/07	**100,000**	100,000
2010–2041	Jun. 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	Jun. 1	4.100	144/11, 23/13, 149/13	**60,000**	60,000
2014–2045	Jun. 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	Jun. 1	3.828	144/11, 100/12, 23/13, 149/13, 5/15, 61/15	**60,000**	60,000
2016–2045	Jun. 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

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

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

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

9. DEBT (CONTINUED)

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

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

10. OTHER LIABILITIES (CONTINUED)

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).

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)

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.

11. EMPLOYEE BENEFITS OBLIGATIONS (CONTINUED)

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.

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.

11. EMPLOYEE BENEFITS OBLIGATIONS (CONTINUED)

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.

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.

11. EMPLOYEE BENEFITS OBLIGATIONS (CONTINUED)

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	**$**	**–**	$	–
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%).

11. EMPLOYEE BENEFITS OBLIGATIONS (CONTINUED)

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.

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.

11. EMPLOYEE BENEFITS OBLIGATIONS (CONTINUED)

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

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.

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

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.

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

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 and 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.

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 the 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.

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		River Park South Developments Inc.		Total		Economic Development Winnipeg[1]		Trancona Joint Venture		Total	
	March 31		December 31				December 31		December 31		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.

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS Schedule 2

As at December 31 (in thousands of dollars)

	General					Infrastructure					Totals	
	Land[1 2]	Buildings	Vehicles	Computer	Other	Plants and Facilities	Roads	Under-ground and Other Networks	Bridges and Other Structures	Assets Under Construc-tion	2023	2022
Cost												
Balance, beginning of year	$ 340,600	$ 1,340,485	$ 491,195	$ 210,571	$ 784,060	$ 1,234,451	$ 3,591,158	$ 3,795,734	$ 991,862	$ 315,477	$ 13,095,593	$ 12,696,889
Asset Retirement Obligation prior year adjustment		58,360			17,591						75,951	75,951
Balance, beginning of year	340,600	1,398,845	491,195	210,571	801,651	1,234,451	3,591,158	3,795,734	991,862	315,477	13,171,544	12,772,840
Add: Additions during the year	21,964	14,776	14,833	18,316	35,496	109,038	194,321	183,271	25,840	78,072	695,927	494,540
Less: Disposals during the year	3,401	4,383	14,295	4,367	36,597	3,134	19,948	6,305	–	–	92,430	95,836
Balance, end of year	359,163	1,409,238	491,733	224,520	800,550	1,340,355	3,765,531	3,972,700	1,017,702	393,549	13,775,041	13,171,544
Accumulated amortization												
Balance, beginning of year	–	517,174	273,923	169,627	393,605	408,590	1,606,819	1,355,646	348,504	–	5,073,888	4,867,320
Asset Retirement Obligation prior year adjustment		54,160			2,562						56,722	55,339
Balance, beginning of year	–	571,334	273,923	169,627	396,167	408,590	1,606,819	1,355,646	348,504	–	5,130,610	4,922,659
Add: Amortization	–	36,342	28,383	10,501	35,504	26,115	97,035	56,136	16,496	–	306,512	295,013
Less: Accumulated amortization on disposals	–	4,383	13,785	4,300	36,886	3,009	17,353	6,304	–	–	86,020	87,060
Balance, end of year	–	603,293	288,521	175,828	394,785	431,696	1,686,501	1,405,478	365,000	–	5,351,102	5,130,612
Net Book Value of Tangible Capital Assets	$ 359,163	$ 805,945	$ 203,212	$ 48,692	$ 405,765	$ 908,659	$ 2,079,030	$ 2,567,222	$ 652,702	$ 393,549	$ 8,423,939	$ 8,040,932

[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.

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 Transcona 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

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE—SERVICE Schedule 4

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

	GENERAL REVENUE FUND									
	PROTECTION	COMMUNITY SERVICES	PLANNING	PUBLIC WORKS AND GARBAGE COLLECTION	FINANCE AND ADMIN-ISTRATION	TRANSIT SYSTEM FUND	WATER AND WASTE FUNDS	OTHER FUNDS AND CORPORA-TIONS[1]	ELIMINA-TIONS	CONSOLI-DATED
REVENUES										
Taxation	$ 342,498	$ 87,875	$ –	$ 305,263	$ 147,221	$ –	$ –	$ 20,681	$ (19,096)	$ 884,442
Sales of services and regulatory fees	51,154	14,037	33,248	11,040	27,357	82,841	411,467	129,823	(69,976)	690,991
Government transfers (Note 17)	134,548	12,583	–	32,161	25,440	42,212	87,460	173,295	(30,315)	477,384
Transfer from other funds	533	351	3,459	2,107	6,141	120,121	136,901	564,820	(834,433)	–
Other	26,867	5,935	1,815	17,294	26,470	1,444	115,947	87,001	(43,353)	239,420
	555,600	120,781	38,522	367,865	232,629	246,618	751,775	975,620	(997,173)	2,292,237
EXPENSES (Note 19)										
Salaries and benefits	468,207	47,276	31,044	82,278	69,883	131,110	79,733	70,532	17,546	997,609
Goods and services	54,072	10,393	4,169	129,416	19,233	70,746	149,708	150,103	(65,237)	522,603
Interest	7,824	3,966	214	4,931	10,505	11,263	13,788	50,114	(40,234)	62,371
Transfer to other funds	14,261	33,576	4,175	165,572	(228,815)	(753)	(7,364)	850,211	(830,863)	–
Other	11,236	25,570	(1,080)	(14,332)	361,823	53,489	239,136	(287,727)	(55,290)	332,825
	555,600	120,781	38,522	367,865	232,629	265,855	475,001	833,233	(974,078)	1,915,408
ANNUAL SURPLUS	$ –	$ –	$ –	$ –	$ –	$ (19,237)	$ 276,774	$ 142,387	$ (23,095)	$ 376,829

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

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE—SERVICE Schedule 4

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

	GENERAL REVENUE FUND									
	PROTECTION	COMMUNITY SERVICES	PLANNING	PUBLIC WORKS AND GARBAGE COLLECTION	FINANCE AND ADMIN-ISTRATION	TRANSIT SYSTEM FUND	WATER AND WASTE FUNDS	OTHER FUNDS AND CORPORA-TIONS	ELIMINA-TIONS	CONSOLI-DATED
REVENUES										
Taxation	$ 340,056	$ 74,101	$ –	$ 290,623	$ 128,110	$ –	$ –	$ 22,247	$ (18,157)	$ 836,980
Sales of services and regulatory fees	47,032	12,304	34,758	9,233	23,903	64,243	406,714	113,489	(67,318)	644,358
Government transfers (Note 17)	109,574	9,128	–	19,750	16,051	51,420	5,969	157,562	(34,140)	335,314
Transfer from other funds	37,112	8,216	(894)	24,562	34,195	114,853	81,353	557,797	(857,194)	–
Other	26,896	5,925	1,789	14,500	19,933	1,192	77,491	55,531	(49,584)	153,673
	560,670	109,674	35,653	358,668	222,192	231,708	571,527	906,626	(1,026,393)	1,970,325
EXPENSES (Note 19)										
Salaries and benefits	478,988	42,360	29,104	82,595	68,224	125,479	78,937	64,110	10,681	980,478
Goods and services	50,838	7,773	4,433	168,930	18,277	69,639	146,663	130,858	(66,807)	530,604
Interest	7,165	3,243	23	3,794	12,239	11,414	13,758	49,423	(36,857)	64,202
Transfer to other funds	13,617	32,238	3,071	115,987	(170,087)	(765)	(6,038)	870,777	(858,800)	–
Other	10,062	24,060	(978)	(12,638)	293,539	53,902	298,036	(268,975)	(58,812)	338,196
	560,670	109,674	35,653	358,668	222,192	259,669	531,356	846,193	(1,010,595)	1,913,480
ANNUAL SURPLUS	$ –	$ –	$ –	$ –	$ –	$ (27,961)	$ 40,171	$ 60,433	$ (15,798)	$ 56,845

Statistical Section

December 31, 2023

CONSOLIDATED FINANCIAL STATEMENTS FIVE-YEAR REVIEW

December 31 ("$" amounts in thousands of dollars, except as noted) (Unaudited)		**2023**	2022 Restated[1]	2021	2020	2019
1. Population (per Statistics Canada – Note 2)		**815,600**	783,096	772,935	767,250	763,071
Unemployment rate (per Statistics Canada)						
- Winnipeg CMA (Note 3)		**4.8%**	4.7%	6.8%	9.0%	5.3%
- National average		**5.4%**	5.3%	7.5%	9.7%	5.7%
2. Average annual headcount		**10,550**	10,286	10,279	10,388	10,638
3. Number of taxable properties		**245,831**	243,459	240,993	238,973	236,380
Payments-in-lieu of taxes						
Number of properties		**1,053**	1,113	1,255	1,521	1,432
4. Assessment						
- Residential	$	**86,057,786**	78,035,117	76,557,497	75,141,769	70,993,769
- Commercial, industrial and other		**22,940,665**	21,577,412	21,457,395	21,307,140	19,385,942
- Farm and recreational		**374,091**	386,645	388,140	436,962	427,772
	$	**109,372,542**	99,999,174	98,403,033	96,885,871	90,807,483
Assessment per capita (in dollars)	$	**134,101**	127,697	127,311	126,277	119,003
Commercial, industrial and other as a percentage of assessment		**20.97%**	21.58%	21.81%	21.99%	21.35%
5. Tax arrears	$	**68,902**	68,565	57,005	67,309	60,120
6. Tax arrears – per capita (in dollars)	$	**84.48**	87.56	73.75	87.73	78.79
7. Municipal mill rate		**12.900**	13.468	13.161	12.861	13.290
- Adjustment for tax increase		**3.5%**	2.3%	2.3%	2.3%	2.3%
- Adjustment for general assessment (Note 4)		**(7.7%)**	0.0%	0.0%	(5.4%)	0.0%
8. Tax Levies						
- Municipal property taxes	$	**674,106**	655,999	630,061	608,485	588,365
- Payments-in-lieu of taxes		**24,883**	19,193	21,235	21,310	21,349
- Local improvement and frontage levies		**83,242**	65,726	64,433	65,499	64,256
- Business taxes and payments-in-lieu of business taxes		**60,177**	58,129	55,525	57,839	55,442
- Electricity and other taxes		**42,034**	37,933	29,695	26,861	35,176
Total taxes levied for municipal purposes		**884,442**	836,980	800,949	779,994	764,588
Taxes levied on behalf of others						
Province and school divisions		**733,459**	727,416	729,019	732,304	713,974
Total taxes levied	$	**1,617,901**	1,564,396	1,529,968	1,512,298	1,478,562
9. Taxes Collected						
- Total Current Taxes to Collect		**1,535,122**	1,485,417	1,516,496	1,428,709	1,526,880
- Total Current Taxes Outstanding		**30,634**	36,482	27,719	29,874	33,339
- Percentage of Current Taxes Outstanding		**2.00%**	2.46%	1.83%	2.09%	2.18%
- Percentage of Taxes Collected		**98.00%**	97.54%	98.17%	97.91%	97.82%
10. Winnipeg CMA consumer price index (per Statistics Canada) (Note 3) (annual average)						
- 2002 base year 100		**158.3**	152.5	141.5	137.2	136.4
- Percentage increase		**3.8%**	7.8%	3.1%	0.6%	2.3%

CONSOLIDATED FINANCIAL STATEMENTS FIVE-YEAR REVIEW Cont.

December 31 ("$" amounts in thousands of dollars, except as noted) (Unaudited)		**2023**	2022 Restated[1]	2021	2020	2019
11. Consolidated revenues						
- Municipal Property Taxes	$	**698,989**	675,192	649,675	628,059	607,911
- Other Taxation		**185,453**	161,788	151,274	151,935	156,677
- User charges		**690,991**	644,358	605,229	556,624	653,079
- Government transfers		**477,384**	335,314	325,461	421,846	574,630
- Interest and other revenue		**239,420**	153,673	125,019	82,466	147,958
	$	**2,292,237**	1,970,325	1,856,658	1,840,930	2,140,255
12. Consolidated expenses by function						
- Municipal operations	$	**1,283,108**	1,309,940	1,209,012	1,201,392	1,165,131
- Public utilities		**529,152**	522,918	481,631	465,937	456,805
- Civic corporations		**103,148**	80,622	63,818	60,240	81,943
	$	**1,915,408**	1,913,480	1,754,461	1,727,569	1,703,879
13. Growth in accumulated surplus	$	**376,829**	(54,434)	102,197	113,361	436,376
14. Consolidated expenses by object						
Salaries and benefits	$	**997,609**	980,478	932,407	906,039	898,682
Goods and services		**522,603**	530,604	429,939	424,602	463,660
Amortization		**306,512**	295,013	286,475	279,943	266,623
Interest		**62,371**	64,202	66,324	65,142	59,017
Other expenses		**26,313**	43,183	39,316	51,843	15,897
	$	**1,915,408**	1,913,480	1,754,461	1,727,569	1,703,879
15. Debt						
Tax-supported	$	**804,337**	813,285	815,033	815,507	799,319
Transit		**252,779**	256,799	258,372	292,880	281,747
City-owned utilities		**347,400**	348,639	349,842	352,402	296,062
Other		**81,035**	92,474	83,681	94,773	94,294
Total gross debt		**1,485,551**	1,511,197	1,506,928	1,555,562	1,471,422
Less: Sinking Funds		**173,012**	152,454	132,049	112,945	98,849
Total net long-term debt		**1,312,539**	1,358,743	1,374,879	1,442,617	1,372,573
Unamortized premium on debt		**98,683**	104,391	108,089	111,785	85,489
Total long-term debt		**1,411,222**	1,463,134	1,482,968	1,554,402	1,458,062
Percentage of total assessment		**1.20%**	1.36%	1.40%	1.49%	1.51%
Debt per capita	$	**1,609**	1,735	1,779	1,880	1,799
16. Additions of tangible capital assets	$	**695,927**	494,540	424,110	409,444	872,771
17. Net financial liabilities	$	**1,168,910**	1,153,372	883,146	850,942	841,786

CONSOLIDATED FINANCIAL STATEMENTS FIVE-YEAR REVIEW Cont.

December 31 ("$" amounts in thousands of dollars, except as noted) (Unaudited)		**2023**	2022 Restated[1]	2021	2020	2019
18. Accumulated surplus						
Invested in tangible capital assets	**$**	**7,072,308**	6,691,828	6,468,698	6,311,139	6,235,368
Reserves						
Capital		**266,907**	288,786	179,620	215,767	245,746
Stabilization		**15,712**	2,135	75,092	119,891	107,766
Special Purpose		**63,929**	58,065	70,222	77,338	71,970
		346,548	348,986	324,934	412,996	425,482
Surpluses						
Manitoba Hydro long-term receivable		**220,238**	220,238	220,238	220,238	220,238
Other surpluses		**152,360**	131,865	303,288	257,821	188,124
Unfunded expenses		**(486,406)**	(464,698)	(334,505)	(321,738)	(302,117)
Surplus/(Deficit)		**(113,808)**	(112,595)	189,021	156,321	106,245
Accumulated surplus	**$**	**7,305,048**	6,928,219	6,982,653	6,880,456	6,767,095
19. Five largest industries of employment in the City (Thousands employed)						
Health care and social assistance		**72.2**	72.5	73.1	70.0	69.3
Wholesale and retail trade		**66.0**	60.7	65.3	60.1	62.7
Educational services		**44.5**	44.4	41.1	36.4	36.2
Public Administration		**34.7**	31.5	28.2	26.3	28.0
Construction		**34.2**	32.5	31.0	28.2	31.7
20. Government-specific indicators						
Assets-to-liabilities		**3.56**	3.50	3.75	3.94	4.05
Financial assets-to-liabilities		**0.59**	0.58	0.65	0.64	0.62
Public debt charges-to-revenues		**0.03**	0.03	0.04	0.04	0.03
Own-source revenues-to-taxable assessment		**0.02**	0.02	0.02	0.02	0.02
Government transfers-to-revenues		**0.21**	0.17	0.18	0.23	0.27

Notes:

1. Amounts in numbers 12, 14, 17, 18, and 20 have been restated due to the adoption of the Public Sector Accounting Standard *PS 3280 Asset Retirement Obligations*. Refer to note 2cii of the consolidated finacial statements for details. Amounts in number 3 have been restated to conform to the methodology used in current and prior years.
2. Population for prior years are those previously reported (in prior annual reports) and have not been updated for immaterial changes from Statistics Canada.
3. The Winnipeg Census Metropolitan Area (CMA) is an economic region defined by Statistics Canada.
4. Current provincial legislation requires that a general assessment be performed every two years, with the exception of 2022 where a one year delay was approved due to COVID-19. A general assessment occurred in 2014, 2016, 2018, 2020 and 2023. In the year of a general assessment, the mill rate is adjusted to offset the effect of market value changes of the entire assessment base.

City Contact Information

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

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