Agenda – Standing Policy Committee on Finance and Economic Development – April 17, 2026

REPORTS

Item No. 12 Financial Status Report as of December 31, 2025

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. The Winnipeg Public Service requests that the Financial Status and Forecast Report to December 31, 2025, be received as information.

ADMINISTRATIVE REPORT

Title: Financial Status Report as of December 31, 2025

Critical Path: Standing Policy Committee on Finance and Economic Development

AUTHORIZATION

Author	Department Head	CFO	CAO
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EXECUTIVE SUMMARY

This is the last of four updates the Public Service provides each year to the Standing Policy Committee on Finance and Economic Development ("SPC FED"). This report provides the unaudited operating results as of December 31, 2025. These results do not include the elimination of inter-company transactions or other adjusting entries included in the City's annual audited financial statements.

The Public Service is currently preparing their consolidated financial statements in accordance with Public Sector Accounting Standards (PSAS). These will be audited by KPMG and will be posted on the City's website by June 30, 2026, to comply with Provincial legislation.

As of December 31, 2025, the unaudited operating results are as follows:

- The tax supported General Revenue Fund ("GRF") has a deficit of $14.3 million. This is equivalent to 1.0 percent of the overall expense budget of $1.4 billion. It is a $3.0 million improvement over the last quarterly forecast.

- Utilities (Transit and Water & Waste) have a positive variance to the amended budget of $82.8 million. This is after adjusting for approved water and sewer rate increases. Increases from budget are applied to the respective Utilities' retained earnings. This supports future capital projects such as the North End Water Treatment Plant.

- Special Operating Agencies ("SOA") have a small positive variance to budget of $0.3 million. This is an improvement of $1.9 million from the last forecast. The SOA results include the dividend to the GRF.

The attached schedules 1 – 7 provide further details on unaudited results for 2025.

As of December 31, 2025, $51.8 million in savings have been recognized within various departments.

The unaudited year-end balance in the Financial Stabilization Reserve Fund ("FSR") is $25.9 million. This is after the $14.3 million transfer to cover the deficit in the GRF. Additional details are provided on Schedule 7 attached.

RECOMMENDATIONS

That the Financial Status and Forecast Report to December 31, 2025, be received as information.

REASON FOR THE REPORT

This is the last of the four quarterly reports, which are to be presented to Standing Policy Committee on Finance and Economic Development for 2025. This report provides SPC FED with the unaudited operating results as of December 31, 2025. In 2025, to provide additional transparency of the City's consolidated results, the quarterly reports now also include information on the results of Utilities and SOAs.

On January 17, 2025, SPC FED approved that the Financial Status and Forecast Reports to the Committee be reduced from five reports to four quarterly reports dated March, June, September, and December.

On September 13, 2013, the Standing Policy Committee on Finance passed a motion that, following delivery of the first Civic Establishment Report to Executive Policy Committee, the Public Service provide the actual Full-Time Equivalent Positions (FTEs) in the quarterly Financial Status and Forecast Reports. After this direction, the Standing Policy Committee on Finance (now the Standing Policy Committee on Finance and Economic Development) directed the Public Service to report on this annually.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications in receiving this report as information.

HISTORY/DISCUSSION

Efficiency Management Targets

The 2025 budget included $51.8 million in savings targets (i.e., efficiency management targets). The following is a summary of the savings targets as of December 31, 2025:

Type	Budget	Actual	Remaining
Efficiencies/expenditure management	$26.2 million	$26.2 million	Achieved
Winnipeg Police Service efficiencies	$5.1 million	$5.1 million	Achieved
Vacancy management	$20.5 million	$20.5 million	Achieved
Total	**$51.8 million**	**$51.8 million**	**Achieved**

As of December 31, 2025, savings have been achieved through continuous improvement initiatives, debt deferral, removal of carbon tax and additional short-term interest earned.

Winnipeg Police Service savings have been achieved through delayed hiring, reduced overtime, carbon tax savings and revenue increases.

Vacancy management targets have been achieved mainly through delays in hiring.

UNAUDITED OPERATING RESULTS
General Revenue Fund

The unaudited operating results of the GRF for the past five years, before final transfers from the FSR, are:

Year	(Deficit) March 31	(Deficit) June 30	(Deficit) September 30	Surplus /(Deficit) December 31
	(In millions $)			
2025	($18.9)	($17.7)	($17.4)	($14.3)
2024	($39.3)	($19.2)	($23.4)	$7.2
2023	($27.0)	($1.2)	($3.1)	($0.3)
2022	($53.9)	($55.9)	($56.8)	($83.0)
2021	($12.7)	($14.3)	($17.3)	($22.3)

The unaudited operating results for the GRF show a deficit of $14.3 million as of December 31, 2025, which is a $3.0 million improvement from the September 30, 2025, forecast. The following is a summary of net mill rate impacts by Department/Fund compared to budget and to the previous quarter. The bracketed amounts indicate the variance from budget. (↑) represents a surplus compared to budget. (↓) represents a deficit compared to budget.

Schedules 2 and 3 attached provide a summary of variance to budget and variance to the previous forecast respectively.

Assessment and Taxation **($2.7M↑)**
Assessment and Taxation's variance to budget of $2.7 million and $1.9 million improvement from last quarter is mainly due to an increase in penalties on outstanding taxes and salary savings.

Asset and Project Management **($5.4M↓)**
Asset and Project Management's variance to budget of $5.4 million is due to a lower transfer from Municipal Accommodations which operates outside of the GRF and whose operations net to zero. This is an increase of the deficit by $2.4 million since last quarter. The reduction in the transfer is mainly due to lower recoveries for maintenance, and higher service and material costs in Municipal Accommodations, which reduces the available funds for transfer.

General Revenue Fund

Community Services **($3.6M↑)**
Community Service's variance to budget of $3.6 million is due to less work on recreation facilities than Municipal Accommodations planned and lower recreation revenues due to closed facilities and lower fitness pass sales. This resulted in a net financial improvement for the department since the last quarter of $2.5 million.

Corporate Accounts **($6.9M↑)**
Corporate Account's variance to budget of $6.9 million is due to: $16.1 million reduction in debt and finance charges from intentional delays in issuing debt and $3.5 million in other operating cost savings, such as salaries. This is offset by additional costs of an unexpected $7.0 million legal settlement and a reduction of revenue against budget of $3.8 million from the 911 levy not being implemented. The levy has been removed from future budgets starting in 2026.

Corporate Accounts improved from last quarter by $2.2 million because of additional debt and finance savings.

Corporate Finance **($8.3M↑)**
Corporate Finance's variance to budget of $8.3 million is due to an increase in short-term interest and investment income earned on a healthy liquidity position. This also contributed to a $1.6 million increase from last quarter.

UNAUDITED OPERATING RESULTS (Continued)

Fire Paramedic Service **($0.7M↓)**
The Winnipeg Fire Paramedic Service's variance to budget of $0.7 million is primarily due to increased overtime costs, partially offset by additional revenues from Shared Health and a transfer from the Workers' Compensation Reserve. This is a $2.3 million improvement over last quarter due to increased provincial grant funding, reduction in salary and benefits, and reduced operating costs.

Planning, Property and Development **($6.1M↓)**
Planning, Property and Development's variance to budget of $6.1 million is mainly due to lower-than-budget regulation revenues. This is a $1.9 million negative impact from the last quarter, which is due to a revenue reduction and increased wage accruals.

Winnipeg Police Service **($1.7M↑)**
Winnipeg Police Service's positive variance to budget and the previous quarter of $1.7 million is mainly due to higher special duty revenue and salary savings. The number of homicides in 2025 was significantly lower than in 2024 requiring less investigative and operating costs.

Public Works Department **($2.4M↓)**
Public Work's variance to budget of $2.4 million is largely due to higher than budget costs for roadway construction and maintenance, spring and neighborhood cleaning, and snow removal and ice control offset by salary savings. This is a $6.0 million negative impact from last quarter mainly due to significant snowfall in December.

Utilities

Utilities and SOAs are reported outside of the GRF and use retained earnings to manage their operations and fund future capital projects.

Net increases in the year will be transferred to retained earnings to be used in the future. Deficits will reduce the amount of retained earnings available to fund operations and/or capital projects.

Transit **($4.1M↑)**
Transit's variance of $4.1 million is mainly due to salary savings resulting from delays in hiring, reduced bus maintenance and lower-than expected fuel costs. These expenditure reductions are partially offset by lower fare revenue, attributed to lower ridership and ongoing challenges with fare evasion. This is a $3.7 million improvement from the last quarter.

Water and Waste Utility **($78.7M↑)**
The Water and Waste Utility operates out of four funds:

1) Water (Rates)
2) Sewer (Rates)
3) Solid Waste (Rates & Fees)
4) Land Drainage (Fees)

The Water and Waste Utility overall has a positive variance of $78.7 million after adjusting for rate changes approved by Council on March 27, 2025.

Water and Sewer operations (combined rate) had a favourable budget variance of $67 million. Water rates are based on forecasts, so best practice is to use conservative, multi-year consumption trends to ensure operating and capital costs are covered and to keep rates stable over time.

In 2025, metered water use increased **8.1 percent**, which was unexpected and outside normal patterns. Over the previous five years, metered consumption ranged from a 5 percent decrease to a 3 percent increase. The increase was driven by several factors, including population growth, weather, the timing of meter readings around December 31, and more accurate metering technology.

Solid waste operations are funded both by the waste management fee on water bills and tipping fees at the landfill. Results tied to the waste management fee were consistent with budget for 2025. Operations tied to tipping fees had a budget variance of approximately $10 million due to higher residential recycling sales and increased usage at the landfill.

Variances from budget flow to retained earnings and reserves which are used to fund significant capital investments such as the North End Water Treatment Plant instead of debt. Rates are reviewed every year to consider the impact of changes in assumptions including consumption trends.

Special Operating Agencies ($0.3M↑)

SOAs have a variance to budget of $0.3 million which is consistent with budget. This is a $3.3 million improvement from last quarter mainly due to lower operational costs in the Winnipeg Parking Authority and Fleet Management.

Financial Stabilization Reserve Fund (FSR)

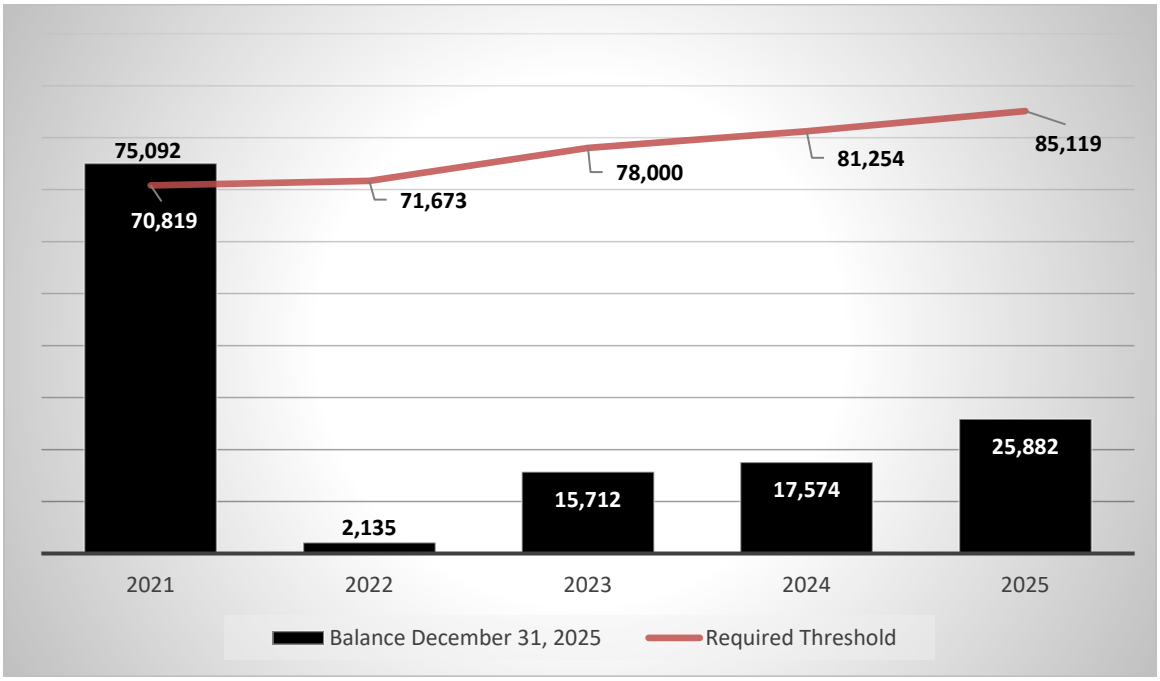
Council established the FSR to counteract the budgetary effect of fluctuations from year to year in property and business taxes and/or to fund deficits in the GRF to assist in stabilizing the City's property tax requirements.

The unaudited balance in the FSR before covering any shortfall in the GRF at year-end is $40.2 million. As approved by Council on June 26, 2025, the FSR can be used to cover the $14.3 million deficit in the GRF. This draw will result in an unaudited year-end balance remaining of $25.9 million. The Council approved minimum balance for the FSR for 2025 is $85.1 million, which is 6 percent of the tax-supported budgeted expenditures. After the transfer to the GRF, the Fund will have shortfall of $59.2 million (see schedule seven attached) as of December 31, 2025.

During the year the following amounts were added to the FSR: a $0.4 million budgeted transfer from the GRF, $6.9 million in funding from the Province of Manitoba for the One Manitoba Growth Program, $0.7 million transfer from commitment reserve, surplus property and business taxes of $3.0 million, and $10.9 million in funding approved by Council on June 26, 2025.

The Council approved funding of $10.9 million includes a $3.7 million transfer from the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Payment Reserve, a $5.4 million transfer from Winnipeg Transit, and a $1.8 million transfer from Animal Services.

The following chart shows the balance of the FSR over the last five years.



Full-Time Equivalent Reporting

The Public Service defines an FTE as the effort required to support the City's programs and services. For budget purposes, the FTE is expressed as an annual value. Actual FTE data is extracted from the payroll system. Actual FTE data is the total number of hours paid divided by the regular compensable hours in a fiscal year. It includes permanent, temporary, full-time, part-time, salaried, hourly, seasonal, casual and student positions.

The calculated FTE is different than the number of positions or the number of employees at a point in time.

As at December 31, 2025, estimated actual FTEs total 9,501 compared to an Adopted Budget number of 9,458.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 9, 2026

Project Name:
Financial Status Report as of December 31, 2025

COMMENTS:
There are no financial implications in receiving this report as information.

Randy Bernard
Randy Bernard, CPA
Manager of Finance & Administration (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

- All City of Winnipeg Departments

OURWINNIPEG POLICY ALIGNMENT

Leadership and Good Governance

1.1 Organizational Alignment
All City policy implementation and enforcement tools must be aligned with the localized United Nations Sustainable Development Goals framework, consisting of Leadership and Good Governance; Environmental Resilience; Economic Prosperity, Good Health and Well-Being; Social Equity; and City Building contained in this Plan.

1.5 Evidence-Informed Decisions
Invest in data and technology to support objective, evidence-informed decision-making; support open government and open data principles for collection and sharing; help coordinate records and information management; and improve process efficiency, results-based service delivery and accountability.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CLA) and its Goals and Objectives, and it was determined that the CLA is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Corporate Finance
Division: Corporate Controller
Prepared by: Helen Hasiuk
Date: April 9, 2026

Attachments (Unaudited):

- Schedule 1 – The City of Winnipeg – General Revenue Fund – Income Statement
- Schedule 2 – The City of Winnipeg – General Revenue Fund – Budget Variances
- Schedule 3 – The City of Winnipeg – General Revenue Fund - Reconciliation of September 30, 2025 Forecast to the December 31, 2025, Results
- Schedule 4 – The City of Winnipeg – Summary of Revenue and Expenses - By Fund
- Schedule 5 – The City of Winnipeg – Net Mill Rate By Department/Fund
- Schedule 6 – The City of Winnipeg – General Revenue Fund – Taxation Revenues
- Schedule 7 – The City of Winnipeg – Balance of the Financial Stabilization Reserve