

2025

Annual Financial Report

City of Winnipeg

Winnipeg, Manitoba, Canada

For the fiscal year ended December 31, 2025

City of Winnipeg 2025 Annual Financial Report

Winnipeg, Manitoba, Canada

This annual report for the fiscal year ended December 31, 2025 has been prepared and compiled by the City of Winnipeg's Corporate Finance and Customer Service & Communications Departments.

Manitoba Cataloguing in Publication Data. Winnipeg (MB).
Corporate Finance Dept. Annual Report.
Annual Report year ends December 31.
Continues: Winnipeg (Man.). Finance Dept. Annual Report.
ISSN: 1201-8147 = Annual Report-City of Winnipeg.
1. Winnipeg (Man.) - Appropriations and expenditures-Periodicals.
2. Finance, Public - Manitoba-Winnipeg-Periodicals
HJ9014.M36W56 352.409712743



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.



Table of Contents

Introductory Section

Message from the Mayor 6

City Council
- 16th Council of the City of Winnipeg 8

City of Winnipeg governance 10
- Openness & transparency 10
- Office of the Integrity Commissioner 11
- Voluntary lobbyist registry 11

City of Winnipeg administration 12
- 2025 organization chart 13

Financial highlights 14

City at a glance 15

Resident satisfaction survey highlights 17

Message from the Chief Administrative Officer 19

Commitment to reconciliation 20

Council's Strategic Priorities Action Plan 22
- The Downtown 24
- A strong economy 30
- A livable, safe, healthy, happy city 34
- A green and growing city with sustainable renewal of infrastructure 38
- A city that works for residents through improved customer service 42

Canadian Award for Financial Reporting 45

Financial Section

Report from the Chief Financial Officer
- Financial statement discussion & analysis 48

Responsibility for financial reporting 67

Independent Auditors' report 68

Consolidated Statement of Financial Position 70

Consolidated Statement of Operations and Accumulated Surplus 71

Consolidated Statement of Changes in Net Financial Liabilities 72

Consolidated Statement of Cash Flows 73

Notes to the Consolidated Financial Statements 74

Statistical Section

Five-Year Review 108

City Contact Information & Photo Credits 112

Introductory Section

Message from the Mayor



Mayor Scott Gillingham
City of Winnipeg

In an uncertain world, Winnipeg is focused on opportunity. We're planning strategically. We're identifying key risks and controlling those we can. And we're building on core community strengths to grow our economy. Our Sky Economy – in aviation, aerospace, and defence – will help us compete for new investment, talent, and jobs.

Tariffs, inflation, and global conflict are making life tougher for everyone. But Winnipeg has shown a lot of resilience. From 2023 to 2025, Winnipeg's real GDP grew by an average of 2.3% per year. That's compared to 1.8% for Manitoba, and 1.9% for Canada.

Winnipeg City Council has been working hard to support that resilience. This Annual Financial Report is a record of those efforts in 2025. The broader vision of stability, growth, and affordability is one we've been pursuing in all our budgeting and planning since 2022.

Our 2026 Balanced Budget Update protects affordability. Its 3.5% property tax increase is one of the lowest among Canadian cities for 2026. We're making every one of those dollars count, to build a better Winnipeg.

The budget includes a record-breaking investment in infrastructure. It will help ensure completion of the North End Water Pollution Control Centre, a project critical for the environment and future growth. It provides $1.1 billion for regional and local road renewal. It invests $79 million in new and renewed recreation and library facilities. And it strengthens public safety by funding the hiring of new firefighters, police officers, and Neighbourhood Action Team members.

In 2025, the City's bond raters continued to express confidence in our financial decision-making. Moody's Investors Service reaffirmed our rating at Aa2 stable. S&P Global maintained our rating at AA+ stable. Moody's noted that Winnipeg's key strengths include sound governance and management, and a highly diversified economy.

We have not been afraid to make bold decisions to improve Winnipeg's future. In 2025 we re-opened the historic Portage and Main intersection to pedestrians. The Downtown is now more connected and accessible – and the impact on motorists' travel time has been minimal. At the same time, construction progress continues on True North's transformation of Portage Place, and the Southern Chiefs' Organization's redevelopment of Wehwehneh Bahgahkinahgohn.

We're not afraid to listen to Winnipeggers' feedback. The launch of a new Primary Transit Network for Winnipeg's future was the biggest change to the system in 142 years. We've followed up with many resident-suggested improvements. These include adjusted routes, relocated stops, expanded On-Request Transit zones, and an extended transfer window. The new network will continue to evolve, with plans for major changes on an annual basis.

We've taken decisive action on housing. Over the past four years, Winnipeg has seen the strongest multi-year period in housing starts in our city's history. More than 1,000 homes were permitted Downtown last year – nearly triple the annual target.

We're building new economic capacity by investing in water and sewer infrastructure for CentrePort South. This will unlock 1,800 acres for development at our inland port. It is also crucial to our plans to promote Winnipeg's Sky Economy.

Winnipeg is home to the third-largest civilian aerospace cluster in Canada. We're also home to the RCAF's 17 Wing, 1 Canadian Air Division, 2 Canadian Air Division, and NORAD's Canadian headquarters. We believe in our capacity to grow our aviation, aerospace, and defence sectors together, as a single, regional Sky Economy. An economy that opens up jobs and opportunities right across the city.

As we build our economy, we'll continue building community as well. We'll make Winnipeg safer, with projects like the Windsor Park Fire Paramedic Station that opened in 2025. We'll encourage learning, curiosity, and culture, with projects like the Mike O'Shaughnessy Library at Garden City Shopping Centre. And we'll support health and fitness for all generations, with projects like the South Winnipeg Recreation Campus.

This is the future I'm looking forward to. Despite the challenges, the sky really is the limit: and I know we can build it together.

2022–2026

16th Council of the City of Winnipeg Members and appointments

(As at December 31, 2025)



Mayor Scott Gillingham
Chairperson, Executive Policy Committee



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



Shawn Dobson
St. James



Emma Durand-Wood
Elmwood – East Kildonan



Cindy Gilroy
Daniel McIntyre



Brian Mayes
St. Vital



Matt Allard
St. Boniface



Markus Chambers
St. Norbert – Seine River
Deputy Mayor



Evan Duncan
Charleswood – Tuxedo – Westwood
Chairperson, Standing Policy Committee on Property and Development



Ross Eadie
Mynarski
Chairperson, Standing Policy Committee on Water, Waste and Environment

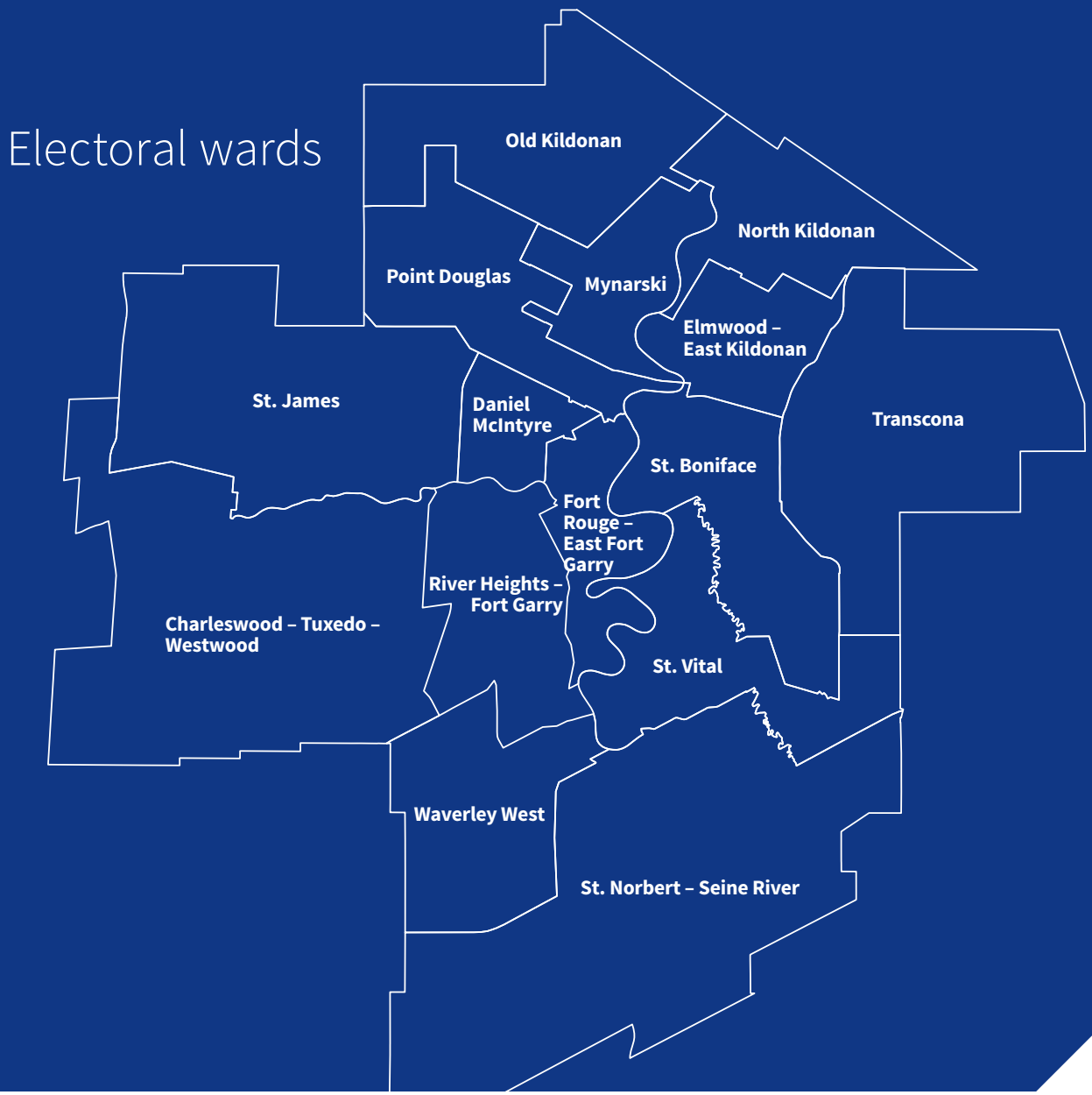


Janice Lukes
Waverley West
Acting Deputy Mayor
Chairperson, Standing Policy Committee on Public Works



John Orlikow
River Heights – Fort Garry
Deputy Speaker

Electoral wards





Sherri Rollins
Fort Rouge – East Fort Garry



Vivian Santos
Point Douglas
Chairperson, Standing Policy Committee on Community Services



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 by-law 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 Committees 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, by-laws, 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 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 several means 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 at **winnipeg.ca/opengovernment**.

Office of the Integrity Commissioner

The Integrity Commissioner forms an important part of the accountability framework 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 provides 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 by-laws 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

Through the voluntary lobbyist registry, 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 is published.

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 available online 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.

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

The CAO 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 CFO reports to the CAO, the Mayor, and City Council. In addition to supervising the operations of the Corporate Finance and Assessment and Taxation departments, 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 Policy Committees, Community Committees, the Mayor and Mayor's Office, and members of Council, as well as liaise with the CAO 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.

Three senior executive officers report directly to the CAO – the CFO and two Deputy Chief Administrative Officers

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

The following departments are direct reports of the CAO:

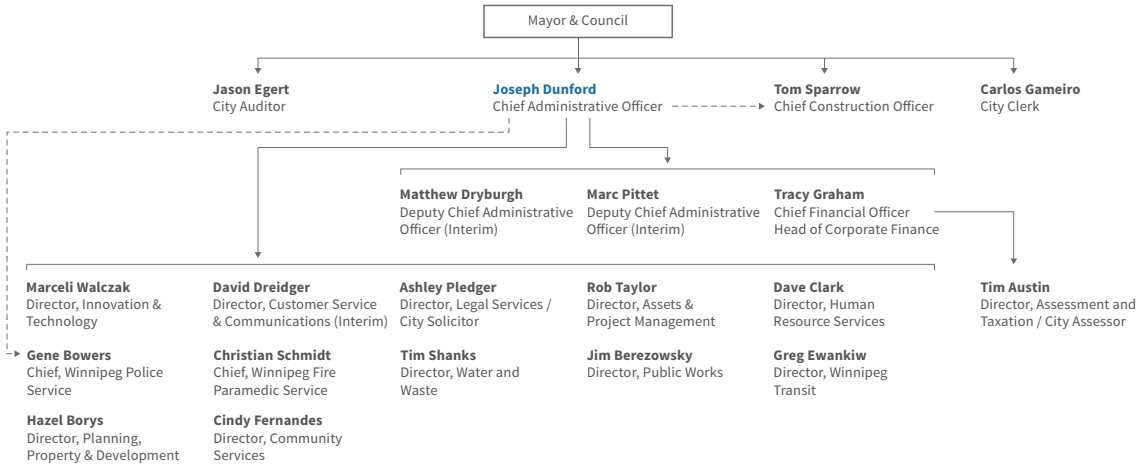
- Assets & Project Management
- Community Services
- Customer Service & Communications
- Human Resource Services
- Innovation & Technology
- Legal Services
- Planning, Property & Development
- Public Works
- Water and Waste
- Winnipeg Fire Paramedic Service
- Winnipeg Transit

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.

The Chief Construction Officer reports directly to Council and is housed within the Office of the Chief Administrative Officer. Their role is to provide independent advice and assurance on all aspects of governance, planning, and delivery of capital projects that involve construction.

2025 Organization chart

(As at December 31, 2025)



Financial highlights

The City manages its operations by funds. Tax-supported operations include City departments such as Police, Winnipeg Fire Paramedic Service, Public Works and Community Services. Utilities include Transit, Municipal Accommodations, Water, Sewer, Solid Waste and Land Drainage funds. Other funds include capital-related revenues and expenses for tax-supported departments, reserves, special operating agencies, and consolidated entities. Consolidated results include the elimination of inter-company transactions and other year-end adjustments.

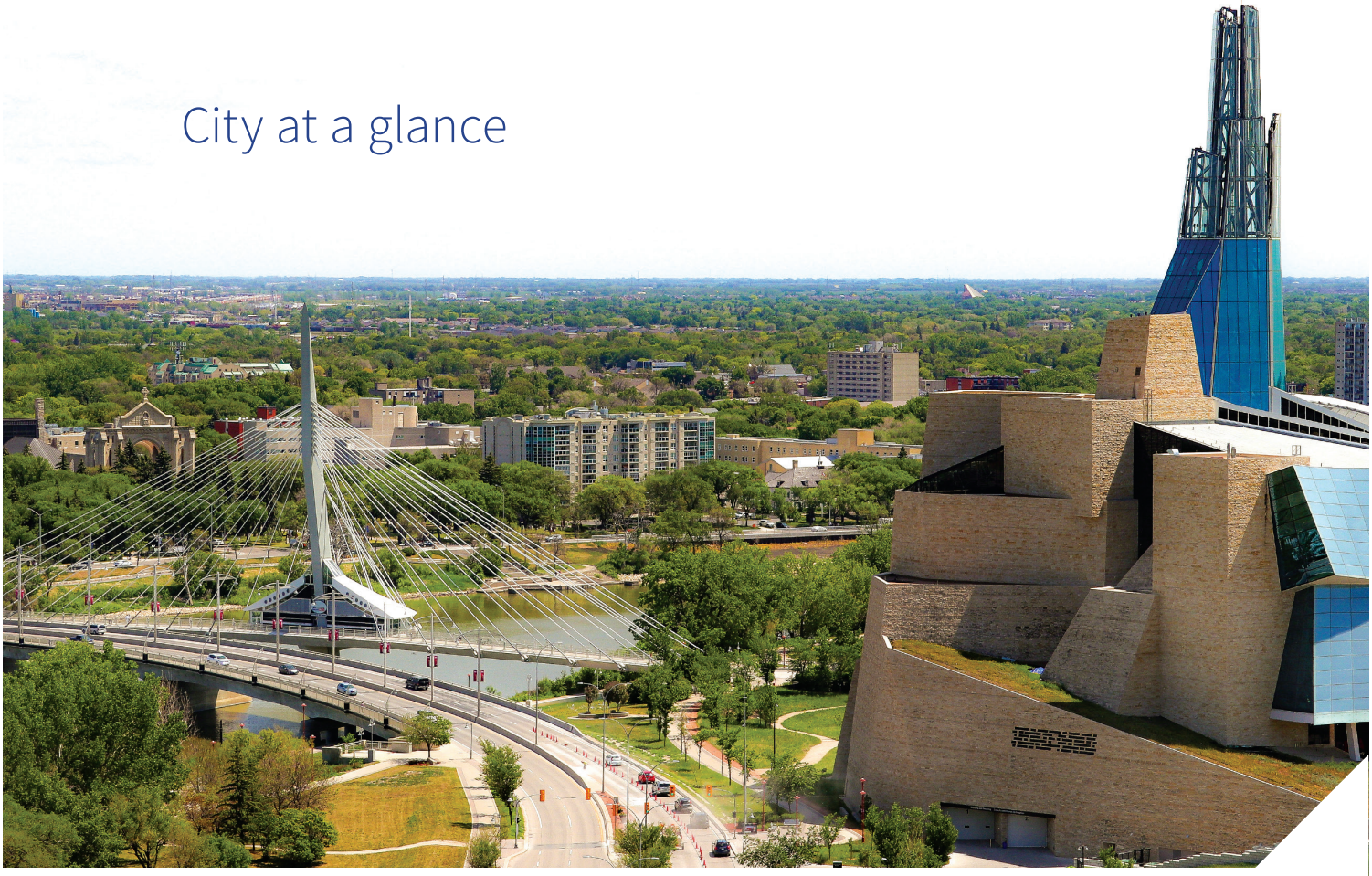
(in thousands of dollars)	**2025 Budget**	2025 Actual	2024 Actual	Variance from budget	Variance to prior year
Tax Supported operations	**1,325,080**	1,341,161	1,301,034	16,081	40,127
Utilities	**820,781**	890,753	779,640	69,972	111,113
Other	**422,233**	409,722	268,681	(12,511)	141,041
Total Revenue	**2,568,094**	2,641,636	2,349,355	73,542	292,281
Tax Supported operations	**953,697**	1,011,013	968,767	57,316	42,246
Utilities	**691,124**	666,312	581,997	(24,812)	84,315
Other	**504,529**	473,347	526,959	(31,182)	(53,612)
Total Expense	**2,149,350**	2,150,672	2,077,723	1,322	72,949
Annual Surplus	**$ 418,744**	$ 490,964	$ 271,632	$ 72,220	$ 219,332

In 2025, the City achieved a consolidated annual surplus of $491.0 million. This is an increase of $72.2 million from budget and an increase of $219.3 million from the prior year. Consolidated revenues were $73.5 million higher than budget and $292.3 million higher than the prior year. Consolidated expenses were $1.3 million higher than budget and $72.9 million higher than the prior year.

Consolidated revenues increased from budget mainly due to higher taxes and an increase in water and sewer revenues and recognition of capital funding. Consolidated expenses are higher mainly due to an increase in salary costs in goods and services.

More details on the City's financial position can be found in the financial discussion and analysis section beginning on page 47 and the audited financial statements beginning on page 70.

City at a glance



850,260¤ | Population

6,620¤ | Annual population change *(2024-2025)*

38¤ | Median age

$51.9 billion+ | GDP

2.7%¤ | CPI

$53,750+ | Personal income per capita

491,000¤ | Labour force

460,400¤ | Employment

6.1%¤ | Unemployment rate

$371,000* | Average home assessment

$2,232* | Average municipal property taxes *(excluding school taxes)*

4,993‡ | Housing starts

315,465¤ | Total households

7,740* | Total residential permits issued

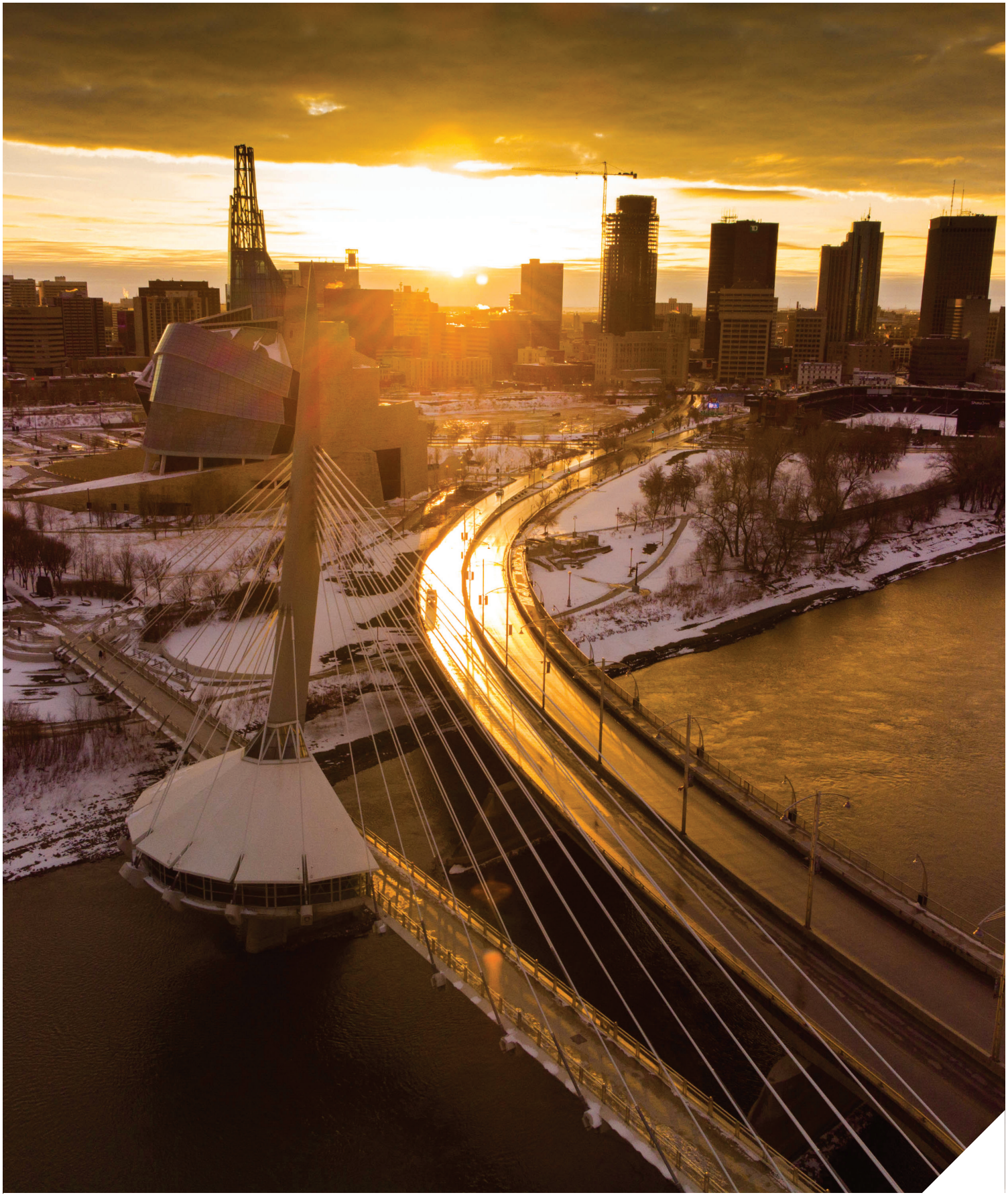
2,354* | Total non-residential permits issued

$1,839 million* | Residential permit values

$1,039 million* | Non-residential permit values

¤ Statistics Canada
+ Oxford Economics (Spring 2026)

‡ CMHC Starts and Completions Survey (2025)
* City of Winnipeg



Resident satisfaction survey highlights

The City conducts an annual resident satisfaction survey to solicit opinions on its performance in the delivery of key services. In 2025, 600 Winnipeggers, aged 18 and older, provided their thoughts on what the City is doing well and what needs improvement.

86 rate **quality of life** as very good or good (↑4%)

75 rate being very or somewhat satisfied with **customer service** provided by the City* (↓3%)

57 rate **value of tax dollar** as very good or good (↑2%)

Resident satisfaction with City services

72 rate being very or somewhat satisfied with **City services** (↓4%)

Largest increases from 2024

93% (↑10%) are very satisfied or somewhat satisfied with **protection from river flooding**

78% (↑9%) are very satisfied or somewhat satisfied with **City-operated recreation programs**

90% (↑9%) are very satisfied or somewhat satisfied with **quality of drinking water**

91% (↑8%) are very satisfied or somewhat satisfied with **public library services****

Largest decreases from 2024

38% (↓15%) are very satisfied or somewhat satisfied with **management of rush hour traffic flow**

34% (↓18%) are very satisfied or somewhat satisfied with **funding for improving inner city housing**

43% (↓21%) are very satisfied or somewhat satisfied with **community planning to guide growth and change**

48% (↓22%) are very satisfied or somewhat satisfied with **efforts to ensure that residential property standards are met through inspections**

To see more results from the survey, please visit: **winnipeg.ca/2025residentsatisfaction**

* Those who indicated they have contacted the City

** Those who indicated they have used the service


NEW AND USED
OPEN
TO THE
PUBLIC
BUY - SELL
TRADE - RENT
LEASE

Message from the Chief Administrative Officer





Joseph Dunford, M.Eng. P.Eng.
Chief Administrative Officer

The people of the Winnipeg Public Service are 100 percent committed to Council's vision, and the residents we serve. This is something I've seen expressed in countless ways since I joined the Service last August. This is a team that's capable, professional, and deeply motivated to build a better Winnipeg.

This report will give you a sense of our staff's commitment to excellence and continuous improvement. A lot of care went into its preparation. For the past eight years, our Annual Financial Reports have received the Government Finance Officers Association's Canadian Award for Financial Reporting. The GFOA has also awarded the City their Distinguished Budget Presentation Award eight years in a row.

Everything we do is aligned with the priorities set out in *Council's Strategic Priorities Action Plan 2023-2026*. This Annual Financial Report explains what we did to help build a thriving Downtown; a strong economy; a livable, safe, healthy, and happy city; a green and growing city; and a city that works for residents through improved customer service.

Just a few highlights include:

- Working on upgrades to the North End Water Pollution Control Centre (NEWPCC) – with Project 1 scheduled for completion later this year.
- Surpassing the City's annual target for new housing units by 113% – with more than 1,000 new units approved Downtown in 2025.
- Introducing concurrent review of development and building permits, cutting approval times roughly in half.
- Launching the new Primary Transit Network, and a process of regular system improvement based on residents' feedback.
- Launching Neighbourhood Action Teams to patch potholes, trim hazardous branches, and clean graffiti.
- Re-opening the newly renovated Bonivital Pool.
- Fielding over 815,000 citizen calls at our 311 Contact Centre.

In 2026, our goal is to keep getting better. We recently launched a Continuous Improvement Division, so that good ideas keep bubbling up through the organization. We also asked staff to submit ideas and projects relating to continuous improvement, and received a strong response.

In the year ahead, we want to build on our tradition of trust, integrity, and excellent service. We see our future as a Public Service that's respected and respectful, serving the best city in Canada.

It's a privilege to be part of this community, taking part in this work.

Commitment to reconciliation



Documenting a historic renaming

Following the renaming of Bishop Grandin Boulevard to Abinojii Mikanah in 2024, we unveiled a series of permanent interpretive panels along the road's adjacent active transportation path, Awasisak Mēskanôw (east of River Road). The panels document the historic journey to renaming the major transportation corridor in honour of Indigenous residential and day school survivors, and the children who didn't make it home.

New medicine area at Brookside Cemetery

On July 14, we unveiled a new traditional medicine area at Brookside Cemetery. The area, which includes three gardening pots, provides visitors to the cemetery with a space for healing and ceremony. Sage, sweetgrass, and tobacco are also available onsite. The unveiling included a blessing by an Elder, who also shared medicine teachings.





Marking 10 years of the Indigenous gardens at City Hall

2025 marked the tenth year of the Indigenous medicine gardens at City Hall. The gardens were planted for staff use, offerings to community, and cultural workshops to raise awareness of Indigenous knowledge and worldview. Recent updates to the garden included the addition of:

- A flower garden that honours the medicine wheel, which is used as a holistic teaching tool
- A medicine garden with tobacco, cedar, sage, and sweetgrass
- An orange heart garden to honour victims, survivors, and family members of the residential school system

Celebrating National Indigenous Peoples Day

We celebrated 2025 National Indigenous Peoples Day on June 20 with a staff event that included tea making with natural medicine mixtures by Medicine Garden Society, and performances by:

- Kinew Metis Council Youth Dancers
- Fiddle player Kieran Meeches
- Inuit throat singers Chasity and Caramello Swan
- Drummers Walking Wolf Singers
- A pow wow troupe led by Ray “Coco” Stevenson

Council's Strategic Priorities Action Plan

The *2023-2026 Strategic Priorities Action Plan* reflects Council's key priorities and actions for their four-year Council term. Council identified five key priority themes and 42 priority actions for strategic focus and investment.

The five key priority themes are:



The Downtown



A Green and Growing City with Sustainable Renewal of Infrastructure



A Strong Economy



A City that Works for Residents through Improved Customer Service



A Livable, Safe, Healthy, Happy City

The plan identifies the importance of a strong and growing economy. It recognizes the importance of growing the city population through immigration, ensuring an affordable supply of housing for young families and new Canadians, and investing in infrastructure to increase connectivity for trade, development intensification, and employment.

It recognizes a need for climate mitigation and adaptation to keep pace with a changing climate as well as minimizing greenhouse gas emission impacts on current and future generations. It prioritizes actions related to waste diversion, reducing litter, protecting and growing the urban forest, climate resiliency, and renewable energy.

The plan strives to build a city that is safe and improves the health and wellbeing of all residents by making high quality services more available, accessible, and affordable. It celebrates the diversity of residents as a strength. It supports reconciliation, poverty reduction, recreation, and advocating to and partnering with governments on shared goals.

Finally, the plan recognizes the need for high quality services across multiple touch points between the city and residents it serves by building a "yes first" innovation focused employee culture, improving 311 communication, and increased coordination across city departments.

By focusing on and prioritizing these key themes and actions over the next four years, Winnipeg can become a stronger, more compassionate city for all residents.



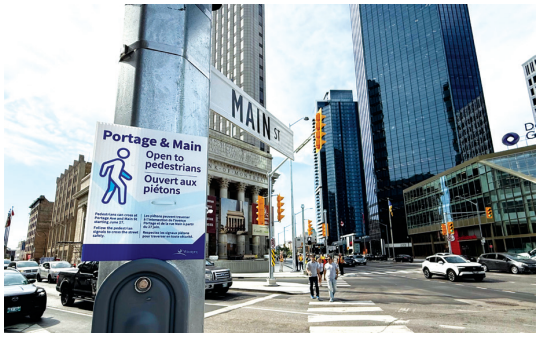
The Downtown

2025 highlights

A historic intersection reopens to pedestrians

Winnipeg's historic Portage & Main intersection welcomed street-level pedestrian crossing for the first time since 1979 — the culmination of a complex construction project involving multiple City departments, engineers, and contractors. With the barricades now removed:

- Pedestrians can cross in all four directions using accessible signals
- Lanes, traffic movement, and signal timing have been reconfigured for safer movement of pedestrians and vehicles
- New curb extensions have been installed to shorten crossing distances and add space for standing at the curb





The reopening is an important step towards fulfilling the vision for the intersection as a gathering place and Transit hub at the heart of the city. Its completion sets the stage for a more connected, accessible, and welcoming Downtown Winnipeg.

Highlights

3,500+

daily pedestrian crossings between September and December 2025

Minimal impact

on travel time



Building the future of Portage Avenue

Two major projects that each promise to breathe new life into Portage Avenue made major construction progress in 2025:

- True North Real Estate Development Limited's $650 million transformation of Portage Place mall into a mixed-use space featuring a healthcare centre, multi-family housing, common areas, green spaces, and renewed commercial units
- Wehwehneh Bahgahkinahgohn, the Southern Chiefs' Organization's neighbouring redevelopment of the former Downtown Hudson's Bay building that will feature gathering spaces, commercial opportunities, and affordable housing units for First Nation citizens and Elders



The two projects are being developed in tandem to:

- Be a catalyst for social and economic revitalization to Downtown Winnipeg
- Bring much-needed affordable housing, healthcare, food security, and shared spaces to the neighbourhood
- Build thriving communities on the principles of reconciliation and inclusion

Highlights

Housing units

216 units
Portage Place

373 units
Wehwehneh Bahgahkinahgohn

City support

$39.7 million
Portage Place

$23.7 million
Wehwehneh Bahgahkinahgohn


STAND
HERE

Reimagining a vital Downtown corridor



Through the development of CentrePlan 2050 — our vision for a lively, walkable Downtown — Winnipeggers shared that they wanted a street that feels welcoming. A place to meet friends, enjoy a patio, attend a market, or simply relax. That destination became closer to reality in 2025 with the launch of a pedestrian placemaking pilot on Graham Avenue.

The pilot removed four blocks of vehicle traffic from the street, replacing it with a pedestrian-first zone that featured:

- Street murals supported by Bloomberg Philanthropies Asphalt Art Initiative and created by Cool Streets Winnipeg
- Artistic lighting by the Downtown Winnipeg Business Improvement Zone and Lights Unlimited
- Street furniture designed by N/A Architecture and built by Tec-Voc High School
- Mid-block access ramps designed and built by the Met Exchange School
- Circular benches, trees, and decorative boulders donated by Ron Paul Garden Centre
- Art installations created by Storefront Manitoba's Cool Gardens design competition
- Planters, picnic tables, and ping pong tables from the Downtown Winnipeg Business Improvement Zone
- Festival space for events like the Canadian Elite Basketball League Championship Weekend

Feedback from the pilot will help guide decision-making on possible permanent changes to the street.

Highlights

$700,000

approximate economic impact

30,000 square feet of public space added



A new chapter for Winnipeg's first library

Rain damage to Winnipeg's former Carnegie Library in 2013 forced the relocation of the City of Winnipeg Archives to a temporary home on Myrtle Street. Twelve years later (and 120 years after the heritage building's initial opening) our records will once again reside in their Downtown home on William Avenue.

The redevelopment is the Winnipeg 150 Legacy Project, which was established to mark the City's 150th anniversary in 2024. Once complete, the new space will feature:

- A climate-controlled storage vault
- Space to support reconciliation activities such as smudging, ceremonies, and displays
- Room for public programming and research

Construction started in 2025 and is anticipated to finish in 2027.



Upgrading Old Market Square's event space

The Exchange District's Old Market Square — home to major events like Winnipeg's Fringe and Jazz festivals — received important upgrades in 2025. Work included replacing the worn grassy area in front of the Cube stage with artificial turf and improving drainage. The result is a lower-maintenance space that will better withstand thousands of annual visitors and its annual conversion into a skating rink in the winter.

Working towards a litter-free downtown

Keeping downtown streets and sidewalks litter-free became easier in 2025 with the installation of over 100 new garbage bins on Main Street and Portage Avenue. The bins are designed to better contain litter and prevent waste from spilling onto surfaces.



A strong economy

2025 highlights

Taking action on the housing crisis

In 2025, we released our Housing Needs Assessment, which provided a detailed look into the housing crisis that Winnipeg — like most cities across Canada — is facing. Guided by input from groups with specific expertise and lived experience, the report found that:

- Approximately 11 percent of Winnipeg's population are in core housing need
- Many Winnipeggers struggle to find a home that meets their needs, especially low-income renters and larger families
- Winnipeg is losing older homes — especially more affordable homes — due to age, deterioration, vacancy, and fires. Many more are at risk of being lost.
- More than 2,400 people are experiencing homelessness in Winnipeg — the highest count to date



Led by our Housing Accelerator Fund team, we met this challenge head on last year by:

- Launching an end-to-end review of the City's development review process, with the goal of making it easier to navigate
- Amending the Winnipeg Zoning By-law to allow residential development on select malls and corridors
- Invested an additional $39 million in housing with support from the Government of Canada

These actions are driving the construction of affordable homes, creating jobs, and driving economic growth across Winnipeg.

Highlights



13 new housing projects announced

1,572 total new housing units

725 new affordable units

5,409 units under construction in 2025



113% of the annual target

$39 million

in grants approved in 2025



$1.6 billion+

in construction across Winnipeg created through grant programs



2ND Highest

housing starts in Winnipeg's history in 2025

Improving our permit services

We continued to improve our permit services throughout 2025, allowing construction to happen quicker and more conveniently. Changes included:

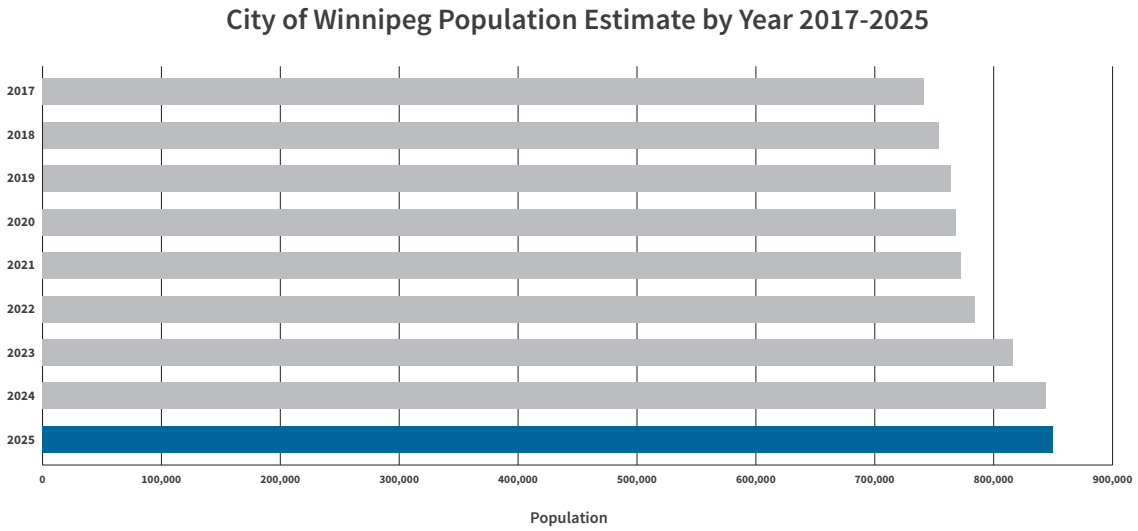
- Launching a new mobile-friendly Permits Online web portal to make it easier to apply for development applications and permits, submit and view documents, and make payments
- Allowing development applications to be submitted through Permits Online in support of our Housing Accelerator Fund initiatives
- Offering a new concurrent review process for projects that require both development and building permits, reducing processing time
- Adding yearly permit volumes and activity by project type to our online permit dataset
- Introducing a rapid response process to respond faster to Water and Waste development inquiries
- Expanding the number of public notices available online to improve accessibility and transparency

Highlights

41

construction types now exempt from needing a development permit

A growing population





A livable, safe, healthy, happy city

2025 highlights

Enhancing community safety

Our Community Safety Team celebrated one year of helping to protect public safety through a compassionate approach in 2025. The team expanded its role on Transit buses last year, helping to keep riders safe while ensuring that those experiencing homelessness, addictions, and mental health issues get the proper support they need.

We also enhanced our protocol for regulating encampments on public property. This balanced approach connects people with outreach teams and safer housing options, while keeping our parks, playgrounds, and community spaces safe and accessible for all.

Looking ahead to 2026, it's anticipated that we'll be leading the rollout of the Safe Winnipeg Initiative. The initiative will see public and publicly funded institutions involved in Downtown safety working closely together to strengthen our response to emerging issues.

Highlights

Community Safety Team

5,302 hours
patrolling buses



From vacancy to vitality



The rising number of vacant and derelict buildings in Winnipeg has contributed to fire risk, safety concerns, and neighborhood blight — with a disproportionate impact on some of the city's most impoverished areas. In 2025, Council approved a new strategy for strengthening enforcement and identifying new uses for these properties. These measures include:

- Partnering with Manitoba Housing and Renewal Corporation and social enterprises to redevelop vacant properties into affordable housing
- Optimizing the taking-title-without-compensation process to enforce compliance with by-laws
- Reducing the tax sale eligibility period from three years to two years to speed up property sales and remediation
- Accepting derelict properties voluntarily transferred to the City

The strategy isn't the only action we took in 2025 to combat problem properties. Our Unsafe Conditions Response Team — started as a pilot project in 2024 to respond quickly to properties impacted by fire, accidents, or neglect — will continue its work until at least throughout 2026. The team works with City departments and property owners to address unsafe and unsightly property conditions as fast as possible.

Highlights

12,000+
vacant building inspections in 2025

482
vacant buildings boarded under stricter requirements

498 tonnes
of debris collected through arson sweeps

472
Arson investigations conducted by the Winnipeg Police Service

Expanding library services

Winnipeg moved a step closer to its 21st library branch in 2025 when Council approved the establishment of Mike O'Shaughnessy Library in growing Northwest Winnipeg. Set to open in Garden City Shopping Centre in 2027, the new library will include:

- Public art
- Children's, teen's, and general collection areas
- Program and tutorial rooms
- Comfortable seating and study furniture
- Computer and printer stations
- Outlets for charging electronic devices
- Public washrooms

Highlights

28%

Increase in annual library visits since 2022

Giving the green light to better emergency response

The Winnipeg Fire Paramedic Service introduced significant changes to emergency response in 2025, with the introduction of a new priority system for responding to medical calls. The new system replaced the previous two-priority system, meaning that dispatchers can now prioritize calls with greater precision and send the right resource for the incident.

We also completed a pilot project to test using pre-emption systems to automatically turn traffic signals green when emergency vehicles approach. With crews reporting improved response time and easier driving conditions, we now plan to install the systems in all front-line vehicles and traffic lights by 2028.

Highlights

New Fire Paramedic Station opened in Windsor Park

Class 3 ➡ Class 2

improved ranking for fire response in large buildings*

Class 1

ranking for fire response in homes*

*According to the 2024 Fire Underwriters Survey



Investing in recreation

Recreation services are essential contributors to the quality of life in Winnipeg. We continued to advance Winnipeg's Recreation and Parks Strategies in 2025 with the opening of new and upgraded amenities across the city. By investing in these assets, we provide opportunities for residents to keep active, improve their physical and mental health, strengthen social connections, and engage in their community.

Highlights

$22 million+

in new and upgraded recreation amenities

- New spray pads
- New playgrounds and park enhancements
- New and upgraded basketball courts
- New cricket facility
- New and upgraded dog parks

Renovated Bonivital Pool

Renovated community kitchen at Turtle Island Neighbourhood Centre

Canoe Club Golf Course now City-operated

A green and growing city with sustainable renewal of infrastructure

2025 highlights

Advancing a critical infrastructure project

Work continued in 2025 on North End Wastewater Treatment Plant upgrades — the largest capital project in Winnipeg's history and one of the most important for our city's future.

The treatment plant — which treats about 70 percent of Winnipeg's wastewater — is being upgraded over three projects. The first project, construction of a new power substation and headworks facilities, is fully funded and on track for completion in 2026. The second project, facilities for managing biosolids, is also fully funded and set to start construction in 2026.

With the aging plant's treatment capacity expected to run out in approximately four to six years, securing a funding agreement with other levels of government for the third and most complex project — facilities for removing harmful nutrients from effluent — is critical. Without it, Winnipeg's ability to grow by adding new housing, businesses, or industries will be at risk.



Highlights

$1.26 billion
City of Winnipeg investment in North End Wastewater Treatment Plant upgrades

Projected economic impact

16.4% Economic growth

$186 billion
in GDP

91,000
Labour force growth

1 million+
Population

850,260
Population without upgrades



A transformational year for Winnipeg Transit

2025 brought the largest change in Winnipeg's Transit's 142-year history with the launch of the new Primary Transit Network — a complete redesign of our bus routes to make service simpler and more frequent. The network launch was the first big step in a larger plan to modernize Transit and grow ridership.

Our team of Transit trainers were there from day one to help Winnipeggers navigate the network. We heard feedback and took it to heart, introducing many changes within months of launch. These included:

- Adjusting routes based on demand and performance
- Relocating bus stops for easier access
- Expanding On-Request Transit zones and service times
- Extending the transfer window from 75 to 90 minutes

The new network will continue to evolve as we listen to feedback, with plans to introduce major changes on an annual basis.

The hard work didn't stop there. From breaking ground on a new state-of-the-art bus garage to becoming the first Canadian city to use articulated zero-emission electric buses, 2025 will be remembered as the year Winnipeg Transit set its course for the future.

Highlights

70+
new bus routes
Largest transformation in Winnipeg Transit's history

8 new
articulated zero emission buses – First in Canada

30 bus shelters
upgraded with impact-resistant polycarbonate panels

Increased
fare enforcement

New service
to FortWhyte Alive's Buffalo Crossing



Planning new approaches to transportation

Demand on Winnipeg's transportation system is increasing. In June 2025, Council approved two related strategic planning documents that each aim to address this added strain, and direct us towards a more integrated transportation system:

- *Transportation 2050*, our plan for investing in a sustainable, safe, and efficient transportation network that can grow with Winnipeg, and
- The *2024 Pedestrian and Cycling Strategies*, which provides policies, programs, and direction to expand the cycling network over the next 25 years

Council also approved the new *Winnipeg Parking and Mobility Strategy*, our five-year plan for managing on-street and off-street parking, curbside space, and mobility services like ridesharing, taxis, and carsharing. The strategy's goals are to optimize use of the curbside, encourage sustainable transportation choices, and improve the overall parking experience.

Curbing road safety risks

We want to make Winnipeg's roads safer for everyone — pedestrians, cyclists, motorists, and transit riders. Following the guidance of our Road Safety Strategic Action Plan, we introduced several enhancements to help us achieve this in 2025. These included:

- Introducing "head start" crossings at over 100 Downtown intersections, allowing pedestrians to cross the street before the light turns green for vehicles
- Installing new temporary traffic calming curbs as a fast and affordable way to create safer roadway layouts
- Delivering walking safety workshops to vulnerable pedestrians, including children and seniors

Highlights

Head start crossings

16% Average reduction

in pedestrian near-misses after implementation

Traffic calming curbs

8% Average reduction

in travel speeds after implementation

2025 roadway construction & maintenance statistics



55.8

Capital rehabilitation of local streets

$164.6
Million
in street renewal in 2025

15.7

Capital reconstruction of regional streets

17.8

Capital reconstruction of local streets

21.2

Roadway transferred from developers

26.7

Capital rehabilitation of regional streets

2.3

Capital reconstruction of alleys

0.5

Capital addition of surfaced alleys



3,680
Metres
Capital addition of pedestrian/ cycle pathways

1,340
Metres
Capital renewal of pedestrian/cycle pathways

8,243
Metres
Capital addition of sidewalks

23,200
Metres
Capital renewal of sidewalks

4,200
Metres
Sidewalks transferred from developers

2,047
Metres
Pedestrian/cycle pathways transferred from developers

A city that works for residents through improved customer service

2025 highlights

Serving Winnipeggers faster

311 is the point of contact for residents, businesses, and visitors to get information or request services, and plays a central role in how we serve Winnipeggers. Recent investments continued to pay off in 2025, with decreased call wait times compared to prior years.

We also introduced more convenient online options to help residents request the service they need or find what they're looking for. These included:

- More online self-service forms
- A new AI chatbot that can quickly search information on our website and communicate it in 17 languages
- A new webpage that displays information about accessibility disruptions



Highlights

75%
decrease in 311 call wait times since 2023

AI Chatbot
13,000
questions processed in 2025

Connecting directly with residents

Our City, Our Stories

1 million+
visits since 2018

Learn more at **winnipeg.ca/ourstories**

Our City, Our Podcast

6,300+
listens in 2025

Learn more at **winnipeg.ca/ourpodcast**



Tackling small tasks to make a big difference

From potholes to pruning, our new Neighbourhood Action Teams made a big impact during their debut year in 2025. Launched in June, the program was designed to proactively solve everyday maintenance issues in one trip — without needing a report through 311 or a separate department.

Three separate teams worked throughout the year to tackle tasks such as:

- Filling potholes
- Repairing uneven sidewalks and boulevards
- Addressing uneven boulevards
- Picking up debris
- Trimming hazardous branches
- Repairing signs
- Removing graffiti
- Clearing snow at bus stops

Team members showed up to communities ready to listen to concerns and respond. Their positive presence is helping to bridge the gap between our government and the residents we serve.

Highlights

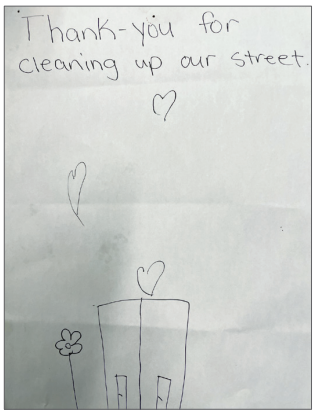
Neighbourhood Action Teams

17,964 potholes filled

1,190 branches trimmed

506 sq. metres of graffiti removed

432 signs repaired





Enhancing the parking experience

As parking habits evolve, we're continuing to make changes to meet Winnipeggers wherever they are — whether driving themselves or making use of the growing number of services that rely on curbside space. We introduced several enhancements to the parking experience in 2025, including:

- Piloting extended paid parking times in the Exchange District to give visitors more time when attending class or viewing a show
- Launching new prepayment and validation features on the PayByPhone mobile payment app to make paid parking easier
- Delivering mobile payment training to seniors and expanding the availability of Prepaid Parking Booklets to help keep paid parking accessible

Highlights



New

3hr

paid parking times piloted in the Exchange District



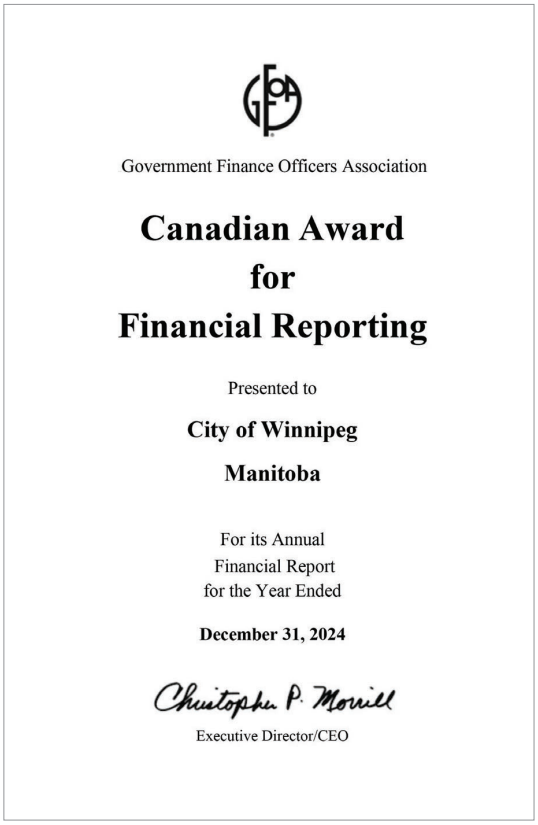
90,000+

first-time PayByPhone downloads – most ever in a year

Canadian Award for Financial Reporting

The City has been awarded the Canadian Award for Financial Reporting for an eighth 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.



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, 2024

Christopher P. Morrill

Executive Director/CEO





Financial Section

December 31, 2025

Report from the Chief Financial Officer

Financial Statement Discussion & Analysis



I am pleased to present the 2025 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 2025 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, 2024 annual report for the eighth 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.

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 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.

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 Municipal Accommodations, Transit, Waterworks, Sewage Disposal, Land Drainage, and Solid Waste Disposal Funds. Each utility accounts for its own operations and capital program, except for Municipal Accommodations Capital, which is managed through the General Capital Fund.

There are four SOAs: 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 the North Portage Development Corporation (a partnership with the Government of Canada and the Province of Manitoba). Other partnerships include: Winnipeg Economic Development & Tourism (a partnership with the Province of Manitoba), and Transcona Joint Venture (a partnership with Genstar Development Partnership).

The business partnership for River Park South Developments Inc. was resolved effective November 4, 2025 and the City's equity was distributed, completing this agreement.

Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position and Accumulated Surplus present 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.

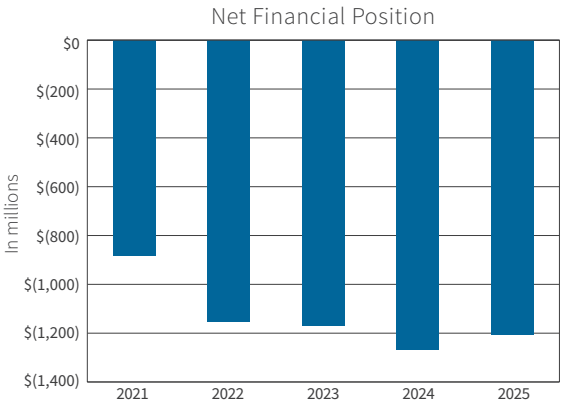
Consolidated Statement of Financial Position

(in thousands of dollars)	2021	2022 Restated	2023	2024	2025
Financial assets	**$ 1,660,047**	$ 1,621,306	**$ 1,686,720**	$ 1,906,577	**$ 2,027,036**
Liabilities	**2,543,193**	2,774,678	**2,855,630**	3,176,090	**3,234,772**
Net financial position	**(883,146)**	(1,153,372)	**(1,168,910)**	(1,269,513)	**(1,207,736)**
Non-financial assets	**7,865,799**	8,081,591	**8,473,958**	8,846,193	**9,275,380**
Accumulated surplus	**$ 6,982,653**	$ 6,928,219	**$ 7,305,048**	$ 7,576,680	**$ 8,067,644**

Note: Effective January 1, 2023, the City adopted the new accounting standard PS3280, Asset Retirement Obligations, using the modified retroactive approach with restatement of 2022 prior year comparatives. Some prior year numbers have been reclassified to conform to the presentation in 2025. Amounts before 2021 are not restated. Some prior year numbers have been reclassified to conform to the presentation in 2025.

Net Financial Position

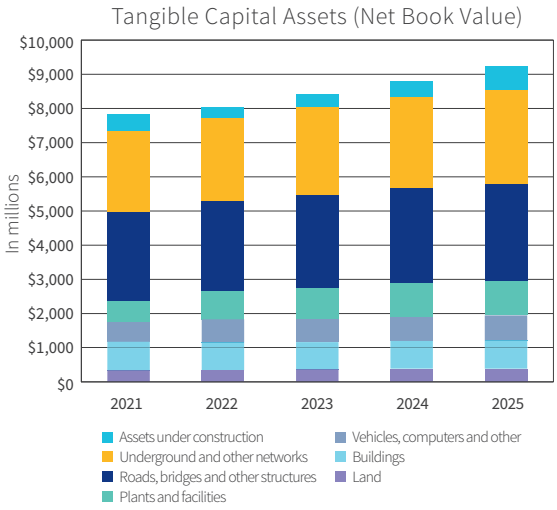
Net financial position is the difference between liabilities and the financial assets readily available to satisfy those liabilities. The City ended the year with a net financial liability position of $1,207.7 million, a betterment of $61.8 million or 4.9% compared to the 2024 balance. The primary components of net financial position are debt of $1,584.2 million and other liabilities of $1,650.6 million, which includes accounts payable, deferred revenue, employee benefit obligations and other liabilities, which includes asset retirement obligations. Financial assets include cash and cash equivalents of $1.069.4 million, investments of $369.0 million and receivables of $562.6 million.



The City has been making significant investments in its infrastructure over the past five years, with the investments sometimes exceeding financial assets generated through operations. The City has financed this difference through the assumption of debt, which impacts the City's net financial position.

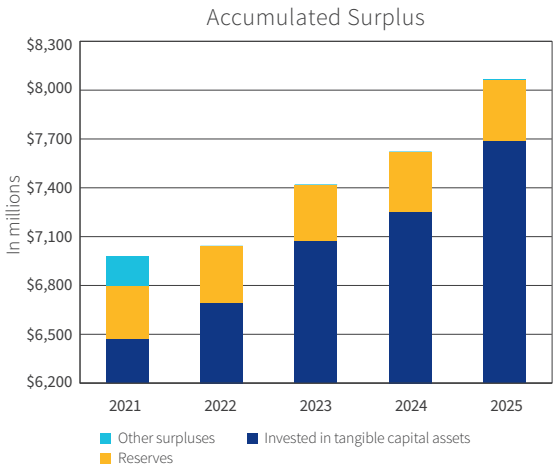
Non-Financial Assets

The City's non-financial assets are $9,275.4 million at the end of 2025, an overall increase of $429.2 million from 2024. Non-financial assets consist primarily of tangible capital assets such as roads, bridges, land, plants and facilities, underground structures and other networks, and vehicles that are carried at a net-book value of $9,224.0 million. The City's non-financial assets have grown over the last five years due to continued investments in infrastructure to meet the needs of a growing population and renewal of existing infrastructure to achieve or extend its life and reduce the likelihood of asset failure. The ability to build and maintain infrastructure assets ensures that the City is able to deliver services and programs that Winnipeggers rely on, while also attracting new residents to live and do business here.



Accumulated Surplus

Accumulated surplus is an indicator of the City's overall financial viability and reflects the net economic resources the City has built up over time. The City ended 2025 with a total accumulated surplus of $8,067.6 million, an increase of $491.0 million or 6.5%. Accumulated surplus consists primarily of the City's investments in tangible capital assets (2025 – 95.3%; 2024 – 95.7%). Investment in tangible capital assets is an important aspect of service delivery and is not intended or readily accessible for use in funding ongoing operations. Accumulated surplus also includes the investments in reserves, controlled entities, and business and other partnerships. See note 13 of the Consolidated Financial Statements for a detailed breakdown of accumulated surplus.

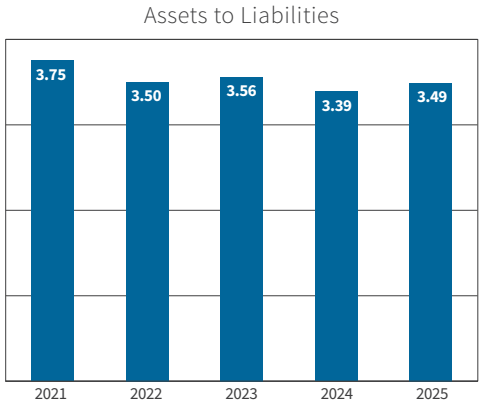


Refer to the Five-Year Review Section in this annual financial report for additional trending and other statistical information.

The significant balances and changes in financial position are discussed in the following sections.

Changes in Net Financial Position

The City's net financial position includes debt, which results in a net liability position. Because debt is used only for capital funding and not for operating a good indicator of the City's financial position is its total assets to liabilities. A ratio greater than one for this indicator highlights if the City's accumulated surplus and assets are greater than debt. The City's asset to liability ratio has been well over one with a range of 3.39 to 3.75 over the past five years.



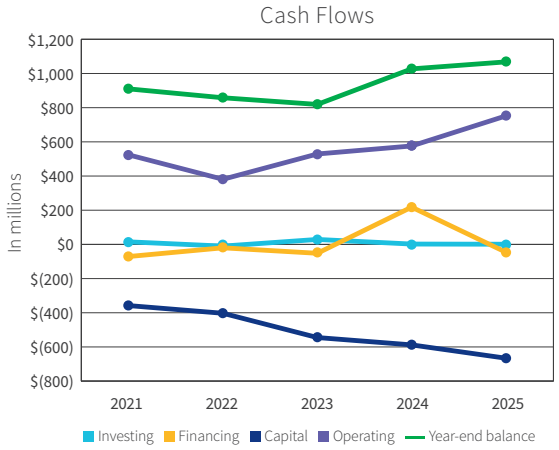
Another consideration in looking at the City's net financial position is its interest expense compared to revenue. This indicator has remained stable over the past several years, ranging between 2.7% – 3.6%. This shows that the City has sufficient sources of revenue to meet its debt servicing commitments. It is also due to the low borrowing rates obtained by the City, which reflects not only the current market conditions but also the City's strong credit rating.

The City continues to assume debt in a responsible and prudent manner as reflected in the results of its credit rating review. S&P Global's update in November 2025 maintained the City's AA+ credit rating, noting that the City has a diversified economy which will support revenue growth while its prudent financial management and ample liquidity will help to sustain the City's creditworthiness in the longer term. Moody's update in November 2025 maintained the City's Aa2 credit rating, noting that the City has a stable institutional framework and a highly diversified economy, which supports a reliable tax base.

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 cash and are held for meeting short-term obligations rather than for other purposes, like investing.



The Consolidated Statement of Cash Flows summarizes the sources and uses of cash by the City in 2025. The City finances its activities and meets its obligations by generating revenues, issuing debentures, 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. During the year the City's cash and cash equivalents balance increased from $1,027.1 million to $1,069.4 million, an overall increase of $42.3 million or 4.1%. This was mainly due to cash raised from operations of $752.7 million offset by capital activities of $665.7 million for the acquisition of tangible capital assets. There were no new debenture borrowings in 2025 but cash of $46.0 million was used to increase sinking fund equity and to pay down other debt.

Additional cash and cash equivalents are managed for trust assets under Administration's control, mainly for City-sponsored pension plans. Consistent with Public Sector Accounting Standards, trust assets that are not owned by the City are excluded from the reporting entity. Note 25 in the financial statements provides a summary of disclosures with respect to trust assets under City administration.

Accounts Receivable

The accounts receivable balance of $562.6 million has increased from $485.7 million in 2024, an increase of $76.9 million or 15.8%. The receivable balance consists of trade and other receivables, government receivables, and taxes receivable, net of an allowance for doubtful accounts.

Trade and other receivables increased $35.4 million or 13.6% largely due to customer billings in the utilities segment due to a rate increase in 2025 and higher water consumption. Government receivables have increased by $28.5 million or 14.4% mainly due to outstanding grants for the Investing in Canada Infrastructure Program, Canada Community-Building Fund (CCBF) and the Province of Manitoba's Strategic Infrastructure Basket Funding. Taxes receivable have increased by $15.9 million or 23.4% which is the result of an overall increase in taxes due to a 5.95% tax increase and a decrease in the collection percentage.

Investments

Council has approved an investment policy to provide a framework for managing the investment program. All investments held by the City must comply with this policy. 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.

The City's marketable securities consist of municipal bonds, provincial bonds, and federal and related entity bonds. 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. Marketable securities are consistent with the prior year.

The City has a long-term receivable of $220.2 million. This receivable arose when Manitoba Hydro acquired Winnipeg Hydro from the City in 2002. The terms of the proposal includes annual payments to the City of $25.0 million starting in 2002, gradually decreasing to $16.0 million annually, which is to be paid in perpetuity. 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 $16.0 million in perpetuity.

The City's other investments include equity in other partnerships and fixed securities in controlled entities. Investments in Government Business Enterprises are reported separately (see note 6 of the consolidated financial statements).

Liabilities

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities include trade payables, accrued liabilities and accrued interest payable. Accrued liabilities includes wage-related accruals, deferred deposits and other non-trade payables. The balance of $448.6 million in 2025 compared to the prior balance of $385.6 million is an increase of $63.0 million or 16.3%. This is mainly due to a $61.0 million increase in trade payables. The increase in trade payables is mainly due to higher volume, inflation and payments due to school divisions at year-end.

Deferred Revenue

Deferred revenue is funding provided to the City in advance to pay for future operating and capital expenditures. The use of the funds is externally restricted until the service is performed or when the funds are used for the purposes specified. The deferred balance increased from $533.5 million in 2024 to $568.2 million in 2025, an increase of $34.7 million or 6.5%. The increase is largely made up of prepayment of services and government funding.

Prepayment of services has increased by $19.3 million largely due to changes in food and retail operations in the controlled entity – Assiniboine Park Conservancy (APC). The arrangement was effective June of 2025 and under the arrangement APC received advance payments for the 2025/2026 term. There was also an increase in deferred permit revenues. Permits are paid at the beginning of the project and revenue is recognized as inspections occur. The changes in deferred permit revenues will depend on the number of new permits issued and inspections that have been completed in the year.

Deferred government revenue will increase when grants are received in advance of eligible expenditures. The $15.4 million increase in 2025 is mainly due to the Housing Accelerator Fund (HAF) and the CCBF net of decrease in the Rapid Housing Initiative. HAF is a federal program administered by Canada Mortgage and Housing Corporation to rapidly create affordable housing for vulnerable populations. Advances are paid to the City as they meet the eligibility criteria. The increase in HAF in 2025 is due to the net of an advance received and costs incurred during the year. Costs for the City are mainly in the form of grants to eligible applicants. The CCBF increase is the net of advances received and costs incurred. The advances were higher in 2025 because it includes a retro-active payment for 2024 as the agreement, which expired December 31, 2023, was not signed until 2025.

Debt

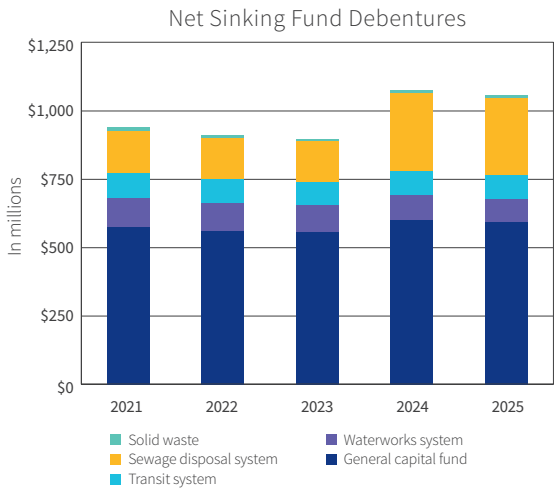
The City of Winnipeg has several types of debt obligations. The largest component of debt is sinking fund debentures. The City of Winnipeg Charter requires the City to make annual payments towards the retirement of sinking fund debt for which the City maintains a sinking fund. The City pays interest 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. The $20.2 million change in the equity in sinking funds from prior year is due to these annual payments. The City did not issue new sinking fund debentures in 2025 (2024 – $200.0 million).

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.

The City has entered into three public private partnership arrangements for 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 4.4%, 8.1% and 8.2% for these projects, respectively. The variance of $6.5 million from prior year is due to annual payments.

The City also uses term debt to finance capital. Terms vary based on the type of capital being funded. As of December 31, 2025, the City has $169.3 million in term debt compared to $185.3 million in 2024, a decrease of $15.9 million. The decrease is mainly the result of annual payments.



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, and 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	**2025**	2024	2023	2022	2021
Free Cash and Liquid Assets/ Debt Service	**308.4%**	291.9%	190.2%	633.5%	832.3%

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	**2025**	2024	2023	2022	2021
Free Cash, Liquid Assets and Committed Credit/ Consolidated Operating Expenses less Amortization	**54.5%**	52.8%	50.6%	58.2%	70.3%

Debt Strategy

To help manage the City's debt responsibly and transparently, on February 22, 2024, Council approved an updated debt strategy for the City. The following table provides the Council-approved limits; the debt metrics as at December 31, 2025; and the forecasted peak levels based on the Council-approved borrowing from the 2025 Capital Budget and Five-Year Forecast.

Debt Metrics	Maximum	As at December 31, 2025	Forecasted Peak
Debt as a % of revenue			
City	**100.0%**	56.3%	95.6%

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

Other Liabilities

Other liabilities include asset retirement obligations, expropriation liabilities, developer deposits, and liabilities for contaminated sites. Overall, other liabilities have decreased from $329.2 million in 2024 to $321.0 million in 2025, a decrease of $8.2 million or 2.5%. The most significant portion of the liability is the asset retirement obligation, which is $217.8 million (2024 – $214.3 million). This liability represents the estimated future obligation related to the removal of asbestos in buildings, closure and post-closure costs for landfills, and contractual requirements to remediate sites back to their original state at the end of the agreement. The liability increased $3.5 million or 1.6% in 2025 mainly due to accretion of the liability. Expropriation costs decreased from $65.1 million to $54.8 million, a change of $10.3 million or 15.8% mainly due to a reduction in the land estimates. Developer deposits and liabilities for contaminated sites were consistent with prior years.

Employee Benefit Obligations

Employee benefit obligations include retirement allowances and compensated absences (sick leave and severance payments), worker's compensation obligation, vacation liability and defined benefit plan obligations. Employee benefit obligations increased from $297.7 million in 2024 to $312.8 million in 2025, an increase of $15.1 million or 5.1%, mainly due to an increased estimate from the Workers Compensation Board.

City-provided benefit obligations include sick leave, severance pay, defined benefit pension plans for Councillors, supplementary pension for executives and group life insurance benefit plans. The cost of the City-provided employee benefits are actuarily 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. City-provided obligations increased $4.6 million from the prior year or 2.3%. This was mainly related to sick leave and severance payments.

The City administers their workers compensation program on a self-insured basis and recognizes a liability for future costs at year-end. The liability is provided to the City by the Workers Compensation Board. The liability at year-end was $108.7 million compared to $98.1 million in the prior year, an increase of $10.6 million or 10.8%.

Employee Pension Plans / Other Benefit 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 and therefore an obligation is not recognized in the City's Consolidated Statement of Financial Position.

The Winnipeg Police Pension Plan (the "WPP Plan") is a defined benefit plan to which the members contribute 8.8% of pensionable earnings, increasing to 9.6% of pensionable earnings effective February 9, 2025. The City's contribution to the WPP Plan is equal to its pension expense so no pension asset or liability is reflected on the City's Consolidated Statement of Financial Position.

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). The assets are held to meet GLIPs' benefit obligation and the City cannot unilaterally access any surplus funds. The City expenses contributions as incurred. GLIP assets and liabilities are not reflected on the City's Consolidated Statement of Financial Position.

Labour Negotiations

Collective agreements provide a process to revise wages and employee benefit levels through regular cycles of collective bargaining. For certain bargaining units, where a collective agreement cannot be resolved through negotiation, the issues remaining in disputes may be resolved through binding interest arbitration.

The City's employees are represented by eight unions and associations as follows:

Union/Association	Average Annual Headcount	Agreement Expiry Date
ATU	1,506	January 10, 2027
CUPE	4,613	February 28, 2025
MGEU	382	February 29, 2024
UFFW	994	December 31, 2028
WAPSO	993	December 31, 2027
WFPSOA	49	December 31, 2029
WPA	2,100	December 31, 2025
WPSOA	42	December 31, 2025
Other (non-union/association)	306	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.

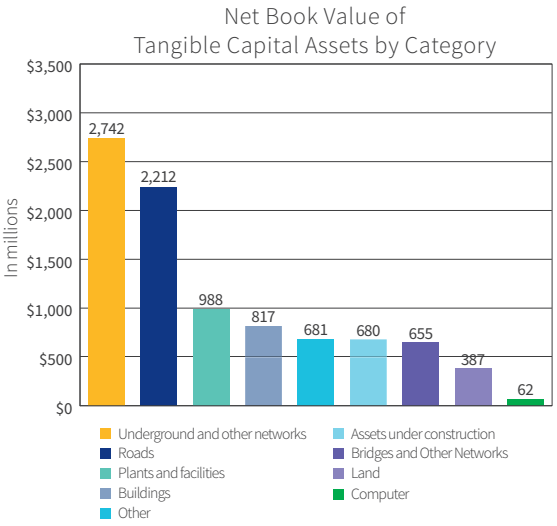
For the year ended December 31, 2025, 52% (2024 – 52%) of the City's expenses related to salaries and employee benefits. The City's annual average headcount was 10,985 at the end of 2025, an increase of 179 from the prior year. The difference is largely due to increases in ATU and WPA – Uniform.

Non-financial assets

Tangible Capital Assets

Tangible capital assets are managed and held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for development, construction, maintenance or repair of other tangible capital assets. The assets are not for sale in the ordinary course of operations, and their economic lives extend beyond one year.

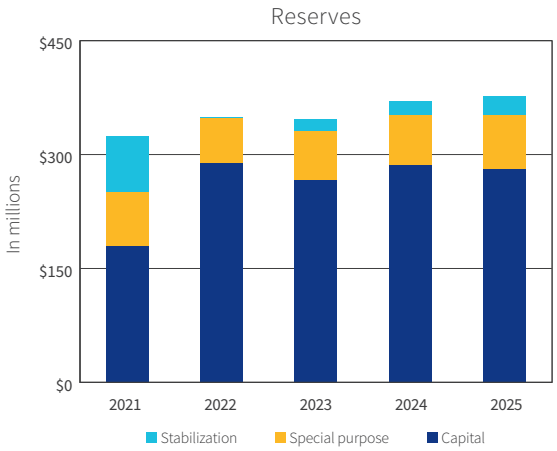
Tangible capital assets have increased from $8,793.7 million in 2024 to $9,224.0 million in 2025, a net increase of $430.3 million or 4.9%. The $430.3 million increase is mainly the result of acquisitions of tangible capital assets of $787.6 million partially offset by annual amortization of $330.4 million and net disposals of $26.9 million. Tangible capital assets placed in service were primarily in the asset categories of road underground and other networks, and vehicles. Underground and other networks and roads are the City's two biggest asset categories. Tangible capital asset acquisitions include $97.6 million of contributed assets.



Reserves

The City operates 15 capital reserves and 16 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 in-year fluctuations in property and business taxes, compared to budget, and to fund deficits in the General Revenue Fund. Council has established a minimum balance for the FSR at 6% of tax-supported expenditures. As of December 31, 2025, the minimum balance required for the FSR was $85.1 million. As of December 31, 2025, the balance in the FSR was $25.9 million, which is $59.2 million lower than the Council-mandated minimum balance.



Budget 2025 identified a number of cost pressures, which included a replenishment target of $20 million for 2025. On June 26, 2025, Council approved $10.9 million in transfers to the FSR to meet this target. These included: $5.4 million from Transit fund, $3.7 million from the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Payment Reserve, and $1.8 million from the Animal Services Fund. In addition, $3.0 million of net surpluses in property and business tax revenues for 2025, a one-time grant of $6.9 million from the Province of Manitoba, and interest and other items were also transferred, for a total increase in 2025 of $22.8 million. A transfer from the reserve of $14.3 million was required in 2025 to cover a deficit in the GRF, leaving a year-end balance of $25.9 million.

As of December 31, 2025, the equity balance in the capital reserves was $280.9 million compared to $285.6 million in 2024, an overall decrease of $4.7 million or 1.6%. The following provides details on some of the capital reserves.

The Environmental Projects Reserve was established to fund environmental projects to improve river quality. The reserve is funded by a monthly transfer from the Sewage Disposal System Fund based on the amount of water consumption billed. The reserve funds ammonia, nitrification and combined sewer overflow (CSO) studies. Funds in this reserve will be used in the future to fund wastewater collection and treatment system improvements, which includes effluent disinfection, centrate treatment, biological nutrient removal, CSO mitigation infrastructure, and biosolids.

The Water Meter Renewal Reserve was established to fund a program for the replacement and renewal of existing water meters with advanced meters. The reserve is funded by a daily charge on citizens water bills.

The Waste Diversion Reserve was established for the purpose of funding waste diversion programs and projects. The reserve is funded by surplus monies collected through the Waste Management Fee.

The Canada Community-Building Fund reserve was established to receive funds from the 10-year Canada Community-Building Fund agreement. The most recent agreement was signed in 2025 and is effective April 1, 2024 to March 31, 2034. Funding received under this agreement is used towards specific types of capital projects. Eligible categories include local roads, bridges, public transit, wastewater, sport infrastructure, recreational infrastructure, cultural infrastructure, fire halls, and fire station infrastructure. All funding received in the year is transferred to the General Capital and Transit funds.

The Local and Regional Street Renewal Reserves were established to provide dedicated revenue to fund the renewal of local streets, back lanes and sidewalks, and regional streets and sidewalks. Funds from this reserve are used annually to fund the Regional and Local Street Renewal Program and the repair, renewal and/or replacement of bridges. Council approved a 2% tax increase in 2025 to fund these reserves, allocated equally between the two.

As of December 31, 2025, the equity balance in the Special Purpose Reserves was $70.3 million compared to $65.8 million in 2024, an increase of $4.5 million or 6.7%. Special purpose reserves are established by Council to fund various initiatives such as managing the Housing Accelerator funding, perpetual cemetery maintenance, insect control and economic development.

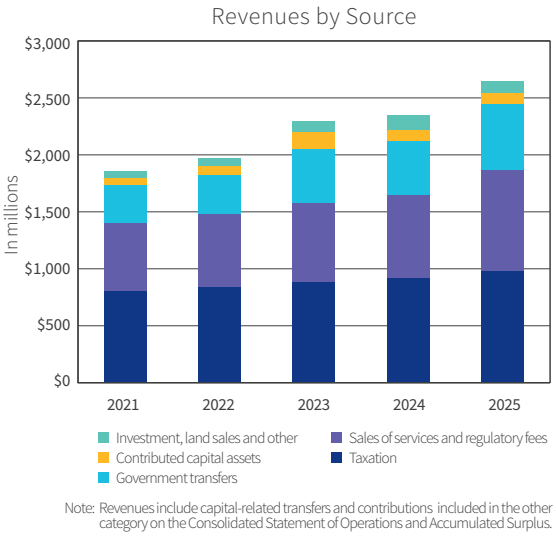
Consolidated Financial Operations

The Consolidated Statement of Operations and Accumulated Surplus outlines revenues earned by the City and their application (expenses) to provide municipal services. The statement includes the consolidated budget to provide additional transparency and accountability.

Consolidated Statement of Operations and Accumulated Surplus

(in thousands of dollars)	**Budget 2025**	Actual 2025	Actual 2024	Variance to Budget	Variance to Prior Year
Operating Revenues	**$ 2,135,685**	$ 2,257,227	$ 2,039,360	$ 121,542	$ 217,867
Capital Revenues	**432,409**	384,409	309,995	(48,000)	74,414
	2,568,094	2,641,636	2,349,355	73,542	292,281
Operating Expenses	**2,149,350**	2,150,672	2,077,723	1,322	72,949
Excess of Revenue over Expenses	**418,744**	490,964	271,632	72,220	219,332
Accumulated Surplus, End of Year	**–**	$ 8,067,644	$ 7,576,680	–	$ 490,964

Like many Canadian municipalities, Winnipeg is facing persistent cost pressures requiring strategic direction on managing expenditures, setting service levels and identifying new revenue sources due to rising prices or changes in consumer spending post-pandemic. Compounding this issue are the impacts of tax reductions or freezes in prior years. These issues are reflected in the results compared to budget where negative variances to budget are noted for revenue streams such as transit, parking, and recreation. To mitigate these issues the City is consistently looking at ways to increase usage such as the launch of the new Primary Transit Network in the summer and maintaining community and recreation infrastructure. Diversity of revenues also mitigates the risk of reduced revenues in certain sectors. The City has a balance of revenue sources, including government transfers, taxation, sales of services, and regulatory fees and is not overly reliant on sources of revenue outside of its control, such as government funding. Over the five-year period from 2021 to 2025, government transfers as a percentage of total revenue has ranged from 17% to 22%. For 2025, government transfers represent 22% 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.

The City also has a number of structural budget variances which can result in recurring over-expenditures. These include overtime, snow and ice control costs, and increasing operating costs such as workers compensation costs. These issues form part of the budget review process and have been identified in the 2025 Adopted Budget. These issues can result in actual to budget variances in the annual results. The variance year over year and to budget are included in the following sections.

Consolidated Revenues

For the years ended December 31 (in thousands of dollars)	**Budget 2025**		Actual 2025		Actual 2024		Variance to Budget	Variance to Prior Year
Taxation	**$ 976,749**	38%	$ 982,300	37%	$ 915,450	39%	$ 5,551	$ 66,850
Sales of services and regulatory fees	**767,319**	30%	883,304	33%	735,846	31%	115,985	147,458
Government transfers – Operating	**319,560**	12%	297,855	11%	264,862	11%	(21,705)	32,993
Investment income, land sales and other revenues	**72,057**	3%	93,768	4%	123,202	5%	21,711	(29,434)
Operating Revenues	**2,135,685**		2,257,227		2,039,360		121,542	217,867
Government transfers – Capital	**339,178**	13%	280,864	11%	206,740	9%	(58,314)	74,124
Developer contributions-in-kind	**86,800**	4%	97,582	4%	90,966	4%	10,782	6,616
Other capital contributions	**6,431**	0%	5,963	0%	12,289	1%	(468)	(6,326)
Capital Revenues	**432,409**		384,409		309,995		(48,000)	74,414
	$ 2,568,094		$ 2,641,636		$ 2,349,355		$ 73,542	$ 292,281

Consolidated revenues totaled $2,349.4 million in 2024 compared to $2,641.6 million in 2025, an increase of $292.3 million from prior year and $73.5 million higher than budget.

- Taxation revenue increased $66.9 million from the prior year mainly due to a 5.95% tax increase in 2025. 2025 actuals were consistent with budget.
- Sales and service and regulatory fees increased $147.5 million from prior year and $116.0 million from budget mainly due to an increase in water consumption, new water and sewer volume rates and the replacement of the waste diversion fee with a new waste management fee. The new rates were not approved by Council until after the 2025 budget was adopted.
- Government transfers for operating increased $33.0 million from prior year largely due to funding for the Housing Accelerator Program, and one-time funding from the Province of Manitoba. The balance is lower than budget by $21.7 million due to lower revenue recognition for the Housing Accelerator Program due to lower grant issuance by the City.
- Investment income, land sales and other revenues decreased $29.4 million from prior year mainly due to a one-time adjustment for the police headquarters which was taken into income in 2024 and lower interest offset by an increase in partnership income. The increase of $21.7 million from budget is mainly due to higher interest earned than anticipated.
- Government transfers for capital have increased $74.1 million from prior year. Amounts in this category are recognized when expenses have been incurred for the related capital projects. An increase means there was more capital activity compared with the prior year. The decrease from budget of $58.3 million is mainly due to lower capital activity than expected.
- Developer contributions-in-kind were higher than the prior year and from budget. These contributions vary from year-to-year depending on the nature of the work being completed.
- Other capital contributions were consistent with prior year and budget.

Consolidated Expenses by Function

For the years ended December 31 (in thousands of dollars)	**Budget 2025**		Actual 2025		Actual 2024		Variance to Budget	Variance to Prior Year
Protection and community services	**$ 682,755**	32%	$ 682,122	32%	$ 651,216	31%	$ (633)	$ 30,906
Utility operations	**632,667**	29%	606,160	28%	581,996	28%	(26,507)	24,164
Public works	**367,973**	17%	399,333	19%	384,980	19%	31,360	14,353
Finance and administration	**196,758**	9%	171,642	8%	149,575	7%	(25,116)	22,067
Property and development	**140,582**	7%	141,504	7%	137,196	7%	922	4,308
Civic corporations	**103,200**	5%	102,555	5%	111,082	5%	(645)	(8,527)
General government	**25,415**	1%	47,356	2%	61,678	3%	21,941	(14,322)
	$ 2,149,350		$ 2,150,672		$ 2,077,723		$ 1,322	$ 72,949

Consolidated expenses totaled $2,077.7 million in 2024 compared to $2,150.7 million in 2025, an increase of $72.9 million from prior year and $1.3 million higher than budget.

- Protection and community services has increased $30.9 million or 4.7% from prior year, mainly due to higher salary and benefit costs. A portion of these costs are offset by third-party revenues. Actuals were consistent with the budget.
- Utility operations have increased $24.2 million or 4.2% from prior year mainly due to higher salary and benefit costs and increased costs for services. This increase has been partially offset by lower fuel costs and the elimination of the carbon tax in 2025. The decrease from budget of $26.5 million is mainly due to lower contractor costs and fuel costs in Transit; lower utility, professional services and chemical usage in Sewage Disposal; and lower requirement for collection services in Solid Waste. Savings due to the elimination of the carbon tax in 2025 also reduced costs for all utilities.
- Public works have increased $14.4 million or 3.7% from prior year mainly due to higher capital asset amortization, increased consulting costs, and higher maintenance expenses. The increase of $31.4 million from budget is also due to higher amortization, maintenance and consulting but is also due to higher grants than expected.
- Finance and Administration has increased $22.1 million or 14.8% from prior year mainly due to the HAF grants that began to be paid in 2025. The budget decrease of $25.1 million is also due to lower than expected grant payments due to timing of grantees meeting payment stipulations.
- Property and development services have increased $4.3 million from the prior year mainly due to higher salaries and benefits, and inflationary increases in the cost of goods and services used in the repair and maintenance of City buildings. Actuals are consistent with budget.
- Civic corporations have decreased $8.5 million or 7.7% from prior year mainly due to a reporting entity – Assiniboine Park Conservancy – changing their food and retail operations to a third party. The 2025 amounts are consistent with budget.
- General Government has decreased $14.3 million or 23.2% from prior year mainly due to lower change in employee benefit obligations such as vacation, sick leave, severance and workers compensation offset by a legal settlement paid in 2025. The $21.5 million increase from budget is due to expenditure management met through savings from other departments, partially offset with savings from debt and finance charges.

Consolidated Expenses by Object

For the years ended December 31 (in thousands of dollars)	**2025**	2024	Variance to Prior Year
Salaries and benefits	**$ 1,117,294**	$ 1,081,361	$ 35,933
Goods and services	**570,896**	558,363	12,533
Amortization	**330,401**	316,063	14,338
Interest	**77,521**	78,669	(1,148)
Other expenses	**54,560**	43,267	11,293
	$ 2,150,672	$ 2,077,723	$ 72,949

- Salaries and benefits have increased $36.0 million or 3.3% from the prior year due to contractual pay increases, temporary staffing, benefit costs, and increases in workers compensation and other employee benefit obligations.
- Goods and services have increased $12.5 million or 2.2% from the prior year due to increased forestry costs, consulting costs for capital projects, contractual increases, cost increases for equipment rentals, supplies and chemicals, and increased maintenance. These are partially offset by lower snow and ice control costs, and fuel savings, carbon tax savings, and savings in reporting entity expenditures due to outsourcing.
- Amortization has increased $14.3 million or 4.5% from the prior year due to an increase in assets in use.
- Interest expense has decreased $1.1 million or 1.3% from the prior year mainly due to lower adjustments for the amortization of the premium related to debt.
- Other expenses have increased $11.3 million or 26.1% mainly due to the Housing Accelerator Program issuing grants starting in 2025.

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 are done in accordance with OurWinnipeg, which provides financial strategies and targets with a view of 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

The Budget Savings Team, in conjunction with the Executive Policy Committee, developed the 2025 budget. The preliminary operating and capital budgets are tabled by EPC and referred to the City's Standing Policy Committees and the Winnipeg Police Board for review and recommendations. These are then presented to Council for approval. Each year, both operating and capital budgets are approved by Council. In 2024, the City produced its second balanced four-year, multi-year operating budget (2024-2027). Winnipeg's multi-year budget policy requires a periodic review after each budget cycle. The most recent update to the policy was approved by Council on February 22, 2024.

Capital Project Management

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

- Enhancing project oversight by hiring a new Chief Construction Officer to provide independent advice and assurance on all aspects of governance, planning and delivery of capital projects that involve construction.
- Implementing a new governance framework for the city's mega projects, with project budgets exceeding $500 million. Those projects are required to establish a Project Steering Committee and provide regular monthly reporting to the Executive Policy Committee.
- Major Capital Projects, with project budgets exceeding $25 million are required to form Major Capital Project Advisory Committees and provide quarterly reporting to the Standing Policy Committee on Finance and Economic Development.
- Implementing an innovative, automated software platform that captures all relevant data throughout the Investment Planning process to support decision-making on city infrastructure needs.
- Rolling out the Open Capital Projects Dashboard on its website in 2018.
- Establishing the Open Budget, which reports financial information on adopted budget, amended budget, and actual costs categorized by department, category, and subcategory for the City's entire portfolio of open capital projects.
- Posting a Capital Expenditure Monthly Report on the City's website to improve transparency and accountability.

Accounting and Financial Reporting

The City prepares a quarterly forecast in March, June, September, and December and an internal forecast in November. These reports include the General Revenue Fund, Utilities and SOAs. These reports are reviewed by Management and presented to the Standing Policy Committee on Finance and Economic Development. These reports provide a comparison of year-end projected results to adopted budget. The City also 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 recently implemented a new governance framework for Mega Capital Projects ($500 million or greater) where those projects are required to form a Project Steering Committee and report monthly on project and financial status to the Executive Policy Committee.

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 standard. The objective is to provide City Council and other users of the financial statements and budget documents with an improved understanding of the budget approved by City 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 the 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.

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

Tariffs

The trade dispute the United States initiated against Canada, Mexico and other countries in 2025 continues into 2026. In 2025, Winnipeg's economy weathered this trade shock better than expected, with a surprising increase of employment and sales in the manufacturing industry, outpacing growth of both metrics relative to the national average. However, the transportation and warehousing industry were negatively impacted with a decline in employment relative to 2024. The effective tariff rate of Winnipeg exports for 2025 was 3.2%, just above the national average of 3.1%. In 2026 the Canada, United States and Mexico Agreement (CUSMA) review will begin. It is anticipated that there will be changes to the agreement signed in 2020, but those changes are currently unknown nor for how long they will be in place.

Overall, Winnipeg remains less exposed to risks generated by the trade dispute, but it is expected that it will still have a material impact locally. As a municipal government, our single largest source of revenue remains property taxes, which are generally resilient to short-term economic shocks. However, should tariffs remain in place over the long term or if new export restrictions are imposed via an updated CUSMA, this could cause a downward shift in Canadian economic growth and lead to sustained losses in certain sectors.

Iran War

The direct risk of this war to the City of Winnipeg is increased commodity prices, notably oil and its derivate products. The longer the war disrupts oil being shipped through the Strait of Hormuz, the higher gasoline and diesel prices will be and for a longer period. A protracted war could have broader implications for higher inflation, lower economic growth and higher interest rates.

Other Economic Risks

Besides the risk of tariffs, Winnipeg also continues to experience other economic risks such as construction pricing increases, which remained modest in 2023 and 2024, financing growth-related infrastructure to accommodate record population growth, restoring its FSR, and sluggish revenue growth among 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.

To help mitigate these risks, 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 will 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 City 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 is targeted to be 6% of tax supported expenditures. When the plan falls below the target, Council will adopt 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 (1.0% and 1.0% 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. Several near and long-term strategies to address the deficit are outlined in the 2018 City Asset Management Plan, which sets the stage to routinely monitor and improve asset performance and organizational sustainability.
    - The asset management program helps the City to effectively invest limited resources into long-term capital plans by balancing risk, cost and customer levels of service. The program is meant to align investments with infrastructure priorities to deliver established levels of service in a fiscally responsible manner. In short, it allows the City to make the right investment, at the right time, in the right way.

Accounting Pronouncements

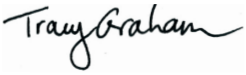
Effective January 1, 2027, the City will adopt the new Conceptual Framework for Financial Reporting in the Public Sector (Conceptual Framework) and Public Sector Accounting Standard PS 1202 *Financial Statement Presentation*. PS 1202 is also known as the new reporting model.

The Conceptual framework prescribes the nature, function and limits of financial accounting and reporting. It is the foundation on which Public Sector Accounting Standards are developed and professional judgement is applied. It will replace the conceptual aspects of PS 1000 *Financial Statement Concepts* and PS 1100 Financial Statement Objectives.

PS 1202 *Financial Statement Presentation* sets out general and specific requirements for the presentation of information in public sector financial statements, based on the conceptual framework.

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. The Annual Financial Report is available online at **winnipeg.ca**. Questions concerning the information provided in these reports should be addressed to John Speidel, CPA, B.Comm(Hons) – Corporate Controller, Corporate Finance Department, 4-510 Main Street, Winnipeg, Manitoba, R3B 1B9.



Tracy Graham, CPA, CA
Chief Financial Officer
May 19, 2026

Responsibility for financial reporting

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

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

Prior to their submission to City Council, the Consolidated Financial Statements are reviewed and approved by the Audit Committee. The Consolidated Financial Statements contained herein were approved by the Audit Committee on May 19, 2026. In addition, the Audit Committee meets periodically with management and with both the City's internal and external auditors to approve the scope and timing of their respective audits, to review their findings and to satisfy itself that their responsibilities have been properly discharged. The Audit Committee is readily accessible to external and internal auditors.

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



Tracy Graham, CPA, CA
Chief Financial Officer
May 19, 2026

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, 2025
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial liabilities for the year then ended
- the consolidated statement of 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, 2025, and its consolidated results of operations, its consolidated changes in net financial position 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.

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 has 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants
May 19, 2026
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)	**2025**	2024
Financial Assets		
Cash and cash equivalents (Note 3)	**$ 1,069,396**	$ 1,027,140
Accounts receivable (Note 4)	**562,578**	485,675
Investments (Note 5)	**368,976**	370,209
Investment in business partnerships (Note 6)	**23,976**	20,865
Land held for resale	**2,110**	2,688
	2,027,036	1,906,577
Liabilities		
Accounts payable and accrued liabilities (Note 7)	**448,630**	385,608
Deferred revenue (Note 8)	**568,217**	533,491
Debt (Note 9)	**1,584,156**	1,630,137
Other liabilities (Note 10)	**320,987**	329,188
Employee benefits obligations (Note 11)	**312,782**	297,666
	3,234,772	3,176,090
Net Financial Liabilities	**(1,207,736)**	(1,269,513)
Non-Financial Assets		
Tangible capital assets (Note 12)	**9,224,035**	8,793,696
Inventories	**34,098**	33,935
Prepaid expenses and deferred charges	**17,247**	18,562
	9,275,380	8,846,193
Accumulated Surplus (Note 13)	**$ 8,067,644**	$ 7,576,680
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 2025**	**Actual 2025**	Actual 2024
Revenues			
Taxation (Note 15)	**$ 976,749**	**$ 982,300**	$ 915,450
Sales of services and regulatory fees (Note 16)	**767,319**	**883,304**	735,846
Government transfers (Note 17)	**319,560**	**297,855**	264,862
Investment income	**42,482**	**62,331**	75,358
Land sales and other revenue (Note 18)	**29,575**	**31,437**	47,844
Total Revenues	**2,135,685**	**2,257,227**	2,039,360
Expenses			
Protection and community services	**682,755**	**682,122**	651,216
Utility operations	**632,667**	**606,160**	581,996
Public works	**367,973**	**399,333**	384,980
Finance and administration	**196,758**	**171,642**	149,575
Property and development	**140,582**	**141,504**	137,196
Civic corporations	**103,200**	**102,555**	111,082
General government	**25,415**	**47,356**	61,678
Total Expenses (Note 19)	**2,149,350**	**2,150,672**	2,077,723
Annual (Deficit) Surplus Before Other	**(13,665)**	**106,555**	(38,363)
Other			
Government transfers related to capital (Note 17)	**339,178**	**280,864**	206,740
Developer contributions-in-kind related to capital (Note 12)	**86,800**	**97,582**	90,966
Other capital contributions	**6,431**	**5,963**	12,289
	432,409	**384,409**	309,995
Annual Surplus	**$ 418,744**	**490,964**	271,632
Accumulated Surplus, Beginning of Year		**7,576,680**	7,305,048
Accumulated Surplus, End of Year		**$ 8,067,644**	$ 7,576,680

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 2025**	**Actual 2025**	Actual 2024
Annual Surplus	**$ 418,744**	**$ 490,964**	$ 271,632
Amortization of tangible capital assets (Note 19)	**319,016**	**330,401**	316,063
Proceeds on disposal of tangible capital assets	**6,082**	**9,886**	1,437
Loss on disposal of tangible capital assets	**1,396**	**1,184**	1,203
Other changes in non-financial assets and net transfers to land held for resale	**4,746**	**2,530**	(10,245)
Developer contributions-in-kind related to capital (Note 12)	**(86,800)**	**(97,582)**	(90,966)
Acquisition of tangible capital assets	**(1,095,204)**	**(675,606)**	(589,727)
Decrease / (increase) in Net Financial Liabilities	**(432,020)**	**61,777**	(100,603)
Net Financial Liabilities, Beginning of Year	**(1,332,688)**	**(1,269,513)**	(1,168,910)
Net Financial Liabilities, End of Year	**$ (1,764,708)**	**$ (1,207,736)**	$ (1,269,513)

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)	**2025**	2024
Net Inflow (Outflow) of Cash Related to the Following Activities:		
Operating		
Annual surplus	**$ 490,964**	$ 271,632
Add (deduct) items not impacting cash and cash equivalents		
Amortization of tangible capital assets (Note 19)	**330,401**	316,063
Developer contributions-in-kind related to capital (Note 12)	**(97,582)**	(90,966)
Change in other liabilities and employee benefits obligations	**6,915**	41,371
Change in investments in business partnerships	**(3,111)**	(649)
Loss on sale of tangible capital assets	**1,184**	1,203
	728,771	538,654
Net change in non-cash working capital balances related to operations (Note 21)	**22,575**	44,428
Reclassification between land held for resale and tangible capital assets	**1,378**	(7,762)
Cash provided by operating activities	**752,724**	575,320
Capital		
Acquisition of tangible capital assets	**(675,606)**	(589,727)
Proceeds on disposal of tangible capital assets	**9,886**	1,437
Cash used in capital activities	**(665,720)**	(588,290)
Financing		
Net, increase / (decrease) in sinking fund debentures	**(22,840)**	177,826
Decrease in Public Private Partnership obligation	**(6,502)**	(6,105)
Decrease in obligation for leased tangible capital assets	**(696)**	(4,225)
Increase (decrease) in bank loans and other debt	**(15,943)**	51,414
Cash provided / (used) in financing activities	**(45,981)**	218,910
Investing		
Net decrease in investments	**1,233**	2,183
Cash provided by investing activities	**1,233**	2,183
Increase in cash and cash equivalents	**42,256**	208,123
Cash and Cash Equivalents, Beginning of Year	**1,027,140**	819,017
Cash and Cash Equivalents, End of Year	**$ 1,069,396**	$ 1,027,140

See accompanying notes and schedules to the consolidated financial statements.

Notes to the Consolidated Financial Statements

Year ended December 31, 2025

(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 transit, 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.

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

Winnipeg Economic Development & Tourism 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). Under this method, the partnerships accounting principles are adjusted to conform with those of the City and inter-company transactions are eliminated.

iv) Pension and group insurance funds

Active, retired and otherwise terminated civic employees and elected officials participate in registered defined benefit pension plans, a jointly-trusteed 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 standard PS 3250 *Retirement Benefits*.

b) Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. 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.

2. Significant Accounting Policies (continued)

c) Future changes in accounting standards

The Public Sector Accounting Board (PSAB) has issued: The Conceptual Framework for Financial Reporting in the Public Sector and PS 1202, Financial Statement Presentation, effective April 1, 2026.

These standards will replace the existing conceptual framework and financial reporting model PS 2000 Financial Statements Concepts and PS 1100 Financial Statement Objectives along with PS 1201 Financial Statement Presentation. These new standards are effective for the City's fiscal year ending December 31, 2027.

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 on receivables and is measured through monitoring and evaluation. 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. Receivables from other levels of government are low risk and do not require an allowance.

Credit risk on cash, cash equivalents, and 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. 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.

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, other liabilities, employee obligations, 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 current portion of debt at December 31, 2025 is $49.7 million (2024 – $57.2 million). The City does not hold any variable rate debt.

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

2. Significant Accounting Policies (continued)

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 typically due 30 days after the receipt of goods and services and related invoice. Loan guarantees cover various periods expiring between 2025 and no stated expiry date.

iii) Market risk

Market risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of foreign 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, 2025, 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, 2025, the City holds $391.0 million (2024 – $375.0 million) in floating rate investments. A one percent increase (decrease) in interest rates could increase (decrease) investment income by $3.9 million (2024 – $3.8 million).

The City manages interest rate risk on debt by primarily issuing longer-term debt obligations with fixed interest rates to maturity.

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. Costs 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 the equity in sinking funds and premiums, which are amortized using the effective interest method over the term to maturity of the respective instrument. The corresponding amortization is recorded as interest expense. Discounts on debt issuance are recorded as prepaid.

g) 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 is offset by an accompanying increase to a retirement obligation asset. This asset is depreciated over the remaining useful life of the underlying tangible capital asset. In instances where the underlying asset has previously been expensed or is fully depreciated, changes are recognized as an expense.

h) Contaminated sites

Contaminated sites are the result of materials, in amounts that exceed environmental standards, being introduced into soil, water or sediment. The City recognizes a liability for remediation of contaminated sites when the following criteria have been met:

- An environmental standard exists;
- There is evidence that contamination exceeds an environmental standard;
- The City is directly responsible or accepts responsibility for the contamination;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

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, as of December 31, of the amount required to remediate the sites. Where possible, liabilities are based on environmental site assessments. For those sites where an assessment has not been completed, estimates of remediation are completed using information available for the site and by extrapolating from the costs to clean up similar sites. When liabilities are recorded net of any estimated recoveries from third parties and when cash flows are expected to occur over extended future periods, the City will measure the liability using present value techniques.

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

i) Deferred revenue

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work or for the acquisition and construction of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired/developed (refer to Note 2m and 2n).

2. Significant Accounting Policies (continued)

j) 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.

k) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the consolidated changes in net financial liabilities.

i) Tangible capital assets

Tangible capital assets are 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
Plants and facilities	
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
Underground networks	50 to 100 years
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, directly attributable to overhead costs. Interest costs are capitalized as incurred.

The City has works of art and historical treasures, including paintings, art installations, sculptures, and archival records of the City's history, located at City sites and public display areas. These assets are not recorded as tangible capital assets.

a) Contributions of tangible capital assets

Developer-contributed tangible capital assets and revenue are recorded at their fair value at the date of receipt and when the asset value is measurable.

2. Significant Accounting Policies (continued)

b) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

c) Public Private Partnerships

Public Private Partnerships (P3) arrangements are long-term performance-based approaches for procuring public infrastructure, where the City contracts with a private sector partner who assumes a major share of the responsibility for the delivery of the infrastructure. The private sector partner is compensated over the period of the arrangement and they 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 private sector partner to maintain the tangible capital asset on behalf of the City.

In the case of tangible capital assets, where the private sector partner bears the construction risk, the timing of initial recognition of the P3 asset by the City will be when the tangible capital asset is available for productive use.

P3 liabilities are recognized as debt for financial liability models and/or deferred revenue for obligations arising from user pay obligations. At initial recognition, the total liability reflects the cost of the tangible capital asset. The total liability for combined consideration arrangements is allocated between financial liability and performance obligation based on the portion of the asset cost financed through the respective models. The P3 liability is subsequently measured at amortized cost using the implicit contract rate.

All the City's P3 arrangements fall under the financial liability model. The City has not entered into any combined consideration arrangements.

l) Tax revenues

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

The City is required by *The Public Schools Act* to bill, collect and remit provincial education support levies in respect of residential and other properties on behalf of the Province, and school division special levies on behalf of school divisions. The City has no jurisdiction or control over the school divisions' operations or their mill rate increases. Therefore, no tax revenue is recognized in these consolidated financial statements for amounts collected on behalf of the Province and school divisions, nor are the assets, liabilities, revenues and expenses, with respect to the operations of the school boards (Note 15).

Property taxation revenue is based on market assessments that are subject to appeal. Therefore, a provision has been estimated for assessment appeals outstanding. The amount is based on estimated loss rates for the related assessment cycle. 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 fiscal year. By their nature, these estimates are subject to measurement uncertainty and the impact on future financial statements could be material (note 2p).

m) Fees and other revenue

Revenue is recorded on an accrual basis in the fiscal year when the events giving rise to the revenue occurs. Revenue from transactions with no performance obligation, such as fines, are recognized when the authority to claim or retain economic inflow is in place, and the events giving rise to the revenue have occurred. Revenue from transactions with performance obligations are recognized when the performance obligation(s) have been satisfied. Revenue for services with more than one performance obligation, such as permits, are recognized at the point in time when each performance obligation is met, at an amount proportional to the total fee. Revenue received prior to the performance obligation being satisfied are recognized as deferred revenue (Note 2i).

2. Significant Accounting Policies (continued)

n) 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 (Note 2i).

o) 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.

p) 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, environmental provisions, expected asset retirement costs, and the timing and duration of retirement costs. These estimates and assumptions are based on the City's best information and judgement and may differ significantly from actual results.

3. Cash and Cash Equivalents

		2025		2024
Cash	**$**	**378,758**	$	369,523
Cash equivalents		**304,743**		267,846
Restricted cash		**385,895**		389,771
	$	**1,069,396**	$	1,027,140

The average effective interest rate for cash equivalents at December 31, 2025 is 2.82% (2024 – 4.24%).

Cash received for interest from all cash, cash equivalents and restricted cash during the year is $65.6 million (2024 – $75.1 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

		2025		2024
Trade accounts and other receivables	$	**294,901**	$	259,540
Province of Manitoba		**167,140**		128,268
Government of Canada		**59,484**		69,833
Allowance for doubtful accounts		**(41,662)**		(38,484)
		479,863		419,157
Property, payments-in-lieu and business taxes receivable		**83,744**		67,837
Allowance for property, payments-in-lieu and business taxes receivable		**(1,029)**		(1,319)
		82,715		66,518
	$	**562,578**	$	485,675

5. Investments

		2025		2024
Marketable securities (Note 5a)				
Municipal bonds	$	**113,916**	$	113,324
Provincial bonds		**28,721**		28,721
Federal bonds and related entities		**999**		999
		143,636		143,044
Manitoba Hydro long-term receivable (Note 5b)		**220,238**		220,238
Other		**5,102**		6,927
	$	**368,976**	$	370,209

a) Marketable securities

The aggregate market value of marketable securities at December 31, 2025 is $112.8 million (2024 – $116.0 million) and their maturity dates range from 2027 to 2053.

b) Manitoba Hydro long-term receivable

Effective September 3, 2002, Manitoba Hydro acquired the net assets of 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 investment represents the net present value of payments from Manitoba Hydro of $16 million per annum in perpetuity. The discount rate used to determine the present value of the perpetual investment was the City's historical average long-term borrowing rate.

6. Investment in Business Partnerships

a) North Portage Development Corporation

North Portage Development Corporation ("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 partnerships and revitalization strategies and to work to ensure financial self-sufficiency. NPDC is responsible for the continuing renewal and stewardship of two sites in Winnipeg downtown: the North Portage area and The Forks. NPDC is involved in certain business and core activities regarding the ownership, development and management of its two sites that include land investment properties and public amenities.

6. Investment in Business Partnerships (continued)

b) River Park South Developments Inc.

On April 21, 2011, the City and Qualico Developments (Winnipeg) Ltd. entered into an agreement to jointly develop and sell residential land owned by the partners in the River Park South community of Winnipeg. This joint venture was resolved effective November 4, 2025 and the City's equity was distributed, completing this agreement.

c) Summary of investment in business partnerships

		2025		2024
North Portage Development Corporation (⅓ share)	**$**	**23,976**	$	19,703
River Park South Developments Inc. (½ share)		**–**		1,162
	$	**23,976**	$	20,865

d) Summary of results of operations

		2025		2024
North Portage Development Corporation (⅓ share)	**$**	**4,273**	$	(1)
River Park South Developments Inc. (½ share)		**–**		649
	$	**4,273**	$	648

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

7. Accounts Payable and Accrued Liabilities

		2025		2024
Trade accounts payable	**$**	**255,940**	$	195,241
Accrued liabilities		**185,096**		182,752
Accrued interest payable		**7,594**		7,615
	$	**448,630**	$	385,608

8. Deferred Revenue

		2024		Inflows		Revenue Recognized		**2025**
Operating								
Prepayment for services	$	31,389	$	38,476	$	(19,187)	**$**	**50,678**
Government of Canada		34,625		30,608		(21,293)		**43,940**
Province of Manitoba		10,115		4,383		(7,747)		**6,751**
Other		3,505		4,172		(4,115)		**3,562**
		79,634		77,639		(52,342)		**104,931**
Capital								
Province of Manitoba		430,004		169,444		(208,908)		**390,540**
Canada Community-Building Fund		22,822		98,966		(50,101)		**71,687**
Other		1,031		28		–		**1,059**
		453,857		268,438		(259,009)		**463,286**
	$	533,491	$	346,077	$	(311,351)	**$**	**568,217**

9. Debt

Sinking fund debentures outstanding

Term	Maturity Date	Rate of Interest	By-Law No.	2025	2024
2006–2036	July 17	5.200	183/04, 72/06	**$ 60,000**	$ 60,000
2008–2036	July 17	5.200	72/06B, 32/07	**100,000**	100,000
2010–2041	June 3	5.150	183/08	**60,000**	60,000
2011–2051	Nov. 15	4.300	72/06, 183/08, 150/09	**50,000**	50,000
2012–2051	Nov. 15	3.853	93/11	**50,000**	50,000
2012–2051	Nov. 15	3.759	120/09, 93/11, 138/11	**75,000**	75,000
2013–2051	Nov. 15	4.391	93/11, 84/13	**60,000**	60,000
2014–2045	June 1	4.100	144/11, 23/13, 149/13	**60,000**	60,000
2014–2045	June 1	3.713	100/12, 23/13, 149/13	**60,000**	60,000
2014–2051	Nov. 15	3.893	93/11, 145/13	**52,568**	52,568
2015–2045	June 1	3.828	144/11, 100/12, 23/13, 149/13, 5/15, 61/15	**60,000**	60,000
2016–2045	June 1	3.303	72/06, 23/13, 149/13, 5/15, 96/15, 40/16	**80,000**	80,000
2019-2051	Nov. 15	3.499	6520/94, 6774/96, 6973/97, 6976/97, 7751/01, 72/06, 32/07, 219/07, 184/08, 136/16	**100,000**	100,000
2019-2051	Nov. 15	2.667	6976/97, 7751/01, 219/07, 184/08, 150/09, 40/16, 133/17	**120,000**	120,000
2020-2051	Nov. 15	2.663	183/04, 150/009, 149/13, 5/15, 40/16, 136/16, 133/17	**85,000**	85,000
2024-2064	June 1	4.696	5/15, 40/16, 136/16, 133/17, 107/20	**200,000**	200,000
				1,272,568	1,272,568
Equity in The Sinking Funds (Notes 9a and 9b)				**(215,817)**	(195,557)
Net sinking fund debentures outstanding				**1,056,751**	1,077,011
Other debt outstanding					
Public Private Partnership obligations (Notes 9c and 14d)				**251,057**	257,559
Bank loans and other with varying maturities up to 2046 and a weighted average interest rate of 4.17% (2024 – 3.78%)				**169,332**	185,275
Obligations for leased tangible capital assets (Note 9d)				**10,537**	11,233
				1,487,677	1,531,078
Unamortized premium and transaction costs on debt (Note 9e)				**96,479**	99,059
				$ 1,584,156	$ 1,630,137

9. Debt (continued)

Debt segregated by fund/organization:

	2025	2024
General Capital Fund	**$ 808,841**	$ 834,957
Sewage Disposal	**304,693**	310,456
Transit System	**272,037**	272,313
Waterworks System	**84,048**	90,294
Fleet Special Operating Agency	**52,137**	49,086
Solid Waste Disposal	**20,763**	21,877
Consolidated entities	**18,636**	33,964
Land Drainage	**614**	912
Other	**22,387**	16,278
	$ 1,584,156	$ 1,630,137

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

	2026	2027	2028	2029	2030	2030+
Sinking fund debentures	**$ 18,503**	$ 18,503	$ 18,503	$ 18,503	$ 18,503	$ 1,180,053
Other debt	**31,162**	28,864	26,390	26,017	21,448	297,045
	$ 49,665	$ 47,367	$ 44,893	$ 44,520	$ 39,951	$ 1,477,098

a) As at December 31, 2025, sinking fund assets have a market value of $192.8 million (2024 – $177.2 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 $61.7 million (2024 – $54.8 million) and a market value of $57.2 million (2024 – $51.9 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) Public Private Partnership obligations are as follows:

	2025	2024
i) Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass	**$ 123,012**	$ 125,892
ii) Disraeli Bridges	**88,451**	90,891
iii) Chief Peguis Trail Extension	**39,594**	40,776
	$ 251,057	$ 257,559

9. Debt (continued)

The City has entered into fixed price design, build, finance and maintain contracts with private equity partners 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 P3s arrangements as disclosed in Note 14d.

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

2026	**$**	**1,301**
2027		**1,314**
2028		**1,392**
2029		**1,200**
2030		**1,200**
Thereafter		**7,983**
Total future minimum lease payments		**14,390**
Amount representing interest at a weighted average rate of 5.47%		**(3,853)**
Obligations for leased tangible capital assets	**$**	**10,537**

e) Debt includes $97.9 million (2024 – $100.4 million) of unamortized premiums net of unamortized transaction costs of $1.4 million (2024 – $1.4 million). Unamortized discounts on debt of $2.3 million (2024 – $2.4 million) are included in prepaid expense. Included in the consolidated Statement of Financial Position are investments and cash equivalents of $111.5 million (2024 – $109.2 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 2025 is $77.5 million (2024 – $78.2 million). Interest paid during the year is $77.5 million (2024 – $78.7 million).

g) Effective September 3, 2002, Manitoba Hydro acquired the net assets of 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, 2025 is $60.0 million (2024 – $60.0 million).

10. Other Liabilities

		2025		2024
Asset retirement obligation (Note 10a)	**$**	**217,836**	$	214,265
Expropriation		**54,788**		65,141
Contaminated sites (Note 10b)		**9,142**		9,142
Developer deposits and other		**39,221**		40,640
	$	**320,987**	$	329,188

a) Asset retirement obligation

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; 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 City has one active landfill site and 33 closed landfill sites. A liability for closure and post-closure costs on the active site is recognized when cells on the site start accepting waste. The liability is the present value of all known obligations that will exist at the estimated year of closure, which is over 100 years from the reporting date. In the case of the 33 closed landfill sites, the City is obligated to perform post-closure costs in perpetuity. The liability is the present value of the estimated annual maintenance costs.

Changes in the liability for active landfill sites are offset to a retirement obligation asset and amortized over the remaining life of the landfill. Changes in the liability for the 33 closed landfills and a portion of Brady Road are recognized to expense. The estimated liability at December 31, 2025 is $63.5 million (2024 – $62.7 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, 2025 is $126.6 million (2024 – $124.9 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, 2025 is $27.8 million (2024 – $26.7 million).

Where the timing of the remediation is known or can be estimated, the liability has been discounted at a rate of 4.5% (2024 – 4.5%). Future events may result in significant changes to the estimated liability and would be recognized prospectively, as a change in estimate, when applicable.

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

		2025		2024
Asset retirement obligation, beginning of year	**$**	**214,265**	$	209,323
Changes in estimate		**818**		323
Accretion expense		**2,753**		4,619
Asset retirement obligation, end of year	**$**	**217,836**	$	214,265

10. Other Liabilities (continued)

b) Contaminated sites

As of December 31, 2025, the liability for contaminated sites includes locations for which the City is responsible for remediation. 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 handing, vehicle storage and maintenance, snow storage, buildings, and soil contamination.

Liability estimates are based on environmental site assessments or are derived by extrapolating remediation costs incurred by the City of similar sites. The City has not received any recoveries from third parties and has not used a present value technique to determine the liability.

11. Employee Benefits Obligations

		2025		2024
Retirement allowance and compensated absences (Note 11a)	**$**	**135,004**	$	131,864
Workers compensation (Note 11c)		**108,668**		98,143
Vacation (Note 11b)		**63,668**		62,249
Defined benefit pension plans (Note 11d)		**5,442**		5,410
	$	**312,782**	$	297,666

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 (2024 – 15.4 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 prepared as of December 31, 2023, using July 31, 2023 data. The results of this valuation were extrapolated to the financial reporting date of December 31, 2025 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 2025	Total 2024
Obligation balance, beginning of year	**$ 65,933**	**$ 59,523**	**$ 125,456**	$ 124,069
Current service cost	**4,237**	**6,314**	**10,551**	10,127
Interest cost	**2,808**	**2,626**	**5,434**	5,340
Actuarial (gain) loss	**16**	**–**	**16**	(191)
Benefit payments	**(6,592)**	**(6,575)**	**(13,167)**	(13,889)
Obligation balance, end of year	**66,402**	**61,888**	**128,290**	125,456
Unamortized net actuarial gain (loss)	**15,116**	**(8,402)**	**6,714**	6,408
Accrued benefit liability	**$ 81,518**	**$ 53,486**	**$ 135,004**	$ 131,864
Reconciliation of unamortized net actuarial gain (loss):				
Balance beginning of year	**$ 16,587**	**$ (10,179)**	**$ 6,408**	$ 5,478
Amortization for current year	**(1,455)**	**1,777**	**322**	739
Actuarial gain (loss)	**(16)**	**–**	**(16)**	191
Balance end of year	**$ 15,116**	**$ (8,402)**	**$ 6,714**	$ 6,408
Expense consists of the following:				
Current service cost	**$ 4,237**	**$ 6,314**	**$ 10,551**	$ 10,127
Interest cost	**2,808**	**2,626**	**5,434**	5,340
Amortization of net actuarial (gain) loss	**(1,455)**	**1,777**	**322**	739
	$ 5,590	**$ 10,717**	**$ 16,307**	$ 16,206

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

	2025	2024
Discount rate on liability	**4.20%**	4.20%
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, fatalities, and administration.

11. Employee Benefits Obligations (continued)

d) Defined benefit pension plans

		2025		2024
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		**(674)**		(706)
ii) Supplementary Executive Pension Plan		**2,476**		2,476
	$	**5,442**	$	5,410

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 2025, the City paid benefits of $0.3 million (2024 – $0.3 million). An actuarially determined pension obligation of $3.6 million (2024 – $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 ½% of their Canada Pension Plan earnings plus 7 ½% of any earnings in excess of their Canada Pension Plan earnings. The City makes contributions 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, 2025 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. Valuations are prepared every three years. The next valuation is scheduled for December 31, 2025.

The significant long-term assumptions used in the valuation of accrued pension benefits provided for a discount rate on liabilities of 5.00% (2024 – 5.00%) per annum, a rate of return on assets of 5.00% (2024 – 5.00%) per annum, and a long-term general rate of salary increase of 2.50% (2024 – 2.50%) per annum. The results of the valuation indicated an obligation at December 31, 2025 of $10.0 million (2024 – $9.1 million), which is offset by assets in the plan of $10.6 million (2024 – $9.8 million), resulting in a net asset of $0.7 million (2024 – $0.7 million).

Total contributions made by the City to the Program in 2025 were $0.4 million (2024 – $0.4 million). Total program member contributions to the Program in 2025 were $0.1 million (2024 – $0.1 million). In 2025, this Program paid out $0.6 million (2024 – $0.2 million) in benefits.

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 2025, the City paid benefits of $0.1 million (2024 – $0.1 million). An actuarially determined pension obligation of $2.5 million (2024 – $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 8.8% of pensionable earnings effective from February 11, 2024 and 9.6% of pensionable earnings effective from February 9, 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% 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 resolved through reductions in the WPP Plan's contribution stabilization reserve and the rate of cost-of-living adjustment to pension.

An actuarial funding valuation of the WPP Plan was prepared as of December 31, 2024. 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 65.40% to 68.71% of the inflation rate.

An actuarial valuation of the WPP Plan as of December 31, 2025 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 WPP Plan that was filed with the Office of the Superintendent – Pension Commission, the actuarial valuation showed that the WPP Plan had a solvency excess at December 31, 2024 under this wind-up scenario.

The results of the December 31, 2024 actuarial valuation of the WPP Plan were extrapolated to December 31, 2025. 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 (2024 – 5.00%); inflation rate of 2.25% (2024 – 2.25%); and general pay increases of 3.25% per year (2024 – 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 WPP Plan's assets, accrued pension obligation and pension expenses are as follows:

	2025	2024
WPP Plan assets:		
Fair value, beginning of year	**$ 2,435,330**	$ 2,184,547
Employer contributions	**19,334**	16,936
Employee contributions and transfers	**24,082**	21,967
Benefits and expenses paid	**(76,130)**	(75,077)
Net investment income	**218,299**	286,957
Fair value, end of year	**2,620,915**	2,435,330
Actuarial adjustment	**(220,808)**	(191,233)
Actuarial value, end of year	**$ 2,400,107**	$ 2,244,097
Pension costs and obligations:		
Beginning of year	**$ 2,129,230**	$ 2,001,329
Interest on accrued pension obligation	**105,555**	99,901
Current period benefit cost	**73,311**	68,478
Actuarial loss (gain)	**43,142**	34,599
Benefits and expenses paid	**(76,130)**	(75,077)
End of year	**$ 2,275,108**	$ 2,129,230
Funded status	**$ 124,999**	$ 114,867
Less: city account	**(63)**	(58)
Less: contribution stabilization reserve	**(124,936)**	(114,809)
Actuarial surplus	**$ –**	$ –
Expenses related to pensions:		
Current period benefit cost	**$ 73,311**	$ 68,478
Amortization of actuarial gains	**(2,163)**	(3,289)
Less: transfers from contribution stabilization reserve	**(21,900)**	(22,042)
Less: employee contributions and transfers	**(24,082)**	(21,967)
Pension benefit expense	**25,166**	21,180
Interest on accrued benefit obligation	**105,555**	99,901
Expected return on plan assets	**(111,387)**	(104,145)
Pension interest income	**(5,832)**	(4,244)
Total expenses related to pensions	**$ 19,334**	$ 16,936

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 2025 were $19.3 million (2024 – $16.9 million). Total employee contributions to the WPP Plan in 2025 were $19.5 million (2024 – $17.1 million). Benefits paid from the WPP Plan in 2025 were $74.2 million (2024 – $73.3 million).

The expected rate of return on WPP Plan assets in 2025 was 5.00% (2024 – 5.00%). The actual rate of return, net of investment expenses, on the fair value of WPP Plan assets in 2025 was a return of 9.02% (2024 – 13.25%).

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, 2025 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 are 9.5% of pensionable earnings up to the Year's Maximum Pensionable Earnings ("YMPE") and 11.8% of pensionable earnings in excess of YMPE.

An actuarial valuation of the Benefits Program was prepared as at December 31, 2024, which indicated an excess of total Benefits Program assets over going concern actuarial liabilities of $831.4 million. The next required actuarial valuation must be performed no later than as at December 31, 2027.

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, 2025 was nil (2024 – nil).

Total contributions by the City to the Benefits Program in 2025 were $63 million (2024 – $61.6 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. The next valuation is taking place as of December 31, 2025.

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, 2025. The principal long-term assumptions on which the valuation and extrapolation was based were: discount rate of 5.50% per year (2024 – 5.50%); and general pay increases of 3.25% per year (2024 – 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:

		2025		2024
Group life insurance plan assets, at actuarial value	**$**	**230,669**	$	214,477
Accrued post-retirement life insurance obligations	**$**	**108,710**	$	104,362

12. Tangible Capital Assets

		Net Book Value		
		2025		2024
General				
Land	**$**	**386,702**	$	387,705
Buildings		**816,587**		810,918
Vehicles		**278,429**		246,480
Computer		**62,812**		50,811
Other		**402,804**		402,008
Infrastructure				
Plants and facilities		**988,445**		985,463
Roads		**2,212,100**		2,125,294
Underground and other networks		**2,741,658**		2,643,209
Bridges and other structures		**654,678**		663,714
		8,544,215		8,315,602
Assets under construction		**679,820**		478,094
	$	**9,224,035**	$	8,793,696

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

During the year, there were no write-down of tangible capital assets (2024 – $0.1 million). Interest capitalized during 2025 was $5.5 million (2024 – $4.7 million). In addition, roads and underground networks contributed to the City totaled $97.6 million in 2025 (2024 – $91.0 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 $586.0 million (2024 – $600.7 million) of tangible capital assets that were acquired through P3 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:

	2025	2024
Invested in tangible capital assets	**$ 7,685,603**	$ 7,251,418
Reserves (Schedule 3)	**376,992**	368,887
Other surplus accumulated in utility operations, consolidated entities and other	**293,397**	230,435
Manitoba Hydro long-term receivable (Note 5b)	**220,238**	220,238
Equity in business partnerships (Note 6)	**23,976**	20,865
Equity in other partnerships (Schedule 1)	**3,934**	5,459
Unfunded expenses to be funded from future revenues:		
Accrued employee benefits and other	**(326,782)**	(314,191)
Asset Retirement Obligation	**(200,572)**	(196,407)
Contaminated sites (Note 10)	**(9,142)**	(9,142)
Canadian Museum for Human Rights grant	**–**	(882)
	$ 8,067,644	$ 7,576,680

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, 2025 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:

2026	**$ 9,060**
2027	**8,652**
2028	**8,466**
2029	**6,088**
2030	**4,856**
Thereafter	**22,168**
	$ 59,290

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, 2025 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 unlikely or 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, 2025 is $24.5 million (2024 – $24.0 million). The City does not anticipate incurring future payment on these guarantees, and therefore no provision has been included in these financial statements.

Some of the loans and lines of credit that are guaranteed are not fully utilized at December 31. The authorized limit of these guarantees is $63.9 million (2024 – $52.5 million).

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

d) Public Private Partnership arrangements

As disclosed in Note 9(c), the City will pay the private sector partner monthly performance-based maintenance payments that are adjusted by CPI until the end of the P3 contract as follows:

		Annual Maintenance
i) Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass	$	3,300
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.

Amounts earned by Veolia over the term of the Agreement are credited to an Earning at Risk Account (EARA). In 2025, total EARA accrued is $5.7 million (2024 – $5.3 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 2025, Veolia withdrew $2.5 million (2024 – $3.3 million) from EARA and replaced this at risk amount with a standby letter of credit. Total EARA secured by a standby letter of credit at December 31, 2025 is $22.7 million (2024 – $20.3 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

	2025	2024
Municipal property taxes	**$ 762,874**	$ 704,729
Payments-in-lieu of property taxes	**24,335**	24,182
Local improvement and frontage levies	**84,049**	83,888
Business and payments-in-lieu of business taxes	**64,504**	59,599
Electricity and natural gas sales taxes	**23,722**	23,545
Amusement, accommodation taxes and mobile home licences	**22,816**	19,507
	$ 982,300	$ 915,450

The City collects and remits school taxes and payments-in-lieu of school taxes on behalf of the Province and school divisions. The amounts remitted are based upon a formula and schedule set by the Province. The City is an agent in this process and therefore amounts paid are not reflected in the financial statements. The 2025 school tax levy before tax credits and rebates was $865.8 million (2024 – $766.8 million), which are collected by the City net of tax credits in the amount of $234.4 million (2024 – $56.9 million) and rebates of $465 thousand (2024 – $267.2 million). The net amount collected by the City in 2025 of $630.9 million 2024 – $442.7 million) is remitted to the Province.

The business tax roll includes an amount assessed and levied on behalf of business improvement zones of $7.2 million (2024 – $6.7 million). Collections of this levy are remitted to the business improvement zones and excluded from business taxes.

16. Sales of Services and Regulatory Fees

	2025	2024
Water sales and sewage services	**$ 475,784**	$ 371,505
Other sales of goods and services	**234,165**	193,931
Regulatory fees	**93,691**	90,854
Transit fares	**79,664**	79,556
	$ 883,304	$ 735,846

17. Government Transfers

	2025	2024
Operating		
Province of Manitoba		
Municipal Operating Grant	**$ 166,187**	$ 163,352
Public Safety	**24,701**	24,216
Rapid Housing Initiative	**2,787**	–
	193,675	187,568
Less: Support for Provincial Programs	**(23,650)**	(23,650)
	170,025	163,918
Transfer for paramedic services	**61,852**	59,402
Other	**42,940**	29,045
	274,817	252,365
Government of Canada		
Housing Accelerator Fund	**16,673**	3,181
Rapid Housing Initiative	**4,620**	8,056
Other	**1,745**	1,260
	23,038	12,497
Total Operating	**297,855**	264,862
Capital		
Province of Manitoba		
Investing in Canada Infrastructure Program (ICIP)	**94,267**	55,330
Strategic Infrastructure Basket	**31,082**	15,522
Accelerated Regional Street Renewal Project	**815**	4,888
Other	**31,140**	17,366
	157,304	93,106
Government of Canada		
Investing in Canada Infrastructure Program (ICIP)	**68,694**	66,403
Canada Community-Building Fund	**50,101**	35,304
Accelerated Regional Street Renewal Project	**635**	4,888
Other	**4,130**	7,039
	123,560	113,634
Total Capital	**280,864**	206,740
	$ 578,719	$ 471,602

18. Land Sales and Other Revenue

	2025	2024
Land sales	$ **10,705**	$ 12,797
Contributions in lieu of land dedication	**1,847**	970
Income from business partnerships (Note 6)	**4,273**	648
Other	**14,612**	33,429
	$ **31,437**	$ 47,844

19. Expenses by Object

	2025	2024
Salaries and benefits	$ **1,117,294**	$ 1,081,361
Goods and services	**570,896**	558,363
Amortization of tangible capital assets	**330,401**	316,063
Interest (Note 9f)	**77,521**	78,669
Other expenses	**54,560**	43,267
	$ **2,150,672**	$ 2,077,723

20. Budget

On January 29, 2025, Council approved the 2025 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 2025 budget is the 2025 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 2025 consolidated budget has been used in these consolidated financial statements.

21. Changes in Non-Cash Working Capital Balances

	2025	2024
Accounts receivable	$ **(76,903)**	$ (16,869)
Land held for resale	**578**	3,601
Accounts payable and accrued liabilities	**63,022**	51,166
Deferred revenue	**34,726**	9,008
Inventories	**(163)**	(3,794)
Prepaid expenses and deferred charges	**1,315**	1,316
	$ **22,575**	$ 44,428

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. 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

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.

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, technology, organizational support services, assessment, taxation, corporate support, council services, and the 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, recycling, waste diversion and garbage collection operations.

Other Funds and Corporations

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

24. Contractual Rights

Developer contributions

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

25. Funds Held in Trust

The City receives funds from various entities including the 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 related cash equivalents balance of $66.6 million (2024 – $151.2 million) are not included in the consolidated financial statements.

Additional Trust funds of $2.5 million (2024 – $3.4 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.[1]		Total		Winnipeg Economic Development & Tourism[2]		Trancona Joint Venture		Total	
	March 31		December 31				December 31		December 31		December 31	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
FINANCIAL POSITION												
Assets												
Current	**$ 27,874**	$ 2,262	**$ –**	$ 2,421	**$ 27,874**	$ 4,683	**$ 5,799**	$ 5,962	**$ 9,829**	$ 12,749	**$ 15,628**	$ 18,711
Capital	**55,708**	76,007	**–**	–	**55,708**	76,007	**359**	606	**–**	–	**359**	606
Other	**–**	–	**–**	23	**–**	23	**–**	–	**–**	–	**–**	–
	$ 83,582	$ 78,269	**$ –**	$ 2,444	**$ 83,582**	$ 80,713	**$ 6,158**	$ 6,568	**$ 9,829**	$ 12,749	**$ 15,987**	$ 19,317
Liabilities												
Current	**$ 2,839**	$ 4,819	**$ –**	$ 120	**$ 2,839**	$ 4,939	**$ 643**	$ 760	**$ 920**	$ 1,313	**$ 1,563**	$ 2,073
Long-term	**8,814**	14,341	**–**	–	**8,814**	14,341	**398**	565	**1,040**	519	**1,438**	1,084
	11,653	19,160	**–**	120	**11,653**	19,280	**1,041**	1,325	**1,960**	1,832	**3,001**	3,157
Net equity	**71,929**	59,109	**–**	2,325	**71,929**	61,434	**5,117**	5,243	**7,869**	10,918	**12,986**	16,161
	$ 83,582	$ 78,269	**$ –**	$ 2,445	**$ 83,582**	$ 80,714	**$ 6,158**	$ 6,568	**$ 9,829**	$ 12,750	**$ 15,987**	$ 19,318
City share	**$ 23,976**	$ 19,703	**$ –**	$ 1,162	**$ 23,976**	$ 20,865	**$ 2,559**	$ 2,622	**$ 3,934**	$ 5,459	**$ 6,493**	$ 8,081
RESULTS OF OPERATIONS												
Revenues	**$ 26,790**	$ 18,200	**$ –**	$ 1,308	**$ 26,790**	$ 19,508	**$ 11,312**	$ 12,569	**$ 11,518**	$ 11,193	**$ 22,830**	$ 23,762
Expenses	**13,970**	18,201	**–**	11	**13,970**	18,212	**11,417**	11,741	**4,566**	4,402	**15,983**	16,143
Net income (loss)	**$ 12,820**	$ (1)	**$ –**	$ 1,297	**$ 12,820**	$ 1,296	**$ (105)**	$ 828	**$ 6,952**	$ 6,791	**$ 6,847**	$ 7,619
City share	**$ 4,273**	$ (1)	**$ –**	$ 649	**$ 4,273**	$ 648	**$ (53)**	$ 414	**$ 3,476**	$ 3,396	**$ 3,424**	$ 3,810

[1] River Park South Development Incorporated Joint Venture was resolved effective November 4, 2025.

[2] The City proportionally consolidates fifty percent of Winnipeg Economic Development & Tourism assets, liabilities, revenues and expenses with adjustments to their results including elimination of transactions with the City, such as grants provided by the City.

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	2025	2024
Cost												
Balance, beginning of year	$ 387,705	$ 1,436,823	$ 546,132	$ 229,850	$ 821,677	$ 1,442,849	$ 3,885,684	$ 4,099,891	$1,045,580	$ 478,094	$ 14,374,285	$ 13,775,041
Add: Additions during the year	22,665	43,183	65,416	24,492	37,064	32,081	193,558	159,170	8,282	201,726	787,637	689,462
Less: Disposals during the year	23,668	2,349	14,434	–	19,172	–	29,643	6,163	–		95,429	90,218
Balance, end of year	386,702	1,477,657	597,114	254,342	839,569	1,474,930	4,049,599	4,252,898	1,053,862	679,820	15,066,493	14,374,285
Accumulated amortization												
Balance, beginning of year	–	625,905	299,652	179,039	419,669	457,386	1,760,390	1,456,682	381,866	–	5,580,589	5,351,102
Add: Amortization	–	35,567	33,193	12,491	36,160	29,099	106,305	60,268	17,318	–	330,401	316,063
Less: Accumulated amortization on disposals	–	402	14,160	–	19,064	–	29,196	5,710	–	–	68,532	86,576
Balance, end of year	–	661,070	318,685	191,530	436,765	486,485	1,837,499	1,511,240	399,184	–	5,842,458	5,580,589
Net Book Value of Tangible Capital Assets	$ 386,702	$ 816,587	$ 278,429	$ 62,812	$ 402,804	$ 988,445	$ 2,212,100	$ 2,741,658	$ 654,678	$ 679,820	$ 9,224,035	$ 8,793,696

[1] Included in land additions is $3.997 million (2024 – $6.018 million) of land transfers from land held for resale.
[2] Included in land disposals is $2.629 million (2024 – $1.002 million) of land transfers to land held for resale.

Consolidated Schedule of Reserves

Schedule 3

As at December 31 (in thousands of dollars)		**2025**		2024
RESERVES				
Capital Reserves				
Environmental Projects	**$**	**130,002**	$	166,642
Water Meter Renewal		**70,638**		54,275
Waste Diversion		**18,822**		16,894
Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Payment		**15,707**		18,190
Canada Community-Building Fund		**14,646**		12,828
Water Main Renewal		**12,162**		9,064
Sewer System Rehabilitation		**10,085**		116
Transit Bus Replacement		**2,761**		1,627
Landfill Rehabilitation		**2,096**		2,008
Solid Waste Asset Management		**1,523**		–
Computer, Critical Systems and Support		**1,073**		2,351
Climate Action		**531**		649
Local Street Renewal		**394**		502
Transit Infrastructure		**268**		262
Regional Street Renewal		**149**		198
		280,857		285,606
Special Purpose Reserves				
City Cemetery		**24,952**		22,645
Contributions in Lieu of Land Dedication		**13,641**		13,383
Destination Marketing		**6,302**		3,624
Housing Rehabilitation Investment		**5,381**		6,390
Commitment		**4,208**		4,843
Land Operating*		**3,499**		2,830
Insect Control		**3,000**		1,939
Workers Compensation		**2,767**		4,125
Multi-Family Dwelling Tax Investment		**1,607**		1,580
Insurance (Note 22)		**1,602**		1,733
Economic Development Investment		**1,331**		667
Heritage Investment		**1,018**		1,022
General Purpose		**945**		925
		70,253		65,706
Stabilization Reserve				
Financial Stabilization		**25,882**		17,575
TOTAL RESERVES	**$**	**376,992**	$	368,887

*This excludes the investments held for Transcona Joint Venture partnership.

Consolidated Schedule of Segment Disclosure—Service

Schedule 4

For the year ended December 31, 2025
(in thousands of dollars)

	General Revenue Fund									
	Protection	Community Services	Planning	Public Works	Finance and Administration	Transit System Fund	Water and Waste Funds	Other Funds and Corporations[1]	Eliminations	Consolidated
Revenues										
Taxation	$ 381,291	$ 73,000	$ –	$ 323,552	$ 196,279	$ –	$ –	$ 28,009	$ (19,831)	$ 982,300
Sales of services and regulatory fees	54,079	16,057	35,512	8,988	29,372	82,611	595,483	136,614	(75,412)	883,304
Government transfers (Note 17)	150,219	11,069	–	26,709	24,634	87,149	129,982	179,344	(30,387)	578,719
Transfer from other funds	8,922	1,480	4,416	4,713	10,286	146,629	153,671	655,563	(985,680)	–
Other	29,282	5,513	2,003	18,098	31,828	1,654	92,122	82,152	(65,339)	197,313
	623,793	107,119	41,931	382,060	292,399	318,043	971,258	1,081,682	(1,176,649)	2,641,636
Expenses (Note 19)										
Salaries and benefits	525,649	49,241	32,381	86,439	100,406	144,667	86,555	77,361	14,595	1,117,294
Goods and services	59,897	12,567	4,493	118,556	33,221	68,785	183,101	163,093	(72,817)	570,896
Interest	9,981	3,078	515	8,607	2,487	13,014	20,650	51,315	(32,126)	77,521
Transfer to other funds	17,332	33,996	5,255	172,204	127,139	22,499	204,938	381,395	(964,758)	–
Other	10,934	8,237	(713)	(3,746)	29,146	38,522	92,248	256,211	(45,878)	384,961
	623,793	107,119	41,931	382,060	292,399	287,487	587,492	929,375	(1,100,984)	2,150,672
Annual Surplus	$ –	$ –	$ –	$ –	$ –	$ 30,556	$ 383,766	$ 152,307	$ (75,665)	$ 490,964

[1] This segment includes the revenues and expenses from business and other partnerships (Schedule 1)

Consolidated Schedule of Segment Disclosure—Service

Schedule 4

For the year ended December 31, 2024
(in thousands of dollars)

	General Revenue Fund									
	Protection	Community Services	Planning	Public Works	Finance and Administration	Transit System Fund	Water and Waste Funds	Other Funds and Corporations[1]	Eliminations	Consolidated
Revenues										
Taxation	$ 386,100	$ 70,082	$ –	$ 324,972	$ 136,227	$ –	$ –	$ 15,643	$ (17,574)	$ 915,450
Sales of services and regulatory fees	56,115	15,716	33,516	9,187	29,306	83,037	443,574	135,708	(70,313)	735,846
Government transfers (Note 17)	140,901	10,503	–	25,529	26,927	104,302	75,027	117,216	(28,803)	471,602
Transfer from other funds	–	350	3,124	2,468	10,321	132,182	112,719	525,901	(787,065)	–
Other	27,690	5,399	1,883	17,076	57,220	2,355	83,638	69,844	(38,648)	226,457
	610,806	102,050	38,523	379,232	260,001	321,876	714,958	864,312	(942,403)	2,349,355
Expenses (Note 19)										
Salaries and benefits	517,465	48,212	30,714	84,731	76,322	137,760	81,915	75,500	28,742	1,081,361
Goods and services	58,553	11,082	3,951	124,419	32,767	70,444	173,116	154,187	(70,156)	558,363
Interest	9,323	2,331	272	7,800	6,850	12,363	20,002	53,349	(33,621)	78,669
Transfer to other funds	14,888	32,459	3,985	164,955	122,888	22,382	169,758	282,380	(813,695)	–
Other	10,577	7,966	(399)	(2,673)	21,174	35,235	89,596	241,161	(43,307)	359,330
	610,806	102,050	38,523	379,232	260,001	278,184	534,387	806,577	(932,037)	2,077,723
Annual Surplus	$ –	$ –	$ –	$ –	$ –	$ 43,692	$ 180,571	$ 57,735	$ (10,366)	$ 271,632

[1] This segment includes the revenues and expenses from business and other partnerships (Schedule 1)





Statistical Section

December 31, 2025

Consolidated Financial Statements Five-Year Review

December 31 ("$" amounts in thousands of dollars, except as noted) (Unaudited)		**2025**	2024	2023	2022	2021
1. Population (per Statistics Canada)		**850,260**	843,640	816,097	784,626	772,330
Unemployment rate (per Statistics Canada)						
- Winnipeg (Note 1 & 3)		**6.1%**	5.5%	4.9%	4.6%	6.8%
- National average		**6.8%**	6.3%	5.4%	5.3%	7.5%
2. Average annual headcount		**10,985**	10,806	10,550	10,286	10,279
3. Number of taxable properties		**249,038**	247,394	245,831	243,459	240,993
Payments-in-lieu of taxes						
Number of properties		**1,028**	1,040	1,053	1,113	1,255
4. Assessment						
- Residential	$	**96,075,727**	87,461,096	86,057,786	78,035,117	76,557,497
- Commercial, industrial and other		**25,678,708**	22,837,289	22,940,665	21,577,412	21,457,395
- Farm and recreational		**459,705**	371,206	374,091	386,645	388,140
	$	**122,214,140**	110,669,591	109,372,542	99,999,174	98,403,033
Assessment per capita (in dollars)	$	**143,737**	131,181	134,019	127,448	127,411
Commercial, industrial and other as a percentage of assessment		**21.01%**	20.64%	20.97%	21.58%	21.81%
5. Tax arrears	$	**83,744**	67,837	69,625	68,565	57,005
6. Tax arrears – per capita (in dollars)	$	**98.49**	80.41	85.31	87.39	73.81
7. Municipal mill rate		**12.920**	13.352	12.900	13.468	13.161
- Adjustment for tax increase		**5.95%**	3.50%	3.50%	2.33%	2.33%
- Adjustment for general assessment (Note 2)		**(9.5%)**	0.0%	(7.7%)	0.0%	0.0%
8. Tax Levies						
- Municipal property taxes	$	**762,874**	704,729	674,106	655,999	630,061
- Payments-in-lieu of property taxes		**24,335**	24,182	24,883	19,193	21,235
- Local improvement and frontage levies		**84,049**	83,888	83,242	65,726	64,433
- Business taxes and payments-in-lieu of business taxes		**64,504**	59,599	60,177	58,129	55,525
- Electricity and natural gas sales taxes		**23,722**	23,545	23,926	24,164	22,263
- Amusement, accommodation taxes and mobile home licenses		**22,816**	19,507	18,108	13,769	7,432
Total taxes levied for municipal purposes	$	**982,300**	915,450	884,442	836,980	800,949
9. Taxes Collected						
- Total Current Taxes to Collect (Note 4)	$	**1,817,062**	1,598,078	1,535,122	1,485,417	1,516,496
- Total Current Taxes Outstanding	$	**49,919**	30,215	30,634	36,482	27,719
- Percentage of Current Taxes Outstanding		**2.75%**	1.89%	2.00%	2.46%	1.83%
- Percentage of Taxes Collected		**97.25%**	98.11%	98.00%	97.54%	98.17%
10. Winnipeg Consumer price index (per Statistics Canada) (Note 1)						
- Annual average		**164.5**	160.1	158.3	152.5	141.5
- Percentage increase		**2.7%**	1.1%	3.8%	7.8%	3.1%

Consolidated Financial Statements Five-Year Review Cont.

December 31 ("$" amounts in thousands of dollars, except as noted) (Unaudited)		**2025**	2024	2023	2022	2021
11. Consolidated revenues						
- Municipal Property Taxes	$	**787,209**	728,911	698,989	675,192	649,675
- Other Taxation		**195,091**	186,539	185,453	161,788	151,274
- User charges		**883,304**	735,846	690,991	644,358	605,229
- Government transfers		**578,719**	471,602	477,384	335,314	325,461
- Interest and other revenue		**197,313**	226,457	239,420	153,673	125,019
	$	**2,641,636**	2,349,355	2,292,237	1,970,325	1,856,658
12. Consolidated expenses by function						
- Municipal operations	$	**1,441,957**	1,384,645	1,269,666	1,309,940	1,209,012
- Public utilities		**606,160**	581,996	542,594	522,918	481,631
- Civic corporations		**102,555**	111,082	103,148	80,622	63,818
	$	**2,150,672**	2,077,723	1,915,408	1,913,480	1,754,461
13. Growth in accumulated surplus	$	**490,964**	271,632	376,829	(54,434)	102,197
14. Consolidated expenses by object						
Salaries and benefits	$	**1,117,294**	1,081,361	997,609	980,478	932,407
Goods and services		**570,896**	558,363	522,603	530,604	429,939
Amortization		**330,401**	316,063	306,512	295,013	286,475
Interest		**77,521**	78,669	62,371	64,202	66,324
Other expenses		**54,560**	43,267	26,313	43,183	39,316
	$	**2,150,672**	2,077,723	1,915,408	1,913,480	1,754,461
15. Debt						
Tax-supported	$	**848,588**	859,379	804,337	813,285	815,033
Transit		**294,355**	291,806	252,779	256,799	258,372
City-owned utilities		**485,946**	487,193	347,400	348,639	349,842
Other (Note 3)		**74,605**	88,257	81,035	92,474	83,681
Total gross debt		**1,703,494**	1,726,635	1,485,551	1,511,197	1,506,928
Less: Sinking Funds		**215,817**	195,557	173,012	152,454	132,049
Total net long-term debt	$	**1,487,677**	1,531,078	1,312,539	1,358,743	1,374,879
Unamortized premium on debt (Note 3)		**96,479**	99,059	98,683	104,391	108,089
Total long-term debt (Note 3)	$	**1,584,156**	1,630,137	1,411,222	1,463,134	1,482,968
Percentage of total assessment		**1.22%**	1.38%	1.20%	1.36%	1.40%
Debt per capita	$	**1,750**	1,815	1,608	1,732	1,780
16. Approved debt limit as a % of revenue		**100%**	100%	100%	90%	90%
17. Additions of tangible capital assets	$	**787,637**	689,462	695,927	494,540	424,110
18. Net financial liabilities (Note 3)	$	**1,207,736**	1,269,513	1,168,910	1,153,372	883,146

Consolidated Financial Statements Five-Year Review Cont.

December 31 ("$" amounts in thousands of dollars, except as noted) (Unaudited)		**2025**	2024	2023	2022	2021
19. Accumulated surplus						
Invested in tangible capital assets	**$**	**7,685,603**	7,251,418	7,072,308	6,691,828	6,468,698
Reserves						
Capital		**280,857**	285,606	266,907	288,786	179,620
Stabilization		**25,882**	17,575	15,712	2,135	75,092
Special Purpose		**70,253**	65,706	63,929	58,065	70,222
		376,992	368,887	346,548	348,986	324,934
Other						
Manitoba Hydro long-term receivable		**220,238**	220,238	220,238	220,238	220,238
Other funds and entities		**321,307**	256,759	152,360	131,865	303,288
Unfunded expenses		**(536,496)**	(520,622)	(486,406)	(464,698)	(334,505)
Accumulated surplus	**$**	**8,067,644**	7,576,680	7,305,048	6,928,219	6,982,653
20. Five largest industries of employment in the City (Thousands employed) (Note 3)						
Health care and social assistance		**86.6**	77.8	72.3	72.4	72.9
Wholesale and retail trade		**67.5**	68.3	66.9	61.8	66.4
Manufacturing		**48.6**	44.3	44.8	45.6	41.7
Educational services		**43.4**	46.4	45.3	44.9	41.4
Finance, insurance, real estate, rental and leasing		**37.5**	37.7	33.2	32.0	27.9
21. Government-specific indicators						
Assets-to-liabilities		**3.49**	3.39	3.56	3.50	3.75
Financial assets-to-liabilities		**0.63**	0.60	0.59	0.58	0.65
Public debt charges-to-revenues		**0.03**	0.03	0.03	0.03	0.04
Own-source revenues-to-taxable assessment		**0.02**	0.02	0.02	0.02	0.02
Government transfers-to-revenues		**0.22**	0.20	0.21	0.17	0.18

Notes:
1. Winnipeg refers to Winnipeg CY, which is an economic region defined by Statistics Canada.
2. 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, 2023 and 2025. 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.
3. Prior year figures have been restated to conform to the presentation in 2025.
4. Current taxes to collect includes amounts collected on behalf of the Province for school taxes, payments-in-lieu, net penalties, and net taxes added.





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**

Photo Credits

Courtesy Winnipeg Economic Development & Tourism:

Kristhine Guerrero
Cover

Austin Mackay
Inside cover

Dan Harper
Page 16 and page 33

Diane Hammerling
Page 18

Debbie Ristimaki
Page 111





510 Main St. | Winnipeg | Manitoba | Canada | R3B 1B9 | winnipeg.ca