

**Agenda – Standing Policy Committee on Finance – June 12, 2020**

**REPORTS**

**Item No. 5                      Financial Status and Forecast Report to March 31, 2020**

**WINNIPEG PUBLIC SERVICE RECOMMENDATION:**

That the Financial Status Report to March 31, 2020 be received as information.

## ADMINISTRATIVE REPORT

**Title:** Financial Status and Forecast Report to March 31, 2020

**Critical Path:** Standing Policy Committee on Finance

### AUTHORIZATION

Author	Department Head	CFO	CAO
J. Ruby	P. Olafson	P. Olafson, Interim CFO	M. Ruta, Interim CAO

### EXECUTIVE SUMMARY

The Financial Status and Forecast Report to March 31, 2020 currently anticipates a projected deficit of \$25.8 million for the tax-support budget (General Revenue Fund) and shortfalls in Transit of \$26.1 million. Both of these shortfalls will be offset by transfers from the Financial Stabilization Reserve Fund, as necessary. The SOA's are projecting a deficit of \$8.7 million while the Utilities anticipate revenues in excess of expenditures of \$6.8 million. The total shortfall for all City Departments is projected to be \$53.8 million, inclusive of the estimated impacts of the COVID-19 pandemic and considering actions that have been undertaken thus far to reduce the financial impact of this event ("levers").

As at the date of this report, levers pulled to reduce the impact on the Financial Stabilization Reserve Fund include:

- reduction of discretionary spending
- temporary lay-off of non-permanent Community Services staff
- freeze on fleet purchases
- hiring freeze for the remainder of the year
- freeze of non-union Public Services salaries
- voluntary furlough program
- temporary reduction of Transit service with temporary lay-offs.

If the levers already pulled had not been acted upon, total shortfalls of revenues to expenses for the City (General Revenue Fund, Transit, Utilities and SOAs) would project to be \$66.7 million.

Considering the projected shortfalls in the General Revenue Fund as well as Transit (net of unallocated retained earnings), the Financial Stabilization Reserve is projected to be at \$65.0 million, which is \$3.6 million below the Council mandated minimum balance of \$68.6 million, which is calculated as 6% of the tax-supported budgeted expenditures after budgeted transfers at December 31, 2020.

Council will be considering further levers to be pulled including:

- the replacement of cash to capital with other funding
- deferred transfer to the Community Centre Renovation Grant Program (“CCRGP”)
- transfer of unallocated equity from the Land Operating Reserve to the General Revenue Fund

Pulling of these levers will increase the forecasted balance of the Financial Stabilization Reserve Fund by \$28.5 million; to a balance of \$93.5 million. At the time of this report, these levers have not been considered by Council and therefore the associated financial implications are not included in this forecast.

Actions taken to date as well as the planned actions described in this report are consistent with the COVID-19 Crisis Cash Flow Management Plan report that was presented Standing Policy Committee on Finance on April 27, 2020.

## **RECOMMENDATIONS**

That the Financial Status Report to March 31, 2020 be received as information.

## **REASON FOR THE REPORT**

On December 17, 1997, City Council approved clause 1 of the report of the Standing Committee on Fiscal Issues, which requires that a periodic report be approved on a quarterly basis by the Standing Committee on Fiscal Issues. Since that time, the Standing Committee on Fiscal Issues has been renamed Standing Policy Committee on Finance.

## **IMPLICATIONS OF THE RECOMMENDATIONS**

At this time, the Public Service anticipates a projected deficit of \$25.8 million for the tax-support budget (General Revenue Fund) and a projected deficit of \$26.1 million in Transit (both considering COVID-19 Crisis Cash Flow Management Plan levers pulled) primarily as a result of the pandemic. Historically, the first quarter deficits have been eliminated or decreased over the remainder of the year. However, due to the uncertainty related to the pandemic, this trend may not hold true in the current year.

The Public Service has identified additional levers to help support the mitigation of the deficit and will continue to monitor the General Revenue Fund on a regular basis.

Current forecasts (including both the General Revenue Fund and Transit) are indicating that the Financial Stabilization Reserve Fund would have fallen below the Council mandated minimum balance of \$68.6 million without any actions being taken to minimize the financial impacts of the COVID-19 pandemic on City operations (“levers”). Levers pulled to date will raise the forecasted balance in the Financial Stabilization Reserve Fund by \$12.9 million. Council will be considering further levers to be pulled that will further reduce the draw upon the Financial Stabilization Reserve Fund by \$28.5 million.

## **HISTORY/DISCUSSION**

The forecasted results at March and the year-end position before final transfers for the General Revenue Fund for the past five years were as follows:

Year	Deficit in millions at March 31	Surplus (deficit) in millions at December 31 before Final Transfers
2019	\$ (9.8)	\$ (1.1)
2018	(15.6)	19.5
2017	(13.6)	15.0
2016	(4.8)	(5.1)
2015	(2.6)	16.3

Based on experience of the past few years the first quarter forecast has reported a projected deficit which has been eliminated or decreased over the remainder of the year. The average change over the last five years between the first quarter and year-end is \$18.2 million, ranging from a \$0.3 million decrease to a \$35.1 million increase. However, due to the uncertainty related to the pandemic, this trend may not hold true in the current year.

This will continue to be monitored and additional options will be sought to eliminate the deficit if necessary. As approved by Council on April 3, 2020, the Financial Stabilization Reserve Fund could be drawn on to cover any remaining shortfall and the deficit could be incorporated into future operating budgets.

Considering the projected shortfalls in the General Revenue Fund as well as Transit (net of unallocated retained earnings), the Financial Stabilization Reserve Fund is projected to be at \$65.0 million, which is \$3.6 million below the Council mandated minimum balance of \$68.6 million, which is calculated as 6% of the tax-supported budgeted expenditures after budgeted transfers at December 31, 2020 (Schedule 6). This is prior to acting on additional levers, subject to Council’s consideration.

## **COVID-19 Pandemic/Levers Pulled**

Actions taken to date as well as the planned actions described in this report are following the COVID-19 Crisis Cash Flow Management Plan report that was presented to this committee on April 27, 2020.

The table below summaries the estimated total impact of COVID-19 on the current forecast, inclusive of actions taken to date.

<i>In millions of \$</i>	COVID-19 Impact on Revenues	COVID-19 Impact on Expenditures	COVID-19 Total Impact
Tax Supported (General Revenue Fund)	\$ (23.4)	\$(1.9)	\$(25.3)
Transit	(35.5)	5.0	(30.5)
SOA's	(10.7)	2.0	(8.7)
Utilities	(0.8)	2.4	1.6
<b>TOTAL</b>	<b>\$(70.4)</b>	<b>\$7.5</b>	<b>\$(62.9)</b>

The amounts are the result of best available interpretations made as to reason for variance.

As at the date of this report, levers pulled to backstop the impacts of COVID-19 on the General Revenue Fund include:

- reduction of discretionary spending
- temporary lay-off of non-permanent Community Services staff
- freeze on fleet purchases
- hiring freeze for the remainder of the year
- freeze of non-union Public Services salaries
- voluntary furlough program
- temporary reduction of Transit Service with temporary lay-offs.

The estimated savings from these levers is \$12.9 million.

Council will be considering further levers to mitigate the financial implications of the COVID-19 pandemic on City operations including:

- replacement of cash to capital with external debt;
- deferred transfer to the Community Centre Renovation Grant Program ("CCRGP"); and
- transfer of unallocated equity from the Land Operating Reserve to the General Revenue Fund

These will reduce the draw on the Financial Stabilization Reserve Fund, improving the forecasted balance of the Financial Stabilization Reserve Fund by \$28.5 million to a forecasted balance of \$93.5 million. Included in that balance is \$22.0 million to be used to balance the 2020-2023 multi-year budget.

It should be noted that most departments in the General Revenue Fund are projecting a return to normal levels of service beginning September with the exception of Fire Paramedic Services. Fire Paramedic Services is projecting ambulance volumes to gradually improve through the latter part of 2020. Also, Transit and Winnipeg Parking Authority are projecting a gradual increase in demand through the end of year.

### **Fire Paramedic Service**

Discussions with Shared Health regarding funding for 2020 are ongoing. This forecast has therefore assumed a funding model where EMS costs are fully recovered from Shared Health. The effects of the COVID-19 impact have resulted in reduced demand for service (ambulance fees) and increased costs associated with overtime and personal protection equipment. The net impact of these is \$6.0 million included in this projection as additional funding from Shared Health under full cost recovery. The City is still owed \$0.3 million for amounts billed Shared Health for 2019 full cost recovery.

### **Snow Removal and Ice Control Over Expenditure**

The Public Works Department has experienced a significant over expenditure related to snow removal and ice control. During the year, \$41.2 million is expected to be spent on snow removal and ice control operations resulting in a projected over expenditure of \$6.2 million. The total 2020 Public Works Department snow removal and ice control budget is \$35 million. The over expenditures are the result of above average snow accumulation during January, March and April of 2020. The unusual snow accumulation in April 2020 was the most snowfall in an April in 20 years (2000-2019). April 2020 had 29.8 centimeters of snow versus a 20 year average of 4.6 centimeters (Environment Canada). Snow removal and ice control services are governed by the Council approved *Policy on Snow Clearing and Ice Control* (<http://winnipeg.ca/publicworks/snow/snowClearing/snowClearingPolicy.stm>)

### **Transit**

As of March 31, 2020, the Transit System is forecasting a year-end operating deficit of \$26.1 million. This forecasted deficit is separate from the General Revenue Fund deficit of \$25.8 million.

This forecasted deficit includes a tax-supported transfer from the General Revenue Fund of \$67.3 million, as per the 2020 adopted budget. The deficit is primarily a result of shortfall of fare revenues due to the pandemic. The shortfall in fare revenue is partially offset by salaries and benefits and fuel savings as a result of a reduced service schedule and temporary layoff of bus operators as ridership has been reduced since the beginning of the pandemic.

The Public Service's plan to address the shortfall created by the pandemic contemplates using \$9.6 million in unallocated retained earnings to partially address the deficit, with the remainder of the funding being a draw from the General Revenue Fund at year-end.

It should be noted that the current forecast is has assumed that current ridership levels will persist until fall and after that will be a gradual increases in ridership through to the end of the year. At the time of reporting, future ridership is uncertain and the Public Service will continue to monitor this assumption closely in subsequent forecasts.

### **Other**

The Corporate Finance Department has prepared this report showing forecasted revenues and expenses to December 31, 2020, for the General Revenue Fund, Utility Funds and Municipal Accommodations Fund. This information was obtained from departments and was based on actual data as at March 31, 2020.

Attachments included are the following:

- Schedule 1 – The City of Winnipeg – General Revenue Fund – Financial Status and Forecast Report;
- Schedule 2 – The City of Winnipeg – General Revenue Fund – Budget Variances;
- Schedule 3 – The City of Winnipeg – Summary by Fund;
- Schedule 4 – The City of Winnipeg – General Revenue Fund – Net Mill Rate by Department;
- Schedule 5 – The City of Winnipeg – General Revenue Fund – Taxation Revenues; and
- Schedule 6 – The City of Winnipeg – Forecasted Balance of the Financial Stabilization Reserve Fund

<b>FINANCIAL IMPACT</b>
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**Financial Impact Statement**   **Date: June 2, 2020**

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**Project Name:**

**Financial Status and Forecast Report March 31, 2020**

**COMMENTS:**

This report is prepared for information purposes.

**"Original signed by: \_\_\_\_\_"**

Carlos Matias

Acting Manager of Financial Reporting and Accounting Services



## **CONSULTATION**

This Report has been prepared in consultation with:

All City of Winnipeg Departments

## **OURWINNIPEG POLICY ALIGNMENT**

01-3 Prosperity Direction 1 Provide Efficient and Focused Civic Administration and Governance. This report supports demonstration of accountability by the City's public service through reporting.

## **WINNIPEG CLIMATE ACTION PLAN ALIGNMENT**

N/A

## **SUBMITTED BY**

Department: Corporate Finance  
Division: Corporate Controller's  
Prepared by: Carlos Matias  
Date: June 4, 2020  
File No:

### **Attachments:**

Schedule 1 – The City of Winnipeg – General Revenue Fund – Financial Status and Forecast Report

Schedule 2 – The City of Winnipeg – General Revenue Fund – Budget Variances

Schedule 3 – The City of Winnipeg – Summary by Fund

Schedule 4 – The City of Winnipeg – General Revenue Fund – Net Mill Rate by Department

Schedule 5 – The City of Winnipeg – General Revenue Fund – Taxation Revenues

Schedule 6 – The City of Winnipeg – Forecasted Balance of the Financial Stabilization Reserve Fund

**THE CITY OF WINNIPEG - GENERAL REVENUE FUND**  
**FINANCIAL STATUS AND FORECAST REPORT**

Schedule 1

*Actual for the three month period ended March 31, 2020*

*forecasted for the year ending December 31, 2020*

*(in thousands of dollars)*

*(unaudited)*

	<b>Adopted Budget</b>	<b>Forecast</b>	<b>Variance From Budget</b>	<b>Year to Date Actual</b>
<b>REVENUES</b>				
Taxation	\$ 746,919	\$ 744,929	\$ (1,990)	\$ 172,095
Government transfers	146,406	155,766	9,360	5,861
Regulation fees	76,975	62,301	(14,674)	11,501
Sale of goods and services	54,389	42,459	(11,930)	11,496
Other	46,894	46,662	(232)	186
Payments-in-lieu of taxes	36,731	36,731	-	9,103
Interest	23,198	22,239	(959)	4,383
Transfer from other funds	12,435	12,555	120	1,612
Total Revenues	1,143,947	1,123,642	(20,305)	216,237
<b>EXPENSES</b>				
Assessment and taxation	20,270	22,263	(1,993)	16,947
Audit	1,379	1,385	(6)	1,057
Chief administrative offices	5,204	5,235	(31)	3,976
City clerks	12,924	12,661	263	9,977
Community services	114,968	105,296	9,672	84,368
Corporate	73,390	74,168	(778)	45,709
Corporate finance	8,217	7,833	384	6,290
Council	4,018	4,027	(9)	3,001
Customer service and communication	7,244	7,043	201	5,731
Fire paramedic service	209,413	211,183	(1,770)	157,308
Human resource services	6,026	6,016	10	4,621
Innovation, transformation and technology	28,077	27,580	497	23,516
Legal services	4,459	4,363	96	3,271
Mayor's office	1,832	1,751	81	1,430
Museums	765	765	-	569
Planning, property and development	45,908	46,294	(386)	29,118
Police service	304,076	309,681	(5,605)	228,607
Policy and strategic initiatives	820	692	128	673
Public works	259,007	265,874	(6,867)	215,543
Street lighting	12,409	12,409	-	8,289
Water and waste	23,541	22,951	590	20,694
Total Expenses	1,143,947	1,149,470	(5,523)	870,695
<b>FORECASTED DEFICIT</b>	\$ -	\$ (25,828)	\$ (25,828)	\$ (654,458)

Notes:

(1) See Schedule 4 for comparable departmental view.

**THE CITY OF WINNIPEG - GENERAL REVENUE FUND**  
**BUDGET VARIANCES ARISING FROM THE**  
**MARCH 31, 2020 FORECAST**  
**FOR THE YEAR ENDING DECEMBER 31, 2020**

**Schedule 2**

*(in millions of dollars)*  
*(unaudited)*

Police department's unfavourable variance is primarily related to decrease in revenues received from photo enforcement, traditional fines and increased costs as result of COVID-19 pandemic and as well as unrealized police pension savings.	<b>(13.5)</b>
Assessment and Taxation department's unfavourable variance is due to Council Council approved temporary waiver of penalties on late payment of property and business taxes and reduction of entertainment taxes.	<b>(9.0)</b>
Public Works department's unfavourable variance is mostly due to additional snow clearing program expenditures incurred in 2020 as well as costs associated with spring flood preparations.	<b>(7.8)</b>
Planning, property and development's unfavourable variance is as a result of reduction in revenues received from regulation fees and sale of goods and services as well as a transfer to the permit reserve. This is partially offset by savings in salaries and benefits.	<b>(1.8)</b>
Fire Paramedic department's unfavourable variance is primarily related to increase costs for salary and benefits and additional costs for supplies and material related to personal protective equipment's as a result of COVID-19 pandemic. These additional costs are offset by vehicle and building maintenance, fleet leasing and computer purchase delays.	<b>(1.0)</b>
Corporate Department's favourable variance is primarily a result of expected disaster financial assistance funding to be received from the October 2019 storm event. This additional funding is expected to be offset by unrealized pension savings.	<b>2.2</b>
Community Services department's favourable variance is primarily a result of the impact of COVID-19 to services and programming. This includes savings related to the temporary layoff and delay of hiring staff which is partially offset by reduced program revenues.	<b>3.8</b>
Other departmental revenues and expenses.	<b>1.3</b>
<b><i>Forecasted Deficit</i></b>	<b><u>\$ (25.8)</u></b>

(1) See Schedule 1 and 4 for breakdown of other departmental revenues and expenses.

# THE CITY OF WINNIPEG - SUMMARY BY FUND FINANCIAL STATUS AND FORECAST REPORT

Schedule 3

Actual for the three month period ended March 31, 2020

forecasted for the year ending December 31, 2020

(in thousands of dollars)

(unaudited)

	Adopted Budget	Forecast	Variance From Budget	Actual
<b>General Revenue Fund</b>				
Revenues	\$ 1,143,947	\$ 1,123,642	\$ (20,305)	\$ 216,237
Expenses	1,143,947	1,149,470	(5,523)	870,695
Deficit	\$ -	\$ (25,828)	\$ (25,828)	\$ (654,458)
<b>Transit System</b>				
Revenues	\$ 138,978	\$ 103,505	\$ (35,473)	\$ 23,282
Expenses	197,148	187,743	9,405	46,263
	(58,170)	(84,238)	(26,068)	(22,981)
Transfer to Reserves	(9,095)	(9,095)	-	(2,266)
Transfer from General Revenue Fund	67,265	67,265	-	(22,538)
Deficit*	\$ -	\$ (26,068)	\$ (26,068)	\$ (47,785)
<b>Waterworks System</b>				
Revenues	\$ 134,432	\$ 134,294	\$ (138)	\$ 31,687
Expenses	86,729	84,303	2,426	17,305
	47,703	49,991	2,288	14,382
Transfer to:				
Water Main Renewal Reserve	(19,500)	(19,500)	-	-
General Revenue Fund	(14,262)	(14,262)	-	-
Surplus Prior to Principal Debt Repayments	13,941	16,229	2,288	14,382
Principal Debt Repayments	(5,084)	(5,084)	-	-
Surplus	\$ 8,857	\$ 11,145	\$ 2,288	\$ 14,382
<b>Sewage Disposal System</b>				
Revenues	\$ 196,497	\$ 195,861	\$ (636)	\$ 46,232
Expenses	99,201	94,944	4,257	13,274
	97,296	100,917	3,621	32,958
Transfer to Reserves	(35,050)	(35,050)	-	(3,453)
Transfer to General Revenue Fund	(20,325)	(20,325)	-	-
Transfer to Land Drainage	(9,391)	(9,791)	(400)	(6,549)
Surplus	\$ 32,530	\$ 35,751	\$ 3,221	\$ 22,956

\*Any budget shortfall in Transit less the use of unallocated retained earnings will be transferred from the General Revenue Fund to balance at yearend.

## THE CITY OF WINNIPEG - SUMMARY BY FUND FINANCIAL STATUS AND FORECAST REPORT

Actual for the three month period ended March 31, 2020

forecasted for the year ending December 31, 2020

(in thousands of dollars)

(unaudited)

	Adopted Budget	Forecast	Variance From Budget	Actual
<b>Solid Waste Disposal</b>				
Revenues	\$ 46,860	\$ 46,832	\$ (28)	\$ 8,638
Expenses	50,635	49,303	1,332	7,230
	(3,775)	(2,471)	1,304	1,408
Transfer to Reserve	(303)	(310)	(7)	(43)
Deficit Prior to Principal Debt Repayments	(4,078)	(2,781)	1,297	1,365
Principal Debt Repayments	(2,428)	(2,462)	(34)	-
(Deficit)/Surplus	<u>\$ (6,506)</u>	<u>\$ (5,243)</u>	<u>\$ 1,263</u>	<u>\$ 1,365</u>
<b>Land Drainage</b>				
Revenues	4,959	4,940	(19)	1,480
Expenses	4,700	4,681	19	814
Surplus Prior to Principal Debt Repayments	259	259	-	666
Principal Debt Repayments	(259)	(259)	-	-
Surplus	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>666</u>
<b>Municipal Accommodations Fund</b>				
Revenues	\$ 72,407	\$ 72,410	\$ 3	\$ 16,359
Expenses	61,257	61,260	(3)	13,504
	11,150	11,150	-	2,855
Transfer to: General Revenue Fund	(11,150)	(11,150)	-	(105)
Surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,750</u>

**THE CITY OF WINNIPEG - GENERAL REVENUE FUND**  
**FINANCIAL STATUS AND FORECAST REPORT**

**Schedule 4**

*forecasted for the year ending December 31, 2020*  
*(in thousands of dollars)*  
*(unaudited)*

	<i>Revenues</i>			<i>Expenses</i>			<i>Net Mill Rate</i>
	<b>Adopted Budget</b>	<b>Forecast</b>	<b>Variance Budget/Forecast</b>	<b>Adopted Budget</b>	<b>Forecast</b>	<b>Variance Budget/Forecast</b>	<b>Variance Budget/Forecast</b>
Assessment and taxation	\$ 745,560	\$ 738,595	\$ (6,965)	\$ 20,270	\$ 22,263	\$ (1,993)	\$ (8,958)
Audit	-	-	-	1,379	1,385	(6)	(6)
Chief administrative offices	-	-	-	5,204	5,235	(31)	(31)
City clerks	96	623	527	12,924	12,661	263	790
Community services	18,008	12,127	(5,881)	114,968	105,296	9,672	3,791
Corporate	126,571	129,503	2,932	73,390	74,168	(778)	2,154
Corporate finance	7,119	6,121	(998)	8,217	7,833	384	(614)
Council	-	-	-	4,018	4,027	(9)	(9)
Customer service and communication	70	80	10	7,244	7,043	201	211
Fire paramedic service	70,978	71,702	724	209,413	211,183	(1,770)	(1,046)
Human resource services	-	-	-	6,026	6,016	10	10
Innovation, transformation and technology	-	-	-	28,077	27,580	497	497
Legal services	475	157	(318)	4,459	4,363	96	(222)
Mayor's office	-	-	-	1,832	1,751	81	81
Museums	-	-	-	765	765	-	-
Planning, property and development	49,568	48,105	(1,463)	45,908	46,294	(386)	(1,849)
Police service	46,508	38,607	(7,901)	304,076	309,681	(5,605)	(13,506)
Policy and strategic initiatives	-	-	-	820	692	128	128
Public works	77,827	76,871	(956)	259,007	265,874	(6,867)	(7,823)
Street lighting	-	-	-	12,409	12,409	-	-
Waterworks and waste	1,167	1,151	(16)	23,541	22,951	590	574
<b>Forecasted Deficit</b>	<b>\$ 1,143,947</b>	<b>\$ 1,123,642</b>	<b>\$ (20,305)</b>	<b>\$ 1,143,947</b>	<b>\$ 1,149,470</b>	<b>\$ (5,523)</b>	<b>\$ (25,828)</b>

# THE CITY OF WINNIPEG - GENERAL REVENUE FUND

## TAXATION REVENUES

Schedule 5

forecasted for the year ending December 31, 2020  
(in thousands of dollars)  
(unaudited)

	<b>Adopted Budget</b>	<b>Forecast</b>	<b>Variance From Budget</b>	<b>Year to Date Actual</b>
Property taxes	\$ 634,562	\$ 628,498	\$ (6,064)	\$ 158,866
Business taxes	57,916	59,467	1,551	15,770
Transfer from Financial Stabilization Reserve*	-	4,520	4,520	-
	692,478	692,485	7	174,636
Street renewal frontage levy	63,796	63,628	(168)	-
Electricity tax	20,300	20,000	(300)	3,538
Gas tax	2,800	2,800	-	411
Other taxation	4,276	2,747	(1,529)	2,613
Total taxation and payments-in-lieu of taxes revenue	<u>\$ 783,650</u>	<u>\$ 781,660</u>	<u>\$ (1,990)</u>	<u>\$ 181,198</u>
Taxation	\$ 746,919	\$ 744,929	\$ (1,990)	\$ 172,095
Payments-in-lieu of taxes	36,731	36,731	-	9,103
Total taxation and payments-in-lieu of taxes revenue	<u>\$ 783,650</u>	<u>\$ 781,660</u>	<u>\$ (1,990)</u>	<u>\$ 181,198</u>

\* On September 28, 2011, City Council approved a report from the Executive Policy Committee to permit transfers to or from the Financial Stabilization Reserve to offset any variance in the revenue projections for taxes billed including net supplementary taxes used in the General Revenue Fund budget and the actual amounts achieved. Due to COVID-19, net taxes added is being forecast to be \$4.5 million less than budget, requiring a transfer to the General Revenue fund from the Financial Stabilization Reserve fund.

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**THE CITY OF WINNIPEG - FORECASTED BALANCE**      **Schedule 6**  
**OF THE FINANCIAL STABILIZATION RESERVE**  
**FUND**

*forecasted for the year ending December 31, 2020*  
*(in thousands of dollars)*  
*(unaudited)*

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	<b>Forecast</b>
Opening balance - Financial Stabilization Reserve	\$ 107,766
Add:	
Estimated net interest earnings	799
Transfer to the General Revenue Fund for shortfall in Net Taxes Added	(4,520)
Budgeted transfer from the General Revenue Fund	5,380
	<u>1,659</u>
Less:	
Transfer for Community Center Renovation Grant program	(2,070)
Tax Supported - estimated financial projections budget impact	(25,828)
	<u>(27,898)</u>
Transit - estimated financial projections budget impact	(26,068)
less: usage of Transit unaudited unallocated retained earnings	9,576
	<u>(16,492)</u>
Estimated closing balance - Financial Stabilization Reserve	<u><u>\$ 65,035</u></u>