

Agenda – Standing Policy Committee on Finance – November 13, 2020

REPORTS

Item No. 5 Financial Status and Forecast Report to September 30, 2020

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That the Financial Status Report to September 30, 2020 be received as information.

ADMINISTRATIVE REPORT

Title: Financial Status and Forecast Report to September 30, 2020

Critical Path: Standing Policy Committee on Finance

AUTHORIZATION

Author	Department Head	CFO	CAO
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EXECUTIVE SUMMARY

The Financial Status and Forecast Report (“Report”) to September 30, 2020 currently anticipates a surplus of \$1.1 million (vs. \$2.5 million deficit last Report) for the tax-supported budget (General Revenue Fund). It should be noted that the COVID-19 Crisis Cash Flow Management Plan actions, approved by Council at its meeting of June 26, 2020, reduced the projected shortfall for the General Revenue Fund from what would have been \$22.5 million.

Transit is projecting a budget shortfall of \$32.4 million (vs. \$32.4 million last Report). The Transit budget shortfall will be offset by transfers from the Financial Stabilization Reserve Fund via the General Revenue Fund as necessary. The SOA’s are projecting a budget shortfall of \$8.7 million (vs. \$9.1 million last Report) while the Utilities anticipate revenues in excess of expenditures of \$17.1 million (vs. \$13.7 million last Report).

The total budget shortfall for all City Departments is projected to be \$22.9 million (vs. \$30.3 million last Report), inclusive of the estimated impacts of the COVID-19 pandemic and considering actions that have been undertaken 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 Senior Management Team salaries;
- voluntary furlough program;
- temporary reduction of Transit service with temporary lay-offs;
- deferred transfer to the Community Centre Renovation Grant Program (“CCRGP”);
- the replacement of cash to capital with debt (CTC); and

- transfer of unallocated equity from the Land Operating Reserve (LOR) to the General Revenue Fund

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 \$59.7 million. All actions taken to date are consistent with the COVID-19 Crisis Cash Flow Management Plan.

Considering the projected shortfall in Transit (net of unallocated retained earnings) and levers approved, the Financial Stabilization Reserve (FSR) is projected to be at \$89.0 million, which is \$20.3 million above the Council mandated minimum balance of \$68.7 million (6% of the tax-supported budgeted expenditures after budgeted transfers at December 31, 2020). Also included in the current estimated FSR balance is \$22.0 million that the budget process has used to balance the 2020-2023 multi-year budget.

Regarding Federal Safe Restart program funding, all discussions in this report are current to the date of drafting.

On a province-wide basis, there is \$72.6 million available for municipal operations and \$33 million for public transit support. Winnipeg's allocation for the municipal operations' portion of the program is \$42.2 million and this amount was received on October 28, 2020.

Regarding the public transit portion of the Safe Restart funding, the Province has not yet finalized the funding formula for the transit allocation and is seeking further information as to operating losses and ridership. The Province has stated in a news conference that Winnipeg can expect to receive at least 90% of the total funds, which would be at least \$29.7 million (\$33 million * 90% = \$29.7 million). The Province expects public transit allocations to be determined and funds distributed by mid-November.

It should be noted that while Federal Safe Restart program amounts flowing to the City are becoming known, there has not yet been any written communication from the Province as to program conditions or if there will be any restrictions placed on the use of funds. As a result, this forecast does not include the impact of the Safe Restart program funds.

RECOMMENDATIONS

That the Financial Status Report to September 30, 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 surplus of \$1.1 million (vs. \$2.5 million deficit last Report) for the tax-support budget (General Revenue Fund) and a projected deficit of \$32.4

million (vs. \$32.4 million last Report) in Transit (both considering COVID-19 Crisis Cash Flow Management Plan levers pulled) primarily as a result of the pandemic.

Historically, results reported at this time of the year have improved 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 will continue to regularly monitor the General Revenue Fund.

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 \$68.7 million without any actions being taken to minimize the financial impacts of the COVID-19 pandemic on City operations (“levers”).

HISTORY/DISCUSSION

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

Year	Surplus (deficit) in millions at September 30	Surplus (deficit) in millions at December 31 before Final Transfers
2019	\$ (9.4)	\$ (1.1)
2018	9.5	19.5
2017	0.4	15.0
2016	0.6	(5.1)
2015	8.7	16.3

Based on experience of the past few years result from the September forecast have improved over the remainder of the year. The average change over the last five years reported between the September forecast and year-end is \$7.0 million, ranging from a decrease of \$5.7 million to a \$14.6 million improvement. 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 any future 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 any potential deficit could be incorporated into future operating budgets.

Considering the projected surplus in the General Revenue Fund, deficit in Transit (net of unallocated retained earnings), and levers approved, the Financial Stabilization Reserve Fund is projected to be at \$89.0 million as at December 31, 2020, which is \$20.3 million above the Council mandated minimum balance of \$68.7 million (6% of the tax-supported budgeted expenditures after budgeted transfers at December 31, 2020). Also included in the current estimated balance of \$89.0 million (all levers pulled) is \$22.0 million that the budget process has used to balance the 2020-2023 multi-year budget.

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 summarizes the estimated total impact of COVID-19 on the current forecast, inclusive of actions taken to date.

<i>In millions of \$</i>	Current Forecast			August Forecast
	COVID-19 Impact on Revenues	COVID-19 Impact on Expenditures	COVID-19 Total Impact	COVID-19 Total Impact
Tax Supported (General Revenue Fund)	\$ (24.8)	\$0.3	\$(24.5)	\$(23.7)
Transit	(45.8)	4.7	(41.1)	(39.2)
SOA's	(11.3)	2.6	(8.7)	(9.0)
Utilities	(1.2)	4.0	2.8	2.2
TOTAL	\$(83.1)	\$11.6	\$(71.5)	\$(69.7)

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 Senior Management Team salaries;
- voluntary furlough program;
- temporary reduction of Transit Service with temporary lay-offs;
- deferred transfer to the Community Centre Renovation Grant Program ("CCRGP");
- replacement of cash to capital with debt (CTC); and
- transfer of unallocated equity from the Land Operating Reserve to the General Revenue Fund

The estimated saving from these levers is \$36.8 million. Please note that the deferred transfer to the CCRGP does not reduce the shortfall for all city departments. However, this lever reduces the draw on the Financial Stabilization Reserve Fund.

Also included in the included in the current estimated balance of \$89.0 million (all levers pulled) is \$22.0 million that the budget process has used to balance the 2020-2023 multi-year budget.

It should be noted that most departments continue to review operations and make the best estimate for operations throughout the year. Accordingly, Fire Paramedic Services is projecting ambulance volumes to gradually increase through the latter part of 2020 and Winnipeg Parking Authority are projecting a gradual increase in demand through the end of year. This forecast includes these assumptions.

On July 23, 2020, the Federal Government announced Safe Restart Agreement between the federal government and the Provinces and Territories. The announcement included up to \$2 billion in federal funding that will be made available to cities and towns across Canada. In addition, the Government of Canada will be providing \$1 billion in federal transit funding. These are subject to matching Provincial funding.

Regarding Federal Safe Restart program funding, all discussions in this report are current to the date of drafting.

On a province-wide basis, there is \$72.6 million available for municipal operations and \$33 million for public transit support. Winnipeg's allocation for the municipal operations' portion of the program is \$42.2 million and this amount was received on October 28, 2020.

Regarding the public transit portion of the Safe Restart funding, the Province has not yet finalized the funding formula for the transit allocation and is seeking further information as to operating losses and ridership. The Province has stated in a news conference that Winnipeg can expect to receive at least 90% of the total funds, which would be at least \$29.7 million (\$33 million * 90% = \$29.7 million). The Province expects public transit allocations to be determined and funds distributed by mid-November.

It should be noted that while Federal Safe Restart program amounts flowing to the City are becoming known, there has not yet been any written communication from the Province as to program conditions or if there will be any restrictions placed on the use of funds. As a result, this forecast does not include the impact of the Safe Restart program funds.

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 COVID-19 initially resulted in reduced demand for service but this returned to normal levels quickly (ambulance fees) and increased costs associated with overtime and personal protective equipment. The net impact of these is \$1.2 million included in this projection as additional funding (above confirmed 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, \$42.6 million is expected to be spent on snow removal and ice control operations resulting in a projected over-expenditure of \$7.6 million. The total 2020 Public Works Department snow removal and ice control budget is \$35.0 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>)

On October 14, 2020, Standing Committee on Finance gave approval to the Public Works Department to over-expend its 2020 Operating Budget by up to \$9.1 million based on the August 31, 2020 Forecast.

Transit

As of September 30, 2020, the Transit System is forecasting a year-end operating deficit of \$32.4 million (vs. \$32.4 million last Report). This forecasted deficit is separate from the General Revenue Fund surplus of \$1.1 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 \$9.0 million in unallocated retained earnings to partially address the deficit, with the remainder of the funding being a transfer from the General Revenue Fund at year-end.

Since the last forecast, the Province has moved the Winnipeg Metropolitan Region into Red Critical Level. As a result of this change Transit is anticipating a further negative impact on revenue. This forecast reflects revised revenue assumptions related to an expected reduction in ridership down to 35% of normal levels by the end of the year. The financial impact of off campus learning at the universities and Red River College has been included. The Public Service will continue to monitor this assumption closely in subsequent forecasts.

For clarity, the accounting at year-end will transfer funds from the General Revenue Fund to Transit in order to eliminate the operating shortfall in Transit in excess of the unallocated retained earnings. Thus, in the year-end financial statements, while Transit will disclose an additional transfer from the General Revenue Fund, the Transit operating shortfall net of unallocated retained earnings will be reported as a further shortfall in the General Revenue Fund. For purposes of this report and to enhance understandability, the General Revenue Fund and Transit are being disclosed without this additional final transfer.

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 September 30, 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 – General Revenue Fund – Reconciliation of August to September forecast;
- Schedule 4 – The City of Winnipeg – Summary by Fund;
- Schedule 5 – The City of Winnipeg – General Revenue Fund – Net Mill Rate by Department;
- Schedule 6 – The City of Winnipeg – General Revenue Fund – Taxation Revenues; and
- Schedule 7 – The City of Winnipeg – Forecasted Balance of the Financial Stabilization Reserve Fund

FINANCIAL IMPACT

Financial Impact Statement Date: November 2, 2020

Project Name:

Financial Status and Forecast Report September 30, 2020

COMMENTS:

This report is prepared for information purposes.

"Original signed by:

Carlos Matias, CPA, CGA

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 the 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: November 4, 2020
File No: N/A

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 – General Revenue Fund – Reconciliation of August to September forecast

Schedule 4 – The City of Winnipeg – Summary by Fund

Schedule 5 – The City of Winnipeg – General Revenue Fund – Net Mill Rate by Department

Schedule 6 – The City of Winnipeg – General Revenue Fund – Taxation Revenues

Schedule 7 – 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 nine month period ended September 30, 2020

forecasted for the year ending December 31, 2020

(in thousands of dollars)

(unaudited)

	Adopted Budget	Forecast	Variance From Budget	Year to Date Actual
REVENUES				
Taxation	\$ 746,919	\$ 743,351	\$ (3,568)	\$ 566,043
Government transfers	146,406	154,452	8,046	123,358
Regulation fees	76,975	61,037	(15,938)	45,835
Sale of goods and services	54,389	45,647	(8,742)	32,508
Other	46,894	46,654	(240)	1,201
Payments-in-lieu of taxes	36,731	36,731	-	27,554
Interest	23,198	24,638	1,440	22,067
Transfer from other funds	12,435	23,780	11,345	1,495
Total Revenues	1,143,947	1,136,290	(7,657)	820,061
EXPENSES				
Assessment and taxation	20,270	20,742	(472)	10,839
Audit	1,379	1,350	29	842
Chief administrative offices	5,204	5,167	37	3,424
City clerks	12,924	12,594	330	9,142
Community services	114,968	101,772	13,196	73,579
Corporate	73,390	74,075	(685)	72,480
Corporate finance	8,217	8,003	214	5,990
Council	4,018	4,024	(6)	2,868
Customer service and communication	7,244	6,679	565	4,755
Fire paramedic service	209,413	213,541	(4,128)	153,126
Human resource services	6,026	5,870	156	4,173
Innovation, transformation and technology	28,077	24,096	3,981	17,555
Legal services	4,459	7,423	(2,964)	3,147
Mayor's office	1,832	1,718	114	945
Museums	765	765	-	725
Planning, property and development	45,908	43,217	2,691	33,828
Police service	304,076	305,666	(1,590)	225,150
Policy and strategic initiatives	820	661	159	457
Public works	259,007	262,239	(3,232)	216,525
Street lighting	12,409	12,409	-	10,378
Water and waste	23,541	23,171	370	16,058
Total Expenses	1,143,947	1,135,182	8,765	865,986
FORECASTED SURPLUS	\$ -	\$ 1,108	\$ 1,108	\$ (45,925)

Notes:

(1) See Schedule 5 for comparable departmental view.

(2) The forecasted deficit above is before transfers to the Transit System to cover Transit operating shortfalls in excess of unallocated retained earnings.

THE CITY OF WINNIPEG - GENERAL REVENUE FUND
BUDGET VARIANCES ARISING FROM THE
SEPTEMBER 30, 2020 FORECAST
FOR THE YEAR ENDING DECEMBER 31, 2020

Schedule 2

(in millions of dollars)
(unaudited)

Assessment and Taxation department's unfavourable variance is due to Council approved temporary waiver of penalties on late payment of property and business taxes and reduction in electricity and entertainment taxes offset by savings in salaries and benefits.	(9.7)
Fire Paramedic department's unfavourable variance is primarily related to increase costs for salary and benefits (overtime), additional costs for supplies and material related to personal protective equipment's as a result of COVID-19 pandemic and increase provision for uncollectable fees. These additional costs are offset by savings in fleet leasing and computer purchase delays.	(4.8)
Police department's unfavourable variance is primarily related to net impact to the photo enforcement program, decrease in traditional revenue fines and unrealized police pension savings. This is partially offset by cash to capital (CTC) lever pulled and salary and benefit savings.	(3.8)
Legal Services department's unfavourable variance is mostly related to an increase in external legal fees.	(3.0)
Public Works department's unfavourable variance is mostly due to additional snow revised clearing program expenditures incurred in 2020, spring clean-up, and flood preparations. These costs are offset by CTC lever pulled and savings in salary and benefit costs.	(1.8)
Corporate Finance department's favourable variance is largely a result of higher than anticipated interest earned on short term investments.	1.1
Innovation, Transformation and Technology department's favourable variance is primarily a result of salary and benefit savings as well as CTC lever pulled.	4.0
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. Also included in the savings is CTC lever pulled.	6.0
Corporate department's favourable variance is primarily a result of expected disaster financial assistance funding to be received from the October 2019 storm event, debt and finance savings and a transfer from the LOR (COVID-19 lever pulled). This additional funding is expected to be offset by unrealized pension savings and realized corporate efficiencies in other departments.	11.6
Other departmental revenues and expenses.	1.5
Forecasted Surplus	\$ 1.1

(1) See Schedule 1 and 5 for breakdown of other departmental revenues and expenses.

(2) The forecasted deficit above is before transfers to the Transit System to cover Transit operating shortfalls in excess of unallocated retained earnings.

THE CITY OF WINNIPEG - GENERAL REVENUE FUND Schedule 3
RECONCILIATION OF AUGUST TO SEPTEMBER FORECAST
SEPTEMBER 30, 2020 FORECAST
FOR THE YEAR ENDING DECEMBER 31, 2020

(in millions of dollars)
(unaudited)

Forecasted General Revenue Fund Deficit - August 31, 2020	\$ (2.5)
Corporate department's unfavourable variance is mostly related to realized corporate efficiencies in other departments offset by savings in debt and finance charges.	(2.2)
Police Services department's favourable variance primarily relates to savings in salary and benefits costs.	1.7
Assessment and Taxation department's favourable variance primarily relates to decrease in the estimated shortfall from the temporary waiver of penalties on late payment of property and business as well as decrease in expected appeal losses.	1.5
Public Work department's favourable variance primarily relates to expenditure savings for parks and open spaces and services provided for capital and developer projects and damaged repairs.	1.4
Other departmental revenues and expenses.	<u>1.2</u>
<i>Forecasted General Revenue Fund Surplus - September 30, 2020</i>	<u>\$ 1.1</u>

(1) The forecasted deficit above is before transfers to the Transit System to cover Transit operating shortfalls in excess of unallocated retained earnings.

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

Schedule 4

*Actual for the nine month period ended September 30, 2020
forecasted for the year ending December 31, 2020
(in thousands of dollars)
(unaudited)*

	Adopted Budget	Forecast	Variance From Budget	Actual
General Revenue Fund				
Revenues	\$ 1,143,947	\$ 1,136,290	\$ (7,657)	\$ 820,061
Expenses	1,143,947	1,135,182	8,765	865,986
Surplus (Deficit)*	\$ -	\$ 1,108	\$ 1,108	\$ (45,925)
Transit System				
Revenues	\$ 138,978	\$ 93,161	\$ (45,817)	\$ 72,380
Expenses	197,148	183,776	13,372	129,686
	(58,170)	(90,615)	(32,445)	(57,306)
Transfer to Reserves	(9,095)	(9,095)	-	(6,817)
Transfer from General Revenue Fund	67,265	67,265	-	56,171
Deficit*	\$ -	\$ (32,445)	\$ (32,445)	\$ (7,952)
Waterworks System				
Revenues	\$ 134,432	\$ 134,033	\$ (399)	\$ 100,364
Expenses	81,645	77,009	4,636	59,997
	52,787	57,024	4,237	40,367
Transfer to:				
Water Main Renewal Reserve	(19,500)	(19,500)	-	(4,875)
General Revenue Fund	(14,262)	(14,262)	-	-
Surplus Prior to Principal Debt Repayments	19,025	23,262	4,237	35,492
Principal Debt Repayments	(5,084)	(5,084)	-	-
Surplus	\$ 13,941	\$ 18,178	\$ 4,237	\$ 35,492
Sewage Disposal System				
Revenues	\$ 196,497	\$ 195,739	\$ (758)	\$ 149,444
Expenses	99,201	92,979	6,222	66,050
	97,296	102,760	5,464	83,394
Transfer to Reserves	(35,050)	(33,650)	1,400	(13,526)
Transfer to General Revenue Fund	(20,325)	(20,325)	-	-
Transfer to Land Drainage	(9,392)	(9,696)	(304)	(8,339)
Surplus	\$ 32,529	\$ 39,089	\$ 6,560	\$ 61,529

**Any budget shortfall in Transit less the use of unallocated retained earnings will require a transfer from the General Revenue Fund at yearend in order to balance the Transit System fund as at December 31, 2020.*

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

Schedule 4

Actual for the nine month period ended September 30, 2020

forecasted for the year ending December 31, 2020

(in thousands of dollars)

(unaudited)

	Adopted Budget	Forecast	Variance From Budget	Actual
Solid Waste Disposal				
Revenues	\$ 46,860	\$ 50,762	\$ 3,902	\$ 31,592
Expenses	48,207	45,783	2,424	30,672
	(1,347)	4,979	6,326	920
Transfer to Reserve	(302)	(339)	(37)	(234)
Deficit Prior to Principal Debt Repayments	(1,649)	4,640	6,289	686
Principal Debt Repayments	(2,428)	(2,462)	(34)	-
(Deficit)/Surplus	<u>\$ (4,077)</u>	<u>\$ 2,178</u>	<u>\$ 6,255</u>	<u>\$ 686</u>
Land Drainage				
Revenues	4,958	4,998	40	3,576
Expenses	4,699	4,739	(40)	3,330
Surplus Prior to Principal Debt Repayments	259	259	-	246
Principal Debt Repayments	(259)	(259)	-	-
Surplus	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>246</u>
Municipal Accommodations Fund				
Revenues	\$ 72,407	\$ 72,045	\$ (362)	\$ 49,661
Expenses	61,257	60,785	472	38,507
	11,150	11,260	110	11,154
Transfer to: General Revenue Fund	(11,150)	(11,260)	(110)	(159)
Surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,995</u>

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

Schedule 5

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

	<i>Revenues</i>			<i>Expenses</i>			<i>Net Mill Rate</i>
	<i>Adopted Budget</i>	<i>Forecast</i>	<i>Variance Budget/Forecast</i>	<i>Adopted Budget</i>	<i>Forecast</i>	<i>Variance Budget/Forecast</i>	<i>Variance Budget/Forecast</i>
Assessment and taxation	\$ 745,560	\$ 736,300	\$ (9,260)	\$ 20,270	\$ 20,742	\$ (472)	\$ (9,732)
Audit	-	-	-	1,379	1,350	29	29
Chief administrative offices	-	-	-	5,204	5,167	37	37
City clerks	96	663	567	12,924	12,594	330	897
Community services	18,008	10,858	(7,150)	114,968	101,772	13,196	6,046
Corporate	126,571	138,890	12,319	73,390	74,075	(685)	11,634
Corporate finance	7,119	8,052	933	8,217	8,003	214	1,147
Council	-	-	-	4,018	4,024	(6)	(6)
Customer service and communication	70	80	10	7,244	6,679	565	575
Fire paramedic service	70,978	70,293	(685)	209,413	213,541	(4,128)	(4,813)
Human resource services	-	-	-	6,026	5,870	156	156
Innovation, transformation and technology	-	-	-	28,077	24,096	3,981	3,981
Legal services	475	423	(52)	4,459	7,423	(2,964)	(3,016)
Mayor's office	-	-	-	1,832	1,718	114	114
Museums	-	-	-	765	765	-	-
Planning, property and development	49,568	45,939	(3,629)	45,908	43,217	2,691	(938)
Police service	46,508	44,281	(2,227)	304,076	305,666	(1,590)	(3,817)
Policy and strategic initiatives	-	-	-	820	661	159	159
Public works	77,827	79,257	1,430	259,007	262,239	(3,232)	(1,802)
Street lighting	-	-	-	12,409	12,409	-	-
Waterworks and waste	1,167	1,254	87	23,541	23,171	370	457
Forecasted Surplus/(Deficit)	\$ 1,143,947	\$ 1,136,290	\$ (7,657)	\$ 1,143,947	\$ 1,135,182	\$ 8,765	\$ 1,108

(1) The forecasted deficit above is before transfer to the Transit System to cover Transit operating shortfalls in excess of unallocated retained earnings.

THE CITY OF WINNIPEG - GENERAL REVENUE FUND
TAXATION REVENUES

Schedule 6

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

	Adopted Budget	Forecast	Variance From Budget	Year to Date Actual
Property taxes	\$ 634,562	\$ 630,702	\$ (3,860)	\$ 470,446
Business taxes	57,916	59,467	1,551	43,028
Transfer from Financial Stabilization Reserve*	-	2,316	2,316	-
	692,478	692,485	7	513,474
Street renewal frontage levy	63,796	63,588	(208)	63,588
Electricity tax	20,300	19,000	(1,300)	12,885
Gas tax	2,800	2,500	(300)	1,556
Other taxation	4,276	2,509	(1,767)	2,094
Total taxation and payments-in-lieu of taxes revenue	<u>\$ 783,650</u>	<u>\$ 780,082</u>	<u>\$ (3,568)</u>	<u>\$ 593,597</u>
Taxation	\$ 746,919	\$ 743,351	\$ (3,568)	\$ 566,043
Payments-in-lieu of taxes	36,731	36,731	-	27,554
Total taxation and payments-in-lieu of taxes revenue	<u>\$ 783,650</u>	<u>\$ 780,082</u>	<u>\$ (3,568)</u>	<u>\$ 593,597</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 \$2.3 million less than budget, requiring a transfer to the General Revenue fund from the Financial Stabilization Reserve fund.

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

Schedule 7

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

	Forecast
Opening balance - Financial Stabilization Reserve	\$ 107,766
Add:	
Estimated net interest earnings	521
Budgeted transfer from the General Revenue Fund	5,380
Tax Supported - estimated financial projections budget impact	1,108
	<u>7,009</u>
Less:	
Transfer to the General Revenue Fund for shortfall in Net Taxes Added	(2,316)
Transit - estimated financial projections budget impact	(32,445)
less: usage of Transit unaudited unallocated retained earnings	9,000
	<u>(23,445)</u>
Estimated closing balance - Financial Stabilization Reserve	<u>\$ 89,014</u>