

Agenda – Standing Policy Committee on Finance – December 8, 2020

REPORTS

Item No. 7 Financial Status and Forecast Report to October 31, 2020

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

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

ADMINISTRATIVE REPORT

Title: Financial Status and Forecast Report to October 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

In response to the COVID-19 pandemic, the City implemented the COVID-19 Crisis Cash Flow Management Plan which undertook a series of actions (or levers) to mitigate the impact of the significant revenues shortfalls and additional costs being caused by the pandemic. If the levers already pulled had not been acted upon, this forecast would have shown a total budget shortfall for all City Departments of \$52.4 million. Therefore, the results in this forecast have been significantly improved by the actions undertaken as part of the COVID-19 Crisis Cash Flow Management Plan and this should be kept in mind when reading the remainder of this report.

The total budget shortfall for all City Departments is projected to be \$15.3 million (vs. \$22.9 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.

The Financial Status and Forecast Report ("Report") to October 31, 2020 currently anticipates revenues in excess of expenditures of \$0.5 million (vs. \$1.1 million last Report) for the tax-supported budget (General Revenue Fund). It should be noted that the two levers approved by Council at its meeting of June 26, 2020 (replacement of cash to capital with debt and transfer of the unallocated balance in the Land Operating Reserve) improved the General Revenue Fund's forecast by \$23.6 million.

Transit is projecting a budget shortfall of \$28.7 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. \$8.7 million last Report). In addition, Utilities anticipate revenues in excess of expenditures of \$21.6 million (vs. \$17.1 million last Report).

Excluding utilities, the total shortfall for the General Revenue Fund, Transit and SOA's is \$36.9 million.

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

The Financial Stabilization Reserve (FSR) is projected to be at \$94.8 million, which is \$26.1 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.

Since the last forecast, the City has received clarification regarding Federal Safe Restart program funding. There is \$106.0 million available under the program on a province wide basis, with \$72.6 million available for municipal operations and \$33.4 million for public transit support.

Winnipeg’s allocation of the program monies has been determined at \$42.2 million for the municipal operations portion of the program and \$32.3 million for the transit portion. The municipal allocation was received on October 28, 2020 and the transit portion is expected shortly.

The Public Service is in the process of obtaining Council approval as to the internal allocation of these monies. The Preliminary 2021 Balanced Budget Update contains a number of recommendations as to where funding is to be allocated and the forecast will be updated once the recommendations have been approved.

Noting that the Preliminary 2021 Balanced Budget recommendations still require Council approval, if approved as submitted it is anticipated that both the General Revenue Fund and Transit Fund will be reporting close to balanced for 2020 and the Financial Stabilization Reserve Fund will be reporting an estimated balance of \$113 million as at January 1, 2021.

RECOMMENDATIONS

That the Financial Status Report to October 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 revenues in excess of expenditures of \$0.5 million (vs. \$1.1 million last Report) for the tax-support budget (General Revenue Fund) and a projected deficit of \$28.7 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 October 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 October 31	Surplus (deficit) in millions at December 31 before Final Transfers
2019	\$ (9.2)	\$ (1.1)
2018	NA	19.5
2017	1.7	15.0
2016	2.5	(5.1)
2015	NA	16.3

Based on experience of the past few years result from the October forecast have improved over the remainder of the year. The average change over the last five years reported between the October forecast and year-end is a further improvement of \$4.6 million, ranging from a decrease of \$7.6 million to a \$13.3 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 excess revenues over expenditures 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 \$94.8 million as at December 31, 2020, which is \$26.1 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 \$94.8 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			September Forecast – Restated*
	COVID-19 Impact on Revenues	COVID-19 Impact on Expenditures	COVID-19 Total Impact	COVID-19 Total Impact
Tax Supported (General Revenue Fund)	\$ (25.2)	\$ (5.1)	\$ (30.3)	\$ (30.0)
Transit	(46.0)	-	(46.0)	(45.8)
SOA's	(11.3)	-	(11.3)	(10.3)
Utilities	(0.9)	-	(0.9)	(1.2)
TOTAL	\$ (83.4)	\$ (5.1)	\$ (88.5)	\$ (87.3)

*Note – September amounts have been restated to include the negative financial impacts that the City has experienced due to the COVID-19 pandemic for 2020

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 \$37.1 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 \$94.8 million (all levers pulled) is \$22.0 million that the budget process has used to balance the 2020-2023 multi-year budget.

Since the last forecast, the City has received clarification regarding Federal Safe Restart program funding. There is \$106.0 million available under the program on a province wide basis, with \$72.6 million available for municipal operations and \$33.4 million for public transit support.

Winnipeg's allocation of the program monies has been determined at \$42.2 million for the municipal operations portion of the program and \$32.3 million for the transit portion. The municipal allocation was received on October 28, 2020 and the transit portion is expected shortly.

The Public Service is in the process of obtaining Council approval as to the internal allocation of these monies. The Preliminary 2021 Balanced Budget Update contains a number of recommendations as to where funding is to be allocated and the forecast will be updated once the recommendations have been approved.

Noting that the Preliminary 2021 Budget Update recommendations still require Council approval, if approved as submitted it is anticipated that both the General Revenue Fund and Transit fund will be reporting around the breakeven mark and the Financial Stabilization Reserve Fund is would be reporting an estimated balance of \$113 million as at January 1, 2021.

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. Please note that the overall departmental net mill rate shortfall is \$4.7 million.

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, \$42.9 million is expected to be spent on snow removal and ice control operations resulting in a projected over expenditure of \$7.9 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 October 31, 2020, the Transit System is forecasting a year-end operating deficit of \$28.7 million (vs. \$32.4 million last Report). This forecasted deficit is separate from the General Revenue Fund excess revenues over expenditures of \$0.5 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 a 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 an adjusted service schedules.

The improvement from last forecast relates to reductions on the expenditures, mainly to salaries and benefits as well as bus parts. Revenues estimates are largely consistent with the last forecast. Current ridership is 63% below pre-COVID-19 levels and this forecast has assumed ridership at 65% below pre-COVID levels for the rest of the year.

For clarity, the accounting at year-end will transfer funds from the General Revenue Fund to Transit in order to eliminate any operating shortfall in Transit in excess of the unallocated retained earnings. Thus, in the year-end financial statements, while Transit may disclose an additional transfer from the General Revenue Fund, the Transit operating shortfall net of unallocated retained earnings may 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 October 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 – General Revenue Fund – Reconciliation of September to October 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 19, 2020

Project Name:

Financial Status and Forecast Report October 31, 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 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 30, 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 – General Revenue Fund – Reconciliation of September to October 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 ten month period ended October 31, 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	\$ 743,314	\$ (3,605)	\$ 624,892
Government transfers	146,406	154,045	7,639	183,643
Regulation fees	76,975	62,231	(14,744)	52,726
Sale of goods and services	54,389	45,262	(9,127)	36,183
Other	46,894	46,877	(17)	1,427
Payments-in-lieu of taxes	36,731	36,731	-	30,611
Interest	23,198	25,035	1,837	22,744
Transfer from other funds	12,435	23,752	11,317	1,495
Total Revenues	1,143,947	1,137,247	(6,700)	953,721
EXPENSES				
Assessment and taxation	20,270	20,645	(375)	12,066
Audit	1,379	1,331	48	919
Chief administrative offices	5,204	5,053	151	3,829
City clerks	12,924	12,498	426	9,788
Community services	114,968	100,371	14,597	81,726
Corporate	73,390	77,304	(3,914)	77,259
Corporate finance	8,217	7,894	323	6,655
Council	4,018	4,024	(6)	3,185
Customer service and communication	7,244	6,597	647	5,401
Fire paramedic service	209,413	213,299	(3,886)	169,709
Human resource services	6,026	5,832	194	4,579
Innovation, transformation and technology	28,077	23,871	4,206	19,649
Legal services	4,459	7,291	(2,832)	3,484
Mayor's office	1,832	1,703	129	1,033
Museums	765	765	-	739
Planning, property and development	45,908	43,351	2,557	36,754
Police service	304,076	305,436	(1,360)	248,994
Policy and strategic initiatives	820	628	192	506
Public works	259,007	263,172	(4,165)	229,731
Street lighting	12,409	12,497	(88)	10,379
Water and waste	23,541	23,197	344	18,017
Total Expenses	1,143,947	1,136,759	7,188	944,402
FORECASTED SURPLUS	\$ -	\$ 488	\$ 488	\$ 9,319

Notes:

(1) See Schedule 5 for comparable departmental view.

(2) The forecasted surplus 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
OCTOBER 31, 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.	(4.7)
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.	(3.7)
Legal Services department's unfavourable variance is mostly related to an increase in external legal fees.	(2.8)
Public Works department's unfavourable variance is mostly due to additional snow 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.	(2.4)
City Clerks department's favourable variance is largely a result of increased appeals received at the Board of Revision and reversal of a prior election rebate.	1.0
Corporate Finance department's favourable variance is largely a result of higher than anticipated interest earned on short term investments.	1.7
Innovation, Transformation and Technology department's favourable variance is primarily a result of salary and benefit savings as well as CTC lever pulled.	4.2
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.	7.0
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 corporate efficiencies realized in other departments.	8.4
Other departmental revenues and expenses.	1.5
Forecasted Surplus	\$ 0.5

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

(2) The forecasted surplus 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 SEPTEMBER TO OCTOBER FORECAST
OCTOBER 31, 2020 FORECAST
FOR THE YEAR ENDING DECEMBER 31, 2020

(in millions of dollars)
(unaudited)

Forecasted General Revenue Fund Surplus - September 30, 2020	\$ 1.1
Corporate department's unfavourable variance is mostly related to corporate efficiencies realized in other departments.	(3.2)
Community Services department's favourable variance is mostly related to the impact of the recent public health order implemented by the Province of Manitoba to reduce COVID-19 transmission.	1.0
Other departmental revenues and expenses.	<u>1.6</u>
<i>Forecasted General Revenue Fund Surplus - October 31, 2020</i>	<u>\$ 0.5</u>

- (1) The forecasted surplus 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 ten month period ended October 31, 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	\$ 1,137,247	\$ (6,700)	\$ 953,721
Expenses	1,143,947	1,136,759	7,188	944,402
Surplus (Deficit)*	\$ -	\$ 488	\$ 488	\$ 9,319
Transit System				
Revenues	\$ 138,978	\$ 93,024	\$ (45,954)	\$ 88,096
Expenses	197,148	179,848	17,300	143,870
	(58,170)	(86,824)	(28,654)	(55,774)
Transfer to Reserves	(9,095)	(9,095)	-	(7,576)
Transfer from General Revenue Fund	67,265	67,265	-	59,869
Deficit*	\$ -	\$ (28,654)	\$ (28,654)	\$ (3,481)
Waterworks System				
Revenues	\$ 134,432	\$ 134,997	\$ 565	\$ 113,779
Expenses	81,645	76,780	4,865	66,415
	52,787	58,217	5,430	47,364
Transfer to:				
Water Main Renewal Reserve	(19,500)	(19,500)	-	(9,750)
General Revenue Fund	(14,262)	(14,262)	-	-
Surplus Prior to Principal Debt Repayments	19,025	24,455	5,430	37,614
Principal Debt Repayments	(5,084)	(5,084)	-	-
Surplus	\$ 13,941	\$ 19,371	\$ 5,430	\$ 37,614
Sewage Disposal System				
Revenues	\$ 196,497	\$ 197,994	\$ 1,497	\$ 168,807
Expenses	99,201	92,624	6,577	77,704
	97,296	105,370	8,074	91,103
Transfer to Reserves	(35,050)	(33,854)	1,196	(20,482)
Transfer to General Revenue Fund	(20,325)	(20,325)	-	-
Transfer to Land Drainage	(9,392)	(9,579)	(187)	(8,690)
Surplus	\$ 32,529	\$ 41,612	\$ 9,083	\$ 61,931

*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 ten month period ended October 31, 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	\$ 50,793	\$ 3,933	\$ 34,765
Expenses	48,207	44,949	3,258	34,410
	(1,347)	5,844	7,191	355
Transfer to Reserve	(302)	(350)	(48)	(234)
Deficit Prior to Principal Debt Repayments	(1,649)	5,494	7,143	121
Principal Debt Repayments	(2,428)	(2,462)	(34)	-
(Deficit)/Surplus	\$ (4,077)	\$ 3,032	\$ 7,109	\$ 121
Land Drainage				
Revenues	4,958	4,877	(81)	3,948
Expenses	4,699	4,618	81	3,655
Surplus Prior to Principal Debt Repayments	259	259	-	293
Principal Debt Repayments	(259)	(259)	-	-
Surplus	\$ -	-	-	293
Municipal Accommodations Fund				
Revenues	\$ 72,407	\$ 71,366	\$ (1,041)	\$ 55,399
Expenses	61,257	60,098	1,159	42,479
	11,150	11,268	118	12,920
Transfer to: General Revenue Fund	(11,150)	(11,268)	(118)	(167)
Surplus	\$ -	\$ -	\$ -	\$ 12,753

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

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

	Revenues			Expenses			Net Mill Rate
	Adopted Budget	Forecast	Variance Budget/ Forecast	Adopted Budget	Forecast	Variance Budget/ Forecast	
Assessment and taxation	\$ 745,560	\$ 736,270	\$ (9,290)	\$ 20,270	\$ 20,645	\$ (375)	\$ (9,665)
Audit	-	-	-	1,379	1,331	48	48
Chief administrative offices	-	-	-	5,204	5,053	151	151
City clerks	96	668	572	12,924	12,498	426	998
Community services	18,008	10,367	(7,641)	114,968	100,371	14,597	6,956
Corporate	126,571	138,890	12,319	73,390	77,304	(3,914)	8,405
Corporate finance	7,119	8,450	1,331	8,217	7,894	323	1,654
Council	-	-	-	4,018	4,024	(6)	(6)
Customer service and communication	70	80	10	7,244	6,597	647	657
Fire paramedic service	70,978	70,173	(805)	209,413	213,299	(3,886)	(4,691)
Human resource services	-	-	-	6,026	5,832	194	194
Innovation, transformation and technology	-	-	-	28,077	23,871	4,206	4,206
Legal services	475	522	47	4,459	7,291	(2,832)	(2,785)
Mayor's office	-	-	-	1,832	1,703	129	129
Museums	-	-	-	765	765	-	-
Planning, property and development	49,568	46,704	(2,864)	45,908	43,351	2,557	(307)
Police service	46,508	44,218	(2,290)	304,076	305,436	(1,360)	(3,650)
Policy and strategic initiatives	-	-	-	820	628	192	192
Public works	77,827	79,597	1,770	259,007	263,172	(4,165)	(2,395)
Street lighting	-	-	-	12,409	12,497	(88)	(88)
Waterworks and waste	1,167	1,308	141	23,541	23,197	344	485
Forecasted Surplus/(Deficit)	\$ 1,143,947	\$ 1,137,247	\$ (6,700)	\$ 1,143,947	\$ 1,136,799	\$ 7,188	\$ 488

(1) The forecasted surplus 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
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	\$ 633,302	\$ (1,260)	\$ 525,022
Business taxes	57,916	59,467	1,551	48,606
Transfer to Financial Stabilization Reserve*	-	(284)	(284)	-
	<u>692,478</u>	<u>692,485</u>	<u>7</u>	<u>573,628</u>
Street renewal frontage levy	63,796	63,587	(209)	63,587
Electricity tax	20,300	19,000	(1,300)	14,316
Gas tax	2,800	2,500	(300)	1,751
Other taxation	<u>4,276</u>	<u>2,473</u>	<u>(1,803)</u>	<u>2,221</u>
Total taxation and payments-in-lieu of taxes revenue	<u>\$ 783,650</u>	<u>\$ 780,045</u>	<u>\$ (3,605)</u>	<u>\$ 655,503</u>
Taxation	\$ 746,919	\$ 743,314	\$ (3,605)	\$ 624,892
Payments-in-lieu of taxes	<u>36,731</u>	<u>36,731</u>	<u>-</u>	<u>30,611</u>
Total taxation and payments-in-lieu of taxes revenue	<u>\$ 783,650</u>	<u>\$ 780,045</u>	<u>\$ (3,605)</u>	<u>\$ 655,503</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.

**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
Transfer to the Financial Stabilization Reserve Fund for Net Taxes Added	284
Tax Supported - estimated financial projections budget impact	488
	<u>6,673</u>
Less:	
Transit - estimated financial projections budget impact	(28,654)
less: usage of Transit unaudited unallocated retained earnings	9,000
	<u>(19,654)</u>
Estimated closing balance - Financial Stabilization Reserve*	<u>\$ 94,785</u>

*Note - Balance does not included the impacts of the funding support of the Federal Restart