

Agenda – Standing Policy Committee on Finance – January 15, 2021

REPORTS

Item No. 8 Financial Status and Forecast Report to November 30, 2020

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That the Financial Status and Forecast Report to November 30, 2020 be received as information.

ADMINISTRATIVE REPORT

Title: Financial Status and Forecast Report to November 30, 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

This Financial Status and Forecast Report (“Report”) includes the impact of federal Safe Restart Agreement (“SRA”) funding. The City has received \$74.5 million in SRA funding comprised of a municipal portion of \$42.2 million and a Transit portion of \$32.3 million. Since the last Report, as part of their 2021 Budget approval on December 16, 2020, Council has approved the allocations of the SRA funding to specific purposes and the impact has been included in this Report.

The total financial results for all City departments is projected revenues in excess of expenditures of \$26.1 million (in comparison to a \$15.9 million shortfall in the last Report). This is inclusive of the actions that have been undertaken to reduce the financial impact of the COVID-19 pandemic, SRA funding received and the allocations of that funding as approved by Council. The allocation of the SRA funding includes amounts replacing specific levers pulled under the COVID-19 Crisis Cashflow Management Plan and transferring to reserves for post-2020 expenditures. The majority of this surplus (\$21.9 million) resides in the utilities.

The tax-supported budget (General Revenue Fund) is now projecting a deficit of \$0.4 million (vs. a \$0.5 million surplus last Report). The municipal portion of the SRA funding is \$42.2 million and has been recognized as revenue in this fund. The Council-approved plan has fully allocated the entire \$42.2 million to specific purposes with the net impact on the General Revenue Fund netting to \$Nil in the current forecast. A full accounting of the impact of the allocation of the SRA funding is provided in Schedule 8. The remainder of the change from the last Report (decrease of \$0.9 million) is due to non-safe restart implications (ie. operations).

Transit is now forecasting for a small surplus of \$3.3 million (vs. \$28.7 million deficit last Report). The transit portion of the SRA funding is \$32.3 million and has been recognized as revenue in this fund. The majority of the improvement is due to the receipt of this SRA funding.

SOA's are now forecasting a surplus of \$1.2 million (vs. \$8.7 million deficit last Report). The improvement is mainly due to the allocation of SRA funding, which transferred \$7.7 million from the General Revenue Fund to the Winnipeg Parking Authority to backstop revenues shortfalls experienced in the SOA as a result of the COVID-19 pandemic.

Utilities are reporting a forecasted surplus of \$21.9 million, which is fairly consistent with the last Report (a \$21.6 million surplus). SRA funding has had no impact on Utilities.

As part of the Council 2021 Budget approval on December 16, 2020, SRA funding replaced the following levers pulled under the COVID-19 Crisis Cashflow Management Plan,

- the replacement of cash to capital with debt (CTC); and
- transfer of the unallocated equity from the Land Operating Reserve (LOR) to the General Revenue Fund.

The remaining 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 Financial Stabilization Reserve (FSR) is projected to be at \$116.6 million, which is \$47.9 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). This is an improvement of \$21.8 million from the last forecast, mainly due to Transit no longer forecasting a deficit as well as an improvement in net taxes added. It should be noted that 2021 Budget approval included a transfer of \$20.2 million to General Revenue Fund primarily to support COVID-19 related impacts in 2021.

The previous Report had anticipated significant losses in Transit which had been partially mitigated by using unallocated retained earnings to lessen the draw on the FSR. As Transit is forecasting a surplus position, the unallocated retained earnings are estimated to increase to \$12.3 million and will be retained in Transit and are available should the continuing impacts of the COVID-19 pandemic be greater than currently budgeted in 2021.

RECOMMENDATIONS

That the Financial Status and Forecast Report to November 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 deficit \$0.4 million (vs. a \$0.5 million surplus last Report) for the tax-support budget (General Revenue Fund) and revenues in excess of expenditures of \$3.3 million (vs. \$28.7 million deficit last Report) in Transit (both considering COVID-19 Crisis Cash Flow Management Plan levers pulled and as well as SRA funding support).

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.

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”) and support from the federal government.

HISTORY/DISCUSSION

The forecasted results at November 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 November 30	Surplus (deficit) in millions at December 31 before Final Transfers
2019	\$ (6.2)	\$ (1.1)
2018	14.2	19.5
2017	8.7	15.0
2016	(6.2)	(5.1)
2015	11.0	16.3

Based on the experience of the past few years, results from the November forecast have improved over the remainder of the year. The average change over the last five years reported between the November forecast and year-end is a further improvement of \$4.6 million, ranging from increases of \$1.1 million to \$6.3 million. However, due to the uncertainty related to the pandemic, this trend may not hold true in the current year.

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 deficit in the General Revenue Fund, revenues in excess of expenditures in Transit, levers approved, and funding support from the SRA, the Financial Stabilization Reserve Fund is projected to be at \$116.6 million as at December 31, 2020, which is \$47.9 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). It should be noted that 2021 Budget approval included a transfer of \$20.2 million to General Revenue Fund to support COVID-19 related impacts in 2021.

COVID-19 Pandemic/Levers Pulled

The table below summarizes the estimated total impact of COVID-19 on the current forecast.

<i>In millions of \$</i>	Current Forecast			October Forecast
	COVID-19 Impact on Revenues	COVID-19 Impact on Expenditures	COVID-19 Total Impact	COVID-19 Total Impact
Tax Supported (General Revenue Fund)	\$ (25.9)	\$ (7.2)	\$ (33.1)	\$ (30.3)
Transit	(46.4)	-	(46.4)	(46.0)
SOA's	(11.2)	-	(11.2)	(11.3)
Utilities	(1.1)	-	(1.1)	(0.9)
TOTAL	\$ (84.6)	\$ (7.2)	\$ (91.8)	\$ (88.5)

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

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, amended for changes made in the approved 2021 budget.

As part of the Council 2021 Budget approval on December 16, 2020, SRA funding replaced the following levers pulled under the COVID-19 Crisis Cashflow Management Plan,

- the replacement of cash to capital with debt (CTC); and
- transfer of the unallocated equity from the Land Operating Reserve (LOR) to the General Revenue Fund.

The remaining 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");

The estimated saving from these levers is \$11.0 million. This amount is lower than the previous forecast due to reversing of the cash to capital and transfer from the land operating reserve levers. 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.

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 \$1.5 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, \$41.8 million is expected to be spent on snow removal and ice control operations resulting in a projected over-expenditure of \$6.8 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 November 30, 2020, the Transit System is forecasting operating revenues in excess of expenditures at year-end of \$3.3 million (vs. \$28.7 million deficit last Report). This forecasted improvement is separate from the General Revenue Fund deficit of \$0.5 million.

The improvement from the last forecast mainly relates to the receipt of \$32.3 million in SRA funding, which has been recognized as revenue in this fund. Council's approval of the allocation of SRA funding reversed the decision to replace cash to capital with debt, adding an additional \$2.8 million in expenditures. That increase was mostly offset by

additional savings in salaries and benefits, bus parts and fuel. Revenues estimates are largely consistent with the last Report. Current ridership has ranged from 54% to 64% below pre-COVID-19 levels and this forecast has assumed ridership at 65% below pre-COVID levels for the rest of the year.

It should be noted that all forecasted results include a budgeted transfer from the General Revenue Fund of \$67.3 million, as per the 2020 adopted budget.

Safe Restart Agreement

The last Report to this committee did not include the federal Safe Restart Agreement (“SRA”) funding. The City has received \$74.5 million in SRA funding comprised of a municipal portion of \$42.2 million and a Transit portion of \$32.3 million. Since the last Report, as part of their 2021 Budget approval on December 16, 2020, Council has approved the allocations of the SRA funding to specific purposes and the impact on the various funds covered in this report has been determined.

The tax-supported budget (General Revenue Fund) is now projecting a deficit of \$0.4 million (vs. a \$0.5 million surplus last Report). The municipal portion of the SRA funding is \$42.2 million and has been recognized as revenue in this fund. The Council approved plan has fully allocated the entire \$42.2 million to specific purposes with the net impact on the General Revenue Fund netting to \$Nil in the current forecast. A full accounting of the impact of the allocation of the SRA funding is provided in Schedule 8. The remainder of the change from the last Report (a decrease of \$0.9 million) is due to non-safe restart implications (ie. operations).

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SOA’s are now forecasting a surplus of \$1.2 million (vs. \$8.7 million deficit last Report). The improvement is mainly due to the allocation of SRA funding, which transferred \$7.7 million from the General Revenue Fund to the Winnipeg Parking Authority to backstop revenues shortfalls experienced in the SOA as a result of the COVID-19 pandemic.

Utilities are reporting a forecasted surplus of \$21.9 million, which is fairly consistent with the last forecast (a \$21.6 million surplus). The SRA funding has had no impact on Utilities.

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 November 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 October to November 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; and
- Schedule 8 – The City of Winnipeg – Impact of Federal Safe Restart Agreement Funds.

FINANCIAL IMPACT

Financial Impact Statement Date: January 6, 2021

Project Name:

Financial Status and Forecast Report November 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 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: January 6, 2021
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 October to November forecast
- Schedule 4 – The City of Winnipeg – Summary by Fund
- Schedule 5 – The City of Winnipeg – General Revenue Fund – Net Mill Rate by Department
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- Schedule 7 – The City of Winnipeg – Forecasted Balance of the Financial Stabilization Reserve Fund
- Schedule 8 – The City of Winnipeg – Impact of Federal Safe Restart Agreement Funds

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

Schedule 1

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

	Adopted Budget	Forecast ¹	Variance From Budget	Year to Date Actual
REVENUES				
Taxation ²	\$ 746,919	\$ 742,891	\$ (4,028)	\$ 683,072
Government transfers	146,406	196,289	49,883	185,482
Regulation fees	76,975	61,913	(15,062)	57,934
Sale of goods and services	54,389	45,177	(9,212)	39,399
Other	46,894	46,862	(32)	12,664
Payments-in-lieu of taxes	36,731	36,731	-	33,669
Interest	23,198	25,436	2,238	23,313
Transfer from other funds	12,435	15,927	3,492	1,495
Total Revenues	1,143,947	1,171,226	27,279	1,037,028
EXPENSES				
Assessment and taxation	20,270	21,768	(1,498)	13,209
Audit	1,379	1,332	47	992
Chief administrative offices	5,204	5,007	197	4,091
City clerks	12,924	12,290	634	11,314
Community services	114,968	102,808	12,160	88,459
Corporate	73,390	99,680	(26,290)	82,006
Corporate finance	8,217	7,868	349	7,298
Council	4,018	3,992	26	3,483
Customer service and communication	7,244	6,673	571	6,063
Fire paramedic service	209,413	212,840	(3,427)	185,853
Human resource services	6,026	5,802	224	5,025
Innovation, transformation and technology	28,077	25,910	2,167	22,134
Legal services	4,459	7,244	(2,785)	3,872
Mayor's office	1,832	1,644	188	1,118
Museums	765	787	(22)	754
Planning, property and development	45,908	45,730	178	39,231
Police service	304,076	306,692	(2,616)	272,393
Policy and strategic initiatives	820	619	201	555
Public works	259,007	267,308	(8,301)	240,748
Street lighting	12,409	12,439	(30)	11,423
Water and waste	23,541	23,207	334	19,841
Total Expenses	1,143,947	1,171,640	(27,693)	1,019,862
FORECASTED DEFICIT	\$ -	\$ (414)	\$ (414)	\$ 17,166

Notes:

- (1) See Schedule 5 for comparable departmental view.
(2) See Schedule 6 for further detail.

THE CITY OF WINNIPEG - GENERAL REVENUE FUND
BUDGET VARIANCES ARISING FROM THE
NOVEMBER 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, increased provision for uncollectable business taxes and reduction in electricity and entertainment taxes offset by savings in salaries and benefits.	(11.7)
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 savings in salary and benefit costs.	(6.8)
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 salary and benefit savings.	(4.6)
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.	(4.4)
Legal Services department's unfavourable variance is mostly related to an increase in external legal fees.	(2.8)
Planning, Property and Development's unfavourable variance is as a result of reduction in revenues received from regulation fees (net of Permit Reserve transfers) and sale of goods and services.	(2.1)
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.	1.2
Corporate Finance department's favourable variance is largely a result of higher than anticipated interest earned on short term investments.	2.1
Innovation, Transformation and Technology department's favourable variance is primarily a result of salary and benefit savings.	2.2
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.	4.2
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, federal Safe Restart funding and Council approved plans for allocation of these funds. This additional funding is expected to be offset by unrealized pension savings, corporate efficiencies realized in other departments.	20.3
Other departmental revenues and expenses.	<u>2.0</u>
Forecasted Deficit	\$ (0.4)

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

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

(in millions of dollars)
(unaudited)

Forecasted General Revenue Fund Surplus - October 31, 2020	\$ 0.5
Community Services, Police and Public Works department's unfavourable variance mostly relates to the reversal of the Cash to Capital (CTC) lever offset by salary and benefit savings. Public Works \$4.4, Community Services - \$2.8 and Police - \$1.0.	(8.2)
Assessment and Taxation department's unfavourable variance primarily relates to increase in the provision to cover estimated uncollectible business tax revenue and additional shortfalls from temporary waiver of penalties on late payment of property and business.	(2.0)
Innovation, Transformation and Technology (ITT) and Planning Property Development (PPD) department's unfavourable variance mostly relates to reversal of CTC lever as follows: ITT - \$2.0 and PPD - \$1.8.	(3.8)
Corporate department's favorable variance is mostly related to the federal Safe Restart funding and Council approved plan for allocation of those funds as identified in the 2021 budget and corporate efficiencies realized in other departments.	11.8
Other departmental revenues and expenses.	<u>1.3</u>
Forecasted General Revenue Fund Deficit - November 30, 2020	<u>\$ (0.4)</u>

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

Schedule 4

Actual for the eleven month period ended November 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	\$ 1,171,226	\$ 27,279	\$ 1,037,028
Expenses	1,143,947	1,171,640	(27,693)	1,019,862
(Deficit) Surplus*	\$ -	\$ (414)	\$ (414)	\$ 17,166
Transit System				
Revenues	\$ 138,978	\$ 124,763	\$ (14,215)	\$ 91,017
Expenses	197,148	179,677	17,471	157,321
	(58,170)	(54,914)	3,256	(66,304)
Transfer to Reserves	(9,095)	(9,095)	-	(8,336)
Transfer from General Revenue Fund	67,265	67,265	-	63,567
Surplus (Deficit)*	\$ -	\$ 3,256	\$ 3,256	\$ (11,073)
Waterworks System				
Revenues	\$ 134,432	\$ 135,063	\$ 631	\$ 125,333
Expenses	81,645	77,232	4,413	73,421
	52,787	57,831	5,044	51,912
Transfer to: Water Main Renewal Reserve	(19,500)	(19,500)	-	(14,625)
General Revenue Fund	(14,262)	(14,262)	-	-
Surplus Prior to Principal Debt Repayments	19,025	24,069	5,044	37,287
Principal Debt Repayments	(5,084)	(5,084)	-	-
Surplus	\$ 13,941	\$ 18,985	\$ 5,044	\$ 37,287
Sewage Disposal System				
Revenues	\$ 196,497	\$ 197,767	\$ 1,270	\$ 185,418
Expenses	99,201	92,289	6,912	85,846
	97,296	105,478	8,182	99,572
Transfer to Reserves	(35,050)	(33,854)	1,196	(25,082)
Transfer to General Revenue Fund	(20,325)	(20,325)	-	-
Transfer to Land Drainage	(9,392)	(9,578)	(186)	(9,041)
Surplus	\$ 32,529	\$ 41,721	\$ 9,192	\$ 65,449

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

Schedule 4

Actual for the eleven month period ended November 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	\$ 51,042	\$ 4,182	\$ 42,744
Expenses	48,207	44,641	3,566	37,677
	(1,347)	6,401	7,748	5,067
Transfer to Reserve	(302)	(350)	(48)	(301)
Deficit Prior to Principal Debt Repayments	(1,649)	6,051	7,700	4,766
Principal Debt Repayments	(2,428)	(2,462)	(34)	-
(Deficit)/Surplus	<u>\$ (4,077)</u>	<u>\$ 3,589</u>	<u>\$ 7,666</u>	<u>\$ 4,766</u>
Land Drainage				
Revenues	4,958	4,877	(81)	4,323
Expenses	4,699	4,618	81	4,078
Surplus Prior to Principal Debt Repayments	259	259	-	245
Principal Debt Repayments	(259)	(259)	-	-
Surplus	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>245</u>
Municipal Accommodations Fund				
Revenues	\$ 72,407	\$ 70,712	\$ (1,695)	\$ 60,928
Expenses	61,257	59,274	1,983	47,098
	11,150	11,438	288	13,830
Transfer to: General Revenue Fund	(11,150)	(11,438)	(288)	(175)
Surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,655</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	\$ 735,385	\$ (10,175)	\$ 20,270	\$ 21,768	\$ (1,498)	\$ (11,673)
Audit	-	-	-	1,379	1,332	47	47
Chief administrative offices	-	-	-	5,204	5,007	197	197
City clerks	96	686	590	12,924	12,290	634	1,224
Community services	18,008	10,056	(7,952)	114,968	102,808	12,160	4,208
Corporate	126,571	173,113	46,542	73,390	99,680	(26,290)	20,252
Corporate finance	7,119	8,893	1,774	8,217	7,868	349	2,123
Council	-	-	-	4,018	3,992	26	26
Customer service and communication	70	80	10	7,244	6,673	571	581
Fire paramedic service	70,978	70,005	(973)	209,413	212,840	(3,427)	(4,400)
Human resource services	-	-	-	6,026	5,802	224	224
Innovation, transformation and technology	-	-	-	28,077	25,910	2,167	2,167
Legal services	475	508	33	4,459	7,244	(2,785)	(2,752)
Mayor's office	-	-	-	1,832	1,644	188	188
Museums	-	22	22	765	787	(22)	-
Planning, property and development	49,568	47,252	(2,316)	45,908	45,730	178	(2,138)
Police service	46,508	44,535	(1,973)	304,076	306,692	(2,616)	(4,589)
Policy and strategic initiatives	-	-	-	820	619	201	201
Public works	77,827	79,348	1,521	259,007	267,308	(8,301)	(6,780)
Street lighting	-	-	-	12,409	12,439	(30)	(30)
Waterworks and waste	1,167	1,343	176	23,541	23,207	334	510
Forecasted Surplus/(Deficit)	\$ 1,143,947	\$ 1,171,226	\$ 27,279	\$ 1,143,947	\$ 1,171,640	\$ (27,693)	\$ (414)

**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	\$ 636,355	\$ 1,793	\$ 579,076
Business taxes	57,916	59,467	1,551	54,031
Transfer to Financial Stabilization Reserve*	-	(3,337)	(3,337)	-
	<u>692,478</u>	<u>692,485</u>	<u>7</u>	<u>633,107</u>
Street renewal frontage levy	63,796	63,585	(211)	63,585
Electricity tax	20,300	18,700	(1,600)	15,756
Gas tax	2,800	2,393	(407)	1,948
Other taxation	4,276	2,459	(1,817)	2,345
Total taxation and payments-in-lieu of taxes revenue	<u>\$ 783,650</u>	<u>\$ 779,622</u>	<u>\$ (4,028)</u>	<u>\$ 716,741</u>
Taxation	\$ 746,919	\$ 742,891	\$ (4,028)	\$ 683,072
Payments-in-lieu of taxes	<u>36,731</u>	<u>36,731</u>	<u>-</u>	<u>33,669</u>
Total taxation and payments-in-lieu of taxes revenue	<u>\$ 783,650</u>	<u>\$ 779,622</u>	<u>\$ (4,028)</u>	<u>\$ 716,741</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)*

	<u>Forecast</u>
Opening balance - Financial Stabilization Reserve (FSR)	\$ 107,766
Add:	
Estimated net interest earnings	484
Budgeted transfer from the General Revenue Fund	5,380
Transfer to the Financial Stabilization Reserve Fund for Net Taxes Added	<u>3,337</u>
	9,201
Less:	
Tax Supported - estimated financial projections budget impact	<u>(414)</u>
	<u>(414)</u>
Estimated closing balance - Financial Stabilization Reserve	<u>\$ 116,553</u>

*The FSR has significantly improved since the October forecast. This is mainly a result of the receipt of Restart Safe Agreement funding associated with Transit and increase in Net Taxes Added.

**THE CITY OF WINNIPEG - ALLOCATION OF FEDERAL
SAFE RESTART AGREEMENT FUNDS**

Schedule 8

forecasted for the year ending December 31, 2020

(in millions of dollars)

(unaudited)

	General Revenue Fund	Transit
Federal Safe Restart Agreement revenues:	\$ 42.2	\$ 32.3
Allocation Plan - approved by Council		
Reverse replacing CTC with debt	(15.6)	(2.8)
Reverse Transfer from LOR	(8.0)	-
Transfer to parking SOA	(7.7)	-
Transfer to General Purpose Reserve*	(8.9)	-
Transfer to Housing Reserve**	(2.0)	-
Transit - Mitigate revenue shortfalls	-	(29.5)
	<u>(42.2)</u>	<u>(32.3)</u>
Net impact of Safe Restart funds	<u>\$ -</u>	<u>\$ -</u>

*Council approved transfer of \$8.9 to the General Purpose Reserve to support the COVID-19 Economic Recovery and Community Support Program. Initiatives include: Re-establishment of the Economic Development Office (\$0.5); Improvements to the planning, development processes (\$0.8); Cover a portion of revenue shortfalls for re-introduction of property and business tax penalty waivers in 2021 (\$3.8); Winnipeg Wellness Support grant (\$0.6); Economic Support Grant Program (\$3.0), and mental health supports for front line workers in ambulance and fire emergency services (\$0.2).

**Investment to support the City's Affordable Housing Strategy.