

**THE CITY OF WINNIPEG
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at December 31
(in thousands of dollars)*

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	\$ 909,496	\$ 800,433
Accounts receivable (Note 4)	328,329	255,446
Investments (Note 5)	390,650	405,673
Investment in government businesses (Note 6)	22,689	23,496
Land held for resale	8,883	7,955
	<u>1,660,047</u>	<u>1,493,003</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	279,619	265,134
Deferred revenue (Note 8)	376,641	138,954
Debt (Note 9)	1,482,968	1,554,402
Other liabilities (Note 10)	152,807	139,303
Employee benefits obligations (Note 11)	251,158	246,152
	<u>2,543,193</u>	<u>2,343,945</u>
NET FINANCIAL LIABILITIES	(883,146)	(850,942)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	7,829,569	7,696,113
Inventories	26,717	25,584
Prepaid expenses and deferred charges	9,513	9,701
	<u>7,865,799</u>	<u>7,731,398</u>
ACCUMULATED SURPLUS (Note 13)	\$ 6,982,653	\$ 6,880,456

Commitments and contingencies (Note 14)

See accompanying notes and schedules to the consolidated financial statements

Approved on behalf of the Audit Committee:

MAYOR

**CHAIRPERSON
STANDING POLICY COMMITTEE
ON FINANCE**

**THE CITY OF WINNIPEG
CONSOLIDATED STATEMENT OF
OPERATIONS AND ACCUMULATED SURPLUS**

*For the years ended December 31
(in thousands of dollars)*

	<u>Budget 2021</u> (Note 20)	<u>Actual 2021</u>	<u>Actual 2020</u>
REVENUES			
Taxation (Note 15)	\$ 801,244	\$ 800,949	\$ 779,994
Sales of services and regulatory fees (Note 16)	581,152	605,229	556,624
Government transfers (Note 17)	214,019	219,869	287,579
Investment income	33,426	30,669	34,895
Land sales and other revenue (Note 18)	<u>23,970</u>	<u>19,695</u>	<u>16,048</u>
Total Revenues	<u>1,653,811</u>	<u>1,676,411</u>	1,675,140
EXPENSES			
Protection and community services	582,837	589,273	560,484
Utility operations	498,676	481,631	465,937
Public works	339,696	341,832	336,182
Property and development	154,601	145,136	170,662
Finance and administration	88,905	89,713	88,770
Civic corporations	62,085	63,818	60,240
General government	<u>8,843</u>	<u>43,058</u>	<u>45,294</u>
Total Expenses (Note 19)	<u>1,735,643</u>	<u>1,754,461</u>	1,727,569
Annual Deficit Before Other	<u>(81,832)</u>	<u>(78,050)</u>	(52,429)
OTHER			
Government transfers related to capital (Note 17)	87,114	105,592	134,267
Developer contributions-in-kind related to capital (Note 12)	78,870	63,500	24,200
Other capital contributions	<u>6,100</u>	<u>11,155</u>	<u>7,323</u>
	<u>172,084</u>	<u>180,247</u>	165,790
Annual Surplus	<u>\$ 90,252</u>	102,197	113,361
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>6,880,456</u>	6,767,095
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 6,982,653</u>	<u>\$ 6,880,456</u>

See accompanying notes and schedules to the consolidated financial statements

**THE CITY OF WINNIPEG
CONSOLIDATED STATEMENT OF CHANGES IN
NET FINANCIAL LIABILITIES**

*For the years ended December 31
(in thousands of dollars)*

	<u>Budget 2021</u> (Note 20)	<u>Actual 2021</u>	<u>Actual 2020</u>
ANNUAL SURPLUS	\$ 90,252	\$ 102,197	\$ 113,361
Amortization of tangible capital assets	285,215	286,475	279,943
Proceeds on disposal of tangible capital assets	5,277	1,047	9,854
Loss (gain) on disposal of tangible capital assets	1,959	1,685	(953)
Other changes in non-financial assets and net transfers to land held for resale	1,146	(779)	(3,317)
Tangible capital assets received as contributions (Note 12)	(78,870)	(63,500)	(24,200)
Acquisition of tangible capital assets	<u>(476,035)</u>	<u>(359,329)</u>	<u>(383,844)</u>
INCREASE IN NET FINANCIAL LIABILITIES	(171,056)	(32,204)	(9,156)
NET FINANCIAL LIABILITIES, BEGINNING OF YEAR	<u>(948,035)</u>	<u>(850,942)</u>	<u>(841,786)</u>
NET FINANCIAL LIABILITIES, END OF YEAR	<u>\$ (1,119,091)</u>	<u>\$ (883,146)</u>	<u>\$ (850,942)</u>

See accompanying notes and schedules to the consolidated financial statements

THE CITY OF WINNIPEG CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended December 31
(in thousands of dollars)

	<u>2021</u>	<u>2020</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	\$ 102,197	\$ 113,361
Add (deduct) items not impacting cash and cash equivalents		
Amortization of tangible capital assets	286,475	279,943
Developer contributions-in-kind related to capital (Note 12)	(63,500)	(24,200)
Change in other liabilities and employee benefits obligations	18,510	16,114
Loss (gain) on sale of tangible capital assets	1,685	(953)
Change in investments in Government Businesses	807	(383)
Net transfer between land held for resale and tangible capital assets	166	506
	<u>346,340</u>	383,882
Net change in non-cash working capital balances related to operations (Note 21)	<u>177,416</u>	70,023
Cash provided by operating activities	<u>523,756</u>	454,411
CAPITAL		
Acquisition of tangible capital assets	(359,329)	(383,844)
Proceeds on disposal of tangible capital assets	1,047	9,854
Cash used in capital activities	<u>(358,282)</u>	(373,990)
FINANCING		
(Decrease) increase in bank loans and other debt	(42,204)	5,055
Increase in sinking fund investments	(19,104)	(14,096)
Service concession arrangements retired	(5,065)	(4,760)
(Decrease) increase in debt premium and obligation for leased tangible capital assets	(5,061)	25,141
Debenture debt issued	-	85,000
Cash (used in) provided by financing activities	<u>(71,434)</u>	96,340
INVESTING		
Net decrease (increase) in investments	<u>15,023</u>	(47,129)
Cash provided by (used in) investing activities	<u>15,023</u>	(47,129)
Increase in cash and cash equivalents	109,063	129,632
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>800,433</u>	670,801
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 909,496</u>	<u>\$ 800,433</u>

See accompanying notes and schedules to the consolidated financial statements

THE CITY OF WINNIPEG

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2021

(all tabular amounts are in thousands of dollars, unless otherwise noted)

1. Status of The City of Winnipeg

The City of Winnipeg (the "City") is a municipality that was created on January 1, 1972 pursuant to The City of Winnipeg Act, a statute of the Legislature of the Province of Manitoba (the "Province"). The City continued as a body corporate by virtue of the enactment by the Province of The City of Winnipeg Charter on January 1, 2003. The City provides municipal services such as police, fire, ambulance, public works, urban planning, parks and recreation, library and other general government operations. The City owns and operates a number of public utilities, has designated reserves and provides funding support for other entities involved in economic development, recreation, entertainment, convention, and tourism services.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in governments worldwide, including Canada's federal, provincial and local governments enacting emergency measures to combat the spread of the virus. These measures resulted in the temporary shutdown of various programs and services. As at December 31, 2021, the City programs and services have been altered to ensure compliance with Provincial public health orders and reflect consumer demand. Management assessed the financial impact on the City and as at December 31, 2021, the City did not have significant accounting estimate adjustments to reflect the implications of COVID-19.

2. Significant Accounting Policies

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The significant accounting policies are summarized as follows:

a) Basis of consolidation

The consolidated financial statements include the assets, liabilities, reserves, surpluses/deficits, revenues and expenses of those City funds and governmental functions or entities which have been determined to comprise a part of the aggregate City operations based upon control by the City. Inter-fund and inter-corporate balances and transactions have been eliminated.

i) Consolidated entities

The organizations included in the consolidated financial statements are as follows:

Assiniboine Park Conservancy Inc.	Winnipeg Arts Council Inc.
CentreVenture Development Corporation	Winnipeg Public Library Board
The Convention Centre Corporation	

ii) Government businesses

The investments in North Portage Development Corporation, Park City Commons and River Park South Developments Inc. are reported as government business partnerships. These businesses are accounted for using the modified equity method. Under this method, the government businesses' accounting principles are not adjusted to conform with those of the City and inter-corporate transactions are not eliminated (Note 6).

2. Significant Accounting Policies (continued)

iii) Partnerships

Economic Development Winnipeg Inc. is reported as a partnership with the proportionate consolidation method being used. Accordingly, fifty percent of the assets, liabilities, revenues and expenses have been included in the City's consolidated financial statements (Schedule 1).

iv) Pension and group insurance funds

Active, retired and otherwise terminated civic employees and elected officials participate in registered defined benefit pension plans, a multi-employer pension plan and group life insurance plans. Related assets and liabilities under administration for the benefit of these parties have been excluded from the reporting entity and accounted for in accordance with PSAB accounting standards PS 3250 Retirement Benefits.

b) Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

c) Cash equivalents

Cash equivalents consist of federal and federal guarantee bonds; guaranteed investment certificates; municipal bonds; schedule 1 bank bonds; bankers' acceptances; schedule 2 bankers' acceptances; asset backed commercial paper; and Canada treasury bills. Cash equivalents are recorded at cost, which approximates their quoted market value, and are redeemable on demand and with maturity dates of 90 days or less from the date of acquisition.

d) Land held for resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

e) Investments

Bonds are carried at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the remaining terms to maturity with annual amortization computed at amounts which, when combined with actual income received, result in a constant effective yield on the amortized book value.

f) Unamortized premium on debt

Debt is reported at face value and is adjusted by premiums which are amortized on a straight-line basis over the term to maturity of the respective debt instrument. The corresponding amortization is recorded as interest expense.

g) Solid waste landfills

The obligation to close and maintain solid waste landfill sites is based on the present value of estimated future expenses, adjusted for estimated inflation. The cost of the City's only active landfill is charged to expenses as the landfill site's capacity is used.

2. *Significant Accounting Policies (continued)*

h) Contaminated sites

The City recognizes a liability for remediation of contaminated sites when conditions are identified which indicate non-compliance with environmental legislation and when the site is no longer in productive use or an unexpected event resulting in contamination has occurred. The liability reflects the City's best estimate of the amount required to remediate the site to the current minimum standard of use prior to contamination, as of the financial statement date.

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

i) Deferred revenue

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

j) Employee benefit plans

The Winnipeg Civic Employees' Benefits Program is a multi-employer contributory defined benefit program and accordingly contributions are expensed as incurred. The costs of other pensions and other retirement benefits have been accounted for based on actuarially determined amounts using the projected benefit method prorated on services and management's best estimate of retirement ages of employees, salary escalation and plan investment performance. Actuarial gains and losses are amortized on a straight-line basis over the average remaining service period.

In the case of the Winnipeg Police Pension Plan, this plan's by-law provides that, in the event of a funding surplus or deficiency, within certain prescribed constraints, the contribution stabilization reserve will be utilized and amendments made to the rate of cost-of-living adjustments to pensions according to specific rules set out in the by-law. Consequently, actuarial gains and losses are recognized immediately to the extent that they are offset by changes in the plan's contribution stabilization reserve and changes in the plan's accrued benefit obligation for future cost-of-living adjustments to pensions.

k) Non-financial assets

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

i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

2. Significant Accounting Policies (continued)

i) Tangible capital assets (continued)

Buildings	10 to 50 years
Vehicles	
Transit buses	18 years
Other vehicles	5 to 10 years
Computer hardware and software	5 to 10 years
Other	
Machinery and equipment	5 to 40 years
Land improvements	5 to 100 years
Water and waste plants and facilities	
Underground networks	50 to 100 years
Sewage treatment plants and lift stations	50 to 75 years
Water pumping stations and reservoirs	50 to 75 years
Flood stations and other infrastructure	20 to 75 years
Transportation	
Roads	10 to 50 years
Bridges and other structures	25 to 75 years

Amortization of tangible capital assets commences when the asset is available for use.

In certain circumstances, assets under construction are charged an administration fee equal to 1.25% of specific costs of the project to a maximum of \$100 thousand on any individual project. In addition, interim financing charges of 2% are also capitalized as part of the project cost funded by the City.

Works of art and historical treasures are not recorded as tangible capital assets.

a) Contributions of tangible capital assets

Developer-contributed tangible capital assets are recorded at their fair value at the date of receipt. The contribution is recorded as revenue.

b) Leases

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

c) Service concession arrangements

Service concession arrangements are long-term performance-based approaches for procuring public infrastructure, where the City contracts with a private sector partner who assumes a major share of the responsibility for the delivery of the infrastructure. The operator is compensated over the period of the arrangements. The arrangements are governed by a contract that sets out performance standards and mechanisms for adjusting prices. The contract is binding on the parties to the arrangement and obliges the operator to maintain the tangible capital asset on behalf of the City.

In the case of tangible capital assets, where the operator bears the construction risk, the timing of initial recognition of the service concession asset by the City will be when the tangible capital asset is available for productive use.

ii) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

2. Significant Accounting Policies (continued)

l) Tax revenues

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

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

Property taxation revenue is based on market assessments that are subject to appeal. Therefore, a provision has been estimated for assessment appeals outstanding as at December 31. As well, estimates have been made for property tax amounts owing for prior years that have not yet been assessed at the end of the current fiscal year. By their nature, these estimates are subject to measurement uncertainty and the impact on future financial statements could be material (Note 2o).

m) Government transfers

Government transfers are transfers of monetary assets or tangible capital assets to or from the City that are not the result of an exchange transaction, a direct financial return, or expected to be repaid in the future.

Government transfers received are recognized in the consolidated financial statements as revenue in the financial period in which the transfers are authorized, any eligibility criteria have been met, stipulations, if any, have been met and reasonable estimates of the amounts can be determined.

Stipulations attached to transfers to the City that give rise to an obligation on the City's behalf are deferred in the consolidated financial statements to the extent that the obligation meets the definition of a liability.

n) Loan guarantees

Periodically the City provides loan guarantees on specific debt issued by other entities not consolidated in these financial statements. Loan guarantees are disclosed as contingent liabilities (Note 14c) and no amounts are accrued in the consolidated financial statements until the City considers it likely that the borrower will default on the specified loan obligation. Should a default occur, the City's resulting liability would be recorded in the consolidated financial statements.

o) Use of Accounting Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions in such areas as employee benefits, the useful life of tangible capital assets, assessment appeals, lawsuits and environmental provisions. These estimates and assumptions are based on the City's best information and judgment and may differ significantly from actual results.

2. Significant Accounting Policies (continued)

p) Budget

The 2021 budget is included on the consolidated statements of operations and accumulated surplus and changes in net financial liabilities. The budget is compiled from the City Council-approved Operating Budget, estimates for controlled entities, adjustments to report the budget on a full accrual basis including capital revenue adjustments, assets capitalized on the statement of financial position, amortization of tangible capital assets and accruals for unfunded liabilities and administrative adjustments to provide for proper comparison to actual results presented herein.

3. Cash and Cash Equivalents

	<u>2021</u>	<u>2020</u>
Cash	\$ 587,825	\$ 466,226
Cash equivalents	<u>321,671</u>	<u>334,207</u>
	<u>\$ 909,496</u>	<u>\$ 800,433</u>

The average effective interest rate for cash equivalents at December 31, 2021 is 0.60% (2020 - 0.41%).

Cash and cash equivalents exclude \$28.7 million (2020 - \$55.1 million) which has been received from various entities including Winnipeg Civic Employees' Benefits Program. The funds are invested on a pooled basis to obtain maximum investment returns.

Cash received for interest from all cash, cash equivalents and investments during the year is \$31.3 million (2020 - \$35.4 million).

Included in the cash balance above is a restricted cash amount of \$126.8 million (2020 - nil). This amount includes the original advance by the Province for the North End Water Pollution Control Centre upgrades (Headworks Facilities and Biosolids Facilities Projects) and accumulated interest (2021 - \$0.4 million, 2020 - nil) on the advance. There is an external restriction to hold these funds separately until the projects are approved by the Government of Canada and the City has entered into contribution agreements for the funding. An amount equal to the restricted cash amount has been accounted for as deferred revenue (Note 8).

4. Accounts Receivable

	<u>2021</u>	<u>2020</u>
Trade accounts and other receivables	\$ 177,848	\$ 159,881
Province of Manitoba	88,902	26,766
Government of Canada	34,650	31,473
Allowance for doubtful accounts	<u>(28,576)</u>	<u>(27,134)</u>
	<u>272,824</u>	<u>190,986</u>
Property, payments-in-lieu and business taxes receivable	57,005	67,309
Allowance for property, payments-in-lieu and business taxes receivable	<u>(1,500)</u>	<u>(2,849)</u>
	<u>55,505</u>	<u>64,460</u>
	<u>\$ 328,329</u>	<u>\$ 255,446</u>

5. Investments

	<u>2021</u>	<u>2020</u>
Marketable securities (Note 5a)		
Municipal bonds	\$ 115,794	\$ 130,107
Provincial bonds and bond coupons	28,729	34,376
Federal entity	<u>25,733</u>	<u>20,919</u>
	170,256	185,402
Manitoba Hydro long-term receivable (Note 5b)	220,238	220,238
Other	<u>156</u>	<u>33</u>
	<u>\$ 390,650</u>	<u>\$ 405,673</u>

a) Marketable securities

The aggregate market value of marketable securities at December 31, 2021 is \$178.4 million (2020 - \$205.8 million) and their maturity dates range from 2022 to 2053.

b) Manitoba Hydro long-term receivable

On February 27, 2002, City Council approved Manitoba Hydro's proposal to purchase Winnipeg Hydro from the City. The terms of the proposal included payments to the City of \$25 million per annum commencing in 2002 and for the next four years thereafter; \$20 million per annum for years six through nine; and \$16 million per annum for year ten and continuing thereafter in perpetuity.

The Manitoba Hydro investment represents the sum of the discounted future cash flows of the above annual payments to the City, discounted at the City's historical average long-term borrowing rate.

6. Investment in Government Businesses

a) North Portage Development Corporation

North Portage Development Corporation (the "NPDC") is a government business partnership that is jointly controlled by the Government of Canada, the Province of Manitoba and The City of Winnipeg. The mission of NPDC is to act as a catalyst, encouraging activities for people in the downtown through public and private partnerships and to work to ensure financial self-sufficiency. NPDC is responsible for the continuing renewal and stewardship of two sites in Winnipeg's downtown: the North Portage area and The Forks. NPDC is involved in certain business and core activities regarding the ownership, development and management of its two sites that include land investment properties and public amenities.

b) Park City Commons

On February 17, 2016 the City and EdgeCorp Developments Ltd. entered into an agreement to form Park City Commons joint venture to develop and sell certain land owned by the participants in the community of Transcona.

c) River Park South Developments Inc.

On April 21, 2011, the City and Qualico Developments (Winnipeg) Ltd. entered into an agreement to jointly develop and sell residential land owned by the partners in the River Park South community of Winnipeg.

6. Investment in Government Businesses (continued)

Summary of investment in government businesses

	<u>2021</u>	<u>2020</u>
North Portage Development Corporation (1/3 share)	\$ 19,823	\$ 19,894
Park City Commons (1/2 share)	2,396	3,202
River Park South Developments Inc. (1/2 share)	470	400
	<u>\$ 22,689</u>	<u>\$ 23,496</u>

Summary of results of operations

	<u>2021</u>	<u>2020</u>
North Portage Development Corporation (1/3 share)	\$ (71)	\$ 382
Park City Commons (1/2 share)	215	11
River Park South Developments Inc. (1/2 share)	70	(10)
	<u>\$ 214</u>	<u>\$ 383</u>

The condensed supplementary financial information of the government business entities are disclosed in schedule 1.

7. Accounts Payable and Accrued Liabilities

	<u>2021</u>	<u>2020</u>
Accrued liabilities	\$ 159,124	\$ 142,562
Trade accounts payable	113,345	115,221
Accrued interest payable	7,150	7,351
	<u>\$ 279,619</u>	<u>\$ 265,134</u>

8. Deferred Revenue

	<u>2020</u>	<u>Inflows</u>	<u>Revenue Recognized</u>	<u>2021</u>
Operating				
Prepayment for services	\$ 18,533	\$ 10,609	\$ (5,824)	\$ 23,318
Government of Canada				
- Rapid Housing Initiative	12,497	12,776	(10,986)	14,287
Province of Manitoba	1,530	1,987	(1,935)	1,582
Other	4,674	131	(1,061)	3,744
	<u>37,234</u>	<u>25,503</u>	<u>(19,806)</u>	<u>42,931</u>
Capital				
Province of Manitoba (Note 3)	74,827	210,555	(27,225)	258,157
Canada Community Building Fund	25,793	90,810	(42,622)	73,981
Other	1,100	621	(149)	1,572
	<u>101,720</u>	<u>301,986</u>	<u>(69,996)</u>	<u>333,710</u>
	<u>\$ 138,954</u>	<u>\$ 327,489</u>	<u>\$ (89,802)</u>	<u>\$ 376,641</u>

9. Debt

Sinking fund debentures outstanding

Term	Maturity Date	Rate of Interest	Series	By-Law No.	2021	2020
2006-2036	July 17	5.200	VZ	183/04, 72/06	\$ 60,000	\$ 60,000
2008-2036	July 17	5.200	VZ	72/06B, 32/07	100,000	100,000
2010-2041	June 3	5.150	WB	183/08	60,000	60,000
2011-2051	Nov. 15	4.300	WC	72/06, 183/08, 150/09	50,000	50,000
2012-2051	Nov. 15	3.853	WC	93/11	50,000	50,000
2012-2051	Nov. 15	3.759	WC	120/09, 93/11, 138/11	75,000	75,000
2013-2051	Nov. 15	4.391	WC	93/11, 84/13	60,000	60,000
2014-2045	June 1	4.100	WD	144/11, 23/13, 149/13	60,000	60,000
2014-2045	June 1	3.713	WD	100/12, 23/13, 149/13	60,000	60,000
2014-2051	Nov. 15	3.893	WC	93/11, 145/13	52,568	52,568
2015-2045	June 1	3.828	WD	144/11, 100/12, 23/13, 149/13, 5/15, 61/15	60,000	60,000
2016-2045	June 1	3.303	WD	72/06, 23/13, 149/13, 5/15, 96/15, 40/16	80,000	80,000
2019-2051	Nov. 15	3.499	WC	6520/94, 6774/96, 6973/97, 6976/97, 7751/01, 72/06, 32/07 219/07, 184/08, 136/16	100,000	100,000
2019-2051	Nov. 15	2.667	WC	6976/97, 7751/01 219/07, 184/08, 150/09 40/16, 133/17	120,000	120,000
2020-2051	Nov. 15	2.663	WC	183/04, 150/009, 149/13, 5/15, 40/16 136/16, 133/17	85,000	85,000
					1,072,568	1,072,568
Equity in The Sinking Funds (Notes 9a and b)					(132,049)	(112,945)
Net sinking fund debentures outstanding					940,519	959,623
Other debt outstanding						
Service concession arrangement obligations (Notes 9c and 14d)					274,787	279,852
Bank loans and other with varying maturities up to 2046 and a weighted average interest rate of 2.96% (2020 - 2.71%)					140,528	182,732
Obligations for leased tangible capital assets (Note 9d)					19,045	20,410
					1,374,879	1,442,617
Unamortized premium on debt (Note 9e)					108,089	111,785
					\$ 1,482,968	\$ 1,554,402

9. Debt (continued)

Debt segregated by fund/organization:

	<u>2021</u>	<u>2020</u>
General Capital Fund	\$ 833,011	\$ 847,089
Transit System	246,650	283,578
Sewage Disposal	182,700	186,755
Waterworks System	106,297	111,514
Fleet Special Operating Agency	42,115	46,883
Consolidated entities	33,107	37,906
Solid Waste Disposal	25,040	27,438
Other	12,295	11,220
Land Drainage	1,753	2,019
	<u>\$ 1,482,968</u>	<u>\$ 1,554,402</u>

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

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027+</u>
Sinking fund debentures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,072,568
Other debt	29,211	23,572	24,497	19,917	18,678	318,485
	<u>\$ 29,211</u>	<u>\$ 23,572</u>	<u>\$ 24,497</u>	<u>\$ 19,917</u>	<u>\$ 18,678</u>	<u>\$ 1,391,053</u>

- a) As at December 31, 2021, sinking fund assets have a market value of \$142.0 million (2020 - \$130.9 million). Sinking fund assets are mainly comprised of government and government-guaranteed bonds and debentures, which include City of Winnipeg debentures with a carrying value of \$17.6 million (2020 - \$31.0 million) and a market value of \$18.3 million (2020 - \$36.8 million).
- b) For sinking fund securities issued, The City of Winnipeg Charter requires the City to make annual payments to the sinking fund. Sinking fund arrangements are managed in a separate fund by the City. The City is currently paying between 1 to 2% on its outstanding sinking fund debentures. These annual payments are invested for the retirement of the debenture issues on their maturity dates.
- c) Service concession arrangement obligations are as follows:

	<u>2021</u>	<u>2020</u>
i) Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass	\$ 133,810	\$ 136,226
ii) Disraeli Bridges	97,168	98,955
iii) Chief Peguis Trail Extension	43,809	44,671
	<u>\$ 274,787</u>	<u>\$ 279,852</u>

9. Debt (continued)

The City has entered into fixed price design, build, finance and maintain contracts with concessionaires for each project under the following terms:

	Debt Repayment Period	Annual Capital and Interest Payments	Interest Rate
i)	October 2019 - October 2049	\$ 8,350	4.4%
ii)	October 2012 - October 2042	9,806	8.1%
iii)	January 2012 - January 2042	4,539	8.2%

The City will also make monthly performance-based maintenance payments relating to all service concession arrangements as disclosed in Note 14d.

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

2022	\$ 2,930
2023	3,141
2024	5,225
2025	1,301
2026	1,301
Thereafter	<u>13,089</u>
Total future minimum lease payments	26,987
Amount representing interest at a weighted average rate of 8.18%	<u>(7,942)</u>
Obligations for leased tangible capital assets	<u>\$ 19,045</u>

e) Included in the Consolidated Statement of Financial Position are investments and cash equivalents of \$116.8 million (2020 - \$118.2 million) that will be used for making semi-annual debt service payments on the sinking fund debentures issued with a premium.

f) Interest on debt recorded in the Consolidated Statement of Operations and Accumulated Surplus in 2021 is \$66.3 million (2020 - \$65.1 million) and cash paid for interest during the year is \$66.5 million (2020 - \$64.8 million).

g) On February 27, 2002, City Council approved Manitoba Hydro's proposal to purchase Winnipeg Hydro from the City. As part of the purchase agreement, The City of Winnipeg Sinking Fund Trustees are required to hold Manitoba Hydro Electric Bonds issued by Manitoba Hydro to the City of Winnipeg in connection with the Winnipeg Hydro portion of the City's debt. The bonds were issued for the purpose of enabling the City to repay the Winnipeg Hydro portion of the City's debt, and were issued with identical terms and conditions as to par value, interest and date of maturity as the Winnipeg Hydro portion of the City's debt. The bonds are guaranteed by the Province of Manitoba and are non-transferable and non-redeemable prior to maturity. This debt has been defeased under this arrangement, and accordingly, is not reported in the Consolidated Statement of Financial Position. The book value of this debt as at December 31, 2021 is \$60.0 million (2020 - \$60.0 million).

10. Other Liabilities

	<u>2021</u>	<u>2020</u>
Landfill	\$ 75,230	\$ 65,040
Expropriation	55,018	50,520
Contaminated sites	5,269	5,787
Veolia agreement (Note 14e)	2,077	2,490
Developer deposits and other	15,213	15,466
	<u>\$ 152,807</u>	<u>\$ 139,303</u>

Landfill

Included in landfill liabilities is the estimated total landfill closure and post-closure care expenses. The estimated liability for the City's only active landfill is recognized as the landfill site's capacity is used. Estimated total expenses represent the sum of the discounted future cash flows for future closure and post-closure care activities discounted at the City's average, long-term borrowing rate of 3.5% (2020 - 4.0%). Amounts to be accrued in future years as the landfill's capacity is consumed are estimated at \$34.6 million (2020 - \$29.6 million).

Landfill closure and post-closure care requirements have been defined in accordance with The Environment Act and include final covering and landscaping of the landfill, pumping of ground, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a greater than 100 year period using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The estimated remaining capacity of the City's one remaining landfill, the Brady Road Landfill Site, is 82% of its total capacity and its remaining life is estimated to be over 100 years after which perpetual post-closure maintenance is required.

The Landfill Rehabilitation Reserve was established for the purpose of providing funding, over time, for closure and post-closure landfill needs including leachate management, environmental monitoring and site restoration costs for active and closed landfills maintained under the responsibility of the City. It is financed through a monthly transfer from the Solid Waste Disposal Fund based on tonnages processed at the landfill. As at December 31, 2021, the reserve had a balance of \$5.1 million (2020 - \$5.1 million) (Schedule 3).

Contaminated sites

As of December 31, 2021, the liability for contaminated sites includes sites associated with former City operations, sites acquired through tax forfeiture, and historical acquisition of properties. The nature of contamination includes chemicals, heavy metals, salt, and other organic and inorganic contaminants. The sources of contamination include underground fuel storage tanks, rail lines, fuel handling, vehicle storage and maintenance, snow storage and stockyards.

Liability estimates are based on environmental site assessments or are derived by extrapolating remediation costs incurred by the City for similar sites.

11. Employee Benefit Obligations

	<u>2021</u>	<u>2020</u>
Retirement allowance and compensated absences (Note 11a)	\$ 122,944	\$ 119,688
Vacation (Note 11b)	67,392	65,277
Workers compensation (Note 11c)	54,831	56,113
Defined benefit pension plans (Note 11d)	5,991	5,074
	<u>\$ 251,158</u>	<u>\$ 246,152</u>

11. Employee Benefit Obligations (continued)

a) Retirement allowance and compensated absences

Under the retirement allowance programs, upon retirement, death or termination of service under certain conditions (excluding resignation), qualifying employees may be entitled to a cash pay-out based on the value of the employees' remaining accumulated sick leave bank. In addition, certain employees may be entitled to a severance benefit based on length of service.

Compensated absences represent benefits expected to be paid during future employee absences in respect of sick leave days earned in previous years.

Adjustments arising from plan amendments, changes in assumptions, and experience gains and losses are amortized on a straight-line basis over 15.0 years (2020 - 15.0 years) for retirement allowance and compensated absences, which represents the expected average remaining service life of the employee group. Amortization is calculated beginning in the year following the year the actuarial gains or losses occur.

The City measures its accrued retirement allowance and compensated absences obligations as at December 31 of each year. An actuarial valuation of the obligation was calculated as of July 31, 2020. The results of this valuation were extrapolated to the financial reporting date of December 31, 2021 using year-end assumptions.

Information about the City's retirement allowance benefit plan and compensated absences are as follows:

	<u>Retirement Allowance</u>	<u>Compensated Absences</u>	<u>Total 2021</u>	<u>Total 2020</u>
Obligation balance, beginning of year	\$ 88,730	\$ 61,018	\$ 149,748	\$ 135,881
Current service cost	5,657	6,270	11,927	10,386
Interest cost	1,619	1,162	2,781	3,639
Actuarial loss (gain)	(4,533)	(3,139)	(7,672)	12,988
Benefit payments	(9,296)	(5,307)	(14,603)	(13,146)
Obligation balance, end of year	82,177	60,004	142,181	\$ 149,748
Unamortized net actuarial (loss) gain	4,563	(23,800)	(19,237)	(30,060)
Accrued benefit liability	\$ 86,740	\$ 36,204	\$ 122,944	119,688

Reconciliation of unamortized net actuarial (loss) gain:

Balance beginning of year	\$ (332)	\$ (29,728)	\$ (30,060)	\$ (19,471)
Amortization for current year	362	2,789	3,151	2,399
Actuarial (loss) gain	4,533	3,139	7,672	(12,988)
Balance end of year	\$ 4,563	\$ (23,800)	\$ (19,237)	\$ (30,060)

Expense consists of the following:

Current service cost	\$ 5,657	\$ 6,270	\$ 11,927	\$ 10,386
Interest cost	1,619	1,162	2,781	3,639
Amortization of net actuarial (gain) loss	362	2,789	3,151	2,399
	\$ 7,638	\$ 10,221	\$ 17,859	\$ 16,424

11. Employee Benefit Obligations (continued)

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

	<u>2021</u>	<u>2020</u>
Discount rate on liability	2.40%	1.80%
General increases in pay	2.50 - 3.00%	2.50 - 3.00%

Demographic assumptions such as utilization of sick leave credits, salary increases as a result of increments and promotion, continuation of employment and the probability of retirement or death in future years are based on employment experience.

b) Vacation

Employees are entitled to bank and accrue unused vacation time as outlined in collective bargaining and other agreements. The liability for these benefits is determined using current rates of pay and is undiscounted.

c) Workers compensation

Section 73 of The Workers Compensation Act groups employers into five broad classes (Classes A to E). Employers in Classes A to D, known as self-insured employers, are individually liable for the claim costs of their workers plus their share of annual administrative costs of Manitoba's workers compensation system. The City is in Class D.

The liability, as determined by the Workers Compensation Board of Manitoba, for work related injury benefits including provision of medical aid, wage loss, compensation, permanent partial impairment awards, long latency diseases and fatalities.

d) Defined benefit pension plans

	<u>2021</u>	<u>2020</u>
i) Councillors' Pension Plans:		
a) Pension Plan Established Under By-Law Number 3553/83	\$ 3,640	\$ 3,640
b) Pension Plan Established Under By-Law Number 7869/2001	(125)	-
ii) Supplementary Executive Pension Plan	<u>2,476</u>	<u>1,434</u>
	<u>\$ 5,991</u>	<u>\$ 5,074</u>

i) Councillors' Pension Plans

a) Pension Plan Established Under By-Law Number 3553/83

On November 2, 1992, the pension plan provided to members of City Council was terminated, thereby not allowing new members to be accepted to the plan and current members being entitled to receive retirement benefits once they become eligible. This plan has no dedicated assets or contributions and benefit payments are paid by the City in accordance with the plan's provisions. In 2021, the City paid out \$0.3 million (2020 - \$0.3 million). An actuarially determined pension obligation of \$3.6 million (2020 - \$3.6 million) has been reflected in the employee benefit obligations on the Consolidated Statement of Financial Position.

b) Pension Plan Established Under By-Law Number 7869/2001

On November 22, 2000, City Council adopted the policy that effective January 1, 2001, a Council Pension Plan be created for all members of City Council for The City of Winnipeg. All members of Council are required to become members of the plan. Members of the plan contribute 6 1/2% of their Canada Pension Plan earnings plus 7 1/2% of any earnings in excess of their Canada Pension Plan earnings. The City makes contributions as required, based on the recommendation of the actuary.

11. Employee Benefit Obligations (continued)

An actuarial valuation of the Program was prepared as at December 31, 2019 and extrapolated to December 31, 2021 by Mercer (Canada) Limited ("Mercer"). The actuarial present value of accrued pension benefits for the valuation was determined using the projected benefit method pro-rated on service and using assumptions approved by the Board with input from the actuary.

The significant long-term assumptions used in the valuation of accrued pension benefits provided for a discount rate on liabilities of 4.20% (2020 - 3.95%) per annum, a rate of return on assets of 4.20% (2020 - 3.95%) per annum, and a general rate of salary increase of 2.50% (2020 - 2.50%) per annum. The results of the valuation indicated an obligation at December 31, 2021 of \$8.1 million, which is offset by assets in the plan of \$8.2 million, resulting in net assets of \$0.1 million.

Total contributions made by the City to the Plan in 2021 were \$0.5 million (2020 - \$0.8 million). Total program member contributions to the Plan in 2021 were \$0.1 million (2020 - \$0.1 million). In 2021, this plan paid out \$0.4 million (2020 - \$0.2 million).

ii) Supplementary Executive Pension Plan

The Supplementary Executive Pension Plan (SEPP) was established January 1, 2001. Senior management are eligible for the plan when established by the employment contract. This plan has no dedicated assets or contributions and benefit payments are paid by the City in accordance with the plan's provisions. In 2021, the City paid benefits of \$0.1 million (2020 - \$0.1 million). An actuarially determined pension obligation of \$2.5 million (2020 - \$1.4 million) has been reflected in the accrued employee benefit obligation on the Consolidated Statement of Financial Position.

iii) Winnipeg Police Pension Plan

The Winnipeg Police Pension Plan (the "Plan") is a contributory defined benefit plan, providing pension benefits to police officers. Members are required to make contributions at the rate of 8% of pensionable earnings. The City is required to finance the cost of the plan's benefits other than cost-of-living adjustments and to contribute 2% of pensionable earnings in respect of cost-of-living adjustments. A contribution stabilization reserve has been established by the Plan to maintain the City's contribution rate at 8% of pensionable earnings, when permitted under provincial pension legislation. The Plan incorporates a risk-sharing arrangement under which actuarial surpluses are first allocated to maintain the rate of cost-of-living adjustments to pensions at 75% of the inflation rate and maintain the contribution stabilization reserve. Thereafter actuarial surpluses are shared equally between the City and Plan members. Funding deficiencies are resolved through reductions in the Plan's contribution stabilization reserve and the rate of cost-of-living adjustments to pensions.

An actuarial funding valuation of the Plan was prepared as of December 31, 2020. The valuation revealed a funding deficit, which, in accordance with the terms of the Plan, was resolved by a decrease in the contribution stabilization reserve and by decreasing the rate of cost-of-living adjustments to pensions from 52.7% to 50.0% of the inflation rate.

An actuarial valuation of the Plan as of December 31, 2021 is to be prepared and filed with the Office of the Superintendent - Pension Commission. In addition to a calculation of the actuarial surplus or funding deficiency, in accordance with pension legislation in Manitoba, the Plan must also be valued under the hypothetical scenario that the Plan is wound up and members' benefit entitlements settled on the valuation date. As of the date of the last valuation of the Plan that was filed with the Office of the Superintendent - Pension Commission, December 31, 2020, the actuarial valuation showed that the Plan has a solvency deficiency at December 31, 2020 under this wind-up scenario. This deficiency is being addressed by the City by obtaining a yearly renewable letter of credit with face value equal to the accumulated value of additional contributions with interest that would otherwise be required.

11. Employee Benefit Obligations (continued)

The results of the December 31, 2020 actuarial valuation of the Plan were extrapolated to December 31, 2021. In accordance with the terms of the Plan, extrapolated surpluses and deficiencies are resolved through transfers to and from the contribution stabilization reserve and increases or reductions in the rate of cost-of-living adjustments to pensions. The principal long-term assumptions on which the extrapolation was based were: discount rate of 4.75% per year (2020 - 4.75%); inflation rate of 3.50% for two years followed by 2.00% per year (2020 - 2.00%); and general pay increases of 3.25% per year (2020 - 3.25%) The accrued pension obligation was valued using the projected benefit method pro-rated on services.

Based on this valuation and extrapolation, the Plan's assets, accrued pension obligation and pension expenses are as follows:

	<u>2021</u>	<u>2020</u>
Plan assets:		
Fair value, beginning of year	\$ 1,866,360	\$ 1,724,937
Employer contributions	37,223	30,575
Employee contributions and transfers	16,299	15,777
Benefits and expenses paid	(66,432)	(62,052)
Net investment income	251,266	157,123
	<u>2,104,716</u>	<u>1,866,360</u>
Fair value, end of year	2,104,716	1,866,360
Actuarial adjustment	(227,210)	(135,091)
	<u>\$ 1,877,506</u>	<u>\$ 1,731,269</u>
Accrued pension costs and obligations:		
Beginning of year	\$ 1,696,294	\$ 1,589,268
Interest on accrued pension obligation	80,346	78,440
Current period benefit cost	56,819	52,798
Actuarial loss (gain)	53,571	37,840
Benefits and expenses paid	(66,432)	(62,052)
	<u>\$ 1,820,598</u>	<u>\$ 1,696,294</u>
End of year	\$ 1,820,598	\$ 1,696,294
Funded status	\$ 56,908	\$ 34,975
Less: city account	(7)	-
Less: contribution stabilization reserve	(56,901)	(34,975)
	<u>\$ -</u>	<u>\$ -</u>
Actuarial surplus	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>
	<u>2021</u>	<u>2020</u>
Expenses related to pensions:		
Current period benefit cost	\$ 56,819	\$ 52,798
Amortization of actuarial gains	(1,714)	(5,040)
Less: employee contributions and transfers	(16,299)	(15,777)
	<u>38,806</u>	<u>31,981</u>
Pension benefit expense	38,806	31,981
Interest on accrued benefit obligation	80,346	78,440
Expected return on plan assets	(81,929)	(79,846)
	<u>(1,583)</u>	<u>(1,406)</u>
Pension interest income	(1,583)	(1,406)
Total expenses related to pensions	<u>\$ 37,223</u>	<u>\$ 30,575</u>

11. Employee Benefit Obligations (continued)

The actuarial value of the Plan's assets is determined by averaging over five years differences between the pension fund's net investment income and expected investment income based on the expected rate of return.

Total contributions made by the City to the Plan in 2021 were \$37.2 million (2020 - \$30.6 million). Total employee contributions to the Plan in 2021 were \$13.8 million (2020 - \$13.5 million). Benefits paid from the Plan in 2021 were \$64.8 million (2020 - \$60.7 million).

The expected rate of return on Plan assets in 2021 was 4.75% (2020 - 4.95%). The actual rate of return, net of investment expenses, on the fair value of Plan assets in 2021 was 13.51% (2020 - 9.15%).

As the City's contributions to the Plan each year are equal to its pension expense, no accrued pension asset or liability is reflected in the Consolidated Statement of Financial Position. As noted above, the Plan provides that within certain prescribed constraints, in the event of a funding deficiency, a transfer from the contribution stabilization reserve and amendments to the rate of cost-of-living adjustments to pensions will be utilized to resolve the deficiency, and vice versa in the event of a surplus. The above extrapolation anticipates that the funding surplus at December 31, 2021 will be resolved through an allocation to both the city account and contribution stabilization reserve and an increase in the rate of cost-of-living adjustments.

e) Other benefit plans

i) Winnipeg Civic Employees' Benefits Program

The Winnipeg Civic Employees' Benefits Program (the "Benefits Program") is a multi-employer benefit program governed by an independent board of trustees and a trust agreement that limits the City's contribution rate. Accordingly, the Benefits Program is accounted for similar to a defined contribution benefits program. The Benefits Program provides pension and disability benefits to all City of Winnipeg employees, other than police officers, and to employees of certain other participating employers.

Members' contribution rates were 9.5% of their Year's Maximum Pensionable Earnings under the Canada Pension Plan and 11.8% of pensionable earnings in excess of the Year's Maximum Pensionable Earnings in 2021, and for future years, consistent with 2020. The City and participating employers are required to make matching contributions.

An actuarial valuation of the Benefits Program was prepared as at December 31, 2020, which indicated an excess of actuarial value of program assets over actuarial liabilities of \$152.3 million. The Pension Trust Agreement specifies how actuarial surpluses can be used but does not attribute actuarial surpluses to individual employers. However, a portion of actuarial surpluses is allocated to a City Account that the City and other participating employers may use to finance reductions in their contributions. In the event of unfavourable financial experience, additional amounts may be transferred from the City Account to cover a funding deficiency.

The balance of the City Account at December 31, 2021 was nil (2020 - nil).

Total contributions by the City to the Benefits Program in 2021 were \$53.4 million (2020 - \$52.9 million), which were expensed as incurred.

ii) Group Life Insurance Plan

Employees of the City who are members of the Civic Employees' Pension Plan or the Winnipeg Police Pension Plan must become members of the Civic Employees' Group Life Insurance Plan and the Police Employees' Group Life Insurance Plan, (the "Plans") respectively. These plans provide life insurance for members while employed and can be continued into retirement at the employees' option. Plan members and the City share the cost of basic life insurance until retirement. An actuarial valuation as of December 31, 2019 indicated that this post-retirement liability is fully funded.

11. Employee Benefit Obligations (continued)

During 2015, City Council approved by-law 80/2015 in respect of the Plans. The purpose of the by-law was to transfer the plans' administration from the Winnipeg Civic Employees' Benefits Program and the Winnipeg Police Pension Board to The Civic and Police Employees' Group Life Insurance Plans Corporation ("CPEGLIPCo"). The Province of Manitoba approved the establishing of CPEGLIPCo as a municipal corporation. The benefits offered by the plans have not changed.

The Plans are administered and managed by CPEGLIPCo, including investment management. The investments are held to meet the Plans' benefit obligations and the City cannot unilaterally access any surplus funds. As such, the City expenses contributions as incurred and the plan's assets and liabilities are excluded from the City's consolidated financial statements.

An actuarial valuation of the Plans was prepared as of December 31, 2019 and the results were extrapolated to December 31, 2021. The principal long-term assumptions on which the valuation was based were: discount rate of 5.00% per year (2020 - 5.00%); and general pay increases of 3.25% per year (2020 - 3.25%). The accrued group life insurance obligation was valued using the projected benefit method pro-rated on services. Based on this valuation and extrapolation, the funded status of the Plans is as follows:

	<u>2021</u>	<u>2020</u>
Group life insurance plan assets, at actuarial value	<u>\$ 190,949</u>	<u>\$ 180,061</u>
Accrued post-retirement life insurance obligations	<u>\$ 104,190</u>	<u>\$ 100,970</u>

12. Tangible Capital Assets

	Net Book Value	
	<u>2021</u>	<u>2020</u>
General		
Land	\$ 336,309	\$ 316,765
Buildings	839,105	865,033
Vehicles	237,123	229,662
Computer	37,636	42,154
Other	284,340	284,990
Infrastructure		
Plants and facilities	636,268	608,944
Roads	1,944,635	1,880,512
Underground and other networks	2,365,061	2,327,724
Bridges and other structures	657,811	668,622
	<u>7,338,288</u>	<u>7,224,406</u>
Assets under construction	<u>491,281</u>	<u>471,707</u>
	<u>\$ 7,829,569</u>	<u>\$ 7,696,113</u>

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

During the year, there were no write-down of tangible capital assets (2020 - \$nil). Interest capitalized during 2021 was \$3.1 million (2020 - \$3.7 million). In addition, roads and underground networks contributed to the City totaled \$63.5 million in 2021 (2020 - \$24.2 million) and were capitalized at their fair value at the time of receipt.

Included in the above net book values are \$632.9 million (2020 - \$647.7 million) of tangible capital assets that were acquired through service concession arrangements. The amount includes estimated, yet to be determined settlements for land expropriations.

13. Accumulated Surplus

Accumulated surplus consists of the following:

	<u>2021</u>	<u>2020</u>
Invested in tangible capital assets	\$ 6,468,698	\$ 6,311,139
Reserves (Schedule 3)	324,934	412,996
Other surplus accumulated in utility operations, consolidated entities and other	280,599	234,325
Manitoba Hydro long-term receivable (Note 5)	220,238	220,238
Equity in government businesses (Note 6)	22,689	23,496
Unfunded expenses to be funded from future revenues:		
Accrued employee benefits and other	(252,039)	(247,963)
Landfill (Note 10)	(75,230)	(65,040)
Contaminated sites (Note 10)	(5,269)	(5,787)
Canadian Museum for Human Rights grant	(1,967)	(2,948)
	<u>\$ 6,982,653</u>	<u>\$ 6,880,456</u>

Invested in tangible capital assets represents equity in non-financial assets, which is either a portion or the entire accumulated surpluses of specific funds consolidated in these statements. For those funds, where a portion of their accumulated surplus is allocated to invested in tangible capital assets, the amount is determined based on tangible capital assets less debt.

14. Commitments and Contingencies

The significant commitments and contingencies existing at December 31, 2021 are as follows:

a) Operating leases

The City has entered into a number of lease agreements mainly for the lease of accommodations for civic offices and office equipment. Future minimum lease payments on operating leases are as follows:

2022	\$ 8,650
2023	8,223
2024	8,001
2025	7,215
2026	7,206
Thereafter	48,866
	<u>\$ 88,161</u>

b) Legal obligations

As part of the normal course of operations, lawsuits are pending against the City. The final outcome with respect to actions that will arise from these lawsuits as at December 31, 2021 cannot be predicted with certainty. Where the occurrence of future events is considered likely to result in a loss with respect to an existing condition and the amount of loss can be reasonably estimated, amounts have been recorded in the consolidated financial statements. Where the occurrence of future events is considered undeterminable, no amount has been accrued in the financial statements.

c) Loan guarantees

The City has also unconditionally guaranteed the payment of principal and interest on capital improvement loans for several organizations. The outstanding balance on these loans as at December 31, 2021 is \$34.1 million (2020 - \$36.1 million). The City does not anticipate incurring future payment on these guarantees, and no amount has been accounted as a liability accordingly.

Some of the capital projects related to guarantees are in progress at year-end, meaning that the full line of credit has not been used. The authorized limit is \$36.5 million (2020 - \$38.9 million).

14. Commitments and Contingencies (continued)

d) Service concession arrangements

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

	<u>Annual Maintenance</u>
i) Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass	\$ 3,200
ii) Disraeli Bridges	1,800
iii) Chief Peguis Trail Extension	1,500

e) Veolia agreement

On April 20, 2011, the City entered into an agreement ("Agreement") with VWNA Winnipeg Inc. ("Veolia") for the provision of expert advice to the City to assist with construction and operating improvements to the City's sewage treatment system (the "Program"). The Agreement commenced May 1, 2011, and has a term of 30 years, subject to certain termination provisions.

The City's sewage treatment system treats and handles wastewater and resulting residuals at its existing three major sewage treatment facilities, the South End, West End and North End Water Pollution Control Centres (the "Facilities"). Veolia's role is to provide services to the City. Representatives of Veolia are working collaboratively with representatives of the City providing advice and recommendations in respect of the City's (i) management and operation of the Facilities (ii) assessment, planning and delivery of upgrades and capital modification to the Facilities; and (iii) assessment, planning and delivery of operational improvement to the Facilities during the term of this agreement. The Program does not include the City's supply of water or its waterworks system or work relating to the collection system or land drainage system.

Under the Agreement, the City: retains complete ownership of all the sewage system assets; continues to exercise control over the sewage treatment systems by means of City Council budget approvals and by setting service quality standards that will be reported publicly on a regular basis; continues to control operating and maintenance parameters by which the sewage system shall operate; and retains full accountability for compliance with regulatory permits and licenses.

Decisions for the sewage treatment system are made by the City based upon the best advice of City management and Veolia experts working together.

The Agreement provides both parties with a variety of responsibilities, rights, protections, and obligations reflecting reasonable commercial terms.

14. Commitments and Contingencies (continued)

Compensation to Veolia under the Agreement includes the following components:

1. Reimbursement of Veolia's actual direct costs related to the Program ("Direct Costs");
2. An agreed-upon margin percentage which is applied to Direct Costs of the Program. The quantum of the margin percentage is dependent on the nature of the cost ("Fee");
3. For capital projects and operations under the Program, a target cost is to be set. Veolia is to receive a share of the savings when actual operating costs and/or capital costs are below target costs ("Gainshare"). Veolia is to receive a share of the expense when actual operating costs and/or capital costs are above target costs ("Painshare"); and
4. Key performance indicators ("KPIs") will be established under the Program. Veolia is to earn amounts for achieving or completing established KPIs ("KPI earnings"), and to be deducted amounts for failing to achieve minimum KPIs ("KPI Deductions").
5. Positive interest adjustment to the Earnings at Risk Account ("EARA")

The Agreement only guarantees payment to Veolia in respect of the Direct Costs incurred in providing services as indicated in item 1 in the above paragraph.

Amounts earned by Veolia over the term of the Agreement (Fee, Gainshare, KPI earnings and EARA interest adjustment) are credited to an Earning at Risk Account ("EARA"- (note 10)). Painshare and KPI deductions reduce the EARA. All of these amounts remain at risk for the duration of the Agreement and are not guaranteed to be paid to Veolia, and by their nature, are dependent on the financial and overall results of the Program.

Veolia's withdrawals of amounts from the EARA are subject to certain limits and security posting requirements. In 2021, Veolia withdrew \$nil (2020 - \$2.1 million) from EARA and replaced this at risk amount with a standby letter of credit. Total EARA secured by a standby letter of credit at December 31, 2021 is \$13.1 million (2020 - \$13.1 million).

If at the end of the 30-year term the EARA is negative, Veolia must repay the City this amount.

The Agreement requires a Performance Guarantee Security ("PGS"), which is a letter of credit and performance bond that together provide security to the City. In addition to the PGS, Veolia provides a Parental Guarantee by its parent company.

f) Forgivable loans

The City has received funding from the federal and provincial governments for the purchase of certain properties. Repayment of this funding is not required as long as the properties operate as an affordable housing complex or offer services for the homeless. As at December 31, 2021, the forgivable loans totaled \$1.7 million (2020 - \$2.0 million).

15. Taxation

	<u>2021</u>	<u>2020</u>
Municipal and school property taxes	\$ 1,328,889	\$ 1,309,949
Payments-in-lieu of property (municipal and school) taxes	<u>49,805</u>	<u>50,414</u>
	1,378,694	1,360,363
Payments to Province and school divisions	<u>(729,019)</u>	<u>(732,304)</u>
Net property taxes and payments-in-lieu of property taxes available for municipal purposes	649,675	628,059
Local improvement and frontage levies	64,433	65,499
Business and payments-in-lieu of business taxes	57,146	59,575
Electricity and natural gas sales taxes	22,263	21,213
Amusement and accommodation taxes and mobile home licences	<u>7,432</u>	<u>5,648</u>
	<u>\$ 800,949</u>	<u>\$ 779,994</u>

The property tax roll includes school taxes of \$698.8 million (2020 - \$701.5 million) assessed and levied on behalf of the Province and school divisions. Payments-in-lieu of school taxes assessed in 2021 totalled \$30.2 million (2020 - \$30.8 million) and are treated the same as school taxes. School taxes and payments-in-lieu of school taxes are remitted to the Province and school divisions based upon a formula and schedule set by the Province. If property taxes are reduced due to an assessment reduction, the City is required by legislation to fund the repayment of both the municipal and school taxes with applicable interest.

The business tax roll includes an amount assessed and levied on behalf of business improvement zones of \$6.5 million (2020 - \$6.4 million). Collections of this levy are remitted to the business improvement zones and excluded from business taxes.

16. Sales of Services and Regulatory Fees

	<u>2021</u>	<u>2020</u>
Water sales and sewage services	\$ 350,570	\$ 329,591
Other sales of goods and services	131,444	103,005
Regulatory fees	82,949	76,834
Transit fares	<u>40,266</u>	<u>47,194</u>
	<u>\$ 605,229</u>	<u>\$ 556,624</u>

17. Government Transfers

	<u>2021</u>	<u>2020</u>
Operating		
Province of Manitoba		
Municipal Operating Grant	\$ 139,804	\$ 139,804
Public Safety	23,955	23,955
	<u>163,759</u>	<u>163,759</u>
Less: Support for Provincial Programs	<u>(23,650)</u>	<u>(23,650)</u>
	140,109	140,109
Transfer for paramedic services	48,199	46,378
Other	15,210	19,874
	<u>203,518</u>	<u>206,361</u>
Government of Canada		
Rapid Housing Initiative	10,986	-
Federal Safe Restart	-	74,497
Other	5,365	6,721
	<u>16,351</u>	<u>81,218</u>
Total Operating	<u>219,869</u>	<u>287,579</u>
Capital		
Province of Manitoba		
Accelerated Regional Street Renewal Project	20,490	15,805
Urban Forest Enhancement Program	3,300	-
Transit Bus Purchases	2,900	-
Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass	653	2,335
Waverley underpass	516	2,566
Local Street Renewal Program	-	10,184
Public Transit Infrastructure Fund	-	306
Other	9,144	6,267
	<u>37,003</u>	<u>37,463</u>
Government of Canada		
Canada Community Building Fund (Note 8)	42,622	66,810
Accelerated Regional Street Renewal Project	20,490	15,805
Assiniboine Park Conservancy	3,907	2,291
Waverley underpass	519	2,581
Public Transit Infrastructure Fund	-	3,703
Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass	-	1,321
Other	1,051	4,293
	<u>68,589</u>	<u>96,804</u>
Total Capital	<u>105,592</u>	<u>134,267</u>
	<u>\$ 325,461</u>	<u>\$ 421,846</u>

In accordance with the recommendations of the Public Sector Accounting Board, government transfers, to the extent a liability does not exist, and developer contributions-in-kind related to capital acquisitions are required to be recognized as revenue in the consolidated financial statements in the period in which the tangible capital assets are acquired.

18. Land Sales and Other Revenue

	<u>2021</u>	<u>2020</u>
Land sales	\$ 6,995	\$ 5,383
Contributions in lieu of land dedication	1,298	1,947
Income from government businesses (Note 6)	214	383
Other	<u>11,188</u>	<u>8,335</u>
	<u>\$ 19,695</u>	<u>\$ 16,048</u>

19. Expenses by Object

	<u>2021</u>	<u>2020</u>
Salaries and benefits	\$ 932,407	\$ 906,039
Goods and services	429,939	424,602
Amortization of tangible capital assets	286,475	279,943
Interest	66,324	65,142
Impact Fee refunds	-	36,995
Other expenses	<u>39,316</u>	<u>14,848</u>
	<u>\$ 1,754,461</u>	<u>\$ 1,727,569</u>

On July 8, 2020, Manitoba Court of Queen's Bench ruled that, while the City has the power or authority to impose an impact fee generally, the by-law and resolution regarding the impact fees "imposes a constitutionally invalid indirect tax" and ordered the City to refund the impact fees paid together with any interest earned on the funds. The City began processing refund payments November 30, 2020 with all refunds completed by December 31, 2020.

20. Budget

On December 16, 2020 Council approved the 2021 budget for the City, including operating budgets for tax supported, utility, special operating agency and reserve operations as well as a capital budget. Included in the Council approved 2021 budget document is the 2021 consolidated budget that considers inter-fund transaction eliminations, tangible capital asset based revenues and amortization, controlled entity operations and the accrual of unfunded expenses. The resulting 2021 consolidated budget has been utilized in these consolidated financial statements.

21. Changes in Non-Cash Working Capital Balances

	<u>2021</u>	<u>2020</u>
Accounts receivable	\$ (72,883)	\$ 58,216
Land held for resale	(928)	(765)
Accounts payable and accrued liabilities	14,485	(22,553)
Deferred revenue	237,687	38,948
Inventories	(1,133)	(1,640)
Prepaid expenses and deferred charges	<u>188</u>	<u>(2,183)</u>
	<u>\$ 177,416</u>	<u>\$ 70,023</u>

22. Property and Liability Insurance

The City purchases comprehensive insurance coverage for property and liability with a self-insured retention level of \$250 thousand per claim for most of the policies. The City has established an Insurance Reserve (Schedule 3) that enables the City to carry a large self-insured retention level which mitigates the effect of poor claims experience in any given year.

23. Segmented Information

The City of Winnipeg is a diversified municipal government institution that provides a wide range of services to its citizens, including police, fire, ambulance, public transit and water. For management reporting purposes the City's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The General Revenue Fund reports on municipal services that are funded primarily by taxation such as property and business tax revenues. Taxation and payments-in-lieu of taxes are apportioned to General Revenue Fund services based on the Fund's net surplus. Certain government transfers, transfers from other funds, and other revenues have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2. For additional information, see the Consolidated Schedule of Segment Disclosure - Service (Schedule 4).

City services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Protection

Protection is comprised of the Police Service and Fire Paramedic Service departments. The services these departments are responsible for include: police response, crime prevention, traffic safety and enforcement, fire and rescue response, fire and injury prevention, medical response and emergency management.

Community Services

The Community Services department provides public services that contribute to neighbourhood development and sustainability and is responsible for the following services: recreation, community liveability, libraries and arts, entertainment and culture.

Planning

The Planning, Property and Development department provides a diverse bundle of services. Services it is responsible for include: city planning, neighbourhood revitalization, development approvals, building permits and inspections, heritage conservation, property asset management, economic development and cemetery.

Public Works and Garbage Collection

The Public Works department is responsible for the following services: roadway construction and maintenance, transportation planning and traffic management, roadway snow removal and ice control, crime prevention (street lighting), parks and urban forestry, insect control and city beautification. The Water and Waste department is responsible for garbage collection operations.

Finance and Administration

Finance and Administration is comprised of Assessment and Taxation, City Clerks, Audit, Corporate Finance, Innovation and Technology, Legal Services, Human Resource Services, Council, Mayor's Office, Customer Service and Communication, Chief Administration Office and Policy and Strategic Initiatives departments. Services these departments are responsible for include: innovation, transformation and technology, organizational support services, assessment, taxation and corporate, council services and contact centre - 311.

23. Segmented Information (continued)

Transit System Fund

The Transit department is responsible for providing local public transportation service including conventional transit, Transit Plus and chartered and special events transit.

Water and Waste Funds

The Water and Waste department consists of four distinct utilities and provides the following services: water, wastewater, land drainage and flood control, solid waste disposal and recycling and waste diversion.

24. Contractual Rights

Developer contributions

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

25. Funds Held in Trust

Trust funds administered by the City for the benefit of external parties, which total \$3.8 million (2020 – \$3.0 million), are not included in the consolidated financial statements.

26. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation made in the current year.

THE CITY OF WINNIPEG
CONSOLIDATED SCHEDULE OF GOVERNMENT BUSINESSES AND PARTNERSHIP

Schedule 1

As at and for the years ended
(in thousands of dollars)

	GOVERNMENT BUSINESSES						GOVERNMENT PARTNERSHIP			
	North Portage Development Corporation March 31		Park City Commons December 31		River Park South Developments Inc. December 31		Total		Economic Development Winnipeg ¹ December 31	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial Position										
Assets										
Current	\$ 6,889	\$ 5,881	\$ 2,491	\$ 3,929	\$ 2,506	\$ 2,566	\$ 11,886	\$ 12,376	\$ 3,869	\$ 4,657
Capital	73,970	76,496	-	-	-	-	73,970	76,496	807	677
Other	452	613	-	-	-	-	452	613	-	-
	<u>\$ 81,311</u>	<u>\$ 82,990</u>	<u>\$ 2,491</u>	<u>\$ 3,929</u>	<u>\$ 2,506</u>	<u>\$ 2,566</u>	<u>\$ 86,308</u>	<u>\$ 89,485</u>	<u>\$ 4,676</u>	<u>\$ 5,334</u>
Liabilities										
Current	\$ 4,240	\$ 4,073	\$ -	\$ 712	\$ 1,566	\$ 1,766	\$ 5,806	\$ 6,551	\$ 61	\$ 214
Long-term	17,602	19,234	-	-	-	-	17,602	19,234	1,033	1,812
	<u>21,842</u>	<u>23,307</u>	<u>-</u>	<u>712</u>	<u>1,566</u>	<u>1,766</u>	<u>23,408</u>	<u>25,785</u>	<u>1,094</u>	<u>2,026</u>
Net equity	<u>59,469</u>	<u>59,683</u>	<u>2,491</u>	<u>3,217</u>	<u>940</u>	<u>800</u>	<u>62,900</u>	<u>63,700</u>	<u>3,582</u>	<u>3,308</u>
	<u>\$ 81,311</u>	<u>\$ 82,990</u>	<u>\$ 2,491</u>	<u>\$ 3,929</u>	<u>\$ 2,506</u>	<u>\$ 2,566</u>	<u>\$ 86,308</u>	<u>\$ 89,485</u>	<u>\$ 4,676</u>	<u>\$ 5,334</u>
City share	<u>\$ 19,823</u>	<u>\$ 19,894</u>	<u>\$ 2,396</u>	<u>\$ 3,202</u>	<u>\$ 470</u>	<u>\$ 400</u>	<u>\$ 22,689</u>	<u>\$ 23,496</u>	<u>\$ 1,791</u>	<u>\$ 1,654</u>
Results of Operations										
Revenues	\$ 12,473	\$ 18,641	\$ 415	\$ -	\$ 153	\$ -	\$ 13,041	\$ 18,641	\$ 6,975	\$ 7,152
Expenses	12,687	17,494	3	2	13	20	12,703	17,516	6,701	6,950
Net income (loss)	<u>\$ (214)</u>	<u>\$ 1,147</u>	<u>\$ 412</u>	<u>\$ (2)</u>	<u>\$ 140</u>	<u>\$ (20)</u>	<u>\$ 338</u>	<u>\$ 1,125</u>	<u>\$ 274</u>	<u>\$ 202</u>
City share	<u>\$ (71)</u>	<u>\$ 382</u>	<u>\$ 215</u>	<u>\$ 11</u>	<u>\$ 70</u>	<u>\$ (10)</u>	<u>\$ 214</u>	<u>\$ 383</u>	<u>\$ 137</u>	<u>\$ 101</u>

¹ The City proportionally consolidates fifty percent of Economic Development Winnipeg's assets, liabilities, revenues and expenses with adjustments to their results including elimination of transactions with the City, such as grants provided by the City and recording the City's portion of the Special Event Marketing Fund.

THE CITY OF WINNIPEG
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

As at December 31
(in thousands of dollars)

	General				
	<u>Land ¹</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Computer</u>	<u>Other</u>
Cost					
Balance, beginning of year	\$ 316,765	1,377,202	481,048	197,163	612,002
Add:					
Additions during the year	21,021	10,369	38,568	6,939	32,573
Less:					
Disposals during the year	1,477	9,946	22,202	3,472	76
Balance, end of year	<u>336,309</u>	<u>1,377,625</u>	<u>497,414</u>	<u>200,630</u>	<u>644,499</u>
Accumulated amortization					
Balance, beginning of year	-	512,169	251,386	155,009	327,012
Add:					
Amortization	-	35,798	29,782	11,247	33,223
Less:					
Accumulated amortization on disposals	-	9,447	20,877	3,262	76
Balance, end of year	<u>-</u>	<u>538,520</u>	<u>260,291</u>	<u>162,994</u>	<u>360,159</u>
Net Book Value of Tangible Capital Assets	<u>\$ 336,309</u>	<u>\$ 839,105</u>	<u>\$ 237,123</u>	<u>\$ 37,636</u>	<u>\$ 284,340</u>

¹ Included in land additions is \$1.281 million (2020 - \$1.400 million) of land transfers from land held for resale

¹ Included in land disposals is \$1.447 million (2020 - \$1.906 million) of land transfers to land held for resale.

Infrastructure					Totals	
Plants and Facilities	Roads	Underground and Other Networks	Bridges and Other Structures	Assets Under Construction	2021	2020
980,927	3,312,673	3,584,785	984,531	471,707	12,318,803	\$ 11,953,176
46,028	154,360	89,203	5,475	19,574	424,110	409,444
-	5,039	3,812	-	-	46,024	43,817
<u>1,026,955</u>	<u>3,461,994</u>	<u>3,670,176</u>	<u>990,006</u>	<u>491,281</u>	<u>12,696,889</u>	<u>12,318,803</u>
371,983	1,432,161	1,257,061	315,909	-	4,622,690	4,375,757
18,704	89,585	51,850	16,286	-	286,475	279,943
-	4,387	3,796	-	-	41,845	33,010
<u>390,687</u>	<u>1,517,359</u>	<u>1,305,115</u>	<u>332,195</u>	<u>-</u>	<u>4,867,320</u>	<u>4,622,690</u>
<u>\$ 636,268</u>	<u>\$ 1,944,635</u>	<u>\$ 2,365,061</u>	<u>\$ 657,811</u>	<u>\$ 491,281</u>	<u>\$ 7,829,569</u>	<u>\$ 7,696,113</u>

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THE CITY OF WINNIPEG
CONSOLIDATED SCHEDULE OF RESERVES

Schedule 3

As at December 31
(in thousands of dollars)

	<u>2021</u>	<u>2020</u>
Reserves		
Capital Reserves		
Environmental Projects	\$ 115,324	\$ 164,569
Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Payment	12,880	12,743
Water Meter Renewal	12,548	4,664
Water Main Renewal	12,372	8,681
Waste Diversion	10,882	4,746
Landfill Rehabilitation	5,119	5,136
Computer, Critical Systems and Support	3,521	2,467
Sewer System Rehabilitation	3,081	6,908
Canada Community-Building Fund	1,416	1,416
Southwest Rapid Transit Corridor	1,276	2,176
Local Street Renewal	824	685
Regional Street Renewal	347	347
Transit Bus Replacement	30	1,229
	<u>179,620</u>	<u>215,767</u>
Special Purpose Reserves		
Perpetual Maintenance Fund - Brookside Cemetery	18,431	18,015
Contributions in Lieu of Land Dedication	10,881	9,047
Land Operating *	6,909	7,436
Insurance (Note 22)	5,075	3,676
Commitment	4,998	7,033
Workers Compensation	4,427	4,574
Housing Rehabilitation Investment	4,011	3,850
Destination Marketing	3,197	4,658
Insect Control Urgent Expenditures	3,000	2,546
Economic Development Investment	2,106	4,589
Permit	2,000	204
Perpetual Maintenance Fund - St. Vital Cemetery	1,363	1,320
General Purpose	1,080	9,034
Perpetual Maintenance Fund - Transcona Cemetery	988	942
Multi-Family Dwelling Tax Investment	902	597
Heritage Investment	854	(183)
	<u>70,222</u>	<u>77,338</u>
Stabilization Reserve		
Financial Stabilization	75,092	119,891
	<u>75,092</u>	<u>119,891</u>
Total Reserves	<u><u>\$ 324,934</u></u>	<u><u>\$ 412,996</u></u>

* This excludes the investments held for the River Park South Developments Inc. and Park City Commons government business partnerships.

	<u>2021</u>	<u>2020</u>
Reserve balance as disclosed above	\$ 6,909	\$ 7,436
Investments held in government business (Note 6)	2,866	3,602
	<u><u>\$ 9,775</u></u>	<u><u>\$ 11,038</u></u>

THE CITY OF WINNIPEG
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE - SERVICE

For the year ended December 31, 2021
(in thousands of dollars)

	General Revenue Fund			
		Community		Public Works and Garbage
	Protection	Services	Planning	Collection
REVENUES				
Taxation	\$ 339,165	\$ 72,460	\$ -	\$ 248,985
Sales of services and regulatory fees	51,020	6,447	35,255	9,855
Government transfers (Note 17)	106,587	9,216	-	20,168
Transfer from other funds	19,525	4,475	8,943	13,031
Other	26,815	6,538	2,266	15,491
	<u>543,112</u>	<u>99,136</u>	<u>46,464</u>	<u>307,530</u>
EXPENSES (Note 19)				
Salaries and benefits	465,382	36,033	28,456	76,835
Goods and services	46,398	6,627	4,637	122,098
Interest	7,170	3,138	22	3,707
Transfer to other funds	18,753	31,217	14,449	116,729
Other	5,409	22,121	(1,100)	(11,839)
	<u>543,112</u>	<u>99,136</u>	<u>46,464</u>	<u>307,530</u>
ANNUAL SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

For the year ended December 31, 2020
(in thousands of dollars)

	General Revenue Fund			
		Community		Public Works and Garbage
	Protection	Services	Planning	Collection
REVENUES				
Taxation	\$ 320,987	\$ 71,654	\$ -	\$ 238,871
Sales of services and regulatory fees	40,199	7,184	30,305	11,376
Government transfers (Note 17)	125,428	14,071	-	32,272
Transfer from other funds	2,416	776	12,746	4,604
Other	28,642	6,590	2,587	16,481
	<u>517,672</u>	<u>100,275</u>	<u>45,638</u>	<u>303,604</u>
EXPENSES (Note 19)				
Salaries and benefits	440,874	36,093	27,702	77,756
Goods and services	47,324	6,833	4,357	124,697
Interest	6,827	2,996	14	4,418
Transfer to other funds	18,158	33,804	14,715	112,357
Other	4,489	20,549	(1,150)	(15,624)
	<u>517,672</u>	<u>100,275</u>	<u>45,638</u>	<u>303,604</u>
ANNUAL SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Finance and Administration</u>	<u>Transit System Fund</u>	<u>Water and Waste Funds</u>	<u>Other Funds and Corporations</u>	<u>Eliminations</u>	<u>Consolidated</u>
\$ 145,209	\$ -	\$ -	\$ 11,082	\$ (15,952)	\$ 800,949
20,713	42,256	412,957	90,249	(63,523)	605,229
16,215	45,557	6,704	140,629	(19,615)	325,461
13,658	127,351	145,621	432,076	(764,680)	-
17,357	1,169	18,210	76,629	(39,456)	125,019
<u>213,152</u>	<u>216,333</u>	<u>583,492</u>	<u>750,665</u>	<u>(903,226)</u>	<u>1,856,658</u>
65,129	121,862	75,844	58,107	4,759	932,407
15,426	52,767	134,879	110,529	(63,422)	429,939
11,251	11,530	13,820	49,853	(34,167)	66,324
(197,639)	101	(6,769)	801,158	(777,999)	-
318,985	50,305	228,332	(257,526)	(28,896)	325,791
<u>213,152</u>	<u>236,565</u>	<u>446,106</u>	<u>762,121</u>	<u>(899,725)</u>	<u>1,754,461</u>
<u>\$ -</u>	<u>\$ (20,232)</u>	<u>\$ 137,386</u>	<u>\$ (11,456)</u>	<u>\$ (3,501)</u>	<u>\$ 102,197</u>

<u>Finance and Administration</u>	<u>Transit System Fund</u>	<u>Water and Waste Funds</u>	<u>Other Funds and Corporations</u>	<u>Eliminations</u>	<u>Consolidated</u>
\$ 148,615	\$ -	\$ -	\$ 12,458	\$ (12,591)	\$ 779,994
18,204	49,271	383,072	84,076	(67,063)	556,624
24,537	81,357	9,131	162,939	(27,889)	421,846
(5,101)	101,767	92,598	456,768	(666,574)	-
18,576	1,537	9,875	44,993	(46,815)	82,466
<u>204,831</u>	<u>233,932</u>	<u>494,676</u>	<u>761,234</u>	<u>(820,932)</u>	<u>1,840,930</u>
62,848	118,420	74,571	57,656	10,119	906,039
15,896	51,615	130,715	109,129	(65,964)	424,602
10,280	11,575	13,679	44,868	(29,515)	65,142
95,790	13,701	128,831	261,879	(679,235)	-
20,017	33,701	67,433	241,634	(39,264)	331,786
<u>204,831</u>	<u>229,012</u>	<u>415,229</u>	<u>715,166</u>	<u>(803,859)</u>	<u>1,727,569</u>
<u>\$ -</u>	<u>\$ 4,920</u>	<u>\$ 79,447</u>	<u>\$ 46,068</u>	<u>\$ (17,073)</u>	<u>\$ 113,361</u>