

**Agenda – Standing Policy Committee on Finance and Economic Development –
March 7, 2025**

REPORTS

Item No. 11 Financial Status Report to December 31, 2024

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That the Financial Status Report to December 31, 2024, be received as information.

ADMINISTRATIVE REPORT

Title: Financial Status Report to December 31, 2024

Critical Path: Standing Policy Committee on Finance and Economic Development

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Speidel	T. Graham	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

This Financial Status Report ("Report") is reporting preliminary financial results, for the General Revenue Fund ("GRF"), to December 31, 2024. The Public Service is presently engaged in its annual year-end process to prepare the consolidated financial statements in accordance with Public Sector Accounting Standards (PSAB). The City's audited consolidated financial statements must be completed by June 30, 2025, to comply with Provincial legislation and will be posted on the City's website. These financial statements will be independently audited by KPMG and will be available in the second quarter of 2025.

Unaudited results show a surplus in the GRF of \$7.2 million. This is an improvement of \$27.7 million since the most recent report to the end of November 2024. The improvement is mainly due to the year-end recognition of a receivable of \$22.5 million related to the Police Headquarters settlement and changes in various other departments (see schedule 3).

The \$7.2 million surplus will be transferred to the Financial Stabilization Reserve (FSR), which will result in a year-end balance of \$17.6 million.

RECOMMENDATIONS

That the Financial Status Report to December 31, 2024, be received as information.

REASON FOR THE REPORT

On December 17, 1997, 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, until September and then monthly thereafter, by the Standing Committee on Fiscal Issues. Since that time, the Standing Committee on Fiscal Issues has been renamed Standing Policy Committee on Finance and Economic Development.

On January 12, 2023, the Standing Committee on Finance and Economic Development approved that the Financial Status and Forecast Report will be prepared and received quarterly.

On January 30, 2025, Council approved that effective January 1, 2025, the City change their Financial Forecast Reporting schedule to the Standing Policy Committee on Finance and Economic Development from five reports to four quarterly reports.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications in receiving this report as information.

HISTORY/DISCUSSION

The actual results on December 31, 2024, and the year-end, before final transfers for the GRF for the past five years were as follows (in millions \$):

YEAR	SURPLUS (DEFICIT) JUNE 30	SURPLUS (DEFICIT) SEPTEMBER 30	SURPLUS (DEFICIT) NOVEMBER 30	SURPLUS (DEFICIT) DECEMBER 31
2024	(\$19.2)	(\$23.4)	(\$20.5)	\$7.1
2023	(\$1.2)	(\$3.1)	(\$7.1)	(\$0.3)
2022	(\$55.9)	(\$56.8)	(\$69.6)	(\$83.0)
2021	(\$14.3)	(\$17.3)	(\$17.9)	(\$22.3)
2020	(\$0.7)	\$1.1	(\$0.4)	\$2.5
2019	(\$7.7)	(\$9.4)	(\$6.7)	(\$1.1)

Financial Stabilization Reserve Fund

As directed by Council on September 28, 2011, the City transfers amounts directly from the FSR during the year to offset variances in taxes billed. In 2024, the City transferred \$6.1 million directly from the FSR to offset variances in taxes billed. Taxes billed include Property Taxes, Business Taxes, and Net Taxes Added. Net Taxes Added are items such as new buildings, and additions and renovations being added to both the assessment and taxation rolls after the annual property tax amounts have been set.

As directed by Council on September 28, 2011, the City will transfer the December 31, 2024, surplus in the GRF of \$7.2 million to the FSR. This will result in a balance of \$17.6 million in the FSR at the end of 2024, which is \$63.7 million lower than the Council mandated minimum balance of 6% of tax supported budgeted expenditures (see schedule 6).

On September 28, 2011, Council approved that a replenishment plan must be adopted by Council when the reserve falls below the mandated threshold.

Public Works Department

The Public Works short-fall of \$19.4 million is primarily due to costs exceeding budget by \$23.3 million for snow removal and ice control, spring and neighborhood cleaning, and roadway and construction maintenance offset by higher revenues of \$4.0 million. This is an increase of \$5.9 million from the November forecast, primarily due to snow and ice control costs in December.

An over-expenditure of \$23.0 million was approved at the November 12, 2024, meeting of the Standing Policy Committee on Finance and Economic Development. The remaining \$0.3 million over-expenditures in non-salary account are offset by higher revenue.

Winnipeg Fire Paramedic Service

The Winnipeg Fire Paramedic Service short-fall of \$10.9 million is primarily due to increased Workers Compensation Board injury claims and overtime of \$19.4 million. This is partially offset by additional revenues of \$4.6 million. This is an improvement from the November forecast of \$2.7 million, mainly due to lower than expected operational costs and a reduction in the bad debt allowance

An over-expenditure of \$12.9 million was approved at the November 12, 2024, meeting of the Standing Policy Committee on Finance and Economic Development.

Winnipeg Police Service

The Winnipeg Police Service has a surplus of \$4.7 million which is a \$3.9 million improvement from prior forecast. This change is mainly due to higher photo enforcement revenue and lower overtime and accommodation costs.

Planning, Property and Development

The Planning, Property and Development Department short-fall of \$6.0 million is primarily due to lower regulation revenues from decreased permit activity and lower than expected sub-division revenue. There is no significant change in the mill rate impact from the November forecast.

Corporate Finance

The Corporate Finance department has a surplus of \$14.0 million primarily due to an increase in short term investment interest due to increasing interest rates and higher than expected internal interest charges related to capital. This is a \$1.1 million improvement over the last quarter.

Corporate Accounts

Corporate Accounts net surplus of \$23.3 million is mainly due to the recognition of a \$22.5 million receivable related to Police Headquarters, elimination of the transfer to the FSR and lower debt charges. This is partially offset of lower revenues related to the 9-1-1 levy. These net savings are impacted by the efficiency savings realized for this forecast (see schedule 2). The \$25.6 million improvement since last quarter is mainly due to the recognition of a receivable for the Police Headquarters' settlement.

Corporate Accounts include general revenue and expense/savings budgets not directly allocated to any other public or internal service, such as debt and finance charges. The budgeted efficiency savings of \$23.3 million have all been recognized as of December 31, 2024 (see schedule 2). These savings are realized through any number of means, including savings in departmental budgets.

Transit

Transit’s surplus of \$5.0 million is mainly due to lower-than-expected fuels costs and continuous salary savings due to delays in hiring offset by increased costs for bus parts. Transit continues to see lower levels of fare revenue due to on-going challenges with fare evasion. There is no significant change in the mill rate impact from the November forecast.

	Forecast	Budget	Variance	Previous Forecast
Fares*	\$ 79.2	\$ 86.1	\$ (6.9)	\$ 79.5
Other	165.0	162.9	2.1	164.6
Total Revenue	\$ 244.2	\$ 249.0	\$ (4.8)	\$ 244.1
Salaries	\$ 137.8	\$ 139.0	\$ 1.2	\$ 137.9
Parts	19.8	16.5	(3.3)	19.7
Fuel	21.7	30.7	9.0	21.7
Other	59.9	62.8	2.9	60.1
Total Expenditures	\$ 239.2	\$ 249.0	\$ 9.8	\$ 239.4
Surplus (Deficit)	\$ 5.0	\$ -	\$ 5.0	\$ 4.7

* Fare revenue reflects a reduction of approximately \$4.6m, as a result of the new PSAB revenue standard.

Full-Time Equivalent Reporting

At the September 13, 2013, meeting of Standing Policy Committee on Finance, a motion was passed that following delivery of the first Civic Establishment Report to Executive Policy Committee, the Public Service be requested to provide updates within the quarterly Financial Status Report and Forecast which include the actual Full-Time Equivalent Positions (FTEs) to Committee. Subsequently, the Standing Policy Committee on Finance (now the Standing Policy Committee on Finance and Economic Development) directed the Public Service to report on this annually.

The Public Service defines an FTE as the effort required to support the City’s programs and services. For budget purposes, the FTE is expressed as an annual value. Actual FTE data is extracted from the payroll system. “Actual FTE” is the total number of hours paid divided by the regular compensable hours in a fiscal year. It includes permanent, temporary, full-time, part-time, salaried, hourly, seasonal, casual and student positions.

The calculated FTE is different than employee headcount; the City's number of employees at a point in time.

Actual FTEs are calculated on the basis of total salaries paid to date. At December 31, 2024, estimated actual FTEs total 9,252 compared to an Adopted Budget number of 9,344 (net of vacancy management).

New Accounting Standards

In 2024, the City's audited financial statements will incorporate new PSAB standards for Revenue and Public Private Partnerships, as well as a new PSAB guideline for Purchased Intangibles.

The Revenue standard provides guidance on when revenue can be recognized. It impacts two of the City's revenue streams: 1) Sales of services and regulatory fees and 2) Land sales and other revenue. All other revenue streams are currently being recognized using other existing PSAB standards.

The Public Private Partnership (P3) standard provides guidance on the recognition of alternative finance and procurement models available to public sector entities to design, build, acquire, or better infrastructure using a private sector partner.

The Purchased Intangibles guideline provides guidance on when to recognize economic resources which have no physical substance (e.g. trademarks).

The City is in the process of finalizing the impacts of these standards. The impacts will be disclosed in the 2024 audited financial statements, which will be presented to the Committee in the second quarter.

FINANCIAL IMPACT

Financial Impact Statement

Date: [February 24, 2025](#)

Project Name:
Financial Status Report to December 31, 2024

COMMENTS:

There are no financial implications with receiving this report as information.

Randy Bernard

Randy Bernard, CPA, CMA
Manager of Finance & Administration (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

- All City of Winnipeg Departments

OURWINNIPEG POLICY ALIGNMENT

Leadership and Good Governance

1.1 Organizational Alignment

All City policy implementation and enforcement tools must be aligned with the localized United Nations Sustainable Development Goals framework, consisting of Leadership and Good Governance; Environmental Resilience; Economic Prosperity, Good Health and Well-Being; Social Equity; and City Building contained in this Plan.

1.5 Evidence-Informed Decisions

Invest in data and technology in order to support objective, evidence-informed decision-making; support open government and open data principles for collection and sharing; help coordinate records and information management; and improve process efficiency, results-based service delivery and accountability.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CLA) and its Goals and Objectives, and it was determined that the CLA is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Corporate Finance
Division: Corporate Controller
Prepared by: Helen Hasiuk
Date: February 24, 2025

Attachments:

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