

File Nos. CI17-01-05956
CI17-01-05957
and CI17-01-05958

File No. CI17-01-05956

BETWEEN:

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

LADCO COMPANY LTD.

applicant,

- and-

THE CITY OF WINNIPEG,

respondent,

APPLICATION UNDER: *The City of Winnipeg Charter, S.M. 2002, c. 39; The Constitution Act 1867 and The Court of Queen's Bench Act S.M. 1988-89 c.4*

File No. CI17-01 -0 5957

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF: *The City of Winnipeg Charter Act, City of Winnipeg By-law 127 /2016 and Section 92(2) of the Constitution Act 1867*

BETWEEN:

**RIDGEWOOD WEST LAND CORP.,
and SAGE CREEK DEVELOPMENT CORPORATION**

applicants,

- and -

THE CITY OF WINNIPEG,

respondent.

File Nos. CI17-01-05956
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and CI17-01-05958

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BETWEEN:

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- and -

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respondent.

THE QUEEN'S BENCH
WINNIPEG CENTRE

IN THE MATTER OF: City of Winnipeg By-law 127/2016, as amended and passed on October 26, 2016, *The City of Winnipeg Charter S.M. 2002, c. 39 and subsections 92(2) and (9) of the Constitution Act, 1867*

BETWEEN:

URBAN DEVELOPMENT INSTITUTE (MANITOBA DIVISION) AND
MANITOBA HOME BUILDERS' ASSOCIATION INC.,
applicants,

- and -

THE CITY OF WINNIPEG,
respondent.

AFFIDAVIT OF MIKE STEVENS

I, **MIKE STEVENS**, of the City of Winnipeg, in the Province of Manitoba, Partner of Exchange Chartered Professional Accountants LLP,

MAKE OATH AND SAY THAT:

1. I am a Partner of Exchange Chartered Professional Accountants LLP ("Exchange Group"), and as such I have personal knowledge of the matters

hereinafter deposed to by me except where they are stated to be based on information and belief, in which case I believe them to be true.

2. The Exchange Group is a Chartered Professional Accounting firm providing accounting, assurance and consulting services.

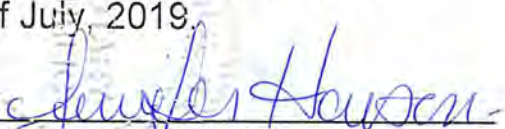
3. The Exchange Group is independent of the City of the City of Winnipeg, the Applicants and DD West LLP.

4. The Exchange Group was engaged by DD West LLP, solicitor for the City of Winnipeg ("City"), to prepare an expert report relative to the City's costs to fund capital projects as compared to the revenues available to fund capital projects including taking into account the potential revenue generated by the application of the regulatory fees (Impact Fees) as calculated in the 2016 Hemson Report Determination of Regulatory Fees to Financial Growth : Technical Report's Impact Fees.

5. Attached hereto and marked as Exhibit "A" to my affidavit is a copy of the Exchange Group Report.

6. Attached hereto and marked as Exhibit "B" to my affidavit is a copy of the Schedules to the Report.

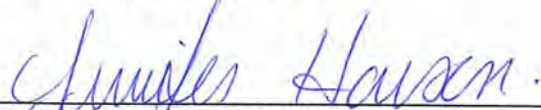
7. I make this Affidavit in good faith.

SWORN before me at the City)
of Winnipeg, in the Province)
of Manitoba, this 3rd day)
of July, 2019.)
)
A Notary Public in and for the)
Province of Manitoba)



MIKE STEVENS

This is Exhibit "A"
Referred to in the Affidavit of Mike Stevens
Sworn before me at the City of Winnipeg,
Province of Manitoba
This 3rd day of July, 2019



A Notary Public in and for the
Province of Manitoba

CITY OF WINNIPEG

**Global Financial Analysis Relating to the
2016 Hemson Report Impact Fees
June 2019**



Prepared by:

Exchange Chartered Professional Accountants LLP

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Independence Statement

Engagement

Exchange Chartered Professional Accountants LLP was engaged by DD West LLP, solicitor for the City of Winnipeg, to prepare a Global Financial Analysis of the City of Winnipeg Report relating to implementing the 2016 Hemson Determination of Regulatory Fees to Finance Growth: Technical Report's Impact Fees.

Professional Disclosures

Exchange Group is a Chartered Professional Accounting firm providing accounting, assurance and consulting services.

Rules of Professional Conduct: The Manitoba Chartered Professional Accountants' Rules of Professional Conduct requires us to be independent to prepare this report.

Independence: Exchange Chartered Professional Accountants LLP is independent of the City of Winnipeg, the Applicants and DD West LLP.

If you have questions regarding the contents of this report, please contact Mike Stevens at 204.947.7145 or mike.stevens@exg.ca.

Mike Stevens | CPA | CA•IT | CFE
Partner

June 30, 2019

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1 – 554 St. Mary's Road
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CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

TABLE OF CONTENTS

Independence Statement.....	2
Terms of Reference	4
Limitations	4
Scope of Documentation Reviewed.....	5
A. Executive Summary – EXG Overall Findings	7
Financial Statements Analysis	
B. Balance Sheets Analysis (Schedule 1)	15
C. Accumulated Surplus Analysis (Schedule 2)	16
D. Income Statement Analysis (Schedule 3)	18
E. Capital Purchases Deficit and Debt Analysis (Schedule 4).....	21
F. Capital Budgets and Unfunded Capital Project Analysis (Schedule 5)	23
Adopted Capital Budgets Analysis	
G. Adopted Capital Budgets Analysis (Schedule 6)	27
H. Capital Forecasts 2020 to 2024 Analysis (Schedule 7)	29
Hemson Technical Report	
I. Hemson Technical Report Population and Housing Levels Forecasts	31
Impact Fees and Reserve Fund	
J. Impact Fees Reserve Fund	36
K. Hemson Technical Report Impact Fees Forecasted Revenues (Schedule 8)	37
Maximum Debt Policy	
L. City of Winnipeg Maximum Debt Policy	40
M. About Exchange Group	42
N. Mike Stevens - Resume	43
O. Tabs.....	45

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

Terms of Reference

Exchange Chartered Professional Accountants LLP (“EXG”, “we”, “us” or “our”) was engaged by DD West LLP, solicitor for the City of Winnipeg, (“City”), to prepare an expert report on the Global Financial Analysis of the City of Winnipeg relating to implementing the 2016 Hemson Determination of Regulatory Fees to Finance Growth: Technical Report’s Impact Fees.

Subject to the Limitations section, our Report may be used for expert witness evidence in the negotiation, litigation, or settlement.

Limitations

This Report is not intended for general circulation or publication, nor is it to be reproduced, referred to, or used for any other purpose other than as outlined herein without Exchange Chartered Professional Accountants LLP written consent. We assume no responsibility or liability for losses occasioned by any party because of any unauthorized circulation, publication, or use of this Report.

reserve the right, but are not under any obligation, to review all calculations included or referred to within the Report, and if deemed appropriate, to revise our comments and calculations because of any information existing at the Report Date which becomes known to us after the date of the Report.

Our analysis must be considered in its entirety. Selecting portions of the analysis, without consideration of the impact of any portion on the overall analysis and calculations may create a misleading view of the methods, approaches, and assumptions.

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

Scope of Documentation Reviewed

In preparation of this report, besides interviewing City personnel to gather information, EXG relied on published and unpublished documents' information including:

Document	Source
1. City's Audited Financial Statements from 2001 to 2018	https://www.winnipeg.ca/finance/documents_page.stm
2. City's Detailed Financial Statements Reports from 2001 to 2018	https://www.winnipeg.ca/finance/documents_page.stm
3. City's Annual Financial Reports from 2001 to 2018	https://www.winnipeg.ca/finance/documents_page.stm
4. City's Capital Budget from 2001 to 2019	https://www.winnipeg.ca/finance/documents_page.stm#Budgets
5. City's 1999 State of the Infrastructure Report	Tab 1
6. City's 2003 CAO Secretariat Infrastructure Deficit Report	Tab 2
7. City's 2009 Infrastructure Deficit Council Seminar Presentation	https://www.winnipeg.ca/finance/pdfs/ipd/CitySpendingOnInfrastructure.pdf
8. City's 2018 State of the Infrastructure Report	https://winnipeg.ca/infrastructure/pdfs/State-of-Infrastructure-Report-2018.pdf
9. City's 2019 Unfunded Major Capital Projects Detail Report	https://winnipeg.ca/infrastructure/pdfs/2019_CW-Unfunded-Major-Capital-Projects.pdf
10. Statistics Canada 2016 Census	https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Geo2=PR&Code2=01&Data=Count&SearchType=Begins&SearchPR=01&B1=All&Code1=4611040
11. Applicants and City Personnel Affidavits	
12. Hemson Determination of Regulatory Fees to Finance Growth: Technical Report	
13. Hemson Review of Municipal Growth Mechanism Report	
14. Hemson 2016 Presentations	

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

EXG has relied on the accuracy of this information to prepare all calculations and conclusions.

EXG used the financial information in the documents without adjusting the financial numbers for inflation or cost of money.

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

A. Executive Summary – EXG Overall Findings

Report Purpose

1. This report provides a summary of the City's past and current financial position. The Report reviews the effect of the Operating and Capital Revenue to fund Operating Expenses and Capital Acquisitions / Obligations.
2. This report reviews the August 31, 2016 Hemson Report ("Hemson Technical Report") and its calculation of potential future Impact Fees and the revenue which contributes to the City's total future Capital Revenue compared to the City's current funded and unfunded Capital costs.
3. This report reviews the effect of the Impact Fee and the revenues generated from 2016 to 2018 on the entire financial position of the City.
4. The Report has reviewed the City's audited financial statements for the 18-year period 2001 to 2018.

Capital Budgets and Capital Spending

5. For the years 2001 to 2018, the City:
 - a. Approved Capital Budgets totaling **\$8,060,400,000** for Capital Acquisitions / Obligations (Sch. 5 Line 29).
 - b. Spent **\$6,502,200,000** on Capital Acquisitions / Obligations (Sch. 5 Line 32).
 - c. Has Outstanding Backlog of approved Capital Budgets of **\$1,558,200,000** (Sch. 5 Line 34).
6. **Other Levels of Government:** For the majority of years after 2009, the City relied on a greater portion of the sources of financing for Capital Budgets to be provided by Other Levels of Government.
7. **Capital Revenue:** From **2011 to 2015**, the City did not generate sufficient Capital Revenue to fund the Capital Purchases as the Property Taxes available for Capital decreased as a percentage of the total Property Taxes Revenue (Sch. 4 Line 26).
8. **Increasing Debt:** There was a correlation between the Net Capital Funds deficit that occurred between **2011 to 2015** resulting in a substantial increase in Long-Term Debt needed to fund the Capital Purchases (Sch. 4 Line 30).

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

Capital Forecasts

9. **New Debt:** The City is forecasting an additional **\$141,000,000** of New Debt to be incurred from 2020 to 2024 (Sch. 7 Line 57).
10. The Capital Budget Forecasts do not address how the City will fund the past Outstanding Backlog of Capital Budgets and the 2018 Unfunded Capital Projects.

Unfunded Capital Projects and Operating Expense

11. **Unfunded Capital Projects:** Every number of years, the City undertakes a review to determine its Infrastructure Deficit / Unfunded Capital Projects over the next 10 years.
 - a. In 2018, the City released its State of the Infrastructure Report that reported an Infrastructure Deficit of **\$6,883,000,000** (page 21 of the report).
 - b. In 2019, the City released its Unfunded Major Capital Projects Detail Report that identified the Capital Projects for the next 10 years totaling **\$4,906,000,000** (page 14 of the report) which plans to partially address the Infrastructure Deficit of **\$6,883,000,000**. These Unfunded Projects are not in the City's approved Capital Budgets based on the City's position there are not sufficient future Capital Revenue available to pay for the projects.
 - c. In the 2019 Unfunded Major Capital Projects Detail Report, the City identified that the North End Sewage Treatment Plant Upgrades are estimated at **\$1,789,000,000** (page 14 of the report) which is **\$1,137,600,000** higher than the original 2016 Capital Budget of **\$643,400,000** (page 24 of 2016 Capital Budget). Since this project is in the 2016 Capital Budget, the City has not included this project costs in the 2019 Unfunded Major Capital Projects Detail Report.
 - d. This **\$1,137,600,000** North End Sewage Treatment Plant Upgrades increased cost determined in 2019 means that the 2018 State of the Infrastructure Report is understated.
12. **Unfunded Operating Expenses:** The City's 2018 Accumulated Surplus reflects that the City has not accumulated funds for **\$295,500,000** of expenses (Sch. 2 Line 21). This represents expenses (and associated accrued liability) that the City owes but does not have the cash assets available to fund.

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

13. **Summary:** The following table summarizes the City's total unfunded amount of **\$9,874,300,000** related to the Outstanding Backlog of Capital Budgets, the Infrastructure Deficit / Unfunded Capital Projects, increase costs in North End Sewage Treatment Plant Upgrades and the Unfunded Operating expenses:

City's Unfunded Amounts	Totals	Source
Outstanding Backlog of Capital Budgets	1,558,200,000	Schedule 5
Infrastructure Deficit / Unfunded Capital Projects	6,883,000,000	2018 State of the Infrastructure Report
North End Sewage Treatment Plant Increased Costs	1,137,600,000	2019 Unfunded Major Capital Projects Detail Report increase over 2016 Capital Budget
Total Capital-Related	9,578,800,000	
Unfunded Operating Expenses	295,500,000	2018 Audited Financial Statements
Total City Unfunded	\$ 9,874,300,000	

14. **Future Inflation and Construction Costs:** It is important to note that this current **\$9,874,300,000** underfunded amount could significantly increase over the next number of years based on unknown future inflation rates and specifically increases in construction costs.

Property Tax Revenues

15. **Operations Requirements:** The portion of the total Property Taxes required for Operations increased during the years 2014 to 2016 (**60% - 62%** of total Property Taxes) compared to earlier years (Sch. 3 Line 37). One explanation for this increase is that the City has not increased Property Taxes at the same rate as inflation resulting in Operations expenses increasing at a higher rate.
16. **Available for Capital:** The portion of Property Taxes - Available for Capital decreased since mid-2000s (**38%** in 2014 of total Property Taxes compared to as high as **65%** in 2008) (Sch. 3 Line 75). This is one reason the City has incurred more Long-Term Debt to finance Capital Acquisitions / Obligations.

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

Long-Term Debt

Current Debt

17. Since 2006, City-wide Long-Term Debt has increased by **\$669,000,000** (Sch. 4 Line 32).
18. At 2018, the City's total Long-Term Debt is **\$1,083,700,000** (Sch. 4 Line 30).

City Maximum Debt Policy (Section L)

19. **City's Maximum Debt Strategy Policy:** Based on the City's Maximum Debt Strategy Policy, EXG calculated the City's potential additional debt allowed to be **\$1,380,500,000** based on the Debt as a % of Revenue metric.
20. If the City incurred this additional debt for acquiring Capital Assets, this would cause a total debt load of **\$2,464,200,000**:

Long-Term Debt	2018	Source
Current Debt	1,083,700,000	Sch. 4 Line 30
Potential for Additional Debt	1,380,500,000	Section L
Maximum per City's Debt Strategy Policy	\$ 2,464,200,000	

21. It is unknown if the City could raise this level of debt or how that would affect the City's credit rating which impacts interest rates charged by financial institution. Further, higher debt obligation payments would be needed.

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

Accumulated Surplus / Cash Reserves

22. The City's 2018 audited financial statements reflect that the City has an Accumulated Surplus of **\$6,330,700,000** (Sch. 2 Line 24).
23. The majority of this Accumulated Surplus (92%) is represented by non-liquid Capital Assets (Sch. 2 Line 5). These non-liquid assets represent capital obligations such as roads, drainage, sewer and water, buildings, etc., the majority of which are non-saleable.
24. The City has **\$168,600,000** (3%) available for future Capital Acquisitions / Obligations in the Accumulated Surplus as outlined in the following table:

Reserve Surpluses	2018
Capital	168,600,000
Stabilization	111,000,000
Special Purpose	69,000,000
Total Reserve Fund Surplus	348,600,000 (Sch. 2 Line 8)

Updates to the 2016 Hemson Technical Report (Section I)

25. Based on new statistics available, EXG updated the population and housing forecasts from the Hemson Technical Report for the years 2017 to 2026 as follow:
 - a. The City's population is estimated to increase by 13,081 (15.1%) higher than what was used as the basis on the 2016 Hemson Technical Report.
 - b. The City's total dwellings are estimated to increase by 1,548 (3.7%) higher than what was used as the basis on the 2016 Hemson Technical Report.
 - c. The City's population in new households will increase by 2,212 (2.1%) higher than what was used as the basis on the 2016 Hemson Technical Report.
26. If this re-forecast occurs, then the City's costs would increase as would Property Taxes and Impact Fee Revenues also be expected to increase to support the higher numbers.

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

Impact Fees

27. If the Impact Fee was fully implemented in 2017, and forecasted population and housing statistics were met, the City would generate **\$982,200,000** in additional Capital Revenue over the 10-year period (Sch. 8 Line 11).
28. Since implementation of the Impact Fee, actual fees collected in 2017 and 2018 were **\$16,500,000** (36% of the total expected Impact Fees or **\$29,700,000** less than forecasted by the Hemson Technical report) (Sch. 8 Lines 34 and 35).

Summary

29. Based on the City's current financial position and future Impact Fees, the following table summarizes the magnitude of the City's Unfunded Deficit:

Unfunded Deficit	Totals	
Current		
Cash - Capital Reserve Fund	\$ 168,600,000	2%
Unfunded Expenditure Amounts		
Outstanding Backlog of Capital Budgets	1,558,200,000	16%
Infrastructure Deficit / Unfunded Capital Projects	6,883,000,000	70%
North End Sewage Treatment Plant Increased Costs	1,137,600,000	12%
Unfunded Operating Expenses	295,500,000	3%
Total City Unfunded Amounts	9,874,300,000	100%
Current Net Unfunded Deficit	(9,705,700,000)	
Other Funding Options		
Additional Long-Term Debt	1,380,500,000	14%
<i>Future Impact Fees</i>	<i>982,200,000</i>	<i>10%</i>
Total Funding Options	2,362,700,000	
Continuing Net Unfunded Deficit	(7,343,000,000)	

30. The above Summary may be positively or negatively affected by the City's future Operation's financial results and other sources of Capital revenue contributing to Capital Reserve Fund which is unknown at this time.

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

Hemson Technical Report

31. **Hemson Technical Report:** The purpose of the 2016 Hemson Technical Report was to assist the City to:
 - a. Determine the forecasted costs of Capital Projects that are applicable to City growth.
 - b. Forecast the level of the City's population and dwelling starts over the next 10 years.
 - c. Develop a model of Impact Fees only applicable to the City's growth.
 - d. Estimate the total forecasted Impact Fees revenues by development type for the next 10 years.
32. **EXG Report:** This report provides a high-level summary determining:
 - a. If the City's past and current financial results generate sufficient Operating and Capital Revenue to Fund Operating Expenses and Capital Acquisitions / Obligations.
 - b. How the 2016 Hemson Technical Report's calculated potential future Impact Fees revenue contribute to the City's total future Capital funding compared to the City's current funded and unfunded Capital costs.

Conclusions

33. **Insufficient Current Revenues:** The City's Property Taxes Revenue and all other sources of revenues have not met the 2001 to 2018 total Operations Costs, Capital Purchases and all the amounts Budgeted for Capital Acquisitions / Obligations.
34. **Unfunded Capital Projects:** The City's Unfunded Capital Projects are not planned to be funded in the City's Forecasted Budgets.
35. **Past Debt Impact on Future Cashflow:** Debt payments on existing debt will negatively impact the City's cash flow ability, while at the same time, the City is looking to address its Infrastructure Deficit / Unfunded Capital Projects. The City's overall current revenue cannot satisfy past debt and Infrastructure Deficit / Unfunded Capital Projects.
36. **Impact Fees:** The Impact Fees forecasted for the next 10 years in the 2016 Hemson Technical Report represent only 10% of the City's Total Unfunded Deficit.

City of Winnipeg

Financial Statements Analysis

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

B. Balance Sheets Analysis (Schedule 1)

37. The following are EXG's findings and analysis of the City's audited Balance Sheets for the years 2001 to 2018.
38. Refer to Schedule 1: Balance Sheets Analysis in the Report Schedules document.

EXG Findings

39. From **2001 to 2005**, City-wide Long-Term Debt decreased by **\$411,400,000** (Sch. 4 Line 32).
40. Since **2006 to 2018**, City-wide debt has increased **\$669,000,000** (Sch. 4 Line 32).
41. Cash and Short-Term Investments have remained relatively constant.
42. Accounts Receivable and Accounts Payables have increased as expected based on increasing financial volume of the City.
43. **Net Financial Position:** Prior to 2011, the City had a positive Net Financial Assets position which changed in 2011 to a negative Net Financial Liabilities position which has continued to 2018, where the City has a **\$678,900,000** negative Net Financial Liabilities position (Sch. 1 Line 25). While the total of Long-Term Debt could be matched against Capital Assets, it is important to note that even without that matching, from 2004 to 2010 the City had a positive Net Financial Assets position (Sch. 1 Line 25).

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

C. Accumulated Surplus Analysis (Schedule 2)

44. The following are EXG's findings and analysis of the City's audited Financial Statements Notes relating to the Balance Sheet Accumulated Surplus for the years 2001 to 2018.
45. Refer to Schedule 2: Accumulated Surplus Analysis in the accompanying Reports Schedule document.

EXG Findings

46. The City's 2018 audited Balance Sheet reflects a **\$6,330,700,000** Accumulated Surplus (Sch. 2 Line 24).
47. **Tangible Capital Assets:** The majority of the Accumulated Surplus is represented by the City's fixed Investment in Tangible Capital Assets totaling **\$5,836,600,000** or 92% of the entire Accumulated Surplus.
 - a. These are non-liquid assets representing capital obligations such as roads, drainage, sewer and water, buildings, etc., the majority of which are non-saleable.
 - b. As reflected in the 2018 Balance Sheet, the City has **\$6,983,300,000** of Tangible Capital Assets (Sch. 1 Line 28) and with the majority of the Long-Term Debt totaling **\$1,083,700,000** (Sch. 1 Line 19) closely nets to this Accumulated Surplus amount.
 - c. This portion of the Accumulated Surplus has grown since 2005 (Sch. 2 Line 5).
 - d. In 2006, the City adopted and began reporting their audited financial statements in accordance with the required Public Sector Accounting Board (PSAB) Section 3150 guidelines that requires municipalities to account for all their tangible capital assets and amortize them in their financial statements. This guideline places a greater focus on assets and their condition based on the level of amortization and write-offs when an asset reaches the end of its useful life. Prior to the implementation of PSAB, municipalities could capitalize assets that were financed through debt or could be expensed without capitalization which did not provide the reader of a financial statement the information on the net present value assigned to a capital asset.

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

48. **Cash Reserves:** The percentage of Accumulated Surplus relating to the City's Cash Reserves and Operating Companies' Retained Earnings has steadily declined since 2005 (13%) to 2018 (9%) (Sch. 2 Line 12):

- a. These are liquid (cash) assets at **\$569,400,000** (Sch. 2 Line 11),
- b. These are Reserves the City has designated for future uses.
- c. As per the 2018 Annual Report (page 35), the purpose of each Reserve:

Capital Reserves finance current and anticipated future capital projects, thereby reducing or eliminating the need to issue debt.

Financial Stabilization Reserve assists in the funding of major unexpected expenses or revenue deficits reported in the General Revenue Fund.

Special Purpose Reserves provide designated revenue to fund the reserves' authorized costs.

- d. The following table summarizes the Reserves Surpluses at December 31, 2018:

Reserve Surpluses	2018
Capital	168,600,000
Stabilization	111,000,000
Special Purpose	69,000,000
Total Reserve Fund Surplus	348,600,000 (Sch. 2 Line 8)

- e. **Capital Reserve Fund:** As outlined above, the City has **\$168,600,000** set aside for future Capital Acquisitions / Obligations.

49. **Unfunded Expenses:** The City's 2018 Accumulated Surplus reflects the City has not accumulated funds for **\$295,500,000** of expenses that net against the Accumulated Surplus (Sch. 2 Line 21):

Unfunded Expenses	2018
Accrued employee benefits and other	226,800,000
Landfill	50,200,000
Contaminated sites	13,700,000
Canadian Museum for Human Rights grant	4,800,000
Total Unfunded Expenses	295,500,000

- a. These represents expenses (and associated accrued liability) that the City owes but does not have the cash assets available to fund.
- b. EXG has reflected this funding requirement as part of the City's total underfunding required in addition to the Unfunded Capital Projects.

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

D. Income Statement Analysis (Schedule 3)

50. The following are EXG's findings and analysis of the City's audited Income Statements for the years 2001 to 2018.
51. Refer to Schedule 3: Income Statement Analysis for both a High-Level Summary and Detailed analysis in the Report Schedules document.

Report Format

52. To present an analysis that outlines the amounts of revenues generated and related expenses, EXG has categorized the City's audited financial statements' revenue and expenses into two major categories:

Operations All financial revenues identified as Operations revenue (including a portion of the Property Tax) less expenses relating to the operation and administration of the City's business resulting in a net amount to be accumulated each year for the Financial Stabilization Reserve.

Capital Specifically identified capital revenue, the balance of the Property Tax revenue (not required for Operations) less capital related costs.

EXG Findings

Operations

Property Tax Revenue – Operations – Increasing Percentage Required

53. EXG allocated a portion of Property Taxes Revenue required to support Operations.
54. Amounts paid to the Province and Schools are deducted resulting in the Net Property Taxes – Operations amounts for each year (Sch. 3 Line 36).
55. The percentage of the total Property Taxes required for Operations increased during the years **2014 to 2016 (60% - 62%** of total Property Taxes) compared to earlier years (Sch. 3 Line 12).

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

Other Operations Revenues - Increasing

56. Since 2007 (when the population of Winnipeg began its accelerated population growth), the total of all Other Operations Revenues has increased from \$641,000,000 in 2006 to **\$1,031,800,000** (Sch. 3 Line 45) in **2018** (61% increase).

Operations Expenses

57. Expenses relate to various Operations departments.
58. To remove the Capital-related costs from the Operations departments expenses, EXG subtracted the costs for Amortization, Interest on Debt and estimated adjustments for years 2001 to 2004 introduction of PSAB in 2005 (Sch. 3 Lines 57 to 60).

Contribution to Stabilization Fund

59. To determine the total Property Taxes to support all Operations expense, EXG has used a percentage of total Property Taxes revenue as the minimum amount the City would set aside for ongoing funding of the Financial Stabilization Reserve (Sch. 3 Line 64).
60. Based on this assumption for the analysis, the total of annual amounts calculates to **\$110,600,000** consistent with the City's Financial Stabilization Reserve is **\$111,000,000** (2018 Annual Report page 87).

Capital

Property Tax Revenue – Available for Capital - Decreasing

61. The percentage of Property Taxes - Available for Capital has decreased significantly since mid-2000s (**38%** in **2014** of total Property Taxes compared to as high as **65%** in **2008**) (Sch. 3 Line 75).
62. One explanation for this decline is the City has not increased Property Taxes at the same rate as inflation resulting in Operation expense increasing at a higher rate and requiring a greater portion of Property Tax revenue.

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

Other Government Transfers – Capital - Increasing

63. Since 2007 (when the population of Winnipeg began its accelerated population growth), the total of all Other Government Transfers related to Capital has increased from \$43,100,000 in 2006 to **\$181,800,000 in 2018** (322% increase) (Sch. 3 Line 80).

Impact Fee Revenue - New

64. EXG has highlighted the amounts the City has collected on Impact Fees for 2017 and 2018 (Sch. 3 Line 83).

Developer Contributions-in-Kind

65. The audited financial statements list amounts where the City has acquired Capital Assets that are provided by a Developer in-kind as part of a Development Agreement (Sch. 3 Line 84).

Total Capital Related Revenue

66. Since 2007 (when the population of Winnipeg began its accelerated population growth), while the percentage of Property Taxes - Available for Capital has decreased significantly, Other Governments' funding has increased substantially resulting in nearly double the revenue available to support Capital Acquisitions / Obligations (\$286,200,000 in 2006 to **\$596,500,000 in 2018**) (Sch. 3 Line 86).

Amortization and Interest

67. In order to provide a reconciliation to the annual audited financial statements' Net Surpluses, this section of Schedule 3 reflects the amounts recorded for Amortization and Interest (Sch. 3 Line 89).

Financial Statements Net Surpluses

68. The total of transactions in Schedule 3 results in the Financial Statements' Net Surpluses that reconcile to the City's audited financial statements (2001 to 2004 amounts are different as they were prepared under Pre-PSAB accounting standards) (Sch. 3 Line 96).

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

E. Capital Purchases Deficit and Debt Analysis (Schedule 4)

69. The following are EXG's findings and analysis of the City's Capital Purchases and Debt for the years 2001 to 2018.
70. Refer to Schedule 4: Capital Purchases Deficit and Debt Analysis in the Report Schedules document.

Report Format

71. This Schedule outlines the funds available for Capital and amounts of Capital Purchases made by the City and the resulting increase in Long-Term Debt the City incurred to finance the Capital Purchases.
72. To assist the reader, EXG brought forward the information in the Capital section of Schedule 3: Income Statement Analysis.

EXG Findings

Capital Purchases

73. The Capital Assets acquired from 2011 to 2015 substantially increased from prior years (Sch. 4 Line 21).
74. For the years 2001 to 2018, the City spent **\$6,502,200,000** on Capital Purchases.
75. Note: Due to the City's implementation of PSAB in 2005, EXG estimated / normalized Capital Acquisition / Obligations amounts from 2001 to 2004 based on the relative prorated change made in 2005 restated financial statements. This adjustment increased Capital Acquisitions / Obligations (that were previously expensed in the Income Statement) resulting in a reduction of overall operating expenses for the applicable years.

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

Net Funds After Capital Purchases (Sch. 4 Line 26)

76. From 2001 to 2010, the City generated sufficient Capital Revenue for Capital Purchases incurred resulting in a positive Net Funds After Capital Purchases position.
77. From **2011 through 2015**, the City spent more on Capital Purchases than the Capital Revenue available. This correlated with the reduction of portion of Property Taxes available for Capital and increasing the Debt load during that period.
78. For **2016 and 2017**, the City reduced the amounts of Capital Purchases to be more in line with the Capital Revenue available (see Schedule 5 for how this impacted the Outstanding Backlog of Capital Budgets and Unfunded Capital Projects).

Debt

79. EXG has provided the Long-Term Debt levels and analysis to highlight (Sch. 4 Line 32):
 - a. From **2001 to 2005**, City-wide Long-Term Debt decreased by **\$411,400,000**.
 - b. From **2005 to 2018**, City-wide debt has increased **\$669,000,000**.

EXG Findings

80. From **2011 to 2015**, the City did not generate sufficient Capital Revenue to fund the actual Capital Purchases (as the amount of Property Taxes available for Capital decreased as a percentage of the total Property Taxes Revenue).
81. There was a correlation between the Net Capital Funds deficit that occurred between **2011 to 2015** resulting in a substantial increase in Long-Term Debt needed to fund Capital Purchases.
82. From **2016 to 2018**, the City reduced Capital Purchases to more closely match the Capital Revenue generated resulting in the City stabilizing the Long-Term Debt.

F. Capital Budgets and Unfunded Capital Project Analysis (Schedule 5)

83. The following are EXG's findings and analysis of the City's Capital Budgets and Unfunded Capital Project for the years 2001 to 2018.
84. Refer to Schedule 5: Capital Budgets and Unfunded Capital Project Analysis in the Report Schedules document.

Report Format

85. The Schedule outlines funds available for Capital Purchases made by the City compared to the Outstanding Backlog of the City's Adopted Capital Budgets and Unfunded Capital Projects.
86. To assist the reader, EXG has brought forward the information contained in the Capital section of Schedule 4: Capital Purchases Deficit and Debt Analysis.

EXG Findings

Capital Actual to Budget

87. **Budgeted Capital:**
- a. The City adopts (approves) a Capital Budget annually for the Capital Purchases planned to be made in the budget year. EXG listed the total amounts in each years' Capital Budget in the Schedule 6 (Line 35).
 - b. Since the City does not include Developer-in-Kind Contributions in their Capital Budgets, EXG added the amounts from the audited financial statements to properly compare these amounts to the actual Capital Purchases made by the City in the budget year (Sch. 5 Line 28).
 - c. The City's Capital Budget policy is to include Capital Projects amounts, and if the budgeted project is not started or completed in the applicable budget year, the remaining balance is not included in subsequent Capital Budgets. Instead, the Capital Purchase spending continues forward to subsequent fiscal year(s) as it was already approved in a prior year's Capital Budget. The annual Capital Budgets accumulate with no repeat budgeting for prior years' projects not started or completed since they were previously approved. Once

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

approved, the project can be undertaken in subsequent years without another approval process.

- d. EXG accumulated the Capital Budgets from **2001 to 2018** totaling **\$8,060,400,000** to compare to the accumulation of actual Capital Purchases the City incurred (Sch. 5 Line 29).

88. Capital Acquisitions / Obligations:

- a. EXG accumulated the Capital Purchases from **2001 to 2018** totaling **\$6,502,200,000** to compare to the accumulating Capital Budgets (Sch. 5 Line 32).

89. Outstanding Backlog Adopted Capital Budgets:

- a. From **2001 to 2018**, the City has an Outstanding Backlog of Adopted Capital Budgets of **\$1,558,200,000** (Sch. 5 Line 34).

90. Unfunded Capital Projects:

- a. Every number of years, the City undertakes a review to determine its Infrastructure Deficit / Unfunded Capital Projects for the next 10 years.
- b. The projects and amounts determined in these reviews represent projects that are not included in the City's Adopted Capital Budgets based on the City's position there is not sufficient future Capital Revenue including Property Taxes – Available for Capital or other sources of funding available to pay for the projects.
- c. The following are the reports available for the years that the City prepared these reviews and the identified amounts of the Infrastructure Deficit / Unfunded Capital Projects:

Unfunded Reports	Total Unfunded		Source
	Total Over 10 Years	Annual	
1998 State of the Infrastructure Report	817,000,000	81,700,000	Exhibit 1
2003 Infrastructure Deficit Report	1,830,000,000	183,000,000	Exhibit 2
2009 Infrastructure Deficit Presentation	7,400,000,000	740,000,000	https://www.winnipeg.ca/finance/pdfs/ipd/CitySpendingOnInfras
2018 State of the Infrastructure Report	6,883,000,000	688,300,000	https://winnipeg.ca/infrastructure/pdfs/State-of-Infrastructure-
2019 Unfunded Major Capital Projects Detail Report	4,906,000,000	490,600,000	https://winnipeg.ca/infrastructure/pdfs/2019_CW-Unfunded-

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

- d. In 2018, based on the City's population of 753,700, the Infrastructure Deficit / Unfunded Capital Projects calculates to \$9,132 per capita.
- e. In 2016, the City budgeted \$643,400,000 for the North End Sewage Plant. At the date of this report, the project has not yet begun. The project was included in the Capital Budget, and therefore not included in the 2018 Unfunded Capital Projects amounts. The 2018 forecasted cost has increased to **\$1,789,000,000** (page 14 of the report).

Net Funds After Capital Budgets

- 91. Had the City made all the Capital Purchases included in the Capital Budgets:
 - a. The City would have a Capital Funding Shortfall for every year from **2005 to 2016** (as noted earlier, the City substantially reduced their Capital Budget for 2017 and 2018).
 - b. Based on the City's past and current Capital Revenue generated, the City would have incurred an additional **\$1,126,500,000** in debt to complete all Capital Budgets from 2001 to 2018 (Sch. 5 Line 37).

Additional Capital Required

- 92. To analyze the effect of the Infrastructure Deficit / Unfunded Capital Projects amounts, EXG added these amounts to the Outstanding Backlog of Capital Budgets for the years 2001 to 2018.
- 93. By adding the total of both the Outstanding Backlog of Capital Budgets and the Infrastructure Deficit / Unfunded Capital Projects, EXG has calculated that as at 2018, the City has **\$8,441,200,000** of Capital Projects that the City has identified as needed and which the City has not had in the past or current Capital Revenue and / or other sources of funding to complete (Sch. 5 Line 45).

Total Capital Funding Shortfall

- 94. Except for 2001, the City had Total Capital Funding Shortfall for every year from **2002 to 2018** (Sch. 5 Line 47).
- 95. The Total Capital Funding Shortfall grew significantly beginning in 2009 as the magnitude of the Infrastructure Deficit / Unfunded Capital Projects became larger.
- 96. As at 2018, the City has **\$8,441,200,000** of Capital Projects identified as needed which the City has not had Capital Revenue and / or other sources of funding to complete (Sch. 5 Line 45).

Adopted Capital Budgets Analysis

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

G. Adopted Capital Budgets Analysis (Schedule 6)

97. The following are EXG's findings and analysis of the City's Adopted Capital Budgets for the years 2001 to 2019.
98. Refer to Schedule 6: Adopted Capital Budgets Analysis in the Report Schedules document.

Report Format

99. This Schedule outlines the Capital Budgets adopted by the City and the Sources of Financing the City had identified to pay for the related Capital Purchases. EXG summarized the Capital Budgets for this report purposes.
100. EXG has organized the schedule into the same categories as the Hemson Technical report.

EXG Findings

Capital Budget

101. For each five-year interval identified in the Schedule, the total Capital Budget amounts in each interval period increased (Sch. 6 Line 37).
102. For 2017 to 2019, the City reduced their Capital Budgets.
103. The majority of the Capital Budgets departments are part of the Hemson Technical Report's costs relating to the Impact Fee (on average 90% of the total Capital Budget amounts over the years) (Sch. 6 Line 22).

Sources of Financing Budget

104. **Cash to Capital / Frontage Levies:** For 2018 and 2019, the City budgeted significantly lower Operating Cash to Capital / Frontage Levies to contribute to the financing of Capital Purchases (Sch. 6 Line 41).
105. **Other Levels of Government:** For the majority of years after 2009, the City has relied on a greater portion of the sources of financing to be provided by Other Levels of Government (in some years up to 37% of the total sources of financing required) (Sch. 6 Line 45).

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

106. **Developers:** Amounts the City has budgeted for Capital Assets that are reimbursed by Developers as part of the Development Agreements (Sch. 6 Line 48).
107. **Public Private Partnerships:** The City has had an increasing amount of Public Private Partnerships repayments since 2012 requiring the City itself to increase the cashflow payments required for the total sources of funding (Sch. 6 Line 49).
108. **New Debt:** The City requirements for New Debt as a portion of all sources of funding have increased since **2006** (Sch. 6 Line 52).

H. Capital Forecasts 2020 to 2024 Analysis (Schedule 7)

109. The following are EXG's findings and analysis of the City's Capital Forecasts for the years 2020 to 2024.

110. Refer to Schedule 7: Capital Forecasts 2020 to 2024 Analysis in the Report Schedules document.

Report Format

111. This Schedule outlines the Capital Forecasts for the years 2020 to 2024 in the 2019 Capital Budget and the Sources of Financing the City has identified to pay for the related Capital Purchases. EXG summarized the Capital Forecasts for this report purposes.

112. EXG has organized the schedule into the same categories as the Hemson Technical Report.

113. To assist the reader, EXG has brought forward the 2016 to 2019 years' information in Schedule 6: Adopted Capital Budgets Analysis.

Capital 2020 to 2024 Forecasts

EXG Findings

114. **Forecasted Amounts:** The City is forecasting consistent Capital total amounts as 2018 and 2019 (Sch. 7 Line 35).

115. **Cash to Capital / Frontage Levies:** The City is forecasting more of the City's operation's Cash to Capital amounts to be available as a source of financing. This will include the Impact Fees collected (see Schedule 8 for the Hemson Technical forecasted Impact Fees) (Sch. 7 Line 41).

116. **Other Levels of Government:** The City is forecasting fewer sources of financing to be provided by Other Levels of Government (down to 12% by 2024) (Sch. 7 Line 45).

117. **New Debt:** The City is forecasting an additional **\$141,000,000** of New Debt to be incurred from 2020 to 2024 though it is a lower percentage of the overall sources of financing (5% by 2023) (Sch. 7 Line 57).

118. **Unfunded Capital Projects:** The 2019 Capital Budget forecast does not address how the City will fund the Unfunded Capital Projects.

Hemson Technical Report

Population and Housing Levels Forecasts

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

I. Hemson Technical Report Population and Housing Levels Forecasts

A. Hemson Technical Report's Population Forecasts

119. EXG compared the Hemson Technical Report's 2016 Population Forecasts which were based on 2011 Statistics Canada Census to the subsequent 2016 Statistics Canada Census and the City of Winnipeg population statistics found the City's Detailed Financial Statements Report to determine if there was a difference.

EXG Findings

120. As outlined in the table on the next page, the City's 2016 population estimate is 726,100 whereas the Hemson Technical Report estimated it to be 711,494, a 2.1% lower population (14,606).

121. From 2017 to 2019, the City's Detailed Financial Statements Report listed these higher populations:

Year	City	Hemson
2017	741,700	719,908
2018	753,700	728,422
2019	762,614	737,037

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

122. Using the 2019 City population, EXG extrapolated the remaining years based on the Hemson Technical Report long-term annual growth percentage:

Year	Hemson 2016 Report			EXG Estimated Re-Forecast			Increased Forecast	% Change
	Population Forecast	Annual Growth	%	Population Forecast	Annual Growth	% Change		
2016	711,494			726,100			14,606	2.1%
2017	719,908	8,414	1.2%	741,700	15,600	2.1%	21,792	3.0%
2018	728,422	8,514	1.2%	753,700	12,000	1.6%	25,278	3.5%
2019	737,037	8,615	1.2%	762,614	8,914	1.2%	25,577	3.5%
2020	745,753	8,716	1.2%	771,632	9,018	1.2%	25,879	3.5%
2021	754,573	8,820	1.2%	780,759	9,126	1.2%	26,186	3.5%
2022	763,036	8,463	1.1%	789,515	8,757	1.1%	26,479	3.5%
2023	771,594	8,558	1.1%	798,370	8,855	1.1%	26,776	3.5%
2024	780,248	8,654	1.1%	807,324	8,954	1.1%	27,076	3.5%
2025	788,999	8,751	1.1%	816,379	9,055	1.1%	27,380	3.5%
2026	797,848	8,849	1.1%	825,535	9,156	1.1%	27,687	3.5%
2027	805,889	8,041	1.0%	833,855	8,320	1.0%	27,966	3.5%
2028	814,011	8,122	1.0%	842,259	8,404	1.0%	28,248	3.5%
2029	822,215	8,204	1.0%	850,748	8,489	1.0%	28,533	3.5%
2030	830,501	8,286	1.0%	859,321	8,574	1.0%	28,820	3.5%
2031	838,871	8,370	1.0%	867,982	8,660	1.0%	29,111	3.5%
2032	846,165	7,294	0.9%	875,529	7,547	0.9%	29,364	3.5%
2033	853,522	7,357	0.9%	883,141	7,612	0.9%	29,619	3.5%
2034	860,943	7,421	0.9%	890,820	7,679	0.9%	29,877	3.5%
2035	868,428	7,485	0.9%	898,565	7,745	0.9%	30,137	3.5%
2036	875,978	7,550	0.9%	906,377	7,812	0.9%	30,399	3.5%
2037	882,670	6,692	0.8%	913,301	6,924	0.8%	30,631	3.5%
2038	889,413	6,743	0.8%	920,278	6,977	0.8%	30,865	3.5%
2039	896,207	6,794	0.8%	927,308	7,030	0.8%	31,101	3.5%
2040	903,054	6,847	0.8%	934,392	7,085	0.8%	31,338	3.5%
2041	909,952	6,898	0.8%	941,530	7,137	0.8%	31,578	3.5%
2017-2026	86,354			99,435			13,081	15.1%
2017-2031	127,377			141,882			14,505	11.4%
2017-2041	198,458			215,430			16,972	8.6%

Hemson Report Page 43 - Table 5

Statistics Canada 2016 Census
City of Winnipeg 2018 Detailed
Financial Statements Page 71

123. From 2017 to 2026, it is re-forecasted to show the City's populations to increase at a rate **15.1%** higher than what was the basis on the 2016 Hemson Technical Report.

124. If this re-forecast occurs, City costs are expected to increase to support the higher population.

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

B. Hemson Technical Report's Housing Forecasts

125. EXG compared the Hemson Technical Report's Housing Forecasts which were based on 2011 Statistics Canada Census to the subsequent 2016 Statistics Canada Census to determine if there was a difference.

EXG Findings

126. EXG found that the 2016 Statistics Canada Census listed the City's total dwelling units at 294,245 whereas the Hemson Technical Report estimated it to be 283,850, a 3.7% lower dwelling unit (10,395).

127. Using the 2016 Statistics Canada Census total dwelling units, EXG extrapolated the remaining years based on the Hemson Technical Report long-term annual growth percentage:

Hemson 2016 Report						EXG		
Year	Singles & Semis	Rows	Aparts	Total Dwelling Unit Growth	%	Re-Forecasted Dwelling Units	Increased Forecast	% Change
2016	Hemson Estimate Dwellings			283,850	¹	294,245	2016 Census	
2017	1,826	460	1,913	4,199	1.48%	4,353	154	3.7%
2018	1,877	462	1,922	4,261	1.48%	4,417	156	3.7%
2019	1,953	460	1,911	4,324	1.48%	4,482	158	3.7%
2020	2,001	463	1,924	4,388	1.48%	4,549	161	3.7%
2021	2,019	472	1,962	4,453	1.48%	4,616	163	3.7%
2022	1,802	431	1,790	4,023	1.32%	4,170	147	3.7%
2023	1,790	443	1,843	4,076	1.32%	4,225	149	3.7%
2024	1,786	455	1,889	4,130	1.32%	4,281	151	3.7%
2025	1,800	463	1,922	4,184	1.32%	4,337	153	3.7%
2026	1,796	474	1,970	4,240	1.32%	4,395	155	3.7%
2027	1,568	440	1,827	3,834	1.18%	3,974	140	3.7%
2028	1,513	459	1,907	3,879	1.18%	4,021	142	3.7%
2029	1,488	473	1,964	3,925	1.18%	4,069	144	3.7%
2030	1,474	484	2,012	3,971	1.18%	4,116	145	3.7%
2031	1,467	495	2,056	4,017	1.18%	4,164	147	3.7%
2032	1,327	460	1,911	3,697	1.07%	3,832	135	3.7%
2033	1,347	463	1,926	3,736	1.07%	3,873	137	3.7%
2034	1,356	469	1,951	3,776	1.07%	3,914	138	3.7%
2035	1,373	474	1,970	3,817	1.07%	3,957	140	3.7%
2036	1,395	478	1,985	3,858	1.07%	3,999	141	3.7%
2037	1,237	428	1,778	3,442	0.94%	3,568	126	3.7%
2038	1,241	433	1,800	3,475	0.94%	3,602	127	3.7%
2039	1,245	439	1,824	3,508	0.94%	3,636	128	3.7%
2040	1,249	445	1,847	3,541	0.94%	3,671	130	3.7%
2041	1,261	449	1,865	3,574	0.94%	3,705	131	3.7%
2017-2026	18,650	4,583	19,046	42,278		43,826	1,548	3.7%
2017-2031	26,160	6,934	28,812	61,904		64,171	2,267	3.7%
2017-2041	39,191	11,472	47,669	98,328		101,929	3,601	3.7%

Hemson Report Page 44 - Table 6

- Hemson Report Page 11, Table 1, 2016 Estimate Residential Dwellings
- Statistics Canada 2016 Census

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

128. From 2017 to 2026, it is re-forecasted to show the City's total dwellings to increase by **1,548 (3.7%)** higher than what was used as the basis on the 2016 Hemson Technical Report.
129. Further, based on the population and total dwellings growth, EXG has calculated the population in new households will increase from 107,740 as outlined in the 2016 Hemson Technical report (Page 44 – Table 7) to **109,952 (2.1%)** increase.
130. If this re-forecast occurs, City costs, Property Taxes and Impact Fee Revenues would be expected to increase to support the higher number of new dwellings with the corresponding increase of growth costs.

Impact Fees and Reserve Fund

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

J. Impact Fees Reserve Fund

131. On October 26, 2016, the City passed the Impact Fee By-law that allowed for the phased-in implementation of the Impact Fee. During the initial phase, the Impact Fee only applies to new residential developments in New Communities and Emerging Communities as set out in *OurWinnipeg*.

132. Collection of impact fees began May 1, 2017.

133. As per the City's audited financial statements, the City has collected these amounts that are in the Impact Fee Reserve Fund (2018 Detailed Financial Statements page 123):

2017	\$4,100,000
2018	<u>12,400,000</u>
Total Fund	<u>\$16,500,000</u>

134. As per the 2018 audited financial statements, and confirmed by City personnel, no amounts in the Impact Fee Reserve Fund have been spent and no amounts have been budgeted to be spent (2018 Annual Report page 17).

135. From 2017 to May 31, 2019, the City has incurred **\$546,870,000** on **365** Capital Projects. The following table lists the Capital Projects costs over \$10,000,000 and summarizes the remainder:

Department	Project Description	Actual Costs
Projects Over \$10,000,000		
Transit	Expansion of Transit Mtncs Fac	45,960,000
Transit	Transit Buses 2018	25,230,000
Sewage Disposal Utility	2017 CSO Bsmt Flood Man Strat	19,730,000
Waterworks Utility	2017 Water Main Renewal Pro	17,900,000
Public Works	Disraeli Bridges-Future Pmnt	17,820,000
Public Works	Disraeli Bridges-Future Pmnt	16,820,000
Transit	Transit Buses 2017	16,430,000
Waterworks Utility	2018 Water Main Renewal Pro	14,500,000
Innovation, Transformation and Technology	Public Safety Radio System	14,180,000
Sewage Disposal Utility	2017 Sewer Renewals	10,130,000
		198,700,000
Projects Under \$10,000,000		
92 Projects between \$1,000,000 to \$9,999,999		294,380,000
263 Projects under \$1,000,000		53,790,000
		348,170,000
TOTAL SPENDING ON CAPITAL PROJECTS FROM 2017 TO MAY 31 2019		546,870,000

136. For a complete listing of all the City's Capital Projects see:

<https://data.winnipeg.ca/Assessment-Taxation-Corporate/Capital-Expenditures/8xrn-n992/data>

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

K. Hemson Technical Report Impact Fees Forecasted Revenues (Schedule 8)

137. The following are EXG's review of the City's Hemson Technical Report Impact Fees Forecasted Revenues.

138. Refer to Schedule 8: Hemson Technical Report Impact Fees Forecasted Revenues in the Report Schedules document.

Report Format

139. This Schedule summarizes all forecasted Impact Fee Revenue in the Hemson Technical Report.

EXG Findings

140. The following table summarizes the Hemson Technical Report's forecasts:

(\$,000)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Population in New Units	10,700	10,900	11,100	11,300	11,400	10,300	10,400	10,500	10,600	10,700	107,700
Summary Fees Table											
Residential	57,000	59,200	61,600	63,900	66,100	60,700	62,400	64,300	66,400	68,200	629,800
Office	11,700	8,200	7,500	10,100	7,600	6,500	6,800	7,200	6,600	6,400	78,500
Institutional Charge	11,300	8,100	7,400	10,000	7,400	6,400	6,700	7,000	6,500	6,300	77,000
Commercial / Retail Charge	11,200	7,900	7,200	9,700	7,300	6,200	6,500	6,900	6,300	6,100	75,300
Industrial Charge	18,100	12,700	11,600	15,700	11,700	10,100	10,500	11,100	10,200	9,900	121,600
Total Impact Fees Revenues	109,300	96,100	95,300	109,400	100,100	89,900	92,900	96,500	96,000	96,900	982,200

141. If the Impact Fee was implemented in 2017, and forecasted population and housing statistics were met, the City would generate **\$982,200,000** in additional Capital Revenue over the 10-year period (Sch. 8 Line 11).

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

142. Since the City decided to implement only the Residential Impact Fees and at 50% the recommended rate, the following table summarizes Hemson Technical Report's forecasted Residential Impact Fees and the actual amounts collected by the City for the seven months in 2017 and 12 months in 2018:

(\$,000)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Residential											
Parks and Open Spaces	900	1,000	1,000	1,000	1,100	1,000	1,000	1,000	1,100	1,100	10,200
Community Services	3,200	3,300	3,400	3,500	3,700	3,400	3,500	3,600	3,700	3,800	35,100
Solid Waste	300	300	300	300	300	300	300	300	300	300	3,000
Public Works	29,200	30,300	31,500	32,700	33,800	31,100	32,000	32,900	34,000	35,000	322,500
Transit	10,500	10,900	11,400	11,800	12,200	11,200	11,500	11,900	12,300	12,600	116,300
Fire & Paramedic Services	1,000	1,000	1,000	1,100	1,100	1,000	1,100	1,100	1,100	1,200	10,700
Police	1,100	1,100	1,200	1,200	1,300	1,200	1,200	1,200	1,300	1,200	12,000
Water	2,300	2,400	2,500	2,600	2,700	2,500	2,600	2,600	2,700	2,800	25,700
Wastewater	8,500	8,800	9,200	9,600	9,900	9,100	9,300	9,600	9,900	10,200	94,100
	57,000	59,100	61,500	63,800	66,100	60,800	62,500	64,200	66,400	68,200	629,600
50% per Phased-In	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
2017 Prorated from May 1, 2017	16,600	29,600	30,800	32,000	33,000	30,400	31,200	32,100	33,200	34,100	314,800
Impact Fee Collected	4,100	12,400	16,500								
Shortfall of Actual Collected	(12,500)	(17,200)	(29,700)								2017 and 2018 Total

143. Since implementation of the Impact Fee, actual fees collected in 2017 and 2018 were \$16,500,000 (36% of the total expected or \$29,700,000 less than forecasted by the Hemson Technical Report) (Sch. 8 Line 34).

City of Winnipeg Maximum Debt Policy

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

L. City of Winnipeg Maximum Debt Policy

144. As per the 2018 Annual Report (page 47):

To help manage debt responsibly and transparently, on October 28, 2015, City Council approved an updated debt strategy for the City.

The following table provides the City Council-approved limits; the debt metrics as at December 31, 2018; and the forecasted peak based on the City Council-approved borrowing and the 2019 Capital Budget and Five-Year Forecast.

Debt Metrics	Maximum	As at December 31 2018	Forecasted Peak
<i>Debt as a % of revenue</i>			
<i>City</i>	90.0%	52.5%	77.6%
<i>Tax-supported and other funds</i>	80.0%	52.4%	65.2%
<i>Utilities and other</i>	220.0%	48.4%	155.4%
<i>Debt-servicing as a % of revenue</i>			
<i>City</i>	11.0%	4.9%	6.8%
<i>Tax-supported and other funds</i>	10.0%	5.0%	5.5%
<i>Utilities and other</i>	20.0%	4.5%	11.9%
<i>Debt per capita</i>			
<i>City</i>	2,800	1,398	2,319
<i>Tax-supported and other funds</i>	1,500	878	1,137
<i>Utilities and other</i>	1,500	408	1,385

EXG Findings

145. As per the 2018 audited financial statements, the City's Long-Term Debt is **\$1,083,700,000** (Sch. 1 Line 19).

146. Based on the City's Debt Strategy Policy, EXG calculated the City's potential additional debt allowed to be **\$1,380,500,000** based on the Debt as a % of revenue metric:

	2018 Revenue	Policy Maximum %	2018 Debt	2018 Total Debt	Additional Debt per Policy
Debt as a % of revenue					
City	1,213,800	90.0%	1,092,400	739,700	352,700
Tax-supported and other funds	121,100	80.0%	96,900	63,500	33,400
Utilities and other	579,500	220.0%	1,274,900	280,500	994,400
Totals	1,914,400		2,464,200	1,083,700	1,380,500

147. EXG did not have sufficient information available at the time of writing this report to complete the other two Debt Metrics calculations.

Exchange Group

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

M. About Exchange Group

Exchange Group (EXG) is a professional services organization headquartered in Winnipeg, Manitoba. Founded in 1962, we are proud of our growth as one of the largest combined chartered professional accounting and consulting firms in the province with multiple locations in Manitoba and clients across North America. We are comprised on three operating divisions:



Our office consists of 60+ professionals. Our team members join us from many different cultures, nationalities, religions, orientations and abilities. We believe that supporting our team members' differences and abilities is what allows us to successfully collaborate with clients of many backgrounds.

As appointed auditor, numerous consulting and forensic financial investigations with over 30 Cities, Towns and Provincial Municipalities, we have substantial experience with strong understanding of Municipal operations and reporting.

We provide advice, counsel and service that:

- Is realistic and practical
- Has a positive measurable impact on own clients' business
- Is based on experience
- Is straight and honest

These attributes come from our people, our knowledge of the specific industries, and the in-depth skills we continue to develop.

We are proud of our ability to deliver unique and creative solutions to meet diverse client needs.

Our website at www.exg.ca

N. Mike Stevens - Resume

Education

Chartered Professional Accountant

Chartered Accountant 1986

Manitoba

Ontario

Alberta

Gold Medalist in Auditing

Chartered Accountant Specializing in
Information Technology (Canada)

Certified Fraud Examiner

Bachelor of Arts in Applied
Economics 1981

University of Manitoba

Mike Stevens | CPA | CA | CFE CEO | Managing Partner

Mike is the CEO | Managing Partner of Exchange Group and President of our Solutions Consulting Division.

Mike has over the past 35 years lead projects for clients throughout North America including Cities, Rural Municipalities, Not-for-Profit Organizations, Foundations, Cultural Organizations, Crown Corporations, Provincial Departments, Public and Private Companies, Health Care Organizations, and Associations.

Mike is both a Chartered Professional Accountant (CA) and Certified Fraud Examiner and has personally led over 50 financial analysis and forensic investigations over the past 35 years including providing litigation support and expert witness testimony.

Some of the examples are listed below:

- Led the project team through a multi-year financial forensic investigation for a crown corporation defending a class action lawsuit. Mike provided expert support services and testified as an expert witness.
- Led the project for Canada's largest public union during an 11-year period where he performed a multi-year financial analysis, prepared numerous affidavits, provided expert services during mediation hearings and assisted in court hearing preparation with the legal team in a successful defense which also resulted in criminal charges for fraud against the plaintiffs.

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

MIKE STEVENS | CPA | CA | CFE

- Led the project team through a multi-year financial forensic investigation for a provincial government analyzing the Quantification of Loss of three farms relating to artificial flooding and testified as an expert witness.
- Led the project team in preparing a comprehensive and detailed multi-year forensic financial analysis to support a provincial government in the defense of a multi-million dollar law suit initiated by the North Dakota State and three farmers relating to a flood claim that had international border implications. This case is currently in the Federal Court system and will involve Mike testifying as an expert witness when required.
- Led the financial forensics investigation for a northern town that identified and quantified 12 different fraudulent activities by the senior officer and recovered the financial losses.
- Led the IT forensic team in the investigation of hacking into a client's systems during a strike action resulting in disciplinary action with one individual and dismissal of another.
- Led the forensic team in the investigation of a senior IT manager committing fraud and successfully prepared the case ready file that was used to lay criminal charges and recover the financial losses.
- Performed forensic investigation into allegations against the Mayor of a City.
- Designed and implemented financial and technological audits for both external and internal audit departments.
- Mike provides training and is a requested speaker to groups on how to identify and investigate fraud through forensic techniques and control methods.
- Led the project team for the City of Winnipeg's Timekeeping Study and Billing and Accounts Receivable projects with recommendations that were implemented city-wide.

Details of these and other cases are available upon request.

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

O. TABS

TAB 1



Infrastructure Capital Expenditures¹

(in thousands of dollars)

Infrastructure Element	Replacement Value ²	Required Annual Need	Average Annual Budgeted Expenditure ³	Average Annual Investment Deficit	Present City Source of Funding	Expenditure Type
Bridges & Structures	5 987	\$19.7	\$13.7	\$6.0	Mill Rate ⁴	Debt
Regional Streets	1000	25.0	14.8	10.2	Mill Rate ⁴	Debt
Residential Streets	2600	30.0	2.5	27.5	Mill Rate	Debt
Back Lanes	373	5.0	1.8	3.2	Mill Rate	Debt
Sidewalks	163	2.0	0.9	1.1	Mill Rate	Debt
Watermains	1080	10.8	6.3	4.5	Frontage Levy	Cash
Shoal Lake Aqueduct	500	6.0	3.8	2.2	Surcharge	Cash
Other Waterworks & System Funding ⁵	250	5.0	1.5	3.5	Water Rate	Debt
Sewers	2900	29.0	17.5	11.5	Frontage Levy	Cash
Sewage Interceptor/Lift Stations	250	2.5	2.5	0.0	Sewer Rate/Surcharge	Cash (Reserve) 34% Cash (Rate) 66%
Sewage Treatment Plants	600	6.0	7.5	(1.5)	Sewer Rate/Surcharge	Cash (Reserve) 47% Cash (Rate) 53%
Land Drainage Systems	1700	2.0	2.0 ¹	0.0	Mill Rate	Debt
Power Plants & Dams ⁶	550	7.3	11.5	(4.2)	Electricity Rate/Retained Earnings	Debt 81% Cash 19%
Transmission Lines	90	1.2	5.9	(4.7)	Electricity Rate/Retained Earnings	Debt 81% Cash 19%
Substations & Distribution Systems	560	16.0	9.4	6.6	Electricity Rate/Retained Earnings	Debt 81% Cash 19%
Civic Buildings	229	9.5	4.1	5.4	Mill Rate	Debt
Parkades	58	1.7	0.2	1.5	Mill Rate	Debt
Parks & Recreation ⁷	246	9.8	1.2 ¹	8.6	Mill Rate	Debt
Transit Buses	180	10.0	10.9	(0.9)	Transit Rate ⁴	Debt 11% Cash 89%
Transit Plant & Equipment	85	3.2	2.0	1.2	Transit Rate	Debt
TOTAL (millions)	\$14,401	\$201.7	\$120.0	\$81.7		

¹ All numbers supplied and verified by respective civic departments.

² Replacement value in 1997 dollars.

³ From 1998 capital budget and five-year (1998 - 2003) forecast — except Land Drainage Systems and Parks and Recreation, which are from the 1997 capital budget and five-year (1997 - 2002) forecast.

⁴ These activities receive Provincial UCPA funding.

⁵ Does not include water treatment plant cost of \$204 million which will be 67% cash financed via a surcharge.

⁶ Does not include reserve funds being accumulated for Power Plant Refurbishment.

⁷ Does not include community center unheated spaces, hockey pems, or lighting systems, the zoo, conservatory, and hard and soft landscaping.

30

CITY OF WINNIPEG

Global Financial Analysis Relating to the 2016 Hemson Report Impact Fees

TAB 2

City of Winnipeg Infrastructure Deficit (\$ millions)	Financing level expected in future Capital Budgets (10 years)	Backlog/ Work needing to be done (10 years)	Infrastructure Funding Shortfall/Gap total shortfall (10 years)	Infrastructure Funding Shortfall/Gap Avg Yearly Shortfall
Renewal Investments				
Watermain renewals	\$40	\$80	\$40	\$4
Sewer system Improvements				
Sewage treatment plants upgrades	\$30	\$260	\$230	\$23
Combined sewer overflows	\$40	\$270	\$230	\$23
Sewermain renewals	\$120	\$170	\$50	\$5
Basement flooding relief (land drainage)	\$70	\$110	\$40	\$4
Flood protection works (City infrastructure)	\$40	\$170	\$130	\$13
Roads - Existing (renewal)	\$590	\$1,090	\$500	\$50
Buildings including public use facilities	\$180	\$350	\$170	\$17
Parks	\$130	\$170	\$40	\$4
Transit - bus replacement	\$350	\$450	\$100	\$10
Total Renewal	\$1,590	\$3,120	\$1,530	\$153
New Strategic Investments				
Water treatment plant	\$220	\$220	\$0	\$0
Roads & bridges - New	\$40	\$160	\$120	\$17
Transit - rapid transit phase 1		\$180	\$180	\$18
Total New Strategic	\$260	\$560	\$300	\$35
Total Investment	\$1,850	\$3,680	\$1,830	\$188

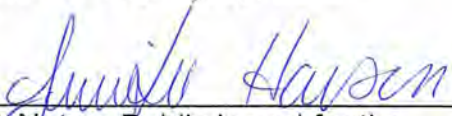
Notes

Does not include adhoc strategic investments other than the three shown
 For water treatment plan, existing rates in place to pay for borrowing costs.
 For New Roads & Bridges, used average of 7 year outlook
 For Rapid Transit, unclear if any funding in place

Roads & Bridges	\$67
Public Transit	\$28
Sewer incl water & flood	\$72
Public Buildings and Parks	\$21
Total	\$188

Prepared by CAO Secretariat, September 2003

This is Exhibit "B"
Referred to in the Affidavit of Mike Stevens
Sworn before me at the City of Winnipeg,
Province of Manitoba
This 3rd day of July, 2019



A Notary Public in and for the
Province of Manitoba

CITY OF WINNIPEG

Global Financial Analysis Relating to the
2016 Hemson Report Impact Fees
June 2019

REPORT SCHEDULES



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Telephone 204.947.7145

City of Winnipeg
Balance Sheets Analysis

Schedule 1

Line	(\$,000)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1																			
2	ASSETS																		
3	Current																		
4	Cash and short-term investments	481,200	313,800	362,000	551,700	291,200	445,000	404,700	424,600	401,100	422,100	437,300	392,000	329,700	335,700	349,000	393,900	456,100	434,000
5	Accounts receivable	110,400	107,100	130,200	142,500	136,700	141,200	160,800	174,000	161,500	215,900	197,900	208,600	260,600	299,800	334,100	320,300	320,000	318,200
6																			
7	Long-Term																		
8	Land held for resale					13,900	13,100	10,600	12,400	12,500	15,200	14,900	13,700	14,700	9,100	10,900	5,900	1,200	4,400
9	Investments	69,000	359,200	365,900	368,000	348,200	266,700	260,700	295,600	299,100	276,300	292,500	303,800	306,800	338,100	313,200	322,200	305,900	308,100
10	Investment in govern businesses	33,500				22,100	22,100	22,600	23,500	23,300	23,600	23,800	31,400	35,800	34,400	30,100	30,200	30,200	25,400
11		694,100	780,100	858,100	1,062,200	812,100	888,100	859,400	930,100	897,500	953,100	966,400	949,500	947,600	1,017,100	1,037,300	1,072,500	1,113,400	1,090,100
12																			
13	LIABILITIES																		
14	Current																		
15	Accounts payable / accrued liabilities	136,700	146,700	128,000	129,900	138,700	158,100	185,100	159,900	139,000	145,300	186,500	205,800	263,700	262,900	273,000	258,200	261,500	271,800
16	Deferred revenue	5,200	6,200	8,400	9,400	6,500	29,600	43,600	42,500	50,900	71,400	64,800	55,100	61,100	52,100	44,300	49,600	48,400	55,500
17																			
18	Long-Term																		
19	Debt and Notes Payable	826,100	581,900	608,500	745,600	414,700	447,600	397,500	476,900	479,500	496,400	558,400	793,200	800,400	961,100	1,016,800	1,079,800	1,073,600	1,083,700
20	Other liabilities	35,800	41,500	47,100	47,800	41,600	38,800	37,700	32,100	46,900	45,500	55,400	57,000	57,100	73,200	83,300	133,500	138,900	129,700
21	Accrued employee benefits	99,800	102,500	112,900	117,100	129,600	142,100	143,200	140,700	144,300	145,900	156,500	164,200	176,300	184,800	204,800	211,800	221,600	228,300
22	Discontinued Operations	166,800																	
23		1,270,400	878,800	904,900	1,049,800	731,100	816,200	807,100	852,100	860,600	904,500	1,021,600	1,275,300	1,358,600	1,534,100	1,622,200	1,732,900	1,744,000	1,769,000
24																			
25	NET FINANCIAL ASSETS (LIABILITIES)	(576,300)	(98,700)	(46,800)	12,400	81,000	71,900	52,300	78,000	36,900	48,600	(55,200)	(325,800)	(411,000)	(517,000)	(584,900)	(660,400)	(630,600)	(678,900)
26																			
27	NON-FINANCIAL ASSETS																		
28	Tangible capital assets	943,800	927,500	925,900	903,700	3,540,900	3,669,700	3,877,200	4,058,300	4,291,400	4,448,000	4,747,800	5,203,600	5,537,200	5,851,600	6,180,900	6,419,000	6,638,200	6,983,300
29	Inventories	9,500	10,000	10,400	13,700	14,000	13,700	13,900	14,700	15,300	16,000	16,400	16,000	16,400	18,700	19,500	19,400	21,100	19,600
30	Prepaid expenses / deferred charges	2,300	4,900	4,800	3,900	3,000	4,000	2,900	5,400	5,900	6,100	6,100	18,500	5,200	7,000	6,800	6,700	7,000	6,700
31	Discontinued Operations	196,500																	
32		1,152,100	942,400	941,100	921,300	3,557,900	3,687,400	3,894,000	4,078,400	4,312,600	4,470,100	4,770,300	5,238,100	5,558,800	5,877,300	6,207,200	6,445,100	6,666,300	7,009,600
33																			
34	ACCUMULATED SURPLUS	575,800	843,700	894,300	933,700	3,638,900	3,759,300	3,946,300	4,156,400	4,349,500	4,518,700	4,715,100	4,912,300	5,147,800	5,360,300	5,622,300	5,784,700	6,035,700	6,330,700

City of Winnipeg
Accumulated Surpluses Analysis
(\$,000)

Schedule 2

Line	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
	Pre-PSAB	Pre-PSAB	Pre-PSAB	Pre-PSAB	Restated														
1																			
2	Accumulated Surpluses																		
3																			
4	Invested in tangible capital assets	274,300	274,300	941,100	921,300	3,038,600	3,181,900	3,434,700	3,568,700	3,803,800	3,983,500	4,197,900	4,397,800	4,637,700	4,890,300	5,217,200	5,397,200	5,639,300	5,836,600
5		59%	37%	61%	59%	84%	85%	87%	86%	87%	88%	89%	90%	90%	91%	93%	93%	93%	92%
6																			
7	Reserves and Retained Equity																		
8	Reserve Funds	293,700	293,700	447,800	507,300	292,800	270,300	246,400	252,400	258,700	250,900	275,000	285,500	266,500	291,600	302,900	294,600	297,800	348,600
9	Utilities and Other Equity					170,200	198,700	161,900	224,800	207,400	213,100	181,300	168,100	197,800	150,800	109,900	123,700	139,200	195,400
10	Government Businesses Equity					22,100	22,100	22,600	23,500	23,300	23,600	23,800	31,400	35,800	34,400	30,100	30,200	30,200	25,400
11		293,700	293,700	447,800	507,300	485,100	491,100	430,900	500,700	489,400	487,600	480,100	485,000	500,100	476,800	442,900	448,500	467,200	569,400
12		63%	40%	29%	32%	13%	13%	11%	12%	11%	11%	10%	10%	10%	9%	8%	8%	8%	9%
13																			
14	Manitoba Hydro long-term receivable	-	279,700	271,500	262,800	253,500	238,400	238,400	232,700	226,600	220,200	220,200	220,200	220,200	220,200	220,200	220,200	220,200	220,200
15																			
16	Unfunded Expenses to be funded from future revenues																		
17	Accrued employee benefits and other	(96,600)	(98,600)	(107,700)	(118,500)	(124,300)	(135,800)	(137,400)	(135,000)	(141,300)	(142,600)	(152,900)	(159,900)	(172,300)	(182,600)	(199,000)	(210,300)	(223,800)	(226,800)
18	Landfill	(6,000)	(10,000)	(11,000)	(11,000)	(14,000)	(16,300)	(20,300)	(15,600)	(17,900)	(18,900)	(19,200)	(20,000)	(27,100)	(30,500)	(41,700)	(49,100)	(48,700)	(50,200)
19	Contaminated sites													(3,600)	(7,400)	(15,100)	(12,700)	(13,700)	
20	Canadian Museum for Human Rights grant								4,900	(11,100)	(11,100)	(11,000)	(10,800)	(10,800)	(10,300)	(9,900)	(6,700)	(5,800)	(4,800)
21		(102,600)	(108,600)	(118,700)	(129,500)	(138,300)	(152,100)	(157,700)	(145,700)	(170,300)	(172,600)	(183,100)	(190,700)	(210,200)	(227,000)	(258,000)	(281,200)	(291,000)	(295,500)
22		-22%	-15%	-8%	-8%	-4%	-4%	-4%	-4%	-4%	-4%	-4%	-4%	-4%	-4%	-5%	-5%	-5%	-5%
23																			
24	Accumulated Surpluses	465,400	739,100	1,541,700	1,561,900	3,638,900	3,759,300	3,946,300	4,156,400	4,349,500	4,518,700	4,715,100	4,912,300	5,147,800	5,360,300	5,622,300	5,784,700	6,035,700	6,330,700

City of Winnipeg

High Level Summary

Schedule 3

Income Statements Analysis

Line	(\$,000)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1																			
2	OPERATIONS																		
3																			
4	REVENUES																		
5	Net Property Taxes - Operations	159,300	168,800	173,100	195,500	169,700	178,300	166,600	142,700	217,400	202,700	218,100	214,200	237,300	314,500	315,700	333,500	287,400	286,000
6	Total Other Operations Revenue	533,200	545,100	578,700	584,100	625,900	641,000	691,700	732,300	733,800	775,600	841,200	849,700	913,400	934,600	900,000	959,700	1,005,200	1,031,800
7	Total Operations Revenue	692,500	713,900	751,800	779,600	795,600	819,300	858,300	875,000	951,200	978,300	1,059,300	1,063,900	1,150,700	1,249,100	1,215,700	1,293,200	1,292,600	1,317,800
8																			
9	Net Operations Expenses	687,500	708,800	746,600	774,300	790,300	813,900	852,800	869,400	945,500	972,400	1,053,400	1,057,700	1,144,100	1,242,100	1,208,500	1,285,600	1,284,700	1,309,600
10																			
11	CONTRIBUTION TO STABILIZATION FUND	5,000	5,100	5,200	5,300	5,300	5,400	5,500	5,600	5,700	5,900	5,900	6,200	6,600	7,000	7,200	7,600	7,900	8,200
12																			
13																			
14																			
15	CAPITAL																		
16																			
17	REVENUE																		
18	Property Taxes - Available for Capital	219,800	216,600	209,600	189,200	221,800	227,800	240,500	265,300	199,400	225,500	213,200	239,800	245,700	193,200	206,400	203,400	272,300	302,600
19	Government Transfers - Capital	22,400	29,100	32,800	42,100	21,700	43,100	71,400	90,600	122,100	107,000	138,611	121,300	130,900	209,800	201,400	151,600	156,300	181,800
20	Other Capital Revenue	0	0	0	0	17,100	15,300	50,600	40,300	71,000	43,100	58,600	72,200	91,900	64,500	131,700	86,500	112,900	112,100
21	Total Capital Revenue	242,200	245,700	242,400	231,300	260,600	286,200	362,500	396,200	392,500	375,600	410,411	433,300	468,500	467,500	539,500	441,500	541,500	596,500
22																			
23	AMORTIZATION AND INTEREST	164,200	148,500	142,900	136,400	173,000	171,400	180,600	192,100	205,000	212,100	219,800	242,000	252,800	261,800	277,500	287,000	298,700	309,400
24																			
25																			
26	FINANCIAL STATEMENTS NET SURPLUS	83,000	102,300	104,700	100,200	92,900	120,200	187,400	209,700	193,200	169,400	196,511	197,500	222,300	212,700	269,200	162,100	250,700	295,300

City of Winnipeg
Income Statements Analysis
(5,000)

Detailed

Schedule 3

Line	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
OPERATIONS																			
REVENUES																			
Property Taxes	774,500	799,500	807,800	823,800	826,700	843,400	860,000	873,000	891,200	926,100	928,500	975,300	1,033,000	1,086,900	1,128,900	1,182,700	1,227,100	1,288,400	
Less: Capital Portion	(219,800)	(216,600)	(209,600)	(189,200)	(221,800)	(227,800)	(240,500)	(265,300)	(199,400)	(225,500)	(213,200)	(239,800)	(245,700)	(193,200)	(206,400)	(203,400)	(272,300)	(302,600)	
Net Property Taxes - Operations Portion	554,700	582,900	598,200	634,600	604,900	615,600	619,500	607,700	691,800	700,600	715,300	735,500	787,300	893,700	922,500	979,300	954,800	985,800	
Less: Province and School Payments	(395,400)	(414,100)	(425,100)	(439,100)	(435,200)	(437,300)	(452,900)	(465,000)	(474,400)	(497,900)	(497,200)	(521,300)	(550,000)	(579,200)	(606,800)	(645,800)	(667,400)	(699,800)	
Net Property Taxes - Operations	159,300	168,800	173,100	195,500	169,700	178,300	166,600	142,700	217,400	202,700	218,100	214,200	237,300	314,500	315,700	333,500	287,400	285,000	
Other Operations Revenue	42%	44%	45%	51%	43%	44%	41%	35%	52%	47%	51%	47%	49%	52%	60%	62%	51%	49%	
Sales of Services and Regulatory Fees	294,200	295,500	318,600	328,200	339,500	356,800	381,300	413,000	413,200	425,200	460,500	483,300	507,900	526,300	545,600	569,600	595,200	632,900	
Government Transfers - Operating	93,700	94,000	97,100	94,100	99,000	109,200	117,200	122,700	134,700	144,900	159,500	159,000	161,300	169,000	171,600	182,200	194,900	193,100	
Taxation - Other (see Schedule)	101,900	98,800	107,300	107,000	112,100	112,500	108,100	113,700	117,800	122,800	132,500	133,600	133,200	138,200	138,200	154,100	152,500	157,500	
Investment Income	35,700	48,100	45,500	44,600	41,700	47,100	50,100	48,100	39,500	34,800	40,400	40,900	37,900	35,700	30,000	26,800	30,500	35,400	
Land Sales and Other Revenues	7,700	8,700	10,200	10,200	33,600	15,400	35,000	34,800	28,600	47,900	48,300	32,900	77,500	70,400	14,600	27,000	32,100	12,900	
Total Other Operations Revenue	533,200	545,100	578,700	584,100	625,900	641,000	691,700	732,300	733,800	775,600	841,200	849,700	913,400	934,600	900,000	959,700	1,005,200	1,031,800	
Total Operations Revenue	692,500	713,900	751,800	779,600	795,600	819,300	858,300	875,000	951,200	978,300	1,059,300	1,063,900	1,150,700	1,249,100	1,215,700	1,293,200	1,292,600	1,317,800	
EXPENSES																			
Protection and community services	258,300	264,500	283,800	300,600	301,900	319,700	336,700	344,200	362,300	390,400	388,100	416,300	438,000	466,800	488,600	528,200	549,200	544,600	
Utility operations	217,600	223,800	218,200	217,200	260,600	224,400	242,800	258,800	278,800	301,600	334,200	338,000	347,700	378,600	370,200	383,900	417,400	433,200	
Public works	203,800	202,100	205,300	214,500	225,100	231,300	249,300	250,500	270,900	264,500	287,800	283,000	312,700	331,200	318,000	338,100	298,500	315,900	
Property and development	53,200	53,400	53,400	53,700	60,300	80,000	90,000	93,700	98,000	101,600	103,400	105,700	132,000	146,300	128,800	131,900	134,900	131,900	
Finance and administration	52,500	53,900	55,900	65,400	55,200	59,700	63,800	67,600	61,600	66,400	70,400	71,400	72,900	76,500	71,300	70,000	84,500	92,000	
Civic corporations	27,800	30,300	29,900	31,200	34,600	46,000	25,000	29,400	29,600	31,500	47,300	51,500	54,800	58,200	61,800	69,800	71,600	74,000	
General government	60,200	66,800	64,500	47,300	25,600	24,200	25,800	17,300	49,300	28,500	42,000	33,800	38,800	46,200	47,300	50,700	27,300	27,400	
Less: Capital Expenses in Departments	(87,900)	(81,600)	(77,500)	(76,200)	(122,700)	(123,700)	(133,600)	(141,200)	(155,400)	(165,900)	(175,800)	(188,400)	(198,100)	(208,100)	(221,400)	(235,200)	(245,900)	(257,400)	
Amortization in Departments	(76,300)	(66,900)	(65,400)	(60,200)	(50,300)	(45,700)	(47,000)	(51,000)	(49,600)	(46,200)	(44,000)	(53,600)	(54,700)	(53,700)	(56,100)	(51,800)	(52,800)	(52,000)	
Interest on Debt	(21,700)	(37,500)	(21,500)	(19,200)	(49,700)	(45,700)	(47,000)	(51,000)	(49,600)	(46,200)	(44,000)	(53,600)	(54,700)	(53,700)	(56,100)	(51,800)	(52,800)	(52,000)	
Estimated PASB Adjustments																			
Net Operations Expenses	687,500	708,800	746,600	774,300	790,300	813,900	852,800	869,400	945,500	972,400	1,051,400	1,057,700	1,144,100	1,242,100	1,208,500	1,285,500	1,284,700	1,309,600	
CONTRIBUTION TO STABILIZATION FUND	5,000	5,100	5,200	5,300	5,300	5,400	5,500	5,600	5,700	5,900	5,900	6,200	6,600	7,000	7,200	7,600	7,900	8,200	
Total																			110,600
CAPITAL																			
REVENUE																			
Property Taxes - Available for Capital	219,800	216,600	209,600	189,200	221,800	227,800	240,500	265,300	199,400	225,500	213,200	239,800	245,700	193,200	206,400	203,400	272,300	302,600	
Percentage of Total Property Taxes	58%	56%	55%	49%	57%	56%	59%	65%	48%	53%	49%	53%	51%	38%	40%	38%	49%	51%	
Government Transfers - Capital	21,100	19,700	27,400	36,000	15,000	14,600	40,100	64,000	53,000	62,300	79,000	63,200	59,200	134,600	117,700	94,500	96,400	76,500	
Province of Manitoba	1,300	9,400	5,400	6,100	6,700	28,500	31,300	26,600	69,100	44,700	59,600	58,100	71,700	75,200	83,700	57,100	59,900	105,300	
Government of Canada	22,400	29,100	32,800	42,100	21,700	43,100	71,400	90,600	122,100	107,000	138,611	121,300	130,900	209,800	201,400	151,600	156,300	181,800	
Other Capital Revenue																			
Impact Fees																			
Developer contributions-in-kind					17,100	15,300	50,600	40,300	71,000	43,100	58,600	72,200	91,900	64,500	111,000	59,000	95,200	82,700	
Other capital contributions														20,700	27,500	13,600	17,000		
Total Capital Revenue	242,200	245,700	242,400	231,300	260,600	286,200	362,500	396,200	392,500	375,600	410,411	433,300	468,500	467,500	539,500	441,500	541,500	596,500	
AMORTIZATION AND INTEREST																			
Amortization in Departments	87,900	81,600	77,500	76,200	122,700	123,700	133,600	141,200	155,400	165,900	175,800	188,400	198,100	208,100	221,400	235,200	245,900	257,400	
Interest on Debt	76,300	66,900	65,400	60,200	50,300	45,700	47,000	51,000	49,600	46,200	44,000	53,600	54,700	53,700	56,100	51,800	52,800	52,000	
Total	164,200	148,500	142,900	136,400	173,000	171,400	180,600	192,100	205,000	212,100	219,800	242,000	252,800	261,800	277,500	287,000	298,700	309,400	
FINANCIAL STATEMENTS NET SURPLUS	83,000	102,300	104,700	100,200	92,300	120,200	187,400	209,700	193,200	169,400	156,511	197,500	222,300	212,700	269,200	162,100	250,700	295,300	

City of Winnipeg

Capital Purchases Deficit and Debt Analysis

Line (\$,000)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
CAPITAL																			
REVENUE																			
Property Taxes - Capital Portion	219,800	216,600	209,600	189,200	221,800	227,800	240,500	265,300	199,400	225,500	213,200	239,800	245,700	193,200	206,400	203,400	272,300	302,600	
Percentage of Total Property Taxes	58%	56%	55%	49%	57%	56%	59%	65%	48%	53%	49%	53%	51%	38%	40%	38%	49%	51%	
Government Transfers - Capital																			
Province of Manitoba	21,100	19,700	27,400	36,000	15,000	14,600	40,100	64,000	53,000	62,300	79,000	63,200	59,200	134,600	117,700	94,500	96,400	76,500	
Government of Canada	1,300	9,400	5,400	6,100	6,700	28,500	31,300	26,600	69,100	44,700	59,600	58,100	71,700	75,200	83,700	57,100	59,900	105,300	
	22,400	29,100	32,800	42,100	21,700	43,100	71,400	90,600	122,100	107,000	138,611	121,300	130,900	209,800	201,400	151,600	156,300	181,800	
Other Capital Revenue																			
Impact Fees																	4,100	12,400	
Developer contributions-in-kind					17,100	15,300	50,600	40,300	71,000	43,100	58,600	72,200	91,900	64,500	111,000	59,000	95,200	82,700	
Other capital contributions														20,700	27,500	13,600	17,000		
Total Capital Revenue	242,200	245,700	242,400	231,300	260,600	286,200	362,500	396,200	392,500	375,600	410,411	433,300	468,500	467,500	539,500	441,500	541,500	596,500	
CAPITAL PURCHASES																			
Capital Acquisitions Each Year	(118,600)	(135,800)	(157,900)	(139,200)	(199,300)	(263,100)	(352,100)	(330,300)	(384,100)	(333,900)	(486,300)	(654,000)	(543,900)	(525,600)	(558,400)	(409,100)	(377,100)	(533,500)	
NET FUNDS AFTER CAPITAL PURCHASES	123,600	109,900	84,500	92,100	61,300	23,100	10,400	65,900	8,400	41,700	(75,889)	(220,700)	(75,400)	(58,100)	(18,900)	32,400	164,400	63,000	
DEBT																			
Total Long-Term Debt	826,100	581,900	608,500	745,600	414,700	447,600	397,500	476,900	479,500	496,400	558,400	793,200	800,400	961,100	1,016,800	1,079,800	1,073,600	1,083,700	
Annual Change in Debt	(138,700)	(244,100)	26,600	137,100	(330,900)	32,900	(50,100)	79,500	2,600	16,900	62,000	234,800	7,200	160,700	55,700	63,100	(6,200)	10,000	
Accumulated Debt					Decline from 2001 to 2005	(411,400)												Increased from 2005 to 2018	669,000

City of Winnipeg

Capital Budgets and Unfunded Capital Project Analysis

Line	(\$,000)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
CAPITAL																			
REVENUE																			
Property Taxes - Capital Portion		219,800	216,600	209,600	189,200	221,800	227,800	240,500	265,300	199,400	225,500	213,200	239,800	245,700	193,200	206,400	203,400	272,300	302,600
Percentage of Total Property Taxes		58%	56%	55%	49%	57%	56%	59%	65%	48%	53%	49%	53%	51%	38%	40%	38%	49%	51%
Government Transfers - Capital																			
Province of Manitoba		21,100	19,700	27,400	36,000	15,000	14,600	40,100	64,000	53,000	62,300	79,000	63,200	59,200	134,600	117,700	94,500	96,400	76,500
Government of Canada		1,300	9,400	5,400	6,100	6,700	28,500	31,300	26,600	69,100	44,700	59,600	58,100	71,700	75,200	83,700	57,100	59,900	105,300
		22,400	29,100	32,800	42,100	21,700	43,100	71,400	90,600	122,100	107,000	138,611	121,300	130,900	209,800	201,400	151,600	156,300	181,800
Other Capital Revenue																			
Impact Fees																		4,100	12,400
Developer contributions-in-kind						17,100	15,300	50,600	40,300	71,000	43,100	58,600	72,200	91,900	64,500	111,000	59,000	95,200	82,700
Other capital contributions															20,700	27,500	13,600	17,000	
Total Capital Revenue		242,200	245,700	242,400	231,300	260,600	286,200	362,500	396,200	392,500	375,600	410,411	433,300	468,500	467,500	539,500	441,500	541,500	596,500
CAPITAL PURCHASES																			
Capital Acquisitions during year		(118,600)	(135,800)	(157,900)	(139,200)	(199,300)	(263,100)	(352,100)	(330,300)	(384,100)	(333,900)	(486,300)	(654,000)	(543,900)	(525,600)	(558,400)	(409,100)	(377,100)	(533,500)
NET FUNDS AFTER CAPITAL PURCHASES		123,600	109,900	84,500	92,100	61,300	23,100	10,400	65,900	8,400	41,700	(75,889)	(220,700)	(75,400)	(58,100)	(18,900)	32,400	164,400	63,000
Capital Actual to Budget																			
Budgeted Capital Purchases		157,800	207,100	173,000	209,700	298,500	307,700	427,400	421,100	476,600	439,600	370,100	393,300	374,800	379,600	560,700	1,177,800	432,800	380,300
Add: Developer in Kind Contributions		0	0	0	0	17,100	15,300	50,600	40,300	71,000	43,100	58,600	72,200	91,900	64,500	111,000	59,000	95,200	82,700
Total Capital Budgets Plus In-Kind		157,800	207,100	173,000	209,700	315,600	323,000	478,000	461,400	547,600	482,700	428,700	465,500	466,700	444,100	671,700	1,236,800	528,000	463,000
Accumulated Capital Budget		157,800	364,900	537,900	747,600	1,063,200	1,386,200	1,864,200	2,325,600	2,873,200	3,355,900	3,784,600	4,250,100	4,716,800	5,160,900	5,832,600	7,069,400	7,597,400	8,060,400
Capital Acquisitions		(118,600)	(135,800)	(157,900)	(139,200)	(199,300)	(263,100)	(352,100)	(330,300)	(384,100)	(333,900)	(486,300)	(654,000)	(543,900)	(525,600)	(558,400)	(409,100)	(377,100)	(533,500)
Accumulated Capital Acquisitions		(118,600)	(254,400)	(412,300)	(551,500)	(750,800)	(1,013,900)	(1,366,000)	(1,696,300)	(2,080,400)	(2,414,300)	(2,900,600)	(3,554,600)	(4,098,500)	(4,624,100)	(5,182,500)	(5,591,600)	(5,968,700)	(6,502,200)
Outstanding Backlog Capital Budgets		(39,200)	(110,500)	(125,600)	(196,100)	(312,400)	(372,300)	(498,200)	(629,300)	(792,800)	(941,600)	(884,000)	(695,500)	(618,300)	(536,800)	(650,100)	(1,477,800)	(1,628,700)	(1,558,200)
Northend Sewage Plant Not Started: \$643,400																			
NET FUNDS AFTER CAPITAL BUDGETS		84,400	38,600	69,400	21,600	(55,000)	(36,800)	(115,500)	(65,200)	(155,100)	(107,100)	(18,289)	(32,200)	1,800	23,400	(132,200)	(795,300)	13,500	133,500
Additional Capital Required																			
Outstanding Backlog Capital Budgets (See above)		(39,200)	(71,300)	(15,100)	(70,500)	(116,300)	(59,900)	(125,900)	(131,100)	(163,500)	(148,800)	57,600	188,500	77,200	81,500	(113,300)	(827,700)	(150,900)	70,500
Unfunded Capital Projects		(81,700)	(81,700)	(368,000)	(368,000)	(368,000)	(368,000)	(368,000)	(368,000)	(740,000)	(740,000)	(740,000)	(740,000)	(740,000)	(740,000)	(740,000)	(740,000)	(740,000)	(688,300)
Total Additional Purchased Required		(120,900)	(153,000)	(383,100)	(438,500)	(484,300)	(427,900)	(493,900)	(499,100)	(903,500)	(888,800)	(682,400)	(551,500)	(662,800)	(658,500)	(853,300)	(1,567,700)	(890,900)	(617,800)
TOTAL CAPITAL FUNDING SHORTFALL		2,700	(43,100)	(298,600)	(346,400)	(423,000)	(404,800)	(483,500)	(433,200)	(895,100)	(847,100)	(758,289)	(772,200)	(738,200)	(716,600)	(872,200)	(1,535,300)	(726,500)	(554,800)

Totals
7,187,900
872,500
8,060,400
(6,502,200)
(1,558,200)
(1,126,500)
(1,558,200)
(6,883,000)
(8,441,200)

City of Winnipeg
Adopted Capital Budgets Analysis
(Rounded \$,000)

Schedule 6

Line	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Hemson Categories																				
10-Year Benefitting Period																				
1.0 Parks and Open Spaces	900	800	3,600	2,100	1,600	1,000	3,400	5,200	4,900	4,700	7,700	4,500	7,700	13,800	6,000	8,200	9,000	11,200	8,700	
2.0 Community Services	2,300	6,700	10,200	10,700	4,100	2,900	3,500	3,700	6,600	12,500	13,800	16,900	25,700	25,000	20,900	20,000	21,500	20,400	30,600	
3.0 Solid Waste					1,800	700	500	400	2,000	12,400	400	15,400	14,400	7,200	3,900	6,200	8,100	4,500	3,600	
15-Year Benefitting Period	3,200	7,500	13,800	12,800	7,500	4,600	7,400	9,300	13,500	29,600	21,900	36,800	47,800	46,000	30,800	34,400	38,600	36,100	42,900	
4.0 Public Works	38,700	70,000	57,100	37,800	58,600	79,900	173,600	179,800	96,700	187,500	111,500	149,900	109,100	124,600	128,700	302,400	138,000	153,600	109,700	
25-Year Benefitting Period	38,700	70,000	57,100	37,800	58,600	79,900	173,600	179,800	96,700	187,500	111,500	149,900	109,100	124,600	128,700	302,400	138,000	153,600	109,700	
5.0 Transit	10,900	10,900	19,400	14,100	15,500	31,600	41,900	16,700	164,700	27,900	28,100	24,500	28,400	31,800	27,400	43,900	81,500	31,900	39,800	
6.0 Fire and Paramedic Services	1,000		900			1,700	1,800	1,800	2,800		5,800	5,000	5,300	5,300	5,800	5,200	4,100	16,100		
7.0 Police	400				2,300		20,700	34,400	11,700	10,300	99,500	8,700	12,000	4,500	7,200	12,200	23,600	3,300	4,600	
8.0 Water	15,700	22,000	21,500	38,200	97,400	109,500	84,700	20,500	22,400	20,600	33,700	53,000	52,200	37,500	69,800	45,300	58,300	28,500	25,000	
9.0 Wastewater (Sewage)	36,800	40,100	39,500	73,800	100,600	54,700	71,100	110,400	134,200	136,600	47,600	51,400	87,500	109,300	261,800	707,400	57,800	78,200	71,400	
Winnipeg Hydro	37,800	37,200																		
Total Impact Fee Capital Budgets	144,500	187,700	152,200	176,700	281,900	282,000	399,400	372,900	443,200	415,300	342,300	324,300	342,000	353,700	531,000	1,151,400	403,000	335,700	309,500	
Percentage of Total Capital Budget	92%	91%	88%	84%	94%	92%	93%	89%	93%	94%	92%	82%	91%	93%	95%	98%	93%	88%	84%	
																Northred Sewage Plant Not Started: \$643,400				
Other Outside Hemson Report																				
Municipal Accommodations		3,200	5,900	5,400	6,400	8,800	12,900	27,800	13,900	11,100	8,900	59,300	23,600	12,300	14,900	10,500	9,200	7,500	18,200	
Planning, Property and Development	6,900	3,900	5,200	4,500	3,800	4,100	5,800	5,600	5,300	8,000	5,900	6,000	5,800	6,400	5,700	5,000	10,100	1,700	3,000	
Corporate Support Services	4,700	5,000	5,700	4,100	3,300	5,000	2,300	1,500	600	2,600	4,300	2,200	2,100	2,400	3,200	5,500	4,300	9,600	11,400	
Assessment and Taxation									500	1,000		500		2,000	3,800	3,000	3,900	2,400	2,400	
City Clerks	600	300	300	200	200	900	200	200	2,000	1,200	700	700	700	2,500	1,800	1,800	2,100	700		
Other	1,100	7,000	3,700	18,800	2,900	6,900	7,000	13,100	11,100	400	8,000	300	600	300	300	600	200			
Special Operating Agencies																		22,700	23,400	
Total Other Outside Hemson Report	13,300	19,400	20,800	33,000	16,600	25,700	28,000	48,200	33,400	24,300	27,800	69,000	32,800	25,900	29,700	26,400	29,800	44,600	58,400	
Percentage of Total Capital Budget	8%	9%	12%	16%	6%	8%	7%	11%	7%	6%	8%	18%	9%	7%	5%	2%	7%	12%	16%	
Total Adopted Capital Budget	157,800	207,100	173,000	209,700	298,500	307,700	427,400	421,100	476,600	439,600	370,100	393,300	374,800	379,600	560,700	1,177,800	432,800	380,300	367,900	
Total Capital Budget Every Five Years					1,046,100					2,072,400					2,078,500					2,358,800
Sources of Financing																				
Cash to Capital and Frontage Levy	19,600	36,000	30,200	86,800	85,700	82,400	89,100	88,200	71,000	69,300	67,500	69,500	71,500	75,500	82,000	85,200	65,600	33,300	31,300	
Reserves and Retained Earnings	81,500	85,400	99,200	84,400	116,700	45,700	56,000	79,900	103,700	92,500	96,400	114,700	171,200	181,100	168,600	257,800	192,300	194,400	211,100	
Other Governments	18,800	35,100	36,000	27,300	44,000	91,500	90,300	77,200	147,800	169,700	117,700	146,000	92,800	102,100	112,000	206,200	160,400	106,900	95,200	
	12%	17%	21%	13%	15%	30%	21%	18%	31%	39%	32%	37%	25%	27%	20%	18%	37%	28%	26%	
Other Funders			3,000	11,000	1,000	3,300	5,300	900					1,400		3,100	7,500	1,600	100	100	
Developers					1,000	3,400	5,400	1,100	2,100		300	1,000		1,400	500	500	3,300	3,100		
Public Private Partnerships (Repayments)	200	300	1,500			(8,700)	107,900	125,100	1,400	200	10,300	(24,500)	(28,700)	(28,100)	(28,100)	(44,500)	(28,300)	(28,300)	(26,400)	
Non-Debt Sources	120,100	156,800	169,900	209,500	248,400	217,600	354,000	372,400	326,000	331,700	292,200	306,700	308,200	332,000	338,100	512,700	394,900	309,500	311,300	
New Debt	37,800	50,300	3,100	0	50,100	90,000	73,300	48,800	150,700	107,700	77,900	86,400	66,400	47,600	222,400	665,000	37,900	70,500	56,400	
Debt to Capital Budgeted	24%	24%	2%	0%	17%	29%	17%	12%	32%	24%	21%	22%	18%	13%	40%	56%	9%	19%	15%	
Total Financing to Pay for Capital	157,900	207,100	173,000	209,500	298,500	307,600	427,300	421,200	476,700	439,400	370,100	393,100	374,600	379,600	560,500	1,177,700	432,800	380,000	367,700	

City of Winnipeg
Capital Forecasts Analysis

Schedule 7

Line	(Rounded \$,000)				2019 Capital Budget - Forecasts				
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Hemson Categories									
10-Year Benefitting Period									
1.0 Parks and Open Spaces	8,200	9,000	11,200	8,700	9,100	12,000	8,300	10,800	7,500
2.0 Community Services	20,000	21,500	20,400	30,600	12,100	29,200	15,700	13,500	11,500
3.0 Solid Waste	6,200	8,100	4,500	3,600	3,900	1,500	3,600	2,000	700
	34,400	38,600	36,100	42,900	25,100	42,700	27,600	26,300	19,700
15-Year Benefitting Period									
4.0 Public Works	302,400	138,000	153,600	109,700	141,500	165,200	182,700	167,400	167,200
	302,400	138,000	153,600	109,700	141,500	165,200	182,700	167,400	167,200
25-Year Benefitting Period									
5.0 Transit	43,900	81,500	31,900	39,800	34,300	38,300	38,000	40,400	41,900
6.0 Fire and Paramedic Services	5,800	5,200	4,100	16,100	15,900	3,900	6,400	2,500	2,700
7.0 Police	12,200	23,600	3,300	4,600	3,000	5,500	6,600	2,800	3,100
8.0 Water	45,300	58,300	28,500	25,000	36,900	35,300	32,400	28,000	29,000
9.0 Wastewater (Sewage)	707,400	57,800	78,200	71,400	72,300	61,200	67,600	73,200	100,700
Winnipeg Hydro									
	814,600	226,400	146,000	156,900	162,400	144,200	151,000	146,900	177,400
Total Impact Fee Capital Budgets	1,151,400	403,000	335,700	309,500	329,000	352,100	361,300	340,600	364,300
Percentage of Total Capital Budget	88%	93%	88%	84%	89%	90%	91%	91%	91%
Other Outside Hemson Report									
Municipal Accommodations	10,500	9,200	7,500	18,200	6,400	8,000	4,900	5,700	8,100
Planning, Property and Development	5,000	10,100	1,700	3,000	2,800	3,000	2,300	1,100	2,300
Corporate Support Services	5,500	4,300	9,600	11,400	11,900	9,700	9,200	8,200	7,900
Assessment and Taxation	3,000	3,900	2,400	2,400	1,800	2,400	2,800	2,400	2,700
City Clerks	1,800	2,100	700			200	1,400	200	
Other	600	200							
Special Operating Agencies			22,700	23,400	17,600	16,900	17,000	16,900	17,000
	26,400	29,800	44,600	58,400	40,500	40,200	37,600	34,500	38,000
Percentage of Total Capital Budget	2%	7%	12%	16%	11%	10%	9%	9%	9%
Total Adopted Capital Budget	1,177,800	432,800	380,300	367,900	369,500	392,300	398,900	375,100	402,300
Total Capital Budget Every Five Years			2,358,800						1,938,100
Sources of Financing									
Cash to Capital and Frontage Levy	85,200	65,600	33,300	31,300	74,900	76,600	81,200	75,100	81,200
Reserves and Retained Earnings	257,800	192,300	194,400	211,100	194,300	216,100	233,000	246,700	288,300
Other Governments	206,200	160,400	106,900	95,200	86,800	106,900	99,700	71,200	48,400
	18%	37%	28%	26%	23%	27%	25%	19%	12%
Other Funders	7,500	1,600	100	100	100				
Developers	500	3,300	3,100		2,600	500	700	1,000	1,700
Public Private Partnerships (Repayments)	(44,500)	(28,300)	(25,300)	(26,400)	(37,400)	(37,800)	(37,900)	(38,200)	(38,700)
Non-Debt Sources	512,700	394,900	309,500	311,300	321,300	362,300	376,700	355,800	380,900
New Debt	665,000	37,900	70,500	56,400	48,300	30,000	22,100	19,300	21,400
Debt to Capital Budgeted	56%	9%	19%	15%	13%	8%	6%	5%	5%
Total Financing to Pay for Capital	1,177,700	432,800	380,000	367,700	369,600	392,300	398,800	375,100	402,300
Total New Debt Every Five Years			829,800						141,100

City of Winnipeg
Hemson Report Impact Fees Forecasted Revenues

Schedule 8

Line (\$,000)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total	
1												
2	10,700	10,900	11,100	11,300	11,400	10,300	10,400	10,500	10,600	10,700	107,700	
3												
4	Summary Fees Table											
5	Residential	57,000	59,200	61,600	63,900	66,100	60,700	62,400	64,300	66,400	68,200	629,800
6												
7	Office	11,700	8,200	7,500	10,100	7,600	6,500	6,800	7,200	6,600	6,400	78,500
8	Institutional Charge	11,300	8,100	7,400	10,000	7,400	6,400	6,700	7,000	6,500	6,300	77,000
9	Commercial / Retail Charge	11,200	7,900	7,200	9,700	7,300	6,200	6,500	6,900	6,300	6,100	75,300
10	Industrial Charge	18,100	12,700	11,600	15,700	11,700	10,100	10,500	11,100	10,200	9,900	121,600
11	Total Impact Fees Revenues	109,300	96,100	95,300	109,400	100,100	89,900	92,900	96,500	96,000	96,900	982,200
12												
13	Total Revenues with 50% Residential	80,900	66,500	64,500	77,500	67,000	59,500	61,700	64,300	62,700	62,800	667,300
14												
15												
16												
17 (\$,000)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total	
18												
19	Residential											
20	Parks and Open Spaces	900	1,000	1,000	1,000	1,100	1,000	1,000	1,000	1,100	1,100	10,200
21	Community Services	3,200	3,300	3,400	3,500	3,700	3,400	3,500	3,600	3,700	3,800	35,100
22	Solid Waste	300	300	300	300	300	300	300	300	300	300	3,000
23	Public Works	29,200	30,300	31,500	32,700	33,800	31,100	32,000	32,900	34,000	35,000	322,500
24	Transit	10,500	10,900	11,400	11,800	12,200	11,200	11,500	11,900	12,300	12,600	116,300
25	Fire & Paramedic Services	1,000	1,000	1,000	1,100	1,100	1,000	1,100	1,100	1,100	1,200	10,700
26	Police	1,100	1,100	1,200	1,200	1,300	1,200	1,200	1,200	1,300	1,200	12,000
27	Water	2,300	2,400	2,500	2,600	2,700	2,500	2,600	2,600	2,700	2,800	25,700
28	Wastewater	8,500	8,800	9,200	9,600	9,900	9,100	9,300	9,600	9,900	10,200	94,100
29		57,000	59,100	61,500	63,800	66,100	60,800	62,500	64,200	66,400	68,200	629,600
30												
31	50% per Phased-In	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
32	2017 Prorated from May 1, 2017	16,600	29,600	30,800	32,000	33,000	30,400	31,200	32,100	33,200	34,100	314,800
33												
34	Impact Fee Collected	4,100	12,400	16,500								
35	Shortfall of Actual Collected	(12,500)	(17,200)	(29,700)	2017 and 2018 Total							
36												
37												

City of Winnipeg
Hemson Report Impact Fees Forecasted Revenues

Schedule 8

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
38											
39 (\$,000)											
40											
41 Office											
42 Solid Waste	100	-	-	100	-	-	-	-	-	-	200
43 Public Works	6,500	4,600	4,200	5,600	4,200	3,600	3,800	4,000	3,700	3,600	43,800
44 Transit	2,300	1,600	1,500	2,000	1,500	1,300	1,300	1,400	1,300	1,300	15,500
45 Fire & Paramedic Services	200	100	100	200	100	100	100	100	100	100	1,200
46 Police	200	200	200	200	200	100	100	100	100	100	1,500
47 Water	500	400	300	400	300	300	300	300	300	300	3,400
48 Wastewater	1,900	1,300	1,200	1,600	1,200	1,000	1,100	1,100	1,000	1,000	12,400
49	11,700	8,200	7,500	10,100	7,500	6,400	6,700	7,000	6,500	6,400	78,000
50											
51											
52 (\$,000)											
53											
54 Institutional Charge											
55 Solid Waste	100	-	-	100	-	-	-	-	-	-	200
56 Public Works	6,100	4,500	4,100	5,500	4,100	3,600	3,700	3,900	3,600	3,500	42,600
57 Transit	2,300	1,600	1,400	2,000	1,500	1,300	1,300	1,400	1,300	1,200	15,300
58 Fire & Paramedic Services	200	100	100	200	100	100	100	100	100	100	1,200
59 Police	200	200	100	200	200	100	100	100	100	100	1,400
60 Water	500	400	300	400	300	300	300	300	300	300	3,400
61 Wastewater	1,800	1,300	1,200	1,600	1,200	1,000	1,100	1,100	1,000	1,000	12,300
62	11,200	8,100	7,200	10,000	7,400	6,400	6,600	6,900	6,400	6,200	76,400
63											
64											
65 (\$,000)											
66											
67 Commercial / Retail Charge											
68 Solid Waste	100	-	-	100	-	-	-	-	-	-	200
69 Public Works	6,300	4,400	4,000	5,400	4,000	3,500	3,600	3,800	3,500	3,400	41,900
70 Transit	2,200	1,500	1,400	1,900	1,400	1,200	1,300	1,300	1,200	1,200	14,600
71 Fire & Paramedic Services	200	100	100	200	100	100	100	100	100	100	1,200
72 Police	200	200	100	200	100	100	100	100	100	100	1,300
73 Water	500	300	300	400	300	300	300	300	300	300	3,300
74 Wastewater	1,800	1,300	1,100	1,600	1,200	1,000	1,000	1,100	1,000	1,000	12,100
75	11,300	7,800	7,000	9,800	7,100	6,200	6,400	6,700	6,200	6,100	74,600

City of Winnipeg
Hemson Report Impact Fees Forecasted Revenues

Schedule 8

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
(\$,000)											
Industrial Charge											
Solid Waste	100	100	100	100	100	100	100	100	100	100	1,000
Public Works	10,100	7,100	6,500	8,700	6,500	5,600	5,900	6,200	5,700	5,500	67,800
Transit	3,600	2,500	2,300	3,100	2,300	2,000	2,100	2,200	2,000	1,900	24,000
Fire & Paramedic Services	300	200	200	300	200	200	200	200	200	200	2,200
Police	400	300	200	300	200	200	200	200	200	200	2,400
Water	800	600	500	700	500	400	500	500	400	400	5,300
Wastewater	2,900	2,000	1,900	2,500	1,900	1,600	1,700	1,800	1,600	1,600	19,500
	18,200	12,800	11,700	15,700	11,700	10,100	10,700	11,200	10,200	9,900	122,200