THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

PROJECTED STATEMENT OF FINANCIAL POSITION
As at December 31
(in thousands of dollars)

	Note	Actual 2011	Council Adopted 2012	Projected Actual 2012	2013	2014	2015
FINANCIAL ASSETS							
Cash		$ 87	$ 55	$ 75	$ 75	$ 75	$ 75
Accounts receivable, net		14,278	14,641	13,910	13,971	13,971	13,971
		14,365	14,696	13,985	14,046	14,046	14,046
LIABILITIES							
Due to City of Winnipeg - General Revenue Fund	4	1,653	4,672	(465)	3,409	596	(2,306)
Accounts payable and accrued liabilities		912	600	710	710	710	710
Deferred revenue		236	350	105	135	135	135
Debt	5	6,736	5,238	5,358	3,918	3,918	3,918
Accrued employee benefits	6	251	207	264	269	275	280
		9,788	11,067	5,972	8,441	5,634	2,737
NET FINANCIAL ASSETS		4,577	3,629	8,013	5,605	8,412	11,309
NON-FINANCIAL ASSETS							
Tangible capital assets	7	9,896	13,099	9,083	12,581	11,301	10,150
Inventories		111	95	136	136	136	136
Prepaid expenses		10	1	7	7	7	7
		10,017	13,195	9,226	12,724	11,444	10,293
ACCUMULATED SURPLUS		$ 14,594	$ 16,824	$ 17,239	$ 18,329	$ 19,856	$ 21,602

See accompanying notes and schedules to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Years Ended December 31
(in thousands of dollars)

	Note	Actual 2011	Council Adopted 2012	Projected Actual 2012	Variance	2013	2014	2015
REVENUES								
Enforcement	8	$ 7,929	$ 7,445	$ 8,045	$ 600	$ 8,297	$ 8,538	$ 8,786
Parking Fees								
Millennium Library Parkade		1,037	750	679	(71)	681	701	720
Civic Centre Parkade		867	897	540	(357)	-	-	-
Surface Parking Lots		1,357	1,479	1,557	78	1,113	1,118	1,145
Special Events		-	335	313	(22)	95	370	380
Meters		5,119	5,293	5,142	(151)	5,291	5,444	5,602
Parking Permits		94	99	91	(8)	97	100	103
Sundry		5	(39)	5	44	-	(9)	31
Total Revenues		16,408	16,259	16,372	113	15,574	16,262	16,767
EXPENSES								
Services								
Parking Enforcement		2,727	2,827	2,754	(73)	2,668	2,732	2,750
Parkade Management		608	510	263	(247)	250	255	260
Special Events		-	110	91	(19)	80	131	135
Meters		597	622	211	(411)	40	41	42
Utilities		928	1,043	939	(104)	1,031	1,050	1,074
Other Services		1,674	1,571	2,073	502	2,513	2,450	2,496
Salaries & Employee Benefits		1,641	2,187	1,932	(255)	2,675	2,822	2,943
Materials, Parts and supplies		1,913	1,711	1,940	229	1,365	1,324	1,356
Amortization		1,355	1,465	1,562	97	1,622	1,710	1,699
Recoveries		(27)	-	-	-	-	-	-
Provision for Bad Debts		768	737	767	30	758	780	802
Debt and Finance Charges		333	202	260	58	172	110	113
Other		879	1,044	935	(109)	1,310	1,330	1,351
Total Expenses		13,396	14,029	13,727	(302)	14,484	14,735	15,021
NET INCOME		3,012	2,230	2,645	415	1,090	1,527	1,746
Accumulated Surplus (Deficit) - Beginning		11,624	14,594	14,594	-	17,239	18,329	19,856
Distribution to City		(42)	-	-	-	-	-	-
		11,582	14,594	14,594	-	17,239	18,329	19,856
ACCUMULATED SURPLUS		$ 14,594	$ 16,824	$ 17,239	$ 415	$ 18,329	$ 19,856	$ 21,602

See accompanying notes and schedules to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

STATEMENT OF CASH FLOWS
For the year ended December 31
(in thousands of dollars)

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES

	Actual 2011	Council Adopted 2012	Projected Actual 2012	Variance	2013	2014	2015
OPERATING							
Excess of revenues over expenses	$ 3,012	$ 2,230	$ 2,645	$ 415	$ 1,090	$ 1,527	$ 1,746
Non-cash charges to operations							
Amortization	1,355	1,465	1,562	97	1,622	1,710	1,699
Retirement allowance and compensated absences	27	(44)	13	57	5	6	5
	4,394	3,651	4,220	569	2,717	3,243	3,450
Net change in non-cash working capital balances related to operations	12,560	(536)	45	581	(31)	-	-
Cash provided by operating activities	16,954	3,115	4,265	1,150	2,686	3,243	3,450
FINANCING							
Change in due to The City of Winnipeg - General Revenue Fund	(6,384)	3,019	(2,118)	(5,137)	3,874	(2,813)	(2,902)
Repayment of long-term debt	(9,957)	(1,498)	(1,378)	120	(1,440)	-	-
Transfer to The City of Winnipeg - General Revenue Fund	(42)	-	-	-	-	-	-
Cash used in financial activities	(16,383)	1,521	(3,496)	(5,017)	2,434	(2,813)	(2,902)
CAPITAL							
Purchase of tangible capital assets	(580)	(4,668)	(749)	3,919	(5,120)	(430)	(548)
Cash provided by (used in) capital activities	(580)	(4,668)	(749)	3,919	(5,120)	(430)	(548)
(DECREASE) INCREASE IN CASH	(9)	(32)	20	52	-	-	-
CASH, BEGINNING OF YEAR	96	87	55	52	75	75	75
CASH, END OF YEAR	87	55	75	104	75	75	75

See accompanying notes and schedules to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

STATEMENT OF CHANGE OF NET FINANCIAL ASSETS
For the year ended December 31
(in thousands of dollars)

	Actual 2011	Council Adopted 2012	Projected Actual 2012	Variance	2013	2014	2015
EXCESS REVENUES OVER EXPENSES	$ 3,012	$ 2,230	$ 2,645	$ 415	$ 1,090	$ 1,527	$ 1,746
Amortization of tangible capital assets	1,355	1,465	1,562	97	1,622	1,710	1,699
Change in inventories and prepaid expense	360	25	(22)	(47)	-	-	-
Transfer to the City of Winnipeg - General Revenue Fund	(42)	-	-	-	-	-	-
Acquisition of tangible capital assets	(580)	(4,668)	(749)	3,919	(5,120)	(430)	(548)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	4,105	(948)	3,436	4,384	(2,408)	2,807	2,897
NET FINANCIAL ASSETS, BEGINNING OF YEAR	472	4,577	4,577	-	8,013	5,605	8,412
NET FINANCIAL ASSETS, END OF YEAR	4,577	3,629	8,013	4,384	5,605	8,412	11,309

See accompanying notes and schedules to the financial statements

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THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

NOTES TO THE PROJECTED FINANCIAL STATEMENTS

For the three years ending December 31, 2015
(all tabular amounts are in thousands of dollars, unless otherwise noted)

1. Description of Business

On March 20, 1997, City Council adopted the Reshaping Our Civic Government document identifying the development of Special Operating Agencies ("SOA") as one of five strategic initiatives needed to create a more affordable City government.

On February 24, 1999, City Council adopted the 1999 Alternative Service Delivery Review Agenda which identified the municipal parking services operations as an Alternative Services Delivery ("ASD") candidate. A feasibility study was subsequently prepared and presented to the ASD Committee.

On December 11, 2002, City Council adopted the recommendation of the ASD Committee that an Operating Charter and Business Plan for a SOA with a mandate to manage and be accountable for city-owned parking resources, be prepared for consideration by City Council.

The Winnipeg Parking Authority - Special Operating Agency ("the Agency") was created effective October 27, 2004 and commenced operations on January 1, 2005.

The Agency manages the parking facilities and related assets owned and previously operated by The City of Winnipeg ("the City"). The intent of the Agency is to provide excellent customer service, maximize the annual return of parking operations, and ensure its long-term sustainability.

2. Significant Accounting Policies

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The significant accounting policies are summarized as follows:

a) Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which it is earned provided it is measurable and collection is reasonably certain. Expenses are recorded in the period in which they are incurred as a result of receipt of goods or services and the creation of a legal obligation to pay.

b) Deferred revenue

Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.

c) Non-financial assets

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

2. Significant Accounting Policies (continued)

i) Tangible capital assets

Land and equipment were transferred January 1, 2005 from the City at a fair market value as determined by independent consultants.

Property, equipment and leasehold improvements are amortized on a straight-line basis over the estimated useful life of the asset. The amortization rates are as follows:

Leasehold improvements	15 Years
Parking surfaces	5%
Parkades	2%
Vehicles	20%
Meters and pay stations	10%
Equipment	10-20%
Computer equipment	33%
Office furniture and equipment	20%
Parkade betterments	5%

ii) Leases

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

iii) Inventories

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

d) Employee benefit plan

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

e) Use of estimates

The preparation of financial statement in conformity with Canadian generally acceptable accounting principles requires management to make estimates. These estimates and assumptions are based on the City's best information and judgment and may differ significantly from actual results.

3. Due from The City of Winnipeg - Land Operating Reserve

In 2010, Winnipeg Square Parkade was sold and the proceeds of disposition were deposited to The City of Winnipeg - Land Operating Reserve. There is no specific repayment terms on the receivable.

4. Due to The City of Winnipeg - General Revenue Fund

The City of Winnipeg operates a centralized treasury function with a single operating bank account in the General Revenue Fund. Consequently, the Agency does not have a bank account. Bank transactions are credited or charged to the "Due to" account when they are processed through the bank. Interest is charged or credited based on the City's average short-term cost of funds, which is a function of the Bank of Canada rate.

5. Debt

	Forecast 2012	2013	2014	2015
The City of Winnipeg - General Revenue Fund				
Start-up loan with no specific terms of repayment	$ 3,918	$ 3,918	$ 3,918	$ 3,918
Equipment financing				
Capital lease loans repayable in annual installments of $181 thousand to $780 thousand, including an imputed interest rate of 4.5% with maturity dates between January 2013 and October 2013	1,440	-	-	-
	$ 5,358	$ 3,918	$ 3,918	$ 3,918

a) Principal repayments on the equipment financing loans due to maturity are as follows:

2013	1,440
	$ 1,440

6. Accrued Employee Benefits

a) Retirement allowance and compensated absences

	Forecast 2012	2013	2014	2015
Retirement allowance - accrued benefit liability	$ 134	$ 137	$ 140	$ 142
Vacation	122	124	126	129
Compensated absences	8	8	9	9
	$ 264	$ 269	$ 275	$ 280

6. Accrued Employee Benefits (continued)

Under the retirement allowance plan, qualifying employees become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). The costs are actuarially determined using the projected benefit valuation method pro-rated on services and reflects management's best estimate of retirement ages of employees, salary escalation and length of service. In addition, adjustments arising from plan amendment, changes in assumptions, and experience gains and losses are amortized on a straight-line basis over 10.6 years, which represents the expected average remaining service life of the employee group. Amortization is calculated beginning in the year following the year of occurrence of the actuarial gains or losses.

The Agency measures its accrued retirement allowance liability as at December 31 of each year.

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

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

b) Pension

The Agency's employees are eligible for pensions under the Winnipeg Civic Employees' Benefits Program. The Plan is a defined benefit plan. The City of Winnipeg allocates its pension costs to various departments.

7. Tangible Capital Assets

	Forecast 2012	2013	2014	2015
Land	$ 73	$ 73	$ 73	$ 73
Parkades	2,208	6,624	6,624	6,316
Authority assets				
Leasehold improvements	276	240	204	168
Parking surfaces	336	460	430	400
Equipment				
Vehicles	62	125	172	305
Meters and pay stations	5,475	4,583	3,529	2,497
Equipment	454	327	217	132
Computer equipment	175	139	48	256
Office furniture and equipment	24	10	4	3
	$ 9,083	$ 12,581	$ 11,301	$ 10,150

8. Enforcement Revenue

Prior to 2005, enforcement revenue was accounted for using the cash basis of accounting by the City. At January 1, 2005 a gross enforcement receivable was estimated at $12,182 thousand, which was assumed by the Agency, and a corresponding allowance for doubtful accounts set up.

9. Related Party Transactions

The Agency is wholly-owned by the City. Transactions between the Agency and the City are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	Forecast 2012	2013	2014	2015
a) Sales of goods and services to The City of Winnipeg	$ 513	$ 408	$ 413	$ 420
b) Municipal Accommodations Fund				
Rental of office space	127	137	137	137
Services provided at various locations	379	208	114	116
c) Winnipeg Transit System Fund				
Coin counting and deposit services	43	48	48	49
d) Winnipeg Fleet Management				
Insurance, fuel, maintenance and rental on vehicles owned/leased by the Agency	337	380	368	358
e) General Revenue Fund				
Corporate Support Services				
Agency's share of City's general expenses	37	37	38	38
General transfer	42	42	42	42
311 services	133	133	133	133
Business technology service	239	240	241	242
Campus HR	45	46	47	48
Assessment and Taxation				
Payments-in-lieu of municipal taxes	407	418	430	443

10. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.