Agenda – Executive Policy Committee – December 11, 2013

Report – Alternate Service Delivery Committee – December 6, 2013

Item No. 2 Winnipeg Parking Authority Special Operating Agency - 2014 Business Plan

COMMITTEE RECOMMENDATION:

On December 6, 2013, the Alternate Service Delivery Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the 2014 Business Plan for the Winnipeg Parking Authority including the 2014 budget be approved and the 2015 and 2016 financial projections, as outlined in Appendix A, be received as information.

2. That the approved temporary Project Manager position becomes permanent effective upon approval of this report.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda – Executive Policy Committee – December 11, 2013

Report – Alternate Service Delivery Committee – December 6, 2013

DECISION MAKING HISTORY:

COMMITTEE RECOMMENDATION:

On December 6, 2013, the Alternate Service Delivery Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **Winnipeg Parking Authority (Special Operating Agency) 2014 Business Plan**

Critical Path: **Alternate Service Delivery, EPC, Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
C. Stewart/K. Ayotte	R. Topolniski COO, WPA	M. Ruta	D. Joshi, A-CAO

RECOMMENDATIONS

1) That the 2014 Business Plan for the Winnipeg Parking Authority including the 2014 budget be approved and the 2015 and 2016 financial projections, as outlined in Appendix A, be received as information.
2) That the approved temporary Project Manager position becomes permanent effective upon approval of this report.
3) That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

A Business Plan is provided to Council in accordance with the Winnipeg Parking Authority Operating Charter

IMPLICATIONS OF THE RECOMMENDATIONS

- The Agency will continue to operate as the City of Winnipeg's service provider for parking services and ensure that it provides the best balance between sound business practices and the public good.

HISTORY

The Winnipeg Parking Authority was designated as a Special Operating Agency effective January 1, 2005 with the mandate to manage city owned on and off-street parking resources, parking compliance, to advocate, encourage and develop growth in supply and service delivery standards of daily/hourly parking in Downtown Winnipeg, and to participate in municipal transportation demand management wherever possible.

As a Special Operating Agency, the Winnipeg Parking Authority is expected to operate according to sound business principles and fund its operations on a self-sustaining basis.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 29, 2013

Project Name:

Winnipeg Parking Authority (Special Operating Agency) 2014 Business Plan

First Year of Program **2014**

	2014	2015	2016	2017	2018
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs					
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

See Appendix A for the 2014 to 2016 projected financial statements and notes.

Original signed by
Karen Ayotte, CGA
Manager
of Finance & Administration

CONSULTATION

In preparing this report there was consultation with:

Corporate Support Services

SUBMITTED BY

Department: Winnipeg Parking Authority
Division
Prepared by: Colin Stewart/Karen Ayotte
Date: October 29, 2013
File No.

APPENDIX A

WINNIPEG PARKING AUTHORITY

SPECIAL OPERATING AGENCY (SOA)

BUSINESS PLAN

2014

Strategic Overview

The Winnipeg Parking Authority is a Special Operating Agency (SOA) of the City of Winnipeg with its own Operating Charter approved by Council. The SOA concept permits the Agency to operate in a business-like and transparent manner through managerial flexibilities including special delegations, exemptions and authorities.

The Agency's strategic direction, as set out by its Operating Charter, Business Plan and Annual Report, places emphasis on management for results, bottom-line accountability, cost-savings, customer satisfaction and full disclosure.

Mission

The Winnipeg Parking Authority is a Special Operating Agency of the City of Winnipeg, dedicated to providing world class public parking solutions to a world class city.

Vision

The Winnipeg Parking Authority facilitates proactive and effective public parking solutions, balanced and progressive client and customer relationships, enlightened and forward-oriented regulation and space management, and the best practical use of municipal parking resources to meet the changing needs of the City of Winnipeg, its constituent shareholders, stakeholders, clients and individual customers, as guided by best practices in the public parking industry.

Values

The Agency is committed to:

- providing a high quality and fairly priced public parking product on a full cost recovery basis.
- balancing public good initiatives with business goals where appropriate.
- earning the trust and respect of Winnipeggers.
- establishing a reputation for fair and enlightened monitoring and problem resolution.
- maximizing service value to customers and client groups through accountability and efficiency.
- providing service excellence through innovation and continuous improvement.
- serving as a positive example to peers and competitors.
- building client-agency relationships through cooperative problem solving.
- establishing an efficient, responsible, accountable, supportive, and compassionate workplace.

- achieving group goals through personal commitment, organization, consultation, teamwork, and empowerment.

Guiding Principles

The Agency functions in accordance with:

- best practices in parking business planning and implementation.
- best practices in parking services accountability, auditability and transparency.
- assessed requirements in terms of costs and benefits, supply and demand, and growth and development.

Mandate

- Provide an efficient, responsive and exemplary on- and off street, short- mid- and long-term public parking resource.
- Provide an efficient and responsible off-street, short- mid- and long-term parking resource for municipal employees and vehicles.
- Provide guidance and advice to City staff, development agencies, and other organizations on parking issues.
- Cooperate with, and use parking resources in support of client organizations, agencies, partners and stakeholder associations.
- Optimize the operational and financial performance of parking facilities so as to deliver service excellence.
- Provide exemplary service standards in all customer and client transactions.

Strategic Goals and Strategies

Manage a dynamic service delivery structure for all on-street and off-street parking.

- Continue to engage with Planning, Property & Development and other civic departments as appropriate during the review of the Downtown Zoning By-Law and the Private Parking By-Law to ensure that civic parking policies contribute to downtown development in line with the principles outlined in Our Winnipeg.
- Implement a policy for the parking of oversize vehicles such as buses and trailers that balances the needs of downtown events with the limited inventory of on-street parking
- Conduct surveys of off-street parking in the downtown and of disabled parking and taxi stand locations in selected other locations within the city to ensure updated information is available for the development of policy recommendations to Council.
- Implement a new collection system in order to effectively manage and ensure more timely collection of outstanding accounts.

Improve the quality of service offered to customers.

- Continue to proactively engage with the City's 311 service to provide accurate and timely information on private uses of the public right of way to the public.
- Work proactively with the public and private sectors to identify options to address off-street parking needs identified in the vicinity of City Hall and the Cultural District and other areas within the downtown as appropriate.
- Provide support where appropriate to other civic departments in ensuring compliance with relevant bylaws and/or expansion of fine payment options for customers.
- Continue expansion of e-business and the introduction of new on-line self-service features.
- Continue to work with the Provincial Department of Justice and the City's Legal Services department on ways to improve the court process for parking related municipal by-law offences.

Maintain coordination with key stakeholder groups.

- Continue to collaborate with key stakeholders such as CentreVenture in relation to on and off-street parking in order to facilitate the continued development of downtown in in a manner that balances the needs of residents, businesses and sustainability within the context of Our Winnipeg.

- Work with stakeholders to further refine the residential parking program and alternatives while maintaining the balance between the needs of residents, businesses and sustainability within the downtown.
- Work with other civic departments and external stakeholders to understand the needs of mobile food vendors and their place in the fabric of a vibrant downtown.

Provide effective facilities management, optimizing the productive use of physical assets.

- In the context of the city's asset management framework, evaluate the condition of civic surface parking lots and develop lot specific service level agreements with departments and SOAs to ensure operational responsibilities and budgetary responsibilities are defined for both capital and operational maintenance needs.
- Upgrade parkade access and revenue control systems to be PCI compliant.
- As an agency we are always looking at the best and most efficient use of our assets.

Optimize use of off-street facilities for longer-term parking, and on-street parking for short-term occupancy.

- Continue to monitor on-street demand and occupancy levels to maintain ability to proactively impact on-street turnover.
- Continue ongoing evaluation of emerging paystation technologies to assess options for future replacement and/or enhancement of on-street service.
- Continue to assess the feasibility of restructuring or removal of loading zones in various commercial areas within the city with the intent of expanding the available on-street inventory.

Service Lines

Primary:

1. **On-Street Public Parking Services** including parking metering, revenue collection, cash control, parking monitoring and enforcement, disabled and fire route, sign placement, maintenance and replacement, all permit and prepayment programs.
2. **Off-Street Public Parking and Special Events Services** including routine daily and monthly public parking at municipal parkades and surface lots permit programs, monthly parking customer service, sign management, daily and special event staffing, and film shoot accommodations.
3. **Parking Fines, Adjudication and Collection** actions as required to better manage parking resources.
4. **Special Needs and Emergency Services Parking** (Disabled, Fire Route, etc.) on public and private properties as governed by provincial and municipal legislation.
5. **Public Parking Facilities and Services** including the planning and development of new services and facilities (public daily and monthly parking lots, parkades, public loading and service areas) in the downtown and other areas of the City.
6. **Customer Service** for all resources administered including contracting, billing and invoicing, collections, and management of service levels.
7. **Serve as a Center of Knowledge** and point of contact for the municipality in managing parking facility development and maintaining high quality urban design standards.

Secondary:

1. Serve as a center of knowledge and point of contact for the public seeking advice in general parking related matters.
2. Serve as a center of knowledge and point of contact for property owners, parking operators and service providers seeking advice in parking design, application, and enforcement related issues.
3. Serve as a center of knowledge and point of contact for municipal services and the media regarding parking policies, practices designs and services.
4. Administer internal municipal, or other staff accommodation related to parking resources.
5. Provide parking enforcement services to private property owners via contract.

Policy Direction

The Winnipeg Parking Authority abides by the City's collective agreements and by-laws, and has its own Operating Charter approved by Council. The City of Winnipeg Charter, section 215, references the establishment and powers of Special Service Units.

The Agency follows applicable provincial regulations such as the Workplace Safety and Health Act and the Employment Standards Code.

Performance Measures

The Winnipeg Parking Authority (WPA) monitors a number of performance metrics to allow for comparison with other Canadian municipalities and, where appropriate, private parking operators. As a Special Operating Agency of the City of Winnipeg, the WPA is a participant in the Ontario Municipal Benchmarking Initiative (OMBI), which has expanded to include additional Canadian municipalities outside of Ontario. Where information presented in this Appendix is drawn from publicly reportable OMBI information, it is noted.

Unless otherwise noted all information is for 2012.

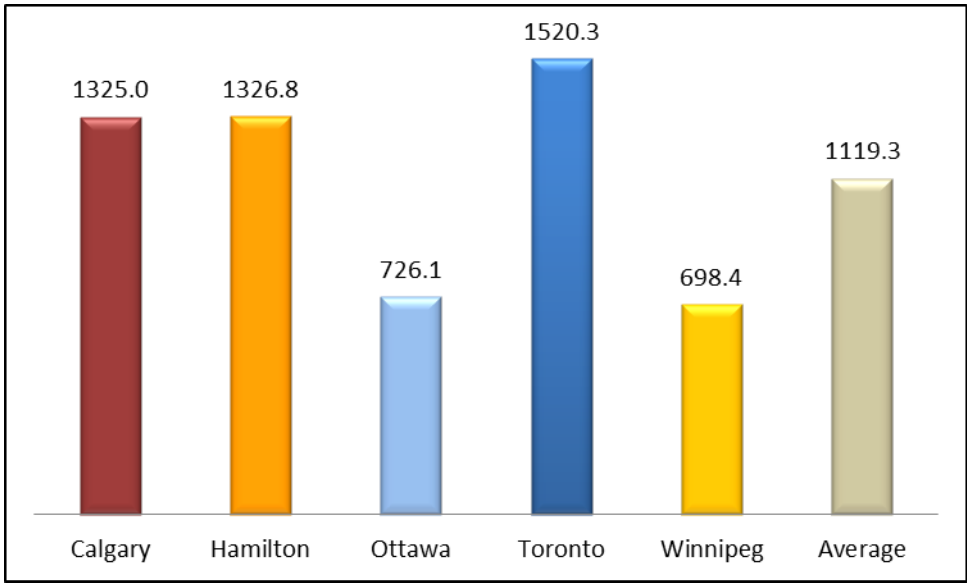
Information presented in the City of Winnipeg Service Based Budget Document is not duplicated here.

1. Operations

Facilities under WPA management and/or administration

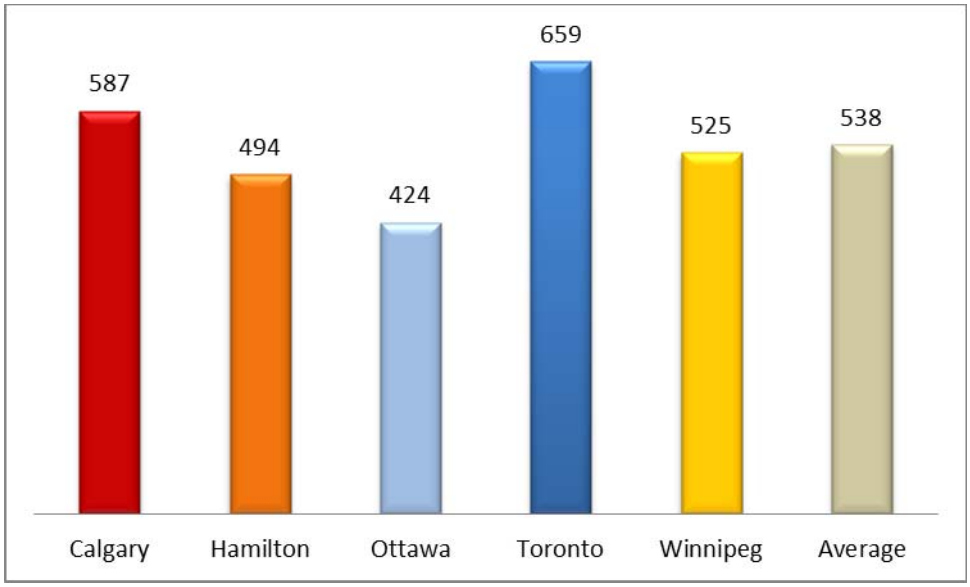
On-Street Areas	Paystations	Stalls	Remarks
Downtown	280	1612	
HSC/St. B	76	556	
Exchange	175	907	
Other	100	659	includes Selkirk Ave., West End, Exchange N of Pacific, Post Office & RCMP 'D' division locations
Parking Structures	**Type**	**Stalls**	**Remarks**
Millennium Library	Underground	483	
Surface Parking	**Lots**	**Stalls**	**Remarks**
Publicly Available	7	870	operated at market rates
Civic Employee Parking	56	3465	operated on cost recovery basis
Other	26	2020	no cost recovery on operations

Parking spaces under municipal management per 100,000 population



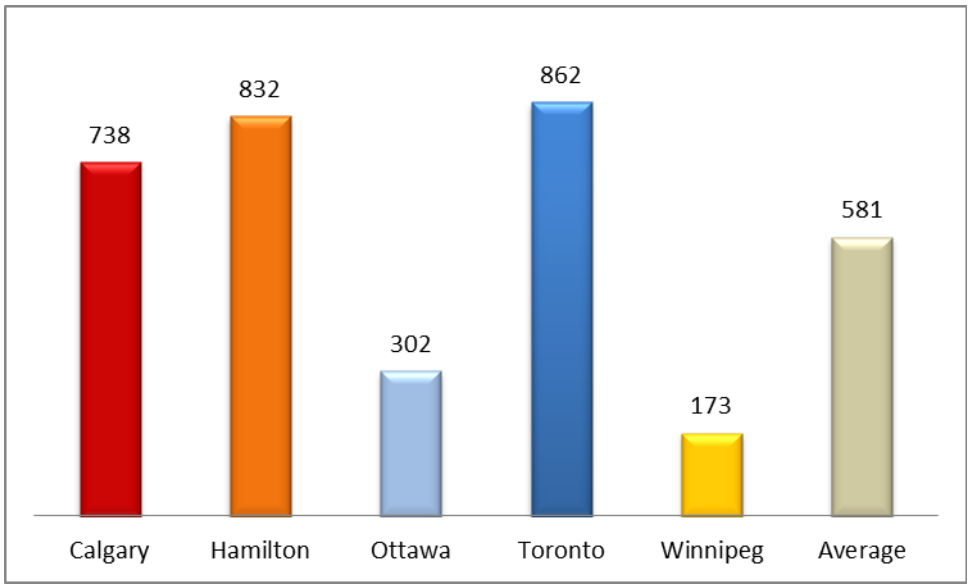
Information is drawn from 2012 OMBI data. Average is based on above noted cities rather than complete OMBI data.

Number of On-Street spaces per 100,000 population



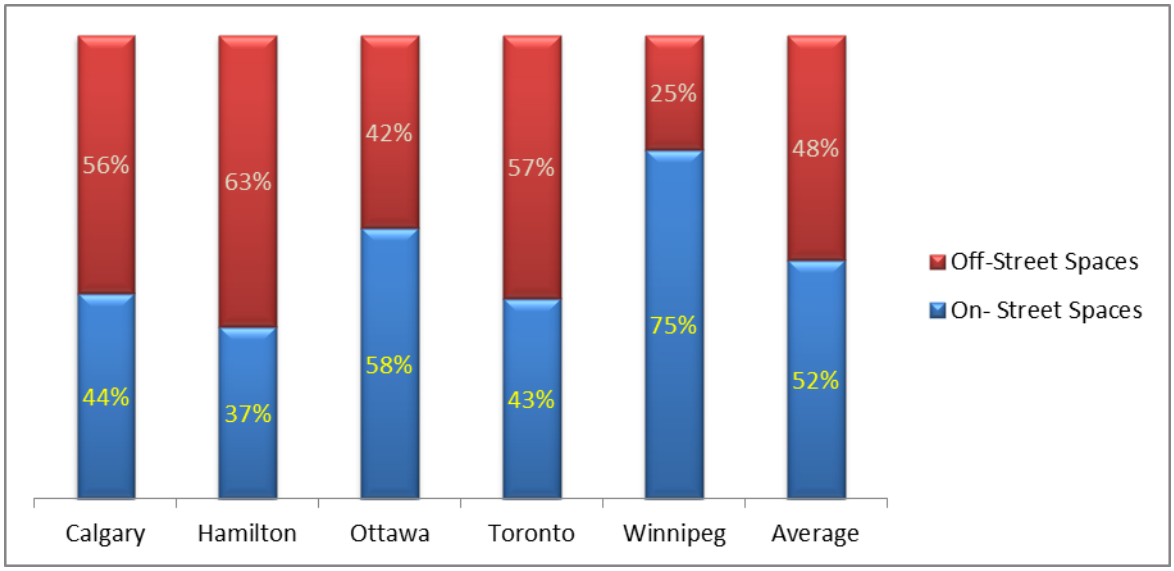
Information is drawn from 2012 OMBI data. Average is based on above noted cities rather than complete OMBI data.

Number of Off-Street spaces per 100,000 population



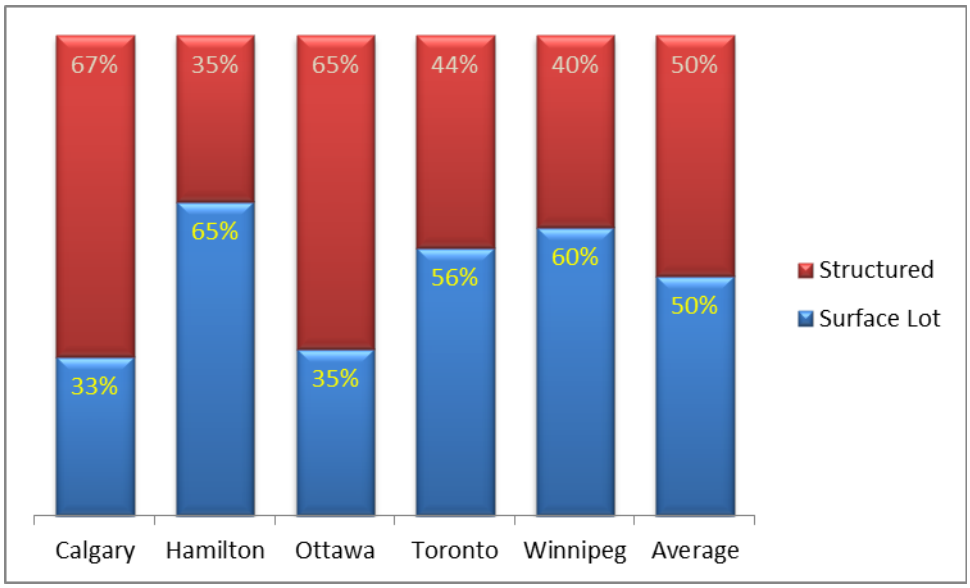
Information is drawn from 2012 OMBI data. Average is based on above noted cities rather than complete OMBI data.

Ratio of On-Street parking spaces (metered) to Off-Street parking spaces (structured & surface)



Information is drawn from 2012 OMBI data. Average is based on above noted cities rather than complete OMBI data.

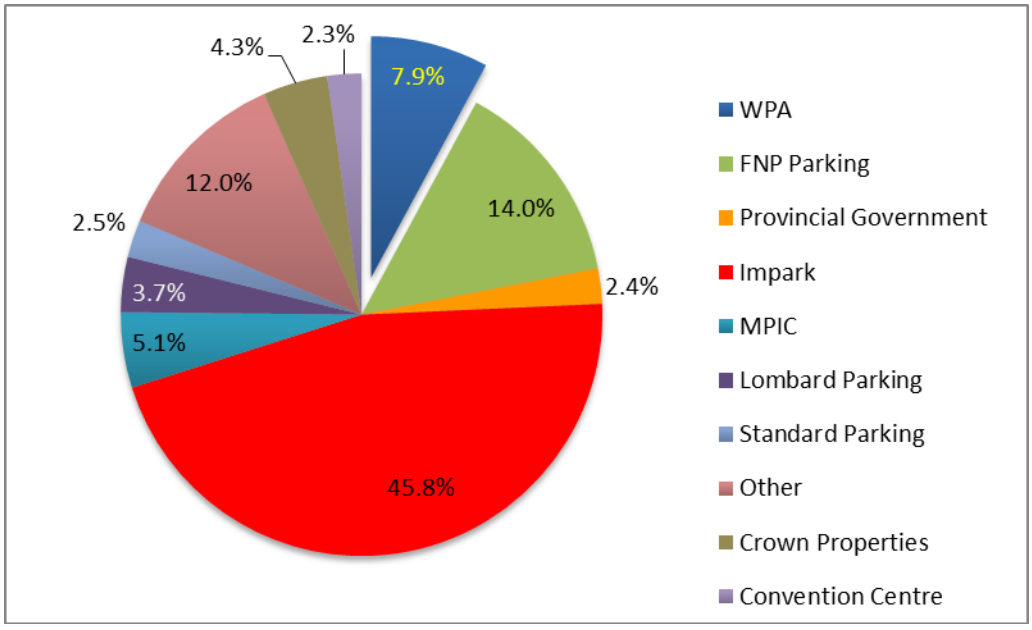
Ratio of Structured parking to surface parking lots under municipal management.



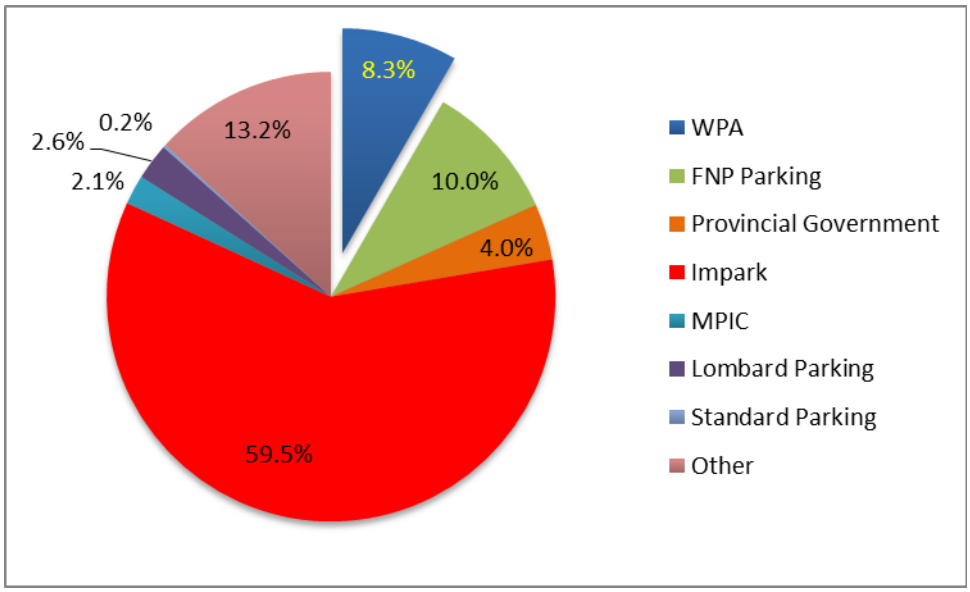
Information is drawn from OMBI data for 2012 and is based on number of stalls under municipal management. Average is based on above noted cities rather than complete OMBI data. The Toronto Parking Authority operates all Park & Ride lots for the TTC.

Management of Off-Street Parking Facilities in downtown Winnipeg Overall

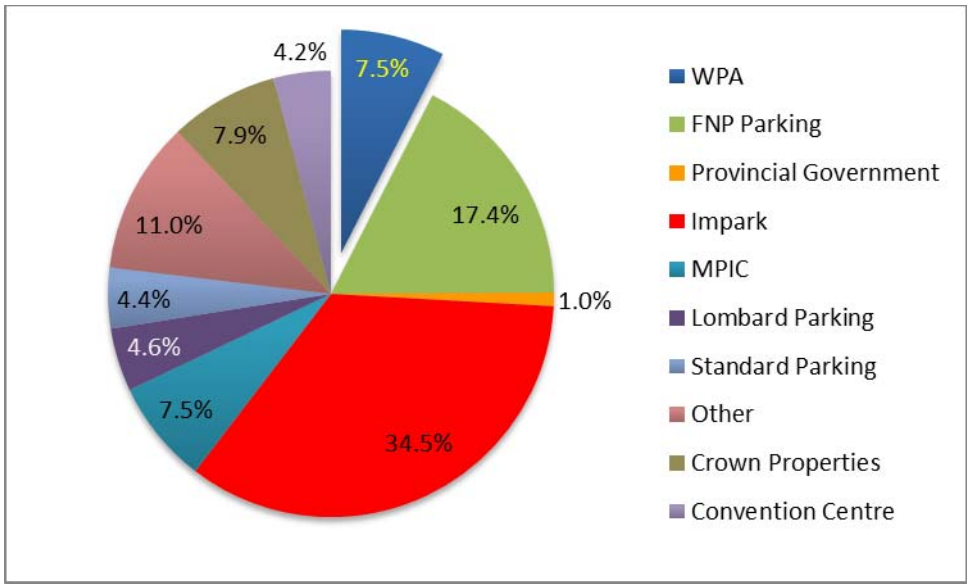
(based on 2010 Parking Survey – WPA intends to conduct a survey to update these numbers in 2014)



Surface Parking Lots



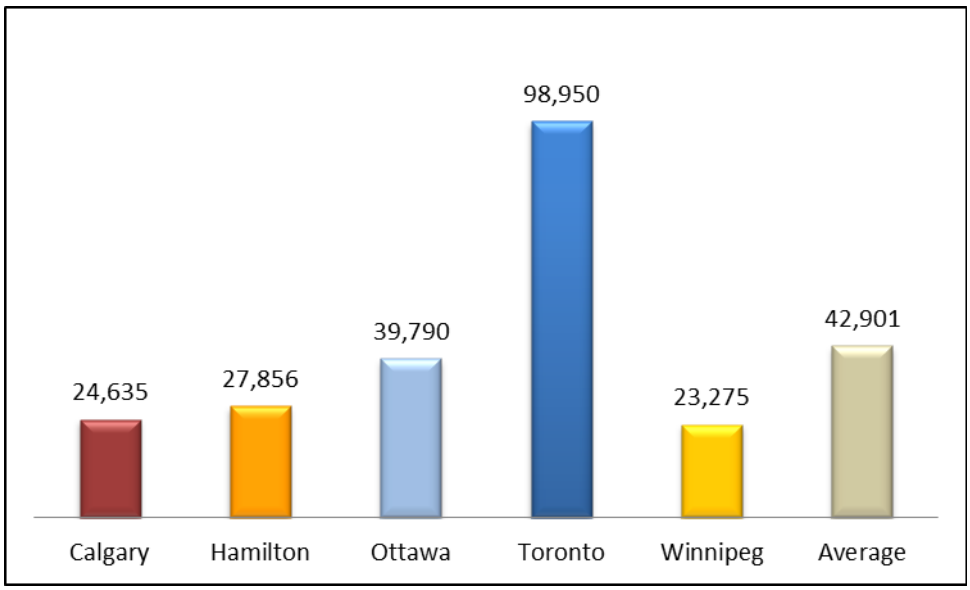
Structured Parking



Drawn from research conducted by the Winnipeg Free Press and internal WPA data collection conducted during 2010.

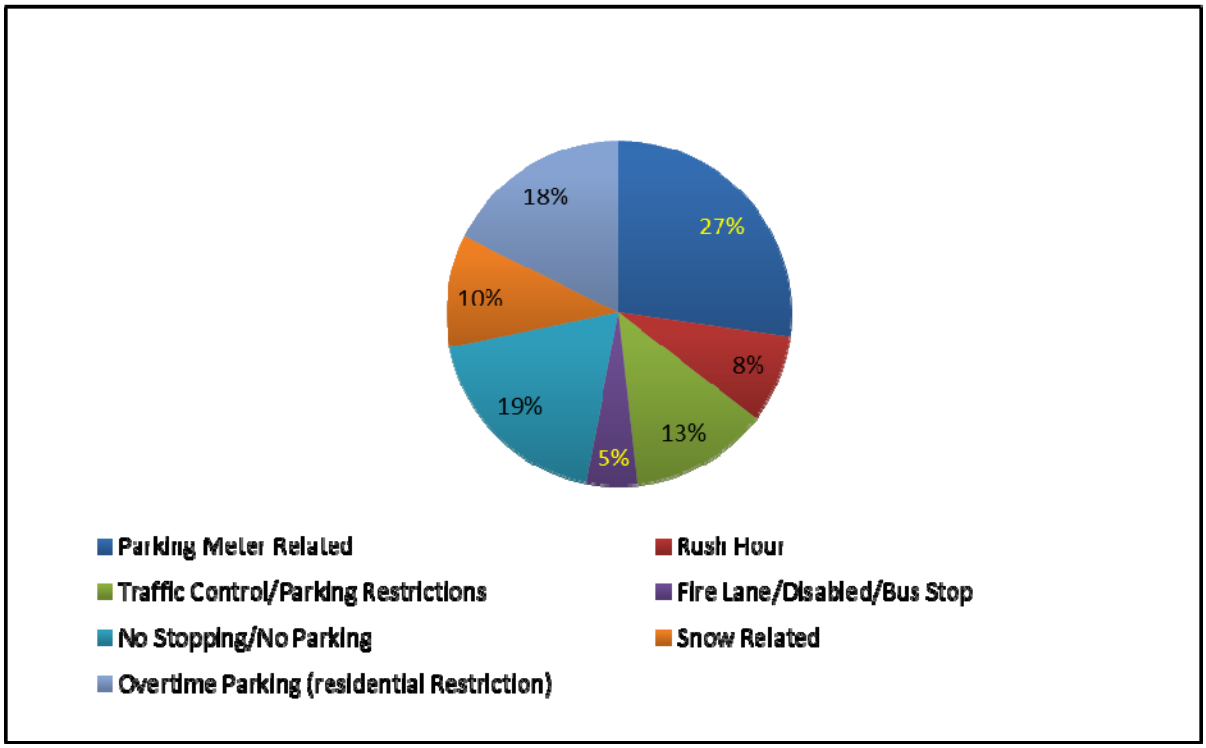
2. Compliance

Number of Citations Issued per 100,000 population



Information is drawn from 2012 OMBI data. Average is based on above noted cities rather than complete OMBI data.

Citations Issued by Offence Category



Total Citations Issued by Offence Category

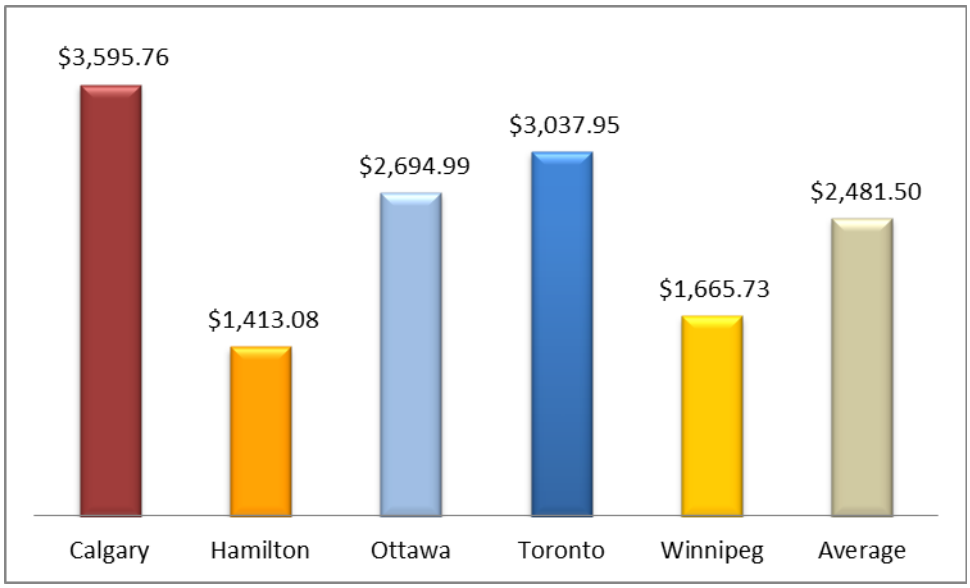
Offence Category	2012	%	2011	%
Parking Meter Related	44,626	27.2%	35,564	21.7%
Rush Hour	13,471	8.2%	12,571	7.7%
Traffic Control/Parking Restrictions	21,090	12.9%	22,031	13.4%
Fire Lane/Disabled/Bus Stop	7,780	4.7%	8,805	5.4%
No Stopping/No Parking	30,849	18.8%	34,082	20.8%
Snow Related	17,230	10.5%	20,243	12.4%
Overtime Parking (residential Restriction)	28,995	17.7%	30,537	18.6%
Total Offence Notices Issued	**164,041**		**163,833**	

Results of Citations dealt with by Provincial Court

	2012	% of issued	2011	% of issued
Total Tickets Issued	164,041		163,833	
Fine Imposed	1,412	0.86%	1,913	1.17%
Reprimand	910	0.55%	958	0.58%
Stayed by Crown Attorney	397	0.24%	157	0.10%
Acquitted	146	0.09%	107	0.07%
Total Tickets to to Court	*2,865*	*1.75%*	*3,135*	*1.91%*

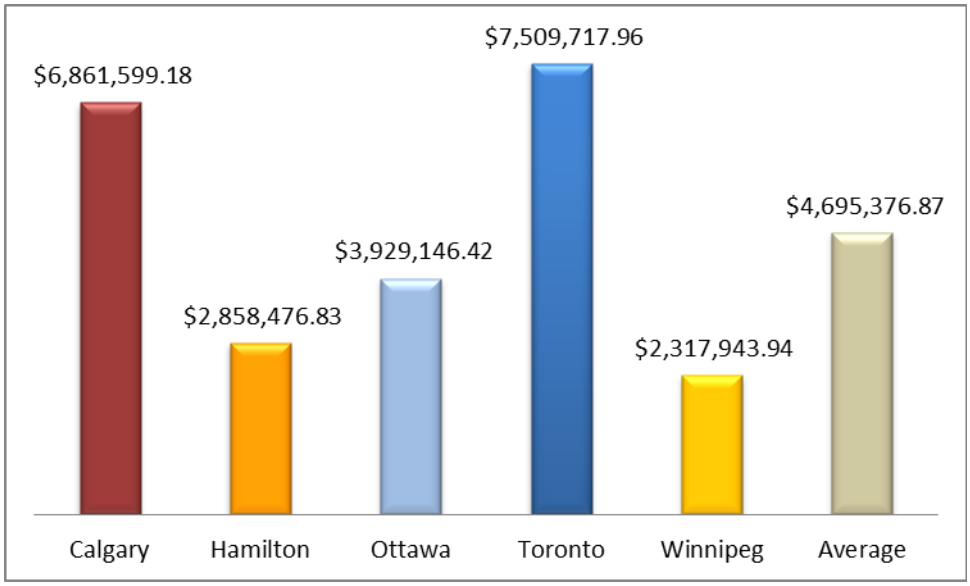
3. Financial

Revenue per parking space under municipal management



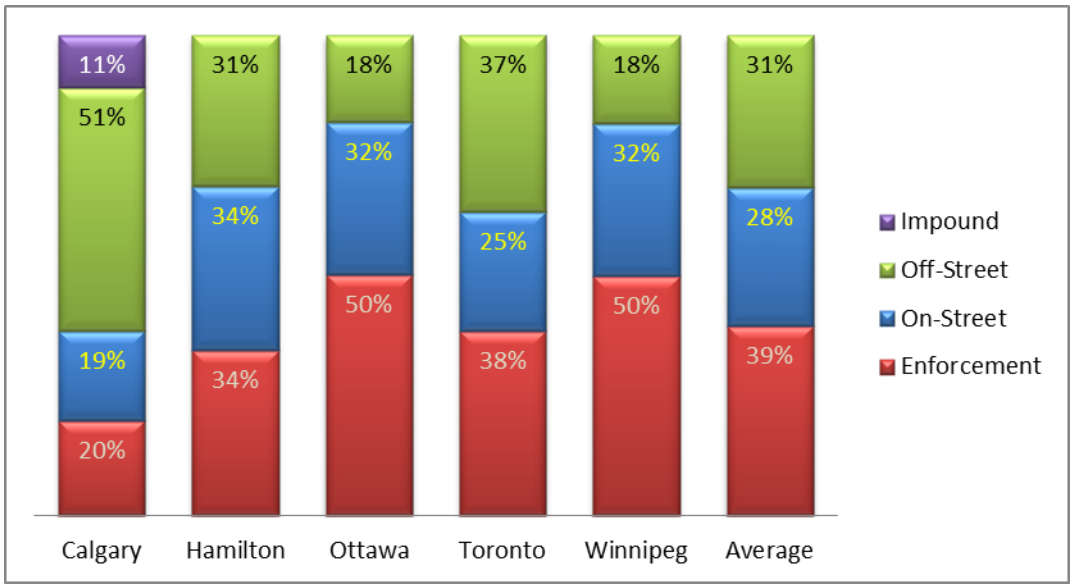
Information is drawn from 2012 OMBI data. Average is based on above noted cities rather than complete OMBI data.

Revenue per 100,000 population



Information is drawn from OMBI and publicly reported financial data for 2011.

Sources of Revenue



Drawn from published annual reports and OMBI data for 2012 Under Alberta law, all tows in Calgary must be ordered by a peace officer and all vehicles towed in Calgary are impounded at the Calgary Parking Authority. Parking Enforcement in Toronto is carried out by the Toronto Police Service and revenue is directed to general civic revenue.

Assumptions to the Projected Financial Statements and Notes

The projected financial statements include management's best estimates of future financial performance and incorporate the financial implications of the Agency's goals and strategies. The financial projections are estimates of the financial position, operations and accumulated surplus, cash flows and net financial liabilities using management's assumptions that reflect the Agency's planned course of action for the three years ending December 31, 2016.

Management's judgment has been used in the assumptions, with the most probable set of economic conditions. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this projection. Therefore, the actual results achieved during the projected period will vary from the projections, and the variations may be material.

The financial forecast and projections are based on actual 2012 results of operations with inflationary increases derived from Consumer Price Index (CPI), except where otherwise described in the notes to projected financial statements, or as noted in these assumptions.

The 2014 to 2016 Projected Financial Statements and Notes are presented in Appendix A-1. The 2012 Auditors' Report and Financial Statements are presented in Appendix A-3.

Revenue Assumptions

Enforcement

Enforcement revenue is primarily comprised of the following three areas, fines collected within the 15 day discount period allowed for under the Voluntary Payment of Fines By-Law, collection of accounts receivable for fines levied after 2005, and collection on accounts for fines levied by the WPS prior to 2005. Fines levied prior to 2005 are accounted for on a cash basis at time of collection.

Parking Fees

Parking fee revenue includes fee increases as itemized in Appendix A-2. Revenue at the Civic Parkade has not been forecasted for 2014-2016 given the uncertainty of the Parkade's future at the time of completing the forecast.

Special Events

Special Events revenue includes revenue associated with parking fees in accordance with fee increases as itemized in Appendix A-2.

Meters

Meter fee revenue has been held at 2012 levels. Fee increases in high demand zones have not been factored in as customer behavior may change and, as such, accurate projections cannot be made until changes in usage patterns have been determined through analysis of long-term usage data. Significant reductions to the on-street inventory as a result of major downtown construction projects are also affecting meter revenues.

Expense Assumptions

Services

- *Parking Enforcement* – Projections for 2014-2016 include primarily estimate of costs associated with the parking enforcement and communications services contract.
- *Parkade Management* – Includes for 2014-2016, primarily costs associated with the parkade management contract at the Millennium Library Parkade.
- *Special Events* – Includes forecast for expenses associated with staffing for special event parking.
- *Other Services*
    - Consulting and professional services expense is based on estimated project requirements
    - Allocated departmental costs include forecast for services provided at various locations by Municipal Accommodations $20 thousand in 2014/2015 and $0 in 2016.

- Winnipeg Fleet Management expenditures for fuel, maintenance and rental on vehicles owned/leased by the agency $368 thousand in 2014, $358 thousand in 2015, $363 thousand in 2016

Salaries

Salaries and benefits expense for 2014 is based on collective agreements for 42 FTE positions, and 10.66 temporary positions as follows:

- 30 CUPE FTE
- 10 WAPSO FTE
- 1 CUPE exempt FTE
- 1 WAPSO exempt FTE
- 8.66 CUPE temporary
- 2 WAPSO temporary

Materials, parts and supplies

- Grounds maintenance costs budgeted $650 thousand in 2014 (which includes $50 thousand provision for capital emergency repairs, pending decision on City departmental responsibilities), $585 thousand in 2015 and 2016.

Amortization

Tangible capital assets are amortized on a straight-line basis over the estimated useful life of the asset as follows:

• Leasehold improvements	15 years
• Parking surfaces	5%
• Parkades	4%
• Vehicles	20%
• Meters and pay stations	10%
• Equipment	10-20%
• Computer equipment	33%
• Office furniture and equipment	20%
• Parkade betterments	5%

During 2012, there was a change in the estimated useful life of the remaining parkade assets, which are now being amortized at a rate of 4%. This change in estimate has been accounted for prospectively.

Provision for Bad Debts

50% of the outstanding Citations receivable is considered to be uncollectible.

Other

- Transfer to Municipal Accommodations Fund includes $137 thousand annually for office space at 495 Portage Avenue.
- Transfer to General Revenue – Corporate Support Services include:
    - Agency's share of City's general expenses $80 thousand annually
    - General transfer of $2 million in 2014
    - 311 services of $133 thousand annually
    - Business technology services of $242 thousand in 2014, $243 thousand in 2015 and 2016.
    - Campus HR of $47 thousand in 2014, $48 thousand in 2015 and $49 thousand in 2016
- Transfer to Assessment and Taxation for payments-in-lieu of municipal taxes of $393 *(Civic Centre - $98, Millennium Library - $291 and Surface lots - $4)* thousand in 2014, $336 thousand in 2015 and $336 thousand in 2016

Asset Assumptions

Accounts Receivable

- In 2010, Winnipeg Square Parkade was sold and the proceeds of disposition were deposited to The City of Winnipeg – Land Operating Reserve. An amount of $10 M remains on deposit in the Land Operating Reserve and Payable to The Winnipeg Parking Authority. No specific repayment terms have been determined.
- The remaining accounts receivable balance is comprised of citations written in the period (net) of applicable adjustments.

Tangible Capital Asset Additions - (in thousands of dollars)

	2014	2015	2016	Total
Millennium Library Parkade - Exterior ramp redesign	$300			$300
T2 Handheld Equipment	10	288		298
Revenue Control Equipment	200			200
Security Camera Upgrades	10			10
Provision for ALPR units	130	260	260	650
Other Equipment		15	8	23
	$650	**$563**	**$268**	**$1,481**

Liability Assumptions

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. Bank transactions are credited or charged to the "Due to" account when they are processed through the bank. Interest is charged based on The City of Winnipeg's average short-term cost of funds, which is a function of the Bank of Canada rate.

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**

Other Assumptions

Accumulated Surplus

- Consists of cumulative excess revenues over expenses

Appendix A-3



2012 City of
Wpg-Parking SOA-Au

Appendix A-1



WPA financials for
2014 Selection Repor

Appendix A-2



Appendix
A-2_2014-2016 Parki

Financial Statements of

THE CITY OF WINNIPEG - PARKING AUTHORITY - SPECIAL OPERATING AGENCY

Year ended December 31, 2012

KPMG LLP
Chartered Accountants
Suite 2000 – One Lombard Place
Winnipeg MB R3B 0X3
Canada

Telephone (204) 957-1770
Fax (204) 957-0808
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of City Council of The City of Winnipeg

We have audited the accompanying financial statements of The City of Winnipeg - Parking Authority - Special Operating Agency, which comprise the statement of financial position as at December 31, 2012 and the statements of operations and accumulated surplus, cash flows and change in net financial assets for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP, is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The City of Winnipeg - Parking Authority - Special Operating Agency as at December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

April 15, 2013

Winnipeg, Canada

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

STATEMENT OF FINANCIAL POSITION

As at December 31
(in thousands of dollars)

	2012	2011
FINANCIAL ASSETS		
Cash	**$ 53**	$ 87
Accounts receivable	**4,547**	4,278
Due from The City of Winnipeg - Land Operating Reserve (Note 3)	**10,000**	10,000
Due from The City of Winnipeg - General Revenue Fund (Note 4)	**201**	-
	14,801	14,365
LIABILITIES		
Due to The City of Winnipeg - General Revenue Fund (Note 4)	**-**	1,653
Accounts payable and accrued liabilities	**661**	276
Deferred revenue	**191**	236
Debt (Note 5)	**6,022**	7,372
Accrued employee benefits (Note 6)	**244**	251
	7,118	9,788
NET FINANCIAL ASSETS	**7,683**	4,577
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7)	**7,804**	9,896
Inventories	**121**	111
Prepaid expenses	**1**	10
	7,926	10,017
ACCUMULATED SURPLUS (Note 8)	**$ 15,609**	$ 14,594

Commitments (Note 9)

See accompanying notes and schedule 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)

	Budget 2012 (Unaudited)	Actual 2012	Actual 2011
REVENUES			
Enforcement (Note 10)	**$ 7,445**	**$ 8,190**	$ 8,059
Meters	**5,293**	**5,186**	5,119
Parking fees (Note 11a)			
Surface parking lots	**1,479**	**1,454**	1,294
Millennium Library parkade	**750**	**694**	900
Civic Centre parkade	**897**	**608**	867
Special events	**335**	**256**	200
Parking permits	**99**	**80**	94
Sundry	**(39)**	**44**	(71)
Total Revenues	**16,259**	**16,512**	16,462
EXPENSES			
Services (Notes 11c, f, and h)			
Enforcement - contracts	**2,827**	**2,609**	2,857
Utilities	**1,043**	**1,133**	928
Parkade management	**510**	**313**	528
Meters	**622**	**171**	509
Special events	**110**	**94**	71
Other services (Note 11e)	**1,571**	**2,228**	1,576
Salaries and employee benefits (Note 6)	**2,187**	**1,979**	1,641
Amortization	**1,465**	**1,930**	1,355
Material, parts and supplies	**1,711**	**1,766**	1,913
Provision for bad debts	**737**	**1,219**	768
Write-down of tangible capital assets	**-**	**963**	-
Debt and finance charges (Notes 4 and 5b)	**202**	**216**	257
Recoveries	**-**	**(141)**	(27)
Other (Notes 11b, d, g, j and k)	**1,044**	**1,017**	1,116
Total Expenses	**14,029**	**15,497**	13,492
Excess Revenues over Expenses	**2,230**	**1,015**	2,970
ACCUMULATED SURPLUS, BEGINNING OF YEAR	**14,594**	**14,594**	11,624
ACCUMULATED SURPLUS - END OF YEAR	**$ 16,824**	**$ 15,609**	$ 14,594

See accompanying notes and schedule to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

STATEMENT OF CASH FLOWS

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

	2012	2011
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	**$ 1,015**	$ 2,970
Non-cash items related to operations		
Write-down of tangible capital assets	**963**	-
Amortization	**1,930**	1,355
Retirement allowance and compensated absences	**(36)**	27
	3,872	4,352
Net change in non-cash working capital balances related to operations	**99**	12,560
Cash provided by operating activities	**3,971**	16,912
FINANCING		
Change in due from/to The City of Winnipeg - General Revenue Fund	**(1,854)**	(6,384)
Repayment of debt	**(1,350)**	(9,957)
Cash used in financing activities	**(3,204)**	(16,341)
CAPITAL		
Purchase of tangible capital assets	**(801)**	(580)
Cash used in capital activities	**(801)**	(580)
DECREASE IN CASH	**(34)**	(9)
CASH, BEGINNING OF YEAR	**87**	96
CASH, END OF YEAR	**$ 53**	$ 87

See accompanying notes and schedule to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

STATEMENT OF CHANGE OF NET FINANCIAL ASSETS

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

	Budget 2012 (Unaudited)	Actual 2012	Actual 2011
EXCESS REVENUES OVER EXPENSES	**$ 2,230**	**$ 1,015**	$ 2,970
Amortization of tangible capital assets	**1,465**	**1,930**	1,355
Change in inventories and prepaid expenses	**25**	**(1)**	360
Write-down of tangible capital assets	**-**	**963**	**-**
Acquisition of tangible capital assets	**(4,668)**	**(801)**	(580)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	**(948)**	**3,106**	4,105
NET FINANCIAL ASSETS , BEGINNING OF YEAR	**4,577**	**4,577**	472
NET FINANCIAL ASSETS, END OF YEAR	**$ 3,629**	**$ 7,683**	$ 4,577

See accompanying notes and schedule to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012
(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 public sector accounting standards. 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 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	4%
Vehicles	20%
Meters and pay stations	10%
Equipment	10-20%
Computer equipment	33%
Office furniture and equipment	20%
Parkade betterments	5%

During the year, there was a change in the estimated useful life of the remaining parkade assets, which are now being amortized at a rate of 4%. This change in estimate has been accounted for prospectively.

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 from/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 from/to" account when they are processed through the bank. Interest is charged or credited based on the City's average short-term earnings (cost of funds) on the single bank account. The December 31, 2012 effective interest rate was 0.95% (2011 - 0.95%).

Interest received from The City of Winnipeg General Revenue Fund on the line of credit was $4 thousand for the year (2011 - paid $76 thousand).

5. Debt

	2012	2011
The City of Winnipeg - General Revenue Fund		
Start-up loan with no specific terms of repayment	**$ 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	**2,104**	3,454
	$ 6,022	$ 7,372

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

2013	$ 2,104

b) Interest paid to The City of Winnipeg General Revenue Fund on the start-up loan was $nil (2011 - $nil).

6. Accrued Employee Benefits

a) Retirement allowance, vacation and compensated absences

	2012	2011
Vacation	**$ 148**	$ 119
Retirement allowance - accrued benefit liability	**68**	104
Compensated absences	**28**	28
	$ 244	$ 251

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.

6. Accrued Employee Benefits (continued)

The Agency measures its accrued retirement allowance liability as at December 31 of each year. An actuarial valuation of the liability was calculated as of July 31, 2011. The results of this valuation were extrapolated to the financial reporting date of December 31, 2012 using year-end assumptions.

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

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

	2012		2011	
	Retirement Allowance	**Compensated Absences**	Retirement Allowance	Compensated Absences
Accrued benefit liability:				
Balance, beginning of year	**$ 103**	**$ 12**	$ 110	$ 15
Current service cost	**7**	**1**	8	47
Interest cost	**4**	**-**	4	1
Benefit payments	**(48)**	**-**	-	(36)
Net actuarial gain/(loss)	**35**	**-**	(19)	(15)
Balance, end of year	**101**	**13**	103	12
Unamortized net actuarial (loss)/gain	**(33)**	**15**	1	16
Accrued benefit liability	**$ 68**	**$ 28**	$ 104	$ 28
Benefit expense:				
Current service cost	**$ 7**	**$ 1**	$ 8	$ 47
Interest cost	**4**	**-**	4	1
Amortization of net actuarial gain/(loss)	**1**	**(1)**	3	-
	$ 12	**$ -**	$ 15	$ 48
Reconciliation of accrued benefit liability:				
Balance, beginning of year	**$ 104**	**$ 28**	$ 89	$ 16
Benefit expense	**12**	**-**	15	48
Benefit payments	**(48)**	**-**	-	(36)
	$ 68	**$ 28**	$ 104	$ 28

The significant actuarial assumptions adopted in measuring the accrued benefit liability for the year ended December 31 are as follows:

	2012	2011
Valuation interest rate	**3.60%**	3.60%
General increases in pay	**3.50%**	3.50%

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. During the year, $141 thousand (2011 - $103 thousand) of pension costs were allocated to the Agency. An actuarial valuation for the Winnipeg Civic Employees' Benefits Program was made as of December 31, 2011 and it has an actuarial surplus.

7. Tangible Capital Assets

	Net Book Value 2012	2011
Land	**$ 73**	$ 73
Parkades	**1,301**	2,314
Authority assets		
Leasehold improvements	**316**	335
Parking surfaces	**345**	381
	661	716
Equipment		
Vehicles	**63**	117
Meters and pay stations	**5,144**	5,685
Equipment	**369**	662
Computer equipment	**170**	290
Office furniture and equipment	**23**	39
	5,769	6,793
	$ 7,804	$ 9,896

For additional information, see the Schedule of Tangible Capital Assets (Schedule 1).

During the year, $963 thousand (2011 - $nil) of tangible capital assets were written-down.

8. Accumulated Surplus

	Budget 2012 (Unaudited)	Actual 2012	Actual 2011
Capital	**$ 15,185**	**$ 15,185**	$ 15,185
Contributed surplus	**172**	**172**	172
Operating	**1,467**	**252**	(763)
	$ 16,824	**$ 15,609**	$ 14,594

9. Commitments

The Agency has entered into lease agreements mainly for the lease of vehicles. Future minimum annual lease payments are as follows:

	Operating Leases
2013	$ 53
2014	37
2015	21
2016	13
2017 and thereafter	6
	$ 130

10. 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. The Agency accounted for $105 thousand (2011 - $273 thousand) during 2012.

11. 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.

a) Revenues include sales of $551 thousand (2011 - $491 thousand) to the City.

b) An amount of $37 thousand (2011 - $37 thousand) for general government charges has been included and paid to The City of Winnipeg General Revenue Fund which represents the estimated share of the City's general expenses applicable to the Agency.

c) In Services, an amount of $127 thousand (2011 - $123 thousand) has been charged by The City of Winnipeg Municipal Accommodations Fund for the rental of office space.

d) An amount of $279 thousand (2011 - $279 thousand) has been transferred to The City of Winnipeg General Revenue Fund for the cost of information technology, finance and human resources support services.

e) An amount of $122 thousand (2011 - $117 thousand) has been charged by The City of Winnipeg Municipal Accommodations Fund for services provided at the various locations.

f) In Services, an amount of $48 thousand (2011 - $48 thousand) has been charged by The City of Winnipeg Transit System Department for coin counting and deposit services.

g) An amount of $407 thousand (2011 - $433 thousand) has been transferred to The City of Winnipeg General Revenue Fund for payments-in-lieu of municipal taxes. These charges are based on estimated assessments and the mill rate that would have been applicable had these facilities been privately owned.

h) In Services, an amount of $362 thousand (2011 - $352 thousand) has been charged by The City of Winnipeg Fleet Management - Special Operating Agency for insurance, fuel, maintenance and rental on vehicles owned/leased by the Agency.

i) In accounts receivable, an amount of $nil (2011 - $61 thousand) is included for parking charges owing from the City.

j) An amount of $133 thousand (2011 - $130 thousand) has been charged by The City of Winnipeg General Revenue Fund for the cost for 311 services.

k) An amount of $42 thousand (2011 - $42 thousand) has been charged by The City of Winnipeg General Revenue Fund for the cost of assets transferred to the Agency.

12. Comparative Figures

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

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

Schedule 1

SCHEDULE OF TANGIBLE CAPITAL ASSETS

As at December 31
(in thousands of dollars)

	Land	Parkades	Authority Assets	Equipment	Total 2012	Total 2011
Cost						
Balance, beginning of year	**$ 73**	**$ 2,683**	**$ 981**	**$ 11,309**	**$ 15,046**	$ 15,013
Add:						
Additions during the year	**-**	**31**	**17**	**753**	**801**	580
Less:						
Write-down of tangible capital assets	**-**	**(941)**	**-**	**(367)**	**(1,308)**	-
Disposals during the year	-	-	-	-	-	(547)
Balance, end of year	**73**	**1,773**	**998**	**11,695**	**14,539**	15,046
Accumulated amortization						
Balance, beginning of year	**-**	**369**	**265**	**4,516**	**5,150**	4,342
Add:						
Amortization	**-**	**248**	**72**	**1,610**	**1,930**	1,355
Less:						
Write-down of tangible capital assets	**-**	**(145)**	**-**	**(200)**	**(345)**	-
Accumulated amortization on disposals	-	-	-	-	-	(547)
Balance, end of year	**-**	**472**	**337**	**5,926**	**6,735**	5,150
Accumulated amortization						
Net Book Value of Tangible Capital Assets	**$ 73**	**$ 1,301**	**$ 661**	**$ 5,769**	**$ 7,804**	**$ 9,896**

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 2012	Council Adopted 2013	Projected Actual 2013	2014	2015	2016
FINANCIAL ASSETS							
Cash		$ 53	$ 75	$ 49	$ 49	$ 49	$ 49
Accounts receivable, net		4,547	3,971	4,175	3,175	3,175	3,175
Due from The City of Winnipeg - Land Operating Reserve	3	10,000	10,000	10,000	10,000	10,000	10,000
Due from The City of Winnipeg - General Fund	4	201	-	-	-	-	1,949
		14,801	14,046	14,224	13,224	13,224	15,173
LIABILITIES							
Due to City of Winnipeg - General Revenue Fund	4	-	3,409	4,314	3,185	810	-
Accounts payable and accrued liabilities		661	710	581	581	581	581
Deferred revenue		191	135	180	180	180	180
Debt	5	6,022	3,918	3,918	3,918	3,918	3,918
Accrued employee benefits	6	244	269	249	254	259	264
		7,118	8,441	9,242	8,118	5,748	4,943
NET FINANCIAL ASSETS		7,683	5,605	4,982	5,106	7,476	10,230
NON-FINANCIAL ASSETS							
Tangible capital assets	7	7,804	12,581	11,587	10,557	9,431	7,872
Inventories		121	136	84	84	84	84
Prepaid expenses		1	7	1	1	1	1
		7,926	12,724	11,672	10,642	9,516	7,957
ACCUMULATED SURPLUS		$ 15,609	$ 18,329	$ 16,654	$ 15,748	$ 16,992	$ 18,187

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 2012	Council Adopted 2013	Projected Actual 2013	Variance	2014	2015	2016
REVENUES								
Enforcement	8	$ 8,190	$ 8,297	$ 7,748	$ (549)	$ 8,554	$ 8,243	$ 8,172
Meters		5,186	5,291	5,186	(105)	5,186	5,186	5,186
Parking Fees								
Surface Parking Lots		1,454	1,113	1,307	194	1,372	1,405	1,439
Millennium Library Parkade		694	681	673	(8)	944	1,174	1,200
Civic Centre Parkade		608	-	-	-	-	-	-
Special Events		256	95	288	193	365	372	379
Parking Permits		80	97	22	(75)	97	97	97
Sundry		44	-	44	44	46	65	35
Total Revenues		16,512	15,574	15,268	(306)	16,564	16,542	16,508
EXPENSES								
Services								
Parking Enforcement		2,609	2,668	2,669	1	2,761	2,779	2,779
Utilities		1,133	1,031	995	(36)	1,046	1,014	1,014
Parkade Management		313	250	250	-	255	260	260
Meters		171	40	14	(26)	41	42	42
Special Events		94	80	74	(6)	131	135	135
Other Services		2,228	2,513	2,731	218	2,384	2,386	2,392
Amortization		1,930	1,622	1,282	(340)	1,679	1,695	1,828
Salaries & Employee Benefits		1,979	2,675	2,372	(303)	3,311	3,312	3,180
Materials, Parts and supplies		1,766	1,365	1,153	(212)	1,397	1,330	1,336
Write-down of tangible capital assets		963	-	-		-	-	-
Provision for Bad Debts		1,219	758	1,289	531	1,030	1,002	1,002
Debt and Finance Charges		216	172	163	(9)	152	154	155
Recoveries		(141)	-	(7)	(7)	-	-	-
Other		1,017	1,310	1,238	(72)	1,283	1,189	1,190
Total Expenses		15,497	14,484	14,223	(261)	15,470	15,298	15,313
NET INCOME		1,015	1,090	1,045	(45)	1,094	1,244	1,195
Accumulated Surplus (Deficit) - Beginning		14,594	15,609	15,609	-	16,654	15,748	16,992
Distribution to City		-	-	-	-	(2,000)	-	-
		14,594	15,609	15,609	-	14,654	15,748	16,992
ACCUMULATED SURPLUS		$ 15,609	$ 16,699	$ 16,654	$ (45)	$ 15,748	$ 16,992	$ 18,187

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 2012	Council Adopted 2013	Projected Actual 2013	Variance	2014	2015	2016
OPERATING							
Excess of revenues over expenses	$ 1,015	$ 1,090	$ 1,045	$ (45)	$ 1,094	$ 1,244	$ 1,195
Non-cash charges to operations							
Write-down of tangible capital assets	963		-	-	-	-	-
Amortization	1,930	1,622	1,282	(340)	1,679	1,695	1,828
Retirement allowance and compensated absences	(36)	5	5	-	5	5	5
	3,872	2,717	2,332	(385)	2,778	2,944	3,028
Net change in non-cash working capital balances related to operations	99	(31)	318	349	1,000	-	-
Accounts Receivable	(269)	(61)	372	433	1,000	-	-
Accounts Payable	385	-	(80)	(80)	-	-	-
Deferred Revenue	(45)	30	(11)	(41)	-	-	-
Inventories	(10)	-	37	37	-	-	-
Prepaid	9	-	-	-	-	-	-
Misc	29	-		-		-	-
Cash provided by operating activities	3,971	2,686	2,650	(36)	3,778	2,944	3,028
FINANCING							
Change in due to The City of Winnipeg - General Revenue Fund	(1,854)	3,874	4,515	641	(1,129)	(2,375)	(2,759)
Repayment of long-term debt	(1,350)	(1,440)	(2,104)	(664)	-	-	-
Transfer to The City of Winnipeg - General Revenue Fund	-	-	-	-	(2,000)	-	-
Cash used in financial activities	(3,204)	2,434	2,411	(23)	(3,129)	(2,375)	(2,759)
CAPITAL							
Purchase of tangible capital assets	(801)	(5,120)	(5,065)	55	(649)	(569)	(269)
Cash provided by (used in) capital activities	(801)	(5,120)	(5,065)	55	(649)	(569)	(269)
(DECREASE) INCREASE IN CASH	(34)	-	(4)	(4)	-	-	-
CASH, BEGINNING OF YEAR	87	75	53	(4)	49	49	49
CASH, END OF YEAR	53	75	49	(8)	49	49	49

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 2012	Council Adopted 2013	Projected Actual 2013	Variance	2014	2015	2016
EXCESS REVENUES OVER EXPENSES	$ 1,015	$ 1,090	$ 1,045	$ (45)	$ 1,094	$ 1,244	$ 1,195
Amortization of tangible capital assets	1,930	1,622	1,282	(340)	1,679	1,695	1,828
Change in inventories and prepaid expense	(1)	-	37	37	-	-	-
Write-down of tanfible capital assets	963						
Transfer to the City of Winnipeg - General Revenue Fund	-	-	-	-	(2,000)	-	-
Acquisition of tangible capital assets	(801)	(5,120)	(5,065)	55	(649)	(569)	(269)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	3,106	(2,408)	(2,701)	(293)	124	2,370	2,754
NET FINANCIAL ASSETS, BEGINNING OF YEAR	4,577	8,013	7,683	(330)	4,982	5,106	7,476
NET FINANCIAL ASSETS, END OF YEAR	7,683	5,605	4,982	(623)	5,106	7,476	10,230

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, 2016
(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 public sector accounting standards. 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	4%
Vehicles	20%
Meters and pay stations	10%
Equipment	10-20%
Computer equipment	33%
Office furniture and equipment	20%
Parkade betterments	5%

During 2012, there was a change in the estimated useful life of the remaining parkade assets, which are now being amortized at a rate of 4%. This change in estimate has been accounted for prospectively.

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 2013	2014	2015	2016
The City of Winnipeg - General Revenue Fund				
Start-up loan with no specific terms of repayment	$ 3,918	$ 3,918	$ 3,918	$ 3,918

6. *Accrued Employee Benefits*

a) Retirement allowance and compensated absences

	Forecast 2013	2014	2015	2016
Retirement allowance - accrued benefit liability	$ 69	$ 100	$ 102	$ 104
Vacation	150	152	155	158
Compensated absences	30	2	2	2
	$ 249	$ 254	$ 259	$ 264

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 2013	2014	2015	2015
Land	$ 73	$ 73	$ 73	$ 73
Parkades	5,732	5,757	5,476	5,143
Authority assets				
Leasehold improvements	296	259	221	184
Parking surfaces	469	439	409	378
Equipment				
Vehicles	126	172	305	382
Meters and pay stations	4,438	3,390	2,341	1,293
Equipment	265	383	306	244
Computer equipment	142	51	270	160
Office furniture and equipment	46	33	30	15
	$ 11,587	$ 10,557	$ 9,431	$ 7,872

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.

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 2013	2014	2015	2016
a) Sales of goods and services to The City of Winnipeg	$ 372	$ 367	$ 370	$ 372
b) Municipal Accommodations Fund				
Rental of office space	137	137	137	137
Services provided at various locations	152	20	20	-
c) Winnipeg Transit System Fund				
Coin counting and deposit services	48	48	49	49
d) Winnipeg Fleet Management				
Insurance, fuel, maintenance and rental on vehicles owned/leased by the Agency	397	368	358	363
e) General Revenue Fund				
Corporate Support Services				
Agency's share of City's general expenses	37	80	80	80
General transfer	-	2,000	-	-
311 services	133	133	133	133
Business technology service	240	242	243	243
Campus HR	46	47	48	49
Assessment and Taxation				
Payments-in-lieu of municipal taxes	418	393	294	294

10. *Comparative Figures*

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

WINNIPEG PARKING AUTHORITY - "DRAFT" 2014 TO 2016 FEE SCHEDULE

Service Name and Fee Name and Description	2013	2014	2015	2016	GST	Units	2014-2016 Effective Date	Date of Last Revised Fee Change	Authority
Parking Authority									
Parking fee - Millennium Library									
Monthly 12 hour reserved	$239.00	$239.00	$244.00	$249.00	Add	per month	Jan 1	Mar 20/13	Council
Monthly 12 hour non reserved	$207.00	$207.00	$211.00	$215.00	Add	per month	Jan 1	Mar 20/13	Council
Monthly 24 hour non reserved	$271.00	$271.00	$276.00	$282.00	Add	per month	Jan 1	Mar 20/13	Council
Casual daily maximum	$14.00	$14.00	$15.00	$15.00	Included	max per day	Jan 1	Mar 20/13	Council
Casual evening maximum	$8.00	$6.00	$7.00	$7.00	Included	max per evening	Jan 1	Mar 20/13	Council
Casual each half hour	$2.00	$2.00	$2.50	$2.75	Included	per 1/2 hour	Jan 1	Mar 20/13	Council
Casual lost ticket charge	$23.00	$23.00	$24.00	$24.00	Included	per occurrence	Jan 1	Mar 20/13	Council
Parking fee - Civic Centre Car Park									
Monthly 12 hour reserved	$237.00	$239.00	$244.00	$249.00	Add	per month	Jan 1	Mar 20/13	Council
Monthly 12 hour non reserved	$207.00	$207.00	$211.00	$215.00	Add	per month	Jan 1	Mar 20/13	Council
Monthly 24 hour non reserved	$271.00	$271.00	$276.00	$282.00	Add	per month	Jan 1	Mar 20/13	Council
Casual daily maximum	$14.00	$14.00	$15.00	$15.00	Included	max per day	Jan 1	Mar 20/13	Council
Casual evening maximum	$8.00	$6.00	$7.00	$7.00	Included	max per evening	Jan 1	Mar 20/13	Council
Casual each half hour	$2.00	$2.00	$2.50	$2.75	Included	per 1/2 hour	Jan 1	Mar 20/13	Council
Casual lost ticket charge	$23.00	$23.00	$24.00	$24.00	Included	per occurrence	Jan 1	Mar 20/13	Council
Parking fee - Surface Lot, Urban									
Monthly 12 hour reserved	$118.00	$120.00	$122.00	$124.00	Add	per month	Jan 1	Mar 20/13	Council
Monthly 12 hour reserved - discounted	$113.00	$115.00	$117.00	$119.00	Add	per month	Jan 1	Mar 20/13	Council
Monthly 12 hour non reserved	$102.00	$104.00	$106.00	$108.00	Add	per month	Jan 1	Mar 20/13	Council
Monthly 24 hour reserved	$134.00	$136.00	$139.00	$142.00	Add	per month	Jan 1	Mar 20/13	Council
Monthly 24 hour non reserved	$129.00	$131.00	$134.00	$137.00	Add	per month	Jan 1	Mar 20/13	Council
Monthly non reserved - discounted	$91.00	$92.00	$94.00	$96.00	Add	per month	Jan 1	Mar 20/13	Council
Casual daily maximum	$9.00	$9.00	$9.00	$9.00	Included	per day	Jan 1	Mar 20/13	Council
Casual evening maximum	$8.00	$9.00	$9.00	$9.00	Included	per day	Jan 1	Mar 20/13	Council
Casual each half hour	$1.00	$2.00	$2.00	$2.00	Included	per 1/2 hour	Jan 1	Mar 20/13	Council
Casual lost ticket charge	$10.00	$11.00	$11.00	$11.00	Included	per occurrence	Jan 1	Mar 20/13	Council
Oversize vehicle	$20.00	$50.00	$51.00	$52.00	Included	max per day	Jan 1	Mar 20/13	Council
Parking fee - surface lot, suburban									
Monthly non reserved	$42.00	$43.00	$44.00	$45.00	Add	per month	Jan 1	Mar 20/13	Council
Monthly non reserved - discounted	$37.00	$38.00	$39.00	$40.00	Add	per month	Jan 1	Mar 20/13	Council
Monthly reserved	$96.00	$97.00	$99.00	$101.00	Add	per month	Jan 1	Mar 20/13	Council
Monthly reserved - discounted	$91.00	$92.00	$94.00	$96.00	Add	per month	Jan 1	Mar 20/13	Council
Oversize vehicle	$20.00	$50.00	$51.00	$52.00	Included	max per day	Jan 1	Mar 20/13	Council
Meter - on street event reserved									
Reserved daily maximum	$32.00	$33.00	$34.00	$35.00	Add	max per day	Jan 1	Mar 20/13	Council
Meter - on street monthly									

Service Name and Fee Name and Description	2013	2014	2015	2016	GST	Units	2014-2016 Effective Date	Date of Last Revised Fee Change	Authority
Monthly meters 2 hr only	$200.00	$200.00	$204.00	$208.00	Add	per month	Jan 1	Mar 20/13	Council
Meter - on street daytime									
Casual each hour, low demand zone	$1.00	$1.00	$1.00	$1.00	Included	per hour	Jan 1	Mar 20/13	Council
Casual each hour, high demand zone	$2.00	$2.00	$2.00	$2.00	Included	per hour	Jan 1	Mar 20/13	Council
Residential Permit									
Resident non reserved	$25.00	$26.00	$26.00	$27.00	Included	annual	Jan 1	Mar 20/13	Council
Lien fee per vehicle	$60.00	$100.00	$100.00	$100.00		per registration	Jan 1	Mar 20/13	Council
Administrative charge	$25.00	$26.00	$26.00	$27.00		per occurrence	Jan 1	Mar 20/13	Council
Hooding Fees								Mar 20/13	Council
Administrative fee - where meter is hooded								Mar 20/13	Council
- Setup fee and first paystation	$129.00	$131.00	$134.00	$137.00	Add	first month	Jan 1	Mar 20/13	Council
- on-going monthly fee	$60.00	$62.00	$63.00	$64.00	Add	monthly		Mar 20/13	Council
- each additional paystation in project	$51.00	$52.00	$53.00	$54.00	Add	per occurrence	Jan 1	Mar 20/13	Council
Administrative fee - where meter is not hooded								Mar 20/13	Council
- Setup fee in first paystation zone	$62.00	$63.00	$64.00	$65.00	Add	per day	Jan 1	Mar 20/13	Council
- each additional paystation zone in project	$46.00	$47.00	$48.00	$49.00	Add	per day	Jan 1	Mar 20/13	Council
Per metered space per day (Monday through Saturday), low demand zone	$15.00	$15.00	$15.00	$15.00	Add	per day	Jan 1	Mar 20/13	Council
Per metered space per day (Monday through Saturday), high demand zone	$25.00	$25.00	$25.00	$26.00	Add	per day	Jan 1	Mar 20/13	Council
Change Orders per Zone	$30.00	$31.00	$32.00	$33.00	Add	per occurrence	Jan 1	Mar 20/13	Council
Paystation Removal	$315.00	$355.00	$362.00	$369.00	Add	per occurrence	Jan 1	Mar 20/13	Council
Paystation Installation	$315.00	$355.00	$362.00	$369.00	Add	per occurrence	Jan 1	Mar 20/13	Council

NOTE - At WPA Facilities Special Event Fees will be based on Market Rates