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 2014	Council Adopted 2015	Projected 2015	2016	2017	2018
FINANCIAL ASSETS							
Cash		$ 48	$ 28	$ 39	$ 39	$ 39	$ 39
Accounts receivable, net		4,848	4,326	980	980	980	980
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			1,537	2,425	732	1,719
		14,896	14,354	12,556	13,444	11,751	12,738
LIABILITIES							
Due to City of Winnipeg - General Revenue Fund	4	1,570	6,747				
Accounts payable and accrued liabilities		621	850	1,205	1,205	1,205	1,205
Deferred revenue		120	111	127	127	127	127
Debt	5	3,918	3,918	3,918	3,918	3,918	3,918
Accrued employee benefits	6	198	300	371	371	371	371
		6,427	11,926	5,621	5,621	5,621	5,621
NET FINANCIAL ASSETS		8,469	2,428	6,935	7,823	6,130	7,117
NON-FINANCIAL ASSETS							
Tangible capital assets	7	9,020	9,966	7,637	6,495	5,949	5,400
Inventories		209	200	106	106	106	106
Prepaid expenses		1	48	-	-	-	-
		9,230	10,214	7,743	6,601	6,055	5,506
ACCUMULATED SURPLUS		$ 17,699	$ 12,642	$ 14,678	$ 14,424	$ 12,185	$ 12,623

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 2014	Council Adopted 2015	Projected Actual 2015	Variance	2016	2017	2018
REVENUES								
Enforcement		$ 8,497	$ 8,268	$ 8,084	$ (184)	$ 7,804	$ 7,804	$ 7,804
Meters		5,866	5,776	6,239	463	5,951	6,070	6,192
Parking Fees		-	-	-	-	-	-	-
Surface Parking Lots		1,403	1,587	1,520	(67)	1,429	1,458	1,487
Millennium Library Parkade		563	1,041	586	(455)	1,020	1,040	1,061
Civic Centre Parkade		-	-	-	-	-	-	-
Special Events		410	368	480	112	478	486	496
Parking Permits		91	83	99	16	89	91	93
Sundry		40	73	56	(17)	43	43	43
Total Revenues		16,870	17,196	17,064	(132)	16,814	16,992	17,176
EXPENSES								
Services								
Parking Enforcement		2,841	3,000	2,820	(180)	3,159	3,222	3,287
Meters		1,704	1,863	1,710	(153)	1,855	1,891	1,928
Utilities		415	413	390	(23)	440	440	405
Parkade Management		243	260	231	(29)	265	271	276
Special Events		127	135	120	(15)	157	160	163
Other Services		1,309	1,624	1,337	(287)	1,691	1,701	1,569
Salaries & Employee Benefits		2,540	4,000	3,174	(826)	4,048	4,192	4,348
Amortization		1,543	1,624	1,488	(136)	1,609	1,724	1,048
Materials, Parts and supplies		1,166	1,949	874	(1,075)	1,712	1,656	1,679
Provision for Bad Debts		1,074	1,002	3,558	2,556	688	688	688
Debt and Finance Charges		165	156	181	25	182	183	183
Recoveries		(6)	(3)	(27)	(24)	(3)	(3)	(3)
Other		1,050	1,522	1,229	(293)	1,265	3,106	1,167
Total Expenses		14,171	17,545	17,085	(460)	17,068	19,231	16,738
NET INCOME		2,699	(349)	(21)	328	(254)	(2,239)	438
Accumulated Surplus (Deficit) - Beginning		17,000	15,991	17,699	1,708	14,678	14,424	12,185
Distribution to City		(2,000)	(3,000)	(3,000)	-	-	-	-
		15,000	12,991	14,699	1,708	14,678	14,424	12,185
ACCUMULATED SURPLUS		$ 17,699	$ 12,642	$ 14,678	$ 2,036	$ 14,424	$ 12,185	$ 12,623

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 2014	Council Adopted 2015	Projected Actual 2015	Variance	2016	2017	2018
OPERATING							
Excess of revenues over expenses	$ 2,699	$ (349)	$ (21)	$ 328	$ (254)	$ (2,239)	$ 438
Non-cash charges to operations							
Loss on sale of tangible capital assets	13	-	-	-	-	-	-
Amortization	1,543	1,624	1,488	(136)	1,609	1,724	1,048
Retirement allowance and compensated absences	14	6	173	167	-	-	-
	4,269	1,281	1,640	359	1,355	(515)	1,486
Net change in non-cash working capital balances related to operations	(951)	50	4,563	4,513	-	-	-
Accounts Receivable	(590)	50	3,868	3,818	-	-	-
Accounts Payable	(301)	-	584	584	-	-	-
Deferred Revenue	5	-	7	7	-	-	-
Inventories	(8)	-	103	103	-	-	-
Prepaid	47	-	1	1	-	-	-
Misc	(104)	-	-	-	-	-	-
Cash provided by operating activities	3,318	1,331	6,203	4,872	1,355	(515)	1,486
FINANCING							
Change in due to The City of Winnipeg - General Revenue Fund	81	3,161	(3,107)	(6,268)	(888)	1,693	(987)
Repayment of long-term debt	(694)	-	-	-	-	-	-
Transfer to The City of Winnipeg - General Revenue Fund	(2,000)	(3,000)	(3,000)	-	-	-	-
Cash used in financial activities	(2,613)	161	(6,107)	(6,268)	(888)	1,693	(987)
CAPITAL							
Purchase of tangible capital assets	(686)	(1,492)	(105)	1,387	(467)	(1,178)	(499)
Cash provided by (used in) capital activities	(686)	(1,492)	(105)	1,387	(467)	(1,178)	(499)
(DECREASE) INCREASE IN CASH	19	-	(9)	(9)	-	-	-
CASH, BEGINNING OF YEAR	29	28	48	20	39	39	39
CASH, END OF YEAR	$ 48	$ 28	$ 39	$ 11	$ 39	$ 39	$ 39

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 2014	Council Adopted 2015	Projected Actual 2015	Variance	2016	2017	2018
EXCESS REVENUES OVER EXPENSES	$ 2,699	$ (349)	$ (21)	$ 328	$ (254)	$ (2,239)	$ 438
Amortization of tangible capital assets	1,543	1,624	1,488	(136)	1,609	1,724	1,048
Change in inventories and prepaid expense	39	-	104	104	-	-	-
Loss on sale of tangible capital assets	13	-					
Transfer to the City of Winnipeg - General Revenue Fund	(2,000)	(3,000)	(3,000)	-	-	-	-
Acquisition of tangible capital assets	(686)	(1,492)	(105)	1,387	(467)	(1,178)	(499)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	1,608	(3,217)	(1,534)	1,683	888	(1,693)	987
NET FINANCIAL ASSETS, BEGINNING OF YEAR	6,861	5,645	8,469	2,824	6,935	7,823	6,130
NET FINANCIAL ASSETS, END OF YEAR	$ 8,469	$ 2,428	$ 6,935	$ 4,507	$ 7,823	$ 6,130	$ 7,117

See accompanying notes and schedules to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

NOTES TO THE PROJECTED FINANCIAL STATEMENTS

For the three years ending December 31, 2018
(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%

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 2015	2016	2017	2018
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, vacation and compensated absences

	Forecast 2015	2016	2017	2018
Retirement allowance - accrued benefit liability	$ 96	$ 96	$ 96	$ 96
Vacation	246	246	246	246
Compensated absences	29	29	29	29
	$ 371	$ 371	$ 371	$ 371

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 15.7 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

	Net Book Value			
	Forecast 2015	**2016**	**2017**	**2018**
Land	$ 73	$ 73	$ 73	$ 73
Parkades	4,587	4,255	4,871	4,491
Authority assets				
Leasehold improvements	211	146	81	15
Parking surfaces	270	249	227	206
Equipment				
Vehicles	-	-	-	-
Meters and pay stations	2,411	1,358	304	17
Equipment	82	126	76	284
Computer equipment	2	288	316	312
Office furniture and equipment	1	1	1	1
	$ 7,637	$ 6,495	$ 5,949	$ 5,400

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. Any collection of pre-2005 enforcement receivable is recorded using the cash basis of accounting.

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 2015	2016	2017	2018
a) Sales of goods and services to The City of Winnipeg	$ 308	$ 625	$ 638	$ 651
b) Municipal Accommodations Fund				
Rental of office space	269	283	283	283
Services provided at various locations	136	201	201	65
c) Winnipeg Transit System Fund				
Coin counting and deposit services	48	48	48	48
d) Winnipeg Fleet Management				
Insurance, fuel, maintenance and rental on vehicles owned/leased by the Agency	349	780	793	793
e) General Revenue Fund				
Corporate Support Services				
Agency's share of City's general expenses	81	81	81	81
General transfer	3,000	-	-	-
311 services	133	133	133	133
Business technology service	241	241	241	241
Campus HR	104	104	106	109
Assessment and Taxation				
Payments-in-lieu of municipal taxes	177	195	199	92