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 2015	Council Adopted 2016	Projected 2016	2017	2018	2019
FINANCIAL ASSETS							
Cash		$ 39	$ 39	$ 39	$ 39	$ 39	$ 39
Accounts receivable, net		980	980	$ 1,376	1,451	1,526	1,601
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	2,765	340	1,622	710
		12,556	13,444	14,180	11,830	13,187	12,350
LIABILITIES							
Due to City of Winnipeg - General Revenue Fund	4	-	-	-	-	-	-
Accounts payable and accrued liabilities		1,205	1,205	1,205	1,205	1,205	1,205
Deferred revenue		127	127	127	127	127	127
Debt	5	3,918	3,918	3,918	3,918	3,918	17,028
Accrued employee benefits	6	402	371	411	419	428	436
		5,652	5,621	5,661	5,669	5,678	18,796
NET FINANCIAL ASSETS		6,904	7,823	8,519	6,161	7,509	(6,446)
NON-FINANCIAL ASSETS							
Tangible capital assets	7	7,637	6,495	7,135	7,279	6,202	18,984
Inventories		106	106	106	106	106	106
Prepaid expenses		-	-	-	-	-	-
		7,743	6,601	7,241	7,385	6,308	19,090
ACCUMULATED SURPLUS		$ 14,647	$ 14,424	$ 15,760	$ 13,546	$ 13,817	$ 12,644
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 2015	Council Adopted 2016	Projected Actual 2016	Variance	2017	2018	2019
REVENUES								
Enforcement		$ 8,084	$ 7,804	$ 6,599	(1,205)	$ 7,586	$ 7,600	$ 7,615
Meters		6,239	5,951	6,541	590	6,106	6,228	6,353
Parking Fees		-	-	-	-	-	-	-
Surface Parking Lots		1,520	1,429	1,528	99	1,818	1,847	1,876
Millennium Library Parkade		586	1,020	860	(160)	803	819	835
Civic Centre Parkade		-	-	-	-	-	-	-
Special Events		480	478	517	39	486	496	505
Parking Permits		99	89	-	(89)	91	93	95
Sundry		56	43	55	12	58	58	58
Total Revenues		17,064	16,814	16,100	(714)	16,948	17,141	17,337
EXPENSES								
Services								
Parking Enforcement		2,820	3,159	2,909	(250)	3,297	3,363	3,430
Meters		1,710	1,855	1,727	(128)	1,891	1,928	2,253
Utilities		390	439	383	(56)	436	401	401
Parkade Management		231	265	256	(9)	271	276	282
Special Events		120	157	96	(61)	160	163	166
Other Services		1,337	1,693	1,300	(393)	1,703	1,604	1,639
Salaries & Employee Benefits		3,205	4,048	3,155	(893)	3,859	4,023	4,158
Amortization		1,488	1,608	1,266	(342)	1,194	1,107	1,487
Materials, Parts and supplies		874	1,712	865	(847)	1,756	1,849	1,822
Provision for Bad Debts		3,558	688	1,088	400	838	838	838
Debt and Finance Charges		181	182	185	3	183	183	895
Recoveries		(27)	(3)	(20)	(17)	(3)	(3)	(3)
Other *		1,229	1,265	1,777	512	3,077	1,138	1,142
Total Expenses		17,116	17,068	14,987	(2,081)	18,662	16,870	18,510
NET INCOME		(52)	(254)	1,113	1,367	(1,714)	271	(1,173)
Accumulated Surplus (Deficit) - Beginning		17,699	14,678	14,647	(31)	15,760	13,546	13,817
Distribution to City		(3,000)	-	-	-	(500)	-	-
		14,699	14,678	14,647	(31)	15,260	13,546	13,817
ACCUMULATED SURPLUS		$ 14,647	$ 14,424	$ 15,760	$ 1,336	$ 13,546	$ 13,817	$ 12,644

Note:

* Other expense in 2017 includes a projected amount up to $1.834 million as the WPA's share of the Public Safety Building/Civic Parkade demolition and re-design costs originally set aside by Council at the time of the Winnipeg Square Parkade sale.

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 2015	Council Adopted 2016	Projected Actual 2016	Variance	2017	2018	2019
OPERATING							
Excess of revenues over expenses	$ (52)	$ (254)	$ 1,113	$ 1,367	$ (1,714)	$ 271	$ (1,173)
Non-cash charges to operations							
Loss on sale of tangible capital assets	-	-	-	-	-	-	-
Amortization	1,488	1,609	1,266	(343)	1,194	1,107	1,487
Retirement allowance and compensated absences	-	-	9	9	8	9	8
	1,436	1,355	2,388	1,033	(512)	1,387	322
Net change in non-cash working capital balances related to operations	4,767	-	(396)	(396)	(75)	(75)	(75)
Accounts Receivable	3,868	-	(396)	(396)	(75)	(75)	(75)
Accounts Payable	584	-	-	-	-	-	-
Deferred Revenue	7	-	-	-	-	-	-
Inventories	103	-	-	-	-	-	-
Prepaid	1	-	-	-	-	-	-
Misc	204	-	-	-	-	-	-
Cash provided by operating activities	6,203	1,355	1,992	637	(587)	1,312	247
FINANCING							
Change in due to The City of Winnipeg - General Revenue Fund	(3,107)	(888)	(1,228)	(340)	2,425	(1,282)	912
Addition/(repayment) of long-term debt	-	-	-	-	-	-	13,110
Transfer to The City of Winnipeg - General Revenue Fund	(3,000)	-	-	-	(500)	-	-
Cash used in financial activities	(6,107)	(888)	(1,228)	(340)	1,925	(1,282)	14,022
CAPITAL							
Purchase of tangible capital assets	(105)	(467)	(764)	(297)	(1,338)	(30)	(14,269)
Cash provided by (used in) capital activities	(105)	(467)	(764)	(297)	(1,338)	(30)	(14,269)
(DECREASE) INCREASE IN CASH	(9)	-	-	-	-	-	-
CASH, BEGINNING OF YEAR	48	39	39	-	39	39	39
CASH, END OF YEAR	$ 39	$ 39	$ 39	$ -	$ 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 2015	Council Adopted 2016	Projected Actual 2016	Variance	2017	2018	2019
EXCESS REVENUES OVER EXPENSES	$ (52)	$ (254)	$ 1,113	$ 1,367	$(1,714)	$ 271	$(1,173)
Amortization of tangible capital assets	1,488	1,608	1,266	(342)	1,194	1,107	1,487
Change in inventories and prepaid expense	104	-	-	-	-	-	-
Loss on sale of tangible capital assets	-	-	-	-	-	-	-
Transfer to the City of Winnipeg - General Revenue Fund	(3,000)	-	-	-	(500)	-	-
Acquisition of tangible capital assets	(105)	(467)	(764)	(297)	(1,338)	(30)	(14,269)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(1,565)	887	1,615	728	(2,358)	1,348	(13,955)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	8,469	6,936	6,904	(32)	8,519	6,161	7,509
NET FINANCIAL ASSETS, END OF YEAR	$ 6,904	$ 7,823	$ 8,519	$ 696	$ 6,161	$ 7,509	$(6,446)

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, 2019
(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 2016	2017	2018	2019
The City of Winnipeg - General Revenue Fund				
Start-up loan with no specific terms of repayment	$ 3,918	$ 3,918	$ 3,918	$ 3,918
Loan to finance paystation replacement	-	-	-	13,110
	$ 3,918	$ 3,918	$ 3,918	$ 17,028

6. Accrued Employee Benefits

a) Retirement allowance and compensated absences

	Forecast 2016	2017	2018	2019
Retirement allowance - accrued benefit liability	$ 117	$ 119	$ 121	$ 123
Vacation	252	257	263	268
Compensated absences	42	43	44	45
	$ 411	$ 419	$ 428	$ 436

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 2016	**2017**	**2018**	**2019**
Land	$ 73	$ 73	$ 73	$ 73
Parkades	4,317	4,997	4,679	4,361
Authority assets				
Leasehold improvements	664	591	517	444
Parking surfaces	250	261	242	220
Equipment				
Vehicles	-	-	-	-
Meters and pay stations	1,560	896	386	13,705
Equipment	77	159	129	107
Computer equipment	192	302	176	74
Office furniture and equipment	2	-	-	-
	$ 7,135	$ 7,279	$ 6,202	$ 18,984

8. 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 2016	2017	2018	2019
a) Sales of goods and services to The City of Winnipeg	$ 314	$ 320	$ 327	$ 333
b) Municipal Accommodations Fund				
Rental of office space	269	254	254	254
Services provided at various locations	242	201	65	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	344	514	548	579
e) General Revenue Fund				
Transfer to the City of Winnipeg General Revenue Fund as a return on investment	-	500	-	-
Corporate Support Services				
Agency's share of City's general expenses	81	81	81	81
311 services	133	133	133	133
Business technology service	241	241	241	241
Campus HR	103	106	108	110
Assessment and Taxation				
Payments-in-lieu of municipal taxes	195	200	145	147