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 2016	Council Adopted 2017	Projected 2017	2018	2019	2020
FINANCIAL ASSETS							
Cash		$ 55	$ 39	$ 39	$ 39	$ 39	$ 39
Accounts receivable, net		$ 1,874	1,451	$ 1,260	1,022	992	962
Due from The City of Winnipeg - Land Operating Reserve	3	$ 10,000	10,000	10,000	9,405	9,405	9,405
Due from The City of Winnipeg - General Fund	4	$ 4,372	340	4,161	-	577	1,794
		16,301	11,830	15,460	10,466	11,013	12,200
LIABILITIES							
Due to City of Winnipeg - General Revenue Fund	4	-	-	-	449	-	-
Accounts payable and accrued liabilities		1,097	1,205	1,205	1,205	1,205	1,205
Deferred revenue		106	127	127	127	127	127
Debt	5	3,918	3,918	3,918	3,918	3,918	3,918
Accrued employee benefits	6	409	419	419	428	436	441
		5,530	5,669	5,669	6,127	5,686	5,691
NET FINANCIAL ASSETS		10,771	6,161	9,791	4,339	5,327	6,509
NON-FINANCIAL ASSETS							
Tangible capital assets	7	6,806	7,279	7,114	6,155	5,628	5,130
Inventories		181	106	106	106	106	106
Prepaid expenses		1	-	-	-	-	-
		6,988	7,385	7,220	6,261	5,734	5,236
ACCUMULATED SURPLUS		$ 17,759	$ 13,546	$ 17,011	$ 10,600	$ 11,061	$ 11,745
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 2016	Council Adopted 2017	Projected Actual 2017	Variance	2018	2019	2020
REVENUES								
Enforcement		$ 7,106	7,586	$ 7,253	(333)	$ 8,274	$ 8,979	$ 9,080
Meters		6,775	6,106	6,217	111	9,575	10,145	10,221
Parking Fees					-			
Surface Parking Lots		1,521	1,818	1,547	(271)	1,558	1,876	1,899
Millennium Library Parkade		953	803	1,494	691	1,037	835	845
Special Events		568	486	-	(486)	571	505	511
Parking Permits		99	91	-	(91)	93	95	96
Sundry		73	58	48	(10)	68	68	68
Total Revenues		17,095	16,948	16,559	(389)	21,176	22,503	22,720
EXPENSES								
Services								
Parking Enforcement		3,042	3,297	3,246	(51)	3,363	3,430	3,471
Meters		1,603	1,891	1,618	(273)	2,183	2,297	2,325
Utilities		354	435	360	(75)	359	361	366
Parkade Management		230	271	373	102	276	282	285
Special Events		129	160	-	(160)	163	166	168
Other Services		1,068	1,703	1,226	(477)	1,556	1,730	1,700
Salaries & Employee Benefits		3,105	3,859	3,485	(374)	3,902	4,102	4,246
Amortization		1,240	1,195	1,279	84	1,100	832	652
Materials, Parts and supplies		720	1,756	1,058	(698)	1,464	1,897	1,859
Provision for Bad Debts		934	838	887	49	838	838	848
Debt and Finance Charges		188	183	217	34	230	183	185
Recoveries		(42)	(3)	(20)	(17)	(3)	(3)	(3)
Other *		1,412	3,077	3,078	1	2,640	1,135	1,142
Total Expenses		13,983	18,662	16,807	(1,855)	18,071	17,250	17,244
NET INCOME		3,112	(1,714)	(248)	1,466	3,105	5,253	5,476
Accumulated Surplus - Beginning		14,647	15,760	17,759	1,999	17,011	10,600	11,061
Distribution to City		-	(500)	(500)	-	(9,516)	(4,792)	(4,792)
		14,647	15,260	17,259	1,999	7,495	5,808	6,269
ACCUMULATED SURPLUS		$ 17,759	$ 13,546	$ 17,011	$ 3,465	$ 10,600	$ 11,061	$ 11,745

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 2016	Council Adopted 2017	Projected Actual 2017	Variance	2018	2019	2020
OPERATING							
Excess (Deficiency) of revenues over expenses	$ 3,112	$ (1,714)	$ (248)	$ 1,466	$ 3,105	$ 5,253	$ 5,476
Non-cash charges to operations							
Amortization	1,240	1,194	1,279	85	1,100	832	652
Retirement allowance and compensated absences	8	8	10	2	9	8	5
	4,360	(512)	1,041	1,553	4,214	6,093	6,133
Net change in non-cash working capital balances related to operations	(1,100)	(75)	819	894	238	30	30
Accounts Receivable	(894)	(75)	614	689	238	30	30
Accounts Payable	(109)	-	108	108	-	-	-
Deferred Revenue	(21)	-	21	21	-	-	-
Inventories	(75)	-	75	75	-	-	-
Prepaid	(1)	-	1	1	-	-	-
Cash provided by operating activities	3,260	(587)	1,860	2,447	4,452	6,123	6,163
FINANCING							
Change in due to The City of Winnipeg - General Revenue Fund	(2,835)	2,425	211	(2,214)	4,610	(1,026)	(1,217)
Change in due to The City of Winnipeg - General Revenue Fund	-	-	-	-	595	-	-
Transfer to The City of Winnipeg - General Revenue Fund	-	(500)	(500)	-	(4,516)	(4,792)	(4,792)
Transfer to the City of Winnipeg - Land Operating Reserve	-	-	-	-	(5,000)	-	-
Cash used in financial activities	(2,835)	1,925	(289)	(2,214)	(4,311)	(5,818)	(6,009)
CAPITAL							
Purchase of tangible capital assets	(409)	(1,338)	(1,587)	(249)	(141)	(305)	(154)
Cash provided by (used in) capital activities	(409)	(1,338)	(1,587)	(249)	(141)	(305)	(154)
(DECREASE) INCREASE IN CASH	16	-	(16)	(16)	-	-	-
CASH, BEGINNING OF YEAR	39	39	55	16	39	39	39
CASH, END OF YEAR	$ 55	$ 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 2016	Council Adopted 2017	Projected Actual 2017	Variance	2018	2019	2020
EXCESS (DEFICIENCY) REVENUES OVER EXPENSES	$ 3,112	$ (1,714)	$ (248)	$ 1,466	$ 3,105	$ 5,253	$ 5,476
Amortization of tangible capital assets	1,240	1,194	1,279	85	1,100	832	652
Change in inventories and prepaid expense	(76)	-	76	76	-	-	-
Transfer to the City of Winnipeg - General Revenue Fund	-	(500)	(500)	-	(4,516)	(4,792)	(4,792)
Transfer to the City of Winnipeg - Land Operating Reserve	-	-	-	-	(5,000)	-	-
Acquisition of tangible capital assets	(409)	(1,338)	(1,587)	(249)	(141)	(305)	(154)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	3,867	(2,358)	(980)	1,378	(5,452)	988	1,182
NET FINANCIAL ASSETS, BEGINNING OF YEAR	6,904	8,519	10,771	2,252	9,791	4,339	5,327
NET FINANCIAL ASSETS, END OF YEAR	$ 10,771	$ 6,161	$ 9,791	$ 3,630	$ 4,339	$ 5,327	$ 6,509

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, 2020
(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. In 2017 a payment of $595 thousand was received from The City of Winnipeg - Land Operating Reserve.

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 2017	2018	2019	2020
The City of Winnipeg - General Revenue Fund				
Start-up loan with no specific terms of repayment	$ 3,918	$ 3,918	$ 3,918	$ 3,918
	$ 3,918	$ 3,918	$ 3,918	$ 3,918

6. Accrued Employee Benefits

a) Retirement allowance and compensated absences

	Forecast 2017	2018	2019	2020
Retirement allowance - accrued benefit liability	$ 136	$ 139	$ 142	$ 145
Vacation	231	236	240	241
Compensated absences	52	53	54	55
	$ 419	$ 428	$ 436	$ 441

6. Accrued Employee Benefits

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 2017	2018	2019	2020
Land	$ 73	$ 73	$ 73	$ 73
Parkades	4,997	4,679	4,361	4,043
Authority assets				
Leasehold improvements	368	315	261	216
Parking surfaces	261	242	220	198
Equipment				
Meters and pay stations	896	386	175	121
Equipment	445	332	471	458
Computer equipment	54	114	59	18
Office furniture and equipment	20	14	8	3
	$ 7,114	$ 6,155	$ 5,628	$ 5,130

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 2017	2018	2019	2020
a) Sales of goods and services to The City of Winnipeg	$ 305	$ 311	$ 317	$ 324
b) Municipal Accommodations Fund				
Rental of office space	254	254	254	254
Services provided at various locations	115	185	65	66
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	400	457	522	542
e) General Revenue Fund				
Transfer to the City of Winnipeg General Revenue Fund as a return on investment	500	4,516	4,792	4,792
Transfer to the City of Winnipeg Land Operating Reserve	-	5,000	-	-
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	108	111	113	115
Assessment and Taxation				
Payments-in-lieu of municipal taxes	200	194	94	96