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 2017	Council Adopted 2018	Projected 2018	2019	2020	2021
FINANCIAL ASSETS							
Cash		$ 78	$ 39	$ 39	$ 39	$ 39	$ 39
Accounts receivable, net		$ 2,375	1,022	$ 1,942	1,258	1,240	1,222
Due from The City of Winnipeg - Land Operating Reserve	3	$ 9,405	9,405	4,405	-	-	-
Due from The City of Winnipeg - General Fund	4	$ 9,221	-	13,311	10,626	12,022	13,164
		21,079	10,466	19,697	11,923	13,301	14,425
LIABILITIES							
Due to City of Winnipeg - General Revenue Fund	4	-	449	-	-	-	-
Accounts payable and accrued liabilities		289	1,205	1,205	1,205	1,205	1,205
Deferred revenue		133	127	127	127	127	127
Debt	5	3,918	3,918	3,918	3,918	3,918	3,918
Accrued employee benefits	6	506	428	428	436	441	441
		4,846	6,127	5,678	5,686	5,691	5,691
NET FINANCIAL ASSETS		16,233	4,339	14,019	6,237	7,610	8,734
NON-FINANCIAL ASSETS							
Tangible capital assets	7	6,096	6,155	6,279	6,345	5,815	5,150
Inventories		221	106	106	106	106	106
Prepaid expenses		1	-	-	-	-	-
		6,318	6,261	6,385	6,451	5,921	5,256
ACCUMULATED SURPLUS		$ 22,551	$ 10,600	$ 20,404	$ 12,688	$ 13,531	$ 13,990
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 2017	Council Adopted 2018 *	Projected Actual 2018	Variance	2019	2020	2021
REVENUES								
Enforcement		$ 8,370	8,274	$ 8,640	366	$ 10,343	$ 10,754	$ 10,870
Meters		6,893	10,575	10,362	(213)	10,564	10,833	10,799
Parking Fees					-			
Surface Parking Lots		1,698	1,558	1,875	317	1,648	1,883	1,932
Millennium Library Parkade		1,276	1,037	1,388	351	1,285	1,300	1,316
Special Events		584	571	582	11	605	511	518
Parking Permits		110	93	95	2	95	96	97
Vehicles for Hire Permits & Fees		-	-	1,462	1,462	1,506	1,506	1,524
Sundry		91	68	161	93	83	84	85
Total Revenues		19,022	22,176	24,565	2,389	26,129	26,967	27,141
EXPENSES								
Services								
Parking Enforcement		2,914	3,363	3,021	(342)	2,984	3,321	3,366
Meters		1,572	2,183	1,850	(333)	2,147	2,161	2,270
Utilities		333	359	320	(39)	337	341	345
Parkade Management		224	276	250	(26)	293	296	300
Special Events		138	163	162	(1)	173	175	177
Vehicles for Hire		-	-	314	314	445	459	459
Other Services		924	1,556	1,052	(504)	1,180	1,251	1,217
Salaries & Employee Benefits		3,324	3,902	4,176	274	4,774	4,888	4,987
Amortization		1,185	1,100	1,100	-	903	842	828
Materials, Parts and supplies		880	1,465	1,021	(444)	1,644	1,692	1,979
Provision for Bad Debts		828	838	983	145	1,210	1,220	1,234
Debt and Finance Charges		232	229	216	(13)	222	185	187
Recoveries		(26)	(3)	(20)	(17)	(3)	(3)	(3)
Other		1,202	2,640	1,710	(930)	3,178	1,493	1,505
Total Expenses		13,730	18,071	16,155	(1,916)	19,487	18,321	18,851
NET INCOME		5,292	4,105	8,410	4,305	6,642	8,646	8,290
Accumulated Surplus - Beginning		17,759	17,011	22,551	5,540	20,404	12,688	13,531
Distribution to City		(500)	(10,516)	(10,557)	(41)	(14,358)	(7,803)	(7,831)
		17,259	6,495	11,994	5,499	6,046	4,885	5,700
ACCUMULATED SURPLUS		$ 22,551	$ 10,600	$ 20,404	$ 9,804	$ 12,688	$ 13,531	$ 13,990

See accompanying notes and schedules to the financial statements

***** 2017 Business plan showed 2018 revenue from parking meters and distribution to the City being $1M less due to timing of the decision to approve additional parking meter rate increase of $0.50 for a total increase of $1.50. Current Business plan Council Adopted 2018 column shows additional $1M for 2018 parking meter revenue and distribution to the City as this was in fact approved by Council.

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 2017	Council Adopted 2018	Projected Actual 2018	Variance	2019	2020	2021
OPERATING							
Excess (Deficiency) of revenues over expenses	$ 5,292	$ 4,105	$ 8,410	$ 4,305	$ 6,642	$ 8,646	$ 8,290
Non-cash charges to operations							
Amortization	1,185	1,100	1,100	-	903	842	828
Retirement allowance and compensated absences	96	9	(78)	(87)	8	5	-
	6,573	5,214	9,432	4,218	7,553	9,493	9,118
Net change in non-cash working capital balances related to operations	(1,321)	238	1,459	1,221	684	18	18
Accounts Receivable	(501)	238	433	195	684	18	18
Accounts Payable	(807)	-	916	916	-	-	-
Deferred Revenue	27	-	(6)	(6)	-	-	-
Inventories	(40)	-	115	115	-	-	-
Prepaid	-	-	1	1	-	-	-
Cash provided by operating activities	5,252	5,452	10,891	5,439	8,237	9,511	9,136
FINANCING							
Change in due to The City of Winnipeg - General Revenue Fund	(4,849)	4,610	(4,090)	(8,700)	2,685	(1,396)	(1,142)
Change in due to The City of Winnipeg - Land Operating Reserve	595	595	5,000	4,405	4,405	-	-
Transfer to The City of Winnipeg - General Revenue Fund	(500)	(5,516)	(5,557)	(41)	(9,953)	(7,803)	(7,831)
Transfer to the City of Winnipeg - Land Operating Reserve	-	(5,000)	(5,000)	-	(4,405)	-	-
Cash used in financial activities	(4,754)	(5,311)	(9,647)	(4,336)	(7,268)	(9,199)	(8,973)
CAPITAL							
Purchase of tangible capital assets	(475)	(141)	(1,283)	(1,142)	(969)	(312)	(163)
Cash provided by (used in) capital activities	(475)	(141)	(1,283)	(1,142)	(969)	(312)	(163)
(DECREASE) INCREASE IN CASH	23	-	(39)	(39)	-	-	-
CASH, BEGINNING OF YEAR	55	39	78	39	39	39	39
CASH, END OF YEAR	$ 78	$ 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 2017	Council Adopted 2018	Projected Actual 2018	Variance	2019	2020	2021
EXCESS (DEFICIENCY) REVENUES OVER EXPENSES	$ 5,292	$ 4,105	$ 8,410	$ 4,305	$ 6,642	$ 8,646	$ 8,290
Amortization of tangible capital assets	1,185	1,100	1,100	-	903	842	828
Change in inventories and prepaid expense	(40)	-	116	116	-	-	-
Transfer to the City of Winnipeg - General Revenue Fund	(500)	(5,516)	(5,557)	(41)	(9,953)	(7,803)	(7,831)
Transfer to the City of Winnipeg - Land Operating Reserve	-	(5,000)	(5,000)	-	(4,405)	-	-
Acquisition of tangible capital assets	(475)	(141)	(1,283)	(1,142)	(969)	(312)	(163)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	5,462	(5,452)	(2,214)	3,238	(7,782)	1,373	1,124
NET FINANCIAL ASSETS, BEGINNING OF YEAR	10,771	9,791	16,233	6,442	14,019	6,237	7,610
NET FINANCIAL ASSETS, END OF YEAR	$ 16,233	$ 4,339	$ 14,019	$ 9,680	$ 6,237	$ 7,610	$ 8,734

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, 2021
(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.

iv) Accounting policy changes

The Public Sector Accounting Board issued updated standards, PS 3210 Asset, PS 3320 Contingent Assets and PS 3390 Contractual Rights. The new standards apply to the Agency for the fiscal year beginning January 1, 2018. As permitted in the standards, the Agency adopted these standards for the year ended December 31, 2017 and thus, they have been utilized for the preparation of these consolidated financial statements. As a result of this adoption, no material impacts on the financial statements occurred.

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 2018	2019	2020	2121
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 2018	2019	2020	2121
Retirement allowance - accrued benefit liability	$ 114	$ 116	$ 117	$ 117
Vacation	261	266	268	268
Compensated absences	53	54	56	56
	$ 428	$ 436	$ 441	$ 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 14.3 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 2018	**2019**	**2020**	**2121**
Land	$ 73	$ 73	$ 73	$ 73
Parkades	4,745	4,426	4,107	3,788
Authority assets				
Leasehold improvements	315	261	216	190
Parking surfaces	172	156	140	124
Equipment				
Meters and pay stations	386	174	121	71
Equipment	468	1,110	1,054	852
Computer equipment	104	135	100	51
Office furniture and equipment	16	10	4	1
	$ 6,279	$ 6,345	$ 5,815	$ 5,150

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 2018	**2019**	**2020**	**2021**
a) Sales of goods and services to The City of Winnipeg	$ 305	$ 311	$ 317	$ 324
b) Municipal Accommodations Fund				
Rental of office space	345	345	345	345
Services provided at various locations	107	(6)	5	13
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	44	-	-	-
e) General Revenue Fund				
Transfer to the City of Winnipeg (Centrepoint parkade development)	595	-	-	-
Transfer to the City of Winnipeg General Revenue Fund as a return on investment	4,962	6,833	6,833	6,833
Transfer to the City of Winnipeg Land Operating Reserve	5,000	-	-	-
Corporate Support Services				
Agency's share of City's general expenses	102	106	106	106
311 services	193	183	184	185
Business technology service	5	-	-	-
Campus HR	180	-	-	-
Assessment and Taxation				
Payments-in-lieu of municipal taxes	118	-	-	-