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 2018	Council Adopted 2019	Projected 2019	2020	2021	2022	2023
FINANCIAL ASSETS								
Cash		$ 71	$ 39	$ 71	$ 71	$ 71	$ 71	$ 71
Accounts receivable, net		2,827	1,258	2,828	2,828	2,828	2,828	2,828
Due from The City of Winnipeg - Land Operating Reserve	3	4,405	-	-	-	-	-	-
Due from The City of Winnipeg - General Fund	4	11,432	10,626	8,420	3,446	4,216	4,966	5,653
		18,735	11,923	11,319	6,345	7,115	7,865	8,552
LIABILITIES								
Accounts payable and accrued liabilities		380	1,205	290	291	290	290	290
Deferred revenue		403	127	412	412	412	412	412
Debt	5	3,918	3,918	3,918	3,918	3,918	3,918	3,918
Accrued employee benefits	6	561	436	660	671	683	695	707
		5,262	5,686	5,280	5,292	5,303	5,315	5,327
NET FINANCIAL ASSETS		13,473	6,237	6,039	1,053	1,812	2,550	3,225
NON-FINANCIAL ASSETS								
Tangible capital assets	7	5,958	6,345	5,873	5,723	4,990	4,279	3,629
Inventories		181	106	184	184	184	184	184
Prepaid expenses		1	-	-	-	-	-	-
		6,140	6,451	6,057	5,907	5,174	4,463	3,813
ACCUMULATED SURPLUS		$ 19,613	$ 12,688	$ 12,096	$ 6,960	$ 6,986	$ 7,013	$ 7,038

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 2018	Council Adopted 2019 *	Projected Actual 2019	Variance	2020	2021	2022	2023
REVENUES									
Meters		$ 8,869	10,564	$ 8,962	(1,602)	$ 8,981	$ 8,981	$ 8,981	$ 8,981
Enforcement		8,371	10,343	9,266	(1,077)	8,951	8,951	8,951	8,951
Parking Fees					-				
Surface Parking Lots		2,133	1,648	2,188	540	2,116	2,172	2,252	2,334
Millennium Library Parkade		1,401	1,285	1,533	248	1,478	1,500	1,500	1,500
Vehicles for Hire Permits & Fees		1,311	1,506	1,386	(120)	1,496	1,532	1,548	1,584
Special Events		628	605	599	(6)	335	335	335	335
Parking Permits		103	95	108	13	96	97	97	97
Sundry		243	83	536	453	405	388	388	388
Total Revenues		23,059	26,129	24,578	(1,551)	23,858	23,956	24,052	24,170
EXPENSES									
Salaries & Employee Benefits		3,809	4,774	4,211	(563)	4,975	5,117	5,260	5,406
Services									
Parking Enforcement		3,097	2,984	2,995	11	3,320	3,366	3,350	3,209
Meters		1,677	2,147	1,656	(491)	1,814	1,720	1,739	1,755
Utilities		414	337	362	25	337	341	345	348
Vehicles for Hire		381	445	297	(148)	501	516	531	542
Parkade Management		229	293	163	(130)	330	335	343	352
Special Events		144	173	296	123	100	100	100	100
Other Services		832	1,180	1,073	(107)	1,307	1,264	1,261	1,183
Provision for Bad Debts		1,384	1,210	1,183	(27)	1,220	1,234	1,234	1,234
Amortization		1,063	903	903	-	855	912	905	832
Materials, Parts and supplies		938	1,644	1,134	(510)	1,359	1,486	1,459	1,502
Debt and Finance Charges		287	222	325	103	205	207	207	207
Recoveries		(36)	(3)	(38)	(35)	(3)	(3)	(3)	(3)
Other		1,263	3,178	3,218	40	1,624	1,414	1,272	1,276
Total Expenses		15,482	19,487	17,778	(1,709)	17,944	18,009	18,003	17,943
NET INCOME		7,577	6,642	6,800	158	5,914	5,947	6,049	6,227
Accumulated Surplus - Beginning		22,551	20,404	19,613	(791)	12,096	6,960	6,986	7,013
Distribution to City		(10,515)	(14,358)	(14,317)	41	(11,050)	(5,921)	(6,022)	(6,202)
		12,036	6,046	5,296	(750)	1,046	1,039	964	811
ACCUMULATED SURPLUS		$ 19,613	$ 12,688	$ 12,096	$ (592)	$ 6,960	$ 6,986	$ 7,013	$ 7,038

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 2018	Council Adopted 2019	Projected Actual 2019	Variance	2020	2021	2022	2023
OPERATING								
Excess of revenues over expenses	$ 7,577	$ 6,642	$ 6,800	$ 158	$ 5,914	$ 5,947	$ 6,049	$ 6,227
Non-cash charges to operations								
Amortization	1,063	903	903	-	855	912	905	832
Retirement allowance and compensated absences	85	8	99	91	11	12	12	12
	8,725	7,553	7,802	249	6,780	6,871	6,966	7,071
Net change in non-cash working capital balances related to operations	(81)	684	(84)	(768)	1	(1)	-	-
Accounts Receivable	(452)	684	(1)	(685)	-	-	-	-
Accounts Payable	62	-	(90)	(90)	1	(1)	-	-
Deferred Revenue	271	-	9	9	-	-	-	-
Inventories	39	-	(3)	(3)	-	-	-	-
Prepaid	(1)	-	1	1	-	-	-	-
Cash provided by operating activities	8,644	8,237	7,718	(519)	6,781	6,870	6,966	7,071
FINANCING								
Change in due to The City of Winnipeg - General Revenue Fund	(2,211)	2,685	3,012	327	4,974	(770)	(750)	(687)
Change in due to The City of Winnipeg - Land Operating Reserve	5,000	4,405	4,405	-	-	-	-	-
Transfer to The City of Winnipeg - General Revenue Fund	(5,515)	(9,953)	(9,912)	41	(11,050)	(5,921)	(6,022)	(6,202)
Transfer to the City of Winnipeg - Land Operating Reserve	(5,000)	(4,405)	(4,405)	-	-	-	-	-
Cash used in financial activities	(7,726)	(7,268)	(6,900)	368	(6,076)	(6,691)	(6,772)	(6,889)
CAPITAL								
Purchase of tangible capital assets	(925)	(969)	(818)	151	(705)	(179)	(194)	(182)
Cash provided by (used in) capital activities	(925)	(969)	(818)	151	(705)	(179)	(194)	(182)
(DECREASE) INCREASE IN CASH	(7)	-	-	-	-	-	-	-
CASH, BEGINNING OF YEAR	78	39	71	32	71	71	71	71
CASH, END OF YEAR	$ 71	$ 39	$ 71	$ 32	$ 71	$ 71	$ 71	$ 71

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 2018	Council Adopted 2019	Projected Actual 2019	Variance	2020	2021	2022	2023
EXCESS OF REVENUES OVER EXPENSES	$ 7,577	$ 6,642	$ 6,800	$ 158	$ 5,914	$ 5,947	$ 6,049	$ 6,227
Amortization of tangible capital assets	1,063	903	903	-	855	912	905	832
Change in inventories and prepaid expense	40	-	(2)	(2)	-	-	-	-
Transfer to the City of Winnipeg - General Revenue Fund	(5,515)	(9,953)	(9,912)	41	(11,050)	(5,921)	(6,022)	(6,202)
Transfer to the City of Winnipeg - Land Operating Reserve	(5,000)	(4,405)	(4,405)	-	-	-	-	-
Acquisition of tangible capital assets	(925)	(969)	(818)	151	(705)	(179)	(194)	(182)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(2,760)	(7,782)	(7,434)	348	(4,986)	759	738	675
NET FINANCIAL ASSETS, BEGINNING OF YEAR	16,233	14,019	13,473	(546)	6,039	1,053	1,812	2,550
NET FINANCIAL ASSETS, END OF YEAR	$ 13,473	$ 6,237	$ 6,039	$ (198)	$ 1,053	$ 1,812	$ 2,550	$ 3,225

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 four years ending December 31, 2023
(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.

The Agency provides screening and collection services for City by-law penalty notices issued under the Municipal By-Law Enforcement Act (MBEA), effective November 20, 2017.

The Vehicles for Hire division of the Agency came into effect February 28, 2018, under the Vehicles for Hire By-law No. 129/2017. It provides licensing, oversight, and enforcement of the vehicles for hire industry.

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.

2. Significant Accounting Policies (continued)

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.

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.

2. *Significant Accounting Policies (continued)*

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 2019 a payment of $4.4 million (2018 - $5 million) 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 2019	2020	2021	2022	2023
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	$ 3,918	$ 3,918

6. *Accrued Employee Benefits*

a) Retirement allowance and compensated absences

	Forecast 2019	2020	2021	2022	2023
Retirement allowance - accrued benefit liability	$ 233	$ 237	$ 242	$ 247	$ 252
Vacation	338	345	352	355	366
Compensated absences	89	89	89	93	89
	$ 660	$ 671	$ 683	$ 695	$ 707

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 2019	2020	2021	2022	2023
Land	73	$ 73	$ 73	$ 73	$ 73
Parkades	4,152	3,848	3,543	3,239	2,935
Authority assets					
Leasehold improvements	261	216	190	164	138
Parking surfaces	156	140	124	108	92
Equipment					
Vehicles		-	-	-	-
Meters and pay stations	182	127	77	30	6
Equipment	970	961	773	595	383
Computer equipment	69	354	210	70	2
Office furniture and equipment	10	4	-	-	-
	$ 5,873	$ 5,723	$ 4,990	$ 4,279	$ 3,629

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 2019	2020	2021	2022	2023
a) Sales of goods and services to The City of Winnipeg	305	$ 311	$ 317	$ 324	$ 330
b) Municipal Accommodations Fund					
Rental of office space	345	324	324	324	324
Services provided at various locations	103	103	103	103	103
c) Winnipeg Transit System Fund					
Coin counting and deposit services	48	48	48	48	48
d) Winnipeg Fleet Management					
Insurance, fuel, maintenance and rental on vehicles owned/leased by the Agency	236	289	292	292	292
e) General Revenue Fund					
Transfer to the City of Winnipeg (Centrepoint parkade development)		-	-	-	-
Transfer to the City of Winnipeg General Revenue Fund as a return on investment	9,912	11,050	5,921	6,022	6,202
Transfer to the City of Winnipeg Land Operating Reserve	4,405	-	-	-	-
Corporate Support Services					
311 services	183	184	185	186	187
Business technology service	243	243	243	243	243
Campus HR	111	113	115	117	120
Assessment and Taxation					
Payments-in-lieu of municipal taxes	198	95	98	98	98