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 2019	Council Adopted 2020	Projected 2020	2021	2022	2023
FINANCIAL ASSETS							
Cash		$ 52	$ 71	$ 71	$ 71	$ 71	$ 71
Accounts receivable, net		3,311	2,828	2,828	2,828	2,828	2,828
Due from The City of Winnipeg - General Fund	4	10,245	3,458	4,750	-	-	-
		13,608	6,357	7,649	2,899	2,899	2,899
LIABILITIES							
Due to City of Winnipeg - General Revenue Fund	4	-	-	-	1,067	707	348
Accounts payable and accrued liabilities		1,258	291	290	290	290	290
Deferred revenue		735	412	410	412	412	412
Debt	5	3,918	3,918	3,918	3,918	3,918	3,918
Accrued employee benefits	6	586	671	610	683	695	707
		6,497	5,292	5,228	6,370	6,022	5,675
NET FINANCIAL ASSETS/ NET DEBT		7,111	1,065	2,421	(3,471)	(3,123)	(2,776)
NON-FINANCIAL ASSETS							
Tangible capital assets	7	5,764	5,723	5,749	5,116	4,491	3,870
Inventories		260	184	183	183	183	183
Prepaid expenses		4	-	-	-	-	-
		6,028	5,907	5,932	5,299	4,674	4,053
ACCUMULATED SURPLUS		$ 13,139	$ 6,972	$ 8,353	$ 1,828	$ 1,551	$ 1,277

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 2019	Council Adopted 2020	Projected Actual 2020	Variance	2021	2022	2023
REVENUES								
Federal Safe Restart Funding	8	-	-	7,735	7,735	-	-	-
Enforcement		$ 9,334	8,981	$ 4,753	(4,228)	$ 6,709	$ 9,793	$ 9,818
Meters		9,475	8,951	3,878	(5,073)	5,920	8,499	8,499
Parking Fees								
Surface Parking Lots		2,346	2,116	1,378	(738)	1,520	2,252	2,334
Millennium Library Parkade		1,432	1,478	1,418	(60)	1,050	1,500	1,500
Vehicles for Hire Permits & Fees		1,408	1,496	1,211	(285)	1,010	1,455	1,467
Special Events		589	335	162	(173)	235	335	335
Interest received		245	25	100	75	25	25	25
Sundry		82	476	290	(186)	373	460	460
Total Revenues		24,911	23,858	20,925	(2,933)	16,842	24,319	24,438
EXPENSES								
Salaries & Employee Benefits		4,195	4,975	4,388	(587)	5,133	5,227	5,368
Services								
Parking Enforcement		2,994	3,320	2,771	(549)	2,546	3,350	3,209
Meters		1,339	1,802	1,242	(560)	1,638	1,645	1,615
Utilities		328	337	334	(3)	341	345	349
Vehicles for Hire		380	501	354	(147)	325	336	341
Parkade Management		257	330	310	(20)	335	343	352
Special Events		141	100	10	(90)	100	100	100
Other Services		1,338	1,307	740	(567)	1,267	1,264	1,185
Provision for Bad Debts		1,235	1,220	1,220	-	1,234	1,234	1,234
Amortization		865	855	827	(28)	826	820	805
Materials, Parts and supplies		788	1,359	760	(599)	1,919	1,845	1,884
Debt and Finance Charges		310	205	237	32	207	207	207
Recoveries		(45)	(3)	(21)	(18)	(3)	(3)	(3)
Other		2,943	1,624	1,489	(135)	1,414	1,272	1,276
Total Expenses		17,068	17,932	14,661	(3,271)	17,282	17,985	17,922
NET INCOME (LOSS)		7,843	5,926	6,264	338	(440)	6,334	6,516
Accumulated Surplus - Beginning		19,613	12,096	13,139	1,043	8,353	1,828	1,551
Distribution to City		(14,317)	(11,050)	(11,050)	-	(6,085)	(6,611)	(6,790)
		5,296	1,046	2,089	1,043	2,268	(4,783)	(5,239)
ACCUMULATED SURPLUS		$ 13,139	$ 6,972	$ 8,353	$ 1,381	$ 1,828	$ 1,551	$ 1,277

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 2019	Council Adopted 2020	Projected Actual 2020	Variance	2021	2022	2023
OPERATING							
Excess (deficiency) of revenues over expenses	$ 7,843	$ 5,926	$ 6,264	$ 338	$ (440)	$ 6,334	$ 6,516
Non-cash charges to operations							
Amortization	865	855	827	(28)	826	820	805
Retirement allowance and compensated absences	25	11	24	13	73	12	12
	8,733	6,792	7,115	323	459	7,166	7,333
Net change in non-cash working capital balances related to operations	644	1	(729)	(730)	2	-	-
Accounts Receivable	(484)	-	483	483	-	-	-
Accounts Payable	878	1	(968)	(969)	-	-	-
Deferred Revenue	332	-	(325)	(325)	2	-	-
Inventories	(79)	-	77	77	-	-	-
Prepaid	(3)	-	4	4	-	-	-
Cash provided by (used in) operating activities	9,377	6,793	6,386	(407)	461	7,166	7,333
FINANCING							
Change in due to The City of Winnipeg - General Revenue Fund	1,187	4,962	5,495	533	5,817	(360)	(359)
Change in due to The City of Winnipeg - Land Operating Reserve	4,405	-	-	-	-	-	-
Transfer to The City of Winnipeg - General Revenue Fund	(9,912)	(11,050)	(11,050)	-	(6,085)	(6,611)	(6,790)
Transfer to the City of Winnipeg - Land Operating Reserve	(4,405)	-	-	-	-	-	-
Cash provided by (used in) financial activities	(8,725)	(6,088)	(5,555)	533	(268)	(6,971)	(7,149)
CAPITAL							
Purchase of tangible capital assets	(671)	(705)	(812)	(107)	(193)	(195)	(184)
Cash used in capital activities	(671)	(705)	(812)	(107)	(193)	(195)	(184)
(DECREASE) INCREASE IN CASH	(19)	-	19	19	-	-	-
CASH, BEGINNING OF YEAR	71	71	52	(19)	71	71	71
CASH, END OF YEAR	$ 52	$ 71	$ 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 (NET DEBT)
For the year ended December 31
(in thousands of dollars)

	Actual 2019	Council Adopted 2020	Projected Actual 2020	Variance	2021	2022	2023
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ 7,843	$ 5,926	$ 6,264	$ 338	$ (440)	$ 6,334	$ 6,516
Amortization of tangible capital assets	865	855	827	(28)	826	820	805
Change in inventories and prepaid expense	(82)	-	81	81	-	-	-
Transfer to the City of Winnipeg - General Revenue Fund	(9,912)	(11,050)	(11,050)	-	(6,085)	(6,611)	(6,790)
Transfer to the City of Winnipeg - Land Operating Reserve	(4,405)	-	-	-	-	-	-
Acquisition of tangible capital assets	(671)	(705)	(812)	(107)	(193)	(195)	(184)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(6,362)	(4,974)	(4,690)	284	(5,892)	348	347
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR	13,473	6,039	7,111	1,072	2,421	(3,471)	(3,123)
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	$ 7,111	$ 1,065	$ 2,421	$ 1,356	$ (3,471)	$ (3,123)	$ (2,776)

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, 2024
(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. During 2019, the Agency transferred the $4.4 million back to The City of Winnipeg - Land Operating Reserve. As of December 31, 2019 the balance is fully repaid.

4. Due to/Due from 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/Due from" 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 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

6. *Accrued Employee Benefits*

a) Retirement allowance and compensated absences

	Forecast 2020	2021	2022	2023
Retirement allowance - accrued benefit liability	$ 237	$ 242	$ 247	$ 252
Vacation	284	352	355	366
Compensated absences	89	89	93	89
	$ 610	$ 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 2020	2021	2022	2023
Land	73	$ 73	$ 73	$ 73
Parkades	3,848	3,543	3,239	2,934
Authority assets				
Leasehold improvements	216	190	164	138
Parking surfaces	140	124	108	92
Equipment				
Vehicles		-	-	-
Meters and pay stations	127	77	30	6
Equipment	1,298	1,087	872	625
Computer equipment	43	22	5	2
Office furniture and equipment	4	-	-	-
	$ 5,749	$ 5,116	$ 4,491	$ 3,870

8. COVID-19 impact on budget

The World Health Organization declared COVID-19 pandemic in 2020. This pandemic significantly impacted 2020 financial projected results and it is expected to impact 2021 year as well. In order to mitigate some of the negative impact of the COVID-19 pandemic Federal Safe Restart funding has been provided to the City of Winnipeg, with $7.735 million to be allocated to Winnipeg Parking Authority in 2020.

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 2020	2021	2022	2023
a) Sales of goods and services to The City of Winnipeg	311	$ 317	$ 324	$ 330
b) Municipal Accommodations Fund				
Rental of office space	324	324	324	324
Services provided at various locations	103	103	103	103
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	361	546	545	561
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	11,050	6,085	6,611	6,790
Transfer to the City of Winnipeg				
Corporate Support Services				
311 services	184	185	186	187
Business technology service	243	243	243	243
Campus HR	113	115	117	120
Assessment and Taxation				
Payments-in-lieu of municipal taxes	95	98	98	98