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 2020	Council Adopted 2021	Projected 2021	2022	2023
FINANCIAL ASSETS						
Cash		$ 111	$ 71	$ 71	$ 71	$ 71
Accounts receivable, net		2,599	2,828	2,828	2,828	2,828
Due from The City of Winnipeg - General Fund	4	7,879	-		-	-
		10,589	2,899	2,899	2,899	2,899
LIABILITIES						
Due to City of Winnipeg - General Revenue Fund	4	-	1,067	2,213	1,378	856
Accounts payable and accrued liabilities		634	290	290	290	290
Deferred revenue		981	412	412	412	412
Debt	5	3,918	3,918	3,918	3,918	3,918
Accrued employee benefits	6	609	683	683	695	707
		6,142	6,370	7,516	6,693	6,183
NET FINANCIAL ASSETS/ NET DEBT		4,447	(3,471)	(4,617)	(3,794)	(3,284)
NON-FINANCIAL ASSETS						
Tangible capital assets	7	5,084	5,116	5,116	4,560	4,036
Inventories		202	183	183	183	183
Prepaid expenses		4	-	-	-	-
		5,290	5,299	5,299	4,743	4,219
ACCUMULATED SURPLUS		$ 9,737	$ 1,828	$ 682	$ 949	$ 935

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 2020	Council Adopted 2021	Projected Actual 2021	Variance	2022	2023
REVENUES							
Enforcement		$ 4,845	6,709	$ 4,634	(2,075)	$ 7,388	$ 9,860
Meters		4,881	5,920	3,847	(2,073)	6,561	8,790
Parking Fees							
Surface Parking Lots		1,334	1,520	871	(649)	1,725	2,410
Millennium Library Parkade		1,118	1,050	991	(59)	1,155	1,561
Vehicles for Hire Permits & Fees		1,247	1,010	1,124	114	1,091	1,467
Special Events		162	235	-	(235)	278	374
Residential Parking Permits		56	97	56	(41)	97	97
Interest received		39	25	7	(18)	25	25
Sundry		302	276	189	(87)	75	73
Total Revenues		13,984	16,842	11,719	(5,123)	18,395	24,657
EXPENSES							
Salaries & Employee Benefits		4,221	5,133	4,306	(827)	5,228	5,370
Services							
Parking Enforcement		2,560	2,546	2,554	8	2,417	3,189
Meters		1,407	1,638	1,435	(203)	1,455	1,425
Utilities		311	341	276	(65)	328	331
Vehicles for Hire		341	325	273	(52)	313	319
Parkade Management		266	335	387	52	343	633
Special Events		10	100	-	(100)	100	100
Other Services		623	1,267	686	(581)	1,457	1,196
Provision for Bad Debts		1,304	1,234	1,215	(19)	1,234	1,234
Amortization		751	826	860	34	821	748
Materials, Parts and supplies		562	1,919	1,232	(687)	1,737	1,848
Debt and Finance Charges		201	207	163	(44)	207	207
Recoveries		(23)	(3)	(23)	(20)	(3)	(3)
Other		1,537	1,414	1,325	(89)	1,262	1,266
Total Expenses		14,071	17,282	14,689	(2,593)	16,899	17,863
NET INCOME (LOSS)		(87)	(440)	(2,970)	(2,530)	1,496	6,794
Accumulated Surplus - Beginning		13,139	8,353	9,737	1,384	682	949
Distribution from City - Federal Safe Restart Funding	8	7,735	-	-	-	-	-
Distribution to City		(11,050)	(6,085)	(6,085)	-	(1,229)	(6,808)
		9,824	2,268	3,652	1,384	(547)	(5,859)
ACCUMULATED SURPLUS		$ 9,737	$ 1,828	$ 682	$ (1,146)	$ 949	$ 935

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 2020	Council Adopted 2021	Projected Actual 2021	Variance	2022	2023
OPERATING						
Excess (deficiency) of revenues over expenses	$ (87)	$ (440)	$ (2,970)	$ (2,530)	$ 1,496	$ 6,794
Non-cash charges to operations						
Amortization	751	826	860	34	821	748
Retirement allowance and compensated absences	23	73	74	1	12	12
	687	459	(2,036)	(2,495)	2,329	7,554
Net change in non-cash working capital balances related to operations	392	2	(1,119)	(1,121)	-	-
Accounts Receivable	712	-	(229)	(229)	-	-
Accounts Payable	(624)	-	(344)	(344)	-	-
Deferred Revenue	246	2	(569)	(571)	-	-
Inventories	58	-	19	19	-	-
Prepaid	-	-	4	4	-	-
Cash provided by (used in) operating activities	1,079	461	(3,155)	(3,616)	2,329	7,554
FINANCING						
Change in due to The City of Winnipeg - General Revenue Fund	2,366	5,817	10,092	4,275	(835)	(522)
Transfer to The City of Winnipeg - General Revenue Fund	(11,050)	(6,085)	(6,085)	-	(1,229)	(6,808)
Transfer from The City of Winnipeg - Federal Safe Restart Funding	7,735	-				
Cash provided by (used in) financial activities	(949)	(268)	4,007	4,275	(2,064)	(7,330)
CAPITAL						
Purchase of tangible capital assets	(71)	(193)	(892)	(699)	(265)	(224)
Cash used in capital activities	(71)	(193)	(892)	(699)	(265)	(224)
(DECREASE) INCREASE IN CASH	59	-	(40)	(40)	-	-
CASH, BEGINNING OF YEAR	52	71	111	40	71	71
CASH, END OF YEAR	$ 111	$ 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 2020	Council Adopted 2021	Projected Actual 2021	Variance	2022	2023
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ (87)	$ (440)	$ (2,970)	$ (2,530)	$ 1,496	$ 6,794
Amortization of tangible capital assets	751	826	860	34	821	748
Change in inventories and prepaid expense	58	-	23	23	-	-
Transfer to the City of Winnipeg - General Revenue Fund	(11,050)	(6,085)	(6,085)	-	(1,229)	(6,808)
Transfer to the City of Winnipeg - Land Operating Reserve	-	-	-	-	-	-
Acquisition of tangible capital assets	(71)	(193)	(892)	(699)	(265)	(224)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(2,664)	(5,892)	(9,064)	(3,172)	823	510
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR	7,111	2,421	4,447	2,026	(4,617)	(3,794)
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	$ 4,447	$ (3,471)	$ (4,617)	$ (1,146)	$ (3,794)	$ (3,284)

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.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in governments worldwide, including Canada's federal, provincial and local governments enacting emergency measures to combat the spread of the virus. These measures resulted in the temporary shutdown of various programs and services.

Management assessed the financial impact on the Agency and as at December 31, 2020, the Agency did not have significant accounting estimate adjustments to reflect the implications of COVID-19. Management believes it has sufficient liquidity to sustain operations.

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.

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. During 2020, a payment of nil (2019 - $4.4 million) was received from The City of Winnipeg - Land Operating Reserve. During 2020, the Agency transferred the nil (2019 - $4.4 million) back to The City of Winnipeg - Land Operating Reserve.

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 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

6. *Accrued Employee Benefits*

a) Retirement allowance and compensated absences

	Forecast 2021	2022	2023
Retirement allowance - accrued benefit liability	$ 242	$ 246	$ 252
Vacation	352	357	366
Compensated absences	89	92	89
	$ 683	$ 695	$ 707

Under the retirement allowance plan, qualifying employees become entitled to a cash payment upon retiremen death or termination of service under certain conditions (not resignation). The costs are actuarially determine using the projected benefit valuation method pro-rated on services and reflects management's best estimat of retirement ages of employees, salary escalation and length of service. In addition, adjustments arisin from plan amendment, changes in assumptions, and experience gains and losses are amortized on a straight-lin 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 sic leave days earned in previous years.

Demographic assumptions such as utilization of sick leave credits, salary increases as a result of increment and promotion, continuation of employment and the probability of retirement or death in future years are base 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 2021	2022	2023
Land	73	$ 73	$ 73
Parkades	3,543	3,240	2,936
Authority assets			
Leasehold improvements	190	164	138
Parking surfaces	124	108	92
Equipment			
Vehicles	-	-	-
Meters and pay stations	77	116	82
Equipment	1,087	854	713
Computer equipment	22	5	2
Office furniture and equipment	-	-	-
	$ 5,116	$ 4,560	$ 4,036

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 2021	2022	2023
a) Sales of goods and services to The City of Winnipeg	317	$ 323	$ 330
b) Municipal Accommodations Fund			
Rental of office space	324	324	324
Services provided at various locations	41	42	43
c) Winnipeg Transit System Fund			
Coin counting and deposit services	48	48	48
d) Winnipeg Fleet Management			
Insurance, fuel, maintenance and rental on vehicles owned/leased by the Agency	340	511	534
e) General Revenue Fund			
Transfer to the City of Winnipeg General Revenue Fund as a return on investment	6,085	1,211	6,790
Transfer to the City of Winnipeg Corporate Support Services			
311 services	185	186	187
Business technology service	243	243	243
Campus HR	115	108	110
Innovation and Technology	-	18	18
Assessment and Taxation			
Payments-in-lieu of municipal taxes	98	98	98