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 2022	Council Adopted 2023	Projected 2023	2024	2025	2026	2027
FINANCIAL ASSETS								
Cash		$ 63	$ 71	$ 12	$ 71	$ 71	$ 71	$ 71
Accounts receivable, net		4,312	3,560	4,053	3,110	2,510	2,510	2,510
Due from The City of Winnipeg - General Fund	3	3,857	-	5,958	4,000	-	-	-
		8,232	3,631	10,023	7,181	2,581	2,581	2,581
LIABILITIES								
Due to The City of Winnipeg - General Revenue Fund	3	-	592	-	-	1,728	4,006	5,200
Accounts payable and accrued liabilities		465	302	601	669	736	810	891
Deferred revenue		1,243	412	1,449	1,445	1,584	1,736	1,905
Debt	4	3,918	3,918	3,918	3,918	3,918	3,918	3,918
Accrued employee benefits	5	691	695	729	802	882	970	1,067
		6,317	5,919	6,697	6,834	8,848	11,440	12,981
NET FINANCIAL ASSETS/(LIABILITIES)		1,915	(2,288)	3,326	347	(6,267)	(8,859)	(10,400)
NON-FINANCIAL ASSETS								
Tangible capital assets	6	4,365	3,959	3,933	6,009	13,306	16,240	18,294
Inventories		231	183	124	183	183	183	183
Prepaid expenses		-	-	3	-	-	-	-
		4,596	4,142	4,060	6,192	13,489	16,423	18,477
ACCUMULATED SURPLUS		$ 6,511	$ 1,854	$ 7,386	$ 6,539	$ 7,222	$ 7,564	$ 8,077

See accompanying notes and schedules to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

PROJECTED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Years Ended December 31
(in thousands of dollars)

	Note	Actual 2022	Council Adopted 2023	Projected Actual 2023	Variance	2024	2025	2026	2027
REVENUES									
Enforcement		$ 10,581	9,730	$ 8,831	(899)	$ 10,363	$ 10,346	$ 10,329	$ 10,329
Meters		5,426	5,895	6,380	485	8,829	8,846	8,862	8,879
Parking Fees									
Surface Parking Lots		1,348	1,795	1,450	(345)	2,602	2,719	2,790	2,844
Millennium Library Parkade		1,364	1,419	1,501	82	1,640	1,700	1,744	1,778
Vehicles for Hire Permits & Fees		1,627	1,472	2,053	581	1,942	1,942	1,942	1,942
Special Events		482	400	543	143	379	387	392	397
Residential Parking Permits		-	97	93	(4)	148	235	240	245
Interest received		116	32	383	351	23	25	25	25
Sundry		195	80	74	(6)	73	58	58	58
Total Revenues		21,139	20,920	21,308	388	25,999	26,258	26,382	26,497
EXPENSES									
Salaries & Employee Benefits		4,195	5,687	4,487	(1,200)	6,080	6,299	6,519	6,702
Services									
Parking Enforcement		2,738	3,155	3,186	31	3,204	3,264	3,329	3,395
Meters		1,140	1,425	1,243	(182)	1,641	1,612	1,638	1,638
Utilities		339	331	275	(56)	350	357	363	367
Vehicles for Hire		292	325	301	(24)	438	445	452	459
Parkade Management		239	633	321	(312)	607	621	636	636
Special Events		113	100	140	40	105	105	105	105
Other Services		950	1,148	863	(285)	1,216	1,176	1,199	1,201
Provision for Bad Debts		2,289	1,234	1,356	122	1,234	1,234	1,234	1,234
Amortization		717	735	665	(70)	484	570	602	663
Materials, Parts and supplies		887	1,876	862	(1,014)	2,084	2,150	2,097	2,064
Debt and Finance Charges		271	207	307	100	338	358	511	608
Recoveries		(23)	(3)	(21)	(18)	(3)	(3)	(3)	(3)
Other		1,220	1,273	1,247	(26)	1,239	1,225	1,213	1,225
Total Expenses		15,367	18,126	15,232	(2,894)	19,017	19,413	19,895	20,294
ANNUAL SURPLUS		5,772	2,794	6,076	3,282	6,982	6,845	6,487	6,203
Accumulated Surplus - Beginning		3,968	4,261	6,511	2,250	7,386	6,539	7,222	7,564
Distribution to City		(3,229)	(5,201)	(5,201)	-	(7,829)	(6,162)	(6,145)	(5,690)
		739	(940)	1,310	2,250	(443)	377	1,077	1,874
ACCUMULATED SURPLUS		$ 6,511	$ 1,854	$ 7,386	$ 5,532	$ 6,539	$ 7,222	$ 7,564	$ 8,077

See accompanying notes and schedules to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

PROJECTED 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 2022	Council Adopted 2023	Projected Actual 2023	Variance	2024	2025	2026	2027
OPERATING								
Annual surplus	$ 5,772	$ 2,794	$ 6,076	$ 3,282	$ 6,982	$ 6,845	$ 6,487	$ 6,203
Non-cash charges to operations								
Amortization	717	735	665	(70)	484	570	602	663
Retirement allowance and compensated absences	42	12	38	26	73	80	88	97
	6,531	3,541	6,779	3,238	7,539	7,495	7,177	6,963
Net change in non-cash working capital balances related to operations	(1,433)	277	705	428	951	806	226	250
Accounts Receivable	(970)	277	259	(18)	943	600	-	-
Accounts Payable	(391)	-	136	136	68	67	74	81
Deferred Revenue	(3)	-	206	206	(4)	139	152	169
Inventories	(72)	-	107	107	(59)	-	-	-
Prepaid	3	-	(3)	(3)	3	-	-	-
Cash provided by operating activities	5,098	3,818	7,484	3,666	8,490	8,301	7,403	7,213
FINANCING								
Change in due to The City of Winnipeg - General Revenue Fund	(1,376)	1,713	(2,101)	(3,814)	1,958	5,728	2,278	1,194
Transfer to The City of Winnipeg - General Revenue Fund	(3,229)	(5,201)	(5,201)	-	(7,829)	(6,162)	(6,145)	(5,690)
Cash used in financial activities	(4,605)	(3,488)	(7,302)	(3,814)	(5,871)	(434)	(3,867)	(4,496)
CAPITAL								
Purchase of tangible capital assets	(430)	(330)	(233)	97	(2,560)	(7,867)	(3,536)	(2,717)
Cash used in capital activities	(430)	(330)	(233)	97	(2,560)	(7,867)	(3,536)	(2,717)
(DECREASE) INCREASE IN CASH	63	-	(51)	(51)	59	-	-	-
CASH, BEGINNING OF YEAR	-	71	63	(8)	12	71	71	71
CASH, END OF YEAR	$ 63	$ 71	$ 12	$ (59)	$ 71	$ 71	$ 71	$ 71

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

PROJECTED STATEMENT OF CHANGE OF NET FINANCIAL ASSETS/(LIABILITIES)
For the year ended December 31
(in thousands of dollars)

	Actual 2022	Council Adopted 2023	Projected Actual 2023	Variance	2024	2025	2026	2027
ANNUAL SURPLUS	$ 5,772	$ 2,794	$ 6,076	$ 3,282	$ 6,982	$ 6,845	$ 6,487	$ 6,203
Amortization of tangible capital assets	717	735	665	(70)	484	570	602	663
Change in inventories and prepaid expense	(69)	-	104	104	(56)	-	-	-
Transfer to the City of Winnipeg - General Revenue Fund	(3,229)	(5,201)	(5,201)	-	(7,829)	(6,162)	(6,145)	(5,690)
Acquisition of tangible capital assets	(430)	(330)	(233)	97	(2,560)	(7,867)	(3,536)	(2,717)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	2,761	(2,002)	1,411	3,413	(2,979)	(6,614)	(2,592)	(1,541)
NET FINANCIAL ASSETS/(LIABILITIES), BEGINNING OF YEAR	(846)	(286)	1,915	2,201	3,326	347	(6,267)	(8,859)
NET FINANCIAL ASSETS/(LIABILITIES), END OF YEAR	$ 1,915	$ (2,288)	$ 3,326	$ 5,614	$ 347	$ (6,267)	$ (8,859)	$ (10,400)

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, 2027
(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, 2023, 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 - 30 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 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.

4. Debt

	Forecast 2023	2024	2025	2026	2027
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

5. Accrued Employee Benefits

a) Retirement allowance and compensated absences

	Forecast 2023	2024	2025	2026	2027
Retirement allowance - accrued benefit liability	$ 298	$ 328	$ 361	$ 397	$ 437
Vacation	421	463	509	560	616
Compensated absences	10	11	12	13	14
	$ 729	$ 802	$ 882	$ 970	$ 1,067

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 16 years, which represents the expected average basis over 16 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.

6. Tangible Capital Assets

	Net Book Value Forecast 2023	2024	2025	2026	2027
Land	73	$ 73	73	73	73
Parkades	3,230	3,307	10,688	13,668	15,892
Authority assets					
Leasehold improvements	245	2,082	1,997	1,912	1,827
Parking surfaces	105	125	107	90	73
Equipment					
Meters and pay stations	5	3	2	1	-
Equipment	248	419	439	496	429
Computer equipment	27	-			
	$ 3,933	$ 6,009	13,306	16,240	18,294

7. 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 2023	2024	2025	2026	2027
a) Sales of goods and services to The City of Winnipeg	317	$ 323	330	336	343
b) Municipal Accommodations Fund					
Rental of office space	324	374	374	374	374
Services provided at various locations	42	43	43	43	43
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	418	546	544	539	539
e) General Revenue Fund					
Transfer to the City of Winnipeg General Revenue Fund as a return on investment	5,201	7,829	6,162	6,145	5,690
Transfer to the City of Winnipeg Corporate Support Services					
311 services	187	188	189	190	192
Business technology service	180	-	-	-	-
Campus and Public Works HR	208	114	116	120	123
Innovation and Technology	18	-	-	-	-
Assessment and Taxation					
Payments-in-lieu of municipal taxes	98	99	103	106	110