

Calgary Parking Authority

Annual Report to The City of
Calgary Audit Committee



CPA Audit Subcommittee Members

JOHN KWONG

- City of Calgary CFO's designate
- Chartered Professional Accountant Designation
- BComm (Major in Accounting) from University of Calgary

ANDREW OSIS

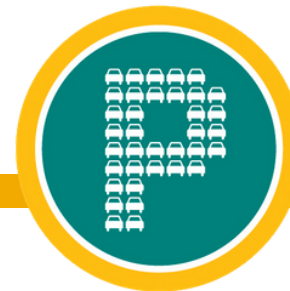
- CFO, Good Life Networks
- Co-CEO, Magnetic North Partners
- Experienced Director in public and private companies across North American markets

SHAHID QURESHI

- Corporate Director for several publicly listed and private Companies
- International Audit Committee member for several publicly listed Co's
- Global leadership roles in Governance, Finance and Technology
- CEO of Leverage Global Inc.
- MA (Economics), CPA,CGA,FCCA (UK), CISA(USA),CIA,FCMA,FCIS,FCSM

CPA Audit Subcommittee Structure

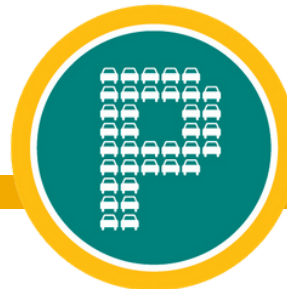
- Reports to the Calgary Parking Committee
- Annual election to the Committee
- Comprised of 3 members:
 - The City's CFO or designate, serving as chair
 - Two citizen members
- Meets quarterly at a minimum
- Terms of Reference reviewed annually



CPA Audit Subcommittee Functions

OVERSIGHT OF THE FOLLOWING:

- Integrity of CPA's financial statements
- Internal control systems
- Risk management
- External auditor's services



CPA ORGANIZATIONAL LEADERSHIP

Glen Furtado, General Manager



Changes to CPA Organizational Leadership in the past year include:
Hiring Dale Wannamaker as Manager, Facilities;
Hiring Moe Houssaini as Manager, Parking Solutions.

Regulatory/ Business Assessments



EXTERNAL AUDIT FINDINGS

Deloitte issued CPA an unqualified audit report for the year ended December 31 2018

Financial Results

- Revenues of \$87.3M in 2018 (\$86.7M in 2017) →
- Expenses of \$52.4M in 2018 (\$59.4M in 2017) ↓
- Distributions to the City of Calgary of \$23.7M in 2018 (\$19.8M in 2017) ↑



Market Influences

REGULATORY AND MARKET CHANGES THAT MAY IMPACT THE CURRENT BUSINESS APPROACH

1. Downturn in the Calgary economy (Downtown Office Vacancy >20%)
2. Reduced parking demand due to shift in modal split
3. Ended Cash-In-Lieu Program



Integrated Risk Management

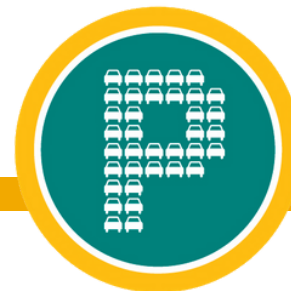
- Committee-approved Risk Policy, Risk Tolerance Statement, and Risk Parameters
- Audit Committee oversight of internal controls
 - Annual Control Environment Risk Assessment
 - Risk Register Assessment (risk identification, impact & probability assessment)

CPA KEY OPERATING AND STRATEGIC RISKS IDENTIFIED		Impact - Likelihood	Overall Risk Rating and Year-to-Year Comparative	
Description of Risk (What can happen, when can it happen)	Trend	2019 Impact Probability Assessment	2019 Risk Rating	2018 Risk Rating
Inability to react to market opportunities to increase or decrease parking inventory based on demand and customer needs.	NEW	Significant. Almost certain	Extensive	N/A
Changes to parking policies that could affect the CPA's ability to meet customer needs and budgeted financial returns to the City.	↑	Significant Possible	High	Low
Operating without a Collective Bargaining Agreement, potential for job action.	NEW	Significant Possible	High	N/A
Potential inadequate reserves to meet long term capital requirements		Moderate Possible	Moderate	High

Looking Forward

MAJOR INITIATIVES IN 2019 & BEYOND

- Accelerate customer service
- Meet or exceed budgeted financial returns to the City of Calgary
- Develop, implement, and leverage data reporting



Thank you

CPA AUDIT SUBCOMMITTEE

