

Calgary Parking Authority Financial Highlights Summary for the year ended December 31, 2016

Financial Reporting Background

The Calgary Parking Authority (CPA) prepares stand alone annual financial statements in accordance with International Financial Reporting Standards (IFRS). CPA also provides a complete set of financial working papers at the end of each year to The City of Calgary, as it fully consolidates to The City of Calgary's annual financial statements. The financial working papers provided to The City are in accordance with Public Sector Accounting Standards (PSAS) in support of full consolidation into The City's financial records. CPA's Annual Distribution to The City, in accordance with 'A Parking Policy Framework for Calgary' and Bylaw 28M2002, is calculated under the basis of PSAS.

Financial Highlights for the year ended December 31, 2016

The CPA's 2016 year was less profitable than last year, primarily due to a capitalization policy threshold change as well as the current economic conditions in Calgary impacting the Authority's revenue streams negatively in line with reduced public demand for parking. However, the Authority maintained a profitable position at year end, resulting in a \$19M Distribution to The City of Calgary for the year.

A more detailed summary by balance sheet, income statement, and cash flow statement follows on the next page.

Financial Highlights – Balance Sheet

<i>(in \$000's)</i>	2016	2015
Current Assets	\$55,246	\$49,036
Long-Term Assets	541,143	542,921
Total Assets	596,389	591,957
Current Liabilities	9,903	8,140
Long-term Liabilities	16,908	16,970
Total Liabilities	26,811	25,110
Retained Earnings	564,116	562,723
Investment Revaluation Reserve	5,462	4,124
Total Equity	569,578	566,847

Figures presented are in accordance with International Financial Reporting Standards

Total assets and liabilities are comparable year-over-year.

Financial Highlights – Income Statement

<i>(in \$000's)</i>	2016	2015
Revenue	\$83,557	\$83,291
Expenses	62,966	59,343
Operating Net Income	20,591	23,948
Other Income	21,296	27,491
Total Net Income	41,887	51,439

Figures presented are in accordance with International Financial Reporting Standards

Revenue was comparable to last year. Increased revenue seen in Enforcement was offset by reduced parking demand seen in general throughout the year as a result of the economic downturn in Calgary.

Increased expenditures in the current year was primarily a result of CPA aligning its Capitalization Policy with The City's resulting in previously recorded fixed assets as expenses in the current year.

Total Net Income difference between IFRS and PSAS accounting standards is almost \$10 million for the year ended December 31, 2016. This is mainly due to the following reporting differences:

- Higher depreciation expense under IFRS vs. PSAB by \$8 million due to higher fair value of assets.
- A \$2M loss reflected under IFRS (not PSAS) related to the sale of Lot 62 East Village to CMLC. This is due to a difference between Fair Value and Cost.

Financial Highlights – Cash Flow Statement

<i>(in \$000's)</i>	2016	2015
Net Income	\$21,296	\$27,491
Add back: non-cash items	17,351	15,500
Subtotal	38,647	42,991
Cash Disbursements:		
Distributions to The City of Calgary	(19,903)	(21,363)
Capital Purchases net of Disposals	(7,677)	(5,496)
Investment Contributions and Earnings	(4,359)	(34,085)
Debt Repayment	(850)	(1,210)
Subtotal	(32,789)	(62,154)
Net increase/(decrease) in Cash	5,858	(19,163)
Cash, beginning of year	44,045	63,208
Cash, end of year	49,903	44,045

Significant cash disbursements include:

- Annual distribution to The City of Calgary of \$19.9 million;
- Capital costs of \$7.7 million (most of these costs are associated with construction of the new Impound Lot building);
- Investment Contributions to reserves \$4.4 million (interest earned, plus \$2 million annual contribution to Parking Structure Replacement Fund), and Long-term debt repayment (Veritas building – the existing debenture could be paid out, but the penalty cost associated with an early payout option makes it unfavourable to do so).