Financial Statements

Toronto Parking Authority

December 31, 2009

AUDITORS' REPORT

To the Board of Directors of
Toronto Parking Authority

We have audited the balance sheet of **Toronto Parking Authority** as at December 31, 2009 and the statements of operations and equity and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

Toronto, Canada,
March 26, 2010.

Toronto Parking Authority

BALANCE SHEET

As at December 31

	2009	2008
	$	$
ASSETS		
Current		
Cash	**18,583,389**	52,216,211
Interest receivable *[note 4]*	**260,272**	236,260
Accounts receivable *[note 3]*	**1,681,969**	2,718,233
Prepaid supplies	**314,401**	360,810
Prepaid expenses, other	**533,965**	511,005
Total current assets	**21,373,996**	56,042,519
Long-term investments *[note 4]*	**69,565,295**	39,943,325
Deferred charges *[note 5]*	**458,132**	534,706
Property and equipment, net *[note 6]*	**131,544,254**	131,025,847
	222,941,677	227,546,397
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities *[notes 3, 8 and 9]*	**49,260,086**	56,623,093
Deferred revenue	**427,533**	993,424
Total current liabilities	**49,687,619**	57,616,517
Account payable *[note 8]*	**4,000,000**	6,008,000
	53,687,619	63,624,517
Commitments and contingencies *[notes 13 and 14]*		
Equity	**169,254,058**	163,921,880
	222,941,677	227,546,397

See accompanying notes

On behalf of the Board:

Rony Isin

Chairman

President

Toronto Parking Authority

STATEMENT OF OPERATIONS AND EQUITY

Year ended December 31

	2009				2008
	Budget	**On-street**	**Off-street**	**Total**	**Total**
	$	$	$	$	$
	[unaudited]				
Revenue	**115,417,100**	**44,429,778**	**69,585,554**	**114,015,332**	113,080,798
Direct expenses					
Operating *[schedule]*	**34,442,921**	**7,457,753**	**26,513,995**	**33,971,748**	33,410,324
Municipal property tax	**15,773,500**	—	**15,209,593**	**15,209,593**	14,839,191
Amortization of property and equipment	**8,484,885**	**4,668,267**	**3,236,499**	**7,904,766**	7,883,047
	58,701,306	**12,126,020**	**44,960,087**	**57,086,107**	56,132,562
Direct operating income	**56,715,794**	**32,303,758**	**24,625,467**	**56,929,225**	56,948,236
Administration expense *[note 7]*	**6,960,139**			**6,815,661**	6,459,677
Operating income	**49,755,655**			**50,113,564**	50,488,559
Investment income *[note 4]*	**3,016,000**			**9,571,441**	3,452,527
Gain on sale of property and equipment *[note 9]*				**45,761**	20,536,646
Net rental income	**1,173,318**			**1,106,240**	1,132,173
Sundry	**293,879**			**383,267**	393,648
	4,483,197			**11,106,709**	25,514,994
Income before the following	**54,238,852**			**61,220,273**	76,003,553
City of Toronto's share of income *[note 9]*	**(40,652,229)**			**(45,888,095)**	(53,175,677)
Distribution to the City of Toronto *[note 9]*				**(10,000,000)**	(20,000,000)
Net income for the year	**13,586,623**			**5,332,178**	2,827,876
Equity, beginning of year				**163,921,880**	161,094,004
Equity, end of year				**169,254,058**	163,921,880

See accompanying notes

Toronto Parking Authority

STATEMENT OF CASH FLOWS

Year ended December 31

	2009	2008
	$	$
OPERATING ACTIVITIES		
Net income for the year	**5,332,178**	2,827,876
Add (deduct) non-cash items		
Amortization of property and equipment	**7,904,766**	7,883,047
Gain on sale of property and equipment	**(45,761)**	(20,536,646)
Amortization of deferred charges	**76,574**	76,574
Change in unrealized loss (gain) on investments	**(4,511,958)**	57,666
	8,755,799	(9,691,483)
Net change in non-cash working capital balances related to operations *[note 10]*	**(5,739,744)**	27,052,620
Cash provided by operating activities	**3,016,055**	17,361,137
INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	**45,761**	20,976,281
Purchase of property and equipment	**(11,560,614)**	(9,907,821)
Cash provided by (used in) investing activities	**(11,514,853)**	11,068,460
FINANCING ACTIVITIES		
Net decrease (increase) in investments	**(25,134,024)**	9,383,637
Contribution from reserve funds held by the City of Toronto for property and equipment	**—**	22,548
Cash provided by (used in) financing activities	**(25,134,024)**	9,406,185
Net increase (decrease) in cash during the year	**(33,632,822)**	37,835,782
Cash, beginning of year	**52,216,211**	14,380,429
Cash, end of year	**18,583,389**	52,216,211
Non-cash transactions		
Capital contribution for land	**1,129,441**	—

See accompanying notes

SCHEDULE OF OPERATING EXPENSES

Year ended December 31

	2009			2008
	On-street	**Off-street**	**Total**	**Total**
	$	$	$	$
Salaries, wages and benefits *[note 7]*	**2,262,029**	**12,642,251**	**14,904,280**	14,741,494
Maintenance	**1,753,627**	**3,123,243**	**4,876,870**	4,732,613
Utilities	—	**2,319,583**	**2,319,583**	2,185,738
Rent	—	**3,506,342**	**3,506,342**	3,488,310
Snow clearing	—	**1,055,030**	**1,055,030**	1,055,375
Tickets	**963,656**	**439,006**	**1,402,662**	1,613,967
Security and monitoring	**—**	**897,793**	**897,793**	797,751
Insurance	**133,785**	**520,535**	**654,320**	651,483
Pay and display network communications	**1,817,466**	**169,355**	**1,986,821**	1,897,902
Outside coin counting	**120,520**	**46,160**	**166,680**	200,185
Credit card processing	**355,360**	**959,951**	**1,315,311**	1,205,647
Sundry	**51,310**	**834,746**	**886,056**	839,862
	7,457,753	**26,513,995**	**33,971,748**	33,410,327

See accompanying notes

Toronto Parking Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

1. OPERATIONS AND RELATIONSHIP WITH THE CITY OF TORONTO

Toronto Parking Authority [the "Authority"] is a local board of the City of Toronto [the "City"], established under the City of Toronto Act 1997 (No. 2) with a mandate to operate, manage and maintain municipal parking facilities and on-street meter operations on behalf of the City in support of local business areas. In its relationship with the City, the Authority has an agreement on income sharing with the City *[note 9]*.

By virtue of Section 149(1) of the Income Tax Act (Canada), the Authority is not subject to income taxes.

These financial statements reflect the financial position and results of operations of the Authority's off-street parking facilities and on-street parking meters. They do not include the operations of the retail stores and offices on Cumberland, Queen, Charles and St. Andrew Streets; or payments received by the City from developers under agreements in lieu of providing parking facilities. The results of these activities are paid into reserve funds recorded in the City's accounts and are available for the exclusive use of the Authority to fund on-going capital projects and improvements *[note 3]*.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for profit-oriented organizations, unless otherwise directed to specific accounting recommendations of the Public Sector Accounting Board.

Revenue recognition

Revenue is recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as the service is performed, is measurable and collection is reasonably assured.

Deferred revenue consists of deposits and payments for monthly permits paid in advance and are to be earned in a future period.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

Investments

Investments are recorded at fair market value based on quoted market prices which is considered to be the closing market bid price at the year end. Investment income includes interest and realized and unrealized gains or losses on investments. The amount of investments classified as long-term represents those assets with maturity dates greater than one year from the date of these financial statements. Transactions are recorded on the trade date and transaction costs are expensed as incurred.

The Authority's investment policy is to invest only in eligible investments as prescribed in the financial activities regulation of the City of Toronto Act, 2006.

Derivative financial instruments

The Authority utilizes derivative financial instruments in the management of its purchase of electricity. The Authority's policy is not to utilize derivative financial instruments for trading or speculative purposes.

Derivative contracts entered into by the City in connection with the purchase of electricity, to which the Authority is a party, are not designated to be in a hedging relationship and are recorded at their fair value as an asset or a liability based on quoted market prices or dealer quotes with changes in fair value, if any, recorded in investment income.

Financial instruments

The Authority has classified its financial instruments as follows:

- Cash as held for trading
- Investments designated as held for trading
- Accounts receivable as loans and receivables
- Accounts payable and accrued liabilities as other liabilities

Property and equipment

Property and equipment are recorded at cost less any capital contributions from the City's reserve funds *[note 3]*. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Parking garages and surface car parks	25 years
Equipment and furnishings	5 to 10 years

Car parks and projects not completed are capitalized as incurred and are amortized as described above once the asset is placed into service.

Employee related costs

The Authority's contributions to a multi-employer defined benefit pension plan are expensed when contributions are due.

Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recent accounting pronouncements

In September 2009, the Public Sector Accounting Standards Board ["PSAB"] approved an amendment to the Introduction to Public Sector Accounting Standards. Under the amendment, government business enterprises ["GBE"] will adhere to standards for publicly accountable profit-oriented enterprises, meaning the adoption of International Financial Reporting Standards ["IFRS"], for fiscal periods beginning on or after January 1, 2011. The Authority has been identified as a GBE which, under these new rules, requires the adoption of IFRS. Management is currently evaluating the effects of adopting the new requirements of this standard.

3. RELATED PARTY TRANSACTIONS

The Authority operates 52 [2008 - 51] parking facilities on a year round basis on properties owned by other City departments and agencies. There are 15 [2008 - 15] other locations operated during the summer months on behalf of the Parks and Recreation Department. These parking facilities are operated under separately negotiated agreements with each City department or agency. The Authority receives compensation in the form of either a share of net income or on a cost recovery plus a fixed fee basis. Amounts owing from or to the Authority under these agreements are included within accounts receivable or accounts payable and accrued liabilities at year-end.

In the normal course of operations, the Authority incurs costs for various expenses payable to the City such as hydro, legal, and other administrative costs. Transactions between the City and the Authority are made at the agreed upon exchange amount.

As at December 31, 2009, the amount due from related parties included in accounts receivable is nil [2008 - $1,366,216] and the amount due to related parties included in accounts payable and accrued liabilities is $39,659,945 [2008 - $45,723,558]. The amounts due to related parties are non-interest bearing and are summarized as follows:

	2009 $	**2008** $
Due from (to) the Toronto Transit Commission	**(623,167)**	1,189,084
Due to Toronto Hydro	**(50,809)**	(66,222)
Due to the City of Toronto	**(38,985,969)**	(46,846,420)
	(39,659,945)	(45,723,558)

As referred to in note 1, the City holds reserve funds for use by the Authority in funding capital projects. Net income generated by retail leasing operations which are developed and operated by the Authority are paid annually into the "Parking Authority Capital Expenditure Reserve Fund". The balance in this fund as at December 31, 2009 is $2,022,615 [2008 - $1,679,390]. During the year, nil [2008 - $13,652] was drawn from this fund to finance property and equipment additions. Payments received by the City from developers under agreements in lieu of providing parking facilities are paid into the "Parking Payment In Lieu Reserve Fund". The balance in this fund as at December 31, 2009 is $7,664,985 [2008 - $7,626,650]. During the year, nil [2008 - $8,896] was drawn from this fund to finance property and equipment additions.

In 2009 the Authority purchased land adjacent to an existing parking facility for $1,129,441, which was funded out of the "Land Reserve Fund" held by the City.

4. INVESTMENTS

Investments consist of financial institution bonds with a weighted average yield to maturity of 4.79% [2008 - 4.92%] and an average duration to maturity of 4.92 years [2008 - 5.78 years]. Income from investments is reported in the statement of operations and equity as investment income.

Interest receivable on investments as at December 31, 2009 amounted to $260,272 [2008 - $236,260].

Long-term investments reported in the balance sheet at a fair value of $69,565,295 [2008 - $39,943,325] have a cost of $65,181,665 [2008 - $40,071,914].

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

Income from investments is reported in the statement of operations and equity as investment income and is composed of the following:

	2009	**2008**
	$	$
Interest earned on cash balances	**227,634**	730,248
Interest earned on investments	**3,353,749**	1,699,801
Realized gain on sale of investments	**1,478,100**	1,080,144
Change in unrealized gain (loss) on investments	**4,511,958**	(57,666)
	9,571,441	3,452,527

5. DEFERRED CHARGES

Deferred charges relate to leased property prepayments under various long-term lease agreements for periods up to 2039. The total rent paid in advance for these leases was $2,220,168 [2008 - $2,220,168] and is being amortized over the terms of the individual leases. Amortization expense of $76,574 [2008 - $76,574] is included in the statement of operations and equity.

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2009		**2008**	
	Cost	**Accumulated amortization**	**Cost**	**Accumulated amortization**
	$	$	$	$
Land	**66,788,862**	**—**	66,738,862	—
Parking garages	**67,757,534**	**39,027,521**	65,235,419	37,174,341
Surface car parks	**15,616,095**	**4,043,670**	11,314,137	3,535,727
Car parks and projects not completed	**2,279,158**	**—**	2,280,162	—
Equipment and furnishings	**63,499,980**	**41,326,184**	61,971,403	35,804,068
	215,941,629	**84,397,375**	207,539,983	76,514,136
Less accumulated amortization	**84,397,375**		76,514,136	
Net book value	**131,544,254**		131,025,847	

Capital contributions from the City during the year in the amount of $1,129,441 were credited to the cost of land.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

7. PENSION OBLIGATIONS

The Authority makes contributions to the Ontario Municipal Employees Retirement Fund, which is a multi-employer plan, on behalf of substantially all of its employees. The plan is a defined benefit plan that specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay. During the year, the Authority's contributions amounted to $1,001,150 [2008 - $1,458,958] and are included in administration expense in the statement of operations and equity.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITES

The Authority has an amount payable of $6,010,000 [2008 - $8,010,000] owing for the purchase of equipment upgrades undertaken in 2008, of which $4,000,000 [2008 - $6,008,000] is classified as long-term and $2,010,000 [2008 - $2,002,000] is included in accounts payable and accrued liabilities. The amount is payable in equal annual instalments of $2,003,333 over the next three years with no interest.

9. CITY OF TORONTO'S SHARE OF INCOME

In 1998, the City and the Authority established an income sharing arrangement for a three-year period ending December 31, 2000. Revised terms were negotiated for the 2001-2003 period and without any changes, the arrangement underwent two successive three-year extensions with the current extension period expiring on December 31, 2009. Under this arrangement which has been in effect since 2001, the Authority pays annual rent equal to the greater of 75% of its net income for the year or $18,000,000. The renewal of the arrangement for another three-year extension is currently under negotiation with the City. The only change anticipated to the existing terms is to increase the minimum annual payment from $18,000,000 to $30,000,000.

From time to time, the Authority will pay an amount to the City that is in excess of its capital budget funding requirements over the ensuing ten-year period. The capital budget is the plan in which most property and equipment purchases are approved. This return of funds is in addition to the City's share of annual operating income paid under the income sharing arrangement. When property sales occur, gains on the sale of property sold under joint venture arrangements with private developers are included in net income of the Authority. Under the income sharing arrangement, the Authority retains only 25% of such gains to fund capital requirements. The joint venture arrangements take the form of a sale of air rights at an existing surface carpark followed by the supply of underground garage spaces to the Authority in the redeveloped property. The Authority thereby maintains or expands its existing supply of parking spaces while maximizing the value of the land. When evaluating a joint venture opportunity the Authority requires that the proceeds from the sale of the air rights be sufficient to fund the underground garage spaces purchased at the end of the redevelopment process. On past joint venture projects, the cost of the underground parking has either been less than or has not significantly exceeded the 25% portion of the gain on the sale that the Authority retains to fund its purchase. In 2008 the Authority sold the air rights to a surface carpark resulting in a gain on the sale. However the cost of the large underground parking facility to be purchased by the Authority exceeds the 25% share of net income that the Authority would retain under the income sharing arrangement. As a result, when the Authority sought approval of City Council in 2006 to proceed with the project it also requested that, in the fiscal year the proceeds of sale were received, the Authority may reduce the City's calculated share of net income for that year by the amount that the cost of the garage exceeded the Authority's 25% share of the gain. In 2008, the proceeds from the sale of the air rights were received and a reduction of $3,800,000 was made to the City's 75% share of net income. There were no similar transactions in 2009.

Under the City of Toronto Municipal Code, chapter 227, any earnings retained by the Authority are to be applied in the following order:

1. Principal and interest on debentures issued to finance the cost of parking facilities;
2. To the cost of new parking facilities; and
3. General purposes as determined by City Council.

During 2009, the Authority agreed to pay an additional $10,000,000 [2008 - $20,000,000] above the income sharing agreement as a one-time distribution to the City, which is included in accounts payable and accrued liabilities.

10. STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2009	**2008**
	$	$
Accounts receivable	**1,036,264**	(699,280)
Prepaid supplies	**46,409**	139,890
Prepaid expenses, other	**(22,960)**	34,296
Accounts payable and accrued liabilities	**(6,233,566)**	27,054,438
Deferred revenue	**(565,891)**	523,276
	(5,739,744)	27,052,620

11. FINANCIAL INSTRUMENTS

The carrying value of the Authority's financial instruments approximates their fair values unless otherwise noted.

CICA Handbook Section 3862 requires disclosure of a three-level hierarchy for fair value measurements based on the transparency of inputs to the valuation of an asset or liability as of the financial statement date. The three levels are defined as follows:

Level 1: Fair value is based on quoted market prices in active markets for identical assets or liabilities. Level 1 assets and liabilities generally include equity securities traded in an active exchange market.

Level 2: Fair value is based on observable inputs other than Level 1 prices, such as quoted market prices for similar [but not identical] assets or liabilities in active markets, quoted market prices for identical assets or liabilities in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes mutual and pooled funds, hedge funds, Government of Canada, provincial and other government bonds, Canadian corporate bonds, and certain derivative contracts.

Level 3: Fair value is based on non-observable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This category generally includes private equity investments and securities that have liquidity restrictions.

The fair value of the Authority's investments, all of which are comprised of Canadian corporate bonds, were determined based on observable inputs for similar instruments quoted in active markets and as such these investments are considered as Level 2 on the fair value hierarchy.

The Authority's investment activities expose it to certain financial risks. These risks include market risk [primarily interest rate risk], credit risk and liquidity risk. The Authority manages these financial risks in accordance with its policy on investments which restricts investments to those types prescribed for municipalities under Ontario Regulation 610/06 (Financial Activities) of the City of Toronto Act, 2006.

The Authority is exposed to changes in electricity prices associated with the wholesale spot market for electricity in Ontario. The Authority has addressed the commodity price risk exposure associated with changes in the wholesale price of electricity by entering into energy related purchase and sales contracts, through an agreement with the City that fixes a portion of the wholesale price over the term of the contract. All contracts entered into by the Authority expired on December 31, 2009.

Market risk

Market risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in market prices. The Authority manages market risk by investing in a range of maturity terms and with diverse issuers. Market risk is comprised of the following:

[a] Foreign currency risk

The Authority has no material exposure to foreign currency risk.

[b] Interest rate risk

Interest rate risk refers to the effect on the fair value or future cash flows of an investment due to fluctuations in interest rates. Historically, as opportunities arise, the Authority has sold investments when interest rates have been declining in order to crystallize the resulting profits. The Authority is not exposed to significant interest rate risk on its monetary current assets and current liabilities due to their short-term maturities.

The portfolio's sensitivity to interest rate changes is such that a 1% increase in interest rates would result in a 4.92% reduction in the fair value of the portfolio. Conversely, a 1% reduction in interest rates would result in a 4.92% increase in the fair value of the portfolio.

[c] Price risk

Price risk is the risk that the fair value of an investment will fluctuate because of changes in market prices [other than those arising from foreign currency risk or interest rate risk]. Because the Authority invests solely in interest bearing investments, they are not exposed to price risk.

[d] Credit risk

Credit risk is the risk of the Authority being unable to collect accounts receivable or other debts due to it. The Authority collects revenues primarily in cash and does not extend significant amounts of trade credit. The Authority attempts to control credit risk on its investments through a conservative investment policy, which involves only purchasing investments prescribed in the City of Toronto Act financial activities regulation and focusing on issuers with strong credit ratings. Credit risk is considered low.

[e] Liquidity risk

Liquidity risk is the risk of being unable to settle or meet commitments as they come due. The Authority's commitments are largely in the form of short-term liabilities which are met out of cash flows generated by operating activities and long-term investments. Varying maturities of investments are purchased to ensure that the Authority can fund its capital program as needs arise and as more fully explained in note 12 on the management of capital. Long-term liabilities are not considered material and repayment is scheduled to allow settlement from cash flows generated from operating activities.

12. CAPITAL MANAGEMENT

The Authority returns 75% of its annual net operating income to the City and retains 25% to fund its long term, multi-year capital budget plan. As such, the majority of the Authority's capital is already invested in property and equipment and the majority of funding for the multi-year capital plan is derived from future income still to be earned. The Authority attempts to maintain capital on hand at a level sufficient to fund one to two years of capital investment and holds this capital in a combination of cash and longer term bonds to balance dual goals of maximizing returns while maintaining sufficient liquidity to allow the Authority to react to capital investment opportunities as they arise.

To the extent that funding is projected to exceed capital budget needs over the capital budget period, "excess" funds are returned to the City in order to maintain capital levels at one to two years of capital investment needs.

As at December 31, 2009, the Authority has met its objective of having sufficient liquid resources to meet its current obligations and fund capital investment opportunities as they arise.

13. COMMITMENTS

[a] The Authority has a committment to purchase a property for $6,500,000, which is contingent on selling a significant portion of the property while retaining the remainder for development as a surface carpark. A potential buyer has been secured and the Authority estimates that there is high probability that the purchase and sale will occur. In the event that the sale of the portion of the land does not proceed, the Authority may revoke its offer to purchase without penalty. As of the date of the auditors' report, this transaction has not closed.

[b] The Authority has commitments under an extended warranty agreement to service pay and display equipment through January 31, 2015 totalling $6,832,000.

[c] On behalf of the Authority, the City enters into contracts to purchase fixed quantities of natural gas at fixed prices for a percentage of whose anticipated future usage. These contracts are entered into and continue to be held for the purpose of receipt of natural gas in accordance with the Authority's expected usage requirements.

[d] Future minimum annual lease payments under leasing agreements for use of land and equipment are approximately as follows:

	$
2010	1,837,000
2011	893,000
2012	645,000
2013	630,000
2014	624,000
2015 and thereafter	2,206,000
	6,835,000

14. CONTINGENCIES

In the normal course of its operations, the Authority is subject to various arbitrations, litigations and claims. Where a potential liability is determinable, management believes the ultimate disposition of the matters will not materially exceed the amounts recorded in the accounts. In other cases, the ultimate outcome of the claims cannot be determined at this time. Any additional losses related to claims will be recorded in the period during which the liability is able to be estimated.

15. COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2009 financial statements.