

Toronto Parking Authority

Financial Statements
December 31, 2010

April 19, 2011

Independent Auditor's Report

**To the Directors of
Toronto Parking Authority**

We have audited the accompanying financial statements of Toronto Parking Authority, which comprise the balance sheet as at December 31, 2010 and the statements of operations and equity and cash flows for the year then ended, and the related notes including a summary of significant accounting policies.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Toronto Parking Authority as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other matter

The prior year's financial statements were audited by another firm of chartered accountants who expressed an unqualified opinion in their report dated March 26, 2010.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

Toronto Parking Authority

Balance Sheet

As at December 31, 2010

	2010 \$	2009 \$
Assets		
Current assets		
Cash	27,571,902	18,583,389
Investments and interest receivable (note 4)	60,998,018	69,825,567
Accounts receivable (note 3)	1,027,929	1,681,969
Supplies	317,644	314,401
Prepaid expenses	582,741	533,965
	<hr/>	<hr/>
	90,498,234	90,939,291
Deferred charges (note 5)	381,559	458,132
Investment in garage (note 9)	6,000,000	-
Property and equipment (note 6)	144,610,952	131,544,254
	<hr/>	<hr/>
	241,490,745	222,941,677
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	8,876,206	7,590,141
Deferred revenue	470,548	427,533
Due to related parties (note 3)	31,848,424	39,659,945
Debt payable (note 8)	2,346,722	2,010,000
	<hr/>	<hr/>
	43,541,900	49,687,619
Debt payable (note 8)	8,896,204	4,000,000
	<hr/>	<hr/>
	52,438,104	53,687,619
Equity	189,052,641	169,254,058
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	241,490,745	222,941,677
Commitments and contingencies (notes 13 and 14)		

Approved on Behalf of the Board of Directors



Chairman



President

Toronto Parking Authority

Statement of Operations and Equity

For the year ended December 31, 2010

	2010			2009
	Budget \$ (Unaudited)	On-street \$	Off-street \$	Total \$
Revenue	116,116,590	45,549,065	71,062,473	116,611,538
Direct expenses				
Operating (schedule)	35,000,472	8,173,104	27,746,647	35,919,751
Municipal property tax	18,114,200	-	17,403,675	17,403,675
Amortization of property and equipment	8,409,591	4,399,358	3,917,367	8,316,725
	61,524,263	12,572,462	49,067,689	61,640,151
Direct operating income	54,592,327	32,976,603	21,994,784	54,971,387
Administration expense	7,210,475			7,086,304
Operating income	47,381,852			47,885,083
Other income (schedule)	5,936,083			31,206,943
Income before the following	53,317,935			79,092,026
City of Toronto's share of income (note 9)	(39,961,465)			(59,293,443)
Distribution to the City of Toronto (note 9)	-			(10,000,000)
Net income for the year	13,356,470			19,798,583
Equity - Beginning of year				169,254,058
Equity - End of year				189,052,641

Toronto Parking Authority

Statement of Cash Flows

For the year ended December 31, 2010

	2010 \$	2009 \$
Cash provided by (used in)		
Operating activities		
Net income for the year	19,798,583	5,332,178
Add (deduct): Non-cash items		
Amortization of property and equipment	8,316,725	7,904,766
Gain on sale of property and equipment	(25,957,458)	(45,761)
Amortization of deferred charges	76,573	76,574
Change in unrealized loss (gain) on investments	536,816	(4,511,958)
	<u>2,771,239</u>	<u>8,755,799</u>
Net change in non-cash working capital balances (note 10)	(5,880,420)	(6,877,185)
	<u>(3,109,181)</u>	<u>1,878,614</u>
Investing activities		
Proceeds from sale of property and equipment	20,117,533	45,761
Purchase of property and equipment	(21,543,498)	(9,552,614)
Capital contribution for land - non-cash	-	1,129,441
	<u>(1,425,965)</u>	<u>(8,377,412)</u>
Financing activities		
Net decrease (increase) in investments	8,290,733	(25,134,024)
Debt advances (repayments) for purchase of property and equipment	5,232,926	(2,000,000)
	<u>13,523,659</u>	<u>(27,134,024)</u>
Increase (decrease) in cash during the year	8,988,513	(33,632,822)
Cash - Beginning of year	<u>18,583,389</u>	<u>52,216,211</u>
Cash - End of year	<u>27,571,902</u>	<u>18,583,389</u>
Non-cash transactions		
Capital contributions for land	-	(1,129,441)
Addition of property and equipment	7,618,088	1,129,441
Debt payable	(7,618,088)	-
Investment in garage	(6,000,000)	-
Proceeds from sale of property and equipment	6,000,000	-

Toronto Parking Authority

Notes to Financial Statements

December 31, 2010

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, 2006 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.

2 Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for profit-oriented organizations.

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 which are to be earned in a future period.

Investments

Investments are recorded at fair 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. Investments classified as a current asset have varying maturity dates with some being greater than one year from the date of these financial statements. However, all are capable of prompt liquidation and have been classified as current assets. When investments are not capable of liquidation within one year of the date of the financial statements they would be classified as long-term investments. 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. As at December 31, 2010, there were no contracts outstanding.

Toronto Parking Authority

Notes to Financial Statements

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Financial instruments

The Authority classifies its financial instruments into one of the following categories based on the purpose for which the assets were acquired. The Authority's accounting policy for each category is as follows:

Financial instrument	Category	Measurement
Cash	held-for-trading	fair value
Investments and interest receivable	held-for-trading	fair value
Accounts receivable	loans and receivables	amortized cost
Accounts payable and accrued liabilities	other financial liabilities	amortized cost
Debt payable	other financial liabilities	amortized cost

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	25 years
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.

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 the 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, resulting in 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 these new standards.

Toronto Parking Authority

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3 Related party transactions and balances

Related party transactions

The Authority operates 53 (2009 - 52) parking facilities on a year-round basis on properties owned by other City departments and agencies. There are 15 (2009 - 15) other locations operated during the summer months on behalf of the Parks and Recreation Department of the City. 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.

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

	2010	2009
	\$	\$
Amounts paid to the City of Toronto		
City's share of Authority net income	59,293,443	45,888,095
Municipal property taxes	18,097,007	15,876,306
Hydro and water	2,128,769	2,091,589
Rent paid for use of City owned properties	1,739,158	1,427,391
Legal services	140,299	89,300
Office, maintenance supplies and other	98,549	68,382
Hydro costs paid to Toronto Hydro	294,677	264,385
Management fee received from the Toronto Transit Commission	118,284	120,780

Related party balances

As at December 31, 2010, amounts due to related parties are as follows:

	2010	2009
	\$	\$
Due to the City of Toronto	30,824,150	38,985,969
Due to the Toronto Transit Commission	570,956	623,167
Due to Toronto Hydro	453,318	50,809
	<hr/>	<hr/>
	31,848,424	39,659,945

Amounts owing are due on demand and are non-interest bearing.

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As at December 31, 2010, amounts due from related parties that are included in accounts receivable are as follows:

	2010	2009
	\$	\$
Due from the Toronto Transit Commission	480,907	-
Due from the City of Toronto	39,046	-
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	519,953	-
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Reserve funds

The City maintains a number of reserve funds on behalf of the Authority. These reserve funds are established by the Council and are detailed in Chapter 227 of the City of Toronto Municipal Code. The City holds the following reserve funds for use by the Authority in funding capital projects.

- Parking Authority Shopping Mall Rented Properties Reserve Fund (PASMRPRF)

Net income generated by retail leasing operations that are developed and operated by the Authority is paid annually into the PASMRPRF to fund property and equipment purchases. During the year, gross revenue earned was \$1,314,728 (2009 - \$1,245,630) and expenses incurred were \$920,672 (2009 - \$909,728). The balance in this fund as at December 31, 2010 is \$2,422,570 (2009 - \$2,022,615). During 2010 and 2009, no money was drawn from the PASMRPRF to finance property and equipment additions.

- Parking Payment In Lieu Reserve Fund

Parking payments received by the City from developers under agreements in lieu of providing facilities are paid into the Parking Payment In Lieu Reserve Fund to fund property and equipment purchases. The balance in this fund as at December 31, 2010 is \$7,691,937 (2009 - \$7,664,985). During 2010 and 2009, no money was drawn from the fund to finance property and equipment additions.

4 Investments and interest receivable

Investments consist of financial institution bonds with a weighted average yield to maturity of 3.04% (2009 - 4.79%) and an average duration to maturity of 4.91 years (2009 - 4.92 years). Income from investments is reported in the statement of operations and equity as investment income.

Interest receivable on investments as at December 31, 2010 amounted to \$392,357 (2009 - \$260,272).

Investments reported in the balance sheet at a fair value of \$60,605,661 (2009 - \$69,565,295) have a cost of \$61,163,404 (2009 - \$65,181,665).

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

	2010	2009
	\$	\$
Interest earned on cash balances	109,303	227,634
Interest earned on investments	2,128,102	2,584,140
Realized gain on sale of investments	1,787,172	1,897,986
Unrealized gain (loss) on investments - net	(536,816)	4,861,681
	<u>3,487,761</u>	<u>9,571,441</u>

5 Deferred charges

Deferred charges relate to prepayments under various long-term property lease agreements for periods up to 2039. The total rent paid in advance for these leases was \$2,220,168 (2009 - \$2,220,168) and is being amortized over the terms of the individual leases. Amortization expense of \$76,573 (2009 - \$76,574) is included in the statement of operations and equity.

6 Property and equipment

Property and equipment consist of the following:

	2010		
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
Land	65,816,556	-	65,816,556
Parking garages	82,233,687	41,384,589	40,849,098
Surface car parks	16,691,168	4,627,313	12,063,855
Equipment and furnishings	72,539,614	46,658,171	25,881,443
	<u>237,281,025</u>	<u>92,670,073</u>	<u>144,610,952</u>

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	2009		
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
Land	66,788,862	-	66,788,862
Parking garages	67,757,534	39,027,521	28,730,013
Surface car parks	15,616,095	4,043,670	11,572,425
Equipment and furnishings	63,499,980	41,326,184	22,173,796
Car parks and projects not completed	2,279,158	-	2,279,158
	<u>215,941,629</u>	<u>84,397,375</u>	<u>131,544,254</u>

There were no capital contributions received from the City during the year (2009 - \$1,129,441).

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 pension 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 \$1,027,367 (2009 - \$1,001,150) and are included in operating expense and administration expense in the statement of operations and equity.

8 Debt payable

Debt payable consists of:

- An amount of \$3,792,100 (2009 - \$6,000,000) is owing for the purchase of equipment upgrades undertaken in 2007, of which \$1,792,100 (2009 - \$4,000,000) is classified as long-term and \$2,000,000 (2009 - \$2,010,000) is included in current liabilities. The long-term portion of \$1,792,100 is payable in 2012 after which the debt will be fully repaid. The amount payable does not bear interest and has not been discounted.
- An amount of \$7,450,825 (2009 - \$nil) is owing for the purchase of equipment upgrades undertaken in 2009 and 2010, of which \$7,104,103 (2009 - \$nil) is classified as long-term and \$346,722 (2009 - \$nil) is included in current liabilities. The original amount owing of \$7,618,088 is payable over 15 years at an effective interest rate of 2.298% with the term ending on June 30, 2025.

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The debt payable will be repaid as follows:

	\$
2011	514,352
2012	527,210
2013	540,391
2014	553,901
2015	567,748
2016 and thereafter	<u>6,151,847</u>
	<u>8,855,449</u>

9 Income-sharing arrangements

City of Toronto's share of net income

In 1998, the City and the Authority established an income-sharing arrangement for a three-year period ending December 31, 2000. The arrangement has been continuously renewed, most recently for the 2010 to 2012 period. Under this renewal, the Authority pays annual rent equal to the greater of 75% of its net income for the year or \$30,000,000.

One-time payments

From time to time, the Authority will pay an amount to the City that is in excess of its forecasted 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, typically 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 typically take the form of a sale of air rights at an existing surface car park 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 2010, the Authority sold the air rights over an existing surface car park to a private developer resulting in a gain on the sale. Proceeds were in the form of cash plus a future delivery of an underground parking garage to be included in the completed development in accordance with the terms of the agreement of purchase and sale. The garage was prepaid by the Authority at a cost of \$6,000,000 through a reduction in the proceeds received on the transaction. Total cash proceeds received were \$18,400,000. Under the terms of the agreement, construction of the garage is to commence within 48 months of the December 2010 closing date (commencing no later than 84 months) and is to be completed within a period of 30 months following construction

Toronto Parking Authority

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commencement. Since the Authority's share of the gain on sale of the air rights approximates the cost of the garage, the City's 75% share of net income for the year did not require adjustment.

Funding of capital program

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

1. to principal and interest on debentures issued to finance the cost of parking facilities;
2. toward the cost of new parking facilities; and
3. for other purposes as determined by City Council.

Net income retained by the Authority, after payments to the City of 75% of its net income and any one-time payments, is used solely to fund its capital program. The Authority has never financed new car park development through debentures or any other form of debt financing.

During 2010, the Authority, as part of its capital program funding analysis, determined it did not have excess funds available from its capital program to return to the City as a one-time distribution. In 2009, the Authority returned \$10,000,000 to the City as a one-time distribution.

10 Statement of cash flows

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

	2010	2009
	\$	\$
Accounts receivable	654,040	1,036,264
Supplies	(3,243)	46,409
Prepaid expenses	(48,776)	(22,960)
Accounts payable and accrued liabilities	1,286,065	58,822
Deferred revenue	43,015	(565,891)
Due to related parties	(7,811,521)	(7,429,829)
	<u>(5,880,420)</u>	<u>(6,877,185)</u>

11 Financial instruments

The Canadian Institute of Chartered Accountants (CICA) Handbook Section 3862, requires disclosure of a three level hierarchy for fair value measurement 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.

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- 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 of 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.

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument 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:

- Foreign currency risk

The Authority has no material exposure to foreign currency risk.

- 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 4.46% reduction in the fair value of the portfolio. Conversely, a 1% decrease in interest rates would result in a 4.46% increase in the fair value of the portfolio.

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- Price risk

Price risk is the risk 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). The Authority is exposed to changes in electricity prices associated with the wholesale spot market for electricity in Ontario. The Authority has not addressed the commodity price risk exposure associated with changes in the wholesale price of electricity as it has not entered into any energy related purchase and sales contracts since 2009.

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.

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 the Authority can fund its capital program as needs arise and as more fully explained in note 12. 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 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, 2010, the Authority has met its objective of having sufficient liquid resources to meet its current obligations and fund capital investment opportunities as they arise.

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13 Commitments

- The Authority has a commitment to purchase a property for \$2,680,000 with an anticipated closing date in May 2011.
- The Authority has a commitment under an extended warranty agreement for the servicing of pay and display equipment. The agreement expires on June 30, 2025 and calls for future payments of \$24,184,000.
- On behalf of the Authority, the City enters into contracts to purchase natural gas at fixed prices. 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.
- Future minimum payments under a snow clearing contract that expires in 2015 total \$5,338,000.
- Future minimum annual lease payments under leasing agreements for use of the land and equipment are approximately as follows:

	\$
2011	961,000
2012	692,000
2013	655,000
2014	633,000
2015	623,000
2016 and thereafter	<u>1,636,000</u>
	<u>5,200,000</u>

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 to conform to the current year's presentation.

Toronto Parking Authority

Schedule of Operating Expenses and Other Income For the year ended December 31, 2010

	2010			2009
	On-street	Off-street	Total	Total
	\$	\$	\$	\$
Operating expenses				
Salaries, wages and benefits	2,323,120	13,327,612	15,650,732	14,904,280
Maintenance	2,014,496	3,390,721	5,405,217	4,876,870
Utilities	-	2,388,820	2,388,820	2,319,583
Rent	-	3,701,686	3,701,686	3,506,342
Snow clearing	-	963,354	963,354	1,055,030
Tickets	1,098,389	434,374	1,532,763	1,402,662
Security and monitoring	29,463	978,829	1,008,292	897,793
Insurance	69,226	648,961	718,187	654,320
Pay and display network communications	1,878,326	165,188	2,043,514	1,986,821
Outside coin counting	125,052	49,098	174,150	166,680
Credit card processing	518,239	936,777	1,455,016	1,315,311
Interest	79,495	7,243	86,738	-
Sundry	37,298	753,984	791,282	886,056
	8,173,104	27,746,647	35,919,751	33,971,748

	2010	2009
	\$	\$
Other income		
Investment income	3,487,761	9,571,441
Gain on sale of property and equipment	25,957,458	45,761
Net rental income earned on behalf of PASMRRPF	394,056	335,902
Contribution to PASMRRPF	(394,056)	(335,902)
Rental income	1,148,206	1,106,240
Sundry	613,518	383,267
	31,206,943	11,106,709