DRAFT #7
February 28, 2025

Financial Statements of

TORONTO PARKING AUTHORITY

And Independent Auditor's Report thereon

Year ended December 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Toronto Parking Authority

Opinion

We have audited the financial statements of Toronto Parking Authority (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of income and comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in 2024 Annual Report document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in 2024 Annual Report document as at the date of this auditor's report.

If based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

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TORONTO PARKING AUTHORITY

DRAFT Statement of Financial Position
(In thousands of dollars)

December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	$ 89,615	$ 82,686
Accounts receivable	3,095	3,757
Prepaid expenses and other assets	3,176	2,896
	95,886	89,339
Finance lease receivable (note 4)	5,979	5,979
Investment in garages and car parks (note 5)	32,000	32,000
Property and equipment (note 5)	307,758	275,116
	$ 441,623	$ 402,434
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 28,295	$ 23,684
Deferred revenue (note 20)	26,691	20,849
Due to related parties (note 6)	35,242	17,003
Lease liabilities (note 7)	774	758
Debt payable (note 8)	356	692
	91,358	62,986
Lease liabilities (note 7)	2,134	2,907
Debt payable (note 8)	–	356
	93,492	66,249
Equity (note 9)	348,131	336,185
Commitments and contingent liabilities (note 17)		
	$ 441,623	$ 402,434

See accompanying notes to financial statements.

On behalf of the Board:

_________________________________ Chairman

_________________________________ President

TORONTO PARKING AUTHORITY

DRAFT Statement of Income and Comprehensive Income
(In thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Revenue (note 10)	$ 163,289	$ 143,600
Direct expenses - operating (note 19)	(65,840)	(60,216)
Administration	(22,612)	(19,290)
Municipal property tax	(21,708)	(24,332)
Amortization of property and equipment (note 5)	(14,352)	(10,020)
Other income (note 12)	1,307	2,348
Operating income	40,084	32,090
Finance income (note 12)	4,835	6,139
Finance cost (notes 7 and 8)	(166)	(201)
Finance income, net	4,669	5,938
Net income and comprehensive income	$ 44,753	$ 38,028

See accompanying notes to financial statements.

TORONTO PARKING AUTHORITY

DRAFT Statement of Changes in Equity
(In thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Balance, beginning of year	$ 336,185	$ 330,114
Net income and comprehensive income	44,753	38,028
	380,938	368,142
Annual distribution to City of Toronto (note 14)	(32,807)	(31,957)
Balance, end of year	$ 348,131	$ 336,185

See accompanying notes to financial statements.

TORONTO PARKING AUTHORITY

DRAFT Statement of Cash Flows
(In thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash flows from operating activities:		
Net income and comprehensive income	$ 44,753	$ 38,028
Add (deduct) non-cash and non-operating items:		
Amortization of property and equipment (note 5)	14,352	10,020
Loss (gain) on sale of property and equipment (note 12)	1,104	(127)
Finance income and finance charges	(4,669)	(5,938)
	55,540	41,983
Net change in non-cash working capital balances related to operating activities (note 18)	29,074	3,694
Net cash flows from operating activities	84,614	45,677
Cash flows from financing activities:		
Distributions to the City of Toronto (note 14)	(32,807)	(31,957)
Lease liabilities repayment	(757)	(752)
Finance cost paid on lease liabilities (note 7)	(149)	(169)
Long-term debt to finance purchase of property and equipment:		
Repayments (note 8)	(692)	(659)
Finance cost paid on long-term debt (note 8)	(17)	(32)
Net cash flows used in financing activities	(34,422)	(33,569)
Cash flows from investing activities:		
Finance income received from investments (note 12)	4,315	5,619
Payments received for finance lease receivable (notes 4 and 12)	520	521
Proceeds from sale of property and equipment	164	858
Decrease (increase) in investment in garages and car parks	–	3,667
Proceeds from the sale of investments		–
Purchase of property and equipment (note 5)	(57,077)	(59,139)
Capital funding (note 20)	8,815	2,938
Net cash flows used in investing activities	(43,263)	(45,536)
Increase (decrease) in cash and cash equivalents	6,929	(33,428)
Cash and cash equivalents, beginning of year	82,686	116,114
Cash and cash equivalents, end of year	$ 89,615	$ 82,686

See accompanying notes to financial statements.

1. Nature of operations and relationship to 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 the City's public bike share program and municipal off-street parking facilities and on-street meter operations on behalf of the City in support of local business areas.

The address of the Authority's registered office is 33 Queen Street East, Toronto, Ontario.

The City is considered the ultimate controlling entity of the Authority. In its relationship with the City, the Authority has an agreement on income-sharing, which is described in note 14.

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

2. Material accounting policies:

(a) Statement of compliance:

The financial statements of the Authority have been prepared on a going concern basis and comply with all the requirements of IFRS Accounting Standards.

The financial statements were authorized for issuance by the Authority's Board of Directors on May 15, 2025.

(b) Basis of preparation:

The Authority is a public sector entity and meets the definition of a Government Business Enterprise ("GBE") as set out in the Introduction to Public Sector Accounting Standards. GBEs are deemed to be publicly accountable enterprises and are required to apply IFRS as set out in the Chartered Professional Accountants of Canada Handbook - Accounting.

(c) Basis of measurement:

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial assets to fair value as explained in the accounting policies below.

2. Material accounting policies (continued):

(d) Property and equipment:

(i) Measurement basis:

The Authority measures property and equipment using the cost model. The cost model provides that property and equipment be recorded at their cost at the time of recognition.

Any costs incurred subsequent to initial recognition, which enhance the service capacity (an improvement), are capitalized as property and equipment and are amortized over the remaining useful life of the asset or the improvement, whichever is shorter.

(ii) Component accounting:

Components of an item of property and equipment that have different useful lives and have a significant cost in relation to the total cost of the item have been classified and amortized to profit or loss separately. Parking garage structures are currently the only item of property and equipment identified as having components with differing useful lives.

(iii) Amortization:

The amount subject to amortization is the cost of the asset less any residual value. Amortization expense is recognized in profit or loss and is calculated from the date the assets are available for use on a straight-line basis over their estimated useful lives as follows:

Parking garages - concrete structures	25 to 40 years
Parking garages - other components	25 years
Surface car parks	25 years
Buildings	25 years
Equipment and furnishings	5 to 10 years

2. Material accounting policies (continued):

Projects to build garages or surface car parks, which are in process, are included in property and equipment as acquired and are amortized once the asset is placed into service. Improvements to facilities that meet the recognition criteria are added to the asset and amortized over a period of up to 25 years.

Land is not amortized, as it is considered to have an indefinite life.

Right-of-use assets are amortized over the shorter of the estimated useful life of the asset and the lease term.

The useful lives of property and equipment are reviewed at each statement of financial position date and are estimated by management based on historical analysis and other available information. The residual values of property and equipment are reviewed at each statement of financial position date and are based on the assessment of useful lives and other available information.

(iv) Impairment of non-financial assets:

Property and equipment are reviewed annually for indications of impairment or when circumstances indicate the carrying amount may not be recoverable.

If an asset is determined to be impaired, it is written down to its recoverable amount, which is the higher of fair value less costs to sell and value in use. In the absence of a reliable estimate of fair value for an asset that is clearly impaired, the value in use may be applied. If there is an indication that a previously impaired asset has experienced an increase in fair value or value in use, the previous impairment is reversed but only to the extent of the carrying amount had no impairments been recognized.

Impairment losses or reversals are recorded in profit or loss.

(e) Capital funding:

The Authority receives capital funding from the City of Toronto and other levels of government or government agencies for capital asset acquisitions. Capital funding related to assets is recognized as a deduction of the carrying amount of the assets.

2. Material accounting policies (continued):

(f) Financial instruments:

Fair value measurement:

The Authority categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs used in the measurement.

- Level 1 - This level includes assets and liabilities measured at fair value based on an adjusted quoted price for identical assets and liabilities in active markets that are accessible at the measurement date;

- Level 2 - This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs; and

- Level 3 - This level includes valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2. Material accounting policies (continued):

(i) Classification and measurement of financial instruments:

The Authority classifies its financial instruments into one of the following categories based on the Authority's business model for managing financial instruments and their contractual cash flow characteristics. The Authority's accounting policy for measurement of each category is as follows:

Financial instrument	Category	Subsequent measurement
Cash and cash equivalents	Amortized cost	Amortized cost
Accounts receivable	Amortized cost	Amortized cost
Finance lease receivable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost
Lease liabilities	Other financial liabilities	Amortized cost
Debt payable	Other financial liabilities	Amortized cost

All financial instruments are measured initially at fair value, which is generally the transaction price.

(ii) Method of determining fair value:

Fair value is determined:

- on the basis of quoted prices in an active market, or if an active market does not exist; and

- using accepted valuation techniques or parameters derived from a combination of active markets or from statistical estimates or other quantitative methods.

Other categories of financial instruments that are measured subsequently at amortized cost do not trade on an active market.

For assets measured at fair value, changes in fair value are recognized in profit or loss as an unrealized gain or loss.

2. Material accounting policies (continued):

(iii) Cash and cash equivalents:

Cash and cash equivalents comprise cash on hand and deposits held on call with major financial institutions. Cash and cash equivalents are recorded initially at fair value and subsequently at amortized cost.

(iv) Accounts receivable:

Accounts receivable are primarily trade receivables recorded at amortized cost, less a loss allowance for expected credit loss, which involves annual testing to assess and estimate uncollectible amounts. Measurement of an expected credit loss is based on the probability of that default occurring. Adjustments to the amortized cost are included in profit or loss. The amortized cost of accounts receivable approximates their fair value due to their short-term nature.

(v) Finance lease receivable:

The finance lease receivable represents the present value of minimum lease payments due to the Authority as lessor under a finance lease.

(vi) Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities are primarily trade payables, pension remittances and liabilities to government for sales and payroll related taxes measured at their amortized cost, which approximates their fair value due to their short-term nature. Changes to the amortized cost are included in profit or loss.

(vii) Impairment of financial assets:

As at each statement of financial position date, the Authority assesses whether the assets carried at amortized cost are impaired. An impairment equal to the expected credit loss is recognized by bringing the value to a recoverable amount on the statement of financial position and recognizing an expense in the statement of income and comprehensive income. The 12-month expected loss is recognized, unless there is a significant increase in credit risk of the financial assets, by when the lifetime expected loss is recognized. When previous impairment losses reverse, they are recognized up to the extent of the impairment amount originally recognized.

2. Material accounting policies (continued):

(g) Leases:

The Authority enters into leases for parking facilities as lessee and leases for commercial and residential rental units as lessor in the normal course of business. Lease contracts are typically made for fixed periods but may include purchase, renewal or termination options. Leases are negotiated on an individual basis and contain a wide range of different terms and conditions.

(i) Leases as lessee:

The Authority assesses whether a contract is or contains a lease at inception of the contract. A lease contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Lease liabilities with corresponding right-of-use assets for all lease agreements are recognized, except for short-term leases and leases of low value assets, which are expensed on a straight-line basis over the lease term. Consideration in a contract is allocated to lease and non-lease components on a relative stand-alone value basis. The Authority generally accounts for lease components and any associated non-lease components as a single lease component.

The Authority recognizes a right-of-use asset and a lease liability at the lease commencement date. Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using our incremental borrowing rate, unless the rate implicit in the lease is readily determinable. A single incremental borrowing rate is applied to a portfolio of leases with similar characteristics. Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments, less any lease incentives;
- variable lease payments that depend on an index or rate; and
- payments expected under residual value guarantees and payments relating to purchase options and renewal option periods that are reasonably certain to be exercised.

2. Material accounting policies (continued):

Lease liabilities are subsequently measured at amortized cost using the effective interest method. Lease liabilities are remeasured, with a corresponding adjustment to the related right-of-use assets, when there is a change in variable lease payments arising from a change in an index or rate or, when the Authority changes assessment of whether purchase, renewal or termination options will be exercised.

Right-of-use assets are classified as property and equipment and measured at cost, which is comprised of the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date and any initial direct costs. They are subsequently amortized to the earlier of the end of the useful life of the underlying asset or the lease term using the straight-line method and reduced by impairment losses, if any. The lease term includes periods covered by an option to extend if the Authority is reasonably certain to exercise that option. Right-of-use assets may also be adjusted to reflect the remeasurement of related lease liabilities.

Variable lease payments that do not depend on an index or rate are not included in the measurement of lease liabilities and right-of-use assets. The related payments are expensed in operating costs in the period in which the event or condition that triggers those payments occurs.

(ii) Leases as lessor:

(a) Finance leases:

Assets leased under arrangements that transfer substantially all the risks and rewards of ownership, with or without ultimate transfer of title, are classified as finance leases. A finance lease receivable is recorded at the inception of the lease at an amount equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments plus any unguaranteed residual value.

- Lease payments received are allocated between a reduction of the receivable and finance income on an amortized basis to produce a constant rate of interest on the remaining balance of the receivable.

- Finance income is recorded as finance income.

2. Material accounting policies (continued):

- When assets are recognized under a finance lease for the first time, there is a concurrent derecognition of the asset as property and equipment (as if effectively disposed of).

(b) Operating leases:

Assets leased under arrangements that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Assets are classified within property and equipment on the Authority's statement of financial position and amortization is provided for in a systematic manner consistent with the Authority's amortization policy for similar property and equipment.

- Lease income is recognized on a straight-line basis over the term of the lease.

- If a lease incentive is provided, it is accounted for as a reduction to rental income.

(h) Revenue from contracts with customers:

Revenue is recognized at a point in time or over time, depending on when the Authority has satisfied its performance obligation(s) to its customers. Where the Authority has a right to consideration from customer in an amount that corresponds directly with the value to the customer of the performance to date, revenue is recognized in an amount to which the Authority has a "right to invoice". The right to invoice represents the fair value of the consideration received or receivable. The following provides a summary of the nature of the various performance obligations within contracts with customers and when performance is recognized on those obligations:

- parking and bike share fee revenue as the service is performed;

- management fee as the management service is provided to the property owner;

- rental income on a straight-line basis over the term of the lease;

- advertising income in accordance with the substance of the agreement, which may be recognized as the service is performed or on a straight-line basis over the term; and

2. Material accounting policies (continued):

Other sources of revenue include:

- interest and finance income on a time proportion basis with reference to the principal amount and effective interest rate;
- gains or losses when the transaction occurs;
- other income as the service is performed or as the Authority has a legal or constructive right to receive a future economic benefit.

Deferred revenue consists primarily of deposits for parking made through the GreenP app and bike share annual memberships, which are to be earned and recognized in future periods.

(i) Multi-employer pension plan:

The Authority makes contributions to Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of substantially all of its employees. The plan is a contributory defined benefit pension plan funded by equal contributions from participating employers and employees as well as by investment earnings of the plan. The plan specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay.

Contributions received from all OMERS employers are co-mingled and used to jointly purchase investments to support the pension obligations. OMERS does not track its investments by employer. In addition, OMERS engages an independent actuary to determine the funded status of the plan with actuarial assumptions developed based on the entire plan membership, not by employer. Although the plan has defined benefit plan characteristics, there is insufficient information available to account for the plan as a defined benefit plan. Defined benefit plan accounting would require the recording of the discounted amount of the future benefit obligations offset against the fair value of plan assets. In this situation, International Accounting Standard ("IAS") 19, Employee Benefits, requires that defined contribution accounting and disclosure be applied.

2. Material accounting policies (continued):

According to OMERS' 2024 annual report, the plan was in a deficit position of $2.9 billion at the end of 2024, a decrease from a deficit of $4.2 billion at the end of 2023. The improvements were generated by the smoothed investment return from prior years and the current year exceeding the discount rate, contributions from members and employers to improve the Plan’s financial position, and experience gains on the accrued pension obligation. These were partly offset by a reduction of the discount rate.

(j) New accounting standards or amendments in effect:

The following amended standards are in effect for the year ended December 31, 2024 and did not have a material impact on the Authority's financial position, results of operations or cash flows:

(i) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1, Presentation of Financial Statements);

(ii) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16, Leases); and

(iii) Supplier Finance Arrangements (Amendments to IAS 7, Statement of Cash Flows, and IFRS 7, Financial Instruments Disclosures).

(k) Accounting pronouncements issued but not yet effective:

The following new and amended standards are not expected to have a significant impact on the Authority's financial statements:

(i) Lack of Exchangeability (Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates);

(ii) Amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7);

(iii) Annual Improvements to IFRS Accounting Standards - Volume 11;

(iv) Presentation and Disclosure in the Financial Statements (IFRS 18);

2. Material accounting policies (continued):

(v) Subsidiaries without Public Accountability: Disclosures (IFRS 19); and

(vi) Sale or Contribution of Assets between an Investor and its Associate (Amendments to IAS 28, Investments in Associates, and IFRS 10, Consolidated Financial Statements).

3. Critical accounting judgments and estimates:

In applying the Authority's accounting policies as described in note 2, management is required to make judgments, 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 year.

The estimates and judgments management made in applying the Authority's accounting policies relate to:

(a) Finance lease receivable:

The present value of the lease receivable is based on management's estimate of future minimum lease payments, which include an estimation of future fair value and residual value of the property.

(b) Property and equipment:

Management judgment is applied in determining amortization rates and useful lives of assets.

(c) Lease liabilities:

Management judgment is applied in determining discount rate.

(In thousands of dollars)

4. Finance lease receivable:

The present value of the minimum lease payments receivable and the payments due is detailed in the following schedule:

2024	Gross investment in lease receivable	Future finance income	Present value of minimum lease payments
Lease receivable - payments due			
Not more than 1 year	$ 520	$ 520	$ -
Over 1 year but not more than 5 years	2,080	2,078	2
Over 5 years	35,363	29,386	5,977
	$ 37,963	$ 31,984	$ 5,979

2023	Gross investment in lease receivable	Future finance income	Present value of minimum lease payments
Lease receivable - payments due			
Not more than 1 year	$ 520	$ 520	$ –
Over 1 year but not more than 5 years	2,080	2,078	2
Over 5 years	35,883	29,906	5,977
	$ 38,483	$ 32,504	$ 5,979

There is an estimated residual value of $4,856 recognized at the end of the 99-year term of the lease, at which time the Authority legally retains title to the land. Total contingent rent recognized as income during the year is $469 (2023 - $475).

(In thousands of dollars)

5. Property and equipment:

	Land and building	Parking garages - concrete structures	Parking garages - other components	Surface car parks	Right-of-use assets	Equipment and furnishings	2024 Total	2023 Total
Cost								
Balance, beginning of year	$ 96,179	$ 87,488	$ 102,481	$ 32,467	$ 7,205	$ 124,063	$ 449,883	$ 394,868
Purchases	169	35,667	2,467	59	–	18,715	57,077	59,139
Capital funding (note 20)	–	–	–	–	–	(8,815)	(8,815)	(2,938)
Disposals	(192)	–	(3)	(1,242)	–	(613)	(2,050)	(1,186)
Balance, end of year	$ 96,156	$ 123,155	$ 104,945	$ 31,284	$ 7,205	$ 133,350	$ 496,095	$ 449,883
Accumulated amortization								
Balance, beginning of year	$ 727	$ 33,180	$ 46,794	15,847	$ 4,117	74,102	174,767	165,202
Amortization	135		3,151	1,182	753	7,305	14,352	
Disposals	–	–	–$	(289)	–$	(493)$	(782)$	(455)
Balance, end of year	$ 862	$ 35,006	$ 49,945	$ 16,740	$ 4,870	$ 80,914	$ 188,337	$ 174,767
		1,826						10,020
Net book value								
Balance, end of year	$ 95,294	$ 88,149	$ 55,000	$ 14,544	$ 2,335	$ 52,436	$ 307,758	$ 275,116

Title to all land purchased by the Authority is held in the name of the City, but the Authority controls the property.

Investment in garages and car parks comprises of car parks that will be constructed in the future of $32,000 (2023 - $32,000).

(In thousands of dollars)

6. Related party transactions and balances:

(a) Related party transactions and balances:

The Authority carries out transactions in the normal course of operations and on commercial terms with a number of departments and agencies of its ultimate parent, the City of Toronto.

During the year, the Authority paid rent expenses to, and received car park management fees and capital funding from, related parties. The table below summarizes the transactions, receivable and payable balances:

	2024			2023		
	Management fees	Rent expense	Payable	Management fees	Rent expense	Payable
Parent	$ –	$ 3,035	$ (23,520)	$ –	$ 1,696	$ (7,341)
Agencies and corporations of the Parent	755	602	(11,722)	666	515	(9,662)
	$ 755	$ 3,637	$ (35,242)	$ 666	$ 2,211	$ (17,003)

(b) Reserve funds:

The City holds the following reserve funds for use by the Authority in funding capital projects. These funds are administered by the City and are not included in the Authority's financial statements. Reserve fund balances as at December 31 are as follows:

	2024	2023
Parking Authority Shopping Mall Rented Properties Reserve Fund	$ 2,626	$ 2,323
Parking Payment in Lieu Reserve Fund	2,906	2,678
Bike Share Reserve Fund	154	154
	$ 5,686	$ 5,155

(In thousands of dollars)

6. Related party transactions and balances (continued):

(c) Compensation of directors and key management:

Compensation to the key managers, including directors, with responsibility to plan, direct and control the operations of the Authority is $1,674 (2023 - $1,440) and consists of salaries and short-term benefits.

7. Lease liabilities:

The Authority recognized lease liabilities of $7,736 and the same amount of right-of-use assets within property and equipment, with no net impact on retained earnings. When measuring lease liabilities, the Authority discounted lease payments using its incremental borrowing rate at January 1, 2019 of 4.5%. Finance cost on lease liabilities for the year ended December 31, 2024 was $149 (2023 - $169). The expenses relating to short-term leases were $576 (2023 - $625). Total cash outflow for leases was $906 (2023 - $921), including $757 (2023 - $758) of principal payments on lease obligations.

8. Debt payable:

Debt payable relates to the purchase of equipment upgrades and is classified as long-term with $356 (2023 - $692) included in current liabilities. The debt matures on June 30, 2025 and bears an effective interest rate of 2.298%. Finance cost paid during the year was $17 (2023 - $32).

Principal repayments on long-term debt over the next two years are estimated as follows:

2025	$ 356

(In thousands of dollars)

9. Equity:

Equity of the Authority represents the accumulated retained net income and comprehensive income of the Authority, less distributions to the City. Equity of the Authority is retained to fund the purchase and maintenance of major property and equipment. The Authority is without share capital, with the City holding a 100% beneficial interest in the Authority's equity.

10. Revenue:

Revenue is made up of the following components:

	On-street	Off-street	Bike Share	2024 Total	2023 Total
Bike Share revenue	$ –	$ –	$ 13,272	$ 13,272	$ 10,432
Short-term parking	63,249	83,038	–	146,287	130,326
Monthly permit parking	–	3,730	–	3,730	2,842
	$ 63,249	$ 86,768	$ 13,272	$ 163,289	$ 143,600

11. Employee benefits:

Salaries, wages and benefits included in direct expenses - operating consist of:

	On-street	Off-street	Bike Share	2024 Total	2023 Total
Salaries and wages	$ 1,705	$ 9,146	$ 757	$ 11,608	$ 10,778
Benefits	266	2,445	87	2,798	2,939
OMERS pension plan contributions	120	966	80	1,166	1,034
	$ 2,091	$ 12,557	$ 924	$ 15,572	$ 14,751

(In thousands of dollars)

11. Employee benefits (continued):

Salaries, wages and benefits included in administration expense consist of:

	2024	2023
Salaries and wages	$ 11,783	$ 9,596
Benefits	1,779	1,316
OMERS pension plan contributions	1,241	1,020
	$ 14,803	$ 11,932

The estimated 2025 employer's OMERS pension plan contribution is $2,500.

12. Finance and other income:

These amounts consist of the following:

	2024	2023
Finance income earned on cash balances	$ 4,315	$ 5,619
Finance income earned and net effective change in lease receivable (note 4)	520	520
	4,835	6,139
Other income:		
Gain (loss) on sale of property and equipment	(1,104)	127
Miscellaneous other income	2,411	2,221
	1,307	2,348
	$ 6,142	$ 8,487

(In thousands of dollars)

13. Operating leases:

The Authority is the lessor in a number of operating leases for building properties. The future minimum lease payments receivable under non-cancellable operating leases for these properties are:

	2024	2023
Not more than 1 year	$ 835	$ 947
Over 1 year but not more than 5 years	1,059	1,655
Over 5 years	39	267
	$ 1,933	$ 2,869

These operating leases do not provide for contingent rental payments.

14. City's share of net income:

The City and the Authority's income-sharing arrangement, effective for the three-year period from 2024 - 2026 requires the Authority to pay to the City the greater of (i) 75 percent of net income and comprehensive income earned in the current year or (ii) 75 percent of net income and comprehensive income earned in the prior year, subject to unforeseen and uncontrollable circumstances which may result in significant service disruption, or is the result of new legislated obligations, which may have an adverse and material effect on the Authority’s financial position; During fiscal 2024, distribution from operations of $32,807 (2023 - $31,957) was determined to be payable to the City.

(In thousands of dollars)

15. Financial instruments:

(a) Measurement categories:

As explained in note 2, financial assets and financial liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in profit or loss, or comprehensive income. Those categories that are applicable to the Authority are amortized cost measurement category and fair value through profit or loss measurement category. The following table shows the carrying amounts of financial assets and financial liabilities for each of these categories:

	2024	2023
Financial assets		
Amortized cost:		
Cash and cash equivalents	$ 89,615	$ 82,686
Accounts receivable	3,095	3,757
Finance lease receivable - including current portion	5,979	5,979
Total	$ 98,689	$ 92,422
Financial liabilities		
Amortized cost:		
Accounts payable and accrued liabilities	$ 28,295	$ 23,684
Due to related parties	35,242	17,003
Lease liabilities (including current portion)	2,908	3,665
Debt payable (including current portion)	356	1,048
Total	$ 66,801	$ 45,400

15. Financial instruments (continued):

(b) Nature and extent of risks arising from financial instruments:

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

(c) 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. Market risk comprises the following:

(i) Interest rate risk:

Interest rate risk refers to the effect on the fair value or future cash flows of an investment or debt obligations due to fluctuations in interest rates. Historically, as opportunities arise, the Authority has sold investments when interest rates have been declining in order to realize 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 Authority's long-term debt has a fixed rate of interest and is therefore not subject to fair value changes as a result of interest rate changes.

(ii) 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 has no material exposure to price risk.

(d) Credit risk:

Credit risk is the risk the Authority will be unable to redeem investments or collect accounts receivable or other debts due to it. The Authority collects revenue primarily in cash and does not extend a significant amount of trade credit. The Authority controls credit risk on its investments through its investment policy. Maximum credit risk exposure is equal to the total carrying amount of financial assets. Credit risk is considered low.

(In thousands of dollars)

15. Financial instruments (continued):

(e) Liquidity risk:

Liquidity risk is the risk the Authority will be 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. Long-term liabilities are not considered material and repayment is scheduled to allow settlement from cash flows generated from operating activities. The effect is a stable cash flow from operations, which acts to reduce liquidity risk.

The following table is a maturity analysis of the Authority's financial liabilities:

2024	Up to 1 month	More than 1 month up to 1 year	More than 1 year up to 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	$ 28,295	$ –	$ –	$ –	$ 28,295
Due to related parties	35,242	–	–	–	35,242
Lease liabilities, principal	62	712	1,935	199	2,908
Debt payable, principal	17	339	–	–	356
	$ 63,616	$ 1,051	$ 1,935	$ 199	$ 66,801

2023	Up to 1 month	More than 1 month up to 1 year	More than 1 year up to 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	$ 23,684	$ –	$ –	$ –	$ 23,684
Due to related parties	17,003	–	–	–	17,003
Lease liabilities, principal	62	696	2,247	660	3,665
Debt payable, principal	32	660	356	–	1,048
	$ 40,781	$ 1,356	$ 2,603	$ 660	$ 45,400

16. Capital management:

The Authority returns 75% (2023 - 85%) of its annual net income and comprehensive income to the City and retains 25% (2023 - 15%) to fund its long-term, multi-year capital budget plan. The Authority's income-sharing arrangement, effective for the three-year period from 2024 - 2026 provides capital funding to support the Bike Share Toronto and Off-Street EV Charging capital programs. The Authority's capital is invested in property and equipment, and it attempts to maintain cash on hand at a level sufficient to fund two to three years of capital investments.

17. Commitments and contingent liabilities:

(a) Commitments:

As at December 31, 2024, the Authority has contractual commitments of $15,800 (2023 - $28,962) relating to the purchase of above grade and/or substrata title to parking structures as part of a development sale of above grade strata title to air rights over land on which the Authority currently operates parking lots.

(b) Contingent liabilities:

The Authority has contingent liabilities in respect of legal claims arising in the ordinary course of business. At present, the outcome of these cases are not determinable. The Authority believes these claims are without merit and will vigorously defend itself in each of these actions. It is not anticipated that any material liabilities will arise from the contingent liabilities.

(In thousands of dollars)

18. Statement of cash flows - net change in non-cash working capital balances related to operating activities:

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

	2024	2023
Accounts receivable	$ 662	$ (2,789)
Prepaid expenses and other assets	(280)	(1,390)
Accounts payable and accrued liabilities	4,611	7,787
Deferred revenue	5,842	4,148
Due to related parties	18,239	(4,062)
	$ 29,074	$ 3,694

19. Direct expenses - operating:

				2024	2023
	On-street	Off-street	Bike Share	Total	Total
Salaries, wages and benefits (note 11)	$ 2,091	$ 12,557	$ 924	$ 15,572	$ 14,751
Maintenance of facilities and equipment	2,965	6,095	13,661	22,721	20,246
Rent	–	7,742	–	7,742	6,121
Utilities	153	2,364	–	2,517	2,342
Parking systems	2,897	483	–	3,380	3,186
Payment processing	3,044	2,607	602	6,253	5,396
Security and monitoring	–	4,105	–	4,105	4,077
Other	228	2,186	1,136	3,550	4,097
	$ 11,378	$ 38,139	$ 16,323	$ 65,840	$ 60,216

(In thousands of dollars)

20. Capital funding:

Capital funding recognized in revenue for the year ended December 31 is as follows:

	2024	2023
Municipal funding	$ 7,916	$ 2,080
Federal funding	899	858
	$ 8,815	$ 2,938

Included within deferred revenue is $2,388 (2023 - nil) related to funding received for capital items not spent as at December 31.