



# 2016 Annual Report

The Toronto Parking Authority exists to provide safe, attractive, self-sustaining, conveniently located and competitively priced off-street and on-street public parking as an integral component of Toronto's transportation system.





## Mayor and City Councillors

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### Mayor

Mayor John Tory

### City Councillors

Paul Ainslie  
 Maria Augimeri  
 Ana Bailão  
 Jon Burnside  
 John Campbell  
 Christin Carmichael Greb  
 Shelley Carroll  
 Josh Colle  
 Gary Crawford  
 Joe Cressy  
 Vincent Crisanti  
 Janet Davis  
 Glenn De Baeremaeker

Justin Di Ciano  
 Frank Di Giorgio  
 Sarah Doucette  
 John Filion  
 Paula Fletcher  
 Michael Ford  
 Mary Fragedakis  
 Mark Grimes  
 Jim Hart  
 Michelle Holland  
 Stephen Holyday  
 Jim Karygiannis  
 Norm Kelly  
 Mike Layton  
 Chin Lee  
 Giorgio Mammoliti  
 Josh Matlow

Pam McConnell  
 Mary-Margaret  
 McMahon  
 Joe Mihevc  
 Denzil Minnan-Wong  
 Frances Nunziata  
 Cesar Palacio  
 James Pasternak  
 Gord Perks  
 Anthony Perruzza  
 Jaye Robinson  
 Neethan Shan  
 David Shiner  
 Michael Thompson  
 Lucy Troisi  
 Kristyn Wong-Tam

## Board of Directors

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Michael Tziretas  
 Chair

Paul Scargall  
 Vice Chair

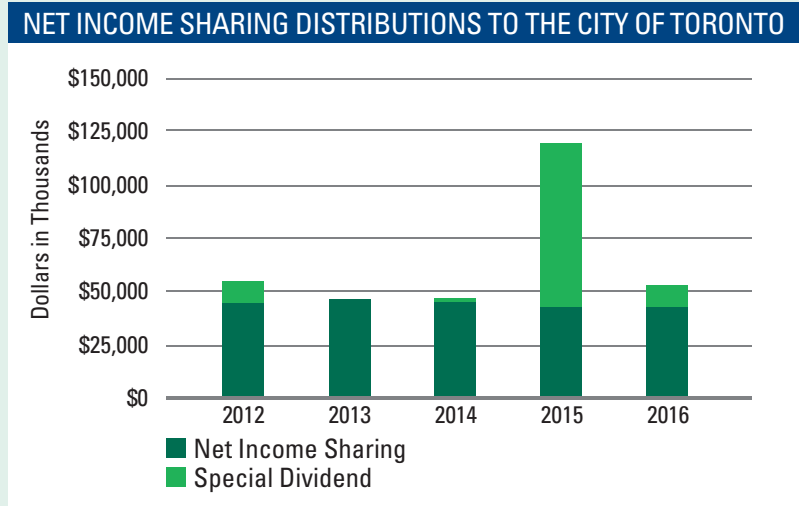
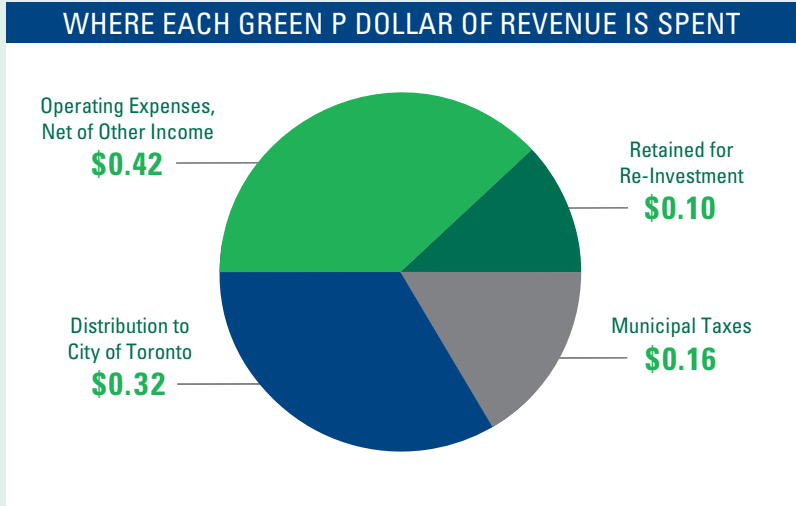
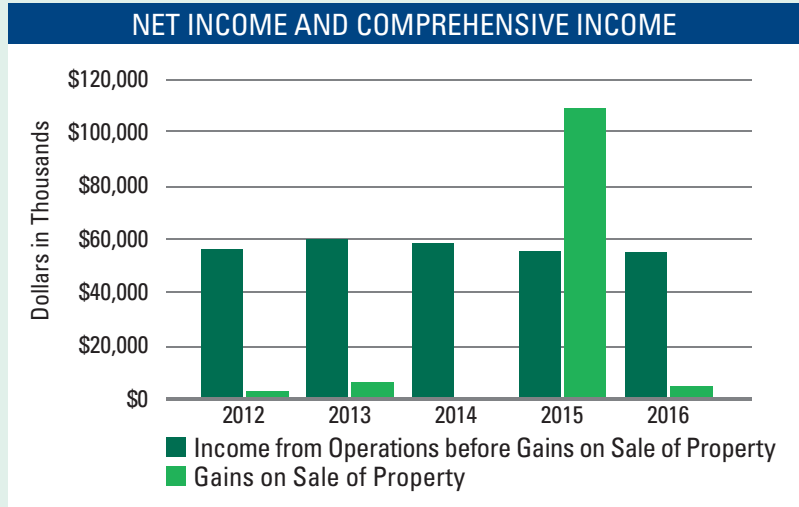
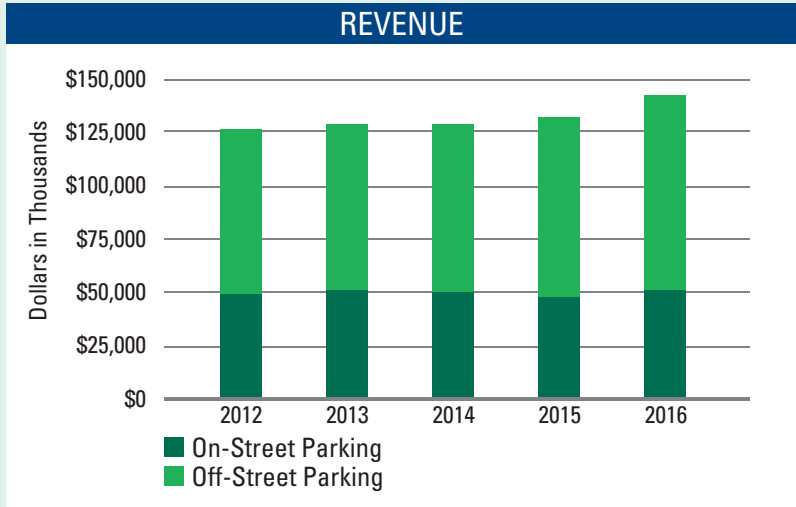
John Filion  
 Councillor

Giorgio Mammoliti  
 Councillor

Gerri Kozorys-Smith  
 Peter Leon

Lorne Persiko  
 Elke Rubach

# FINANCIAL HIGHLIGHTS



*The Authority is unique from most City bodies in that it receives no funding from the City of Toronto to operate and, as such, is completely self-sufficient.*

# INTRODUCTION



*Today's Green P represents much more than parking. We are also a Toronto ambassador, a community partner, an innovator, a meaningful brand and an employer of choice.*

This Annual Report shares our 2016 financial results, as well as the year's most significant achievements for the Toronto Parking Authority ("Green P"), now in its seventh decade of operations.

Green P parking operations again realized solid business results in 2016, with net income of \$59.6 million. These results continue our tradition of self-sufficient operations and generate a significant return for the City of Toronto, which receives 48 cents of every dollar of revenue earned. Since 1992, the Green P has returned almost \$1.3 billion dollars to the City through a combination of normal and special dividends, property taxes and rents. Our 2016 return for the City totals \$77.5 million.

Movement and access across the City of Toronto is strengthened by our continued strategic growth. Green P added three new garages and four new surface parking facilities to its portfolio this year. We also increased our operational presence with a new partnership to provide revenue services for 4,500 parking spaces in nine surface lots throughout the grounds of Exhibition Place.

We continue to innovate and incorporate leading technologies to enhance the Green P user experience. 2016 saw the introduction of the popular Green P Mobile Pay to our on-street operations. The Green P mobile app is a wireless payment platform that allows customers to purchase, track and extend their parking time remotely. Since its introduction in our off-street unattended facilities in 2015, the app has been very well received, reaching a benchmark in 2016 of 1.5 million transactions processed.

In addition, our staff accomplished another significant feat in 2016: replacing the entire communications package in all 3,100 Green P pay and display units, enabling much quicker transaction processing.

The Toronto Parking Authority continues to grow our Green P+ program with the introduction of seven new and/or redeveloped Green P+ surface lots in 2016. These properties meet or exceed the City's development and greening standards for surface parking lots to an even greater extent than standard Green P facilities and encompass such features as drought-tolerant landscaping, bioswales and seating areas among their design elements. Others beautify our communities by incorporating original art; this year, we unveiled four unique murals in our carparks through a continuing partnership with the City's StreetARToronto initiative.

One of our Green P+ projects, Carpark 164 (453 Spadina Road), earned the Award of Excellence for "Best Design/Implementation of a Surface Parking Lot" in the 2016 IPI (International Parking Institute) Awards of Excellence competition. Originally opened in 1987, this 58-space facility was recently redesigned in consultation with the local Forest Hill South community to include many sustainable and community-minded features. We are certainly proud to see the result recognized at a global level.

Achieving operational diversification continues to be a priority for the Green P. We provide revenue collection and processing services on behalf of Toronto Community Housing (TCHC) and the Toronto Transit Commission (TTC), as well as the City's Parks, Forestry and Recreation Division. We also manage the growing Bike Share Toronto with the assistance of an external operator. This year began a two-year partnership with Metrolinx that added 1,000 bicycles and 120 docking stations to Bike Share Toronto's existing network, essentially doubling its size.



The Toronto Parking Authority implemented wide-reaching changes to our corporate structure in 2016, all designed to better align our internal processes and support our strategic mission of “All About the Customer.” While it is clear that these changes have improved our operations, we recognize that the key to our continued success is our staff. The people who embody our core values – who serve our customers, who bring excellence to all of their daily tasks, who collaborate with one another – are responsible for setting the Green P apart on the world stage as a parking provider and as a steward of the communities in which we operate.

Today’s Green P represents much more than parking. We are also a Toronto ambassador, a community partner, an innovator, a meaningful brand and an employer of choice. Our organization’s long history continues to be a source of pride for all of us and now, equipped with strong core values, a robust organizational framework and dedicated staff, we are equally enthusiastic about what the future holds for the Green P and the city we serve.



**Excellence | Innovation | Collaboration**  
**Service | Respect | Commitment**

# EXCELLENCE



*One of our key values at the Toronto Parking Authority is achieving excellence in everything we do as a parking provider, an employer and a corporate citizen.*

## More than Parking

After over 64 years of operations, today's Toronto Parking Authority has evolved into more than just a parking provider. Since 2013, we have owned and managed Bike Share Toronto, expanding our business beyond parking. We aspire to be a model corporate citizen in the neighbourhoods in which we operate, as well as a global leader in municipal parking provision. Our core purpose is **to make the communities we serve more vibrant and livable.**

Our organization strives to earn customer loyalty through the consistent delivery of convenient, safe, accessible, attractive, clean, green, well-maintained and affordable parking. This commitment, however, is just one facet of our role within Toronto and its parking industry; at the heart of our business are communities and we consider them in all that we do at the Toronto Parking Authority.



The Ministry of Finance's *Ontario Population Projections Update (2016-2041)* forecasts sustained population growth for large urban centres including the Greater Toronto Area. Correspondingly, the Toronto Parking Authority recognizes its integral role in facilitating movement and access throughout the city. The decisions and processes we embrace today must also reflect tomorrow's requirements.

## Our Objectives and Approach

The Toronto Parking Authority relies on its longstanding "**Objectives for Parking Rates**" to deliver successful parking operations and management in support of the City of Toronto's infrastructure, sustainability mandates and transportation networks:

### Objectives for Parking Rates

Parking rates are set in a manner that fosters the general objectives of the Toronto Parking Authority and, in turn, support the City's key transportation and city-building objectives. These objectives are to:

- Provide low cost short-term parking, mainly in neighbourhood and commercial areas;
- Discourage long-term parking, especially in downtown and mid-town commercial areas and commercial areas well served by transit;
- Encourage downtown commuters to park at suburban carparks and transfer to public transit; and
- Generate sufficient revenue to cover minimum operating and administrative costs, and either recover past capital costs or allow for future capital investment.

While these Objectives have remained constant throughout the Toronto Parking Authority's history, our approach to achieving them continually evolves. New innovations, technologies and efficiencies, for example, improve both our internal processes and our customer experience. Environmental considerations such as greening elements and sustainability are now also central to our approach. We strive to be an industry leader and a model for forward-thinking, responsible innovation.



## The Green P Strategy

To ensure the adequate and equitable distribution of parking throughout Toronto, the Toronto Parking Authority utilizes an established **capital funding strategy**: a strong Green P portfolio in the downtown core subsidizes newer outlying facilities where a need for parking exists despite high development and capital costs that impact short-term profitability.

Our organization's **rate-setting policies** (which include annual rate reviews for all off-street facilities) complement the City of Toronto's transportation management and transit initiatives. Green P facilities offer the city's lowest short stay parking rates, for example, while all-day rates in the downtown

core (and other high demand areas) are significantly higher. In this way, our downtown facilities support short-term parker demand while our all-day rates implicitly encourage the use of alternative transportation such as public transit.

## Leading Today – Leading Tomorrow

A blend of both “tried and true” strategies and forward-thinking innovations continue to guide Toronto Parking Authority operations. With more than six decades of operational success behind us, our organization continues to strive for excellence in all that we do as a municipal parking provider in service of our customers and the City of Toronto, today and into the future.

# INNOVATION



*TPA operations support an enhanced customer experience through technological advances, dedicated service, trusted programs and new efficiencies.*

## Pay and Display Improvements

To maintain the effective operation of our 3,100 solar-powered pay and display equipment and meet the service expectations our customers have of the Green P, our organization continued its **program to refurbish and upgrade the functionality of all pay and display machines** in 2016. The plan includes repairing structural and cosmetic damage; repainting external cabinets and pedestals; dismantling, testing, servicing and optimizing functionality of all internal components; and enhancing back-end operating systems.

The highlight of the pay and display refurbishment and upgrade initiative is an ambitious **transformation of the communications infrastructure**, ensuring significantly improved transaction speed, security and reliability for our customers, which we completed in 2016.

This year, Green P Operations staff performed over 250 on-street machine **installations, removals and/or reinstallations**. Of particular note was the installation of 30 new on-street pay and display machines in the Canary District, formerly the 2015 Pan American Games Athletes' Village.

## City of Toronto Collaborations

The Toronto Parking Authority continues to provide varying ranges of operational support in the provision of parking services for major City of Toronto partners including the **Toronto Transit Commission (TTC)**, **Toronto Community Housing (TCHC)** and the **Parks, Forestry and Recreation Division**.



Under a new management arrangement begun in 2016, the Toronto Parking Authority has added **Exhibition Place** to its list of partners. The Green P now provides revenue collection and processing services, and also manages the maintenance, repair and operation of 30 pay and display machines, for some 4,500 parking spaces in nine surface lots throughout Exhibition Place grounds.

## Design, Upgrades and Maintenance

Our organization is committed to ensuring that every Green P customer experience is safe, efficient and user-friendly. Each of our parking facilities meets or exceeds current building and fire codes, and is designed for functional efficiency, public security and safety, and high resistance to deterioration.

The Toronto Parking Authority's core value of excellence is exemplified in our **design standards**, which include double line-marked parking stalls, generous sightlines and turning radii, ample lighting, as well as colour-coded and complementary graphics to identify floors, stairs, elevators and adjacent roadways.

Operations staff implement **upgrades** to our existing facilities in consideration of current Ontario Building Code (OBC) requirements, Accessibility for Ontarians with Disabilities Act (AODA) standards, as well as our own internal standards. Our preventative **maintenance and repair program**, meanwhile, also provides for power washing, repainting, cleaning and electrical replacement.





Among the Green P properties that received improvements in 2016 (including greening features, repaving and/or lighting upgrades) were **Carpark 26 (33 Queen Street East), Carpark 47 (125 Burnaby Boulevard), Carpark 111 (74 Clinton Street), Carpark 150 (40 Larch Street), Carpark 89 (20 Eaton Avenue), Carpark 93 (675 Manning Avenue), Carpark 29 (75 Holly Street), Carpark 68 (20 St. Andrew Street) and Carpark 43 (2 Church Street).**

These ongoing programs and improvements, in combination with regular technological updates, ensure the top condition and reliability of our facilities and equipment that our customers expect of the Green P.

# COMMITMENT



*The Green P is committed to the long-term growth, access and parking requirements of our customers and Toronto communities.*

## A Partner in Toronto's Vision

Our Green P portfolio and strategic growth plans support Toronto's Official Plan and its vision for increased intensification, re-urbanization, growth corridors and public transit usage. Our organization conducts **ongoing parking studies and surveys** in order to identify emerging parking needs throughout Toronto. When a need is identified, we consider the fair market value of land, the replacement cost per space, the cost to operate a facility and its anticipated revenue when evaluating any acquisition decision.

## Joint Venture Value

In areas of Toronto where parking is needed but property is cost-prohibitive or scarce, joint venture opportunities provide a solution. By partnering with the public and private sectors, the Toronto Parking Authority is often able to increase inventory, expand service into strategic markets and intensify land use, all with minimized capital input. This is accomplished by:

- Selling **development air rights** to a private/prospective developer and purchasing a stratified interest in the public parking component of the project; or
- Purchasing **new parking product** from a developer/landowner.

In all cases, the Green P retains control of the public parking component including parking rates, hours of operation and management.

This year, the Toronto Parking Authority joined its partners at the groundbreaking of a new Community/Cultural Hub joint venture development in Weston. This revitalization initiative will include dedicated indoor and outdoor space for community programming, some 360 dwelling units and 70 surface parking spaces.

## Property Acquisitions

The Toronto Parking Authority's **newest facilities** are supporting parking needs in and around the city:

- **Carpark 49 (30 Roehampton Avenue)**, a 150-space TPA-owned garage, opened September 2016;
- **Carpark 260 (94 Northcliffe Blvd)**, a 13-space TPA-owned surface lot, opened May 2016;
- **Carpark 277 (242 Danforth Avenue)**, a 19-space unattended parking garage facility, opened February 2016; and
- **Carpark 288 (292 Brunswick Avenue)**, a 19-space unattended surface lot, opened November 2016.

Meanwhile, our organization has secured future opportunities to construct surface parking and/or long-term redevelopment options through the **purchase of two new properties:**

- **838 Broadview Avenue** is a single-storey commercial property offering 4,000 square feet of leasable space with an existing 11-space ancillary parking area; and
- **5 Chartwell Road** is a single-storey detached bungalow located north of The Queensway and just east of Islington Avenue in Etobicoke, whose purchase closed March 2016.





## New Management Agreements

The Toronto Parking Authority manages the public parking component at certain locations that, while not viable to purchase, provide an existing building or lot that sufficiently meets the requirements for safe and efficient operations.

New management agreements begun in 2016 include:

- **Carpark 278 (68 Merton Street)**, a 30-space TPA-managed garage, opened June 2016;
- **Carpark 289 (373 Front Street East)**, a 450-space TPA-managed surface lot, opened November 2016; and
- **Carpark 424 (2180 Yonge Street)**, a 60-space TPA-managed surface lot, opened August 2016.

# SERVICE



*At the heart of the Toronto Parking Authority's business are communities. Forward-thinking design, partnerships and efficiencies help ensure our carparks are always in service of our customers and communities.*

## Greening with Green P+

The Toronto Parking Authority is committed to making our local communities **more vibrant and livable** through strategic design initiatives to existing and future lots. The City of Toronto's "**Design Guidelines for Greening Surface Parking Lots,**" developed in partnership with the Toronto Parking Authority in 2007, include:

- Enhanced pedestrian safety and comfort
- Higher quality landscaping and increased shade
- On-site stormwater management
- Sustainable materials usage
- Reduction of the urban heat island effect

Our **Green P+ program** is a multi-year plan to retrofit, build and operate select parking facilities that meet or exceed the City's development and greening standards for surface parking lots to an even greater extent than our standard Green P facilities. We envision these spaces to be complementary to their surrounding communities.

For a second straight year, the Toronto Parking Authority earned the **Award of Excellence for "Best Design/Implementation of a Surface Parking Lot"** for a Green P+ facility at the 2016 IPI (International Parking Institute) Conference & Expo. This year, the 58-space **Carpark 164 (453 Spadina Road)** claimed the honour for its innovative redevelopment, which included a new public seating area, drought-tolerant landscaping and multiple pedestrian connections. Located in Toronto's Forest Hill South neighbourhood, the project reflects the collaborative efforts of several parties including the local BIA and the Toronto Parking Authority.

In addition to our Green P+ initiatives, our organization also continues to incorporate, enhance and/or maintain landscaping and other greening elements in both existing and developing Green P carparks.

## More Payment Options

Marketing initiatives generate positive exposure for the Green P brand as they engage our customers and earn their loyalty. Following the 2015 launch of the **new Green P app**, the Toronto Parking Authority added several new capabilities and incentives this year that were well received. In October 2016, we introduced **Green P Mobile Pay** to our on-street operations served by pay and display machines, allowing customers to pay for, track and extend their parking using a mobile device.

While usage of Green P Mobile Pay marked a milestone in 2016 of 1.5 million transactions processed, our organization continues to invest in improvements to more traditional methods of payment, as well. Throughout the year, Information Technology staff completed the first of a multi-phase project to introduce the **option to pay by Interac** at all Green P automated pay stations. This initiative provides our users with an additional payment selection, improving customer service and the overall parking experience.

## Connections and Capabilities

In addition to the new Green P app, the Toronto Parking Authority continues to invest in stronger digital connections, in part by building its **social media presence** through the Twitter and Facebook platforms. Our **online capabilities** are expanding, as well; we are currently **updating our Monthly Permit procedure to a convenient online process** through the Green P website, eliminating the issuance of paper permits and the need for customers to attend our offices for service.



### New and Enduring Partnerships

More than 400 individuals and their pets attended the Toronto Parking Authority's inaugural **Park & Bark Dog Show** at **Carpark 39 (20 Castlefield Avenue)** in June 2016. This innovative community-building event was organized in partnership with the local BIA and included multiple activities, vendors and food trucks.

The Toronto Parking Authority continued to accommodate **Food Vending Truck operations** at select Green P off-street surface parking lots throughout the 2016 summer vending period. This popular initiative reflects a contemporary food trend and began as a pilot project several years ago. The results were such that the Toronto Parking Authority authorized the continued operation of the program, with performance reporting taking place annually.

# COLLABORATION & RESPECT



*The Green P strives to be an exemplary employer and corporate citizen with team- and community-building initiatives that flourish by bringing people together.*

## Community Giving and the Green P

The Green P is a longtime supporter of many local fundraising and community betterment initiatives:

- **THREE TO BE**, an organization that supports children with neurological disorders and their families, receives the proceeds of our **Annual Charity Golf Tournament**. We directed over \$32,600.00 from our 2016 event to THREE TO BE research investment initiatives, such as Body Talk Research at Holland Bloorview Kids Rehabilitation Hospital, to assist in providing the gift of communication to children with physical and neurological disabilities.
- **Trees Across Toronto**, an annual native tree and shrub planting event by the City's Parks, Forestry and Recreation Division, receives \$50,000 annually from the Toronto Parking Authority. 2016 marked our 12<sup>th</sup> year of sponsorship.
- Patrons of local **Farmer's Markets** benefit from the free, short-term use of Green P facilities. We also partner with neighbourhood commercial areas for other local events such as festivals and cultural celebrations.
- The Toronto Association of Business Improvement Areas (TABIA) receives annual contributions to its advertising program in support of our local **Business Improvement Areas**.
- **Open Streets TO**, Toronto's largest free recreational event, counts the Green P as a sponsor. This two-weekend initiative closes parts of Bloor and Yonge Streets to promote outdoor activity and local connections.

The Toronto Parking Authority also reinvests a significant portion of our income into the local neighbourhoods in which we operate. Our focus on refurbishing our off-street lots and incorporating more "green" and pedestrian-oriented elements into their design, for example, results in an improved experience for all.

## Vibrant Canvasses

The **Mural Program** is a partnership of the Toronto Parking Authority and the City's StreetARToronto (StART) initiative to design and install murals at select Green P facilities. In addition to providing attractive community focal points, street art also provides social and economic benefits, engages local artists and community partners, and addresses issues of graffiti vandalism that so often occur around carparks.

Four Green P carparks unveiled unique murals in 2016:

- **Carpark 188 (157 Beatrice Street), "A Stroll by Garrison Creek"**  
This artwork honours the history of the neighbourhood, and in particular the two Bickford sisters for whom the streets Beatrice and Grace are named.
- **Carpark 179 (653 Gerrard Street East), "Around the World in East Chinatown"**  
Two extensive paintings depicting Machu Picchu and the Taj Mahal are featured here as part of a series of world monument murals in East Chinatown.
- **Carpark 110 (1612 Danforth Avenue), "Coxwell Laneway Mosaic Mural"**  
This mosaic mural celebrates the life and spirit of the Coxwell/Danforth community through the themes of renewal, potential, change and heritage.
- **Carpark 256 (1624 Queen Street West), "Parkdale Solidarity Flag Mural"**  
Three variations of the Parkdale Solidarity Flag – hands touching in front of the sun – comprise this mural in support of the community's Parkdale Plan.



Reggae Lane Mural\*

## Support for Cyclists

The Toronto Parking Authority considers cycling to be an integral part of Toronto's transportation network. Our organization has funded the installation of **over 6,000 on-street bicycle parking rings** and we also provide **designated bicycle parking** in many of our off-street facilities.

Since 2013, the Toronto Parking Authority has owned and managed **Bike Share Toronto**. As the result of a continuing partnership between the Toronto Parking Authority and Metrolinx, **Bike Share Toronto doubled in size in 2016**, growing by 120 new docking stations and 1,000 new bikes. This important expansion increased the number of bikes available in the downtown core and also introduced more docking stations adjacent to transit stations in dense areas. Bike Share Toronto is expected to continue growing in future years as more people choose the program as a convenient active transportation option.

## A Community Partner

Today's Green P continues to honour its original mandate:

*The Toronto Parking Authority exists to provide safe, attractive, self-sustaining, conveniently located and competitively priced off-street and on-street public parking as an integral component of Toronto's transportation system.*

Our operations in respect of this mandate have grown and evolved, as have our Toronto communities, and are now directed by a Core Purpose that defines the role that today's Toronto Parking Authority aspires to fulfill: **to make the communities we serve more vibrant and livable.**

Guided by our organization's core values, our business is actualizing our Core Purpose in many ways – and in addition to the provision of parking. We are **fostering connections** between individuals and communities by facilitating movement and introducing pedestrian-oriented elements in our carparks. We are **embracing responsible development** by incorporating new technological efficiencies and adding beauty to the streetscape with greening initiatives. We are **supporting groups and initiatives** that help create a better Toronto for all to enjoy.

We are committed to pursuing **excellence in everything we do** at the Toronto Parking Authority. As an ambassador of the unparalleled Toronto experience for more than 64 years, we look forward to stewarding our city and our customers for many decades to come.

\*The "Reggae Lane Mural" at Carpark 667 (1531 Eglinton Avenue West) represents a collaboration of the STEPS initiative, the Laneway Project, artist Adrian Hayles, StART and the Toronto Parking Authority.

## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors of Toronto Parking Authority

We have audited the accompanying financial statements of Toronto Parking Authority, which comprise the statement of financial position as at December 31, 2016 and the statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting 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.

### 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 have 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, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants  
June 8, 2017

## Financial Statements

December 31, 2016

(All amounts are in Canadian dollars)

### STATEMENT OF FINANCIAL POSITION

For the year ended December 31, 2016 (All amounts are in Canadian dollars)

		2016	2015
	Note	\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	78,677,063	144,220,618
Restricted cash	25	1,063,633	4,936,407
Investments	7	39,954,250	41,985,516
Accounts receivable	8, 12(c)	1,177,125	1,191,429
Finance lease receivable	9	206	189
Supplies		192,223	190,075
Prepaid expenses		1,323,025	3,191,812
		122,387,525	195,716,046
<b>Finance lease receivable</b>	9	5,980,929	7,607,002
<b>Investment in garages and carparks</b>	10(b)(ii,iii,ix)	39,001,000	38,000,000
<b>Property and equipment</b>	10	160,729,866	144,091,994
		328,099,320	385,415,042
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		10,525,250	10,576,584
Provisions	11	268,250	234,250
Deferred revenue		2,216,261	1,845,847
Due to related parties	12(c)	14,174,331	74,355,442
Due to other parties	25	1,063,633	4,936,407
Debt payable	13	485,417	460,041
		28,733,142	92,408,571
<b>Debt payable</b>	13	4,549,127	5,034,544
		33,282,269	97,443,115
<b>Equity</b>	14	294,817,051	287,971,927
		328,099,320	385,415,042
<b>Commitments and contingent liabilities</b>	10(c), 22		

Approved on behalf of the Board of Directors: Michael Tziretas, Chairman Lorne Persiko, President

The accompanying notes are an integral part of these financial statements.





## STATEMENT OF INCOME AND COMPREHENSIVE INCOME

For the year ended December 31, 2016 (All amounts are in Canadian dollars)

		2016	2015
	Note	\$	\$
<b>Parking revenue</b>	15	141,591,608	133,077,061
<b>Direct expenses</b>			
Operating	24	47,642,407	43,600,847
Municipal property tax		22,333,286	19,728,299
Finance interest paid on debt	13	121,491	131,762
Amortization of property and equipment	10	6,396,395	7,097,651
		76,493,579	70,558,559
<b>Income before administration expense and other income</b>		65,098,029	62,518,502
<b>Administration expense</b>	16	10,635,140	9,737,941
<b>Income before other income</b>		54,462,889	52,780,561
<b>Other income</b>			
Income earned on financial instruments	17	370,562	2,416,570
Other income	10(b)(ix), 17	4,768,673	108,786,676
		5,139,235	111,203,246
<b>Net income and comprehensive income for the year</b>		59,602,124	163,983,807

## STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2016 (All amounts are in Canadian dollars)

		2016	2015
	Note	\$	\$
<b>Balance - Beginning of year</b>		287,971,927	241,444,981
Net income and comprehensive income for the year		59,602,124	163,983,807
		347,574,051	405,428,788
Special distribution to City of Toronto	19	(9,693,096)	(7,643,276)
Proceeds from sale of property paid directly to the City of Toronto	10 (b)(ix)	(2,839,000)	-
Land contribution from the City of Toronto	10 (b)(ix)	1,904,000	-
Annual distribution to City of Toronto	19	(42,128,904)	(109,813,585)
<b>Balance - End of year</b>		294,817,051	287,971,927

The accompanying notes are an integral part of these financial statements.

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*The Toronto Parking Authority implemented wide-reaching changes to our corporate structure in 2016, all designed to better align our internal processes and support our strategic mission of “All About the Customer.”*

## Financial Statements

December 31, 2016

(All amounts are in Canadian dollars)

### STATEMENT OF CASH FLOWS

For the year ended December 31, 2016 (All amounts are in Canadian dollars)

		2016	2015
	Note	\$	\$
<b>Cash flows from operating activities</b>			
Net income and comprehensive income for the year		59,602,124	163,983,807
Add (deduct) non-cash items			
Amortization of property and equipment	10	6,396,395	7,097,651
Gain on sale of property and equipment	17	(3,056,640)	(107,326,522)
Net amount - interest/finance income and finance charges		(362,072)	(2,213,960)
Net unrealized loss (gain) on held-for-trading financial assets	17	56,500	(35,424)
		62,636,307	61,505,552
Net change in non-cash working capital balances related to operating activities	23	2,096,583	2,342,602
Net cash flow from operating activities		64,732,890	63,848,154
<b>Cash flows from (used in) investing activities</b>			
Interest received from held-for-trading financial assets	17	1,388,868	1,691,433
Payments received for finance leases	9	664,251	648,050
Increase in investment in garages and carparks		-	(32,000,000)
Proceeds from sale of property and equipment		1,574,207	108,155,230
Decrease in deferred receipt from asset sale		-	(11,285,250)
Purchase of property and equipment	10	(21,934,281)	(16,053,179)
Net decrease in investments		2,031,266	17,104,384
Net cash flow from (used in) investing activities		(16,275,689)	68,260,668
<b>Cash flows used in financing activities</b>			
Distribution to City of Toronto		(113,419,224)	(49,048,824)
Long-term debt to finance purchase of property and equipment			
Repayments	13	(460,041)	(435,591)
Finance charges paid on long-term debt	13	(121,491)	(131,762)
Net cash flow used in financing activities		(114,000,756)	(49,616,177)
<b>(Decrease) increase in cash and cash equivalents during the year</b>	4	(65,543,555)	82,492,645
<b>Cash and cash equivalents - Beginning of year</b>		144,220,618	61,727,973
<b>Cash and cash equivalents - End of year</b>	4	78,677,063	144,220,618

The accompanying notes are an integral part of these financial statements.

# Notes to Financial Statements

December 31, 2016

(All amounts are in Canadian dollars)



## 1 | Statement of compliance

These financial statements of the Toronto Parking Authority (the Authority) have been prepared on a going concern basis and comply with all the requirements of International Financial Reporting Standards (IFRS).

These financial statements were authorized for issuance by the Authority's Board of Directors on May 29, 2017.

## 2 | Nature of operations and relationship to the City of Toronto

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 off-street parking facilities and on-street meter operations on behalf of the City in support of local business areas. Municipal off-street parking facilities are of two primary types: (a) open-air single level lots without structures referred to as surface lots and; (b) covered, multi-level structures referred to as parking garages/structures. On November 15, 2013, Municipal Code Chapter 179, Parking Authority was amended to expand the Authority's mandate to include the responsibility and authority for the operation and management of the City's public bike share program.

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 more fully described in note 19.

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

## 3 | 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.

## 4 | Summary of significant accounting policies

### 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.

### Financial instruments

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.

### Classification and measurement of financial instruments

The Authority classifies its financial instruments into one of the following categories based on the Authority's intended use of the instrument. The Authority's accounting policy for measurement of each category is as follows:

Financial instrument	Category	Subsequent measurement
Cash and cash equivalents	loans and receivables	fair value through profit or loss
Investments	held-for-trading	fair value through profit or loss
Accounts receivable	loans and receivables	amortized cost
Finance lease receivable	loans and receivables	amortized cost
Accounts payable and accrued liabilities	other financial liabilities	amortized cost
Due to related parties	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.

### 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,
- 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.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks and other liquid investments with original maturities of less than three months. As at December 31, 2016, liquid investments totalled \$nil (2015 - \$125,000,000) and are included in cash and cash equivalents.

### Investments

Investments consist of fixed income corporate and government securities as prescribed in the financial activities regulation of the City of Toronto Act, 2006.

Investments have been classified as held-for-trading and measured at fair value based on quoted market prices, which is considered to be the closing market bid price at the year-end. Investments are recognized and derecognized on the trade date. Investments are classified as held-for-trading (or fair value through profit or loss) as they are intended for sale in the short term, are part of a portfolio of identified financial instruments that are managed together and there is a recent pattern of short-term trading to realize gains.

# Notes to Financial Statements

December 31, 2016

(All amounts are in Canadian dollars)

Investment income includes interest, realized and unrealized gains or losses on investments. Investment income is classified under profit or loss and is recorded as other income on the statement of income and comprehensive income.

Investments classified as current assets have varying maturity dates with some greater than one year from the date of the 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.

## Accounts receivable

Accounts receivable are primarily trade receivables recorded at amortized cost, less a provision for impairment, which involves annual testing to assess and estimate uncollectible amounts. A provision for uncollectible amounts is made when objective evidence indicates the Authority may not be able to collect a receivable. Balances are written off when collection is assessed as remote. 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.

## 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.

## 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. Adjustments to the amortized cost are included in profit or loss.

## Impairment of financial assets

As at each statement of financial position date, the Authority assesses whether the assets carried at amortized cost are impaired. When objective evidence of impairment is available, the impairment is recognized in the same period by adjusting the value on the statement of financial position and recognizing an expense in the statement of income and comprehensive income. When previous impairment losses reverse, they are recognized up to the extent of the impairment amount originally recognized.

## Property and equipment and investment property

### 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.

## 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 that have significant costs in relation to the cost of the entire item.

## 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 structure	25 or 40 years
Surface carparks and other parking garage components	25 years
Equipment and furnishings	5 to 10 years

Projects to build garages or surface carparks, 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.

Assets acquired through a finance lease are classified under property and equipment and are amortized consistent with other similar assets.

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.

When there is a change in use of property and equipment between use as investment property or for the Authority's principal activity of parking, the asset is transferred to the appropriate classification at its carrying amount without recognition of a gain or loss.

## Investment property

When property is held to earn rental income or for capital appreciation rather than for the Authority's principal strategic purpose of providing parking, it is classified as investment property.

Some properties owned by the Authority include a portion that is held to earn rental income and another portion that is held for strategic parking or administrative purposes. If these portions could be sold separately, they are accounted for separately. If these portions could not be sold separately, the property is classified as investment property only if an insignificant portion is held for parking or administrative purposes.

If the utilization of the property for its principal strategic purpose is greater than 10%, the Authority's policy is to classify the entire property as property and equipment rather than investment property. There are no properties classified as investment property as at December 31, 2016 or December 31, 2015.

### 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.

### Provisions

Provisions are recognized when the Authority has a present legal or constructive obligation or entitlement as a result of past events, it is probable that a payment will have to be made/received to settle the obligation/entitlement and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value when the effect is material.

### Revenue and other income recognition

Revenue is measured at the fair value of the consideration received or receivable, net of any discounts or rebates. Revenue includes parking fee revenue and other income from investment, rental and advertising activities. The timing of revenue recognition for the Authority's significant sources of revenue is as follows:

- parking fee revenue as the service is performed;
- 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;
- rental revenue on a straight-line basis over the term of the lease;
- advertising revenue 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
- other revenue as the service is performed or as the Authority has a legal or constructive right to receive a future economic benefit.

Deferred revenue consists of deposits and payments for monthly permits and sponsorship revenue paid in advance, which are to be earned and recognized in future periods.

### Multi-employer pension plan

The Authority makes contributions to Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan (the 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.

According to OMERS' 2016 annual report, the plan was in a deficit position of \$5.7 billion at the end of 2016, a decrease from a deficit of \$7.0 billion in 2015. OMERS is funding this deficit through a combination of contribution increases, temporary benefit calculation and investment strategy changes. The Authority's 2016 share of the deficit position is not Determinable.

### Leases

#### Finance leases

Assets leased under arrangements that transfer substantially all the risks and benefits of ownership, with or without ultimate transfer of title, are classified as finance leases. The Authority is party to finance leases as both lessor and lessee.

a) When the Authority is a lessor under a finance lease, 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 other income.
- 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).

# Notes to Financial Statements

December 31, 2016

(All amounts are in Canadian dollars)

b) When the Authority is a lessee under a finance lease, the accounts involved include an asset and a future liability capitalized, at the inception of the lease, at an amount equal to the fair value of the asset or, if lower, the present value of minimum lease payments plus a payment under a bargain purchase option that, at the inception of the lease, is reasonably certain to be exercised.

- The leased asset is classified as property and equipment and is amortized on the same basis as other assets within the same class.
- Lease payments made are allocated between a reduction to the lease liability and as finance expense on an amortized basis to produce a constant rate of interest on the remaining balance of the liability.
- Finance expense is recorded as a direct operating expense.

## Operating leases

Assets leased under arrangements that do not transfer substantially all the risks and benefits of ownership are classified as operating leases. The Authority is party to operating leases as both lessor and lessee.

a) When the Authority is a lessor under an operating lease, 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.

b) When the Authority is the lessee under an operating lease, neither an asset nor a liability is recognized in relation to the leased asset.

- Lease payments are expensed as a direct expense on a straight-line basis over the term of the lease.
- Lease incentives are recognized as a reduction to rental expense on a straight-line basis.

In circumstances where straight-line recognition of lease income or expense does not accurately reflect the Authority's pattern of benefit or cost under a lease, some other systematic method may be applied that better reflects the patterns.

## 5 | IFRS issued but not yet adopted

The Authority has not yet assessed the impact of these standards and amendments or determined whether it will early adopt them.

a) IFRS 9, Financial Instruments, is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two measurement categories: amortized cost and fair value.

All equity instruments are measured at fair value. A debt instrument is measured using amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest; otherwise, it is measured at fair value through profit or loss. In addition, the requirements for hedge accounting have been replaced with new guidance which states there is a requirement for an economic interest between the hedged item and hedging instrument, and for the hedged ratio to be the same as the one the entity actually uses for risk management purposes. The mandatory effective date of this standard was deferred and it must be applied for financial years commencing on or after January 1, 2018.

b) IFRS 15, Revenue from Contracts with Customers, will supersede guidance included in IAS 18, Revenue, and IAS 11, Construction Contracts, and requires an entity to recognize revenue to depict the transfer of goods or services to customers at an amount the entity expects to be entitled to in exchange for those goods or services. This standard is effective for years beginning on or after January 1, 2018.

c) IFRS 16, Leases (issued in January 2016 and effective for annual periods beginning on or after January 1, 2019). The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognize: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

## 6 | Critical accounting judgments and estimates

In applying the Authority's accounting policies as described in note 4, summary of significant accounting policies, 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 period.

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

### 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. Management has made a judgment on the lease classification.

### Property and equipment

Management judgment is applied in determining amortization rates and useful lives of assets. In addition, management has assessed whether properties should be classified as investment properties based on criteria developed by the Authority (note 4).



## 7 | Investments

Investments are comprised of fixed income securities with a weighted average yield to maturity of 1.33% (2015 - 2.01%) and a weighted average duration to maturity of 2.41 years (2015 - 2.84 years). Investments include interest receivable of \$115,150 (2015 - \$207,645).

Investments reported in the statement of financial position at a fair value of \$39,839,100 (2015 - \$41,777,871), excluding interest receivable, have a cost of \$39,895,600 (2015 - \$41,633,017).

## 8 | Accounts receivable

	2016 \$	2015 \$
Gross value	1,181,125	1,223,429
Provision for doubtful accounts	(4,000)	(32,000)
Accounts receivable - net	1,177,125	1,191,429

Movement of the provision for doubtful accounts during the year was \$28,000 (2015 - \$nil).

## 9 | Finance lease receivable

A receivable under a finance lease is presented in the statement of financial position as follows:

	2016 \$	2015 \$
Finance lease receivable, current portion	206	189
Finance lease receivable, long-term portion	5,980,929	7,607,002
	5,981,135	7,607,191

As lessor, the Authority has recognized a receivable from a hotel tenant for use of the land on which a hotel was constructed at 220 Bloor Street West. The ground lease is for a 99-year term with a commencement date of September 1, 1989, at which point lease payments commenced. Minimum lease payments are defined in the lease for the first 11 years after which adjustments were made to the minimum payments for each subsequent block of five rental years based on changes in the consumer price index. Percentage rent is also payable each lease year based on 6% of the hotel's gross receipts in excess of minimum rent.

A reconciliation of the gross investment in the lease to the present value of the minimum lease payments receivable (the Authority's net investment in the lease) and the payments due are detailed in the following schedules:

Lease receivable - payments due	Gross investment in lease receivable \$	Future finance income \$	Present value of minimum lease payments \$
Not more than 1 year	520,000	519,794	206
1 year but not more than 5 years	2,080,000	2,078,973	1,027
Over 5 years	39,522,879	33,542,977	5,979,902
	42,122,879	36,141,744	5,981,135

There is an estimated residual value of \$4,856,212 recognized at the end of the 99-year term of the lease at which time the Authority legally retains title to the land.

## 10 | Property and equipment

Property and equipment held by the Authority are detailed in the following schedule:

							2016	2015
	Land \$	Parking garages - concrete structural component with 40-year useful life \$ (i)	Parking garages acquired by finance lease \$	Older parking garages and other components with a 25-year useful life \$ (ii)	Surface carparks \$	Equipment and furnishings \$	Total \$	Total \$
<b>Cost at January 1</b>	77,530,716	19,554,453	483,990	72,586,067	23,205,901	64,602,370	257,963,497	247,738,210
Acquisitions	6,495,619	8,492,787	-	2,957,880	1,874,652	2,113,343	21,934,281	16,053,179
Contribution from the City (b)(ix)	1,904,000	-	-	-	-	-	1,904,000	-
Disposals	(531,002)	-	-	-	(288,135)	(88,109)	(907,246)	(5,827,892)
<b>Cost at December 31</b>	85,399,333	28,047,240	483,990	75,543,947	24,792,418	66,627,604	280,894,532	257,963,497
<b>Accumulated amortization at January 1</b>	-	9,153,154	483,990	40,914,452	8,023,754	55,296,153	113,871,503	111,773,036
Amortization	-	392,335	-	1,931,468	904,230	3,168,362	6,396,395	7,097,651
Disposals	-	-	-	-	(15,123)	(88,109)	(103,232)	(4,999,184)
<b>Accumulated amortization at December 31</b>	-	9,545,489	483,990	42,845,920	8,912,861	58,376,406	120,164,666	113,871,503
<b>Net book value at December 31</b>	85,399,333	18,501,751	-	32,698,027	15,879,557	8,251,198	160,729,866	144,091,994

# Notes to Financial Statements

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## Notes to schedule of property and equipment

- i) This component includes only the concrete structure of garage facilities built since 1990.
- ii) This component includes the entire garage (structure and other components) built prior to 1990 and the non-structural components of garages built since 1990. All are amortized on a straight-line basis over a 25-year useful life.
- a) Title to all land purchased by the Authority is held in the name of the City but the Authority controls the property.
- b) As at December 31, 2016, there are contractual commitments for the purchase or sale of property and equipment. Many of the commitments described below involve, in partnership with private developers, the sale of above grade strata title to air rights over land on which the Authority currently operates parking lots and the purchase of above grade and/or substrata title to parking structures in a completed development. Sale of above grade strata title is also known as selling condominium rights.
  - i) In 2008, the Authority entered into an agreement with a private developer that requires the Authority to purchase a 209-space underground garage at an estimated cost not to exceed \$9,000,000 when title to the completed facility is transferred. The project had not commenced as at December 31, 2016.
  - ii) In 2010, the Authority entered into an agreement with a private developer under which the Authority received cash proceeds for the sale of above strata air rights plus future delivery of a 150-space underground garage valued at \$6,000,000. Construction of the garage commenced in 2014 and it allows for a purchase price bonus to be paid to the Authority should the purchaser achieve site density in excess of specified thresholds. A density bonus of \$1.6 million was received by the Authority in 2012. The prepayment of the garage is recorded on the statement of financial position as an investment in garage and carparks until the garage is completed, at which time it will be transferred to property and equipment. The transfer of the garage was completed in January 2017.
  - iii) In 2011, the Authority entered into an agreement with a private developer for the sale of above grade strata title over land plus a future delivery of strata title to an 800-space underground garage to be built under a residential condominium at a cost of \$32,000,000. The purchase and sale agreement was finalized in fiscal 2015 and the Authority received gross cash proceeds of \$44,000,000 as well as a density bonus of \$25.6 million. Prepayment of the garage is recorded on the statement of financial position as an investment in garage and carparks until the garage is completed, at which time it will be transferred to property and equipment. The construction of the garage is expected to commence in 2019.
  - iv) In 2011, the Authority entered into an agreement with a private developer under which the Authority received cash proceeds in 2013 for the sale of above strata air rights plus additional consideration in the future should the final approved density and residential condominium sales levels exceed specified thresholds. The agreement also commits the Authority to purchase a 40-space (approximate) garage to be included in the final development for a price not to exceed \$40,000 per space. The project commenced in 2014 and is expected to be completed in 2017.
  - v) In 2011, the Authority entered into an agreement with a private developer under which the Authority received cash proceeds in 2013. The agreement also commits the Authority to purchase approximately 66 spaces in an underground parking garage for a price not to exceed \$45,000 per space and a 10,000 square foot retail component (for subsequent leasing) at a price to be based on market rental rates. The project commenced in 2014 and is expected to be completed in 2017.
- vi) In 2012, the Authority, along with two adjacent property owners, entered into an agreement with a private developer to sell the above grade air rights over all three properties for consideration of \$50,000,000 plus additional consideration in the future should the final approved density exceed specified thresholds. The Authority's property being sold is above an existing surface parking lot. The total proceeds are to be allocated among the vendors based on proportionate land area. The agreement also commits the Authority to purchase a 85 (minimum) space garage to be included in the final development for a price of \$40,000 per space. The sale is expected to close in 2017 and construction must commence within 36 months of the closing date.
- vii) In 2013, the Authority entered into an agreement with a private developer for the sale of a surface carpark for \$1,000,000 plus a purchase price bonus to be paid should the purchaser achieve site density in excess of a specified threshold. The purchaser commits to build a public parking garage at its own cost. The closing date is expected to be in 2017. In 2017, the agreement was amended for the Authority to purchase approximately 25 underground spaces for \$562,500.
- viii) In 2013, the Authority entered into an agreement with a private developer for the sale of a surface carpark for \$5,706,075 plus a purchase price bonus to be paid should the purchaser achieve site density in excess of the specified threshold. The closing date for the sale is expected to be in 2017. The Authority is committed to purchase the public parking garage to be constructed by the Purchaser at a purchase price of \$2,750,000. The Authority has the option to purchase the retail component of the property to be constructed by the developer for a purchase price determined by an appraiser.
- ix) In 2013, the Authority entered into an agreement with a private developer for the sale of an existing surface carpark and the sale was closed in 2016. The sale was part of a larger transaction involving the City. The Authority received nil cash proceeds but will receive 77 surface parking spaces valued at \$1,001,000 to be primarily located on a parcel of land that the City transferred control over to the Authority. The land contributed by the City was recorded at the City's carrying value of \$1,904,000 and is reflected in the statement of changes in equity as a capital contribution to the Authority. In addition, the transaction with the developer was recorded at fair value with a gain on sale recorded of \$3,035,985 in the statement of income and comprehensive income and the statement of changes in equity since the proceeds from sale of property were paid directly to the City of Toronto.
- x) In 2014, the Authority entered into an agreement with a private developer for the sale of above grade strata title over land on which a surface parking lot now operates for a sale price of \$14,500,000. The agreement allows for a purchase price bonus to be paid to the Authority should the purchaser achieve site density in excess of a specified threshold. The sale is to close one year after waiver of the conditions stated in the agreement. The conditions have not been waived as of December 31, 2016. The agreement also commits the Authority to purchase a 175 (minimum) space garage to be included in the final development for a price of \$45,000 per space. Construction must commence within five years after the waiver of the conditions in the sale of the above grade strata title.



- xi) In 2014, the Authority entered into an agreement to purchase a property for subsequent development of a surface parking lot. Closing date of the purchase is expected to be in 2017 for the purchase price of \$1,200,000.
  - xii) In 2015, the Authority entered into an agreement to purchase a newly constructed 132-space parking garage from a developer for a purchase price of \$6,600,000. The Authority has the option to purchase additional spaces if the garage can be designed to accommodate more than 132 spaces at a purchase price of \$50,000 per additional space. Conditions were waived in March 2017 and the closing date is expected to be in 2018.
  - xiii) In 2015, the Authority entered into an agreement to purchase a newly constructed 48-space parking garage from a developer for a purchase price of \$2,400,000. The Authority has the option to purchase additional spaces if the garage can be designed to accommodate more than 48 spaces at a purchase price of \$50,000 per additional space. The closing date is expected to be in 2019.
  - xiv) In 2016, the Authority entered into an agreement to sell land to a private developer where the Authority will receive \$3,800,000 cash plus developer owned land on which certain portions of the public parking garage are to be constructed. The sale is to close on the earliest of ten business days following the purchaser obtaining the excavation permit or three years from the date of the execution of the purchase and sales agreement. The excavation permit has not been obtained as of December 31, 2016. The Authority will subsequently purchase from the developer a parking garage of a minimum of 80 spaces for \$4,400,000. The developer covenants to commence construction of the garage within 30 days of the closing date of the sale.
  - xv) In 2016, the Authority entered into an agreement to purchase a newly constructed underground parking garage containing approximately 125 parking spaces for \$9,000,000. Construction of the parking garage is scheduled to be completed by late 2018.
  - xvi) In December 2016, the Authority entered into an agreement with a private developer for the sale of a surface carpark for \$11,500,000, plus a purchase price bonus to be paid should the purchaser achieve site density in excess of a specified threshold. The Authority is committed to purchase the public portion of the underground parking garage consisting of a minimum of 175 parking spaces for a purchase price of \$8,750,000. Construction start is expected by 2019.
- c) The Authority entered into the following agreements subsequent to year-end:
- The Authority entered into an agreement to acquire 100% of a 99-year sub-leasehold interest with respect to a 307-space underground parking garage located on lands owned by the City of Toronto for a purchase price of \$15,750,000. The acquisition was completed in March 2017 with 95 years remaining on the lease.
  - The Authority entered into an agreement to purchase a property for subsequent development of a surface parking lot. The closing date of the purchase is expected to be in 2017 for the purchase price of \$3,900,000.
  - The Authority entered into an agreement to purchase a property adjacent to the TPA carpark located at 33 Queen Street East for \$8,100,000. The closing date for the purchase is expected to be in 2017.

## 11 | Provisions

As at December 31, 2016, the Authority has recorded provisions for the following liabilities:

- The Authority has not yet been assessed or billed for property taxes on certain parcels of land acquired for parking purposes. A provision for the estimated amount of property tax owing on these properties was determined using the assessed value of similar properties and the actual tax rates for the year. Billings would be due on receipt and it is expected the properties will be assessed and a billing rendered within the next year.
- The Authority is the defendant in a claim for unpaid fees related to a prior year land purchase. An amount has been accrued based on the opinion of legal counsel as to the likely outcome. The timing of the payout cannot be estimated with certainty.

The change in the provision during the year is as follows:

	2016 \$	2015 \$
Opening balance	234,250	200,250
Additional year provided for unassessed/unbilled property tax	34,000	34,000
Closing balance	268,250	234,250

## 12 | Related party transactions and balances

### a) Related party relationships

The City is the ultimate controlling entity of the Authority as exercised through direction approved by City Council. As related parties, the Authority and the City enter into transactions and have outstanding balances owing and commitments to each other at points in time.

Other related parties with whom the Authority has significant transactions and which are related by virtue of being part of the same group controlled by the City are:

- Toronto Transit Commission (TTC) - the Authority manages the commuter parking lots of the TTC on a cost recovery basis and for a fixed management fee.
- Toronto Community Housing Corporation (TCHC) - the Authority manages the visitor parking lots of the TCHC on a percentage commission basis and for a fixed management fee.
- City of Toronto - the Authority operates parking lots on a number of properties under the control of the Parks and Recreation and Real Estate Departments of the City. The Authority pays rent for the use of these properties, typically calculated as a percentage of the net income earned. From time to time, the Authority utilizes the services of the City's in-house legal department at billing rates charged to other departments.
- Toronto Hydro - the Authority utilizes hydro service at prevailing market billing rates.
- Exhibition Place - the Authority manages the visitor parking lots of Exhibition Place on a percentage commission basis and for a fixed management fee.
- Key management personnel - the Authority's Board of Directors and certain senior officers are considered related parties when they have responsibility for planning, directing and controlling the activities of the Authority.

# Notes to Financial Statements

December 31, 2016

(All amounts are in Canadian dollars)

## b) Related party transactions

The Authority operates 50 parking facilities on a year-round basis on properties owned by other City departments and agencies. There are 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.

The Authority provides revenue collection and processing services, including maintenance and operation of revenue control equipment for 49 TCHC and nine Exhibition Place parking facilities.

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.

	2016 \$	2015 \$
Expense charges from the City		
City's share of the Authority's net income	42,128,904	109,813,585
Municipal property taxes	22,333,286	20,896,787
Hydro and water	2,799,691	2,604,473
Rent expense for use of City owned properties	2,404,700	2,023,692
Legal services	177,898	221,384
Office, maintenance supplies and other	396,505	394,442
Hydro charges from Toronto Hydro	403,192	333,228
Rent expense for use of TTC-owned properties	307,319	311,317
Management fee income from the TTC	126,444	126,640
Management fee income from the TCHC	329,764	307,120
Management fee income from Exhibition Place	24,669	-

## c) Related party balances

Amounts due to related parties are as follows:	2016 \$	2015 \$
Due to the City	13,328,463	73,372,135
Due to the TTC	778,221	889,369
Due to the TCHC	40,921	55,189
Due to Toronto Hydro	18,262	38,749
Due to Exhibition Place	8,464	-
	14,174,331	74,355,442

Amounts owing are due on demand and are non-interest bearing. The distribution to the City was not fully paid before year-end.

As at December 31, 2016, amounts due from related parties that are included in accounts receivable are as follows:

	2016 \$	2015 \$
Due from the TTC	1,080	720
Due from the City	33,999	23,168
	35,079	23,888

## d) Reserve funds

The City maintains a number of reserve funds on behalf of the Authority. These reserve funds were established by City 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, net rental profit of \$74,362 (2015 net loss - \$251,402) was deducted from the fund balance to offset prior years' net losses incurred by the Authority. Interest income earned was \$16,715 (2015 - \$18,279). The balance in this fund as at December 31, 2016 is \$3,481,339 (2015 - \$3,538,986). During 2016 and 2015, no funds were 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. Interest income earned was \$11,731 (2015 - \$31,781). The balance in this fund as at December 31, 2016 is \$1,767,546 (2015 - \$1,855,815). During 2016, \$50,000 (2015 - \$3,955,072) was drawn to finance property additions.

### • Bike Share Reserve Fund

Established in November 2013 by the City, this fund provides a source of funding for the debt, transition costs, interim operating payments, capital expansion and replacement costs and ongoing contributions to the Authority for any system operating losses related to the Bike Share program. In 2013, the City transferred the property and equipment to the Authority to operate the program. In the event the Bike Share program generates a surplus, the Authority will replenish the Bike Share Reserve Funds, which includes the Metrolinx - Bikelinx Fund. If the program results in an operating loss, then the Authority will draw funds from the Reserve Funds. The 2016 operating loss of \$1,488,187 (2015 - \$309,421) will be drawn from the fund to offset the loss. The Authority does not have an obligation to contribute withdrawn amounts back to the fund unless it has a surplus in the following years.

## e) 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 \$1,399,955 (2015 - \$1,473,776) and consists of salaries and short-term benefits. Included in benefits are OMERS pension plan contributions of \$149,332 (2015 - \$133,723).

## 13 | Debt payable

Debt payable relates to the purchase of equipment upgrades: \$4,549,127 (2015 - \$5,034,544) is classified as long-term and \$485,417 (2015 - \$460,041) is included in current liabilities. The original amount owing of \$7,613,022 is payable over 15 years at an effective interest rate of 2.298% with the term ending on June 30, 2025. Finance interest paid during the year was \$121,491 (2015 - \$131,762).



Debt payable will be repaid as follows:

	\$
2017	485,417
2018	511,749
2019	539,070
2020	567,410
2021	597,228
2022 and thereafter	2,333,670
	5,034,544

## 14 | 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.

## 15 | Parking revenue

Parking revenue is made up of the following components:

	2016			2015
	On-street \$	Off-street \$	Total \$	Total \$
Short-term parking	50,734,007	85,400,357	136,134,364	127,191,893
Monthly permit parking	-	5,172,301	5,172,301	5,646,721
Courtesy charges	-	228,048	228,048	199,298
Special events	-	56,895	56,895	39,149
	50,734,007	90,857,601	141,591,608	133,077,061

## 16 | Employee benefits

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

	2016			2015
	On-street \$	Off-street \$	Total \$	Total \$
Salaries and wages	2,361,583	10,825,155	13,186,738	12,653,781
Benefits	447,160	2,655,990	3,103,150	3,279,504
OMERS pension plan contributions	191,200	884,240	1,075,440	1,161,041
	2,999,943	14,365,385	17,365,328	17,094,326

The estimated 2017 employer's OMERS pension plan contribution is \$1,800,000.

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

	2016 \$	2015 \$
Salaries, wages and honorarium	5,842,795	5,005,778
Benefits	885,766	797,294
OMERS pension plan contributions	510,733	662,738
	7,239,294	6,465,810

## 17 | Income earned on financial instruments and other income

These consist of the following amounts:

	2016 \$	2015 \$
Interest earned on cash balances	812,023	788,092
Interest earned on investments (note 7)	308,586	970,521
Realized gain (loss) on sale of investments (note 7)	268,259	(67,180)
Investment income from cash and held-for-trading financial assets	1,388,868	1,691,433
Unrealized (loss) gain on investments - net (note 7)	(56,500)	35,424
Interest earned and net effective change in lease receivable (note 9)	(961,806)	689,713
	370,562	2,416,570
Other income		
Gain on sale of property and equipment	3,056,640	107,326,522
Miscellaneous other income	1,712,033	1,460,154
	4,768,673	108,786,676
	5,139,235	111,203,246

## 18 | 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:

	2016 \$	2015 \$
Not more than 1 year	594,972	447,180
1 year but not more than 5 years	1,894,762	1,150,893
Over 5 years	1,939,772	851,667
	4,429,506	2,449,740

These operating leases do not provide for contingent rental payments.

# Notes to Financial Statements

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(All amounts are in Canadian dollars)

## 19 | City's share of net income

In 1998, the City and the Authority established an income-sharing arrangement. Subsequent to year-end, new agreement terms for the three-year period 2017 - 2019 increase the Authority's contribution to 85% (2016 - 75%) of the Authority's net income and comprehensive income earned, with a minimum annual distribution payment to the City of \$38 million (2016 - \$37 million).

### One-time payments to the City

From time to time, the Authority will make a special distribution 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 net income and comprehensive income paid under the income-sharing arrangement. When property sales occur, gains on sale of the property sold, typically under agreements with private developers, are included in the profit or loss of the Authority. Under the income-sharing arrangement, the Authority will retain 15% (2016 - 25%) of such gains to fund capital requirements. The agreements typically 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 such opportunities, the Authority requires that the proceeds from the sale of the air rights be sufficient to fund the underground garage spaces purchased as part of the redevelopment arrangement. On some projects, the cost of the underground parking has exceeded the retained portion of the gain on the sale to fund its purchase.

### 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:

- i) to principal and interest on debentures issued to finance the cost of parking facilities;
- ii) toward the cost of new parking facilities; and
- iii) for other purposes as determined by City Council.

Income retained by the Authority, after payments made under the income-sharing arrangement with the City and any one-time special distributions, is used solely to fund its capital program.

## 20 | Financial instruments

IFRS 7, Financial Instruments - Disclosures, requires disclosure of a three-level hierarchy for fair value measurement that reflects the significance of the inputs used in valuing an asset or liability measured at fair value. 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 that can be accessed at the measurement date. 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 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 was determined using quoted market prices in active markets under Level 1 of the hierarchy.

### Measurement categories

As explained in note 4, 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 the statement of income and comprehensive income. Those categories that are applicable to the Authority are loans and receivables, held-for-trading and financial liabilities at amortized cost. The following table shows the carrying amounts of financial assets and financial liabilities for each of these categories:

	2016 \$	2015 \$
<b>Financial assets</b>		
Available-for-sale		
Cash and cash equivalents	78,677,063	144,220,618
Restricted cash	1,063,633	4,936,407
Loans and receivables		
Accounts receivable	1,177,125	1,191,429
Finance lease receivable - including current portion	5,981,135	7,607,191
Held-for-trading		
Investments	39,954,250	41,985,516
<b>Total</b>	<b>126,853,206</b>	<b>199,941,161</b>
<b>Financial liabilities</b>		
Amortized cost		
Accounts payable and accrued liabilities	10,525,250	10,576,584
Due to related parties	14,174,331	74,355,442
Due to other parties	1,063,633	4,936,407
Debt payable (including current portion)	5,034,544	5,494,585
<b>Total</b>	<b>30,797,758</b>	<b>95,363,018</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 (foreign currency 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.

### 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 with diverse issuers. Market risk comprises 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 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.

- **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.

### 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 revenues 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. Credit risk is considered low.

Credit limits during the reporting period may be exceeded in circumstances when management believes the risk of non-payment is low. Management does not expect any losses from non-performance by these counterparties. The allowance for doubtful accounts has been recorded and evaluated on an annual basis.

	Less than 30 days \$	31 - 60 days \$	More than 60 days \$
Past due not impaired			
Accounts receivable - 2016	94,163	140,297	141,545

### 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 and long-term investments. Varying maturities of investments are purchased to ensure the Authority can fund its capital program as needs arise. 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:

	2016				
	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	10,525,250	-	-	-	10,525,250
Due to related parties	14,174,331	-	-	-	14,174,331
Due to other parties	1,063,633	-	-	-	1,063,633
Debt payable, principal and interest	49,059	547,009	2,537,062	2,432,833	5,565,963
	25,812,273	547,009	2,537,062	2,432,833	31,329,177

## 21 | Capital management

The Authority returns 75% (2017 - 85%) of its annual net income and comprehensive income to the City and retains 25% (2017 - 15%) to fund its long-term, multi-year capital budget plan. As such, the majority of the Authority's capital is 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 fixed income securities to balance the 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 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, 2016, the Authority has met its objective of having sufficient liquid resources to meet its current obligations and fund capital investment opportunities as they arise.

## 22 | Commitments and contingent liabilities

### Commitments

- Commitments to purchase property and equipment are disclosed in note 10(b).
- The Authority has a commitment under an extended warranty agreement with a third party for the servicing of pay and display equipment. The agreement expires on June 30, 2025 and calls for total future annual payments by the Authority starting at \$1,748,700 in 2017 based on current equipment totals with an annual inflation factor increase based on the consumer price index (CPI).
- 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.
- Future aggregate minimum payments under a snow clearing contract that expires in 2020 are estimated at \$3,701,648.

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(All amounts are in Canadian dollars)



Commitments under operating leases for use of land and equipment are as follows:

Payable in	2016 \$	2015 \$
Not more than 1 year	3,859,940	3,367,464
1 year but not more than 5 years	4,838,419	3,064,507
Over 5 years	3,609,059	527,665
	12,307,418	6,959,636

Contingent rent paid under these leases is based on a percentage of income earned by the Authority related to the leased properties. The amount of contingent rent paid under these leases during the year was \$5,647,706 (2015 - \$5,233,968).

## 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 is 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, other than those provided for.

## 23 | 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:

	2016 \$	2015 \$
Restricted cash	3,872,774	(4,936,407)
Accounts receivable	14,304	(332,922)
Supplies	(2,148)	111,690
Prepaid expenses	1,868,787	(2,379,435)
Accounts payable and accrued liabilities	(51,335)	4,035,938
Provisions	34,000	34,000
Deferred revenue	370,414	683,675
Due to related parties	(137,439)	189,656
Due to other parties	(3,872,774)	4,936,407
	2,096,583	2,342,602

## 24 | Direct expenses - operating

	2016			2015	
	On-street \$	Off-street \$	Total \$	Total \$	
Salaries, wages and benefits (note 16)	2,999,943	14,365,385	17,365,328	17,094,326	
Maintenance of facilities and equipment	2,916,549	3,671,124	6,587,673	6,222,906	
Rent	-	9,301,208	9,301,208	7,019,431	
Utilities	-	3,231,540	3,231,540	2,857,626	
Pay and display network communications	2,187,463	256,069	2,443,532	2,445,023	
Tickets	1,017,367	405,893	1,423,260	1,437,290	
Credit card processing fees	700,001	1,560,936	2,260,937	1,974,907	
Security and monitoring	180	1,800,575	1,800,755	1,444,019	
Snow clearing	-	969,290	969,290	1,194,633	
Insurance	75,989	976,130	1,052,119	962,535	
Staff mileage	11,524	181,767	193,291	212,532	
Telephone	35,804	293,457	329,261	284,999	
Outside coin counting	87,527	34,318	121,845	122,829	
Other	25,692	536,676	562,368	327,791	
	10,058,039	37,584,368	47,642,407	43,600,847	

## 25 | Due to other parties

In 2015, the Authority entered into a ten-year agreement with Metrolinx to operate as part of the Bike Share Toronto Program in other municipalities in the Greater Toronto and Hamilton Area. In 2015, the Authority received \$4.9 million from Metrolinx to purchase bicycles and docking stations of which 80% of the funds were to be directed towards the City of Toronto expansion. Metrolinx will hold title to the equipment for five years after full deployment at which time title will be transferred to the Authority. In 2016, the Authority purchased and deployed 80% of the proposed bikes and docking stations in the City of Toronto. The balance of restricted cash is \$1,063,633 (2015 - \$4,936,407).

## 26 | Comparative figures

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.

# Off-Street Parking Facilities

NO.	LOCATION	CAPACITY
<b>DOWNTOWN</b>		
26	Queen St – Victoria St Garage	645
32	Bay St – Lakeshore Blvd W	330
34	Dundas Square Garage	265
36	Nathan Phillips Square Garage	2087
43	St. Lawrence Garage	2008
52	University Ave Garage	323
125	Richmond St – Sherbourne St Garage	258
216	McCaul St	38
219	87 Richmond St E	20
263	130 Elizabeth St	27
<b>TOTAL</b>		<b>6,001</b>

<b>DOWNTOWN FRINGE</b>		
1	Hayden St, e of Yonge St	430
3	Isabella St, e of Yonge St	33
5	Wellesley St, e of Yonge St	135
15	Yorkville Ave – Cumberland St Garage	1036
51	Lippincott St, s of Bloor St W	144
58	Bloor St – Bedford Rd Garage	399
68	Kensington Garage	450
71	Bellevue Ave, s of Nassau St	91
79	Sherbourne St, n of Carlton St	110
96	Portland Garage	37
106	Augusta Ave, n of Queen St W	120
109	Aberdeen Ave, w of Parliament St	35
150	Larch St Garage	357
205	465 Huron St	20
209	711 Lakeshore Blvd W	65
212	363 Adelaide St W	23
215	100 Yorkville Ave	172
221	121 St. Patrick St	36
227	105 Spadina Ave	18
230	55 Mill St	230
233	44 Parliament St	120
238	9 Madison (Bloor St W, e of Spadina)	38
243	115 Unwin Ave	123
252	1695 Dufferin St	14
259	334-350 Bloor St W/4 & 6A Spadina Rd	51
261	45 Abell St	124
262	302 Queen St W	94
264	250 Fort York Blvd	6
267	70 Distillery Lane	103
268	271 Front St	83
261	45 Abell Street	124
271	800 Fleet St	132
288	292 Brunswick Ave	19
289	373 Front St E	450
290	125 Mill St	590
<b>TOTAL</b>		<b>5,888</b>

<b>MIDTOWN</b>		
11	Rosehill Ave Garage	557
12	Alvin Ave, n of St. Clair Ave E	188
13	Delisle Ave, w of Yonge St	238
29	Holly St – Dunfield Ave Garage	460
39	Castlefield Ave, w of Yonge St	163
47	125 Burnaby Blvd w of Castle Knock	154
49	30 Roehampton, e of Yonge St	153
55	Bedford Park Ave, w of Yonge St	42
107	MacPherson Ave – Rathnelly Ave	40
131	912 Eglinton Ave W	28
139	Sherwood Ave, e of Yonge St	46

NO.	LOCATION	CAPACITY
<b>MIDTOWN</b>		
152	Glenforest Rd, e of Yonge St	26
155	Eglinton Ave W – Glen Cedar Rd	33
157	Bayview Ave – Millwood Garage (lower)	20
161	St. Clair Ave – Yonge St Garage	173
164	Thelma Ave – Spadina Rd	55
171	Mt. Pleasant Rd, s of Eglinton Ave E	53
178	650 Mt. Pleasant Rd	68
195	15 Price St	71
223	1501 Yonge St	37
249	1670 Bayview Ave	33
269	1010 Yonge St	48
273	20-24 Erskine Ave	37
278	68 Merton St	29
602	1503 to 1505 Bayview Ave	25
<b>TOTAL</b>		<b>2,777</b>

<b>CENTRAL EAST</b>		
17	Pape Ave, n of Danforth Ave	85
20	Cedarvale Ave, n of Danforth Ave	37
21	Armroth Ave, s of Danforth Ave	54
28	Pape Ave, s of Danforth Ave	76
45	Broadview Ave, n of Queen St E	92
48	Lee Ave, s of Queen St E	68
78	Erindale Ave, e of Broadview Ave	93
87	Chester Ave, n of Danforth Ave	83
88	e/s Ferrier Ave, n of Danforth Ave	47
89	Lipton Ave, e of Pape Ave	70
90	Eaton Ave, n of Danforth Ave	30
231	Danforth Ave, e of Coxwell Ave	25
137	Gough Ave, n of Danforth Ave	17
142	Langford Ave, n of Danforth Ave	27
146	Gerrard St E, w of Broadview Ave	37
149	Woodycrest Ave, n of Danforth Ave	35
156	w/s Ferrier Ave, n of Danforth Ave	23
170	Hammersmith Ave, n of Queen St E	30
173	Rhodes Ave, s of Danforth Ave	24
174	Hiawatha Rd – Gerrard St	50
179	Gerrard St, e of Broadview Ave	25
180	268 Rhodes	41
183	193 Boardwalk Drive	21
184	Boardwalk Dr, s of Queen St E	24
185	Joseph Duggan Rd, s of Queen St E	24
186	Sarah Ashbridge Ave, s of Queen St E	24
187	116 Winners Circle	10
200	1167 Eastern Ave	66
202	1141 Eastern Ave	18
244	1439 Danforth Ave	20
248	136 Broadview Ave	22
276	138 Hamilton St	4
277	242 Danforth Ave	19
282	838 Broadview Ave	11
600	Civic Centre	20
<b>TOTAL</b>		<b>1,352</b>

<b>CENTRAL WEST</b>		
18	Keele St, s of Dundas St W	77
19	Pacific Ave, s of Dundas St W	71
41	Norton Ave, w of Dufferin St	64
42	Via Italia, s of St. Clair Ave W	169
44	Fuller Ave, n of Queen St W	53
53	Richmond St W – Walnut Ave	49
62	Queen St W – Abell St	29

NO.	LOCATION	CAPACITY
<b>CENTRAL WEST</b>		
64	Durie St, n of Bloor St W	155
80	Keele St, n of Dundas St W	54
81	Lansdowne Ave, n of Bloor St W	40
82	Margueretta St, n of Bloor St W	56
84	Salem Ave, n of Bloor St W	35
85	Palmerston Ave, n of Bloor St W	58
91	Armada Ave, n of Bloor St W	148
93	Euclid Ave, n of Bloor St W	52
104	Ossington Ave, n of Bloor St W	45
111	College St – Clinton St Garage	79
116	Kennedy Ave, n of Bloor St W	56
130	Bartlett Ave, n of Bloor St W	38
133	20 Prescott Ave	7
141	Greenlaw Ave, s of St. Clair Ave W	53
143	Windermere Ave, n of Bloor St W	88
144	Clinton St, n of Bloor St W	33
158	Queen St W, w of Cowan Ave	32
167	Ossington Ave, n of Queen St W	20
168	Harrison St, e of Dovercourt Rd	47
181	Lamport Stadium	329
188	Beatrice St, s of College St	18
204	1117 Dundas St W	37
218	3354 Dundas St W	13
220	789 St. Clair Ave W	18
224	34 Hanna Ave	184
225	80 Clinton St	25
226	646 St. Clair Ave W	18
228	11 Kenwood Ave	25
229	110 Dovercourt Rd	8
231	19 Spadina Rd	65
235	2201 Dundas St W	10
239	333 Eglinton Ave W	25
240	700 St. Clair Ave W	18
241	9 Bonar Place	34
246	31 Blackthorne Ave	37
251	201 Claremont St	43
256	1624 Queen St W	33
260	94 Northcliffe Blvd	13
270	180-184 Spadina Ave	35
272	775 King St	135
275	1030 King St	152
651	1169 Weston Road	47
652	Scott Rd	14
653	E side Riverview Gardens	113
654	W side Riverview Gardens	100
656	Mould Ave	7
658	Dufferin St	94
659	Oakwood Library	22
660	Oakwood Ave, n of Rogers Rd	21
661	433 Rogers Rd	24
663	1 Shortt St	130
664	Eglinton Ave – Oakwood Ave	40
667	1531 Eglinton Ave	23
670	2053 Dufferin St	23
674	2623 Eglinton Ave E	12
<b>TOTAL</b>		<b>3,553</b>

<b>SUBURBAN NORTH</b>		
400	10 Kingsdale Ave	50
401	246 Brooke Ave	97
402	10 Empress Ave	68
403	10 Harlandale Ave	112
404	Beecroft Garage	382

NO.	LOCATION	CAPACITY
<b>SUBURBAN NORTH</b>		
410	Beecroft W	173
411	Roe Ave (1880 Avenue Rd)	32
412	11 Finch Ave W	62
413	Warner Bros – 4576 Yonge St	17
414	Jolly Miller	139
418	68 Sheppard Ave W	34
419	5667 Yonge St	23
424	2180 Bayview Ave	69
<b>TOTAL</b>		<b>1,258</b>

<b>SUBURBAN EAST</b>		
700	101 Grangeway Ave	261
701	Fallingbrook Rd	83
706	284 Milner Ave	98
707	1530 Markham Rd	24
709	1940/1950 Lawrence Ave E	25
710	Bushby Dr, e of McCowan Rd	214
711	158 Borough Dr	16
<b>TOTAL</b>		<b>721</b>

<b>SUBURBAN WEST</b>		
500	7 Jackson Ave	40
501	11 Grenview Blvd N	83
502	342 Prince Edward Dr, n of Bloor St W	44
503	12 Willingdon Ave	66
504	9 Willingdon Ave	116
505	934 Royal York Rd	11
506	Fifth/Sixth St, n of Lake Shore Blvd W	53
507	Third St, s of Lake Shore Blvd W	24
508	Eighth/Ninth St, n of Lake Shore Blvd W	45
509	Fourth St, s of Lake Shore Blvd W	22
510	Twenty-Third St, s of Lake Shore Blvd W	22
511	Seventh St, s of Lake Shore Blvd W	54
512	3220 Bloor Street W	57
513	575 Royal York Rd	28
514	139 Islington Ave	11
516	Woolgar Laneway, n of The Queensway	11
517	Superior Ave, n of Lake Shore Blvd W	23
519	Dayton Lane, s of The Queensway	15
520	Royal Avon, n of Dundas St W	62
521	Monkton Ave, s of Bloor St W	25
528	Assembly Hall Lot	52
529	Powerhouse Lot	210
532	14 Barkwin Dr	23
534	15 Marine Parade Dr	16
650	22 John St	34
657	Scarlett Rd	11
668	2700 Eglinton Ave W	109
669	2700 Eglinton Ave W	38
<b>TOTAL</b>		<b>1,305</b>

**TOTAL 22,855**

<b>SPECIAL FACILITIES</b>		
Seasonal		2,287
TCHC Toronto Community Housing		1,196
TTC Commuter Carparks		11,533
Exhibition Place		4,842
<b>GRAND TOTAL</b>		<b>42,713</b>



## Toronto Parking Authority

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