

Toronto Parking Authority

2004 ANNUAL REPORT



Rates		7% GST 8% PST Included
Each Half hour	\$1.00	
Maximum 7am - 6pm	\$6.50	
Maximum 6pm - 7am	\$6.00	

Toronto Parking Authority
(416) 393-PARK



Toronto Parking Authority

Board of Directors



GEORGE K. SOULIS
CHAIR



JOHN W. MALETICH
VICE CHAIR



MICHAEL FELDMAN
COUNCILLOR



KYLE RAE
COUNCILLOR



ROBERT J. BRENT



STAN KUMOREK



MYRON PESTALUKY



MAURICE J. ANDERSON
PRESIDENT



Toronto Parking Authority

MAYOR AND CITY COUNCILLORS

Mayor

Mayor David Miller

City Councillors

Gerry Altobello
Brian Ashton
Maria Augimeri
Bas Balkissoon
Sandra Bussin
Shelley Carroll
Raymond Cho
Olivia Chow
Gay Cowbourne
Janet Davis
Glenn De Baeremaeker
Michael Del Grande

Frank Di Giorgio

Mike Feldman

John Filion

Paula Fletcher

Rob Ford

Adam Giambone

Mark Grimes

Suzan Hall

Douglas Holyday

Cliff Jenkins

Norman Kelly

Gloria Lindsay-Luby

Peter Li Preti

Giorgio Mammoliti

Pam McConnell

Joe Mihevc

Peter Milczyn

Denzil Minnan-Wong

Howard Moscoe

Frances Nunziata

Case Ootes

Cesar Palacio

Joe Pantalone

Jane Pitfield

Kyle Rae

Bill Saundercook

David Shiner

David Soknacki

Karen Stintz

Michael Thompson

Michael Walker

Sylvia Watson

SENIOR MANAGEMENT

Maurice J. Anderson
President

Gerard C. Daigle
*Vice President,
Finance & Administration*

Ian Maher
*Vice President,
Strategic Planning &
Information Technology*

Amir Nathoo
*Vice President,
Design, Construction &
Facilities Maintenance*

Lorne Persiko
*Vice President,
Real Estate & Development*

Gwyn Thomas
Vice President, Operations

Barry E. Martin
Director of Human Resources

Sam Roussos
Director of Operations



Chairman's Message



George K. Soulis, Chair

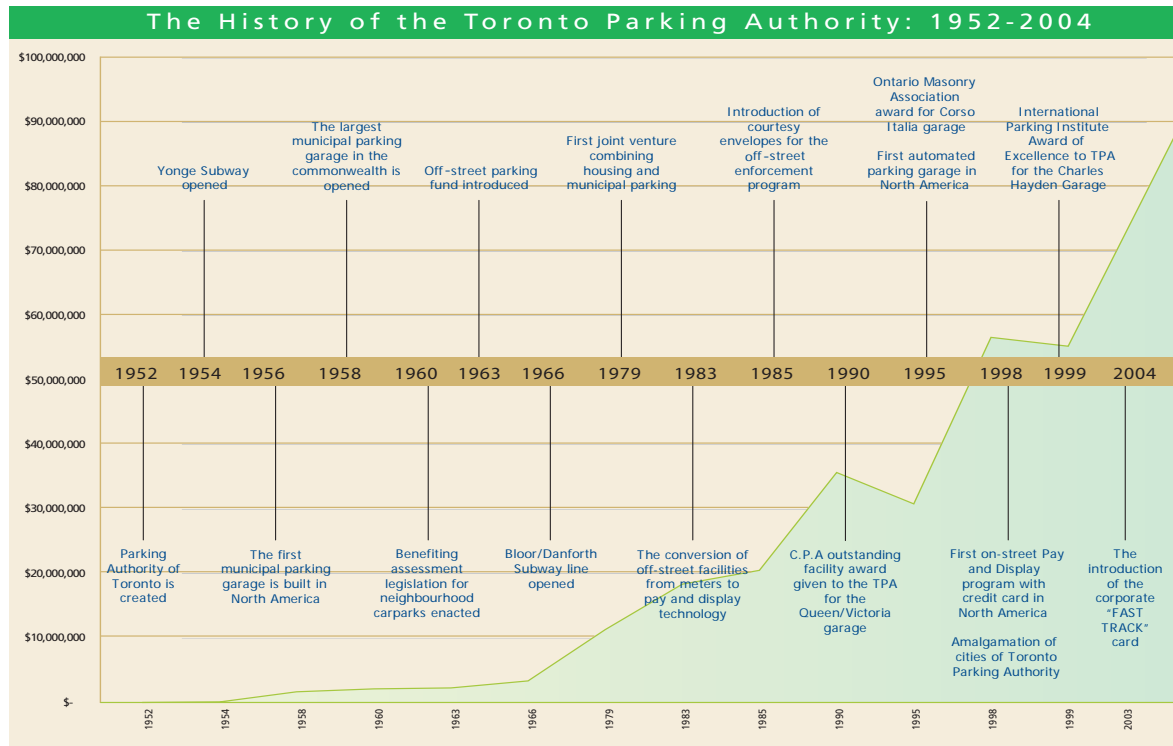
Introduction – The History and Mandate of the Toronto Parking Authority

On June 24, 1952 City Council passed By-law 18680 establishing the Parking Authority of Toronto. The intention was to ensure the Parking Authority was a self-sustaining public corporation that would not rely on a municipal tax base to fund its operations or development. This objective continued after the amalgamation of the Toronto area municipalities in 1998. The former Parking Authority of Toronto and the former Parking Authority of North York were merged into the "The Toronto Parking Authority" under the City of Toronto Act. The outcome of this merger resulted in the transfer of responsibility for the parking properties from the former municipalities of Etobicoke, York, North York, East York and Scarborough as well as the entire on-street parking program in the new City of Toronto to the Toronto Parking Authority.

The mandate of the Toronto Parking Authority was reaffirmed as follows:

“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.”

The Toronto Parking Authority has far exceeded its mandate. Not only has it delivered 53 consecutive years of solid profit, but it has also built a substantial and highly valued property portfolio for the City of Toronto. The Toronto Parking Authority is a success story that effectively and efficiently contributes significant revenues to the City’s general reserves.





2004 Financial Results

Once again in 2005 the Toronto Parking Authority experienced considerable growth and improved financial results, despite the mediocre performance of a number of off-street parking facilities in the downtown core and in the Yonge Street corridor. Increased revenues were realized in most unattended surface facilities that serve the commercial strips while revenues at the attended facilities remained consistent.

The gross revenue from the on-street program was \$34.5 million, an increase of 8.1% over 2003 results. Off-street revenues grew by 3.6% or \$2 million to \$56.2 million. These numbers represent record highs for the organization. Sundry revenue which includes net rental income from rental properties that are controlled by the Toronto Parking Authority, investment income and the gain on sale of property and equipment increased to \$7.1 million, almost a three-fold increase over 2003. The main reason for this increase was the sale of air rights on property on Mt. Pleasant Road.

Gross parking revenue increased from \$86.2 million to \$90.7 million or 5.3%. Overall gross revenues grew 10.3% to a record high of \$97.8 million. Net income increased to \$45.7 million, 17.1% over 2003 results. The City's share of the Toronto Parking Authority's income in calendar year

2004 was \$34.3 million. This represents an increase of 17.1% over 2003 and equates to approximately 3.5% of the tax bill levied on taxpayers in the City of Toronto.

Annual expenses increased by 4.8%. Higher rents, maintenance and insurance costs were the main reasons for the increase.

How the Toronto Parking Authority Funds Projects

The Toronto Parking Authority has been self-funding for the past 53 years. No taxpayer money has been used to fund operations, acquisitions, or developments. The Toronto Parking Authority's business is funded through the following sources:

- The retained portion of annual profit;
- The monies generated from joint venture developments;
- The off-street parking fund;
- Sundry revenues.

Retained Portion of Annual Profit

Each year since the late 1970's the Authority has returned a portion of its net profits to the City of Toronto. In 2001 a profit sharing arrangement was established such that 75% of the net profit generated each year by the Authority would be transferred to the City of Toronto's general reserves. In the seven years since amalgamation, the Toronto Parking Authority has generated \$250 million in net profit of which, \$202 million has been paid to the City as a dividend and in one time transfers and \$48 million has been retained by the Authority to fund future capital programs and development. The portion of revenue turned over to the City translates into an annual realty tax savings for the residents of the City of Toronto in excess of 3% per year. In this same seven-year period the Authority paid in addition to the \$202 million of transfers, \$76.1 million in realty taxes to the City of Toronto.

The revenue retained by the Toronto Parking Authority has been used to acquire





land or build parking facilities to better serve the city's commercial business districts. As the then Mayor, Nathan Phillip, stated 50 years ago at the opening of the Authority's City Hall garage, "business goes today where there is convenient, thrifty parking and stays clear of locations that can't or won't provide it." Over fifty years of prosperity for various commercial areas in the city and the continued success of the Toronto Parking Authority are a testament to the enduring truth of the long departed Mayor's assessment.

Joint Venture Developments

In the past two years the Toronto Parking Authority through joint venture developments has generated \$12.3 million with net proceeds totaling \$7.1 million. From the net proceeds \$5.3 million has been returned to the City of Toronto and the Authority has retained \$1.8 million, to fund future capital projects. Over the last 20 years a total of \$21.5 million has been generated by the Authority through the sale and lease of air rights. As a result of these developments the parking supply in the project areas has been increased by 901 spaces to better serve the needs of the local business communities.



The St. Clair

The Richmond/Sherbourne garage, the Intercontinental Hotel at Bloor and Avenue Road, Delisle Court at Yonge and St. Clair and Portland and Front are among a number of facilities that exemplify the successful redevelopment of city-owned assets in multi-purpose facilities.



Brition House

Off-Street Parking Fund

Each land use in the City has a parking requirement prescribed in the zoning regulations that must be met when the property is developed. Occasionally when these requirements cannot be met within the proposed development a developer may be given the option of making a cash-in-lieu-of parking payment to the City. This payment is based on a specific formula that calculates a per space cost for the particular circumstance. The Off-Street Parking Fund was established in the former City of Toronto in 1963 as a holding account for cash-in-lieu payments. The funds that are held in this account must be used solely to provide additional parking facilities in the City of Toronto. Over the years, the contributions and the interest earned on contributions has grown to \$27.9 million. Over the same period of time the Authority has expended \$21.3 million to provide additional parking facilities in our business communities. At this time this fund has a balance of \$6.6 million to be used in future years for the provision of parking.

Sundry Revenue

In addition to investment income, the Toronto Parking Authority generates sundry revenue from the rental of retail and office space in our parking garages, the proceeds from the sale and lease of air rights and advertising revenue from the various sources currently allowed in our facilities. We are continually looking at ways of increasing this revenue source.



The Richmond



Chairman's Message

Leader in Design and Technology – Past and Present

Since its founding in 1952 the Parking Authority of Toronto has been viewed as a world leader in the parking industry in many facets such as parking lot design, joint venture development initiatives, and the implementation of new technologies to improve revenue control and provide a higher standard of customer service. The following are a few of the awards that the Authority has received:

- 1990** - Canadian Parking Association "Outstanding Parking Facility" – Queen/Victoria Garage
- 1990** - Canadian Parking Association "Award of Merit" - St. Lawrence Garage
- 1995** - Ontario Masonry Association "Masonry Project Design Award" – Corso Italia Garage
- 1999** - International Parking Institute "Award of Excellence – International Parking Institute for the Best New Parking Facility in North America" – Charles/Hayden Garage
- 1999** - City of Toronto "Urban Design Award" – Charles/Hayden Garage

In addition to these awards the TPA has many "firsts" in the industry. In 1956 the first municipal parking garage in North America was opened followed in 1958 with the then largest underground garage in the Commonwealth. The first joint venture development containing a municipal parking garage/housing was the Holly/Dunfield



parking garage built at Yonge and Eglinton in 1979. In 1995 the Toronto Parking Authority introduced the first fully automated parking garage to North America, the St. Lawrence Garage. This was the first facility in the world offering customers the convenience of entering and exiting by simply inserting their credit card in a reader. This type of convenient and automated operation is now commonplace, not only in Toronto, but in North America and the world.

In the mid 1980's to better serve its customers, the Authority introduced the courtesy envelope program. When a vehicle is first found in noncompliance in our off-street facilities a courtesy envelope is issued as a warning. The courtesy envelope imposes a significantly lower fine than a parking infraction notice and it is not mandatory that it be paid. If the vehicle is found in noncompliance a second time and the provisions of the courtesy envelope not met, a handwritten parking infraction notice is issued to the vehicle on the next occurrence. By treating customers in this manner, more customers began to pay for parking at the pay and display machines and complied with the parking regulations. This concept of enforcement has now been adopted in various U.S. cities and has been referred to as "a friendly reminder", "a warning", or a "courtesy". With the introduction of the courtesy envelope program the Authority also introduced the use of handheld computer terminals for their issuance.





More recently, in late 1998 with the assumption of the on-street parking program, the Authority began installing solar-powered pay and display machines to replace single-space parking meters throughout the city. These solar-powered units transmit data and credit card information wirelessly to a central server in the Toronto Parking Authority offices. The acceptance of credit cards on-street has made it more convenient for customers to pay. Previously, a customer had to have sufficient change in their pockets or car to buy the desired amount of parking time. The Parking Authority of Toronto had been using pay and display machines at its unattended off-street parking facilities since 1985 and found them to be less intrusive and more convenient than the single-space meters.



In designing new parking facilities the safety and security of our customers is paramount. Clear site lines, colourful distinctive informational graphics, bright lighting and cleanliness have been the trademarks of the Authority over past years. The use of roaming security patrols and centrally monitored emergency stations in our parking garages has also added appreciably to our security. The central monitoring station has also allowed the Parking Authority to operate all of its six pay-on-foot garages from one central location. Monitoring station attendants speak directly to customers to respond to questions and concerns. These features improve the safety and wellbeing of our customers while they are using our facilities.

The introduction and use of new technology over the years has resulted in the Toronto Parking Authority providing improved service to its customers while keeping costs under control and increasing the profitability of its operations.



6



Working with the Community - Chinatown East - Dedication of the Lions at Municipal Carpark 146 (Gerrard and Hamilton Streets).

Relationship with Stakeholders – Taxpayers, City Elected Officials, and the City of Toronto Staff

Despite being self-funded the Toronto Parking Authority still has an obligation to ensure a strong financial return on its investments. As previously stated, since amalgamation the portion of our profits that have been forwarded to the City equate to better than 3% of the annual tax assessment to the taxpayers of the City of Toronto.

As the city grows, so grows the Toronto Parking Authority. Toronto is a cosmopolitan city with many ethnic communities and it is important that the various commercial strips throughout the city have a sufficient supply of on and off-street public parking to ensure that these areas remain busy and vibrant. Although the facilities in the downtown



core (nearly 20% of the parking supply) are relied upon for a large portion of annual revenue, the Authority strongly supports the City's renewal and development initiatives such as densification, the strong promotion of public transit, the waterfront rehabilitation and clean city initiatives. For instance the rate setting policy for on- and off-street parking targets the short-term user while discouraging long stay use. In our off-street facilities short-term rates are affordable to serve short-term business and shopping trips while our all day rates in the downtown core are higher to encourage the use of public transit for those working downtown. At our on-street parking locations a customer can only purchase a maximum of two hours time during the day and only three hours in the evening. In May 2004 the Authority increased on-street parking fees in the City core with the introduction of a \$3.00 rate zone to discourage the ongoing long stay practices that are counter to the intended short stay use of these facilities.

The Parking Authority is a strong supporter of the City's Cycling Program. In many of our facilities there are areas designated as "Pedal and Park" where bicycles can be safely locked and stored. The Authority also funds the cost of converting old parking meter posts to bicycle rings on City streets.





We spend a considerable amount of money each year in landscaping our parking facilities to enhance the streetscape surrounding the parking facility. In addition, for each of the past four years the Authority has supported the City of Toronto's Tree Advocacy Program. Significant numbers of small trees have been planted at four designated sites in the City and have been funded by the Authority. These trees will have a positive impact on the environment once they begin to mature.



Over the past several years we have held an annual golf tournament. In the last two years proceeds from the tournament have been donated to the Multiple Sclerosis Society of Canada – Ontario Division. In calendar year 2004 in excess of \$20,000 was raised and donated to this very worthwhile charity.

The highlight of 2004 was the negotiation of a four-year collective agreement with the Canadian Union of Public Employees Local

416 representing our outside employees. An organization is only as strong as its representative employees. Much of our success is due to the hard work and efforts of all of our employees. Our future success will be directly attributable to their continued effort to provide an increasingly better level of service.

Future Initiatives – Moving Forward

The Toronto Parking Authority will continue to embrace new technologies in order to continue to improve and provide excellence in customer service. We will continue to introduce solar-powered pay and display technology, promote our new corporate "Fast Track" card to commercial users and, wherever possible automate existing off-street parking facilities.

Additional parking facilities will be opening in the coming year and it's anticipated that other agreements negotiating the sale and lease of air rights will be finalized, along with further expansion of our parking inventory. We will continue to search for properties throughout the city to purchase and develop to provide much-needed parking services to our commercial business community. We will also continue to communicate with developers to examine the feasibility of joint venture projects.

We will continue to support the City of Toronto revitalization, renewal and development initiatives and will work very closely with the City staff in this regard

Thanks to Staff

The ongoing success of our organization is a testament to the dedication and hard work of the Toronto Parking Authority staff. I would also like to take this opportunity to thank our Board of Directors for their diligence and leadership over the past year. I look forward to our next year with a great deal of enthusiasm and expectation.



City of Toronto Tree Advocacy Program - Mayor David Miller and Councillor Joe Pantalone present plaque to the Toronto Parking Authority Chair, George K. Soulis thanking the Toronto Parking Authority for its support.



Citywatch honoured Dimitri Delinis of the Toronto Parking Authority in October 2004 for actions he took beyond the regular call of duty to assist a vulnerable person who was stranded in Toronto one night in the summer. The man had missed a tour bus returning to Rochester, New York. He was at a loss of what to do, having a serious intellectual disability and no credit card or substantial cash with him. Dimitri, a parking supervisor, found that the bus company's office in Buffalo was closed for the night. He took the man to Union Station and bought him a ticket for the next train to Rochester, which was the following morning. Then Dimitri helped him obtain a night's accommodation at a nearby hotel. Dimitri telephoned the man's mother in Rochester and later confirmed that the man had made it home safely the next day.



Financial Statements

AUDITORS' REPORT

To the Board of Directors of Toronto Parking Authority

We have audited the balance sheet of Toronto Parking Authority as at December 31, 2004 and the statements of operations and equity and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada,
March 24, 2005.

Ernst & Young LLP
Chartered Accountants

BALANCE SHEET

As at December 31

ASSETS	2004	2003
	\$	\$
Current		
Cash	4,576,007	7,000,039
Short-term investments <i>[notes 3 and 10]</i>		
[market value - \$9,748,329; 2003 - \$2,552,000]	9,724,517	2,538,329
Accounts receivable <i>[note 4]</i>	789,966	523,117
Inventories	337,601	249,959
Prepaid expenses	603,558	303,275
Total current assets	16,031,649	10,614,719
Long-term investments <i>[notes 3 and 10]</i>		
[market value - \$27,526,501; 2003 - \$18,888,888]	27,080,000	18,080,000
Deferred charges <i>[note 5]</i>	871,909	968,483
Property and equipment, net <i>[note 6]</i>	107,721,849	107,756,768
	151,705,407	137,419,970
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities <i>[note 4]</i>	22,997,421	18,229,090
Deferred revenue	354,442	308,598
Total current liabilities	23,351,863	18,537,688
Equity	128,353,544	118,882,282
	151,705,407	137,419,970

See accompanying notes

On behalf of the Board:

Geo. K. Anolis

Chairman

[Signature]

President



STATEMENT OF OPERATIONS AND EQUITY

Year ended December 31

	On-street	Off-street	2004 Total	2003 Total
	\$	\$	\$	\$
Revenue	34,534,171	56,230,228	90,764,399	86,219,845
Expenses				
Operating [schedule]	5,610,916	34,548,240	40,159,156	38,880,967
Administration	728,467	5,303,260	6,031,727	5,382,093
Amortization of property and equipment	3,354,604	2,573,250	5,927,854	5,447,177
	9,693,987	42,424,750	52,118,737	49,710,237
Operating income	24,840,184	13,805,478	38,645,662	36,509,608
Other income				
Gain on sale of property and equipment			4,539,098	126,745
Investment income			1,439,424	1,212,371
Net rental income [gross - \$1,009,181; 2003 - \$1,072,551]			909,804	920,400
Sundry			203,057	286,999
			7,091,383	2,546,515
Income before the following			45,737,045	39,056,123
City of Toronto's share of income [note 8]			(34,265,783)	(29,255,514)
Net income for the year before additional transfer			11,471,262	9,800,609
Transfer to City of Toronto [note 8]			(2,000,000)	—
Net income for the year			9,471,262	9,800,609
Equity, beginning of year			118,882,282	109,081,673
Equity, end of year			128,353,544	118,882,282

See accompanying notes

STATEMENT OF CASH FLOWS

Year ended December 31

	2004	2003
	\$	\$
OPERATING ACTIVITIES		
Net income for the year	9,471,262	9,800,609
Add (deduct) non-cash items		
Gain on sale of property and equipment	(4,539,098)	(126,745)
Amortization of property and equipment	5,927,854	5,447,177
Amortization of deferred charges	96,574	96,575
	10,956,592	15,217,616
Changes in non-cash working capital balances related to operations		
Accounts receivable	(266,849)	665,975
Inventories	(87,642)	467,064
Prepaid expenses	(300,283)	122,280
Accounts payable and accrued liabilities	4,768,331	(5,466,889)
Deferred revenue	45,844	3,414
Cash provided by operating activities	15,115,993	11,009,460
INVESTING AND FINANCING ACTIVITIES		
Net decrease (increase) in investments	(16,186,188)	3,617,240
Proceeds from sale of property and equipment	5,573,078	532,879
Purchase of property and equipment	(7,592,515)	(15,883,615)
Funding from City of Toronto's reserve funds for property and equipment	665,600	652,819
Cash used in investing and financing activities	(17,540,025)	(11,080,677)
Net decrease in cash during the year	(2,424,032)	(71,217)
Cash, beginning of year	7,000,039	7,071,256
Cash, end of year	4,576,007	7,000,039

See accompanying notes



Financial Statements

SCHEDULE OF OPERATING EXPENSES

Year ended December 31

	On-street	Off-street	2004 Total	2003 Total
	\$	\$	\$	\$
OPERATING				
Salaries, wages and benefits	1,539,213	10,409,442	11,948,655	11,082,468
Municipal taxes	—	13,057,411	13,057,411	13,196,925
Maintenance	1,329,173	2,709,652	4,038,825	3,781,675
Utilities	—	2,017,539	2,017,539	1,654,201
Rent	—	2,561,839	2,561,839	3,022,517
Snow clearing	—	987,847	987,847	971,771
Tickets	915,153	360,340	1,275,493	1,203,451
Security and monitoring	1,251	488,747	489,998	490,413
Insurance	55,855	718,697	774,552	823,035
Pay and display network communications	1,118,313	—	1,118,313	715,360
Outside coin counting fees	349,326	—	349,326	352,179
Credit card processing fees	248,830	515,729	764,559	682,019
Sundry	53,802	720,997	774,799	904,953
	5,610,916	34,548,240	40,159,156	38,880,967

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

1. OPERATIONS AND RELATIONSHIP WITH THE CITY OF TORONTO

Toronto Parking Authority [the "Authority"] is a local board of the City of Toronto [the "City"], established under the City of Toronto Act (1997) with a mandate to operate, manage and maintain municipal parking facilities and on-street meter operations on behalf of the City in support of local business areas. In its relationship with the City, the Authority has an agreement on income sharing with the City [note 8].

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

These financial statements reflect the financial

position and results of operations of the Authority's off-street parking facilities and on-street parking meters. They do not include the operations of the retail stores and offices on Cumberland, Queen, Charles and St. Andrew Streets; or payments received by the City from developers under agreements in lieu of providing parking facilities. The results of these activities are paid into reserve funds recorded in the City's accounts and are available for the exclusive use of the Authority to fund on-going capital projects and improvements [note 4].

2. SIGNIFICANT ACCOUNTING POLICIES

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

Revenue recognition

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes measurable and expenses when they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Investments

Investments are recorded at cost. Premiums and discounts on bonds are amortized over the term of the bonds. Investment income includes interest and gains or losses on the sale of investments. The amount of investments classified as long-term represents those assets with maturity dates greater than one year from the date of these financial statements.

Inventories

Inventories of supplies are recorded at the lower of cost determined on a first in first out basis, or market value.

Property, plant and equipment

Purchased property, plant and equipment are recorded at cost less any amounts being funded from the City's reserve funds [note 4]. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

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

Employee related costs

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

Use of estimates

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



3. INVESTMENTS

Investments consist of Government of Canada bonds, bankers' acceptances and Province of Ontario debentures with a weighted average yield to maturity

of 3.66% and an average duration to maturity of 2.68 years [2003 - 5.3% and an average duration to maturity of 3.21 years].

4. RELATED PARTY TRANSACTIONS

The Authority operates 33 parking facilities on properties owned by other City departments and agencies. These parking facilities are operated under separately negotiated agreements with each City department or agency. The Authority receives compensation in the form of either a share of net income or on a cost recovery plus a fixed fee basis. Amounts owing from or to the Authority under these

agreements are included within accounts receivable or accounts payable on the balance sheet. Included in accounts receivable of \$789,966 is \$342,875 due from related parties. Included in accounts payable and accrued liabilities of \$22,997,421 is \$18,482,102 due to related parties. The net amount of \$18,139,227 [\$18,482,102 less \$342,875] due to related parties at December 31, 2004 is summarized as follows:

	2004	2003
	\$	\$
Due from the Toronto Transit Commission	342,875	159,088
Due to the City of Toronto	(18,482,102)	(13,062,111)
	(18,139,227)	(12,903,023)

As referred to in note 1, the City holds reserve funds for use by the Authority in funding capital projects. Net income generated by retail leasing operations which are developed and operated by the Authority are paid annually into the "Malls and Rental Properties Fund". The balance in this fund as at December 31, 2004 is approximately \$546,987 [2003 - \$682,844]. During the year, \$456,930 [2003 - \$36,656] was drawn from this fund to finance property and equipment additions.

Payments received by the City from developers under agreements in lieu of providing parking facilities are paid into the "Off-Street Parking Fund". The balance in this fund as at December 31, 2004 was approximately \$6,696,477 [2003 - \$5,039,647]. During the year, \$208,670 [2003 - \$616,163] was drawn from this fund to finance property and equipment additions.

5. DEFERRED CHARGES

Included in deferred charges is \$841,001 [2003 - \$917,575] related to leased property under various long-term lease agreements for periods up to 2039. The total rent for these leases was \$2,220,168. These payments were made in advance and are being amortized over the terms of the individual leases.

Also included in deferred charges are expenditures of \$30,908 [2003 - \$50,908] incurred by the former Parking Authority of North York in respect of a specific management agreement. These expenditures were deferred and are being amortized against revenue from operations over the term of the agreement.

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2004		2003	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Land	53,118,262	—	52,484,414	—
Parking garages	53,747,515	29,940,111	52,698,701	28,331,594
Surface car parks	8,204,562	2,001,575	7,899,294	1,687,680
Car parks and projects not completed	489,529	—	86,577	—
Equipment and furnishings	45,374,278	21,270,611	41,872,225	17,265,169
	160,934,146	53,212,297	155,041,211	47,284,443
Less accumulated amortization	53,212,297		47,284,443	
Net book value	107,721,849		107,756,768	



7. PENSION OBLIGATIONS

The Authority makes contributions to the Ontario Municipal Employees Retirement Fund ["OMERS"], which is a multi-employer plan, on behalf of substantially all of its employees. The plan is a defined benefit plan that specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay.

Following a full contribution holiday from 1998 through 2002 contributions resumed at reduced rates during 2003 and to full rates in 2004. During the year the Authority's contributions were \$719,656 [2003 - \$225,885].

8. CITY OF TORONTO'S SHARE OF INCOME

In 1998 the City and Authority established an income sharing arrangement for a three-year period ending December 31, 2000. Without any changes to the original terms, the arrangement has undergone two successive three-year extensions with the current arrangement expiring on December 31, 2006. Under this arrangement, the Authority pays annual rent equal to the greater of 75% of its net income for the year or \$18,000,000.

From time to time, the Authority will pay an amount to the City that is in excess of the property and equipment funding requirements over the ensuing five-year period. This return of funds is in

addition to the City's share of annual operating income paid under the income sharing arrangement.

Under the Municipal Act, any earnings retained by the Authority are to be applied as follows:

- Debenture charges relating to debentures issued to finance the cost of parking facilities;
- The cost of additional parking facilities required as part of the Authority's mandate to provide parking in support of business areas in the City; and
- Other purposes as may be approved by City Council.

During the year, the Authority agreed to pay an additional \$2,000,000, above the income sharing agreement, as a one-time payment to the City.

9. LEASE COMMITMENTS

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

	\$
2005	433,122
2006	296,111
2007	163,735
2008	159,221
2009	149,197
2010 and thereafter	1,443,167
	2,644,553

10. FINANCIAL INSTRUMENTS

Fair value of financial instruments

The estimated fair values of financial instruments approximate the amounts for which instruments could be exchanged in a transaction between knowledgeable and willing parties based on public

market information. Management believes the fair values of the financial instruments in these financial statements approximate their carrying values unless otherwise noted.

11. COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been reclassified from statements previously presented to

conform to the presentation of the 2004 financial statements.



OFF-STREET PARKING FACILITIES

NO.	LOCATION	CAPACITY	NO.	LOCATION	CAPACITY	NO.	LOCATION	CAPACITY
DOWNTOWN						SUBURBAN NORTH		
26	Queen-Victoria Garage	645	90	Eaton Ave n of Danforth	30	400	10 Kingsdale Ave	48
32	Bay St – Lakeshore Blvd. W	330	110	Danforth Ave e of Coxwell Ave	25	401	246 Brooke Avenue	97
34	Dundas Square Garage	265	126	Parliament St s of Front E	84	402	10 Empress Ave	29
36	Nathan Phillips Square Garage	2087	137	Gough Ave n of Danforth	17	403	10 Harlandale Ave	112
43	St. Lawrence Garage	2008	142	Langford Ave n of Danforth	27	404	Beecroft Garage	394
52	University Ave Garage	323	146	Gerrard St E w of Broadview Ave	43	410	Beecroft West	173
108	Esplanade, w of Jarvis	34	149	Woodycrest Ave n of Danforth	35	411	Roe Ave (1880 Avenue Rd)	32
125	Richmond-Sherbourne Garage	258	156	w/s Ferrier Ave n of Danforth	23	412	11 Finch Ave West	62
177	York/Lakeshore	40	170	Hammersmith Ave n of Queen E	30	413	Warner Bros	17
215	Yorkville Ave	175	173	Rhodes Ave s of Danforth	24	414	Jolly Miller	262
216	McCaul Street	38	174	Hiawatha and Gerrard	50	415	5151 Yonge St	32
219	87 Richmond St. E	20	179	Gerrard St e/Broadview	25	417	Pemberton	10
TOTAL:		6223	180	Gerrard St e/Rhodes	41	418	68 Sheppard Avenue West	34
DOWNTOWN FRINGE			184	Boardwalk, s of Queen E	24	650	John St	158
1	Hayden St e of Yonge	430	185	Joseph Duggan Rd, s of Queen E	24	TOTAL:		1460
3	Isabella St e of Yonge	33	186	Sarah Ashbridge Ave, s of Queen E	24	SUBURBAN EAST		
5	Wellesley St e of Yonge	135	200	1167 Eastern Ave	66	700	Bushby	377
15	Yorkville-Cumberland Garage	1036	202	1141 Eastern Ave	18	701	Fallingbrook	38
51	Lippincott St s of Bloor W	146	600	Civic Centre	20	706	284 Milner Ave	98
58	Bloor-Bedford Garage	399	TOTAL:		1335	707	1530 Markham Rd	24
68	Kensington Garage	450	CENTRAL WEST			TOTAL:		537
71	Bellevue Ave s of Nassau St	91	18	Keele St s of Dundas W	77	SUBURBAN WEST		
79	Sherbourne St n of Carlton St	110	19	Pacific Ave s of Dundas W	71	500	Grenview Ave n of Bloor	55
96	Portland Garage	37	41	Norton Ave w of Dufferin	64	501	Wendover Rd n of Bloor	80
106	Augusta Ave n of Queen W	120	42	Via Italia s of St. Clair W	169	502	Prince Edward Drive n of Bloor	44
109	Aberdeen Ave w of Parliament St	35	44	Fuller Ave n of Queen W	53	503	Willingdon Ave n of Bloor	79
150	Larch St Garage	357	53	Richmond St West – Walnut Ave	49	504	Jackson Ave n of Bloor	116
163	Dragon City Garage	129	62	Queen St W – Abell St	29	505	Bloor/Cliveden Ave s of Bloor	11
205	465 Huron St	20	64	Durie St n of Bloor W	155	506	Fifth/Sixth St n of Lake Shore Blvd W	53
212	363 Adelaide St W	23	80	Keele St n of Dundas W	54	507	Third St s of Lake Shore Blvd W	24
221	121 St. Patrick Street	36	81	Lansdowne Ave n of Bloor W	40	508	Eighth/Ninth St n of Lake Shore Blvd W	45
222	Skydome Bus Parking	40	82	Margueretta St n of Bloor W	56	509	Fourth St s of Lake Shore Blvd W	22
TOTAL:		3627	84	Salem Ave n of Bloor W	35	510	Twenty-Third St s of Lake Shore Blvd W	22
MIDTOWN			91	Armadale Ave n of Bloor W 1	44	511	Seventh St s of Lake Shore Blvd W	54
11	Rosehill Garage	565	93	Euclid Ave n of Bloor W	52	512	Central Park	57
12	Alvin Ave n of St. Clair E	188	104	Ossington Ave n of Bloor W	40	513	Queensway n of Royal York Rd	28
13	Delisle Ave w of Yonge	238	111	College-Clinton Garage	79	514	Seventh St Lane n of Lake Shore Blvd W	11
29	Holly-Dunfield Garage	460	116	Kennedy Ave n of Bloor W	56	515	Thirteenth St s of Lake Shore Blvd W	10
39	Castlefield Ave w of Yonge	170	130	Bartlett Ave n of Bloor W	38	516	Woolgar Laneway n of The Queensway	49
47	Castleknock Rd n of Eglinton W	175	141	Greenlaw Ave s of St. Clair W	53	517	Superior Ave n of Lake Shore Blvd W	15
49	Roehampton Ave e of Yonge	126	143	Windermere Ave n of Bloor w	88	519	Dayton Lane s of The Queensway	15
55	Bedford Park Ave w of Yonge	42	144	Clinton St n of Bloor W	33	520	Royal Avon n of Dundas St W	62
107	MacPherson Ave-Rathnelly Ave	40	158	Queen St W w of Cowan Ave	32	521	Monkton Ave, s of Bloor St W	25
131	Eglinton W-Hilltop Road	28	167	Ossington Ave n of Queen W	20	528	Assembly Hall Lot	30
139	Sherwood Ave e of Yonge	46	168	Harrison St e of Dovercourt Road	47	657	Scarlett Rd	11
152	Glenforest Rd e of Yonge	26	181	Lamport Stadium	329	662	Emmett Ave	78
155	Eglinton W-Glen Cedar Road	33	188	Beatrice Street, s of College St	18	668	2700 Eglinton Ave W	95
157	Bayview/Millwood Garage (lower)	20	204	1117 Dundas St W	37	669	2700 Eglinton Ave W	38
167	St. Clair-Yonge Garage	173	217	1445 Bathurst Street	25	TOTAL:		1,129
164	Thelma Ave-Spadina Road	43	218	3354 Dundas St. W	13	SUBURBAN WEST		
171	Mt. Pleasant Rd s of Eglinton E	53	220	789 St. Clair Ave. W	18	500	Grenview Ave n of Bloor	55
178	Hillsdale at Mt. Pleasant	39	651	Locust St	47	501	Wendover Rd n of Bloor	80
195	15 Price St.	71	652	Scott Rd	14	502	Prince Edward Drive n of Bloor	44
223	1501 Yonge Street	37	653	E side Riverview Gardens	113	503	Willingdon Ave n of Bloor	79
655	China House	43	654	W side Riverview Gardens	100	504	Jackson Ave n of Bloor	116
TOTAL:		2616	656	Mould Ave 7 658 Dufferin St	94	505	Bloor/Cliveden Ave s of Bloor	11
CENTRAL EAST			659	Oakwood Library	22	506	Fifth/Sixth St n of Lake Shore Blvd W	53
17	Pape Ave n of Danforth	85	660	Oakwood Ave	21	507	Third St s of Lake Shore Blvd W	24
20	Cedarvale Ave n of Danforth	37	661	Rogers Rd	24	508	Eighth/Ninth St n of Lake Shore Blvd W	45
21	Amroth Ave s of Danforth	54	663	Shortt St	130	509	Fourth St s of Lake Shore Blvd W	22
28	Pape Ave s of Danforth	76	664	Eglinton/Oakwood	40	510	Twenty-Third St s of Lake Shore Blvd W	22
45	Broadview Ave n of Queen E	92	667	1531 Eglinton Ave	23	511	Seventh St s of Lake Shore Blvd W	54
48	Lee Ave s of Queen E	68	TOTAL:		2667	512	Central Park	57
78	Erindale Ave e of Broadview Ave	93	SUBURBAN EAST			513	Queensway n of Royal York Rd	28
87	Chester Ave n of Danforth	83	700	Bushby	377	514	Seventh St Lane n of Lake Shore Blvd W	11
88	e/s Ferrier Ave n of Danforth	47	701	Fallingbrook	38	515	Thirteenth St s of Lake Shore Blvd W	10
89	Lipton Ave e of Pape Ave	70	706	284 Milner Ave	98	516	Woolgar Laneway n of The Queensway	49
			707	1530 Markham Rd	24	517	Superior Ave n of Lake Shore Blvd W	15
			TOTAL:		1335	519	Dayton Lane s of The Queensway	15
			CENTRAL WEST			520	Royal Avon n of Dundas St W	62
			18	Keele St s of Dundas W	77	521	Monkton Ave, s of Bloor St W	25
			19	Pacific Ave s of Dundas W	71	528	Assembly Hall Lot	30
			41	Norton Ave w of Dufferin	64	657	Scarlett Rd	11
			42	Via Italia s of St. Clair W	169	662	Emmett Ave	78
			44	Fuller Ave n of Queen W	53	668	2700 Eglinton Ave W	95
			53	Richmond St West – Walnut Ave	49	669	2700 Eglinton Ave W	38
			62	Queen St W – Abell St	29	TOTAL:		19,594
			64	Durie St n of Bloor W	155	SPECIAL FACILITIES		
			80	Keele St n of Dundas W	54	Commuter Carparks		13,478
			81	Lansdowne Ave n of Bloor W	40	Seasonal		415
			82	Margueretta St n of Bloor W	56	TOTAL:		13,893
			84	Salem Ave n of Bloor W	35	GRAND TOTAL:		
			91	Armadale Ave n of Bloor W 1	44			33,487
			93	Euclid Ave n of Bloor W	52			
			104	Ossington Ave n of Bloor W	40	The Toronto Parking Authority		
			111	College-Clinton Garage	79			
			116	Kennedy Ave n of Bloor W	56			
			130	Bartlett Ave n of Bloor W	38			
			141	Greenlaw Ave s of St. Clair W	53			
			143	Windermere Ave n of Bloor w	88			
			144	Clinton St n of Bloor W	33			
			158	Queen St W w of Cowan Ave	32			
			167	Ossington Ave n of Queen W	20			
			168	Harrison St e of Dovercourt Road	47			
			181	Lamport Stadium	329			
			188	Beatrice Street, s of College St	18			
			204	1117 Dundas St W	37			
			217	1445 Bathurst Street	25			
			218	3354 Dundas St. W	13			
			220	789 St. Clair Ave. W	18			
			651	Locust St	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	21			
			661	Rogers Rd	24			
			663	Shortt St	130			
			664	Eglinton/Oakwood	40			
			667	1531 Eglinton Ave	23			
			TOTAL:		2667			