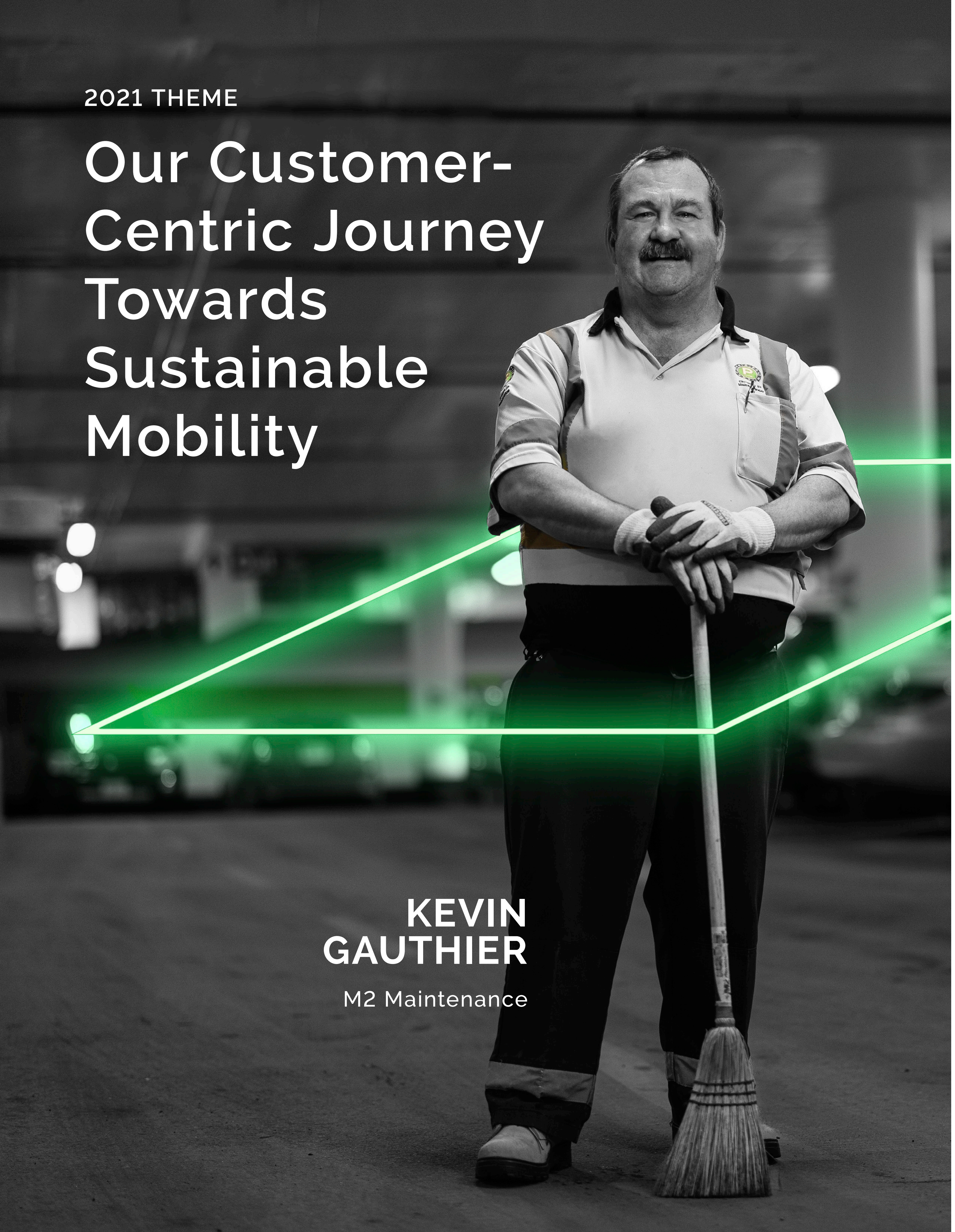
TORONTO PARKING AUTHORITY

2021 Annual Report

2021 THEME

Our Customer-Centric Journey Towards Sustainable Mobility



KEVIN GAUTHIER

M2 Maintenance

Table of contents.

Who are we?

The Toronto Parking Authority is North America's largest municipally-owned operator of commercial parking and manages Bike Share Toronto, North America's fourth largest bike share program. Toronto Parking Authority has a crystal-clear mission and vision.

Our Mission

Create a seamless customer experience that delivers on choice, ease, and speed through the city.

Our Vision

To become the world's best provider of sustainable parking, bike share and last mile mobility experiences for our customers, our partners, and our city.

Board Members

Hartley Lefton
Board Chair

Namby Vithiananthan
Vice Chair

Brad Bradford
City Councillor (Ward 19)

Mike Layton
City Councillor (Ward 11)

Maureen Farrow
Member

Zeshan Khan
Member

Jeffrey Steiner
Member

Executive Team

W. Scott Collier
President

Bindesh Rach
Chief Financial Officer & Vice President of Finance

Arlene Yam Fritz
Vice President of Human Resources

Jeffrey Dea
Vice President of Business Development

Jarrett McDonald
Vice President of Operations

2021 highlights.

58,500
Green P Parking Spaces

18,500
On-Street Spaces

40,000
Off-Street Spaces

$19.7M
Dividend to the City of Toronto

25,000
Bike Share Toronto Annual Members

3.5M
Bike Share Toronto Rides (Record Ridership)

10.1M
Green P App Transactions

Message from the Chair.

ESTABLISHING THE FOUNDATION TO ACCELERATE GROWTH

On behalf of the Board of Directors of the Toronto Parking Authority, I am pleased to report on the achievements of the Toronto Parking Authority in 2021.

As Chair, I remain incredibly proud of the entire team at the Toronto Parking Authority. Despite the continuing challenges of the pandemic, our team once again proved incredibly resilient in support of our customers. Thank you all for your continued commitment.

Financially, we are pleased to report that despite the impact of public health restrictions throughout 2021, the Toronto Parking Authority delivered net income of $9.5 million on revenues of $93.0 million. For 2021, revenues remained soft, recovering to only 59% of pre-pandemic levels. Reflecting these financial pressures, management remained focused on cost management and cash preservation to ensure that the organization is well positioned to exit the pandemic with sufficient resources to fund our ambitious growth agenda.

In 2021, the Toronto Parking Authority developed and launched our new Vision and Mission statements centred around our people, our customers, and our City. We embraced a new strategic framework that is anchored by five key pillars: Build a Great Place to Work; Strengthen the Core, Execute with Excellence; Accelerate Growth and Financial Sustainability; Connect with our Customers; and Innovate with our City Partners and Strategic Vendors. This framework will continue to guide us on our ambitious journey of becoming the world's best provider of parking, bike share and last mile mobility experiences.

Despite the pandemic's continued drag on parking operations in 2021, Bike Share continues to be a great success story for Toronto. We enjoyed record setting ridership, as bike trips exceeded 3.5 million over the course of the year. To meet the ever-increasing demand for Bike Share, the Toronto Parking Authority kicked off the development of a 4-year growth plan, laying the groundwork for accelerated expansion including increased electric bike deployment and expanding our footprint to all 25 wards across Toronto.

Concurrently, the Toronto Parking Authority launched a multi-year EV Charging initiative to support emerging customer demands and the City's sustainability agenda with ambitious placement goals exceeding 500+ chargers over the next three years and 1000+ by 2026.

We are optimistic about the Toronto Parking Authority's future as we look to put the worst of the pandemic behind us. Our staff are excited about welcoming customers back to our facilities and remain committed to our new and improved offerings as we embark upon our journey of change and innovation on behalf of the City and its residents.

Sincerely,

Hartley Lefton
Board Chair

HARTLEY LEFTON

Board Chair

Financial highlights.

2021

$93.0 million revenue generated.

$19.7 million dividend to the City of Toronto.

2022

$14.4 million projected net income.

$12.2 million projected dividend to the City of Toronto.

In 2021, a special dividend of $12 million was required by Toronto City Council, in addition to the 85% of net income that TPA contributes.

The strategic framework established in 2021, will guide us in 2022.

Build a Great Place to Work

Accelerate Growth & Financial Sustainability

Connect with Our Customers

Innovate with our City Stakeholders/ Partners

Strengthen the Core, Execute with Excellence

THE ROAD TRAVELLED IN 2021

JAY MENA

Customer Service Clerk

Creating opportunities for our people.

Toronto Parking Authority understands that our team members are the driving force of our organization which is why we are focused on recruiting and retaining the best talent possible. We want to be a place where great ideas are shared and our people are excited about where we are headed. To achieve this, we know that "culture" has to be so much more than a buzzword.

Driving greater focus on health and safety, investing in our people, and attracting and developing talent, requires leadership, engaged staff and a culture of collaboration where people can truly thrive.

We negotiated a new five year Collective Bargaining Agreement with our partners at Local 416 and are excited about our commitment to build on our rich legacy of winning together for the betterment of our staff and the city.

"I am incredibly proud of the resilience that our staff has showcased throughout the pandemic. We are investing back into our team by placing a large emphasis on our people through numerous staff engagements, talent development and a true commitment to respect and inclusion, valuing our differences and diversity. This is something we can all be proud of."

- Arlene Yam Fritz, Vice President of Human Resources

BUILDING A GREAT PLACE TO WORK

Last year saw great progress on our number one strategic priority – to build a great place to work. We delivered actions and outcomes across our core objectives:

Structure for Success

- Restructured the organization to enable collaboration and empower staff.
- Established core business channel teams that focus on the customer experience.

Attract & Develop Talent

- Introduced a hybrid workplace to offer greater flexibility and enhance productivity.
- Strengthened leadership capability by attracting diverse talent.
- Invested in an engineer-in-training program to attract new graduates.

Engage with our Staff

- Hosted staff round tables to encourage open communication.
- Increased leadership site visits to gain insights into the customer and staff experience.

Enhance our Safety Culture

- Implemented COVID protocols and safety measures, including a mandatory vaccination policy.
- Provided enhanced mental health benefits coverage for staff and eligible family members.
- Hosted safety first training sessions.

Unlocking operational excellence through a customer-centric model.

Every single day, thousands of Torontonians interact with some element of the Toronto Parking Authority. They park their car with us, use our Green P app, interact with our team members, or take a Bike Share Toronto ride to move through the city.

On average, there are approximately 55,000 total transactions taking place each day, but these are not simply transactions. **These are customer touchpoints filled with insights and data, such as frequency and type of usage, to inform operational improvements and propel our business forward.** By placing the customer at the center of everything we do, we are addressing pain points through thoughtful design and optimization.

"When we execute on a customer-centric model, the rewards are immediate and lead to satisfied customers, engaged staff, and a more dynamic and sustainable business."

- Jarrett McDonald, VP of Operations

CAPITAL DELIVERY

As we continuously strive to provide an enhanced customer experience at our parking facilities, a plan to deliver on operational enhancements was established in 2021. This included the application of cost control measures throughout the pandemic to limit capital spending only to the areas in critical need of attention. We initiated the development of an asset management strategy by carrying out condition assessments of Toronto Parking Authority's Green P Parking garages towards the end of 2021. Work in this area will carry on in 2022.

Highlights

$85M

Developed high level estimate of State of Good Repair (SOGR) backlogs estimated at **$85 million**, to be validated by condition assessment.

$5M

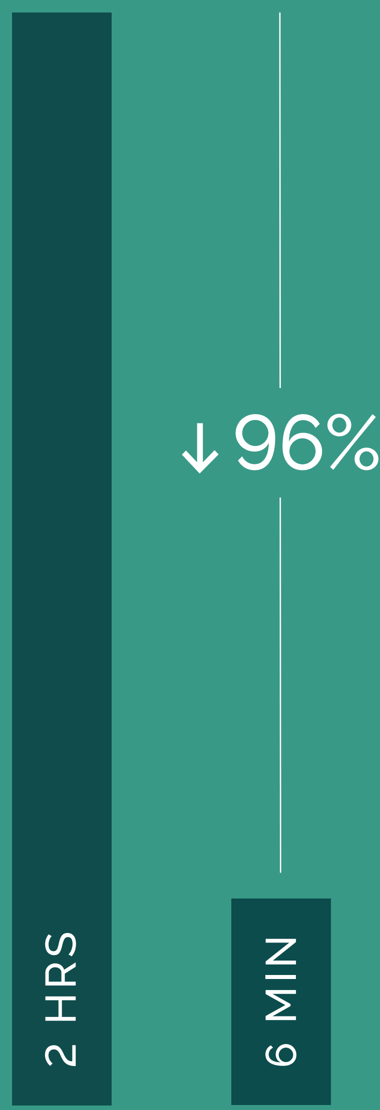
Prioritized SOGR projects to be delivered starting in 2022, with an estimated $5 million in construction value.

3

Condition assessment for 3 garages completed in Q4 2021, and remaining 11 parking garages to be completed in 2022.

CASE STUDY

The Green P parking garage located at 2 Church Street (Car Park 43) experiences extremely high customer traffic during sporting events. Toronto Parking Authority reviewed flows of traffic, and customer pain points and optimized the payment window so that customers could pay on the way into the garage, instead of on the way out. **This small switch led to a 96% reduction in wait time from (2) hours to under (6) minutes.**



TORONTO FELL IN LOVE WITH BIKING AGAIN

WESLEY DA SILVA

Bike Share Toronto Planning Representative

Bike Share Toronto.

It was an incredible year for Bike Share Toronto with a record 3.5 million rides being taken in 2021 alone. Together, people discovered that bike sharing could be a part of their everyday routines and clocked in more than 12 million kilometres along the way.

29%
Rides by Casual Riders

3,575,148
Total Number of Rides

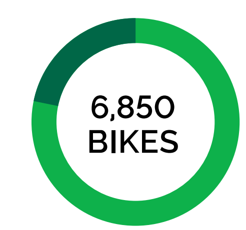
71%
Rides by Annual Members

12.3M
Kilometres Travelled

11%
Were Annual 45 Memberships (New Customer Offering)

24,665
Annual Memberships Sold (Up 31% YOY from 2020)

Network Station Growth



1,850 bikes were added to the system, totaling 6,850 bikes (300 of which are e-bikes).

Toronto Parking Authority's partnership with the **Canadian Automobile Association South Central Ontario**, once again provided free Bike Share Toronto rides every Wednesday in July, which drove new customer acquisition throughout the year. The program has been proudly sponsored by CAA SCO since 2017, and is now an anticipated annual feature of Bike Share Toronto and has seen year over year ridership growth since its inception.

MEETING CUSTOMERS WHERE THEY ARE

SASHA RANA

Director, Customer Experience & Marketing

The Green P app.

Overall Performance as of 2021

Torontonians are M-O-V-I-N-G and the Toronto Parking Authority is there each step of the way. The Green P app has transformed our business since launching in 2015, by enabling contactless payments and improving the customer experience with each tap.

"The app is transforming the way that we interact with our customers every day. It has provided us with a tool that propels us digitally and has allowed us to utilize data to make more informed strategic decisions, and ultimately drive a more seamless customer experience."

- **Sasha Rana,** Director of Customer Experience & Marketing

By the numbers.

Toronto Parking Authority achieved strong financial results that we are proud to stand behind.

In 2021, the Toronto Parking Authority generated revenue of $93.0 million and contributed $19.7 million through its dividend payments to the City of Toronto. We are poised to see this growth trend in 2022 through the continued collaboration with our strategic partnerships, our city stakeholders, Toronto's business organizations, and by listening to our customers.

"There is incredible potential for Toronto Parking Authority to become the global standard in sustainable mobility. By reimagining our relationships with strategic partners, we can build resilient infrastructure and operate a range of services to meet growing customer needs for generations to come."

- Phil Safos, Director of Business Development & Partnerships

---

Work with the city...

To develop a governance structure and mandate needed to position Toronto Parking Authority for success.

Unlock value & innovate...

Across Toronto Parking Authority's property footprint.

Co-create a city-wide parking strategy...

That recognizes Toronto Parking Authority's role in delivering mobility services for the city and its customers.

Expand & diversify...

Toronto Parking Authority's portfolio of managed parking services including a stronger presence of commercial properties made up of office, hospitality and institutional sectors.

Community first: Where do the Green P dollars go?

Since 2002, Toronto Parking Authority has contributed more than $1.3 billion to the City of Toronto to fund important municipal services and programs, including affordable housing, transit and parks development. In addition to our financial contribution to the city, Toronto Parking Authority supports the City of Toronto and its communities. **In 2021, Toronto Parking Authority provided the following direct support:**

Connecting the Community with Local Farmers

Green P parking lot access was provided to Business Improvement Areas (BIAs) for farmers markets, in an effort to encourage customers to shop local for food and other products.

Supporting Toronto Transit Commission (TTC) Construction

31 Langford Ave. (CP142), 695 Lansdowne Ave. (CP81), 14 Arundel Ave. (CP87)

Accommodating the use of Green P parking spaces to support the Toronto Transit Commission's construction at Donlands, Landsdowne, and Chester Subway Stations removes construction staging areas from the City's roads and supports Toronto Parking Authority's mobility agenda.

Free Parking in Support of Large-Scale Vaccination Clinics

2 Church St. (CP43), 40 York St. (CP52)

Offering free parking at Green P parking lots on June 27, 2021, during a mass vaccination clinic initiative at the Scotiabank Arena.

Stable On-Street & Off-Street Parking Rates

In an effort to support the economic recovery post-pandemic, there were no increases to parking rates at both on-street and off-street locations.

Green P App Discount to Support Local Businesses

Toronto Parking Authority supported local businesses impacted by the construction of the Eglinton Crosstown Light Rail Transit Project by providing discounts through the Green P App that totaled $836,000 in 2021.

Toronto Parking Authority worked closely with Transportation Services to support the City's CaféTO program, which helped restaurants and bars during the pandemic by allowing for expanded outdoor dining areas during the summer and fall months. The program also installed lane closures to provide access to the public right-of-way and curb lanes to restaurant and bar operators in support of expanding outdoor seating capacity, while maintaining physical distancing requirements. In 2021, the CaféTO program supported over 1,100 restaurants with curb lanes and new or expanded sidewalk cafés.

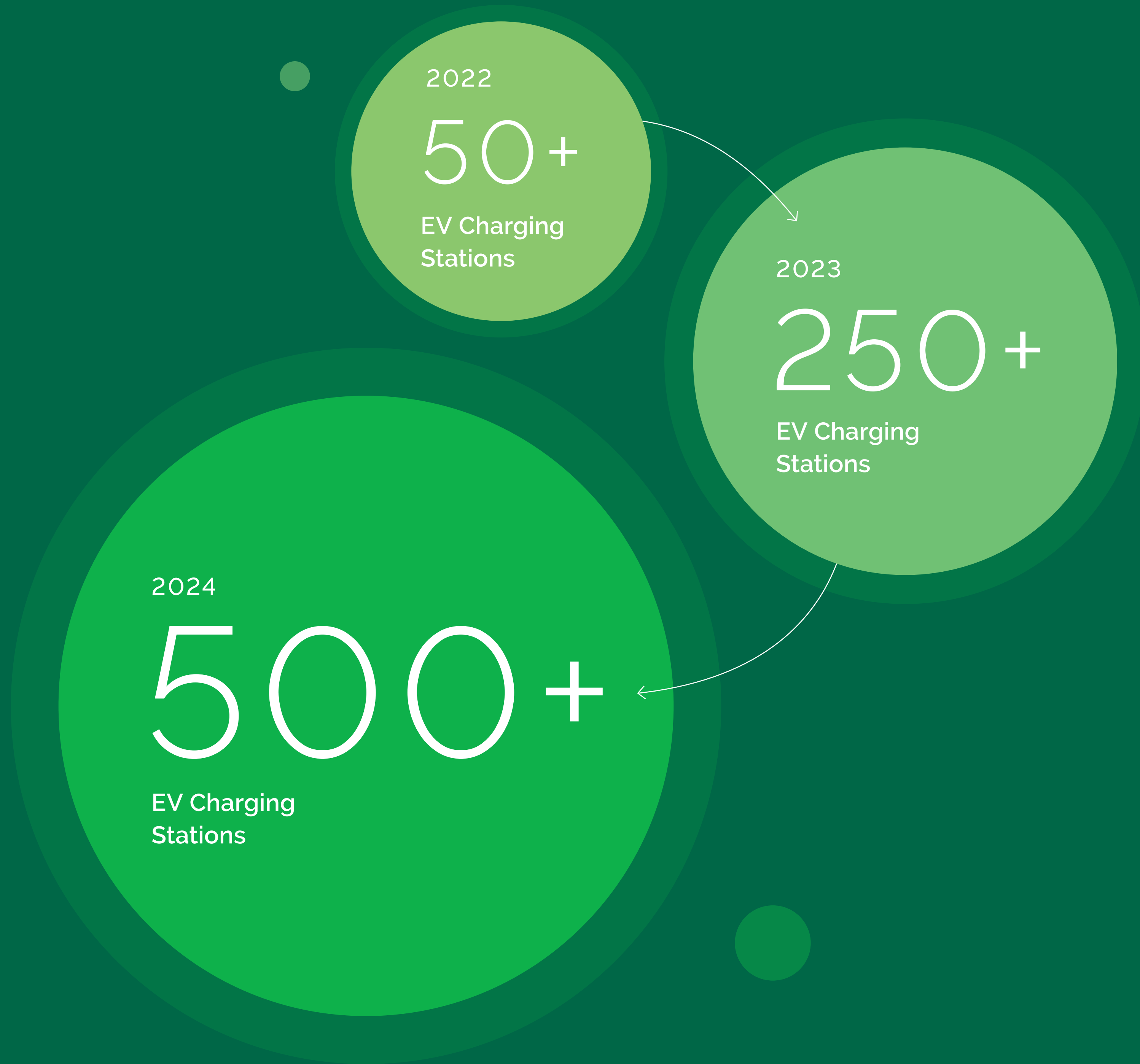
2022 TRANSFORMATION OBJECTIVES

ELECTRIFICATION & THE GROWTH OF BIKE SHARE TORONTO

DARCY WATT

Planning & Partnerships Specialist

Transformation Objective #1:
The shift toward electrification - propelling us toward sustainable mobility.



It is expected that 30% of all cars sold in Toronto (Source: City of Toronto Electrical Vehicle Strategy) will be electric by 2030, and therefore customer demand for EV charging will increase considerably. In order to meet our future customer needs, our investments in EV charging are starting today.

Toronto Parking Authority is going to be a catalyst for electrification for the City of Toronto by creating a charging network that will begin with the installation of 50 EV charging stations in 2022 and grow to over 500+ by 2024.

In 2021, we took the following steps to deliver on our commitments:

- Developed and advanced an EV Charging Infrastructure Program, including site readiness assessments, a deployment strategy and detailed design to support the rollout of **50+ chargers in 2022 and 500 by 2024.**
- Developed a pilot with Toronto Hydro to deliver 9 upgraded and 23 new EV chargers in 2022 at Toronto Parking Authority off-street facilities.
- Submitted $2+ million funding grant application from Natural Resources Canada for Phase 1 of Toronto Parking Authority's deployment strategy largely focused on off-street garage facilities.

Toronto Parking Authority is currently mobilizing its EV Charging Infrastructure Program to deliver 50+ stations at off-street garage and surface lot locations.

In partnership with Toronto Hydro, deployment of an incremental 32 EV charging stations at Toronto Parking Authority-operated parking facilities, including both Level 2 and DC fast chargers.

Toronto Parking Authority, Toronto Hydro and Transportation Services to install 17 or more on-street EV charging stations. This is in addition to 17 on-street charging stations installed in 2020 as part of a pilot initiative.

“As the automotive industry continues its shift in focus to electric vehicles, it is critical that we lean into electrification now. Toronto Parking Authority will continue to show leadership in this area and invest in the infrastructure needed to accelerate EV adoption by B2C and B2B customers.”

- Jeffrey Dea, VP of Business Development

A rendering of future EV charging stations at 365 Lippincott St.

Transformation Objective #2: Build the world's best bike share program.

Bike Share Toronto is a sustainable, healthy, affordable, and convenient program that has become an integral component of Toronto's transportation network.

Designed to improve mobility options for Torontonians, the program saw numerous successes in 2021, including record ridership of over 3.5 million rides, growth in annual memberships, new and popular pilot programs, and increased demand for new stations and bicycle availability.

Toronto Parking Authority heard from its customers loud and clear that we needed to think about what comes next for this very popular program. As a result, in 2021 Toronto Parking Authority launched the Bike Share Toronto Four-Year Growth Plan that will ultimately expand the system to all of Toronto's 25 wards by 2024.

In 2021, Toronto Parking Authority also assessed its e-bike pilot program. On average, Bike Share Toronto users travelled 50% further (distance) on an e-bike vs. a conventional bike, and on average an e-bike will get three times more ridership per day as compared to a regular bike. Customer feedback in 2021, also indicated that 60% would be more likely to choose an e-bike over a regular bike. For these reasons, Toronto Parking Authority will be implementing e-bikes as a permanent component of the Bike Share Toronto program and over the next four years will be making large investments to rapidly increase our fleet of e-bikes to 2,000 by 2025, starting with an additional 225 e-bikes in 2022.

2022

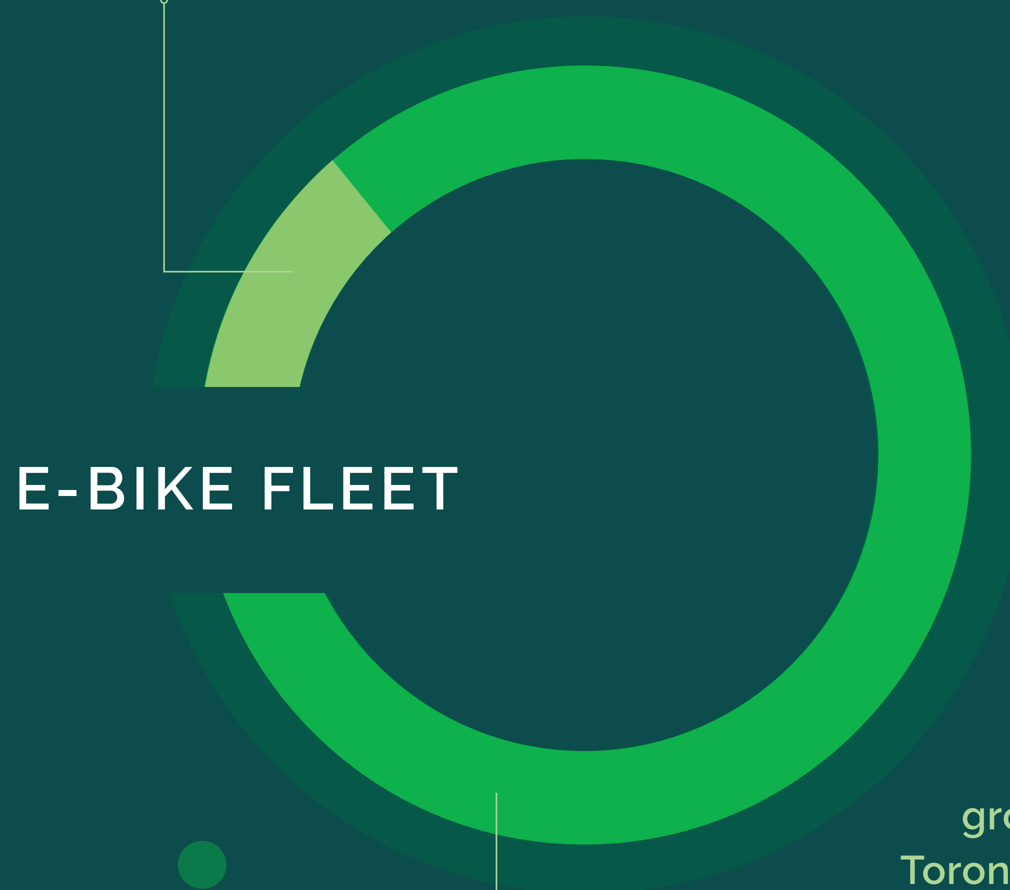
225

Build a fleet of 225 e-bikes.

2024

25

Expand the system to all of Toronto's 25 wards.



2025

2,000

Grow the e-bike fleet to 2,000.

"The remarkable growth in Bike Share Toronto paints a picture of a city embracing sustainable mobility. There is tremendous opportunity to continue on our growth trajectory and to create the best bike sharing program in the world"

- **Justin Hanna**, Director of Bike Share Toronto

TRANG PHAM

Operations Support Coordinator

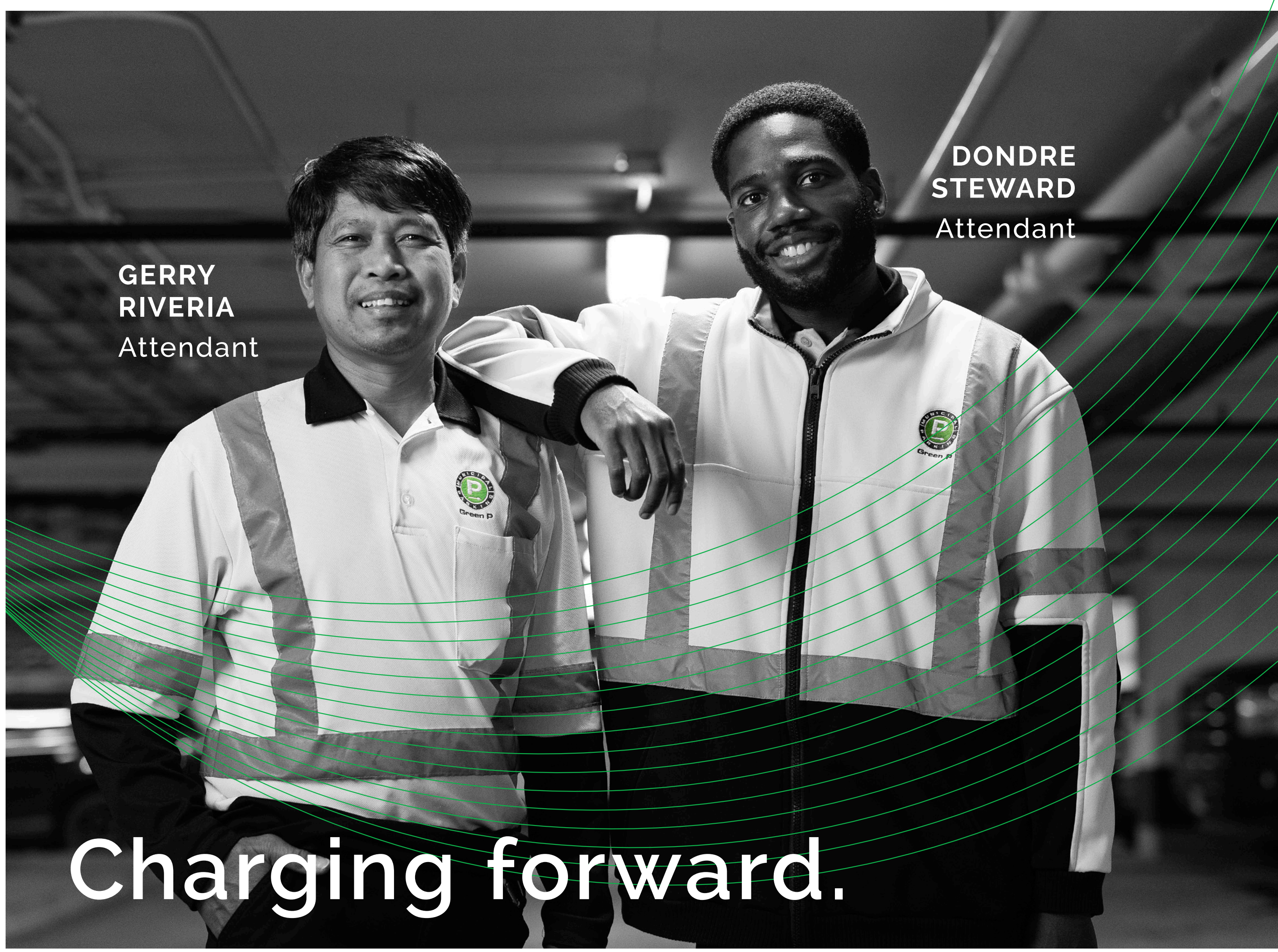
A glimpse into 2022.

We are on track to deliver...

$119.9M
In Revenue

$35M
In Capital Projects

$14.4M
In Net Income



People are on the move. Whether driving a car or taking a Bike Share Toronto ride, the focus is on mobility.

The growth of the electric vehicle market and the City's adoption of net zero targets means they will need a customer centric electric charging network. Bike Share Toronto's growth in popularity as a sustainable, healthy, affordable, and convenient option to get around means we need to solidify the program as an integral part of Toronto's mobility network.

"We are optimistic about our capacity to deliver against our EV charging and Bike Share Toronto commitments. We will charge forward with a renewed sense of purpose and will be relentless in pursuit of our vision to become the world's best provider of sustainable parking, bike share, and last mile mobility experiences for our customers, our partners, and our city."

- **W. Scott Collier**, President

Better together.

Toronto Parking Authority has trusted partnerships that keep the wheels moving on our business. We are proud of this network because it enables us to move closer to our vision to becoming the world's best provider of sustainable parking, bike share and last-mile mobility experiences.

Financial Statements: Independent Auditors' Report

To the Board of Directors of Toronto Parking Authority.

OPINION

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

- the statement of financial position as at December 31, 2021
- the statement of income and comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

BASIS FOR OPINION

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

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

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

OTHER INFORMATION

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

- the information, other than the financial statements and the auditors' report thereon, included in 2021 Annual Report document.

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

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

We obtained the information, other than the financial statements and the auditors' report thereon, included in 2021 Annual Report document as at the date of this auditors' report.

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

We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

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

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

May 27, 2022

Financial Statements

YEAR ENDED DECEMBER 31, 2021

(In thousands of dollars)

STATEMENT OF FINANCIAL POSITION

December 31, 2021, with comparative information for 2020

	2021	2020
Assets	$	$
Current assets:		
Cash and cash equivalents	93,433	74,995
Investments (note 4)	10,064	10,178
Due from related parties (note 7)	–	24,691
Accounts receivable	881	880
Prepaid expenses and other assets	1,418	1,361
	105,796	112,105
Finance lease receivable (note 5)	5,980	5,980
Investment in garages and car parks (note 6)	32,000	32,000
Property and equipment (note 6)	222,264	219,802
	366,040	369,887
Liabilities and Equity	$	$
Current liabilities:		
Accounts payable and accrued liabilities	13,657	14,329
Deferred revenue	13,252	11,234
Due to related parties (note 7)	6,526	–
Lease liabilities (note 8)	759	767
Debt payable (note 9)	627	597
	34,821	26,927
Lease liabilities (note 8)	4,417	5,177
Debt payable (note 9)	1,707	2,334
	40,945	34,438
Equity (note 10)	325,095	335,449
Commitments and contingent liabilities (note 18)		
	366,040	369,887

See accompanying notes to financial statements.

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

December 31, 2021, with comparative information for 2020

	2021	2020
	$	$
Revenue (note 11)	92,981	89,906
Direct expenses - operating (note 20)	(45,117)	(42,230)
Administration	(12,996)	(13,624)
Municipal property tax	(20,518)	(20,155)
Amortization of property and equipment (note 6)	(8,857)	(8,158)
Other income (note 13)	3,157	6,788
Operating income	8,650	12,527
Finance income (note 13)	1,109	1,874
Finance cost (notes 8 and 9)	(297)	(370)
Finance income, net	812	1,504
Net income and comprehensive income	9,462	14,031

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN EQUITY

December 31, 2021, with comparative information for 2020

	2021	2020
	$	$
Balance, beginning of year	335,449	321,762
Net income and comprehensive income	9,462	14,031
	344,911	335,793
Proceeds from license agreement paid directly to the City of Toronto (note 15)	–	(344)
Special distribution to City of Toronto (note 15)	(12,000)	–
Annual distribution to City of Toronto (note 15)	(7,816)	–
Balance, end of year	325,095	335,449

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

December 31, 2021, with comparative information for 2020

	2021	2020
	$	$
Cash flows from operating activities:		
Net income and comprehensive income	9,462	14,031
Add (deduct) non-cash items:		
Income from license agreement	–	(344)
Amortization of property and equipment (note 6)	8,857	8,158
Gain on sale of property and equipment (note 13)	(1,029)	(70)
Finance income and finance charges	(926)	(1,258)
Unrealized loss (gain) on investments (note 13)	114	(245)
	16,478	20,272
Net change in non-cash working capital balances related to operating activities (note 19)	32,505	(39,683)
Net cash flows from (used in) operating activities	48,983	(19,411)
Cash flows from financing activities:		
Distributions to the City of Toronto	(19,816)	–
Lease liabilities repayment	(752)	(862)
Finance cost paid on lease liabilities	(236)	(297)
Long-term debt to finance purchase of property and equipment:		
Repayments (note 9)	(597)	(568)
Finance cost paid on long-term debt (note 9)	(61)	(73)
Net cash flows used in financing activities	(21,462)	(1,800)
Cash flows from investing activities:		
Finance income received from investments (note 13)	703	1,109
Payments received for finance lease receivable (notes 5 and 13)	520	520
Proceeds from sale of property and equipment	1,047	114
Purchase of property and equipment (note 6)	(11,433)	(24,777)
Capital funding for Bike Share program (note 21)	80	9,919
Net cash flows used in investing activities	(9,083)	(13,115)
Increase (decrease) in cash and cash equivalents	18,438	(34,326)
Cash and cash equivalents, beginning of year	74,995	109,321
Cash and cash equivalents, end of year	93,433	74,995

See accompanying notes to financial statements.

Financial Statements: Year Ended December, 31 2021 (In thousands of dollars)

Notes to Financial Statements

YEAR ENDED DECEMBER 31, 2021

(In thousands of dollars)

1. NATURE OF OPERATIONS AND RELATIONSHIP TO THE CITY OF TORONTO:

Toronto Parking Authority (the "Authority") is a local board of the City of Toronto (the "City"), established under the City of Toronto Act, 2006, with a mandate to operate, manage and maintain the City's public bike share program and municipal off-street parking facilities and onstreet meter operations on behalf of the City in support of local business areas.

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

The City is considered the ultimate controlling entity of the Authority. In its relationship with the City, the Authority has an agreement on income-sharing, which is described in note 15.

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

During 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Canada, resulting in an economic slowdown.

The on-going pandemic had a financial and operational impact on the Authority whereby the decreased demand for parking resulted in lower levels of revenue and net income. Management continues to closely monitor and manage the impact of COVID-19 on the operations of the Authority.

2. SIGNIFICANT ACCOUNTING POLICIES:

(A) STATEMENT OF COMPLIANCE:

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

The financial statements were authorized for issuance by the Authority's Board of Directors on May 27, 2022.

(B) BASIS OF PREPARATION:

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

(C) BASIS OF MEASUREMENT:

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

(D) PROPERTY AND EQUIPMENT:

(i) Measurement basis:

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

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

(ii) Component accounting:

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

(iii) Amortization:

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

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

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

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

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

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

(iv) Impairment of non-financial assets:

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

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

Impairment losses or reversals are recorded in profit or loss.

(E) GOVERNMENT FUNDING:

The Authority receives government funding from the City of Toronto and other levels of government or government agencies with respect to the City's public bike share program for capital asset acquisitions. Government funding related to assets is recognized as a deduction of the carrying amount of the assets.

(F) FINANCIAL INSTRUMENTS:

Fair value measurement:

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

- Level 1 - This level includes assets and liabilities measured at fair value based on an adjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date;
- Level 2 - This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs; and
- Level 3 - This level includes valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

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

(i) Classification and measurement of financial instruments:

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

Financial instrument	Category	Subsequent measurement
Cash and cash equivalents	Amortized cost	Amortized cost
Investments	Fair value through profit or loss	Fair value through profit or loss
Accounts receivable	Amortized cost	Amortized cost
Finance lease receivable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost
Lease liabilities	Other financial liabilities	Amortized cost
Debt payable	Other financial liabilities	Amortized cost

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

(ii) Method of determining fair value:

Fair value is determined:

- on the basis of quoted prices in an active market, or if an active market does not exist; and
- using accepted valuation techniques or parameters derived from a combination of active markets or from statistical estimates or other quantitative methods

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

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

(iii) Cash and cash equivalents:

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

(iv) 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 fair value through profit or loss 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 fair value through profit or loss as they are held within a business model whose objective is not to collect the contractual cash flows and the cash flows are not solely payments of principal and interest.

Investment income includes interest and realized and unrealized gains or losses on investments. Investment income is classified under profit or loss and is recorded as finance 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.

(v) Accounts receivable:

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

(vi) 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.

(vii) Accounts payable and accrued liabilities:

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

(viii) Impairment of financial assets:

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

(G) LEASES:

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

(i) Leases as lessee:

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

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

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

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

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

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

(ii) Leases as lessor:

(a) Finance leases:

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

- Lease payments received are allocated between a reduction of the receivable and finance income on an amortized basis to produce a constant rate of interest on the remaining balance of the receivable.
- Finance income is recorded as finance income.
- When assets are recognized under a finance lease for the first time, there is a concurrent derecognition of the asset as property and equipment (as if effectively disposed of).

(b) Operating leases:

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

- Lease income is recognized on a straight-line basis over the term of the lease.
- If a lease incentive is provided, it is accounted for as a reduction to rental income.

(H) REVENUE FROM CONTRACTS WITH CUSTOMERS:

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

- parking fee revenue as the service is performed;
- management fee as the management service is provided to the property owner;
- rental income on a straight-line basis over the term of the lease;
- advertising income in accordance with the substance of the agreement, which may be recognized as the service is performed or on a straight-line basis over the term; and

Other sources of revenue include:

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

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

(I) MULTI-EMPLOYER PENSION PLAN:

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

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

According to OMERS' 2021 annual report, the plan was in a deficit position of $3.1 billion at the end of 2021, a decrease from a deficit of $3.2 billion in 2020. OMERS has taken steps to manage funding risks through lowering the discount rate and amending the plan to introduce shared risk indexing. The Authority's 2021 share of the deficit position is not determinable.

(J) FUTURE ACCOUNTING CHANGES:

Certain new accounting standards and interpretations that have been published but are not mandatory for implementation as at December 31, 2021 have not been early adopted in these financial statements. Management assessed the impacts of the following accounting standards updates and did not find the impacts to be material:

- COVID-19 related rent concessions beyond June 30, 2021 (Amendment to IFRS 16, Leases);
- Proceeds before intended use (Amendments to IAS 16, Property, Plant and Equipment);
- Onerous contracts, cost of fulfilling a contract (Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets);
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1, Presentation of Financial Statements);
- Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendments to IFRS 9, Financial Instruments);
- Disclosure of Accounting Policies (Amendments to IAS 1, Presentation of Financial Statements and IFRS Practice Statement 2, Making Materiality Judgements); and
- Definition of Accounting Policies (Amendments to IAS 8, Accounting policies, Changes in Accounting Estimates and Errors)

3. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES:

In applying the Authority's accounting policies as described in note 2, management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting year.

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

(A) FINANCE LEASE RECEIVABLE:

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

(B) PROPERTY AND EQUIPMENT:

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

(C) LEASE LIABILITIES:

Management judgment is applied in determining discount rate.

4. INVESTMENTS:

Investments are comprised of fixed income securities with a weighted average yield to maturity of 0.14% (2020 - 0.19%) and a weighted average duration of 0.19 years (2020 - 1.18 years). Investments include interest receivable of $43 (2020 - $43).

Investments reported in the statement of financial position at a fair value of $10,021 (2020 - $10,135), excluding interest receivable, have a cost of $9,836 (2020 - $9,836).

5. FINANCE LEASE RECEIVABLE:

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

2021			
Lease receivable - payments due	Gross investment in lease receivable	Future finance income	Present value of minimum lease payments
	$	$	$
Not more than 1 year	520	520	–
Over 1 year but not more than 5 year	2,080	2,078	2
Over 5 years	36,923	30,945	5,978
	39,523	33,543	5,980

2020			
Lease receivable - payments due	Gross investment in lease receivable	Future finance income	Present value of minimum lease payments
	$	$	$
Not more than 1 year	520	520	–
Over 1 year but not more than 5 year	2,080	2,079	1
Over 5 years	37,443	31,464	5,979
	40,043	34,063	5,980

There is an estimated residual value of $4,856 recognized at the end of the 99-year term of the lease, at which time the Authority legally retains title to the land. Total contingent rent recognized as income during the year is nil (2020 - nil).

Notes to Financial Statements: Year Ended December 31, 2021 (In thousands of dollars)

6. PROPERTY AND EQUIPMENT:

	Land and building	Parking garages - concrete structures	Parking garages - other components	Surface car parks	Right-of-use assets	Equipment and furnishings	2021 Total	2020 Total
	$	$	$	$	$	$	$	$
Cost								
Balance, beginning of year	96,605	55,799	97,746	31,182	7,246	78,952	367,530	353,412
Purchases	–	7,358	2,256	252	–	1,567	11,433	24,777
Capital funding for Bike Share (note 21)	–	–	–	–	–	(80)	(80)	(9,919)
Disposals	(9)	–	(6)	(10)	(41)	(78)	(144)	(740)
Balance, end of year	96,596	63,157	99,996	31,424	7,205	80,361	378,739	367,530
Accumulated amortization								
Balance, beginning of year	314	29,192	37,605	12,584	1,708	66,325	147,728	140,089
Amortization	133	1,313	2,951	1,102	842	2,516	8,857	8,158
Disposals	–	–	(6)	(3)	(27)	(74)	(110)	(519)
Balance, end of year	447	30,505	40,550	13,683	2,523	68,767	156,475	147,728
Net book value								
Balance, end of year	96,149	32,652	59,446	17,741	4,682	11,594	222,264	219,802

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

Investment in garages and car parks comprises one car park that will be constructed in the future.

Notes to Financial Statements: Year Ended December 31, 2021 (In thousands of dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES:

(A) RELATED PARTY TRANSACTIONS AND BALANCES:

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

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

2021			
	Management fees	Rent expense	Payable
	$	$	$
Parent	–	1,443	(6,018)
Agencies and corporations of the Parent	531	182	(508)
	531	1,625	(6,526)

2020			
	Management fees	Rent expense	Receivable (Payable)
	$	$	$
Parent	–	1,509	25,244
Agencies and corporations of the Parent	542	143	(553)
	542	1,652	24,691

(B) RESERVE FUNDS:

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

	2021	2020
	$	$
Parking Authority Shopping Mall Rented Properties Reserve Fund	1,496	1,493
Parking Payment in Lieu Reserve Fund	2,576	2,571
Bike Share Reserve Fund	154	154
	4,226	4,218

(C) COMPENSATION OF DIRECTORS AND KEY MANAGEMENT:

Compensation to the key managers, including directors, with responsibility to plan, direct and control the operations of the Authority is $1,311 (2020 - $1,432) and consists of salaries and short-term benefits.

8. LEASE LIABILITIES:

The Authority recognized lease liabilities of $7,736 and the same amount of right-of-use assets within property and equipment, with no net impact on retained earnings. When measuring lease liabilities, the Authority discounted lease payments using its incremental borrowing rate at January 1, 2019 of 4.5%. Finance cost on lease liabilities for the year ended December 31, 2021 was $236 (2020 - $297). The expense relating to variable lease payments not included in the measurement of lease liabilities was nil (2020 - nil) and expenses relating to short-term leases were $631 (2020 - $642). Total cash outflow for leases was $988 (2020 - $1,158), including $752 (2020 - $862) of principal payments on lease obligations.

9. DEBT PAYABLE:

Debt payable relates to the purchase of equipment upgrades and is classified as long-term with $627 (2020 - $597) included in current liabilities. The debt matures on June 30, 2025 and bears an effective interest rate of 2.298%. Finance cost paid during the year was $61 (2020 - $73).

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

	$
2022	627
2023	659
2024	692
2025	356
	2,334

Notes to Financial Statements: Year Ended December 31, 2021 (In thousands of dollars)

10. 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.

11. REVENUE:

Revenue is made up of the following components:

				2021	2020
	On-street	Off-street	Bike Share	Total	Total
	$	$	$	$	$
Bike Share revenue	–	–	6,878	6,878	5,704
Short-term parking	34,209	49,599	–	83,808	81,339
Monthly permit parking	–	2,295	–	2,295	2,863
	34,209	51,894	6,878	92,981	89,906

12. EMPLOYEE BENEFITS:

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

				2021	2020
	On-street	Off-street	Bike Share	Total	Total
	$	$	$	$	$
Salaries and wages	994	8,883	348	10,225	11,612
Benefits	351	1,938	41	2,330	2,417
OMERS pension plan contributions	159	897	35	1,091	1,244
	1,504	11,718	424	13,646	15,273

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

	2021	2020
	$	$
Salaries and wages	6,636	6,162
Benefits	959	905
OMERS pension plan contributions	597	661
	8,192	7,728

The estimated 2022 employer's OMERS pension plan contribution is $1,700.

13. FINANCE AND OTHER INCOME:

These amounts consist of the following:

	2021	2020
	$	$
Finance income earned on cash balances	568	974
Finance income earned on investments (note 4)	135	135
Investment income from cash and investments	703	1,109
Unrealized gain (loss) on investments - net (note 4)	(114)	245
Finance income earned and net effective change in lease receivable (note 5)	520	520
	1,109	1,874
Other income:		
Gain on sale of property and equipment	1,029	70
Government grant	–	4,894
Miscellaneous other income	2,128	1,824
	3,157	6,788
	4,266	8,662

Notes to Financial Statements: Year Ended December 31, 2021 (In thousands of dollars)

14. 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:

	2021	2020
	$	$
Not more than 1 year	616	589
Over 1 year but not more than 5 years	1,440	1,493
Over 5 years	505	424
	2,561	2,506

These operating leases do not provide for contingent rental payments.

15. CITY'S SHARE OF NET INCOME:

The City and the Authority's income-sharing arrangement, effective for the three-year period from 2017 - 2019 and extended to 2022, requires the Authority to contribute 85% of the Authority's net income and comprehensive income earned with a minimum annual distribution payment to the City of $38,000 (2020 - $38,000), subject to unforeseen circumstances which may result from the interruption of service, any other unplanned occurrence or Council decision, which may have an adverse and material effect on the net income as defined under the Income Sharing Agreement. During fiscal 2021, distribution from operations of $7,816 (2020 - $344) was determined to be payable to the City. An additional one-time special dividend of $12,000 (2020 - nil) was also paid to the City.

16. FINANCIAL INSTRUMENTS:

The fair value of the Authority's investments was determined using quoted market prices in active markets under Level 1 of the hierarchy.

(A) MEASUREMENT CATEGORIES:

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

	2021	2020
	$	$
Financial assets		
Amortized cost:		
Cash and cash equivalents	93,433	74,995
Accounts receivable	881	880
Finance lease receivable - including current portion	5,980	5,980
Due from related parties	–	24,691
Fair value through profit or loss:		
Investments	10,064	10,178
Total	110,358	116,724
Financial liabilities		
Amortized cost:		
Accounts payable and accrued liabilities	13,657	14,329
Due to related parties	6,526	–
Lease liabilities (including current portion)	5,176	5,944
Debt payable (including current portion)	2,334	2,931
Total	27,693	23,204

(B) NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS:

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

(C) MARKET RISK:

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

Notes to Financial Statements: Year Ended December 31, 2021 (In thousands of dollars)

(i) Interest rate risk:

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

(ii) Price risk:

Price risk is the risk the fair value of an investment will fluctuate because of changes in market prices (other than those arising from foreign currency risk or interest rate risk). The Authority has no material exposure to price risk.

(D) CREDIT RISK:

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

(E) LIQUIDITY RISK:

Liquidity risk is the risk the Authority will be unable to settle or meet commitments as they come due. The Authority's commitments are largely in the form of short-term liabilities, which are met out of cash flows generated by operating activities. 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:

	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	13,657	–	–	–	13,657
Due to related parties	6,526	–	–	–	6,526
Lease liabilities, principal	64	695	2,894	1,523	5,176
Debt payable, principal	51	576	1,707	–	2,334
	20,298	1,271	4,601	1,523	27,693

17. CAPITAL MANAGEMENT:

The Authority returns 85% (2020 - 85%) of its annual net income and comprehensive income to the City and retains 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.

18. COMMITMENTS AND CONTINGENT LIABILITIES:

(A) COMMITMENTS:

As at December 31, 2021, the Authority has contractual commitments of $32,698 (2020 - $43,250) relating to the purchase of above grade and/or substrata title to parking structures as part of a development sale of above grade strata title to air rights over land on which the Authority currently operates parking lots.

(B) CONTINGENT LIABILITIES:

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

Notes to Financial Statements: Year Ended December 31, 2021 (In thousands of dollars)

19. 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:

	2021	2020
	$	$
Accounts receivable	(1)	(99)
Prepaid expenses and other assets	(57)	(537)
Accounts payable and accrued liabilities	(672)	(1,571)
Deferred revenue	2,018	1,218
Due to (from) related parties	31,217	(38,694)
	32,505	(39,683)

20. DIRECT EXPENSES - OPERATING:

				2021	2020
	On-street	Off-street	Bike Share	Total	Total
	$	$	$	$	$
Salaries, wages and benefits (note 12)	1,504	11,718	424	13,646	15,273
Maintenance of facilities and equipment	1,814	4,557	8,188	14,559	11,507
Rent	–	4,341	–	4,341	3,772
Utilities	4	2,071	–	2,075	2,242
Parking systems	2,667	613	–	3,280	2,933
Payment processing	1,568	1,276	306	3,150	3,140
Security and monitoring	–	2,067	–	2,067	1,774
Other	118	1,768	113	1,999	1,589
	7,675	28,411	9,031	45,117	42,230

21. GOVERNMENT FUNDING FOR BIKE SHARE:

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

	2021	2020
	$	$
Ontario Municipal Commuter Cycling Program	80	9,319
Planning Act Reserve Funds (Section 37 and 45)	–	600
	80	9,919

Planning Act Reserve Funds are contributions from the City of Toronto. Ontario Municipal Commuter Cycling Program is contributed by the Provincial government and flows through the City.

22. COMPARATIVE INFORMATION:

Certain comparative information has been reclassified to the current year's financial statement presentation.

Notes to Financial Statements: Year Ended December 31, 2021 (In thousands of dollars)

Off-Street Parking Facilities

NO.	LOCATION	CAPACITY
DOWNTOWN		
26	37 Queen Street East	624
34	20 Dundas Square	260
36	110 Queen Street West	1,605
43	2 Church Street	1,954
52	40 York Street	311
125	323 Richmond Street East	252
216	205 McCaul Street	39
219	87 Richmond Street East	20
262	10 Soho Street	121
263	130 Elizabeth Street	28
270	180 Spadina Ave	34
306	54 Dalhouse Street	22
	TOTAL	**5,270**
DOWNTOWN FRINGE		
1	20 Charles Street East	646
3	13 Isabella Street	32
5	15 Wellesley Street East	126
51	365 Lippincott Street	136
58	9 Bedford Road	371
68	20 St. Andrew Street	417
71	35 Bellevue Avenue	86
79	405 Sherbourne Street	91
96	10 Portland Street	37
106	15 Denison Avenue	120
109	51 Aberdeen Avenue	35
150	40 Larch Street	332
205	465 Huron Street	15
209	711 Lakeshore Blvd W	65
212	363 Adelaide Street West	22
215	74 Yorkville Avenue	175
227	105 Spadina Avenue	14
230	31A Parliament Street	208
243	115 Unwin Ave	123
259	6A Spadina Road	39
261	45 Abell Street	124
266	250 Fort York Blvd	50
267	70 Distillery Lane	127
271	800 Fleet Street	98
283	100 Cooperage Street	87
284	83 Tannery Road	19
285	40 Rolling Mills Road	22
286	51 Dockside Drive	301

NO.	LOCATION	CAPACITY
DOWNTOWN FRINGE CONT'		
288	292 Brunswick Ave	19
302	545 Lake Shore Boulevard West	111
304	9 Wellesley Street West	134
307	20 Brunel Court	69
	TOTAL	**4,251**
MIDTOWN		
11	21 Pleasant Boulevard	551
12	30 Alvin Avenue	179
13	20 Delisle Avenue	240
29	75 Holly Street	302
47	125 Burnaby Boulevard	155
49	30 Roehampton Avenue	179
55	23 Bedford Park Avenue	42
107	251 MacPherson Avenue	40
131	912 Eglinton Avenue West	26
139	6 Sherwood Avenue	45
152	25 Glenforest Road	26
155	995 Eglinton Avenue West	33
157	709 Millwood Road	20
161	30 St. Clair Avenue West	176
164	453 Spadina Road	55
171	730 Mount Pleasant Road	53
178	650 Mount Pleasant Road	68
195	15 Price Street	70
223	1501 Yonge Street	37
269	1010 Yonge Street	48
602	1503 Bayview Avenue	24
655	168 Chiltern Hill Road	68
	TOTAL	**2,437**
CENTRAL EAST		
17	716 Pape Avenue	74
20	101 Cedarvale Avenue	35
21	72 Amroth Avenue	50
28	670 Pape Avenue	68
45	111 Broadview Avenue	92
48	85 Lee Avenue	68
78	35 Erindale Avenue	94
87	14 Arundel Avenue	70
88	25 Ferrier Avenue	46
89	20 Eaton Avenue	59
90	17 Eaton Avenue	30

NO.	LOCATION	CAPACITY
CENTRAL EAST CONT'		
110	1612 Danforth Avenue	22
137	77 Gough Avenue	17
142	31 Langford Avenue	27
146	573 Gerrard Street East	36
149	12 Woodycrest Avenue	35
156	18 Ferrier Avenue	23
170	117 Hammersmith Avenue	29
173	737 Rhodes Avenue	24
174	151 Hiawatha Road	50
179	653 Gerrard Street East	30
180	268 Rhodes Avenue	39
183	166 Woodbine Ave	21
184	192 Boardwalk Drive	24
185	116 Joseph Duggan Road	24
186	118 Sarah Ashbridge Avenue	24
187	116 Winners Circle	10
200	1167 Eastern Avenue	66
202	1141 Eastern Avenue	18
244	1439 Danforth Avenue	18
248	136 Broadview Avenue	22
277	242 Danforth Avenue	19
282	838 Broadview Avenue	11
287	1091 Eastern Avenue	47
303	136 Wineva Avenue	28
600	540 Mortimer Avenue	18
	TOTAL	1,368
CENTRAL WEST		
18	351 Keele Street	72
19	385 Pacific Avenue	67
41	7 Norton Avenue	62
42	91 Via Italia	169
44	14 Fuller Avenue	42
53	803 Richmond Street West	48
64	265 Durie Street	144
80	400 Keele Street	35
81	695 Lansdowne Avenue	16
82	9 Emerson Avenue	49
84	9 Salem Avenue	33
85	557 Palmerston Avenue	55
91	265 Armadale Avenue	144
93	675 Manning Avenue	49
104	745 Ossington Avenue	46

NO.	LOCATION	CAPACITY
CENTRAL WEST CONT'		
111	79 Clinton Street	78
116	255 Kennedy Avenue	56
130	7 Bartlett Avenue	37
133	20 Prescott Avenue	7
141	141 Greenlaw Avenue	54
143	265 Willard Avenue	90
144	376 Clinton Street	34
158	1325 Queen Street West	32
167	18 Ossington Avenue	20
168	146 Harrison Street	79
181	1155 King Street West	285
188	157 Beatrice Street	18
204	1117 Dundas Street West	37
217	1445 Bathurst Street	48
218	3354 Dundas Street West	11
220	789 St. Clair Ave West	18
224	34 Hanna Avenue	184
225	80 Clinton Street	25
226	646 St. Clair Avenue West	15
228	11 Kenwood Avenue	24
229	110 Dovercourt Road	8
231	19 Spadina Road	60
235	2201 Dundas Street West	10
240	700 St. Clair Avenue West	18
241	9 Bonar Place	34
246	31 Blackthorne Avenue	37
251	201 Claremont Street	43
256	1624 Queen Street West	33
260	94 Northcliffe Boulevard	13
275	1030 King Street West	152
279	287 Rushton Road	17
651	1169 Weston Road	36
652	301 Scott Road	10
653	17 Riverview Gardens	95
654	16 Riverview Gardens	59
656	1A Mould Avenue	9
658	2054 Dufferin Street	49
659	341 Oakwood Avenue	23
660	406 Oakwood Avenue	17
661	433 Rogers Road	28
663	1 Shortt Street	138
664	1609 Eglinton Avenue West	33
667	1531 Eglinton Avenue West	20
670	2053 Dufferin Street	22
674	2623 Eglinton Avenue West	12
	TOTAL	3,159

NO.	LOCATION	CAPACITY
SUBURBAN NORTH		
400	10 Kingsdale Avenue	53
401	246 Brooke Avenue	94
402	10 Empress Avenue	67
403	10 Harlandale Avenue	116
404	95 Beecroft Road	386
410	180 Beecroft Road	176
411	1880 Avenue Road	32
412	11 Finch Ave West	62
414	3885 Yonge Street	139
418	68 Sheppard Avenue West	30
419	5667 Yonge Street	23
424	2170 Bayview Avenue	69
	TOTAL	1,247
SUBURBAN EAST		
700	101 Grangeway Avenue	255
701	197 Blantyre Avenue	83
706	284 Milner Avenue	92
707	1530 Markham Road	20
709	1940 Lawrence Avenue East	24
710	100 Grangeway Avenue	215
711	158 Borough Drive	15
	TOTAL	704
SUBURBAN WEST		
500	7 Jackson Avenue	40
501	11 Grenview Boulevard North	83
502	342 Prince Edward Drive North	43
503	12 Willingdon Boulevard	64
504	9 Willingdon Boulevard	116
505	934 Royal York Road	11
506	140 Fifth Street	52
507	66 Third Street	24
508	128 Eighth Street	58
509	105 Fourth Street	34
510	3239 Lake Shore Boulevard	24
511	120 Sixth Street	58
512	3220 Bloor Street West	68
513	575 Royal York Road	28
514	139 Islington Avenue	11
516	Woolgar Laneway Rear of 1124 The Queensway	11
517	15 Primrose Avenue	23

NO.	LOCATION	CAPACITY
SUBURBAN WEST CONT'		
519	5 Dayton Avenue	16
520	20 Royalavon Crescent	59
521	7 Monkton Avenue	25
528	5 Colonel Samuel Smith Park Drive	53
529	65 Colonel Samuel Smith Park Drive	149
532	14 Barkwin Drive	23
533	2300 Lake Shore Boulevard West	24
534	15 Marine Parade Drive	15
650	16 John Street	76
657	271A Scarlett Road	11
668	2700 Eglinton Avenue West	99
669	2700 Eglinton Avenue West	34
	TOTAL	1,332
	TOTAL	19,768

SPECIAL FACILITIES	
Seasonal	2,287
TCHC Toronto Community Housing	1,270
TTC Commuter Carparks	11,702
Exhibition Place	4,892
GRAND TOTAL	39,919

REIMAGINING HOW
TORONTO MOVES
GREENP.COM
BIKESHARETORONTO.COM
MUNICIPAL PARKING
P
BIKE SHARE TORONTO