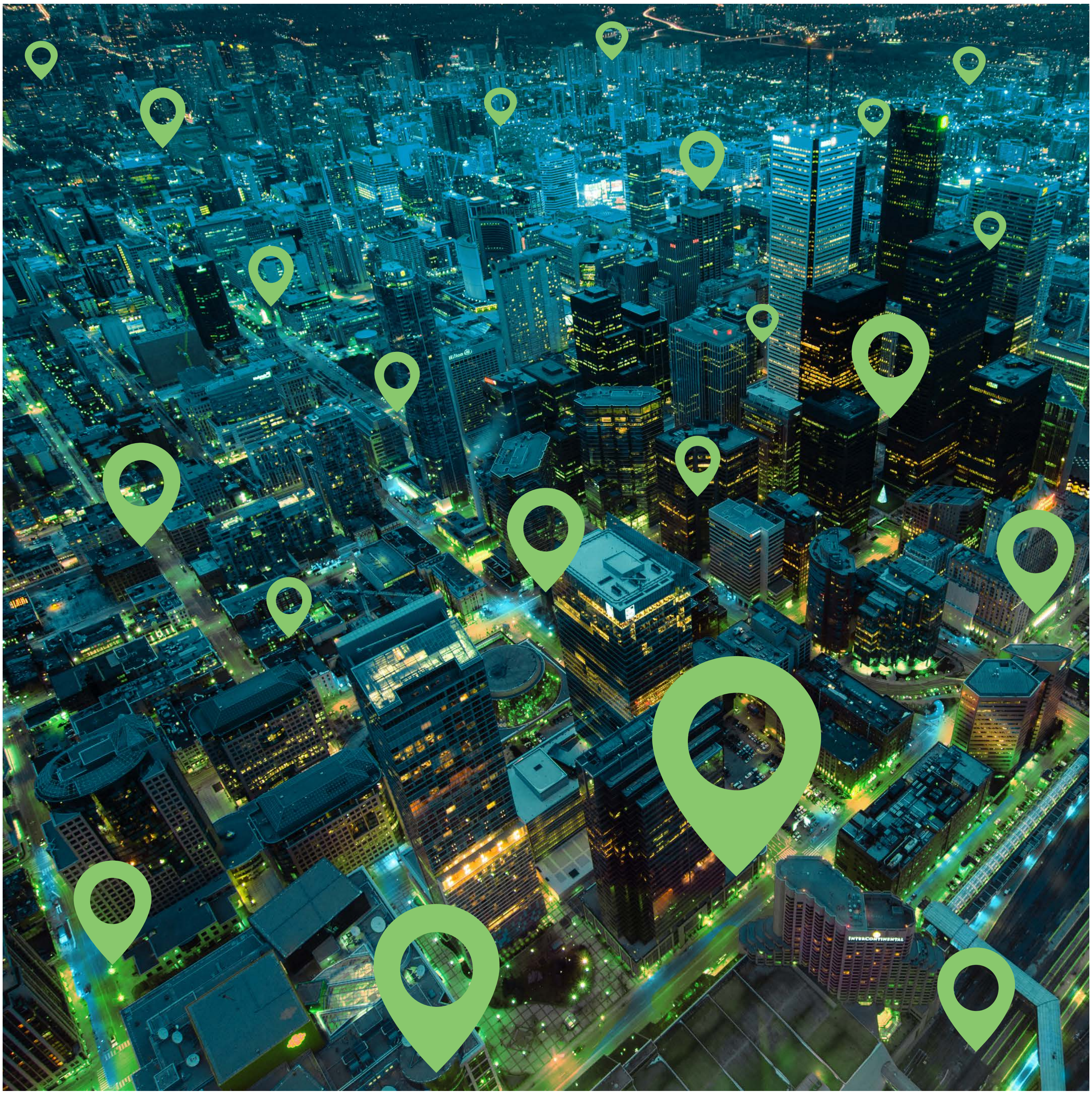
SUPERCHARGING THE CITY

Toronto Parking Authority
2022 Annual Report



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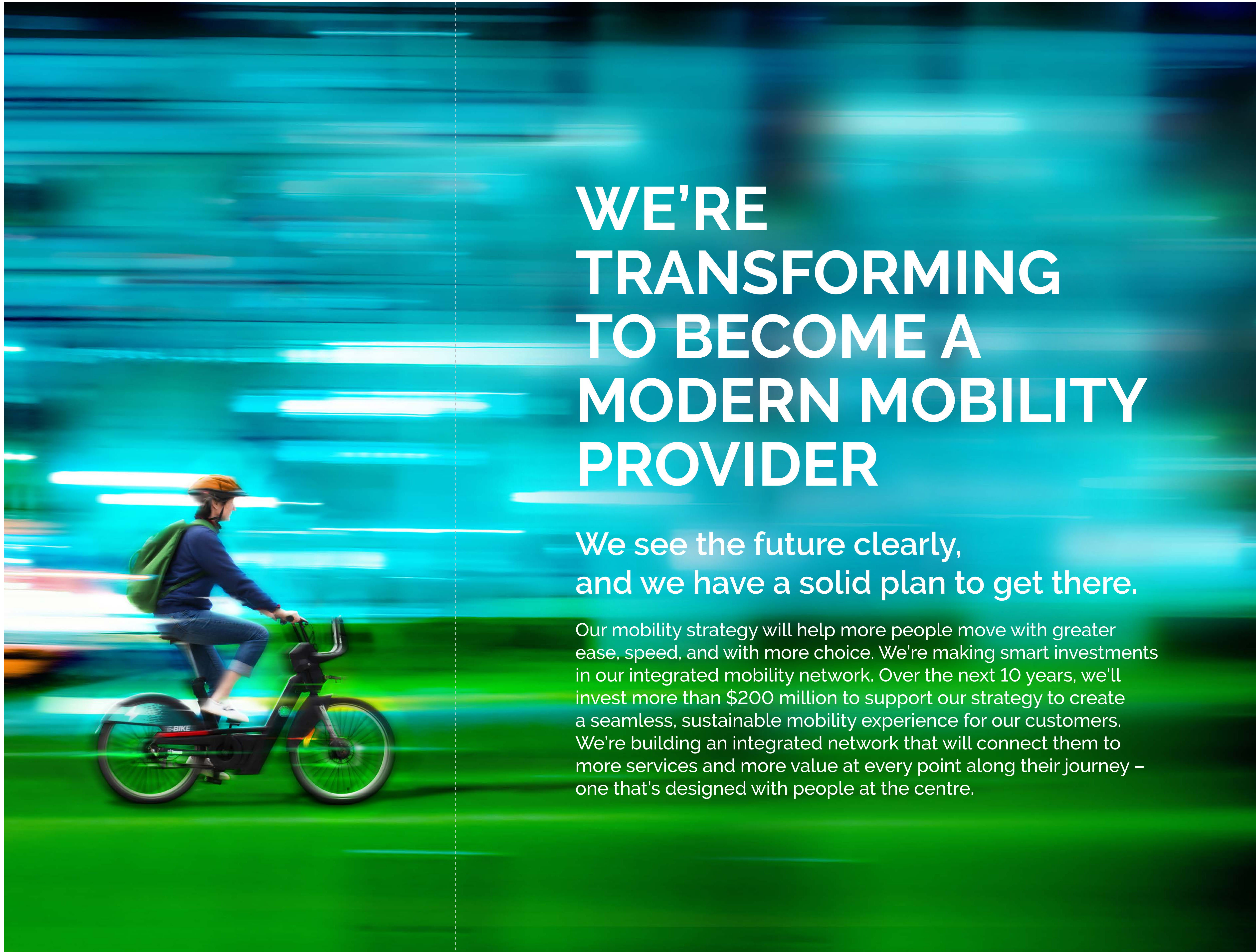


WE'RE TRANSFORMING TO BECOME A MODERN MOBILITY PROVIDER

We see the future clearly, and we have a solid plan to get there.

Our mobility strategy will help more people move with greater ease, speed, and with more choice. We're making smart investments in our integrated mobility network. Over the next 10 years, we'll invest more than $200 million to support our strategy to create a seamless, sustainable mobility experience for our customers. We're building an integrated network that will connect them to more services and more value at every point along their journey – one that's designed with people at the centre.

TPA AT-A-GLANCE

We are one of the largest, most diverse, and most successful parking and bike share operators in North America.

THE TPA

North America's largest municipally owned operator of commercial parking

$1.4B
In dividends returned to the City to fund services since 2002

First in Canada to complete a comprehensive digital mapping exercise of every on-street parking asset in the city

327
Employees (union + non union)

BIKE SHARE TORONTO

3RD **Largest bike share in North America**

33K
Bike Share Toronto annual members
+8,000 since 2021

Bike Share rides
3.6M — 2021
4.6M — 2022

Growing fleet of e-bikes to enhance first- and last-mile mobility

GREEN P PARKING

116
EV charging stations

Parking Spaces

18.5K On-street
41K Off-street

15.5M+
Green P app transactions

In 2022, the City of Toronto raised a combined total of $2.5 million in support of the United Way. As part of this effort, the TPA raised $17,450, exceeding our fundraising goal of $10,000. Our team's efforts were recognized by the City with two awards: Outstanding Campaign of the Year and Ambassador of the Year (Faiyaz Patel, Director of On-Street Parking).

The Toronto Parking Authority is North America's largest municipally owned operator of commercial parking and manages Bike Share Toronto, North America's third largest bike share program.

Our mission and vision are crystal clear:

Our Mission

To re-imagine how Toronto moves by creating a seamless mobility experience that delivers on choice, ease, and speed through Toronto.

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.

"We're creating an organizational culture that empowers our people to do more and do it better. By investing in the tools and systems that allow them to be more productive, we're creating a great place to work and a great customer experience."

Arlene Yam Fritz, Vice President, Human Resources

BOARD MEMBERS

Hartley Lefton
Board Chair

Namby Vithiananthan
Board Vice Chair

Brad Bradford
Board Member/
City Councillor (Ward 19)

Chris Moise
Board Member/
City Councillor (Ward 13)

Maureen Farrow
Board Member

Zeshan Khan
Board Member

Jeffrey Steiner
Board Member

EXECUTIVE TEAM

W. Scott Collier
President

Arlene Yam Fritz
Vice President, Human Resources

Jeffrey Dea
Vice President of Strategy and Business Development

Jarrett McDonald
Vice President of Operations

Rose-Ann Lee
Chief Financial Officer and Vice President of Finance

Mike Layton, former City Councillor, stepped down from the TPA Board of Directors in November 2022.

2022 HIGHLIGHTS

SCORECARD AND FORECAST

We have established our mission and vision and committed to the strategy that will guide us on our journey to realize those ambitions.

It's a multi-faceted, multi-year plan, and in 2022, we outperformed against our operating plan and key financial goals.

Outpacing our targets

	2021 Actual	2022 Target	**2022 Actual**	2023 Target	2024 Target
Revenue	$93.0M	$117.8M	**$124.2M**	$138.9M	$146.2M
Operating Expenses	$83.5M	$103.4M	**$92.6M**	$113.5M	$118.6M
Net Income	$9.5M	$14.4M	**$31.6M**	$25.4M	$27.6M
Dividends to City	$19.8M	$12.2M	**$26.5M**	$21.6M	$23.5M
Capital Investment	$11.4M	$54.7M	**$16.8M**	$71.3M	$61.8M
EV Charging Stations	9	50	**116**	350+	650+
Bike Share Stations	625	665	**680**	775	885
E-bike Fleet	300	525	**525**	1,300	2,000

2022 FINANCIAL HIGHLIGHTS

Revenue

$124.2M

33.5% increase over 2021

Net Income

$31.6M

233% increase over 2021

Dividends to City

$26.5M

34% increase over 2021

BUILDING MOMENTUM TO DELIVER MORE

From electrification to multi-modal mobility hubs, we're supercharging our network to deliver more services to more people in more places than ever before.

We are pleased to report to our customers, partners, employees, and the City of Toronto on the performance of the Toronto Parking Authority in 2022.

It was an exciting and rewarding year. In 2020, we made a promise to our stakeholders by articulating our mission and vision and the strategy to realize them. In 2022, we took the first steps on our journey to deliver on that promise. By both financial and operational measures, we outperformed against the targets we established for the year.

Revenue for the year was $124.2 million, up from $93.0 million in 2021, exceeding our target revenue by $6.4 million. We exceeded our profit plan by more than 100%, delivering $31.6 million in net income. Dividends paid to the City of Toronto more than doubled year-over-year, with the Toronto Parking Authority contributing $26.5 million to the City.

Operationally, we over-delivered on our electrification goals for both EV charging stations and e-bikes. Working with our partners at Toronto Hydro, the Toronto Parking Authority installed 116 EV charging stations in 11 locations across the city and added 225 Bike Share Toronto e-bikes and 242 docking points to our network. These are just the first steps in building the robust electric infrastructure that is foundational to creating a seamless, sustainable mobility network. Our three-year capital plan will continue to drive improvement across the network. Based on the strategic framework we have established, we will determine the next steps in the context of our five strategic priorities, to build momentum and deliver results through a deliberate, human-centred approach.

A sustainable mobility network that integrates parking and first- and last-mile mobility solutions is critical to building our most livable city.

Our commercial mindset drives innovation, speed-to-market, and strong business outcomes. The Toronto Parking Authority is an organization that is transforming to meet the needs of our customers and the City. As a catalyst for change, we are challenging the status quo. In 2022, we invested in our technology infrastructure to integrate our systems for a seamless customer experience. We undertook a first-in-Canada digital mapping exercise so we can make real-time, data-driven decisions. And we forged strategic public- and private-sector partnerships with organizations who will be vital to furthering our mobility agenda. By innovating with our stakeholders, we are creating a sustainable mobility ecosystem – with people at the centre.

Our Board of Directors is guiding our transformation, and it is being executed by our exceptional team of people. We thank them for their commitment to our mission and vision and all they do to support this journey. Every day, we are challenged by our people, our partners, and our customers to do more.

In 2022, we built momentum and gained significant traction, and we are poised to do amazing things in pursuit of our mission and vision for our customers and all our stakeholders. We look forward to reporting our progress to you.

Sincerely,

Hartley Lefton
Board Chair

W. Scott Collier
President

OUR STRATEGIC PRIORITIES

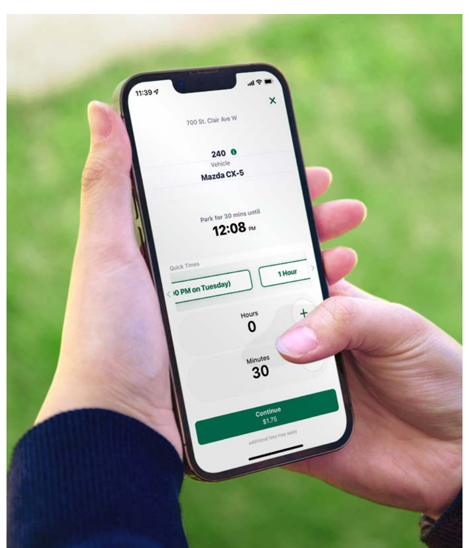
01
Build a great place to work

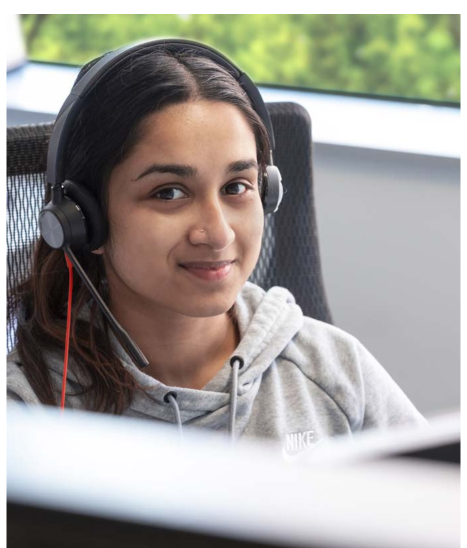
02
Strengthen the core, execute with excellence

03
Drive sustainable growth

04
Connect with our customers

05
Innovate with our stakeholders and partners





CONNECTING WITH OUR CUSTOMERS FOR A SEAMLESS EXPERIENCE

Our customers are at the centre of everything we do, and we're innovating our systems to make it easier to do business with us.

Our customers spoke, and we listened. They told us they wanted a more responsive, efficient experience when dealing with us. So, this year, we launched the first enhancements to our customer service platform. We developed an omni-channel customer support system (CSS) that lets us support our customers more quickly and efficiently. The new CSS platform features a web-based forms interface that makes it easier for our customers to communicate with us. Behind the scenes, it integrates our Systems Operating Centre and customer service teams, giving our people the information they need to respond to customers quickly and efficiently.

The platform also integrates the updated Green P app.

The new system has reduced the time it takes us to resolve a customer service issue – from almost a week to just six hours. It also lets us collect data from the customer communications we receive, giving us valuable insight into what's most important to our customers and how we can better serve them.

These are just the first steps in delivering an exceptional, seamless customer experience. Ongoing research will help us understand how people use the mobility network and allow us to make smart, data-driven decisions.

6 Hours
The time to resolve a customer query has been cut from days to just a few hours.

24% Increase
In the number of responses to customer inquiries every week.

75% Faster
Pay-on-entry means customers can exit facilities faster.

"I'm really proud of the work I do to support our customers. Our new CSS system gives me the tools to respond to customers faster than ever. That makes coming to work really satisfying."

Adithya Sheeja,
Customer Service Representative

"Making things better for our customers makes things better for our people. New ways of working are making it easier for employees to do their jobs well."

Rosemary Cosentino,
Associate Director of Operations

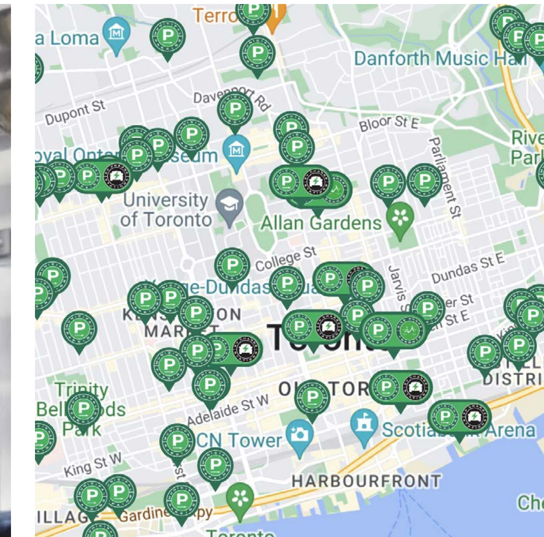
PLUGGED IN TO POWER UP

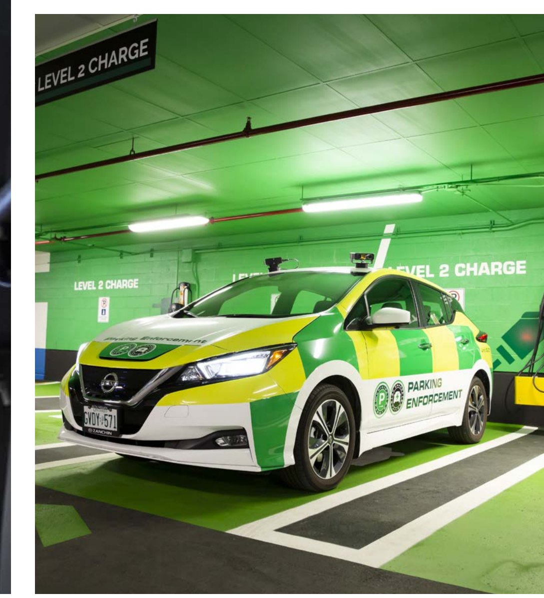
We are building a customer-centric EV charging network to future-proof our parking operations.

It's expected that by 2030, 30% of all registered vehicles in Toronto will be electric. Understanding this imminent increased demand, we're anticipating where our customers will need EV charging and executing a multi-year plan to deliver.

We defined our EV charging strategy in 2021 and began the deployment of charging stations in 2022. With outstanding support from our partners at Toronto Hydro, City of Toronto Transportation, and The Atmospheric Fund, we delivered 116 charging stations in 11 key locations across the city. Based on our multi-year plan, we will increase the number of on- and off-street charging stations to 350 by the end of 2023, and to 650 by the end of 2024. This work is being supported by a $2.15 million grant from our funding partner, Natural Resources Canada. Our plan is aligned with the City's EV strategy and its TransformTO Net Zero Plan.

Building our EV infrastructure is helping us get more return from one of our largest assets – our properties. It helps us attract new customers and drive incremental revenue from parking transactions. EV charging is an integral part of the electrification of mobility and the future proofing of our assets.





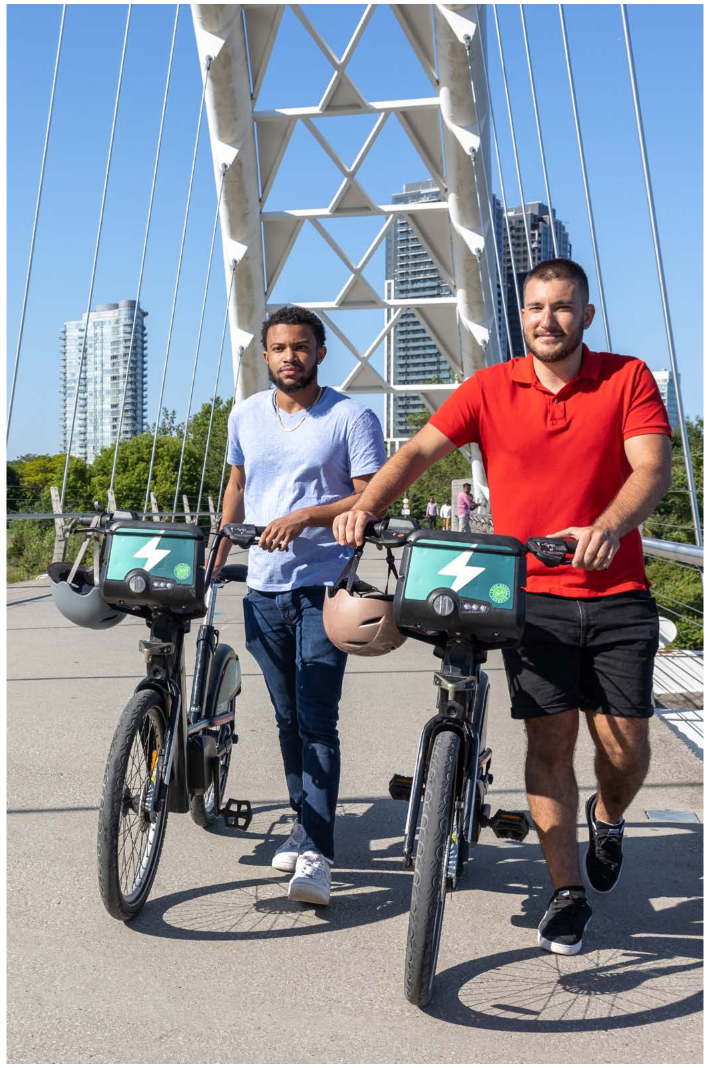
"We're proud to work with the Toronto Parking Authority as they expand their role to provide greater electric vehicle charging infrastructure in Toronto. This work is part of the building blocks that will help unlock more opportunities for Torontonians to participate in climate action."

Amanda Klein, Executive Vice-President, External Affairs, Corporate Development and CLO at Toronto Hydro

116
EV charging stations installed in 2022

650+
EV charging stations to be installed by 2024

30%
Of all registered vehicles in Toronto will be electric by 2030



GOING THE FIRST AND LAST MILE

Bike Share Toronto is one of the most successful bike share operations in North America. In the first year of our four-year growth plan, we successfully executed against key objectives to increase ridership and electrify the network.

Bike Share Toronto ridership increased in 2022, with 4.6 million rides, up 1 million from the previous year. Seventy-five percent of those rides were taken by our 33,000 annual members. This significant increase in ridership means that across the city, more and more people are discovering the value of bikes as an affordable, efficient, short-distance transportation option.

E-bikes are an integral part of our network and electrification strategy. E-bikes make biking across challenging terrain easier, and so biking becomes more accessible to more people. Our data shows that our e-bikes were ridden twice as often and for twice as long as our conventional bikes. In 2022, we added 225 e-bikes to bring the total number in our fleet to 525, distributed across 680 stations in our network. Increasing the number of e-bikes and stations is imperative to first- and last-mile mobility strategies. We are connecting our Green P Parking and Bike Share Toronto networks to the larger mobility network that includes the TTC and Metrolinx. This multi-modal ecosystem makes mobility faster, easier, and more affordable for customers.

The continued expansion of the Bike Share Toronto network is also helping make mobility more equitable. Because new stations can be built quickly and cost-effectively, under-served neighbourhoods can be better supported with this affordable last-mile mobility solution. Bike Share Toronto is becoming a true city brand, connecting people to the places they need and want to be.

> "We're investing in our Bike Share Toronto network to help more people connect with life in the city – by giving them more ways to get where they're going faster and more easily."
>
> Justin Hanna, Director, Bike Share Toronto

$7.6M

Revenue generated by Bike Share Toronto in 2022

4.6M +1M

Rides in 2022 – up 1 million rides from previous year

6,640

Conventional bikes at 680 stations across the network

POWERING POTENTIAL, PERFORMANCE, AND VALUE

$15M+
For equipment modernization through 2025

70+
Garage and lot assessments, as part of an integrated infrastructure improvement program, by 2023

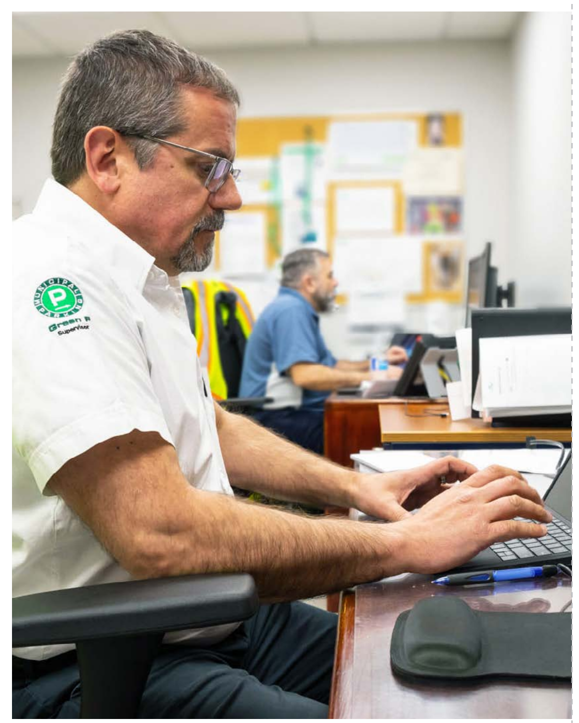
$71.3M
Capital investment planned for 2023

Embracing new and emerging technologies will power our progress on our journey toward realizing our mission and vision.

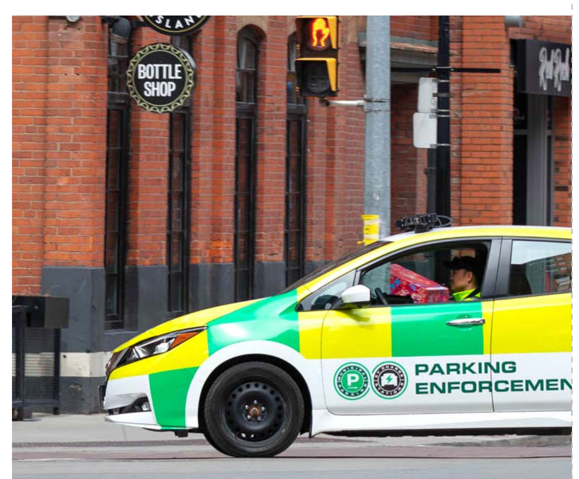
We're making strategic investments in technologies that will help us better understand the potential of our businesses, performance of our assets, and how to deliver even more value to our customers. In 2022, we invested in building more robust back-end systems to support enhanced customer-facing solutions across the network moving forward.

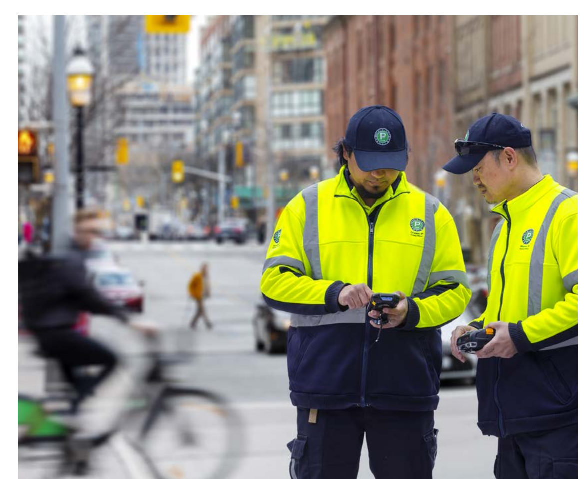
These investments included a first-in-Canada digital mapping exercise to understand precisely where and how the assets in our network are connected and how they connect with other mobility infrastructures. The analysis of the data we collect will help us understand how customers use our products and services and how we can improve that experience.

For example, we updated the software that runs our pay-and-display machines so that customer credit cards with an expiry date after 2027 are accepted. We will also be synchronizing the way customers can pay for our services – by debit, credit, tap, or the Green P app – so that cash or the Green P app are available at all our on- and off-street locations. These first but important steps are making it easier for our customers to do business with us. Ultimately, we'll integrate all our software systems to deliver a seamless user experience.



> "Data-driven decision making is key to innovation. We're making investments in technology that will establish the foundation on which we'll build out our integrated mobility network"
>
> Jarrett McDonald,
> Vice President of Operations

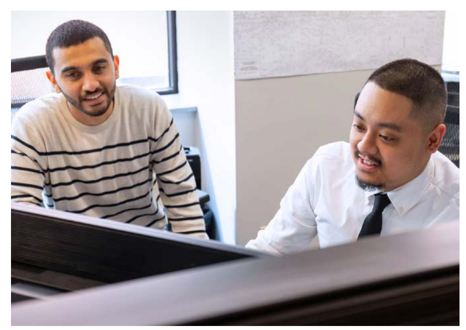




License plate recognition technology

- Enforcement vehicle for off-street compliance
- Hand-held units for on-street compliance
- Increases productivity and safety
- Enables greater data collection and analysis
- Integrated with back-office systems
- Will improve customer experience and compliance

ENGAGING WITH OUR PARTNERS TO RE-IMAGINE THE FUTURE OF MOBILITY



We're working with public and private sector partners to explore new opportunities to advance our mobility strategies.

We believe that we can do anything, but we recognize we can't do everything alone. We're building strong, innovative partnerships with both public and private sector partners to amplify our success and deliver even greater value for our customers, our partners, and the City.

Our approach to establishing these strategic partnerships starts with re-imagining parking and asking ourselves how we can expand our services to deliver even more value to our customers. We start with 'any point' in the mobility journey and think about how we can do more to enhance that experience. Our mobility hubs envision integrated services like car share and ride share services, community events, parcel pick up and drop off and service amenities.

In 2022, the Toronto Parking Authority partnered with Purolator to prototype the operation of an Urban Quick Stop at one of our off-street parking facilities and support Purolator's last-mile cargo bike delivery system. It's just one example of how we're delivering more value and making TPA more relevant to more people – not just drivers.

Building strong partnerships that will help advance our mobility agenda is one of our strategic priorities, and we will continue to pursue opportunities to collaborate with our current and new partners in the future.

"Partnerships like the one we have with the Toronto Parking Authority are key to Purolator's success in testing new and innovative solutions to address challenges with deliveries in busy urban areas. TPA was able to support our new Urban Quick Stop mini hub project with effective collaboration to bring improved services to the City of Toronto."

Laurie Weston, General Manager, E-Commerce, Purolator

"We actively engage with like-minded private and public sector partners who can help us re-imagine mobility in Toronto. By innovating with our partners, we're doing more to deliver on our strategic priorities."

Phil Safos, Director, Business Development & Partnerships

69
Car share vehicles in 54 lots provided by three partner companies

150
Community and private events hosted at TPA facilities this year

$2.15M
Grant from Natural Resources Canada to support EV charging infrastructure build

WE ARE TRANSFORMING MOBILITY IN THE CITY OF TORONTO

We have a multi-faceted, multi-year plan that reflects the systems thinking that is necessary to prepare Toronto for the future of mobility.

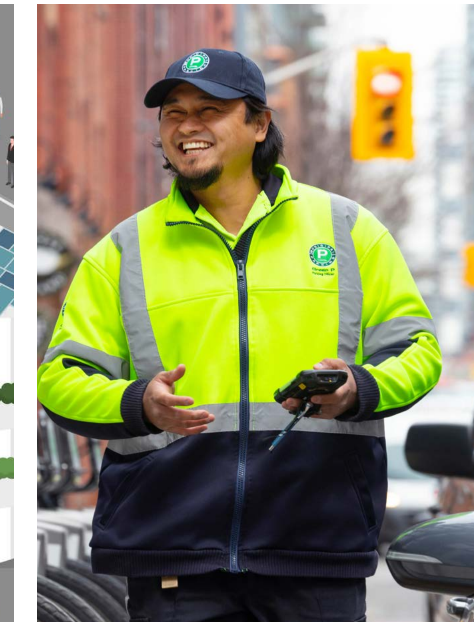
Driven by a commercial mindset and focused on delivering superior business outcomes, we are preparing for the future by helping build a world-class mobility network to serve a world-class city. This means we must take a deliberate and human-centred design approach to the way we think about mobility and the work we do to make it a reality.

One of our key priorities is the establishment of innovation hubs where we will develop and prototype advancements in customer experience, facility design, service enhancements, and the technologies that will enable them. For example, pay-by-plate payment equipment will enable the use of licence plate recognition technology that will enable free flowing access control services. It will provide data for deeper customer insight and network optimization that will deliver exceptional customer experiences and enhance revenue.

Our vision is to build an integrated mobility network. To do that means we need to understand all the ways people travel and what we can do to make it easier, faster, and frictionless. Integrating our parking and Bike Share Toronto operations with TTC and Metrolinx will create a truly seamless mobility experience for our customers. And our innovation lots will deliver more value to more customers in more ways.

Our customer-centric, data-driven approach to mobility is changing the status quo. As the largest operator of municipally owned parking and the manager of the most successful bike share operation in North America, we are in a unique position to transform the future of mobility.

> "We have a mission and vision for TPA – and for the City of Toronto. We are transforming the way we think and the way we work to build an integrated mobility network that places our customers and Torontonians at the centre."
>
> W. Scott Collier, President



2023 STRATEGIC PRIORITIES

01 Build a great place to work
- Safety
- Culture
- Talent
- Skill development

02 Strengthen the core, execute with excellence
- Security
- Asset management
- State of good repair
- Capital productivity

03 Drive sustainable growth
- Re-imagine parking
- Accelerate bike share
- Scale EV

04 Connect with our customers
- Omni-channel customer experience
- Modernize payment systems
- Prototype innovation hubs

05 Innovate with our stakeholders and partners
- Modernize revenue sharing agreement
- City-wide parking strategy
- Establish Innovation Council with private sector partners

FINANCIAL STATEMENTS

AND NOTES TO 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, 2022
- 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, 2022, 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 "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

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

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

Other Information

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

- the information, other than the financial statements and the auditor's report thereon, included in 2022 Annual Report document.

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

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

We obtained the information, other than the financial statements and the auditor's report thereon, included in 2022 Annual Report document as at the date of this auditor's report.

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

We have nothing to report in this regard.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

KPMG LLP

Chartered Professional Accountants,
Licensed Public Accountants

Vaughan, Canada

May 25, 2023

STATEMENT OF FINANCIAL POSITION

(in thousands of dollars)	2022 $	2021 $
Assets		
Current assets:		
Cash and cash equivalents	116,114	93,433
Investments (note 4)	–	10,064
Accounts receivable	968	881
Prepaid expenses and other assets	1,506	1,418
	118,588	105,796
Finance lease receivable (note 5)	5,980	5,980
Investment in garages and car parks (note 6)	35,667	32,000
Property and equipment (note 6)	229,666	222,264
	389,901	**366,040**
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	15,897	13,657
Deferred revenue	16,701	13,252
Due to related parties (note 7)	21,065	6,526
Lease liabilities (note 8)	752	759
Debt payable (note 9)	659	627
	55,074	34,821
Lease liabilities (note 8)	3,665	4,417
Debt payable (note 9)	1,408	1,707
	59,787	40,945
Equity (note 10)	330,114	325,095
Commitments and contingent liabilities (note 18)		
	389,901	**366,040**

See accompanying notes to financial statements.

On behalf of the Board:

Hartley Lefton
Board Chair

W. Scott Collier
President

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(in thousands of dollars)	2022 $	2021 $
Revenue (note 11)	124,190	92,981
Direct expenses – operating (note 20)	(52,389)	(45,117)
Administration	(15,290)	(12,996)
Municipal property tax	(21,073)	(20,518)
Amortization of property and equipment (note 6)	(8,779)	(8,857)
Other income (note 13)	1,989	3,157
Operating income	28,648	8,650
Finance income (note 13)	3,149	1,109
Finance cost (notes 8 and 9)	(239)	(297)
Finance income, net	2,910	812
Net income and comprehensive income	**31,558**	**9,462**

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN EQUITY

(in thousands of dollars)	2022 $	2021 $
Balance, beginning of year	325,095	335,449
Net income and comprehensive income	31,558	9,462
	356,653	344,911
Special distribution to City of Toronto (note 15)	–	(12,000)
Annual distribution to City of Toronto (note 15)	(26,539)	(7,816)
Balance, end of year	**330,114**	**325,095**

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

(in thousands of dollars)	2022 $	2021 $
Cash flows from operating activities:		
Net income and comprehensive income	31,558	9,462
Add (deduct) non-cash and non-operating items:		
Amortization of property and equipment (note 6)	8,778	8,857
(Gain) loss on sale of property and equipment (note 13)	35	(1,029)
Finance income and finance charges	(2,910)	(926)
Unrealized loss on investments (note 13)	–	114
	37,461	16,478
Net change in non-cash working capital balances related to operating activities (note 19)	20,053	32,505
Net cash flows from operating activities	57,514	48,983
Cash flows from financing activities:		
Distributions to the City of Toronto	(26,539)	(19,816)
Lease liabilities repayment	(759)	(752)
Finance cost paid on lease liabilities	(192)	(236)
Long-term debt to finance purchase of property and equipment:		
Repayments (note 9)	(627)	(597)
Finance cost paid on long-term debt (note 9)	(47)	(61)
Net cash flows used in financing activities	(28,164)	(21,462)
Cash flows from investing activities:		
Finance income received from investments (note 13)	2,629	703
Payments received for finance lease receivable (notes 5 and 13)	520	520
Proceeds from sale of property and equipment	15	1,047
Increase in investment in garages and car parks	(3,667)	–
Proceeds from the sale of investments	10,064	–
Purchase of property and equipment (note 6)	(16,819)	(11,433)
Capital funding (note 21)	589	80
Net cash flows used in investing activities	(6,669)	(9,083)
Increase in cash and cash equivalents	22,681	18,438
Cash and cash equivalents, beginning of year	93,433	74,995
Cash and cash equivalents, end of year	**116,114**	**93,433**

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

(In thousands of dollars)
Year ended December 31, 2022

1. Nature of operations and relationship to the City of Toronto:

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

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

The City is considered the ultimate controlling entity of the Authority. In its relationship with the City, the Authority has an agreement on income-sharing, which is described in note 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 25, 2023.

(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) Capital funding:

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

(F) Financial instruments:

Fair value measurement:

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

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

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

(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 government securities.

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

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

Other sources of revenue include:

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

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

(I) Multi-employer pension plan:

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

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

According to OMERS' 2022 annual report, the plan was in a deficit position of $6.7 billion at the end of 2022, an increase from a deficit of $3.1 billion in 2021. 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 2022 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, 2022 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:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1, Presentation of Financial Statements);
- 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 that matured in 2022:

	2022	2021
Weighted average yield to maturity	–	0.14%
Weighted average duration	–	0.19 years
Investments interest receivable	–	$43
Investments at fair value	–	$10,021
Investments at cost	–	$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:

2022	Gross investment in lease receivable $	Future finance income $	Present value of minimum lease payments $
Lease receivable – payments due			
Not more than 1 year	520	520	–
Over 1 year but not more than 5 years	2,080	2,078	2
Over 5 years	36,403	30,425	5,978
	39,003	**33,023**	**5,980**

2021	$	$	$
Lease receivable – payments due			
Not more than 1 year	520	520	–
Over 1 year but not more than 5 years	2,080	2,078	2
Over 5 years	36,923	30,945	5,978
	39,523	**33,543**	**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 $141 (2021 – nil).

32 Year ended December 31, 2022, with comparative information for 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 $	2022 Total $	2021 Total $
Cost								
Balance, beginning of year	96,596	63,157	99,996	31,424	7,205	80,361	378,739	367,530
Purchases	–	3,302	293	786	–	12,438	16,819	11,433
Capital funding (note 21)	–	–	–	(60)	–	(529)	(589)	(80)
Disposals	(56)	–	–	–	–	(45)	(101)	(144)
Balance, end of year	**96,540**	**66,459**	**100,289**	**32,150**	**7,205**	**92,225**	**394,868**	**378,739**
Accumulated amortization								
Balance, beginning of year	447	30,505	40,550	13,683	2,523	68,767	156,475	147,728
Amortization	140	1,323	3,035	1,148	816	2,316	8,778	8,857
Disposals	–	–	–	–	–	(51)	(51)	(110)
Balance, end of year	**587**	**31,828**	**43,585**	**14,831**	**3,339**	**71,032**	**165,202**	**156,475**
Net book value								
Balance, end of year	**95,953**	**34,631**	**56,704**	**17,319**	**3,866**	**21,193**	**229,666**	**222,264**

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

Investment in garages and car parks comprises of car parks that will be constructed in the future of $35,667 (2021 – $32,000)

34 Year ended December 31, 2022, with comparative information for 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 capital funding from, related parties. The table below summarizes the transactions, receivable and payable balances:

			2022			2021
	Management fees	Rent Expense	Payable	Management fees	Rent Expense	Payable
	$	$	$	$	$	$
Parent	–	1,301	(17,861)	–	1,443	(6,018)
Agencies and corporations of the Parent	621	420	(3,204)	531	182	(508)
	621	**1,721**	**(21,065)**	**531**	**1,625**	**(6,526)**

(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:

	2022	2021
	$	$
Parking Authority Shopping Mall Rented Properties Reserve Fund	1,598	1,496
Parking Payment in Lieu Reserve Fund	2,625	2,576
Bike Share Reserve Fund	154	154
	4,377	**4,226**

(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 $1,470 (2021 – $1,311) 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, 2022 was $192 (2021 – $236). The expense relating to variable lease payments not included in the measurement of lease liabilities was nil (2021 – nil) and expenses relating to short-term leases were $627 (2021 – $631). Total cash outflow for leases was $951 (2021 – $988), including $759 (2021 – $752) 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 $659 (2021 – $627) 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 $47 (2021 – $61).

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

2023	$659
2024	692
2025	356
	$1,707

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.

36 Year ended December 31, 2022, with comparative information for 2021 (In thousands of dollars)

11. Revenue:

Revenue is made up of the following components:

	On-street $	Off-street $	Bike Share $	2022 Total $	2021 Total $
Bike Share revenue	–	–	7,632	7,632	6,878
Short-term parking	44,847	69,119	–	113,966	83,808
Monthly permit parking	–	2,592	–	2,592	2,295
	44,847	**71,711**	**7,632**	**124,190**	**92,981**

12. Employee benefits:

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

	On-street $	Off-street $	Bike Share $	2022 Total $	2021 Total $
Salaries and wages	1,462	9,748	667	11,877	10,225
Benefits	198	2,787	61	3,046	2,330
OMERS pension plan contributions	113	992	58	1,163	1,091
	1,773	**13,527**	**786**	**16,086**	**13,646**

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

	2022 $	2021 $
Salaries and wages	7,721	6,636
Benefits	1,265	959
OMERS pension plan contributions	711	597
	9,697	**8,192**

The estimated 2023 employer's OMERS pension plan contribution is $1,900.

13. Finance and other income:

These amounts consist of the following:

	2022 $	2021 $
Finance income earned on cash balances	2,625	568
Finance income earned on investments (note 4)	4	135
Investment income from cash and investments	2,629	703
Unrealized loss on investments – net (note 4)	–	(114)
Finance income earned and net effective change in lease receivable (note 5)	520	520
	3,149	**1,109**
Other income:		
Gain (loss) on sale of property and equipment	(35)	1,029
Miscellaneous other income	2,024	2,128
	5,138	**4,266**

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:

	2022 $	2021 $
Not more than 1 year	824	616
Over 1 year but not more than 5 years	1,714	1,440
Over 5 years	347	505
	2,885	**2,561**

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 (2021 – $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 2022, distribution from operations of $26,539 (2021 – $7,816) was determined to be payable to the City. An additional one-time special dividend of nil (2021 – $12,000) was also paid to the City.

38 Year ended December 31, 2022, with comparative information for 2021 (In thousands of dollars)

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:

	2022 $	2021 $
Financial assets		
Amortized cost:		
Cash and cash equivalents	116,114	93,433
Accounts receivable	968	881
Finance lease receivable – including current portion	5,980	5,980
Fair value through profit or loss:		
Investments	–	10,064
Total	**123,062**	**110,358**
Financial liabilities		
Amortized cost:		
Accounts payable and accrued liabilities	15,897	13,657
Due to related parties	21,065	6,526
Lease liabilities (including current portion)	4,417	5,176
Debt payable (including current portion)	1,707	2,334
Total	**43,086**	**27,693**

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

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

(c) Market risk:

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises the following:

(i) Interest rate risk:

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

(ii) Price risk:

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

(d) Credit risk:

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

(e) Liquidity risk:

Liquidity risk is the risk the Authority will be unable to settle or meet commitments as they come due. The Authority's commitments are largely in the form of short-term liabilities, which are met out of cash flows generated by operating activities. Long-term liabilities are not considered material and repayment is scheduled to allow settlement from cash flows generated from operating activities. The effect is a stable cash flow from operations, which acts to reduce liquidity risk.

40 Year ended December 31, 2022, with comparative information for 2021 (In thousands of dollars)

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	15,897	–	–	–	15,897
Due to related parties	21,065	–	–	–	21,065
Lease liabilities, principal	63	689	2,564	1,101	4,417
Debt payable, principal	47	612	1,048	–	1,707
	37,072	**1,301**	**3,612**	**1,101**	**43,086**

17. Capital management:

The Authority returns 85% (2021 – 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 cash 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, 2022, the Authority has contractual commitments of $29,101 (2021 – $32,698) 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.

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:

	2022 $	2021 $
Accounts receivable	(87)	(1)
Prepaid expenses and other assets	(88)	(57)
Accounts payable and accrued liabilities	2,240	(672)
Deferred revenue	3,449	2,018
Due to related parties	14,539	31,217
	20,053	**32,505**

20. Direct expenses – operating:

	On-street $	Off-street $	Bike Share $	2022 Total $	2021 Total $
Salaries, wages and benefits (note 12)	1,773	13,527	786	16,086	13,646
Maintenance of facilities and equipment	2,078	4,734	8,820	15,632	14,559
Rent	–	5,260	–	5,260	4,341
Utilities	6	2,049	–	2,055	2,075
Parking systems	2,642	502	–	3,144	3,280
Payment processing	2,117	1,802	461	4,380	3,150
Security and monitoring	–	3,143	–	3,143	2,067
Other	183	1,782	724	2,689	1,999
	8,799	**32,799**	**10,791**	**52,389**	**45,117**

21. Capital funding:

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

	2022 $	2021 $
Municipal funding	371	–
Provincial funding	–	80
Federal funding	218	–
	589	**80**

42 Year ended December 31, 2022, with comparative information for 2021 (In thousands of dollars)

OFF-STREET PARKING FACILITIES

SOUTH EAST

No.	Location	Capacity
1	20 Charles St. E	625
3	13 Isabella St.	31
5	15 Wellesley St. E.	122
21	72 Amroth Ave.	49
26	37 Queen St. E	598
28	670 Pape Ave.	68
34	25 Dundas St. E	254
43	2 Church St	1,926
45	111 Broadview Ave.	89
48	85 Lee Ave.	66
79	405 Sherbourne St.	90
109	51 Aberdeen Ave.	33
125	323 Richmond St. E	252
146	573 Gerrard St. E.	34
170	117 Hammersmith Ave.	28
173	737 Rhodes Ave.	23
174	151 Hiawatha Ave.	50
179	653 Gerrard St. E.	28
180	268 Rhodes Ave.	37
183	166 Woodbine Ave.	20
184	192 Boardwalk Dr.	24
185	116 Joseph Duggan Rd.	24
186	118 Sarah Ashbridge Ave.	24
187	116 Winners Cir.	9
193	1675 Lakeshore Blvd East	292
194	20 Ashbridges Bay Park Road	270
200	1167 Eastern Ave.	65
202	1141 Eastern Ave.	17
204	1117 Dundas St. W.	36
219	85 Richmond St. E.	19
230	31A Parliament St	200
243	232 Unwin Ave	117
244	1439 Danforth Ave	17
248	136 Broadview Ave	21
267	70 Distillery Ln	124
283	100 Cooperage St	83
284	83 Tannery Rd	17
285	40 Rolling Mills Rd	21
286	51 Dockside Dr	287
287	1091 Eastern Ave	45
303	136 Wineva Ave	26
306	54 Dalhousie Street	22
701	197 Blantyre Ave	81
702	1 Brimley Rd S.	232
703	1 Brimley Rd S.	128
705	1 Brimley Rd S.	168
732	145 Strathmore Blvd	22
750	275 Shuter St	10
751	281 Shuter St	57
752	295 Shuter St	10
753	220 Oak St	14
754	10 Boultbee Ave	17
778	1275 Danforth Ave	19

SOUTH WEST

No.	Location	Capacity
36	110 Queen St. W	1,574
44	14 Fuller Ave.	41
51	365 Lippincott St.	134
53	803 Richmond St. W.	47
68	30 St. Andrew St	410
71	35 Bellevue Ave.	84
96	10 Portland St	37
106	15 Denison Ave.	118
111	79 Clinton St	77
150	40 Larch St	332
158	1325 Queen St. W.	31
167	18 Ossington Ave.	19
168	144A Harrison St.	76
181	1155 King St. W.	279
188	157 Beatrice St.	17
206	2001 Lakeshore Blvd W.	185
207	2011 Lakeshore Blvd W.	187
208	1575 Lakeshore Blvd. West	193
209	711 Lakeshore Blvd W.	65
210	1275 Lakeshore Blvd W.	120
212	363 Adelaide St. W.	21
216	205 McCaul St.	38
224	34 Hanna Ave	181
225	80 Clinton St	25
227	105 Spadina Ave	13
229	110 Dovercourt Rd	7
235	2201 Dundas St W	9
241	9 Bonar Pl	33
251	201 Claremont St	42
256	1624 Queen St W	31
261	45 Abell St	124
262	10 Soho Street	116
263	130 Elizabeth St	27
266	250 Fort Y ork Blvd	48
271	800 Fleet St	94
275	1030 King St W	150
288	292 Brunswick Ave	18
302	545 Lake Shore Blvd W	109
304	9 Wellesley Street West	123
307	20 Brunel Court	66
505	934 Royal York Rd	11
506	140 Fifth St	51
507	66 Third St	24
508	128 Eighth St	57
509	105 Fourth St	34
510	3239 Lake Shore Blvd W	24
511	120 Sixth St	58
513	575 Royal York Rd	28
514	139 Islington Ave	11
516	1124 The Queensway (Rear)	11
517	139 Islington Ave	22
519	5 Dayton Ave	15
521	7 Monkton Ave	24
522	2225 Lake Shore Blvd W	228
523	2225 Lake Shore Blvd W	80
524	2225 Lake Shore Blvd W	144
525	2225 Lake Shore Blvd W	28
526	2225 Lake Shore Blvd W	22
527	2225 Lake Shore Blvd W	10
528	5 Colonel Samuel Smith Park Dr.	50
529	65 Colonel Samuel Smith Park Dr	147
533	2300 Lake Shore Blvd W	23
534	15 Marine Parade Dr	13
730	150 Dan Leckie Way	32
742	7 Swansea Mews	10
746	20 West Lodge Ave	13
748	91 Augusta Ave	9
800	5285 Dundas Street West	234
801	400 Munster Ave	829
831	22 Fieldway Rd	217
836	1138 Bathurst St	100
850	100 Princes' Blvd	1,200
851	125 Princes' Blvd	1,360
852	15 Ontario Dr	817
853	6 Nunavut Rd	600
854	6 Saskatchewan Rd	446
855	5&5A Bandshell	153
856	30 British Columbia Rd	661
857	150 Manitoba Dr	24
858	40 Manitoba Dr	98
859	720 Lake Shore Blvd W	350

NORTH EAST

No.	Location	Capacity
11	21 Pleasant Blvd	536
12	30 Alvin Ave.	172
17	716 Pape Ave.	71
20	101 Cedarvale Ave.	36
29	75 Holly St	293
49	30 Roehampton Ave	139
78	35 Erindale Ave.	93
87	14 Arundel Ave.	67
88	25 Ferrier Ave.	44
89	20 Eaton Ave.	52
90	17 Eaton Ave.	29
110	1612 Danforth Ave.	21
137	77 Gough Ave.	16
139	6 Sherwood Ave.	44
142	31 Langford Ave.	26
149	12 Woodycrest Ave.	34
152	25 Glenforest Rd.	25
156	18 Ferrier Ave.	22
157	709 Millwood Rd	19
171	730 Mount Pleasant Rd	53
178	650 Mount Pleasant Rd	67
195	15 Price St.	69
223	1501 Yonge St	36
277	242 Danforth Ave	18
282	838 Broadview Ave	10
414	3885 Yonge St	137
419	5667 Yonge St	22
424	2170 Bayview Ave	66
600	540 Mortimer Ave	17
602	1501 Bayview Ave	23
700	101 Grangeway Ave	254
706	284 Milner Ave	92
707	1530 Markham Rd	20
709	1940/1950 Lawrence Ave E	24
710	101 Grangeway Ave	215
711	158 Borough Dr	13
755	180 Chester Le Blvd	38
756	2743 Victoria Park Ave	47
757	2739 Victoria Park Ave	10
758	2821 Birchmount Rd	34
759	365 Bay Mills Blvd	21
760	30 Teesdale Pl	21
761	40 Teesdale Pl	20
762	6 Glamorgan Ave	19
763	1021 Birchmount Rd	14
764	31 Gilder Dr	77
765	40 Gordonridge Pl	34
766	30 Gordonridge Pl	50
767	400 McCowan Rd	18
768	50 Tuxedo Ct	11
769	2180/2190 Ellesmere Rd	56
771	3849 Lawrence Ave E	38
772	3947 Lawrence Ave E	57
774	90-110 Mornelle Ct	17
775	4110 Lawrence Ave E	22
776	4301 Kingston Rd	27
779	1275 Danforth Ave	19
780	2950 Lawrence Ave E	13
814	890 Willowdale Ave	859
815	2760 Old Leslie St	102
816	1800 Sheppard Ave. E.	366
817	1050 Ellesmere Rd (Near)	68
818	2450 Lawrence Ave E (Near)	90
821	155 Transway Cres	450
822	705 Warden Ave	920
823	701 Warden Ave	151
824	777 Victoria Park Ave	173
826	2450 Eglinton Ave E	199

OFF-STREET PARKING FACILITIES

NORTH WEST

No.	Location	Capacity
13	20 Delisle Ave	199
18	351 Keele St.	71
19	385 Pacific Ave.	66
41	7 Norton Ave.	61
42	91 Via Italia	165
47	125 Burnaby Blvd.	149
52	40 York St	311
55	23/23R Bedford Park Ave.	41
58	9 Bedford Rd	360
64	265 Durie St.	140
80	400 Keele St.	34
81	695 Lansdowne Ave.	16
82	9 Emerson Ave.	49
84	9 Salem Ave.	32
85	557 Palmerston Ave.	52
91	265 Armadale Ave.	137
93	675 Manning Ave.	47
104	745 Ossington Ave.	45
107	251 MacPherson Ave.	40
116	255 Kennedy Ave.	55
130	7 Bartlett Ave.	35
131	912 Eglinton Ave. W.	25
133	20 Prescott Ave.	7
141	141 Greenlaw Ave.	54
143	265 Willard Ave.	89
144	376 Clinton Ave.	33
155	995 Eglinton Ave. W.	32
161	30 St. Claire Ave W	176
164	453 Spadina Rd.	53
205	465 Huron St.	15
215	74 Yorkville Ave	175
217	1445 Bathurst St	44
218	3354 Dundas St. W.	10
220	789 St Clair Ave W	17
226	646 St Clair Ave W	14
228	11 Kenwood Ave	23
231	19 Spadina Rd	59
240	700 St Clair Ave W	17
246	31 Blackthorn Ave	36
259	6A Spadina Rd	38
260	94 Northcliffe Blvd	12
269	1010 Yonge St	47
279	289 Rushton Rd	16
400	10 Kingsdale Ave	52
401	246 Brooke Ave	93
402	10 Empress Ave	66
403	10 Harlandale Ave	116
404	95 Beecroft Rd	346
410	100 Beecroft Rd.	176
411	1880 Avenue Rd	32
412	11 Finch Ave W	62
418	68 Sheppard Ave W	30
500	7 Jackson Ave	40
501	11 Grenview Blvd N	82
502	342 Prince Edward Dr N	41
503	12 Willingdon Blvd	59
504	9 Willingdon Blvd	116
512	3220 Bloor St W	65
520	20 Royalavon Crescent	59
532	14 Barkwin Dr	22
650	16 John St	72
651	1169 Weston Rd	36
652	301 Scott Rd	10
653	17 Riverview Gardens	94
654	16 Riverview Gardens	56
655	168 Chiltern Hill Rd	68
656	1 Mould Ave	9
657	271A Scarlett Rd	11
658	2050 Dufferin St	49
659	341 Oakwood Ave	22
660	406 Oakwood Ave	16
661	433 Rogers Rd	26
663	1 Shortt St	132
664	1609 Eglinton Ave W.	31
667	1531 Eglinton Ave W	20
668	2700 Eglinton Ave W	97
669	2700 Eglinton Ave W	34
674	2623 Eglinton Ave W	11
731	10 Humberline Dr	30
733	121 Kendleton Dr	12
734	2765 Islington Ave	44
735	2063 Islington Ave	27
736	49 Mabelle Ave	25
737	41 Mabelle Ave	6
738	1025 Scarlett Rd	25
739	1901 Weston Rd	43
740	4020 Dundas St W	46
741	3735 Dundas St W	23
743	100 High Park Ave	36
744	61 Pelham Ave	17
745	1775 Eglinton Ave W	8
747	5 Bellevue Cres	25
777	7 Capri Rd	23
802	3330 Bloor St W	534
804	20 Lomond Dr	258
805	400 Indian Rd	187
811	50 Wilson Heights Blvd	885
813	18 Hendon Ave	1,552
827	415 William R Allen Rd	632
829	25 Transit Rd	72
833	3950 Keele St	350
834	2800 Steeles Ave W	1,881
835	7332 Jane St	589

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