

TORONTO COACH TERMINAL INC. REPORT NO.

MEETING DATE: June 21, 2011

SUBJECT: NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

ACTION ITEM

RECOMMENDATION

It is recommended that the Board:

- (i) approve the attached non-consolidated financial statements of the Toronto Coach Terminal Inc. (TCTI) for the year ended December 31, 2010; and
- (ii) forward a copy of the approved non-consolidated financial statements to the Shareholder for information.

BACKGROUND

The Toronto Coach Terminal's Audit Committee reviewed the non-consolidated financial statements of TCTI at its meeting on April 19, 2011. After due consideration, the Audit Committee approved the submission of the non-consolidated financial statements for the year ended December 31, 2010 to the Special Meeting of Directors for approval.

DISCUSSION

The non-consolidated financial statements for the year ended December 31, 2010 are hereby submitted for approval.

It should be noted that under Canadian generally accepted accounting principles (GAAP), the activities during the year and the balances at year-end of the TCTI's subsidiary, the TTC Insurance Company Limited, should be consolidated with those of the parent, TCTI, into a set of consolidated financial statements for TCTI. However, GAAP allows for an election to not consolidate (referred to as Differential Reporting), under the following prescribed circumstances:

- It has no public accountability;

- All of its owners, including those not otherwise entitled to vote, unanimously consent in writing prior to the date of the completion of the financial statements.

At its meeting of April 20, 2009, the TTC Audit Committee approved the election to adopt Differential Reporting (i.e. not to consolidate) for the fiscal 2008 financial statements and subsequent years.

Formal approval of these non-consolidated financial statements should be signified by the signatures on the Balance Sheet of two directors.

Upon approval, a copy of the non-consolidated financial statements and the signed Auditors' Report (i.e. Opinion) should be forwarded to the Shareholder for information.

Staff would be pleased to answer any questions that you may have about the draft financial statements for 2010.

31 May 2011
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ATTACHMENTS