

TORONTO COACH TERMINAL INC. REPORT NO.

MEETING DATE: June 24, 2014

SUBJECT: Exemption from Audit Requirements

ACTION ITEM

RECOMMENDATION

It is recommended that the Shareholder consent, by signing the attached resolution, to exempt the Toronto Coach Terminal Inc. ("TCTI") from an external financial audit for the fiscal year ending December 31, 2014, as the change in TCTI's business model has significantly reduced the number and variety of financial transactions such that an external audit would not be beneficial.

BACKGROUND

At the annual general meeting held on June 24, 2013, the Shareholder approved the discontinuance of the external financial audit of the Toronto Coach Terminal Inc. ("TCTI") effective January 1, 2013.

DISCUSSION

Effective July 8, 2012, TCTI entered into a lease agreement with Greyhound and Coach Canada Toronto Operations Ltd. (GACCTO) for the use of the entire terminal including the retail space, lockers, and parking facilities. Since that date, the terminal has been solely staffed and operated by GACCTO.

The change to TCTI's operations has eliminated the need for an audit as the multiple revenue streams have been replaced with primarily one source of revenue, namely the lease. At the same time, most of TCTI's expenses have been eliminated except for depreciation (which is a non-cash expense) and interest expense payable to TTC.

The TCTI by-laws do not specify or require an audit of the annual financial statements and, according to Section 148 of the Business Corporations Act, a corporation is exempt from the audit requirements of the Act if the shareholders consent in writing to the exemption in respect of that year.

There will be annual savings of \$6K in 2014 from discontinuing the TCTI audit.

Staff will continue to prepare and report unaudited financial statements annually for TCTI and the external financial audit of TCTI's subsidiary, Toronto Transit Commission Insurance Company Limited, will continue.

RESOLUTION OF THE SHAREHOLDERS OF
TORONTO COACH TERMINAL INC.

BE IT RESOLVED THAT Toronto Coach Terminal Inc. (TCTI) is exempt from the external audit requirement as approved by the shareholders at the Annual General Meeting held on Tuesday, June 24, 2014.

The UNDERSIGNED, having the authority to vote on behalf of the Shareholder as per the proxy approved by the TTC Board at its meeting on December 19, 2013, hereby signs the foregoing resolution which is in accordance with Section 148 of the Business Corporations Act, wherein the Corporation is exempt from the audit requirements of the Act if the shareholders consent in writing to the exemption in respect of that year.

DATED this 24th day of June, 2014

John Parker (pursuant to the proxy)