

TORONTO TRANSIT INFRASTRUCTURE LTD. REPORT NO.

MEETING DATE: JUNE 24, 2011

SUBJECT: FINANCIAL STATEMENTS OF TORONTO TRANSIT
CONSULTANTS LIMITED (TTCL) FOR THE YEAR ENDED
DECEMBER 31, 2010

ACTION ITEM

RECOMMENDATION

It is recommended that the Board approve the attached financial statements of Toronto Transit Consultants Limited (TTCL) for the year ended December 31, 2010 and forward the approved financial statements to the Shareholder for information.

DISCUSSION

The attached financial statements are the final annual financial statements for TTCL as, effective March 21, 2011, the Company changed its name to Toronto Transit Infrastructure Ltd. (TTIL). The financial statements are unaudited as there has been only limited activity in the Company since TTCL effectively ceased operations on December 31, 1997.

Approval of the 2010 financial statements should be signified by the signature of the Balance Sheet by a Director of the Company.

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Attachment

(Unaudited)
Financial Statements of

TORONTO TRANSIT CONSULTANTS LIMITED

Year ended December 31, 2010

TORONTO TRANSIT CONSULTANTS LIMITED

Balance Sheets (Unaudited)
As at December 31

	2010	2009
	(\$)	(\$)
ASSETS		
Current assets		
Cash (note 3)	161,262	160,384
..	171	28
	<u>161,433</u>	<u>160,412</u>

SHAREHOLDERS' EQUITY

Shareholder's equity

Capital stock

Authorized: unlimited number of common shares

Issued: 1,000 common shares

100,000 100,000

Retained earnings

61,433 60,412

161,433 160,412

See accompanying notes to the financial statements

On behalf of the Board:

_____ Director

TORONTO TRANSIT CONSULTANTS LIMITED

Statements of Income and Retained Earnings (Unaudited)
Years ended December 31

	2010	2009
	(\$)	(\$)
REVENUE		
Interest income	1,061	577
Total revenue	1,061	577
EXPENSES		
Miscellaneous	40	40
Total expenses	40	40
Net income	1,021	537
Retained earnings, beginning of year	60,412	59,875
Retained earnings, end of year	61,433	60,412

See accompanying notes to the financial statements

TORONTO TRANSIT CONSULTANTS LIMITED

Cash Flow Statements (Unaudited)
Years ended December 31

	2010	2009
	(\$)	(\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received, net of service charges	878	721
Cash, beginning of year	160,384	159,663
Cash, end of year (note 3)	161,262	160,384

See accompanying notes to the financial statements

TORONTO TRANSIT CONSULTANTS LIMITED

Notes to Financial Statements (Unaudited)

Year ended December 31, 2010

1. NATURE OF OPERATIONS

Toronto Transit Consultants Limited (the "Company") is incorporated under the Canada Business Corporations Act and is a wholly-owned subsidiary of the Toronto Transit Commission (the "Commission"). The Company provided professional services in connection with urban transit systems worldwide up until December 31, 1997. Since then the Company's activity has been limited. In March 2011, subsequent to year-end, the shareholder resolved to reactivate the Company and change its name to Toronto Transit Infrastructure Limited (see note 6).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for profit-oriented organizations.

(b) Revenue Recognition

Interest revenue is recognized on an accrual basis.

3. CASH

Cash consists entirely of bank-held funds.

4. RELATED PARTY TRANSACTIONS

The Company's operating costs are initially paid by, and subsequently reimbursed to, the Commission.

5. INCOME TAXES

Until 2000, the Company was subject to both provincial and federal taxes. The eligibility to receive grants rendered the Company taxable. In order for the Company, a subsidiary of a Canadian municipality, to become taxable, the Commission's Chief General Manager was granted an option to acquire one share of the Company. From 2000 to 2010, while the Company was inactive and was unlikely to require the advantage of receiving federal grants, it was in the Company's best interest to be tax exempt. In order to change its tax status, the option to purchase a share was eliminated effective January 1, 2000.

6. SUBSEQUENT EVENT

On March 8, 2011, the Company's shareholder resolved to reactivate the Company for the limited purpose of providing assistance and advice to the TTC with respect to the City of Toronto Subway Project. The shareholder also resolved to amend the name of the Company, effective March 21, 2011, from Toronto Transit Consultants Limited to Toronto Transit Infrastructure Limited.