

TORONTO TRANSIT INFRASTRUCTURE LTD. REPORT NO.

MEETING DATE: June 24, 2014

SUBJECT: Financial Statements of Toronto Transit Infrastructure Limited (TTIL) for the Year Ended December 31, 2013

ACTION ITEM

RECOMMENDATION

It is recommended that the Board:

1. Approve the attached financial statements of Toronto Transit Infrastructure Limited (TTIL) for the year ended December 31, 2013;
2. Forward a copy of the approved financial statements to the Shareholder for information; and to the City Manager, in accordance with the May 8, 2012 City Council directive.

BACKGROUND

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.

DISCUSSION

The financial statements for the year ended December 31, 2013 are submitted for approval. Formal approval should be signified by the signature of a Director on the Statement of Financial Position.

Staff would be pleased to answer any questions that you may have about the financial statements for 2013.

(Unaudited)
Draft Financial Statements of

TORONTO TRANSIT INFRASTRUCTURE LIMITED

Year ended December 31, 2013

TORONTO TRANSIT INFRASTRUCTURE LTD

Statement of Financial Position (Unaudited)

As at	Dec 31 2013	Dec 31 2012
	(\$)	(\$)
FINANCIAL ASSETS		
Cash (note 2d)	1,005	1,161
Total Financial Assets	1,005	1,161
LIABILITIES		
Accounts payable	7	46
Total Liabilities	7	46
Net Financial Assets	998	1,115
Accumulated Surplus (note 5)	998	1,115

See accompanying notes to the financial statements

On behalf of the Board:

Director

TORONTO TRANSIT INFRASTRUCTURE LTDStatement of Operations and Accumulated Surplus (Unaudited)
Years ended December 31

	2013	2012
	(\$)	(\$)
REVENUE		
Interest Income	14	23
Miscellaneous Revenue	-	991
Total Revenue	14	1,014
EXPENSES		
Miscellaneous Expenses	131	446
Total Expenses (note 4)	131	446
Annual Surplus/(Deficit)	(117)	568
Accumulated Surplus, beginning of year	1,115	547
Accumulated Surplus, end of year	998	1,115

See accompanying notes to the financial statements

TORONTO TRANSIT INFRASTRUCTURE LTD

(incorporated under the laws of the Province of Ontario)

Statement of Cash Flows (Unaudited)

Years ended December 31

	2013	2012
	(\$)	(\$)
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Cash paid to employees	-	(1,591)
Cash paid to the government and suppliers	(170)	(578)
Cash received from government	-	991
Cash received for interest	14	23
Net cash flows (used in) operating activities	(156)	(1,155)
Net (decrease) in cash during the year	(156)	(1,155)
Cash, beginning of year	1,161	2,316
Cash, end of year	1,005	1,161

See accompanying notes to the financial statements

TORONTO TRANSIT INFRASTRUCTURE LIMITED

Notes to Financial Statements (Unaudited), page 1

Year ended December 31, 2013

1. NATURE OF OPERATIONS

Toronto Transit Infrastructure 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 was initially incorporated as the Toronto Transit Consultants Limited and provided professional consulting services in connection with urban transit systems worldwide. These operations ceased December 31, 1997. 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.

2. SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of Presentation**

These financial statements are prepared in accordance with the Public Sector Accounting Handbook. The Company follows the recommendations of Section PS 1201 - Financial Statement Presentation. Financial statement presentation for assets and liabilities is based on the concept of net debt. A Statement of Change in Net Debt has not been presented as the Company does not have any non-financial assets. Therefore, the presentation of a Statement of Change in Net Debt would not provide any information that could not be obtained from the Statement of Financial Position or the Statement of Operations and Accumulated Surplus.

(b) Measurement uncertainty

The preparation of the financial statements in conformity with Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

(c) Revenue Recognition

Interest revenue is recognized on an accrual basis.

(d) Cash

Cash consists of funds on deposit with a chartered bank.

3. INCOME TAXES

Pursuant to section 149(1)(d) of the Income Tax Act (Canada), the Company is exempt from

federal income tax. As a result, no tax provision has been recorded in these financial statements.

TORONTO TRANSIT INFRASTRUCTURE LIMITED

Notes to Financial Statements (Unaudited), page 2

Year ended December 31, 2013

4. EXPENDITURES BY OBJECT

The following table provides a breakdown of the statement of operations by expenditure object:

<u>Expenses</u>	<u>2013</u>	<u>2012</u>
Wages and Payroll Expenses	-	133
Miscellaneous	131	313
Total Expenses	131	446

5. ACCUMULATED SURPLUS

The accumulated surplus includes 1,000 common shares with a par value of \$100 each.

	<u>2013</u>	<u>2012</u>
Retained (Deficit)/Earnings	(99,002)	(98,885)
Capital Stock	100,000	100,000
Accumulated Surplus	998	1,115