

Background – Borrowing

- As part of Waterfront Toronto's annual long-term investment planning process, Management identified a need for bridge financing in order to cover working capital shortfalls.
- In August 2015 Waterfront Toronto received tri-government consent to borrow a principal amount up to \$40 million from one or more qualified lenders, for a term not to exceed beyond March 31, 2020.
- In September 2015 Waterfront Toronto secured a loan facility from CIBC of up to \$40 million at a rate of prime less 0.25% (2.7%), mortgaging Waterfront Toronto-owned lands (such as Quayside) as security.
- Waterfront Toronto has drawn down on the facility only once in late 2015 (fully repaid).
- Certain reporting and financial covenants are required to be maintained as part of the credit agreement with the lender and the consent with governments. Waterfront Toronto is in compliance with these requirements.

Quarterly Cash Flow Forecast Overview

- In order to proactively manage the risk related to timing of cash flows, Waterfront Toronto prepares cash flow forecasts on a monthly basis and monitors it closely in periods where cash becomes critical.
- As Waterfront Toronto continues to rely on revenues to fund certain expenditures, the timing for realizing revenues is expected to result in the Corporation borrowing for a period of approximately 20 to 24 months starting Q4 2017/18.
- The attached cash flow forecast covers a period of 42 months to December 2021 to reflect the period when the Corporation would have realized sufficient revenues to repay the borrowing and meet all of its obligations. Currently this is expected in Q4 2019/20.
- The quarterly cash flow forecast is provided to the FARM Committee and Board for information purposes as well as to the lender to meet reporting requirements.

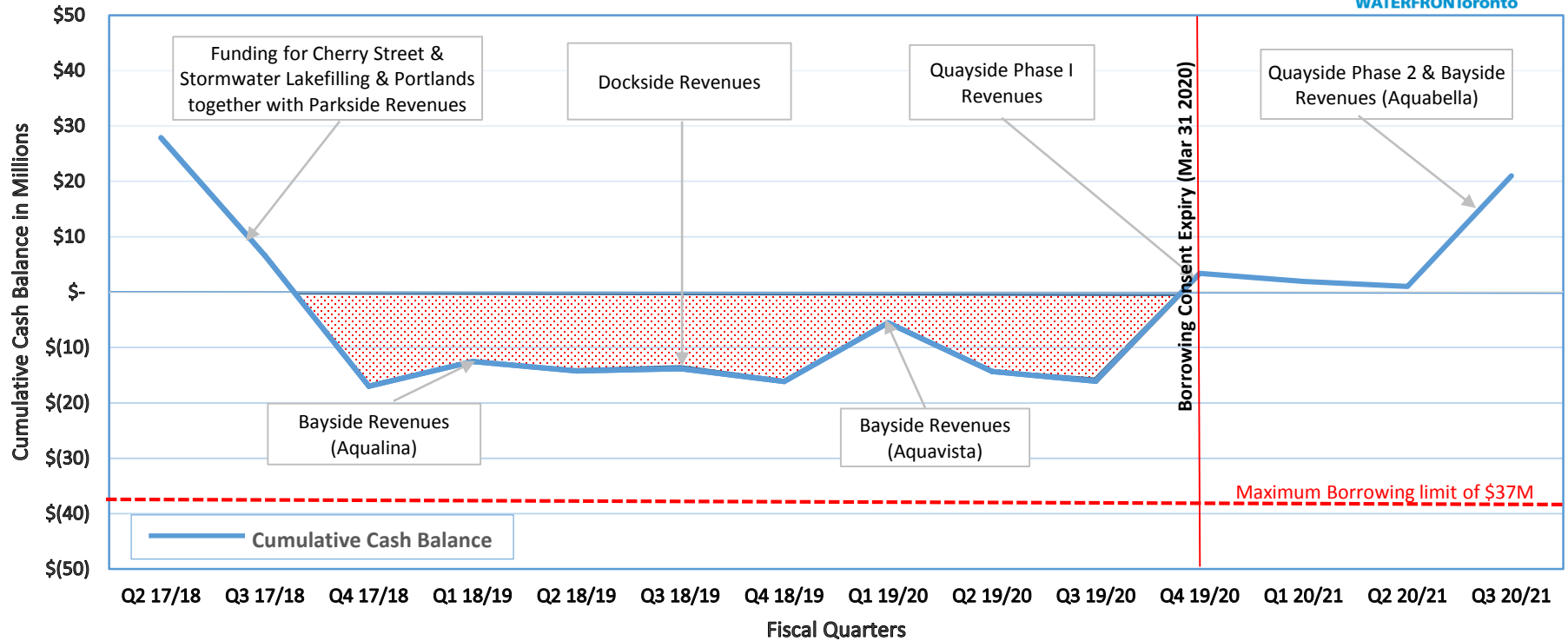
Q2 2017/18 Cash Flow Forecast Update

- The balance of cash comprises cash and unrestricted investments.
- Funding and expenditures for Port Lands Flood Protection & Enabling Infrastructure project are not included as part of this forecast.
- The next forecasted borrowing requirement is projected in Q4 2017/18 totaling approximately \$17 million with full repayment anticipated by Q4 2019/20.
- The available borrowing limit reduced from \$40 million to \$37 million is as a result of a \$3 million Letter of Credit (LC) issued to the Department of Fisheries and Oceans for the Cherry Street Stormwater and Lakefilling project.
- Cash inflows expected to be realized during FY 17/18 to FY 20/21 aggregate \$260M and are primarily made up of the following:
 - Land related revenues totaling \$125M primarily for Quayside and Bayside;
 - Government contributions totaling \$110M primarily for Cherry Street Stormwater and Lakefilling project; and
 - Other East Bayfront revenues i.e. Section 37, Parkland dedication and Stormwater Infrastructure totaling \$22M.

Committee Action Required

None

Cash Flow Forecast July 2017 to December 2021



In \$ Millions	Q2 17/18	Q3 17/18	Q4 17/18	Q1 18/19	Q2 18/19	Q3 18/19	Q4 18/19	Q1 19/20	Q2 19/20	Q3 19/20	Q4 19/20	Q1 20/21	Q2 20/21	Q3 20/21
Cash Inflow	15.1	26.8	28.3	33.4	14.2	23.9	34.0	16.3	2.6	2.1	36.7	0.8	0.1	45.7
Cash Outflow	26.3	48.0	51.9	28.9	15.9	23.5	36.3	5.7	11.4	3.8	17.2	2.2	1.0	25.7
Net Cash Change	(11.2)	(21.3)	(23.6)	4.5	(1.7)	0.4	(2.3)	10.6	(8.8)	(1.7)	19.5	(1.5)	(0.9)	20.0
Balance	27.9	6.6	(17.0)	(12.5)	(14.2)	(13.8)	(16.1)	(5.5)	(14.3)	(16.1)	3.4	1.9	1.0	21.0