

# CFO Financial Report

Board Meeting  
January 30, 2008



WATERFRONToronto

# Q2 2007/08 Financial Statements

Quarter Ended  
September 30, 2007



WATERFRONToronto

## Q2 2007/08 Financial Statements

- Final Financial Statements for quarter ending September 30, 2007 have been included in Board package for review and approval
- These have been reviewed by the Corporation's external auditors and were approved by the Audit Committee January 9, 2008
- The results differ slightly from that presented to the Board in Nov/07 as a result of finalizing the accounting treatment for the Essroc business relocation transaction
- Management is accounting for all of the Corporation's present and future obligations (total \$10.2M) as an expense in the current period
- Previously management had expensed only the present obligations of \$8.7M
- As a result, the Corporation's expenditures increased by \$1.5M (to \$40.7M) and deferred contributions decreased by \$1.5M from previously reported to the Board

## Resolution

That the financial statements for the quarter ended September 30, 2007 be approved by the Board of Directors.

# Q3 2007/08 Preliminary Financial Results

Quarter Ended  
December 31, 2007



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## Q3 2007/08 Preliminary Financial Results

- The financial statements for the quarter ending December 31, 2007 are currently being reviewed by the Corporation's external auditors and have not been reviewed or approved by the Audit Committee
- As such the following results are preliminary

## Dec 31/07 Preliminary Financial Position - Highlights

- The cash balance at Dec 31/07 increased to \$56M, up from \$37.0M at the start of the year
  - This is due largely to funding from the City of Toronto in December covering Q3, Q4 (\$21.5M) and also WT's contribution for Waterpark Place of \$12.5M received in December
  - Management expects most of this funding to be spent by Mar 31/08
- Capital Assets have increased \$12.5M to \$39.5M due largely to two land acquisitions during the quarter (5 Lower Sherbourne and 54 Commissioners St)
- Deferred Contributions have increased to \$41.7M from \$26.6M over the same period due to the increase in cash, above

## Q3 Preliminary Financial Activities - Highlights

- Year to date expenses for the third quarter were \$58.2M compared with a budget of \$80.7M (excludes land acquisition).
- Design, Approval, & Site Preparation costs of \$7.2M remained \$15.6M under budget for the third quarter and accounted for the largest portion of the \$22.5M budget to actual variance in the quarter.
- Not all projects that have been delayed are expected to get back on track in Q4 (see next slide for revised forecast 2007/08).
- Land acquisition costs totalled \$12M and were \$9.7M under Q3 YTD budget as budget (total \$21.8M) assumed two additional strategic acquisitions which did not take place.



## Forecast Fiscal 2007/08

- Expenses for fiscal 2007 / 2008 are projected at \$102M including land of \$12M, vs. \$162M originally budget (including land of \$40.2M. The variance of \$60M largely comprises the following:
  - \$28.2M for land (timing)
  - \$7.0M for PL Permanent Beautification (timing)
  - \$2.7M for Essroc business relocation (permanent savings)
  - \$2.0M for Union Station (timing)
  - \$2.0M WDL – Bridge Enlargement (permanent savings)
  - \$5.0M Port Union Waterfront (timing)
  - \$2.0M District Energy (timing)
- This compares to total 2006/07 spending of \$62.1M including land of \$15M.

## Finance & Risk Management Committee Update

- The Performance Management Process was presented to the Finance & Risk Management Committee (FRMC) on December 17, 2007 which focused on the Sustainability Measures, a vertical slice of the process.
- FRMC agreed with the approach and cautioned management to avoid using too many objectives making the process difficult to administer.
- The next steps of the Sustainability Performance Management includes developing a process and implementation plan, i.e. data collection and validation perhaps by using pilot project.
- As part of the Performance Management Process, Waterfront Toronto also intends to develop business unit objectives incorporating overall corporate objectives and plans to present it to the Board on Feb. 24, 2008.