

### **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 of 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% (2.45%), 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**

- 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 more on revenues rather than government funding, the timing for realizing revenues is expected to result in the Corporation borrowing for a period of time, approximately 12 to 15 months starting Q4 2017/18.
- The attached Cash Flow Forecast covers a period of 36 months to March 2020 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 Q3 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.

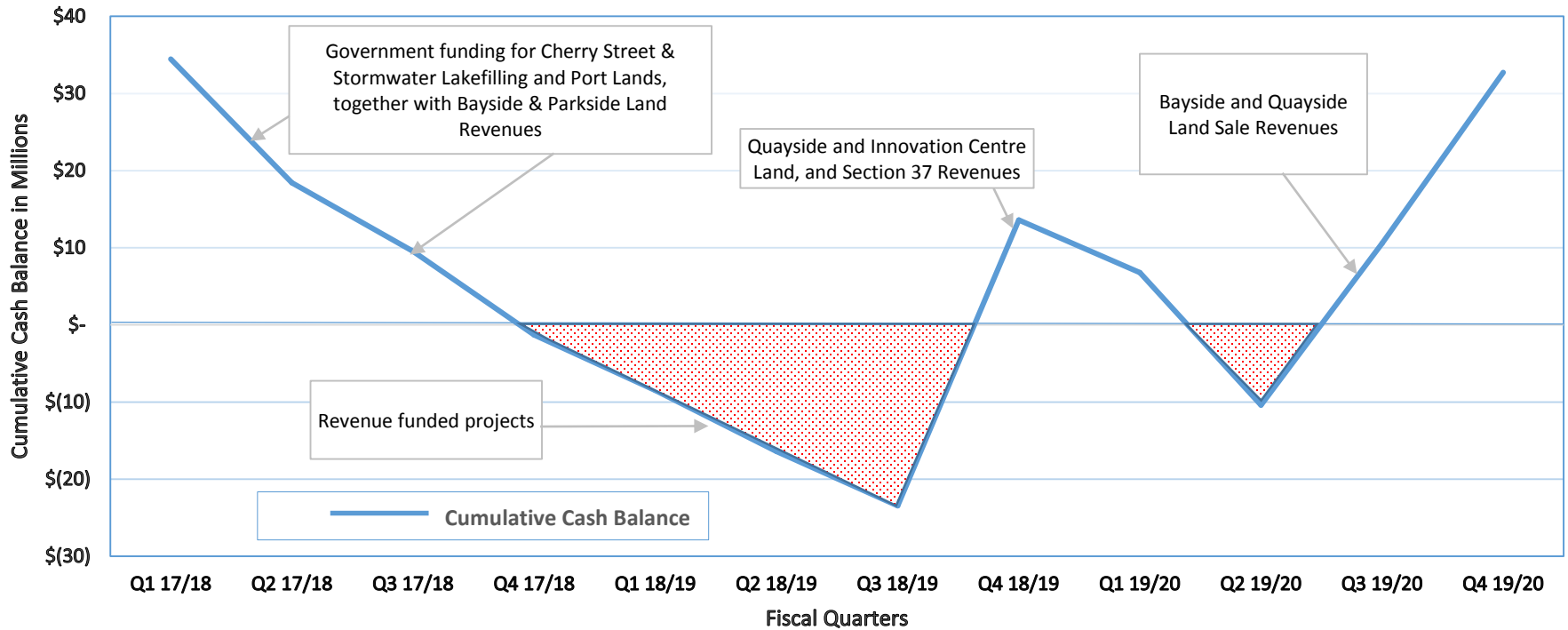
### **Q1 Cash Flow Forecast Update**

- The balance of cash comprises cash and unrestricted investments.
- The next forecasted borrowing requirement is projected in Q4 17/18 totaling approximately \$1.3M. Additional borrowing of up to \$23.5M will be required in fiscal 2018/19 with full repayment anticipated by December 2019. The additional borrowing is primarily required for certain non-government funded projects (such as land acquisitions, stormwater infrastructure and Bayside water's edge infrastructure), revenues for which are expected to be realized in future years.
- Revenues for fiscal years 2017/18 to 2019/20 aggregate a total of \$255M and are primarily comprised of the following:
  - Government contributions totaling \$114M primarily for the Cherry Street Stormwater and Lakefilling Project.
  - Waterfront Toronto-owned land sales in Quayside totaling \$56.6M between FY 18/19 and FY 19/20.
  - City-owned land sales in East Bayfront generating cash of \$41.5M between FY 17/18 to FY 19/20.
  - Other East Bayfront revenues, i.e. Section 37 and Parkland dedication totaling \$15.1M.
- Expenditures – The cash flow forecast assumes spending 100% of the planned expenditures per the approved 2017/18 Annual Corporate Plan totaling \$260M for fiscal years 2017/18 to 2019/20.

### **Committee Action Required**

None

## Cash Flow Forecast April 2017 to March 2020



In \$ Millions	Q1 17/18	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
Cash Inflow	19.0	19.3	35.1	25.0	12.2	11.8	11.8	55.7	9.6	2.3	30.7	25.9
Cash Outflow	15.9	35.3	44.0	35.9	19.4	19.8	18.8	18.6	16.5	19.5	9.8	3.8
Net Cash Change	3.2	(16.0)	(8.9)	(10.8)	(7.2)	(8.0)	(7.0)	37.1	(6.8)	(17.2)	21.0	22.2
Balance	34.5	18.4	9.5	(1.3)	(8.5)	(16.4)	(23.5)	13.6	6.8	(10.4)	10.6	32.7