

Toronto
Port
Authority



Administration
Portuaire
de Toronto

MEMORANDUM

To: File

From: Alan J. Paul, Vice-President & CFO

Date: December 28, 2007

Re: Approved 2008 Operating and Capital Budgets



605-H-1

Please find enclosed an approved version of the 2008 Operating and Capital Budgets.



TORONTO PORT AUTHORITY
2008 Business Plan and Operating & Capital Budgets

“Building Blocks”

Introduction

Corporate Objectives

The following are the 2008 corporate objectives to support the 2008 Business Plan of the Toronto Port Authority.

1. Commence efforts to develop 30 Bay Street/60 Harbour Street through an RFP process;
2. Facilitate provision of US Customs at TCCA if requested by air carrier;
3. Procure an Engineering/Master Plan for the Outer Harbour Marina;
4. Engage in Marketing efforts directed at existing and potential Port Users and Customers;
5. Continue to pursue short-sea shipping and containers with Logistec Stevedoring;
6. Continue to market Great Lakes through Cruising Coalition; and
7. Complete an Employee Satisfaction Survey.

The title for the 2008 Business Plan is “Building Blocks”. The Toronto Port Authority has an opportunity to maximize the value of its land and water assets in 2008 and that will be management’s focus for the year. This supports the short-term objectives provided in the Strategic Plan.

The Corporate Objectives listed above seek to advance the TPA in 2008 to maximize the assets and the 2008 Budget provides the resources to do that.

Draft 2008 Operating & Capital Budgets

The 2008 Operating Budget has a bottom line cash profit of \$2,527,357, including \$2.519 million in Operating Payments to be received from the Toronto Economic Development Corporation/City of Toronto in 2008. The Operating Budget supports the Corporate Objectives listed above. The 2008 Capital Budget totals \$3,307,800, with an additional \$10,153,000 for the years 2009 to 2012 for State of Good Repair Projects. The Capital Budget not including Airport Capital projects of \$1,815,000 is \$1,492,800. The Airport Capital projects are funded by the \$15 Airport Improvement Fee (“AIF”) charged to Enplaned Commercial Passengers.

Enclosed in this Budget Package are the following:

- Tab A - Summarized Divisions and Departments, presented on a Cash Basis;
- Tab B - Detailed Divisions and Departmental Budgets, including amortization;
- Tab C - Business Statistics, Full-Time Equivalent (FTE’s), Travel Budget and Consulting, Studies & Planning and Legal & Audit Fees;
- Tab D - Capital Budget for 2008 and Five-Year Capital Plan 2008 to 2012;
- Tab E - Cash Flow Forecast/Budget – 2008; and
- Tab F - Pro Forma Statements of Revenue and Expense for 2007 and 2008.

The Operating Budget is presented in a format consistent with the Income Statement in the Audited Financial Statements. The sections are identified by the following colour scheme:

Consolidated TPA	White Pages
Port Operations	Blue Pages and Shading
Outer Harbour Marina	Green Pages and Shading
Toronto City Centre Airport	Yellow Pages and Shading
Property	Lavender Pages and Shading
Investments	Tan Pages and Shading
Corporate Administration	Pink Pages and Shading

On a cash basis, the bottom line for the 2008 Operating Budget is a profit of \$2,527,357, as shown on the Page 1 behind Tab A. The bottom line includes \$2.519 million in Operating Payments to be received from the Toronto Economic Development Corporation/City of Toronto in 2008. This is net of the \$481,365 to be received from the Ship Channel properties under the TEDCO/Port Authority Ground Lease. The Ground Lease rent is included in the Property section of the Budget. The total of the two amounts is \$3,000,000.

The 2008 Operating Budget shows a shift in performance. Port Operations has been strong in 2007, with a projected cash bottom line of \$1,462,511. For 2008, the budgeted bottom line decreases to \$145,298, as activity levels in the Marine Terminals are expected to decrease and Highland Transport, the Marine Terminals intermodal operator, are planning to leave at the end of 2007. Highland’s departure translates into \$1.250 million in lost revenue and a \$750,000 loss to the bottom line. There are a number of opportunities for cargo in 2008, including a large

shipment of windmills bound for Wolfe Island, however, cargo that has not been secured for 2008 is not included in the budget.

In contrast to the Port Operations budget, the Toronto City Centre Airport budgeted cash bottom line improves by \$1.606 million over the projection of 2007. Carrier Landing Fees and Airport Improvement Fees (“AIFs”) are the cause of the dramatic improvement. The numbers for Revenue Landings and Passengers are budgeted to increase in 2008 with the addition of two new Bombardier Q-400’s and Newark as a destination for Porter, starting in June 2008. Scheduled commercial airline passengers are budgeted to increase from a projected 272,706 in 2007 to a budget of 328,685 in 2008. There are 19,425 enplaned passengers for Newark included in the 2008 Operating Budget. This means the \$15 Airport Improvement Fee will be charged to an estimated 164,343 Enplaned passengers, representing \$2,465,145 in revenue.

The 2008 Operating Budget is included in Tabs A & B. Please note that Tab A is a summarized version of Tab B, with totals for revenues and expenses. Tab B provides a breakdown of the revenues and expenses.

Please note as well, that there is a chart or road map at the back of Tab A, which provides a breakdown of the Divisions, Departments and Profit & Cost Centres and illustrates the “drill-down” in the Operating Budget.

The divisional breakdown is Port Operations, Outer Harbour Marina, Toronto City Centre Airport, Property Rental, Investment and Corporate.

Major Assumptions

Following are the major assumptions in the 2008 Business Plan and Budget:

- Toronto Port Authority will receive the Operating Payments from either TEDCO or the City of Toronto;
- The Payments-in-lieu of Taxes (“PILTs”) Panel Hearing will take place in March 2008. The Panel will determine that the Port Authority was reasonable in determining an amount to pay the City of Toronto and will advise the parties accordingly. The City will ignore the Panel decision and refuse to pay the outstanding Capital Payments, which will be \$8.5 million on January 1, 2008. The Port Authority will take the matter to court to enforce the Settlement Agreement. The matter will not be resolved in 2008, therefore there will be no Capital Payments, PILTS, Harbour User Fees or other amounts paid by either party to the other in 2008; and
- The Port Authority will not be awarded any funding from the Transport Canada Airport Capital Assistance Program (“ACAP”) in 2008 and will therefore have to self-fund all of the budgeted Capital purchases for the Toronto City Centre Airport in 2008.

General Assumptions

The forecast economic growth for Canada in 2008 is 2.5%, according to the Conference Board of Canada. Also, inflation is forecast to be between 2.2% and 2.5% in 2008. These increases have been reflected in the Draft 2008 Operating Budget.

It is not expected that the Bank of Canada will make an interest rate move until the second half of 2008. For the purposes of this budget, it is forecast that interest rates will remain relatively flat in 2008. It is also anticipated that the effects of the downturn in the U.S. economy will not spill over to Canada's economy until late 2008.

The Business activity for the Toronto Port Authority for the 2008 Operating Budget is found behind Tab C, Schedule A. This table shows several categories of Business Statistics, by Division and Business Unit. The forecasted Business Statistics for 2008 form the basis of the revenues and expenses in the 2008 Operating Budget.

For example, the total number of scheduled Commercial Airline Passengers at the TCCA is forecast to be 328,385 in 2008, as shown near the bottom of Schedule A. This number has been calculated by doubling 164,343 Enplaning passengers, which are one way. The Airport nets \$13.95 in AIF, after the Carrier handling fee of 7%. Page 2 of Tab C, Schedule A provides details on the three Porter Airlines routes in the 2008 budget; Ottawa, Montreal and Newark. The total amount budgeted by the Port Authority is shown, as well as the numbers provided by Porter.

In terms of staff, the number of Full-Time Equivalent Employees or (FTE's) is shown in Tab C, Schedule B. This Table shows that the number of FTE's is budgeted to increase in 2008 to 106.6, from 102.5 in 2007. The main reason for the increase is that the Airport will require additional ferry crewing and firefighters in 2008. Three new Marine Mates will be hired early in 2008 to improve ferry service and three new Firefighters are required for the second Fire Truck, expected to arrive in September 2008. FTE's will decrease in Port Operations by 3, as Highland Transport is expected to leave by the end of 2007. There were two new hires in Corporate Administration during 2007; a Records Administrator and a Financial Analyst, both of which were approved during the 2007 budget process.

The table breaks each division down into four different categories: Management and Non-Union, Full-Time Union, Part-Time Union and Contracts/Casuals.

The general increase in revenues in the Operating Budget is 4%. This increase has been applied to most Fees and Charges in Port Operations, including Terminal Handling Charges, Cargo Dues, Berthage and Storage.

A 4% increase has also been applied to Summer Berthing rates at the Outer Harbour Marina which represents a \$30,000 increase in revenue. A 4% increase in Winter Storage rates will also be implemented.

At the Toronto City Centre Airport, the Deficiency Model for Carrier Landing Fees is in place along with a \$15 Airport Improvement Fee ("AIF"). The AIF is the source of revenue that

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will pay down the \$15 million in debt financing for the new TCCA Ferry and Ferry Infrastructure. It will also fund other Capital expenditures at the Airport including equipment purchases and airside capital projects that will be required in the next few years.

On the expense side, an inflation rate of 2.5% has been applied to the materials and supplies for purchase by the Toronto Port Authority in 2008. Also, a general 5% increase has been built into the Operating Budget for insurance premiums. There are also increases of 11% for water and 5% for hydro and natural gas. Fuel costs, gasoline and diesel have also been adjusted to reflect inflation.

There is no budgeted increase in either Salary Ranges or Job Rates for Non-Union employees in 2008. There is also no general percentage increase in Salaries included in the Budget. There is a small amount included for proposed adjustments to employees below the Job Rate for their position. In addition, there is an amount in the budget for potential improvements to Health Benefits. Management will be performing an Employee Satisfaction Survey early in 2008, and would seek input from Non-Union employees on the types of Health Benefits they would wish to see improved. The total amount of these items is budgeted for \$37,800, representing 1.9% of total Salary. All of these matters will be discussed with the Governance, Nominating and Human Resources Committee in early 2008.

In terms of labour costs, the 2008 Operating Budget does not include an increase for CUPE 416. The existing contract with CUPE 416 expires December 31, 2007. Due to the confidential nature of this issue, this matter will be discussed in more detail during the presentation of the Budget to the Audit & Finance Committee. For the two International Longshoreman's Associations (Local 1842 and Local 1869) that work at the Marine Terminals, the increase is 2.50% as per the current contracts.

The Operating Budget includes an assumption with respect to Pension Plan issues. Again due to confidentiality, this will be discussed in more detail in the Audit & Finance Committee meeting. The Budget also includes the estimated Pension Accounting expense provided by the Pension Actuary. This entry is normally booked at year-end, however it has been included as a Budget item for 2008.

The renewal for Health Care Benefits for 2008 has increased by only 0.35%. This is a positive result, given that the current trend in percentage increases are often double digit.

The 2008 Travel Budget is provided in Tab C, Schedule C and totals \$76,500 for staff and \$20,000 for the Board of Directors. The Schedule provides details on individuals, destinations, reason for travel and estimated cost.

Also behind Tab C is Schedule D, which provides details of the Consulting, Studies and Planning budget and Schedule E, which provides details on the Legal & Audit Fees budget.

Port Operations (Blue)

The budgeted Net Profit on a Cash Basis for Port Operations is \$145,298 as shown on Page 1 behind Tab A. Port Operations is broken down into smaller departments and business units on Page 2.

Harbour Maintenance is the first business unit listed under Port Operations. This business unit, found on Page 3 (blue), behind Tab B, includes revenues for Harbour User Fees and other fees associated with the Harbour, such as berthing fees for Tour and Charter vessels and Harbour Licenses or Permits. On the cost side, this unit includes expenses required to maintain the Harbour, such as harbour cleaning, dredging and placing navigational markers. These costs are reported in the Maintenance and Repairs line. Also, included in this unit are the costs of the Harbour Master's office.

The 2008 budgeted cash loss for Harbour Maintenance is \$598,966. The loss is budgeted to increase from 2007 by \$5,732. There are no increases budgeted for Harbour User Fee rates in 2008.

The next business unit, Industrial Shipping, is a Profit Centre that includes items associated with large ships; cargo dues, berthing, shore power and ship's water service. Cargo Dues credited to this business unit are billed for cargoes that cross a non-TPA dock; such as sugar to Tate & Lyle (Redpath Sugars) and salt to the docks in the Ship Channel. The TPA charges a rate per ton for use of its waterway, which must be kept open, marked and safe. The commodities are shown at the top of Schedule A in Tab C, under Bulk (Non TPA Terminals). For 2008, Cargo Dues are budgeted at \$594,600, as shown in the first line of revenues on Page 4 (blue), behind Tab B.

Industrial Shipping shows a cash profit for 2008 of \$959,120, on revenues of \$1,058,620. This unit has been very consistent and makes a strong contribution to TPA's bottom line.

The next Profit Centre is the International Marine Passenger Terminal ("IMPT"), again shown on a cash basis on Page 2 of Tab A. This facility was utilized by the Rochester Fast Ferry in 2005, until the City of Rochester decided to discontinue the service. Despite the shut down in service the Rochester Ferry Company (wholly-owned by the City of Rochester) continues to pay TPA the base amount of \$250,000 per annum. 2008 will be the fourth year of a fourteen year agreement between the Ferry Company and the TPA for the IMPT. To date, Rochester has not solidified their plans for the future, however, a meeting is scheduled with the City of Rochester for November 28, 2007 to discuss this issue.

The IMPT has been utilized extensively in 2007 as a film location. A CBC series called "The Border" has been in the facility since July 2007 and will stay until at least December 2007. This additional revenue projected to be \$175,000 for 2007, has had a positive impact on the bottom line. Although there is a possibility that "The Border" will ask to stay on in the facility in 2008, the budget does not include this potential revenue.

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There are no cruise ships expected to call in 2008. The largest cruise ship that visits Toronto, the "Columbus" will be in dry-dock in 2008. The details of the IMPT are found on Page 5 (blue), behind Tab B.

A summary for Marine Terminals is the next group on Page 2, behind Tab A. For the 2008 Operating Budget, it is forecast that the Marine Terminals will show a cash loss of \$620,356. The loss of Highland Transport, the intermodal operator at the Marine Terminals, translates into \$1.250 million in lost revenue and a \$750,000 loss to the bottom line. Management will be working with the Terminal Manager, Logistec Stevedoring to pursue new opportunities to replace Highland in 2008. The budget does not include revenue from other potential customers.

The details of the Marine Terminals business unit can be found on Page 3, in Tab A. The Unit is broken down into four main profit centers: Marine Cargo, Container Services, Intermodal and Terminal Shipping.

In the Marine Cargo Profit Centre, truck loading and storage are services provided to customers with Break-Bulk or General Cargo, such as steel or project cargo. In 2006 and 2007, sugar bound for Redpath Sugars, was also handled at the Marine Terminals. This is shown in the Business Statistics, Schedule A, behind Tab C under TPA Marine Terminals. The Bulk Cargo listed at the top of the Schedule represents cargo at Non-TPA Terminals in the Port of Toronto. These are described above as part of Industrial Shipping.

Cargoes at the TPA Marine Terminals include Bulk and Break-Bulk. For the 2008 Operating Budget 25,000 tonnes of Steel Products, 7,000 tonnes of Project cargo and 4,000 tonnes of Unitized/Miscellaneous cargo are budgeted. Also, 50,000 tonnes of sugar are expected to be offloaded and stored at the Marine Terminals, before going to Redpath Sugar. Marine Cargo is budgeted to have a bottom line profit of \$362,274 in 2008.

Container Services is the "stuffing and destuffing" of commodities, such as lumber and steel into and out of containers, for shipment. A large source of revenue earned in Container Services has been from refrigerated container units plugged into TPA Reefer Units on site. The TPA charges customers for hydro, as well as for monitoring the units to ensure they remain refrigerated. With Highland Transport expected to leave at the end of 2007, the TPA will lose the revenues from the container power outlets. Container Services are budgeted to have a bottom line cash profit of \$223,906 in 2007 with 18,000 container tonnes budgeted for 2008.

As discussed above, Highland is expected to leave at the end of 2007. Revenue of \$42,165 representing the Container Levy for the notice period is budgeted for 2008.

Terminal Shipping describes the services provided to ships, while berthed at the Marine Terminal docks. This includes providing shore power and a fresh water service to ships. The revenue also includes Cargo Dues, which are charged on the same basis as Cargo Dues in Industrial Shipping above. It is a rate per ton charged on cargo that comes through the waterway or harbour, and in this case crosses the TPA's Marine Terminal docks.

The other groups of expenses as shown on Page 3, Tab A are the Cost Centres to support Marine Terminal Profit Centres. These are the Equipment Maintenance Centre, where repairs to

equipment are performed, a Facilities Cost Centre that includes the cost of maintaining the buildings and surfaces, and other costs listed as Marine Terminals – Other.

The bottom line loss budgeted for Marine Terminals of \$620,356 in 2008 will not produce a profit share for Logistec. The Logistec management fees are therefore budgeted at \$200,000, which is the base amount payable by the TPA pursuant to the contract.

The Works & Environmental Services department provides maintenance and repairs to all of the other divisions and departments in the TPA, as well as to external customers.

Work orders are used to charge out time and these are tracked and compiled using a Job Cost system. All of the costs to run the Works & Environmental Services department are charged out using this system, with the goal of hitting a break-even bottom line. Including amortization Works and Environmental Services is budgeted to break-even in the 2008 Operating Budget, Tab B Page 14 (blue). This confirms that the cost of service to other departments and customers is being charged out at the appropriate level for 2008.

The next two departments on Pages 15 and 16 (blue) have been phased out.

Outer Harbour Marina (Green)

The 2008 Operating Budget for the Marina has a bottom line cash profit of \$948,096, Page 1, Tab A. The Budget includes an increase in revenues from Summer Berthing and Winter Storage. The details are found on Page 17 (green) behind Tab B. Maintenance & Repairs are budgeted to increase by \$70,000 in 2008, to start to address overdue repairs to the floating docks and other facilities at the OHM.

In terms of the Business Statistics in Schedule A, behind Tab C, Summer Berthing, Transient customers and Winter Storage numbers are expected to remain relatively flat. The OHM continues to be a consistent money maker for the TPA.

Toronto City Centre Airport (Yellow)

The bottom line Cash Profit for 2008 is budgeted at \$1,034,680. This does not include amortization of \$736,500 or Payments-in-Lieu of Taxes of \$328,685. The details of the Budget are found on Page 18 (yellow) behind Tab B. The cash profit for 2008 continues the improvement over the financial performance of the Airport in past few years. The Airport's cash loss in 2005 was \$1.596 million and in 2006 was \$3.254 million. For 2007, the projected cash loss is \$570,944.

Further details of the Airport numbers are provided on Pages 19 to 24 (yellow), Tab B and on Page 4, Tab A. All of these costs are included in the Airport Deficiency Model.

The Carrier Landing Fee recovery percentage will go up on April 21, 2008, from 55% to 70%. This along with some other adjustments translates into a budgeted increase in Carrier

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Landing Fees in 2008 of \$953,000, from \$2.285 million to \$3.238 million as shown on Page 19, Tab B.

The number of passengers budgeted in the Airport Operating Budget for 2008 is 328,685, as shown in the Business Statistics, Schedule A, behind Tab C. Porter Airlines have provided the TPA with their forecasts for 2008. These can be found on Page 2 of Schedule A, Tab C. Revenue Landings are used to calculate Enplaned Passengers, as every plane landing must also take off. Porter forecasts 252,100 Enplaned Passengers, while the TPA is budgeting for 164,343. The difference of 87,758 represents \$1,316,370 in Airport Improvement Fees. Management has taken a conservative approach to Porter's estimates, with a Load Factor 11.5% lower than Porter's and 1,130 less Revenue Landings.

Newark has been included in the 2008 Budget for a June 1, 2008 start date. Porter forecasts a March 1, 2008 start date. Based on Porter's estimates, they are expecting over 500,000 passengers in 2008. These numbers should be achievable, given that 400,000 scheduled passengers utilized the airport in the mid 1980's, on primarily the same routes.

In order for the airport to break-even, the TPA must be able to meet its debt payments on a monthly basis and pay for other capital items, such as equipment. The Deficiency Model protects the operating side of the finances through Carrier Landing Fees. For capital, the debt payments budgeted for 2008 are \$1.325 million, or \$110,000 per month. At a net AIF of \$13.95 per enplaned passenger, there would only have to be 7,915 enplaned passengers per month, or 15,830 total passengers (both ways). This translates into 189,960 passengers per annum. TPA is budgeting 328,685 and as per above Porter forecasts over 500,000.

On top of that, other capital items will have to be funded, but most of these are eligible for funding through Transport Canada's Airport Capital Assistance Program ("ACAP").

Property Rental (Lavender)

The Property Budget for 2007 is a bottom line cash profit of \$1,041,714. A conservative approach has been taken in budgeting the percentage rent for the restaurant and the parking revenue at 30 Bay St. Included here are the rents from tenants on the Ship Channel properties, pursuant to the TEDCO/TPA Ground Lease. The budget for these rents in 2008 is \$481,365. The details in Property Rental can be found behind Tab B, Page 25 (lavender).

Investments (Tan)

Investment Income for 2008 has a budget of \$331,663. The TPA will be holding a declining balance in cash and cash equivalents in 2008, and with interest rates forecast at 4.25%, this will generate about \$265,000 in interest. The balance of the interest comes from two mortgages held by the TPA for hangars on the airport and for late payment fees.

Corporate Administration (Pink)

The total 2008 Budget for Corporate Administration is an expense of \$3,097,029, on a cash basis, as shown on Page 1 of Tab A. The details of this division can be found on Page 27 (pink), behind Tab B.

Gross Revenue Charge

This is an expense item on Page 1, Tab A, and on Page 1 of the Budget details, Tab B. This is the Charge of Gross Revenue paid to Transport Canada every year pursuant to the Canada Marine Act and the TPA Letters Patent. For 2008 the budgeted amount is \$395,700, which is 2% of the TPA gross revenue up to \$10 million, 4% for revenue between \$10 million and \$20 million and 6% above \$20 million.

Draft 2008 Capital Budget and Five-Year Capital Plan

The Capital Budget in Tab D, provides a breakdown by division and department of the Capital Projects for 2008, and also includes projects in the Five-Year Capital Plan. The total Capital Budget for 2008 is \$3,307,800. There are project descriptions and three columns in Schedule A; one for 2008, another for 2009 through 2012 and a third for the total from 2008 through 2012. There are two categories for Capital Projects in Schedule A and the Five-Year Plan in Schedule B; State of Good Repair Projects (Pages 1 to 5) and also Development Projects (Page 6). Schedule B provides the projects and amounts by individual year.

State of Good Repair Projects include projects that are required to support existing operations and activities at the Toronto Port Authority. These include projects to replace worn-out equipment and vessels, replace computer hardware and software and costs to repair and refurbish buildings, structures and surfaces.

Development Projects are projects that depend on a favourable business case analysis in order to proceed. Development Projects will be assessed at the appropriate time in the future, in order to determine whether the investment has a favourable return on investment or ROI. A minimum ROI of 10% has been used to assess any new business investments.

The purpose for establishing a Five-Year Plan is to replace and refurbish the assets of the TPA over the course of time. Unfortunately, due to the City's non-payment of Capital Funds since 2006, the TPA has not been able to follow the Plan and the same will hold true for 2008. As stated above, it is not expected that the issue of the City's non-payment will be resolved in 2008.

A number of projects in the State of Good Repair category will continue to be deferred. The majority of these are in Port Operations and specifically at the Marine Terminals and the Work & Environmental Services Department. These projects include replacing old and worn out equipment and machines that are used to perform the day-to-day activities of a Port. Repair and Maintenance costs are strained when equipment is not replaced, so the lack of capital funds has a definite impact on the operating results.

The total amount for State of Good Repair Projects in 2008, not including Airport projects which will be funded through the AIF, is \$1,392,800, as per Tab D, Schedule A, Page 5. The largest of the projects is the Ship Channel Bridge Rehabilitation Project, budgeted for \$700,000. This project will be discussed in more detail below.

Ship Channel Bridge

The TPA hired an engineering firm in June 2007 to review the condition of the Ship Channel Bridge to determine the existing weight capacity to handle Port traffic.

The engineers came back to the Port Authority with a recommendation to repair the structural steel and supports for the North Approach Span. There were four options for repair provided to the TPA, each with a different cost, restriction and life expectancy. The bridge was restricted to two lanes as a result of the inspection.

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Management reviewed the options and also looked at the life expectancy of each option in the context of a possible replacement bridge in the future. The option selected by management has no restriction to deck width, meaning it will reopen to four lanes; it will have no posting and be open to all traffic. This option is expected to last between 5 and 10 years. The estimated cost of the preferred option is \$550,000, including design and engineering. In addition, with the bridge being repaired management believes it is an opportune time to do the South Approach Span and the Bascule Span. Each of those is expected to cost \$75,000 each. The savings on these two sections from doing all three sections together is expected to be between 10 to 20% on \$150,000. The total budget is estimated at \$700,000 for 2008.

Once the Tender is done and the bids are submitted management will assess the cost, including the additional two sections and make a recommendation to the Audit & Finance Committee. The schedule is to have the Tender package out on December 11, 2007, Tender closings on January 11, 2008 and a contract awarded by January 25, 2008. Construction is expected to be done by April 7, 2008.

Airport Capital

Most of the Airport Capital projects for 2008 are eligible for Transport Canada's Airport Capital Assistance Program ("ACAP"). These projects have been identified in Tab D, Schedule A. None of these potential funding amounts have been deducted from the project amount in the Budget as there is uncertainty whether ACAP funds will be approved. Based on passenger volumes at the Airport, the Port Authority is eligible for funding at 85% of the gross capital purchase.

Following is a list of the eligible projects, the Gross amount of the Project, the amount eligible for funding and the Net amount the TPA would have to fund through AIF.

<u>Project</u>	<u>Gross Amount</u>	<u>Funding 85%</u>	<u>Net Amount</u>
Fire Truck	\$850,000	(\$722,500)	\$127,500
Fire Hall Extension *	\$1,500,000	(\$1,275,000)	\$225,000
Front-Mounted Sweeper	\$250,000	(\$212,500)	\$37,500
Snow Plow	\$160,000	(\$136,000)	\$24,000
Runway Friction Test Equip.	\$30,000	(\$25,500)	\$4,500
Totals	<u>\$2,790,000</u>	<u>(\$2,371,500)</u>	<u>\$418,500</u>

* The Fire Hall Extension is shown as Maintenance Garage Renovation, \$500,000 in the Capital Budget as this is a less expensive alternative, assuming ACAP funds are not received. The preferable option is the Fire Hall extension as it will not use up space in the existing Maintenance Garage.

The ACAP funds are very important to the TPA as they will free up reserve funds that could be used to purchase some of the capital requirements in Port Operations. If funds are not received the Airport Improvement Fees may be at a cumulative deficit in terms of funding all of the Airport's capital needs.

The Development Project category includes one major initiative, the development of facilities at the Outer Harbour Marina, both to finish the existing Phase I plan and the full development of Phase II. These projects, totaling \$10.250 million, as shown in Tab D, Schedule B, Page 6 are forecast to commence in 2008. For 2008, an Infrastructure/Master Plan will be undertaken to study the development. A full review will be done on the business case for this investment prior to Board consideration.

Draft 2008 Cash Flow Forecast/Budget

The Cash Budget for 2008 behind Tab E is based on the assumption that the City of Toronto does not pay the Capital Settlement funds owed to the TPA in 2008. Going into 2008, the City will owe the Port Authority a total of \$7 million, and will owe another \$3 million if no payments are made in 2008.

A schedule of the payments is shown below:

<u>Due Date</u>	<u>Type of Payment</u>	<u>Amount</u>
January 1, 2006	Capital Payment	\$1.5 million
July 1, 2006	Capital Payment	\$1.5 million
July 1, 2006	Past Operating Payment	\$1.0 million
January 1, 2007	Capital Payment	\$1.5 million
July 1, 2007	Capital Payment	\$1.5 million
January 1, 2008	Capital Payment	\$1.5 million
July 1, 2008	Capital Payment	<u>\$1.5 million</u>
		<u>\$10.0 million</u>

There are numbers on the left hand side of the Cash Flow spreadsheet, to assist in referencing the discussion below.

The Cash Flow Forecast is broken down by division, with a cash loss from operations of \$2,000 (line 16).

Line 17 is the Operating Payments from TEDCO/City of Toronto, under the assumption these will continue to be paid.

Line 18 is a payment withheld by the City, in the amount of \$1 million. This amount for past operating deficits of the TPA, was due on July 1, 2006. The assumption is no payment from the City in 2008.

Line 20 provides the total cash flow from operations including Operating Payments from TEDCO/City. The amount is \$2.517 million.

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Lines 21 to 24 represents cash outflows for Airport capital items. It is assumed that no ACAP funding is received by the TPA. The interest portion of the debt payments is included in Airport expenses in line 8; \$789,000 for 2008.

Line 25 is the City Capital Payments for 2006, 2007 and 2008, \$3 million in each year, respectively. Again, it is assumed no payment in 2008.

Line 26 is the non-Airport Capital Expenditures by month for 2008.

Line 27 to line 31 are the other sources and uses of cash.

Line 27 is the principal portion of Mortgage payments from the two mortgages held by the TPA for the Airport. The interest portion is included in Investments (line 13).

Line 28 are amounts totaling \$585,000, for Site Preparation of lands under the TEDCO Ground Lease, signed as part of the 2003 City Settlement Agreement. These lands, located adjacent to the Ship Channel, will be utilized by the TPA for Port purposes until at least 2022. The Site Preparation costs will be treated as a deferred expenditure and amortized against the rents from these properties from 2009 to 2022.

Line 29 is a contingency for a ruling on GST the TPA has requested from the Canadian Revenue and Customs Agency ("CCRA"). The TPA has claimed and received Input Tax Credits ("ITC's") from the government for GST on the \$15 million TCCA infrastructure build. An issue has been raised with respect to Input Tax Credits on the purchase of a ferry. The position of the TPA is that GST is collected and remitted on the Airport Improvement Fee (the fee to fund the debt), so ITC's would apply as it is a taxable supply.

Our audit firm, Deloitte & Touche, assisted the TPA in preparing the request for a ruling from CCRA. The worst case scenario is the TPA would have to return all of the Input Tax Credits, roughly \$1 million, if ITC's were not available. However, a contingency has been set at \$244,000 to address GST on the purchase price of the new ferry. The other Infrastructure costs are not included.

Line 30, is a net amount \$1,015,000 to the end of 2008 that would be paid by the TPA to the City if PILTS and Harbour User Fees were netted against each other and settled. This amount would only be paid if the City Settlement Capital Payments recommence, so for 2008 the amount is zero.

Line 31 is an outstanding amount of \$367,000 related to funds for maintenance of a dockwall pursuant to a land sale in the late 1980's at Stadium Rd. The City has not requested this amount, but this may happen in 2008. The amount is not included as it is assumed no amounts will be exchanged between the City and TPA in 2008.

The total net cash flow is shown in line 33, with line 36 representing the closing cash balance.

The page behind the Cash Flow Forecast provides the calculation of the Debt Service Ratios the TPA must meet on the Bank Loan. The minimum Ratio is 1:25 to 1. For 2008, the

TPA meets the ratio in all four quarters and meets its covenant to have \$1 million in a Nesbitt Burns Reserve.

Pro Forma Statement of Revenue and Expense

Tab F provides a pro forma Statement of Revenue and Expense for the 2007 Projection and the 2008 Operating Budget.

The Statement shows that Port Revenue decreases between 2007 and 2008 by \$2.2 million, as the level of Project Cargo achieved in 2007 is not budgeted to reoccur in 2008. Also, the departure of Highland Transport will take \$750,000 out of the Port Operations bottom line. Budgeted expenses for the Port will decrease in 2008 to reflect lower activity. The overall result is a \$1.5 million decrease in the Port Operations bottom line.

The Airport will see its revenues go up by \$1.450 million with expenses basically at the same level. The Carrier Landing Fee percentage increases on April 21, 2008 from 55% to 70%. Also Enplaned Passengers are forecast to increase. Increased Labour costs at the Airport budgeted in 2008, will be offset by a decrease in budgeted Airport legal fees. The overall result is a \$1.450 million improvement in the Airport bottom line, 2008 compared to 2007.

With an increased loss in the 2008 Budget over the 2007 Projection, management will be striving to get additional business at the Port.

Also, management will be working to achieve the objectives as laid out in the Strategic Plan and at the beginning of this report. These include maximizing the value of the land and water assets of the TPA.

Summary

The 2008 Operating Budget has a bottom line cash profit of \$2,527,357, the 2008 Capital Budget totals \$3,307,800 (\$100,000 in Development), including \$1,815,000 for the Toronto City Centre Airport and the overall result for the Toronto Port Authority is a loss of \$574,000.

TAB A



Toronto Port Authority

2008 Operating Budget Summary Report

December 18, 2007

Canada

**TORONTO PORT AUTHORITY
2008 OPERATING BUDGET SUMMARY
CASH BASIS**

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
TOTAL PORT OPERATIONS (See Page 2)				
Revenue	\$4,720,176	\$4,878,765	\$6,064,581	\$3,821,193
Expenses	\$4,860,486	\$4,141,140	\$4,602,070	\$3,675,895
Net Profit (Loss)	(\$140,310)	\$737,625	\$1,462,511	\$145,298
OUTER HARBOUR MARINA				
Revenue	\$2,046,323	\$2,137,836	\$2,068,650	\$2,172,528
Expenses	\$1,200,138	\$1,210,988	\$1,125,851	\$1,224,432
Net Profit (Loss)	\$846,185	\$926,848	\$942,799	\$948,096
TORONTO CITY CENTRE AIRPORT (See Page 4)				
Revenue	\$1,181,448	\$5,932,655	\$5,070,826	\$6,517,789
Expenses	\$4,435,216	\$5,473,791	\$5,641,770	\$5,483,109
Net Profit (Loss)	(\$3,253,768)	\$458,864	(\$570,944)	\$1,034,680
PROPERTY RENTAL				
Revenue	\$1,228,831	\$1,196,525	\$1,441,284	\$1,817,421
Expenses	\$867,698	\$630,789	\$773,169	\$775,707
Net Profit (Loss)	\$361,133	\$565,736	\$668,115	\$1,041,714
INVESTMENT				
Revenue	\$384,640	\$462,664	\$313,733	\$331,663
CORPORATE				
Expenses	(\$3,554,267)	(\$3,024,830)	(\$3,033,027)	(\$3,097,029)
GROSS REVENUE CHARGE				
	(\$195,205)	(\$385,450)	(\$407,000)	(\$395,700)
TORONTO PORT AUTHORITY				
REVENUE	\$9,561,418	\$14,608,445	\$14,959,074	\$14,660,594
EXPENSES	\$15,113,010	\$14,866,988	\$15,582,888	\$14,651,872
NET CASH - OPERATIONS	(\$5,551,592)	(\$258,543)	(\$623,814)	\$8,722
OPERATING AMOUNT FROM TEDCO	\$3,000,000	\$3,000,000	\$2,856,300	\$2,518,635
NET CASH - INCLUDING AMOUNT FROM TEDCO	(\$2,551,592)	\$2,741,457	\$2,232,486	\$2,527,357
NON-CASH ITEMS (Not Included Above)				
CITY HARBOUR USER FEES	\$329,760	\$330,000	\$330,000	\$335,000
PENSION EXPENSE ADJUSTMENT	(\$876,774)	\$0	(\$442,809)	(\$772,000)
PAYMENTS IN LIEU OF TAXES	(\$484,593)	(\$727,306)	(\$650,950)	(\$780,063)
AMORTIZATION OF CAPITAL ASSETS	(\$1,026,889)	(\$1,783,120)	(\$1,703,120)	(\$1,734,300)
	(\$2,058,496)	(\$2,180,426)	(\$2,466,879)	(\$2,951,363)

**TORONTO PORT AUTHORITY
2008 OPERATING BUDGET SUMMARY
CASH BASIS**

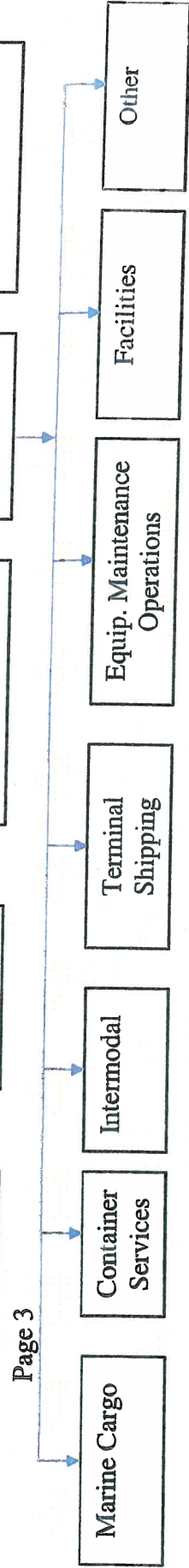
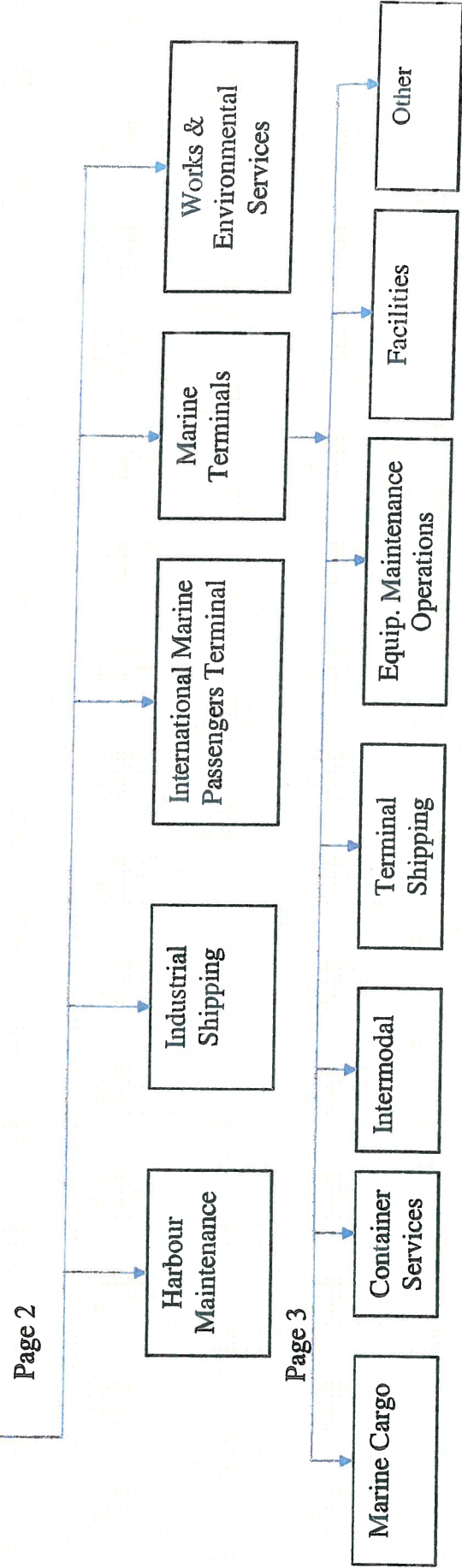
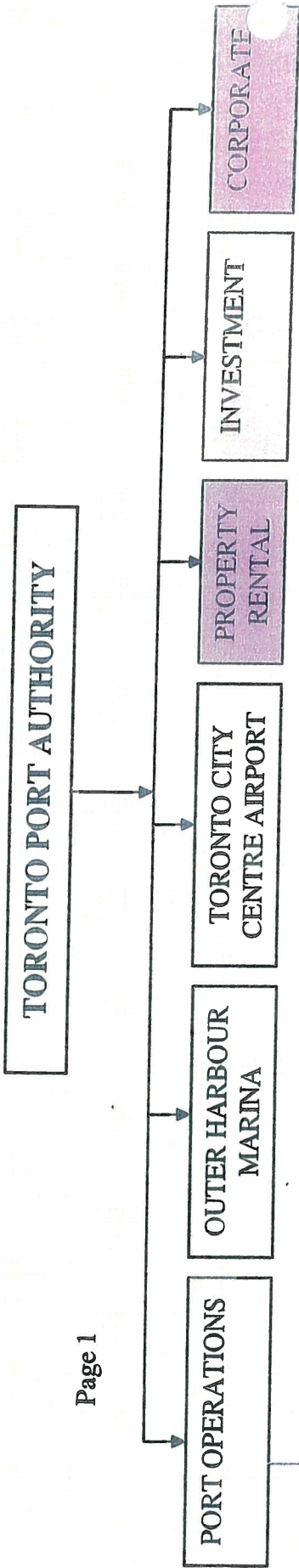
	2006 Actual	2007 Budget	2007 Projection	2008 Budget
PORT OPERATIONS				
Harbour Maintenance				
Revenue	\$284,799	\$305,502	\$308,403	\$264,300
Expenses	\$1,008,817	\$889,982	\$901,637	\$863,266
Net Profit (Loss)	(\$724,018)	(\$584,480)	(\$593,234)	(\$598,966)
Industrial Shipping				
Revenue	\$1,147,242	\$977,500	\$984,600	\$1,058,620
Expenses	\$125,287	\$142,360	\$120,400	\$99,500
Net Profit (Loss)	\$1,021,955	\$835,140	\$864,200	\$959,120
International Marine Passenger Terminal				
Revenue	\$295,938	\$282,520	\$448,668	\$270,000
Expenses	\$416,816	\$225,950	\$235,724	\$231,600
Net Profit (Loss)	(\$120,878)	\$56,570	\$212,944	\$38,400
Marine Terminals (see page 3)				
Revenue	\$2,302,266	\$2,593,243	\$3,602,910	\$1,483,273
Expenses	\$2,392,422	\$2,286,069	\$2,851,895	\$2,103,629
Net Profit (Loss)	(\$90,156)	\$307,174	\$751,015	(\$620,356)
Works & Environmental Services				
Revenue	\$689,931	\$720,000	\$720,000	\$745,000
Expenses	\$686,363	\$600,979	\$492,415	\$377,900
Net Profit (Loss)	\$3,568	\$119,021	\$227,585	\$367,100
Market Research & Promotion	(\$175,267)	\$0	\$0	\$0
Operations & Engineering	(\$55,514)	\$4,200	\$0	\$0
TOTAL PORT OPERATIONS				
Revenue	\$4,720,176	\$4,878,765	\$6,064,581	\$3,821,193
Expenses	\$4,860,486	\$4,141,140	\$4,602,070	\$3,675,895
Net Profit (Loss)	(\$140,310)	\$737,625	\$1,462,511	\$145,298

**TORONTO PORT AUTHORITY
2008 OPERATING BUDGET SUMMARY
CASH BASIS**

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
MARINE TERMINALS				
Marine Cargo				
Revenue	\$522,321	\$885,000	\$1,063,200	\$708,978
Expenses	\$263,743	\$267,539	\$376,000	\$346,704
Net Profit (Loss)	\$258,578	\$617,461	\$687,200	\$362,274
Container Services				
Revenue	\$810,828	\$577,800	\$1,595,000	\$600,000
Expenses	\$137,886	\$39,253	\$460,500	\$376,094
Net Profit (Loss)	\$672,942	\$538,547	\$1,134,500	\$223,906
Intermodal				
Revenue	\$665,319	\$736,194	\$593,000	\$42,165
Expenses	\$424,360	\$452,064	\$270,500	\$0
Net Profit (Loss)	\$240,959	\$284,130	\$322,500	\$42,165
Terminal Shipping				
Revenue	\$92,240	\$190,330	\$299,710	\$101,040
Expenses	\$30,619	\$53,200	\$14,200	(\$45,000)
Net Profit (Loss)	\$61,621	\$137,130	\$285,510	\$146,040
Equipment Maintenance Operations				
Revenue	\$152,339	\$140,000	\$0	\$0
Expenses	\$487,866	\$401,538	\$345,650	\$366,331
Net Profit (Loss)	(\$335,527)	(\$261,538)	(\$345,650)	(\$366,331)
Facilities				
Revenue	\$59,219	\$62,919	\$52,000	\$31,090
Expenses	\$353,569	\$345,800	\$378,160	\$365,150
Net Profit (Loss)	(\$294,350)	(\$282,881)	(\$326,160)	(\$334,060)
Marine Terminals - Other				
Revenue	\$0	\$1,000	\$0	\$0
Expenses	\$694,379	\$726,675	\$1,006,885	\$694,350
Net Profit (Loss)	(\$694,379)	(\$725,675)	(\$1,006,885)	(\$694,350)
TOTAL MARINE TERMINALS				
Revenue	\$2,302,266	\$2,593,243	\$3,602,910	\$1,483,273
Expenses	\$2,392,422	\$2,286,069	\$2,851,895	\$2,103,629
Net Profit (Loss)	(\$90,156)	\$307,174	\$751,015	(\$620,356)

**TORONTO PORT AUTHORITY
2008 OPERATING BUDGET SUMMARY
UNAUDITED - CASH BASIS**

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
TORONTO CITY CENTRE AIRPORT				
AIF & CARRIERS LANDING FEES				
Revenue				
Airport Improvement Fees	\$139,905	\$2,596,934	\$2,045,295	\$2,465,138
TCCA Carriers Landing Fees	\$216,908	\$2,432,248	\$2,284,688	\$3,238,353
Total	\$356,813	\$5,029,182	\$4,329,983	\$5,703,491
TCCA Administration				
Revenue	\$26,023	\$26,023	\$26,023	\$26,000
Expenses	\$1,668,207	\$1,706,953	\$1,751,746	\$1,465,605
Net Profit (Loss)	(\$1,642,184)	(\$1,680,930)	(\$1,725,723)	(\$1,439,605)
TCCA Operations				
Revenue	\$576,821	\$568,450	\$559,100	\$579,718
Expenses	\$1,509,561	\$1,970,084	\$1,887,739	\$2,133,626
Net Profit (Loss)	(\$932,740)	(\$1,401,634)	(\$1,328,639)	(\$1,553,908)
TCCA Parking				
Revenue	\$28,611	\$0	\$55,000	\$57,860
Expenses	\$3,347	\$0	\$0	\$0
Net Profit (Loss)	\$25,264	\$0	\$55,000	\$57,860
TCCA Ferry				
Revenue	\$193,158	\$309,000	\$100,000	\$150,000
Expenses	\$1,345,675	\$1,563,724	\$1,614,325	\$1,513,417
Net Profit (Loss)	(\$1,152,517)	(\$1,254,724)	(\$1,514,325)	(\$1,363,417)
FPTF's				
Revenue	\$22	\$0	\$720	\$720
Expenses	\$159,140	\$233,030	\$387,961	\$370,461
Net Profit (Loss)	(\$159,118)	(\$233,030)	(\$387,241)	(\$369,741)
TOTAL TORONTO CITY CENTRE AIRPORT				
Revenue	\$1,181,448	\$5,932,655	\$5,070,826	\$6,517,789
Expenses	\$4,685,930	\$5,473,791	\$5,641,770	\$5,483,109
Net Profit (Loss)	(\$3,504,482)	\$458,864	(\$570,944)	\$1,034,680



TAB B



Toronto Port Authority

2008 Operating Budget
Detailed Report

December 24, 2007

Canada

The Toronto Port Authority

2008 Operating Budget

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Terminal Handling Charges	1,326,985	1,469,000	2,268,200	887,978
Investment Income	398,008	473,164	333,733	345,763
Passenger User Fees	74,889	15,300	15,968	0
Airport Improvement Fees	139,905	2,596,934	2,045,295	2,465,138
Marina Berthing	1,145,952	1,190,000	1,195,000	1,225,000
Property Revenue	1,544,534	1,709,146	1,847,204	2,209,449
Cargo Dues	656,537	674,330	786,910	704,640
Works Dept. External Services	712,961	750,000	750,000	775,000
Works Dept. Internal Services	2,832,500	3,225,685	3,206,700	3,407,233
Highland Transport fees	665,319	736,194	728,000	42,165
TCCA Ferry Services	193,158	309,000	100,000	150,000
Parking	499,275	429,300	589,300	605,160
Port Berthage Charges	407,470	398,120	421,000	396,520
Fuel Sales	295,189	331,800	349,000	366,500
Storage of Boats/Airplanes	740,839	817,050	712,000	767,000
Hydro and Water for Ships	368,807	355,100	351,000	347,000
Storage of Cargo	438,763	465,000	575,000	400,000
TCCA Landing fees	169,529	185,400	170,000	177,000
TCCA Carriers Landing fees	216,908	2,432,248	2,284,688	3,238,353
Marina Boat Services	120,390	110,398	112,000	116,125
Licences	505,245	501,500	509,800	510,300
Filming	65,746	44,000	216,500	58,500
Other	(773,200)	(1,038,039)	(1,043,224)	(770,397)
	12,745,709	18,180,630	18,524,074	18,424,427
EXPENSES				
Salaries, wages and benefits	8,640,662	8,795,905	8,825,192	9,005,659
Logistec Charges	200,000	200,000	414,000	200,000
Board expenses	169,928	232,025	247,200	212,725
Operating materials and utilities	2,572,951	3,150,649	3,205,190	3,025,510
Amortization	1,026,889	1,783,120	1,703,120	1,734,300
Maintenance and repairs	2,541,339	2,239,550	2,599,950	2,401,500
Promotion	534,644	137,800	123,100	130,500
Consulting Studies & Strategic Planning	426,594	255,000	316,900	297,500
Office and general	322,121	318,850	284,090	286,210
Legal and audit	1,846,735	601,600	1,034,500	640,000
Canada Marine Act	13,719	20,000	20,300	20,000
Insurance	825,738	888,620	871,285	875,200
Rents	217,800	217,800	217,802	217,800
Security	444,639	624,339	555,100	447,000
Realty taxes	454,221	208,800	356,533	374,750
Payment in Lieu of Taxes	484,593	727,306	650,950	780,063
Training and membership	136,295	177,900	132,795	166,050
Travel	74,970	71,500	63,295	76,500
Bad debt expense	124,623	110,500	112,000	99,500
Interest expense	0	825,000	671,000	789,000
Other expenses	(897,871)	(1,352,114)	(1,196,535)	(808,400)
	20,160,590	20,234,150	21,207,767	20,971,367
Surplus/(Deficit) from operations	(7,414,881)	(2,053,520)	(2,683,693)	(2,546,940)
Transport Canada CMA Charge	195,205	385,450	407,000	395,700
	(7,610,086)	(2,438,970)	(3,090,693)	(2,942,640)
Recovered from TEDCO	3,000,000	3,000,000	2,856,300	2,518,635
	(4,610,086)	561,030	(234,393)	(424,005)
Add Back: Amortization	1,026,889	1,783,120	1,703,120	1,734,300
	(3,583,197)	2,344,150	1,468,727	1,310,295

The Toronto Port Authority
2008 Operating Budget
Port Operations

	2006	2007	2007	2008
	Actual	Budget	Projection	Budget
REVENUES				
Terminal Handling Charges	1,326,985	1,469,000	2,268,200	887,978
Passenger User Fees	7,533	15,300	15,968	0
Property Revenue	329,583	331,921	324,000	303,090
Cargo Dues	656,537	674,330	786,910	704,640
Works Dept. External Services	712,961	750,000	750,000	775,000
Works Dept. Internal Services	2,832,500	3,225,685	3,206,700	3,407,233
Highland Transport fees	665,319	736,194	728,000	42,165
Parking	1,923	2,000	0	0
Port Berthage Charges	407,470	398,120	421,000	396,520
Storage of Boats/Airplanes	14,634	21,000	0	21,000
Hydro and Water for Ships	368,807	355,100	351,000	347,000
Storage of Cargo	438,763	465,000	575,000	400,000
Licences	505,245	501,500	509,800	510,300
Filming	41,400	26,000	194,000	39,000
Other	(427,221)	(536,700)	(529,297)	(270,500)
	7,882,439	8,434,450	9,601,281	7,563,426
EXPENSES				
Salaries, wages and benefits	4,082,501	3,812,399	3,935,299	3,726,827
Logistec Charges	200,000	200,000	414,000	200,000
Operating materials and utilities	1,634,747	1,615,850	1,695,050	1,423,600
Amortization	584,291	641,820	641,820	613,900
Maintenance and repairs	1,652,242	1,519,300	1,532,850	1,418,000
Promotion	35,237	32,800	37,500	40,000
Consulting Studies & Planning	9,351	25,000	21,000	0
Office and general	31,506	42,600	32,250	31,950
Legal and audit	18,712	12,500	67,500	30,000
Insurance	371,404	387,240	418,093	392,900
Rents	217,800	217,800	217,800	217,800
Security	218,624	243,000	194,800	75,500
Realty taxes	89,585	31,500	46,157	48,600
Payment in Lieu of Taxes	262,481	233,950	421,580	312,723
Training and membership	31,375	25,650	16,100	29,100
Travel	31,434	22,500	14,595	24,000
Bad debt expense	14,993	30,000	27,000	27,500
Other expenses	(572,902)	(851,314)	(679,885)	(299,050)
	8,913,381	8,242,595	9,053,509	8,313,350
Surplus/(Deficit) from operations	(1,030,942)	191,855	547,772	(749,924)

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The Toronto Port Authority

2008 Operating Budget

Port - Harbour Maintenance

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Property Revenue	27,000	27,002	27,000	27,000
Port Berthage Charges	73,699	99,000	90,000	50,000
Licences	505,245	501,500	509,800	510,300
Filming	1,750	1,000	4,000	4,000
Other	6,865	7,000	7,603	8,000
	-----	-----	-----	-----
	614,559	635,502	638,403	599,300
EXPENSES				
Salaries, wages and benefits	408,776	338,452	371,461	375,316
Operating materials and utilities	4,607	6,000	5,500	6,500
Amortization	5,873	7,290	7,290	7,000
Maintenance and repairs	559,392	459,300	466,550	431,500
Promotion	21	0	0	0
Office and general	4,169	3,200	5,600	3,600
Legal and audit	6,591	5,000	10,000	5,000
Insurance	49,445	49,680	47,018	47,100
Payment in Lieu of Taxes	19,850	26,250	26,250	27,560
Training and membership	2,214	2,500	1,750	10,750
Travel	10,488	7,500	7,000	13,500
Bad debt expense	246	5,000	5,000	5,000
Other expenses	19,443	13,350	13,165	16,700
	-----	-----	-----	-----
	1,091,115	923,522	966,584	949,526
Surplus/(Deficit) from operations	(476,556)	(288,020)	(328,181)	(350,226)
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget Port - Industrial Shipping

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Cargo Dues	643,881	594,000	573,200	594,600
Port Berthage Charges	331,811	281,000	287,000	331,520
Hydro and Water for Ships	286,222	258,000	277,000	292,000
Other	(114,672)	(155,500)	(152,600)	(159,500)
	-----	-----	-----	-----
	1,147,242	977,500	984,600	1,058,620
EXPENSES				
Operating materials and utilities	172,079	198,200	195,000	200,700
Amortization	30,755	30,230	30,230	29,000
Maintenance and repairs	29,135	40,000	20,000	15,000
Consulting Studies & Planning	0	15,000	15,000	0
Insurance	41,621	44,160	43,000	45,300
Bad debt expense	4,192	7,500	5,000	5,000
Other expenses	(121,740)	(162,500)	(157,600)	(166,500)
	-----	-----	-----	-----
	156,042	172,590	150,630	128,500
Surplus/(Deficit) from operations	991,200	804,910	833,970	930,120
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget

Port - IMPT

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Passenger User Fees	7,533	15,300	15,968	0
Property Revenue	250,000	250,000	250,000	250,000
Parking	1,923	2,000	0	0
Port Berthage Charges	1,960	3,120	4,000	0
Hydro and Water for Ships	3,001	2,100	3,000	0
Filming	29,925	10,000	175,000	20,000
Other	1,596	0	700	0
	-----	-----	-----	-----
	295,938	282,520	448,668	270,000
EXPENSES				
Salaries, wages and benefits	52,087	0	27,138	0
Operating materials and utilities	111,287	75,200	71,100	73,400
Maintenance and repairs	94,826	32,500	23,000	23,000
Promotion	155	2,000	0	0
Consulting Studies & Planning	0	10,000	0	0
Office and general	275	300	200	200
Legal and audit	7,524	5,000	7,500	15,000
Insurance	68,664	72,000	67,700	71,200
Security	3,158	1,000	0	0
Realty taxes	81,521	22,500	38,897	40,900
Payment in Lieu of Taxes	14,698	14,700	14,700	15,500
Training and membership	718	750	750	750
Travel	2,742	4,500	4,095	7,000
Other expenses	977	200	150	150
	-----	-----	-----	-----
	438,632	240,650	255,230	247,100
Surplus/(Deficit) from operations	(142,694)	41,870	193,438	22,900
	=====	=====	=====	=====

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The Toronto Port Authority
 2008 Operating Budget
 Marine Terminals

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Terminal Handling Charges	1,326,985	1,469,000	2,268,200	887,978
Property Revenue	52,583	54,919	47,000	26,090
Cargo Dues	12,656	80,330	213,710	110,040
Highland Transport fees	665,319	736,194	728,000	42,165
Port Berthage Charges	0	15,000	40,000	15,000
Storage of Boats/Airplanes	14,634	21,000	0	21,000
Hydro and Water for Ships	79,584	95,000	71,000	55,000
Storage of Cargo	438,763	465,000	575,000	400,000
Other	(288,256)	(343,200)	(340,000)	(74,000)
	-----	-----	-----	-----
	2,302,268	2,593,243	3,602,910	1,483,273
EXPENSES				
Salaries, wages and benefits	1,197,718	1,162,068	1,284,200	947,528
Logistec Charges	200,000	200,000	414,000	200,000
Operating materials and utilities	694,063	620,000	764,600	476,750
Amortization	471,032	510,800	510,800	488,400
Maintenance and repairs	424,172	372,500	433,300	346,500
Promotion	1,260	30,000	37,500	40,000
Consulting Studies & Planning	0	0	6,000	0
Office and general	19,199	28,400	18,350	19,450
Legal and audit	231	2,500	50,000	10,000
Insurance	102,141	103,200	137,425	97,700
Security	215,466	241,500	194,300	75,000
Realty taxes	8,064	9,000	7,260	7,700
Payment in Lieu of Taxes	227,933	193,000	380,630	269,663
Training and membership	0	0	2,500	2,500
Bad debt expense	5,347	7,500	7,000	7,500
Other expenses	(445,840)	(490,600)	(493,500)	(107,400)
	-----	-----	-----	-----
	3,120,786	2,989,868	3,754,365	2,881,291
Surplus/(Deficit) from operations	(818,518)	(396,625)	(151,455)	(1,398,018)
	=====	=====	=====	=====

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The Toronto Port Authority
 2008 Operating Budget
 Marine Cargo

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Terminal Handling Charges	351,976	639,000	863,200	487,978
Storage of Boats/Airplanes	14,634	21,000	0	21,000
Storage of Cargo	155,711	225,000	200,000	200,000
	-----	-----	-----	-----
	522,321	885,000	1,063,200	708,978
EXPENSES				
Salaries, wages and benefits	228,592	238,039	330,500	314,504
Operating materials and utilities	1,593	2,000	2,500	2,700
Maintenance and repairs	33,558	25,000	41,000	27,000
Bad debt expense	0	2,500	2,000	2,500
	-----	-----	-----	-----
	263,743	267,539	376,000	346,704
Surplus/(Deficit) from operations	258,578	617,461	687,200	362,274
	=====	=====	=====	=====

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The Toronto Port Authority
 2008 Operating Budget
 Container Services

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Terminal Handling Charges	975,008	830,000	1,405,000	400,000
Storage of Cargo	283,052	240,000	375,000	200,000
Other	(447,232)	(160,000)	(185,000)	0
	-----	-----	-----	-----
	810,828	910,000	1,595,000	600,000
EXPENSES				
Salaries, wages and benefits	400,269	366,453	385,500	371,094
Operating materials and utilities	167,227	145,000	206,000	0
Maintenance and repairs	0	0	40,000	0
Security	17,622	15,000	9,000	0
Bad debt expense	0	5,000	5,000	5,000
Other expenses	(447,232)	(160,000)	(185,000)	0
	-----	-----	-----	-----
	137,886	371,453	460,500	376,094
Surplus/(Deficit) from operations	672,942	538,547	1,134,500	223,906
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget

Intermodal

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Highland Transport fees	665,319	736,194	728,000	42,165
Other	0	(136,500)	(135,000)	0
	-----	-----	-----	-----
	665,319	599,694	593,000	42,165
EXPENSES				
Salaries, wages and benefits	281,719	315,564	265,500	0
Operating materials and utilities	36,403	30,000	40,000	0
Security	106,238	106,500	100,000	0
Other expenses	0	(136,500)	(135,000)	0
	-----	-----	-----	-----
	424,360	315,564	270,500	0
Surplus/(Deficit) from operations	240,959	284,130	322,500	42,165
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget

Terminal Shipping

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Cargo Dues	12,656	80,330	213,710	110,040
Port Berthage Charges	0	15,000	40,000	15,000
Hydro and Water for Ships	79,584	95,000	71,000	55,000
Other	0	(55,700)	(25,000)	(79,000)
	-----	-----	-----	-----
	92,240	134,630	299,710	101,040
EXPENSES				
Operating materials and utilities	30,619	53,200	39,200	34,000
Other expenses	0	(55,700)	(25,000)	(79,000)
	-----	-----	-----	-----
	30,619	(2,500)	14,200	(45,000)
Surplus/(Deficit) from operations	61,621	137,130	285,510	146,040
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget

Equipment Maint. Operations

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Other	152,339	0	0	0
	-----	-----	-----	-----
	152,339	0	0	0
EXPENSES				
Salaries, wages and benefits	183,871	151,538	207,700	165,931
Operating materials and utilities	233,447	175,000	225,000	175,000
Maintenance and repairs	91,983	75,000	74,000	75,000
Other expenses	0	(140,000)	(150,000)	(30,000)
	-----	-----	-----	-----
	509,301	261,538	356,700	385,931
Surplus/(Deficit) from operations	(356,962)	(261,538)	(356,700)	(385,931)
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget

Facilities

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Property Revenue	52,583	54,919	47,000	26,090
Other	6,636	8,000	5,000	5,000
	-----	-----	-----	-----
	59,219	62,919	52,000	31,090
EXPENSES				
Operating materials and utilities	204,322	196,800	232,900	245,450
Maintenance and repairs	141,183	140,000	138,000	112,000
Realty taxes	8,064	9,000	7,260	7,700
Payment in Lieu of Taxes	227,933	193,000	380,630	269,663
	-----	-----	-----	-----
	581,502	538,800	758,790	634,813
Surplus/(Deficit) from operations	(522,283)	(475,881)	(706,790)	(603,723)
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget Marine Terminals - Other

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Other	0	1,000	0	0
	-----	-----	-----	-----
	0	1,000	0	0
EXPENSES				
Salaries, wages and benefits	103,267	90,475	95,000	96,000
Logistec Charges	200,000	200,000	414,000	200,000
Operating materials and utilities	20,452	18,000	19,000	19,600
Amortization	471,032	510,800	510,800	488,400
Maintenance and repairs	157,448	132,500	140,300	132,500
Promotion	1,260	30,000	37,500	40,000
Consulting Studies & Planning	0	0	6,000	0
Office and general	19,199	28,400	18,350	19,450
Legal and audit	231	2,500	50,000	10,000
Insurance	102,141	103,200	137,425	97,700
Security	91,606	120,000	85,300	75,000
Training and membership	0	0	2,500	2,500
Bad debt expense	5,347	0		0
Other expenses	1,392	1,600	1,500	1,600
	-----	-----	-----	-----
	1,173,375	1,237,475	1,517,675	1,182,750
Surplus/(Deficit) from operations	(1,173,375)	(1,236,475)	(1,517,675)	(1,182,750)
	=====	=====	=====	=====

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2008 Operating Budget

Works & Environmental Services

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Works Dept. External Services	712,961	750,000	750,000	775,000
Works Dept. Internal Services	2,832,500	3,225,685	3,206,700	3,407,233
Filming	9,725	15,000	15,000	15,000
Other	(32,755)	(45,000)	(45,000)	(45,000)
	-----	-----	-----	-----
	3,522,431	3,945,685	3,926,700	4,152,233
EXPENSES				
Salaries, wages and benefits	2,257,901	2,160,564	2,252,500	2,403,983
Operating materials and utilities	649,700	714,750	658,850	666,250
Amortization	76,631	93,500	93,500	89,500
Maintenance and repairs	544,718	615,000	590,000	602,000
Promotion	83	300	0	0
Office and general	7,008	10,100	8,100	8,700
Insurance	109,534	118,200	122,950	131,600
Rents	217,800	217,800	217,800	217,800
Security	0	500	500	500
Training and membership	16,930	20,400	11,100	15,100
Travel	3,849	2,000	3,500	3,500
Bad debt expense	5,208	10,000	10,000	10,000
Other expenses	(27,672)	(42,950)	(42,100)	(42,000)
	-----	-----	-----	-----
	3,861,690	3,920,164	3,926,700	4,106,933
Surplus/(Deficit) from operations	(339,259)	25,521	0	45,300
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget

Port - Market Research & Promotion

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				

EXPENSES				
Salaries, wages and benefits	121,272	0	0	0
Operating materials and utilities	1,921	0	0	0
Promotion	33,171	0	0	0
Consulting Studies & Planning	9,351	0	0	0
Office and general	308	0	0	0
Legal and audit	4,366	0	0	0
Training and membership	10,740	0	0	0
Travel	3,500	0	0	0
Other expenses	345	0	0	0
	-----	-----	-----	-----
	184,974	0	0	0
Surplus/(Deficit) from operations	(184,974)	0	0	0
	=====	=====	=====	=====

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2008 Operating Budget

Port - Operations & Engineering

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				

EXPENSES				
Salaries, wages and benefits	44,747	151,314	0	0
Operating materials and utilities	1,091	1,700	0	0
Promotion	547	500	0	0
Office and general	546	600	0	0
Training and membership	773	2,000	0	0
Travel	10,855	8,500	0	0
Other expenses	1,585	(168,814)	0	0
	60,144	(4,200)	0	0
Surplus/(Deficit) from operations	(60,144)	4,200	0	0
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget The Outer Harbour Marina

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Marina Berthing	1,145,952	1,190,000	1,195,000	1,225,000
Fuel Sales	208,783	228,800	200,000	210,000
Storage of Boats/Airplanes	699,826	760,000	712,000	746,000
Marina Boat Services	120,390	110,398	112,000	116,125
Filming	1,500	1,000	0	0
Other	(130,128)	(152,362)	(150,350)	(124,597)
	-----	-----	-----	-----
	2,046,323	2,137,836	2,068,650	2,172,528
EXPENSES				
Salaries, wages and benefits	641,898	613,988	615,615	636,382
Operating materials and utilities	266,931	313,700	251,819	265,400
Amortization	98,591	136,000	136,000	130,100
Maintenance and repairs	191,491	205,000	200,000	270,000
Promotion	8,977	15,000	2,000	10,000
Office and general	6,982	7,000	6,700	6,850
Legal and audit	3,292	2,000	25,000	5,000
Insurance	56,367	56,100	53,650	62,400
Security	75,395	77,500	80,000	82,500
Payment in Lieu of Taxes	87,841	86,200	(183,655)	44,348
Training and membership	1,102	2,600	920	1,600
Travel	565	1,500	0	1,500
Bad debt expense	111,902	50,000	60,000	50,000
Other expenses	(108,719)	(133,400)	(133,400)	(107,100)
	-----	-----	-----	-----
	1,442,615	1,433,188	1,114,649	1,458,980
Surplus/(Deficit) from operations	603,708	704,648	954,001	713,548
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget

The Toronto City Centre Airport

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Passenger User Fees	67,356	0	0	0
Airport Improvement Fees	139,905	2,596,934	2,045,295	2,465,138
Property Revenue	469,533	618,000	629,220	646,238
TCCA Ferry Services	193,158	309,000	100,000	150,000
Parking	27,286	0	55,000	57,860
Fuel Sales	86,406	103,000	149,000	156,500
Storage of Boats/Airplanes	26,379	36,050	0	0
TCCA Landing fees	169,529	185,400	170,000	177,000
TCCA Carriers Landing fees	216,908	2,432,248	2,284,688	3,238,353
Filming	2,400	1,000	2,000	2,000
Other	(217,412)	(348,977)	(364,377)	(375,300)
	1,181,448	5,932,655	5,070,826	6,517,789
EXPENSES				
Salaries, wages and benefits	2,189,172	2,753,753	2,621,483	2,894,149
Operating materials and utilities	471,414	1,005,799	1,043,371	1,116,910
Amortization	93,056	740,000	660,000	736,500
Maintenance and repairs	495,116	283,250	639,200	485,500
Promotion	23,221	20,000	6,100	10,500
Consulting Studies & Planning	110,225	75,000	85,000	50,000
Office and general	39,199	61,800	34,640	37,600
Legal and audit	1,257,332	250,000	600,000	250,000
Insurance	152,197	197,600	157,800	165,800
Rents	0	0	2	0
Security	150,870	302,839	280,000	288,500
Realty taxes	3,167	0	0	0
Payment in Lieu of Taxes	53,913	346,256	272,706	328,685
Training and membership	43,623	77,250	30,450	45,800
Travel	2,239	2,500	3,500	5,000
Bad debt expense	3,723	20,500	20,000	17,000
Interest expense	0	825,000	671,000	789,000
Other expenses	(255,567)	(401,500)	(426,000)	(437,250)
	4,832,900	6,560,047	6,699,252	6,783,694
Surplus/(Deficit) from operations	(3,651,452)	(627,392)	(1,628,426)	(265,905)

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The Toronto Port Authority
 2008 Operating Budget
 AIRPORT

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Airport Improvement Fees	139,905	2,596,934	2,045,295	2,465,138
TCCA Carriers Landing fees	216,908	2,432,248	2,284,688	3,238,353
	-----	-----	-----	-----
	356,813	5,029,182	4,329,983	5,703,491
Surplus/(Deficit) from operations	356,813	5,029,182	4,329,983	5,703,491
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget

TCCA Administration

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Other	26,023	26,023	26,023	26,000
	-----	-----	-----	-----
	26,023	26,023	26,023	26,000
EXPENSES				
Salaries, wages and benefits	215,315	443,453	336,182	314,305
Operating materials and utilities	15,188	18,000	12,000	12,500
Promotion	23,221	20,000	6,100	10,500
Consulting Studies & Planning	110,225	75,000	85,000	50,000
Office and general	39,199	61,800	34,640	37,600
Legal and audit	1,257,332	250,000	600,000	250,000
Rents	0	0	2	0
Payment in Lieu of Taxes	53,913	346,256	272,706	328,685
Training and membership	3,076	9,500	4,250	5,800
Travel	2,239	2,500	3,500	5,000
Interest expense	0	825,000	671,000	789,000
Other expenses	2,412	1,700	1,900	2,200
	-----	-----	-----	-----
	1,722,120	2,053,209	2,027,280	1,805,590
Surplus/(Deficit) from operations	(1,696,097)	(2,027,186)	(2,001,257)	(1,779,590)
	=====	=====	=====	=====

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2008 Operating Budget

TCCA Operations

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Passenger User Fees	67,356	0	0	0
Property Revenue	469,511	618,000	628,500	645,518
Fuel Sales	86,406	103,000	149,000	156,500
Storage of Boats/Airplanes	26,379	36,050	0	0
TCCA Landing fees	169,529	185,400	170,000	177,000
Filming	2,400	1,000	2,000	2,000
Other	(244,760)	(375,000)	(390,400)	(401,300)
	-----	-----	-----	-----
	576,821	568,450	559,100	579,718
EXPENSES				
Salaries, wages and benefits	834,893	888,096	976,740	1,192,466
Operating materials and utilities	348,703	820,099	817,471	881,760
Amortization	93,056	480,000	400,000	440,800
Maintenance and repairs	287,099	195,000	167,500	173,500
Insurance	136,091	147,600	133,800	140,600
Security	126,263	252,839	230,000	237,000
Training and membership	32,351	52,750	25,000	30,000
Bad debt expense	3,341	18,000	18,000	15,000
Other expenses	(259,180)	(404,300)	(430,250)	(441,800)
	-----	-----	-----	-----
	1,602,617	2,450,084	2,338,261	2,669,326
Surplus/(Deficit) from operations	(1,025,796)	(1,881,634)	(1,779,161)	(2,089,608)
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget

TCCA Parking

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Parking	27,286	0	55,000	57,860
Other	1,325	0	0	0
	-----	-----	-----	-----
	28,611	0	55,000	57,860
EXPENSES				
Operating materials and utilities	131	0	0	0
Realty taxes	3,167	0	0	0
Bad debt expense	49	0	0	0
	-----	-----	-----	-----
	3,347	0	0	0
Surplus/(Deficit) from operations	25,264	0	55,000	57,860
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget

TCCA Ferry

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
TCCA Ferry Services	193,158	309,000	100,000	150,000
	-----	-----	-----	-----
	193,158	309,000	100,000	150,000
EXPENSES				
Salaries, wages and benefits	1,115,474	1,327,774	1,245,300	1,300,567
Operating materials and utilities	97,181	129,700	140,600	146,400
Maintenance and repairs	107,184	38,250	270,700	150,000
Insurance	16,106	50,000	24,000	25,200
Training and membership	8,196	15,000	1,200	10,000
Bad debt expense	333	2,500	2,000	2,000
Other expenses	1,201	500	1,950	1,950
	-----	-----	-----	-----
	1,345,675	1,563,724	1,685,750	1,636,117
Surplus/(Deficit) from operations	(1,152,517)	(1,254,724)	(1,585,750)	(1,486,117)
	=====	=====	=====	=====

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The Toronto Port Authority
 2008 Operating Budget
 Ferry Passenger Transfer Facilities

	2006	2007	2007	2008
	Actual	Budget	Projection	Budget
REVENUES				
Property Revenue	22	0	720	720
	-----	-----	-----	-----
	22	0	720	720
EXPENSES				
Salaries, wages and benefits	23,490	94,430	63,261	86,811
Operating materials and utilities	10,210	38,000	73,300	76,250
Amortization	0	260,000	260,000	295,700
Maintenance and repairs	100,833	50,000	201,000	162,000
Security	24,607	50,000	50,000	51,500
Other expenses	0	600	400	400
	-----	-----	-----	-----
	159,140	493,030	647,961	672,661
Surplus/(Deficit) from operations	(159,118)	(493,030)	(647,241)	(671,941)
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget

Property & Other

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Property Revenue	745,419	759,225	893,984	1,260,121
Parking	470,066	427,300	534,300	547,300
Filming	13,346	10,000	13,000	10,000
	-----	-----	-----	-----
	1,228,831	1,196,525	1,441,284	1,817,421
EXPENSES				
Salaries, wages and benefits	160,692	146,979	156,414	160,357
Operating materials and utilities	80,773	81,850	100,250	97,350
Amortization	224,405	220,300	220,300	210,700
Maintenance and repairs	114,728	135,000	122,400	125,500
Consulting Studies & Planning	82,533	0	10,900	0
Legal and audit	46,264	50,000	50,000	50,000
Insurance	27,485	29,160	28,342	29,800
Security	(250)	500	150	250
Realty taxes	361,469	177,300	310,376	326,150
Bad debt expense	(5,996)	10,000	5,000	5,000
	-----	-----	-----	-----
	1,092,103	851,089	1,004,132	1,005,107
Surplus/(Deficit) from operations	136,728	345,436	437,152	812,314
	=====	=====	=====	=====

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The Toronto Port Authority
 2008 Operating Budget
 Investments

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Investment Income	398,008	473,164	333,733	345,763
	-----	-----	-----	-----
	398,008	473,164	333,733	345,763
EXPENSES				
Other expenses	13,368	10,500	20,000	14,100
	-----	-----	-----	-----
	13,368	10,500	20,000	14,100
Surplus/(Deficit) from operations	384,640	462,664	313,733	331,663
	=====	=====	=====	=====

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The Toronto Port Authority

2008 Operating Budget

Corporate Services

	2006 Actual	2007 Budget	2007 Projection	2008 Budget
REVENUES				
Filming	7,100	6,000	7,500	7,500
Other	1,561	0	800	0
	-----	-----	-----	-----
	8,661	6,000	8,300	7,500
EXPENSES				
Salaries, wages and benefits	1,569,882	1,476,785	1,504,381	1,587,944
Directors' fees	71,111	132,125	150,000	125,225
Operating materials and utilities	121,473	135,950	118,200	126,550
Amortization	26,546	45,000	45,000	43,100
Maintenance and repairs	87,790	97,000	105,500	102,500
Promotion	472,069	75,500	81,500	70,000
Consulting Studies & Planning	239,485	165,000	200,000	257,500
Office and general	247,781	208,950	212,500	211,810
Legal and audit	571,635	337,100	362,000	355,000
Canada Marine Act	13,719	20,000	20,300	20,000
Insurance	218,285	218,520	213,400	224,300
Security	0	500	150	250
Payment in Lieu of Taxes	80,358	60,900	140,319	94,307
Training and membership	60,131	72,400	85,325	89,550
Travel	57,741	65,000	53,700	66,000
Other expenses	28,179	26,000	23,950	22,100
	-----	-----	-----	-----
	3,866,185	3,136,730	3,316,225	3,396,136
Surplus/(Deficit) from operations	(3,857,524)	(3,130,730)	(3,307,925)	(3,388,636)
	=====	=====	=====	=====

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TAB C

**TORONTO PORT AUTHORITY
BUSINESS STATISTICS**

	<u>2006 ACTUAL</u>	<u>2007 BUDGET</u>	<u>2007 PROJECTION</u>	<u>2008 BUDGET</u>
PORT OPERATIONS				
INDUSTRIAL SHIPPING				
BULK CARGO (NON TPA TERMINALS):				
CEMENT	433,175	410,000	410,000	410,000
ASPHALT	30,599	35,000	35,000	35,000
SALT	587,101	500,000	500,000	500,000
AGGREGATES	153,342	85,000	85,000	85,000
STONE	107,511	80,000	80,000	80,000
SUGAR	451,040	550,000	550,000	550,000
OTHER	-	15,000	-	-
TOTAL BULK (NON TPA TERMINALS)	<u>1,762,768</u>	<u>1,675,000</u>	<u>1,660,000</u>	<u>1,660,000</u>
TPA MARINE TERMINALS				
BREAK-BULK/GENERAL CARGO:				
STEEL PRODUCTS	24,165	55,000	18,287	25,000
PROJECT (Cargo provided in Cubic Metres below)*	3,989	5,000	19,729	7,000
UNITIZED CARGO/MISCELLANEOUS	-	4,000	-	4,000
BREAK-BULK/GENERAL CARGO	<u>28,154</u>	<u>64,000</u>	<u>38,016</u>	<u>36,000</u>
* BREAK-BULK/GENERAL CARGO (Cubic Metres)			<u>121,374</u>	<u>43,000</u>
BULK CARGO:				
SUGAR	48,756	75,000	50,000	50,000
TOTAL BULK CARGO	<u>48,756</u>	<u>75,000</u>	<u>50,000</u>	<u>50,000</u>
WAREHOUSE/CONTAINER SERVICE	<u>22,402</u>	<u>21,000</u>	<u>17,356</u>	<u>18,000</u>
INTERMODAL	<u>292,834</u>	<u>275,000</u>	<u>328,744</u>	<u>-</u>
TOTAL TPA MARINE TERMINALS (Tonnes)	<u>392,146</u>	<u>435,000</u>	<u>434,116</u>	<u>104,000</u>
TOTAL PORT TONNAGE (Tonnes)	<u>2,154,914</u>	<u>2,110,000</u>	<u>2,094,116</u>	<u>1,764,000</u>
PASSENGER CRUISE SHIPS				
TOTAL NO. OF SHIPS	6	6	6	-
TOTAL NO. OF PASSENGERS	1,936	2,040	2,129	-
PERMANENT SLIPS				
TRANSIENT	32	34	30	30
WINTER STORAGE	525	525	525	530
CITY CENTRE AIRPORT				
LANDINGS	455	5,262	4,774	5,835
LOAD FACTOR	29.3%	47.0%	40.8%	40.2%
COMMERCIAL PASSENGERS	22,859	346,256	272,706	328,685
ENPLANED COMMERCIAL PASSENGERS	9,327	173,128	136,353	164,343

TORONTO PORT AUTHORITY - 2008 Budget for Airport Statistics

Ott & Mt	2007												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Rev. Landings	379	403	406	415	462	425	308	320	406	430	420	400	4,774
Load Factor	26.2%	33.9%	32.2%	31.9%	34.1%	39.8%	51.3%	62.4%	44.1%	44.9%	47.6%	48.2%	40.8%
Seats	70	70	70	70	70	70	70	70	70	70	70	70	70
ACTUAL													
Enplaned Pax	6,941	9,556	9,156	9,262	11,025	11,836	11,056	13,979	12,542	13,500	14,000	13,500	136,363
	Projection												Projection

Ottawa	2008												Total	DIFFERENCE	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Rev. Landings	200	215	220	225	255	230	155	180	220	230	220	200	2,650	2,694	(134)
Load Factor	35.0%	35.0%	35.0%	35.0%	38.0%	45.0%	55.0%	60.0%	45.0%	45.0%	47.0%	47.0%	42.9%	52.7%	-9.8%
Seats	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70
FORECAST															
Enplaned Pax	4,900	5,268	5,390	5,513	6,783	7,245	5,968	7,560	6,930	7,245	7,238	6,580	76,619	99,000	(22,382)

Montreal	2008												Total	DIFFERENCE	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Rev. Landings	180	180	180	180	210	195	155	135	190	200	200	200	2,235	2,473	(238)
Load Factor	35.0%	35.0%	35.0%	37.0%	40.0%	45.0%	55.0%	60.0%	46.0%	46.0%	48.0%	48.0%	43.7%	57.7%	-14.0%
Seats	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70
FORECAST															
Enplaned Pax	4,410	4,655	4,655	4,921	5,880	6,143	5,968	5,670	6,118	6,440	6,720	6,720	68,299	99,600	(31,501)

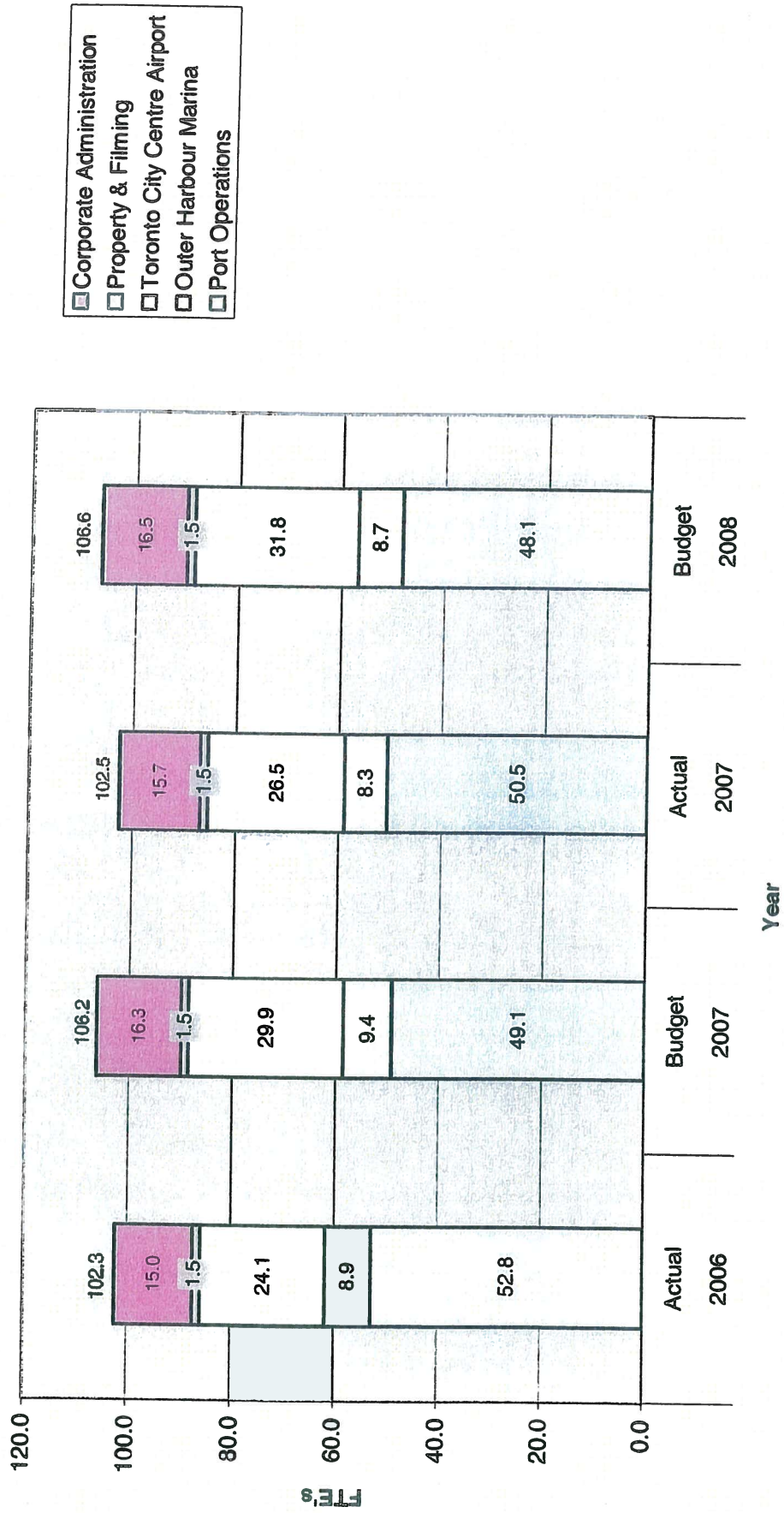
Newark	2008												Total	DIFFERENCE	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Rev. Landings	0	0	0	0	0	150	150	150	150	150	150	150	1,050	1,808	(758)
Load Factor	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%	25.0%	25.0%	25.0%	25.0%	30.0%	30.0%	26.4%	42.1%	-15.7%
Seats	0	0	0	0	0	70	70	70	70	70	70	70	70	70	70
FORECAST															
Enplaned Pax	-	-	-	-	-	2,625	2,625	2,625	2,625	2,625	3,150	3,150	19,425	53,300	(33,875)

2008 Totals	2008												Total	DIFFERENCE	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Rev. Landings	360	405	410	415	465	575	460	465	560	580	570	550	5,635	6,965	(1,130)
Load Factor	9.310	9.823	10.045	10.434	12.663	16.013	14.560	15.855	15.673	16.310	17.108	16.450	184,343	252,100	(67,757)
Seats	35.0%	35.0%	35.0%	35.9%	38.9%	39.6%	45.2%	48.7%	40.0%	40.2%	42.9%	42.7%	40.2%	51.7%	-11.5%

TORONTO PORT AUTHORITY
YEAR 2006, 2007 & 2008 OPERATING BUDGET
FTE SUMMARY - Actual vs. Budget

	2006 Actual	2007 Budget	2007 Actual	2008 Budget
SUMMARY				
Management & Non-Union	23.2	24.9	23.7	24.5
Full-Time Union	56.1	60.7	57.7	63.9
Part-time Union	13.8	12.0	14.0	11.0
Contract/Casuals	9.3	8.6	7.1	7.1
GRAND TOTAL	102.3	106.2	102.5	106.6
PORT OPERATIONS				
Mgmt & Non-Union	6.7	5.5	4.9	4.5
Full-Time Union	29.3	28.5	28.5	29.5
Part-time Union	13.8	12.0	14.0	11.0
Contract/Casuals	3.1	3.1	3.1	3.1
Total	52.8	49.1	50.5	48.1
OUTER HARBOUR MARINA				
Management & Non-Union	1.0	1.0	1.6	2.0
Full-Time Union	3.3	3.7	3.7	3.7
Part-time Union	0.0	0.0	0.0	0.0
Contract/Casuals	4.6	4.7	3.0	3.0
Total	8.9	9.4	8.3	8.7
TORONTO CITY CENTRE AIRPORT				
Management & Non-Union	3.0	3.9	3.5	3.5
Full-Time Union	21.1	26.0	23.0	28.3
Part-time Union	0.0	0.0	0.0	0.0
Contract/Casuals	0.0	0.0	0.0	0.0
Total	24.1	29.9	26.5	31.8
PROPERTY & FILMING				
Management & Non-Union	1.5	1.5	1.5	1.5
Full-Time Union	0.0	0.0	0.0	0.0
Part-time Union	0.0	0.0	0.0	0.0
Contract/Casuals	0.0	0.0	0.0	0.0
Total	1.5	1.5	1.5	1.5
CORPORATE				
Management & Non-Union	11.0	13.0	12.2	13.0
Full-Time Union	2.5	2.5	2.5	2.5
Part-time Union	0.0	0.0	0.0	0.0
Contract/Casuals	1.6	0.8	1.0	1.0
Total	15.0	16.3	15.7	16.5

Toronto Port Authority FTE's Budget vs. Actual



SCHEDULE C

TORONTO PORT AUTHORITY
TRAVEL BUDGET 2008

<u>Position</u>	<u>Destination</u>	<u>Reason</u>	<u>#</u>	<u>Ave Trip</u>	<u>Total</u>
<u>BOARD EXPENSES</u>					
Board of Directors	To be determined	- To be determined			<u>\$20,000</u>
<u>STAFF</u>					
President & CEO	Ottawa	- Various Meetings with Officials	6	\$1,000	\$6,000
	London, England	- Meetings with Insurance Underwriters			\$3,500
	Ottawa	- ACPA Government Interface			\$2,000
	Ottawa	- Canadian Airports Council			\$2,000
	Saint John, NB	- ACPA Annual Meeting			\$3,000
	To be determined	- AAPA			\$3,500
	To be determined	- Short Sea Shipping Conferences/Marketing			\$6,500
	To be determined	- ACPA Meetngs & Other			\$2,500
				<u>\$29,000</u>	
Vice-President & CFO	Ottawa	- Various Meetings with Officials	2	\$1,000	\$2,000
	London, England	- Meetings with Insurance Underwriters			\$3,500
	Ottawa	- ACPA Government Interface			\$2,000
	Saint John, NB	- ACPA Annual Meeting			\$3,000
	Montreal	- Meetings with Logistec			\$2,000
	To be determined	- Short Sea Shipping Conference			\$2,500
	To be determined	- ACPA Meetngs & Other			\$2,000
Harbour Master & Chief of Security	Ottawa	- Various Meetings with Officials	2	\$1,000	\$2,000
	London, England	- Meetings with Insurance Underwriters			\$3,000
	Ottawa	- ACPA Government Interface			\$2,000
	To be determined	- ACPA Meetings			\$1,000
	Ottawa	- Canadian Marine Advisory Council to TC			\$2,000
	Niagara Falls	- Canadian Marine Advisory Council to TC			\$1,000
	St. Catherines	- Regional Boating Advisory Council to TC			\$350
	Vancouver	- PortSecure (speaker - \$950 registration fee waived)			\$2,150
			<u>\$13,500</u>		
Manager, Customer Relations	Ottawa	- Meeting with Officials			\$1,000
	Miami	- Seatrade Convention on Cruise Ship Industry			\$3,750
	Portland, Maine	- Canada-New England Cruise Symposium			\$2,250
					<u>\$7,000</u>
Marina Manager	Deerhurst Inn	- Ontario Marina Operators Annual Meeting			\$1,500
Works & Envionr. Manager	To be determined	- ACPA Meetings			\$3,500
Airport Director	London, England	- London City Airport Community Relations			\$3,000
	To be determined	- Canadian Airports Council			\$2,000
					<u>\$5,000</u>
	Staff Total				<u><u>\$76,500</u></u>

SCHEDULE D

TORONTO PORT AUTHORITY
YEAR 2008 OPERATING BUDGET

CONSULTING, STUDIES & PLANNING

Board of Directors		<u>10,000</u>
Port Operations & Marina		0
Toronto City Centre Airport:		
Technical Issues	25,000	
Safety Mgmt System	<u>25,000</u>	
		50,000
Corporate:		
PILTS/Realty Taxes	40,000	
Government Relations	84,000	
Communications Retainer	90,000	
Communications - Develop Earned & Paid Media	8,500	
HR Benefit Consulting	<u>25,000</u>	
		<u>247,500</u>
TOTAL		<u><u>297,500</u></u>

SCHEDULE E

TORONTO PORT AUTHORITY
YEAR 2008 OPERATING BUDGET

LEGAL & AUDIT

Board of Directors	50,000
Port Operations:	
Harbour Maintenance	
Harbour User Fee Issues	5,000
International Marine Passenger Terminal ("IMPT")	
City of Rochester Lease Issue	15,000
Marine Terminals	
Labour Issues	10,000
Outer Harbour Marina:	
Collection Issues	5,000
Toronto City Centre Airport:	
A/C Jazz Actions	250,000
Property:	
Lease Issues & 30 Bay Street Development	50,000
Corporate:	
PILTS/Realty Taxes	50,000
HR Lawsuit	40,000
City of Toronto (non-payment)	125,000
Canada Marine Act	25,000
Miscellaneous Issues	25,000
Audit Fees	40,000
	<u>305,000</u>
TOTAL	<u>640,000</u>

TAB D

**TORONTO PORT AUTHORITY
STATE OF GOOD REPAIR 2008-2012 CAPITAL EXPENDITURE PLAN**

S. No.	Name of Project	Location	2008 Budget	2009-2012 Plan	Total	Description
PORT OPERATIONS BUILDINGS, STRUCTURES & SURFACES Dockwalls						
1	Berth 513/514 Corner Fender Rehabilitation	Dockwalls		400,000	400,000	Rehabilitation of existing corner fender located near Marine Terminal #51 at the south-west corner of the Ship Channel. Originally constructed in the 1970's this fender system is important for safety and maneuvering of commercial vessels at MTS1
Ship Channel Bridge						
2	Bridge Rehabilitation - Structural Steel, Mechanical & Electrical	Ship Channel Bridge	700,000	400,000	1,100,000	Major rehabilitation of the Ship Channel Bridge in 2008, including structural steel replacement. There is the potential to do three sections. Top Priority is the North Approach. Also, the South Approach and Bascule Span are possible additions, depending on Contractor's response to Tender. Mechanical/electrical rehabilitation to be done in 2009 to 2012 timeframe.
Marine Terminals						
3	Sprinkler Conversion W52	Marine Terminals		120,000	120,000	Current system is a 'wet' system which requires the building air temperature to be kept at certain temperature in order to avoid freezing. Conversion of sprinklers to "dry" system eliminates the need to keep building temperature above freezing
4	Overhead Door Replacement	Marine Terminals		75,000	75,000	Replace deteriorated and under sized doors in MTS1 and WH52
5	HVAC Replacement of Buildings	Marine Terminals		175,000	175,000	Program to replace heating ventilation and air conditioning equipment in the Terminal buildings (51 & 52)
6	Paving - resurfacing	Marine Terminals		500,000	500,000	Terminal asphalt is continually breaking up due to heavy vehicular use and subgrade deficiencies. If not corrected pot holes and broken asphalt develop and could cause accidents and damage to equipment. The total area is 40 acres.
7	Roof Membrane Coating Replacement (51 & 52)	Marine Terminals		450,000	450,000	Program to replace deteriorated protective coating to existing roofing membrane for Marine Terminal #51 and Warehouse #52 buildings.
8	Septic Field Redevelopment	Marine Terminals		150,000	150,000	Redirect the existing sewage lines over to the new waste water treatment plant; abandon the septic field & pave for Cargo operation

SCHEDULE "A"
TORONTO PORT AUTHORITY
STATE OF GOOD REPAIR 2008-2012 CAPITAL EXPENDITURE PLAN

S. No	Name of Project	Location	2008 Budget	2009-2012 Plan	Total	Description
FORT OPERATIONS PLANT & EQUIPMENT						
Marine Terminals						
9	Heavy Equipment	Marine Terminals		400,000	400,000	Replacement of various old, heavy pieces of equipment at the Terminals, which are critical to efficient operations
Works & Environmental Services						
10	Heavy Equipment	Works & Environmental Services	150,000	350,000	500,000	Replacement of various old, heavy pieces of equipment at the Works & Environmental Services department. It is not efficient to continue to repair the old equipment. Includes Bullmoose Crane, Forklift, Backhoe, Bull Dozer and Bob Cat.
11	Derrick 50 Generator	Works & Environmental Services	25,000	25,000	25,000	Replacement is needed due to poor reliability of the old motors and high cost of maintenance.
12	Construction Vehicle	Works & Environmental Services	50,000	275,000	325,000	Replacement program for vehicles in the truck fleet. This is an annual allowance to replace trucks on an ongoing basis.
13	General Equipment	Works & Environmental Services		54,500	54,500	Replacement program for general equipment. This is an annual allowance to replace trucks on an ongoing basis.
14	Steel Boat Replacement	Works & Environmental Services		35,000	35,000	Existing two 17' steel boats (W522 and W523) were purchased in 1990. These boats are used extensively for various operations.
15	Steering System For William Rest	Works & Environmental Services	40,000		40,000	Replacement of existing system which is unreliable, requires extensive repair and is an environmental risk.
Engineering & Surveys						
16	Survey Equipment	Engineering & Surveys		73,000	73,000	The existing "total station" and EDM equipment were purchased in 1988. Changes in technology and the shift to Differential Global Positioning System (DGPS) for survey work have prompted the need for replacement equipment.
17	CADD Computer	Engineering & Surveys		6,000	6,000	Replacement of existing computer aided design and drafting computer, expected as a result of obsolescence.
International Marine Passengers Terminal ("IMPT")						
18	Security Patrol Vehicle	Marine Terminals		30,000	30,000	A dedicated security patrol vehicle allows for rapid reaction to a security-threat situation, while also providing a means of thorough and quick regular patrol of the site.
19	Fibre Optics - (MSCP 37.5% Approved)	IMPT & Marine Terminals		165,000	165,000	To install permanent fibre optic cabling between all areas of the IMPT, across Pier 51 and a connection to the data storage system located at Harbour St. Replaces current antennae system, which is not reliable.

SCHEDULE "A"
TORONTO PORT AUTHORITY
STATE OF GOOD REPAIR 2006-2012 CAPITAL EXPENDITURE PLAN

S. No.	Name of Project	Location	2008 Budget	2009-2012 Plan	Total	Description
OUTER HARBOUR MARINA						
BUILDINGS, STRUCTURES & SURFACES						
20	Rehab Entrance Road	Outer Harbour Marina		50,000	50,000	Re-construction of the existing Marina entrance road. The road from Urwin Avenue to the Marina gates is in poor condition.
21	Gas Pumps replacement	Outer Harbour Marina		75,000	75,000	The current pumps are over 15 years old and very slow. The pumps are not easily read in terms of the metre or the litres pumped. The technology of the current pumps is outdated.
22	Floating Dock rehabilitation	Outer Harbour Marina		300,000	300,000	The existing Marina floating docks were constructed in 1989. Floatation tanks have started to require additional repairs due to normal wear and tear. The floating docks must be maintained to avoid sinking and potential damage to customer boats.
OUTER HARBOUR MARINA PLANT & EQUIPMENT						
23	Dock Maintenance Vehicles	Outer Harbour Marina		20,000	20,000	The Marina covers over a kilometre in traveling area, and maintenance vehicles are used to pull garbage bins down the main dock for garbage and to carry supplies. The current vehicles are 8 to 9 years old and wearing out. Maintenance and repair is getting costly and it is difficult to get replacement parts.
24	Travelift	Outer Harbour Marina		300,000	300,000	The equipment was purchased in 1990 and is in constant use, other than a few months in the winter. Due to cost of repairs, maintenance and most importantly, reliability, this equipment is due for replacement.
25	Vehicle Replacement	Outer Harbour Marina		35,000	35,000	The pick-up trucks were purchased new in 1999 and 2001. Due to the cost of repairs, maintenance and reliability, these vehicles will be due for replacement.

SCHEDULE "A"
TORONTO PORT AUTHORITY
STATE OF GOOD REPAIR 2008-2012 CAPITAL EXPENDITURE PLAN

S.No.	Name of Project	Location	2008 Budget	2009-2012 Plan	Total	Description
BUILDINGS, STRUCTURES & SURFACES						
26	Resurface Main Apron - (ACAP Eligible)	TCCA		1,300,000	1,300,000	The main apron has reached its present size over many years of additions. As a result, there are several areas with asphalt of various ages, and various stages of oxidization and spalling.
27	Resurface Taxiways - (ACAP Eligible)	TCCA		750,000	750,000	The various taxiways have been constructed over several years in different stages. As a result, there are several areas with asphalt of various ages, and various stages of oxidization and spalling.
28	Resurface Runway 08-26 - (ACAP Eligible)	TCCA		1,500,000	1,500,000	The main runway will require rehabilitation in the next 2 to 4 years to maintain its integrity for the years following 2008. Rehabilitation will be required to correct major reflection cracking which may impact the safety of future aircraft operations
29	Maintenance Building - Renovate Adjacent Bay - (ACAP Eligible)	TCCA	500,000		500,000	The renovation of one bay in the existing Maintenance Garage to accommodate the new fire truck. Required to provide heated weather protected space for the second fire fighting vehicle which is expected to be delivered in September 2008. Preferable option is an extension to the south. The cost of the extension is \$1.5 million.
PLANT & EQUIPMENT						
30	CCTV TCCA Apron	TCCA	25,000		25,000	To install CCTVs to monitor the TCCA apron with the start of trans-border flights and increased monitoring from Transportation Security Administration and homeland security.
31	Install New Security System	TCCA		150,000	150,000	Since events of 9/11, the TCCA has instituted new security procedures and has installed additional security equipment. An integrated security system must now be installed to enhance the physical security now in place. The recommended systems will include an intrusion detection security system, the installation of an electronic access control system and a CCTV surveillance and digital recording system.
32	New Snow Plows - (85% ACAP Eligible)	TCCA	160,000		320,000	A new snow plow will be required in 2008 to replace existing aging equipment. (Another new snow plow will be required in 2009 to replace the other existing snow plow.)
33	New Snow Blower - (85% ACAP Eligible)	TCCA		600,000	600,000	A new snow blower will be required in 2009 to replace existing aging equipment.
34	New Fire Truck - (85% ACAP Eligible)	TCCA	850,000		850,000	A new fire truck will be required to meet the requirement for increased water capacity as TCCA is moving up from Category 4 to 6
35	Front-mounted Sweeper - (85% ACAP Eligible)	TCCA	250,000		250,000	Cost to purchase front-mounted sweeper, currently leased. Approved at the October 25, 2006 Board Meeting.
36	Friction Coefficient Testing Equipment - (85% ACAP Eligible)	TCCA	30,000		30,000	This is an equipment for testing and analyzing the friction coefficient for runways. It would be installed into one of the airport's vehicles
37	Airfield Lighting / Signage	TCCA		365,000	365,000	Existing runway signage and some edge lighting must be relocated on the airfield to meet Transport Canada certification requirements.
38	Vehicle Replacement	TCCA		50,000	50,000	This is a new vehicle that will service the Airport in terms of maintenance and vehicle escort services.

SCHEDULE "A"
TORONTO PORT AUTHORITY
STATE OF GOOD REPAIR 2008-2012 CAPITAL EXPENDITURE PLAN

S. No.	Name of Project	Location	2008 Budget	2009-2012 Plan	Total	Description
BUILDINGS, STRUCTURES & SURFACES						
39	Penhouse Roof Replacement 60 Harbour Street	60 Harbour Street		125,000	125,000	Original roof constructed in 1978 has showing signs of deterioration. Repairs are expensive given the location and access.
40	Exterior Flood Light Restoration 60 Harbour Street	60 Harbour Street		25,000	25,000	Replacement of exterior lighting including front floods, and rear post light fixtures.
41	Air Chiller 60 Harbour Street	60 Harbour Street		85,000	85,000	Originally installed in 1976 this equipment requires replacement to ensure reliability and to control repair and maintenance costs.
42	HVAC Radiator 60 Harbour Street	60 Harbour Street	30,000		30,000	Remove and replace main HVAC radiator as it deteriorated, and has been patched a number of times.
Pier 6						
43	Roof Restoration Pier 6	Pier 6		30,000	30,000	The existing roof of this tenanted building was constructed as part of major renovations and construction in 1989. Recent inspection, Ave indicated the roof is beginning to show deterioration.
44	Wood Decking Pier 6	Pier 6		40,000	40,000	Remove and replace deteriorating wood decking.
CORPORATE						
PLANT & EQUIPMENT						
45	Computer Equipment Upgrades Corporate	Corporate	56,800	272,500	329,300	Program to upgrade computer equipment and network infrastructure
46	Corporate Software Corporate	Corporate	41,000	127,000	168,000	Upgrade required to conform to contemporary business practices
47	Finance Software Corporate	Corporate		85,000	85,000	Upgrade required to maintain manufacturer support and conform to contemporary business practices
48	Telephone System Corporate	Corporate		50,000	50,000	Replace Telephone System, including hardware and software.
LANDFILL						
49	Leslie St. Landfill (Engineering & Construction of Fish Habitat)		300,000		300,000	Development of Landfill as part of lease with the provincial Minister of Natural Resources.
Gross total			3,207,800	10,153,000	13,360,800	
Less: TCCA Budget			(1,815,000)	(4,875,000)	(6,690,000)	
			1,392,800	5,278,000	6,670,800	

**TORONTO PORT AUTHORITY
DEVELOPMENT PLAN 2008-2012 CAPITAL EXPENDITURE PLAN**

S. No.	Name of Project	Location	2008 Budget	2009-2012 Plan	Total	Description
	OUTER HARBOUR MARINA					
1	Office, Retail, & Public Washrooms	Outer Harbour Marina		2,000,000	2,000,000	The existing Marina office and maintenance department are located in temporary trailer facilities that are approximately fifteen years old. Opportunity exists for retail sales and rental to marine related businesses. Increased services to customers and the public with additional washroom facilities will increase customer satisfaction. There will be an additional \$50,000 per annum in net retail and \$150,000 in net rental of space.
2	Phase II Master Plan Engineering & Environmental Studies	Outer Harbour Marina	100,000	500,000	600,000	Develop the south portion of the Marina, creating approximately 600 additional boating slips, paved parking and storage facilities, landscaped berms and roadways, customer recreation and washroom facilities. The initial step in this proposal in year 2008 is to assess environmental issues and to plan the engineering work.
3	Phase II Backland Development	Outer Harbour Marina		1,200,000	1,200,000	Develop the land in terms of services upon which Phase II will be built
4	Phase II Dockwalls	Outer Harbour Marina		2,500,000	2,500,000	Build dockwalls for Phase II
5	Phase II Floating Docks	Outer Harbour Marina		1,600,000	1,600,000	Additional floating docks will be required in the Phase II
6	Phase II Landscaping	Outer Harbour Marina		100,000	100,000	Additional landscaping will be required
7	Phase II Roadways	Outer Harbour Marina		400,000	400,000	Build roadways for access to and within the Phase II area
8	Phase II Complex "B"	Outer Harbour Marina		1,500,000	1,500,000	Office, retail and washroom facilities to support Phase II
9	Phase II Boat Handling Equipment	Outer Harbour Marina		350,000	350,000	Additional equipment for Phase II development, due to the size of the Marina, including an additional travelift
	Gross total		100,000	10,150,000	10,250,000	

SCHEDULE "B"
TORONTO PORT AUTHORITY
CAPITAL FIVE YEAR PLAN 2008 - 2012
STATE OF GOOD REPAIR

S. No.	Name of Project	2008	2009	2010	2011	2012	TOTAL 2008 - 2012	FIVE YEAR CAPITAL PLAN
	<u>PORT OPERATIONS</u>							
	<u>BUILDINGS, STRUCTURES & SURFACES</u>							
	<u>Dockwalls</u>							
1	Berth 513/514 Corner Fender Rehabilitation	-	-	-	-	400,000	400,000	400,000
		-	-	-	-	400,000	400,000	400,000
	<u>Ship Channel Bridge</u>							
2	Bridge Rehabilitation - Structural Steel, Mechanical & Electrical	700,000	-	400,000	-	-	1,100,000	1,100,000
		700,000	-	400,000	-	-	1,100,000	1,100,000
	<u>Marine Terminals</u>							
3	Sprinkler Conversion W52	-	120,000	-	-	-	120,000	120,000
4	Overhead Door Replacement	-	-	-	-	75,000	75,000	75,000
5	HVAC Replacement of Buildings	-	-	100,000	75,000	-	175,000	175,000
6	Paving - resurfacing	-	150,000	150,000	100,000	100,000	500,000	500,000
7	Roof Membrane Coating Replacement (51 & 52)	-	150,000	-	150,000	150,000	450,000	450,000
8	Septic Field Redevelopment	-	150,000	-	-	-	150,000	150,000
		-	570,000	250,000	325,000	325,000	1,470,000	1,470,000
	TOTAL PORT OPERATIONS							
	BUILDINGS, STRUCTURES & SURFACES							
		700,000	570,000	650,000	325,000	725,000	2,970,000	2,970,000

SCHEDULE "B"
TORONTO PORT AUTHORITY
CAPITAL FIVE YEAR PLAN 2008 - 2012
STATE OF GOOD REPAIR

S.No.	Name of Project	2008	2009	2010	2011	2012	TOTAL 2008 - 2012	FIVE YEAR CAPITAL PLAN
<u>PORT OPERATIONS PLANT & EQUIPMENT</u>								
<u>Marine Terminals</u>								
9	Heavy Equipment	-	100,000	100,000	-	200,000	400,000	400,000
		-	100,000	100,000	-	200,000	400,000	400,000
<u>Works & Environmental Services</u>								
10	Heavy Equipment	150,000	125,000	50,000	-	175,000	500,000	500,000
11	Derrick 50 Generator	25,000	-	-	-	-	25,000	25,000
12	Construction Vehicle	50,000	50,000	75,000	150,000	-	325,000	325,000
13	General Equipment	-	12,500	13,000	14,000	15,000	54,500	54,500
14	Steel Boat Replacement	-	35,000	-	-	-	35,000	35,000
15	Steering System For William Rest	40,000	-	-	-	-	40,000	40,000
		265,000	222,500	138,000	164,000	190,000	979,500	979,500
<u>Engineering & Surveys</u>								
16	Survey Equipment	-	73,000	-	-	-	73,000	73,000
17	CADD Computer	-	-	6,000	-	-	6,000	6,000
		-	73,000	6,000	-	-	79,000	79,000
<u>International Marine Passengers Terminal ("IMPT")</u>								
18	Security Patrol Vehicle	-	-	-	-	30,000	30,000	30,000
19	Fibre Optics - (MSCP 37.5% Approved)	-	-	165,000	-	-	165,000	165,000
		-	-	165,000	-	30,000	195,000	195,000
TOTAL PORT OPERATIONS PLANT & EQUIPMENT								
		265,000	395,500	409,000	164,000	420,000	1,653,500	1,653,500
TOTAL PORT OPERATIONS CAPITAL								
		965,000	965,500	1,059,000	489,000	1,145,000	4,623,500	4,623,500

SCHEDULE "B"
TORONTO PORT AUTHORITY
CAPITAL FIVE YEAR PLAN 2008 - 2012
STATE OF GOOD REPAIR

S. No.	Name of Project	2008	2009	2010	2011	2012	TOTAL 2008 - 2012	FIVE YEAR CAPITAL PLAN
	<u>OUTER HARBOUR MARINA</u>							
	<u>BUILDINGS, STRUCTURES & SURFACES</u>							
20	Rehab Entrance Road	-	50,000	-	-	-	50,000	50,000
21	Gas Pumps replacement	-	75,000	-	-	-	75,000	75,000
22	Floating Dock rehabilitation	-	100,000	100,000	100,000	-	300,000	300,000
	TOTAL MARINA BUILDINGS, STRUCTURES & SURFACES	-	225,000	100,000	100,000	-	425,000	425,000
	<u>OUTER HARBOUR MARINA PLANT & EQUIPMENT</u>							
23	Dock Maintenance Vehicles	-	-	20,000	-	-	20,000	20,000
24	Travelift	-	300,000	-	-	-	300,000	300,000
25	Vehicle Replacement	-	-	-	35,000	-	35,000	35,000
	TOTAL MARINA PLANT & EQUIPMENT	-	300,000	20,000	35,000	-	355,000	355,000
	TOTAL OUTER HARBOUR MARINA CAPITAL	-	525,000	120,000	135,000	-	780,000	780,000

SCHEDULE "B"
TORONTO PORT AUTHORITY
CAPITAL FIVE YEAR PLAN 2008 - 2012
STATE OF GOOD REPAIR

S. No.	Name of Project	2008	2009	2010	2011	2012	TOTAL 2008 - 2012	FIVE YEAR CAPITAL PLAN
TORONTO CITY CENTER AIRPORT								
<u>BUILDINGS, STRUCTURES & SURFACES</u>								
26	Resurface Main Apron - (ACAP Eligible)	-	-	1,300,000	-	-	1,300,000	1,300,000
27	Resurface Taxiways - (ACAP Eligible)	-	-	-	750,000	-	750,000	750,000
28	Resurface Runway 08-26 - (ACAP Eligible)	-	-	-	-	1,500,000	1,500,000	1,500,000
29	Maintenance Building - Renovate Adjacent Bay - (ACAP Eligible)	500,000	-	-	-	-	500,000	500,000
TOTAL BUILDINGS, STRUCTURES & SURFACES		500,000	-	1,300,000	750,000	1,500,000	4,050,000	4,050,000
<u>PLANT & EQUIPMENT</u>								
30	CCTV TCCA Apron	25,000	-	-	-	-	25,000	25,000
31	Install New Security System	-	150,000	-	-	-	150,000	150,000
32	New Snow Plows - (85% ACAP Eligible)	160,000	-	-	-	-	160,000	320,000
33	New Snow Blower - (85% ACAP Eligible)	-	600,000	-	-	-	600,000	600,000
34	New Fire Truck - (85% ACAP Eligible)	850,000	-	-	-	-	850,000	850,000
35	Front-mounted Sweeper - (85% ACAP Eligible)	250,000	-	-	-	-	250,000	250,000
36	Friction Coefficient Testing Equipment - (85% ACAP Eligible)	30,000	-	-	-	-	30,000	30,000
37	Airfield Lighting / Signage	-	365,000	-	-	-	365,000	365,000
38	Vehicle Replacement	-	-	50,000	-	-	50,000	50,000
TOTAL PLANT & EQUIPMENT		1,315,000	1,275,000	50,000	-	-	2,640,000	2,640,000
TOTAL TORONTO CITY CENTRE AIRPORT CAPITAL		1,815,000	1,275,000	1,350,000	750,000	1,500,000	6,690,000	6,690,000

SCHEDULE "B"
TORONTO PORT AUTHORITY
CAPITAL FIVE YEAR PLAN 2008 - 2012
STATE OF GOOD REPAIR

S. No.	Name of Project	2008	2009	2010	2011	2012	TOTAL 2008 - 2012	FIVE YEAR CAPITAL PLAN
PROPERTY								
<u>BUILDINGS, STRUCTURES & SURFACES</u>								
<u>60 Harbour Street</u>								
39	Penthouse Roof Replacement	-	125,000	-	-	-	125,000	125,000
40	Exterior Flood Light Restoration	-	25,000	-	-	-	25,000	25,000
41	Air Chiller	-	-	-	-	85,000	85,000	85,000
42	HVAC Radiator	30,000	-	-	-	-	30,000	30,000
Pier 6								
43	Roof Restoration	30,000	150,000	-	-	85,000	265,000	265,000
44	Wood Decking	-	40,000	-	-	30,000	70,000	70,000
TOTAL PROPERTY BUILDINGS, STRUCTURES & SURFACES								
		30,000	190,000	-	-	115,000	335,000	335,000
CORPORATE								
<u>PLANT & EQUIPMENT</u>								
45	Computer Equipment Upgrades	56,800	67,500	64,000	74,000	67,000	329,300	329,300
46	Corporate Software	41,000	30,000	40,000	22,000	35,000	168,000	168,000
47	Finance Software	-	40,000	-	45,000	-	85,000	85,000
48	Telephone System	-	-	50,000	-	-	50,000	50,000
LANDFILL								
49	Leslie St. Landfill (Engineering & Construction of Fish Habitat)	300,000	-	-	-	-	300,000	300,000
TOTAL CORPORATE PLAN & EQUIPMENT								
		397,800	137,500	154,000	141,000	102,000	932,300	932,300
TOTAL CORPORATE CAPITAL								
		427,800	327,500	154,000	141,000	217,000	1,267,300	1,267,300
CONSOLIDATED TOTAL								
		3,207,800	3,093,000	2,683,000	1,515,000	2,862,000	13,360,800	13,360,800
	Less: TCCA Budget	(1,815,000)	(1,275,000)	(1,350,000)	(750,000)	(1,500,000)	(6,690,000)	(6,690,000)
	Net Total	1,392,800	1,818,000	1,333,000	765,000	1,362,000	6,670,800	6,670,800

SCHEDULE "B"
TORONTO PORT AUTHORITY
CAPITAL FIVE YEAR PLAN 2008 - 2012
DEVELOPMENT PLAN

S. No.	Name of Project	2008	2009	2010	2011	2012	TOTAL 2008 - 2012	FIVE YEAR CAPITAL PLAN
OUTER HARBOUR MARINA								
1	Office, Retail, & Public Washrooms	-	2,000,000	-	-	-	2,000,000	2,000,000
2	Phase II Engineering & Environmental Studies Master Plan	100,000	100,000	400,000	-	-	600,000	600,000
3	Phase II Backland Development	-	300,000	600,000	300,000	-	1,200,000	1,200,000
4	Phase II Dockwalls	-	1,500,000	1,000,000	-	-	2,500,000	2,500,000
5	Phase II Floating Docks	-	100,000	1,000,000	500,000	-	1,600,000	1,600,000
6	Phase II Landscaping	-	-	-	100,000	-	100,000	100,000
7	Phase II Roadways	-	-	200,000	200,000	-	400,000	400,000
8	Phase II Complex "B"	-	-	1,500,000	-	-	1,500,000	1,500,000
9	Phase II Boat Handling Equipment	-	350,000	-	-	-	350,000	350,000
TOTAL OUTER HARBOUR MARINA CAPITAL		100,000	4,350,000	4,700,000	1,100,000	-	10,250,000	10,250,000

TAB E

**Toronto Port Authority
Covenant Positions**

BMO Bank Loan

Particulars	2007	Q1	Q2	Q3	Q4
	Projected Y/E	2008	2008	2008	2008
	Dec	Mar	Jun	Sep	Dec
EBITDA/DS					
EBITDA					
Adjusted Net Income	(234)	(616)	(225)	(545)	(574)
Plus: Interest expense	671	200	399	595	789
Amortization	1,703	434	867	1,301	1,734
Payments in lieu of taxes	651	195	390	585	780
Cash flow allocated to debt service by the TPA from cash reserves (NB & WG)	8,000	7,083	6,499	4,925	5,663
ADJUSTED EBITDA	10,791	7,296	7,930	6,861	8,391
DEBT SERVICE:					
Cash Interest Paid	781	200	399	595	789
Capital Lease Payments	-	-	-	-	-
Scheduled Principal Payments	397	132	266	401	536
Payments in lieu of taxes	651	195	390	585	780
Unfunded capital expenditures	1,000	100	1,035	1,590	1,758
TOTAL DEBT SERVICE	2,829	627	2,090	3,171	3,863
Adjusted EBITDA/DEBT SERVICE	3.81	11.64	3.79	2.16	2.17
Covenant	1.25:1	1.25:1	1.25:1	1.25:1	1.25:1

DEBT SERVICE RESERVE

Amount on deposit minimum \$1MM req'd	Dec 31/07	Mar 31/08	Jun 30/08	Sep 30/08	Dec 31/08
Nesbitt #410 24879-17 24879	\$7,000	\$7,083	\$6,499	\$4,925	\$5,663
Total Nesbitt Holdings in Reserve	\$7,000	\$7,083	\$6,499	\$4,925	\$5,663
SURPLUS ON NESBITT RESERVE	\$6,000	\$6,083	\$5,499	\$3,925	\$4,663
Covenant	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
	met	met	met	met	met

TORONTO PORT AUTHORITY
(IN 000's)

Cash Reserve Forecast 2008

	2007	January	February	March	April	May	June	July	August	September	October	November	December	Total
PORT OPERATIONS														
1 Revenue	115	115	115	115	215	315	415	476	476	476	375	385	385	3,021
2 Expenses	180	180	210	235	210	235	265	350	350	350	325	325	325	3,078
3 Net	(75)	(75)	(100)	(120)	105	80	150	126	126	126	50	60	60	148
OUTER HARBOUR MARINA														
4 Revenue	200	100	150	200	200	325	150	75	100	160	300	225	198	2,173
5 Expenses	50	50	215	55	90	120	120	120	120	120	100	100	100	1,225
6 Net	150	50	(65)	145	110	205	30	(45)	(20)	40	200	125	98	948
CITY CENTRE AIRPORT														
7 Revenue	475	475	475	500	500	500	500	500	500	500	542	525	525	6,518
8 Expenses	420	420	440	500	460	455	455	455	460	470	460	470	473	5,485
9 Net	55	55	35	60	40	45	45	45	40	30	82	55	55	1,033
PROPERTY RENTAL														
10 Revenue	135	135	185	135	135	135	135	135	135	135	135	135	135	1,817
11 Expenses	60	60	100	60	60	65	65	65	65	65	60	60	60	770
12 Net	75	75	85	75	75	70	70	70	70	70	75	75	75	1,047
INVESTMENT														
13 Revenue	33	33	33	33	33	26	27	27	27	27	22	22	22	24
14 Expenses	(225)	(225)	(225)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(2,400)
15 Net	(192)	(192)	(192)	(207)	(207)	(214)	(213)	(213)	(213)	(213)	(218)	(218)	(218)	(2,376)
CORPORATE ADMINISTRATION														
16 Revenue	13	(87)	(82)	(82)	(82)	221	574	(15)	7	108	151	70	169	(2)
17 Expenses	210	210	210	210	210	210	210	210	210	210	210	210	210	2,419
18 Net	(197)	(297)	(292)	(292)	(292)	(89)	(136)	(225)	(203)	(202)	(159)	(140)	(141)	(2,421)
CHARGE ON GROSS REVENUE														
19 Revenue	210	210	210	210	210	210	210	210	210	210	210	210	210	2,519
20 Expenses	223	123	(612)	(182)	(182)	431	764	195	217	318	361	280	378	2,617
21 Net	(13)	87	498	28	28	(221)	(654)	(15)	(7)	(108)	(151)	(70)	(169)	(108)
NET PROFIT (LOSS) FROM OPERATIONS														
22 Revenue	13	(87)	(82)	(82)	(82)	221	574	(15)	7	108	151	70	169	(2)
23 Expenses	210	210	210	210	210	210	210	210	210	210	210	210	210	2,419
24 Net	(197)	(297)	(292)	(292)	(292)	(89)	(136)	(225)	(203)	(202)	(159)	(140)	(141)	(2,421)
OPERATING PAYMENTS FROM TEDCO/CITY														
25 Revenue	210	210	210	210	210	210	210	210	210	210	210	210	210	2,519
26 Expenses	223	123	(612)	(182)	(182)	431	764	195	217	318	361	280	378	2,617
27 Net	(13)	87	498	28	28	(221)	(654)	(15)	(7)	(108)	(151)	(70)	(169)	(108)
PAST OPERATING AMOUNT FROM CITY														
28 Revenue	210	210	210	210	210	210	210	210	210	210	210	210	210	2,519
29 Expenses	223	123	(612)	(182)	(182)	431	764	195	217	318	361	280	378	2,617
30 Net	(13)	87	498	28	28	(221)	(654)	(15)	(7)	(108)	(151)	(70)	(169)	(108)
NET PROFIT (LOSS) INCLUDING AMOUNTS FROM TEDCO & CITY														
31 Revenue	210	210	210	210	210	210	210	210	210	210	210	210	210	2,519
32 Expenses	223	123	(612)	(182)	(182)	431	764	195	217	318	361	280	378	2,617
33 Net	(13)	87	498	28	28	(221)	(654)	(15)	(7)	(108)	(151)	(70)	(169)	(108)
CAPITAL (Airport)														
34 Principal Payment of Debt Service Payment to Bank	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(658)
35 Airport Equipment - Not ACAP Eligible	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(1,700)
36 ACAP Funding Received	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(1,700)
37 Airport Equipment - Not ACAP Eligible	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(1,700)
CAPITAL (Non-Airport)														
38 Principal Payments from City of Toronto	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(250)
39 State of Good Repair Capital Expenditures	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(250)
OTHER CASH SOURCES (USES)														
40 Principal Payments on TOCA Mortgages	7	7	7	7	7	7	7	7	7	7	7	7	7	64
41 Site Preparation for Ship Channel Lands under TEDCO Ground Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	(85)
42 Goods & Services Tax Contingency for TOCA Ferry & Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	(244)
43 Net P.L.T.S. & Infrastructure Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44 Payment of Station Road Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASH - OTHER														
45 Revenue	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(745)
46 Expenses	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(745)
47 Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET CASH FLOW														
48 Opening Cash Balance	7,911	7,911	7,911	7,911	7,911	7,911	7,911	7,911	7,911	7,911	7,911	7,911	7,911	8,000
49 Total Net Cash Flow	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(800)
50 Closing Cash Balance	7,822	7,822	7,822	7,822	7,822	7,822	7,822	7,822	7,822	7,822	7,822	7,822	7,822	7,200

DEBT SERVICE RATIO (REQUIRED BY BANK 1.25 TO 1):

UNADJUSTED NET INCOME FOR DEBT SERVICE RATIO	2007	2008
DEBT SERVICE RATIO	1.487	2.517
UNADJUSTED NET INCOME FOR DEBT SERVICE RATIO	1,487	2,517
DEDUCT:		
- Accrued portion of pension and other benefits	(6,692)	(3,923)
- Accrued Charge on Gross Revenue	(3,996)	(5,396)
- Accrued Payments-in-Lien of Taxes	(5,985)	(7,794)
- Amortization	(5,301)	(5,301)
ADD:		
- Cash Payment of 2007 Gross Revenue	4,407	4,407
- Harbour User Fees	851	851
- Adjustment for Prepaid Insurance	175	175
ADJUSTED NET INCOME FOR DEBT SERVICE RATIO	(5,545)	(5,744)

1. Reserves are held in Cash & Cash Equivalents and Cashable Short-Term and Long-Term Investments

TAB F

**TORONTO PORT AUTHORITY
PRO FORMA
STATEMENT OF REVENUE AND EXPENSE**

	(000's)	
	2007 Projection	2008 Budget
REVENUE		
Port Operations	\$6,395	\$4,156
Outer Harbour Marina	\$2,069	\$2,172
Toronto City Centre Airport	\$5,071	\$6,518
Property and other	\$1,441	\$1,817
Investment income	\$314	\$332
	\$15,290	\$14,995
EXPENSES		
Port Operations	\$4,780	\$3,979
Outer Harbour Marina	\$1,164	\$1,284
Toronto City Centre Airport	\$5,769	\$5,718
Property and other	\$773	\$794
Corporate services	\$3,133	\$3,253
Charge on gross revenue	\$407	\$396
	\$16,026	\$15,424
PROFIT (LOSS) FROM OPERATIONS BEFORE THE FOLLOWING	(\$736)	(\$429)
PAYMENTS IN RESPECT OF LAND DISPOSITION	\$2,856	\$2,519
PAYMENTS IN LIEU OF TAXES	(\$651)	(\$780)
AMORTIZATION OF CAPITAL ASSETS	(\$1,703)	(\$1,734)
NET PROFIT (LOSS)	(\$234)	(\$424)