

Financial Report for TCTI for the Accounting Period Ending December 31, 2021

Date: June 23, 2022

To: Toronto Coach Terminal Inc. Board of Directors

From: Treasurer, Toronto Coach Terminal Inc.

Summary

The attached report provides a non-consolidated financial report on the Toronto Coach Terminal Inc. (TCTI) as at December 31, 2021.

Financial Summary

There are no financial implications resulting from the receipt of this report.

Equity/Accessibility Matters

This report has no accessibility/equity issues or impact.

Decision History

On a periodic basis, the operating financial results of TCTI are presented on a non-consolidated basis and compared against the current year's budget. The 2021 Operating Budget was approved by the TCTI Board on February 10, 2021. This report provides an update on the financial results to December 31, 2021. The consolidated annual financial statements for 2021, which include TCTI's subsidiary, the TTC Insurance Company Ltd, will be presented to the TCTI Board for approval at its meeting on June 23, 2022.

The last update on the financial results of TCTI were presented to the TCTI Board on June 16, 2021 for the accounting period to April 30, 2021.

https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/TTC-Subsidiary-Companies/Toronto-Coach-Terminal-Inc/2021/June/Directors/3_Financial_Report_for_the_TCTI_for_the_Accounting_Period_Ap.pdf?rev=c05bbf46b565445d80d082b9538426c6&hash=A177222B9B766CF2CD7973D7A5DD5427.

On June 16 2021, the TCTI Board approved, upon the expiry of the lease between TCTI and Greyhound and Coach Canada Toronto Operations Ltd. Respecting TCTI's properties 610 Bay Street and 130 Elizabeth Street (the "Properties"), the transfer of the

operational management of the Properties to the City of Toronto, subject to the City of Toronto doing the following:

- (a) Paying the remaining loan balance between TCTI and the Toronto Transit Commission (TTC) (approximately \$4.2 million).
- (b) Assuming the responsibility for all liabilities including, but not limited to, the payment of property taxes, carrying out the security, maintenance, repair and replacements, and environmental liabilities (on and off the Properties) associated with the Properties.
- (c) Paying TCTI \$4.2 million upon the occurrence of the earlier of,
 - (i) the sale of one or both of the Properties;
 - (ii) the execution of any agreement between the City of Toronto and a third party in respect of the development of one or both of the Properties; or
 - (iii) the approval by City of Toronto Council of an application by the City of Toronto to rezone one or both of the Properties.

https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/TTC-Subsidiary-Companies/Toronto-Coach-Terminal-Inc/2021/June/Directors/2_GACCTO_Lease_Expiry_and_Proposed_Turnover_Agreement.pdf?rev=8f86b95d77964920b5920daf170eb575&hash=E9580E2A93D2EE4F44F15673B1CBC663

Comments

The financial results as at December 31, 2021 are favourable compared with the approved 2021 Operating Budget. Net profit is approximately \$3.5 million higher than the budget which is primarily due to the net gain recognized from the transfer of operational management of the Properties to the City of Toronto as of July 8, 2021 following the conclusion of the TCTI-GACCTO lease.

Consistent with the terms of the operational management transfer of the Properties to the City of Toronto approved by the TCTI Board, TCTI will receive \$4.2 million upon the sale, redevelopment, or rezoning of the Properties. The ultimate receipt of the \$4.2 million, which was recognized as a receivable due from the City of Toronto, is a key condition of the transfer of the Properties to the City of Toronto and is required to facilitate the repayment of TCTI's remaining loan balance to TTC. With the transfer of operational management of the Properties to the City of Toronto, TCTI's real property remaining historical net book value of \$0.9 million was derecognized, resulting in the net gain of \$3.3 million recorded in the financial statements.

Contact

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Financial Report for the TCTI for the Accounting Period Ending December 31, 2021

Signature

Richard J. Leary
President and General Secretary, Toronto Coach Terminal Inc.

Attachments

Attachment 1 – TCTI Income Statement for Period ended December 31, 2021
Attachment 2 – TCTI Statement of Financial Position for Period ended December 31, 2021

**TORONTO COACH TERMINAL INC.
OPERATING BUDGET - INCOME STATEMENT**

| Period 12 | Twelve Periods to December 31, 2021 | | |
|----------------------------------|--|--------------|------------------------|
| (\$000s) | BUDGET | ACTUAL | OVER/(UNDER) BUDGET |
| <u>REVENUES</u> | | | |
| Property Rental Revenue | 697 | 723 | 26 |
| Bank Interest Revenue | 11 | 22 | 11 |
| Miscellaneous Revenue | - | 3,324 | 3,324 (1) |
| Total Revenues | 708 | 4,069 | 3,361 |
| <u>OPERATING EXPENSES</u> | | | |
| Depreciation | 136 | 135 | (1) |
| Interest Expense | 100 | 56 | (44) (2) |
| Other | 55 | 5 | (50) (3) |
| Total Operating Expenses | 291 | 196 | (95) |
| Net Profit | 417 | 3,873 | 3,456 |

Notes:

Net profit is 3.5M higher than the budget primarily due to the following:

- (1) Net gain of 3.3 million from the transfer of 610 Bay Street and 130 Elizabeth Street
- (2) Interest was waived on the loan effective July 8, 2021
- (3) A provision for emergency and basic utility costs was not required

TORONTO COACH TERMINAL INC.

Attachment 2

Statement of Financial Position (Unaudited)

| As at | Dec 31, 2021 | Dec 31, 2020 |
|--|--------------|--------------|
| | (\$000s) | (\$000s) |
| FINANCIAL ASSETS | | |
| Cash and cash equivalents | 2,445 | 1,531 |
| Advances to subsidiary | 2,600 | 2,600 |
| Accounts receivable | 2 | 679 |
| Due from the City | 4,200 | - |
| Investment in subsidiary | 100 | 100 |
| Total Financial Assets | 9,347 | 4,910 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 116 | 329 |
| Advances from parent | 4,201 | 4,445 |
| Total Liabilities | 4,317 | 4,774 |
| NET DEBT | 5,030 | 136 |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets | - | 1,021 |
| Less Capital Stock | 1,000 | 1,000 |
| Accumulated Surplus | 4,030 | 157 |