



2025 Financial Report



2025 Management's Discussion and Analysis

Highlights

Financial Highlights

(in \$ millions)

	2025	2024	Change	%
Revenues	87.3	81.3	6.0	7.4
Operating Expenses	69.8	63.8	6.0	9.4
Earnings Before Interest	17.5	17.5	0.0	0.0
Net Income	16.9	17.0	(0.1)	(0.6)
Capital Investment	26.6	19.7	6.9	35.0

Toronto Port Authority delivered strong revenue growth in 2025, while Earnings Before Interest remained in line with prior year. Capital Investment increased to support the organization's infrastructure and overall strategy.

Net Income to EBITDA Summary

(in \$ millions)

	2025	2024	Change	%
Net Income	16.9	17.0	(0.1)	(0.6)
Less: Investment income	(4.7)	(6.0)	1.3	(21.7)
Add: Interest Expense	3.7	4.2	(0.5)	(11.9)
Add: Other Provisions	1.6	2.2	(0.6)	(27.3)
Earnings Before Interest	17.5	17.5	0.0	0.0
Add: Amortization	11.9	11.5	0.4	3.5
EBITDA	29.4	29.0	0.4	1.4

EBITDA increased to \$29.4 million representing an increase of 1.4 per cent increase over 2024. The year-over-year change was driven by higher revenues partially offset by increased operational costs.



Revenue:
\$87.3 million

Consolidated revenue increased 7.4% to \$87.3 million in 2025, compared to \$81.3 million in 2024.



EBITDA:
\$29.4 million

Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) increased 1.4% to \$29.4 million in 2025, compared to \$29.0 million in 2024.



Capital Investment:
\$26.6 million

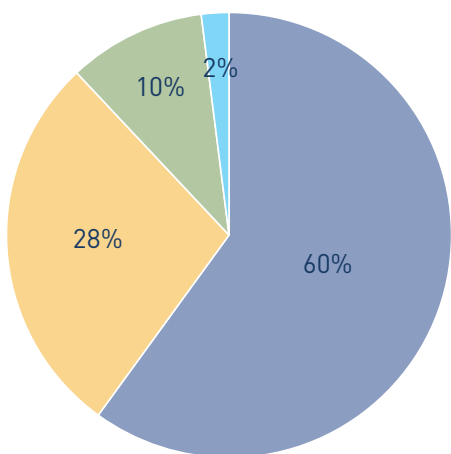
Capital Investments relating to property and equipment totalled \$26.6 million in 2025, compared to \$19.7 million in 2024.

Revenues

Revenues

(in \$ millions)

	2025	2024	Change	%
Fee Revenue	52.6	45.3	7.3	16.1
Airport Improvement Fees, net	24.4	25.5	(1.1)	(4.3)
Rental Revenue	8.9	8.6	0.3	3.5
Other	1.4	1.9	(0.5)	(26.3)
Total Revenues	87.3	81.3	6.0	7.4



- Airport Improvement Fees, net
- Fee Revenue
- Rental Revenue
- Other

Fee revenues, which makes up 60 per cent of total revenues, increased \$7.3 million to \$52.6 million. The increase was attributed to increased Airport Operating fees and marine services.

Airport Improvement Fee revenues, 28 per cent of total revenues, was \$24.4 million, a \$1.1 million decrease compared to the prior year, this was due to lower enplaned passenger activity.

Rental Revenue, which represented 10 per cent of total revenues, increased by \$0.3 million to \$8.9 million driven by renewals indexed to consumer price index inflation.

Other Revenue, which represents 2 per cent of total revenues, were lower by \$0.5 million due to lower fuel sales and marine user services.

Highlights



7% of Total Revenues

Outer Harbour Marina revenues decreased to \$6.0 million in 2025, from \$6.7 million in the prior year.



Billy Bishop Toronto City Airport revenuesⁱ increased to \$58.0 million as compared to \$57.4 million during the prior year.



Port of Toronto revenues increased to \$22.9 million in 2025 as compared to \$17.2 million during the prior year.

i. Revenue breakdown by business unit is further discussed in note 16 of Notes to the Financial Statement.

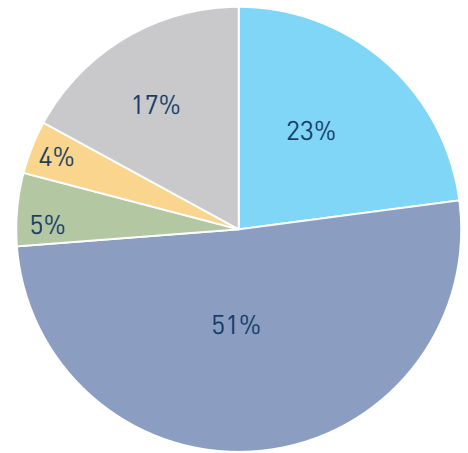
Operating Expenses

Operating expenses include the costs to operate and maintain Toronto Port Authority's operations. Additionally, in 2025, the Toronto Port Authority paid the City of Toronto \$5.1 million (made up of \$2.7 million in the form of payments in lieu of taxes and \$2.4 million in property taxes), and paid Transport Canada \$3.7 million charges on gross revenue.

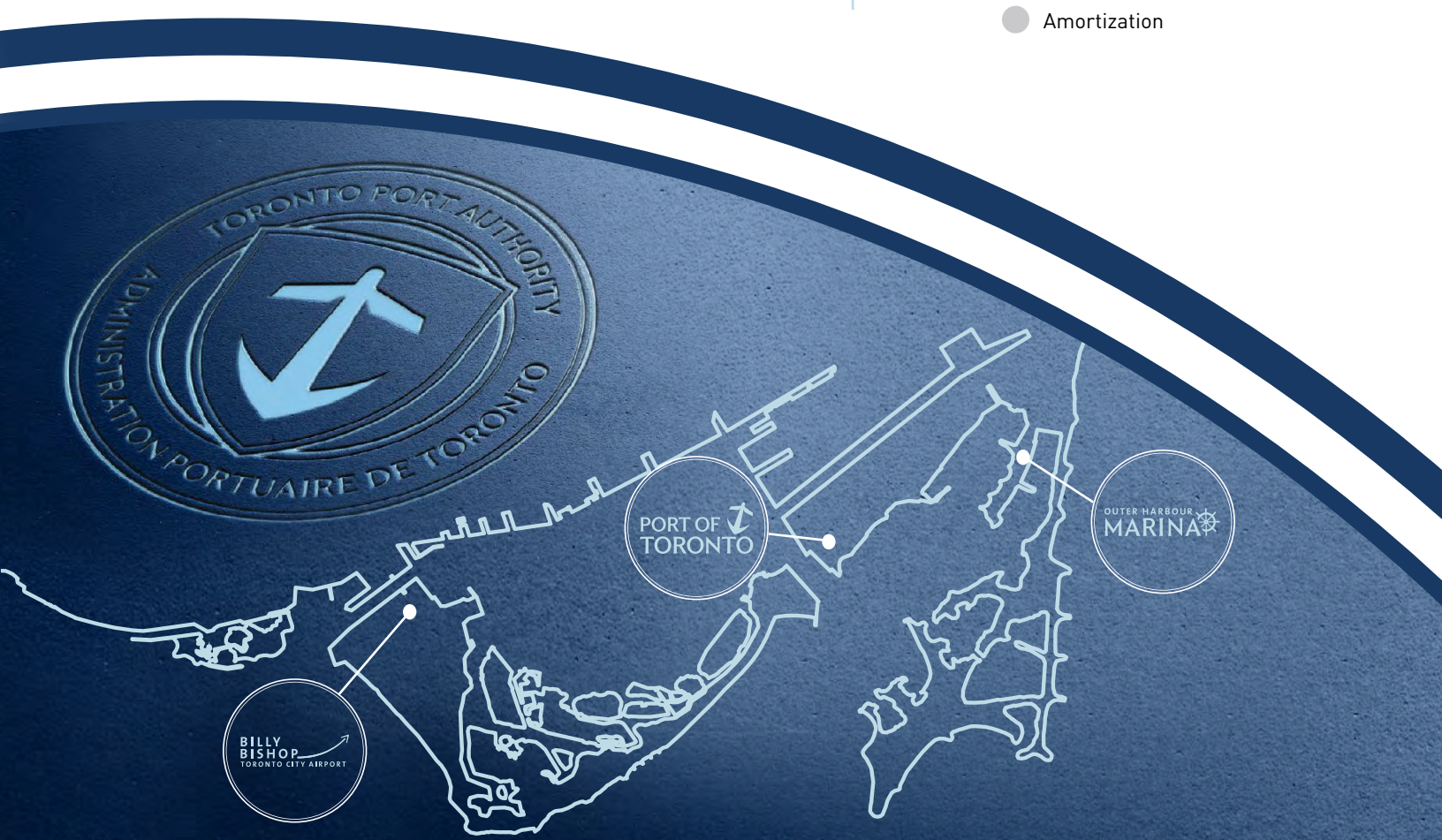
Operating Expenses

(in \$ millions)

	2025	2024	Change	%
Salaries, Wages and Benefits	16.0	14.7	1.3	8.8
Goods and Services	35.5	31.5	4.0	12.7
Charge on Gross Revenue	3.7	3.6	0.1	2.8
Payment in Lieu of Taxes	2.7	2.5	0.2	8.0
Amortization	11.9	11.5	0.4	3.5
Total Operating Expenses	69.8	63.8	6.0	9.4



- Salaries, Wages and Benefits
- Goods and Services
- Charge on Gross Revenue
- Payment in Lieu of Taxes
- Amortization



Consolidated financial statements of Toronto Port Authority

December 31, 2025

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Independent Auditor's Report

To the Board of Directors of the
Toronto Port Authority

Opinion

We have audited the consolidated financial statements of Toronto Port Authority (the "Port Authority"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of operations and comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Port Authority as at December 31, 2025, and the results of its operations, changes in equity, and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Port Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Port Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Port Authority or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Port Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Port Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Port Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Port Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Port Authority as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized, cursive script followed by "LLP" in a simpler, sans-serif font.

Chartered Professional Accountants
Licensed Public Accountants
March 19, 2026


Toronto Port Authority
Consolidated statement of financial position

As at December 31, 2025
(In thousands of Canadian dollars)

	Notes	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents		23,030	3,964
Short-term investments		64,761	82,101
Accounts receivable (net)	3	19,309	15,403
Tunnel Prepaid Amount	15	8,857	8,983
Prepaid expenses		1,904	1,079
Other current assets		169	256
		118,030	111,786
Non-current assets			
Long-term investments	3	27,892	25,160
Employee future benefits	7	25,021	18,581
Right-of-use assets	5	4,210	939
Capital assets	6	244,304	229,853
Total assets		419,458	386,319
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	3	51,046	43,393
Bank loans	8	—	2,276
Lease liability	5	476	340
Tunnel concession liability	4 and 15	4,052	3,812
Unearned revenue		5,549	2,239
		61,123	52,060
Non-current liabilities			
Bank loans	8	20,500	19,929
Lease liability	5	3,835	733
Tunnel concession liability	4 and 15	39,174	43,225
Employee future benefits	7	1,850	1,587
Total liabilities		126,481	117,534
Equity		292,977	268,785
		419,458	386,319

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the Board

 Director
 Director

Toronto Port Authority

Consolidated statement of operations and comprehensive income

Year ended December 31, 2025

(In thousands of Canadian dollars)

	Notes	2025 \$	2024 \$
Revenue			
Fee Revenue	16	52,551	45,269
Airport improvement fees, net	10	24,341	25,505
Rental Revenue		8,915	8,623
Other		1,455	1,908
		87,262	81,305
Expenses			
Salaries wages and benefits		15,990	14,653
Goods and Services	18	35,435	31,576
Charge on gross revenue		3,743	3,625
Payments in lieu of taxes		2,692	2,473
Amortization of right-of-use and capital assets		11,902	11,499
		69,762	63,826
Earnings before interest, other income and items			
Investment income		4,763	5,955
Interest expense		(3,706)	(4,230)
Provision for Leslie Street Spit Hardpoint J & Other Obligations	13	(1,620)	(2,200)
Net income for the year		16,937	17,004
Changes in fair value of interest rate swap due to hedge accounting – gain (loss) on interest rate swap – effective portion		5	(131)
Remeasurement gain on employee future benefits	7	7,250	7,815
Other comprehensive income		7,255	7,684
Comprehensive income		24,192	24,688

The accompanying notes are an integral part of the consolidated financial statements.

Toronto Port Authority
Consolidated statement of changes in equity

Year ended December 31, 2025

(In thousands of Canadian dollars)

	Notes	Net assets over liabilities \$	Accumulated other comprehensive income \$	Total equity \$
Balance, December 31, 2023		213,586	30,511	244,097
Net income		17,004	—	17,004
Remeasurement gain on employee future benefits	7	—	7,815	7,815
Loss on interest rate swap – effective portion		—	(131)	(131)
Balance, December 31, 2024		230,590	38,195	268,785
Net income		16,937	—	16,937
Remeasurement gain on employee future benefits	7	—	7,250	7,250
Gain on interest rate swap – effective portion		—	5	5
Balance, December 31, 2025		247,527	45,450	292,977

The accompanying notes are an integral part of the consolidated financial statements.

Toronto Port Authority
Consolidated statement of cash flows

Year ended December 31, 2025

(In thousands of Canadian dollars)

	Notes	2025 \$	2024 \$
Operating activities			
Net income for the year		16,937	17,004
Adjustments for non-cash items			
Amortization of capital assets	6	11,499	11,119
Amortization of right-of-use asset	5	403	380
Employee future benefits expense	7	1,157	1,100
Employer contribution to employee future benefit plans	7	(84)	(644)
Interest expense		3,647	4,239
Write-off of capital assets		15	—
Gain on interest rate swap – ineffective portion		—	(9)
Bank interest paid		(782)	(1,176)
Interest paid on Tunnel concession liability		(2,772)	(2,998)
		30,020	29,015
Net change in non-cash working capital balances related to operations	17	6,294	(7,432)
		36,314	21,583
Investing activities			
Acquisition of short-term investments		(71,186)	(83,144)
Disposal of short-term investments		88,526	54,523
Acquisition of long-term investments		(20,783)	(19,983)
Disposal of long-term investments		18,050	46,098
Acquisition of capital assets		(26,548)	(19,669)
Capital funding received		584	6,059
		(11,357)	(16,116)
Financing activities			
Prepaid threshold –Tunnel deposit		126	15
Lease amount paid		(500)	(455)
Tunnel concession liability		(3,812)	(3,586)
Bank loan principal payments		(1,705)	(2,278)
		(5,891)	(6,304)
Increase (decrease) in cash position		19,066	(837)
Cash and cash equivalents, beginning of year		3,964	4,801
Total cash and cash equivalents, end of year		23,030	3,964
Cash and cash equivalents consist of			
Cash		23,030	3,855
Cash equivalents		—	109
		23,030	3,964

The accompanying notes are an integral part of the consolidated financial statements.

Toronto Port Authority

Notes to the consolidated financial statements

December 31, 2025

(In thousands of Canadian dollars)

1. General information and Canada Marine Act status

The Toronto Port Authority ("Port Authority") is an entity operating pursuant to Letters Patent issued by the Federal Minister of Transport. The Port Authority is a corporation without share capital. Its head office is located at 207 Queens Quay West, Toronto, Ontario. Effective June 8, 1999, the Port Authority was incorporated under the Canada Marine Act. Formerly, the Port Authority was constituted as the Toronto Harbour Commissioners ("Commissioners") and operated under The Toronto Harbour Commissioners Act of 1911.

The Port Authority is focused on its mission as a financially self-sustaining business enterprise providing economic, environmental and social benefits to the waterfront community in which it operates. These benefits are delivered under four organizational values or pillars, which are: City Building, Community, Environmental and Financial.

The Port Authority has several businesses, including:

- Billy Bishop Toronto City Airport ("Airport") operations, which include a Pedestrian Tunnel ("Tunnel"), ferry service, ferry terminals, runways and tenanted properties to support scheduled commercial passenger flight service, charter services and a flight school.
- Port Operations, which include land and facilities providing docking, handling, distribution and storage services for cargo, container shipping related services, cruise ship passenger services, and facilities for film production. Additionally, this operation provides harbour maintenance and aids to navigation, as well as exercising regulatory authority over the harbour by-laws. The Toronto Port Authority has jurisdiction over the navigational waters from Victoria Park Avenue to Humber River.
- The Outer Harbour Marina, a full service marina located near the foot of Leslie Street.

The financial statements were authorized for issue by the Board of Directors on March 19, 2026.

2. Material accounting policy information

Statement of compliance

The consolidated financial statements have been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented. The Port Authority and its Board of Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Port Authority has adequate resources to continue in operational existence for the foreseeable future. Thus, the going concern basis of accounting has been adopted in preparing the consolidated financial statements.

Basis of consolidation

These consolidated financial statements contain the results of the Port Authority for the year ended December 31, 2025, as well as its wholly owned subsidiary, 2315155 Ontario Inc. 2315155 Ontario Inc. was incorporated on March 8, 2012 to lease a portion of the Canada Malting silos adjacent to the Tunnel Pavilion.

The Port Authority's functional currency is Canadian dollars. The consolidated financial statements are also presented in Canadian dollars, rounded to the nearest thousand.

The consolidated financial statements have been prepared on the historical cost basis (except for financial instruments measured at fair value and amortized cost). Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2. Material accounting policy information (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with the bank and short-term investments, which are readily convertible to cash and have an original term to maturity of 90 days or less.

Financial instruments

Financial assets and financial liabilities are recognized when the Port Authority becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognized immediately in profit or loss.

The Port Authority's financial assets and financial liabilities are classified and measured as follows:

Asset/liability	Measurement
Cash and cash equivalents	Amortized cost
Short-term investments	Amortized cost
Long-term investments	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Fair value of interest rate swap designated in cash flow hedge	FVTPL for ineffective portion, and FVTOCI for effective portion
Bank loans	Amortized cost
Tunnel concession liability	Amortized cost

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (FVTPL), amortized cost, or financial assets at fair value through other comprehensive income (FVTOCI). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Under IFRS 9, all financial instruments are initially measured at fair value, with subsequent measurement determined in line with their classification.

Amortized cost

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Material accounting policy information (continued)

Financial instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

Fair value through other comprehensive income (FVTOCI)

Financial assets are measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTOCI are stated at fair value at the end of each reporting period with changes in the fair value recognized in other comprehensive income.

Fair value through profit and loss (FVTPL)

Financial assets are measured at FVTPL unless they meet the criteria above to be measured at amortized cost or FVTOCI.

Impairment of financial assets

Under IFRS 9, financial assets under all categories are assessed for impairment based on the expected loss model. The expected loss model requires a loss allowance to be recorded at an amount equal to:

- (a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- (b) the lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

A loss allowance for lifetime expected credit losses is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. It is also required for contract assets or trade receivables that are not, according to IFRS 15, considered to contain a significant financing component. As at December 31, 2025, the Port Authority does not hold any financial instruments that exhibit such an increase in risk to warrant a loss allowance for lifetime expected credit losses.

Additionally, entities can elect an accounting policy of recognizing lifetime expected credit losses for all contract assets and/or all trade receivables, including those that contain a significant financing component. The same election is also separately permitted for lease receivables. The Port Authority has not made this election.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses. As at December 31, 2025, the only financial asset for which a loss allowance has been recorded equal to the 12-month expected credit losses is accounts receivable, through the allowance for doubtful accounts.

2. Material accounting policy information (continued)

Financial instruments (continued)

Measurement of expected credit losses

The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. The Port Authority also considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses.

Derecognition of financial assets

The Port Authority derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Port Authority neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Port Authority recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Port Authority retains substantially all the risks and rewards of ownership of a transferred financial asset, the Port Authority continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are initially measured at fair value net of transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Port Authority derecognizes financial liabilities when, and only when, the Port Authority's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative financial instruments including hedge accounting

The Port Authority had entered into derivative financial instruments (interest rate swap) to manage its exposure to interest rate fluctuations as a result of its bank loans.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Transaction costs are expensed as incurred.

2. Material accounting policy information (continued)

Financial instruments (continued)

Derivative financial instruments including hedge accounting (continued)

The Port Authority has designated its interest rate swap as a cash flow hedge and elected to apply the requirements of IAS 39 for hedge accounting, instead of the requirements in Chapter 6 of IFRS 9. At the inception of the hedge relationship, the Port Authority documented the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Port Authority documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognized in profit or loss, in the same line of the statement of operations and comprehensive income as the recognized hedged item.

Hedge accounting is discontinued when the Port Authority revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss. For discontinued hedge accounting under a previous accounting framework, the loss accumulated in other comprehensive income is recognized in profit or loss on a straight-line basis.

Capital assets

Land acquired since 1974 is recorded at cost. Land acquired prior to 1974 was recorded based on historical appraised values.

All other capital assets are recorded at cost less amortization and any impairment losses, net of any applicable government funding.

Historical cost of property, plant and equipment includes expenditures that are directly attributable to the acquisition or construction of the items, including borrowing costs relating to the acquisition or construction.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Port Authority and the cost of the item can be measured reasonably. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that it is necessary to complete and prepare the asset for its intended use. The carrying amounts of replaced capital assets are derecognized as incurred. All repairs and maintenance are charged to earnings during the period in which they are incurred.

Amortization of buildings, structures, plant and equipment is provided on the straight-line basis over the estimated useful lives of the assets.

No amortization is provided on land and capital work-in-progress.

2. Material accounting policy information (continued)

Impairment of capital assets

Capital assets, which have long lives and are non-financial in nature are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows, or cash generating units ("CGU's"). Where the asset does not generate cash flows that are independent from other assets, the Port Authority estimates the recoverable amount of the CGU to which the asset belongs. When the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized. Impairment losses are recognized as an expense immediately in profit or loss. An impairment charge is reversed if the assets' (or CGUs) recoverable amount exceeds its carrying amount.

Government capital funding

Capital payments, received from various governments and their agencies, whose primary condition is that the Port Authority should purchase, construct or otherwise acquire non-current assets are recognized as capital funding, netted as part of the capital assets in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Leases

A lease is an agreement whereby the lessor conveys to the tenant (the lessee) in return for a payment or series of payments the right to use an asset, generally land and buildings for an agreed period of time.

Port Authority as a lessor

Leases for which the Port Authority is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Operating lease rental revenue is recognized on a straight-line basis over the term of the lease. As at December 31, 2025, the Port Authority did not have any finance lease agreements.

Port Authority as a lessee

The Port Authority assesses whether a contract is or contains a lease, at inception of the contract. The Port Authority recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Port Authority recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Port Authority uses its incremental borrowing rate.

2. Material accounting policy information (continued)

Leases (continued)

Port Authority as a lessee (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Port Authority expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Tunnel concession liability

In 2012, the Port Authority entered into a Public-Private-Partnership to design, build, finance, operate and maintain the Tunnel to the Airport for twenty years. The base contract price to construct the Tunnel was \$82.5 million and it was substantially complete and accepted by the Port Authority on May 29, 2015. The Tunnel was officially opened to the public and stakeholders on July 30, 2015. Title to the Tunnel will remain with the Port Authority throughout the term of the Agreement.

The Port Authority has capitalized construction costs as well as the present value of future capital lifecycle payments to be made over the term of the concession period (Expiry date April 8, 2034). The Port Authority has also recognized a liability for the Tunnel, equal to the construction cost of the asset less payments made. The present value calculations to determine the asset/liability is based on the weighted average cost of capital of 7.25%.

Employee future benefits

The Port Authority maintains a defined benefit pension plan, registered with the Office of the Superintendent of Financial Institutions (OSFI), for the benefit of full-time permanent employees (for non-unionized employees hired before November 25, 2013 and certain unionized employees). The Port Authority also offers a defined contribution pension plan for full-time non-unionized employees hired after November 24, 2013. Certain Plan members are also granted supplemental benefits, which mirror the formula of the registered plan and replace defined benefits that have been limited by the Income Tax Act. These supplemental benefits are unfunded. In addition, the Port Authority offers other non-pension post-employment benefits to most employees, including a death benefit, early retirement benefits and self-funded workers' compensation benefits. Beginning in 2018, the Port Authority established other employee future benefits for certain full-time employees provided that they remain employed with the Port Authority for a specified length of time. Obligations under the employee benefit plans are accrued as the employees render the service necessary to earn the pension and other employee future benefits.

The Port Authority has adopted the following policies for its defined benefit pension plan and other retirement benefits:

The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected unit credit method prorated on service and management's best estimate of expected plan investment performance, salary escalation, and retirement ages of employees.

2. Material accounting policy information (continued)

Employee future benefits (continued)

The fair value of plan assets is used as the basis of calculating the expected return on plan assets.

The discount rate used to value the defined benefit obligation is based on high quality corporate bonds in the same currency in which the benefits are expected to be paid and with terms to maturity that, on average, match the terms of the defined benefit obligations.

Actuarial gains and losses due to changes in defined benefit plan assets and obligations are recognized immediately in accumulated other comprehensive income (loss). When a restructuring of a benefit plan gives rise to both curtailment and settlement of obligations, the curtailment is accounted for prior to or in conjunction with the settlement.

When the calculation results in a net benefit asset, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of future refunds from the plan or reductions in future contributions to the plan (the "asset ceiling"). In order to calculate the present value of economic benefits, consideration is given to minimum funding requirements that apply to the plan. Where it is anticipated that the Port Authority will not be able to recover the value of the net defined benefit asset; after considering minimum funding requirements for future services, the net defined benefit asset is reduced to the amount of the asset ceiling. The impact of the asset ceiling is recognized in comprehensive income (loss).

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Revenue recognition

Revenue from a contract to provide services is recognized in line with the transfer of promised services to a customer by reference to the stage of completion of the contract, and at an amount that reflects the consideration expected to be received in exchange for transferring such services. The Port Authority's policy for recognition of revenue from operating leases is described above in Note 2 for Leases, in accordance with IFRS 16.

Fee Revenue

Airport operating fees, landing fees and non-aeronautical revenue are recognized as the airport facilities are utilized. Revenue from vessels, cargo and passengers using the port are recognized when services are substantially rendered. Seasonal berthing fees and storage fees earned at the Outer Harbour Marina are recognized on a straight-line basis over the term of the agreement and any unearned portion is reflected as unearned revenue

Airport Improvement Fee, net

Airport improvement fees are recognized upon the enplanement of passengers.

Rental Revenue

The Port Authority leases property to customers recognized as operating leases which may include separate charges to recover realty taxes, utilities, and insurance from tenants, recognized as earned under operating lease agreements. Rental revenue is recognized on a straight-line basis over the term of the lease.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2025

(In thousands of Canadian dollars)

2. Material accounting policy information (continued)

Other Revenue

The Port Authority provides various other customer services with revenue recognized in the period the services are provided.

Gross revenue charge

In order to maintain its Letters Patent in good standing, the Port Authority is required to pay annually to the Transport Canada a charge on gross revenue, which is calculated as follows:

	Charge %
Gross revenue	
up to \$10,000	2
on the next \$10,000	4
on the next \$40,000	6
on the next \$10,000	4
over \$70,000	2

New and revised IFRS Accounting Standards in issue but not yet effective.

At the date of authorization of these financial statements, the Port Authority has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

The IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments. These amendments include:

- Clarification that permits an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognized) before the settlement date if specified criteria are met.
- Guidance on how an entity should assess whether contractual cash flows of a financial asset with features linked to environmental, social and governance (ESG) concerns are consistent with a basic lending arrangement.
- Clarification of the term 'non-recourse', in particular to specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- Clarification of the characteristics of contractually linked instruments that distinguish them from other transactions.
- Disclosure requirements of the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognized in the period and the fair value gain or loss that relates to investments held at the end of the period.
- Disclosure requirements of the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs.

2. Material accounting policy information (continued)

New and revised IFRS Accounting Standards in issue but not yet effective (continued)

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments (continued)

The amendment is applicable for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions. The Port Authority is assessing the potential impact of the amendments, however, does not expect them to have a material impact on the consolidated financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 – Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows

The IASB issued amendments to five IFRS Accounting Standards as part of its annual improvements process. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows. The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed. The amendments are not expected to have a material impact on the Port Authority's financial statements.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Port Authority anticipates that the application of this standard may have an impact on the consolidated financial statements in future periods.

2. Material accounting policy information (continued)

Use of estimates and key areas of judgment

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from these estimates. Accounts requiring material estimates and assumptions include fair value of interest rate swap and hedge accounting, useful lives of capital assets, accounts receivable, impairment of capital assets, employee future benefits, legal provisions, certain accrued liabilities and tunnel concession liability, which are further elaborated below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Fair value of interest rate swap and hedge accounting

As described in Note 3, the Port Authority uses valuation techniques that include inputs that are based on observable market data to estimate the fair value of its interest rate swap. Note 3 provides information about the key assumptions used in the determination of the fair value of the interest rate swap.

The Port Authority believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of its interest rate swap.

The Port Authority also applied judgement in electing to apply hedge accounting on the changes in the fair value of the interest rate swap.

Useful lives of capital assets

The Port Authority reviews the estimated useful lives of capital assets at the end of each reporting period. There has been no change in the useful lives estimates for the current year. Below are the amortization rates of the capital assets, which approximate their useful lives:

Land	No amortization
Buildings, structures, runways and taxiways	Straight-line over 5–75 years
Plant and equipment	Straight-line over 3–25 years
Deferred site preparation expenditures	Straight-line over 5–40 years
Capital work-in-progress	No amortization until ready for use
Right-of-use assets	Straight-line over the lease life

Accounts receivable

The carrying amount of accounts receivable is reduced by a valuation allowance which is calculated based on the expected credit losses for the accounts. The expected credit losses are measured at an amount equal to the 12-month expected credit losses. Management reviews the adequacy of this allowance at each reporting date.

2. Material accounting policy information (continued)

Use of estimates and key areas of judgment (continued)

Impairment of capital assets

The Port Authority reviews the carrying amount of capital assets and CGUs in comparison to their recoverable amounts. The recoverable amounts are determined based on the value in use or fair value less costs to sell. In the year ended December 31, 2025, there was no impairment identified by management.

Employee future benefits

The determination of funding requirements is made on the basis of annual actuarial valuations. The recording of employee future benefits liability and the related annual expense is made on the basis of annual actuarial valuations or extrapolations for accounting purposes, in the years between full valuations.

Legal provisions

Provisions are recognized when the Port Authority has a present obligation (legal or constructive) because of a past event, it is probable that the Port Authority will be required to settle the obligation, and a reasonable estimate can be made of the amount of the obligation.

The amount recognized as a provision, if any, is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Accrued liabilities

Provisions are recognized when the Port Authority has a present obligation because of a past event, it is probable that the Port Authority will be required to settle the obligation, and a reasonable estimate can be made of the amount of the obligation.

The amount recognized as a provision, if any, is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Tunnel concession liability

The accounting treatment for the Airport Tunnel including the related asset and concession liability was a key area of judgement. The Port Authority reviewed the substance of the Project Agreement and concluded that the present value of the Tunnel's construction costs and related liability should be recognized on the consolidated statement of financial position.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2025

(In thousands of Canadian dollars)

3. Financial instruments: fair value and risk management

Fair value

The carrying value of cash and cash equivalents, short-term investments, accounts receivable, notes receivable, prepaid threshold – tunnel deposit, accounts payable and certain accrued liabilities approximate their fair values due to the relatively short-term maturity. The carrying value of long-term investments and bank loans approximate fair value due to the terms and conditions of the arrangements compared to current market conditions for similar items.

Fair value hierarchy

The Port Authority applies a three-tier hierarchy to classify the determination of fair value measurements for disclosure purposes. Inputs refer broadly to the data and assumptions that market participants would use in pricing the investment. Observable inputs are inputs that are based on market data from independent sources. Unobservable inputs are inputs that reflect the Port Authority's own assumptions about the assumptions market participants would use in pricing an investment based on the best information available in the circumstances.

The three-tier hierarchy of inputs is as follows:

Level 1 – Quoted prices in active markets for identical investments.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the investment, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the investment that are not based on observable market data (unobservable inputs).

The following is a summary of the fair value and classification levels as at December 31, 2025:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets - interest rate swap				
2025	—	—	—	—
2024	—	139	—	139

There were no transfers of financial instruments between Levels 1, 2, and 3 during 2025 and 2024.

The Port Authority uses observable and market data on the underlying instruments to value its Level 2 financial instruments. The Port Authority does not hold any Level 3 instruments.

Financial risk management

In the normal course of business, the Port Authority is exposed to a variety of financial risks: market risk, credit risk, liquidity risk, cash flow risk and interest rate risk. The Port Authority's primary risk management objective is to preserve capital. Risk management strategies, as discussed below, are designed and implemented to ensure the Port Authority's risks and related exposures are consistent with its objectives and risk tolerances.

Market risk

Market risk is managed by the Port Authority's investment policy, which requires a diversified portfolio of allowable investments pursuant to Section 32 of the Canada Marine Act. The Port Authority does not have any financial instruments which are subject to significant market risk.

3. Financial instruments: fair value and risk management (continued)

Financial risk management (continued)

Interest rate risk

Interest rate risk describes the Port Authority's exposure to changes in the general level of interest rates. Interest rate risk on financial assets arises when the Port Authority invests in fixed income which contains interest-bearing investments and when it incurs financial liabilities at variable interest rates. Interest rate changes directly impact the fair value of fixed income securities and the fair value of the pooled funds. Interest rate changes will also have an indirect impact on the remaining investments held by the Port Authority. At the end of 2025, the Port Authority holds fixed income securities as part of short-term investments totalling \$64,761 (\$82,101 in 2024) and as part of long-term investments totalling \$27,892 (\$25,160 in 2024). These fixed income securities consist of guaranteed investment certificates.

An analysis of maturity dates for the long-term fixed income securities is set out below.

	Interest rate %	2025 \$	Interest rate %	2024 \$
Maturity				
2026	—	—	3.60 – 5.26	10,250
2027	3.05 – 4.85	19,854	4.65 – 4.85	9,671
2028	3.35 – 5.55	5,088	5.07 – 5.55	2,289
2029	4.65 – 4.85	2,950	3.80 – 4.85	2,950
		27,892		25,160

The cost of the Port Authority's short-term fixed income securities together with accrued interest income approximates fair value given the short-term nature of the investments.

The long-term fixed income securities are valued at amortized cost, and as such fluctuations in interest rates will have no impact on the amount reflected in the consolidated statement of financial position or net earnings.

The Port Authority's financial liabilities are exposed to fluctuations in interest rates with respect to the outstanding balance under its credit facility which totalled \$20,500 at December 31, 2025.

The Port Authority's sensitivity analysis to an increase of interest rates by 0.5% on net earnings and comprehensive income totals \$103. The sensitivity includes floating rate financial liabilities and adjusts their effect at year-end for a 0.5% increase in interest rates. A decrease of 0.5% would result in an equal and opposite effect on net earnings and comprehensive income.

As at December 31, 2025, the Port Authority terminated its interest rate swap contract that previously required the exchange of fixed and floating interest cash flows on an agreed notional principal amount. As a result, the swap is no longer outstanding, and no further monthly net settlements of fixed-versus-floating interest amounts will occur.

Credit risk

The Port Authority's principal financial assets are cash and cash equivalents, short-term investments, long-term investments, accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the consolidated statement of financial position represents the Port Authority's maximum credit exposure at the date of the consolidated statement of financial position.

3. Financial instruments: fair value and risk management (continued)

Financial risk management (continued)

Credit risk (continued)

The Port Authority's credit risk is primarily attributable to its accounts receivables. The amounts disclosed in the consolidated statement of financial position for accounts receivable are net of allowance for doubtful accounts, estimated by management based on previous experience and its assessment of the current economic environment to reflect the 12-month expected credit losses. In order to reduce its risk, management has adopted credit extension processes that include regular review of credit limits.

The credit risk on cash and cash equivalents, short-term investments, notes receivable, and long-term investments is limited because the counterparties are chartered banks and public sector entities with high credit-ratings assigned by national credit-rating agencies.

The aging of accounts receivable was:

	2025 \$	2024 \$
Trade		
Current	14,202	14,675
Aged between 31-90 days	4,940	439
Aged greater than 90 days	183	545
	19,324	15,659
Others	45	44
	19,369	15,703
Allowance for doubtful accounts	(60)	(300)
	19,309	15,403

Reconciliation of allowance for doubtful accounts

	2025 \$	2024 \$
Balance, beginning of year	300	285
Increase during the year	58	48
Bad debts written off during the year	(298)	(33)
Balance, end of year	60	300

Liquidity risk

The Port Authority's objective is to have sufficient liquidity to meet its liabilities when due. The Port Authority monitors its cash balances and cash flows generated from operations to meet its requirements. The Port Authority has the following financial liabilities as at December 31, 2025. The total undiscounted cash repayments required to settle these liabilities, with the exception of the Tunnel concession liability, are set out below:

	Carrying value \$	2026 \$	2027 \$	2028 and thereafter \$
Accounts payable and accrued liabilities	51,046	51,046	—	—
Bank loan	20,500	—	—	20,500
	71,546	51,046	—	20,500

3. Financial instruments: fair value and risk management (continued)

Financial risk management (continued)

Liquidity risk (continued)

With respect to the Tunnel concession liability, the Port Authority is responsible for the payment of monthly Capital Payments totalling \$6,583 per year until April 8, 2034 in settlement of the liability (Note 15). The discounted cash repayments relating to this liability are as follows:

	Carrying value	2026	2027	2028 and thereafter
	\$	\$	\$	\$
Tunnel concession liability	43,226	4,052	4,306	34,868

Cash flow risk

The Port Authority's Investment Policy includes a targeted upper limit of 30% of cash reserves in the investment products of any one particular financial institution, with a hard cap limit of 35%, regardless of the type of investment.

4. Capital disclosures

The Port Authority's objective when managing capital is to ensure sufficient liquidity to support its financial obligations and execute the operational and strategic plans to continue to provide benefits for its stakeholders and to remain financially self-sufficient. The Port Authority continually assesses its capital structure and adjusts it with reference to changes in economic conditions and risk characteristics associated with its underlying assets.

On October 21, 2025, the Port Authority updated its Supplemental Letters Patent to increase their general borrowing limit to \$185,000. Separately, there is \$140,000 project specific borrowing limit provided for under the Port Authority's Supplemental Letters Patent for the Tunnel. Currently the Port Authority largely relies on cash flows from operations and investment activities to fund its capital investment program. The Port Authority's capital is comprised of its bank loan, Tunnel concession liability and equity, net of cash and cash equivalents, and short-term investments.

	2025	2024
	\$	\$
Bank loan	20,500	22,205
Tunnel concession liability	43,226	47,037
Equity	292,977	268,785
Total Capital Sources	356,703	338,027
Less: cash and cash equivalents	(23,030)	(3,964)
Less: short-term investments	(64,761)	(82,101)
	268,912	251,962

Toronto Port Authority
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December 31, 2025

(In thousands of Canadian dollars)

5. Right-of-use assets and lease liabilities

The Port Authority's right-of-use assets and lease liabilities relate to a lease for its head office premises, as well as an IT service room and lunch and locker room in the terminal building located at the Airport. Both leases were entered into in 2019. The original lease for the head office was set to terminate on September 27, 2027. However, in 2024, a lease modification was executed, resulting in an early termination date of September 29, 2025. This modification led to an adjustment in the right-of-use assets and lease liabilities. Concurrently, a new lease agreement for the head office was signed, commencing on October 1, 2025, and expiring on February 28, 2035, with an expanded leased area, which is now included in right-of-use assets and lease liabilities as at December 31, 2025.

Right-of-use-assets

	2025 \$	2024 \$
Opening cost, January 1	3,016	3,577
Additions	3,674	28
Lease modification	—	(589)
Ending cost, December 31	6,690	3,016
Opening accumulated amortization, January 1	(2,077)	(1,697)
Amortization	(403)	(380)
Ending accumulated amortization, December 31	(2,480)	(2,077)
Opening net book value, January 1	939	1,880
Ending net book value, December 31	4,210	939

Lease liabilities

	2025 \$	2024 \$
Maturity analysis – contractual undiscounted cash flows		
Less than one year	634	101
One to five years	2,617	424
More than five years	1,736	400
Total undiscounted lease liabilities as at December 31	4,987	925
Lease liabilities included in the consolidated statement of financial position as at December 31		
Current	476	340
Non-current	3,835	733
	4,311	1,073

For the year ended December 31, 2025, the expense relating to variable lease payments not included in the measurement of lease obligations was \$368 (\$239 in 2024). Expenses relating to short-term leases were \$110 (\$314 in 2024) and expenses relating to leases of low value assets were \$18 (\$20 in 2024); these have been expensed directly to net income.

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6. Capital assets

	Land	Buildings and structures	Plant and equipment	Deferred site preparation expenditures	Capital work in process	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance as at December 31, 2023	15,518	254,319	46,839	866	13,974	331,516
Additions	—	—	—	118	19,551	19,669
Transfers	—	9,138	7,651	—	(16,789)	—
Capital funding	—	—	(6,059)	—	—	(6,059)
Disposals/write-off	—	—	—	—	—	—
Balance as at December 31, 2024	15,518	263,457	48,431	984	16,736	345,126
Additions	—	—	—	—	26,548	26,548
Transfers	—	4,841	1,144	—	(5,985)	—
Capital funding	—	—	(584)	—	—	(584)
Disposals/write-off	—	(207)	(4,945)	—	—	(5,152)
Balance as at December 31, 2025	15,518	268,091	44,046	984	37,299	365,938
Accumulated depreciation						
Balance as at December 31, 2023	—	(77,190)	(26,392)	(571)	—	(104,153)
Depreciation for the year	—	(6,599)	(4,482)	(38)	—	(11,119)
Disposals/write-off	—	—	—	—	—	—
Balance as at December 31, 2024	—	(83,789)	(30,874)	(609)	—	(115,272)
Depreciation for the year	—	(6,646)	(4,815)	(38)	—	(11,499)
Disposals/write-off	—	207	4,930	—	—	5,137
Balance as at December 31, 2025	—	(90,228)	(30,759)	(647)	—	(121,634)
Carrying amounts						
Balance as at December 31, 2024	15,518	179,668	17,557	375	16,736	229,853
Balance as at December 31, 2025	15,518	177,863	13,287	337	37,299	244,304

The Port Authority received government assistance under the Airport Capital Infrastructure Program (ACIP) of \$3,004 in 2025 (\$1,297 in 2024). As the capital projects progress, the associated funding is netted against the cost of the assets, in 2025 \$584 was applied (\$4,058 in 2024). There still remains \$2,550 recorded in unearned revenue and is expected to be used in 2026.

Due to the pandemic, the Port Authority also applied for financial assistance under the Airport Relief Fund, of the funds received \$352 is remaining to be applied against airport-related capital projects. This is recorded in unearned revenue and is expected to be used in 2026.

6. Capital assets (continued)

The following information is provided in accordance with the requirements of section 36(a) of the Port Authorities regulations which requires disclosure of projects with estimated costs in excess of \$1 million per project included in the total above are as follows as at December 31, 2025:

	Total authorized or committed \$	Total spent \$	Estimated future expenditure \$
Runway End Safety Areas	95,000	10,385	84,615
Ship Channel Bridge Restoration	19,778	5,937	13,841
Island East Dockwall Rehabilitation Program	10,700	9,786	914
Combined Services Building Upgrades	4,106	—	4,106
West Service Road Rehabilitation	3,985	3,064	921
Mainland and Island Terminal Renovations	3,748	237	3,511
Port Dockwall Rehabilitation Program	2,677	809	1,868
Airport Electrical Infrastructure Improvements	2,315	1,527	788
Digital Screens Replacements and Upgrades	2,300	—	2,300
Corporate System Technology Uplift	1,700	—	1,700
Marylin Bell Ferry Upgrades	1,200	—	1,200
	147,509	31,745	115,764

Total estimated capital expenditures for projects authorized or committed are \$147.51 million (\$30.00 million in 2024).

7. Employee future benefits

The Port Authority maintains a defined benefit pension plan (“DB Plan”), registered with the Office of the Superintendent of Financial Institutions (“OSFI”), for the benefit of full-time permanent employees (for non-unionized employees hired before November 25, 2013 and certain unionized employees). The Port Authority provides a defined contribution pension plan for full-time non-unionized employees hired after November 24, 2013. Certain Plan members were also granted supplemental benefits, which mirror the formula of the registered plan and replace defined benefits that have been limited by the Income Tax Act. These supplemental benefits are unfunded. The Port Authority also provides other non-pension employment benefits to most of its employees as detailed in Note 2 under “Employee future benefits”. The Other Post Employment Benefits (“OPEB”) and Workplace Safety and Insurance Board (“WSIB”) benefits are unfunded. Beginning in 2018, the Port Authority established other employee future benefits for certain full-time employees provided that they remain employed with the Port Authority for a specified length of time. In 2024, certain employee departures resulted in the forfeiture and settlement of employee future benefits. The effect of this has been reflected in these consolidated financial statements.

The Port Authority's funding policy for the Pension Plan is in accordance with the requirements of the federal Pension Benefits Standards Act. The determination of the funding requirements is made based on annual actuarial valuations.

An actuarial funding valuation of the DB Plan was performed as of January 1, 2023 by the Plan's actuary, Aon. During 2025, an interim valuation was completed effective August 1, 2024 to account for the funding impact of the August 1, 2024 plan amendment resulting from the DB Plan benefit improvements in the August 2023 collective agreement. The next actuarial valuation for funding purposes will be done as at January 1, 2026.

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(In thousands of Canadian dollars)

7. Employee future benefits (continued)

That actuarial review determined that the DB Plan was in an excess surplus position under both a going concern and solvency basis. As a result, the Authority was required to take a contribution holiday, commencing in April 2023, pursuant to the Income Tax Act.

In August 2023, a new collective agreement was concluded with CUPE 416 (2023 to 2027), which includes DB Plan benefit improvements for union members, of approximately \$1 million for the period from January 1, 2023 to December 31, 2025.

Information about the Port Authority's employee future benefits in the aggregate is as follows:

	Pension benefit plan	Other benefits	2025 Total	Pension benefit plan	Other benefits	2024 Total
	\$	\$	\$	\$	\$	\$
Accrued benefit obligation						
Balance, beginning of year	54,501	1,587	56,088	53,975	2,051	56,026
Employer current service cost	1,359	48	1,407	1,213	(394)	819
Employees' contributions	170	—	170	321	—	321
Interest expense	2,494	71	2,565	2,407	70	2,477
Benefits paid	(3,060)	(84)	(3,144)	(3,554)	(81)	(3,635)
Past service cost	—	—	—	500	—	500
Actuarial (gains) losses	(1,662)	228	(1,434)	(381)	(59)	(440)
Effect of forfeitures	—	—	—	20	—	20
Balance, end of year	53,802	1,850	55,652	54,501	1,587	56,088
Plan assets						
Fair value, beginning of year	73,082	—	73,082	65,661	—	65,661
Employer contributions	—	84	84	563	81	644
Employees' contributions	170	—	170	321	—	321
Non-investment expenses	(238)	—	(238)	(253)	—	(253)
Benefits paid	(3,060)	(84)	(3,144)	(3,554)	(81)	(3,635)
Interest income	3,361	—	3,361	2,953	—	2,953
Return on plan assets excluding amounts included in interest income	5,508	—	5,508	7,391	—	7,391
Fair value, end of year	78,823	—	78,823	73,082	—	73,082
Funded status – plan surplus (deficit)	25,021	(1,850)	23,171	18,581	(1,587)	16,994
Accrued benefit asset (liability)	25,021	(1,850)	23,171	18,581	(1,587)	16,994

The Port Authority's net benefit plan expense is as follows:

	Pension benefit plan	Other benefits	2025 Total	Pension benefit plan	Other benefits	2024 Total
	\$	\$	\$	\$	\$	\$
Components of net benefit costs recognized during the year						
Current service costs	1,003	48	1,051	1,063	(394)	669
Current service costs- contribution holiday	356	—	356	150	—	150
Administration costs	238	—	238	253	—	253
Interest expense	2,494	71	2,565	2,407	70	2,477
Interest income	(3,361)	—	(3,361)	(2,953)	—	(2,953)
Actuarial (gains)/loss	—	308	308	—	(16)	(16)
Past service cost	—	—	—	500	—	500
Effect of forfeitures/settlement	—	—	—	20	—	20
Employee future benefit cost recognized	730	427	1,157	1,440	(340)	1,100

7. Employee future benefits (continued)

The amounts recognized in OCI are as follows:

	Pension benefit plan	Other benefits	2025 Total	Pension benefit plan	Other benefits	2024 Total
	\$	\$	\$	\$	\$	\$
Remeasurement of the net defined benefit liability in OCI						
Actuarial gains on assets	(5,508)	—	(5,508)	(7,491)	—	(7,491)
Actuarial gains on obligations	(1,662)	(80)	(1,742)	(281)	(43)	(324)
Remeasurement (gain) loss recognized	(7,170)	(80)	(7,250)	(7,772)	(43)	(7,815)

The date used to measure assets and liabilities for accounting purposes was as at December 31, 2025.

The Port Authority has reflected Ruling 14 of the International Financial Reporting Interpretations (“IFRIC 14”) which clarifies how the asset ceiling defined under IAS 19 should be applied, particularly how it interacts with minimum funding rules. Under IAS19, any variation in the asset ceiling will be recognized in other comprehensive income (as opposed to profit and loss). The impact of the asset limit on the funded plans has been applied based on management’s interpretation of IAS 19, as clarified by IFRIC 14. This interpretation is summarized as follows:

- The Port Authority assumed that it does not have an unconditional right to a refund of surplus;
- The Port Authority may take funding contribution holidays based on past practice and/or plan rules;
- Minimum Funding Requirements (“MFR”) have been set based on the requirements of the most recently filed actuarial valuation report for funding purposes. Based on the MFR, the going concern and solvency funded status is projected into the future. In any year where the plan is projected to be in a surplus on both a going concern and solvency basis and the threshold set by the governing pension legislation for taking a contribution holiday is met, then this projected surplus is used to reduce or eliminate the minimum funding contribution in that year. The economic benefit available from a reduction in future contributions is therefore equal to the difference between the present value of employer IAS 19 current service cost and the present value of the employer minimum funding current service requirements. The present values are determined using the IAS 19 discount rate and have been calculated assuming that the plan is maintained indefinitely;
- Any required deficit contributions that, once made, are not available to the Port Authority as an economic benefit may form an additional liability which is netted against the consolidated statement of financial position, or if there is already a liability, the adjusted liability on the consolidated statement of financial position is equal to the present value of the remaining required deficit contributions. Required deficit contributions are determined based on the most recently filed actuarial valuation report for funding purposes.

Toronto Port Authority
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(In thousands of Canadian dollars)

7. Employee future benefits (continued)

The main risks affecting the Pension Plan, OPEB and WSIB Benefits are:

Longevity	The risk that retirees will collect a pension for a longer period of time, on average, than expected according to the mortality assumptions used.
Investments	The risk that the invested assets of the Pension Plan do not yield the assumed rate of return, resulting in insufficient assets to provide for the benefits promised and/or requiring the Port Authority to make additional contributions to fund the deficit.
Discount rate	The risk from changing market interest rates. A decrease in corporate bond yields will increase plan obligations. This risk is greater to the extent that there is a mismatch between the characteristics of the assets and obligations.
Regulatory/legal	The risk of regulatory/jurisprudence changes that can alter the benefit promise.
Health inflation risk	The risk that the cost of health benefits increases is higher than the assumptions used.

*Pension Plan Asset Allocation as of December 31, 2025**

Asset category	2025		Percentage of defined benefit assets 2024	
	Quoted %	Unquoted %	Quoted %	Unquoted %
Equities	60.7	—	56.80	—
Fixed income	13.7	—	14.30	—
Alternative investments	25.0	—	28.30	—
Other	0.6	—	0.60	—
	100.0	—	100.00	—

* OPEB benefits and WSIB benefits are unfunded.

The significant actuarial assumptions adopted in measuring the Port Authority's accrued benefit obligations are as follows (weighted-average assumptions as of December 31):

Key assumptions	2025 %	2024 %
Accrued benefit obligation at end of year		
Discount rate	4.90	4.70
Compensation increase	2.00	2.00
Benefit cost during the year		
Discount rate	4.90	4.70
Health care trend rates at end of year		
Initial rate	4.35	4.35
Ultimate rate	4.05	4.05

7. Employee future benefits (continued)

	Pension plan \$	2025 Other benefits \$
Sensitivity analysis on defined benefit obligation		
Impact of 1% increase in discount rate	(6,117)	(158)
Impact of 1% decrease in discount rate	7,804	187
Impact of 1% increase in salary scale	698	N/A
Impact of 1% decrease in salary scale	(619)	N/A
Impact of 1 year increase in longevity	1,337	43
Impact of 1 year decrease in longevity	(1,363)	(44)
Impact of 1% increase in trend rate	N/A	172
Impact of 1% decrease in trend rate	N/A	(148)

The weighted average duration of the plan is approximately 12.8 years in 2025, (12.9 years in 2024).

8. Bank loans

On October 1, 2025 the Port Authority amended its committed bilateral credit agreement from a term to a revolving credit facility. The facility is intended to provide ongoing working capital support for operational requirements, capital expenditures, refinancing of existing debt, issuance of letters of credit, and general corporate purposes as permitted under the agreement.

On December 17, 2025 the Port Authority entered into a \$150 million committed revolving syndicated credit facility to replace its existing credit facility. The facility is intended to be used for the same purpose as the prior facility. The Port Authority is obliged to repay all outstanding amounts as at the December 17, 2028 maturity date unless otherwise extended through agreement with the financial institutions. Additionally, the Port Authority has certain covenants on its bank loans. As at December 31, 2025, the Port Authority complied with those covenants.

As of December 31, 2025, \$20,500 (\$22,205 in 2024) was outstanding under the revolving syndicated credit facility. The borrower bears interest at rate equal to adjusted term Canadian Overnight Repo Rate Average ("CORRA") for the CORRA period in effect plus an applicable margin. The all-in interest rate applicable at year-end was 3.56%.

9. Payments in Lieu of Taxes

Payments in Lieu of Taxes or ("PILTs") are payments that may be made by federal institutions to the municipalities in which they operate. The quantum of PILTs made by a government institution to its host municipality is discretionary and, if made, is determined in accordance with the federal Payments in Lieu of Taxes Act (the "PILTs Act"). The Port Authority properties to which the PILTs Act applies are the Airport, the Outer Harbour Marina, 80 Cherry Street, and various waterlots. the Port Authority also pays property taxes to the City of Toronto (the "City") for Airport and various other properties.

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(In thousands of Canadian dollars)

10. Airport improvement fees

The Port Authority charged an Airport Improvement Fee (“AIF” or “Fee”) of \$29.00 in 2025 (\$29.00 in 2024) per departing passenger. In addition, net revenues from the Tunnel Advertising Features were included in AIF. These Fees are to be used entirely to finance the Airport’s capital program, which includes Debt Service for borrowings (see Note 8).

For the year ended December 31, 2025, the net amount of AIF collected was \$24,341 (\$25,505 in 2024). These Fees are recorded as Airport improvement fees, net in the consolidated statement of operations and comprehensive income.

The AIF revenue is net of the 3% commission paid to the air carriers for the collection of AIF from enplaned passengers.

The following is an analysis of the Toronto Port Authority’s results from the consolidated statement of operations and comprehensive income in terms of revenue and expenses from the Port Authority’s non-AIF operations and those related to the restricted Airport improvement fees:

Revenue and expenses relating to Toronto Port Authority non-AIF operations and Airport improvement fees

	2025 Total	2024 Total	2025 Non-AIF	2025 AIF	2024 Non-AIF	2024 AIF
	\$	\$	\$	\$	\$	\$
Operating revenue						
Port, Outer Harbour Marina, Airport, property and other revenue	62,921	55,800	62,921	—	55,800	—
Airport improvement fees, net	24,341	25,505	—	24,341	—	25,505
	87,262	81,305	62,921	24,341	55,800	25,505
Operating expenses						
Salaries wages and benefits	15,990	14,653	15,990	—	14,592	61
Goods and services	35,435	31,576	34,518	917	28,961	2,615
Charge on gross revenue	3,743	3,625	2,282	1,460	2,095	1,530
Payments in lieu of taxes	2,692	2,473	2,692	—	2,473	—
Amortization of right-of-use and capital assets	11,902	11,499	3,478	8,424	2,997	8,502
	69,762	63,826	58,961	10,801	51,118	12,708
Earnings before interest, financing costs & other items	17,500	17,479	3,960	13,540	4,682	12,797
Investment income	4,763	5,955	4,763	—	5,955	—
Interest expense	(3,706)	(4,230)	(227)	(3,479)	(141)	(4,089)
Provision for Rehabilitation of Leslie Street Spit & Hardpoint J	(1,620)	(2,200)	(1,620)	—	(2,200)	—
Net income (loss) for the year	16,937	17,004	6,876	10,061	8,296	8,708
Changes in fair value of interest rate swap due to hedge accounting - loss on interest rate swap - effective portion	5	(131)	5	—	(131)	—
Remeasurement gain on employee future benefits	7,250	7,815	7,250	—	7,815	—
Comprehensive income for the year	24,192	24,688	14,131	10,061	15,980	8,708

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11. Contingencies

There are a number of outstanding claims against the Port Authority that have been referred to legal counsel and reported to the Port Authority's insurers, as applicable. With respect to insurable claims, the Port Authority expects that its liability, if any, will be limited to the amount of its insurance deductible.

12. Canada marine act and port authorities' management regulations

Pursuant to subsection 37 (3) of the Canada Marine Act, the following table lists total remuneration (includes salaries and bonus) paid to the board of directors, chief executive officer and employees over a reporting threshold:

Name	Title	2025		2024	
		Remuneration	Taxable benefits	Total	
				Total	
Jane Mckenna ¹	Director	55	—	55	31
Sandra Pupatello ²	Director, Chair	11	—	11	59
Hellen Siwanowicz	Director	35	—	35	39
Thomas Ruth	Director	31	—	31	32
Robin Pilkey ³	Director	33	—	33	18
Amanda Walton ⁴	Director	—	—	—	32
Darin Deschamps ⁵	Director	—	—	—	37
Roelof-Jan (RJ) Steenstra	President & CEO	517	13	530	514
Alan Paul ⁶	SVP & CFO	—	—	—	866
John Peellegoda ⁷	SVP Strategy & CFO	293	8	301	123
Willard Ramjass	SVP and General Counsel	336	11	347	350
Deborah Wilson	VP Communications & Public Affairs	276	11	287	279
Bojan Drakul	VP Infrastructure, Planning & Environment	281	8	289	277
Warren Askew	VP Airport	264	8	272	245
Satinder Singh ⁸	VP Marine	226	6	232	—
		2,358	65	2,423	2,902

1 – assumed office as Chair March 14, 2025

2 – ceased to hold office March 7, 2025

3 - assumed office April 2, 2024

4 - ceased to hold office April 1, 2024

5 - ceased to hold office September 12, 2024

6 - ceased to hold office on July 31, 2024

7 - assumed office July 29, 2024

8 - assumed office January 27, 2025

13. Commitments

The Port Authority currently has a Lease Agreement with the provincial Ministry of Natural Resources and Forestry to construct, operate and maintain a landfill area at the foot of Leslie Street on a portion of the Leslie Street Spit. The Port Authority lease expires on October 31, 2027. The Port Authority is required under its lease to maintain the shoreline and associated hardpoints in a dynamically stable condition.

As part of the obligations under the lease, the Port Authority monitors the hardpoints and beaches along the east and south shores of the Leslie Street Spit for shoreline stabilization. Through this monitoring program, the reconstruction of Hardpoint J has been determined to require improvement as a condition of Lease termination. The Port Authority is reviewing options to complete this remediation and has accrued a liability relating to this work reflective of the Port Authority's current best estimate.

The Port Authority currently has a lease for its head office premises located at 207 Queens Quay West. The lease was renewed effective October 1, 2025 with an expiry date of February 28, 2035. The Port Authority also has a lease for an IT service room and lunch and locker room in the terminal building located at the Airport. The lease expires on June 29, 2033. Please see Note 5 for details on the lease liability recorded in respect of these two leases.

14. Guarantees

In the normal course of business, the Port Authority enters into agreements that meet the definition of a guarantee. The Port Authority's primary guarantees are as follows:

- (a) Indemnity has been provided to all directors and or officers of the Port Authority for various items including, but not limited to, all costs to settle suits or actions due to association with the Port Authority, subject to certain restrictions. The Port Authority has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined but is limited to the period over which the indemnified party served as, director or officer of the Port Authority. The maximum amount of any potential future payment cannot be reasonably estimated.
- (b) In the normal course of business, the Port Authority has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Port Authority to compensate counterparties for losses incurred by the counterparties because of breaches in representation and regulations or because of litigation claims or statutory sanctions that may be suffered by the counterparty because of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated. In addition to the foregoing, in connection with the lease of real property from the City of Toronto by the Port Authority's wholly owned subsidiary, 2315155 Ontario Inc., the Port Authority has guaranteed 2315155 Ontario Inc.'s obligation to the City. The maximum liability of the Port Authority to the City pursuant to this guarantee is \$500.

Other than the guarantee to the City described above, the nature of these indemnification agreements prevents the Port Authority from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Port Authority has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the statement of financial position with respect to these agreements.

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(In thousands of Canadian dollars)

15. Tunnel Project

On March 8, 2012, the Toronto Port Authority and BBIA LP, an entity controlled by Forum Infrastructure Partners signed a Project Agreement ("the Agreement") to construct a Tunnel to link the Airport to the Mainland at the foot of Bathurst Street, under the western gap. BBIA LP agreed to design, build, finance and maintain the Tunnel for twenty years. The base contract price for BBIA LP to construct the Tunnel was \$82.5 million and it was substantially completed and accepted by the Port Authority on May 29, 2015. The Tunnel was officially opened to the public and stakeholders on July 30, 2015. Title to the Tunnel will remain with the Port Authority throughout the term of the Agreement.

The Port Authority has capitalized construction costs as well as the present value of future capital lifecycle payments to be made over the term of the concession period (Expiry Date April 8, 2034). The Port Authority has also recognized a liability for the Tunnel, equal to the asset, less payments made. As at December 31, 2025 an asset of \$110,418 (\$110,418 in 2024) has been included as part of capital assets, with a related liability of \$43,225 (\$47,037 in 2024).

On April 8, 2016 BBIA LP sold its interest in the Tunnel to BBPT AF LP, an entity controlled by Fiera Capital Corporation. As part of this transaction the Agreement was assigned by BBIA LP to BBPT AF LP and BBPT AF LP assumed all of BBIA LP's obligations under the Agreement.

The Port Authority pays monthly Capital Payments totaling \$6,583 per year until April 8, 2034 to BBPT AF LP using a portion of the airport improvement fee collected for enplaning (departing) passengers at the Airport.

The Port Authority is also responsible for monthly lifecycle payments totalling \$212 per year and monthly operating payments totalling \$1,301 per year, until 2034, to be indexed to inflation. As at December 31, 2025, the indexed amounts are \$191 (\$217 in 2024) and \$1,819 (\$1,756 in 2024) per year, respectively.

16. Revenue and expenses by business units

The following is an analysis of the Toronto Port Authority's results from the Consolidated statement of operations and comprehensive income by business units:

	Airport	Port	Marina	Corporate	2025 Total	2024 Total
	\$	\$	\$	\$	\$	\$
Fee Revenue	29,084	18,065	5,402	—	52,551	45,269
Airport Improvement Fee, net	24,341	—	—	—	24,341	25,505
Rental Revenue	4,074	4,753	88	—	8,915	8,623
Other	541	112	486	316	1,455	1,908
Total Revenue	58,040	22,930	5,976	316	87,262	81,305
Operating Expenses	26,922	7,702	4,016	12,785	51,425	46,229
Charge on gross revenue	2,683	832	217	11	3,743	3,625
Payments in lieu of taxes	1,914	538	240	—	2,692	2,472
Amortization of right-of-use and capital assets	8,424	1,981	633	864	11,902	11,499
Total Expenses	39,942	11,053	5,106	13,661	69,762	63,826
Earnings before interest, other income and items	18,098	11,877	870	(13,345)	17,500	17,479
Investment Income					4,763	5,955
Interest Expense					(3,706)	(4,230)
Provision for Leslie Street Spit Hardpoint J & Other Obligations					(1,620)	(2,200)
Net Income					16,937	17,004
Gain (Loss) on interest rate swap - effective portion					5	(131)
Remeasurement gain on employee future benefits					7,250	7,815
Comprehensive Income					24,192	24,688

17. Net change in non-cash working capital balances related to operations

The changes in non-cash working capital items are as follows:

	2025	2024
	\$	\$
Accounts receivable (net)	(3,906)	(3,433)
Other current assets	87	683
Gain on lease modification	–	(78)
Prepaid expenses	(825)	165
Accounts payable and accrued liabilities	7,628	294
Unearned revenue	3,310	(5,063)
	6,294	(7,432)

18. Goods and services operating expenses details

The significant items under Goods and Services are as follows:

	2025	2024
	\$	\$
Repairs and maintenance	10,012	8,259
Operating materials and utilities	9,576	7,495
Professional and consulting fees	4,426	5,072
Security	5,213	4,571
Office and general	1,457	1,874
Insurance	1,624	1,698
Public Affairs	1,478	1,277
Rents	651	682
Other expenses	998	648
	35,435	31,576

19. Prior year comparative figures

Certain of prior year's comparative figures have been reclassified to conform with current year's presentation.



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207 Queens Quay West, Suite 500, Toronto. ON. M5J 1A7

The Toronto Port Authority is a government business enterprise operating pursuant to the Canada Marine Act and Letters Patent issued by the Federal Minister of Transport.

The Toronto Port Authority owns and operates:

AÉROPORT DE TORONTO
**BILLY
BISHOP**
TORONTO CITY AIRPORT

PORT  OF
TORONTO DE

OUTER HARBOUR
MARINA
DE L'AVANT-PORT 

Canada 