






**Attachment 3. August Performance Measures and Financials**

**August Performance Measures**

Key Indicators	Target	August 2018	July 2018	% Variance From Previous Month	August 2017	% Variance From Previous Year
<b>Quality homes</b>						
YTD Building renewal capital spending (in \$ millions) <sup>1</sup>	Q3: \$181M Annual: \$300M	 \$193.88	\$171.68	13.0%	\$143.39	35.2%
Service level for routine maintenance requests completed within established timelines (5 days)	72%	 69.74%	71.2%	 -2.05%	N/A	N/A
<b>Vibrant communities</b>						
Number of tenants participating in decision-making	3,234 (annual)	3,099	2,601	 19.1%	563	 450.4%

<sup>1</sup> The August YTD 2018 FM Capital Program Completed includes \$19.2 million work completed in 2017 against the \$300M 2018 capital budget following early 2018 budget approval.



**Attachment 3. August Performance Measures and Financials**










Key Indicators	Target	August 2018	July 2018	% Variance From Previous Month	August 2017	% Variance From Previous Year
<b>Service excellence</b>						
Voluntary staff turnover (%)	N/A	0.9%	0.6%	0.30% <sup>2</sup>	N/A	N/A
Involuntary staff turnover (%)	N/A	0.24%	0.42%	-0.18% <sup>3</sup>	N/A	N/A
Average number of weeks from requisition to position being filled (weeks)	10	● 7.15	6.96	↑ 2.73%	N/A	N/A
<b>Business foundations</b>						
Rent-Geared-to-Income vacancy rate (%)	2.00%	⊘ 2.21%	2.15%	↑ 2.94%	2.56%	↓ -13.42%
RGI leasing ratio	1.00	⊘ 0.92	1.13	↓ -18.58%	0.82	↑ 12.2%
Market vacancy rate (%)	2.00%	● 1.51%	1.23%	↑ 21.97%	1.98%	↓ -24.04%

<sup>2</sup> This number is the difference rather than the variance between the June 2018 and July 2018 results for voluntary staff turnover as it more accurately reflects the scale of change between months

<sup>3</sup> This number is the difference rather than the variance between the June 2018 and July 2018 results for involuntary staff turnover as it more accurately reflects the scale of change between months.



**Attachment 3. August Performance Measures and Financials**

Key Indicators	Target	August 2018	July 2018	% Variance From Previous Month	August 2017	% Variance From Previous Year
Market leasing ratio	1.00	 0.61	1.76	 -65.34%	0.88	 -30.7%
Rent and parking arrears (\$ in thousands)	-	\$8,740.00	\$8,483.00	 3.03%	\$8,392.00	 4.15%
Arrears under repayment (\$ in thousands)	-	\$3,400.00	\$3,330.00	 2.10%	\$3,116.00	 9.11%
Arrears under management (\$ in thousands)	-	\$7,643.00	\$7,489.00	 2.06%	\$7,136.00	 7.10%

 Not Meeting Target  
 At risk  
 Meeting/Exceeding Target  
 Favourable Increase/Decrease  
 Unfavourable Increase/Decrease  
 Remained Constant

**Attachment 3. August Performance Measures and Financials**

**Closing the Loop**

Closing the Loop surveys tenants who have recently requested a repair to assess the consistency and quality of repair services with respect to tenant satisfaction. Wave 5 of Closing the Loop ran in August. The results are summarized in the following table.

<b>% Tenant Satisfaction</b>	<b>Wave 1</b>	<b>Wave 2</b>	<b>Wave 3</b>	<b>Wave 4</b>	<b>Wave 5</b>	<b>YTD Results</b>
Keeping up cleanliness of the building	77%	80%	75%	70%	73%	75%
Keeping up the condition of the building	66%	70%	74%	66%	68%	68%
Quality of the repair	93%	87%	93%	91%	95%	92%
Keeping buildings safe and secure	69%	68%	74%	64%	68%	69%
Keeping tenants informed of changes	76%	74%	80%	74%	76%	76%

**Attachment 3. August Performance Measures and Financials**

**August Financial Performance**

(Amounts in '\$000s)

	<b>August 18</b>	<b>YTD 2018</b>		<b>August 17</b>	<b>YoY</b>	<b>YoY</b>	<b>2018</b>
	YTD Actual	Budget	Variance Fav(Unfav)	YTD Actual	Variance Fav(Unfav)		Annual Budget
	\$	\$	\$ %	\$	\$ %		\$
<b>Results of Operations</b>							
Revenue	478,060	427,607	50,453 12%	483,080	(5,020) -1%		67,234
Expenses	442,545	461,218	18,671 4%	443,647	1,101 0%		691,648
<b>Net Income (Loss)</b>	35,516	(33,610)	69,124 206%	39,433	(3,918) -10%		(24,414)

**Explanation of Variances Actual vs. Budget (Favourable / (Unfavourable))**

YTD actual net income is \$35.5M compared to the budgeted net loss of 33.6M; favourable variance of \$69.1M is mainly due to:

- \$43.6M one time gain: \$31.2M on land transfer of 250 Davenport and \$4.7M on land transfer of Allenbury Gardens, both budgeted in 2017 and realized in 2018; \$6.4M on Lawrence Heights land transfer; \$1.3M gain on sale of 215 Crawford street that was not budgeted;
- \$12.6M lower utility cost primarily from favourable hydro rates as the result of Fair Hydro Plan;
- \$10.2M favourable residential revenue due to higher monthly rate;

**Attachment 3. August Performance Measures and Financials**

- \$4.9M lower salary and benefit resulting from vacancies, lower staff expenses combined with other admin costs, partially offset by higher overtime and parental top-up costs;
- \$2.6M interest expenses lower than budget due to delay of Infrastructure Ontario loan;
- \$2M higher joint venture income from Allenbury Gardens;
- (\$6.6M) lower subsidies primarily due to the timing of revenue recognition; and
- (\$3.1M) higher maintenance costs primarily due to increase in life safety and fire inspections.

**Explanation of Variances Actual vs. Prior Year (Favourable / (Unfavourable))**

YTD actual net income is \$35.5M compared to prior year net income of \$39.4M; the unfavourable variance of (\$3.9M) is mainly due to:

- (\$10.6M) higher salaries and benefit cost due to onboarding of planned resources, higher staff expenses combined with other admin costs;
- (\$8.8M) higher amortization on assets;
- (\$5.6M) lower subsidies due to the timing of revenue recognition;
- (\$2.9M) higher interior maintenance primarily due to increase in life safety and fire inspections;
- (\$1.8M) interest expense due to line of credit usage;
- (\$1.1M) legal and consulting mainly due to change management consulting fee (\$0.5M) and higher legal costs (\$0.5M);
- \$8M lower utility cost primarily from favourable hydro rates;
- \$9.5M favourable residential revenue due to higher monthly rate;
- \$4.9M favourable joint venture income from Allenbury Garden; and
- \$3.1M favourable investment income \$1.4M and gain on land sale \$1.7M.

**Attachment 3. August Performance Measures and Financials**

(Amounts in '\$000s)

	<b>August 18</b>	<b>August 17</b>	<b>Variance</b>	<b>2018</b>	<b>August 18</b>
	YTD Actual	YTD Actual	YTD 18 Vs. YTD 17	Annual Budget	Prorated Annual Budget
	\$	\$		\$	\$
<b>Capital Expenditure</b>					
Building Renewal Capital	173,767	117,954	55,814	296,934	197,956
RPEI Plant Capital	912	4,992	(4,080)	3,066	2,044
RPEI Plant Capital CHSOP- Non FM	5,456	-	5,456	-	-
Improvements to Housing Projects	916	3,359	(2,443)	883	589
Corporate & IT Capital	1,380	2,951	(1,571)	14,373	9,582
Net Development Capital <sup>4</sup>	21,999	21,673	326	56,643	37,762
<b>Total Capital Expenditure</b>	<b>204,432</b>	<b>150,929</b>	<b>53,502</b>	<b>371,899</b>	<b>247,933</b>

**Explanation of Variances Actual vs. Prior Year:**

Higher spending of \$55.8M is due to the increase in planned capital jobs and demand jobs, energy repair capital spending in 2018 and higher capitalized labor costs as a result of the increase in capital jobs.

<sup>4</sup> Net of funding sources

**Attachment 3. August Performance Measures and Financials**

(Amounts in '\$000s)

**Other Key Balance Sheet Items**

Cash on hand

Unrestricted investment

Investments held by Infrastructure Ontario

Investments related to development projects

Total cash on hand and investments

Line of credit usage

**Net Cash and Investments**

	<b>August 18</b>	<b>August 17</b>	<b>YoY</b>	<b>YoY</b>
	YTD Actual	YTD Actual	YTD 18 Vs. YTD 17	
	\$	\$	\$	%
Cash on hand	47,854	118,538	(70,685)	-60%
Unrestricted investment	1,719	2,316	(597)	-26%
Investments held by Infrastructure Ontario	114,834	104,324	10,511	10%
Investments related to development projects	221,716	217,494	4,221	2%
Total cash on hand and investments	386,123	442,673	(56,550)	-13%
Line of credit usage	(48,444)	(2,401)	(46,043)	1917%
<b>Net Cash and Investments</b>	<b>337,679</b>	<b>440,271</b>	<b>(102,593)</b>	<b>-23%</b>



**Attachment 3. August Performance Measures and Financials**

**Statement of Operations**

Month-to-month, comparison amounts in \$000s

	<b>July</b>	<b>August</b>	<b>2018 YTD</b>	<b>YTD Budget</b>	<b>Budget 2018</b>
<b>Revenue</b>					
Subsidies - TCHC	19,282	19,261	154,442	159,742	239,620
Subsidies - AHCI			-		
Subsidies for task force initiatives	260	195	1,479	2,783	4,175
	<b>19,543</b>	<b>19,456</b>	<b>155,920</b>	<b>162,525</b>	<b>243,795</b>
Residential					
RGI Rent	20,103	20,201	159,372	151,821	227,868
Market Rent	7,079	7,098	55,382	52,728	79,761
Commercial rent	1,293	1,382	10,200	10,017	14,947
Amortization of deferred capital contributions	3,690	3,587	29,318	28,024	42,036
Parking, laundry and cable fees	1,524	1,592	12,212	12,046	18,079
Investment income	599	691	4,991	4,280	6,463
Joint venture income (loss)	-	4,618	4,635	2,586	11,761
Capital assets write off	(16)	(78)	(103)		
Gain on sale of housing projects	(78)	-	1,258	-	-
Gain on sale of land	6,397	0	42,338	-	17,162
Gain on sale of capital assets	-	-	17	-	-
Plant	151	106	1,008	2,427	3,632
Other	323	154	1,511	1,153	1,729
	<b>41,065</b>	<b>39,350</b>	<b>322,140</b>	<b>265,082</b>	<b>423,440</b>
	<b>60,608</b>	<b>58,806</b>	<b>478,060</b>	<b>427,607</b>	<b>667,234</b>

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**Statement of Operations**

Month-to-month, comparison amounts in \$000s

	<b>July</b>	<b>August</b>	<b>2018 YTD</b>	<b>YTD Budget</b>	<b>Budget 2018</b>
<b>Expenses</b>					
Operating & maintenance	15,410	15,315	117,698	117,880	177,755
Utilities	9,730	8,161	81,275	93,958	140,594
Municipal taxes	1,521	1,348	11,965	11,752	17,628
Depreciation expense	14,638	14,833	113,930	112,894	169,341
Interest	6,411	6,395	51,809	54,446	81,238
Rent supplement program	-	0	(1)	(0)	0
Community safety services	2,093	2,053	16,066	11,839	18,030
Residential services	1,746	2,302	9,360	11,052	15,715
Tenancy management			-		
Corporate services	2,993	3,276	23,212	42,889	38,675
Human resources	888	902	7,217	1,057	12,356
Information technology	902	1,143	7,381	1,009	12,870
Plant	163	178	1,468	1,858	2,767
Loss from guaranteed equity housing projects	16	27	187	265	398
Impairment loss		(527)	(527)		
Task force initiatives	262	197	1,505	317	4,282
	<b>56,772</b>	<b>55,602</b>	<b>442,545</b>	<b>461,217</b>	<b>691,648</b>
<b>Net Income (Loss)</b>	<b>3,835</b>	<b>3,204</b>	<b>35,515</b>	<b>(33,610)</b>	<b>(24,414)</b>