

Attachment 4: June Performance Measures and Financials

June Performance Measures

Key Indicators	Target	June 2018	May 2018	% Variance From Previous Month	June 2017	% Variance From Previous Year
Quality homes						
YTD Building renewal capital spending (in \$ millions) ¹	Q2: \$106M Annual: \$300M	● \$151.38	\$122.21	↑ 23.9%	\$103.37	↑ 46.4%

¹ YTD 2018 Building Renewal Capital Spending includes \$19.2 million in work completed in 2017 against the \$300 million 2018 capital budget, following early 2018 budget approval.



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June Financial Performance

(Amounts in '\$000s)

	June 18	YTD 2018		June 17	YoY	YoY	2018
	YTD Actual	Budget	Variance Fav(Unfav)	YTD Actual	Variance Fav(Unfav)		Annual Budget
	\$	\$	\$ %	\$	\$	%	\$
Results of Operations							
Revenue	358,646	321,176	37,470 12%	374,234	(15,588)	-4%	667,234
Expenses	330,171	346,475	16,304 5%	331,381	1,210	0%	691,648
Net Income (Loss)	28,475	(25,299)	53,774 213%	42,853	(14,378)	-34%	(24,414)

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

YTD actual net income is \$28.5M compared to the budgeted net loss of 25.3M; favourable variance of \$53.7M is mainly due to:

- \$37.3M 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; \$1.3M gain on sale of 215 Crawford street that was not budgeted;
- \$8.5M lower utility cost primarily from favourable hydro rates;
- \$7M favourable residential revenue on higher monthly rate;
- \$5.0M lower salary and benefit resulting from vacancies, lower staff expenses combined with other

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- administrative costs, partially offset by higher overtime and contract costs;
- \$1.9M interest expenses lower than budget due to delay of Infrastructure Ontario loan; and
- (\$4.9M) lower subsidies primarily due to the timing of revenue recognition.

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

YTD actual net income is \$28.5M compared to prior year net income of \$42.8M; the unfavourable variance of (\$14.3M) is mainly due to:

- (\$4.1M) lower gain on land transfers compared to 2017;
- (\$6.1M) lower subsidies due to the timing of revenue recognition;
- (\$6.4M) higher amortization on assets;
- (\$5.7M) higher salaries and benefit cost due to onboarding of planned resources, higher staff expenses combined with other administrative costs;
- (\$2.4M) higher due to Mag-lock work at TCHC buildings;
- (\$2M) interest expense due to line of credit usage;
- (\$1.1M) legal and consulting mainly due to change management consulting fee (\$0.3M) and higher legal costs (\$0.9M);
- \$7.3M lower utility cost primarily from favourable hydro rates; and
- \$6.9M favourable residential revenue on higher monthly rate.

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	June 18	June 17	Variance	2018	June 18
	YTD Actual	YTD Actual	YTD 18 Vs. YTD 17	Annual Budget	Prorated Annual Budget
	\$	\$		\$	\$
Capital Expenditure					
Building Renewal Capital	131,223	99,726	31,498	296,934	98,978
RPEI Plant Capital	6,057	3,646	2,410	3,066	1,022
Improvements to Housing Projects	344	3,449	(3,105)	883	294
Corporate & IT Capital	957	2,777	(1,819)	14,373	4,791
Net Development Capital ²	8,986	9,554	(568)	56,643	18,881
Total Capital Expenditure	147,568	119,152	28,416	371,899	61,983

Explanation of Variances Actual vs. Prior Year:

- Higher spending of \$31.5M is due to the increase in planned capital jobs and demand jobs, energy repair capital spending in 2018 and higher capitalized labour costs as a result of the increase in capital jobs; and
- lower net development capital due to higher cash inflow as the result of land sale from Regent Park and 250 Davenport.

² Net of funding sources

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(Amounts in '\$000s)

Other Key Balance Sheet Items

Cash on hand
MAM 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

	June 18	June 17	YoY	YoY
	YTD Actual	YTD Actual	YTD 18 Vs. YTD 17	
	\$	\$	\$	%
Cash on hand	52,552	174,357	(121,805)	-70%
MAM investment	2,322	2,316	5	0%
Investments held by Infrastructure Ontario	113,952	107,580	6,372	6%
Investments related to development projects	221,024	217,104	3,920	2%
Total cash on hand and investments	389,849	501,357	(111,508)	-22%
Line of credit usage	(44,944)	(2,401)	(42,543)	1772%
Net Cash and Investments	344,905	498,956	(154,051)	-31%

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Statement of Operations

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

	May	June	2018 YTD	YTD Budget	Budget 2018
Revenue					
Subsidies - TCHC	19,285	19,530	115,898	119,806	239,620
Subsidies - AHCI			-		
Subsidies for task force initiatives	(73)	222	1,023	2,088	4,175
	19,212	19,752	97,170	121,894	
Residential			-		
RGI Rent	19,887	19,908	119,068	113,849	227,868
Market Rent	6,995	7,021	41,204	39,381	79,761
Commercial rent	1,345	1,288	7,526	7,450	14,947
Amortization of deferred capital contributions	3,652	3,660	22,042	21,018	42,036
Parking, laundry and cable fees	1,522	1,525	9,096	9,017	18,079
Investment income	453	861	3,701	3,189	6,463
Joint venture income (loss)	39	-	18	2,758	11,761
Gain on sale of housing projects	-	-	1,337	-	-
Gain on sale of land			-	-	17,162
Gain on sale of capital assets	(1)	9	8	-	-
Gain on easement	4,774	-	35,941		-
Plant	91	96	751	1,756	3,632
Other	264	165	1,034	865	1,729
	39,021	34,532	241,725	199,282	423,440
	58,232	54,284	358,646	321,176	667,234

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Statement of Operations

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

	May	June	2018 YTD	YTD Budget	Budget 2018
Expenses					
Operating & maintenance	15,071	14,602	86,973	88,963	177,755
Utilities	12,497	6,052	63,385	71,939	140,594
Municipal taxes	1,596	1,796	9,097	8,814	17,628
Depreciation expense	14,003	14,444	84,460	84,671	169,341
Interest	6,525	6,635	39,002	40,978	81,238
Rent supplement program	(0)	-	(0)	-	-
Community safety services	2,103	1,739	11,920	8,702	18,030
Residential services	1,373	1,098	5,312	7,064	15,715
Tenancy management			-	-	
Corporate services	3,310	3,247	16,943	19,476	38,787
Human resources	928	1,062	5,426	6,309	12,244
Information technology	1,001	1,023	5,336	6,291	12,870
Plant	93	142	1,127	1,338	2,767
Loss from guaranteed equity housing projects	(20)	63	143	199	398
Task force initiatives	(59)	224	1,047	1,732	4,282
	58,421	52,126	330,171	346,475	691,648
			-		
Net Income (Loss)	(188)	2,157	28,475	(25,299)	(24,414)