

March Financial Performance

(Amounts in '\$000s)

	March 19	YTD 2019		March 18	YoY	YoY
	YTD Actual	Budget	Variance Fav(Unfav)	YTD Actual	Variance Fav(Unfav)	
	\$	\$	\$ %	\$	\$ %	
Results of Operations						
Revenue	166,534	163,686	2,848 2%	192,605	(26,071) -14%	
Expenses	179,237	183,704	4,467 2%	165,475	(13,762) -8%	
Net Income (Loss)	(12,703)	(20,018)	7,315 37%	27,130	(39,833) -147%	

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

YTD actual net loss is \$12.7M compared to the budgeted net loss of \$20.0M; favourable variance of \$7.3M is mainly due to:

- \$4.6M lower utility cost primarily from favourable natural gas and water consumption and hydro rates;
- \$3.5M favourable residential revenue due to higher monthly rent rate;
- \$1.1M interest expenses lower than budget due to lower than budgeted line of credit usage and delay of Infrastructure Ontario loan;
- \$1.1M lower legal and consulting due to timing;
- \$0.5M lower maintenance costs primarily due to decrease in other general maintenance costs;

Attachment 3. March Financials

- (\$0.7M) other operating costs including security guards and staff training, partially offset by lower than expected system maintenance and software; and
- (\$2.8M) lower subsidies primarily due to the timing of revenue recognition.

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

YTD actual net loss is \$12.7M compared to prior year net gain of \$27.1M; the favourable variance of \$39.8M is mainly due to:

- (\$31.2M) gain on land transfer of 250 Davenport; (\$1.3M) gain on sale of 215 Crawford street;
- (\$6.1M) higher salaries and benefit cost due to onboarding of planned resources;
- (\$4.6M) higher amortization on assets;
- (3.0M) other operating costs including \$2.0M Community Safety Unit (new Violence Reduction Program and enhanced security arrangement), \$0.6M for software license fees and insurance, \$0.4M for staff training, etc.;
- \$0.9M favourable investment income due to higher interest income;
- \$1.6M lower utility cost primarily from favourable hydro and gas rates; and
- \$3.7M favourable residential revenue due to higher monthly rent rate.

Item 4A- CEO's Report- March 2019
 Report #: TCHC: 2019 –10
Attachment 3. March Financials

(Amounts in '\$000s)

	March 2019	March 2018	Variance	2019
	YTD Actual	YTD Actual	YTD 18 Vs. YTD 17	Annual Budget
	\$	\$		\$
Capital Expenditure				
Building Renewal Capital	59,845	57,258	2,587	308,061
RPEI Plant Capital	-	185	(185)	5,050
RPEI Plant Capital CHSOP- Non FM	0	3,638	(3,638)	-
Improvements to Housing Projects	2,142	175	1,968	500
Corporate & IT Capital	748	440	308	22,316
Net Development Capital (Net of funding source)	4,125	2,710	1,415	43,581
Total Capital Expenditure	66,860	64,406	2,454	379,508

Explanation of Variances Actual vs. Prior Year:

Higher spending of \$2.5M is due to the increase in planned capital jobs and demand jobs spending in 2019 and higher capitalized labor costs as a result of the increase in capital jobs.

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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

March 2019	March 2018	YoY	YoY
YTD Actual	YTD Actual	YTD 18 Vs. YTD 17	
\$	\$	\$	%
75,200	72,226	2,974	4%
2,538	2,321	218	9%
128,875	117,364	11,511	10%
225,273	219,153	6,120	3%
431,886	411,064	20,821	5%
(2,944)	(64,901)	61,957	-95%
428,942	346,163	82,778	24%

Attachment 3. March Financials**Statement of Operations**

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

	February	March	YTD Actual	YTD Budget	Variance 2019
Revenue					
Subsidies - TCHC	18,976	19,013	56,999	59,792	(2,793)
Subsidies for task force initiatives	356	356	1,067	1,067	-
	19,332	19,368	58,066	60,860	(2,793)
Residential					
RGI Rent	20,431	20,356	61,135	59,184	1,951
Market Rent	7,394	7,458	22,194	20,550	1,645
Commercial rent	1,257	1,129	3,605	3,704	(99)
Amortization of deferred capital contributions	4,483	4,483	13,450	11,514	1,936
Parking, laundry and cable fees	1,488	1,512	4,614	4,550	64
Investment income	846	978	2,601	2,031	570
Joint venture income (loss)	-	-	-	-	-
Capital assets write off	(5)	(6)	(11)		(11)
Gain on sale of housing projects	-	(4)	-	-	-
Gain on sale of land	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-
Plant	48	131	426	724	(298)
Other	125	193	454	570	(116)
	36,067	36,231	108,468	102,826	5,641
	55,399	55,600	166,534	163,686	2,848

Attachment 3. March Financials**Statement of Operations**

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

	February	March	YTD Actual	YTD Budget	Variance 2019
Expenses					
Operating & maintenance	14,478	15,781	45,308	45,002	(306)
Utilities	9,051	12,537	33,902	38,624	4,722
Municipal taxes	1,475	2,030	4,893	4,590	(303)
Depreciation expense	15,576	15,579	46,726	44,582	(2,144)
Interest	6,539	6,585	19,477	20,663	1,186
Rent supplement program	(5)	2	(3)	-	3
Community safety services	2,149	3,434	8,239	7,532	(707)
Tenant and Community Services Unit	1,036	1,160	3,177	2,536	(641)
Tenancy management			-		-
Corporate services	3,179	3,470	9,748	10,820	1,072
Human resources	1,243	973	2,952	3,140	188
Information technology	1,137	1,278	3,197	4,235	1,038
Plant	262	177	800	821	22
Loss from guaranteed equity housing projects	16	15	38	69	31
Task force initiatives	169	250	782	1,089	307
	56,305	63,270	179,237	183,704	4,467
Net Income (Loss)	(906)	(7,670)	(12,703)	(20,018)	7,315