

Toronto Community Housing Corporation – 2013 Financial Statements

Date:	May 29, 2014
To:	Executive Committee
From:	Deputy City Manager and Chief Financial Officer

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Disclosure of Financial Results

The City of Toronto is the sole shareholder of the Toronto Community Housing Corporation (TCH). Council has approved a Shareholder Direction that requires delivery of audited statements of the corporation to the City as sole shareholder within 120 days of its fiscal year end, December 31. The 2013 Audited Financial Statements were approved by the TCH Board at their meeting of April 25, 2014.

As an independent business corporation established under the Ontario Business Corporations Act (s 94), TCH is required to hold an Annual General Meeting no later than 15 months after the last preceding annual meeting. TCH's previous annual shareholder meeting, at which its 2012 financial statements were considered, was held by City Council at its meeting on July 16, 2013.

The consolidated financial statements include the assets, liabilities and results of operations of TCH, its wholly-owned subsidiaries and proportionate interests of its joint ventures.

Consolidated Financial Results

Highlights of 2013 financial results

- \$54.6 million as net income compared with \$60.1 million for 2012
- \$849.8 million in shareholder's equity, an increase of \$51.8 million over 2012
- \$31.4 million contributed to the State of Good Repair Fund, established in 2011 to finance the capital repair needs of existing residential buildings

Balance Sheet

The table below summarizes TCH's consolidated balance sheet as at December 31, 2013 with comparative figures for 2012.

Summary Consolidated Balance Sheet				
as at December 31				
	2013	2012	Increase/(Decrease)	
	(\$ million)			%
Assets				
Current assets	218.4	278.4	(59.9)	-22%
Long-term Receivables and investments	281.5	149.1	132.3	89%
Housing projects and capital assets	2,470.5	2,470.6	(0.1)	0%
	2,970.4	2,898.1	72.3	2%
Liabilities				
Current liabilities	198.0	216.4	(18.4)	-8%
Project financing	1,236.0	1,173.9	62.1	5%
Debenture loans	21.7	37.9	(16.2)	-43%
Other liabilities	664.8	671.8	(7.0)	-1%
	2,120.6	2,100.1	20.5	1%
Surplus & share capital	849.8	798.0	51.8	6%
Total liabilities, surplus and share capital	2,970.4	2,898.1	72.3	2%

Total assets were \$2,970.4 million, an increase of \$72.3 million (or 2%) compared with the prior year, consisting of:

- a \$59.9 million decrease in current assets
- a \$132.4 million increase in long-term receivables and investments

Total liabilities were \$2,120.6 million, an increase of \$20.5 million (or 1%) compared with the prior year, consisting of:

- a \$62.1 million increase in project financing
- an \$18.4 million decrease in current liabilities
- a \$16.2 million decrease in debenture loans
- a \$7.0 million decrease in other liabilities

Statement of Operations

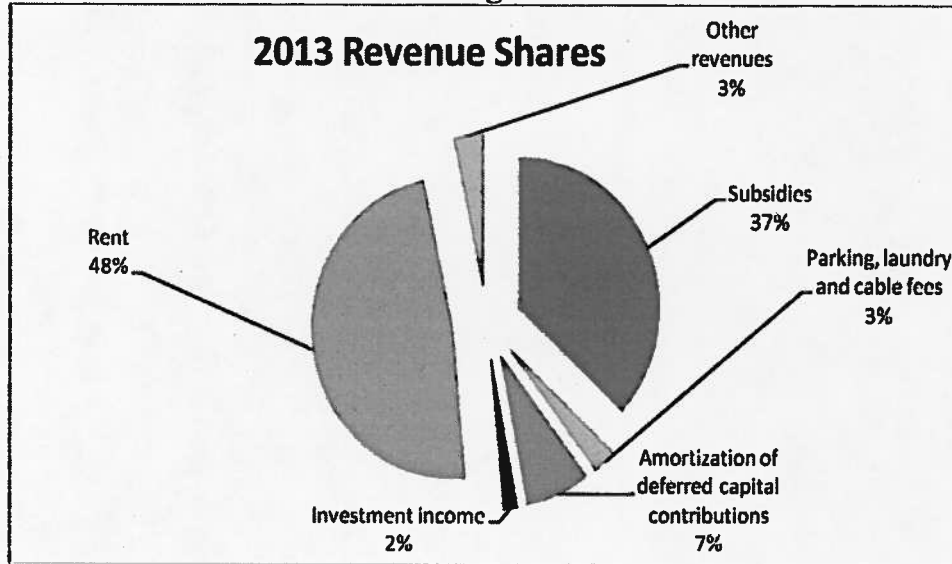
The following table summarizes TCH's 2013 consolidated statement of operations with comparative figures for 2012.

Summary Consolidated Statement of Operations Year ended December 31		2013 v/s 2012			
		2013	2012	Increase/(Decrease)	
		(\$ million)			%
Revenue					
	Subsidies	231.0	248.9	(17.9)	-7%
	Rent	301.0	291.6	9.4	3%
	Amortization of deferred capital contributions	45.9	44.7	1.2	3%
	Parking, laundry and cable fees	16.8	17.7	(0.9)	-5%
	Investment income	10.1	10.7	(0.7)	-6%
	Joint venture income	0.6	14.0	(13.3)	-96%
	Other revenues	19.8	22.1	(2.3)	-11%
	Total revenues	625.1	649.7	(24.6)	-4%
Expenses					
	Operating and maintenance	262.6	263.0	(0.4)	0%
	Municipal taxes	15.1	33.6	(18.5)	-55%
	Depreciation	128.9	124.1	4.8	4%
	Interest	66.8	69.8	(3.0)	-4%
	Rent supplement program	25.3	29.4	(4.1)	-14%
	Administration & other	71.8	69.8	2.1	3%
	Total expenses before unrealized losses	570.5	589.6	(19.1)	-3%
	Excess of revenue over expenses before unrealized losses	54.6	60.1	(5.5)	-9%
	Unrealized gain /(losses)	0.0	0.0	0.0	0%
	Excess of revenue over expenses for the year	54.6	60.1	(5.5)	-9%

Total revenues in 2013 were \$625.1 million, a decrease of \$24.6 million (or -4%) over the prior year. The major changes were a \$17.9 million decline in City subsidies reflecting property tax exemptions, and a \$13.3 million reduction in income from joint venture operations related to a Regent Park development in which 2012 unit sales revenue was not repeated in 2013.

The share of revenues classified by broad categories is presented in Figure 1.

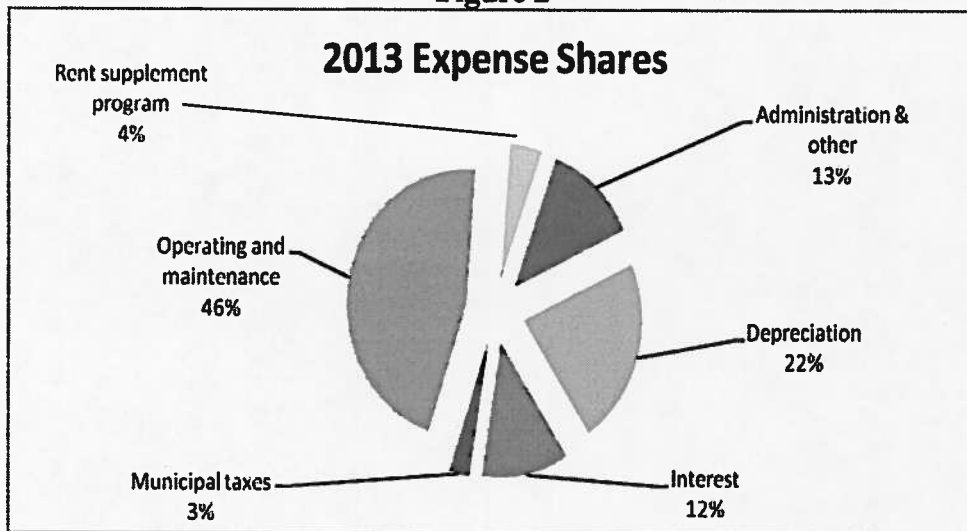
Figure 1



Total expenses in 2013 were \$570.5 million, a decrease of \$19.1 million (or -3%) over the prior year. The decrease is attributable to reduced municipal taxes (largely offset by reduced municipal subsidy above), and a number of small offsetting changes.

The share of expenses classified by broad categories is presented in Figure 2.

Figure 2

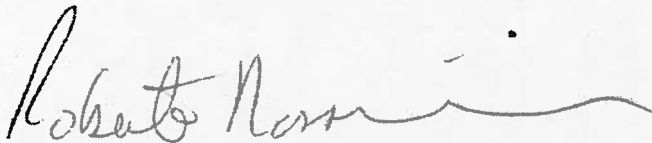


The year ended with an excess of revenue over expenses of \$54.6 million, a decrease of \$5.5 million (or -9%) over the prior year.

CONTACT

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SIGNATURE

A handwritten signature in cursive script, appearing to read "Roberto Rossini", written in black ink on a white background.

Roberto Rossini
Deputy City Manager and Chief Financial Officer

ATTACHMENT

Appendix A:
Toronto Community Housing Corporation Consolidated Financial Statements, December 31, 2013