REPORT FOR ACTION

Third Quarter Financial Results

Date: November 3, 2025
To: The Board of Directors of CreateTO
From: Chief Executive Officer
Wards: All

SUMMARY

For the nine months ended September 30, 2025, CreateTO continues to operate on a net zero basis. Total expenditures are tracking $0.88 million lower than the budget, with annual expenditures expected to be in line with the approved budget of $15.39 million gross, $0 net.

This report also proposes a change in the reporting frequency of financial results to the Board. Management is recommending CreateTO move from quarterly to semi-annual reporting to the Board.

RECOMMENDATIONS

The Chief Executive Officer recommends:

1. The Board of Directors CreateTO approve a shift from quarterly to semi-annual financial reporting from CreateTO management to the Board.

FINANCIAL IMPACT

There is no financial impact of this report. Annual expenditures are expected to be within the approved budget.

DECISION HISTORY

This is a new report.

COMMENTS

For the nine months ended September 30, 2025, CreateTO's net expenditures are $0.88 million favourable to the budget, totalling $9.91 million, compared to a budget of $10.79 million. See Table 1 below for details.

Table 1: Q3 2025 Financial Results

(in millions)	**Actual $**	**Budget $**	**Variance $**
Revenue			
Advisory & operations management	5.46	6.49	(1.03)
Port Lands management	4.45	4.30	0.15
	9.91	**10.79**	**(0.88)**
Expenditures			
Salaries and benefits [1]	8.78	9.28	0.50
Office services and other	0.81	0.84	0.03
Professional fees [2]	0.13	0.27	0.14
Marketing & promotion	0.12	0.13	0.01
Project investigative costs [3]	0.07	0.27	0.20
	9.91	**10.79**	**0.88**
Net Income	**-**	**-**	**-**

1. Salaries and benefits are $0.50 million lower than budget due to higher capital project chargebacks, which are offset against salaries and benefits. See Table 2 below for details. Higher capital project chargebacks are attributed to CreateTO's expanded role in the delivery of key City housing and infrastructure initiatives.

Table 2: Salaries & Benefits

	Actual $	**Budget $**	**Variance $**
Salaries & Benefits	12.95	12.95	-
City capital project delivery chargebacks	(4.17)	(3.67)	0.50
Salaries & Benefits	**8.78**	**9.28**	**0.50**

2. Professional fees are $0.14 million under budget, primarily reflecting the timing of expenditures.

3. Project investigative costs are $0.20 million lower than planned, reflecting the timing of expenditures on feasibility studies for potential City capital projects.

Reporting Frequency

Management recommends that the Board of Directors approve a shift from quarterly to semi-annual financial reporting from CreateTO to the Board. Under this approach, financial results would be reported twice annually, for six-months ending June 30 (unaudited) and twelve-months year ending December 31 (audited).

The proposed change continues to maintain strong Board oversight through approved annual operating budgets, semi-annual reporting against budget, real-time transaction reporting and the opportunity for management to provide ad hoc updates as circumstances may warrant.

This approach is consistent with evolving global Board governance practices (see Table 3 below), where organizations have streamlined reporting cycles to focus on strategic priorities and performance outcomes. Simplifying the reporting cadence allows management to more effectively align resource capacity towards financial and construction management reporting. This supports operational and strategic activities that advance the delivery of housing, infrastructure, and activation of public land for City program needs.

Table 3: Financial Reporting Practices of Public Companies in Other Jurisdictions

Jurisdictions	**Reporting Cadence for Public Companies**
Europe	Adopted semi-annual reporting in 2013
United Kingdom	Adopted semi-annual reporting in 2014
United States	SEC proposed semi-annual reporting in September 2025

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SIGNATURE

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