



STAFF REPORT ACTION REQUIRED

Toronto Community Housing Corporation –Annual Report to Shareholder, 2007 Audited Consolidated Annual Financial Statements and Annual General Meeting

Date:	June 5, 2008
To:	Executive Committee
From:	City Manager
Wards:	All
Reference Number:	

SUMMARY

Pursuant to the Ontario *Business Corporations Act*, Toronto Community Housing Corporation (TCHC) is required to hold an annual general meeting. TCHC plans to hold its Annual General Meeting outside of a City Council meeting. For this meeting to take place, the City, as TCHC's sole shareholder, must appoint and provide direction to a proxy holder to act on its behalf at the meeting.

RECOMMENDATIONS

The City Manager recommends that City Council:

1. appoint the Deputy City Manager for Cluster A or her designate as the City's proxy for the purposes of the 2008 annual shareholder meeting of the Toronto Community Housing Corporation and any adjournment thereof and direct the proxy holder to attend same and vote as follows:
 - a. approve the minutes of the previous Annual General Meeting held on December 14, 2007;
 - b. receive the annual audited financial statements of the Corporation for the period ended December 31, 2007, together with the auditor's report thereon;

- c. reappoint Ernst & Young LLP, Chartered Accountants, as the Corporation's auditors until the next annual general meeting; and,
 - d. use her or his discretion to vote on such other matters as may properly on the agenda of the Meeting or any adjournment thereof;
2. authorize and direct the Deputy City Manager and Chief Financial Officer and the City Clerk to execute on behalf of the City the common share proxy substantially in the form of Attachment 1 to this report;
3. receive Toronto Community Housing Corporation's 2007 Annual Report (included as Attachment 2 to this report) comprising the letter from the Corporation's Chief Executive Officer dated April 23, 2008 and related appendices; and
4. refer Toronto Community Housing Corporation's 2007 audited annual consolidated financial statements and the auditor's report thereon dated March 28, 2008, to the City Audit Committee for its information.

Financial Impact

There are no financial impacts to the City or Toronto Community Housing Corporation as a result of approving the recommendations in this report.

The Deputy City Manager and Chief Financial Officer has reviewed TCHC's financial statements and his summary and comments are contained in Attachment 4 to this report.

Equity Statement

Toronto Community Housing Corporation's annual report to the shareholder forming Attachment 2 to this report describes the actions it is taking to achieve a wide range of equity objectives affecting its diverse communities across the City. There are no equity considerations in conducting the AGM.

ISSUE BACKGROUND

In 2001, Council approved a Shareholder Direction to TCHC setting out the shareholder's objectives and establishing governance principles for TCHC and its subsidiaries, the accountability and reporting requirements for TCHC to the City, and the powers of TCHC's Board of Directors. The shareholder direction states that Toronto Community Housing's annual report to the City include identification of:

- any material variances between the TCHC's budget and actuals;
- any variances that may have a financial impact on the shareholder;
- anything that is likely to materially affect tenants' views of TCHC;
- any major findings of audits;
- performance of Toronto Community Housing such that the Shareholder can determine that the Shareholder Direction has been respected; and
- the number of evictions each year, the cost and the rationale.

The Shareholder Direction requires that Toronto Community Housing prepare an annual report and audited consolidated financial statements and submit them to Council through the Executive Committee. At its meeting held on May 7, 2008, TCHC's Board of Directors approved its 2007 audited annual financial statements and its annual report, comprising a letter with attachments from the corporation's Chief Executive Officer dated April 23, 2008.

COMMENTS

Highlights of TCHC's key 2007 achievements under each of four strategic focus areas – buildings, communities, tenants and organization – as well as additional information concerning finances and eviction statistics, are set out in the attached report to the shareholder forming Attachment 2 to this report. The Deputy City Manager and Chief Financial Officer has reviewed TCHC's financial statements and his summary and comments are contained in Attachment 4 to this report.

Shareholder Meeting

At the shareholder meeting, the shareholder will be asked to receive the minutes of the previous Annual General Meeting, TCHC's audited annual consolidated financial statements and the auditor's report thereon, and reappoint the auditor. In June 2003, Council appointed Ernst & Young as the City's external auditor and as auditor for TCHC for a five year period. City Council authorized extension of this contract for the 2008 and 2009 fiscal years at its meeting held on March 3, 4 and 5, 2008 by adoption of Audit Committee Item AU6.1. Under the OBCA, the appointment of the auditor for TCHC must be approved annually at the shareholders' meeting.

Toronto Community Housing has commonly held its annual meetings at its offices prior to the start of one of its regular board of directors' meetings but has not scheduled its 2008 meeting yet. This report recommends that the shareholder's proxy be authorized to attend the meeting upon TCHC providing at least ten days' notice of the event as required by the OBCA. TCHC will also provide notice of the meeting to tenants who will have an opportunity to direct comments and questions to the TCHC Board and the shareholder's proxy. TCHC is also considering holding a separate event at which tenants and other stakeholders can present their comments and observations on TCHC's operations and activities to the Board and the shareholder.

Conclusion

Toronto Community Housing Corporation, as an Ontario business corporation, has reporting requirements to the City pursuant to the Ontario *Business Corporations Act* and the City's Shareholder Direction.

CONTACT

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SIGNATURE

Shirley Hoy,
City Manager

ATTACHMENTS

Attachment 1: Common Share Proxy Form

Attachment 2: Letter dated April 23, 2008 from TCHC Chief Executive Officer
comprising TCHC 2007 Annual Report to Shareholder

Appendix A Resolutions of TCHC's Board of Directors

Appendix B 2007 TCHC Consolidated Audited Annual Financial
Statements and Auditor's Report

Attachment 3: Minutes of Annual Shareholder's Meeting held on December 14, 2007

Attachment 4: Report of the Deputy City Manager and Chief Financial Officer dated
May 29, 2008 entitled "Toronto Community Housing Corporation –
Financial Statements"