TORONTO

STAFF REPORT
ACTION REQUIRED

Toronto Community Housing Corporation – Annual Shareholder Meeting and Audited Annual Financial Statements

Date:	September 20, 2012
To:	Executive Committee
From:	City Manager
Wards:	City-wide
Reference Number:	

SUMMARY

This report recommends the actions necessary to comply with the requirements of the Business Corporations Act (Ontario) ("OBCA") for holding an annual shareholder meeting for Toronto Community Housing Corporation (TCHC), including receipt of the 2011 financial statements and the auditor's report thereon and appointment of the auditor.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council treat the part of the Council meeting at which Recommendations 1, 2 and 3 of this report are considered as the annual shareholder meeting for Toronto Community Housing Corporation (TCHC) and:

   (a) receive TCHC's 2011 Audited Annual Consolidated Financial Statements for the period ending December 31, 2011, and the auditor's report thereon dated June 25, 2012, forming Appendix A to Attachment 1 to this report and forward a copy to the City's Audit and Budget Committees for information;

   (b) reappoint PriceWaterhouseCoopers LLP**,** Chartered Accountants, as TCHC's auditor until the next annual shareholder meeting at the fee provided therefor in the City's agreement with that firm;

2. City Council receive the report of the Deputy City Manager and Chief Financial Officer, dated September 20, 2012 "Toronto Community Housing Corporation - Financial Statements", forming Attachment 1 to this report;

3. City Council receive Toronto Community Housing Corporation's 2011 Annual Report, forming part of Attachment 2 to this report, comprising the letters from the Corporation's Chief Executive Officer dated August 7 and September 4, 2012 and related attachments.

Financial Impact

There will be no financial impacts to the City or TCHC as a result of adoption of the recommendations in this report.

The Deputy City Manager and Chief Financial Officer has reviewed TCHC's 2011 financial statements and his summary and comments are contained in Attachment 1 to this report.

ISSUE BACKGROUND

The City's Shareholder Direction to TCHC sets out the shareholder's objectives, establishes governance principles for TCHC and its subsidiaries and the powers of the Board of Directors, and details the accountability and reporting requirements for TCHC to the City. City Council requires that TCHC'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.

ANNUAL SHAREHOLDER MEETING

The OBCA requires that a corporation's annual shareholder meeting be held not later than 15 months after the date of the last preceding annual meeting. TCHC's previous annual shareholder meeting, at which its 2010 financial statements were considered, was held by City Council at its meeting held on February 6 and 7, 2012 as Item EX15.3.

http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX15.3

The Deputy City Manager and Chief Financial Officer has reviewed TCHC's 2011 financial statements and the auditor's report from PriceWaterhouseCoopers LLP thereon and his summary and comments are contained in Attachment 1 to this report.

The Shareholder Direction requires that TCHC prepare an annual report and audited consolidated financial statements and submit them to Council through the Executive Committee. TCHC's Board of Directors approved its 2011 annual report statements at its meeting held on August 24, 2012. TCHC's annual report highlighting key achievements in 2011 and eviction statistics are contained in the covering letter and attachments thereto comprising Attachment 2 to this report.

City Council requested that all agencies and corporations provide information to the Budget Committee regarding any subsidiaries, joint ventures or equity interests held by City agencies and corporations (Item EX19.13 adopted by City Council at its meeting held on May 8, 2012). This information will before the Committee at the same meeting at which this report is considered.

Council also requested that the City Manager review the Shareholder Direction for TCHC. A draft document has been developed by City staff in consultation with SSHA, Legal, and Corporate Finance which has been forwarded to TCHC staff for discussion and consultation with the Board of Directors. It is expected that the revised shareholder direction will be reported to the Executive Committee and City Council in the first quarter of 2013 following that dialogue.

CONTACT

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SIGNATURE

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Joseph P. Pennachetti
City Manager

ATTACHMENTS

Attachment 1: Report of the Deputy City Manager and Chief Financial Officer dated September 20, 2012 entitled “Toronto Community Housing Corporation – Financial Statements”

Appendix A: 2011 TCHC Audited Annual Consolidated Annual Financial Statements and Auditor’s Report

Attachment 2: Letters dated August 7 and September 4, 2012 from TCHC President and Chief Executive Officer transmitting TCHC's 2011 Annual Report, 2011 Audited Financial Statements and 2011 Eviction Statistics