



Toronto
Community
Housing

2012 Annual Report

A young girl in a pink patterned dress and headscarf stands in the center of a courtyard, smiling with her arms outstretched. In the background, other children are playing on a paved area, and tall brick apartment buildings line the street under a clear blue sky.

Providing
affordable
housing that
makes our city
a better place
to live.



Our mission is to provide affordable housing, connect tenants to services and opportunities, and work together to build healthy communities.

We believe social housing is an essential part of building a great city. We believe neighbourhoods thrive when a mix of people from different backgrounds live together in a place they can call home.

Our vision is to contribute to a city where quality, affordable housing is available in vibrant neighbourhoods, where residents are proud of the place where they live, and where people feel connected to each other and their community.



About this report

This report describes the actions we took in 2012 and what was accomplished with guidance from our board and through the hard work and dedication of staff, residents, and partners. Our three-year strategic plan, the Community Management Plan 2010-2012, identified goals to guide our work in three focus areas: **strengthening people**, **strengthening places**, and **strengthening our foundation**.

We have strengthened our partnership with residents, working alongside them to make sure the services we provide as a company meet their needs. With City Council we have developed solutions that will allow us to work toward addressing our capital repair needs, so that residents have homes in good repair. We have worked with community partners, to provide support for resident-led initiatives and connect residents to opportunities and supports.

We will continue to evolve and change the way we do business so that we're operating effectively, applying and sharing best practices in our industry, and creating value for our shareholder. We want to provide residents with: safe, clean, well-maintained and affordable homes. It is our primary role in shaping the future of social housing and how we help strengthen Toronto as a great place to live.

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“We’re building a better city, every day”

A message from Bud



Toronto Community Housing continues along the road to becoming a landlord of excellence. In 2012 we made several changes to improve transparency, including setting clear rules governing staff purchases of real estate in which the corporation has an interest. We strengthened public reporting on our State of Good Repair Fund and our progress in implementing recommendations from the City Auditor General.

We celebrated our success at Regent Park and set the stage to move ahead with more community revitalization projects. We aligned the board’s governance structure with the company’s operations and hired Gene Jones as President and Chief Executive Officer. Gene’s leadership, expertise and passion have impressed us, as have his tireless efforts to engage staff, residents and stakeholders.

I am deeply saddened by acts of violence in our communities. The corporation is reaching out to residents and to partners such as the Toronto Police, the City of Toronto, the Centre for Addiction and Mental Health and others to implement strategies that will help improve safety.

We have made progress in 2012 and there’s much more to come, as we move forward along the road to excellence.

A handwritten signature in black ink, appearing to read "Bud Purves".

Norman W. (Bud) Purves
Chair, Board of Directors

A message from Gene



I believe residents deserve excellence, and that we owe excellence to our shareholder, the City of Toronto. That’s why I have set a clear goal for Toronto Community Housing: To deliver social housing in this city better than it has ever been done before.

We have made good progress in 2012, as you will read in this report. We’re making changes to operate more efficiently and connect more effectively with the residents and communities we serve. We are building on existing partnerships and programs to provide more opportunities and promote better outcomes for residents.

We still face challenges in delivering the basics: safe communities, clean, well-maintained buildings, consistently good service to residents, sustainable funding for capital repairs and quality repairs that are done right the first time.

Moving forward in 2013, we will address these challenges by working with residents, the City, and our stakeholders and partners to improve our housing and services, make our communities safer, strengthen accountability, and deliver value in everything we do.

A handwritten signature in black ink, appearing to read "Gene Jones, Jr.".

Eugene E. Jones, Jr.
President and Chief Executive Officer

Who we are

We're the largest social housing provider in Canada and the second largest in North America. We provide homes to six per cent of Toronto's population.



- **We** house 164,000 low- and moderate-income residents in 58,500 households, including seniors, families, singles, refugees, recent immigrants to Canada and people with special needs.
- **We** serve people who come from all walks of life. This includes diversity in age, education, language, sexual orientation, mental and physical disability, religion, ethnicity and race, as well as increasing diversity in lifestyles and values.
- **We** employ about 1,400 staff to manage the operational responsibilities of Toronto Community Housing and its subsidiary Access Housing Connections
- **We** have properties located across the city. Our portfolio includes more than 2,200 buildings, including high-, mid-, and low-rise apartments, townhouses and stand-alone houses.
- **We** manage the tenancies for properties that are rented at affordable, market, and rent-g geared-to-income (RGI) rates. We also rent retail or office space to commercial tenants.
- **We** manage innovative projects that revitalize neighbourhoods across the city and result in places where people can afford to live (read more on page 9).

The people we serve

Majority (or 93%) of residents are part of a low income household. Social housing units are affordable to them because the rental rate is geared to their income. Other residents live in units that are rented at affordable or market rates. We also work to build new rental housing through our community revitalization by partnering with the City of Toronto and the private sector (read more on page 9).

In addition to a need for affordable housing, many residents need other types of support. Some seniors may become frail as they age, some younger residents are looking for work, and others may wish to return to school. Beyond being a landlord, we connect residents to community organizations, business development and educational opportunities.

We don't do this alone. In support of our residents, we work together with governments, unions, community agencies, social service organizations, educational institutions, supportive housing providers and many others.

What is social housing?

Housing is considered “social” when costs are partly paid for by government or an organization such as a church or charity.

A household that spends no more than 30 per cent of its income on rent is paying a “rent-geared-to-income (RGI)” rate.

The average income of 93% of our residents is \$16,200 a year, or less than \$1,350 a month. That's five times lower than the average income in Toronto as a whole.



By the numbers

50%: households that enter Toronto Community Housing with special needs. They include victims of violence and disadvantaged individuals (such as homeless, separated family or youth).

..... **65,000+:** residents we serve who are 25 years of age or younger.

..... **58%:** households headed by single mothers with young children.

“Residents are at the heart of everything we do”



..... **26,000+**: residents we serve who are 59 years of age or older. This number is projected to grow to over 37,000 by 2020.

..... **6,500**: senior residents who are over 80 years old.

..... **29%**: households that report at least one member with a physical disability.

..... **69%**: residents we serve who are minorities.

..... **20%**: households that are headed by a new Canadian.

..... **9,000**: households with at least one member living with a serious mental illness.

..... **About 1,150**: residents who live with serious hoarding and excessive clutter concerns.

strong people

We go beyond the role of a traditional landlord to support residents in meeting the obligations of their lease. We also connect them to services in their communities that can lead to gainful employment, career development and lifelong learning. We strengthen communities by supporting the people who live there.

Our staff work with residents and partners to create ways for residents to get involved, voice concerns, seek out or advocate for resources, and directly affect change in their communities.

When residents are engaged, we find new ways of working together, and with other stakeholders, to create solutions to complex challenges. It also helps us keep our finger on the pulse of community life—informing staff of emerging issues, identifying and understanding local needs, and helping us to be more responsive to things that matter most to residents.

2012 highlights

- Introduced “community audits” to the Participatory Budgeting process, which provided an opportunity for a group of residents to look at the needs of their building or community together.
- Partnered with external stakeholders for support with implementing a four-stage Unit Condition Follow-up process that addresses excessive clutter.
- Started a joint resident and staff community safety workgroup to develop ideas and recommend ways to improve community safety engagement activities.
- Documented staff and resident recommendations about how to improve the Resident Engagement System through deputations to a Toronto Community Housing Board Committee.
- Engaged youth and strengthened partnerships through programs like Rookie League, Safety Ambassadors, Visions of Science and MLSE Kick Start.
- Began work to develop a charitable foundation, to be launched in 2013, that will raise funds from businesses and individuals to pay for programs that will benefit youth, seniors and others in our communities.

By the numbers

900

The number of youth who participated in Rookie League, a summer baseball camp, that teaches them the sport, leadership and teamwork skills.

A leading resident engagement practice, Participatory Budgeting (PB), allows residents to decide how we spend limited capital funds to improve our communities.

In 2012, \$2 million was allocated to fund repair projects in 168 different buildings to improve safety and common areas. Residents voted for the projects they decided were a priority. Staff support this process each year by organizing meetings and discussions, and providing information about the work that needs to be done. Once residents make their decisions, we hire contractors and schedule the work. In 2013, the budget for PB will rise to \$5 million.

Making history

Eight youth from Toronto Community Housing communities made history representing the Toronto Blue Jays as Junior Jays in Kansas City last summer, participating in Major League Baseball's RBI (Reviving Baseball in Inner-Cities) Classic. This was the first time Toronto was asked to participate, and the first time a Canadian team has taken part. One of the young residents, Faris Adamou, was first introduced to baseball through the Rookie League program and was selected from all the youth attending the RBI Classic to catch fly-balls during the MLB All-Star Home Run Derby.

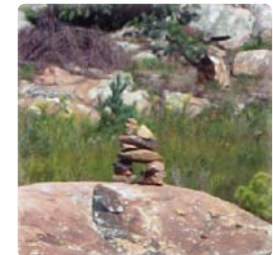


Helping seniors stay active

The Loyola Arrupe Centre for Seniors officially opened its doors at 55 Rankin Crescent, a Toronto Community Housing building near Bloor Street and Lansdowne Avenue, in December. The Centre provides high quality programs and services to older adults in collaboration with other service providers in the community. Seniors enjoy activities like bingo and movie nights and participate in educational, health and fitness programs. By providing space to the centre in a Toronto Community Housing seniors building, we connect senior residents to free programming that helps them stay active and make connections with their neighbours.

Youth experience camping and learn about photography

Youth from St. James Town, Morningside Coronation and Kingston Galloway had the opportunity to travel to Georgian Bay Islands National Park, on a trip sponsored by Parks Canada, for a unique two-day camping experience this past summer. Participants had the chance to learn more about nature and photography. For many of the youth, this was their first time leaving Toronto to go camping.



Above: some photos taken by youth on the trip.

strong places

The homes we provide are in more than 2,200 buildings including high-, mid-, and low-rise apartments, townhouses and houses in many neighbourhoods from Steeles Avenue to the Lakeshore and from Highway 427 to the Pickering Town Line. We work to strengthen these places by improving the look, feel and function of the buildings, amenities and green spaces.

Our goal is to make sure our properties are clean, well-maintained and in a good state of repair by investing our limited resources wisely and well. In 2012, we invested \$83.7 million addressing capital repairs to our existing buildings, with a focus on roofing, structural and mechanical work.

We're also working with community partners and residents to develop solutions to safety concerns so that residents feel safer in their neighbourhoods.

2012 highlights

- Hired an additional 100 cleaners to address residents' concerns about building cleanliness.
- Enhanced our pest management team, which conducted 580 unit inspections and reported a 20 per cent improvement in residents correctly preparing their units for treatment.
- Developed a Clean Building Standards implementation plan and trained staff in 11 pilot sites.
- Held a special Board meeting in November to address safety issues within Toronto Community Housing communities.
- Introduced new community safety strategies, including a proposed redeployment model to improve the response time of safety staff.
- Strengthened the relationship between Toronto Community Housing and the Toronto Police Service (TPS) by participating in TPS committees and monthly training; working with Toronto Anti-Violence Intervention Strategy officers; and streamlining the sharing of closed-circuit television (CCTV) footage on request.
- Increased reporting of concerns of anti-social behaviour from residents because engagement activities helped build a common understanding of community standards and increased their comfort.

By the numbers

96%

The percentage of maintenance requests that staff resolved during the year.

128

The number of buildings we audited to see how our properties can be made more accessible over the next five years.

Recommending ways to put people first: the Special Housing Working Group established by Toronto City Council, and chaired by Councillor Ana Bailão, made recommendations on the proposed sale of 619 stand-alone homes, the backlog in repairs and a strategy to re-engage the federal and provincial governments in funding affordable housing. The "Putting People First: Transforming Toronto Community Housing" report proposed 19 recommendations which will be implemented or explored in 2013.

Making our properties more accessible



Toronto Community Housing launched an accessibility program for residents living with disabilities so that staff and outside agencies could work with them to make accessible improvements to their units or to help find a more suitable unit. As part of this program, staff conducted accessibility audits in 128 buildings across our portfolio to identify how our properties could be made more accessible over the next five years. Accessibility changes to 19 different units have improved the experience for residents living with physical disabilities.

Investing in repairs, one building at a time

The State of Good Repair: In Your Unit program was launched in the Morningside Coronation community on Danzig Street in November. Nearly 50 Toronto Community Housing staff completed hundreds of repairs in 95 units over the span of one day. This “one-day blitz” approach to repairs has been used in other cities facing similar challenges to Toronto, such as New York City. Over the next two years, at least \$12.5 million from the State of Good Repair funds will be invested for common area and in-unit repairs in up to 16,000 units in 80 high-need buildings.



Making our communities safer

Dozens of Toronto Community Housing youth participated in a Youth Safety Ambassadors summer program. Youth attended sessions about community safety, emergency preparedness and proper food handling for hosting community events. They also conducted safety audits in their communities to identify unsafe areas and worked to develop solutions for making their communities safer to live. In partnership with the City of Toronto’s Crisis Response Program, Toronto Police Service and a group of community volunteers, Toronto Community Housing communities have benefitted from the Light the Night program. As part of the program, energy-efficient porch lights are installed. Residents are asked to leave the lights on overnight, at a cost of about a penny per day, which helps residents feel safer in their communities and reduces energy usage.

City-building and revitalization projects

We're strengthening places in the city by transforming outdated social housing developments into vibrant mixed-use, mixed-income communities. We're attracting investors who can bring new amenities, services and cultural opportunities into our communities and increase the number of affordable places to live. We're replacing and repairing poor quality housing at the lowest cost to taxpayers, with the input and involvement of our residents.

Residents across the city benefit from this approach. By revitalizing communities through private sector partnerships, our capital repair dollars can stretch further in other communities.

Allenbury Gardens, built in the 1960s, will be transformed to a 1,034 unit mixed-use, mixed-income community with a new public park and improved connections to the neighbourhood. All existing 127 RGI units will be replaced. **Development partner:** FRAM Building Group.

2012 highlights:

- Working closely with the City, the planning approval process was completed in one year, allowing us to replace the existing units in a short time.
- Our partnership with FRAM Building Group was formalized and the plan allows us to replace all existing units, without additional government funding.
- The sale of market rent condos will pay for the replacement of existing units.

Leslie Nymark will be revitalized. We are working closely with residents and the City to create a plan for this community that includes replacing 121 RGI units and introducing new market housing in the beautiful ravine location within walking distance of Leslie Subway Station. **Development partner:** Tridel.

Alexandra Park, our first revitalization partnership with an independent housing co-operative (the Atkinson Housing Co-operative), will be transformed from 806 units into a 2,346 unit mixed-income, mixed-use neighbourhood through a 15-year, two-phase revitalization. All existing 333 RGI units will be replaced. **Development partner:** Tridel.

2012 highlights:

- Our Board approved Tridel as the development partner for phase 1.
- City Council approved the Official Plan amendment for the revitalization.
- The sale of market-rent condos in phase 1 will pay for the replacement of townhouses and the refurbishment of an apartment building.



Rivertowne (Don Mount Court), the first social housing development in Canada to be revitalized as a mixed-income community, was completed with the opening of Joel Weeks Park. The one-hectare park increased the green space in the community and includes basketball courts, a new playground and a waterplay area.

Railway Lands is creating affordable housing options and family-sized units in the CityPlace/Fort York neighbourhood. It includes 796 units (a mix of affordable rental, RGI and market-rent units). The Toronto Arts Council will move into available retail space and a new condo is under construction next door called the Library District Condos. **Development partner:** Context Developments Inc.

2012 highlights:

- Launched an affordable homeownership program for the Library District condos.
- Residents started to move in to the new 427-unit rental building.
- Began construction of a new public library.

West Don Lands is creating affordable housing and commercial rental opportunities. It includes an eight-storey seniors' building with 128 units and two four-storey family buildings with 115 units and a splashpad, playground and retail space. **Construction partner:** Bluescape Inc.

2012 highlights:

- Received an \$11.85 million grant.
- Received approval on the site plan.
- Reached 54 per cent completion of construction on three buildings.

The **Lawrence Heights** project will replace 1,208 aging social housing units with new, quality, energy-efficient homes side-by-side with 4,100 new units of market housing. It will bring new retail services, community amenities, green spaces, private sector investment, and jobs and training opportunities. The revitalization follows years of input and involvement with Lawrence Heights residents, community organizations and the City of Toronto. **Development partner:** Context Developments Inc. and Metropia Inc.

2012 highlights:

- Toronto City Council voted to adopt the Social Development Plan for Lawrence Heights.
- Began the process of finding a developer partner for phase 1.
- Toronto City Council approved the bylaw amendments for phase 1 of the revitalization.



Regent Park is the largest revitalization of its kind in Canada with 7,500 units including market, RGI and new affordable housing. It's transforming the neighbourhood into a vibrant, mixed-income, mixed-use community, with replacement housing, new condos, city streets, and public amenities. **Development partner:** The Daniels Corporation.

2012 highlights:

- Opened Daniels Spectrum (formerly the Regent Park Arts and Cultural Centre).
- Registered Paintbox Condominiums, 282 units.
- Opened the City's Regent Park Aquatic Centre.
- Unveiled a new plan for the remaining phases including the new Regent Park Athletics Grounds, funded by the MLSE Team Up Foundation and ice rink improvements funded by the Hockey Canada Foundation.
- Successfully launched One Park Place condos with over 300 sales in a 10-day period in October.

strong foundation

We strive to be a great landlord and provide value to our shareholder, the City of Toronto, by focusing resources on achieving outcomes that improve housing and service for residents.

A strong business foundation includes fiscal discipline, effective governance, and clear accountability. To generate revenue and find more cost savings, we've moved toward aligning our practices more closely with the City; we're applying best practices to be more efficient. We've implemented many of the Auditor General's recommendations to enhance our financial controls. We're also being transparent about the decisions we're making to invest money in capital repairs to existing buildings.

We've implemented changes in leadership and are making sure staff are complying with policies and procedures.

2012 highlights

- Transferred our fleet of vehicles to the City of Toronto, which will generate an estimated cost savings of \$2.6 million over five years.
- Generated an additional \$5.13 million for the *State of Good Repair Fund A* through the sale of six houses and created the *State of Good Repair Fund B* with \$6.9 million from the City of Toronto's property tax exemption (totalling \$11.93 million).
- Filled 3,300 vacancies, including 500 hard-to-rent vacant units; redistributed 700 RGI subsidies; and increased rental revenue through a 10 per cent reduction in market rent vacancies since 2011.
- Trained staff on a new procurement policy and procedures that will result in significant cost savings
- Signed leases with Doorsteps Neighbourhood Services and Elspeth Services for Women for a commercial storefront space bringing social enterprise development opportunities to Amansie Place at Finch Avenue West and Weston Road.
- Reached nearly 900 subscribers through our stakeholder newsletter and supported a resident-led committee to develop and write a newsletter by residents called The Resident Connection.
- Formed a joint tenant and staff communications workgroup to review information, and develop ideas to improve how we communicate with residents.

By the numbers

94%

The number of tenancy or account information requests that staff resolved over the year.

80%

The number of non-maintenance related service requests that were addressed within 48 hours.



A video in 18 different languages was created to help residents understand their rights and responsibilities in their lease. The video supports our eviction prevention strategy because a stronger understanding of the lease provides residents with the opportunity for a successful tenancy.

Residents teach residents about conservation and help us save money



Green animators are residents who volunteer their time to teach others in their communities about recycling and conservation. This personal contact creates meaningful engagement and causes behavioural shifts that lead to conservation. Green animation also helps to build communities because animators promote a shared, community-driven goal and develop leadership skills that benefit their communities. Since 2009, over 100 residents have been trained as green animators to teach other tenants in their communities how to conserve energy, water and waste.



We have had tenant-led community animation recycling, energy and water conservation programs in more than 70 communities. As a result of the efforts of the residents and staff participating in these programs, and the SMART Buildings Retrofit program, Toronto Community Housing has reduced its spending on utilities by nearly \$5 million over two years.

Improving accountability and transparency

Toronto Community Housing made significant strides in implementing the recommendations from the City of Toronto Auditor General's reports of 2011 (Procurement and Expenses) and 2012 (Subsidiaries and Fleet). A new procurement policy was approved by the Board based on these recommendations. Organization-wide training and implementation of improved policies and procedures is building a culture of accountability and transparency on spending decisions, so that they benefit residents and the communities they live in.

After questions were raised in media reports about purchases of market condo units by individuals who, at the time, were company executives and officers of the joint venture to revitalize Regent Park, the board asked the Honourable Patrick LeSage to conduct an independent review of the purchases. The review found no conflict of interest, no favouritism, and no special access or deals for any person at the company.

To provide greater transparency and avoid the appearance of a conflict of interest, Toronto Community Housing put in place new rules in 2012 requiring executives and employees to declare their intent to purchase real estate in which Toronto Community Housing has an interest. A public registry will disclose all such purchases by executives or employees. This will protect the integrity of the processes that are the foundation of the public's confidence in our community revitalization program

Stories of leadership and recognition

What inspires us? Our people do. Great people are doing great work in our company and in the communities we serve.

Our staff do everything from sweeping floors to general repairs, from data entry to mail delivery, to creating innovative projects and more. They do it all in support of Toronto Community Housing residents. We care deeply about residents and they count on us to keep their homes liveable and safe.

Our residents are among Toronto's most economically disadvantaged and marginalized. As a group, they don't have a lot of money and they face many challenges, and every day, many of them play vital roles in their families and communities.

Quick action on the job saves a life:

After an elderly resident collapsed in the elevator at 415 Driftwood Avenue, Dennis Wilson, the building's superintendent, quickly jumped in to help. Seeing that the resident was not breathing, Dennis used his CPR training to help the resident while waiting for paramedics to arrive. Our staff care about the well-being of residents. They are willing and ready to go above and beyond the call of duty to protect and support those who live in our communities.

Two staff members were nominated for City of Toronto Ombudsman

Public Service Awards, recognizing their outstanding public service in proactively resolving complaints. In their nominations, Toronto Ombudsman Fiona Crean noted Ismail Ibrahim's and Karen Smith's professionalism and their willingness to go well beyond their responsibilities in order to effectively resolve complaints. When the winners were announced in the fall, Ismail was one of the five winners city-wide.

Teaming up to power a community during

outage: When a fire at a nearby storage facility knocked out power and water at Pelham Park Gardens, our staff and residents joined forces to provide a safe location and meals for those affected. Working together, residents prepared the building's recreation room while staff worked to secure food donations. Nearly 100 residents, including seniors and children, had a warm place to stay and a good meal to tide them over until power was restored. Staff and residents went above and beyond to get their community through a tough situation.



Staff rallied company-wide support for The United Way using one-time gifts, payroll contributions, fundraising events, and a staff barbeque

led by Toronto Civic Employees Union Local 416, CUPE Local 79 and OPSEU 529. We raised \$175,000 to help fund over 200 different agencies that serve residents living in our communities. **We were recognized by The United Way with a Spirit Award** for the strong partnership between Toronto Community Housing and its union partners for our Joint Labour and Management Campaign.



Seniors sew a successful program: Every Monday, the community space at 55 Outlook Manor is filled with laughter, chatter and the sound of sewing machines. Thanks to a \$7,500 grant from Toronto Community Housing's Social Investment Fund, the seniors' sewing club

purchased sewing machines, fabric and everything else they needed to start creating unique handmade products. Their cushions and aprons are now in high demand— by selling them at craft fairs and other events, the sewing club has become financially self-sufficient.



Back-to-school with the right supplies: Omar, a youth resident leader, realized that children in his community needed help to get a good start in school. He contacted Toronto Community Housing staff, who made calls to our partners to get donations for backpacks and school supplies. Omar distributed the new backpacks full of supplies to 70 children in the Ardwick Boulevard community.

Four **staff members were awarded the Queen Elizabeth II Diamond Jubilee medal** in recognition of their contributions to their communities and the City of Toronto. From community engagement to human rights advocacy, the medal recipients (Maurice Brenner, Jason Gorel, William Mendes and Sherwin Modeste) are committed to social housing and making our diverse communities better places to live.



We're a leader in energy conservation. By working with residents and partners, our staff take action to help reduce the

carbon footprint of our communities. Last year, we replaced 332 inefficient air conditioners and installed 44,000 new energy-efficient lights in 35 communities across our portfolio.

The results? New air conditioners saved 140,000 kWh and \$14,000 in utility costs for residents, and new lights will save \$850,000 in utility costs every year. Natural Resources Canada recognized Toronto Community Housing's achievement with the ENERGY STAR Advocate of the Year Award.

Toronto Community Housing received an Honourable Mention in the **2012 Heritage Toronto Awards for 42 Hubbard Boulevard**. Working with partners from Van Elslander Carter Architects and Lisgar Construction, Toronto Community Housing completely reconstructed the three-storey apartment building, while preserving all of the building's original facades from 1928.

Summary

Toronto Community Housing is committed to transparency and provides its financial results to the City of Toronto, as well as other key stakeholders. We continue to update the State of Good Repair Fund financials on our website.

2012 key financial highlights

- Favourable financial results in 2012 included an improvement to our net asset position which is needed to address a growing and significant capital backlog.
- We continued to implement internal controls to address recommendations in reports from the Auditor General of the City of Toronto that strengthen our financial controls.
- Toronto Community Housing received a net of \$6.9 million from the City of Toronto as a result of new property tax exemptions that were enacted in 2012. These funds were placed in the State of Good Repair Fund which is used to address the capital backlog.
- The Board of Directors approved a new Procurement Policy which established more disciplined policies and procedures for the procurement of goods and services.

Report on financial performance

Toronto Community Housing strengthened its financial position by \$62.5 million with total net assets increasing from \$735.5 million in 2011 to \$798.0 million in 2012. This is attributed to a net income of \$60.1 million in 2012 compared to \$25.6 million in 2011. This was achieved through:

- Higher rent revenue from residential and commercial sources of \$9.0 million;
- Higher gains on sale of properties of \$6.9 million as compared with the prior year;
- \$6.9 million as a result of property tax exemptions;
- Lower interest expense of \$5.8 million due to lower financial debt balances in 2012 as compared to 2011; and
- Lower administration costs of \$3.8 million reflecting the Corporation's objective of reducing operating expenditures.

Cash position decreased \$77.9 million in 2012 as compared to a decrease of \$58.2 million in 2011, but when factoring in a reduction in the operating line of credit of \$66.9 million, and netting this effect from the decrease in cash, the change in cash position is only a decrease of \$11.0 million. This is as a result of:

- \$134.7 million in cash inflows from operations (and strong operating cash flow performance continues);
- \$152.6 million in cash outflows for investing and capital activities, made up of \$83.7 million spent on addressing the capital backlog, net funding of new development initiatives of \$68.2 million, \$9.2 million in funding for future capital requirements of our buildings, less \$8.5 million in proceeds received in respect of the sale of homes;
- \$60 million of cash outflows from financing activities, which is a net \$6.9 million cash inflow when adjusting for the repayment to the operating line of credit of \$66.9 million in 2012.

Consolidated Statements of Financial Position

(in thousands of dollars)

	December 31, 2012	December 31, 2011	January 1, 2011
	\$	\$	\$
Assets			
Current assets			
Cash	50,384	128,289	186,502
Investments	111,524	116,649	144,501
Investments for unspent restricted grants	-	-	22,950
Accounts receivable	108,930	104,395	109,153
Loans receivable	-	31,347	23,705
Prepayment for energy plant	-	13,500	-
Prepaid expenses	7,520	5,473	4,895
	<hr/>	<hr/>	<hr/>
	278,358	399,653	491,706
Long-term receivables	-	253	-
Loans receivable	16,572	16,412	18,609
Grants receivable	10,145	10,559	10,954
Equity investments	15,486	7,215	4,599
Investments for capital asset replacement reserve	34,102	31,362	25,860
Investments for internally restricted purposes	50,320	37,223	25,997
Receivable from the City of Toronto	21,325	21,325	21,325
Housing projects acquired or developed	1,555,623	1,504,190	1,477,366
Improvements to housing projects	905,736	895,894	865,130
Guaranteed equity housing project	9,212	9,478	9,744
Prepaid lease	1,190	1,244	1,301
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Total assets	2,898,069	2,934,808	2,952,591

Consolidated Statements of Financial Position — Continued

(in thousands of dollars)

	December 31, 2012	December 31, 2011	January 1, 2011
	\$	\$	\$
Liabilities			
Current liabilities			
Bank loan	4,000	70,860	63,860
Accounts payable and accrued liabilities	131,387	134,038	140,494
Tenants' deposits and rents received in advance	12,313	11,034	11,175
Deferred revenue	1,440	1,762	1,849
Current portion of deferred revenue on long-term leases	71	71	71
Current portion of project financing	67,193	49,088	105,270
	216,404	266,853	322,719
Capital asset replacement reserve	34,102	31,362	25,860
Deferred revenue on long-term leases	1,186	1,258	1,330
Employee benefits	75,787	68,282	64,288
Project financing	1,173,940	1,182,866	1,178,965
Interest rate swap liability	4,698	6,119	4,193
Debenture loans	37,907	96,142	121,993
Deferred capital contributions	556,066	546,417	523,304
Total liabilities	2,100,090	2,199,299	2,242,652
Surplus			
Share capital			
Authorized			
Issued 100 common shares	1	1	1
Internally restricted surplus	50,320	37,223	25,997
Unrestricted surplus	745,303	698,285	683,941
Accumulated remeasurement gain	2,355	-	-
Total net assets	797,979	735,509	709,939
	2,898,069	2,934,808	2,952,591

Consolidated Statements of Operations

For the years ended

(in thousands of dollars)

	2012	2011
Revenue	\$	\$
Subsidies	248,923	309,355
Rent		
Residential	278,768	271,008
Commercial	12,787	11,548
Amortization of deferred capital contributions	44,734	41,623
Parking, laundry and cable fees	17,715	17,240
Investment income	10,743	14,219
External sales	8,213	6,928
Joint venture income	13,956	11,332
Gain on sale of housing projects	8,348	1,467
Other	5,531	2,940
	<u>649,718</u>	<u>687,660</u>
Expenses		
Operating and maintenance	263,002	262,745
Municipal taxes	33,617	100,378
Depreciation	124,088	119,646
Interest	69,783	75,539
Administration	65,420	69,252
Rent supplement program	29,354	31,040
Plant	1,985	1,042
Loss from guaranteed equity housing project	315	381
Loss from acquisition of energy plant	2,039	-
	<u>589,603</u>	<u>660,023</u>
Excess of revenue over expenses before unrealized losses	<u>60,115</u>	<u>27,637</u>
Unrealized losses		
Change in unrealized loss on investments	-	(141)
Change in unrealized loss on interest rate swap	-	(1,926)
	-	(2,067)
Excess of revenue over expenses for the year	<u>60,115</u>	<u>25,570</u>

The back pages

Our board of directors consists of three City Councillors, the Mayor or his designate, and nine citizens, including the Chair and two Toronto Community Housing residents. The board is responsible for managing the housing portfolio; making policy and operational decisions; leading shareholder direction; and following related legislation and regulations. The following list includes current members as of April 2013.

Munira Abukar

Councillor Maria Augimeri

Councillor Ana Bailão

Zahir Bhaidani

Christian Buhagiar

Brian Kwan

Karen Newman

Councillor Frances Nunziata

Councillor Cesar Palacio

Norman W. (Bud) Purves (Chair)

Catherine Wilkinson

Jennifer Wood

Audrey Wubbenhorst

Our executive leadership team is responsible for the strategic oversight of the corporate and operational functions with the company and its subsidiaries. The following list includes current members as of April 2013.

Paul Chisholm, General Manager, Housing Connections
416-981-6120, Paul.Chisholm@housingconnections.ca

Jason Gorel, Chief Financial Officer
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Michelle Haney-Kileeg, Vice President, Resident & Community Services
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Lisa-Joan Overholt, Senior Director, Community Safety & Council Liaison
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Eugene E. Jones, Jr., President and Chief Executive Officer
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Hugh Lawson, Director, Strategic Planning & Stakeholder Relations
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Greg Spearn, Chief Development Officer
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Michael Vear, Chief Internal Auditor
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Michelle Wong, General Counsel & Corporate Secretary
416-981-4236, Michelle.Wong@torontohousing.ca

The road ahead...

“While we made good progress in 2012, we are committed to doing more as a company to make our communities safer, improve the condition of units and buildings, reduce our capital repair backlog, deliver more responsive service to residents, and hold vendors accountable for doing quality work at a fair price. Guided by our 2013-2015 strategic plan, we will continue to make the changes needed to restore Toronto Community Housing’s credibility as a landlord of excellence.”

— Eugene E. Jones Jr., President and CEO



The 2013-2015 strategic plan will be available in Summer 2013. To request a copy, please send an e-mail to cmp@torontohousing.ca

**Talk to us.
Join us in making the city a better place to live.
Help shape the future of social housing.**

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