

## **Toronto Port Lands Company - Annual General Meeting and 2021 Audited Financial Statements**

**Date:** June 27, 2022

**To:** Executive Committee

**From:** City Manager and Chief Financial Officer and Treasurer

**Wards:** All

### **SUMMARY**

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This report transmits materials submitted by the Board of Directors of the Toronto Port Lands Company (TPLC) to the City of Toronto (City). No independent review or analysis has been performed by City staff. Management of TPLC has confirmed all financial information was made available to the auditors for the performance of the audit.

This report recommends actions necessary to comply with the requirements of the Business Corporations Act, Ontario (OBCA) for holding the Annual General Meeting of the Shareholder of Toronto Economic Development Corporation (TEDCO), operating as the Toronto Port Lands Company (TPLC), including receipt of its Annual Report and Audited Consolidated Financial Statements (Statements) for 2021 and appointment of the auditor for 2022.

TPLC's 2021 Statements were audited by KPMG LLP and received an unqualified opinion stating that the financial statements present fairly, in all material respects, the consolidated financial position of TPLC as of December 31, 2021, and its consolidated financial performance for the year then ended in accordance with International Financial Reporting Standards, (IFRS).

### **RECOMMENDATIONS**

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The City Manager and Chief Financial Officer and Treasurer recommend that:

1. City Council treat that portion of the City Council meeting at which this Report is considered as the Annual General Meeting of the Shareholder for Toronto Port Lands Company by:

- a. receiving the "Toronto Port Lands Company 2021 Annual Report" Letter to the Shareholder from the CreateTO's Chief Executive Officer transmitting the "CreateTO's 2021 Performance Report", the "City of Toronto Economic

Development Corporation c.o.b. Toronto Port Lands Company 2021 Audited Consolidated Financial Statements" forming Attachments 1 and 2 to this Report; and,

b. appointing KPMG LLP as the Auditor of Toronto Economic Development Corporation (operating under the name Toronto Port Lands Company) for fiscal year 2022.

2. City Council direct the City Clerk to forward a copy of the "City of Toronto Economic Development Corporation c.o.b. Toronto Port Lands Company 2021 Audited Consolidated Financial Statements", forming Attachment 2 to this Report, to the Audit Committee for information.

## **FINANCIAL IMPACT**

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There are no financial implications to the City resulting from the approval of recommendations in this report.

The Toronto Port Lands Company has provided City staff with financial summary information, which is provided in this section of the report. No independent review or analysis has been performed by City staff.

TPLC's 2021 Statements recognize a net income and comprehensive income of \$5.4 million (an increase of \$2.2 million over 2020), total assets of \$412.4 million (a decrease of \$5.1 million over 2020), and total liabilities of \$23.8 million (a decrease of \$3.5 million over 2020). TPLC investment properties decreased by \$1.3 million to \$354.1 million. In 2021 TPLC transferred 11 acres of land to the City which will form two new parks on the north and south of the Don River. The transfer, through equity, was for \$7.06 million.

## **DECISION HISTORY**

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On July 14, 2021, that portion of the City Council meeting where EX25.15 Toronto Port Lands Company - Annual General Meeting and 2020 Audited Financial Statements and as Shareholder was approved by Council, was considered the previous Annual General Meeting of the Shareholder for the Toronto Port Land Company.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX25.15>

On July 11, 2012, City Council approved a requirement that Shareholder Directions for all wholly-owned City corporations be amended to require public disclosure to the extent permitted by law of individual executive compensation as part of the annual reporting to the Shareholder and where required obtain consent from executives.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX21.19>

## **ISSUE BACKGROUND**

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The City of Toronto Economic Development Corporation (TEDCO) was incorporated in 1986 under the Business Corporations Act (Ontario) (OBCA), and has operated with a revised mandate under the business name Toronto Port Lands Company (TPLC) since 2009. The City is the sole shareholder.

Subsection 94(1) of the OBCA requires that the directors of the TPLC call an annual meeting of its Shareholders not later than fifteen months after holding the last preceding annual meeting. The last annual meeting was held by City Council on July 14, 2021. Subsection 154(1) of the OBCA requires that the Shareholder receive the TPLC Statements and the Auditor's Report at the annual meeting of the Shareholder.

Section 149(2) of the OBCA requires that the TPLC Shareholder at each annual meeting appoint one or more auditors to hold office until the close of the next annual meeting, and allows the Shareholder to authorize the Auditor's fee for the service.

Section 6.8 of the Shareholder Direction requires TPLC to provide an annual update to City Council.

### **City-Wide Real Estate Model**

On January 1, 2018, the City launched CreateTO, a new agency to lead the City-wide Real Estate Model adopted by City Council in 2017. This new model involves the operational consolidation of both Build Toronto and Toronto Economic Development Corporation (operating under the name Toronto Port Lands Company) through service agreements with CreateTO for real estate advisory services, real estate project delivery services and port lands asset management services.

TPLC manages real estate assets and continues to advance the long-term vision for a sustainable new community in the port lands and supports the ongoing flood protection work by Waterfront Toronto. TPLC's primary assets consist of investment properties, which include land, office and other commercial properties held to earn rental income or for capital appreciation.

## **COMMENTS**

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### **1. Appointment of Auditor**

The City's Auditor General conducts a competitive process to select an external auditor. On June 29, 2020, City Council appointed KPMG LLP as the auditor licensed under the Public Accounting Act, 2004 to be responsible for annually auditing the accounts and transactions of the City and certain of its local boards and expressing an opinion on the financial statements of these bodies based on the audit, as per [AU5.7: Contract Award of Request for Proposal No. 9119-19-7141 \(Doc2038917448\) to KPMG LLP for External Audit Services for the City and Certain of its Agencies and Corporations](#).

As a result, this report recommends that KPMG LLP is to be appointed as the Auditor for TPLC for fiscal year 2022.

## **2. Key TPLC Achievements in 2021**

The "Toronto Port Lands Company 2021 Annual Report" Letter to the Shareholder from CreateTO's Chief Executive Officer transmits "CreateTO's 2021 Performance Report" (Attachment 1) which highlights key activities in the Port Lands in 2021.

## **3. TPLC's 2021 Audited Financial Statements**

TPLC's 2021 Audited Annual Financial Statements can be found in Attachment 2 of this report.

## **4. 2021 Executive Compensation**

In December 2017, City Council adopted a recommendation to amend TPLC's Shareholder Direction which directed that TPLC shall not hire employees, other than its CEO, without the prior consent of CreateTO. Therefore, TPLC no longer reports executive compensation as all executives are also officers of and paid by CreateTO.

## **CONTACT**

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## **SIGNATURE**

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Heather Taylor  
Chief Financial Officer and Treasurer

Chris Murray  
City Manager

## **ATTACHMENTS**

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Attachment 1: "Toronto Port Lands Company 2021 Annual Report" Letter from CreateTO CEO and CreateTO 2021 Performance Report

Attachment 2: City of Toronto Economic Development Corporation c.o.b. Toronto Port Lands Company 2021 Audited Consolidated Financial Statements