

CreateTO 2021 Financial Results

Date: April 27, 2022

To: The Board of Directors of CreateTO

From: Chief Financial Officer

Wards: All

SUMMARY

As the City of Toronto's real estate agency, CreateTO manages the City's real estate portfolio, develops City lands and buildings for municipal purposes, and delivers client-focused real estate solutions to City divisions, agencies and corporations.

Working within the City-Wide Real Estate Model, CreateTO is contributing substantial value to the City. The organization's work has identified significant annual capital and operating cost savings; created opportunities for the co-location of City services; and identified underutilized sites to advance the delivery of affordable housing. CreateTO is also contributing to city building in neighbourhoods across Toronto, supporting the revitalization of the Port Lands through developments like the Basin Media Hub and implementing environmental sustainability in its projects. Key accomplishments to date have been summarized in the CreateTO Performance Report. Please refer to Attachment 1 for details.

For the year ending December 31, 2021, KPMG LLP conducted the audit and delivered a clean audit opinion. Please refer to Attachment 2 for KPMG LLP's audit findings report and Attachment 3 for the audited financial statements.

RECOMMENDATIONS

The Chief Financial Officer recommends that the CreateTO Board of Directors:

1. Receive for information CreateTO Performance Report, in Attachment 1 of this report.
 2. Receive for information KPMG LLP's audit findings report, in Attachment 2 of this report.
 3. Approve the 2021 Audited Financial Statements, in Attachment 3 of this report.
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4. Recommend that City Council receive for information CreateTO Performance Report, in Attachment 1 of this report.

5. Recommend that City Council approve the 2021 Audited Financial Statements, in Attachment 3 of this report.

FINANCIAL IMPACT

There is no financial impact.

DECISION HISTORY

Audited financial statements for CreateTO are required to be submitted on an annual basis to the Board and to City Council.

<https://www.toronto.ca/legdocs/municode/toronto-code-215.pdf>

COMMENTS

For the year ending December 31, 2021, gross expenditures were \$14.49 million. This represents a \$0.11 million favourable variance to budget. Please see Table 1 for details.

The favourable variance is primarily due to lower project investigative and office services costs offset by higher salaries and benefit costs.

Table 1: 2021 DRAFT Financial Results

(in millions)	Actual \$	Budget \$	Variance \$
Revenue			
Management Fees ¹	10.58	10.69	(0.11)
City Funding ²	3.88	3.88	-
Interest	0.03	0.03	-
	14.49	14.60	(0.11)
Expenditures			
Salaries and benefits ³	12.83	12.11	(0.72)
Office services ⁴	0.66	1.00	0.34

Office occupancy	0.57	0.52	(0.05)
Professional fees	0.26	0.24	(0.02)
Marketing & promotion	0.11	0.15	0.04
Project investigative costs ⁵	(0.03)	0.50	0.53
Amortization	0.09	0.08	(0.01)
	14.49	14.60	0.11
Net Expenditure	-	-	-

1. Management fees reflect funding from Build Toronto Inc. and Toronto Port Lands Company. This amount will fluctuate on an annual basis, based on the total expenditures of the agency and the level of City funding received. In 2021 total expenditures came in lower than budget resulting in lower funding required from the corporations.

2. In 2021 funding was in line with the 2021 budget. City funding reflects capital funding to support the advancement of key City initiatives such as Housing Now and ModernTO.

3. In 2021 salary and benefits exceeded budget primarily due to unbudgeted restructuring costs.

4. In 2021 office services costs were favorable to budget primarily due to staff working remotely and lower IT related expenses as the transition to Microsoft 365 was pushed to 2022.

5. In 2021 staff made a concerted effort to recover project costs for all City projects resulting in a year end credit balance. The credit balance reflects costs incurred in prior years that were reimbursed.

CONTACT

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SIGNATURE

Jaspreet Hansra-Kulasingham
Chief Financial Officer

ATTACHMENTS

1. Attachment 1: CreateTO Performance Report
2. Attachment 2: KPMG LLP Audit Findings Report
3. Attachment 3: 2021 Draft Audited Financial Statements