

Toronto Community Housing Corporation – Annual General Meeting and 2023 Audited Consolidated Financial Statements

Date: July 2, 2024
To: Executive Committee
From: President and Chief Executive Officer and Chair, Board of Directors of Toronto Community Housing Corporation
Wards: All

SUMMARY

This report transmits materials submitted by the Board of Directors of Toronto Community Housing Corporation (TCHC) to the City. Management of TCHC confirms that all financial information was made available to the auditors for the performance of the audit.

This report recommends the actions necessary to comply with the requirements of the Business Corporations Act, for holding the Annual General Meeting of the Shareholder of TCHC, including receipt of its Annual Report and Audited Consolidated Financial Statements (Statements) for 2023 and appointment of the auditor for 2024.

TCHC's 2023 Statements were audited by KPMG LLP and received an unqualified opinion stating that the financial statements present fairly, in all material respects, the financial position of the TCHC as of December 31, 2023, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

The report also provides information on subsidiaries and joint ventures, individual compensation of executive officers, and additional items as directed by the Shareholder.

Finally, the report recommends, for Council's approval the Rules of Procedure including procedures for governing the calling, place and proceedings of meetings of the Board and its committees as required by Section 5.2.2. The Board seeks Council's approval for these Rules of Procedure, in the form of TCHC By-law #4.

RECOMMENDATIONS

The President and Chief Executive Officer and Chair of the Board of Directors of Toronto Community Housing Corporation 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 Community Housing Corporation by:
 - a. receiving the Letter to the Shareholder from the Toronto Community Housing Corporation's Chair of the Board of Directors and President and Chief Executive Officer dated April 29, 2024 transmitting the "Toronto Community Housing Corporation 2023 Annual Report: Celebrating Community – Stories Across the City" and "Additional Information" (including Executive Compensation Disclosure), forming Attachment 1 to this Report;
 - b. receiving the "Toronto Community Housing Corporation 2023 Audited Consolidated Financial Statements", forming Attachment 2 to this Report;
 - c. appointing KPMG LLP as the Auditor of Toronto Community Housing Corporation for fiscal year 2024, and authorizing the Board of Directors of Toronto Community Housing Corporation to set the fee of the Auditor; and
 - d. receiving the Toronto Community Housing Corporation's executive compensation disclosure included in "Additional Information" of Attachment 1 to this Report;
2. In accordance with Section 5.2.2 of the City's Shareholder Direction to Toronto Community Housing Corporation, City Council approve TCHC By-law #4, the "Board of Directors Meeting Procedures", as approved by Toronto Community Housing Corporation's Board of Directors at its meeting of February 24, 2023, and set out in Attachment 3 to this Report.

FINANCIAL IMPACT

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

Toronto Community Housing Corporation has provided information with respect to its 2023 fiscal year operations and capital plan. This information can be found in TCHC's 2023 Annual Report in Attachment 1 of this report, and TCHC's 2023 Consolidated Audited Financial Statements in Attachment 2 of this report.

DECISION HISTORY

On July 19, 2023, that portion of the City Council meeting where EX6.18 Toronto Community Housing Corporation - Annual General Meeting and 2022 Audited Financial Statements was approved by Council, was considered the previous Annual General Meeting of the Shareholder for Toronto Community Housing Corporation.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX6.18>

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.

<https://secure.toronto.ca/council/agenda-item.do?item=2012.EX21.19>

ISSUE BACKGROUND

Subsection 154(1) of the *Business Corporations Act*, (Ontario) (OBCA) requires that the Shareholder receive the Toronto Community Housing Corporation's (TCHC) audited consolidated financial statements and the Auditor's Report at the annual meeting of the Shareholder. Subsection 94(1) requires that the directors of the TCHC call an annual meeting of its Shareholder by no later than fifteen months after holding the last preceding annual meeting. The last annual meeting was held by City Council on July 19, 2022.

Section 149(2) of the OBCA requires that the TCHC 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.

The City's current Shareholder Direction to TCHC, issued in 2021, requires that it prepare an annual report and audited consolidated financial statements and submit them to City Council. In addition, the Shareholder Direction requires, or Council has directed, that TCHC report annually on a number of other items to Council.

COMMENTS

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 of City agencies and corporations 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 be appointed as the Auditor for Toronto Community Housing Corporation for fiscal year 2024. The Building Investment, Finance and Audit Committee (BIFAC) of Toronto Community Housing Corporation will approve the annual fee for the Auditor.

2. Toronto Community Housing Corporation Achievements in 2023

The Letter to the Shareholder from TCHC's Chair of the Board of Directors and the President and Chief Executive Officer transmits the 2023 Annual Report and Additional Information (Attachment 1), which highlights key Toronto Community Housing Corporation achievements in 2023.

3. Toronto Community Housing Corporation 2023 Audited Consolidated Financial Statements

TCHC's 2023 Audited Consolidated Financial Statements form Attachment 2 of this report.

4. Subsidiaries and Joint Ventures

An overview of TCHC subsidiaries and joint ventures/partnerships is provided in Attachment 1, Additional Information, Appendix E (page 36). Further detail on assets, liabilities, and results of operations of TCHC and its wholly owned subsidiaries, and TCHC's interest in joint ventures and partnerships, is provided in TCHC's 2023 Audited Consolidated Financial Statements in Attachment 2.

5. 2023 Executive Compensation

Toronto Community Housing Corporation has disclosed executive compensation information for senior management as requested by City Council in Attachment 1, Additional Information, Section 4.1 (page 18). The compensation paid to the corporation's executive officers is required to be disclosed pursuant to the Province of Ontario's public disclosure of the salary and benefits paid in respect of employment in the public sector under the *Public Sector Salary Disclosure Act, 1996*.

6. Additional TCHC Reporting Requirements

TCHC is required by its Shareholder Direction and Council decisions to report annually on a number of items. As part of meeting these requirements, Attachment 1 contains information on:

- Transfer of Single-Family Homes
- Update on Current Capital and Development Projects
- Update on the Ten-Year Capital Financing Plan
- Tenant Engagement System

- Eviction Prevention Policy and 2023 Eviction Results
- Human Rights Complaints
- Positive Tenant Experience
- Challenges faced in 2023
- Information on TCHC's subsidiaries.

A summary of additional Shareholder reporting requirements and where they are met can be found in Attachment 1, Additional Information, Appendix A (page 23).

7. Toronto Community Housing Corporation By-law 4

TCHC is required in Section 5.2.2 of its Shareholder Direction to pass a by-law that includes procedures for governing the calling, place and proceedings of meetings of the Board and its committees and to seek approval from Council for the by-law. The “Board of Directors Meeting Procedures” as set out in Attachment 3 to this Report are provided to Council for its approval, in satisfaction of this requirement. The Board considered and approved this document at its meeting of February 24, 2023.

CONTACT

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SIGNATURE

Sean Baird
President and Chief Executive Officer, Toronto Community Housing Corporation

Adele Imrie
Chair, Board of Directors, Toronto Community Housing Corporation

ATTACHMENTS

Attachment 1: Letter to the Shareholder from the Toronto Community Housing Corporation’s Chair of the Board of Director’s and President and Chief Executive Officer

dated April 29, 2024 transmitting the Toronto Community Housing Corporation 2023 Annual Report, and Additional Information (including Executive Compensations Disclosure).

Attachment 2: Toronto Community Housing Corporation 2023 Consolidated Audited Financial Statements

Attachment 3: TCHC By-law 4 – Board of Directors Rules of Procedure