



## 2022 Letter to the Shareholder, Annual Report, and Additional Information Reported Annually to the Shareholder

Item 7D

April 24, 2023

Board of Directors

**Report:** TCHC:2023-17

**To:** Board of Directors (the “Board”)

**From:** Building Investment, Finance and Audit Committee (“BIFAC”)

**Date:** April 14, 2023

### **PURPOSE:**

The purpose of this report is to seek the Board of Director’s approval of the 2022 Letter to the Shareholder, Annual Report, and Additional Information Reported Annually to the Shareholder for Toronto Community Housing Corporation (“TCHC”).

### **RECOMMENDATION:**

It is recommended that the Board of Directors:

1. Approve the 2022 Letter to the Shareholder, Annual Report, and Additional Information Reported Annually to the Shareholder (Attachment 1 to this report);
2. Authorize the President and CEO (or designate) to forward the 2022 Annual Report and Letter to the Shareholder to the City of Toronto’s City Manager; and
3. Authorize the President and CEO, or his designate, in consultation with the BIFAC Chair and the Board Chair, or their designates, to develop, on behalf of the Board, and submit to the City Clerk for information of

City Council's Executive Committee and City Council such additional information as is required to identify known and anticipated financial impacts and outlooks (current and future years), including any financial challenges, risks and key updates for TCHC, as identified in this report.

**BIFAC:**

This report will be considered by the BIFAC on April 24, 2023.

**REASONS FOR RECOMMENDATIONS:**

The draft 2022 Annual Report provides a public overview of TCHC's accomplishments and its progress in delivering its strategic priorities during the 2022 calendar year. It is TCHC's report to City Council, tenants, employees, stakeholders, and the public.

Together with the Letter to the Shareholder, the Additional Information Reported Annually to the Shareholder, and TCHC's audited financial statements, all information required to comply with TCHC's reporting requirements to its shareholder, the City of Toronto, is provided.

Pending the Board's approval, the President and CEO (or designate) will forward the 2022 Letter to the Shareholder, Annual Report, and Additional Information Reported Annually to the Shareholder to the City Manager. In previous years, the City Manager has requested that these items be brought before City Council as part of TCHC's Annual General Meeting, typically held during Executive Committee meeting, and then before City Council.

**IMPLICATIONS AND RISKS:**

TCHC's Letter to the Shareholder, Annual Report, and Additional Information Reported Annually to the Shareholder are the primary documents through which TCHC demonstrates full compliance with the Shareholder Direction and other reporting requirements approved by City Council. Regular and transparent reporting of performance against strategic priorities is also an important part of our commitment to public accountability. These documents are being provided in time to meet the City's requirement of reporting within 120 days of the end of the fiscal year.

### **New City of Toronto AGM Process**

Following the preparation of this report, City staff have recommended that annual general meeting reports to Executive Committee and City Council include a comprehensive and complete Financial Impact section in order to inform Members of Council of all known and anticipated financial impacts and outlooks (current and future years), including any financial challenges, risks and key updates for TCHC. The Financial Impact section is intended to address:

1. **Summary of operations for the 2022 fiscal year**, including any continued impacts of COVID-19 response and recovery on operations;
2. **Financial highlights**, including a summary of significant assets, liabilities, revenues and expenses and changes in material balances due to/from the City of Toronto or other related parties;
3. **Any known or anticipated impacts to the City's Budget or financial position**, such as updates pertaining to funding support, dividend payments, reserve fund contributions or withdrawals, initiatives or capital project delivery (current and future years);
4. **Any concerns with assets**, including with cash balances and flows, uncollectible receivables, impairment of tangible capital assets, and significant TCA additions or disposals (current and future years);
5. **Any liability concerns** and areas where significant estimates have been applied and any loan payment concerns or financial consequences (current and future years);
6. **Results of 2022 audit**, including the auditor's opinion, significant findings and/or recommendations and plans to address significant findings and/or recommendations; and
7. **The future outlook**, including any risks, forecasted challenges, impacts of previous/current year commitments on ongoing operations, and how the Corporation's overall outlook may affect the City's budget in 2024 and subsequent years.

Given the timing of this request, we have not yet had the opportunity to review the report, in its current form, in order to ensure that it addresses the above-noted matters as required. At the time of the submission, that review

process is continuing. Should the review identify gaps in the report a supplementary report may be submitted to accompany the Board's consideration of this matter. Alternatively, it may be necessary, given the timelines for Council's consideration of this report, for the President and CEO to develop this content, in consultation with the Board Chair, for submission to Council.

**SIGNATURE:**

*"Jag Sharma"*

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Jag Sharma  
President and Chief Executive Officer

**ATTACHMENT:**

1. 2022 Letter to the Shareholder, Annual Report, and Additional Information Reported Annually to the Shareholder

**STAFF CONTACT:**

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