

**TORONTO SENIORS HOUSING CORPORATION (TSHC)  
AUDIT & FINANCE AND RISK COMMITTEE (AFRC) MEETING**

**Date: Monday, June 27, 2022**

**Time: 4:00pm – 5:00pm**

**Location: WebEx & Livestream**

**AGENDA**

| <b>Item</b> | <b>Time</b>   | <b>Description</b>   | <b>Action</b> | <b>Supporting Documents</b>  | <b>Presenter</b>           |
|-------------|---------------|--|---------------|--|----------------------------|
| 1.          | 4:00<br>10min | Chair's Remarks  | Information   | NA   | Lawrence D'Souza,<br>Chair |
| 2.          | 4:10<br>2min  | Approval of Meeting Agenda   | Approval      | Agenda   | Chair                      |
| 3.          | 4:12<br>2min  | Chair's Poll re:<br>Conflict of Interest                                     | Declaration   | N/A  | Chair                      |
| 4.          | 4:14<br>2min  | Approval of Public and Closed Session Minutes of AFRC meeting of May 3, 2022 | Approval      | Public Minutes of AFRC meeting of May 3, 2022  | Chair                      |
| 5.          | 4:16<br>5min  | Finance Team Announcement  | Information   | Finance Team Announcement  | Norm Rees                  |
| 6.          | 4:21<br>15min | May 31, 2022 Financial Results   | Information   | <ul style="list-style-type: none"> <li>• Board Committee Report</li> <li>• Statement of Operations</li> <li>• Statement of Financial Position</li> </ul> | Norm Rees                  |
| 7.          | 4:36<br>15min | Financial Update   | Information   | Board Committee Report   | Norm Rees                  |
| 8.          | 4:51          | Adjournment  | N/A           | N/A  | Chair                      |

*(For approval at the June 27, 2022 AFRC meeting)*

**TORONTO SENIORS HOUSING CORPORATION (TSHC)  
Audit & Finance and Risk Committee (AFRC)**

**Date: May 3, 2022**

**Time: 4:00pm – 5:30pm**

**Location: WebEx & Livestream**

**Draft Minutes**

The Audit & Finance and Risk Committee (AFRC) of the Toronto Seniors Housing Corporation held its public meeting on May 3, 2022, at 4:00pm via WebEx video conference. The meeting was live streamed on YouTube and subsequently posted the link to TSHC's website.

**Members in Attendance:**

Lawrence D'Souza (Chair) and Warren Law.

TSHC staff present: Michael Sherar, Interim Transitional Lead and Chief Corporate Officer, Norman Rees, Interim Finance Lead and Rajni Vaidyaraj, Interim Executive Assistant (Recording Secretary).

**ITEM 1: CHAIR'S REMARKS**

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The Chair welcomed everyone participating at this meeting as well as the virtual audience participating in the livestream. He called the meeting to order and noted the Acknowledgement of the Land.

**ITEM 2: APPROVAL OF PUBLIC MEETING AGENDA**

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The Chair asked if there were any additions to the public meeting agenda. Hearing none:

*Motion*            **UPON MOTION**, duly made by Mr. Warren Law, and seconded by  
*Carried*            Mr. Lawrence D'Souza, **IT WAS RESOLVED THAT** the public  
meeting agenda, as presented, is hereby approved.

### **ITEM 3: CHAIR'S POLL RE: CONFLICT OF INTEREST**

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The Chair asked if there was any conflict of interest to be declared. No conflicts were declared.

### **ITEM 4: APPROVAL OF THE PUBLIC MINUTES OF AFRC MEETING OF MARCH 14, 2022**

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The Chair tabled the public minutes of the March 14, 2022 meeting and asked that they be taken as read.

*Motion*            **UPON MOTION**, duly made Mr. Warren Law and seconded by Mr.  
*Carried*            Lawrence D'Souza, **IT WAS RESOLVED THAT** the public meeting  
minutes of March 14, 2022, as tabled, are hereby approved.

### **ITEM 5: APPROVAL OF THE CLOSED SESSION MINUTES OF AFRC MEETING OF MARCH 14, 2022**

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The Chair tabled the closed session minutes of the March 14, 2022 meeting and asked that they be taken as read.

*Motion*            **UPON MOTION**, duly made Mr. Warren Law and seconded by Mr.  
*Carried*            Lawrence D'Souza, **IT WAS RESOLVED THAT** the closed session  
meeting minutes of March 14, 2022, as tabled, are hereby approved.

### **ITEM 6: FINANCE RELATED POLICIES FOR APPROVAL**

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Mr. Norm Rees stated that the Procurement Policy, Expense Claims Policy and the Investments Policy are being presented to this Committee for its consideration and recommendation to the Board for approval.

Procurement Policy – Mr. Norm noted that by and large the Procurement Policy statements are very much similar to the Toronto Community Housing Policy with the exception of one minor change. The TSHC Procurement Policy mirrors the broader public sector (BPS) guidelines in terms of procurement practice and how we go about engaging vendors as appropriate. The one addition that has been made to the TSHC Procurement Policy is the chart that outlines delegated authority limits by type of procurements whether it is competitively bid, single sourced or sole sourced. He noted that this addition will bring more clarity on what levels are required for approval.

Expense Claims Policy – Mr. Rees noted that this is also a BPS policy which describes the eligibility of expense claims and the level of approval. He also noted that the P-Card is now eliminated. This policy is also consistent with the TCHC policy.

Investments Policy – Mr. Rees noted that this policy is not mirrored after TCHC policy given the high level of TCHC investments as compared to TSHC. TSHC investment policy outlines more about what we would do with the in-year surplus cash and how will TSHC securely invest the excess cash with the government bond or GICs.

Mr. Rees noted that all of these three policies will have ownership by a senior executive yet to be appointed and who will have finance accountability.

Mr. Rees responded to questions raised by the Committee members and the Committee members noted that they are comfortable with the policies as presented.

*Motion  
Carried*

**UPON MOTION**, duly made by Mr. Warren Law, and seconded by Mr. Lawrence D’Souza, and unanimously carried, **IT WAS RESOLVED THAT** the Committee recommends to the Board of Directors to approve the following policies to be effective June 1, 2022:

1. Procurement Policy
2. Expense Claim Policy and
3. Investment Policy

## **ITEM 7: AFRC WORKPLAN ACTIVITIES AND SCHEDULING OF FUTURE AFRC MEETINGS**

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Mr. Rees shared details of the upcoming activities for the next quarter through September with the Committee. Noting that this is the last scheduled meeting of the Committee, Mr. Rees proposed a meeting of this Committee be held in June to be able to report on activities leading up to the transition day and to present the financial results from January to May 31, 2022.

Mr. Rees informed the Committee that there is going to be a 2023 preliminary budget presentation to the City of Toronto early September. He reminded the Committee that the next meeting of the TSHC Board is scheduled not until

September 29, 2022 and wanted to know if the Committee would consider scheduling a Board meeting in August to get an early view of the preliminary budget.

After some discussion, the Committee members agreed for a meeting of this Committee to be scheduled in June and unanimously decided that there is no requirement for an additional Board meeting in August.

**Action Item:** An additional meeting of this Committee be scheduled in June 2022.

### **ITEM 6: MOTION TO MOVE INTO CLOSED SESSION**

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*Motion*        **UPON MOTION**, duly made by Mr. Warren Law, and seconded by  
*Carried*        Mr. Lawrence D'Souza, and unanimously carried, **IT WAS**  
                         **RESOLVED THAT** the Committee move into a closed session.

### **ITEM 7-9: CLOSED SESSION**

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### **ITEM 10: ADJOURNMENT**

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The Chair thanked the Committee members and the staff for their participation at today's meeting.

*Motion*        **UPON MOTION**, duly made by Ms. Warren Law, and seconded by  
*Carried*        Mr. Lawrence D'Souza, and unanimously carried, **IT WAS**  
                         **RESOLVED THAT** the public meeting terminate.

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Lawrence D'Souza, Chair  
Audit, Finance and Risk Committee

## Finance Team Announcements

It is a great pleasure to introduce to you the inaugural Toronto Seniors Housing Corporation's (TSHC) finance team.

Vince Truong has accepted the position as Controller and will join TSHC on June 13, 2022. Vince is a CPA CGA with more than 15 years senior finance experience, most recently as Controller Corporate Services at Public Health Ontario.

Adey Asfaw has accepted the position of Corporate Accountant and comes to TSHC from Toronto Community Housing Corporation (TCHC) where she was a Property Accounting Analyst with a focus on the Seniors Housing Unit. Adey has an MBA in Finance and is a CPA finalist. She joins TSHC on June 6, 2022 and will report to Vince.

Tolu Solebo is joining TSHC on June 6, 2022 as the Manager Financial Planning and Compliance. Tolu also comes to TSHC from TCHC where he was an Accounting Manager within the Property Accounting area. Tolu is a CPA CGA and has over 15 years senior finance experience.

Helen Liu is joining TSHC on June 6, 2022 as a Senior Financial Analyst. She has an MBA and is a CPA, CMA. Helen was previously with Smart Centres REIT (Real Estate Investment Trust) where she was a financial analyst for the past nine years. Helen will report to Tolu.

Solomon Wedderburn has accepted the Manager Procurement position and will be joining TSHC on June 6, 2022. He has over 10 years experience in procurement, most recently with Infrastructure Ontario where he was Procurement Specialist. Solomon is a member of both the National Institute of Government Purchasing and the Supply Chain Management Association.

Over the next few months, the interim finance team (John Gormaly, Judy Leahy and Lou Michelutti) will be transitioning the finance activities to the inaugural team.

Please join me in welcoming Vince, Adey, Tolu, Helen and Solomon to TSHC.

Norm

**Toronto Seniors Housing Corporation  
Audit & Finance and Risk Committee  
TSHC - Financial Results through May 31, 2022**

**Item #6**

**DATE: June 27, 2022**

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**To:** Audit, Finance and Risk Committee

**From:** Norman Rees

**Date:** June 27, 2022

**INFORMATIONAL UPDATE**

**PURPOSE:**

The purpose of this report is to provide an update on TSHC current financial position through May 31, 2022.

**Financial Results through May 31, 2022**

Statement of Operations (Attachment 1)

Through May 31, 2022, TSHC incurred operating expenses of \$2,071,070. Revenue amounted to \$2,076,485, being composed of \$2,071,070 from the City of Toronto (City) and \$5,415 interest income earned on bank balances. Expenses incurred were for staff compensation, TSHC lead consultants and other third-party vendors.

Statement of Financial Position (Attachment 2)

The Statement of Financial Position shows:

1. Cash – \$1,734,653
2. Accounts Receivable - \$2,165 – May bank interest
3. Accounts payable - \$933,688
4. Deferred grant funding - \$1,102,764
5. Net assets - \$6,461

The cash balance represents the bank balance as of May 31, 2022 and is the opening balance that has been recorded on the Yardi/HoMES financial system.

The Accounts Payable balance comprises May activity that has been processed through the bank in June. The balance includes:

- Payroll and related - \$82,015
- Interim Staff and other third parties - \$361,095
- Legal - \$127,603
- Insurance - \$306,095

Accounts payable will be cleared through the Yardi/Homes financial system when the May month end financial results are loaded into the system.

## **HST**

TSHC has applied to the Canada Revenue Agency to become a 'determined municipality' thereby allowing it to be eligible for the municipal HST rebate. As the application process can be lengthy (up to 6 months) and to be conservative in the recognition of an HST rebate receivable prior to the application's approval, a 100% provision against the calculated rebate has been made. To the end May 2022, the provision amounts to \$198,869.

## **Cash Flow and 2022 Forecast**

TSHC has been working with the City of Toronto to obtain a letter of guarantee so that it can obtain a demand line of credit for general corporate purposes, including working capital requirements.

As a letter of guarantee requires City Council approval (Council will not be able to consider this item until the fall), TSHC requested and the City agreed to flow their entire current June 1 to December 31, 2022, funding to TSHC. The \$4.8 million funding was received in early June and will provide sufficient working capital funds for several months.

TSHC is in the process of updating its June 1 to December 31, 2022, forecast. The forecast will reflect the updated organization structure that is being presented at the June 30, 2022 board meeting.

## **Banking Matters**

The on-line banking system approval parameters will be updated to reflect the Board approved delegations of authority.

The following changes are being made to the on- line system:

Additions:

1. Vince Truong – Controller - Administrative rights - full access
2. Adey Asfaw – Corporate Accountant – user – limited access



3. Tolu Solebo – Manager – Financial Planning - user - limited access

Deletions:( After July 15, 2022)

1. Michael Sherar – Interim Transitional Lead and Chief Corporate Officer

Michael will also be removed as a signing officer on the Master Banking Agreement.

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Norman Rees  
Interim Financial Lead

**List of Attachments**

**ATTACHMENT 1:** Statement of Operations – May 31, 2022

**ATTACHMENT 2:** Statement of Financial Position – May 31, 2022

Toronto Seniors Housing Corporation  
Financial Statements - Statement of Operations

## Attachment 1

| STATEMENT OF OPERATIONS                | Actual Results to<br>May 31, 2022 | Budget - Jan. 1 to<br>May 31, 2022 |
|--|-----------------------------------|------------------------------------|
| <b>Revenue</b>                         |                                   |                                    |
| City of Toronto Grant                  | 2,071,070                         | 2,831,000                          |
| Interest income                        | 5,415                             |                                    |
| Total Revenue                          | 2,076,485                         | 2,831,000                          |
| <b>Expenses</b>                        |                                   |                                    |
| Salaries and Wages                     | 368,989                           | 579,833                            |
| Benefits                               | 30,844                            | 99,771                             |
| Transportation and Communication       | -                                 | 21,000                             |
| Services                               | 1,575,202                         | 2,123,396                          |
| Supplies                               | 96,035                            | 7,000                              |
| Total Expenses                         | 2,071,070                         | 2,831,000                          |
| <b>Excess of Revenue over Expenses</b> | 5,415                             | -                                  |

Toronto Seniors Housing Corporation  
 Financial Statements - Statement of Financial Position

## Attachment 2

| <b>STATEMENT OF FINANCIAL POSITION</b>    |  | Actual Results<br>May 31, 2022 |
|---|--|--------------------------------|
| <b>Assets</b>                             |  |                                |
| Cash                                      |  | 1,734,653                      |
| HST recoverable                           |  | (0)                            |
| Accounts Receivable                       |  | 2,165                          |
| Prepaid Expenses                          |  | 306,096                        |
| <b>Total Assets</b>                       |  | <u><u>2,042,914</u></u>        |
| <b>Liabilities &amp; Net Assets</b>       |  |                                |
| Accounts payable and accrued liabilities  |  | 933,688                        |
| Deferred grant funding                    |  | 1,102,764                      |
| Net assets - unrestricted                 |  | 6,461                          |
| <b>Total Liabilities &amp; Net Assets</b> |  | <u><u>2,042,914</u></u>        |

**Toronto Seniors Housing Corporation  
Audit & Finance and Risk Committee  
TSHC – Financial Update  
Item #7  
DATE: June 27, 2022**

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**To:** Audit, Finance and Risk Committee

**From:** Norman Rees

**Date:** June 27, 2022

**INFORMATIONAL UPDATE**

**PURPOSE:**

The purpose of this report is to provide an update on financial matters.

**JUNE TRANSACTIONS**

**Transactions with TCHC – June 1, 2022**

The Transition Agreement with TCHC has resulted in the following planned activity for 2022 as outlined below.

1. Rent less Operating Expenses are estimated to be \$36,726K annual and \$21,424K for fiscal 2022.
2. Service Delivery charges are estimated to be \$9,345K annual and \$5,451K for fiscal 2022.

Monthly transactions between TSHC and TCHC are based on budget or amounts as otherwise agreed to and reconciled quarterly.

The transactions are subject to HST.

For the month of June, the transactions between the two organizations were:

1. Rent less Operating Costs - \$3,094K plus HST or \$3,496.2K
2. Service Delivery Charges - \$779K plus HST or \$880.27K

The net difference in the two transactions is meant to fund SHU staffing costs.

### **Revenue from the City of Toronto**

Revenue from the City of Toronto (\$7,631K) represents the funding amount currently approved and received. TSHC will be updating its June 1 to December 31, 2022. forecast to reflect changes in organization structure (being presented at the June Board meeting) and other changes - including insurance charges.

### **Excess of Revenue over Expenses**

In accordance with the Transition Agreement, any applicable TSHC excess of revenue over expenses that remain after reconciliation with TCHC will be returned to TCHC.

### **Outstanding Matters**

A few outstanding matters remain concerning certain Operating Cost elements:

1. Employee Liabilities and post retirement benefits. TCHC is in the process of having these liabilities actuarially valued – as at May 31, 2022. Once finalized, Operating Costs, associated liabilities and funding will be finalized.
2. SHU – non payroll charges requires a review to determine nature of the costs in this area.

Toronto Seniors Housing Corporation  
Summary Operating Statement  
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| Description                                 | Final - Annual                 |               | Final - Fiscal                 |               |
|---|--------------------------------|---------------|--------------------------------|---------------|
|   | TCHC transactions<br>with TSHC | TSHC          | TCHC transactions<br>with TSHC | TSHC          |
| Revenue                                     |                                |               |                                |               |
| Rent from TCHC                              |                                |               |                                |               |
| Residential rent - RGI                      | 80,602                         |               | 47,018                         |               |
| Residential rent - Market                   | 4,410                          |               | 2,573                          |               |
| Bad Debt Expense                            | (517)                          |               | (302)                          |               |
| Subsidies                                   | 35,962                         |               | 20,978                         |               |
| Parking, Laundry and Cable Fees             | 2,511                          |               | 1,465                          |               |
| All Other                                   | 93                             |               | 54                             |               |
| Total Rent from TCHC                        | 123,061                        |               | 71,786                         |               |
| Total Operating Costs paid by TCHC          | 86,335                         |               | 50,362                         |               |
| Revenue from TCHC                           | 36,726                         | 36,726        | 21,424                         | 21,424        |
| Revenue from the City of Toronto            |                                | 7,631         |                                | 7,631         |
| <b>Total Revenue</b>                        |                                | <b>44,357</b> |                                | <b>29,055</b> |
| Operating Expenses                          |                                |               |                                |               |
| Total Operating Expenses - Service Delivery | 9,345                          | 9,345         | 5,451                          | 5,451         |
| SHU - Staffing                              | 25,227                         | 25,227        | 14,716                         | 14,716        |
| TSHC - Corporate and Start up               |                                | 7,631         |                                | 7,631         |
| <b>Total Expenses</b>                       | <b>34,572</b>                  | <b>42,203</b> | <b>20,167</b>                  | <b>27,798</b> |
| <b>Excess of Revenue over Expenses</b>      | <b>2,154</b>                   | <b>2,154</b>  | <b>1,256</b>                   | <b>1,256</b>  |

## **2023 BUDGET**

Meetings are being set up with the City of Toronto to review the 2023 budget timetable and requirements.

Additionally, meetings are being planned between the City , TCHC and TSHC as the 2023 Budget for TSHC will still involve TCHC as they will need to budget Rent and Operating Costs for TSHC buildings.

A preliminary review of 2023 budgets with the City is planned for September 26.

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Norman Rees  
Interim Financial Lead

**List of Attachments - None**