

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

AGENDA

Date: Thursday November 17th, 2022

Time: 4:00pm – 5:30pm

Location: WebEx & Livestream

Item	Time	Description	Action	Supporting Documents	Presenter
1.	4:00 5 min	Chair's Remarks	Information	NA	Lawrence D'Souza, Chair
2.	4:05 2 min	Land and African Ancestral Acknowledgements	N/A	N/A	Chair
3.	4:07 2min	Approval of Public Meeting Agenda	Approval	Agenda	Chair
4.	4:09 2min	Chair's Poll re: Conflict of Interest	Declaration	N/A	Chair
5.	4:11 1min	Approval of Minutes of AFRC meeting of Sept 20 th , 2022	Approval	Minutes of AFRC meeting of Sept 20 th , 2022	Chair
6.	4:12 1min	Approval of Closed Session Minutes of AFRC meeting of Sept 20 th , 2022	Approval	Minutes of AFRC meeting of Sept 20 th , 2022	Chair
7.	4:13 2 min	AFRC Action Items List	Information	AFRC Action Items List	Chair
8.	4:15 10min	TSHC September YTD Financial Result	Information	Statement of Operations Statement of Financial Position	Vince Truong
9.	4:25 1min	Motion to Recommend for	Information	N/A	Chair

Item	Time	Description	Action	Supporting Documents	Presenter
		Information to the Board the September 2022 Financial Statement			
10.	4:26 15min	Financial Update	Information	2022 Forecast 2022 Cash flow Projections	Vince Truong
11.	4:41 1 min	Motion to Recommend for Information to the Board the Financial Update & 2022 Forecast & Cash flow	Information	N/A	Chair
12.	4:42 5min	Insurance Renewal	Approval	HSC Insurance Invoice Excess Crime Invoice Summary Overview of TSHC Coverage	Vince Truong
13.	4:47 1 min	Motion to Approve for Information to the Board the 2022 Insurance Renewal	Approval	N/A	Chair
14.	4:48 5min	Engagement Letter	Information	Audit Engagement Letter	Vince Truong
15.	4:53 1min	Motion to Approve for Information to the Board the Engagement & Audit Timeline	Approval	N/A	Chair

Item	Time	Description	Action	Supporting Documents	Presenter
16.	4:54 1 min	Motion to move into Closed Session	Approval	N/A	Chair
17.	4:55 1 min	<i>Confidential report dealing with matters that are not required to be disclosed under the Municipal Freedom of Information and Protection of Privacy Act, including but not limited to personal matters about identifiable individuals, a proposed or pending transaction with a third party, and recommendations of proposed policy or processes</i>	Approval	Closed Session Agenda	Chair
18.	4:56 20min		Information	Written Report	Vince Truong
19.	5:16 1 min		Information	N/A	Chair
20.	5:17 10min		Information	Written Report	Vince Truong
21.	5:27 5min		Information	Written Report	Vince Truong
22.	5:32 1min		Information	N/A	Chair
23.	5:33 1min	Motion to approve Closed Session Decisions	Approval	N/A	Chair
24.	5:34	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: September 20, 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 September 20, 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), Warren Law and Fareed Amin.

TSHC staff present: Vince Truong, Grant Coffey, Liz Dizig (Recording Secretary)

ITEM 1: CHAIR'S REMARKS

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

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

Motion **UPON MOTION**, duly made by Warren Law, and seconded by Fareed
Carried Amin, **IT WAS RESOLVED THAT** the public meeting agenda, as
presented, is hereby approved.

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

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

ITEM 4: APPROVAL OF THE PUBLIC AND CLOSED MINUTES OF AFRC MEETING OF MAY 3, 2022

The Chair tabled the public minutes of the May 3, 2022 meeting and asked that they be taken as read.

Motion **UPON MOTION**, duly made Warren Law and seconded by Lawrence
Carried D'Souza **IT WAS RESOLVED THAT** the public meeting minutes of
May 3, 2022, as tabled, are hereby approved.

ITEM 5: APPROVAL OF THE PUBLIC AND CLOSED SESSION MINUTES OF AFRC MEETING OF JUNE 27, 2022

The Chair tabled the closed session minutes of the June 27, 2022 meeting and asked that they be taken as read.

Motion **UPON MOTION**, duly made Warren Law and seconded by Lawrence
Carried D'Souza, **IT WAS RESOLVED THAT** the closed session meeting
minutes of June 27, 2022, as tabled, are hereby approved.

ITEM 6: TSHC JULY YTD FINANCIAL RESULT

At the invitation of the Chair, Mr. Vince Truong provided an update and overview of the TSHC current financial position through to July 31, 2022.

It was noted from January through July 31, 2022, TSHC incurred operating expenses of \$8.543M. Revenue amounted to \$8.578M being composed of \$2.355M from the City of Toronto, \$6.188M from TCHC for TSHC's rental units, and \$35,106 interest income earned on bank balances. Expenses incurred were for staff compensation, TSHC lead consultants and other third-party vendors.

The City of Toronto revenue grant recognized at \$2.355M from a budget of \$3.584M with a positive variance year to date of \$1.229M. The positive variance is a result of lower than expected legal and professional services due to the delay in the Lease Agreement, lower payroll and benefits cost, along with reduction in software licenses, travel, conference and other non payroll related expenses.

Mr. Truong provided a quick snapshot over the first seven month results of TSHC's financial position.

Mr. Truong indicated that TCHC provided us with an overview of the June 2022 and reconciliation through a conference call. During the call they presented the first month of operation where a number of entries appeared to be missing or not as accurate or detailed as anticipated, for example net revenue, less expense paid for utilities, mortgages were lower expense base. On the other hand, charges relating to shared services showed the cost for IT services to be double the budgeted amount at this point.

TSHC is waiting for TCHC to provide full details of the reconciliation. Mr. Truong should have better information by Q3 as we will have more updated data (three months of data as opposed to one month).

ITEM 7: FINANCIAL UPDATES: 2022 FORECAST AND CASH FLOW PROJECTION; LETTER OF GUARANTEE; VARIOUS OUTSTANDING MATTERS

It was noted that TSHC is projected to finish year with surplus of \$2.48M of which \$1.491M is generated from TCHC, the amount is subject to reconciliation. The amount would have to be repaid as per the Transition Agreement. The balance of the surplus relates to underspending of the City of Toronto grant and is due to timing of recruitment and not moving forward with the Lease Agreement at this time.

It is anticipated the 2022 Cash Flow Projection starting in December, TSHC will be in a negative position assuming we are repaying \$1.5M back to TCHC. And the expected \$998 to the City for the projected underspending from the City. We anticipate a shortfall in the amount of \$1.8M. It was noted that TSHC will request for the City to provide additional funds and also request a Letter of Guarantee through City of Toronto. These are immediate asks to the City to get the applications in place.

Mr. Truong indicated the next steps were submitting form and application to the City to get items protected for us in terms of cash flow. TSHC will submit the forms to provide the Letter of Guarantee of \$2.5M for the line of credit with RBC.

Further discussion took place around the Letter of Guarantee required by RBC.

It is anticipated that TSHC will underspend remainder of 2022 as we were to have the Lease Agreement in place by January 2023, but has since been delayed.

During the discussion, the Chair requested that staff provide the following in Excel format, before the next Board meeting: 1) Budget broken down by month; 2) TCHC revenue minus the operating cost; 3) Starting point January to May (similar to the Statement of Operations) prefer to have monthly breakdown - June, July.

Mr. Truong noted he will provide the updated material and send to Committee members.

It was suggested by the Chair that going forward the Income Statement be broken into two blocks. One for the month of the period, Actual YTD / Actual Variance.

Mr. Truong agreed to send the revised format to the Chair to be sure he is comfortable with the new format.

ITEM 8: MOTION TO MOVE INTO CLOSED SESSION

Motion **UPON MOTION**, duly made by Warren Law, and seconded by
Carried Fareed Amin, and unanimously carried, **IT WAS RESOLVED THAT**
the Committee move into a closed session.

ITEM 9-13: CLOSED SESSION

ITEM 14: ADJOURNMENT

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

Motion **UPON MOTION**, duly made by Warren Law, and seconded by
Carried Fareed Amin, and unanimously carried, **IT WAS RESOLVED THAT**
the public meeting terminate.

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

TORONTO SENIOR HOUSING CORPORATION (TSHC)
Audit Finance and Risk Committee
Action Items List

	MEETING ARISING FROM	DESCRIPTION	RESP.	STATUS
1.	September 20, 2022	Request for additional reporting breakdown details be circulated to members in advance of next board meeting	Vince Truong	Updated and sent to Chair for review

**Toronto Seniors Housing Corporation
Audit, Finance and Risk Committee
TSHC - Financial Results through September 30,
2022 Item #8**

DATE: November 17, 2022

Report: AFR: 2022 XX

To: Audit, Finance and Risk Committee

From: Vince Truong

Date: November 17, 2022

INFORMATIONAL UPDATE

PURPOSE:

The purpose of this report is to provide an update on TSHC current financial position through September 30, 2022.

Financial Results through September 30, 2022

Statement of Operations (Attachment 1)

Through September 30, 2022, TSHC incurred operating expenses of \$15,309,089. Revenue amounted to \$15,309,089, composed of \$3,493,801 from the City of Toronto (City), \$11,730,662 from TCHC for TSHC's rental units (revenue less expense estimate per the Transition Agreement), and \$80,626 interest income earned on bank balances. Expenses incurred were for staff compensation and benefits, TSHC lead consultants and other third-party vendors and insurance, transportation and communication, Computer services, other miscellaneous costs and shared services paid to TCHC (per Service Delivery Agreement).

The City of Toronto revenue grant recognized at \$3,493,801 from a budget of \$5,097,576 with a positive variance year to date of \$1,603,775. The positive variance is a result of lower than expected legal and professional services due to the delay in the Lease Agreement, lower payroll and benefits cost due to a hold on hiring of the approved Corporate positions, along with reduction in software licenses, travel, conference and other non payroll related expenses.

Salaries and wages, including benefits were higher by 273K versus budget mainly due to ISM Phase 3, and overtime related to COVID cleaning.

Professional Services and Insurance were lower by 659K versus budget, mainly due to legal, consulting services, and timing of expenditure.

Revenue recognition for Corporate and Operations expenses are recognized when expenditures have incurred. The unrecognized revenue is on the Balance Sheet Account (Attachment 2) under Deferred City Grant (Corporate Expense) and Deferred Revenue from TCHC (Operations).

Statement of Financial Positions (Attachment 2) shows:

1. Cash – \$7,049,824
2. HST Recoverable - \$98,517
3. Accounts Receivable - \$25,051 – September bank interest
4. Prepaid Expenses – \$95,839 – Insurance
5. Accounts payable - \$2,290,378
6. Deferred City grant funding - \$4,335,079
7. Deferred Revenue from TCHC – \$645,338

The cash balance represents the bank balance as of September 30, 2022.

HST Recoverable is the amount to be received from the CRA for HST paid in August and September for services.

The Accounts Payable balance comprises of September activity that has been processed through the bank in October. The balance includes:

- Payroll - \$596,512
- Pension and Benefits - \$702,586
- HST Payable - \$439,948
- Interim Staff, and Seconded Employees - \$457,858

List of Attachments

ATTACHMENT 1: Statement of Operations – September 30, 2022

ATTACHMENT 2: Statement of Financial Position – September 30, 2022

Vince Truong
Interim Finance Lead

Item #8
Attachment # 1 -
Statement of
Operations – September
30, 2022

Toronto Seniors Housing Corporation
 Financial Statements - Statement of Operations

STATEMENT OF OPERATIONS	Actual - Jan. 1 to Sept 30, 2022	Budget - Jan. 1 to Sept 30, 2022
Revenue		
City of Toronto Grant	3,493,801	5,097,576
Revenue from TCHC	11,730,662	12,242,284
Interest income	80,626	5,415
Total Revenue	15,305,089	17,345,275
Expenses		
Salaries and Wages, including Benefits	9,439,717	9,160,264
Transportation and Communication	119,399	247,261
Professional Services and Insurance	2,342,505	3,001,948
Computer Software & Services	122,985	196,583
Other Miscellaneous Costs	123,353	808,869
SDA - Shared Services with TCHC	3,157,131	3,114,856
Total Expenses	15,305,089	16,529,781
Excess of Revenue over Expenses	0	815,494

Item #8
Attachment # 2 -
Statement of Financial
Position – September
30, 2022

Toronto Seniors Housing Corporation
 Financial Statements - Statement of Financial Position

STATEMENT OF FINANCIAL POSITION	Actual Results Sept 30, 2022
Assets	
Cash	7,049,824
Petty Cash	1,564
HST recoverable	98,517
Accounts Receivable	25,051
Prepaid Expenses	95,839
Total Assets	<u><u>7,270,796</u></u>
Liabilities & Net Assets	
Accounts payable and accrued liabilities	2,290,378
Deferred Grant Funding - City	4,335,079
Deferred Revenue - TCHC	645,338
Net assets - unrestricted	-
Total Liabilities & Net Assets	<u><u>7,270,796</u></u>

**Toronto Seniors Housing Corporation
Audit, Finance and Risk Committee
TSHC – Financial Update**

Item #10

DATE: November 17, 2022

Report: AFR: 2022 XX

To: Audit, Finance and Risk Committee

From: Vince Truong

Date: November 17, 2022

INFORMATIONAL UPDATE

PURPOSE:

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

2022 Forecast (Attachment 1)

TSHC is projected to finish the year with a surplus of \$1.267M of which \$1.069M is generated from TCHC (the amount is subject to reconciliation with TCHC), which has to be repaid as per the Transition Agreement. The balance of the surplus (198K) relates to the interest income earned from the City cash advance, and a small operating surplus.

Underspending of the City of Toronto Grant and is due primarily to the timing of the recruitment of the approved positions, not moving forward with a lease agreement at this time, and the interest earned on the bank account.

Revenue of \$27.3 of which \$5.5M came from the City of Toronto. The remainder \$21.6M came from TCHC/TSHC's portfolios calculation based on the estimated budget revenue less operating expenses related to the properties such as utilities, mortgages, property taxes etc.

Total expenses of \$26.1M, consisting of salaries and benefits, professional services and corporate costs, supplies, and shared services with TCHC. Included in the salaries of \$16.9M, \$15.0M is for operations, and \$1.9M is for full time corporate staff.

Total services for the year is \$3.6M, of which \$2.2M is for interim staff and consultants, \$430 for legal and audit services, \$370K for insurance, \$198K for communications and related expenditure. The remaining costs make up the balance including hiring costs, training and development, union arbitration, admin and misc. fees including conference, travel, office supplies, and other related services.

2022 Cashflow Projection (Attachment 2)

Based on the projected forecast, TSHC will have sufficient cash and working capital (working capital is defined as 2 pays) through December. Cash flow support or confirmation of a letter of guarantee is projected to be required by December 15. The major impact on cash is the estimated return of the \$1.069M surplus from TCHC. The cash position will worsen by an additional \$2.160M, if TSHC projected underspending needs to be returned to the City.

It is therefore important for City Council to consider TSHC's request for a letter of guarantee prior to December 15th.

TSHC will formally request any excess funds from the City of Toronto grant to support working capital, along with an infusion of cash in December to maintain operations.

Letter of Guarantee – City of Toronto

The City of Toronto has identified its initial requirements for TSHC to obtain a letter of guarantee. Most of those requirements have been met, with the updated cash being outstanding.

The attached cash flow report will shortly be sent to the City for their review. It indicates that TSHC will require confirmation of a \$2.5M letter of guarantee in early winter, under the following assumptions:

1. A minimum \$2.3M working capital requirements (representing 2 payrolls).
2. A repayment of \$1.069M to TCHC based on the 2022 budget and the associated commitments in the Transition Agreement.
3. Retention of the projected underspending of City of Toronto funding, amounting to approximately \$2.160M.
4. Limited expenditures on COVID-19

Q3 TCHC Reconciliation

TCHC has provided the Q3 and 4 months (June to Sept) of data to TSHC as part of the quarterly reconciliation requirement as outlined in the Transition Agreement. The reconciliation is showing a combined surplus of 2.074M for the 4 months versus budget, for both the Transition and Service Delivery Agreements.

TSHC has requested a forecast from TCHC for the remaining 3 months to provide a more accurate year end projection, and has taken additional steps to reconcile the remaining items with TCHC.

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.

McInnes Cooper, TSHC's HST Consultant, has confirmed the appointment of a CRA Representative to the account. CRA has confirmed all documentation has been received and are currently under review.

CRA has further requested 3 additional information pieces from TSHC. The information requires the City to provide additional support and clarify in 3 areas to the CRA:

1. Property Ownership - In lieu of the Operating Agreement, the CRA would like the City to outline the intention/plan in connection to the real property, that will allow TSHC to act as landlord to senior tenants.
2. Budget – The City has the oversight and final approval of TSHC's operating budget
3. RGI – TSHC to provide rent geared to income housing for seniors

The above questions have been forwarded to City staff for a formal response.

Outstanding Matter

An outstanding matter remains in TSHC operating costs in relation to Employee Liabilities and Post Retirement Benefits.

TCHC has provided the report outlining the liability amount (\$1.3M) pertaining to the employees transferred to TSHC. The proposal from TCHC was to provide an annual advance to TSHC proportional to amount received at a rate of 23.5% of 1M (or \$235K) from the City, and efforts are being made to ensure this can be finalized in the coming months.

TSHC was able to reconcile the vacation and lieu time (1.2M) for staff that were transferred to TSHC as of June 1st and is awaiting the transfer of cash.

List of Attachments

2022 Forecast (attachment 1)

2022 Cashflow Projection (attachment 2)

Vince Truong
Interim Finance Lead

Item #10
Attachment # 1 -
2022 Forecast

Toronto Seniors Housing Corporation
2022 Statement of Operations - Forecast

	Actual			Forecast					2022 Total	
	Actual (Jan. 1 to May 31, 2022)	June - Sep	Total Jan - Sep 2022	October	November	December	Oct to Dec 2022	2022 Total	2022 Budget	Variance
Revenue										
City of Toronto Grant - 2022	2,070,980	1,422,821	3,493,801	756,649	756,649	542,377	2,055,675	5,549,476	7,417,892	- 1,868,416
TCHC Revenue		12,375,995	12,375,995	3,094,000	3,094,000	3,094,000	9,282,000	21,657,995	21,423,997	233,998
Interest Income	5,415	75,211	80,626	24,000	24,000	24,000	72,000	152,626	5,415	147,211
Total Revenue	2,076,395	13,874,027	15,950,422	3,874,649	3,874,649	3,660,377	11,409,675	27,360,097	28,847,304	- 1,487,207
Expenses										
Salaries and Wages (incl Benefits)	399,743	9,039,973	9,439,717	2,287,330	2,437,319	2,740,962	7,465,611	16,905,328	16,423,121	- 482,207
Transportation and Communication	103,761	15,638	119,399	5,138	24,471	24,471	54,080	173,479	274,497	101,018
Professional Services and Insurance	1,471,441	871,064	2,342,505	149,864	227,667	377,667	755,198	3,097,702	3,809,530	711,828
Computers and Software Services	90,625	32,360	122,985	16,500	23,000	16,500	56,000	178,985	217,735	38,750
Other Miscellaneous Expenses	5,409	117,943	123,352	17,291	37,291	24,267	78,848	202,200	1,358,229	1,156,029
SDA - Shared services expense		3,157,131	3,157,131	792,710	792,710	792,710	2,378,130	5,535,261	5,450,998	- 84,263
Total Expenses	2,070,979	13,234,109	15,305,088	3,268,833	3,542,457	3,976,577	10,787,867	26,092,955	27,534,110	1,441,155
Excess of Revenue over Expenses	5,416	639,918	645,334	605,816	332,192	- 316,200	621,808	1,267,142	1,313,194	- 46,052

Item #10
Attachment # 2-
2022 Cashflow
Projection

2022 Cash flow Projection

Description	Cash Flow , \$000's								
	Actual					Forecast			Total
	Jan - May	June	July	August	September	October	November	December	
Projected Opening Cash position	479	1,735	7,324	7,424	6,816	7,050	6,688	5,350	479
Funding from City of Toronto	3,173	4,804							7,977
Interest Income	5	12	17	20	25	19	18	18	135
Revenue from TCHC	-	3,094	3,094	3,094	3,094	3,094	3,094	3,094	21,658
Total Revenue	3,657	9,645	10,435	10,538	9,935	10,163	9,800	8,462	30,249
Payroll & Benefits	- 400 -	1,087 -	1,832 -	2,661 -	1,817 -	2,487 -	2,637 -	2,991 -	15,912
Transportation & Communication	- 104 -	1 -	3 -	2 -	10 -	5 -	24 -	24 -	173
Professional Services and Insurance	- 1,322 -	441 -	389 -	193 -	229 -	150 -	930 -	144 -	3,797
Computers and Software Services	- 91	-	-	0 -	27 -	18 -	25 -	19 -	179
Other Miscellaneous Expenses	- 5 -	14 -	8 -	73 -	10 -	21 -	42 -	29 -	202
SDA (Shared Services with TCHC)	- -	779 -	779 -	793 -	793 -	793 -	793 -	793 -	5,522
Reconciliation Payment to TCHC (Surplus Estimate)								- 1,069 -	1,069
City of Toronto Grant (Surplus Estimate)								- 2,160 -	2,160
Total Expenditures	- 1,922 -	2,322 -	3,011 -	3,722 -	2,885 -	3,474 -	4,450 -	7,228 -	29,015
Projected Closing Cash balance	1,735	7,324	7,424	6,816	7,050	6,688	5,350	1,234	1,234
Minimum Working Capital Requirements - 2 pays	2,279	2,279	2,279	2,279	2,279	2,279	2,279	2,279	2,279
Cash flow required	- 544	5,045	5,145	4,537	4,771	4,409	3,071	- 1,045 -	1,045

**Toronto Seniors Housing Corporation
Audit, Finance, and Risk Committee
2022-23 Insurance Renewal**

Item #12

DATE: November 17, 2022

Report: AFR: 2022 XX

To: Audit Finance Risk Committee & Board of Directors

From: Vince Truong

Date: November 17, 2022

PURPOSE: FOR APPROVAL

RECOMMENDATION: It is recommended that the Board of Directors adopt the following resolution:

WHEREAS the insurance policy for the Corporation's buildings will expire October 31, 2022;

AND WHEREAS the Audit, Finance and Risk Committee has reviewed and compared the various insurance coverages and has recommended the Corporation renew its insurance with its current insurance provider, HSC Insurance Inc. (the "Service Provider");

AND WHEREAS the Board of Directors (the "Board") of the Corporation is required to approve expenditures above the threshold of \$500,000.

BE IT RESOLVED THAT the Board:

1. Approves the renewal of insurance with the Service Provider, effective November 1, 2022 to October 31, 2023 at an annual premium of \$613,632.05, excluding applicable taxes, a copy of such agreement is attached thereto as Attachment 1;

2. Approves the invoice of the Excess Crime insurance premium, \$37,273, attached thereto as Attachment 2;
3. Authorizes the Chief Executive Officer (or his designate) to take all actions and execute all necessary documents, on behalf of the TSHC, to implement the above recommendations.

Total for the renewal amounts to \$650,905.05, excluding applicable taxes, attached as Attachment 3.

Note: the 2nd Excess Liability (\$30M excess of \$20M) was invoiced earlier, and charge is not included in the renewal. All coverages will expire on November 1, 2023.

The insurance provider has granted an extension of payment of the invoice to November 30th, 2022.

List of Attachments

Attachment 1 – HSC Insurance Invoice

Attachment 2 – Excess Crime Invoice

Attachment 3 – Summary Overview of TSHC insurance coverage

Vince Truong
Interim Finance Lead

Item #12
Attachment #1-
HSC Insurance
Invoice



HSC Insurance Inc.
 30 Duncan Street, Suite 501
 Toronto, Ontario M5V 2C3
 Tel: 416-360-0761
 Toll Free: 1-866-440-2492

Insurance Invoice

(for the period ending November 1, 2023)

Bill To:

Toronto Seniors Housing Corporation
 432 Yonge Street
 2nd floor
 Toronto, ON M5B 1T2

For enquiries, please provide the following:

Invoice #:	INS22-35427665
Account #:	SUP9567
Billing Date:	September 27, 2022
Due Date:	October 27, 2022

Payment Options		Total Amount Due: \$662,722.61
Electronic Funds Transfer (EFT):	<p>The Bank of Nova Scotia 392 Bay Street, Toronto, ON, Canada M5H 3K5 Account Information:</p> <ul style="list-style-type: none"> • Bank Code: 002 • Transit Number: 34272 • Account Number: 0106119 <p>Please email remittance advice to finance@hscorp.ca. Ensure that remittance advice contains reference to the payment date, payment amount, invoice number, invoice date, account number and payer's contact information.</p>	
Online Banking:	<p>Available at most Canadian financial institutions</p> <p>Please select HSC Insurance Inc. as payee and reference your account number located on the top right corner of your invoice.</p>	
Credit Card:	<p>To make a payment by credit card please call Lucy Krutiansky at 437-242-5772.</p>	
Interace-Transfer (e-Mail Money Transfer):	<p>Please send the payment to finance@hscorp.ca and reference the invoice number and account number.</p>	
Financing:	<p>Annual premiums can be paid in monthly instalments if premium financing is elected through FIRST Insurance Funding of Canada. Please send your completed FIRST Insurance forms and a VOID cheque to clientservices@firstinsurancefunding.ca or mail forms to FIRST Insurance Funding of Canada, 20 Toronto St., Suite 700, Toronto, ON M5C 2B8. Note that if you have used the premium financing option in prior years, you are still required to complete and return the FIRST Insurance forms to proceed with the premium financing option. For more information, please refer to the FIRST Insurance forms or contact FIRST Insurance at 1-888-232-2238. Finance Contract to follow by separate email.</p>	
Refunds:	<p>If your invoice indicates a refund is due to you, payment will follow via EFT.</p>	
Inquiries:	<p>If you have questions regarding these payment options, please contact us at finance@hscorp.ca</p>	



HSC Insurance Inc.
 30 Duncan Street, Suite 501
 Toronto, Ontario M5V 2C3
 Tel: 416-360-0761
 Toll Free: 1-866-440-2492

Toronto Seniors Housing Corporation
 Invoice #: INS22-35427665
 Account #: INS21-SUP9567
 Billing Date: September 27, 2022

PREMIUM DETAILS

Total # of units: 13959

Effective Date	Expiry Date	Coverage Type / Description	Cost
November 1, 2022	November 1, 2023	Property	Not Insured
November 1, 2022	November 1, 2023	2 nd Excess Property	Not Insured
November 1, 2022	November 1, 2023	3 rd Excess Property	Not Insured
November 1, 2022	November 1, 2023	4 th Excess Property	Not Insured
November 1, 2022	November 1, 2023	Equipment Breakdown	Not Insured
November 1, 2022	November 1, 2023	Commercial General Liability	\$335,564.30
November 1, 2022	November 1, 2023	Umbrella Liability	\$32,126.40
November 1, 2022	November 1, 2023	Excess Umbrella Liability	\$181,174.32
November 1, 2022	November 1, 2023	Directors & Officers Liability	Not Insured
November 1, 2022	November 1, 2023	Cyber Extension	Not Insured
November 1, 2022	November 1, 2023	Excess Directors & Officers	Not Insured
November 1, 2022	November 1, 2023	Property Managers Errors & Omissions	\$29,451.10
November 1, 2022	November 1, 2023	Tenant Support Services Errors & Omissions	\$6,099.91
November 1, 2022	November 1, 2023	Crime	\$29,216.02
November 1, 2022	November 1, 2023	AD&D - Board	Not Insured
November 1, 2022	November 1, 2023	AD&D - Volunteer	Not Insured
November 1, 2022	November 1, 2023	Automobile	Not Insured
November 1, 2022	November 1, 2023)	Automobile - Client Transportation	Not Insured
November 1, 2022	November 1, 2023	Storage Tank	Not Insured



HSC Insurance Inc.
 30 Duncan Street, Suite 501
 Toronto, Ontario M5V 2C3
 Tel: 416-360-0761
 Toll Free: 1-866-440-2492

Toronto Seniors Housing Corporation
 Invoice #: INS22-35427665
 Account #: INS21-SUP9567
 Billing Date: September 27, 2022

Effective Date	Expiry Date	Coverage Type / Description	Cost
November 1, 2022	November 1, 2023	Contribution to Property Claims Trust Fund	Not Insured
November 1, 2022	November 1, 2023	Contribution to Directors & Officers Claims Trust Fund	Not Insured
November 1, 2022	November 1, 2023	Mandatory Tenant Insurance Credit	(\$0.00)
November 1, 2022	November 1, 2023	Monitoring Tenant Insurance Credit	(\$0.00)
November 1, 2022	November 1, 2023	Smart Burner Credit	(\$0.00)
November 1, 2022	November 1, 2023	Smoke Free Credit	(\$0.00)

SUMMARY

ANNUAL PREMIUM	\$613,632.05
Contribution to Directors & Officers Claims Trust Fund*	Not Insured
Contribution to Property Claims Trust Fund*	Not Insured
Total Risk Credits	(\$0.00)
SUB-TOTAL	\$613,632.05
RST on Sub-Total (not applicable on AUTO) RST - IP BN #830182945TR0002	\$49,090.56
TOTAL AMOUNT DUE	\$662,722.61

Note: Other Non-Core Coverages (if applicable) are not included in this invoice and will be billed separately at a later date.

***Please note: All contributions to the Claims Trust Funds are fully non-refundable**



HSC Insurance Inc.

30 Duncan Street, Suite 501
Toronto, Ontario M5V 2C3
Tel: 416-360-0761
Toll Free: 1-866-440-2492

Toronto Seniors Housing Corporation

Invoice #: INS22-35427665

Account #: INS21-SUP9567

Billing Date: September 27, 2022

Premium is calculated based on data provided to HSC Insurance Inc. through Marsh Canada Limited. Amounts may differ from your original quote if coverage, limits, deductibles, or information provided to Marsh Canada Limited were changed following the generation of the original quote.

By making any payment on account of this invoice, you confirm your consent to Housing Services Corporation and HSC Insurance Inc.'s privacy terms as described in the most recent Transparency and Privacy Compliance Consent Form provided to you in connection with the HSC Group Insurance Program.

Any balance not paid by the due date will be subject to a late payment charge of 2% per month compounded monthly until paid in full. Unpaid accounts are subject to cancellation of insurance. For more information, please call (416) 360-0761, ext. 0 or 1-866-440-2492, ext. 0. You may also email us at finance@hscorp.ca.

At Marsh, we hold ourselves to the highest professional standards and are committed to ensuring our customers are treated fairly. Visit our website at www.marsh.ca to learn more about how we comply with our industry's codes of

Item #12
Attachment #2-
Excess Crime
Invoice

more information. For further payment methods, please contact us at finance@hscorp.ca.

Premium is calculated based on data provided to HSC Insurance Inc. through Marsh Canada Limited. Amounts may differ from your original quote if coverage, limits, deductibles, or information provided to Marsh Canada Limited were changed following the generation of the original quote.

By making any payment on account of this invoice, you confirm your consent to Housing Services Corporation and HSC Insurance Inc.'s privacy terms as described in the most recent Transparency and Privacy Compliance Consent Form provided to you in connection with the HSC Group Insurance Program.

Any balance not paid by the due date will be subject to a late payment charge of 2% per month compounded monthly until paid in full. Unpaid accounts are subject to cancellation of insurance. For more information, please call (416) 360-0761, ext. 0 or 1-866-440-2492, ext. 0. You may also email us at finance@hscorp.ca.

Item #12
Attachment #3-
Summary Overview of
TSHC insurance coverage



Toronto Seniors Housing Corporation

November 1, 2022 Renewal Annual Premium Breakdown and Year Over Year Comparison

Based on existing structure (Limits & Deductibles)

Coverage	Limits	June 1, 2022	Nov 1, 2022	Nov 1, 2021	Nov 1, 2022	Nov 1, 2022- Nov 1, 2023	Change	Comments / Options	
		135 days out of 365 (pro rated premium)		Based on 365 days for the purpose of annual comparison		365 days			
Total Insurable Values			N/A		N/A		N/A		
Number of Units			13,959		13,959		13,959	0%	
General Liability (incl Abuse)	\$2M		124,994.32		298,189.06		335,564.30	13%	
Abuse Liability	\$2M		Included in CGL Premium		Included in CGL Premium		Included in CGL Premium		
Crime Insurance	\$250,000		10,742.73		25,628.08		29,216.02	14%	
Tenant Support E&O	\$2M		2,318.17		5,530.27		6,099.91	10%	
Property Managers E&O	\$2M		10,735.00		25,609.64		29,451.10	15%	
Umbrella Liability	\$3M excess of \$2M		12,232.43		29,181.94		32,126.40	10%	
1st Excess Liability	\$15M excess of \$5M		50,015.89		119,318.95		181,174.32	52%	
Non Core Coverages									
2nd Excess Liability June 1, 2022 - Nov 1, 2023	\$30M excess of \$20M				56,765.58			0%	June 1, 2022 - Nov 1, 2023, Value shown on annual 21-22 term which carries over to 22-23 term
Excess Crime	\$5M excess of \$100k		15,618.00		37,258.63		37,273.00	0%	
Overall Insurance Premium		\$	226,656.54	\$	597,482.16	\$	650,905.05	9%	

**Toronto Seniors Housing Corporation Audit,
Finance, and Risk Committee 2022 Audit
Engagement & Audit Timeline**

Item # 14

DATE: November 17, 2022

Report: AFR: 2022 XX

To: Audit Finance Risk Committee

From: Vince Truong

Date: November 17, 2022

PURPOSE: FOR APPROVAL

RECOMMENDATION: It is recommended that the Board of Directors adopt the following resolution:

BE IT RESOLVED THAT the Board Chair sign the Audit Engagement Letter from KPMG, and the audit fees associated with the engagement.

BACKGROUND: The 2022 Audit is scheduled for February 21st, 2023. It is expected to take one to one and a half week to complete. KPMG is the assigned auditor for TCHC, and TSHC received audit service in 2021 from KPMG.

List of Attachments

Attachment 1 – Audit Engagement Letter and Supporting Document from KPMG.

Vince Truong
Interim Finance Lead

Item #14
Attachment #1-
Audit Engagement Letter
and Supporting Document
from KPMG.



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone (905) 265-5900
Telefax (905) 265-6390

Mr. Fareed Amin
Chair, Board of Directors
Toronto Seniors Housing Corporation
423 Yonge St., 2nd Floor
Toronto, ON M5B 1T2

November 9, 2022

Dear Mr. Amin,

The purpose of this letter is to outline the terms of our engagement to audit the consolidated annual financial statements (“financial statements” or “annual financial statements”) of The Toronto Senior Housing Corporation (“the Entity”); commencing for the year ending December 31, 2022, all as further outlined in this letter.

This letter supersedes our previous letter to the Entity dated June 8, 2021.

The terms of the engagement outlined in this letter will continue in effect from period to period, unless amended or terminated or renewed in writing as set out elsewhere in this Engagement Letter (as defined below).

The attached Terms and Conditions, City of Toronto Supplementary Terms and Conditions and any exhibits, attachments and appendices hereto and subsequent amendments form an integral part of the terms of this engagement and are incorporated herein by reference (collectively the “Engagement Letter”).

Priority of Documents:

In the event of any conflict or disagreement between the various documents or any omissions contained in the documents making up this Engagement Letter, the documents shall govern in the following order of precedence:

KPMG LLP is a Canadian limited liability partnership and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. KPMG Canada provides services to KPMG LLP



- (a) A written amendment to this Engagement Letter in accordance with the terms hereof, the amendment bearing the later date having priority (if any);
- (b) This Engagement Letter including Addenda;
- (c) Appendix B – City of Toronto Supplementary Conditions;
- (d) Addenda A – KPMG Terms and Conditions for Assurance Engagements;
- (e) Clarification Letters (if any); and
- (f) KPMGs Proposal and Addenda.

The foregoing documents are incorporated into and form part of this Engagement Letter, even if they are not physically attached hereto. The Auditor acknowledges receipt of all such documents.

The annual financial statements will include an adequate description of the financial reporting framework. Relevant financial frameworks include:

- Canadian public sector accounting standards (“PSAB”)
- Accounting framework outlined in the Annual Report Technical Instructions and Guidelines



Part I - Audit Engagements

The audit engagements include:

	Entity	Consolidated/ Standalone	Framework
1	The Toronto Senior Housing Corporation (the "Entity")	Standalone	PSAB

Management's Responsibilities – Audit engagements

An audit does not relieve management or those charged with governance of their responsibilities.

Management acknowledges and understands that they are responsible for:

- (a) the preparation and fair presentation of the financial statements in accordance with the financial reporting framework referred to above.
- (b) providing us with all information of which management is aware that is relevant to the preparation of the financial statements ("relevant information") such as financial records, and related documentation required in order for the auditor to express an opinion on the fair presentation of the financial statements, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors, and committees of the board of directors that may affect the financial statements. All significant actions are to be included in such summaries.
- (c) providing us with reasonable access to such relevant information.
- (d) providing us with complete responses to all enquiries made by us during the engagement.
- (e) providing us with additional information that we may request from management for the purpose of the engagement.
- (f) providing us with unrestricted access to persons within the Entity from whom we determine it necessary to obtain evidence.
- (g) such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management also acknowledges and understands that they are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- (h) ensuring that all transactions have been recorded and are reflected in the financial statements.
- (i) ensuring that internal auditors providing direct assistance to us, if any, will be instructed to follow our instructions and that management, and others within the entity, will not intervene in the work the internal auditors perform for us.



- (j) providing us with written representations required to be obtained under professional standards and written representations that we determine are necessary. Management also acknowledges and understands that, as required by professional standards, we may disclaim an audit opinion when management does not provide certain written representations required.

Auditor's Responsibilities – Audit engagements

If management does not fulfill execute the responsibilities above, we cannot complete our audit. Our function as auditors of the Entity is:

- to report on the annual financial statements
- to express an opinion on whether the Entity's annual financial statements, prepared by management with the oversight of those charged with governance, are, in all material respects, in accordance with the financial reporting framework referred to above

We will conduct the audit of the Entity's annual financial statements in accordance with Canadian generally accepted auditing standards and relevant ethical requirements, including those pertaining to independence (hereinafter referred to as applicable "professional standards").

We will plan and perform the audit to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error. Accordingly, we will, among other things:

- identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the Entity and its environment, including the Entity's internal control. In making those risk assessments, we consider internal control relevant to the Entity's preparation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control
- obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks
- form an opinion on the Entity's annual financial statements based on conclusions drawn from the audit evidence obtained
- communicate matters required by professional standards, to the extent that such matters come to our attention, to the appropriate level of management, those charged with governance and/or the board of directors. The form (oral or in writing) and the timing will depend on the importance of the matter and the requirements under professional standards.

Auditor's Deliverables

The auditors' report(s) will be in writing and the expected content of our auditors' report(s) is provided below and in accordance with Canadian Audit Standards. However, in the event our report may differ from its expected form and content provided in this Engagement Letter, KPMG shall notify and discuss with management in advance.



In addition, if we become aware of information that relates to the financial statements after we have issued our audit report, but which was not known to us at the date of our audit report, and which is of such a nature and from such a source that we would have investigated that information had it come to our attention during the course of our audit, we will, as soon as practicable: (1) communicate such an occurrence to those charged with governance; and (2) undertake an investigation to determine whether the information is reliable and whether the facts existed at the date of our audit report. Further, management agrees that in conducting that investigation, we will have the full cooperation of the Entity's personnel. If the subsequently discovered information is found to be of such a nature that: (a) our audit report would have been affected if the information had been known as of the date of our audit report; and (b) we believe that the audit report may have been distributed to someone who would attach importance to the information, appropriate steps will be taken by KPMG, and appropriate steps will also be taken by the Entity, to advise of the newly discovered facts and the impact to the financial statements.



Expected Form of Report – Audit engagements

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Toronto Senior Housing Corporation

Opinion

We have audited the financial statements of The Toronto Senior Housing Corporation (the “Entity”), which comprise:

- the statement of financial position as of December 31, 2022;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended;
- and notes to the financial statements, including a summary of significant accounting policies;

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2022 and its results of operations, net debt and cash flows for the period then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “Auditors’ Responsibilities for the Audit of the Financial Statements” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants, Licensed Public Accountants
Vaughan, Canada

Date



Additional Responsibilities regarding “Other Information”

“Other information” is defined in professional standards to be the financial or non-financial information (other than the financial statements and the auditors’ report thereon) included in the “annual report”. An “annual report” is defined in professional standards to comprise a document or combination of documents. Professional standards also indicate that:

- an annual report is prepared typically on an annual basis in accordance with law, regulation or custom (i.e., is reoccurring)
- an annual report contains or accompanies the financial statements and the auditors’ report thereon
- an annual report’s purpose is to provide owners (or similar stakeholders) with information on the Entity’s:
 - operations; and/or
 - financial results and financial position as set out in the financial statements.

Based on discussions with management, the following are expected to meet the definition of an “annual report” under professional standards:

- The document likely to be entitled “Annual Report”

Management agrees, when possible, to provide us with the final versions of the document(s) comprising the “annual report” prior to the date of our auditors’ report on the financial statements. If that timing is not possible, management agrees to provide us with the final versions of the document(s) comprising the “annual report” prior to the entity’s issuance so that we can complete our responsibilities required under professional standards.

Management is responsible for the “other information”. Our responsibility is to read the “other information” and, in doing so, consider whether such information is materially inconsistent with:

- the financial statements; or
- our knowledge obtained in the audit.

Our responsibility is also to remain alert for indications that the “other information” appears to be materially misstated.

Our auditors’ report on the financial statements, when applicable under professional standards, will contain a separate section where we will report on this “other information”.



Part 2 – Other assurance or non-assurance engagements

These engagements include:

	Entity	Nature	Framework
1	Annual Reconciliation Reports (“ARR”) for the Toronto Senior Housing Corporation	Audit of other historical financial information	Annual Report Technical Instructions and Guidelines

Financial Reporting Framework for the Other Historical Financial Information

The other historical financial information will be prepared and presented in accordance with the financial reporting provisions of relevant sections of regulation or legislation or the financial reporting provisions of the underlying agreements or contracts for each audit noted above. The financial reporting framework is described in Note 1 to the other historical financial information.

Management asserts that the other historical financial information will include an adequate description of:

- the financial reporting framework (sometimes referred to as basis of accounting)
- the purpose of such other historical financial information. The purpose of this other historical financial information is for the Entity to meet its obligation to a specific party noted in the underlying agreement, regulation, legislation or contract as defined in Note 1 to the other historical financial information.

The Entity may not distribute our auditors’ report on the other historical financial information without our written consent. We hereby consent to the Entity distributing our auditors’ report to only the addressee(s) noted in our report.

Management's Responsibilities - Other Historical Financial Information

An audit does not relieve management or those charged with governance of their responsibilities.

Management acknowledges and understands that they are responsible for:

- (a) the preparation and presentation of the other historical financial information in accordance with the financial reporting framework referred to above.
- (b) providing us with all information of which management is aware that is relevant to the preparation of the other historical financial information (“relevant information”) such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors, and committees of the board of directors that may affect the other historical financial information. All significant actions are to be included in such summaries
- (c) providing us with reasonable access to such relevant information.



- (d) providing us with complete responses to all enquiries made by us during the engagement.
- (e) providing us with additional information that we may request from management for the purpose of the engagement.
- (f) providing us with unrestricted access to persons within the Entity from whom we determine it necessary to obtain evidence.
- (g) such internal control as management determines is necessary to enable the preparation of other historical financial information that is free from material misstatement, whether due to fraud or error. Management also acknowledges and understands that they are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- (h) ensuring that all transactions have been recorded and are reflected in the other historical financial information.
- (i) ensuring that internal auditors providing direct assistance to us, if any, will be instructed to follow our instructions and that management, and others within the entity, will not intervene in the work the internal auditors perform for us.
- (j) determining that the basis of accounting is an acceptable basis for the preparation of the other historical financial information in the circumstances and informing us of all steps taken to determine that the applicable financial reporting framework is acceptable in the circumstances.
- (k) providing us with written representations required to be obtained under professional standards and written representations that we determine are necessary. Management also acknowledges and understands that, as required by professional standards, we may disclaim an audit opinion when management does not provide certain written representations required.

Auditor's Responsibilities - Other Historical Financial Information

If management does not fulfill the responsibilities above, we cannot complete our audit. Our function is:

- to report on the other historical financial information.
- to express an opinion on whether the Entity's other historical financial information is prepared, in all material respects, in accordance with the financial reporting framework referred to above; and

We will conduct the audit of the Entity's other historical financial information in accordance with Canadian generally accepted auditing standards and relevant ethical requirements, including those pertaining to independence (hereinafter referred to as applicable "professional standards").

We will plan and perform the audit to obtain reasonable assurance about whether the other historical financial information as a whole is free from material misstatement, whether due to fraud or error.

Accordingly, we will, among other things:

- identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the Entity and its environment, including the Entity's internal control. In making those risk assessments, we consider internal control relevant to the Entity's preparation of the other historical financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks.
- form an opinion on the other historical financial information based on conclusions drawn from the audit evidence obtained



- communicate matters required by professional standards, to the extent that such matters come to our attention, to the appropriate level of management, those charged with governance and/or the board of directors. The form (oral or in writing) and the timing will depend on the importance of the matter and the requirements under professional standards.

Auditor's Deliverables – Other Historical Financial Information

The auditors' report(s) will be in writing and in accordance with Canadian Audit Standards and/or other form as prescribed by inter-governmental program or funding requirements. An example of a report is attached. The parties acknowledge that the auditors' audit and reporting requirements may depend on inter-governmental program or funding requirements for the entity which may change from time to time. We will notify management in advance of any upcoming changes required to reporting, due to changes in government requirements.

In addition, if we become aware of information that relates to the other historical financial information after we have issued our audit report, but which was not known to us at the date of our audit report, and which is of such a nature and from such a source that we would have investigated that information had it come to our attention during the course of our audit, we will, as soon as practicable: (1) communicate such an occurrence to those charged with governance; and (2) undertake an investigation to determine whether the information is reliable and whether the facts existed at the date of our audit report.

Further, management agrees that in conducting that investigation, we will have the full cooperation of the Entity's personnel. If the subsequently discovered information is found to be of such a nature that: (a) our audit report would have been affected if the information had been known as of the date of our audit report; and (b) we believe that the audit report may have been distributed to someone who would attach importance to the information, appropriate steps will be taken by KPMG, and appropriate steps will also be taken by the Entity, to advise of the newly discovered facts and the impact to the other historical financial information.



Example Form of Report – Other Historical Financial Information – Annual Reconciliation Return

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Toronto Seniors Housing Corporation

Opinion

We have audited the financial information contained in the Annual Reconciliation Report of The Senior Housing Corporation (the Entity) for the year ended December 31, 2022 and notes to the financial information, including a summary of significant accounting policies (hereinafter referred to as the “financial information”).

In our opinion, the accompanying financial information for the year ended December 31, 2022 of the Entity is prepared, in all material respects, in accordance with the financial reporting provisions of the 2022 Annual Report Technical Instructions and Guidelines issued by the City of Toronto.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Information***” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial information in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 1 in the schedule, which describes the applicable financial reporting framework.

The schedule is prepared to assist the Entity to meet the requirements of the reporting requirements of Ministry of Health.

As a result, the schedule may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Other Matter – Restriction on Use

Our report is intended solely for The Toronto Senior Housing Corporation and the Ministry of Health and should not be used by other parties.



Responsibilities of Management and Those Charged with Governance for the Financial Information

Management is responsible for the preparation of the financial information in accordance with the financial reporting provisions of the 2022 Annual Report Technical Instructions and Guidelines issued by the Ontario Ministry of Health, and for such internal control as management determines is necessary to enable the preparation of a financial information that is free from material misstatement, whether due to fraud or error.

In preparing the financial information, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial information.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

Date



Fees

The Entity and KPMG agree to fees of \$15,000 for the audit engagements related to year ending December 31, 2022.

We are available to provide a wide range of services beyond those outlined above. Additional services will be billed at the hourly rates for optional/additional services outlined in the RFP and are subject to the same Terms and Conditions outlined in this Engagement Letter.

We are proud to provide you with the services outlined above and we appreciate your confidence in our work. We shall be pleased to discuss this letter with you at any time. If the arrangements and terms are acceptable, please sign the duplicate of this letter in the space provided and return it to us.

Yours very truly,

Kevin Travers 416 228 7004

Partner, responsible for the engagement and its performance, and for the report that is issued on behalf of KPMG LLP, and who, where required, has the appropriate authority from a professional, legal or regulatory body.



The terms of the engagement set out are as agreed:

Mr. Fareed Amin

Chair, Board of Directors, Toronto Senior Housing Corporation



Appendix – COVID-19 Rider

1. During the engagement, each party shall keep the other party reasonably informed of any events which:
 - i. relate to the notifying party and the COVID-19 situation;
 - ii. are not existing or reasonably foreseeable at the date of this agreement; and
 - iii. will materially and adversely affect the notifying party's ability to perform its obligations under the engagement.

2. Each party will implement mitigation measures to enable the Services to be performed so far as reasonably practicable in the circumstances, including:
 - i. reducing travel (particularly international travel) and in-person meetings to the minimum necessary level;
 - ii. at the party's premises, implementing such infection control procedures as are recommended or required by official bodies in the applicable location;
 - iii. implementing internal corporate policies which permit and encourage individual remote working, and technical systems to enable individual remote working; and
 - iv. implementing telepresence, audio conference, videoconference, and other systems for collaborative working.

3. If, as a result of the global COVID-19 virus situation, performance by a party of its obligations under the engagement are rendered impossible or impracticable, the time for performance of such obligations shall be extended by such period as is reasonable in the circumstances, PROVIDED THAT the party in question is complying, and continues to comply, with its obligations pursuant to paragraphs 1 and 2 above.

AGREEMENT TERMS AND CONDITIONS

Note to Agreement Terms and Conditions:

The terms set out in this Part 4 – Agreement Terms and Conditions shall be incorporated in any Agreement entered into with the recommended Proponent substantially in the form as presented in this Part 4 – Agreement Terms and Conditions. These terms are mandatory and are not negotiable. Any Proponent wishing to request that the City consider any changes to the terms and conditions set out in Part 4 – Agreement Terms and Conditions must follow the process outlined in section 5 of Part 3 – RFP Process Terms and Conditions.

1. Compliance with Laws

The Vendor will be required to comply, at its sole expense, with all federal, provincial and municipal laws, rules and regulations (including, without limitation, the City's Fair Wage and other policies or by-laws applicable to the City's vendors, the Ontario Fire Code, the Ontario Employment Standards Act, the Ontario Human Rights Code, the Ontario Labour Relations Act, the Workplace Safety and Insurance Act, the Income Tax Act and Occupational Health and Safety requirements) in relation to the provision of any Services, including the obtaining of all necessary permits and licences, and shall submit proof of such compliance to the City, upon request, and the Vendor shall indemnify and save the City harmless from any liability or cost suffered by it as a result of the vendor's failure to comply with this provision.

2. Non-Exclusivity

The awarding of an Agreement to a Vendor shall not be a guarantee of exclusivity.

3. Confidentiality

The Vendor shall treat as confidential City Confidential Information and all information of any kind which comes to the attention of the Vendor in the course of carrying out the Services and shall not disseminate such information for any reason without the express written permission of the City or otherwise in accordance with MFIPPA or other applicable privacy law. The Vendor will be required to enter into a Non-Disclosure Declaration (NDD) and may be required to enter into a detailed confidentiality and conflict of interest agreement in a form satisfactory to the City Solicitor.

4. Conflict of Interest

The Vendor shall: (a) avoid any Conflict of Interest in the performance of its contractual obligations; (b) disclose to the City without delay any actual or potential Conflict of Interest that arises during the performance of its contractual obligations; and (c) comply with any requirements prescribed by the City to resolve any Conflict of Interest. In addition to all other contractual rights or rights available at law or in equity, the City may immediately terminate the Contract upon giving notice to the Vendor where: (a) the Vendor fails to disclose an actual or potential Conflict of Interest; (b) the Vendor fails to comply with any requirements prescribed by the City to resolve or manage a Conflict of Interest; or (c) the Vendor's Conflict of Interest cannot be resolved to the City's reasonable satisfaction.

5. Indemnities

The Vendor shall indemnify and save harmless the City), its Mayor, Members of Council, officers, employees, representatives, agents, successors and assigns from and against any losses, liens, charges, claims, demands, suits, proceedings, recoveries and judgements (including legal fees and costs) arising from or related to the Vendor's performance or non-performance of its obligations, and including breach of any confidentiality obligations under this Agreement.

Upon assuming the defence of any action covered under this section the Vendor shall keep City of Toronto reasonably informed of the status of the matter, and the Vendor shall make no admission of liability or fault on City of Toronto's part without City of Toronto's written permission.

6. Intellectual Property Indemnity

The Vendor shall indemnify and save harmless the City, its Mayor, Members of Council, officers, employees, representatives, agents, successors and assigns from and against any losses, liens, charges, claims, demands, suits, proceedings, recoveries and judgements (including legal fees and costs) arising from infringement, actual or alleged, by the Proposal, its use or misuse, or by any of the deliverables developed or provided or supplied under or used in connection with the Services (including the provision of the Services themselves), of any Canadian, American or other copyright, moral right, trade-mark, patent, trade secret or other thing with respect to which a right in the nature of intellectual/industrial property exists.

7. Employment & WSIB Indemnity

Nothing under this Agreement shall render the City responsible for any employment, benefit or termination liability (including those under or in connection with the Workplace Safety and Insurance Act, 1997 or any successor legislation ("WSIA"), whether statutorily required, at common law or otherwise, resulting from Services supplied under this Agreement by persons employed or otherwise engaged by the Vendor. In the event that employment related costs, or other related responsibility falls to the City for any reason whatsoever, the Vendor agrees to indemnify the City for such costs.

8. No Assignment

The Vendor shall not assign any part of the project that may be awarded to it under the Agreement without the prior written consent of the City, which consent shall not be unreasonably withheld. However, such written consent shall not under any circumstances relieve the Vendor of its liabilities and obligations under this RFP and the Agreement.

9. Subcontractors

The Vendor shall be prohibited from employing subcontractors for the purpose of carrying out its obligations under this Agreement.

10. Personnel and Performance

The Vendor shall make available appropriately skilled workers, and must be able to provide the necessary materials, tools, machinery and supplies to carry out the project.

The Vendor shall be responsible for its own staff resources.

The Vendor shall ensure that its personnel, when using any City buildings, premises, equipment, hardware or software shall comply with all security policies, regulations or directives relating to those buildings, premises, equipment, hardware or software.

Personnel assigned by the Vendor to perform or produce the Services or any part of it, (including those of approved subcontractors) may, in the sole discretion of the City, be required to sign non-disclosure Agreement(s) satisfactory to the City before being permitted to perform such services.

11. Independent Contractor

The Vendor and the City agree and acknowledge that the relationship between the City and the Vendor is one of owner and independent contractor and not one of employer-employee. Neither is there any intention to create a partnership, joint venture or joint enterprise between the Vendor and the City.

12. Insurance

The successful vendor agrees to purchase and maintain in force, at its own expense and for the duration of the services, the following policies of insurance, which policies shall be in a form and with an insurer acceptable to the City. A certificate evidencing these policies signed by the insurer or an authorized agent of the insurer must be delivered to the City prior to the commencement of services:

1. Commercial General Liability provided that the policy:
 - (i) is in the amount of not less than Two Million Dollars (\$2,000,000.00), per occurrence;
 - (ii) adds the City of Toronto as an additional insured;
 - (iii) includes Non Owned Automobile Liability, Employer's Liability and/or Contingent Employer's Liability, and any other provision relevant to the services;
 - (iv) includes a clause which will provide the City with thirty (30) days' prior written notice of cancellation (15 days if cancellation is due to non payment of premium).
2. Professional Liability (errors and omissions) coverage provided that the policy:
 - (i) is in the amount of not less than One Million Dollars (\$1,000,000);
 - (ii) will extend to infringement of copyright and other intellectual property, including misuse of trade secrets, if appropriate.

Notwithstanding anything to the contrary contained in this Agreement, kept in full force and effect for a period of time ending no sooner than TWO YEARS after the termination or expiry of this Agreement, as the case may be.

3. Automobile Liability insurance with a minimum limit of One Million Dollars (\$1,000,000) for all owned or leased licensed motorized vehicles used in the performance of services.

It is understood and agreed that the coverage and limits of liability noted above are not to be construed as the limit of liability of the vendor in the performance of services. It is also agreed that the above insurance policies may be subject to reasonable deductible amounts, which deductible amounts shall be borne by the vendor. At the expiry of the policies of insurance, original signed Certificates evidencing renewal will be provided to the City without notice or demand.

The successful vendor is responsible for any loss or damage whatsoever to any of its materials, goods, equipment or supplies and will maintain appropriate all-risk coverage as any prudent owner of such materials, goods, supplies and equipment. The successful vendor shall have no claim against the City or the City's insurers for any damage or loss to its property and shall require its property insurers to waive any right of subrogation against the City.

13. Warranties and Covenants

The Vendor represents, warrants and covenants to the City (and acknowledges that the City is relying thereon) that any deliverable resulting from or to be supplied or developed under the Agreement will be in accordance with the City's functional and technical requirements (as set out in the RFP) and, if applicable, will function or otherwise perform in accordance with such requirements.

14. Third Party Software

Where the City is in possession of software containing or constituting confidential proprietary information belonging to third parties, the Vendor shall not, except in the usual incidental manner genuinely necessary for the intended use of such software on the equipment of the City,

- (a) analyze, copy, decompile, disassemble, translate, convert, reverse engineer or duplicate any physical embodiment or part thereof, or permit any person to do so; or
- (b) divulge to any unauthorized person the ideas, concepts or techniques, or make any other improper use, of such software.

The Vendor shall fully defend, save harmless and indemnify the City from and against any loss or damages suffered by the City as a result of any failure by the Vendor, its officers, directors, partners, contract personnel, agents and employees or any of them to comply with the provisions hereof.

Should the Vendor include third party components within the Solution, the Vendor must secure the rights to use and repackage third party components and pass on those rights to the City without additional charges.

15. Ownership of Intellectual Property and Deliverables

The City will own all intellectual property rights, including (without limitation) copyright, in and to all deliverables provided by the Vendor. All information, data, plans, specifications, reports, estimates, summaries, photographs and all other documentation prepared by the Vendor in the performance of the Services under the Agreement, whether they be in draft or final format, shall be the exclusive property of the City. Notwithstanding the foregoing, the Vendor will have ownership and the right to retain all working papers, files and other materials that it creates and that form the basis for the representations made in the auditor's report, in accordance with generally accepted Canadian auditing standards, as established by the Chartered Professional

Accountants Canada. The Vendor shall provide the City with copies of any working paper upon request.

16. Payment Schedule

A payment schedule satisfactory to the City shall form part of the Agreement.

No fees or reimbursable expenses shall become payable to the Vendor pursuant to the Agreement other than pursuant to one or more signed schedules.

The Vendor shall submit invoices in such detail as may be required by the City, and the City reserves the right to require further proof or documentation from the Vendor in respect of services performed or expenses incurred by the Vendor and the Vendor shall provide, without delay, such further proof or documentation. If the City does not approve of the Services which are the subject of the invoice, the City shall advise the Vendor in writing of the reasons for non-approval and the Vendor shall remedy the problem at no additional cost to the City before the City shall be obliged to pay the invoice or any part of it, as the case may be.

The Vendor shall be solely responsible for the payment of all personnel costs including statutory and otherwise (including without limitation subcontractors and suppliers and their respective personnel) made available by it and used for performance of any of the Services.

17. Termination Provisions

Upon giving the Vendor not less than thirty (30) days' prior written notice, the City may, at any time and without cause, cancel the Agreement, in whole or in part. In the event of such cancellation, the City shall not incur any liability to the Vendor apart from the payment for the goods, material, articles, equipment, work or services that have been satisfactorily delivered or performed by the Vendor at the time of cancellation. If at any time during the term of the Agreement it is determined by the Vendor, in its sole discretion, that there may be an actual or potential breach by Vendor of applicable professional standards, Vendor may terminate the Agreement, without liability, immediately on notice to City.

Failure of the Vendor to perform its obligations under the Agreement shall entitle the City to terminate the Agreement upon ten (10) calendar days' written notice to the Vendor if a breach which is remediable is not rectified in that time, or such longer period of time, if agreed to in writing by the City. In the event of such termination, the City shall not incur any liability to the Vendor apart from the payment for the goods, material, articles, equipment, work or services that have been satisfactorily delivered or performed by the Vendor at the time of termination.

All rights and remedies of the City for any breach of the Vendor's obligations under the Agreement shall be cumulative and not exclusive or mutually exclusive alternatives and may be exercised singularly, jointly or in combination and shall not be deemed to be in exclusion of any other rights or remedies available to the City under the Agreement or otherwise at law.

No delay or omission by the City in exercising any right or remedy shall operate as a waiver of them or of any other right or remedy, and no single or partial exercise of a right or remedy shall preclude any other or further exercise of them or the exercise of any other right or remedy.

Upon termination, all originals and copies of data, plans, specifications, reports, estimates, summaries, photographs, and other documents that have been accumulated and/or prepared by the Vendor in performance of the Agreement shall be delivered to the City in a clean and readable format. For the purpose of documentation required to be retained by the Vendor in accordance

with generally accepted auditing standards established by the Chartered Professional Accountants Canada, the Vendor may retain original documents but shall provide copies of all such original documents to the City.

18. Right to Audit

The City may audit all financial and related records associated with the terms of the Agreement including timesheets, reimbursable out of pocket expenses, materials, goods, and equipment claimed by the Vendor. The Vendor shall at all times during the term of the contract, and for a period of 10 years following completion of the Agreement, keep and maintain records of the Work performed pursuant to this Agreement. This shall include proper records of invoices, vouchers, timesheets, and other documents that support actions taken by the Vendor. The Vendor shall at his own expense make such records available for inspection and audit by the City at all reasonable times.

19. Liquidated Damages

If the Vendor at any time fails to supply all goods or services to the City as specified within the Agreement, or fails to replace goods or services rejected by the City, then the City shall be permitted to procure such goods or services elsewhere and charge any additional costs incurred by the City to the Vendor as liquidated damages, unless otherwise specified, and deduct such amounts from payments due to the Vendor or to otherwise collect such costs from the vendor by any other method permitted by law.

20. Right to Retain Monies

The City shall have the right to retain out of monies payable to the Vendor under the Agreement the total amount outstanding from time to time of all claims arising out of the default of the Vendor of its obligations to the City. This shall include claims pursuant to this or any other contract or cause of action between the Vendor and the City which have not been settled between the City, and the Vendor.

21. Occupational Health and Safety

- a. The Vendor shall comply with all federal, provincial or municipal occupational health and safety legislative requirements, including, and without limitation, the *Occupational Health and Safety Act*, R.S.O., 1990 c.0.1 and all regulations thereunder, as amended from time to time (collectively the "OHSA").
- b. Nothing in this section shall be construed as making the City the "employer" (as defined in the OHSA) of any workers employed or engaged by the Vendor for the Services, either instead of or jointly with the Vendor.
- c. The Vendor agrees that it will ensure that all subcontractors engaged by it are qualified to perform the Services and that the employees of subcontractors are trained in the health and safety hazards expected to be encountered in the Services.
- d. The Vendor acknowledges and represents that:

- i. The workers employed to carry out the Services have been provided with training in the hazards of the Services to be performed and possess the knowledge and skills to allow them to work safely;
 - ii. The Vendor has provided, and will provide during the course of the agreement, all necessary personal protective equipment for the protection of workers;
 - iii. The Vendor's supervisory employees are competent, as defined in the OHSA, and will carry out their duties in a diligent and responsible manner with due consideration for the health and safety of workers;
 - iv. The Vendor has in place an occupational health and safety, workplace violence and workplace harassment policies in accordance with the OHSA; and
 - v. The Vendor has a process in place to ensure that health and safety issues are identified and addressed and a process in place for reporting work-related injuries and illnesses.
- e. The Vendor shall provide, at the request of the Auditor General or her designate, the following as proof of the representations made in paragraph d(i) and d(iv):
- i. documentation regarding the training programs provided or to be provided during the Services (i.e. types of training, frequency of training and re-training); and
 - ii. the occupational health and safety policy.
- f. The Vendor shall immediately advise the Auditor General or her designate in the event of any of the following:
- i. A critical injury that arises out of Services that is the subject of this agreement;
 - ii. An order(s) is issued to the Vendor by the Ministry of Labour arising out of the Services that is the subject of this agreement;
 - iii. A charge is laid or a conviction is entered arising out of the Services that is the subject of this agreement, including but not limited to a charge or conviction under the OHSA, the *Criminal Code*, R.S.C 1985, c. C-46, as amended and the *Workplace Safety and Insurance Act*, 1997, S.O. 1997, c. 16, Sched. A, as amended.
- g. The Vendor shall be responsible for any delay in the progress of the Services as a result of any violation or alleged violation of any federal, provincial or municipal health and safety requirement by the Vendor, it being understood that no such delay shall be a force majeure or uncontrollable circumstance for the purposes of extending the time for performance of the Services or entitling the Vendor to additional compensation, and the Vendor shall take all necessary steps to avoid delay in the final completion of the Services without additional cost to the City.
- h. The parties acknowledge and agree that employees of the City, including senior officers, have no authority to direct, and will not direct, how employees, workers or other persons

employed or engaged by the Vendor do work or perform a task that is the subject of this agreement.

22. Workplace Safety and Insurance Act

The Vendor shall secure, maintain and pay all costs for Workplace Safety and Insurance Board ("WSIB") workers' compensation coverage for its employees providing Services under this agreement, whether required statutorily or not under the Workplace Safety and Insurance Act, 1997.

The Vendor represents and warrants that it shall be in good standing with the WSIB throughout the term of this agreement. Prior to supplying the Services and prior to receiving payment, the Vendor shall produce a Clearance Certificate issued by the WSIB confirming that the Vendor has paid its assessment based on a true statement of the amount of its current payroll in respect of the Services and that the City is relieved of financial liability. Thereafter, throughout the period of Services being supplied, a new Clearance Certificate will be obtained from the WSIB by the Vendor and provided to the City every 90 days or upon expiry of the Certificate's validity period whichever comes first.

The Vendor shall ensure that any and all persons, including but not limited to volunteers, students, subcontractors and independent contractors, providing services under this agreement, have secured WSIB coverage, whether required statutorily or not, for the term of this agreement.

23. Accessibility Standards and Customer Service Training Requirements

The Vendor must ensure that all deliverables conform to the requirements of the Accessibility for Ontarians with Disabilities Act, 2005.

The Vendor shall require all applicable personnel (including those of its subcontractors) to fulfill the training requirements set out in the City's policy on Accessible Customer Service Training Requirements for Contractors, Consultants and other Services Providers. For a copy of the City of Toronto requirement, visit the website at

<https://www.toronto.ca/business-economy/doing-business-with-the-city/understand-the-procurement-process/purchasing-policies-legislation/accessible-customer-service-training-requirements/>

24. City of Toronto – Invoice/Billing Requirements

24.1 City of Toronto's Invoice and billing requirements

To assist in prompt payment, it is essential that all required billing information is provided on the invoice submitted to the City of Toronto. If the billing information is missing from

an invoice it will result in a payment delay and the invoice may be returned to you without payment.

It is the Vendor's responsibility to submit correct invoices for payment of goods /services delivered to the City of Toronto Divisions. If an incorrect invoice is submitted, the vendor will be requested to issue a credit note and submit a new invoice. If the invoice in question offered an early payment discount, the re-issue date of the new invoice will be used to calculate the early payment discount terms.

1) Exceptions

The standard invoice billing requirement must be followed with the exception of vendor invoices related to an approved capital project subject to construction lien holdbacks only. Billing requirement direction will be provided by the contract custodian or city divisional designate.

2) Electronic Invoices

To support an electronic payable environment, the City of Toronto Corporate Accounts Payable unit will accept electronic vendor invoices submitted via email to APinvoice@toronto.ca Electronic invoices submitted must be in a PDF format with with either single or multiple invoice(s) per attachment .

Note: Do not send statements or past due invoices to this email address, only current invoices will be accepted. Do not send hard copy invoices to Corporate Accounts Payable if you have submitted an electronic invoice. If you have any questions regarding this process, please contact AP Customer Service at 416-397-5235 and follow the prompts.

24.2 Billing Requirements

- (1) All original Vendor invoices **must be** addressed and be sent **DIRECTLY** to:

City of Toronto
Accounting Services Division
Corporate Accounts Payable
55 John Street
14th Floor, Metro Hall
Toronto, ON
M5V 3C6

- (2) Invoice/s submitted to the City of Toronto must have complete ship to information including:
- I. Name of City Division,
 - II. The City Division's contact name and phone number (the person ordering or picking up the goods and/or services),
 - III. Delivery location of goods and/or services (excluding pick-up order),

- IV. Purchasing document information on the invoice (blanket contract number, contract release order number (CRO) purchase order (PO) or Divisional Purchase Order (DPO), or Schedule "A" must be clearly indicated on the invoice. (*This purchasing number should be provided by City staff at the time of order*)
- V. Complete "Remit To" address is required on all submitted vendor invoices

Invoices that do not contain the required billing information may be returned without payment to the vendor for correction.

- (3) City purchases with the use of a credit card/PCard, are NOT to be sent to Corporate Accounts Payable. These invoices are considered paid.
- (4) Vendors are encouraged to provide packing slips and/or goods receipt confirmations directly to the ordering Division for goods/services delivered.
- (5) Vendors are to provide backup documentation directly to the ordering Division, not Corporate Accounts Payable.

24.3 Discount Terms

The City will consider offers of early payment discount terms. If correct billing information has been indicated on the invoice, it is the City's policy to pay within vendor's discount terms from the receipt date of the invoice in the Corporate Accounts Payable unit – Metro Hall, 55 John Street, 14th Floor.

Early Payment terms should be clearly indicated on the invoice.

Note: Discount terms for early payment cannot be earlier than 15 days from the receipt date of the invoice by the City of Toronto, Corporate Accounts Payable unit.

24.4 Direct Deposit

City of Toronto offers secure electronic deposit payments directly to your bank account through our "Direct Deposit" program. For more information and/or to enroll for this payment option, please email us at FASPDD@toronto.ca or contact the Direct Deposit program line at 416-392-9736 and follow the prompts.

Effective January 1, 2014, all new contracts for existing or new vendors must be enrolled in the Direct Deposit program.

24.5 Agency and Corporation Payment Terms, Invoice and Billing Requirements

Notwithstanding the City's general Invoice/Billing Requirements as specified in Part 4 – RFP Agreement Terms and Conditions Section 24.1 to 24.4 above, for the purpose of Services performed on behalf of Agencies and Corporations, specific payment terms and invoice and billing requirements will be determined in accordance with billing practices of the particular agency or corporation.

25. Force Majeure

Neither party shall be liable for damages caused by delay or failure to perform its obligations under this Agreement where such delay or failure is caused by an event beyond its reasonable control. The parties agree that an event shall not be considered beyond one's reasonable control if a reasonable business person applying due diligence in the same or similar circumstances under the same or similar obligations as those contained in this Agreement would have put in place contingency plans to either materially mitigate or negate the effects of such event. Without limiting the generality of the foregoing, the parties agree that force majeure events includes natural disasters and acts of war, insurrection and terrorism, epidemics, pandemics, quarantine or any law, by-law, order, regulation issued by any governmental authority (including the City), including an order issued under the Emergency Management and Civil Protection Act (a "Force Majeure Event"). If a party seeks to delay performance of its obligations under this Agreement due to a Force Majeure Event, that party shall immediately notify the other party of the delay or non-performance, the reason for such delay or non-performance and the anticipated period of delay or non-performance.

26. COUNTERPART AND ELECTRONIC SIGNATURE

This Agreement may be executed in counterpart and may be executed by electronic signature that is received by the City in a file format acceptable to the City. Such electronic signature shall be deemed to be an original signature for the purpose of this Agreement with the same legal effect as an original signature.



TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS

1. These Terms and Conditions are an integral part of the accompanying engagement letter or proposal from KPMG that identifies the engagement to which they relate and forms part of the engagement letter (the "Engagement Letter"). The term "Entity" used herein has the meaning set out in the accompanying engagement letter or proposal. The term "Management" used herein means the management of Entity.

1. DOCUMENTS AND LICENSES.

a. All working papers, files and other internal materials created or produced by KPMG in relation to this engagement and all copyright and intellectual property rights therein are the property of KPMG.

b. Only in connection with the services herein, Entity hereby grants to KPMG a limited, revocable, non-exclusive, non-transferable, paid up and royalty-free license, without right of sublicense, to use all logos, trademarks and service marks of Entity solely for presentations or reports to Entity or for internal KPMG presentations and intranet sites. Further, Entity agrees that upon prior written consent of Entity, KPMG may request to list Entity as a customer in KPMG's internal and external marketing materials, including KPMG websites and social media, indicating the general services rendered (e.g., "Client is an Audit, Advisory, and/or Tax client of KPMG LLP").

2. ENTITY'S RESPONSIBILITIES.

a. Entity agrees that all management responsibilities will be performed and all management decisions will be made by Entity, and not by KPMG.

b. Entity's provision of documents and information to KPMG on a timely basis is an important factor in our ability to issue any reports under this Engagement Letter. KPMG is not responsible for any consequences arising from Entity's failure to deliver documents and information as required.

c. To the extent that KPMG personnel are on Entity's premises, Entity will take all reasonable precautions for their safety including compliance with applicable workplace safety and health and safety laws.

d. Entity understands and acknowledges that KPMG's independence may be impaired if any KPMG partner, employee or contractor accepts any offer of employment from Entity for the duration of the engagement.

e. KPMG acknowledges that the Engagement Letter and any materials or information provided to the Entity through the performance of its obligations may be subject to disclosure by Entity pursuant to the Municipal Freedom of Information Act, R.S.O. 1990, c. M 56 ("MFIPPA"). KPMG also acknowledges that the Engagement Letter may be made available publicly as part of Entity's reporting requirements.

f. Management agrees to promptly provide us with a copy of any comment letter or request for information issued by any regulatory authority in respect of information on which KPMG reported, including without limitation any continuous disclosure filings. KPMG agrees to cooperate with the Entity and/or regulatory authority with respect to such information requests where not prohibited from doing so by law or professional standards.

3. INTENTIONALLY DELETED

4. USE OF MEMBER FIRMS AND THIRD PARTY SERVICE PROVIDERS; STORAGE AND USE OF INFORMATION.

a. KPMG is a member firm of the KPMG International Cooperative ("KPMG International"). Entity acknowledges that in connection with the provision of services hereunder, KPMG may use the services of KPMG International member firms, as well as other third party service providers or subcontractors, and KPMG shall be entitled to share with them all documentation and information related to the engagement, including Entity's confidential information and personal information ("information"). KPMG may also: (i) directly, or using such aforementioned KPMG International member firms, third party service providers or subcontractors, perform data analytics in respect of the information; and (ii) retain and disclose to KPMG International member firms the information to share best practices or for knowledge sharing purposes. In all such cases, such information may be used, retained, processed, or stored outside of Canada by such KPMG International member firms, other third party service providers or subcontractors, and may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the information is used, retained, processed or stored, which laws may not provide the same level of protection for such information as will Canadian laws. KPMG represents

that such KPMG International member firms, other third party service providers or subcontractors have agreed or shall agree to conditions of confidentiality with respect to Entity's confidential information, and that KPMG is responsible to ensure their compliance with those conditions. Any services performed by KPMG International member firms or other third party service providers or subcontractors shall be performed in accordance with the terms of this Engagement Letter, but KPMG remains solely responsible to Entity for the delivery of the services hereunder. Entity agrees that any claims that may arise out of the engagement will be brought solely against KPMG, the contracting party, and not against any other KPMG International member firms or other third party service providers or subcontractors referred to above. For greater certainty, KPMG may use KPMG Affiliates and Member Firms for the provision of professional services, for professional standards compliance and quality and risk management purposes, and to provide administrative, analytical and clerical support. Client understands that each Member Firm is located outside of Canada and is a separate, distinct and independent legal entity and is not a partner, principal, agent or affiliate of KPMG and KPMG is not a partner, principal, agent or affiliate of any other Member Firm. KPMG may also use third party providers of administrative and/or clerical products or services to KPMG within and outside of Canada, including but not limited to external IT providers, which have no direct involvement in the delivery of the Services to Client.

KPMG will indemnify and hold harmless the Entity, including its Mayor, elected officials, directors, officers, employees, agencies, related corporations, affiliates and agents for any losses, charges, claims, demands, suits, proceedings, recoveries and judgements (including legal fees and costs) arising from KPMG International member firms or other third party service providers or subcontractors' performance or non-performance of its obligations under the Engagement Letter, including breach of the confidentiality obligations, negligence, willful misconduct and fraud

b. Certain information (including information relating to time, billing and conflicts) collected by KPMG during the course of the engagement may be used, retained, processed and stored outside of Canada by KPMG, KPMG International member firms or third party service providers or subcontractors providing support services, but such third party have no direct involvement in the delivery of the Services to Client to KPMG for administrative, technological and clerical/organizational purposes, including in respect of client engagement acceptance procedures and maintaining engagement profiles; and to comply with applicable law, regulation or professional standards (including for quality performance reviews). Such information may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the information is used, retained, processed or stored, which laws may not provide the same level of protection for such information as will Canadian laws. KPMG may also share information, excluding privileged information unless express consent from Entity is received and only as required on a need to know basis with its legal advisers and insurers for the purposes of obtaining advice.

c. Entity acknowledges that KPMG aggregates anonymous information from sources including the Entity for various purposes, including to monitor quality of service, and Entity consents to such use. KPMG may also use Entity's information to offer services that may be of interest to Entity.

5. PERSONAL INFORMATION CONSENTS AND NOTICES.

KPMG may be required to collect, use and disclose personal information about individuals during the course of the engagement. Any collection, use or disclosure of personal information is subject to KPMG's Privacy Policy available at www.kpmg.ca. KPMG also acknowledges that collection, use and disclosure of personal information is subject to MFIPPA. Entity represents and warrants that (i) it will obtain any consents required to allow KPMG to collect, use and disclose personal information in the course of the engagement, and (ii) it has provided notice to those individuals whose personal information may be collected, used and disclosed by KPMG hereunder of the potential processing of such personal information outside of Canada (as described in Section 4 above). KPMG's Privacy Officer noted in KPMG's privacy policy is able to answer any individual's questions about the collection of personal information required for KPMG to deliver services hereunder.



6. THIRD PARTY DEMANDS FOR DOCUMENTATION AND INFORMATION / LEGAL AND REGULATORY PROCESSES.

- a. Entity on its own behalf hereby acknowledges and agrees to cause its subsidiaries and affiliates to acknowledge that KPMG may from time to time receive demands from a third party (each, a "third party demand"), including without limitation (i) from CPAB or from professional, securities or other regulatory, taxation, judicial or governmental authorities (both in Canada and abroad), to provide them with information and copies of documents in KPMG's files including (without limitation) working papers and other work-product relating to the affairs of Entity, its subsidiaries and affiliates, and (ii) summons for production of documents or information related to the services provided hereunder; which information and documents may contain confidential information of Entity, its subsidiaries or affiliates. Except where prohibited by law, KPMG, will advise Entity or its affiliate or subsidiary of the third party demand. Entity acknowledges, and agrees to cause its subsidiaries and affiliates to acknowledge, that KPMG will produce documents and provide information in response to the third party demand.
- b. KPMG will use efforts to a standard no less of a standard that KPMG would normally use in protecting its own confidential or privileged information, to withhold from production any documentation or information over which Entity asserts privilege. Entity must identify any such documentation or information at the time of its provision to KPMG by marking it as "privileged". Notwithstanding the foregoing, where disclosure of such privileged documents is required by law, KPMG will disclose such privileged documents and will promptly notify the Entity prior to disclosure of same. If such law requires the Entity's consent prior to releasing such privileged documents, Entity may withhold consent in its sole and absolute discretion.
- c. Entity agrees to reimburse KPMG for its professional time and any disbursements, including reasonable legal fees and taxes, in responding to third party demands except if it relates to such requests that would ordinarily occur in KPMG's business whether it was engaged by the Entity or not. For example, third party requests from CPAB or from professional, securities or other regulatory, taxation, judicial or governmental authorities (both in Canada and abroad).
- d. Intentionally Deleted.
- e. Entity agrees to notify KPMG as soon as practicably possible of any request received by Entity from any third party with respect to the services hereunder, KPMG's confidential information, KPMG's advice or report or any related document.

7. CONNECTING TO THE ENTITY'S IT NETWORK; EMAIL AND ONLINE FILE SHARING AND STORAGE TOOLS.

- a. Entity authorizes KPMG personnel to connect their computers to Entity's IT Network and the Internet via the Network while at the Entity's premises for the purpose of conducting normal business activities.
- b. Entity recognizes and accepts the risks associated with communicating electronically, and using online file sharing, storage, collaboration and other similar online tools to transmit information to or sharing information with KPMG, including (but without limitation) the lack of security, unreliability of delivery and possible loss of confidentiality and privilege.

8. LIMITATION ON WARRANTIES.

THIS IS A SERVICES ENGAGEMENT. KPMG WARRANTS THAT IT WILL PERFORM SERVICES HEREUNDER IN GOOD FAITH WITH QUALIFIED PERSONNEL IN A COMPETENT AND WORKMANLIKE MANNER IN ACCORDANCE WITH APPLICABLE INDUSTRY STANDARDS. SUBJECT TO SECTION 13, KPMG DISCLAIMS ALL OTHER WARRANTIES, REPRESENTATIONS OR CONDITIONS, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES, REPRESENTATIONS OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9. INTENTIONALLY DELETED.

10. INTENTIONALLY DELETED.

11. ALTERNATIVE DISPUTE RESOLUTION.

Any dispute or claim between the parties arising under or relating to this Engagement Letter or the services provided hereunder (the "Dispute") shall be submitted to non-binding mediation in Ontario. If mediation is not

successful within 90 days after the issuance by a party of a request for mediation, then the Dispute shall be referred to and finally resolved by arbitration under the Arbitration Rules of the ADR Institute of Canada in force at that time. The Seat of Arbitration shall be the province where KPMG's principal office performing the engagement is located. The language of the arbitration shall be English. The Arbitral Tribunal shall be made up of a single Arbitrator. The arbitration award shall be final, conclusive and binding upon the parties, and not subject to appeal.

12. POTENTIAL CONFLICTS OF INTEREST.

- a. KPMG is or may be engaged by entities and individuals who have potentially conflicting legal and business interests to Entity. Entity agrees that, without further notice or disclosure to Entity, KPMG may: (i) accept or continue such engagements on matters unrelated to KPMG's engagement for Entity provided that Entity is not in a perceived or actual conflict of interest; and (ii) provide advice or services to any other person or entity making a competing bid or proposal to that of Entity whether or not KPMG is providing advice or services to Entity in respect of Entity's competing bid or proposal.
- b. In accordance with professional standards, KPMG will not use any confidential information regarding Entity in connection with its engagements with other clients, and will establish confidentiality and other safeguards to manage conflicts, which may include, in KPMG's sole discretion, the use of separate engagement teams and data access controls.
- c. In no event shall KPMG be liable to Entity, or shall Entity be entitled to a return of fees or disbursements, or any other compensation whatsoever as a result of KPMG accepting or continuing a conflicting engagement in accordance with the terms of this Engagement Letter.
- d. Entity agrees that KPMG may, in its sole discretion, disclose the fact and nature of its engagement for Entity to (i) KPMG International member firms to inform conflict searches, and (ii) to the extent reasonably required in order to obtain the consent of another entity or individual in order to permit KPMG to act for such entity or individual, or for Entity, in connection with the engagement or any future engagement.
- e. In the event that circumstances arise that place KPMG into a perceived or actual conflict of interest as between Entity and a pre-existing client or new client, KPMG must disclose the perceived or actual conflict of interest to the City immediately and the parties will attempt to resolve or manage such perceived or actual conflict of interest through the use of confidentiality and other safeguards that may be required or prescribed by the City, acting reasonably. In the event that KPMG cannot adequately address such perceived or actual conflict of interest to the City's reasonable satisfaction, either party shall be entitled to immediately terminate the engagement with Entity, without liability to the other party.
- f. Other KPMG International member firms are or may be engaged by entities and individuals who have potentially conflicting legal and business interests to Entity. Entity agrees that (i) it will not assert that other KPMG International member firms are precluded from being engaged by those other entities or individuals, and (ii) those engagements of other KPMG International member firms do not conflict with KPMG's engagement for Entity.

13. LOBBYING.

KPMG will shall not undertake any lobbying activity, as that term is defined in all applicable federal, provincial and municipal lobbyist registration statutes and regulations, in connection with the engagement.

14. SEVERABILITY.

The provisions of these Terms and Conditions and the accompanying proposal or engagement letter shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law, regulation or professional standards. If any of the provisions of these Terms and Conditions or the accompanying proposal or engagement letter are determined to be invalid, void or unenforceable, the remaining provisions of these Terms and Conditions or the accompanying proposal or engagement letter, as the case may be, shall not be affected, impaired or invalidated, and each such provision shall remain valid and in effect and be enforceable and binding on the parties to the fullest extent permitted by law.



15. GOVERNING LAW.

This Engagement Letter shall be subject to and governed by the laws of Ontario and as applicable, federal laws.

16. LLP STATUS.

KPMG is a registered limited liability partnership ("LLP") established under the laws of the Province of Ontario and, where applicable, has been registered extra-provincially under provincial LLP legislation.

17. INDEPENDENT LEGAL ADVICE.

Entity agrees that it been advised to retain independent legal advice at its own expense prior to signing this Engagement Letter (including without limitation with respect to Entity's rights in connection with potential future conflicts) and agrees that any failure on its part to retain such independent legal counsel shall not affect (and it shall not assert that the same affects) the validity of the provisions of this Engagement Letter.

18. SURVIVAL.

All sections hereof other than Section 7(a) shall survive the expiration or termination of the engagement.