

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

Date: Wednesday, May 25, 2023

Time: 4:00 – 5:30pm

Location: WebEx & Livestream

AGENDA

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 2 min	Approval of Public Meeting Agenda	Approval	Agenda	Chair
4.	4:09 2 min	Chair's Poll re: Conflict of Interest	Declaration	N/A	Chair
5.	4:11 1 min	Approval of AFRC Public Minutes of Meeting of March 22, 2023	Approval	AFRC Public Minutes of Meeting of March 22, 2023	Chair
6.	4:12 1 min	Approval of AFRC Closed Session Minutes of Meeting March 22, 2023	Approval	AFRC Closed Minutes of Meeting of March 22, 2023	Chair
7.	4:13 2 min	Action Items Review	Information	AFRC Action Items List	Chair
8.	4:15 5 min	CEO Update	Information	Verbal Report	Tom Hunter

**Toronto Seniors
Housing Corporation**

Item	Time	Description	Action	Supporting Documents	Presenter
9.	4:20 10 min	Q1 2023 Financial Result	Information	Report	Vince Truong
10.	4:30 15 min	Financial Update	Information	Report	Vince Truong
11.	4:45 1 min	Motion to move into Closed Session	Approval	N/A	Chair
12.	4:46 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
13.	4:47 15 min		Approval	Report	Vince Truong
14.	5:02 15 min		Information	Report	Vince Truong
15.	5:17 10 min		Information	Verbal Update	Tom Hunter/ Vince Truong
16.	5:27 1 min		Approval	N/A	Chair
17.	5:28 1 min	Motion to Approve Closed Session Decisions	Approval	N/A	Chair
18.	5:29 1 min	Adjournment	Approval	N/A	Chair

Toronto Seniors Housing Corporation (TSHC)

Audit, Finance and Risk Committee (AFRC)

Date: March 22, 2023

Time: 4:00 pm

Location: WebEx and Livestream

DRAFT Minutes

The Audit, Finance and Risk Committee (AFRC) of the TSHC Board held its meeting on March 22, 2023, at 4:00 pm via WebEx video conference. This meeting was livestreamed.

Members in attendance:

- Lawrence D'Souza
- Warren Law

TSHC staff present:

- Tom Hunter
- Grant Coffey
- Brad Priggen
- Vince Truong
- Tolu Solebo
- Wendy Dobson
- Tina Ferreira, Executive Assistant to CEO
- Fatima Mahmood (Recording Secretary)

Item 1: Chair's remarks

The Chair welcomed everyone and stated that this meeting is being livestreamed on YouTube.

Item 2: Land and African ancestral acknowledgements

The Chair began with Land and African ancestral acknowledgements.

Item 3: 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 Lawrence D'Souza and all in favour, it was resolved that the public meeting agenda, as presented, is hereby approved.

Item 4: Chair's poll re: conflict of interest

The Chair requested that members of the committee declare whether they were in conflict of interest with any agenda item.

No conflicts were declared.

Item 5: Approval of public minutes of AFRC meeting of January 26, 2023

The Chair tabled the public minutes of the January 26, 2023, meeting and asked that they be taken as read.

Motion: Upon motion, duly made by Warren Law, and seconded by Lawrence D'Souza, it was resolved that the public minutes are hereby approved.

Item 6: Action item review

The committee reviewed the action item list and the status of items.

It was noted all action items are complete.

Item 7: CEO update

At the invitation of the Chair, Tom Hunter provided a brief update on several items and shared an update on the activity within the financial area of the organization.

Tom Hunter provided an update on the HST Municipality Application. It was noted that the Finance Team is working with City staff and the CRA (Canada Revenue Agency) for clarification and information regarding property ownership, budget approval and oversight as well as confirmation of rent-geared-to-income (RGI). The assessment from our consultant is that we keep moving forward in positive steps.

Tom Hunter stated that we hope to provide closure on this item at the AFRC (Audit Finance and Risk Committee) meeting in May.

Tom Hunter noted that staff are working on the post retirement liability and stated the information is updated in the draft 2022 audited financial report. Staff hope to provide more detail at the next AFRC meeting.

TSHC quarterly reconciliation and our final 2022 TSHC financial results and reconciliation will come for closure to the May 25 AFRC meeting.

Item 8: Motion to move into closed session

The Chair asked if there were any questions prior to moving into closed session.

None declared.

Motion: Upon motion, duly made by Warren Law, and seconded by Lawrence D'Souza, it was resolved that Committee move into closed session.

Item 9 to 15: closed session

Item 16: Motion to approve closed session decisions

Motion: Upon motion, duly made by Warren Law, and seconded by Lawrence D'Souza, it was resolved that the Board Committee approve and recommend to the Board the items discussed.

Item 17: Adjournment

The Chair thanked the committee members, staff and all the presenters for their attendance and contributions and declared the meeting adjourned.

Motion: Upon motion, duly made by Warren Law, and seconded by Lawrence D'Souza, it was resolved that the meeting terminate.

Lawrence D'Souza, Chair
Audit, Finance and Risk Committee (AFRC)

**Toronto Senior Housing Corporation (TSHC)
Audit, Finance and Risk Committee**

Action Items List

	Meeting Arising From	Description	Resp.	Status
1.	January 26, 2023	Grant Coffey to share presentation material from the City regarding COVID-19 impacts with the committee during the March 2023 meeting.	Grant	Completed
2.	January 26, 2023	Details of the TSHC budget to be discussed during the next board meeting.	Vince	Completed
3.	January 26, 2023	Vince to add a variance column to the Statement of Operations going forward.	Vince	Completed
4.	January 26, 2023	Vince to indicate Insurance Expenses separately on the statement going forward.	Vince	Completed
5.	March 22, 2023	Lawrence D'Souza suggested that staff seek feedback to ensure future auditor representation at both meetings.	Vince	Completed

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Toronto Seniors Housing Corporation Audit, Finance and Risk Committee Meeting

Topic: Q1 2023 Financial Result

Item #9

Date: May 25, 2023

Report: AFR: May 25, 2023, item #

To: Audit, Finance and Risk Committee

From: Vince Truong, Interim Finance Lead

Date: May 25, 2023

Purpose:

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

Recommendation:

It is recommended that AFRC receive this Report for information.

Q1 2023 Financial Result through March 31, 2023

Statement of Operations (Attachment 1)

Through March 31, 2023, TSHC incurred operating expenses of \$10,606,403. Revenue amounted to \$10,652,684, composed of \$1,296,015 from the City of Toronto (City), \$9,282,000 from TCHC for TSHC's rental units (revenue less expense estimate per the Transition Agreement), and \$74,669 interest income earned on bank balances, resulting in a surplus of \$46,281.

Expenses incurred were for staff compensation and benefits, TSHC lead staff consultants, legal services and other third-party vendors, insurance, other

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miscellaneous costs, and shared services paid to TCHC as per the Service Delivery Agreement (SDA)

The City grant is recognized at \$1,296,015. This is an unbudgeted and carry forward deferred grant from the prior year. The positive variance is a result of this City deferred grant. Without the deferred grant, TSHCs financial position would have been unfavourable for the first 3 months of the year. The shortfall in the first quarter will balance out by the end of the year.

Higher expenses in salaries and benefits of \$202,343 is a result of the impact of the average 2.5% merit increase which was not included in the original budget, one-time payout of unused vacation from prior years, and salary adjustments due to job evaluations.

Professional services were also higher by \$177,553 to fill vacant positions and project requirements due to the delayed in hiring corporate positions.

The above increases in expenses are offset by temporary lower expenditures in tenant translation, tenant engagement, training and development, office expenses and other operating costs.

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). For the first 3 months, there was no Deferred Revenue from TCHC (Operations) as there were more expenses than revenue advanced from TCHC by \$28,388.

Statement of Financial Positions (Attachment 2):

1. Cash – \$4,626,696
2. Accounts Receivable - \$341,931
3. Due from TCHC - \$1,210,814
4. Prepaid Expenses (Insurance) – \$437,869
5. Long-Term Due from TCHC - \$4,180,700
6. Fixed Asset (Equipment) - \$25,738
7. Accounts payable - \$4,418,238

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8. Deferred City grant funding - \$2,021,685
9. Employee Benefits (Post Retirement Benefits) - \$4,174,050

The cash balance represents the bank balance as of March 31, 2023.

The Accounts Receivable balance consisted of HST Recoverable from the CRA for HST paid in February and March services, and interest receivable from the bank.

Due from TCHC is a short-term receivable of \$1,210,814 and a long-term receivable of \$4,180,700.

The Accounts Payable balance comprises of March activity that has been processed through the bank in April, except for the Payable to TCHC. The balance includes:

- Payroll - \$1,592,383
- Pension and Benefits - \$452,765
- HST Payable - \$402,220
- Interim Staff, Seconded Employees, and Vendor Payables - \$339,459
- Payable to TCHC (2022 Surplus) - \$1,631,409

Name: Vince Truong

Title: Interim Finance Lead

List of Attachments:

Q1 2023 Financial Result – Statement of Operations (Attachment 1)

Q1 2023 Financial Result – Statement of Financial Positions (Attachment 2)

Item #9 Attachment # 1 -
Q1 2023 Financial Result –
Statement of Operations

Toronto Seniors Housing Corporation
Statement of Operations
As of March 31, 2023

STATEMENT OF OPERATIONS	Actual	Budget	Variance Actual Vs Budget
Revenue			
City of Toronto Grant	1,296,015	-	(1,296,015)
Revenue from TCHC	9,282,000	9,282,000	-
Interest income	74,669	75,000	331
Total Revenue	10,652,684	9,357,000	(1,295,684)
Expenses			
Salaries and Benefits	7,500,788	7,298,445	(202,343)
Legal and Professional Services	446,174	268,621	(177,553)
Insurance	186,563	162,501	(24,062)
Other Miscellaneous Costs	94,747	393,329	298,582
SDA - Shared Services with TCHC	2,378,131	2,337,000	(41,131)
Total Expenses	10,606,403	10,459,896	(146,507)
Excess of Revenue over Expenses	46,281	(1,102,896)	1,149,177

Item #9 Attachment # 2 -
Q1 2023 Financial Result –
Statement of Financial
Positions

Toronto Seniors Housing Corporation
Statement of Financial Position
As of March 31, 2023

Assets

Current Assets:

Cash	4,626,696
Accounts Receivable	341,931
Due from TCHC	1,210,814

Prepaid Expenses	437,869
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Long-Term Due from TCHC	4,180,700
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Fixed Asset - Equipment	25,738
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Total Assets	10,823,749
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Liabilities & Net Assets

Current Liabilities:

Accounts payable and accrued liabilities	2,725,803
Due to TCHC	1,631,409
Due to the City of Toronto	61,026

Deferred Grant Funding - City	2,021,685
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Employee Benefits	4,174,050
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Net Assets

Unrestricted Surplus	209,776
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Total Liabilities & Net Assets	10,823,749
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Toronto Seniors Housing Corporation

Toronto Seniors Housing Corporation Audit, Finance and Risk Committee Meeting

Topic: Financial Update

Item #10

Date: May 25, 2023

Report: AFR: May 25, 2023, item #

To: Audit, Finance and Risk Committee

From: Vince Truong, Interim Finance Lead

Date: May 25, 2023

Purpose:

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

Recommendation:

It is recommended that the AFRC receive this report for information.

2023-24 Insurance Renewal

TSHC acquires insurance through the Housing Services Corporation (HSC). HSC recently hosted an all-day information session addressing key issues and concerns affecting the community housing sector within Ontario.

The invitation brought in a number of organizations in the sector, including Ottawa, Kingston, Hamilton, Windsor and western Ontario, Barrie and northern Ontario, TCHC and TSHC.

The key focus areas were current claims and reserve, managing risk in a world of increasing catastrophes, building and maintaining cyber resilience, and fostering organization resilience.

Toronto Seniors Housing Corporation

Part of the discussion also included upcoming insurance renewal, and the expected rate of increase due to the claim level and depleting reserves. HSC informed attendees that the rate increase is expected to be 15-20% for 2023-24. HSC is working on targeting the lower end of the rate range increase.

The mail-out of the renewal notices will begin in late September, and approval will be required by the TSHC Board by the November meeting.

Letter of Guarantee – City of Toronto

Discussions with the City started in late 2022 on a request to obtain a Letter of Guarantee (LG). TSHC continues to work with the City on the requirements to support this request both from the bank perspective and any approvals through City processes.

Name: Vince Truong

Title: Interim Finance Lead

List of Attachments: None