

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

**Date: Tuesday, November 28, 2023**

**Time: 4:00 – 5:30pm**

**Location: WebEx & Livestream**

**Agenda**

| <b>Item</b> | <b>Time</b>    | <b>Description</b>  | <b>Action</b> | <b>Supporting Documents</b>                          | <b>Presenter</b>        |
|-------------|----------------|---|---------------|--|-------------------------|
| 1.          | 4:00<br>5 min  | Chair's Remarks   | Information   | NA   | Lawrence D'Souza, Chair |
| 2.          | 4:05<br>2 min  | Land and African Ancestral Acknowledgements                           | N/A           | N/A  | Chair                   |
| 3.          | 4:07<br>2 min  | Approval of Public Meeting Agenda                                     | Approval      | Agenda   | Chair                   |
| 4.          | 4:09<br>2 min  | Chair's Poll re: Conflict of Interest                                 | Declaration   | N/A  | Chair                   |
| 5.          | 4:11<br>1 min  | Approval of AFRC Public Minutes of Meeting of September 28, 2023      | Approval      | AFRC Public Minutes of Meeting of September 28, 2023 | Chair                   |
| 6.          | 4:12<br>1 min  | Approval of AFRC Closed Session Minutes of Meeting September 28, 2023 | Approval      | AFRC Closed Minutes of Meeting of September 28, 2023 | Chair                   |
| 7.          | 4:13<br>10 min | October and YTD 2023 Financial Result                                 | Information   | Report   | Vince Truong            |

**Toronto Seniors  
Housing Corporation**

|     |                |  |             |                       |              |
|-----|----------------|--|-------------|-----------------------|--------------|
| 8.  | 4:23<br>5 min  | 2023 Audit Engagement & Audit Timeline   | Information | Report                | Vince Truong |
| 9.  | 4:28<br>1 min  | Motion to move into Closed Session   | Approval    | N/A                   | Chair        |
| 10. | 4:29<br>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        |
| 11. | 4:30<br>30 min |  | Information | Presentation          | Vince Truong |
| 12. | 5:00<br>10 min |  | Information | Report                | Vince Truong |
| 13. | 5:10<br>10 min |  | Approval    | Report                | Vince Truong |
| 14. | 5:20<br>1 min  |  | Approval    | N/A                   | Chair        |
| 15. | 5:21<br>1 min  | Motion to Approve Closed Session Decisions   | Approval    | N/A                   | Chair        |
| 16. | 5:22<br>1 min  | Adjournment  | Approval    | N/A                   | Chair        |

## **Toronto Seniors Housing Corporation (TSHC)**

### **Audit, Finance and Risk Committee (AFRC)**

**Date: September 28, 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 September 28, 2023, at 4:00 pm via WebEx video conference. This meeting was livestreamed.

#### Board Members in attendance:

- Lawrence D'Souza, *Committee Chair and Director*
- Brenda Parris, *Director*
- Maureen Clohessy, *Tenant Director*
- Warren Law, *Director*
- Councillor Crisanti, *Director*
- Fareed Amin, *Board Chair*

#### TSHC staff present:

- Jill Bada, *Interim Chief Executive Officer*
- Grant Coffey, *Director, Strategy and Business Management*
- Vince Truong, *Interim Finance Lead*
- Brad Priggen, *Director, Operations*
- Tolu Solebo, *Manager, Financial Reporting and Compliance*
- Fatima Mahmood, *Executive Assistant*
- Tina Ferreira, *Executive Assistant to CEO*
- Liz Dizig, *Interim Executive Assistant, Recording Secretary*

#### City Staff:

- Asli Mumin, *Director of Constituency Affairs, Office of Deputy Mayor Morley*

**Item 1: Chair's remarks**

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

**Item 2: Land and African ancestral acknowledgements**

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The Chair began with Land and African ancestral acknowledgements.

**Item 3: Approval of public meeting agenda**

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The Chair asked if there were any amendments to the public meeting agenda.

Hearing none.

**Motion:** Upon motion, duly made by Warren Law, and seconded by Fareed Admin 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**

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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 May 25, 2023**

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The Chair tabled the public minutes of the May 25, 2023, meeting and asked that they be taken as read.

**Motion:** Upon motion, duly made by Warren Law, and seconded by Fareed Amin, it was resolved that the public minutes are hereby approved.

**Item 6: Approval of closed minutes of AFRC meeting of May 25, 2023**

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The Chair tabled the closed minutes of the May 25, 2023, meeting and asked that they be taken as read.

**Motion:** Upon motion, duly made by Fareed Amin, and seconded by Warren Law, it was resolved that the in camera minutes are hereby approved.

**Item 7: Action item review**

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

It was noted all action items are complete.

**Action Item:** Grant Coffey to send Fared Amin the draft board payment process for review. The process has been drafted and it will be sent out shortly.

**Item 8: CEO update**

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At the invitation of the Chair, Jill Bada provided an update on the status of our 2024 budget noting that staff are working along with the City and TCHC to develop a consolidated submission that will be forthcoming. It was also noted that details are being finalized to procure external resources to support the work on an Enterprise Risk Management framework. The framework will also include a risk assessment and a risk mitigation plan associated with the work.

At the invitation of the Chair, Grant Coffey provided further context on the planned Enterprise Risk Management Framework. It was noted that staff are in the process of finalizing the RFP to obtain an outside consultant to support this work. The work is intended to start late in 2023 and continue into 2024. Jill Bada indicated that staff would look holistically across the organization and use some existing frameworks as reference points to develop a TSHC specific Enterprise Risk Management Framework. It was noted that staff would look at a blend of risk categories, including human resources risks, physical risks and financial risks for example. Ultimately a risk assessment will include a more detailed dive to identify the level of risk and will evolve into a risk mitigation plan that will likely include a policy component.

Following the overview provided by Grant Coffey, a discussion took place. Brenda Parris asked that staff highlight environmental risk items that include loss of hydro and related to that the loss of elevators, as well as flooding. It was noted that these items would have a particular impact on our tenants, in particular during brownouts or outages for extended periods of time.

Grant Coffey stated the identified elements will be brought into scope for consideration. It was noted that we already have procedures in place should an elevator be out of service, or flooding occur in a building.

It was noted by Fareed Amin that we need to manage expectations as there are broader considerations beyond TSHC and TCHC. We need to reflect that some issues extend beyond TSHC and TCHC that we can draw on.

**ACTION ITEM:** Bring to Committee a presentation on building emergency procedures.

### **Item 9: Q2 2023 Financial Result**

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At the invitation of the Chair, Vince Truong provided an update on the financial results for Q2 2023.

Vince Truong stated the overall results for the first six months of 2023 came through slightly positive for TSHC, with a slight surplus for first six months compared to budget. This is mainly due to the deferred grant from the city and the revenue unadjusted from TCHC and the interest income. From an expense perspective Vince noted the expenses were slightly higher in the area of salaries and benefits, due to one time adjustments made earlier in the year and also additional expenses in the professional services but also outside of those two areas, the expenses were in line overall. There is a slight surplus in the interest income earned in the first six months of this year.

Vince Truong provided a brief overview of the Statement of Financial Position and Statement of Operations. It was noted that the cash balance as of June is \$5,888,303. Everything remains quite consistent through July and August. It was noted that this information is available on Toronto Seniors Housing Corporation website should anyone wish to take a closer look at the information.

A detailed discussion took place where questions were raised regarding reconciliation statement. This item will be discussed during the in camera session.

**Item 10: Motion to move into closed session**

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

None declared.

**Motion:** Upon motion, duly made by Fareed Amin, and seconded by Warren Law, it was resolved that Committee move into closed session.

**Item 11 to 15: Closed session**

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**Item 16: Motion to approve closed session decisions**

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No decisions made in closed session.

**Item 17: Adjournment**

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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 Fareed Amin, and seconded by Brenda Parris, it was resolved that the meeting be adjourned.

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

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

**Action Items List As Of  
November 2023**

|                               | <b>Meeting Arising From</b> | <b>Description</b>   | <b>Resp.</b> | <b>Status</b>         |
|-------------------------------|-----------------------------|--|--------------|-----------------------|
| 1.                            | September 28, 2023          | Bring to Committee a presentation on building emergency procedures.  | Brad Priggen | In progress (Q1 2024) |
| <b>Action Items Completed</b> |                             |  |              |                       |
| 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 Coffey | Completed             |
| 2.                            | January 26, 2023            | Details of the TSHC budget to be discussed during the next board meeting.  | Vince Truong | Completed             |
| 3.                            | January 26, 2023            | Vince to add a variance column to the Statement of Operations going forward.   | Vince Truong | Completed             |
| 4.                            | January 26, 2023            | Vince to indicate Insurance Expenses separately on the statement going forward.  | Vince Truong | Completed             |

|     |                    |  |                               |           |
|-----|--------------------|--|-------------------------------|-----------|
| 5.  | March 22, 2023     | Lawrence D’Souza suggested that staff seek feedback to ensure future auditor representation at both meetings.  | Vince Truong                  | Completed |
| 6.  | May 25, 2023       | Follow up with payroll and ensure TD1 and CPT30 tax forms sent to all board members.   | Vince Truong                  | Completed |
| 7.  | May 25, 2023       | Send TCHC payroll contact information to Brenda Parris.  | Vince Truong                  | Completed |
| 8.  | May 25, 2023       | Meet with Lawrence to provide clarification and better understanding of the budget allocation, reconciliation and reporting process.   | Vince Truong                  | Completed |
| 9.  | May 25, 2023       | Staff to go to market as well as the City to get some comparison pricing for insurance coverage.<br><br>Provide board members with link for Housing Services Corporation to help inform the board about HSC. | Vince Truong                  | Completed |
| 10. | September 28, 2023 | Circulate draft Board Payment Process to Board Chair.  | Vince Truong and Grant Coffey | Completed |

|     |                    |  |              |           |
|-----|--------------------|--|--------------|-----------|
| 11. | September 28, 2023 | Circulate high level draft budget that was shared with City.                       | Vince Truong | Completed |
| 12. | September 28, 2023 | Follow up discussion with AFRC Committee members regarding reconciliation process. | Vince Truong | Completed |

# **Toronto Seniors Housing Corporation**

## **Toronto Seniors Housing Corporation Audit, Finance and Risk Committee Meeting**

Topic: October and YTD 2023 Financial Result

Item #9

Date: November 28, 2023

**Report: AFR: Nov. 28, 2023, item #9**

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

**From:** Vince Truong, Finance Lead (I)

**Date:** November 28, 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.

### **TSHC 2023 Financial Result through October 31, 2023**

#### **Statement of Operations (Attachment 1)**

Through October 31, 2023, TSHC incurred operating expenses of \$35,238,249. Revenue amounted to \$29,423,645, composed of \$3,118,831 from the City of Toronto (City) deferred grant, \$26,055,496 from TCHC for TSHC's rental units (revenue less expense estimate per the Transition Agreement), and \$249,318 interest income earned on bank balances, resulting in a deficit of \$5,814,604.

Expenses incurred were for staff compensation and benefits, consultants, legal services and other third-party vendors, insurance, other miscellaneous costs and shared services paid to TCHC as per the Service Delivery Agreement.

# **Toronto Seniors Housing Corporation**

The City of Toronto revenue grant is recognized at \$3,118,831. This is an unbudgeted and carry forward deferred grant from the prior year. The grant received in 2022 as part of the start-up of the organization, and used for corporate related expenses, including salary and benefits, legal, consultants, and other miscellaneous expenses.

Higher expenses in salaries and benefits of \$215,124 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 to bring in line with similar work and responsibilities across the organization.

Professional and legal services were slightly higher than budget by \$3,989 to fill vacant positions and project requirements due to the delayed in hiring of the open corporate positions early in the year. All of the professional services and consultants have ended on August 31, and the slightly higher than budget in this area is mainly due to lower than expected legal costs.

The above increases in expense is offset by temporary lower expenditure in tenant translation, training and development, office expenses, communication services, other operating costs, and recovery of the HST portion from prior years expense after receiving the Determined Municipality status in March 2023.

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 10 months, Deferred Revenue from TCHC (Operations) was \$2,301,776. The City of Toronto grant was fully utilized, and has no remaining balance.

## **Statement of Financial Positions (Attachment 2):**

1. Cash – \$1,035,587
2. Accounts Receivable - \$102,912
3. Due from TCHC (seconded staff) - \$96,788
4. Long-Term Due from TCHC - \$4,180,700
5. Fixed Asset (Equipment), net - \$20,376
6. Accounts payable - \$2,310,751

# **Toronto Seniors Housing Corporation**

7. Due to TCHC - \$1,631,409
8. Due to the City of Toronto - \$69,932
9. Deferred Revenue TCHC - \$2,301,777
10. Employee Benefits (Post Retirement Benefits) - \$4,773,600

The cash balance represents the bank balance as of October 31, 2023. The low balance in the account has been addressed with TCHC, and in early November, \$3M of cash advance was provided to TSHC.

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

Due from TCHC is the long-term receivable for the Post Retirement Obligations transferred as of June 1, 2022 of \$4,180,700.

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

- Payroll - \$2,128,745
- Pension and Benefits - \$278,198
- HST Payable - \$232,765
- Interim Staff, Seconded Employees, and Vendor Payables - \$136,572

Name: Vince Truong

Title: Finance Lead (I)

## **List of Attachments:**

**October YTD 2023 Financial Result – Statement of Operations (Attachment 1)**

**October YTD 2023 Financial Result – Statement of Financial Positions  
(Attachment 2)**

**Item #9**

**Attachment 1**

**October YTD 2023  
Financial Result –  
Statement of Operations**

**Toronto Seniors Housing Corporation**  
**Statement of Operations**  
**For the 10 Months to October 31, 2023**

| STATEMENT OF OPERATIONS                | Year to Date Result |                    |                           | Annual             |                     |                         |
|--|---------------------|--------------------|---------------------------|--------------------|---------------------|-------------------------|
|  | Actual              | Budget             | Variance Actual Vs Budget | 2023 Forecast      | 2023 Budget         | 2023 Forecast Vs Budget |
| <b>Revenue</b>                         |                     |                    |                           |                    |                     |                         |
| City of Toronto Grant                  | 3,118,831           | -                  | 3,118,831                 | 3,118,831          | -                   | 3,118,831               |
| Revenue from TCHC                      | 26,055,496          | 26,055,495         | 1                         | 31,266,595         | 31,266,595          | -                       |
| Interest income                        | 249,318             | 145,000            | 104,318                   | 259,207            | 165,000             | 94,207                  |
| <b>Total Revenue</b>                   | <b>29,423,645</b>   | <b>26,200,495</b>  | <b>3,223,150</b>          | <b>34,644,633</b>  | <b>31,431,595</b>   | <b>3,213,038</b>        |
| <b>Expenses</b>                        |                     |                    |                           |                    |                     |                         |
| Salaries and Benefits                  | 25,304,710          | 25,089,586         | (215,124)                 | 30,499,142         | 30,169,939          | (329,203)               |
| Legal and Professional Services        | 899,392             | 895,403            | (3,989)                   | 1,077,511          | 1,074,492           | (3,019)                 |
| Insurance                              | 622,254             | 541,670            | (80,584)                  | 746,878            | 650,000             | (96,878)                |
| Other Miscellaneous Costs              | 206,282             | 1,311,095          | 1,104,813                 | 655,387            | 1,573,324           | 917,937                 |
| SDA - Shared Services with TCHC        | 8,205,611           | 8,063,693          | (141,918)                 | 9,846,737          | 9,676,431           | (170,306)               |
| <b>Total Expenses</b>                  | <b>35,238,249</b>   | <b>35,901,447</b>  | <b>663,198</b>            | <b>42,825,654</b>  | <b>43,144,186</b>   | <b>318,532</b>          |
| <b>Excess of Revenue over Expenses</b> | <b>(5,814,604)</b>  | <b>(9,700,952)</b> | <b>3,886,348</b>          | <b>(8,181,021)</b> | <b>(11,712,591)</b> | <b>3,531,570</b>        |

**Item #9**

**Attachment 2**

**Statement of Financial  
Positions**

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

**Assets**

Current Assets:

|                     |           |
|---------------------|-----------|
| Cash                | 1,035,587 |
| Accounts Receivable | 102,912   |
| Due from TCHC       | 96,788    |

|                         |           |
|-------------------------|-----------|
| Long-Term Due from TCHC | 4,180,700 |
|-------------------------|-----------|

|                         |         |
|-------------------------|---------|
| Fixed Asset - Equipment | 25,738  |
| Less: Depreciation      | (5,362) |

|                     |                  |
|---------------------|------------------|
| <b>Total Assets</b> | <b>5,436,363</b> |
|---------------------|------------------|

**Liabilities & Net Assets**

Current Liabilities:

|  |           |
|--|-----------|
| Accounts payable and accrued liabilities | 2,543,517 |
| Due to TCHC                              | 1,909,916 |
| Due to the City of Toronto               | 69,932    |

|                         |           |
|-------------------------|-----------|
| Deferred Revenue - TCHC | 1,790,504 |
|-------------------------|-----------|

|                   |           |
|-------------------|-----------|
| Employee Benefits | 4,773,600 |
|-------------------|-----------|

Net Assets

|                      |             |
|----------------------|-------------|
| Unrestricted Surplus | (5,651,106) |
|----------------------|-------------|

|   |                  |
|---|------------------|
| <b>Total Liabilities &amp; Net Assets</b> | <b>5,436,363</b> |
|---|------------------|

# Toronto Seniors Housing Corporation

## Toronto Seniors Housing Corporation Audit, Finance and Risk Committee Meeting

Topic: 2023 Audit Engagement and Audit Timeline

Item #10

Date: November 28, 2023

**Report: AFR: Nov. 28, 2023, item #10**

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

**From:** Vince Truong, Finance Lead (I)

**Date:** November 28, 2023

**Purpose:** For Information

**Recommendation:**

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

**Background:**

KPMG serves as the external auditor for the City of Toronto (City) and many of its Agencies, Boards and Commissions and was selected as the City's external auditor following a call for proposals by the City's Auditor General.

The City's agreement with KPMG is for 5 years, commencing with the 2020 fiscal year end, and ending in 2024 fiscal year end.

The City approved KPMG to be TSHC's auditor for fiscal 2021, 2022, and 2023, and the TSHC Board of Directors approved KPMG as its external auditor at the April 27, 2023 Board meeting for the 2023 fiscal year, with pricing to be discussed in late 2023.

Fiscal 2023 will be slightly different in scope and complexity from 2022 and 2021, and KPMG has provided a quote of \$17,500 (plus HST) to account for additional work and inflation, up from \$15,000 (plus HST) from prior year. This is a reasonable increase, and within budget.

# **Toronto Seniors Housing Corporation**

Preliminary planning is expected to begin in December 2023, and the audit work to begin on February 26, 2024 for approximately 1.5 week to 2 weeks.

The audit report is expected to be completed by March 15, 2024.

Name: Vince Truong

Title: Finance Lead (I)

## **List of Attachments:**

None