

Toronto Seniors Housing Corporation

Toronto Seniors Housing Corporation Board of Directors Meeting

Topic: TSHC Annual General Meeting and 2022 Audited Financial Statements

Item #13

Date: April 27, 2023

Report: BD: Date and item #13

To: Board of Directors

From: Tom Hunter, Chief Executive Officer

Date: April 20, 2023

Purpose: For approval to meet requirements under the Business Corporations Act (Ontario) and the Shareholder Direction from the City of Toronto.

Recommendation:

The Chief Executive Officer recommends that:

1. The Board recommends that City Council treat the portion of the City Council meeting at which these recommendations are considered as the Annual General Meeting of the Shareholder for Toronto Seniors Housing Corporation and:
 - a. receive the Board-approved "Toronto Seniors Housing Corporation 2022 Annual Report" (BD-April 27-Item 12(a));
 - b. receive the Board-approved "Toronto Seniors Housing Corporation 2022 Audited Financial Statements" (BD-April 27-Item #9(a));
 - c. appoint KPMG LLP as the Auditor of Toronto Seniors Housing Corporation for fiscal year 2023, and authorizing the Board of Directors of Toronto Seniors Housing Corporation to set the fee of the Auditor; as recommended by the Board (BD-April 27-Item #9(b));

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- d. receive the Toronto Seniors Housing Corporation's 2022 executive compensation disclosure forming Attachment 1 to this Report;
2. The Board recommends that City Council forward a copy of the Board-approved "Toronto Seniors Housing Corporation 2022 Audited Financial Statements" to City Council's Audit Committee for information.
3. The Board recommends that City Council receive the Financial Impact section regarding known and anticipated financial outlooks and impacts (current and future years) for Toronto Seniors Housing Corporation, forming Attachment 2 to this Report.
4. The Board authorizes the Corporate Secretary, on behalf of the Board, to submit the Board's recommendations and materials identified in Recommendations 1-3, once approved by the Board at its meeting of April 27, 2023, to the City Clerk for consideration by Executive Committee and City Council.

Reason for Recommendation:

Issue Background

Subsection 154(1) of the Business Corporations Act, Ontario (OBCA) requires that the Shareholder receive the Toronto Seniors Housing Corporation's (TSHC) audited consolidated financial statements and the Auditor's Report at the annual meeting of the Shareholder.

Section 149(2) of the OBCA requires that the TSHC Shareholder at each annual meeting appoint one or more auditors to hold office until the close of the next annual meeting, and allows the Shareholder to authorize the Auditor's fee for the service.

This report recommends the Board recommend actions of City Council necessary to comply with the requirements of the Business Corporations Act (Ontario) (OBCA) for holding the Annual General Meeting (AGM) of the Shareholder of TSHC and the Shareholder Direction to TSHC, and has content consistent with staff reports to City Council. The report recommends that the Board recommends to Council (as Shareholder) that it treat part of its meeting as the TSHC AGM,

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receive TSHC's 2022 materials including its Annual Report, Audited Financial Statements, executive compensation disclosure for 2022 and a financial impact section, and appoints TSHC's auditor for 2023.

This year's AGM process is different from the process for past AGMs, in that the Board is making AGM-related recommendations to Council. Previously, the City Manager and Chief Financial Officer & Treasurer have transmitted any required Board-information, and provided a financial impact section, to Executive Committee for Council consideration. This year's change in process will better reflect the direct relationship between Boards of City corporations and City Council. Corporation staff have been supported by City staff in the drafting of the CEO's recommendations to ensure legislative requirements are met and the recommendations and information are in a form that Committee and Council will consider.

Section 10.3 of the City's Shareholder Direction to TSHC, issued in 2021, requires that TSHC prepare an annual report and disclose the annual compensation of its senior executives for Council consideration. City staff reports to City Council include a financial impact section. This report provides information on individual compensation of executive officers to be disclosed to the Shareholder in Attachment 1, and a financial impact section in Attachment 2.

Decision History

At its meeting of April 27, 2023, the TSHC Board will have before it TSHC's Annual Report and Audited Financial Statements for approval. In addition, the Board will consider its recommendation for the TSHC external auditor for 2023.

On July 19, 2022, that portion of the City Council meeting where EX34.26 Toronto Seniors Housing Corporation - Annual General Meeting and 2021 Audited Financial Statements was approved by Council, was considered the inaugural Annual General Meeting of the Shareholder for Toronto Seniors Housing Corporation. <https://secure.toronto.ca/council/agenda-item.do?item=2022.EX34.26>

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On May 5, 2021, City Council directed the creation of TSHC and approval of a Shareholder Direction for the corporation.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.EX23.4>

On July 11, 2012, City Council approved a requirement that Shareholder Directions for all wholly-owned City corporations be amended to require public disclosure to the extent permitted by law of individual executive compensation as part of the annual reporting to the Shareholder and where required obtain consent from executives. <https://secure.toronto.ca/council/agenda-item.do?item=2012.EX21.19>

Signature:

Tom Hunter
Chief Executive Officer

List of Attachments:

Attachment 1: Toronto Seniors Housing Corporation 2022 Executive Compensation Disclosure

Attachment 2: Financial Impact Section for Toronto Seniors Housing Corporation

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Attachment 1

TSHC Executive Compensation Disclosure

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Attachment 1: Toronto Seniors Housing Corporation 2022 Executive Compensation Disclosure

The Toronto Seniors Housing Corporation Board approved the executive compensation salary ranges contained in May 2022.

In keeping with shareholder direction, TSHC will report annually on senior executive compensation. The following table outlines senior executive compensation, as permitted by law, in 2022. In 2022, there were four executive positions, the Chief Executive Officer, Interim Transitional Lead, Interim Director of Operations, and the Interim Finance Lead. These positions were in place for part of 2022, and the amounts represent part-year compensation.

Position	Name	Annual Base Salary	Other Compensation	Total Compensation	Annual Benefits*	Expenses	Comments
Chief Executive Officer	Hunter T	\$152,010	Nil	\$152,010	\$25,179	Nil	Partial Year
Interim Transitional Lead	Sherar M	\$168,677	Nil	\$168,677	Nil	Nil	Partial Year
Interim Director of Operations	Priggen B	\$77,210	Nil	\$77,210	\$13,373	Nil	Partial Year
Interim Finance Lead	Truong V	\$81,930	Nil	\$81,930	\$10,380	Nil	Partial Year

*Includes employer contributions to pension plan, group health benefits, and taxable benefits.

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Attachment 2

Financial Impact Section for TSHC

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Attachment 2: Financial Impact Section for Toronto Seniors Housing Corporation

As requested by City staff, the following cover report highlights key financials for Executive Committee and City Council consideration.

1. Summary of operations for the 2022 fiscal year. Toronto Seniors Housing Corporation (TSHC) began operation on June 1, 2022 with the transfer from Toronto Community Housing Corp. (TCHC) of 256 staff, along with 83 seniors' buildings to TSHC as part of the transition agreement. TCHC continues to support TSHC for back-end services such as IT and other administration through a service delivery agreement. TSHC incurred \$703,461 in COVID-19 related costs in 2022 mainly for labour for the 7 months of operation (June 1 – Dec. 31) in additional cleaning as outlined by public health.

TSHC received transitional funding of \$7,635,000 from the City in 2022, of which \$4,859,003 was used, mainly for professional services and interim staff, legal services, approved corporate staff and headcount, corporate related costs and the launch on June 1.

2. Financial highlights. The Statement of Financial Position is comprised of Cash on hand, Accounts Receivable from TCHC for the transfer of staff for vacation, lieu time and post-retirement obligations, and Prepaid Expenses for insurance. Liabilities included Accounts Payable and accrued liabilities, due to TCHC and the City, and Employee Benefits for post-retirement obligations as part of the staff transfer from TCHC. Deferred Grant Revenue (\$3,118,831) represents the unspent grant funds provided by the City in 2022.

The Statement of Operations reflects the grant funding expensed in 2022 in support of the start up and launch of the corporate operations. Revenue received from TCHC represents the revenue of the 83 seniors' buildings operated by TSHC as of June 1 per the transition agreement.

Salaries and expenses included operations and corporate staff costs, Services are mainly for professional and legal services, and Supplies and

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Other Operating Expenses are mainly for fees paid to TCHC in support of IT and back-end administration through the service delivery agreement with TCHC.

3. Any known or anticipated impacts to the City's Budget or financial position.

There are no known or anticipated impacts to the City's Budget or financial position.

4. Any concerns with assets. There are no concerns with asset balances.

5. Any liability concerns. There are no concerns with the liability balances.

6. Results of 2022 audit. The auditor provided a "clean" audit opinion with no significant findings or recommendations.

7. The future outlook. Toronto Seniors Housing Corporation continues to work with TCHC on refining the operations, budgets and funding, and supporting the seniors' 83 buildings, along with updating the agreements, policies, and processes to contribute positively to the delivery of services to seniors.

TSHC has received the HST Determined Municipality approved status in late Q1 2023, and will work with the City to obtain a Letter of Guarantee to ensure a smooth operation in 2023.