

**Toronto Seniors Housing Corporation
Board of Directors Meeting**

Topic: TSHC Annual General Meeting and 2023 Audited Financial Statements

Item #: 18

Date: April 25, 2024

**Report: BD: TSHC AGM and 2023 Audited
Financial Statements - April 25, 2024**

To: Board of Directors

From: Tom Hunter, Chief Executive Officer

Date: April 25, 2024

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 arrange with the City Clerk to call the Annual General Meeting of the Shareholder for Toronto Seniors Housing Corporation during the portion of the City Council meeting at which these recommendations are considered, and recommends that City Council:

- a. receive the Board-approved "Toronto Seniors Housing Corporation 2023 Annual Report";
- b. receive the Board-approved "Toronto Seniors Housing Corporation 2023 Audited Financial Statements";

c. appoint KPMG LLP as the Auditor of Toronto Seniors Housing Corporation for fiscal year 2024, and authorize the Board of Directors of Toronto Seniors Housing Corporation to set the fee of the Auditor; as recommended by the Board;

d. receive the Toronto Seniors Housing Corporation's 2023 executive compensation disclosure forming Attachment 1 to this Report;

2. 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.

3. The Board authorizes the Chief Executive Officer, on behalf of the Board, to submit the Board's recommendations and materials identified in Recommendations 1 and 2, once approved by the Board at its meeting of April 25, 2024, to the City Clerk for consideration by Executive Committee and City Council.

Reason for Recommendation:

Issue Background

Subsection 94(1) of the Business Corporations Act, Ontario (OBCA) requires that the directors of a corporation call an annual meeting of shareholders not later than fifteen months after holding the preceding annual meeting.

Subsection 154(1) of the 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, receive TSHC's 2023 materials including its Annual Report, Audited Financial Statements, executive compensation disclosure for 2023 and a financial impact section, and appoints TSHC's auditor for 2024.

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 25, 2024, 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 2024.

On July 19, 2023, that portion of the City Council meeting where EX6.22 Toronto Seniors Housing Corporation - Annual General Meeting and 2022 Audited Financial Statements was approved by Council, was considered as the Annual General Meeting of the Shareholder for Toronto Seniors Housing Corporation. <https://secure.toronto.ca/council/agenda-item.do?item=2023.EX6.22>

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>

Toronto Seniors Housing Corporation

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 2023 Executive Compensation Disclosure

Attachment 2: Financial Impact Section for Toronto Seniors Housing Corporation

Attachment 1: Toronto Seniors Housing Corporation 2023 Executive Compensation Disclosure

The Toronto Seniors Housing Corporation Board approved the executive compensation salary ranges contained in January 2023.

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 2023. In 2023, there were 5 executive positions.

| Name | Position | Compensation in 2023 | Annual Benefits* |
|----------------|---|-------------------------|---------------------|
| Thomas Hunter | Chief Executive Officer | \$299,393.50 | \$45,035.66 |
| Grant Coffey | Director, Strategy & Business Management | \$89,280.01 | \$1908.98 |
| Carol Francis | Director, People & Culture | \$71,307.72 | \$9305.06 |
| Arlene Howells | Director, Engagement, Partnerships & Communications | \$123,596.15 | \$17,519.30 |
| Brad Priggen | Director, Operations | \$195,823.57 | \$27,178.33 |

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

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 2023 fiscal year.

Toronto Seniors Housing Corporation (TSHC) operated the first full year in 2023, from the inaugural start-up in June 1, 2022. Toronto Community Housing Corporation (TCHC) continues to support TSHC through the Service Delivery Agreement (SDA) for IT, and back office administrative functions.

Under the Transition Agreement with TCHC, TSHC manages the seniors housing portfolio which included 83 buildings in Toronto.

TSHC received \$3,943,678 from the City for COVID-19 cost recovery, and deferred grant from 2022 of \$3,118,831 for unused corporate and related start-up expense. TSHC also received subsidy from the City through TCHC of approximately \$38,160,952 to manage and operate the seniors buildings.

2. Financial highlights.

The Statement of Financial Position is comprised of Short-Term Accounts Receivable from TCHC of \$4,862,487 for COVID-19 2023 cost recovery, staff secondment, receivable of unused funds from 2023, and deficit funding as part of the budget arrangement with the City.

Long-Term Accounts Receivable from TCHC included \$4,180,700 due to the transfer of staff to TSHC on June 1, 2022, relating to the post retirement obligations.

On the Accounts Payable, TSHC owes TCHC \$2,585,227, consisting of December service delivery agreement, and 2022 TSHC payable related to net revenue from managing TCHC properties, as part of the Transition Agreement. TSHC owes to the City \$76,078 for staff secondment arrangement.

The Statement of Operations reflects grant funding expensed in 2023 and COVID-19 cost recovery for 2022 and 2023. Revenue received from TCHC represents the revenue of the 83 seniors' buildings less operating expenses. Salaries and benefits included operations and corporate staff costs, professional services are mainly for professional and legal services, and Supplies and Other Operating Expenses are mainly for fees paid to TCHC in support of IT and back-office administration through the SDA.

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 the asset balances.

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

6. Results of 2023 audit. The auditor provided a "clean" audit opinion with no significant findings or recommendations.

7. The future outlook.

TSHC continues to work with TCHC on refining the operations, budget allocation, and supporting the seniors' buildings to contribute positively to the delivery of services to seniors as outlined in TSHC's Strategic Directions.

TSHC will work with TCHC to update the Transition and Service Delivery Agreements through the Joint Steering Committee.

TSHC will work with the City to secure sufficient cashflow, and other means to ensure adequate working capital.