

Toronto Seniors Housing Corporation

Audit, Finance and Risk Committee (AFRC) Meeting Agenda

Date: Thursday, November 28, 2024

Time: 4:00 pm to 5:30 pm

Location: WebEx and Livestream

Item	Time	Description	Action	Type of Item	Presenter
1.	4:00 pm 2 min	Chair's Remarks	Information	N/A	Chair
2.	4:02 pm 2 min	Land and African Ancestral Acknowledgements	N/A	N/A	Chair
3.	4:04 pm 1 min	Approval of Public Meeting Agenda	Approval	Agenda	Chair
4.	4:05 pm 1 min	Chair's Poll re: Conflict of Interest	Declaration	N/A	Chair
5.	4:06 pm 1 min	Approval of Public Session Minutes of AFR Committee Meeting of October 2, 2024	Approval	Minutes	Chair
6.	4:07 pm 1 min	Approval of Closed Session Minutes of AFR Committee Meeting of October 2, 2024	Approval	Minutes	Chair
7.	4:08 pm 1 min	Action Item Review	Information	List	Chair
8.	4:09 pm 6 min	CEO Update	Information	Verbal Report	Tom Hunter
9.	4:15 pm 10 min	2025 Budget Update	Information	Report	Vince Truong
10.	4:25 pm 10 min	Q3 & October 2024 Financial Results	Information	Report	Vince Truong
11.	4:35 pm 10 min	2024 Audit Engagement & Audit Timeline	Information	Report	Vince Truong
12.	4:45 pm 5 min	ERM Framework Update	Information	Report	Grant Coffey

Item	Time	Description	Action	Type of Item	Presenter
13.	4:50 pm 1 min	Motion to move into Closed Session	Approval	N/A	Chair
14.	4:51 pm 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	N/A	Chair
15.	4:52 pm 10 min		Information	Report	Vince Truong
16.	5:02 pm 10 min		Information	Report	Vince Truong
17.	5:12 pm 1 min		Approval	N/A	Chair
18.	5:13 pm 1 min		Adjournment	Approval	N/A

Toronto Seniors Housing Corporation
Audit, Finance, and Risk Committee (AFRC) Meeting
Public Minutes

[View Live Stream Video Part 1 here](#)

[View Live Stream Video Part 2 here](#)

Draft Public Minutes

The Audit, Finance and Risk Committee (AFRC) of the TSHC Board held its meeting on Wednesday, October 2, 2024, at 4:00 pm via WebEx video conference. This meeting was livestreamed.

Members in attendance:

Lawrence D’Souza, Chair
Fareed Amin
Warren Law
Councillor Vincent Crisanti
Brenda Parris

Presenters

Sarah Dionne, MNP
Philip Rocco, MNP

TSHC staff present:

Tom Hunter, *Chief Executive Officer*
Grant Coffey, *Director, Strategy and Business Management*
Vince Truong, *Interim Finance Lead*
Carol Francis, *Director, People & Culture*
Arlene Howells, *Director, Engagement, Partnerships and Communications (I)*
Brad Priggen, *Director, Operations*
Tolu Solebo, *Manager, Financial Reporting & Compliance*
Thusany Puvanendran, *Strategy & Policy Lead (I)*
Karyn Bawden, *EA and Board Secretary*
Liz Dizig and Emma Francis, *EAs to CEO*

Item 1: Chair’s remarks

The Chair welcomed Board and Committee members, staff and online attendees. He stated there were no deputations. The Chair recognized October 1st was National Seniors Day and that the evening of October 2nd marks the start of Rosh

Hashanah. He then passed it to our Board Chair, Fareed Amin, who gave tribute to Maureen Clohessy, a Board member that recently passed way. It was noted how very much her presence would be missed.

The Chair noted the AFRC October 2, 2024, agenda will focus on the 2025 Budget Update, Enterprise Risk Management Policy and the August YTD 2024 Financial Results. He also noted there would be a Closed Session in the meeting.

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 for a motion to approve the Public Agenda of October 2, 2024 as presented.

Moved: Warren Law

Seconded: Fareed Amin

With All in favour, it was resolved that the Public Agenda of October 2, 2024, was approved as presented CARRIED

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

The Chair asked the members of the Committee whether they were in conflict of interest with any agenda item. With no conflicts of interest being declared, the Chair continued to next Action Item.

Item 5: Approval of public minutes of AFRC meeting of September 3, 2024

The Chair asked if there were any edits or changes to the public meeting Minutes of September 3, 2024. Being none, the Chair asked for a motion to approve the AFRC public meeting minutes of September 3, 2024 as presented.

Moved: Fareed Amin

Seconded: Warren Law

With All in favour, it was resolved that the public meeting Minutes of September 3, 2024, was approved as presented CARRIED

Item 6: Approval of closed session minutes of AFRC meeting of September 3, 2024

The Chair asked if there were there any edits or changes to the Closed Session meeting minutes of September 3, 2024. Being none, the Chair asked for a motion to approve the AFRC Closed Session meeting minutes of September 3, 2024 as presented.

Moved: Warren Law

Seconded: Fareed Amin

With All in favour, it was resolved that the Closed Session meeting minutes of September 3, 2024, were approved as presented CARRIED

Item 7: Action item review

The committee reviewed the action item list and the status of the items. With no further action items discussed, and the Committee satisfied, the Chair proceeded to next Agenda Item.

Item 8: CEO Update

At the Chair's invitation, Mr. Hunter gave his CEO Update first by stating how very saddened we were to hear of the passing of Maureen Clohessy, former Tenant Director on our Board. He stated Maureen's passion for her community and spirit in advocating for tenants and the continued improvement of TSHC was incredible, her presence will be missed. On behalf of TSHC, Mr. Hunter expressed our deepest condolences to Maureen's family, friends, and all those who held her in their heart.

Mr. Hunter then went on to his update, highlighting:

- the 2025 TSHC Budget continues in development, post the initial submission to the City on September 10, 2024

- Announced changes in the CEO Office
 - Emma Francis, our new Executive Business Program Coordinator in the Office of the CEO. Emma will be supporting a blend of CEO Office Executive Administration functions as well as some additional support for some of our corporate programs and functions.
 - Liz Dizig, has been with TSHC for the last 2+ years, and most recently as the Executive Assistant to the CEO for the last 10 months. On behalf of TSHC, he expressed our sincere gratitude to Liz for her valuable contributions to our organization, including her broad support of the Leadership Team and the CEO office and Committee and Board. He noted Liz's last day would be October 31, 2024.

The Chair thanked, Mr. Hunter for his update, and with no questions or comments, the Chair moved on to the next Agenda item.

Item 9: 2025 Budget Update

Through the Chair, Vince Truong went through the 2025 Budget Update, highlighting:

- 2025 Budget - 1st draft was submitted to the City of Toronto on September 10th as a stand-alone budget for Toronto Seniors Housing Corporation. The preliminary budget reflected the following in the initial submission:
 - Discussions with Directors, Managers and staff
 - Request for additional staff to support tenant-facing operations and corporate requirements
 - Maintaining existing services
 - Consideration of key cost drivers such as inflation
 - Other impact in operations including salary, collective agreements, and other expected changes
- Both the City and TSHC are expected to face significant budget pressure with the 2025 Budget. TSHC will continue to develop the budget with a focus on key priorities and to manage expectations.

- TSHC will also continue to focus on supporting the 2023-2025 Strategic Directions.
- TSHC held two virtual tenant consultation sessions in early August. TSHC received valuable input in the sessions on some of the tenant priorities, including:
 - building security, additional staff support, and mental health and programming support.
- TSHC met with the Senior Tenant Advisory Committee (STAC) on September 12 to further consult and gather valuable input.
- Budget Allocation process, whereby the appropriate transfer of costs between the two organizations were outlined in the original Transition Agreement and the Service Delivery Agreement, remains a work in progress.
- To date, the one item of Bad Debt has been resolved; however, it is unlikely that the other 6 allocations will be resolved in this budget cycle (i.e. Mortgage Principal and Interest, Community Safety, Insurance, Facilities Management, Business Operations Call Centre, and the Administrative Fee).
- Key dates due to the City of Toronto 2025 Budgeting Process:
 - Administrative Reviews – Oct. 1 – 31, 2024
 - Informal Budget Committee Reviews – Mid October to Mid November, 2024
 - Target Final 2025 City Financial Planning Budget Decision – Wednesday November 27, 2024
 - Final 2025 Budget Note to City Financial Planning Division – Nov/Dec 2024
 - City Budget Committee reviews – January 2025 (TBD)
 - Council Budget Review and Approval – February 2025 (TBD)
- TSHC Board and AFRC will be updated regularly on major and material items being discussed in the meetings.
- TSHC Board is expected to approve the 2025 Budget on either December 11 or 16, 2024 (depending on time and agenda material and City Budget decisions).

The Chair thanked Mr. Truong for his update and went on to the next Agenda Item.

Item 10: Enterprise Risk Management Policy

Through the Chair, Grant Coffey presented on Enterprise Risk Management Policy, noting:

- TSHC initiated the development of an Enterprise Risk Management Framework and awarded a contract to MNP LLP in Q3 2024 to carry out this project
- MNP LLP developed a draft Enterprise Risk Management (ERM) Policy and sought feedback from TSHC management and the AFRC Board Chair to refine the policy. The ERM policy outlines the responsibilities of various stakeholders, articulates the Corporation's approach to ERM, and details the structure and processes contained within the ERM framework and reporting.
- Further to the policy, MNP LLP will establish an Enterprise Risk Management (ERM) framework and conduct an initial ERM assessment, for which work has started. The framework will include procedures and tools, such as reporting dashboards, risk assessment criteria, and risk register templates which were detailed in Attachment 2.
- TSHC aims to provide an update on the ERM Framework, tools, and reporting templates at the November 28th AFRC meeting.
- TSHC and MNP will develop a Risk Register, Risk Mitigation, and Risk Metrics for the top identified risks in Q4 2024 and will provide an update at the Q1 2025 AFRC meeting.

With a fulsome conversation had with the Committee, the Chair thanked Mr. Coffey and staff and asked for a motion that with considerations of topics discussed, the AFRC recommend the Enterprise Risk Management (ERM) Policy be forwarded to TSHC Board for approval.

Moved: Fareed Amin

Seconded: Warren Law

With All in favour, it was resolved that the AFRC endorse, with consideration of topics discussed, the Enterprise Risk Management (ERM) Policy be forwarded to the TSHC Board for approval CARRIED

Item 11: August YTD 2024 Financial Results

Through the Chair, Vince Truong presented the August YTD 2024 Financial Results, highlighting:

- Through August 31, 2024, TSHC incurred operating expenses of \$30,487,419 on total revenue of \$31,965,642 for an excess of revenue over expenses of \$1,473,933 including amortization expense.
- The excess of revenue over expenses for the first eight months included these factors:
 - Q2 surplus arising from the TCHC-TSHC reconciliation,
 - Higher than expected Salary and Benefit costs
- Revenue for the eight months was \$31,965,642 composed of \$31,830,921 from TCHC for TSHC’s rental units (revenue less expense estimate per the Transition Agreement).
- TSHC incurred operating expenses of \$30,491,709 including amortization expense.
- Salaries and benefits were higher than budget by \$1,757,043 as result several factors including:
 - Lower than expected held vacancy rate versus budget
 - Payout of unused vacation from prior year
 - Adjustment to the Post-Retirement benefit accrual
 - Hiring of additional front-line support and extension of existing support for the deferred corporate positions
 - Increasing the staff health benefit reserve outlined by the benefit provider
 - Salary band adjustment contingency and other salary costs
- Shared services with TCHC
- Professional and legal services

- Statement of Financial Position (Attachment 2):
 - Cash – \$899,540
 - Accounts Receivable - \$146,273
 - Due from TCHC (Short -Term) - \$7,332,508
 - Prepaid expenses - \$130,361
 - Due from TCHC (Long-Term) - \$4,180,700
 - Fixed Asset (Equipment), net - \$15,014
 - Accounts payable - \$3,045,007
 - Due to TCHC - \$1,674,030
 - Employee Benefits (Post-Retirement Benefits) - \$6,080,533
- Employee Benefits (Post-Retirement Benefits) - \$6,080,533
- Due from TCHC (Short-Term) included the deficit identified from the 2023 year-end and Q2 2024 TCHC-TSHC Reconciliation process of \$1,784,209 and \$5,548,299 respectively.
- Prepaid expense is the balance of the annual insurance paid in November 2023 with the monthly drawdown of expense to the end of October 2024. Also, included is the WSIB prepayment.
- Due from TCHC is the long-term receivable for the Post-Retirement Obligations transferred as of June 1, 2022 of \$4,180,700.
- Due to TCHC included the 2022 surplus from TSHC of \$1,443,724, and miscellaneous payable of \$230,306.
- Accounts Payable balance comprises of August activity that has been processed through the bank in September. The balance includes:
 - Payroll - \$2,363,593
 - Pension and Benefits - \$597,047
 - Vendor Payables - \$84,367

It was asked that if additional staff was brought on, was that considered in the costs for staff. Mr. Truong confirmed that all potential new staff positions, were taken into account with the costs noted.

With that, and no further comments, the Chair thanked Mr. Truong for the update and moved on to the next Agenda item.

Item 12: Approval to Move into Closed Session

The Chair asked for a motion to approve the meeting move into Closed Session under By-Law Section 4.19, Subsections 1J and 1L.

Moved: Warren Law

Seconded: Fareed Amin

With all in favour, it was resolved that the Public meeting be terminated and move into the Closed Session CARRIED

Live Streaming ended and the meeting went into Closed Session.

Item 17: Motions to Approve Closed Session Decisions

Upon return to the Public Realm, the Chair asked for a motion that the Audit, Finance, and Risk Committee approve and recommend to the Board of Directors to adopt the following resolution:

1. Approve the 2024-25 insurance renewal with Housing Services Corporation Inc. (HSC), effective November 1, 2024 to October 31, 2025 at an annual premium of approximately \$695,033.34, excluding applicable taxes.
2. Authorize the Chief Executive Officer (or designate) to take all actions and execute all necessary documents, on behalf of TSHC, to implement the above recommendation

Moved: Brenda Parris

Seconded: Warren Law

With all in favour, it was resolved that the TSHC AFRC approved and recommended to the Board of Directors to adopt the above resolution CARRIED

Item 18: Adjournment

The Chair thanked the Board and Committee members, staff and the online attendees and asked for a motion to adjourn the October 2, 2024 meeting.

Moved: Brenda Parris

Seconded: Warren Law

With all in favour, it was resolved that the TSHC AFRC October 2, 2024 meeting terminate CARRIED

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

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

**Action Items List as of
October 2024**

	Meeting Arising From	Description	Resp.	Status
1.	January 31, 2024	Staff to consult with TCHC on Environmental Renewal and Plan.	Grant Coffey	In Progress
2.	January 31, 2024	Bring forward an overview of revitalization plans in the 2024 budget including net new potential housing for seniors.	Grant Coffey	In progress

Action Items Completed				
	Meeting Arising From	Description	Resp.	Status
1.	January 31, 2024	Staff to provide an update regarding the discussions about the allocation and the Lease Agreement.	Grant Coffey	Completed
2.	January 31, 2024	Staff will provide an update on the Letter of Guarantee and the Line of Credit to this Committee once we have more information.	Vince Truong	Completed
3.	November 28, 2023	Going forward quarterly adjustments be recorded in TSHC books the two entries - revenues and expenses.	Vince Truong	Completed
4.	November 28, 2023	Staff to review the agreement contract and confirm that TSHC is to receive the surplus after the first year.	Vince Truong	Completed
5.	November 28, 2023	Provide Committee with a consolidated list of items that fall under the category 'other costs' as indicated in the Statement of Operations.	Vince Truong	Completed
6.	September 28, 2023	Bring to Committee a presentation on building emergency procedures.	Brad Priggen	Completed

Toronto Seniors Housing Corporation
Audit, Finance, and Risk Committee (AFRC) Meeting

Meeting Date: November 28, 2024

Item Number: 9

Topic: 2025 Budget Update

To: Audit, Finance, and Risk Committee

From: Vince Truong, Finance Lead (I)

Date of Report: November 28, 2024

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.

Reason for Recommendation:

The 2025 Budget - 1st draft was submitted to the City of Toronto on September 10th as a stand-alone budget for Toronto Seniors Housing Corporation (TSHC). The preliminary budget has been prepared and reflected the following in the initial submission:

- Discussions with Directors, Managers, staff, and tenants,

- Request for additional staff to support tenant-facing operations and corporate requirements,
- Maintaining existing services,
- Consideration of key cost drivers such as inflation,
- Other impact in operations including salary, collective agreements, and other expected changes.

Both the City and TSHC are expected to face significant budget pressures with the 2025 Budget. TSHC has developed the budget with a focus on key priorities and to manage expectations including supporting the 2023-2025 Strategic Directions. This has also included consultation input from tenants and the Senior Tenants Advisory Committee (STAC) where valuable input on tenant priorities was received.

Additional changes have been made since the 1st draft budget submission including:

- Adjusted professional services and consultation to support ongoing business requirements,
- Amended legal services and right-sized requirements for future contracts,
- Found efficiencies and savings through reducing courier services, and using mail, and other reductions in office expenses,
- Modified insurance cost with actual renewal rate,
- Adjustments per City objectives to align with budgetary requirements,
- Other refinements that have little or no major impact on tenant-facing operations.

We are currently in the Informal Budget Committee Reviews and close to finishing this process. A final decision on the TSHC 2025 Budget from the City Financial Planning Division is expected to be completed the week of November 25-29.

Below are the key dates in the City of Toronto 2025 Budgeting Process:

- Administrative Reviews – Oct. 1 – 31, 2024 (Completed)
- Informal Budget Committee Reviews – Mid-October to Mid-November, 2024 (In progress and almost complete)
- Target Final 2025 City Financial Planning Budget Decision – Wednesday November 27, 2024 (Pending)
- Final 2025 Budget Note to City Financial Planning Division – December 9, 2024
- City Budget Committee reviews –January 15-17, 2025
- Council Budget Review and Approval – February 11, 2025

The Board and AFRC will be updated regularly on major and material items being discussed in these meetings. The Board is expected to approve the 2025 Budget on either December 11 or 16, 2024, depending on timing associated with City Budget decisions.

Name: Vince Truong

Title: Finance Lead (I)

List of Attachment:

None

Toronto Seniors Housing Corporation
Audit, Finance, and Risk Committee (AFRC) Meeting

Meeting Date: November 28, 2024

Item Number: 10

Topic: October YTD 2024 TSHC Financial Result

To: Audit, Finance, and Risk Committee

From: Vince Truong, Finance Lead (I)

Date of Report: November 28, 2024

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.

Reason for Recommendation:

Please see the Statement of Operations (Attachment 1).

Through October 31, 2024, TSHC incurred operating expenses of \$37,754,104 on total revenue of \$42,107,826 for an excess of revenue over expenses of \$4,348,360 including amortization expense.

The excess of revenues over expenses for the ten months included these factors:

- Q3 surplus arising from the TCHC-TSHC reconciliation, which had a net positive effect of \$9,375,606 (revenue of \$8,058,576 and Service Delivery Agreement (SDA) expenses of \$1,317,030),

- Higher than expected Salary and Benefit costs (-\$2,145,074 – detailed further in the Report),
- Other savings in professional services, legal, insurance, and miscellaneous costs (detailed further in the Report),
- The above factors contributed to a positive Actual versus Budget position for the ten months ending on October 31, 2024.

Revenue for the ten months was \$42,107,826 composed of \$33,884,067 from TCHC for TSHC's rental units (revenue less expense estimate per the Transition Agreement). This includes \$8,058,576 recognised as the surplus revenue from the Quarter 3 TCHC-TSHC reconciliation. Interest income earned on bank balances accounted for \$152,386 and miscellaneous income of \$12,797.

TSHC incurred operating expenses of \$37,759,466 including amortization expense. Expenses incurred were for staff compensation and benefits, legal and professional services and other third-party vendors, insurance, other miscellaneous costs, and shared services paid to TCHC as per the SDA.

Salaries and benefits were higher than budget by \$2,145,074 as result several factors including:

- Lower than expected held vacancy rate versus budget.
- Payout of unused vacation from prior year.
- Adjustment to the Post-Retirement benefit accrual.
- Hiring of additional front-line support and extension of existing support for the deferred corporate positions.
- Increasing the staff health benefit reserve outlined by the benefit provider.
- Higher than expected parental leave and lieu time costs, and lower vacation usage.
- Salary band adjustment contingency, severance and other salary costs.

Shared services with TCHC were lower by \$1,317,030, however, including the non-recoverable HST cost that was not budgeted, the overall cost was lower than budgeted by \$1,216,794.

Professional and legal services were lower than budget by \$286,159 mainly due to timing differences on the expenditure. Other miscellaneous costs were lower by \$322,047 due to lower-than-expected expenditure in tenant translations, staff training and development, office related expenses such as printing, and tenant engagement and staff meetings, which will contribute to a small savings by the end of the year.

Please see the Statement of Financial Position (Attachment 2):

1. Cash – \$3,155,215
2. Accounts Receivable - \$160,057
3. Due from TCHC (Short -Term) - \$8,159,815
4. Prepaid expenses - \$681,361
5. Due from TCHC (Long-Term) - \$4,180,700
6. Fixed Asset (Equipment), net - \$13,941
7. Accounts payable - \$3,593,991
8. Due to TCHC - \$1,674,030
9. Employee Benefits (Post-Retirement Benefits) - \$6,303,817

The cash balance represents the bank balance and petty cash as of October 31, 2024.

The Accounts Receivable balance consisted of interest receivable from the bank and from the CRA on the GST/HST sales tax.

Due from TCHC (Short-Term) included the deficit identified from the 2023 year-end and Q3 2024 TCHC-TSHC Reconciliation process of \$1,784,209 and \$9,375,606 respectively less an advance received for the 2024 TCHC-TSHC Reconciliation of \$3,000,000.

Prepaid expense is the balance of the annual insurance paid in October 2024 with the monthly drawdown of expense to the end of October 2025 and the WSIB prepayment.

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

Due to TCHC included the 2022 surplus from TSHC of \$1,443,724, and miscellaneous payable of \$230,306.

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

- Payroll - \$2,835,072
- Pension and Benefits - \$610,528
- Vendor Payables - \$148,391

Name: Vince Truong

Title: Finance Lead (I)

List of Attachments:

1. TSHC October YTD 2024 Financial Result - Statement of Operations
2. TSHC October YTD 2024 Financial Result - Statement of Financial Position

Toronto Seniors Housing Corporation
Statement of Operations
10 Months to October 31, 2024

STATEMENT OF OPERATIONS	Year to Date Result			Annual		
	Actual	Budget	Variance Actual Vs Budget	2024 Forecast	2024 Budget	2024 Forecast Vs Budget
Revenue						
Revenue from TCHC	33,884,067	33,884,067	-	40,660,881	40,660,881	-
TCHC-TSHC Reconciliation	8,058,576	-	8,058,576	8,606,628	-	8,606,628
Interest income	152,386	66,667	85,719	176,418	80,000	96,418
Other Income	12,797	-	12,797	12,797	-	12,797
Total Revenue	42,107,826	33,950,734	8,157,092	49,456,724	40,740,881	8,715,843
Expenses						
Salaries and Benefits	28,138,340	25,993,266	(2,145,074)	33,649,907	31,175,867	(2,474,040)
Legal and Professional Services	210,134	496,293	286,159	385,096	626,998	241,902
Insurance	626,803	637,250	10,447	752,163	764,700	12,537
Other Miscellaneous Costs	503,992	826,039	322,047	876,819	1,044,418	167,599
SDA - Shared Services with TCHC	8,274,835	9,491,629	1,216,794	9,773,160	11,389,955	1,616,795
Total Expenses	37,754,104	37,444,477	(309,627)	45,437,145	45,001,938	(435,207)
Amortization charge	5,362	30,360	24,998	11,434	36,432	24,998
Excess of Revenue over Expenses	4,348,360	(3,524,103)	7,872,463	4,008,145	(4,297,489)	8,305,634

Toronto Seniors Housing Corporation
Statement of Financial Position
As of October 31, 2024

Assets

Current Assets:

Cash	3,155,215
Accounts receivable	160,057
Due from TCHC	8,159,815
Prepaid expenses	681,361
	<u>12,156,448</u>

Capital assets - Equipment	25,738
Less: Depreciation	(11,796)
Capital assets	<u>13,941</u>

Due from TCHC	4,180,700
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Total Assets	<u><u>16,351,089</u></u>
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Liabilities & Net Assets

Current Liabilities:

Accounts payable and accrued liabilities	3,593,991
Due to TCHC	1,674,030
	<u>5,268,021</u>

Employee Benefits	6,303,817
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Net Assets

Unrestricted (Deficit)/Surplus	4,779,251
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Total Liabilities & Net Assets	<u><u>16,351,089</u></u>
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Toronto Seniors Housing Corporation
Audit, Finance, and Risk Committee (AFRC) Meeting

Meeting Date: November 28, 2024

Item Number: 11

Report Name: 2024 Audit Engagement and Timeline

To: Audit, Finance, and Risk Committee

From: Vince Truong, Finance Lead (I)

Date of Report: November 28, 2024

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.

Reason for Recommendation:

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 years 2021 to 2024, and the TSHC Board of Directors approved KPMG as its external

auditor at the April 25, 2024 Board meeting for the 2024 fiscal year, with pricing to be discussed in late 2024.

KPMG has provided a quote of \$20,000 (plus HST) for the audit work and inflationary impact, up from \$17,500 (plus HST) from prior year. This is a reasonable increase, and within budget.

Preliminary planning is expected to begin in December 2024, and the audit work to begin on February 24, 2025 for approximately 2 weeks.

The audit report is expected to be completed by March 21, 2025.

Name: Vince Truong

Title: Finance Lead (I)

List of Attachments:

None

Toronto Seniors Housing Corporation
Audit, Finance, and Risk Committee (AFRC) Meeting

Meeting Date: November 28, 2024

Item Number: 12

Topic: Update on the Enterprise Risk Management Framework

To: Audit, Finance, and Risk Committee

From: Grant Coffey, Director of Strategy and Business Management

Date of Report: November 21, 2024

Purpose: For information

Recommendation:

It is recommended that the Audit, Finance, and Risk Committee (the “AFRC”) receive this report for information.

Reason for Recommendation:

As an action in the TSHC Strategic Directions and as previously brought to AFRC, TSHC is developing an Enterprise Risk Management (ERM) Framework. In Q3 2024, a contract was awarded to MNP LLP, a consulting firm known for having one of the largest multidisciplinary risk management teams and a project was initiated.

Project Plan

MNP has developed a detailed project plan that outlines key deliverables and completion date timelines.

ERM Policy

The ERM Policy was presented for endorsement at the AFRC meeting on October 2, 2024, and was subsequently approved at the Board meeting on October 24, 2024. This policy outlines the responsibilities of various stakeholders, explains the Corporation's approach to Enterprise Risk Management (ERM), and details the structure and processes involved in the ERM framework and reporting.

ERM Framework

MNP has developed an ERM framework, which TSHC staff are currently reviewing. This framework outlines the essential concepts, processes, and tools needed for TSHC to effectively understand, assess, and manage risk. It defines key principles for risk management, along with roles, responsibilities, and reporting procedures, ensuring alignment with TSHC's governance and strategic objectives as stated in the ERM Policy. By applying this framework, TSHC will be able to identify, analyze, understand, address, and communicate risks effectively.

Initial Risk Assessment

As part of the ERM Framework, from August to October 2024, MNP conducted interviews with TSHC staff, Board Directors, and key stakeholders about strategic risks at TSHC. Based on this information, MNP has drafted a Risk Register, which lists strategic

risks along with their assessed likelihood and impact. In mid-November, TSHC's leadership team meets with MNP to review and validate the proposed Risk Register. MNP will review the feedback and input provided by the leadership team and will deliver a completed Risk Register that includes potential mitigation options and metrics for the top risks. Risks will be presented to the AFRC on a quarterly basis.

Next steps:

The finalized ERM Framework is set to be presented to the AFRC in Q1 2025.

Grant Coffey

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