

# **ANNUAL REPORT**

## **2021/2022**

## Table of Contents

About the RHRA.....	3
Vision, Mission and Values.....	4
Message from the Chair.....	5
Message from the CEO and Registrar.....	7
Success Stories.....	10
Operational Review: Key Themes.....	13
Operational Review: Activity Highlights.....	15
Strategic Plan in Action.....	21
Key Performance Measures.....	26
Stakeholder Advisory Council Report.....	29
Board and Governance.....	32
Board Members.....	33
Organizational Chart.....	36
Activities of the Risk Officer and Complaints Review Officer.....	37
Key Corporate Policies.....	38
Financial Report.....	40
Financial Statements.....	44

## About the RHRA

The Retirement Homes Regulatory Authority (RHRA) is mandated by the government to administer Ontario's [Retirement Homes Act, 2010](#) (the Act). The RHRA's core responsibility is to enhance the safety and consumer protection of residents in Ontario's retirement homes.

The RHRA is both a regulator and an advisor, with a singular focus on ensuring that retirement homes operate in a manner that supports residents in living with dignity, respect, privacy and autonomy, in security, safety and comfort, and that residents can make informed choices about their care options.

## Scope

The RHRA fulfils its mandate by:

- Informing and educating the retirement home sector, residents and the public about the Act, regulations and role of the RHRA;
- Licensing Ontario's approximately 780 retirement homes and maintaining a Retirement Home Database available on RHRA's website;
- Inspecting retirement homes, overseeing compliance with the regulations and care standards and enforcing the Act for the protection of residents; and
- Advising the Minister for Seniors and Accessibility on policy matters related to retirement homes.

## Organizational Structure and Accountability

The RHRA is a not-for-profit corporation established as an administrative authority of the Ontario government that administers the Act and its regulations.

The government retains responsibility for the Act and regulations. The RHRA is accountable for ensuring the legislation and regulations are implemented and enforced. Headquartered in Toronto with staff deployed across the province, the RHRA is self-financed primarily through annual fees paid by licensees. The RHRA is not part of the Ontario government, nor is it a Crown Corporation; however, the Authority is accountable to government through the Minister for Seniors and Accessibility. A Memorandum of Understanding (MOU) sets out the roles and obligations of the RHRA and government.

## **Vision**

Ontarians have choice and the protection they need to live with confidence and dignity in retirement homes.

## **Mission**

The RHRA employs the most effective means to encourage and achieve compliance, to reduce harm, to support residents and families in making informed choices, and to enable a strong and diverse sector. Using an innovative and balanced approach, we:

- Use data, evidence and analysis to support a risk-based approach to decision-making
- Inform, educate and engage current and prospective residents, families, partners and other stakeholders
- Inform, guide, inspect and educate the retirement home sector
- Use all available tools to protect residents, including enforcement

## **Values**

Excellence  
Fairness  
Accountability  
Collaboration  
Efficiency  
Effectiveness

## Message from the Chair of the Board

In my first message as Chair of RHRA's Board of Directors, I want to recognize the significant responsibility that comes with serving in this capacity at a time of challenge and change both within the retirement home sector and RHRA itself. I would also like to acknowledge with sincere sympathy and compassion the physical and mental toll the pandemic has taken on retirement home residents and their families, and I extend my deepest condolences to those who have lost loved ones as a result of COVID-19.

I am passionate about community-building and committed to supporting the wellbeing of those who depend on our leadership to keep their best interests at heart. Seniors are integral members of our communities, and oversight of the retirement homes in which they live is essential to the broader ecosystem of health and wellbeing. They have the right to live with confidence that their interests are at the forefront of RHRA's decision-making, and this is central to the Board's philosophy as it guides RHRA into the next phase of its existence.

This year, the Board worked to stabilize RHRA's position to prepare the organization to do as much as possible given the heightened demand on its resources and the need for expanded oversight of retirement homes. This included securing \$6.6M in funding from the Ministry, and RHRA is thankful for this support. The demands on RHRA will not subside, and the Board will play a crucial role in ensuring RHRA can continue to effectively deliver on its mandate in a more complex operating environment in the coming year and beyond.

I am encouraged by the progress made on the implementation of the Auditor General of Ontario's recommendations as part of the value-for-money audit report issued last fiscal year. While sustaining its pandemic response, building its capacity, and making improvements to its operations, RHRA has fully implemented or is in the process of implementing recommendations within its control as outlined in its report back to the Auditor General on March 31, 2022.

RHRA is guided by Board members with diverse backgrounds who share a passion for the wellbeing of Ontario's seniors. I would like to acknowledge the dedication and experience of our new members, including Janet Beed, Barbara Kieley, Anil Mathur, Christine Ozimek, and John Groe. Their full profiles are available on RHRA's [website](#), and collectively will bring renewed vigor to an already talented group of directors.

I would also like to specifically thank RHRA's interim Board Chair Trevor Lee for his leadership, as well as Millie Christie, Bob Kallonen and David Oliver, who have completed their Board terms, for their commitment to good governance and strategic oversight during a very demanding period of time.

RHRA is at a pivotal moment, and I am confident that the combined expertise of the Board and Management will ensure the organization carries out its ambitious transition plans to operate effectively in a new reality. RHRA's staff have demonstrated remarkable resolve in upholding RHRA's mandate throughout another year of turbulence, and its senior leadership have been nimble and adaptive as they engaged with stakeholders and responded to the needs of

government, particularly in its pandemic response role.

No matter what the next year holds, the Board is steadfastly focused on its commitment to provide the guidance, oversight and leadership required for Ontario's almost 70,000 retirement home residents to be confident that RHRA can, and will, use every tool at its disposal to protect them from harm, uphold their rights, and support their wellbeing so that they can live with the dignity they deserve in Ontario's retirement homes.

A handwritten signature in blue ink that reads "Alex Yuan". The signature is stylized, with the first name "Alex" and the last name "Yuan" written in a cursive-like font.

Alex Yuan

## **Message from the Chief Executive Officer and Registrar**

As we entered the 2021-22 fiscal year, we knew that a critical focus for RHRA would be sustaining a robust response to the ongoing pandemic – one that needed to address a changed environment and recognize the sense of urgency when it came to how we keep Ontario's seniors safe. At the same time, RHRA elevated its operational capacity to better anticipate, mitigate and react to issues impacting the almost 70,000 residents who call one of Ontario's approximately 780 retirement homes their home. And we are creating change from within through the realization of improvements that will allow us to best deliver on our mandate while keeping residents first by ensuring retirement homes comply with legislation and seniors are safe and can live with confidence and in dignity.

I want to acknowledge the profound impact of the pandemic on residents and their loved ones, physically and in terms of mental health and wellbeing. I also recognize the efforts and resilience of those who work in the retirement home sector who demonstrated extraordinary dedication under extremely challenging circumstances. We continue to work together to ensure the protection of residents.

This year was an opportunity for us to plan for our response to the pandemic by organizing ourselves differently and maximizing our resources. This was a crucial adjustment that would enable us to meet the increased demands on every facet of the organization.

We provided compliance support to homes so that when we found something that was not right, the matter could be identified and resolved as quickly as possible. Through the crisis support fund program, thanks to funding made available by the Ministry for Seniors and Accessibility, RHRA provided homes in crisis with more than \$1 million to ensure they were able to continue operating and residents could remain in their homes. We continued to support the efforts of government through outbreak surveys and made results publicly available on our website to keep residents and their loved ones informed.

We were also a conduit for communicating important policies and directives from the Chief Medical Officer of Health and government to licensees and operators that were vital to resident wellbeing by way of more than 100 special advisories and newsletters. We assumed the role of trusted advisor by providing perspective on the development of policies through the lens of a regulator whose primary concern is resident well-being. As required, we developed additional guidance to help homes understand what they needed to do and when, and we maintained open lines of communication when responding to questions and requests for assistance.

We were able to manage service standards in an altered environment to effectively respond to complaints and act quickly when it came to reports of harm. We hired more frontline staff in order to address increased oversight needs. We supported public health vaccination efforts by collecting vaccination rate data from homes and we adjusted our resources to execute on a number of enforcement actions. Interim funding from the Ministry for Seniors Affairs and Accessibility was critical for RHRA to execute on its mandate in the over this past year, supporting both core operations and critical infrastructure for future improvements.

Working collaboratively with government, we welcomed amendments to the Retirement Homes Act and regulation that further enhance the oversight of care, safety, and security for retirement home residents, as well as support RHRA as a modern regulator working in conjunction with the sector. We worked closely with government through its consultation process on the proposed changes, and once in force, informed the sector and developed resources to help them understand their obligations and our expectations. Both the legislative and regulatory amendments that are now in effect respond to recommendations from reviews of the Act as well as challenges identified in the Auditor General of Ontario's December 2020 value-for-money audit.

We continued efforts to improve awareness and help inform residents, prospective residents and their loved ones of the tools and resources RHRA could offer. It is critical to RHRA's mandate that residents understand our role and know that we are there when they need help, whether it is to inform their decision-making process or addressing a concern once in their chosen home.

I am pleased with the improvements made as we have been able to again focus on maintaining RHRA as a regulator with a steadfast focus on modern regulatory practices. As part of our goal to provide even greater value to the sector in a complex environment, attention was paid to what needed to be done to sustain these improvements at an elevated level. These practices and RHRA's operations have been thoroughly examined through several independent external reviews, including the Auditor General of Ontario's report in 2020, RHRA's appearance at the Standing Committee on Public Accounts in 2021, our Risk Officer annual reviews, and most recently through an independent operational efficiency review for the Minister still underway at the completion of the fiscal year. RHRA has welcomed these audits and reviews, and is pleased that its regulatory model and operations, and planned activities have been validated. These included, but were not limited to, collecting data on residents to help inform policy decisions, enhancing our risk model to reduce risks and harm to residents and establishing an action plan to clear the backlog of proactive routine inspections, with additional infection prevention and control coverage. This is an ongoing process that we have so far made tangible progress toward, and I am confident we will continue to make significant strides in the upcoming fiscal year.

We increased the number of inspections we conducted to respond to harm or risk of harm to residents, as well as closely monitoring infection prevention and control, and we invested in modernizing our information technology system so that staff will be able to respond to public inquiries and resident concerns faster. Moving forward, RHRA has made a commitment to transparency to better enable prospective residents and their loved ones to make informed decisions about retirement homes and help current residents better understand how their retirement home is operating.

Seniors across the province have demonstrated remarkable tenacity in light of the difficulties they and their loved ones have faced during another challenging year. I recognize the hardships they have endured and the losses they have suffered, and I want every retirement home resident to know that RHRA's staff are passionate and dedicated to carrying out our mandate in the name of resident protection and enabling informed decisions.

RHRA is guided by an extremely competent Board that shares this dedication, and benefits from



the valuable, collaborative relationships we have with our stakeholders. I am grateful for our partnerships in the community, along with those in government, that have propelled our work forward and strengthened our ability to be an effective, modern regulator.

RHRA's sense of purpose has never been stronger as we navigate new realities and create change from within – all with residents at heart. We are evolving, but there is still work to be done. Our top priority moving forward is to ensure that the changes we are making will first and foremost result in improved outcomes for residents overall.

A handwritten signature in blue ink, appearing to read 'Jay O'Neill', with a stylized, cursive script.

Jay O'Neill

## **Success Stories**

### **Using our regulatory tools to prevent and mitigate risk of harm to residents**

#### *RHRA Involvement in Receivership Matters*

After several associated homes for which licences were in the process of being revoked went into receivership, RHRA closely monitored and participated in the receivership proceedings before the commercial court in order to ensure that resident safety and security, lack of disruption to quality of life, along with compliance with the Act was maintained throughout the process. This was the first time that RHRA took on this type of active role in such a matter.

#### *RHRA Innovation in Compliance Orders*

The addition and enhancement of the compliance monitoring function at RHRA has created the capacity for RHRA to consistently monitor and coordinate compliance with licensees to whom the Registrar has issued orders. This has enabled RHRA to issue orders that utilize creative remedial solutions and are more specifically tailored to the circumstances of individual homes. For example, RHRA has in the past year issued orders requiring the staff of homes to take remedial educational courses and to prepare and submit compliant documentation for review and feedback. These types of dynamic and customized orders have increased RHRA's ability to ensure compliance with the Act and Regulation.

#### *Protecting Residents during the Pandemic*

During the COVID-19 pandemic, RHRA used its emergency order powers to ensure that homes experiencing outbreaks of COVID-19 maintained compliance with the applicable directives of the Chief Medical Officer of Health. RHRA worked quickly and with urgency to, where appropriate, issue orders appointing managers and requiring licensees to take other measures to ensure resident safety and security. Many homes that were in crisis during outbreaks were stabilized due to RHRA's use of these orders as part of the response by all community partners.

### **Acting as a trusted advisor to government**

This year, RHRA worked diligently in collaboration with the Ministry for Seniors and Accessibility on amendments to the Retirement Homes Act and Regulation that will further enhance care, safety, and security for retirement home residents as well as support RHRA as a modern regulator. The amendments received Royal Assent on December 9, 2021, as part of Bill 37, Providing More Care, Protecting Seniors, And Building More Beds Act, 2021.

Both the legislative and regulatory amendments that are now in effect respond to recommendations from reviews of the Act, as well as challenges identified in the Auditor General's value-for-money audit, which were underscored by the impact of the COVID-19 pandemic on retirement home residents. RHRA is in the process of operationalizing these changes, which will include ongoing communication with and feedback from residents, retirement homes, the sector, stakeholders and community partners.

In addition, RHRA and the Ministry for Seniors and Accessibility collaboratively revised its Memorandum of Understanding (MOU). The new MOU takes into consideration current best practices in the governance of administrative authorities and addresses the Auditor General's recommendations for enhanced oversight and governance, such as improvements to reporting requirements related to corporate performance measures, targets and standards, as well as other enhancements recommended by RHRA's Board of Directors. The new MOU became effective March 31, 2022, although there is still work ahead for RHRA and the Ministry for Seniors and Accessibility to complete the revision of certain Schedules associated with the MOU. This work continues and is anticipated to be complete in the 2022/23 fiscal year.

### **Work underway continues to address the Auditor General of Ontario's recommendations**

In the 2021/22 fiscal year, RHRA continued to make progress towards implementation of the recommendations in the Auditor General of Ontario's value-for-money audit report issued last fiscal year. The Auditor General's recommendations validated RHRA's strategic pillars and business plan by recommending activities that strengthen RHRA's ability to effectively fulfill its mandate. RHRA committed to sharing its progress toward in a robust and transparent manner publicly by way of an implementation plan on our website.

Key achievements included providing more rigorous compliance support or taking enforcement action against retirement homes that do not provide adequate care services to residents, clearing the backlog of proactive routine inspections, expanding factors in our risk model when selecting homes for more frequent inspection, establishing a back-up network of qualified management candidates that can be quickly deployed to retirement homes during times of crisis and establishing a performance indicator to measure turnaround time for investigating and resolving complaints.

A number of action items are currently in progress with the goal of completion in the coming fiscal years. These include working with the Ministry for Seniors and Accessibility to establish processes to collect data on residents and retirement homes from other relevant organizations, and to use this information to inform policy development, routinely obtaining data from public health on issues or concerns in retirement homes, working with the Ministry for Seniors and Accessibility to critically assess the effectiveness of RHRA's enforcement tools as well as working to assess the feasibility of developing variable approaches to regulate different types of retirement homes with consideration of evolving resident health profiles.

For the most up-to-date implementation plan on the Auditor General's recommendations, please visit our [website](#).

### **Working to increase awareness of RHRA's protection mandate among seniors and loved ones**

In the 2021/22 fiscal year, RHRA resumed its efforts to raise awareness of its role among

residents, prospective residents and their loved ones. The objective was to educate our audiences that RHRA is a trusted authority and a source of unbiased and transparent information that helps Ontarians make confident decisions about selecting a retirement home, along with the protection we provide to residents. The campaign drove over 38,000 people to click to RHRA.ca, including more than 12,000 uses of the Retirement Home Database.

In addition to the campaign, RHRA also conducted several outreach presentations to community partners across the province in an effort to ensure they were informed on RHRA's mandate and how we work with our partners to safeguard seniors living in retirement homes, as well as how to submit complaints or reports of harm to RHRA, and that any questions they had were answered.

## **Operational Review: Key Themes**

### ***Responding to resident concerns***

The need for a robust and substantial response to the concerns of retirement home residents has been a top priority as RHRA navigated a year that included making a shift towards operating in an ongoing pandemic environment, while also continuing to dedicate ourselves to responding to waves of COVID-19. The reverberations of the pandemic have resulted in RHRA's regulatory operations experiencing an increase in mandatory reporting, and a significant increase in potential mandatory reports. More people are reaching out to RHRA for our services and for protection, demonstrated by an increase in complaints as well as issues where early action and resolution were undertaken to resolve concerns brought to our attention in an efficient and effective manner that satisfies the needs of residents and their loved ones.

### ***Sustained pandemic response related activity is evolving***

RHRA has continued to experience significant change in core regulatory activities from its pre-pandemic state. While the need for direct pandemic-related actions is expected to subside as the response and recovery wind-down phase unfolds, it is anticipated that this will be offset by different, long-term requirements that have emerged as the result of the COVID-19 experience.

Over the past year, RHRA expanded its capacity in several areas in response to activity demands, to address its changed operating environment, and to incorporate continuous improvements to its process including those recommended by the Auditor General and other audits.

### ***Establishment of data management functions and capacity contributing to pandemic response***

RHRA partnered with epidemiology experts at McMaster University to collect, analyze and publish data to determine the overall state of the retirement home sector at specific points during the pandemic. This provided insights into the scale and severity of outbreaks, trends over time, and likelihood versus severity.

An outbreak survey was sent to homes and the results were published on RHRA's website by way of a COVID-19 dashboard, updated daily.

In the 2021/22 fiscal year, at the beginning of the Omicron wave, RHRA began to collect data on hospitalizations as a result of COVID-19, which was collected as part of the daily outbreak survey sent to homes. RHRA also collected data on resident and staff vaccination rates in retirement homes on a monthly basis for six months. This data was reported to the Ministry for Seniors and Accessibility to help inform the overall provincial response to the pandemic.

Proactive and ongoing risk assessments of homes enabled RHRA to work directly with operators to adopt mitigation strategies to reduce potential harm to residents. RHRA conducted 1,070 COVID-related risk assessments for all licensed retirement homes during the 2021/22 fiscal year.

Resumption of routine inspections and addressing the backlog of routine inspections was

undertaken. As the pandemic evolved, the regulatory operations team resumed programs and activities such as compliance support and monitoring to ensure operators understand and are able to fulfill their obligations in accordance with the Retirement Homes Act.

### ***Enhanced approaches to governance, accountability, and transparency***

RHRA undertook initiatives to advance its role as a modern regulator. This included evolving our governance structure to ensure continuation of effective oversight and stewardship.

RHRA staff worked closely with the government on the legislative and regulatory review process that enabled it to more fully deliver on its mandate to protect retirement home residents. This also highlighted the responsibility of RHRA to serve as a trusted advisor to government on policy matters of importance to seniors.

As an entity with a core driver of serving the public good, RHRA is accountable and committed to meaningful engagement with residents, families, the retirement home sector, partner organizations and other stakeholders. Mechanisms such as the Stakeholder Advisory Council and the Resident Network are formal processes by which these perspectives were obtained in a consistent and representative manner.

RHRA initiated work to increase transparency as a fundamental tenet of a responsible and accountable regulator. Transparency principles were articulated, and staff identified means by which the work of the organization can be accessible and available to residents and their families, the public, industry, government, and other stakeholders. Work on this front continues.

### ***Expanding partnerships and enhancing policy functions***

The environment in which RHRA operates has been permanently altered, and significant progress was made to adapt under new circumstances requiring innovative and expanded partnerships along with a policy voice that reflected the needs of seniors living in Ontario's retirement homes.

RHRA formalized interagency relationships and introduced a partnership and engagement program to facilitate discussions on important local issues and to coordinate and support activities to address retirement home concerns. This was done through one-on-one meetings or in a collaborative forum. It included Home and Community Care Support Services (HCCSS), Infection Prevention and Control HUBS, Ontario Health, local Public Health Units, hospitals and retirement homes.

RHRA increased its capacity to provide advice and support for the development of relevant policies. A more comprehensive approach to our policy mandate was undertaken with priority given to those items with high resident impact, such as guidance on the Chief Medical Officer of Health's Instructions to homes on vaccination policies and topic-specific clarifications on use of volunteers to mitigate staffing shortages. RHRA was an active participant in crucial conversations with government and stakeholders, as well as partner agencies, to best understand the dynamics at play and how to thoughtfully develop policy positions as needed. For example, RHRA played a critical role in providing feedback and perspective on changes to the Retirement Homes Act and

regulation and began exploration of policy issues related to new and emerging housing models to determine RHRA's role in oversight and application of the Act.

## **Operational Review: Activity Highlights**

### ***Responding to reports of harm and risk of harm***

RHRA responded to an increase in both reports of harm as well as an increase in potential risks of harm to residents in the 2021/22 fiscal year. RHRA treats these reports with urgency as they involve potentially serious threats to the wellbeing and dignity of residents. Known as mandatory reports, these are related to abuse or neglect of a resident, improper or incompetent treatment or care of a resident, unlawful conduct, or misuse or misappropriation of a resident's money.

In 2021/22 the most reported areas of concern were improper or incompetent treatment or care, physical abuse and financial abuse. Combined this resulted in 447 mandatory report inspections of homes with the balance addressed by remote inquiry. In circumstances where RHRA receives an incomplete report of harm or risk of harm it is pursued for clarity and action is taken as appropriate to protect residents.

The chart below breaks down the mandatory reports submitted to RHRA in the 2021/22 fiscal year by allegation type. The category marked 'other' relates to missing or incomplete data at the time the report was submitted to RHRA or cases that involve multiple allegations.

<b>Mandatory Reports - Allegation Type</b>	<b>Total</b>
Abuse	576
Improper or Incompetent Treatment or Care	290
Misuse or Misappropriation of a Resident's Money	12
Neglect	81
Unlawful Conduct	11
Other	85
<b>Total</b>	<b>1,055</b>

### ***Increased demands for responding to complaints and facilitating resolution***

RHRA looks into every complaint it receives, engaging with the complainant and ensuring they are informed throughout the complaint-handling process. RHRA's underlying objective in this area is to help resolve complaints as fairly, thoroughly, and quickly as possible.

The volume of formal written complaints continued to increase into FY 2019/2020. In response to escalating volumes and to improve the satisfaction of complainants, RHRA introduced a process of early resolution for potential complaints.

By using early resolution, RHRA has increased its ability to efficiently help residents or families resolve concerns, and where possible and appropriate, avoid the more time-consuming

processes associated with formal complaints. In 2021/22, of the 147 complaints, RHRA had 72 complainants go through this process.

In 2021/22, RHRA processed 75 formal complaints. The three most common areas of concern related to improper or incompetent treatment or care, abuse and neglect, and the complaints procedures of retirement homes themselves.

Formal Complaints	FY 2021/22	FY 2020/21	FY 2019/20
Received during period	75	40	81
Closed during period	63	29	100
Open at end of period	50	38	27

There were an additional 72 complainants through early resolution processes in FY 2021/22; this process was implemented only in Q4 of the prior year so comparable numbers are not available.

### ***Increased assessments of compliance and supporting homes to come into compliance with statutory requirements***

Whenever an RHRA inspection uncovered serious concerns, we used all of our available regulatory tools, including our enforcement powers to respond. For other lower risk concerns, RHRA believes the best approach to protect residents is to help the home come into compliance with the Act.

## **Inspections**

RHRA routine inspections increased significantly over the previous year (1,376%) as a result of a return to normal operations as well as addressing routine inspections backlog, combined with the easing of restrictions and a decline in outbreak frequency, along with mandatory report (47%) and complaint inspections (200%). Of these inspections, 69% resulted in findings of non-compliance with the Retirement Homes Act and regulation.

When considering mandatory reports inspections, it is noteworthy that there were more than 1,000 reports of harm or potential harm to residents as shown above. The legislation provides RHRA an opportunity to conduct a risk assessment of each mandatory report to determine whether it would be appropriate to conduct an inspection or undertake remote inquiries to determine compliance. Remote inquiries enable RHRA to most efficiently use its resources when it is assessed that it can do so without impairing its ability to address risk of harm to residents.

Although RHRA's routine inspection backlog was eliminated this fiscal year, other issues have surfaced in part as an indirect consequence of COVID-19. These include homes with fewer staff resources, which has created an elevated risk level that requires a more proactive approach. Similarly, RHRA has observed a trend of decreased experienced among licence applicants. These kinds of issues have increased the need for RHRA to evaluate its oversight process for assessing risk and compliance with the Act and regulation.

Inspections	FY 2021/2022	FY 2020/2021	FY 2019/2020
-------------	-----------------	-----------------	-----------------



Routine	812	55	399
Mandatory report inspection (s. 75)	447	304	531
Complaint inspection (s. 84)	39	13	35
Compliance inspection (s. 77(1))	73	145	17
Report to Registrar (s. 77(2))	31	16	28
Licensing inspection (s. 37)	3	0	0
<b>Total</b>	<b>1,405</b>	<b>533</b>	<b>1,010</b>

## Compliance Support

The compliance support program resumed in FY 2021/22 after having been largely paused in the prior two years due to lack of resources and pandemic activity priority. The compliance program is designed to help those homes that are struggling with becoming compliant or maintaining compliance with the Act. In this process a dedicated specialist works with the home to focus on areas identified as requiring improvement. In the 2021/22 fiscal year, 45 homes entered the program.

### ***Sustained heightened need for effective enforcement intervention is evident***

RHRA's use of its enforcement tools continued to be in response to matters identified through our various compliance assessment activities, most commonly inspections. RHRA has seen a significant increase in the number of circumstances where enforcement is appropriate from its pre-pandemic levels.

In 2021/22 RHRA issued 21 Compliance Orders and 7 Management Orders related to matters such as plans of care, staff training, behaviour management, abuse and neglect, and infection prevention and control (IPAC). In some of these cases or other matters, Administrative Monetary Penalties were also issued. In this fiscal year, RHRA issued 20 Administrative Monetary Penalties with a total value of \$51,000.

## Enforcement Orders

Type of Action	FY 2021/2022	FY 2020/2021	FY 2019/2020
*Impose conditions upon licence (s. 39)	12	12	21
*Refuse licence (s. 36)	0	0	1
Order to apply or cease to operate (s. 89)	8	6	8
Compliance order (s. 90)	21	28	8
Management order (s. 91)	7	11	0
Administrative monetary penalty (AMP - s. 93)	20	14	5
Order to revoke (s. 95)	5	8	3

<b>TOTAL ORDERS/DECISIONS</b>	<b>73</b>	<b>79</b>	<b>46</b>
-------------------------------	-----------	-----------	-----------

## Compliance Monitoring

The Compliance Monitoring program's primary purpose is to assess whether a Licensee is complying with the Registrar's Orders and Decisions and that any failure to comply is addressed. The program sits within the Enforcement function and ensures all outstanding requirements as a result of an order meet the expectations and are implemented in a timely manner and monitored for sustained compliance over time.

In the 2021/22 fiscal year, a total of 39 homes were part of RHRA's compliance monitoring program.

### ***Sector growth and evolving nature combine to increase activity and complexity of regulatory oversight***

Licences are required by those facilities that meet the definition of a retirement home under the Retirement Homes Act. The numbers of licensees are shown in the chart below over the past three years.

Although the sector has been significantly impacted by the pandemic it continued to grow over the past year with the number of suites up by 3.6% ending just under 70,000 at year's end. RHRA also saw the number of licensing transactions increase by 70% from two years prior. Issued licences and suites represent the net change among any licences added and surrendered during the year.

Although the number of licences issued with conditions has remained stable over the past 3 years, the nature of those circumstances has shifted considerably. In FY 2019/2020 the majority of the conditions were related to sprinkler non-compliance, but these have since been completely addressed. Homes with licence conditions at the end of the current year reflect a greater emphasis on other concerns such as ensuring appropriately experienced staff are involved in the running of the home.

RHRA saw changes in the composition of ownership, requiring a heightened level of scrutiny and the bolstering of licensing criteria to ensure the competency of licensees and to ultimately safeguard the residents who will live in these homes. As the sector is projected to keep growing to serve an increased need for housing for seniors, RHRA will need to be even more rigorous and thorough in its licensing processes as well as look to evolving new robust and effective processes to ensure residents get the care they need. To do this, RHRA has begun an Alternate Assurance Evaluation Project to better understand the changing retirement home sector.

Licensed Homes	As of March 31, 2022		As of March 31, 2021		As of March 31, 2020	
	Homes	Suites	Homes	Suites	Homes	Suites
Issued	755	68,348	750	65,895	748	63,625
Issued with conditions	23	906	24	947	22	1,075
<b>Total</b>	<b>778</b>	<b>69,253</b>	<b>774</b>	<b>66,842</b>	<b>770</b>	<b>64,700</b>

Note: Suites are a measure of capacity, not actual residents

Licence Applications	FY 2021/2022	FY 2020/2021	FY 2019/2020
New (Build/Operations)	16	16	19
Transfer of ownership	36	24	21
Operating without a licence	0	0	0
<b>Total</b>	<b>52</b>	<b>40</b>	<b>40</b>

### ***Sustained increase in requests for RHRA from pre-pandemic levels***

RHRA continued to experience increased volume in requests as a result of higher levels of awareness the RHRA's mandate having arisen during the pandemic. The increase from pre-pandemic levels is 58%. Overall, there was a decline from the prior year of 16% which primarily reflects a reduction in the number of direct COVID-19 related intake cases; all other case types showed an increase of 13% over pre-pandemic levels. A downward trend in direct pandemic cases is expected to be offset by continued increases in other types going forward.

Intake	FY 2021/2022	FY 2020/2021	FY 2019/2020
Intake contacts	6,527	7,783	4,127

### **Emergency Fund**

The Emergency Fund was established to allow Registrar Payments and Resident Claims for support under certain circumstances.

Emergency Fund*	FY 2021/2022	FY 2020/2021	FY 2019/2020
Number of Registrar Payments	2	43	14
Total value	\$1,825	\$63,000	\$5,776
Fund balance at end of period (March 31 <sup>st</sup> )	\$619,284	\$582,000	\$614,574

\*All Administrative Monetary Penalties received are required by legislation to be allocated to the Emergency Fund.

Given the unforeseen financial impact of the pandemic on operators, RHRA administered short-term crisis funding as part of its Crisis Support Fund Program totaling \$1,083,000 to 31 retirement homes to enable them to maintain operations and to avoid major disruption to the residents in those facilities if they had to relocate at a time of heightened risk and limited options.

## Strategic Plan in Action

As part of the [Strategic Plan 2017-2022](#), RHRA would ordinarily be in the process of finalizing its next multi-year strategic plan at this juncture. However, given the uncertainty and degree of disruption created by the COVID-19 pandemic, RHRA's Board of Directors requested the creation of a bridge plan to encompass the 2021-2023 period that includes priorities identified by the Auditor General of Ontario in her 2020 value-for-money audit report, as well as recommendations from RHRA's Risk Officer.

The 2021-2023 [bridge plan](#) (see page 4) comprises four pillars each with strategic objectives. It was designed to enable RHRA to 'plan for transition' from the COVID-19 pandemic and enable the organization to meet its mandate, address environment changes, and respond to recommendations arising from a variety of reports including that of the Auditor General. Part of this transition also includes enabling the organization to develop its next strategic plan in the context of the broader stabilization and transition of the retirement homes sector and additional insight on direction through the legislative review process.

### ***Pillar One: Use Evidence-based Research & Analysis to Drive Regulatory Model and Policy Advice***

Objective	Outcome
Provide advice on Legislative Reform of the Retirement Homes Act and regulation	RHRA provided advice and recommendations to the Ministry for Seniors and Accessibility as part of its work on amendments to the Retirement Homes Act and Regulation. The Ministry for Seniors and Accessibility made legislative amendments to the Retirement Homes Act and Regulation, which received Royal Assent on December 9, 2021, as part of Bill 37, Providing More Care, Protecting Seniors, And Building More Beds Act, 2021. The remaining legislative amendments that did not come into force on Royal Assent were proclaimed into force on March 16, 2022. At the same time, regulatory changes also came into effect that support the legislative amendments. Examples of the revisions to the Act and Regulations include new powers that RHRA can use in urgent circumstances where residents may be at risk of harm, additional protections for residents from financial abuse by licensees, and the enhanced ability to share information with other regulators.
Update RHRA's risk model	RHRA expanded its risk model to include more data, such as inquiries outside of inspections, complaints, and factor in considerations on infection prevention and control. These are part of regular continuous improvement initiatives.
Continue to expand RHRA's data	In the 2021/22 fiscal year, RHRA signed a

partnerships	Memorandum of Understanding for data sharing with the Ministry of Finance. RHRA also signed a Memorandum of Understanding with the Ministry of Health to receive COVID-19 retirement home data from public health.
Build RHRA's stakeholder data program	<p>RHRA focused on data collection as mandated in the Retirement Homes Act as well as the continued collection of COVID-19 outbreak data as well as new data on vaccination rates in retirement homes to help inform government and RHRA decision-making.</p> <p>RHRA developed a plan for stakeholder consultation on data collection and analysis to support implementation of changes to section 108 of the Retirement Homes Act as well as existing data collection requirements.</p>

***Pillar Two: Review & Adapt our Regulatory Approach to 'post' COVID Environment***

Objective	Outcome
Operational effectiveness improvements including enhancements to inspection reports to improve ease-of-use, incorporating more robust financial assessments into licensing process, continuous improvement initiatives for inspections	<p>RHRA made changes to the wording of its inspections findings to increase transparency into how inspectors came to specific conclusions in their findings. RHRA undertook a review of how it structures its final inspection report template to expand on information specifically relating to closed citations. Additional continuous improvements involved enhancing the information gathered and communication during inspection through more structured interview questions and a more robust debriefing process.</p> <p>RHRA implemented the use of background searches such as credit checks, and bankruptcy and insolvency searches, to assess financial health of applicants.</p> <p>RHRA conducted licensing interviews with all applicants that are not current licensees that included vetting for financial health. RHRA intends on initiating additional work on recommendations from the Risk Officer stemming from a review of licensing processes.</p>

<p>Align enforcement strategy with crisis support &amp; re-assess process alignment including initiatives to enable new management order powers, enhance compliance monitoring and compliance support programs</p>	<p>RHRA strengthened its internal capacity to increase the number of homes for which it provides compliance support, meaning that homes at risk can be addressed quickly and support can be provided faster.</p> <p>When homes were experiencing outbreaks during the pandemic and licensees were unable to properly respond, RHRA was able to issue orders which required licensees to retain external managers chosen by RHRA in order to manage the outbreak. These homes were often eligible for crisis support program funding, which enabled them to pay for the services of the retained manager.</p> <p>RHRA introduced a new Compliance Monitor function last fiscal year and has since enhanced this program and its processes to become more formalized over the course of the 2021/22 fiscal year. This function is responsible for ensuring that licensees are appropriately complying with Orders and Conditions issued by RHRA's Registrar or Deputy Registrar. One of the Compliance Monitor's responsibilities is to coordinate and liaise with managers retained by licensees as part of management orders to ensure that licensees are meeting their obligations under the terms of the orders issued. The creation of the Compliance Monitoring function has enabled RHRA to issue compliance orders, management orders and licence conditions that are more robust while simultaneously allowing RHRA to be more rigorous in ensuring compliance.</p>
<p>Formalize regulatory collaboration processes with partners</p>	<p>RHRA met with a number of community partners in the 2021/22 fiscal year to educate them on RHRA's mandate including its role in engaging with partners on issues of mutual concern, specifically as it related to the wellbeing of retirement home residents. This has resulted in an effective and coordinated response to crises caused by the pandemic as well as the identification of potential unlicensed homes.</p>
<p>Operational recovery including addressing inspection backlogs, formalizing unlicensed homes monitoring and enhance reporting of non-compliance on RHRA's public online database</p>	<p>RHRA's routine inspection backlog was eliminated prior to the end of the 2021/22 fiscal year as a result of increasing resources to complete this objective.</p> <p>The unlicensed homes project identified 231 homes in May 2021 requiring follow-up to determine what further action, if any, was required. As of the end of the 2021/22 fiscal year, 206 homes had been addressed. Work is ongoing to complete this objective in the</p>

	<p>2022/23 fiscal year.</p> <p>At the end of the 2021/22 fiscal year, RHRA was in the process of beginning to publish more robust and detailed summaries of the orders it issues to licensees on its Retirement Home Database. These transparency enhancements also consider RHRA's obligations related to protecting privacy and personal information.</p>
Continue to enhance complaints handling	<p>RHRA implemented procedures for early intervention and early resolution of complaints, updated its complaints procedures to deal with unresponsive complainants, and updated its website with a list of common referrals and relevant agencies for RHRA complainants to access if something fell outside of its mandate.</p> <p>RHRA also implemented a procedure for external referrals and established and monitored service level standards for complaints. It also enhanced the information on the complaints page of its website by way of an infographic to assist complainants better understand the complaints process.</p>

***Pillar Three: Build Trust with Public, Government, and Industry***

<b>Objective</b>	<b>Outcome</b>
Increase RHRA's profile among government and stakeholders to enable role as key policy advisor	<p>RHRA provided policy advice to government on a number of matters concerning the development of COVID-19 directives and created guidance documents as needed to assist the sector in the implementation of directives or instructions from the Chief Medical Officer of Health.</p> <p>RHRA enhanced its policy and government relations functions by adding capacity to support RHRA's responsibility as a trusted advisor. A structured policy process and framework was developed with mechanisms to identify, prioritize, analyze and optimize RHRA's ability to make policy recommendations to government.</p>
Enhance education and awareness of RHRA among residents, families and prospective residents	RHRA initiated a comprehensive communications campaign aimed at increasing awareness of RHRA and the resources available for residents, prospective residents, and their loved ones. The campaign



	<p>reached a total of 409,619 people through Facebook ads, garnering over 2.4 million impressions through Facebook and Google Search ads, and resulted in over 38,000 clicks to key resources on RHRA's website, such as the Retirement Home Database.</p> <p>RHRA also conducted a number of outreach presentations to community partners, including the Alzheimer's Society and Scarborough Centre for Healthy Communities, and invited Elder Abuse Prevention Ontario and Home and Community Care Support Services to present to RHRA's Resident Network.</p>
Continue to build out a public report card for Ontario's retirement homes, beginning with enhancements to the Retirement Home Database	The public report card initiative was placed on hold due to budget restraints. RHRA will endeavor to revisit in the 2022/23 fiscal year in the context of a number of initiatives that support RHRA as a transparent regulator with the aim of enabling residents and their families to make informed decisions.

#### ***Pillar Four: Infrastructure & Capacity Transition***

<b>Objective</b>	<b>Outcome</b>
Replace RHRA's case management system and IT infrastructure	<p>RHRA selected a vendor and negotiated a contract to implement its Regulatory Management Software Solution.</p> <p>The planning phase was completed, and the design phase is underway. The project is slated for completion in the 2022/23 fiscal year.</p>
Address RHRA's people, process and organizational resources to increase capacity, capability while maintaining efficiency	In the 2021/22 fiscal year, RHRA made a deliberate and systematic effort to ensure organizational design is meeting needs and has the flexibility to respond to the continuously evolving environmental landscape, including the sustained changes in core operational activity that it has experienced.

## Key Performance Measures

The RHRA is actively engaged with the Ministry to update the relevant schedules of the MOU that will refine our approach to performance measures. RHRA continues with its core direction established through its five-year [strategic plan](#) for moving the RHRA towards an evidence-based, risk-managed approach to compliance. This includes making data-driven decisions, as well as putting more emphasis on education and other activities to enable operators to come into compliance with the Act.

The following measures established prior to the pandemic provide some insight on targeted activities and programs year-over-year as set out in our Business Plan. In future years, we will include updated performance measures.

Strategic Pillar	Objective	Measures	2019/20 Performance	2020/21 Performance	2021/22 Performance
Encourage Compliance and Better Protect Residents	SAFETY Increase impact of overall compliance with the Act, measured by home performance.	Change in risk levels of homes (based on observed non-compliances) in relation to the Act and overall home performance changes.	Risk Level Changes:  High Risk: decreased by 26.2%  Medium Risk: decreased by 6.6%  Low Risk: increased by 13.3%	Risk Level Changes:  High Risk: increased by 96.8%  Medium Risk: decreased by 18.6%  Low Risk: decreased by 1.4%	Risk Level Changes:  High Risk: increased by 13.1%  Medium Risk: increased by 54.4%  Low Risk: decreased by 29.6%
Strategic Information Through Data and Analytics	COMPLIANCE Reduce the percentage of homes with non-compliance related to specific areas, through CAMs and compliance support initiatives.	Complaints: Number of citations.	382 citations related to complaints procedures	106 citations related to complaints procedures	430 citations related to complaints procedures
Consumer Protection and Choice Through Transparency, Accountability	TRANSPARENCY Increase awareness of the RHRA's mandate	Province-wide omnibus public survey	Province-wide omnibus public survey	Survey not conducted (suspended due to COVID-19 pandemic)	Province-wide omnibus public survey

and Public Reporting	among residents and consumers as a trusted source for protection.	Questions:  Is there a regulatory body that is responsible for licensing retirement homes in Ontario?	Results:  46% Yes 6% No 48% Don't know		Results:  39% Yes 10% No 51% Don't know
		Is licensing mandatory for retirement homes in Ontario?	53% Yes 8% No 39% Don't know		41% Yes 11% No 48% Don't know

### RHRA's Stakeholder Effectiveness Survey

In 2021/22, a survey was conducted to acquire stakeholder perceptions of RHRA's value and accountability to stakeholders. The survey was sent to licensees/operators, sector associations, advocacy organizations and community partners to invite them to fill out an online survey that asked them questions about RHRA's service and value delivered to stakeholders. It also involved a sample of retirement home residents and invited them to answer similar questions through a phone survey. Survey results are available on RHRA's website; high-level findings include:

- Overall, stakeholders scored RHRA 7.3/10 on an "Accountability Index Score"  
To measure accountability across stakeholder groups, three dimensions were identified to collect feedback on stakeholder perceptions of the RHRA's accountability performance. Stakeholders were asked questions about and RHRA was rated on:
  - Access (e.g., awareness, responsiveness)
  - Practice (e.g., leadership, support, fairness)
  - Outcomes (e.g., service, value of oversight)
- A majority of industry stakeholders have a favourable impression of the RHRA. Those with a favourable impression say that RHRA is easily accessible, supportive, and protect the rights of retirement home residents.
- Fewer than 30% of retirement home residents in Ontario have heard of the RHRA. Even amongst those residents who have at least heard of the RHRA, many do not have a firm opinion on how they feel about the organization.

Ultimately, the survey helped RHRA identify what are we doing well and what we could do better. For example, the survey identified that there is room for improvement in asking our

stakeholders for feedback on the decisions that we make. The RHRA is considering key findings and next steps. Insights from this survey contribute an important perspective to the RHRA's review, evaluation, and planning of initiatives and activities related to our strategic planning.

## Stakeholder Advisory Council Report

Alex Yuan  
Chair, Board of Directors  
Retirement Homes Regulatory Authority  
55 York Street, Suite 700  
Toronto, ON M5J 1R7

Dear Mr. Yuan:

On behalf of the Stakeholder Advisory Council (SAC), I am pleased to submit the Council's report on activities and advice to the Board for the fiscal year 2021-22.

### SAC Activities

The Council was pleased to provide advice and significantly insightful input on the development and implementation of a number of key initiatives including:

- The RHRA response to COVID-19;
- The Office of the Auditor General's report on RHRA and the MSAA Operational Review;
- Issuing a bulletin to retirement homes regarding Motion 129 (Voula's Law);
- The RHRA Plan of Transition;
- The RHRA 2022 Fee Review;
- The RHRA public awareness campaign;
- The RHRA Selection Committee for the Frank Kajfes Resident Champion Award, which included review of nominees and selecting recipient for the award;
- The RHRA Proposed Level of Service for Responding to and Resolving Complaints;
- The RHRA Enhanced Inspection Reports;
- The SAC member recruitment process, and the recruitment of three new SAC members;
- The RHRA Transparency Project; and, among other things,
- The RHRA Section 108 Data Collection Consultation.

### SAC Advice to RHRA's Board of Directors

**Continue to strengthen incorporating resident perspectives at the RHRA.** SAC recommends that the RHRA include the resident perspective and the impact on residents when planning and executing the organization's initiatives. RHRA should increase contact with residents by enhancing its own Resident Network and through outreach to other community groups, associations and Resident Councils.

**RHRA must increase awareness among residents and their families.** The RHRA is not widely known or understood among current and prospective residents and their families. SAC recommends that the RHRA seek to increase its visibility. RHRA should use accessible and straightforward language to ensure resident and family understanding.

**RHRA's Approach to Fees.** Throughout the latter part of 2021, SAC held discussions on RHRA's plan for 2022 fees, and provided advice on RHRA's strategic approach for fees moving forward. To manage potential fee increases, SAC advises RHRA:

- Wherever possible draw on other agencies to avoid duplication of efforts (PH, MOH, ORCA)

- Focus enforcement on homes that don't meet the risk indicators (higher-risk homes)
- Any increase must be the minimal amount while still allowing the RHRA to conduct its normal oversight. RHRA should be mindful of recent restrictions around other market increases – in view of other market increases/freezes (e.g., rent increase restrictions).
- RHRA should review its reserve policies.
- RHRA must have consideration for homes that are not at full capacity, they will have to cut back on services, mental health programs, etc. which does not align with protection of residents.
- RHRA should seek alternative revenue streams/sources, other than annual fees.

Additionally, SAC supports a line by line review of RHRA expenses and calls for more transparency around these financial statements. Look at all projects to see what can be deferred, downsized or eliminated.

The SAC looks forward providing advice during the 2023 fee review process.

**RHRA should consider its role in mending gaps in oversight of seniors housing.** SAC has raised the issue of regulatory responsibility for transitional care programs in retirement homes. SAC recommends that RHRA be cognizant of any gaps in oversight of these programmes in retirement homes and work with industry partners and government to make it clear as to which organization is responsible, and that this oversight, or lack of oversight, is understood by residents.

**RHRA must remain vigilant about the challenges residents and homes have faced during the pandemic and be mindful of these as they continue to respond to the pandemic.** Over the past year, there have been rapidly evolving pandemic-related issues – vaccination and testing policy ethics, resident mental health and well-being, staffing levels and retention to name a few. RHRA must continue to be nimble to respond to the changing nature of the pandemic and what the implications could be if it moves into an endemic state.

### **Acknowledgements**

SAC would like to acknowledge and thank Beryl Collingwood and Paul Ouellette for their long-standing service. Both members concluded their terms in 2021. Their expertise, feedback and professionalism have been integral to the effective functioning of the Council.

SAC would also like to acknowledge and thank Michael Rowe and Barbara Gory for their contributions to the Council. Their feedback and personal experience as retirement home residents gave a perspective that is unique to residents and their families.

SAC would like to acknowledge the arc of development that the RHRA has experienced over the past year due to an increase of work resulting from the pandemic, Auditor General recommendations and other activities that help fulfill their mandate. The SAC appreciates RHRA's efforts as the Authority has responded to become an increasingly nuanced and complex organization with increased expectations from stakeholders. SAC would like to acknowledge our continued mutual respect, as we collaborate on our shared goal of ensuring the protection and well-being of Ontario seniors living in licensed retirement homes.

On behalf of SAC, I would like to thank the RHRA Board of Directors, management and staff for its support, and for consistent and meaningful engagement. We have felt the support of the RHRA Board and management throughout our work. In particular we very grateful for the constant support and assistance

RHRA management and staff at every level, which has greatly facilitated and enabled our consultative and advisory functions.

The Council looks forward to providing advice to RHRA to help ensure seniors live with dignity and respect in Ontario's retirement homes.

Sincerely,

A handwritten signature in black ink that reads "Graham Webb". The signature is written in a cursive, flowing style.

Graham Webb  
Chair, Stakeholder Advisory Council

## Board and Governance

The governance of the RHRA is established through the Act and its regulations, by-laws and policies, as well as a [Memorandum of Understanding](#) (MOU) with the government through the Minister for Seniors and Accessibility. The Board of Directors is accountable to the Minister through the Chair.

The Board is responsible for corporate governance, regulatory oversight and guiding the development of the RHRA's strategic plan and priorities. Along with the RHRA's management team, Board members adopt best practices in governance and regulatory oversight. The Board is committed to continually strengthening its governance practices and oversight of the organization and ensuring its public accountability. Governance and accountability information can be found on RHRA.ca.

The Board has five regularly scheduled meetings per year. It met more frequently in the past year to provide oversight of RHRA's strategic and financial planning.

Board activities are supported by the work of two committees:

- The Governance, Regulatory Affairs and Nominations Committee assists with oversight responsibilities and risk management function regarding:
  - Governance structure and processes;
  - Recruitment/nomination and Board member education/development;
  - Board and individual Director effectiveness evaluation;
  - The Complaints Review Officer and Risk Officer;
  - Regulatory affairs; and
  - Stakeholder collaboration/outreach oversight.
- The Finance, Audit and Human Resources Committee assists with oversight responsibilities and risk management function regarding:
  - Financial reporting, investments, audit and enterprise risk management;
  - The Emergency Fund; and
  - Human resources and compensation.

Election and Appointment Process: The RHRA corporate by-laws and process for the election and appointment of directors to the RHRA Board of Directors are available at RHRA.ca (see *Corporate By-Law No. 1* and *By-Law No. 2*, and *Board of Directors Nominations Policy*).

## Board Remuneration

The Board Remuneration and Administration Policy sets in place the following:

- The per diem rate for the Board Chair is \$730.
- The per diem rate for all other Board Directors is \$500.
- The Chair receives an annual retainer of \$10,000, and the Vice-Chair and Board Committee Chairs receive an annual retainer of \$5,000 for work done outside Board and committee meetings.

For the fiscal year 2021/2022, the total Board remuneration was \$179,894. Board compensation



is reviewed annually by the Governance, Regulatory Affairs and Nominations Committee and is considered regularly by the Board.

## **Board Members**

**ALEX YUAN – CHAIR** Alex founded a successful medical software development company in 1982. He holds Bachelor of Science degrees in Biology, in Pharmacy, in Computer Science and in Business Administration. Alex has served on boards for numerous non-profit organizations, helping seniors and youth, including serving as vice-chair of Yee Hong Centre for Geriatric Care. In 1997, he founded the S'port for Kids charitable foundation. Alex was appointed to the Ontario Job and Investment Board and to the Ontario Medical Association as a Cabinet Member of the Ontario Medical Student Bursary Fund Committee. He also has served as a Team Richmond Hill Business Ambassador. Alex is the recipient of several honours and awards including: Outstanding Business Achievement award from the Ontario Chamber of Commerce, Entrepreneur of the Year Award from the Association of Chinese Canadian Entrepreneurs and the Queen Elizabeth II Jubilee award, among others. Alex is currently co-chair of the Toronto Police Chinese Community Consultative Committee. Year 1 of Term 1.

**JONATHAN BOULAKIA – VICE-CHAIR** Jonathan is Chief Investment Officer and Chief Legal Officer of Chartwell Retirement Residences, Canada's largest owner/operator of retirement residences. He is responsible for all acquisitions and development at Chartwell, as well as all legal and governance matters. Jonathan is also Chartwell's corporate secretary and has oversight of Chartwell's privacy office and insurance department. Prior to joining Chartwell in 2008, Jonathan practiced corporate law at Torys LLP, focusing on corporate finance and mergers and acquisitions. Jonathan attended McGill University for undergraduate studies in science, has an LL.B. from the University of Ottawa Common Law Program, has completed the Canadian Securities Course and holds an ICD.D. designation from the Institute of Corporate Directors. Jonathan's community involvement includes serving on the board of The Chartwell Foundation and having served on the Board and as chair of the governance and nominating committee of the National Youth Orchestra of Canada. Jonathan is fluent in English and French. Year 3 of Term 1.

**JANET BEED** is currently an independent practitioner with a focus on building organizational capacity, implementing strategic change and maximizing the innovation agenda in health care. She has held a number of leadership roles within the health care system including: President and CEO, Markham Stouffville Hospital; Vice President and Chief Operating Officer, University Health Network/Toronto General Hospital; Vice President, Organizational Development and Patient Care Programs, Princess Margaret Hospital/Ontario Cancer Institute; and several senior positions at the Hospital for Sick Children. To complement her diverse experience within the health care system, Janet joined Deloitte Consulting in 1996 to assist with the establishment of their Change Leadership Service Line. She served as a Partner in the Global Consulting Group and worked in the Energy and Consumer Business Sectors. Janet has extensive board experience in the not for profit and public sectors and she currently sits on the North York General Board, the Ontario Caregiver Association Board, where she served as the inaugural Chair, and is a Senior Fellow in the Institute of Health Policy, Management and Evaluation (IHPME) program at the University of Toronto. Year 1 of Term 1.

**STEVEN BOYCHYN** Steven completed a B.Engr. in Electrical Engineering and training as a Military Engineer. He has spent 25 years in the Reserve Force with the 2nd Field Engineer Regiment (now 32 Combat Engineer Regiment). Steven held a number of positions at Celestica Inc. in supply chain management, including Global Manager Supply Chain Environmental Engineering. He has served as a Military Career Counsellor and Acting Detachment Commander

with the Canadian Forces Recruiting Group. As well, he has been the superintendent for Boychyn Excavating Ltd. and most recently transitioned to the position of National Program Coordinator with Wounded Warriors Canada. Steven has been awarded the NATO Non Article 5 Medal, Canadian Peacekeeping Service Medal, Queen's Diamond Jubilee Medal and Canadian Forces' Decoration with bar. He was promoted to his present rank of Lieutenant Colonel in September 2016 and has been appointed Deputy Director Engineers Primary Reserves for the Canadian Armed Forces. Year 2 of Term 1.

**JOHN GROE** is the CEO, Accessibility Consultant at Accessible Daily Living (ADL), and President of DriveLab Inc. (DLI). John has spent most of his career working hands-on in the medical/rehabilitation and insurance industries. John is a founding and current council member for Home Modifications Canada, is a certified Professional Consultant on Aging through CPCA Canada and has Executive Certification in Home Modification Senior Living through the Leonard Davis School of Gerontology at the University of South California (USC). An international faculty member at USC – Leonard Davis, John created the first online continuing education program for residential accessibility in Canada. John was elected Vice-Chair, Accessibility Advisory Committee for Caledon (2018 – 2022). He campaigned in Caledon to raise awareness of accessible Trick or Treating for all, and in October 2021, the Village of Bolton became the second city in Ontario to close a municipal road and implement accessible measures for trick or treating. Year 1 of Term 1.

**BARBARA KIELEY** is a respected C-Suite level business advisor and retired partner from Ernst & Young. She brings deep experience in digital innovation and business transformation and substantive corporate governance experience in the health/long-term care, social services and information technology sectors. Barbara is presently the Board Chair for Ontario 211 Services (the 24/7 provincial gateway to community, social, non-clinical health and related services); Chair of the Audit Committee with Arnprior Regional Health (a hub for acute, long term care, community-focused clinical health and social services); and, a Member of the federal Departmental Advisory Committee for the Public Health Agency of Canada and Shared Services Canada (the federal government provider of information technology services). In the past, Barbara was the Board Chair for Bruyere Continuing Care, a Board Founding Member of the National Digital Research Infrastructure Organization and a Director for the Information Technology Association of Canada. Barbara has degrees in Biology, Mathematics and Computer Science and holds the ICD.D designation. She is the recipient of the Queen Elizabeth II Diamond Jubilee Medal for her accomplishments to advance the information technology industry in Canada. Year 1 of Term 1.

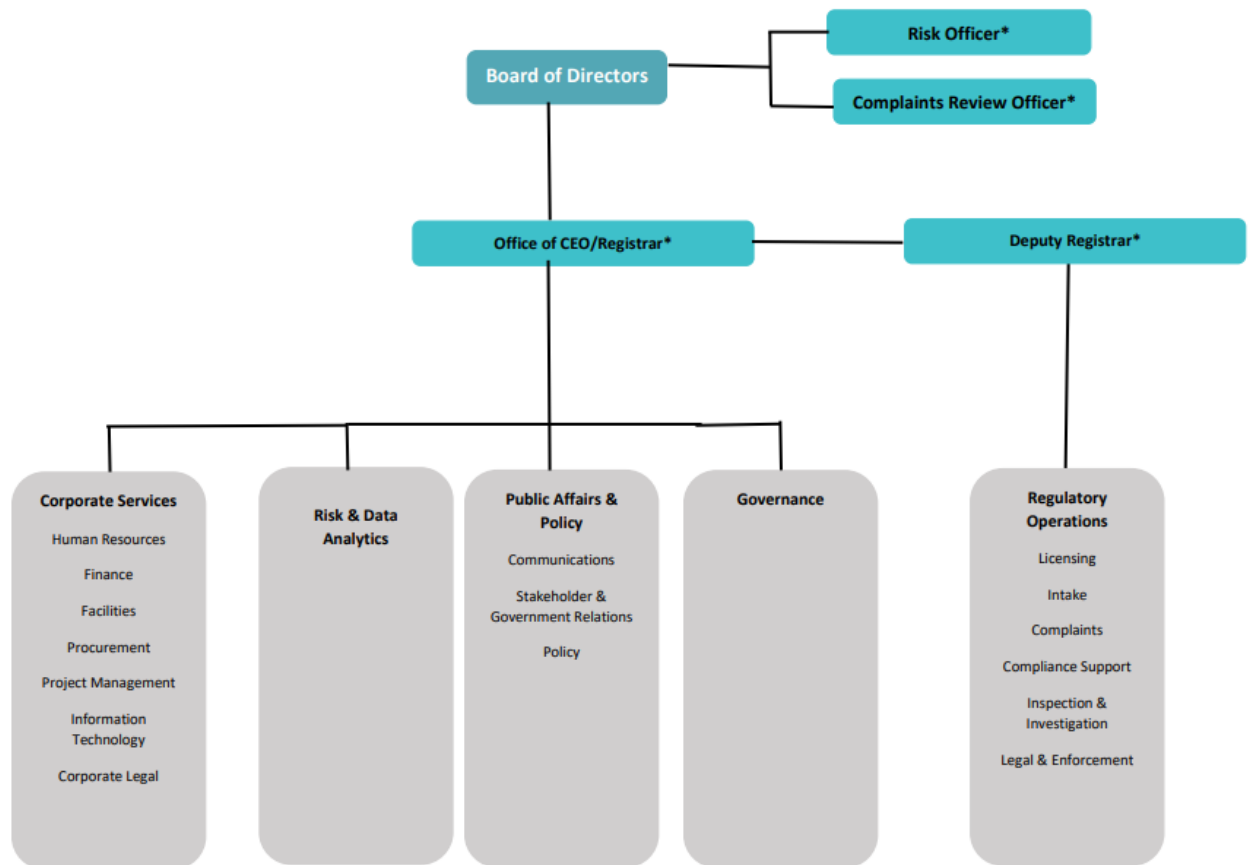
**VALA MONESTIME BELTER - Chair, Governance, Regulatory Affairs and Nominations Committee** Vala has diverse experience in Ontario's long-term care sector, having worked as Director of Resident Care, Administrator, LTC Homes Inspector and LTC Consultant. She holds a Bachelor of Science in Nursing, a Bachelor of Arts, and a Master of Science. She has served in an executive capacity on numerous boards including the Ontario Long Term Care Association, Ontario Northland, TVOntario, Nipissing Timiskaming Parry Sound District Health Council, Hôpital Mattawa Hospital, Mattawa District Chamber of Commerce, and she co-founded the Mattawa Child Care Centre and Mattawa Area Youth Golf Association. Vala served as cabinet member for the North Bay Regional Health Centre Foundation MRI Campaign and fundraising committee member of One Kids Place. Presently, she is a Director with the Nipissing East Community Futures Development Corporation; and is Mattawa Wellness and Life Enrichment Chair, a non-profit organization supporting physical, social and economic wellness programs. Vala was presented the Ontario Bicentennial Medal, the Queen's Golden Jubilee Medal, and the Queen's Diamond Jubilee Medal for contribution to her community. Vala is bilingual (French and

English). Year 2 of Term 1.

**ANIL MATHUR- Chair, Finance, Audit and Human Resources Committee** Anil is a thought leader with deep expertise in governance, audit and risk management. As CIBC's Senior Vice-President & Chief Auditor for almost a decade, Anil was a member of the Operating Committee charged with oversight of CIBC's global operations. He is an industry speaker and publisher on risk, controls and audit. Anil also served as Senior Vice-President of Corporate Services, with responsibility for strategic sourcing and stewardship of CIBC's real estate portfolio globally. Anil is actively involved in the not-for-profit sector, with a focus on healthcare, environment and social enterprise. He serves on a number of not-for-profit boards, and he is also Vice-Chair of the Province of Ontario's Central Services Sector Audit Committee. Year 1 of Term 1.

**CHRISTINE OZIMEK** is a business executive and director with over 30 years of leadership experience. Formerly CEO of a group of retirement homes and long-term care homes, Christine spent 25 years as an innovative leader with a focus on the core values of People, Community and Dignity. Christine advises a variety of companies which have included an early phase private company specialized in neurorehabilitation, where she served as Chair of the Board. An active supporter of the True Patriot Love Foundation, in 2019 she was a member of their first all-women's expedition team snowshoeing 100 km across the Arctic Circle on Baffin Island to raise funds in support of veterans and military families. Christine holds an International MBA from the Schulich School of Business and a Bachelor of Arts from the University of Windsor. She is a holder of the Institute of Corporate Directors Director designation. She is bilingual English-French. Year 1 of Term 1.

## Organizational Chart



\*Independent statutory roles with specific legislative decision making

## Activities of the Risk Officer and Complaints Review Officer

### Risk Officer

The RHRA Risk Officer reports to the Board of Directors and is responsible for independently reviewing and assessing the effectiveness of the RHRA's administration of the Act. In his [2020/21 Risk Officer Report](#), Nav Sandhawalia focused on two distinct topics. He reviewed the program for how previous Risk Officer suggestions were implemented and also reviewed and assessed RHRA management's unlicensed homes monitoring initiative. Mr. Sandhawalia provided a number of insightful observations and recommendations, which were reviewed by the Board. Both the Risk Officer Report and the RHRA Response were presented during the RHRA's Annual General Meeting in September 2021, and they are available at RHRA.ca. The RHRA has already implemented many of the Risk Officer's 2020/21 recommendations, and an implementation status report is publicly available on the RHRA website. Mr. Sandhawalia was re-appointed by the RHRA Board of Directors as the Risk Officer for a second three-year term, from June 1, 2021, to May 31, 2024.

### Complaints Review Officer

Appointed by and reporting to the Board, the RHRA Complaints Review Officer (CRO), Elyse Sunshine, is responsible for reviewing matters where a complainant is not satisfied by the Registrar's conclusion to take no further action in relation to a complaint. During 2021/2022, Ms. Sunshine rendered decisions on six matters, all of which were received during the fiscal year. The Registrar's decision was upheld in two reviews. One matter was directed back to the Registrar because there was significant new information provided by the complainant. Three matters were referred back to the Registrar for further review. In considering such decisions, the legal concept of "reasonableness" is applied and involves a consideration of whether the decision of the Registrar could reasonably be supported by the information available and could withstand a somewhat probing examination. In addition to reviewing submitted complaints, Ms. Sunshine continues to develop and implement policies to guide the review process.

	FY 2021/22	FY 2020/21	FY 2019/20
Complaints Review Officer			
Referrals	4	2	11
Decisions rendered	6	4	7

## **Key Corporate Policies**

### **Administrative Complaints**

Complaints and concerns related to the administration of the RHRA may be received directly by management, staff members or client services representatives, and are referred to the appropriate staff for review and resolution. The Director, Human Resources reviews and determines the impact or action required based on the RHRA policies and processes. The Board is advised of substantive concerns. As of March 31, 2022:

- A total of four complaints were received
- All have been successfully addressed and closed, with two being successfully remediated at the manager level and not escalated to the formal process
- Of the complaints received, all were related to employee conduct. In all cases, mediated conversations led to positive resolution

This and other corporate policies, including the Code of Ethics, are posted at [rhra.ca](http://rhra.ca).

### **French Language Services**

To support provisions within the Act, regulation and the RHRA's French Language Services Delivery Policy, the RHRA makes communications, information and notices available in French through a dedicated website, [rhra.ca/fr](http://rhra.ca/fr), where a French version of this Annual Report is available. The RHRA responds to all requests for French services.

#### *Staffing*

All RHRA job postings highlight that written and spoken bilingualism in French and English is considered a significant asset. Our current positions include:

- One designated bilingual position — Inspector (Ottawa area)
- Six positions filled by bilingual staff (including three in Regulatory Operations)

#### *Website and public documents in French*

All public documents, including information for operators and licensees, is available in French on the RHRA's French website — L'Office de réglementation des maisons de retraite (ORMR).

- Inspection reports are available in French upon request
- RHRA Update, an e-newsletter for operators, is distributed in English and available in French on RHRA's website
- Brochures and posters for residents and the public are produced in French

#### *French inquiries*

In 2021/2022, RHRA responded to 6,527 inquiries, of which 32 were in French, representing less than 1% of all inquiries.

#### *French-licensed retirement homes*

22 homes are bilingual and may request service and/or communication in French.

### **Accessibility Policy**

The RHRA is committed to fulfilling its obligations in accordance with the *Accessibility for Ontarians with Disabilities Act, 2005* (AODA). As part of our commitment to meeting our obligations under the AODA, the RHRA has developed a comprehensive training module for all

staff, with processes to assist persons with disabilities and a plan to prevent and remove barriers to accessibility, including hosting an AODA-compliant public website. The Accessibility Customer Service Policy can be found at [RHRA.ca](https://www.rhra.ca).

## Financial Report

The following financial review is based upon the audited financial statements of the RHRA for the fiscal year ended March 31, 2022, with comparative amounts for the previous fiscal year.

### Overview

The financial position reflects the second year of RHRA's crisis response to the COVID-19 pandemic. Resumption of priority strategic projects occurred in the year, factoring in capacity needed to coordinate activities with community partners as part of pandemic response. Addressing significant changes in core activities while concurrently clearing operational backlogs in inspections, complaints, and enforcement activities accumulated in the previous year due to the pandemic also took priority over longer term improvement initiatives.

At the start of the year, the Board approved a budget that focused on enhancing resident safety in retirement homes and implementing the recommendations of the value-for-money audit by Ontario's Auditor General. By the end of the year, retirement home inspections and complaint timelines reached acceptable standards. In addition, of the 21 recommendations from the value-for-money audit, 5 have been fully implemented. Another 22 action items are currently in the process of being implemented.

Overall, in 2021/2022 RHRA had a surplus of \$2.59 million compared to a deficit of \$1.01 million the previous year. This is the direct result of Government funding to stabilize the organization.

In total, the RHRA has received \$6.63 million in funding from the Province through two separate Transfer Payment Agreements (TPAs). These are allocated as:

1. Crisis Support payments to Retirement Homes (\$1 million)
  - Thirty-one retirement homes were provided crisis support payments during the year.
2. Crisis Management activities supporting RHRA operations (\$4 million)
  - This funding supported operations for increased volumes in inspections; building capacity for sustained coordination with community partners; monitoring IPAC protocols and compliance support, as well as dealing with other capacity development for example in collection and reporting of data.
3. Regulatory Management Software system (\$2.66 million total; \$960,000 in FY 2021-22).
  - This is a critical infrastructure project as the RHRA's current system is at the end of its life, as well as for establishing future improvements in efficiency and effective oversight.

Increases in activity levels at the RHRA are a direct result of changes in its operating environment. These include awareness among community partners of RHRA's mandate and role; growth in the retirement sector; and greater understanding of, and increases in, the care levels at retirement homes among others. These factors in the context of an aging population, increased expectations of the regulator to effectively monitor the homes will drive higher activity levels at the RHRA in the years to come.

These broad increases in core regulatory activity have resulted in increased expenses with respect to salaries and benefits due to higher staffing levels to meet the mandate. A significant adjustment to balance cost recovery for activities will be required in the coming years otherwise the organization's cash reserves will be drastically depleted.



The value-for-money audit identified the risk posed by unlicensed (unregulated) homes. RHRA spends a significant amount of time each year monitoring these homes to determine if they fall within the Retirement Homes Act (RHA). This activity is largely unfunded and may grow as different types of seniors' homes and facilities enter the marketplace.

Government funding for operations has assisted in stabilizing RHRA over the past year, however that was strictly one-time funding. The RHA and Memorandum of Understanding (MOU) with the Ministry requires the RHRA to be financially self-sustaining. The current annual fee is insufficient to support the increased activities required to achieve the mandate for the RHRA going forward. The annual fee has increased only 12% over the last 11 years which has not kept pace with inflation, operational volume changes, and changes in both the sector itself and RHRA's improved understanding of it and the risks related to resident protection. The type of care provided in the retirement home sector has both become clearer as well as evolved over the last decade and in particular in the wake of the pandemic. This poses additional responsibility on the RHRA as a regulator and potentially increases the risk of harm to residents. For these reasons, future fee increases are anticipated and will be undertaken in a manner that is predictable and transparent for the sector.

### **Operating Revenue and Expenses**

Total operating revenue increased by 8% compared to the previous year to finish the year at \$9.1 million, which was lower than projected due to a lower fee rate increase.

The RHRA's operating revenue is made up of annual fees (\$8.5 million) and application fees (\$646K). Annual fees are the single largest source of revenue, accounting for 93% of the total. Annual fees are billed on a calendar year basis and recognized in the year to which the fees relate. Annual fees for the fiscal year reflect those realized from April 1, 2021, to March 31, 2022.

Revenue from application fees was based on activity during the year primarily resulting from ownership transactions and new homes.

Operating expenses increased 12% (\$1,241,000) over 2020/2021 reflecting the need to add resources to respond to the COVID-19 pandemic and an overall increase in regulatory and enforcement activity. This increase in expenses was partially offset by savings in other areas including consulting, legal, communication, governance, training and travel. Salaries, wages and benefits were the RHRA's largest expenditure. Amortization of capital assets and the deferred liability are recorded in accordance with the stated accounting policies.

### **Investments**

The investment portfolio is managed in accordance with the investment policy approved by the RHRA's Board of Directors which includes a target mix of ETF investments designed to achieve the optimum return while maintaining an overall low level of risk exposure. Total investment income for the year was \$204,000, however the portfolio incurred an unrealized investment loss of \$328,000 due to an underperforming stock market.

### **Surplus/Deficit & Reserve**

Transfers made to the internally restricted operating reserve reflect steps in continuing to financially stabilize the RHRA while meeting its obligations for the Emergency Fund. In the

previous year, a \$1 million deficit was incurred leading to a substantial decrease in the reserves. In 2021/2022, the RHRA was able to restore its operating reserve and ended the fiscal year with seven months of operating expenses in its internally restricted/operating reserve. The RHRA's Board-approved reserve policy is to have a target range of six to 12 months of normal operating expenses to be allocated in its internally restricted/operating reserve. The RHRA's reserve at fiscal year-end is at the lower end of the range.

The RHRA's enterprise risk management practices include monitoring to identify potential risks and seizing opportunities related to the achievement of its strategic objectives and any issues that could affect its financial position.

### **Emergency Fund**

The RHRA is committed to meeting its requirements for the Emergency Fund with the provisions for claims and payments that came into force in January 2014. The RHRA paid out \$1,825 to two residents from the Emergency Fund, collected \$34,500 in Administrative Monetary Penalties (AMPs) and \$4,500 interest was earned on the balance. The Emergency Fund balance increased by 6% (\$37,100) and remained fully funded at year end in accordance with the approved policy.

### **Management's Responsibility for Financial Reporting**

The management of the RHRA is responsible for the integrity, consistency, objectivity and reliability of the Financial Statements of the RHRA and related financial information as presented. Canadian accounting standards for not-for-profit organizations have been applied, and management has exercised its judgment and made best estimates where appropriate. The RHRA's accounting system and related internal controls are designed, and supporting procedures maintained, to provide reasonable assurance that financial records are complete and accurate, and that assets are safeguarded against loss from unauthorized use or disposition.

The RHRA's Board of Directors, acting through the Finance, Audit and Human Resources Committee, which is composed entirely of independent directors, oversees management's responsibilities for financial reporting. The Finance, Audit and Human Resources Committee reviews the Financial Statements and recommends them to the Board for approval. Other responsibilities of the Finance, Audit and Human Resources Committee include monitoring the RHRA's system of internal controls over the financial reporting process and making recommendations to the Board regarding the appointment of the external auditor.

Deloitte LLP, the independent auditors, appointed by the RHRA Board, audited the RHRA's Financial Statements as of March 31, 2022, and for the year then ended. Their report, which expressed an unmodified audit opinion, can be found at the end of this Annual Report. Deloitte LLP has full and free access to, and meet periodically with, the Finance, Audit and Human Resources Committee to discuss their audit and matters arising there from, such as comments they may have on the fairness of financial reporting and the adequacy of internal controls.



Jay O'Neill  
Chief Executive Officer and Registrar  
Toronto, Canada



55 York Street, Suite 700  
Toronto, ON  
M5J 1R7

Phone: 416-440-3570  
Toll-Free: 1-855-ASK-RHRA (1-855-275-7472)  
Email: [info@rhra.ca](mailto:info@rhra.ca)  
Fax: 1-855-631-0170



---

# Financial statements of Retirement Homes Regulatory Authority

March 31, 2022

---

---

Independent Auditor's Report	1-2
Statement of financial position	3
Statement of operations	4
Statement of changes in net assets	5
Statement of cash flows	6
Notes to the financial statements	7-14

---

# Independent Auditor's Report

To the Board of Directors of the  
Retirement Homes Regulatory Authority

## Opinion

We have audited the financial statements of Retirement Homes Regulatory Authority (the "Organization"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and Those charged with governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The image shows a handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants  
Licensed Public Accountants  
June 19, 2022

**Retirement Homes Regulatory Authority****Statement of financial position**

As at March 31, 2022

	Notes	2022 \$	2021 \$ (Restated - Note 2)
<b>Assets</b>			
Current assets			
Cash		7,336,639	6,110,868
Accounts receivable	3	2,371,900	1,467,229
Prepaid expenses		257,261	220,362
Harmonized Sales Tax receivable		57,509	71,321
		<b>10,023,309</b>	7,869,780
Long-term investments	4	5,460,302	5,360,780
Emergency fund restricted cash	11	619,284	582,141
Capital and intangible assets	5	1,884,530	667,920
		<b>17,987,425</b>	14,480,621
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	6	1,214,132	987,523
Deferred revenue	7	7,519,201	7,533,870
		<b>8,733,333</b>	8,521,393
Deferred capital contributions	8	729,863	—
Deferred lease inducement	9	212,953	244,895
		<b>9,676,149</b>	8,766,288
Commitments and contingencies	13		
<b>Net assets</b>			
Unrestricted		639,950	(70,236)
Restricted - Emergency fund	11	619,284	582,141
Internally restricted	10	7,052,042	5,202,428
		<b>8,311,276</b>	5,714,333
		<b>17,987,425</b>	14,480,621

The accompanying notes are an integral part of the financial statements.

Approved by the Board

\_\_\_\_\_, Chair of the Board of Directors

\_\_\_\_\_, Chair of the Finance, Audit & Human Resources Committee



# Retirement Homes Regulatory Authority

## Statement of operations

Year ended March 31, 2022

	Notes	Operating fund \$	Emergency fund \$	2022 Total \$	Operating fund \$	Emergency fund \$	2021 Total \$
			(Note 11)		(Restated - Note 2)	(Note 11)	(Restated - Note 2)
<b>Revenue</b>							
Annual fees	7	8,450,012	—	8,450,012	7,941,144	—	7,941,144
Province of Ontario grant	7, 16	5,960,000	—	5,960,000	—	—	—
Application fees		646,050	—	646,050	416,275	—	416,275
Net investment income	4	199,090	4,468	203,558	962,238	4,817	967,055
Administrative monetary penalties		—	34,500	34,500	—	26,000	26,000
Other income	12	—	—	—	25,000	—	25,000
Amortization of deferred capital contributions		—	—	—	27,077	—	27,077
		<b>15,255,152</b>	<b>38,968</b>	<b>15,294,120</b>	<b>9,371,734</b>	<b>30,817</b>	<b>9,402,551</b>
<b>Expenses</b>							
Salaries, wages and benefits		8,894,052	—	8,894,052	7,499,235	—	7,499,235
Operating		2,554,673	—	2,554,673	2,657,529	—	2,657,529
Crisis support payments to retirement homes	16	1,083,352	—	1,083,352	—	—	—
Amortization of capital assets		163,275	—	163,275	195,159	—	195,159
Payments from the Emergency fund		—	1,825	1,825	—	63,250	63,250
		<b>12,695,352</b>	<b>1,825</b>	<b>12,697,177</b>	<b>10,351,923</b>	<b>63,250</b>	<b>10,415,173</b>
<b>Excess (deficiency) of revenue over expenses</b>		<b>2,559,800</b>	<b>37,143</b>	<b>2,596,943</b>	<b>(980,189)</b>	<b>(32,433)</b>	<b>(1,012,622)</b>

The accompanying notes are an integral part of the financial statements.

# Retirement Homes Regulatory Authority

## Statement of changes in net assets

Year ended March 31, 2022

Notes	Unrestricted	Restricted - Emergency fund	Internally restricted	2022 Total	Unrestricted	Restricted- Emergency fund	Internally restricted	2021 Total
	\$	\$	\$	\$	\$	\$	\$	\$
		(Note 11)	(Note 10)			(Note 11)	(Note 10)	
<b>Net assets, beginning of year as previously stated</b>	—	582,141	5,202,428	5,784,569	506,135	614,574	5,686,790	6,807,499
Change in accounting policy for capitalization threshold	2 (70,236)	—	—	(70,236)	(80,544)	—	—	(80,544)
<b>Net assets, beginning of year as restated</b>	(70,236)	582,141	5,202,428	5,714,333	425,591	614,574	5,686,790	6,726,955
Excess (deficiency) of revenue over expenses	2,559,800	37,143	—	2,596,943	(980,189)	(32,433)	—	(1,012,622)
Interfund transfers	10 (1,849,614)	—	1,849,614	—	484,362	—	(484,362)	—
<b>Net assets, end of year</b>	639,950	619,284	7,052,042	8,311,276	(70,236)	582,141	5,202,428	5,714,333

The accompanying notes are an integral part of the financial statements.

**Retirement Homes Regulatory Authority****Statement of cash flows**

Year ended March 31, 2022

	Notes	2022 \$	2021 \$
<b>Operating activities</b>			
Excess (deficiency) of revenue over expenses		<b>2,596,943</b>	(1,012,622)
Items not involving cash			
Unrealized losses (gains) on investments	4	<b>328,172</b>	(744,645)
Amortization of capital assets		<b>163,275</b>	195,159
Amortization of deferred capital contributions		—	(27,077)
Amortization of deferred lease inducement		<b>(31,942)</b>	(31,943)
		<b>3,056,448</b>	(1,621,128)
Change in non-cash operating working capital			
Accounts receivable		<b>(904,671)</b>	(97,246)
Prepaid expenses		<b>(36,899)</b>	(58,457)
Harmonized Sales Tax receivable/payable		<b>13,812</b>	(16,433)
Accounts payable and accrued liabilities		<b>226,609</b>	194,535
Deferred revenue		<b>(14,669)</b>	1,680,348
		<b>2,340,630</b>	81,619
<b>Investing activities</b>			
Acquisition of capital assets		<b>(1,379,885)</b>	(19,672)
Purchases of investments		<b>(5,209,881)</b>	(115,989)
Proceeds from redemption of investments		<b>4,782,187</b>	—
(Increase) decrease in Emergency Fund restricted cash		<b>(37,143)</b>	32,433
		<b>(1,844,722)</b>	(103,228)
<b>Financing activity</b>			
Contributions received for capital		<b>729,863</b>	—
Increase (decrease) in cash		<b>1,225,771</b>	(21,609)
Cash, beginning of year		<b>6,110,868</b>	6,132,477
<b>Cash, end of year</b>		<b>7,336,639</b>	6,110,868

The accompanying notes are an integral part of the financial statements.

# Retirement Homes Regulatory Authority

## Notes to the financial statements

March 31, 2022

---

The Retirement Homes Regulatory Authority ("RHRA") is responsible for the administration and enforcement of the Retirement Homes Act, 2010 (the "Act"). The RHRA was established as a corporation without share capital under the Act. It is subject to the Corporations Act (Ontario) and, as a not-for-profit organization under the Income Tax Act (Canada), is exempt from income tax.

The RHRA's responsibilities include the licensing of retirement homes, enforcement of the care and safety standards for residents, and educating licensees, consumers and the public on legislative requirements and standards.

### 1. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations under Part III of the Chartered Professional Accountants of Canada Handbook and include the following significant accounting policies:

#### a) *Fund accounting*

The Operating Fund accounts for RHRA's operating and administrative activities, and reports unrestricted revenues and expenses.

The Emergency Fund reports funds held in trust for the benefit of residents and former residents of retirement homes in respect of any claims relating to certain events that occur on or after January 1, 2014 if the criteria for making a claim and payment are met.

#### b) *Investments*

RHRA's investments consist of fixed income and equity instruments. Investments are recorded at fair value on initial recognition. Subsequently, investments are recorded at fair value, with unrealized gains and losses reported in the Statement of operations.

Transaction costs related to investments are expensed as incurred.

#### c) *Capital and intangible assets*

Purchased capital and intangible assets are recorded at cost. The cost of a capital or intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Leases that transfer substantially all the benefits and risks of ownership are capitalized.

Amortization is provided on the straight-line basis over the estimated useful lives of the assets at the following annual rates:

Equipment	25%
Computer software	50%
Computer hardware	33%
Furniture and fixtures	20%
Leasehold improvements	Remaining term of lease
Licensing system	20%

Capital and intangible assets in progress are not amortized. Amortization of a capital and intangible asset commences in the month after it is brought into service.

**1. Significant accounting policies (continued)**

*d) Foreign currency translation*

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rates of exchange at the year end date. Revenue and expenses are translated at the exchange rates prevailing on the transaction date. Realized and unrealized exchange gains and losses are included in the Statement of operations.

*e) Deferred lease inducement*

Deferred lease inducement relates to a leasehold improvement allowance and is amortized on the straight-line basis over the term of the lease.

*f) Revenue recognition*

*Annual fees*

Annual fees are recognized as revenue proportionately over the year to which they relate, net of amounts for which collectability is uncertain. The annual fee is due on the first day of the calendar year. Annual fees that are remitted quarterly are subject to a finance fee that is deferred and recognized over the periods to which the deferral relates.

*Application fees*

Application fees are recognized upon receipt of a completed application and after a preliminary assessment of the application has been performed.

*Province of Ontario Grants*

Grants received from the Province of Ontario are recognized in the period in which the events giving rise to the grant occur, any eligibility criteria and/or stipulations are met, and reasonable estimate of the amount can be made.

*Government assistance*

Government assistance is recorded in the financial statements when there is reasonable assurance that RHRA has complied with, and will continue to comply with, all conditions necessary to obtain the assistance. Government assistance is reflected as part of other income in the Statement of operations.

*Contributions*

RHRA uses the deferral method of accounting for contributions.

Contributions received for capital assets are deferred and are amortized into revenue on the same basis as the related asset is amortized.

*Investment income*

Investment income is recognized as revenue when earned and is recorded on the accrual basis, and includes interest and dividend income as well as realized and unrealized gains and losses.

## **1. Significant accounting policies (continued)**

### *g) Financial instruments*

Financial instruments are financial assets or liabilities of RHRA which, in general, provide RHRA the right to receive cash or another financial asset from another party or require RHRA to pay another party cash or other financial assets.

Financial assets and financial liabilities are initially recognized at fair value when RHRA becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, with the exception of investments which are measured at fair value.

The fair value of RHRA's cash, accounts receivable, and accounts payable and accrued liabilities approximate their carrying values.

### *h) Use of estimates*

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities as well as disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Balances subject to estimation relate primarily to certain accrued liabilities, allowance for doubtful accounts, deferred revenue, as well as the useful lives of the various categories of capital assets. Actual results could differ from such estimates.

## **2. Change in accounting policy**

Effective April 1, 2021, RHRA changed its accounting policy for the recording of capital assets to increase its capitalization threshold from \$1,000 to \$3,500. This change in policy has been applied retrospectively, with the opening balances of RHRA as at April 1, 2020, the beginning of the comparative year, adjusted for the impact of the change.

The impact of this change in accounting policy is as follows on previously stated balances:

	As previously stated	Adjustment	As restated
	\$	\$	\$
<b>Statement of financial position</b>			
Capital assets, April 1, 2020	923,951	(80,544)	843,407
Capital assets, March 31, 2021	738,156	(70,236)	667,920
Net assets - unrestricted, April 1, 2020	506,135	(80,544)	425,591
Net assets - unrestricted, March 31, 2021	—	(70,236)	(70,236)
<b>Statement of operations</b>			
Operating expenses	2,586,243	39,343	2,625,586
Amortization of capital assets	244,810	(49,651)	195,159
Deficiency of revenue over expenses, operating fund	(990,497)	10,308	(980,189)
Deficiency of revenue over expenses, total	(1,022,930)	10,308	(1,012,622)

### 3. Accounts receivable

	<b>2022</b>	2021
	\$	\$
Accounts receivable	<b>1,713,042</b>	1,463,534
Province of Ontario Grant receivable	<b>652,000</b>	—
Interest receivable	<b>6,858</b>	3,695
	<b>2,371,900</b>	1,467,229

Accounts receivable are net of an allowance for doubtful accounts of nil (nil in 2021).

### 4. Investments

RHRA's investment decisions are made in line with an Investment Policy approved by the Board. Investments consist of cash held in the investment portfolio account, fixed income and equity instruments.

	<b>2022</b>	2021
	\$	\$
Long-term investments		
Cash in investment account	<b>56,418</b>	2,309
Fixed income	<b>548,666</b>	1,925,901
Preferred shares	—	260,413
Common shares	<b>4,855,218</b>	1,327,943
Mutual funds	—	1,677,305
Foreign securities	—	166,909
	<b>5,460,302</b>	5,360,780

The composition of net investment income for the year is as follows:

	<b>2022</b>	2021
	\$	\$
Realized gains, interests and dividends	<b>531,730</b>	222,410
Unrealized (losses) gains during the year	<b>(328,172)</b>	744,645
	<b>203,558</b>	967,055

### 5. Capital and intangible assets

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2022 Net book value</b>	2021 Net book value
	\$	\$	\$	\$
Equipment	<b>31,304</b>	<b>25,953</b>	<b>5,351</b>	13,177
Computer software	<b>116,689</b>	<b>114,793</b>	<b>1,896</b>	15,834
Computer hardware	<b>208,582</b>	<b>193,266</b>	<b>15,316</b>	56,179
Furniture and fixture	<b>128,258</b>	<b>122,075</b>	<b>6,183</b>	9,894
Leasehold improvements	<b>681,537</b>	<b>227,179</b>	<b>454,358</b>	522,510
Licensing system	<b>607,641</b>	<b>586,100</b>	<b>21,541</b>	50,326
Licensing system in progress	<b>1,379,885</b>	—	<b>1,379,885</b>	—
	<b>3,153,896</b>	<b>1,269,366</b>	<b>1,884,530</b>	667,920

## **5. Capital and intangible assets (continued)**

During the year, RHRA disposed and written off fully depreciated capital and intangible assets with an original cost of \$305,758 (\$105,483 in 2021).

## **6. Government remittances**

As at March 31, 2022, RHRA had government remittances payable of \$24,714 (\$16,086 in 2021) which is included in accounts payable and accrued liabilities.

## **7. Deferred revenue**

Deferred revenue consists of annual fees received that relate to periods after the fiscal year end and unspent grant funding received from the Province of Ontario. Funding arrangements between the RHRA and the Province of Ontario provide for grants to be applied toward conducting enhanced inspections, implementation infection prevention and control compliance and support, and inter-agency support. Any unspent amounts at year end with stipulations are recorded as deferred revenue.

The balance in deferred revenue is as follows:

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Deferred revenue from annual fees, beginning of year	<b>6,033,870</b>	5,853,522
Add: Annual fees received during the year	<b>9,258,335</b>	8,121,492
	<b>15,292,205</b>	13,975,014
Less: amounts recognized as revenue during the year	<b>8,443,004</b>	7,941,144
Deferred revenue from annual fees, end of year	<b>6,849,201</b>	6,033,870
Deferred revenue from Province of Ontario grant, beginning of year	<b>1,500,000</b>	—
Add: Province of Ontario grant received during the year	<b>5,130,000</b>	1,500,000
	<b>6,630,000</b>	1,500,000
Less: amounts recognized as revenue during the year	<b>5,960,000</b>	—
Deferred revenue from Province of Ontario grant, end of year	<b>670,000</b>	1,500,000
Total deferred revenue, end of year	<b>7,519,201</b>	7,533,870

## **8. Deferred capital contributions**

Deferred capital contributions relate to the funds received for the purpose of carrying out the IT infrastructure project.

## **9. Deferred lease inducement**

Deferred lease inducement relates to a leasehold improvement allowance received from the landlord for the renovation of the leased office premises. The original amount of the inducement was \$319,429 and is being amortized on the straight-line basis over the term of the lease. As at year end, accumulated amortization amounts to \$106,476 (\$74,534 in 2021).



## Retirement Homes Regulatory Authority

### Notes to the financial statements

March 31, 2022

#### 10. Internally restricted net assets

RHRA created an operating reserve for operating expenses for the purposes of accumulating funds that are available when needed due to unforeseen operating shortfalls.

The Board approved a policy for sustaining an operating reserve equal within a target range of six to twelve months of normal annual operating budget expenditures, and a process for allocation from unrestricted net assets.

#### 11. Emergency fund

The Emergency fund was established in 2013 pursuant to the Act. Funds are held in trust for the benefit of residents and former residents of retirement homes in respect of any claims relating to certain events that occur on or after January 1, 2014, if the criteria for making a claim and payment are met. All administrative monetary penalties collected by RHRA must be paid into the Emergency Fund pursuant to the Act. The transactions and balance in the Emergency fund are as follows:

	2022 \$	2021 \$
Opening balance	582,141	614,574
Administrative monetary penalties	34,500	26,000
Interest income	4,468	4,817
	621,109	645,391
Less: claims/payments made	1,825	63,250
Closing balance	619,284	582,141

#### 12. Other income

RHRA as an eligible employer received \$25,000 under the 10% Temporary Wage Subsidy federal relief program in 2021. No amounts were received or receivable in 2022. As at March 31, 2022, no contingent liability exists regarding repayment of relief received.

#### 13. Commitments and contingencies

##### *Lease obligations*

Future payments relating to leased office premises, for each of the next five years and thereafter, are as follows:

	\$
2023	404,297
2024	414,016
2025	426,641
2026	436,788
2027	449,853
Thereafter	850,917
Total minimum lease payments	2,982,512

## **14. Risk management**

The investments held by RHRA are exposed to a variety of financial risks. RHRA seeks to minimize the potential adverse effects of these risks by regularly monitoring the investment's position, market events and the diversity of the investment portfolio within the constraints of RHRA's Investment Policies.

Significant risks that are relevant to RHRA's investments are as follows:

### *Financial risk management*

RHRA is subject to market and interest rate risks with respect to its long-term investments, and interest rate risk with respect to its short-term investments. As of March 31, 2022, RHRA did not hold any short-term investments.

### *Market risk*

Market risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose RHRA to the risk of loss.

### *Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities held by RHRA.

To manage its market and interest rate risks, RHRA has established investment policies which include target mix of investment types and concentration limits designed to achieve the optimum return within reasonable risk tolerances.

### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. RHRA is subject to credit risk with respect to its accounts receivable. The balance of accounts receivable on the Statement of financial position represents RHRA's maximum exposure at March 31, 2022. RHRA manages this risk through proactive collection policies.

### *Financial liabilities*

#### *Liquidity risk*

RHRA's objective is to have sufficient liquidity to meet its liabilities when due. RHRA monitors its cash balances and cash flows generated from operations to meet its requirements.

As at March 31, 2022, the most significant financial liability is accounts payable and accrued liabilities and it is management's opinion that RHRA is not in default of any terms of its financial liabilities.

There have been no changes to RHRA's risk exposures from the year ended March 31, 2021.

**15. Indemnification of directors**

RHRA has indemnified its past, present and future directors against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors are sued as a result of their service, if they acted honestly and in good faith with a view to the best interest of RHRA. The nature of the indemnity prevents RHRA from reasonably estimating the maximum exposure. RHRA has purchased directors' liability insurance with respect to this indemnification. The directors of the RHRA are not aware of any threatened or actual proceedings.

**16. COVID-19 pandemic**

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. Commencing in 2021, RHRA received a Province of Ontario grant (see Note 7) for the purpose of establishing a dedicated emergency crisis fund to provide crisis financial support for retirement homes, enhanced inspections and sustained COVID-19 response by RHRA, and to facilitate inter-agency support between RHRA and other agencies. The duration and long-term impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of RHRA in future periods.