

Annual Report

2022/2023

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About RHRA

The Government mandates the Retirement Homes Regulatory Authority (RHRA) to administer *Ontario's Retirement Homes Act, 2010* (the Act) in the public interest. RHRA's core responsibility is to enhance residents' safety and consumer protection in Ontario's licensed retirement homes.

RHRA is a regulator, educator, advisor, and trusted partner, 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.

RHRA fulfils its mandate by:

- Informing and educating the retirement home sector, residents, and the public about the Act, regulations, and the role of RHRA.
- Licensing Ontario's 776 retirement homes and maintaining a searchable Retirement Homes Database of licensed retirement homes available on our website.
- Inspecting retirement homes, overseeing compliance with the regulations and care standards, and enforcing the Act for the protection of residents.
- Advising the Minister and the Ministry for Seniors and Accessibility (MSAA) on emerging trends and policy matters related to retirement homes.



Vision, Mission and Values

Vision

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

Mission

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

- Uses data, evidence, and analysis to support a risk-based approach to decision making;
- Informs, educates and engages current and prospective residents, families, partners, and other stakeholders;
- Informs, guides, licenses, inspects and educates the retirement home sector; and
- Uses all available tools to protect residents, including enforcement

Values

- ✓ Excellence
- ✓ Fairness
- ✓ Accountability
- ✓ Collaboration
- ✓ Efficiency
- ✓ Effectiveness



Message from the Chair of the Board

2022/23 was a productive and successful year. We continued our work to provide protections for thousands of seniors living in Ontario's licensed retirement homes. We also engaged in greater collaboration with stakeholders and Government in our regulatory execution.

Building on Success

RHRA was initially scheduled to develop and implement its new Strategic Plan in advance of 2022/2023. However, we made a deliberate decision to defer doing so because of the continued pandemic impact on residents, on the sector, and on RHRA and its stakeholders. An interim plan guided the organization while it undertook a comprehensive engagement with stakeholders in the latter part of 2022/2023 to plan for the next three years. The Board genuinely appreciates the participation and thoughtful input of many stakeholders who took the time to contribute, and we look forward to sharing the new Strategic Plan in 2023/24.

Protecting Residents

I have been impressed by the resilience shown by the industry but also recognize the significance of continued vigilance. The pandemic reinforced the importance for RHRA to develop and maintain partnerships and ongoing collaboration with Government and local community agencies, housing and health sector stakeholders and those RHRA regulates. RHRA intends to continue to strengthen these key relationships that are so important in protecting residents' well-being.

Accountability

Over the past year, the Board was actively engaged and made significant progress in the renewal of RHRA's Memorandum of Understanding (MOU) with the Government through the Minister for Seniors and Accessibility by finalizing some of the associated Schedules. I would like to thank RHRA staff and the Ministry for a productive process with positive results.

Prudent Financial Stewardship

The Board has continued to place a significant focus on improving RHRA's financial position ensuring long-term stability and sustainability. As you will see in this report, RHRA continues to experience increased pressures for responsive regulatory activity. As prudent fiscal managers, we are committed to ensuring that the organization is equipped with sufficient resources to deliver on the regulator's public interest mandate while being sensitive to economic realities and pressures on the sector and managing our own efficiency. I am confident that the right steps have been taken to ensure a clear path forward for the organization that will enable it to take on whatever challenges may lay ahead.

Professional Commitment

I would like to express my appreciation for the commitment to good governance and effective oversight demonstrated by all my colleagues on the Board as we have learned and navigated through many challenges and opportunities throughout the year. The Board is fortunate to have strong leadership and staff who work diligently to ensure residents are protected from harm and to support licensees in instilling a culture of care through proactive compliance.

I, along with fellow Directors, have had the opportunity to see firsthand the dedication of licensees, operators and retirement home staff to making sure residents are cared for by doing what is required to meet their obligations under the *Retirement Homes Act, 2010*. I am grateful for these interactions as they have been invaluable to informing the Board's oversight of RHRA and its public interest mandate.

I also want to extend my sincere appreciation to the Minister for Seniors and Accessibility, the Honourable Raymond Cho, and Ministry staff, who share our commitment to enhance protection for those thousands of Ontarians who call licensed establishments their home.

Looking Ahead

It is a pivotal time for RHRA as it works to manage the new realities facing residents and the sector. Our population is aging and increasingly diverse, and the safety of older adults is vital to our health ecosystem. RHRA takes its role as part of this ecosystem very seriously. Together, we will continue to support the well-being and vitality of residents and the sector.

Sincerely,



Alex Yuan



Message from the Chief Executive Officer and Registrar

Fiscal 2022/2023 represented continued movement away from COVID-19 dominated regulatory activities and toward a new environment in which RHRA is evolving into a nimbler, more effective, efficient, and responsive regulator.

Resident Protection

We recognize that while the world health emergency is over, the pandemic continues. We are also mindful that the pandemic had a significant impact on residents of licensed retirement homes, operators, and the sector in general – and that there have been learnings that we need to carry forward.

2022/23 in many ways marked our first full year back to relative stability outside of pandemic considerations being a primary factor. However, this has come with its own challenges as we saw a significant increase in circumstances that required more regulatory interventions than ever before.

Our proactive efforts to work with the industry and licensees to comply with regulatory requirements have resulted in increased interest in voluntary participation in our compliance support program. This type of proactive collaboration is good for residents, good for licensees and good for consumer confidence.

RHRA will continue to look at ways to prevent and reduce harm through our evidence-based risk model, inspections and inquiries, complaints handling, and compliance support and enforcement activities. We will help Ontarians make informed choices and continue to work proactively with the sector to create a strong culture of care through compliance and an effective right-touch approach to regulation.

Continuous Improvement

Over the past year, we undertook a complete overhaul of our information technology infrastructure, with funding support from MSAA, for which we are grateful. This investment will ultimately reduce the administrative burden on licensees by making it easier for them to manage their information and interactions with us so that they can spend more time caring for their residents.

The new system will also allow RHRA staff to spend more time responding to inquiries from residents and their loved ones and providing information, guidance, and support to homes. As we move forward, we will be engaging the sector and homes to test some new features and gather feedback before various phases are fully implemented, and I look forward to working collaboratively with licensees on this in the coming year.

We welcomed the Auditor General of Ontario's acknowledgement in December 2022 that RHRA has implemented or is in the process of implementing nearly 90% of the recommended actions. We have also demonstrated strong progress in implementing the recommendations of other external reviews, which have all shown that RHRA has met public accountability standards. RHRA remains committed to addressing the remaining recommendations.

Planning Ahead

As noted by our Chair, this past year served as a transition year which enabled us to thoughtfully engage a broad range of stakeholders with diverse needs and expectations as RHRA's Board and Management began development of our Strategic Plan for 2023/24-2025/26.

With the assistance of an independent facilitator, we conducted a robust engagement with nearly 200 individuals representing retirement home operators/licensees, their staff, residents and caregivers, industry associations, seniors' organizations, government representatives and health and community partners through a series of one-on-one interviews, focus groups and surveys.

The views of approximately 1,300 members of the public, which included current retirement home residents and prospective residents and/or their decision-makers, were also solicited as important inputs. RHRA appreciates the perspectives of all stakeholders who provided meaningful input.

We will publish the new Strategic Plan in the next fiscal year which paves a transparent path forward that marks a renewal of planned activities and exciting new initiatives – all with the well-being of residents and burden reduction for licensees at its heart.

Strengthening Engagement

Protecting residents living in licensed retirement homes is a goal we share with licensees, with the sector, with our community and health partners and with Government. Strengthening these relationships through early engagement, outreach and collaboration is critical to the work we do and a priority for RHRA. You will see in our new Strategic Plan that engaging with and understanding the perspectives, needs and expectations of our diverse stakeholders is a key objective.

Our Stakeholder Advisory Council serves as an important forum for the exchange of ideas and to hear directly from licensees, residents/caregivers, health care professionals and seniors' organizations. I attend each of these meetings and am grateful for their contributions and commitment to strengthening resident protection.

Mission-Driven Commitment

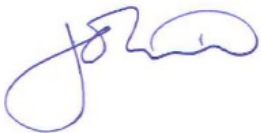
I want to conclude by thanking RHRA's Board of Directors for their unwavering commitment to ensuring that we deliver effectively and efficiently on our mandate to protect seniors living in Ontario's licensed retirement homes. We are fortunate to have a strong and diverse Board with a broad range of professional and lived experiences.

I also want to acknowledge the support and collaboration of Government in helping us to realize our plan for transition, for their one-time funding of our new information technology project and for their continued collaboration and support.

Finally, I am grateful to RHRA's dedicated, mission-driven staff, who are the heart of our organization, and who demonstrate not only resolve, but passion for the work that they do every day to protect seniors living in retirement homes.

We have built a strong foundation that we believe will elevate our ability to effectively carry out our mandate in a more complex and continuously evolving landscape for years to come. We are up for the challenge and will never lose sight of our mandate to protect residents and work with the industry to create a culture of care that Ontario seniors deserve.

Sincerely,





Jay O'Neill

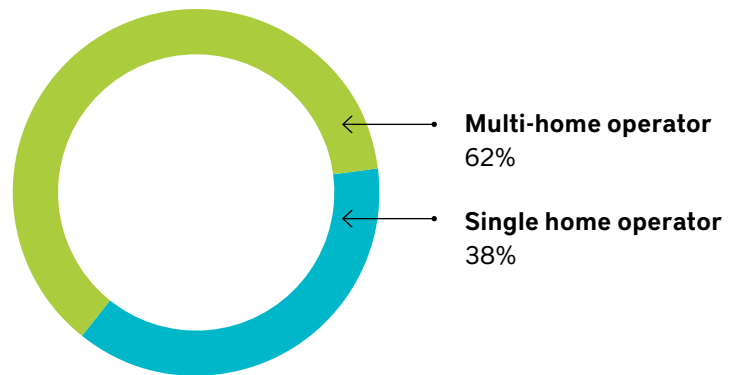




About the Sector

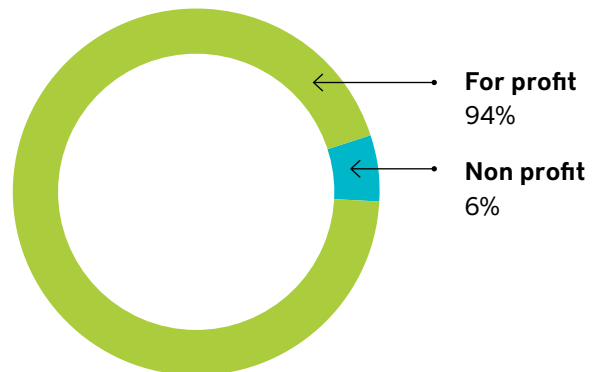
Profile Information about 776 licensed retirement homes as of March 31, 2023

Category	Homes	Total suites
Small (25 suites or less)	87	1,331
Medium (26 to 99 suites)	388	24,313
Large (100+ suites)	301	44,284

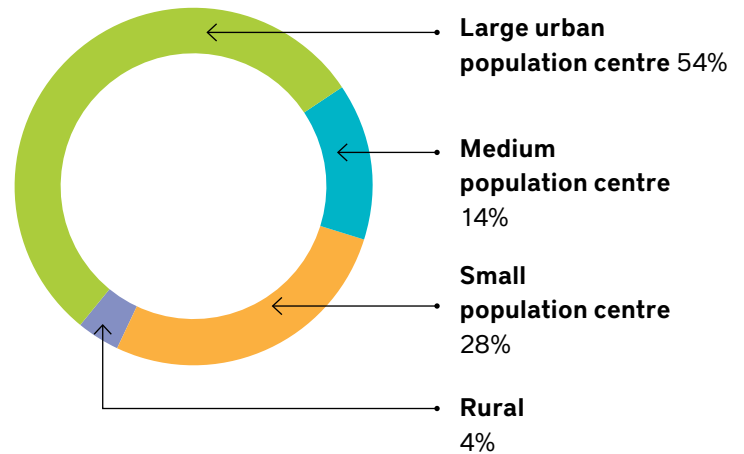
Category	Homes	Total suites
 Multi-home operator	484	49,923
 Single home operator	292	20,005



Category	Homes	Total suites
 For profit	731	66,492
 Non profit	45	3,436



Category	Homes	Suites
Large urban population centre	426	45,519
Medium population centre	110	9,983
Small population centre	211	13,400
Rural	29	1,026



Note: Based on Statistics Canada's definition of rural, small, medium and large urban population centres.

Retirement homes range significantly in the variety and number of care services they offer.

The most common care services offered by over 90% of licensed retirement homes include:

-  assistance with bathing and hygiene

-  administration of a drug or another substance

-  provision of meals

-  assistance with dressing

-  pharmacist and nursing services

The least common care services are:

-  assistance with feeding (286 homes)

-  skin and wound care (136 homes)

-  dementia care (154 homes)

-  medical/physician services (564 homes)

-  Thirty-six homes offer all 4 of these services.

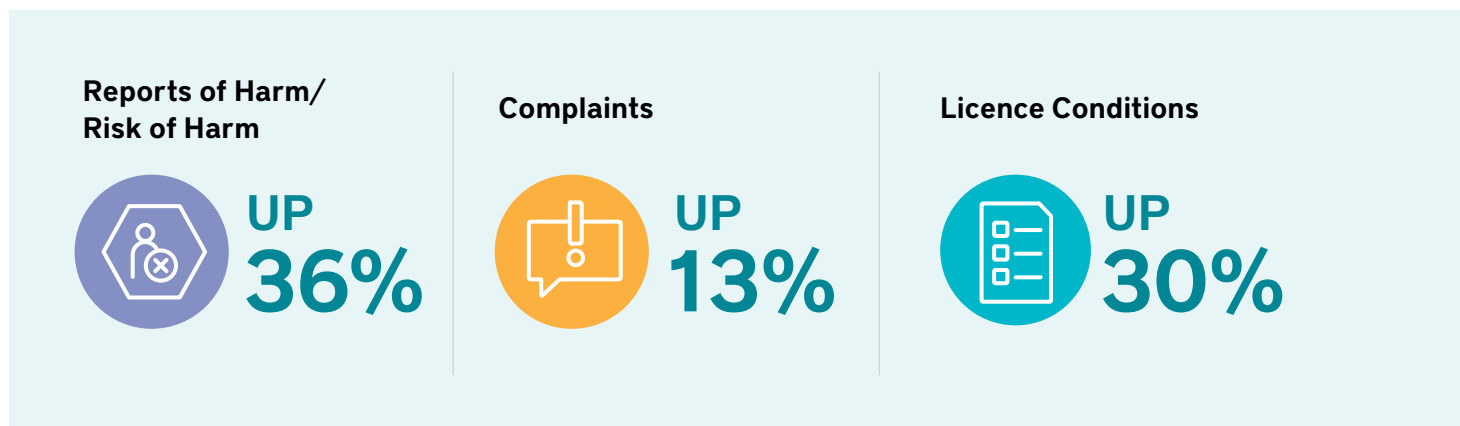


A Look at RHRA's Operations and Key Themes

Responding to an evolving sector and increased risk

As we emerged from the pandemic, RHRA saw an increase in regulatory activity along with an increased number of issues requiring regulatory response.

Over the course of the past year, RHRA focused on the efficient use of its resources to respond to an increase in inquiries and requests – up 15% over last year – as well as a significant increase in formal complaints and reports of harm/risk of harm to residents, detailed further in this report.



The steps we took to strengthen partnerships with others in the health ecosystem means that more stakeholders know about our mandate and how we can work together to strengthen the protection of seniors living in retirement homes. These partnerships are crucial to RHRA's ability to respond and manage future unforeseen circumstances that may impact the well-being of residents.

Moving forward, RHRA will continue to explore ways to proactively prevent and reduce harm through our evidence-based risk model, inspections, complaints handling, and compliance and enforcement activities to help Ontarians make informed choices and to work with the sector to create a strong culture of compliance through a right touch approach to regulation.



Sustained increase in requests for RHRA's services

RHRA Client Services is frequently the first point of contact for inquiries and complaints from licensees, residents, health care workers and the public. Over the past year, RHRA continued to experience increased volumes of inquiries/requests for assistance/services.

RHRA has experienced a significant increase in people contacting it compared to pre-pandemic levels. The year-over-year increase is approximately 15%. Compared to 2019/20, RHRA has seen an 82% increase. Looking ahead, decreases in reports of outbreaks is expected to be offset by increases in other types of requests.

Issue	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20
Reports of harm or risk of harm	1,433	1,055	1,119	957
Complaints and concerns about a retirement home	1,560	2,355	3,766	1,127
Notices of outbreak	1,930	595	790	0*
Licence administration	920	823	704	1,159
General questions about the Act/Regulation, RHRA, or retirement homes	1,654	1,699	1,618	1,127
Number of contacts with RHRA	7,497	6,527	7,783	4,127

**The requirement to notify RHRA about outbreaks came into effect in April 2020.*

Responding to increased reports of harm and risk of harm

A key priority of RHRA is to respond to reports of harm and/or risk of harm. RHRA treats these reports with urgency as they involve potentially serious threats to the well-being and dignity of residents.

In 2022/23, RHRA received **1,433 reports**, which represents a **36% year-over-year increase** compared to the previous fiscal year of 1,055 reports. In comparison to pre-pandemic levels (2019/20 fiscal year), this represents an **increase of 50%**.

These reports range from requiring immediate onsite inspection to less serious allegations that can be resolved through remote inquiries and/or document reviews rather than an onsite inspection. RHRA uses onsite inspections where there is the greatest risk of harm.

In 2022/23, these reports resulted in **507 inspections of homes**, with the balance addressed by remote inquiry. This represents **an increase of over 13% in the number of inspections** resulting from reports of harm year-over-year.



Sixty-five percent of reports of harm or risk of harm are reported to RHRA by retirement homes, which is in line with previous years. This means the increase in the number of reports is coming from both licensees and others at the same rate. Others who report include health care workers, residents' families and substitute-decision makers.

RHRA is assessing the contributing factors to the overall increase in reports of harm/risk of harm. While this remains work in progress, some expected reasons include:

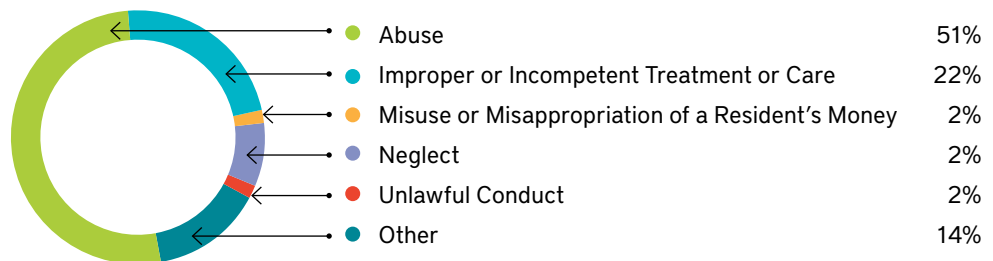
- difficulties among homes in recruiting, training, and retaining staff;
- additional visits/changed expectations from families;
- more complex care needs among certain retirement home residents; and
- greater awareness of RHRA's function among certain community partners.

As this analysis completes, RHRA looks forward to sharing its assessment in future reports.

The chart below breaks down reports of harm or risk of harm submitted to RHRA in the 2022/23 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.

Reports of Harm/Risk of Harm: Allegation Type	2022/23	2021/22	2020/21	2019/20
Abuse	744	576	557	585
Improper or Incompetent Treatment or Care	325	290	377	247
Misuse or Misappropriation of a Resident's Money	22	12	18	25
Neglect	117	81	86	42
Unlawful Conduct	22	11	35	24
Other	203	85	46	34
Total	1,433	1,055	1,119	957

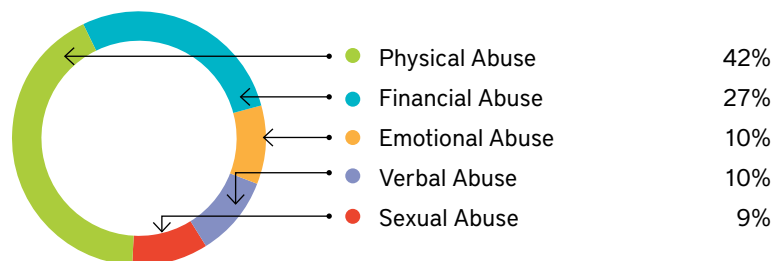
**Reports of Harm/
Risk of Harm:
Allegation Type
2022/23**



The chart below breaks down the specific type of alleged abuse along with the number of reports received.

Type of Alleged Abuse	2022/23	2021/22	2020/21	2019/20
Physical Abuse	314	211	179	166
Financial Abuse	207	150	138	214
Emotional Abuse	76	94	123	109
Verbal Abuse	75	67	55	54
Sexual Abuse	72	54	62	42
Total	744	576	557	585

**Type of
Alleged Abuse
2022/23**



Responding to resident concerns

Responding to reports of harm or risk of harm is a critical component to addressing concerns related to resident well-being, and acting diligently in these cases is an important factor in the oversight of retirement homes for the protection of residents.

When it comes to complaints, they are generally more complex than pre-pandemic as awareness of RHRA has increased over the past year – as noted in the key performance measures section of this report – and one complaint may contain multiple requests. Given this increased awareness, RHRA is also seeing more people reaching out to us as their first point of contact even if it is not an issue over which RHRA has authority. In these cases, RHRA works to provide information in organizations and resources that can help callers.

More information on RHRA's complaint handling process and how to submit a complaint is available on [RHRA.ca](https://rhra.ca).

Increased demands for responding to complaints and facilitating resolution

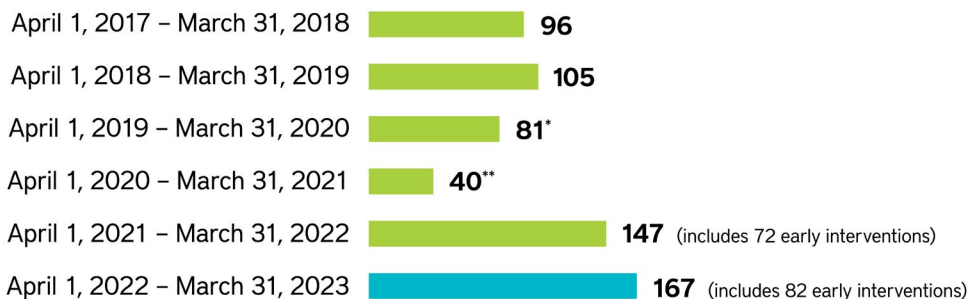
RHRA looks into every complaint it receives, engaging with the complainant and ensuring they are informed throughout the complaint-handling process. RHRA's underlying objective is to help resolve complaints fairly, thoroughly, and within a reasonable time period depending on the complexity of each matter.

In 2022/23, RHRA received a total of 167 complaints, an increase of over 13% compared to the previous fiscal year which ended with 147 complaints.

By using early intervention, RHRA can efficiently help residents or families resolve concerns, and where possible and appropriate, avoid the more time-consuming processes associated with formal complaints.

Number of complaints

per fiscal year



* RHRA started its early intervention program in early 2020.

** Numbers for this year were lower due to RHRA's focus on pandemic related response.

Of the formal complaints received, 71% required an inspection based on the types of concerns outlined in the complaint. Each formal complaint requiring an inspection contained an average of 3 concerns. 54% of the concerns dealt with by inspection related to improper or incompetent care and abuse or neglect of a resident – two of the most complex types of complaints reported to RHRA requiring extensive investigation.

Some retirement home residents have more complex care needs. As a result, some homes experience challenges in meeting those needs resulting in higher potential of risk of harm. In these cases, RHRA conducts a higher degree of assessment to ensure the home is complying with its obligations under the Act. RHRA also makes referrals to external agencies such as the College of Nurses of Ontario, and Home and Community Care Support Services.



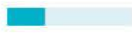






RHRA has noted an increase in cases where a complainant reaches out to RHRA about a matter that does not fall within our mandate. In these cases, RHRA will still help by ensuring information is provided about the appropriate organization to contact.

Complaints	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20
Received during period	167*	147**	40	81
Closed during period	175*	136**	29	100
Open at end of period	41	49	38	27

**Includes 82 early interventions*

***Includes 72 early interventions*

Complaints Process and Standards

Action Type	Details	Standards	% of closed complaints that met the standard
 Early Resolution	 1 Complaints received and acknowledged 2 Home notified of complaint and request for information sent to home 3 Debrief with complainant 4 Registrar decision	50 days	30% 
 Inquiry	 1 Complaints received and acknowledged 2 Home notified of complaint and request for information sent to home 3 Debrief with complainant 4 Registrar decision	70 days	47% 
 Inspection	 1 Complaints received and acknowledged 2 Home notified of complaint and request for information sent to home 3 Final inspection report 4 Debrief with complainant 5 Registrar decision	120 days	31% 

Early intervention and early resolution

RHRA has two options to address concerns from residents and their families. The objective of early intervention is to resolve an issue before it becomes a formal complaint and enters the formal complaint process. Early resolution is where a formal complaint has already been received, but RHRA works with the complainant and the home to get an agreed upon outcome in an efficient and time effective manner.

	Total Early Resolutions	Total Early Interventions
FY 2022-23	10	82
FY 2021-22	10	72

Responding to External Reviews

Including its Annual Risk Officer report and recommendations, along with other independent reviews, RHRA closes the year tracking and reporting against a total of 167 recommendations.

RHRA has been working diligently to respond to and implement the recommendations contained in these various reviews. In a December 2022 follow-up report issued this year by the Auditor General (AG) of Ontario, it noted that RHRA had implemented or was in the process of implementing nearly 90% of the recommendations made in the December 2020 Value-for-Money Audit.

RHRA remains committed to addressing the AG's recommendations and those of other reviews. This includes implementing a number of recommendations made by the Legislative Standing Committee on Public Accounts and in an Operational Efficiency Review by KPMG. KPMG stated in its report that the operations of RHRA, including licensing, inspections, and enforcement, are run efficiently with a focus on consumer protection.



Building Relationships with Community Partners and Stakeholders

RHRA's partnerships and engagement function is a vital component of managing and maintaining our close relationships with key partners. For example, we have established solid working relationships with Home and Community Care Support Services (HCCSS) across the province. Over the past year, we delivered 14 presentations to 13 different partners ranging from public health units, infection prevention and control hubs, Ontario Health teams, HCCSS, hospitals and RHRA's Resident Network. We also engaged 13 multi-operator homes to introduce licensees to the Compliance Support Program.

RHRA has also met with various elected officials at provincial and municipal levels of government to help them help their constituents make informed choices about retirement living. We will continue these meetings with government officials and their constituency staff to raise awareness and assist them with their work in the community.

RHRA's partnerships and engagement function has also created a direct channel for RHRA to be made aware of resident concerns that may not be brought to our attention by residents or a home. This program responds to approximately 90% of high-profile incidents, engaging community partners within 24-hours to help mitigate harm or risk of harm to residents. One of the key elements of RHRA's response is the use of our Emergency Fund. While there were no situations this year that required financial assistance to residents, the Fund is available to help residents find alternate accommodation and care services in emergency situations.

Enhancing efforts to support homes

RHRA sees tremendous value in working closely and collaboratively with licensees to create a caring culture through compliance. RHRA recognizes that while the majority of retirement homes are complying with the Act, where appropriate, licensees should have the opportunity to collaborate with RHRA to address non-compliance without the use of regulatory enforcement.

Compliance Support is a voluntary, targeted education program provided directly to retirement homes and at the corporate multi-operator level to improve compliance with the Act and regulation. At the multi-home operator level, RHRA worked to engage them corporately by providing them guidance on compliance and having them share information with each of their homes to promote compliance across all their homes.

RHRA has expanded its Compliance Support Program to offer assistance to more homes requiring help in meeting their obligations under the Act. In 2022/23, there was an increase of 48% in homes that participated in this program – a testament to the success homes have experienced in the program, as licensees continue to express interest in being involved.

Last year, **75% of citations** issued were resolved, bringing the homes into compliance because of their participation in this program. The program was offered to **77 homes and 56 homes accepted**, resulting in a total of **430 citations being addressed**. RHRA will continue to assist as many homes as it can as part of the program within resource limitations.

Reduced fees for licensees facing challenges

This past fiscal year, RHRA also established a one-time fee reduction program to provide a reduction in annual fees for licensees facing financial difficulties due to the pandemic or other circumstances. We consulted extensively and we listened to the concerns of licensees and we responded with action to avoid negative impacts. As a result, we designed this program to help licensees in financial need continue to provide the proper care for residents by providing a fee reduction of 20% for the 2023 calendar year. As a result, a total of 47 homes received a reduction in their annual fees.

We also continued to ensure that homes are being vigilant against outbreaks and educated licensees to help them come into compliance with the Act when needed.

Reducing administrative burden on homes

RHRA continues to explore ways to reduce the administrative burden on retirement homes through both legislative and non-legislative changes.

RHRA provided advice to the Minister on potential improvements to clarify requirements and decrease administrative burden on retirement homes, without impacting resident rights, care and safety.

✔ **Taking Action on Unlicensed Retirement Homes**

Last fiscal year, RHRA continued its work to actively identify congregate settings that may be operating as an unlicensed retirement home. In total, RHRA conducted 14 inspections of settings suspected of operating without a licence, resulting in 6 orders to apply for a licence or cease operating.

RHRA continues to interpret the legislative definition of a retirement home and the care services they provide under the Act to ensure we respond to any reports of congregate settings operating without a licence, and to keep pace with changes in the retirement home and seniors’ housing sector. This helps RHRA to ensure we are providing protections to those who the legislation was intended to serve – and not overreaching into areas for which there is already oversight in place.

One example of an unlicensed home where we took action was in St. Jacobs, Ontario. RHRA had issued an order to the facility to cease operating as an unlicensed facility. In our investigation, we determined that it met the definition of a retirement home under the Act and therefore would require a licence. The order was appealed by the licensee to the Superior Court of Justice. The Court agreed with RHRA’s position that the home was illegally operating as a retirement home. RHRA determined that the operator was administering drugs or other substances to the residents, which is one of the thirteen care services defined in the Act. The interpretation of “administering drugs or other substances” was at issue. The Court agreed with RHRA’s interpretation of the Act stating that the Act must be interpreted in a way that promotes the intention of the legislation – which is to ensure quality of care and the safety of seniors receiving these services.

The decision represents a legal precedent that will be helpful in similar matters going forward.

	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20
Tips about potential unlicensed retirement homes	40	30	50	41



Operational Review: Activity Highlights

Increased assessments of compliance

Whenever an RHRA inspection uncovers serious concerns, we use all available regulatory tools, including 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

In general, there are two types of inspections conducted by RHRA: proactive and reactive. Proactive inspections are used to verify compliance using a risk-based approach where no allegations have been received by RHRA and are conducted at least once every three years. Our risk-based approach leverages our data and analytics to determine the frequency of our follow-up inspection schedule, with a greater focus on higher risk homes.

Responsive inspections, such as those triggered by reports of harm or complaints are conducted when RHRA receives information that there has been a contravention of the Act. This would also include instances when RHRA is made aware of a facility potentially operating as an unlicensed retirement home.

In 2022/23, RHRA conducted a total of **1,191 inspections** within **577 facilities** which included 14 inspections of potential unlicensed retirement homes. Of the total inspections conducted, **63% resulted in findings of non-compliance with the Act and regulation.**

RHRA conducted 541 routine inspections of homes, which represents a planned decrease of approximately 33% over last fiscal year. This decrease is due to RHRA addressing and eliminating a backlog of routine inspections from the pandemic. However reflective of RHRA's assessment of risk, the number of routine inspections increased by over 35% compared to pre-pandemic levels in 2019/20.

It is noteworthy that there were more than 1,400 reports of harm or potential harm to residents as shown above. The legislation provides RHRA an opportunity to conduct a risk assessment of each report of harm or risk of harm to determine whether it would be appropriate to conduct an inspection or undertake remote inquiries to determine compliance. Remote inquiries enable RHRA to use its resources most efficiently when it is assessed that it can do so without impairing its ability to address risk of harm to residents.

While routine inspections declined, **inspections resulting from reports of harm or risk of harm to residents increased last year by over 13%** and are now more representative of the pre-pandemic volume of reports received in 2019/20.

Inspections	2022/23	2021/22	2020/21	2019/20
Routine	541	812*	55	399
Mandatory report inspection (s. 75)	507	447	304	531
Complaint inspection (s. 84)	36	39	13	35
Compliance inspection (s. 77(1))	91	73	145	17
Report to Registrar (s. 77(2))	14	31	16	28
Licensing inspection (s. 37)	2	3	0	0
Total	1,191	1,405	533	1,010

*RHRA was able to successfully eliminate a significant backlog caused by the pandemic in 2021/22.

Inquiries

Reports of harm or risk of harm range from requiring an immediate onsite inspection, to less serious allegations that can be resolved through remote inquiries rather than an onsite inspection. For example, a report by a home about an incident where the home has responded to the circumstances and there is no longer an ongoing risk to residents, can be addressed through an inquiry to ensure that no further action is required by RHRA. The intent is to use immediate onsite inspections where there is the greatest risk of harm to residents.

Of the total 1,433 reports of harm or risk of harm to residents, 576 (~40%) resulted in an onsite inspection and 857 (~60%) were resolved by remote inquiry in the 2022/23 fiscal year.

	Reports of Harm or Risk of Harm	Referred for inspection	Closed by inquiry
FY 2022/23	1,433	576	857
FY 2021/22	1,055	449	606
FY 2020/21	1,119	385	734

REGULATORY INTERVENTION WHERE IT IS MOST NEEDED

Need for effective enforcement intervention is evident

RHRA uses its enforcement tools when necessary. In 2022/23, a total of **63 Enforcement Orders or decisions were issued**, including 21 Compliance Orders and 4 Management Orders related to matters such as plans of care, staff training, behaviour management and abuse and neglect. In certain cases, administrative monetary penalties were also issued, totalling \$43,000 in the 2022/23 fiscal year.

Compliance and Management Orders

A Compliance Order is an order requiring a licensee to stop or start doing something so that they can comply with the Act and regulation. The goal is to prevent the issue from happening again. A Management Order is an order requiring a licensee to hire one or more managers to help run some or all the operations in the home. These orders are issued when a licensee is not complying or needs external help to properly manage the home. RHRA is able to apply effective right touch regulation where appropriate by tailoring Compliance and Management Orders to address the concerns at hand.

Over the past year RHRA issued orders requiring licensees to take actions such as one-on-one education about retirement home operations, conducting internal audits and monthly reporting about how they are addressing concerns to maintain and achieve compliance with the Act.

In one matter, RHRA required an inexperienced licensee to retain a manager to advise on and support the operations of the home. At a subsequent inspection, which noted a significant improvement, the licensee advised RHRA that as a result of the order and the support and guidance of RHRA, they had a much better understanding of their responsibilities and the requirements for operating a home under the Act.

Enforcement Orders

Type of Action	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20
Impose conditions upon licence (s. 39)	14	12	12	21
Refuse licence (s. 36)	0	0	0	1
Order to apply or cease to operate (s. 89)	6	8	6	8
Compliance order (s. 90)	21	21	28	8
Management order (s. 91)	4	7	11	0
Administrative monetary penalty (AMP - s. 93)	18	20	14	5
Order to revoke (s. 95)	0	5	8	3
Total Orders/Decisions	63	73	79	46

Compliance Monitoring

The purpose of Compliance Monitoring is to assess whether a licensee is complying with Registrar Orders and decisions, and that any failure to comply is addressed. In the 2022/23 fiscal year, a total of 52 homes were part of RHRA's Compliance Monitoring Program related to management orders, compliance orders and licence conditions. This compares with 39 homes in the previous year, representing an increase of 33%. This increase is the result of RHRA beginning to monitor homes with conditions on their licences as part of the program in 2022/23.

Investigations

RHRA has the authority to conduct investigations at licensed or unlicensed retirement homes as part of its powers under the Act. Investigations most often involve the execution of a search warrant and are primarily used in circumstances where a prosecution in Provincial Offences Court may be pursued.

	2022/23	2021/22	2020/21	2019/20
Open Investigations	2	2	2	1
Closed Investigations	2	2	2	1

Revocation of Licence

In 2022/23, RHRA issued an order to revoke the licence of a retirement home in Kitchener that RHRA believed could not be operated in a manner that meets the requirements of the Act and regulation, which would pose a risk to the health and safety of residents. Over several years and numerous inspections, the licensee demonstrated an inability to maintain compliance with the requirements in the Act and regulation -- despite receiving RHRA Compliance Support, being subject to RHRA enforcement action, and retaining the assistance of external consultants. The areas of non-compliance included failing to protect residents from abuse in an incident that the Licence Appeal Tribunal (LAT) later characterized as an "assault upon the basic human dignity of the victim". The licensee appealed the licence revocation order and following a contested hearing, RHRA's position and the revocation order was upheld.

RHRA has since worked closely with its community partners to help residents secure care services if needed or assist with placement in a long-term care home if eligible.

Emergency Fund

The Emergency Fund is a trust fund established by RHRA for the benefit of residents of retirement homes. It is managed by RHRA and is payable to individuals who have been affected by emergency circumstances in a retirement home, such as a fire or an abrupt closure of a home.

Emergency Fund	FY 2022/23	FY 2021/22	FY 2020/21
Number of Registrar Payments	0	2	43
Total value	\$0	\$1,825	\$63,000
Fund balance at end of period (March 31st)	\$686,113	\$619,284	\$582,000

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

Evolving nature of some applicants is increasing complexity of regulatory oversight

Licences are required for those facilities that meet the definition of a retirement home under the Act.

With an increasingly aging population, retirement homes continue to be an attractive sector in which to invest. Increasingly, RHRA is seeing more inexperienced operators seeking licensure. These inexperienced investors are required to ensure they have experienced management to oversee operations of the home. In 2022/23 there was a small decrease in the number of homes but an increase in the actual number of suites.

In 2022/23, there was an increase of over 30% in retirement home licences issued with conditions for a total of 30 homes compared to 23 homes in 2021/22. This is primarily attributed to the changes in the composition of retirement home ownership, requiring a heightened level of scrutiny.

In the coming years, the sector is projected to keep growing to meet an increased need for housing for seniors. RHRA will continue to be rigorous and thorough in its licensing processes to help ensure residents are protected and can live safely and with dignity in the retirement home of their choice.

Licensed Homes	As of March 31, 2023		As of March 31, 2022		As of March 31, 2021	
	Homes	Suites	Homes	Suites	Homes	Suites
Issued	746	68,427	755	68,348	750	65,895
Issued with conditions	30	1,501	23	906	24	947
Total	776	69,928	778	69,253	774	66,842

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

Note that issued licences and suites represent the net change among any licences added and surrendered during the year.

Licence Applications	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20
New (Build/Operations)	13	16	16	19
Transfer of ownership	29	36	24	21
Operating without a licence	2	0	0	0
Total	44	52	40	40

✓ Operationalizing Legislative Changes and Working with Government

- Provided guidance to the sector on implementing legislative and regulatory changes to the *Retirement Homes Act (Act)* and regulation that came into effect on March 16, 2022. These changes include stronger requirements to protect residents from abuse and neglect, new requirements to plan for emergencies related to pandemics and epidemics, for price lists of services, and for licensees to provide certain information to external providers. RHRA also has new powers to issue orders in extraordinary circumstances.
- Provided advice to the Ministry for Seniors and Accessibility (MSAA) and the Office of the Chief Medical Officer of Health on COVID-19 measures in retirement homes and on the gradual de-escalation of them. RHRA's advice aimed to balance the well-being of residents, the operational considerations for retirement homes.
- Provided information to MSAA and other ministries about the role of retirement homes within the continuum of housing and care services for seniors. For example, RHRA provided information about funding and oversight programs in licensed retirement homes that may be outside of RHRA's authority (such as programs for subsidized residents and alternative level of care residents). RHRA provided advice on opportunities for Government action to strengthen the protection of seniors in such programs.



Strategic Plan in Action

RHRA’s 2021-2023 [Plan for Transition](#) (see page 4) was created as a supplement to RHRA’s 2017-2022 Strategic Plan to address the uncertainty and degree of disruption created by the COVID-19 pandemic.

The plan comprised four pillars each with strategic objectives. It was designed to enable RHRA to adapt to changes from the pandemic, address environment changes, and respond to recommendations arising from a variety of external reviews.

This transition plan also enabled the organization to develop its next strategic plan at a time of greater stability for both the organization and its stakeholders.

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	<ul style="list-style-type: none"> RHRA provided advice to Government on lessons from the COVID-19 pandemic and potential changes to current regulatory requirements that would strengthen infection prevention and control practices in retirement homes, while also supporting the well-being of residents and the sustainability of the sector. RHRA also provided advice to Government on the opportunity for regulatory changes that would clarify requirements and decrease administrative burden on retirement homes. RHRA continues to strengthen its policy and government relations functions to deliver on its mandate as a trusted advisor. RHRA implemented legislative and regulatory changes and delayed operationalization of section 108.
Update RHRA’s risk model	<ul style="list-style-type: none"> RHRA expanded its risk model to include more data, such as potential homes that may be under reporting harm or risk of harm to residents.
Continue to expand RHRA’s data partnerships	<ul style="list-style-type: none"> In the 2022/23 fiscal year, RHRA renewed its Memorandum of Understanding (MOU) with the Ministry of Health to receive COVID-19 retirement home data from public health. RHRA obtained aggregated data about residents waiting for placement into Long-Term Care (LTC) homes and home care provided by Home and Community Care Support Services (HCCSS) with the goal to better understand resident care needs.
Build RHRA’s stakeholder data program	<ul style="list-style-type: none"> RHRA established a plan to build and implement a data management strategy. This includes updating policies and processes to ensure our data remains secure and privacy is maintained. In addition, a cybersecurity assessment was performed to identify and address any additional potential gaps. RHRA also initiated development of a comprehensive database of key stakeholder information that includes government officials and staff, retirement home licensees and operators, media, residents and other partners and seniors’ organizations.

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	<ul style="list-style-type: none">• RHRA made changes to its inspection reports to make them easier to interpret/ understand and to align with the implementation of RHRA's new information technology system. Report transparency has increased through identifying the type of inspection, the nature of the allegation triggering the inspection and how inspectors came to specific conclusions in their findings.• RHRA implemented the use of background searches for credit checks, bankruptcy, and insolvency, to assess financial health of applicants. Further work was initiated to assess an applicant and licensee's financial viability or irresponsibility. RHRA continued to conduct licensing interviews with all applicants that are not current licensees. RHRA intends to initiate additional work on recommendations from the Risk Officer Report on the licensing processes in the coming fiscal year.• RHRA deferred Extra Expense Insurance and completed the process for abrupt closures of retirement homes.
Align enforcement strategy with crisis support and re-assess process alignment including initiatives to enable new Management Order powers, enhance Compliance Monitoring and Compliance Support programs	<ul style="list-style-type: none">• As part of its commitment to supporting homes and promoting a culture of compliance, RHRA continued to strengthen its capacity to provide compliance support to more homes, including chain homes, so that those homes at risk could be addressed. In 2022/23, the number of homes being supported as part of the Compliance Support Program increased by 48%.• Introduced in the 2021/22 fiscal year, Compliance Monitoring enables the RHRA to follow-up on Compliance Orders, Management Orders and licence conditions. In 2022/23, the Compliance Monitoring Program focused on the use of consistent approaches to ensure that licensees are appropriately complying with Orders and Conditions. The Compliance Monitoring Program was successfully migrated to RHRA's new information technology system which will reduce the administrative burden associated with record keeping and reporting for licensees and RHRA.
Formalize regulatory collaboration processes with partners	<ul style="list-style-type: none">• RHRA met with several community partners in the 2022/23 fiscal year to educate them on RHRA's mandate including its role on issues of mutual concern related to the well-being of retirement home residents. This resulted in a continued effective and coordinated response to crises, as well as the identification of potential unlicensed homes. It has also resulted in education sessions to various other stakeholders and community partners.• RHRA also conducted 13 meetings with leadership of various chain homes in 2022/23 to provide an overview of RHRA's compliance support program and encourage voluntary participation.

Objective	Outcome
Operational recovery including addressing inspection backlogs, formalizing unlicensed homes monitoring and enhanced reporting of non-compliance on RHRA's public online database	<ul style="list-style-type: none"> RHRA's proactive inspection backlog was eliminated prior to the end of fiscal 2022/23. RHRA managed to minimize the number of homes past their targeted proactive inspection due date to normal operational levels in 2022/23. The unlicensed homes initiative reviewed all unlicensed homes flagged in the Auditor General's report. In addition, ongoing assessments on unlicensed homes has been integrated into daily operations. RHRA continues to receive and respond to reports about unlicensed homes. RHRA also introduced an enhanced search function on its Retirement Home Database to allow searches of homes with any enforcement orders issued by RHRA.
Continue to enhance complaints handling	<ul style="list-style-type: none"> In 2022/23 RHRA implemented tracking of service level standards related to complaints. It also enhanced the information on its website by using an infographic to assist the public in better understanding RHRA's complaints process, service level standards, and the nature of common complaints.

PILLAR THREE:

Build Trust with Public, Government, and Industry

Objective	Outcome
Increase RHRA's profile among government and stakeholders to enable role as key policy advisor	<ul style="list-style-type: none"> RHRA participated in government work related to housing and care options for seniors and provided information and advice on the role of retirement homes within the continuum of housing and care services for seniors. In addition, RHRA identified a variety of programs in retirement homes that may be outside of RHRA's authority (such as programs for subsidized residents and for alternative level of care residents). RHRA provided advice to Government on opportunities to strengthen the protection of seniors in retirement homes who are subsidized by programs that are not subject to RHRA's authority. RHRA also provides information about our authority in relation to subsidized residents to community partners, media and elected officials. RHRA also continued to provide advice to Government on the de-escalation of COVID-19 measures. RHRA's advice aimed to balance both the physical and emotional well-being of residents, the operational burden considerations for retirement homes and the risk of severe outcomes to residents, staff and visitors. RHRA issued numerous communications throughout the year to assist the sector in implementing requirements and best practices.
Enhance education and awareness of RHRA among residents, families and prospective residents	<ul style="list-style-type: none"> In 2022/23, RHRA focused on raising awareness of the work that it does to protect retirement home residents through proactive outreach initiatives aimed at residents and prospective residents, their loved ones, and other stakeholders. RHRA disseminated a series of articles to community news outlets across the province to help educate the public about the role of RHRA. This included information on what prospective residents need to know about retirement home living, tips for finding the right home, and planning to move to a retirement home. The articles were published in six publications, reaching an estimated 585,000 readers. RHRA also developed a series of articles that will be shared with additional regional publications, including ethnocultural media.

Objective	Outcome
Enhance education and awareness of RHRA among residents, families and prospective residents (<i>continued</i>)	<ul style="list-style-type: none"> RHRA increased its efforts to educate the public about its resident protection mandate by providing information and educational materials to stakeholders and retirement homes. RHRA participated in the Together We Care conference, hosted by the Ontario Retirement Communities Association and Ontario Long-Term Care Association, where approximately 200 informational packages were distributed to licensees and other industry members. Following the conference, RHRA distributed 1700 packages to interested retirement homes, residents and stakeholders. RHRA also reached out to MPP Offices across Ontario providing 675 education and information packages to be shared with their constituents who are interested in learning about RHRA and the oversight of licensed retirement homes. These materials have also been distributed by elected officials at local community events including seniors' fairs.
Continue to build out a public report card for Ontario's retirement homes, beginning with enhancements to the Retirement Home Database	<ul style="list-style-type: none"> The public report card initiative was placed on hold due to budget restraints. RHRA will endeavor to revisit this in the context of other initiatives that support RHRA as a transparent regulator with the aim of enabling residents and their families to make informed decisions. As noted above, RHRA enhanced its Retirement Home Database by introducing a function that allows the public to search for licensed retirement homes with any enforcement orders issued by RHRA. The Database now also includes new inspection reports that are easier to interpret and understand.

PILLAR FOUR:

Infrastructure & Capacity Transition

Objective	Outcome
Replace RHRA's case management system and IT infrastructure	<ul style="list-style-type: none"> The first portion of RHRA's new information technology system went live in August 2022, several months ahead of schedule. The project went live in early 2023/24, with further enhancements rolling out over the course of fiscal 2023/24.
Address RHRA's people, process and organizational resources to increase capacity, capability while maintaining efficiency	<ul style="list-style-type: none"> RHRA continued its focus on resource capacity planning and staffing from a priority project and funding point-of-view. In fiscal 2022/23 work was conducted to assess RHRA's total compensation philosophy and market competitiveness.



Key Performance Measures

RHRA’s 2021-2023 [plan for transition](#) (see page 4) was created as a supplement to RHRA’s 2017-2022 Strategic Plan to address the uncertainty and degree of disruption created by the COVID-19 pandemic. The measures below were established prior to the pandemic and provide some insight on targeted activities and programs year-over-year. Next fiscal year, RHRA will include updated performance measures relating to the new Strategic Plan.

Strategic Pillar	Objective	Measures	2022/23 Performance	2021/22 Performance*	2020/21 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 15.9%	Risk Level Changes: High Risk: ↑ increased by 13.1%	Risk Level Changes: High Risk: ↑ increased by 96.8%
			Medium Risk: ↓ decreased by 2.2%	Medium Risk: ↑ increased by 54.4%	Medium Risk: ↓ decreased by 18.6%
			Low Risk: ↑ increased by 15.2%	Low Risk: ↓ decreased by 29.6%	Low Risk: ↓ decreased by 1.4%
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.	452 citations related to complaints procedures	430 citations related to complaints procedures	106 citations related to complaints procedures
Consumer Protection and Choice Through Transparency, Accountability and Public Reporting	TRANSPARENCY Increase awareness of the RHRA’s mandate among residents and consumers as a trusted source for protection.	Province-wide omnibus public survey	452 citations related to complaints procedures Province-wide omnibus public survey	430 citations related to complaints procedures Province-wide omnibus public survey	106 citations related to complaints procedures Survey not conducted (suspended due to COVID-19 pandemic)

Strategic Pillar	Objective	Measures	2022/23 Performance	2021/22 Performance*	2020/21 Performance*
Consumer Protection and Choice Through Transparency, Accountability and Public Reporting <i>(continued)</i>		Questions:	Results:	Results:	Results:
		Is there a regulatory body that is responsible for licensing retirement homes in Ontario?	47% Yes 8% No 45% Don't know	39% Yes 10% No 51% Don't know	N/A
		Is licensing mandatory for retirement homes in Ontario?	45% Yes 11% No 43% Don't know	41% Yes 11% No 48% Don't know	

**Note: The number of high-risk homes increased in the first two years of the pandemic as a result of IPAC-related issues*



Stakeholder Advisory Council Report

Alex Yuan
Chair, Board of Directors
Retirement Homes Regulatory Authority (RHRA)
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 2022/23.

SAC Activities

The Council was pleased to provide advice, insights and feedback on a number of strategic initiatives, including but not limited to:

- RHRA's response to COVID-19 and preparedness planning;
- Ongoing response to recommendations and action items from the Auditor General of Ontario, the Standing Committee on Public Accounts (SCOPA), an independent efficiency review, and the Risk Officer (RO);
- RHRA Business Plan updates;
- SAC participation in the development of RHRA's 2024-2027 Strategic Plan;
- RHRA's 2023 fee review and timing of the 2024 fee review and annual fee cycle;
- RHRA plans for data collection;
- Development of the Citations Outside of Field Inspections (COFI) program;
- Improvements on future RHRA stakeholder effectiveness surveys;
- New approaches to raising public awareness about the value of regulation and identifying potential new partnerships;
- RHRA's Selection Committee for the Frank Kajfes Resident Champion Award, which included reviewing nominees and selecting a recipient for the award; and
- SAC member recruitment process, and the recruitment of two new SAC members.

SAC Advice to RHRA and RHRA’s Board of Directors

RHRA’s Approach to Fees

SAC engaged in an extensive discussion regarding the implementation of RHRA’s new fees for 2023. Overall, SAC members brought forward various perspectives for consideration based on the lenses through which they approach stakeholder engagement. SAC members supported the fee reduction program that RHRA launched in December 2022, designed to assist licensed retirement homes in financial difficulty which could potentially result in increased risk to the health and safety of residents.

SAC was also consulted about the timing change of RHRA’s annual fee cycle from a calendar year (January – December) to a fiscal year (April – March). SAC was supportive as doing so will provide a longer notice period for licensees. SAC looks forward to providing more input during the 2024 fee review process and learning about whether this may have an impact on retirement homes’ budget cycle.

Collection of Data to Understand Resident Needs

SAC is aware of RHRA’s need to collect data about residents’ care needs to understand the scope and nature of the variability of care provided in licensed retirement homes. SAC has discussed the increasing acuity levels in retirement homes, residents in retirement homes that are waiting for long-term care, and Alternative Level of Care patients coming out of hospitals.

COVID-19 Preparedness

As RHRA continues to respond to the current COVID-19 situation and prepare for possible future pandemics, SAC continues to offer relevant insights. In relation to COVID-19, SAC emphasized that different public health units have different approaches to implementing public health measures, and it is desirable to have consistency going forward. Resident quality of life must be a priority to ensure residents’ well-being and dignity. Continued access to tools, like Rapid Antigen Tests (RATs), is also important so that operators can continue to fight against COVID-19 variants.

Outreach to Residents, Stakeholder Partnerships and RHRA Educational Materials

To increase awareness of RHRA, SAC advises on partnerships with organizations that have direct contact with residents or prospective residents (e.g., senior advocacy groups, hospitals, faith communities, senior activity centres, academic institutions, etc.) and media (e.g., local ethnic publications, TV stations). Professionals in the field such as occupational therapists and social workers are always asked for information and are prime conduits for RHRA awareness. Print materials that include infographics are helpful for older adults, but not if targeting a younger generation.

It is recommended that in the next RHRA Stakeholder Effectiveness Survey (scheduled for 2024), that RHRA consider including family members of retirement home residents as a sample group. The family voice is important and relevant.

Collaboration with RHRA's Board of Directors

SAC is keen to continue having opportunities to interact with RHRA's Board of Directors and appreciates that Directors have in the past attended SAC meetings. SAC looks forward to further opportunities for dialogue and engagement between SAC members and Directors.

Strategic Planning

SAC was pleased that RHRA proactively consulted us in the development of its 2024-2027 Strategic Plan. We appreciated the opportunity to participate in a focus group and to be involved in the validation of the draft plan prior to its approval by the RHRA Board. Given the diversity of our group – residents, family members, health care professionals and licensees/operators – we believe that we have made valuable contributions to protecting seniors, reducing administrative burden, and preparing for the future and an aging population.

Acknowledgements

SAC would like to thank Graham Webb, Executive Director of the Advocacy Centre for the Elderly (ACE), and Gail Walker, Director of Retirement at Belmont House, for their contributions over the past number of years. Graham served as Chair of SAC from 2020 to 2022. His steady leadership and vast knowledge of legal matters related to older adults made him a distinguished SAC colleague, an important voice at RHRA and invaluable champion for residents. Gail Walker, with her decades of experience in front line care and administration in retirement homes and long-term care, was a strong contributor, resident advocate, and sector expert whose skill and wisdom is enormously respected. Both members concluded their terms in 2022.

Their expertise, feedback, and professionalism have been integral to the effective functioning of SAC, and we are grateful to them for their long-standing service.

SAC also welcomed two new members in January 2023: Laura Tamblyn-Watts, CEO of CanAge as the seniors' advocacy organization representative, and Stephanie Sanborn, Corporate Director of Innovation and Education, Seasons Retirement Communities, as a licensee member. Laura and Stephanie joined our council which consists of a dedicated and hard-working group representing diverse stakeholders whose goal is to ensure that Ontarians continue to have choice and the protection they need to live with confidence and dignity in licensed retirement homes.

I want to extend my heartfelt appreciation to Vice-Chair Florene Shuber. Florene is an extremely capable, competent colleague who offers a firsthand perspective in regard to retirement home living and resident needs.

Finally, on behalf of SAC, I would like to thank RHRA's staff who support our group and solicit our feedback to more effectively and efficiently deliver the regulator's public interest mandate.

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

Sincerely,

Andria Bianchi

Andria Bianchi
Chair, Stakeholder Advisory Council



Board and Governance

The governance of 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 of the Board.

The Board is responsible for corporate governance, regulatory oversight and guiding the development of RHRA's strategic plan and priorities. Along with 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
- The Finance, Audit and Human Resources Committee

In addition, information about the elections/appointment process of the Board, basic qualifications of the Board, and Code of Ethics is available on [RHRA.ca](#).

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 2022/23, total Board remuneration was \$184,980. 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. Year 1 of Term 2.

[See Full Bio.](#)

BARBARA KIELEY – VICE-CHAIR (as of December 2022) 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. Year 2 of Term 1.

[See Full Bio.](#)

JONATHAN BOULAKIA – Served as Vice-Chair until December 2022 and 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. Year 1 of Term 2

[See Full Bio.](#)

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. Year 2 of Term 1.

[See Full Bio.](#)

STEVEN BOYCHYN completed a B.Eng. 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. Year 3 of Term 1.

[See Full Bio.](#)

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). Year 2 of Term 1.

[See Full Bio.](#)

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. Year 3 of Term 1.

[See Full Bio.](#)

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. Year 2 of Term 1.

[See Full Bio.](#)

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. Year 2 of Term 1.

[See Full Bio.](#)

Organizational Chart

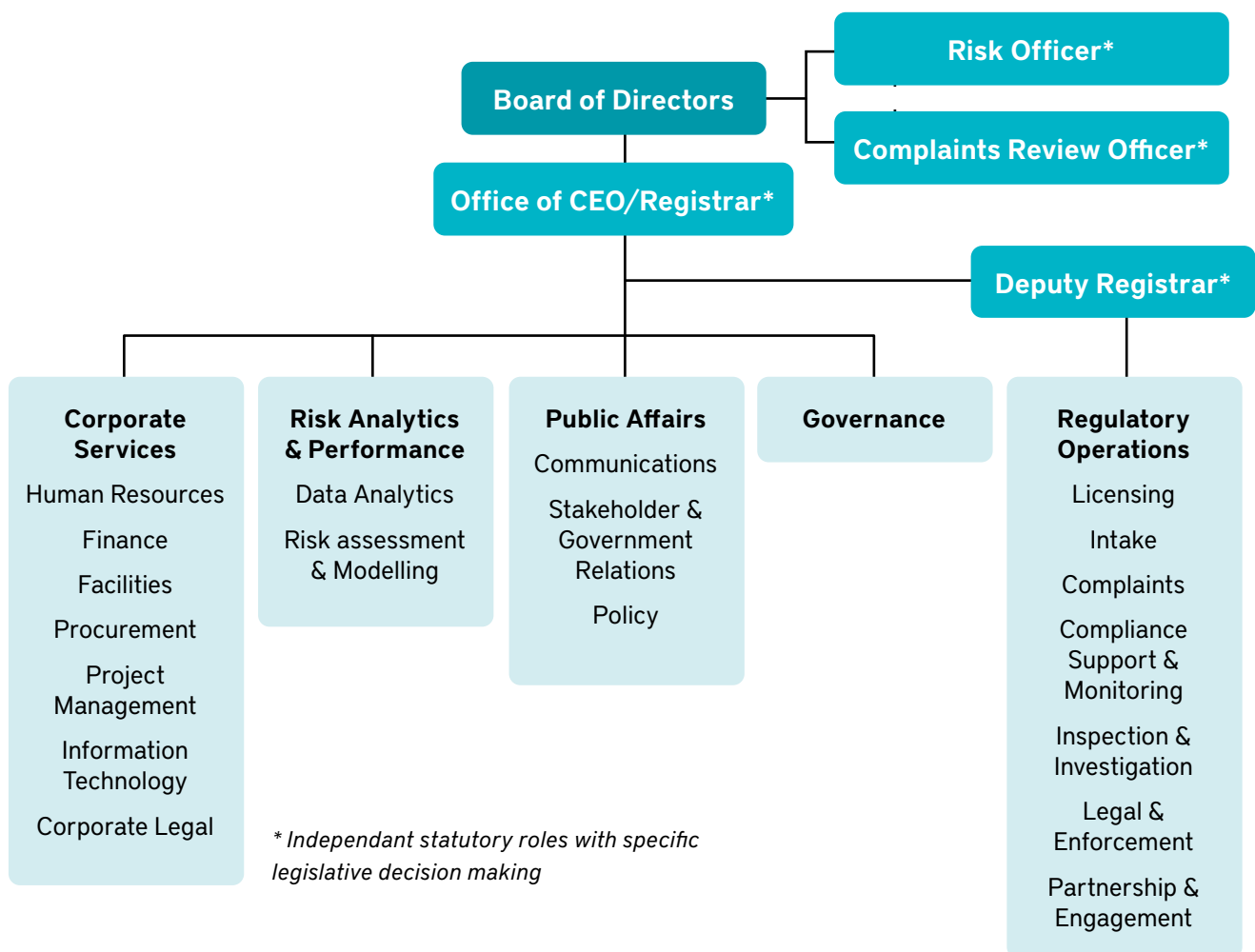
Organizational Structure and Accountability

RHRA is a not-for-profit corporation established as an administrative authority of the Ontario Government through the Act and its regulation.

The Government retains responsibility for the Act and regulations. RHRA is responsible to ensure the legislation and regulations are implemented and enforced.

Headquartered in Toronto with staff deployed across the province, RHRA is self-financed primarily through annual fees paid by licensees. RHRA is not part of the Ontario Government, nor is it a Crown Corporation.

RHRA has a Board of Directors accountable to the Minister for Seniors and Accessibility. A Memorandum of Understanding (MOU) with various Schedules sets out the roles and obligations of RHRA and Government.





Activities of the Risk Officer and Complaints Review Officer

Risk Officer

RHRA’s Risk Officer reports to the Board of Directors and is responsible for independently reviewing and assessing the effectiveness of RHRA’s administration of the Act. In his 2021/22 Risk Officer Report, [Nav Sandhawalia](#) focused on reviewing RHRA’s licensing processes. Mr. Sandhawalia provided a number of insightful observations and recommendations, which were reviewed by the Board. Both the Risk Officer Report and RHRA Response were presented during the RHRA’s Annual General Meeting in September 2022, and are available at [RHRA.ca](#). RHRA has already implemented many of the Risk Officer’s 2021/22 recommendations, and an [implementation status report](#) is publicly available on RHRA’s website. Mr. Sandhawalia is currently in his second three-year term as Risk Officer.

Complaints Review Officer

Appointed by and reporting to the Board, RHRA’s Complaints Review Officer, [Ms. Elyse Sunshine](#), is responsible for reviewing matters where a complainant is not satisfied by the Registrar’s conclusion to take no further action relating to a complaint. During 2022/23, Ms. Sunshine rendered decisions on four matters, all of which were received during the fiscal year. All four matters were referred back to the Registrar for further review and action. 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.

Complaints Review Officer	FY 2022/23	FY 2021/22	FY 2020/21
Referrals	9	4	2
Decisions rendered	4	6	4



Key Corporate Policies/Initiatives

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, 2023:

- A total of four complaints were received.
- Three have been successfully addressed and closed.

Of the complaints received, one was related to the application of RHRA procedures and two were related to employee conduct. The fourth complaint which remains open and is being managed at the Executive level, involves both procedures and employees.

RHRA posts its Administrative Complaints Policy and other corporate policies, including the Code of Ethics, on its website, [RHRA.ca](https://rhra.ca).

French Language Services

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

Staffing

RHRA prioritizes having staff available who can communicate in both official languages.

Website and public documents

All public documents, including information for operators and licensees, are available in French on 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 and other stakeholders, 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 2022/2023, RHRA responded to 7,497 inquiries, of which 39 were in French, representing less than 1% of all inquiries.

French-licensed retirement homes

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

Equity, Diversity and Inclusion (EDI)

RHRA is committed to equity, diversity, inclusion and continues to work to attract and retain a diverse workforce and to promote an inclusive culture. RHRA values the unique skills and experiences (professional and lived) that employees and Directors bring to the organization. RHRA works with EDI experts to provide training for and to engage staff and the Board in learning and thought-provoking opportunities.

Accessibility Policy

RHRA is committed to fulfilling its obligations under the *Accessibility for Ontarians with Disabilities Act, 2005 (AODA)*. 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. This includes ensuring its workplace and employment practices are accessible to potential and current employees with disabilities, and hosting an AODA-compliant public website. RHRA received no inquiries or requests related to the accessibility of its website content in the 2022/23 fiscal year. The Accessibility Customer Service Policy can be found at [RHRA.ca](https://www.rhra.ca).

Transparency

RHRA has undertaken to make transparency a priority in the way it does its work. It has articulated a set of transparency principles available on its website and is looking at various aspects of its work and external interactions to ensure we are living up to those principles. For example, we have made improvements to our inspection reports to make them clearer. We have also added a new Registrar Enforcement Orders button on our Retirement Homes Database to make it easier to find enforcement actions taken against homes. The RHRA Risk Officer has undertaken a review of our transparency approach and will report out on his work in 2023/24.



Financial Summary

Introduction

The RHRA is responsible for administering and enforcing the *Retirement Homes Act, 2010*. It is a not-for-profit corporation without share capital that has been established under the Act. RHRA's responsibilities include licensing retirement homes, enforcing care and safety standards for residents, and educating licensees, consumers, and the public on legislative requirements and standards. RHRA's approach to financial management involves balancing two needs: (1) to ensure long-term financial sustainability in the years to come and (2) to continue to address near-term regulatory needs.

RHRA's revenues come mainly from annual fees from licensed retirement homes and application fees from applicants seeking a retirement home license.

RHRA does not receive any funding from the Ontario Government for its regular operational needs. However, funding has been received for special one-time projects such as implementing a new information technology (IT) system or pandemic payments to RHRA and retirement homes in crisis.

RHRA's expenses are primarily people-related costs, such as salaries and benefits. We employ inspectors, customer service representatives, licensing and enforcement specialists, finance, information technology, human resources, and public affairs staff. Non-labor expenses include IT, legal, and travel for inspectors.

RHRA's long-term financial strategy is a break-even bottom line with three to six months of operating reserve.

Overview

The retirement home sector is still recovering from the effects of the pandemic. The high inflation environment has slowed down the construction of new retirement homes. The year saw an increase of only 0.7% in suite growth, indicating low investment during the year. The lack of suite growth is reflected in lower application fees for the year.

Prior to the pandemic, increased costs and RHRA growth to fulfill its mandate were covered in large part by sector expansion. Expansion has slowed and therefore, continued rates of expansion to respond to demand for services cannot be assumed or relied upon. Recommendations from an independent operational efficiency review were implemented during the year resulting in an increase in the annual fee rate and savings in operating expenditures.

During the year, RHRA made a concerted effort to implement the recommendations of the Auditor General's Value-for-Money audit and the independent operational efficiency review recommendations. As a result, at year-end, 32 of the 63 Auditor General recommendations were fully implemented, with another 24 in the process of being implemented. For the operational review, more than 80% of the recommendations have been fully implemented and work is underway to address the remaining recommendations.

The most significant projects over the past year have been IT related. RHRA implemented new financial and payroll systems during the year, and the Regulatory Management Software System went live on May 1, 2023.

RHRA experienced increased levels of activity during the year: a 36% increase in mandatory reports and a 13% increase in complaints. RHRA has adjusted processes to keep resources stable while absorbing these significant increases in activity. RHRA is monitoring this trend closely to ensure it has the resources available to respond appropriately when regulatory matters are raised.

RHRA ended the year with an \$823K deficit. The increase in the annual fee rate effective January 2023, along with the implemented cost savings, will assist in reducing this deficit in the following year.

Revenues and Expenses

Total revenue decreased by \$4,421K (29%) compared to the previous year. The main reason is that one-time pandemic/project funding was received last year, amounting to \$5,960K. In addition, the annual fee increase helped offset the reduction in application fees (\$207K) caused by the lack of growth in the sector.

Total expenses are \$1,000K (8%) lower than the previous year due to the crisis support payments made last year. Excluding this one-time Government program expenditure, RHRA has been able to maintain the same level of overall expenses as the previous year. RHRA also achieved cost savings of \$451,500 by continuously evaluating operating expenditures and implementing recommendations from the KPMG efficiency review.

Investments

The investment portfolio is managed following 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 \$270K.

Reserve

RHRA's Board of Directors has approved a reserve policy intended to stabilize the organization in periods of decreased cash flow. The target range for the board-approved reserve is three to six months. At year-end, the reserve represented 6.9 months.

Emergency Fund

The RHRA is committed to meeting its requirements for the Emergency Fund with the provisions for eligible claims and payments. No payments were required during the year from the Emergency Fund.

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 the best estimates where appropriate. The RHRA's accounting system and related internal controls are designed, and supporting procedures are 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. This Committee reviews the Financial Statements and recommends them to the Board for approval. Other duties 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, 2023, and for the year then ended. Their report, which expressed an unmodified audit opinion, can be found at the end of this Annual Report. In addition, Deloitte LLP has full and unrestricted access to and meets periodically with the Finance, Audit and Human Resources Committee to discuss their audit and matters arising, such as comments they may have on the fairness of financial reporting and the adequacy of internal controls.



Financial statements of Retirement Homes Regulatory Authority

March 31, 2023

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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, 2023, 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, 2023, 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 signature of Deloitte LLP is written in a cursive, handwritten style in black ink.

Chartered Professional Accountants
Licensed Public Accountants
June 21, 2023

Retirement Homes Regulatory Authority

Statement of financial position


As at March 31, 2023

	Notes	2023 \$	2022 \$
Assets			
Current assets			
Cash		9,079,081	7,336,639
Accounts receivable	2	94,961	2,371,900
Prepaid expenses		306,337	257,261
Harmonized sales tax receivable		69,034	57,509
		9,549,413	10,023,309
Long-term investments	3	5,445,098	5,460,302
Emergency fund restricted cash	10	686,113	619,284
Capital and intangible assets	4	1,904,438	1,884,530
		17,585,062	17,987,425
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	5	1,542,981	1,943,995
Deferred revenue	6	6,983,039	6,849,201
		8,526,020	8,793,196
Deferred capital contributions	7	1,390,000	670,000
Deferred lease inducement	8	181,010	212,953
		10,097,030	9,676,149
Commitments and contingencies	11		
Net assets			
Unrestricted		—	639,950
Restricted - Emergency fund	10	686,113	619,284
Internally restricted	9	6,801,919	7,052,042
		7,488,032	8,311,276
		17,585,062	17,987,425

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, 2023

	Notes	Operating fund \$	Emergency fund \$	2023 Total \$	Operating fund \$	Emergency fund \$	2022 Total \$
			(Note 10)			(Note 10)	
Revenue							
Annual fees	6	9,807,877	—	9,807,877	8,450,012	—	8,450,012
Province of Ontario grant	7	310,000	—	310,000	5,960,000	—	5,960,000
Application fees		438,775	—	438,775	646,050	—	646,050
Net investment income	3	249,678	19,829	269,507	199,090	4,468	203,558
Administrative monetary penalties		—	47,000	47,000	—	34,500	34,500
		10,806,330	66,829	10,873,159	15,255,152	38,968	15,294,120
Expenses							
Salaries, wages and benefits		9,441,449	—	9,441,449	8,894,052	—	8,894,052
Operating		2,160,761	—	2,160,761	2,554,673	—	2,554,673
Crisis support payments to retirement homes		—	—	—	1,083,352	—	1,083,352
Amortization of capital assets		94,193	—	94,193	163,275	—	163,275
Payments from the Emergency fund		—	—	—	—	1,825	1,825
		11,696,403	—	11,696,403	12,695,352	1,825	12,697,177
(Deficiency) excess of revenue over expenses		(890,073)	66,829	(823,244)	2,559,800	37,143	2,596,943

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, 2023

	Unrestricted	Restricted - Emergency fund	Internally restricted	2023 Total	Unrestricted	Restricted - Emergency fund	Internally restricted	2022 Total
	\$	\$	\$	\$	\$	\$	\$	\$
		(Note 10)	(Note 9)			(Note 10)	(Note 9)	
Net assets, beginning of year	639,950	619,284	7,052,042	8,311,276	(70,236)	582,141	5,202,428	5,714,333
(Deficiency) excess of				—				—
revenue over expenses	(890,073)	66,829	—	(823,244)	2,559,800	37,143	—	2,596,943
Interfund transfers	250,123	—	(250,123)	—	(1,849,614)	—	1,849,614	—
Net assets, end of year	—	686,113	6,801,919	7,488,032	639,950	619,284	7,052,042	8,311,276

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

Retirement Homes Regulatory Authority

Statement of cash flows

Year ended March 31, 2023

Notes	2023 \$	2022 \$
Operating activities		
(Deficiency) excess of revenue over expenses	(823,244)	2,596,943
Items not involving cash		
Unrealized (gains) losses on investments	3 153,975	328,172
Amortization of capital assets	94,193	163,275
Amortization of deferred lease inducement	(31,943)	(31,942)
	(607,019)	3,056,448
Change in non-cash operating working capital		
Accounts receivable	2,276,939	(904,671)
Prepaid expenses	(49,076)	(36,899)
Harmonized Sales Tax receivable/payable	(11,525)	13,812
Accounts payable and accrued liabilities	(401,014)	956,472
Deferred revenue	133,838	(684,669)
	1,342,143	2,400,493
Investing activities		
Acquisition of capital assets	(114,101)	(1,379,885)
Net purchases and redemption of investments	(138,771)	(427,694)
Increase in Emergency Fund restricted cash	(66,829)	(37,143)
	(319,701)	(1,844,722)
Financing activity		
Contributions received for capital	720,000	670,000
Increase in cash	1,742,442	1,225,771
Cash, beginning of year	7,336,639	6,110,868
Cash, end of year	9,079,081	7,336,639

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

Retirement Homes Regulatory Authority

Notes to the financial statements

March 31, 2023

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 if the criteria for making a claim and payment are met.

(b) Investments

RHRA's investments consist of fixed income GICs and exchange-traded funds. 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.

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.

(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.

1. Significant accounting policies (continued)

(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. Accounts receivable

	2023	2022
	\$	\$
Accounts receivable	814	1,713,042
Province of Ontario Grant receivable	51,500	652,000
Interest receivable	42,647	6,858
	94,961	2,371,900

Accounts receivable are net of an allowance for doubtful accounts of nil (nil in 2022).

3. Investments

RHRA's investment decisions are made in line with an Investment Policy approved by the Board, which is reviewed and updated periodically. RHRA's investment objectives, in their order of priority, are to: 1. Preserve capital, 2. Maintain liquidity to meet operational and capital requirements, and 3. Maximize the rate of return.

Investments consist of cash held in the investment portfolio account, fixed income GICs and exchange-traded funds.

	2023	2022
	\$	\$
Long-term investments		
Cash in investment account	16,631	56,418
GICs	300,929	548,666
Exchange-traded funds	5,127,538	4,855,218
	5,445,098	5,460,302

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

	2023	2022
	\$	\$
Realized gains, interests and dividends	423,482	531,730
Unrealized (losses) gains during the year	(153,975)	(328,172)
	269,507	203,558

Retirement Homes Regulatory Authority

Notes to the financial statements

March 31, 2023

4. Capital and intangible assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
	\$	\$	\$	\$
Equipment	31,304	31,304	—	5,351
Computer software	111,142	111,142	—	1,896
Computer hardware	185,513	175,013	10,500	15,316
Furniture and fixture	128,258	125,785	2,473	6,183
Leasehold improvements	704,512	305,288	399,224	454,358
Licensing system	607,642	598,886	8,756	21,541
Licensing system in progress	1,483,485	—	1,483,485	1,379,885
	3,251,856	1,347,418	1,904,438	1,884,530

During the year, RHRA disposed and written off fully depreciated capital and intangible assets with an original cost of \$16,141 (\$305,758 in 2022).

5. Government remittances

As at March 31, 2023, RHRA had no government remittances payable (\$24,714 in 2022).

6. Deferred revenue

Annual fees received relating to the periods after the current fiscal year are deferred.

The balance in deferred revenue is as follows:

	2023	2022
	\$	\$
Deferred revenue from annual fees, beginning of year	6,849,201	6,033,870
Add: Annual fees received during the year	9,941,715	9,258,335
	16,790,916	15,292,205
Less: amounts recognized as revenue during the year	9,807,877	8,443,004
Deferred revenue from annual fees, end of year	6,983,039	6,849,201

7. Province of Ontario grant

Grant funding received from the Province of Ontario consists of both operating and capital funding for the purpose of carrying out an IT infrastructure project. Contributions received for capital assets are deferred and are amortized into revenue on the same basis as the related asset is amortized. Any unamortized capital amounts at year end are recorded as deferred capital contributions.

	2023 \$	2022 \$
Deferred revenue and deferred capital contributions from Province of Ontario grant, beginning of year	670,000	1,500,000
Add: Province of Ontario grant received or receivable during the year	1,030,000	5,130,000
	1,700,000	6,630,000
Less: amounts recognized as revenue during the year	310,000	5,960,000
	1,390,000	670,000
Portion relating to deferred capital contributions, end of year	(1,390,000)	(670,000)
	—	—

8. 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 \$138,419 (\$106,476 in 2022).

9. 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.

On December 14, 2022, the Board approved a policy for sustaining an operating reserve equal within a target range of three to six months of normal annual operating budget expenditures, and a process for allocation from unrestricted net assets.

10. 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 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:

	2023 \$	2022 \$
Opening balance	619,284	582,141
Administrative monetary penalties	47,000	34,500
Interest income	19,829	4,468
	686,113	621,109
Less: claims/payments made	—	1,825
Closing balance	686,113	619,284

11. Commitments and contingencies

Lease obligations

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

	\$
2024	420,155
2025	432,963
2026	443,299
2027	456,560
2028	464,668
Thereafter	400,272
Total minimum lease payments	<u>2,617,917</u>

12. 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, 2023, RHRA did not hold any short-term investments.

Market risk

Market risk arises as a result of trading in equity securities (exchange-traded funds) 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, 2023. RHRA manages this risk through proactive collection policies.

12. Risk management (continued)

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, 2023, 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, 2022.

13. 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.

14. Comparative figures

Certain comparative figures have been reclassified to conform with current year financial statements presentation.



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