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REPORT ON THE RESULTS OF APPLYING SPECIFIED AUDITING PROCEDURES ON THE ANNUAL INFORMATION RETURN

To the Regional Municipality of York (the "Service Manager")

As specifically agreed, we have performed the procedures described in Appendix A, to assist the Service Manager in assessing Housing York Inc.'s (the "Corporation") compliance with the Social Housing Reform Act and regulations and the information in the Annual Information Return for the year ended December 31, 2003. This engagement to apply agreed-upon procedures was performed in accordance with standards established by The Canadian Institute of Chartered Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described in Appendix A either for the purpose for which this report has been requested or for any other purpose.

The results of our procedures are documented in Appendix A. Our audit of the Corporation's financial statements for the year ended December 31, 2003 was not directed to the information in the Annual Information Return. The procedures in Appendix A do not constitute an audit of the Annual Information Return and, therefore, we express no opinion on the information in the Annual Information Return for the year ended December 31, 2003. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This letter is for use solely by the Service Manager in assessing the Corporation's compliance with the Social Housing Reform Act and regulations and the information in the Annual Information Return, and is not intended to be and should not be used by anyone else.

A handwritten signature in black ink that reads 'KPMG LLP' with a long horizontal line extending from the end of the signature.

Chartered Accountants

Toronto, Canada

March 19, 2004

Housing York Inc.

Results of Specified Auditing Procedures on the Annual Information Return ("AIR")

For the year ended December 31, 2003

APPENDIX A

SPECIFIED AUDITING PROCEDURES ON THE ANNUAL INFORMATION RETURN	RESULTS OF SPECIFIED AUDITING PROCEDURES ON THE ANNUAL INFORMATION RETURN
1. Obtain the completed Annual Information Return (AIR) from those delegated by the Board of Directors to complete the AIR for the year ending December 31, 2003.	We obtained the completed Annual Information Return (AIR) from those delegated by the Board of Directors to complete the AIR for the year ending December 31, 2003.
2. Read the management representations requested in the AIR Page A2 and the corresponding responses from the Corporation.	We read the management representations requested in the AIR Page A2 and the corresponding responses from the Corporation.
3. Ask the questions on the AIR Page A2 to those delegated by the Board of Directors to complete the AIR for the year ending December 31, 2003 and comment on any different responses.	We asked the questions on the AIR Page A2 to those delegated by the Board of Directors to complete the AIR for the year ending December 31, 2003 and found no differences in responses.
4. Agree the financial information of the Corporation as reported in the AIR to the audited financial statements for the period ending December 31, 2003.	We found no significant exceptions.