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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.

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.



ANNUAL INFORMATION RETURN PRIVATE NON-PROFIT

IDENTIFICATION

Page 1

Co-operative name

Housing York Inc.

Fiscal year ended

31-Dec-03

Program

☒

Provincial

☐ Federal/Provincial☐ Special Purpose

Governorship address

465 Davis Drive, Suite 318

Newmarket, ON L3Y 7T9

Mailing address

465 Davis Drive, Suite 318

Newmarket, ON L3Y 7T9

Contact name

Cathy Brennan

Position

Acting Supervisor-Housing York Inc.

Telephone number

905-830-4444 Ext. 2732

MANAGEMENT DECLARATION

I declare that, to the best of my knowledge and belief, the information provided in this Annual Information Return is true and correct.

Signature

Name

Tom Taylor

Position

Chair

Date

Signature

Name

Sue Sherban

Position

Vice Chair

Date

Note to auditors:

The Region requires non-profit housing corporations to ensure that their auditors complete two reports on the Annual Information Return, an Auditor's Derivative Report and an Auditor's Report on Financial Information contained in the Annual Information Return. Information on the reports is provided in the Guide to the Operating Budget and Annual Information Return.

Instructions

(1) The Management Declaration must be signed by two authorized officers of the co-operative.

MANAGEMENT REPRESENTATION

Page 2

For the year ended:

December 31 2003**RESIDENT RELATIONS**

- 1) Did the corporation assist all applicants for housing in accordance with Program Guidelines? ☒ Y ☐ N
- 2) Did the corporation select tenants in accordance with Program Guidelines, including participating in a Co-ordinated Access System, if required? ☒ Y ☐ N
- 3) Have all RGI tenants signed leases, prepared in accordance with Program Guidelines? ☒ Y ☐ N
- 4) Was verification of income obtained from all rent geared-to-income tenants in accordance with Program Guidelines? ☒ Y ☐ N
- 5) Were all geared-to-income rents charged in accordance with Program Guidelines? ☒ Y ☐ N

FINANCIAL MANAGEMENT

- 6a) Were all serious deficiencies, if any, in internal controls or operations reported by the Corporation's auditor in the prior year remedied? ☒ Y ☐ N
- 6b) Did the Corporation receive a management letter from its auditor reporting serious deficiencies in internal controls or operations? (If you answer YES attach a copy of the management letter.) ☐ Y ☒ N
- 7) Did the Corporation incur any expenditures of an excessive and material nature having regard to the normal practice for similar non-profit housing corporations? ☐ Y ☒ N
- 8) Were expenses allocated to the non-shelter component in accordance with Program Guidelines? ☒ Y ☐ N
- 9) Was the shelter component operating surplus used in an appropriate manner in accordance with Program Guidelines? ☒ Y ☐ N
- 10) Was the Capital Reserve Fund operated in accordance with Program Guidelines? ☒ Y ☐ N
- 11) Does the Corporation have adequate fire, fidelity and other insurance as required to protect against catastrophic loss and was this insurance purchased in accordance with Program Guidelines? ☒ Y ☐ N

GOVERNANCE

- 12) Did the Corporation comply with policies and procedures contained in the Ministry's "Conflict of Interest Handbook for Non-Profit Housing Providers"(June 1995), and any Newsletters issued subsequently which update this Handbook? ☒ Y ☐ N
- 13) Were all necessary actions taken to comply with the the Corporation Information Act or any other regulatory statute to retain the Corporation's non-profit status in good standing? ☒ Y ☐ N
- 14) Do all contractual arrangements for the provision of property management services comply with Program Guidelines? ☐ N/A ☒ Y ☐ N

If you answer NO or N/A to any question (YES in the case of 6b or 7), attach an explanation of the circumstances and an outline of your plan to remedy the situation.

I declare that, to the best of my knowledge and belief, the information provided in this Management Representation is true and correct.

Signature	Name	Position	Date
	Tom Taylor	Chair	
Signature	Name	Position	Date
	Sue Sherban	Vice Chair	

Instructions: This declaration must be signed by two authorized officers of the corporation.

ANNUAL INFORMATION RETURN- PRIVATE NON-PROFIT

ASSETS, LIABILITIES AND SURPLUS*

Page 3

ASSETS

Cash and investments	:Capital Reserve Fund	Line 390	18	5,838,000
	:Other		19	6,960,610
Subsidies receivable from the Region			20	
Land, building and equipment				
Cost: Shelter			24	99,881,792
Non-shelter			30	
Total		Line 25+30	25	99,881,792
Accumulated depreciation			34	12,934,591
Net		Line 35 - 40	35	86,947,201
Construction in progress			40	
Other Assets			45	384,401
TOTAL ASSETS		Line 10+15+20+45+47+50	50	100,130,212

LIABILITIES

Subsidies payable to the Region			60	1,735,224
Mortgage loans			65	84,786,671
Construction loans			67	
Other loans (specify)			70	
Other liabilities			75	4,853,063

SURPLUS

Contributed surplus			80	2,917,254
Capital Reserve Fund		Line 370	85	5,838,000
Other reserve funds (specify)			90	
			92	
			95	

Accumulated surplus/(deficit)

TOTAL LIABILITIES AND SURPLUS

Line 60 to 92 95 100,130,212

* Includes Consolidated Assets, Liabilities and Surplus of Housing York Inc.

ANNUAL INFORMATION RETURN- PRIVATE NON-PROFIT

SHELTER EXPENSES		Page 4
OPERATING COSTS		
Maintenance salaries, wages and benefits	105	439,893
Maintenance materials and services		
Building and equipment	106	271,412
Elevators	107	43,964
Electrical systems	108	39,837
Heating, air conditioning, ventilation and plumbing systems	109	83,063
Grounds	110	93,975
Painting	111	28,345
Waste removal	112	37,201
Security	113	16,589
Other	114	4,887
Total	Line 106 to 114	619,273
Utilities		
Electricity	121	383,008
Fuel	122	177,226
Water and sewage	123	105,318
Total	Line 121 to 123	665,552
Administration		
Salaries, wages and benefits	GA&O 131	533,185
Management fees	132	
Materials and services	GA&O 133	169,364
Other	Proj Summ 134	20,080
Total	Line 131 to 134	722,629
Other		
Insurance	141	89,137
Bad debts	142	33,263
Total	Line 141+142	122,400
Total Operating Costs	Line 105+120+130+140+150	2,569,748
Municipal Taxes	155	730,774
Mortgage Payments		
Interest	171	5,101,542
Principal repaid	172	1,746,966
Total	Line 171+172	6,848,508
Transfer to Capital Reserve Fund	185	417,942
Transfer to Other Funds	186	
Total Shelter Expenses	Line 155+160+175+185+195	10,566,972

ANNUAL INFORMATION RETURN- PRIVATE NON-PROFIT

REVENUE		Page 5
RENTAL REVENUE		
All Projects		
<i>Federal/Provincial Program Only (excluding 2%)</i>		
Geared-to-income - Highest Need	2019	1,491,027
Geared-to-income - Remaining RGI	2019	1,209,048
Geared-to-income - Provincial and Special Purpose projects	2019	
Total geared-to-income	Line 201a to 201d	2,700,075
Market	2019	2,844,683
Subtotal	Line 201+205	5,544,758
Less: Vacancy loss on market units	2019	109,771
Net	Line 210 - 212	5,434,987
NON-RENTAL REVENUE		
Parking and laundry	2019	115,174
Interest	2019	74,385
Other	2019	34,604
Total	Line 221 to 223	224,163
OTHER REVENUE		
Gifts, donations and other	2019	
Net non-shelter revenue per page 5A	Line 340	18,730
Total	Line 232+233	18,730
SUBSIDIES- REGION		
Operating and Rent	Line 590	5,231,883
Other (specify)	251	
	252	
	253	
	Line 251 to 253	0
Total Revenue and Subsidy	Line 215+225+235+250+255	10,909,763
Less: Shelter Expenses	Line 199	10,566,972
Excess (Deficiency) of Revenue over Expenses - Shelter for Provincial and Federal/Provincial programs	Line 260 - 270 - 235	324,061
Excess (Deficiency) of Revenue over Expenses - Non-Shelter for other programs and activities	Line 235	18,730
Excess (Deficiency) of Revenue over Expenses - Total	Line 295+297	342,791

NonRental Revenue

Calculation of non-rental revenue retained by non-profit housing providers
Fiscal years beginning in 2000

2001 non-rental revenue subject to Incentive

Line 221 - Parking and laundry
Line 223 - Other

	115,174	A
	34,604	B
A + B	149,778	C

1995 non-rental revenue (base for incentive)

Line 221 - Parking and laundry
Line 223 - Other

	87,034	D
		E
D + E	87,034	F

1999 non-rental revenue retained by non-profit
(enter NIL if amount is negative)

C - F	62,744	G
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Non-rental revenue to be reported in subsidy calculation

Line 222 - Interest (from 2001 Annual Information Return)
Base amount of non-rental revenue, lesser of line C or F

	74,385	H
	87,034	I

H + I	161,419	J
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transferred to Line 543
page 8

ANNUAL INFORMATION RETURN- PRIVATE NON-PROFIT

NON-SHELTER REVENUE AND EXPENSES

Page 6

NON-SHELTER REVENUE

		CARE	COMMERCIAL AND OTHER	TOTAL
Commercial rent		n/a		0
Other (specify)			n/a	0
Other			n/a	0
Other	ACL offices	15,400		15,400
	Keswick Adult Day Care	33,100		33,100
TOTAL NON-SHELTER REVENUE	Line 301 to 305	48,500	0	48,500

NON-SHELTER EXPENSES

Operating costs

Maintenance salaries, wages and benefits	\$11	2,310		2,310
Maintenance materials and services	\$12	2,310		2,310
Utilities	\$13	5,275		5,275
Administration	\$14	770		770
Other	\$15	212		212
Total operating costs	Line 311 to 315	10,877	0	10,877

Municipal taxes

320 2,098

Mortgage payments

325 16,795

TOTAL NON-SHELTER EXPENSES

Line 316+320+325 330 29,770 0 29,770

NET NON-SHELTER REVENUE

Line 310 - 330 335 18,730 0 18,730

Description of Allocation Methods Used

Maintenance salaries, wages and benefits	ACL units - same as previous years
Maintenance materials and services	ACL units - same as previous years
Utilities	ACL units - same as perv years + 2% of total utilities at Keswick Gardens for Day Care
Administration	ACL units - same as previous years
Other	2% of total groundskeeping costs at Keswick Gardens for Day Care
Municipal Taxes	2% of total municipal tax costs at Keswick Gardens for Day Care
Mortgage Payments	2% of total mortgage costs at Keswick Gardens for Day Care

ANNUAL INFORMATION RETURN- PRIVATE NON-PROFIT

CAPITAL RESERVE FUND

Page 7

BALANCE, BEGINNING OF YEAR

5,593,445

Revenue

Transfer from operations

Line 185

417,942

Transfer from operations (first year projects)

Line 185f

Capital funding

Interest earned

170,240

Other

Total

Line 351 to 355

588,182

Expenses (list)

Glenwood Mews

51,774

Keswick Gardens

31,273

Springbrook Gardens

34,008

Mulock Village

46,871

Heritage East

19,051

Hadley Grange

19,632

Brayfield Manor

12,232

Oxford Village

-424

Rosetown

129,790

Total

Line 360 to 368

344,206

BALANCE, END OF YEAR

Line 350 + 359 - 369

5,837,421

ASSETS, END OF YEAR

Cash and investments

Line 10

5,838,000

DIFFERENCE

Line 370 - 390

579

Explanation of the difference on line 395 if it exceeds \$1,000 and the corporation's plan to remedy the situation

ANNUAL INFORMATION RETURN- PRIVATE NON-PROFIT

OPERATING SUBSIDY CALCULATION

Page 8

TOTAL COSTS

Adjusted Operating Costs

Previous year

Previous year budget line 535

2,555,911

Cost factor

Ministry Newsletter

1.0492

Subtotal

Line 531 x Line 532

2,681,662

Operating costs for the second year of new projects

Budget line 155s

0

Adjusted operating costs

Line 533+534

2,681,662

Municipal Taxes

Line 160

732,873

Mortgage payments

Line 175

6,865,302

Capital reserve allowance

Budget line 185

417,942

TOTAL COSTS for subsidy calculation purposes

Line 535 to 538

10,697,779

If the corporation's portfolio is 100% RGI go directly to Total Subsidy on page 9 for short form calculation.

REVENUE

Unit Revenue

Rent District Code

Unit Type	Total Units		Market Units	Unit Rent Factor		Unit Revenue for market units (B x C x 12)	Unit Revenue for total units (A x C x 12)
	A		B	C		D	E
1 bedroom	308	Line 731	54.67	n/a		445,427	2,536,992
2 bedroom	264	Line 732	112.16	n/a		1,083,577	2,610,912
3 bedroom	236	Line 733	75.75	n/a		898,304	2,804,448
4 bedroom	15	Line 734	3.75	n/a		46,584	185,820
		Line 735				0	0
		Line 736				0	0
		Line 737				0	0
		Line 738				0	0
		Line 739				0	0
		Line 740				0	0
Total of column	823		246.33		541	2,473,892	

UNIT REVENUE FOR TOTAL UNITS

Total column E

8,138,172

NON-RENTAL REVENUE

Pg 5A Cell J

Line 225

161,419

RENT INCENTIVE

Net rental revenue for market units

Line 205 - 212

2,734,912

Unit revenue for market units

Line 54

2,473,892

Line 544 - 545

261,020

RENT INCENTIVE

50% of line 546; if negative, enter nil

130,510

OPERATING SUBSIDY

Line 540 - 542 - 543 - 547

2,267,678

RENT SUBSIDY CALCULATION AND YEAR END SETTLEMENT

Page 9

RENT SUBSIDY

Unit Revenue for total units

Line 542 \$8 8,138,172

Less: Unit Revenue for market units

Line 541 \$82 2,473,892

Unit Revenue for RGI units

Line 561 - 562 \$83 5,664,280

Less: Geared-to-income rent revenue

Line 201 \$84 2,700,075

RENT SUBSIDY

Line 563 - 564 \$70 2,964,205

TOTAL SUBSIDY

First year subsidy

Line 250f \$11 0

Operating subsidy

Line 550 \$12 2,267,678

Rent Subsidy

Line 570 \$13 2,964,205

TOTAL SUBSIDY

Line 581 to 583 \$14 5,231,883

Less: Subsidy received

\$15 5,274,320

PAYABLE TO THE CORPORATION (Region)

Line 590 - 595 \$16 -42,437

TOTAL SUBSIDY

Short form calculation for 100% RGI portfolios

NO

First year subsidy

Line 250f \$11 0

Operating and rent subsidy

Total costs

Line 540 \$105 0

Less: Geared-to-income rent revenue

Line 201 \$565 0

Non rental revenue

Line 225 \$575 0

Subtotal

Line 586x+587x \$585 0

Total

Line 585x - 588x \$589 0

TOTAL SUBSIDY

Line 581x+589x \$593 0

Less: Subsidy received

\$595 0

PAYABLE TO THE CORPORATION(REGION)

Line 590x - 595x \$599 0

ACCESS

Page 11

MINIMUM RGI UNIT REQUIREMENTS:

PROJECT ADDRESS	
Glenwood Mews	
Keswick Gardens	
Springbrook Gardens	
Mulock Village	
Heritage East	
Hadley Grange	
Brayfield Manors	
Oxford Village	
Rosetown	

Total

TOTAL RGI	
Units at year end	
Required	Actual
52	48
90	81
65	65
84	75
97	88
58	54
57	53
27	21
93	95
623	580

ADDITIONAL REQUIREMENTS FOR PROVINCIAL NON-PROFIT HOUSING PROGRAM PROJECTS

(Report in summary for all projects in Provincial program portfolio)

MINIMUM UNITS	
Units at year end	
Required	Actual

Tenants whose Household Income is below the income cut-off level established by the Region (Clause 6.8 b) i))

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Market Rent Households (Clause 6.8 b) ii))

--	--

Tenants who meet the criteria for a group that has particular difficulty in obtaining accommodation (Clause 6.8 b) iii))

--	--

Units modified to provide physical accessibility (Schedule A)

--	--

Tenants requiring support services (Schedule A)

--	--

MOVE-OUTS AND VACANCIES

Number of move-outs during the year:

Vacant Units:

Geared-to-income
Market

95
2

During year	At year end
8	5
1	-

PROJECT LEVEL EXPENSE INFORMATION

Page 12

FEDERAL/PROVINCIAL NON-PROFIT HOUSING PROGRAM PROJECTS

PROJECT ADDRESS	TOTAL UNITS	UTILITIES (SHELTER)	TAXES (SHELTER)	MORTGAGE PAYMENTS (SHELTER)	CAPITAL RESERVE ALLOWANCE
	A	B	C	D	E
Glenwood Mews	64	7,456	80,906	546,501	41,307
Mulock Village	104	7,685	118,991	1,010,012	64,617
Oxford Village	36	43,510	25,893	266,348	14,458
Rosetown	125	132,125	83,815	559,462	50,822
Subtotal					
Total all columns	329	190,776	309,605	2,382,323	171,204

PROVINCIAL AND SPECIAL PURPOSE NON-PROFIT HOUSING PROGRAM PROJECTS

PROJECT ADDRESS	"X"	TOTAL UNITS	UTILITIES (SHELTER)	TAXES (SHELTER)	MORTGAGE PAYMENTS (SHELTER)	CAPITAL RESERVE ALLOWANCE
		A	B	C	D	E
Brayfield Manor		81	11,448	71,267	848,518	51,339
Heritage East		120	189,463	87,575	1,222,122	56,355
Hadley Grange		80	102,003	59,808	519,219	33,046
Keswick Gardens		120	148,237	104,907	822,933	49,126
Springbrooks Gardens		93	8,901	99,711	1,053,391	56,871
Subtotal						
Total all columns		494	460,052	423,268	4,466,183	246,737

Note: Special Purposes projects should be identified by marking an "X" in the "X" column.

Total

Line 910+920

823	650,828	732,873	6,848,506	417,941
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Social Housing Annual Information Return

Region of York Housing Corporation 2002

Continued Statistical Information

1. Households assisted by program type	Unit of Measure	Public Housing	Rent Supplement	Limited Dividend	Section 20 & 27	Section 35 PUP/MinP	Provincial Reformed	Pre-1985 Urban Native	Post-1985 Urban Native
		or	or	or	or	or	or	or	or
RGI households with income at or below the HILs	Household	872					672		
Households assisted by program (at end of year)									
Non-RGI households and RGI households with income above the HILs	Household	-					261		
Households assisted by program (at end of year)									
II. Household types assisted and average gross incomes (at year end)									
Families									
RGI households with income at or below the HILs	Household	10					284		
Total number of targeted households		11,000					13,000		
Average annual gross household income	\$								
Non-RGI households and RGI households with income above the HILs	Household								
Total number of non-targeted households							124		
Seniors									
RGI households with income at or below the HILs	Household	882					276		
Total number of targeted households		13,000					15,000		
Average annual gross household income	\$								
Non-RGI households and RGI households with income above the HILs	Household								
Total number of non-targeted households							127		
Non-elderly singles									
RGI households with income at or below the HILs	Household								
Total number of targeted households							12		
Average annual gross household income	\$						10,000		
Non-RGI households and RGI households with income above the HILs	Household								
Total number of non-targeted households							-		
Special needs									
RGI households with income at or below the HILs	Household								
Total number of targeted households									
Average annual gross household income	\$								
Non-RGI households and RGI households with income above the HILs	Household								
Total number of non-targeted households									
III. ADDITIONAL REQUIREMENTS									
Households meeting RGI whose household income is at or below the household income limit established in regulation.	Household	872					672		
High need households	Household	792					477		
Units modified to provide physical accessibility	Household						84		
Households meeting support services (All of the above information is as of year end.)	Household						76		

Total targeted	1,444	872	-	-	-	-	572	-	-
Total non-targeted	#VALUE!	-	-	-	-	-	#VALUE!	-	-
Total	#VALUE!	872	-	-	-	-	#VALUE!	-	-
Percent targeted	#VALUE!	100.0	0.0	0.0	0.0	0.0	#VALUE!	0.0	0.0