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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, 2004. 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, 2004 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, 2004. 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.

KPMG LLP

Chartered Accountants

Toronto, Canada

March 18, 2005

Housing York Inc.

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

For the year ended December 31, 2004

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 ended December 31, 2004.	We obtained the completed Annual Information Return (AIR) from those delegated by the Board of Directors to complete the AIR for the year ended December 31, 2004.
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 ended December 31, 2004 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 ended December 31, 2004 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 year ended December 31, 2004.	We found no significant exceptions.

ATTACHMENT 2

ANNUAL INFORMATION RETURN
PRIVATE NON-PROFIT

IDENTIFICATION

Co-operative name
HOUSING YORK INC.

Year ended
31-Dec-04

Program	
x	Provincial
	Federal/Provincial
	Special Purpose

Corporation address	Mailing address
1091 GORHAM STREET, UNIT # 104 NEWMARKET, ON L3Y 8X7	1091 GORHAM STREET, UNIT # 104 NEWMARKET, ON L3Y 8X7

Contact name	Position	Telephone number

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	Position	Date
	Mr. T. Taylor	Chair	6/1/2005

Signature	Name	Position	Date
	Ms. S. Sherban	Vice Chair	6/1/2005

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 corporation.

MANAGEMENT REPRESENTATION

For the year ended: December 31 2004

RESIDENT RELATIONS

		N/A	Y	N
1)	Did the corporation assist all applicants for housing in accordance with Program Guidelines?		X	
2)	Did the corporation select tenants in accordance with Program Guidelines, including participating in a Co-ordinated Access System, if required?		X	
3)	Have all RGI tenants signed leases, prepared in accordance with Program Guidelines?		X	
4)	Was verification of income obtained from all rent geared-to-income tenants in accordance with Program Guidelines?		X	
5)	Were all geared-to-income rents charged in accordance with Program Guidelines?		X	
	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?		X	
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.)			X
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?			X
8)	Were expenses allocated to the non-shelter component in accordance with Program Guidelines?		X	
9)	Was the shelter component operating surplus used in an appropriate manner in accordance with Program Guidelines?		X	
10)	Was the Capital Reserve Fund operated in accordance with Program Guidelines?		X	
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?		X	
	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?		X	
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?		X	
14)	Do all contractual arrangements for the provision of property management services comply with Program Guidelines?		X	

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
	Mr. T. Taylor	**Chair**	**6/1/2005**

Signature	Name	Position	Date
	Ms. S. Sherban	**Vice-Chair**	**6/1/2005**

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

ASSETS, LIABILITIES AND SURPLUS*

ASSETS				
Cash and investments	:Capital Reserve Fund	Line 390	10	6,168,666
	:Other		15	4,693,302
Subsidies receivable from the Region			20	
Land, building and equipment				
Cost: Shelter			25	99,580,775
Non-shelter			30	
Total		Line 25+30	35	99,580,775
Accumulated depreciation			40	14,794,104
Net		Line 35 - 40	45	84,786,671
Construction in progress			47	
Other Assets			50	751,302
TOTAL ASSETS		Line 10+15+20+45+47+50	55	96,399,940
LIABILITIES				
Subsidies payable to the Region			60	546,058
Mortgage loans			65	84,786,671
Construction loans			67	
Other loans (specify)			70	
Other liabilities			75	2,212,518
SURPLUS				
Contributed surplus			80	3,068,774
Capital Reserve Fund		Line 370	85	5,779,517
Other reserve funds (specify)	Region Housing Program		86	6,402
			87	
			88	
Accumulated surplus/(deficit)			92	
TOTAL LIABILITIES AND SURPLUS		Line 60 to 92	95	96,399,940

* Incudes Consolidated Assets, Liabilities and Surplus of Housing york Inc.

SHELTER EXPENSES

OPERATING COSTS			
Maintenance salaries, wages and benefits		105	590,989
Maintenance materials and services			
Building and equipment		106	386,693
Elevators		107	35,763
Electrical systems		108	22,983
Heating, air conditioning, ventilation and plumbing systems		109	82,587
Grounds		110	119,235
Painting		111	64,856
Waste removal		112	46,900
Security		113	10,052
Other		114	67,357
Total	Line 106 to 114	120	836,426
Utilities			
Electricity		121	370,091
Fuel		122	143,804
Water and sewage		123	89,802
Total	Line 121 to 123	130	603,697
Administration			
Salaries, wages and benefits		131	599,514
Management fees		132	0
Materials and services		133	28,991
Other		134	136,392
Total	Line 131 to 134	140	764,897
Other			
Insurance		141	80,575
Bad debts		142	25,021
Total	Line 141+142	150	105,596
Total Operating Costs	Line 105+120+130+140+150	155	2,901,605
Municipal Taxes		160	782,039
Mortgage Payments			
Interest		171	4,980,218
Principal repaid		172	1,856,186
Total	Line 171+172	175	6,836,404
Transfer to Capital Reserve Fund		185	430,564
Transfer to Other Funds		195	
Total Shelter Expenses	Line 155+160+175+185+195	199	10,950,612

REVENUE

RENTAL REVENUE All Projects

Federal/Provincial Program Only (excluding 2%)			
Geared-to-income - Highest Need		201a	
Geared-to-income - Remaining RGI		201b	
Geared-to-income ·incial and Special Purpose projects		201d	2,647,661
Total geared-to-income	Line 201a to 201d	201	2,647,661
Market		205	2,607,960
Subtotal	Line 201+205	210	5,255,621
Less: Vacancy loss on market units		212	38,375
Net	Line 210 - 212	215	5,217,246

NON-RENTAL REVENUE

Parking and laundry		221	112,665
Interest		222	51,982
Other		223	33,090
Total	Line 221 to 223	225	197,737

OTHER REVENUE

Gifts, donations and other		232	
Net non-shelter revenue	Line 340	233	18,822
Total	Line 232+233	235	18,822

SUBSIDIES- REGION

Operating and Rent	Line 590	250	5,702,492
Other (specify) ______ 251 ______			
______ 252 ______			
______ 253 ______			
	Line 251 to 253	255	0

Total Revenue and Subsidy	Line 215+225+235+250+255	260	11,136,298
Less: Shelter Expenses	Line 199	270	10,950,612
Excess (Deficiency) of Revenue over Expenses - Shelter for Provincial and Federal/Provincial programs	Line 260 - 270 - 235	295	166,863
Excess (Deficiency) of Revenue over Expenses - Non-Shelter for other programs and activities	Line 235	297	18,822
Excess (Deficiency) of Revenue over Expenses - Total	Line 295+297	299	185,686

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		112,665	A
Line 223 - Other		33,090	B
	A + B	145,755	C

1995 non-rental revenue (base for incentive)

Line 221 - Parking and laundry		87,034	D
Line 223 - Other			E
	D + E	87,034	F

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

	C - F	58,721	G

Non-rental revenue to be reported in subsidy calculation

Line 222 - Interest (from 2004 Annual Information Return)		51,982	H
Base amount of non-rental revenue, lesser of line C or F		87,034	I
	H + I	139,016	J

NON-SHELTER REVENUE AND EXPENSES

NON-SHELTER REVENUE

				CARE	COMMERCIAL AND OTHER	TOTAL
Commercial rent			301	n/a		0
Other (specify)			302		n/a	0
Other			303		n/a	0
Other	ACL offices		304	15,400		15,400
	Keswick Adult Day Care		305	33,100		33,100
TOTAL NON-SHELTER REVENUE		Line 301 to 305	310	48,500	0	48,500

NON-SHELTER EXPENSES

Operating costs

			CARE	COMMERCIAL AND OTHER	TOTAL
Maintenance salaries, wages and benefits		311	2,310		2,310
Maintenance materials and services		312	2,310		2,310
Utilities		313	5,005		5,005
Administration		314	770		770
Other		315	313		313
Total operating costs	Line 311 to 315	316	10,708	0	10,708
Municipal taxes		320	2,187		
Mortgage payments		325	16,782		
TOTAL NON-SHELTER EXPENSES	Line 316+320+325	330	29,678	0	29,678
NET NON-SHELTER REVENUE	Line 310 - 330	340	18,822	0	18,822

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

CAPITAL RESERVE FUND

BALANCE, BEGINNING OF YEAR		350	5,837,421
Revenue			
Transfer from operations	Line 185	351	430,564
Transfer from operations (first year projects)	Line 185f	352	
Capital funding		353	
Interest earned		354	158,181
Other		355	
Total	Line 351 to 355	359	588,745
Expenses (list)			
Roofing Capital		360	41,450
Building Capital		361	118,729
Elevators Capital		362	182,113
Electrical Capital		363	17,452
Equipment Capital		364	18,929
Grounds Capital		365	215,495
Life Safety Systems Capital		366	2,636
Heating & Ventilization Capital		367	19,923
Plumbing Capital		368	30,502
Total	Line 360 to 368	369	647,228
BALANCE, END OF YEAR	Line 350 + 359 - 369	370	5,778,938
ASSETS, END OF YEAR			
Cash and investments	Line 10	390	5,779,517
DIFFERENCE	Line 370 - 390	395	(579)

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

OPERATING SUBSIDY

TOTAL COSTS

	Reference	Line	Amount	Line	Amount
Adjusted Operating Costs					
Previous year	Prior year budget line 535	531	2,681,662		
Cost factor	Ministry Newsletter	532	1.0302		
Subtotal	Line 531 x Line 532			533	2,762,648
Operating costs for the second year of new projects	Line 155s			534	125,235
Adjusted operating costs	Line 533+534			535	2,887,883
Municipal Taxes	Line 160			536	784,227
Mortgage payments	Line 175			537	6,853,186
Capital reserve allowance	Line 185			538	430,564
TOTAL COSTS for subsidy calculation purposes	Line 535 to 538			540	10,955,860

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: C13E

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
Glenwood - 2BTH	G	12	2.00	782		18,768	112,608
Glenwood - 3BTH	G	48	12.67	908		138,016	523,008
Glenwood - 4BTH	G	4	0.25	963		2,889	46,224
Keswick - 1BAPT	G	87	13.58	651		106,113	679,644
Keswick - 2BAPT	G	33	23.67	728		206,752	288,288
Springbrook - 2BTH	R	36	11.67	951		133,140	410,832
Springbrook - 3BTH	R	54	17.25	1,069		221,283	692,712
Springbrook - 4BTH	R	3	1.00	1,131		13,572	40,716
Mulock - 2BTH	N	33	5.75	921		63,549	364,716
Mulock - 3BTH	N	68	13.25	1,043		165,837	851,088
Mulock - 4BTH	N	3	-	1,087		-	39,132
Heritage - 1BAPT	N	44	8.25	713		70,587	376,464
Heritage - 2BAPT	N	70	21.08	823		208,219	691,320
Heritage - 3BAPT	N	6	4.00	957		45,936	68,904
Hadley - 1BAPT	A	56	11.83	713		101,246	479,136
Hadley - 2BAPT	A	24	17.00	823		167,892	237,024
Brayfield - 2BTH	N	16	4.50	921		49,734	176,832
Brayfield - 3BTH	N	60	18.67	1,043		233,632	750,960
Brayfield - 4BTH	N	5	1.00	1,087		13,044	65,220
Oxford - 1BAPT	G	28	7.25	651		56,637	218,736
Oxford - 2BAPT	G	8	6.00	728		52,416	69,888
Rosetown - 1BAPT	R	93	11.00	762		100,584	850,392
Rosetown - 2BAPT	R	32	18.75	862		193,950	331,008
						-	-
Total of column		823	230		541	2,363,796	

	Reference	Line	Amount	Line	Amount
UNIT REVENUE for total units	Total column E			542	8,364,852
NON-RENTAL REVENUE	Line 225			543	139,016
RENT INCENTIVE					
Net rental revenue for market units	Line 205 - 212	544	2,569,585		
Unit Revenue for market units	Line 541	545	2,363,796		
	Line 544 - 545	546	205,789		
RENT INCENTIVE	50% of line 546; if negative, enter nil			547	102,895
OPERATING SUBSIDY	Line 540 - 542 - 543 - 547			550	2,349,097

RENT SUBSIDY CALCULATION AND YEAR END SETTLEMENT

RENT SUBSIDY

Unit Revenue for total units	Line 542	561	8,364,852
Less: Unit Revenue for market units	Line 541	562	2,363,796
Unit Revenue for RGI units	Line 561 - 562	563	6,001,056
Less: Geared-to-income rent revenue	Line 201	564	2,647,661
RENT SUBSIDY	Line 563 - 564	570	3,353,395

TOTAL SUBSIDY

First year subsidy	Line 250f	581	0
Operating subsidy	Line 550	582	2,349,097
Rent Subsidy	Line 570	583	3,353,395
TOTAL SUBSIDY	Line 581 to 583	590	5,702,492
Less: Subsidy received		595	5,554,029
PAYABLE TO THE CORPORATION (Region)	Line 590 - 595	599	148,463

TOTAL SUBSIDY

Short form calculation for 100% RGI portfolios **NO**

First year subsidy	Line 250f	581x	0
Operating and rent subsidy			
Total costs	Line 540	585x	0
Less: Geared-to-income rent revenue	Line 201	586x	0
Non rental revenue	Line 225	587x	0
Subtotal	Line 586x+587x	588x	0
Total	Line 585x - 588x	589x	0
TOTAL SUBSIDY	Line 581x+589x	590x	0
Less: Subsidy received		595x	0
PAYABLE TO THE CORPORATION(REGION)	Line 590x - 595x	599x	0

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MINIMUM RGI UNIT REQUIREMENTS:

PROJECT ADDRESS	TOTAL RGI Units at year end	
	Required	Actual
Glenwood Mews	52	50
Keswick Gardens	90	80
Springbrook Gardens	65	65
Mulock Village	84	83
Heritage East	97	85
Hadley Grange	52	51
Brayfield Manors	57	53
Oxford Village	27	23
Rosetown	93	94
Total	617	584

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))	617	584
Market Rent Households (Clause 6.8 b) ii))	206	219
Tenants who meet the criteria for a group that has particular difficulty in obtaining accomodation (Clause 6.8 b) iii))	n/a	n/a
Units modified to provide physical accessibility (Schedule A)	n/a	77
Tenants requiring support services (Schedule A)	n/a	100

MOVE-OUTS AND VACANCIES

Number of move-outs during the year: 146

Vacant Units: 19 (est.)

	Move-outs	During year	At year end
Geared-to-income	n/a		
Market	n/a		

PROJECT LEVEL EXPENSE INFORMATION

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	14,860	89,862	546,276	42,555
Mulock Village		104	13,004	124,757	1,015,692	66,568
Oxford Village		36	38,651	26,862	265,938	14,894
Rosetown		125	121,567	94,387	559,748	52,359
Subtotal	Total all columns	910 329	188,081	335,868	2,387,654	176,376

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	16,680	74,847	848,053	52,890
Heritage East		120	165,330	96,260	1,208,458	58,057
Hadley Grange		80	95,494	64,962	516,808	34,042
Keswick Gardens		120	134,756	109,370	839,102	50,610
Springbrooks Gardens		93	8,361	102,920	1,053,111	58,589
Subtotal	Total all columns 920	494	420,622	448,359	4,465,532	254,188

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

Total	Line 910+920 930	823	608,702	784,227	6,853,186	430,564

Social Housing
Annual Information Return

Housing York Inc.

Combined Statistical Information

I. Households assisted by program type		Unit of Measure	Public Housing 01	Rent Supplement 02	Limited Dividend 03	Section 26 & 27 04	Section 95 PNP/MNP 05	Provincial Reformed 06	Pre-1986 Urban Native 07	Post-1985 Urban Native 08
RGI households with incomes at or below the HILs										
Households assisted by program (at end of year)	2101	Households						584		
Non-RGI households and RGI households with incomes above the HILs										
Households assisted by program (at end of year)	2105	Households						239		

II. Household types assisted and average gross incomes (at year end)		Unit of Measure	Public Housing 01	Rent Supplement 02	Limited Dividend 03	Section 26 & 27 04	Section 95 PNP/MNP 05	Provincial Reformed 06	Pre-1986 Urban Native 07	Post-1985 Urban Native 08
Families										
RGI households with incomes at or below the HILs										
Total number of targeted households	2111	Households						296		
Average annual gross household income	2113	$						16,087		
Non-RGI households and RGI households with incomes above the HILs										
Total number of non-targeted households	2115	Households						112		
Seniors										
RGI households with incomes at or below the HILs										
Total number of targeted households	2121	Households						288		
Average annual gross household income	2123	$						16,649		
Non-RGI households and RGI households with incomes above the HILs										
Total number of non-targeted households	2125	Households						127		
Non-elderly singles										
RGI households with incomes at or below the HILs										
Total number of targeted households	2131	Households						-		
Average annual gross household income	2133	$						-		
Non-RGI households and RGI households with incomes above the HILs										
Total number of non-targeted households	2135	Households						5		
Special needs										
RGI households with incomes at or below the HILs										
Total number of targeted households	2141	Households								
Average annual gross household income	2143	$								
Non-RGI households and RGI households with incomes above the HILs										
Total number of non-targeted households	2145	Households								

III. ADDITIONAL REQUIREMENTS			Unit of Measure	Public Housing 01	Rent Supplement 02	Provincial Reformed 06
Households receiving RGI whose household income is at or below the household income limit established in regulation.	2101	2151	Households			584
High need households		2152	Households			449
Units modified to provide physical accessibility		2153	Households			77
Households receiving support services		2154	Households			100

(All of the above information is as of year end.)