

The Regional Municipality of York

Housing York Inc.
June 7, 2018

Report of the
General Manager
and
Chief Financial Officer

2017 Annual Report and Financial Statements

1. Recommendations

It is recommended that:

1. The Board approve the draft 2017 Financial Statements and explanatory notes for Housing York Inc. and submit them to York Region, as the Service Manager and sole Shareholder of the Corporation.
2. The Board approve the 2017 Annual Information Return for the Housing York Inc. Provincial Reform Program and submit it to York Region, as the Service Manager.

2. Purpose

The 2017 Housing York Annual Report (Attachment 1) highlights key activities which have furthered strategic initiatives in the multi-year plan. The annual report focusses on matters of interest to tenants and will be shared broadly. In addition to providing paper copies in tenant common areas, elements of the report will be displayed on Housing York's electronic message boards and on the website.

The report also seeks approval for the draft 2017 Financial Statements (Attachment 2) for Housing York Inc. (Housing York) and the 2017 Annual Information Return (Attachment 3), a housing program report mandated under the *Housing Services Act, 2011*.

3. Background

Housing York's audited Financial Statements comply with Regional and legislative requirements

Housing York prepares annual audited financial statements that are consolidated with the Region's Financial Statements. Housing York's audit is performed concurrently with the Region's audit, by the same external auditors, ensuring that related-party transactions, such as subsidy transfers and payroll costs, are fully examined at the corporate and shareholder level.

In addition to the Financial Statements, the auditors review the Annual Information Return which is required under the *Housing Services Act, 2011*. The Annual Information Return is a summary of the financial, operating, and statistical information of Housing York's Provincial Reform portfolio. The Region, as Service Manager, uses this information to verify subsidy entitlement, assess compliance with the *Housing Services Act, 2011*, and for forecasting and budgeting purposes.

The audited Financial Statements and audited Annual Information Return are presented to the Board in draft. Board approval is required prior to submission to the Region.

The Board approved a new Long-Term Fiscal Plan for Housing York

In [November 2017](#), the Board of Directors approved a new Long-Term Fiscal Plan for Housing York. The Long-Term Fiscal Plan was developed to ensure Housing York remains fiscally responsible, safeguards its assets and is accountable for effectively managing its resources. The Long-Term Fiscal Plan includes:

- A reserve strategy that sets goals and objectives for Housing York's reserves
- A new Operating Surplus Policy that establishes a framework for the allocation of operating surpluses
- An updated Investment Policy to ensure prudent management of Housing York's working capital and reserves

Retained earnings were allocated to the reserves based on the new Operating Surplus Policy

In the past, operating surpluses were transferred to Housing York's retained earnings after additional contributions to capital reserves. Retained earnings were used for strategic initiatives, but there were no targets or limits for allocating these funds. Under the new Operating Surplus Policy approved in November 2017 as part of the long-term fiscal plan, operating surpluses are no longer transferred to retained earnings but instead allocated to reserves in the following order:

- 50 per cent of funds to the Capital Repair and Replacement Reserve
- The Working Capital Reserve until it reaches the limit of \$3.5 million which represents approximately one month of operational expenditure activity
- The Insurance Reserve until it reaches the limit of \$180,000
- The Operations Reserve until it reaches the limit of \$500,000
- Any remaining funds will be transferred to the Strategic Initiatives Reserve until it reaches the limit of \$3.5 million; if the reserves reach the limit, funds can be repurposed as part of the annual budget process subject to Board approval

As of December 31, 2017, the Working Capital Reserve, Insurance Reserve and Operations Reserve were at their respective limits. The Strategic Initiatives Reserve was \$753,507.

4. Analysis and Implications

The balance sheet remains healthy

Table 1 summarizes Housing York's balance sheet as of December 31, 2017, with comparative figures for 2016.

Table 1
Consolidated Balance Sheet
as at December 31, 2017

	2016 (\$000)	2017 (\$000)	Increase/ Decrease (\$000)	Increase/ Decrease (%)
Assets				
Current assets	9,196	4,135	-5,061	-55%
Restricted cash and investments	7,994	15,786	7,792	97%
Property holdings	139,017	192,468	53,451	38%
Total Assets	156,207	212,389	56,182	36%
Liabilities				
Current liabilities	15,487	11,276	-4,211	-27%
Building finance	58,961	57,041	-1,920	-3%
Total Liabilities	74,448	68,317	-6,131	-8%
Equity				
Reserve funds	6,791	14,144	7,353	108%
Shareholder contribution	71,232	129,928	58,696	82%
Retained earnings	3,737	0	-3,737	-100%
Total Equity	81,759	144,072	62,313	76%

Note: Totals may not add due to rounding

In 2017, total assets were \$212 million, an increase of \$56 million (36 per cent) compared to 2016, resulting from:

- A shift between cash and restricted cash due to the creation of new reserves under the fiscal strategy
- A \$53.5 million increase in property holdings due mainly to transfer of the Richmond Hill Hub (\$57.3 million) and the Sutton Youth Shelter (\$1.4 million) from the Region to Housing York

In 2017, total liabilities were \$68.3 million, a decrease of \$6.1 million (-8 per cent) compared to 2016, resulting from:

- A \$4.2 million decrease in current liabilities due mainly to Thornhill Green's mortgage being reclassified as a long-term liability after it was renewed in 2017

- A \$1.9 million decrease in building financing – the reclassification, as noted above, as well as the \$5.2 million reduction in mortgages payable

In 2017, total equity was \$144.1 million, an increase of \$62.3 million (76 per cent) compared to 2016, resulting from additional shareholder contributions of \$58.7 million for the Richmond Hill Hub and Sutton Youth Shelter.

Housing York generated an operating surplus of \$1.1 million in 2017

Table 2 summarizes Housing York's Statement of Revenue, Expenditures and Retained Earnings as of December 31, 2017 with comparative figures for 2016.

Table 2
Consolidated Statement of Revenue,
Expenditures and Retained Earnings, as at December 31, 2017

	2016 (\$000)	2017 (\$000)	Increase/ Decrease (\$000)	Increase/ Decrease (%)
Revenue				
Rental and other income	22,514	24,114	1,600	7%
Government subsidies	10,851	13,080	2,229	21%
Total Revenue	33,365	37,194	3,829	12%
Expenses				
Mortgage payments	9,043	8,956	-87	-1%
Administration and maintenance	11,614	12,357	743	6%
Property taxes	3,159	3,132	-27	-1%
Utilities	3,616	3,647	31	1%
Public Housing Capital	1,353	1,581	228	17%
Contribution to Capital Reserves	4,026	6,465	2,439	61%
Total Expenses	32,811	36,138	3,327	10%
Surplus	553	1,057	504	91%
Retained Earnings, End of Year	3,737	0	-3,737	-100%

Note: Totals may not add due to rounding

Total revenues were \$37.2 million in 2017, an increase of \$3.8 million (12 per cent) over 2016. The increase in revenues was mainly driven by the additional Regional subsidies to address capital needs (\$3.4 million).

Total expenses were \$36.1 million in 2017, an increase of \$3.3 million (10 per cent) over 2016. The increase in expenses resulted mainly from additional contributions to the Capital Reserve (\$2.4 million) and higher administration and maintenance costs.

The surplus of \$1.1 million was allocated to various reserves as outlined in the Operating Surplus Policy, resulting in a zero balance in Retained Earnings.

5. Financial Considerations

Housing York ended the year in a positive position. The following are indicators of its net financial position as at December 31, 2017:

- Total assets increased by \$56 million (36 per cent) mainly due to transfer of the Richmond Hill Hub (\$57.3 million) and the Sutton Youth Shelter (\$1.4 million) from the Region to Housing York.
- Retained Earnings were eliminated due to the new fiscal strategy. Under the new Operating Surplus Policy, operating surpluses are no longer allocated to retained earnings and instead are allocated to various reserves in a pre-defined order.
- Capital Reserve funds increased to \$7.6 million from \$5.7 million mainly due to the increased level of investment in capital repairs and replacement.

6. Local Municipal Impact

Housing York provides safe, well maintained affordable housing throughout local municipalities in York Region.

7. Conclusion

Housing York continues to operate in accordance with program requirements and funding formula expectations. Prudent financial management led to a \$1.1 million surplus in 2017 which is higher than the \$553,000 budget projection.

2017 Annual Report and Financial Statements

For more information on this report, please contact Michelle Willson, Chief Financial Officer at 1-877-464-9675 ext. 76064.

The Senior Management Group has reviewed this report.

Recommended by:

Rick Farrell
General Manager

Recommended by:

Michelle Willson
Chief Financial Officer

Approved for Submission:

Katherine Chislett
President

May 24, 2018

Attachments (3)

#8307263

Accessible formats or communication supports are available upon request



HOUSING YORK ANNUAL REPORT 2017



About the 2017 Annual Report

Housing York's Board of Directors endorsed *Achieving New Heights through Innovation and Sustainability: Housing York Inc.'s 2017 to 2020 Plan* in November 2016. The plan sets the course for Housing York's future. This Annual Report highlights some of the actions and innovative milestones undertaken in 2017 to advance the vision of the plan.

Housing York Inc.'s 2017 to 2020 Plan Strategic Directions



Strengthen community health

Residents are engaged in their communities and connected to supports that enable them to maintain successful tenancies.



Build long-term financial sustainability

Housing York is in a strong financial position to meet the housing needs of our residents.



Provide good governance and strengthen organizational capacity

A workplace that continuously innovates business practices and resident services.



Effectively manage assets

Residents enjoy well-maintained and sustainable buildings that optimize expected building life cycles and costs.



Inform and implement Regional housing initiatives

Housing York provides leadership for new housing initiatives for the broader housing sector.

Housing York's Board of Directors

York Regional Council appoints 11 Board members. Housing York's Board of Directors sets operational policies and oversees management of the corporation.



York Region Chairman and CEO
Wayne Emmerson



Regional Councillor City of Markham
Jack Heath
(Chair)



Regional Councillor City of Vaughan
Gino Rosati
(Vice Chair)



Mayor Town of Aurora
Geoffrey Dawe



Mayor Town of East Gwillimbury
Virginia Hackson



Mayor Town of Georgina
Margaret Quirk



Regional Councillor City of Markham
Nirmala Armstrong



Regional Councillor Town of Richmond Hill
Brenda Hogg



Regional Councillor City of Vaughan
Sunder Singh



Regional Councillor Town of Richmond Hill
Vito Spatafora



Regional Councillor Town of Newmarket
John Taylor

Providing good governance
and strengthening our
organizational capacity



Vision and mission focus group
session with Housing York residents



Our

Vision

and

Mission

A leader in affordable
housing, building
inclusive communities
that everyone would be
proud to call home.

As a responsible and caring
landlord, we work with our
residents and partners to
deliver housing programs and
services that are important to
our communities.

New vision and mission statements guide Housing York now and in the future

Creating vision and mission statements help Housing York inform its day-to-day operational decisions and policies while also guiding the implementation of its multi-year plan.

The development of the new vision and mission began in spring 2017 when Housing York's Board of Directors worked together to identify statement priorities. Over the summer, staff and stakeholders drafted and refined the statements. In September, Housing York held a focus group with members of the Tenant Reference Group and the Good Neighbour award nominees to gather feedback and to finalize draft statements for the Board of Director's final approval. The final vision and mission statements were approved in November 2017.



YOUTHink Grand Prize Winner with
Housing York Board members and staff

Resident Engagement and YOUTHink Video Contest

Housing York organizes many engagement events throughout the year to connect with residents and to recognize their contributions within the community. Larger events are planned from time to time to bring Housing York communities together. In 2017, Housing York youth were asked to showcase their unique contributions to the community with the YOUTHink video contest campaign.

YOUTHink kicked off in the fall when Housing York's diverse youth were asked to record a short video answering:
Who are you? Where did you come from? What are you all about? Where do you want to go?

To engage youth in the campaign, staff hosted small events and workshops, some with help from local youth and 360°kids volunteers. Housing York received over 30 individual and group submissions that showed passion, brilliance and aspiration in the community, along with demonstrating the teamwork and friendships that keep Housing York's foundation strong.

To celebrate the YOUTHink participants, Housing York hosted an awards ceremony. Participants and their families enjoyed a fun-filled evening with winning videos played on the big screen. Eight finalists went home with great prizes.



The winning videos can be viewed at york.ca/youthink



YOUTHink participants enjoy the awards ceremony and movie night



The Richmond Hill Hub

A BALANCED 2017 BUDGET



Total revenue: **\$37.2 million**
Total expenses: **\$36.1 million**



Total reserves: **\$14.1 million**

Setting the stage for a smart financial future – a new long-term fiscal plan for Housing York

In 2017, Housing York developed a long-term fiscal plan to:



Maintain financial responsibility



Continue protecting its assets



Create a strong investment policy

The new fiscal plan includes a reserve strategy that ensures Housing York responds to capital and operating needs and outlines how any operating surpluses will be distributed in reserves. The plan also updates the Investment Policy to ensure Housing York invests wisely to maximize its financial resources.

The plan is reviewed and updated regularly to manage Housing York's finances and to stay in good fiscal health.

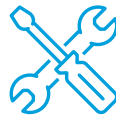


Effectively managing our assets

Residents at Keswick Gardens in the Town of Georgina



\$5.9 million spent to administer and complete capital upgrades to increase safety, accessibility, value and lifespan of our buildings



Over **100 capital projects** completed in 2017 including roof replacements, standby generators, parking lot rehabilitation and lighting enhancements



Energy management initiatives have resulted in more than **\$140,000 in annual energy savings** and an annual reduction of **266 tonnes** of greenhouse gas emissions

York Region's newest affordable housing construction project

In early 2017, residents from the original 275 Woodbridge Avenue and Woodbridge Lane buildings in the City of Vaughan were relocated to nearby housing to make way for the redevelopment of a 162 unit, mixed-use building. Since then, York Region has completed:



BEGINNING OF 2017

Demolitions of the original buildings



MID-2017

Site work and excavation



END OF 2017 - 2018

Concrete garage flooring and some structure built

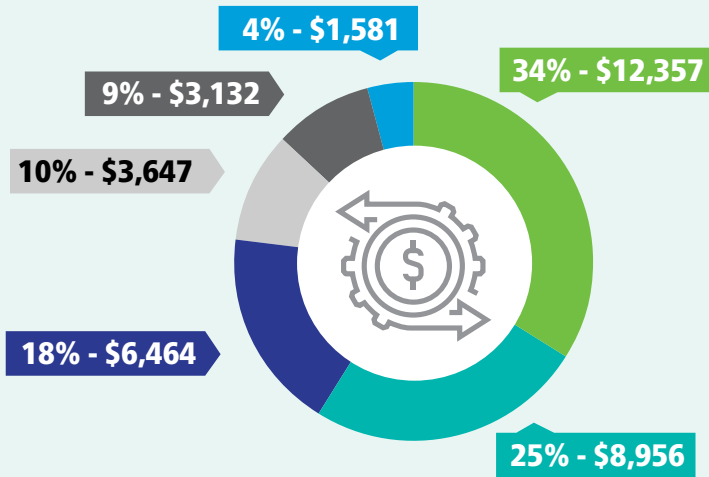
To be completed in 2019, the new building will be called **Woodbridge Lane** based on the cultural and historical relevance to the Woodbridge community.



2017 FINANCIAL HIGHLIGHTS

WHERE THE MONEY GOES

2017 Operating expenses - \$'000's

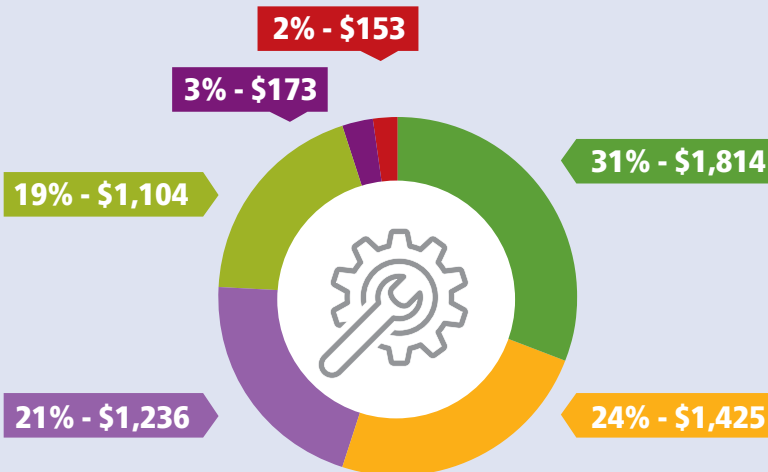


- Maintenance and administration
- Mortgage payments
- Contribution to Capital Reserves
- Utilities
- Property taxes
- Public Housing Capital

Total operating expenses \$36,137

CAPITAL WORK

2017 Capital expenses - \$'000's



- Interior building repairs
- Exterior building repairs (such as windows, doors and roof)
- Heating, ventilation, air conditioning, mechanical and electrical
- Site upgrades and grounds
- Elevators
- Equipment and furnishings (such as appliances and furniture)

Total capital expenses \$5,905

About Housing York

As the largest housing provider in York Region, Housing York is home to more than 4,000 residents who reside in nearly 2,600 units throughout 35 communities.

Housing York communities by municipality



Highrise



Lowrise



Townhouse



Emergency housing



New development



HOUSING SERVICES

1091 Gorham Street, Unit 104
Newmarket, Ontario L3Y 8X7
1-877-464-9675 ext. 72700

housingyorkrentals@york.ca
york.ca/hyi

Accessible formats and communication supports are available upon request

Attachment 2

DRAFT #2
May 1, 2018

Financial Statements of

HOUSING YORK INC.

Year ended December 31, 2017

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Housing York Inc.

We have audited the accompanying financial statements of Housing York Inc., which comprise the balance sheet as at December 31, 2017, the statements of revenue, expenditures and retained earnings and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management in accordance with the financial reporting provisions of Section 80(2) of the Housing Services Act, 2011 and guidance in its application issued by the Housing Branch of the Regional Municipality of York.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Section 80(2) of the Housing Services Act, 2011 and guidance in its application issued by the Housing Branch of the Regional Municipality of York, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Housing York Inc. as at December 31, 2017, and its results of operations and its cash flows for the year then ended in accordance with the financial reporting provisions of Section 80(2) of the Housing Services Act, 2011 and guidance in its application issued by the Housing Branch of the Regional Municipality of York.

Basis of Accounting

Without modifying our opinion, we draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Housing York Inc. to meet the requirements of the Housing Branch of the Regional Municipality of York. As a result, the financial statements may not be suitable for another purpose.

Restriction on Use

Our report is intended solely for Housing York Inc. and Housing Branch of the Regional Municipality of York and should not be used by parties other than Housing York Inc. or the Housing Branch of the Regional Municipality of York.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

HOUSING YORK INC.

DRAFT Balance Sheet

December 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Cash	\$ 1,560,280	\$ 8,292,911
Accounts receivable:		
Rents	200,554	185,471
Harmonized sales tax	466,619	229,049
Other	43,157	48,923
Prepaid expenses	456,650	439,737
Amounts due from Regional Municipality of York, without interest or terms of repayment	1,407,580	—
	<u>4,134,840</u>	<u>9,196,091</u>
Restricted cash and investments:		
Rental deposits	806,391	784,587
Reserve fund deposits	5,222,846	2,968,439
Emergency Power Plan Reserve	—	577,556
Insurance Reserve	180,000	180,000
Operations Reserve	500,000	110,100
Strategic Initiatives Reserve	753,507	—
Emergency Housing Reserve	1,645,905	240,618
Working Capital Reserve	3,500,000	—
Reserve fund investments (note 5)	3,177,594	3,132,576
	<u>15,786,243</u>	<u>7,993,876</u>
Property holdings (note 2)	190,364,334	138,781,068
Furniture and fixtures	2,103,977	235,632
	<u>\$ 212,389,394</u>	<u>\$ 156,206,667</u>

	2017	2016
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,010,245	\$ 3,117,946
Deferred revenue	1,320,628	1,237,043
Amounts due to Regional Municipality of York, without interest or terms of repayment	—	1,861,012
Current portion of mortgages payable (note 3)	5,945,084	9,270,569
	<u>11,275,957</u>	<u>15,486,570</u>
Building financing:		
Loan agreements (note 3)	5,834,000	5,834,000
Mortgages payable (note 3)	51,207,476	53,126,886
	<u>57,041,476</u>	<u>58,960,886</u>
Shareholder's equity (note 4):		
Reserve fund for Capital Repair and Replacement	7,564,437	5,682,726
Reserve fund for Emergency Power Plan Project	—	577,556
Reserve fund for Insurance	180,000	180,000
Reserve for Operations	500,000	110,100
Reserve for Strategic Initiatives	753,507	—
Reserve Fund for Emergency Housing	1,645,905	240,618
Reserve for Working Capital	3,500,000	—
Shareholder's equity	129,928,112	71,231,606
Retained earnings	—	3,736,605
	<u>144,071,961</u>	<u>81,759,211</u>
	<u>\$ 212,389,394</u>	<u>\$ 156,206,667</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

HOUSING YORK INC.

DRAFT Statement of Revenue, Expenditures and Retained Earnings

Year ended December 31, 2017, with comparative information for 2016

	2017 Budget	2017 Actual	2016 Actual
Revenue:			
Rental	\$ 21,717,048	\$ 22,572,652	\$ 21,110,697
Non-rental	559,297	484,821	850,472
Operating subsidies (note 6)	14,022,200	13,079,509	10,850,720
Operating surplus	636,114	1,056,847	553,166
	<u>36,934,659</u>	<u>37,193,829</u>	<u>33,365,055</u>
Expenditures:			
Mortgage payments (note 3)	9,063,479	8,955,603	9,043,029
Administration and maintenance	11,952,572	11,396,940	10,709,794
Property taxes	3,390,969	3,131,599	3,159,485
Utilities	4,075,229	3,647,288	3,616,258
Capital	1,711,148	1,581,305	1,353,152
Insurance	484,665	446,162	442,237
Shelter	—	189,449	148,322
Bad debts	108,229	68,105	136,208
	<u>30,786,291</u>	<u>29,416,451</u>	<u>28,608,485</u>
Excess of revenue over expenditures before the undernoted	6,148,368	7,777,378	4,756,570
Contribution to Capital Reserve (note 4)	5,468,354	6,463,785	4,025,719
Contribution to Operations Reserve (note 4)	43,900	43,900	62,700
Contribution to Emergency Housing Reserve (note 4)	—	161,253	—
Excess of revenue over expenditures	<u>\$ 636,114</u>	1,108,440	668,151
Retained earnings, beginning of year		3,736,605	3,183,437
Internal allocations:			
Contribution from Insurance Reserve (note 4)		(51,593)	(114,983)
Contribution to Working Capital Reserve (note 4)		(3,500,000)	—
Contribution to Strategic Initiatives Reserve (note 4)		(753,507)	—
Contribution to Operations Reserve (note 4)		(366,483)	—
Emergency Power Plan - additional contribution (note 4)		(171,772)	—
Prior period adjustments		(1,690)	—
Retained earnings, end of year		<u>\$ —</u>	<u>\$ 3,736,605</u>

See accompanying notes to financial statements.

HOUSING YORK INC.

DRAFT Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	\$ 1,108,440	\$ 668,151
Amortization of income-producing properties which does not involve cash	5,244,895	5,001,026
Cash contributions to/from reserves	2,507,804	1,052,849
Change in non-cash operating working capital:		
Accounts receivable	(246,887)	48,154
Prepaid expenses	(16,913)	(36,460)
Accounts payable and accrued liabilities	892,299	378,816
Deferred revenue	83,585	208,415
Amounts due to/from Regional Municipality of York	(3,268,592)	(698,605)
	6,304,631	6,622,346
Financing activities:		
Principal repayment	(5,244,895)	(5,001,026)
Investing activities:		
Restricted cash:		
Rental deposits	(21,804)	(148,664)
Reserve fund deposits	(2,254,407)	(1,025,668)
Reserve fund investments	(45,018)	(50,993)
Emergency Power Plan Reserve	577,556	20,534
Insurance Reserve fund	—	5,324
Operations Reserve	(389,900)	(62,700)
Strategic Initiatives Reserve	(753,507)	—
Emergency Housing Reserve	(1,405,287)	(210,618)
Working Capital Reserve	(3,500,000)	—
Operating fund investments	—	1,504,789
	(7,792,367)	32,004
Increase (decrease) in cash	(6,732,631)	1,653,324
Cash, beginning of year	8,292,911	6,639,587
Cash, end of year	\$ 1,560,280	\$ 8,292,911
Supplemental cash flow information:		
Property holdings donated	\$ 58,696,506	\$ —

See accompanying notes to financial statements.

HOUSING YORK INC.

DRAFT Notes to Financial Statements

Year ended December 31, 2017

Housing York Inc. (the "Corporation") was incorporated in accordance with Section 182 of the Ontario Business Corporations Act on January 1, 2003. The Regional Municipality of York (the "Region") is the sole shareholder of the Corporation.

1. Significant accounting policies:

(a) Basis of presentation:

The financial statements have been prepared in accordance with accounting policies that comply with Section 80(2) of the Housing Services Act, 2011 (the "Act") and guidance in its application issued by the Housing Branch of the Region. Canadian generally accepted accounting principles ("Canadian GAAP") has been interpreted to mean Canadian public sector accounting standards and the 4200 standards for government not-for-profit organizations.

The basis of accounting used in these financial statements materially differs from Canadian GAAP because:

(i) Amortization:

Beginning in 2012, amortization is not provided on property holdings and furniture and fixtures over the estimated useful lives of these assets. This currently includes Tom Taylor Place, Leeder Place Family Shelter, Kingview Court Expansion, Mackenzie Green, Lakeside Residences, Sutton Youth Services, and Richmond Hill Hub.

Amortization is not provided on Provincial Reform Program property holdings over the estimated useful lives of these assets but rather at a rate equal to the annual principal repayments on these mortgages.

(ii) Income-producing properties:

Income-producing properties that were transferred to the Public Housing Program on December 14, 2000 by the Province of Ontario are carried at a nominal value of \$1 as the fair value of the properties was not readily available at the time of the transfer.

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

Income-producing properties that are reported for the Provincial Reform Program include land, buildings, equipment and other capitalized costs and are recorded at cost, net of any government grants or contributions.

As described in the Act, costs incurred by the Provincial Reform Program to modernize or improve existing income-producing properties, which have the effect of extending the useful life of the property or increasing its value, are funded from the Capital Repair and Replacement Reserve. The Public Housing Program has no Capital Repair and Replacement Reserve; therefore, these expenses are reflected as operating expenses. The Regional Housing Program is expected to be self-sustaining and funds its own Capital Repair and Replacement Reserve through surplus operating funds.

During 2004, the Region implemented the Regional Housing Program which the Corporation manages on behalf of the shareholder. A long-term lease agreement was created for each leased property. The land, building and equipment for the leased sites are not reflected in the Corporation's book of accounts.

In 2016, the Corporation added a new building known as the Richmond Hill Hub. The building features 202 mixed units and a youth shelter. The building is owned by the Corporation and 360 Kids operates the youth shelter. Social Services provide funding for the administration and maintenance costs of the youth shelter.

Property	Addition year	Ownership type
Armitage Garden	2004	Leased
Blue Willow	2006	Leased
Tom Taylor Place	2008	Owned
Kingview Court Expansion	2011	Owned
Mapleglen Residences	2012	Leased
Mackenzie Green	2013	Owned
Lakeside Residences	2014	Owned
Belinda's Place Women Shelter	2015	Leased
Richmond Hill Hub	2016	Owned
Sutton Youth Services	2017	Owned

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

The sites owned by the Corporation are recorded on the books at transfer costs between the shareholder and the Corporation.

(iii) Other property holdings:

(a) The Corporation owns the Blue Door Shelters site, a non-revenue-producing property location with multiple buildings that serve as emergency shelters. Porter Place, the men's shelter, receives subsidy under the Act and is, therefore, reported in the same manner as the Corporation's other Provincial Reform Program locations.

(b) In 2009, the Corporation added a new family shelter building known as Leeder Place to the Blue Door Shelters site. The old Leeder Place family shelter has been closed and its disposition is under review.

(c) In 2015, the Corporation added a new women's shelter building known as Belinda's Place Women Shelter. The building is owned by the Region and the land is leased by the Corporation from the Town of Newmarket. The facility is operated by the Salvation Army. Social Services provides funding for the administration and maintenance costs.

(d) In 2017, the Corporation added a new youth shelter known as Sutton Youth Services. The building is owned by the Corporation and operated by the Salvation Army. Social Services provide funding for the administration and maintenance costs.

(iv) Appropriations to/from Capital Repair and Replacement Reserve fund:

Appropriations to/from the Capital Repair and Replacement Reserve fund are reported on the statement of revenue, expenditures and retained earnings. Expenditures made from Capital Repair and Replacement Reserve fund are reported within this fund and not on the statement of revenue, expenditures and retained earnings. Interest income earned on investments of Capital Repair and Replacement Reserve fund is credited directly to the Capital Repair and Replacement Reserve fund and is not reported on the statement of revenue, expenditures and retained earnings.

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(v) Financial instruments:

Financial instruments are recorded at fair value on initial recognition.

Under Program Instruction 2008-02 issued by the Region, the Corporation subsequently records its investments at book value. Gains or losses associated with capital reserve investments are recognized at redemption.

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of revenue, expenditures and retained earnings.

Long-term debt is recorded at cost.

(b) Other reserve funds:

In 2017, the Corporation established a reserve fund strategy and operating surplus policy. These funds are specifically restricted for working capital, strategic initiatives and operations. These are discussed further in note 4.

(c) Bad debts:

The funding formula does not recognize a provision for doubtful accounts. Therefore, bad debts are recognized as an expense in the year that write-off has occurred. The Corporation applies a collection of tenant accounts policy, which indicates that former tenant arrears that meet certain criteria are eligible for write-off annually.

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(d) Operations:

As at December 31, 2017, the portfolio consists of 35 multi-residential buildings and five emergency shelter sites, and three condominium units. Daily operations of the shelter sites are provided by Blue Door Shelter, Salvation Army and 360 Kids through an operating agreement.

(e) Subsidy reconciliation - operating subsidies:

The Corporation is subsidized for certain occupancy costs relating to Provincial Reform Program and Public Housing Program properties administered by the Corporation. Any surplus funding received must be repaid in full to the Region. The Regional Housing Program is not eligible to receive operating subsidy.

The final subsidy amount to be received by the Corporation for the current fiscal year will not be determined until the Service Manager reviews the Corporation's financial and statistical returns. Corporation's management considers the subsidy receivable (payable) to include all appropriate adjustments for non-allowable costs. Any adjustments to the subsidy will be accounted for in the year it is determined.

(f) Furniture and fixtures:

Furniture and fixtures are recorded at cost.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the year. Significant items subject to such estimates and assumptions include the carrying amount of property holdings. Actual results could differ from those estimates.

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

2. Property holdings:

	2017	2016
Incoming-producing properties:		
Land	\$ 25,232,345	\$ 25,232,345
Buildings	96,232,555	96,232,555
	<u>121,464,900</u>	<u>121,464,900</u>
Less accumulated amortization	64,312,339	59,067,445
Net book value	<u>\$ 57,152,561</u>	<u>\$ 62,397,455</u>
Other properties:		
Land	\$ 15,650,135	\$ 8,439,742
Buildings	118,321,631	68,703,864
	<u>133,971,766</u>	<u>77,143,606</u>
Less accumulated amortization	759,993	759,993
Net book value	<u>\$ 133,211,773</u>	<u>\$ 76,383,613</u>
Total property holdings:		
Land	\$ 40,882,480	\$ 33,672,087
Buildings	214,554,186	164,936,419
	<u>255,436,666</u>	<u>198,608,506</u>
Less accumulated amortization	65,072,332	59,827,438
Net book value	<u>\$ 190,364,334</u>	<u>\$ 138,781,068</u>

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Mortgages payable:

(a) Mortgages payable applicable to buildings in the Provincial Reform Program:

Property	Particulars	2017	2016
Glenwood Mews	Mortgage payable, bearing interest at 1.120% per annum with blended monthly payments of \$33,423, maturing February 1, 2020	\$ 2,668,277	\$ 3,037,310
Keswick Gardens	Mortgage payable, bearing interest at 6.996% per annum with blended monthly payments of \$70,011, maturing January 1, 2025	5,621,651	6,057,643
Springbrook Gardens	Mortgage payable, bearing interest at 5.912% per annum with blended monthly payments of \$87,877, maturing January 1, 2024	7,362,550	7,967,779
Mulock Village	Mortgage payable, bearing interest at 2.105% per annum with blended monthly payments of \$71,887, maturing March 1, 2022	7,247,871	7,930,535
Heritage East	Mortgage payable, bearing interest at 1.850% per annum with blended monthly payments of \$73,639, maturing October 1, 2020	7,695,673	8,430,167
Hadley Grange	Mortgage payable, bearing interest at 4.486% per annum with blended monthly payments of \$43,297, maturing February 1, 2018	4,243,772	4,566,889
Brayfield Manor	Mortgage payable, bearing interest at 5.940% per annum with blended monthly payments of \$70,757, maturing July 1, 2028	6,686,613	7,129,175
Oxford Village	Mortgage payable, bearing interest at 1.830% per annum with blended monthly payments of \$14,781, maturing June 1, 2025	1,946,047	2,086,563
Rose Town	Mortgage payable, bearing interest at 1.880% per annum with blended monthly payments of \$39,771, maturing December 1, 2022	2,276,209	2,706,473
Trinity Square	Mortgage payable, bearing interest at 2.315% per annum with blended monthly payments of \$68,160, maturing March 1, 2025	6,808,056	7,460,946
Thornhill Green	Mortgage payable, bearing interest at 2.540% per annum with blended monthly payments of \$37,451, maturity December 1, 2022	4,025,673	4,377,434
Blue Door Shelter - Porter Place	Mortgage payable, bearing interest at 4.443% per annum with blended monthly payments of \$8,609, maturing September 1, 2018	570,168	646,541
		57,152,560	62,397,455
Less current portion		5,945,084	9,270,569
		\$ 51,207,476	\$ 53,126,886

On December 1, 2017, the mortgage for Thornhill Green was renewed. The terms described above are in accordance with the new agreement.

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Mortgages payable (continued):

Principal repayments are as follows:

2018	\$ 5,945,084
2019	5,559,174
2020	12,692,850
2021	4,767,849
2022	8,459,497
Thereafter	19,728,106
	<hr/>
	\$ 57,152,560

(b) Tom Taylor Place:

Tom Taylor Place, a 50-unit facility in the Town of Newmarket, opened on October 1, 2008. The building was constructed by the Region through the New Affordable Housing Program, which offers funding partnerships with the federal and provincial governments. The building is owned by the Corporation; however, the financial reporting does not fall under the Act like the other income-producing properties owned by the Corporation.

The Corporation purchased the land for this building in January 2006 for \$315,000. Financing for the building was structured in 2009, which includes Regional debentures and other loan agreements which are described below:

Amounts payable to shareholder (i)	\$ 4,434,000
Federal forgivable loan (ii)	1,400,000
	<hr/>
	5,834,000
Shareholder contribution (iii)	3,720,635
	<hr/>
	\$ 9,554,635

(i) The amount payable to the shareholder is made up of two components:

A long-term loan in the amount of \$2,334,000 is repayable to the Region from rent revenue generated at the building. The Region has debentured this amount on the Corporation's behalf. Repayment terms are based on a 30-year amortization schedule.

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Mortgages payable (continued):

The remaining amount payable to shareholder is \$2,100,000 for a second debenture financed by the Region. Under the New Affordable Housing Program, the province flows funds to the Corporation which, in turn, forwards the funds to the Region to pay the debenture. These provincial contributions are forgivable advances subjected to similar terms and conditions applicable to federal forgivable loan as discussed below. The term of the Regional debenture is 20 years.

- (ii) The federal forgivable loan of \$1,400,000 is provided through the Canada-Ontario New Affordable Housing Program agreement. This loan is to be fully forgiven on the last day of the month at the end of the term of the loan. The term of the loan is 20 years maturing in 2028 and the amounts are forgiven provided all terms and conditions of the agreement are satisfied by the Corporation. The loan is interest-bearing with the interest rate, being the higher of the average posted rate offered by major Canadian lending institutions for a commercial first mortgage having a five-year term, plus 2% or the interest rate applicable to the first mortgage registered against title to the property, plus 2%. The interest; however, is to be fully forgiven on an annual basis provided all terms and conditions of the agreement are satisfied by the Corporation.
- (iii) The shareholder contribution in the amount of \$3,720,635 represents a gift from the Region to the Corporation to fully finance the cost of the Tom Taylor Place not covered by the Canada-Ontario New Affordable Housing Program.

(c) Blue Door Shelters - Leeder Place:

The new Leeder Place family shelter, with a construction cost valued at \$2,836,826, was developed by the Region on existing lands owned by the Corporation. It was gifted to the Corporation without any financing obligations.

(d) Kingview Court Expansion:

Kingview Court Expansion, a 39-unit facility in the Town of King, opened on October 26, 2011. The building was constructed through the New Affordable Housing Program, which offers funding partnerships with the federal and provincial governments by the Region with a cost of \$7,847,469, including \$98,644 in furniture and fixtures. The building is owned by the Corporation and it was gifted without any financing obligations. The financial reporting does not fall under the Act like the other income-producing properties owned by the Corporation.

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Mortgages payable (continued):

(e) Mackenzie Green:

Mackenzie Green, a 140-unit facility in the Town of Richmond Hill, opened on March 15, 2013. The building was constructed with funding provided through: Canada-Ontario Affordable Housing Program 2009 Extension of \$16,800,000; York Region Investing in Ontario Funding of \$11,011,000; Developing Opportunities for Ontario Renters Funding of \$2,409,000; and Social Housing Development Charges Reserve of \$1,350,871. The building is owned by the Corporation and it was gifted with a \$5,850,000 financial obligation serviced through tenants rent. The financial reporting is similar to the other properties not covered by the Act.

(f) Lakeside Residences:

Lakeside Residences, a 97-unit facility in the Town of Georgina, was opened on June 15, 2014. The building was constructed with funding provided through: Investment in Affordable Housing for Ontario Program of \$12,489,748; York Region Investing in Ontario Funding of \$5,788,386; York Region Social Housing Development Reserve of \$1,178,795 and the Sundry Revenue account of \$17,393. The building is owned by the Corporation and it was gifted with no financial obligation. The financial reporting is similar to the other properties not covered by the Act.

(g) Belinda's Place Women Shelter:

Belinda's Place Women Shelter is a women's shelter that was built by the Region on land leased from the Town of Newmarket. This building is owned by the Region and the land is leased by the Corporation. A third party provider operates the facility through an operating agreement. This building features 28 emergency beds and nine transitional units.

(h) Richmond Hill Hub:

Richmond Hill Hub, a 202-unit facility in the Town of Richmond Hill, opened on January 28, 2016. The building is owned by the Corporation and features a youth shelter which is operated by a third party provider.

(i) Sutton Youth Services:

Sutton Youth Services is an emergency youth shelter. Ownership was transferred by the Region in 2017 and is operated by a third party provider through an operating agreement. This building features 16 long-term beds and 10 short-term beds.

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

4. Reserve funds:

In addition to the Capital Reserve fund that has always been maintained by the Corporation, the Board of Directors and the Region have approved additional reserves for specified purposes.

(a) Capital Repair and Replacement Reserve fund:

In accordance with the Act, the use of the Capital Repair and Replacement Reserve fund is limited to the replacement, enhancement or repair of existing capital assets, or the purchase of new capital assets for the Provincial Reform Program. Funding for capital expenditures is obtained through the Region, through the subsidy payment process, and through an annual operating surplus sharing agreement.

Buildings in the Regional Housing Program contribute a significant portion of annual surplus operating funds to a Capital Repair and Replacement Reserve fund for future major repairs and replacements within this program. For presentation purposes, all capital reserve funds are reported on a consolidated basis.

The Corporation does not maintain a Capital Repair and Replacement Reserve fund account for the Public Housing Program.

The Corporation has a 10-year capital plan for managing expenses from capital reserves, which has been approved through a separate process.

	2017	2016
Balance, beginning of year	\$ 5,682,726	\$ 4,762,354
Funding from Region	3,648,954	1,622,846
Transfer in from operating	2,814,831	2,402,873
Interest earned	81,093	75,300
Capital expenditures	(4,281,350)	(3,180,647)
Transfer to Emergency Housing Reserve	(383,507)	—
Prior period adjustments	1,690	—
Net activity	1,881,711	920,372
Balance, end of year	\$ 7,564,437	\$ 5,682,726

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

4. Reserve funds (continued):

(b) Emergency Power Plan:

Following the examination of the Corporation's emergency power capabilities in a long-term power outage, the Board of Directors approved the use of \$910,500 from retained earnings to fund emergency power upgrades in several apartment buildings. The multi-year plan addresses operational and tenant safety issues. A major generator installation was scheduled for completion in 2014, which was later deferred to 2015, along with a second major generator installation. An additional \$404,000 from retained earnings was requested and approved in the 2015 budget to cover the cost of the two installations. An additional \$372,444 was requested and approved to cover the revised design costs. The project is now complete, and the Emergency Power Plan Reserve has been closed with a final transfer back to retained earnings of \$200,672.

	2017	2016
Balance, beginning of year	\$ 577,556	\$ 598,090
Direct costs	(749,328)	(20,534)
Additional contribution (net)	171,772	—
Balance, end of year	\$ —	\$ 577,556

(c) Insurance Reserve:

The Corporation maintains property insurance on all buildings through the Social Housing Services Corporation. This is a pooled insurance program available for housing providers in Ontario.

The Corporation takes all reasonable measures to mitigate insurance claims through aggressive risk management strategies. However, the unpredictable nature of insurance claims has the potential to create unforeseen impacts on operating expenses on a year-over-year basis as frequency and severity of incidents cannot be forecasted.

As an alternative to using operating funds on an as-required basis for insurance-related costs, the Board of Directors approved the establishment of a reserve fund to facilitate a more predictable draw on operating expenses.

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

4. Reserve funds (continued):

Insurance costs related to deductibles on claims and small settlements will be paid from the Insurance Reserve fund. The combination of the insurance policy and the Insurance Reserve fund provides financial protection from catastrophic loss.

	2017	2016
Balance, beginning of year	\$ 180,000	\$ 185,324
Contribution to reserve	25,000	25,000
Discretionary contribution to reserve	26,593	89,983
Claims paid, net of recoveries	(51,593)	(120,307)
Net activity	—	(5,324)
Balance, end of year	\$ 180,000	\$ 180,000

(d) Operations Reserve:

Management established a Contingency Fund for maintenance costs for three properties: Mackenzie Green, Lakeside Residences and Richmond Hill Hub. In 2017, the Corporation adopted a new reserve strategy and operating surplus policy. The Operations Reserve has now been expanded to ensure funding is available for unplanned expenditures and revenue shortfalls for all properties. Prior year shelter surplus contributions were transferred to the Emergency Housing Reserve as part of this strategy. The Operations Reserve is funded through annual allocations from the operating surplus to a limit of \$500,000.

	2017	2016
Balance, beginning of year	\$ 110,100	\$ 47,400
Contribution to reserve	43,900	42,217
Contribution to reserve - Shelters	—	20,483
Transfer to Emergency Housing Reserve	(20,483)	—
Contribution from retained earnings	366,483	—
Balance, end of year	\$ 500,000	\$ 110,100

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

4. Reserve funds (continued):

(e) Strategic Initiatives Reserve:

In 2017, management established a Strategic Initiatives Reserve to fund strategic priorities for the Corporation. The reserve will be funded through annual allocations from the operating surplus to a limit of \$3,500,000.

	2017	2016
Balance, beginning of year	\$ —	\$ —
Contribution from retained earnings	753,507	—
Balance, end of year	\$ 753,507	\$ —

(f) Emergency Housing Reserve:

In 2015, management established a furniture replacement fund specifically designated for furniture enhancements at the various emergency and transitional housing facilities owned by the Corporation and operated by Social Services. In 2017, the reserve was renamed the Emergency Housing Reserve and has expanded to include capital repairs and operating expenditures for all emergency housing facilities.

	2017	2016
Balance, beginning of year	\$ 240,618	\$ 30,000
Contribution to reserve	1,003,967	230,000
Direct costs	(163,923)	(19,382)
Transfer of operating surplus	161,253	—
Transfer of prior year operating surplus from Operations Reserve	20,483	—
Transfer from Capital Repair and Replacement Reserve	383,507	—
Balance, end of year	\$ 1,645,905	\$ 240,618

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

4. Reserve funds (continued):

(g) Working Capital Reserve:

In 2017, management established a Working Capital Reserve to ensure funds are available to facilitate timely payment of invoices. The reserve will be funded through annual allocations from operating surpluses to a limit of \$3,500,000.

	2017	2016
Balance, beginning of year	\$ —	\$ —
Contribution from retained earnings	3,500,000	—
Balance, end of year	\$ 3,500,000	\$ —

(h) Shareholder's equity:

Mackenzie Green was constructed by the Region and was gifted to the Corporation with a \$5,850,000 financing obligation serviced through tenants rent. As amortization is not provided on Mackenzie Green, the contribution of Mackenzie Green is recognized as a direct increase in shareholder's equity in the amount of \$37,420,871 in 2013.

Lakeside Residences was constructed by the Region and was gifted to the Corporation. As amortization is not provided on Lakeside Residences, the contribution of Lakeside Residences is recognized as a direct increase in the shareholder's equity in the amount of \$19,405,805.

Richmond Hill Hub was constructed by the Region and was gifted to the Corporation. As amortization is not provided on Richmond Hill Hub, the contribution of Richmond Hill Hub is recognized as a direct increase in the shareholder's equity in the amount of \$57,323,809.

Sutton Youth Services is recognized as a direct increase in shareholder's equity in the amount of \$1,372,697.

	2017	2016
Balance, beginning of year	\$ 71,231,606	\$ 71,231,606
Contribution	58,696,506	—
Balance, end of year	\$ 129,928,112	\$ 71,231,606

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Restricted investments:

During 2005, the Corporation adopted an Investment Strategy Policy, which includes the management of mandatory investment of the Capital Repair and Replacement Reserve fund, as well as the investment of surplus operating funds. The policy prescribes to a conservative investment approach that carries a low to moderate risk tolerance similar to investment strategies adopted by the Region.

Reserve fund investments:

Under the requirements of the Act, housing providers are required to invest their Capital Repair and Replacement Reserve fund in an investment pool designed for housing providers. The Corporation has participated in this mandatory program since its inception and, from time to time, adjusts its investment mix to reflect its risk profile and to improve its overall returns.

Reserve fund investments comprise the following:

	2017	2016
Security description:		
Social Housing Canadian Short-Term Bond Fund	\$ 3,167,836	\$ 3,123,093
Social Housing Canadian Bond Fund	3,594	3,525
Social Housing Canadian Equity Fund	6,164	5,958
Total reserve fund investments	\$ 3,177,594	\$ 3,132,576

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

6. Related party transactions:

(a) During the year, the Corporation received net subsidies as summarized below:

	2017	2016
Subsidies:		
Provincial Reform Program	\$ 6,607,349	\$ 6,503,592
Public Housing Program	3,160,400	3,075,004
Blue Door Shelters	116,006	115,632
Other	4,198,472	1,958,092
	<u>14,082,227</u>	<u>11,652,320</u>
Less surplus subsidy payable to System Service Manager	1,002,718	801,600
	<u>\$ 13,079,509</u>	<u>\$ 10,850,720</u>

The Region provided contracted services of personnel, rental of office space and other administrative costs. The cost of these services, aggregating \$6,660,501 (2016 - \$5,842,739), was charged to administration and maintenance.

(b) Buildings in the Regional Housing Program are financed by the Region. The collection of tenants' rent is used to pay the financing costs and the Corporation issued payments to the Region to fund the debentures payable. The payments issued for Armitage Garden, Blue Willow Terrace, Tom Taylor Place, Mapleglen Residences and Mackenzie Green amounted to \$1,532,620 (2016 - \$1,527,017).

7. Financial risks and concentration of credit risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. The Corporation is exposed to credit risk with respect to the accounts receivable and cash.

The Corporation assesses, on a continuous basis, accounts receivable and writes off any amounts that are not considered to be collectible during the year. The maximum exposure to credit risk of the Corporation at December 31, 2017 is the carrying value of these assets.

HOUSING YORK INC.

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2017

7. Financial risks and concentration of credit risk (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares a budget to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due immediately within receipt of an invoice.

**SOCIAL HOUSING - ANNUAL INFORMATION RETURN
THIRD AND SUBSEQUENT YEARS
PROVINCIAL REFORMED AND OTHER HOUSING PROGRAMS**

Identification

Page A1

Corporation name Housing York Inc. CMSM/DSSAB The Regional Municipality of York		I.D. No.	Year end (dd/mm/year) December 31, 2017	
Corporation address 1091 Gorham Road Newmarket, Ontario L3Y 8X7	Mailing address - same -	Program type		
		(A) PROVINCIAL REFORMED	Y	1,039
		(B) OTHER PROGRAMS		
		1. Sect 95 - MNP		
		2. Sect 95 - Private		
		3. Sect 26/27		
		4. Limited Dividend		
		5. Public Housing	Y	872
		6. Regional Program	Y	734
		7. Post 85 urban native		
Contact name Michelle Willson	Position CFO, Housing York Inc.	Telephone number 905-830-4444 x76064	Fax number 905-895-5724	
e-mail address michelle.wilson@york.ca		SHRA Section 103 No	SHRA Section 110 Market & RGI Yes	SHRA Section 106 100 % RGI No

Board of Directors DECLARATION (Must be signed by two members of the Board.)

We declare that, to the best of our knowledge and belief, the information provided in this Annual Information Return and the representations on Page 2 is true and correct.

Signature	Name	Position	Date
	Jack Heath	Chair	
Signature	Name	Position	Date
	Gino Rosati	Vice-Chair	

Note to auditors:

Auditors are required to complete the "Accountant's Report on Applying Specified Auditing Procedures in Respect of the Annual Information Return" and "Appendix A" per SHB Notification 05-02. These reports are available in the AIR Guide.

Instructions

This form to be used by all Private Non-Profit Housing Corporations, Municipal Non-Profit Housing Corporations, and Co-operative Housing Corporations to reconcile operations for the third and subsequent benchmark year's. This form applies principally to provincially transferred housing groups who are subject to benchmarks. Service Managers at their discretion can use this form for LHC's and Federal Unilateral Projects. Form is prescribed by the Minister, SHRA 113(2).

Social Housing Annual Information Return

Year End: December 31, 2017

Housing York Inc.

Management Representation Report

Page A2

Note 1: The Social Housing Reform Act and its regulations are referred to as SHRA throughout these representations.

Note 2: If the answer to any question, other than number 5, is "No", please provide explanatory details.

Note 3: All questions are to be answered as of the end of the fiscal year. Question 11 to 13 should cover the fiscal year as well as the months preceding the filing of this report.

The following questions relate to the Provincially Reformed projects. The questions should be answered with respect to the provisions of the SHRA.

GOVERNANCE

1) Does the corporation follow the required conflict of interest provisions? Y N NA

RESIDENT RELATIONS

2) Did the corporation select applicants as required? Y N

3) Were all RGI households charged the required correctly calculated rent? Y N NA

4) Did the corporation comply with its mandate and targeting plan in housing applicants, if applicable? Y N NA

FINANCIAL MANAGEMENT

5) Did the corporation receive a management letter from its auditors reporting deficiencies in internal controls or operations? (If yes, attach a copy of the letter.) Y N

6) Were all revenue and expenses properly allocated to any non-shelter component as required? Y N NA

7) Was the shelter component of the corporation's revenue used only for shelter purposes? Y N NA

8) Did the corporation fully invest its Capital/Replacement Reserve Fund under the SHSC program or in accordance with the project Operating Agreement? Y N NA

9) Did the corporation transfer the annual allocation to the Capital/Replacement Reserve and only expense eligible costs? Y N NA

10) Did the corporation comply with the requirement in the SHRA to participate in a system for group insurance of housing providers? Y N NA

11) Is the corporation free and clear of material contingent liabilities and legal disputes? Y N NA

MORTGAGE

12) Is the corporation in compliance with its obligation not to mortgage or encumber, replace or amend the mortgage? Y N

13) Are all other mortgages the corporation may have in good standing? Y N

14) Was the sector support mortgage cost excluded from shelter expenses and offset against sector revenue? (Co-ops only) Y N NA

Social Housing Annual Information Return

Year end: December 31, 2017

Housing York Inc.

Statement of Financial Position (Corporate Balance Sheet)

Page A3

ASSETS

Cash and investments - capital reserve fund	Balance Sheet Notes & Details - A3S	310	0
-other (describe) _____		312	

Subsidies receivable from the service manager		320	
Accounts receivable-tenants	Balance Sheet Notes & Details - A3S	321	0
Accounts receivable-other (describe) _____		322	

Capital Assets (at cost):			
Shelter - devolved prior federal and provincial projects		325	
Non-shelter - devolved prior federal and provincial projects		327	
Sector support devolved prior co-ops only		328	
Other programs (describe) _____		329	
Total	Lines 325 to 329	330	0

Accumulated amortization - federal and provincial projects		334	
- other programs		335	
Net capital assets	Lines 330 - 334, 335	336	0

Subsidy Advance from Service Manager		350	
Other assets (describe) _____		351	

TOTAL ASSETS	Lines 310 + 312 + 320 + 321 + 322 + 336 + 350	355	0
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LIABILITIES

Subsidies payable to the service manager		360	
Mortgage loans		368	
Loan Payable to York Region		369	
Other loans (describe) _____		370	
Other liabilities (describe) _____		375	

SURPLUS

Contributed surplus		380	
Capital reserve fund housing		384	
Other reserves (describe) _____		386	
Accumulated surplus/(deficit)	Balance Sheet Notes & Details - A3S	390	0

TOTAL LIABILITIES AND SURPLUS	Lines 360 to 390	395	0
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Social Housing Annual Information Return

Year end: December 31, 2017

Housing York Inc.

Balance Sheet Notes and Details

Capital Reserve Fund

- Invested in SHSC	310 A	
- To be transferred (current yr. cont.)	310 B	
- Federal Groups (funds invested in GIC's, etc.)	310 C	
- Other (describe) _____	310 D	
- Total Capital Reserves	310	0

Accounts Receivable

- Current Tenants	321 A	
- Former Tenants	321 B	
- Allowance for Bad Debts	321 C	
- Other (describe) _____	321 D	
- Other (describe) _____	321 E	
- Total Accounts Receivable - Tenants	321	0

Internal Allocations

Accumulated Surplus/(Deficit)

	390 C	
- Provincially Reformed	390 A	
- Federal Programs	390 B	
- Total Accumulated Surplus/(Deficit)	390	0

* Comprised of Shareholders Contribution and Retained Earnings of 3,554,879 and 1,818,118 respectively.

Social Housing Annual Information Return

Year end: December 31, 2017

Housing York Inc.

Statement of Operations and Accumulated Surplus (Corporate)

Page A4

(A) Statement of Operations (Revenue and Expenses) Provincial Reformed (Section 106 and 110)

Shelter Occupancy revenue			
Rent-geared-to-income units	501	4,157,918	
Market units	502	4,424,061	
Gross occupancy revenue	Lines 501 + 502	8,581,979	
Less: Vacancy loss on market units	505	38,985	
Subtotal	Lines 504 - 505	8,542,994	
Investment income (includes interest)	521	79,026	
Non-rental revenue (parking, laundry, etc.)	522	267,905	<u>Coin Laundry, Parking, Tenant Recoveries</u>
Net Subsidy Entitlement for the Year	Line 789 or Line 819	6,035,531	
Total Revenue	Lines 510 to 525	14,925,455	
Shelter expenses			
Maintenance and administration	From A4 - Schedules Below	541	4,093,423
Utilities	From A4 - Schedules Below	542	1,100,461
Insurance		543	154,022
Bad debts		544	49,883
Mandatory transfer to capital reserve fund	From SM Subsidy Estimate/Approved Budget	547	700,975
Subtotal Operating expenses	Lines 541 to 547	548	6,098,764
Property taxes		549	1,276,872
Mortgage principal and interest (excluding Sector Support and/or non-shelter component)		550	7,273,664
Total Shelter Expenses	Lines 548 to 550	565	14,649,299
NET INCOME (LOSS) - Provincial Reformed -Shelter	Lines 530 - 565	570	276,156
Gifts and donations - (describe)	575		
Non shelter revenue (net)	Line 629 Col 3	576	16,697
Sector support (net) (co-ops only)		577	
Non-Shelter Net Income (Loss)	Lines 575 to 577	578	16,697
Net Income(Loss)-Provincial Reformed Total	Line 570 + Line 578	580	292,853

(B) Net Income (Loss)- Other Programs

Section 95(federal)MNP	From B1 - Line 1580	581	0
Section 95(federal)PNP	"	582	0
Section 26/27(federal)	"	583	0
Limited Dividend	"	584	0
Public Housing	"	585	0
Regional Program	"	586	763,994
Post-85 Urban Native(federal)	"	587	0
Consolidated Net Income(Loss)	Line 580 + Lines 581 - 587	589	1,056,847

CORPORATE STATEMENT OF ACCUMULATED SURPLUS (DEFICIT)

	Provincial Reformed			
	Shelter	Non-Shelter	Other Programs	Consolidated
BALANCE, BEGINNING OF YEAR	590			0
Net income for the year	591	276,156	16,697	763,994
Other *	592			0
BALANCE, END OF YEAR	599	276,156	16,697	763,994

* Approved Spending as per Board of Directors.

Social Housing Annual Information Return

Year end: December 31, 2017

Housing York Inc.

Statement of Operations and Accumulated Surplus (Corporate)

A4 - Schedules

Line - 541 - Maintenance and Administration

Maintenance

Maintenance salaries, wages and benefits	541 A	1,011,256
Building and equipment	541 B	764,130
Elevators	541 C	27,016
Electrical systems	541 D	38,656
Heating, air, ventilation and plumbing	541 E	139,656
Grounds	541 F	290,114
Painting	541 G	86,156
Waste Removal	541 H	113,528
Security	541 I	36,476
Other - (describe) <u>Life Safety Systems</u>	541 J	37,112
Other - (describe)	541 K	
Other - (describe)	541 L	
Subtotal Maintenance	541 P	2,544,099

Administration

Salaries, wages and benefits	541 Q	1,132,080
Management fees	541 R	
Materials and Services	541 S	417,244
Other - (describe)	541 T	
Other - (describe)	541 U	
Other - (describe)	541 V	
Subtotal Administration	541 Y	1,549,324
TOTAL MAINTENANCE AND ADMINISTRATION	541 Z	4,093,423

LINE - 542 - UTILITIES

Electricity	542 A	549,372
Fuel	542 B	122,856
Water and Sewage	542 C	428,233
Other - (describe)	542 D	
TOTAL UTILITIES	542 H	1,100,461

Social Housing Annual Information Return

Year end: December 31, 2017

Housing York Inc.

Non-Shelter Income (Loss) - Provincial Reformed

Page A5

NON-SHELTER REVENUE	Care 01	Commercial & Other 02	Total 03
Commercial rent	610		0
Grants from Ministry of Health	611		0
Grants from Ministry of Community & Social Ser.	612		0
Other (describe) <u>Keswick Day Care</u>	613		47,890
Other (describe) _____	614		0
Total non-shelter revenue	615	0	47,890
<small>Lines 610 to 614</small>			
NON-SHELTER EXPENSES			
Operating costs			
Maintenance salaries, wages and benefits	620		3,026
Maintenance materials and services	621		3,026
Utilities	622		3,888
Administration	623		1,009
Other (describe) <u>Grounds Keeping</u>	624		551
Subtotal Non-Shelter Operatng Exp	625	0	11,500
<small>Lines 620 to 624</small>			
Property taxes	626		2,941
Mortgage principal and interest	627		16,752
Total non-shelter expenses	628	0	31,193
<small>Lines 625 to 627</small>			
NET NON-SHELTER INCOME (LOSS)	629	0	16,697
<small>Lines 615 - 628</small>			

Social Housing Annual Information Return

Year end: December 31, 2017

Housing York Inc.

Capital Reserve Fund (Housing)

Page A6

		Provincial Reformed	Blue Door	Regional Program	Total
<i>See Attached Schedule for Capital Reserve Activity</i>					
BALANCE, BEGINNING OF YEAR	Previous year's line 690	651	29,876		29,876
Revenue					
Mandatory transfer from operations	Line 547 /1547	652	700,975		700,975
Investment income/(loss)		654	425		425
Other <u>Addn'l subsidy capital subsidy/prior year adjmt</u>		655	3,693,364		3,693,364
Total	Lines 652 to 655	660	4,424,640	0	4,424,640
Expenses (by item or category)					
Roofing		671	119,830		119,830
Building		672	1,944,797		1,944,797
Flooring		673	137,499		137,499
Elevators		674	97,418		97,418
Electrical		675	246,913		246,913
Equipment		676	0		0
Grounds		677	410,427		410,427
Heating & Ventilation		678	315,463		315,463
Plumbing Capital		679	0		0
Life Safety		680	21,972		21,972
Minor Capital		681	51,732		51,732
Capital Overheads		682	486,763		486,763
		683			0
Total expenses	Lines 671 to 683	685	3,832,814	0	3,832,814
BALANCE, END OF YEAR	Lines 651 + 660 - 685	690	591,826	0	591,826
ASSETS, END OF YEAR					
Cash and investments	Line 310	695			
DIFFERENCE Under (Over) Funded	Lines 690 - 695	699	591,826	0	591,826

Instructions:

If the difference on line 699 is greater than \$1,000, provide an explanation for the difference and the corporation's plan to bring the fund into balance.

**Social Housing
Annual Information Return
Third and Subsequent Year Return
Housing York Inc.**

Year end: December 31, 2017

Unit Activity Data Report - Section 110, 106, Rent Supp.

Page A7

Project	Unit Type	1st Month		2nd Month		3rd Month		4th Month		5th Month		6th Month		7th Month		8th Month		9th Month		10th Month		11th Month		12th Month		Total
		Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	
Glenwood Mews	2 B TH	11	-	11	-	11	-	11	-	11	-	11	-	10	1	10	1	11	-	11	-	11	-	10	1	132
	3 B TH	38	-	38	-	38	-	38	-	38	-	38	-	38	-	37	1	36	1	36	-	36	-	36	-	449
	4 B TH	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	48
Keswick Gardens	1 B Apt	74	-	74	-	73	1	74	2	75	2	74	3	74	3	75	2	75	1	76	-	74	2	75	1	910
	2 B Apt	10	2	11	1	11	1	12	-	12	-	13	-	13	-	13	-	13	-	13	-	13	-	13	-	151
Springbrook Gardens	2 B TH	26	-	26	-	26	-	25	1	25	1	25	-	25	-	24	1	25	-	25	-	25	-	25	-	305
	3 B TH	34	-	34	-	32	2	32	2	32	1	32	-	32	-	31	1	32	-	32	-	32	-	31	1	393
	4 B TH	3	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-	36
Mulock Village	2 B TH	25	-	25	-	25	-	25	-	25	-	25	-	25	-	25	-	24	-	24	-	24	-	24	-	296
	3 B TH	57	1	57	1	57	1	57	1	57	1	58	-	58	-	58	-	58	-	58	-	58	-	58	-	696
	4 B TH	3	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-	36
Heritage East Sr (67805)	1 B Apt	27	-	27	-	27	-	27	-	27	-	26	1	26	1	27	-	26	1	26	1	27	1	28	-	326
	2 B Apt	21	-	20	1	20	1	20	1	20	1	19	2	19	2	21	-	21	-	21	-	21	-	21	-	252
	3 B Apt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage East Fam (67869)	1B Apt	12	-	12	-	12	-	12	-	12	-	12	-	12	-	12	-	12	-	11	1	12	-	12	-	144
	2B Apt	31	1	32	-	31	1	31	1	31	1	32	-	32	-	32	-	32	-	32	-	32	-	32	-	384
	3B Apt	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	60
Hadley Grange	1 B Apt	45	1	44	2	44	2	44	2	46	-	46	-	46	-	47	-	48	-	47	1	48	-	45	3	561
	2 B Apt	11	-	11	-	11	-	11	-	11	-	12	-	12	-	12	-	12	-	12	-	12	-	12	-	139
Brayfield Manor	2 B TH	12	-	12	-	12	-	12	-	12	-	12	-	12	-	12	-	12	-	12	-	12	-	12	-	144
	3 B TH	42	1	42	1	43	-	42	1	41	2	41	2	41	1	40	-	40	-	40	-	40	-	40	-	500
	4 B TH	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	48
Oxford Village	1 B Apt	20	1	21	-	21	-	21	-	21	-	21	-	22	-	22	-	22	-	22	-	22	-	22	-	258
	2 B Apt	3	1	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	48
Rose Town	1 B Apt	81	1	81	1	82	-	81	1	81	1	81	1	82	-	82	-	81	1	81	1	81	1	83	-	985
	2 B Apt	27	-	27	-	27	-	27	-	27	-	27	-	27	-	27	-	27	-	27	-	27	-	27	-	324
Woodbridge Lane	2 B Apt	2	1	2	1	2	1	2	1	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12
	3 B Apt	3	4	3	4	2	5	-	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28
	4 B Apt	1	1	1	1	1	1	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8
Trinity Square (67813)	2 B TH	15	-	15	-	15	-	15	-	15	-	15	-	15	-	15	-	16	-	16	-	16	-	16	-	184
	3 B TH	14	-	14	-	14	-	14	-	14	-	14	-	13	-	13	-	13	-	13	-	13	-	13	-	161
	3 B TH (G)	6	-	7	-	7	-	7	-	8	-	8	-	8	-	8	-	8	-	8	-	9	-	9	-	93
Trinity Square (67814)	4 B TH	6	-	6	-	6	-	6	-	6	-	6	-	6	-	6	-	6	-	6	-	6	-	6	-	72
	2 B TH	11	-	11	-	11	-	11	-	11	-	11	-	11	-	11	-	11	-	11	-	11	-	11	-	132
	3 B TH	8	-	8	-	8	-	8	-	8	-	8	-	8	-	8	-	8	-	8	-	8	-	8	-	96
Thornhill Green (67868)	3 B TH	38	-	36	-	36	-	35	1	36	-	37	-	37	-	37	-	37	-	37	-	36	1	35	1	440
	4 B TH	3	-	3	-	3	-	3	-	3	-	3	-	3	-	4	-	4	-	4	-	4	-	4	-	41
Total RGI Units		733	15	734	13	731	16	724	25	728	10	729	9	730	8	732	6	733	4	732	4	733	5	731	7	8,892

GEARED TO INCOME

**Social Housing
Annual Information Return
Third and Subsequent Year Return
Housing York Inc.**

Year end: December 31, 2017

Unit Activity Data Report - Section 110, 106, Rent Supp.

Page A7

Project	Unit Type	1st Month		2nd Month		3rd Month		4th Month		5th Month		6th Month		7th Month		8th Month		9th Month		10th Month		11th Month		12th Month		Total	
		Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac		
Glenwood Mews	2 B TH	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	12	
	3 B TH	9	1	10	-	10	-	10	-	10	-	9	1	10	-	10	-	10	-	11	-	12	-	12	-	127	
	4 B TH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Keswick Gardens	1 B Apt	13	-	13	-	11	2	10	1	10	-	10	-	10	-	10	-	11	-	11	-	11	-	11	-	134	
	2 B Apt	21	-	21	-	21	-	21	-	21	-	20	-	19	1	20	-	20	-	20	-	20	-	20	-	245	
Springbrook Gardens	2 B TH	10	-	10	-	10	-	10	-	9	1	10	1	11	-	11	-	11	-	11	-	11	-	10	1	127	
	3 B TH	20	-	20	-	20	-	20	-	21	-	22	-	22	-	22	-	22	-	21	1	22	-	21	1	255	
	4 B TH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mulock Village	2 B TH	8	-	8	-	7	1	7	1	7	1	8	-	8	-	8	-	9	-	9	-	9	-	9	-	100	
	3 B TH	10	-	10	-	10	-	10	-	10	-	10	-	10	-	10	-	10	-	10	-	10	-	10	-	120	
	4 B TH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Heritage East Sr (67805)	1 B Apt	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	10	
	2 B Apt	6	-	6	-	6	-	6	-	6	-	6	-	6	-	6	-	6	-	6	-	5	1	5	1	72	
	3 B Apt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Heritage East Fam (67869)	1B Apt	4	-	4	-	4	-	4	-	4	-	4	-	3	1	3	1	3	1	3	1	4	-	4	-	48	
	2B Apt	12	-	12	-	12	-	12	-	12	-	12	-	12	-	12	-	12	-	12	-	12	-	12	-	144	
	3B Apt	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	12	
Hadley Grange	1 B Apt	10	-	10	-	10	-	10	-	10	-	10	-	10	-	8	1	8	-	8	-	8	-	8	-	111	
	2 B Apt	13	-	13	-	13	-	12	1	12	1	12	-	11	1	12	-	12	-	12	-	12	-	12	-	149	
Brayfield Manor	2 B TH	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	48	
	3 B TH	16	1	16	1	17	-	17	-	17	-	17	-	17	1	20	-	20	-	20	-	20	-	20	-	220	
	4 B TH	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	12	
Oxford Village	1 B Apt	7	-	7	-	7	-	7	-	7	-	7	-	5	1	5	1	5	1	5	1	5	1	5	1	6	78
	2 B Apt	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	48	
Rose Town	1 B Apt	11	-	11	-	11	-	11	-	11	-	11	-	11	-	11	-	11	-	11	-	11	-	10	-	131	
	2 B Apt	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	60	
Woodbridge Lane	2 B Apt	-	-	-	-	-	-	-	-	-	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-	24	
	3 B Apt	1	-	1	-	1	-	1	-	1	-	8	-	8	-	8	-	8	-	8	-	8	-	8	-	68	
	4 B Apt	1	-	1	-	1	-	1	-	1	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-	28	
Trinity Square (67813)	2 B TH	13	-	13	-	13	-	13	-	13	-	13	-	13	-	13	-	12	-	12	-	12	-	12	-	152	
	3 B TH	14	-	14	-	14	-	14	-	14	-	15	-	15	-	15	-	15	-	15	-	15	-	15	-	175	
	3 B TH (G)	12	-	11	-	11	-	11	-	10	-	10	-	10	-	10	-	10	-	9	1	9	-	9	-	123	
Trinity Square (67814)	4 B TH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	2 B TH	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	12	
	3 B TH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Thornhill Green (67868)	3 B TH	54	1	56	1	57	-	57	-	56	1	56	-	56	-	56	-	56	-	56	-	56	-	57	-	676	
	4 B TH	5	-	5	-	5	-	5	-	5	-	5	-	4	1	4	-	4	-	4	-	4	-	4	-	55	
Total Market Units		288	3	290	2	289	3	285	5	282	19	286	15	281	20	284	17	286	16	286	17	285	16	284	17	3,576	
Total Portfolio Units		1,039		1,039		1,039		1,039		1,039		1,039		1,039		1,039		1,039		1,039		1,039		1,039		12,468	

Instructions:

- (1) Include the number of units available at the end of each period (whether occupied or vacant) for each classification
- (2) A unit which becomes vacant retains its classification until it becomes occupied, at which time it assumes the classification of the new occupant
- (3) See the Guide to the Annual Information Return for the definition of an RGI and Market unit.

Social Housing Annual Information Return

Year end: December 31, 2017

Housing York Inc.

General Subsidy - Part VI SHRA (Section 110)

Page A9

I. Operating subsidy

Total indexed benchmark operating costs	From SM Subsidy Estimate/Approved Budget	701	5,957,222
Mortgage principal and interest payment (shelter component only)	Line 550	703	7,273,664
Less total indexed benchmark revenue	From SM Subsidy Estimate/Approved Budget	705	13,407,444
Operating subsidy	Lines 701 + 703 - 705	709	(176,558)

II. RGI subsidy

Indexed benchmark market rents for RGI units	A8 Col. 09	713	9,369,292
Actual market rents for RGI units	A8 Col. 08	714	10,565,222
Lesser of Line 713 or Line 714		715	9,369,292
Actual rental income from RGI households	A8 Col. 10	718	4,157,918
RGI subsidy	Line 715 - 718	719	5,211,374

III. Surplus repayment

Revenue			
Shelter occupancy revenue	Line 510	741	8,542,994
Investment income & non rental revenue	Line 521 + 522	742	346,930
Net subsidy entitlement for the year	Line 549, 709, 719	743	6,311,687
Total revenue	Line 741 to 743	744	15,201,611
Less:			
Total shelter expenses	Line 565	750	14,649,299
Net income/loss - provincial reformed-shelter	Lines 744 - 750	751	552,312
Operating reserve allowance	D1 Line 3085 or 3095	755	0
Surplus/(Deficit)	Lines 751 - 755	759	552,312
Surplus repayable	50% of Line 759 (only if surplus)	760	276,156
Less: Service manager approved reduction	Enter \$ (up to the value in Line 760)	764	0
Net surplus repayable	Line 760 - 764	769	276,156

Social Housing Annual Information Return

Year end: December 31, 2017

Housing York Inc.

General Subsidy - Part VI SHRA (Section 110)

Page A9

A9 - CONTINUED

V. Subsidy for the year

Operating subsidy	Line 709	771	(176,558)
RGI subsidy	Line 719	772	5,211,374
Property taxes	Line 549	773	1,276,872
Additional subsidy		774	
Subtotal	Line 771 to 774	779	6,311,687
 Less:			
Surplus repayment	Line 769	782	276,156
Reduction in subsidy (Section 113 (9) SHRA)		783	
Subtotal	Line 782 to 783	785	276,156
Net subsidy entitlement for the year	Line 779 - 785	789	6,035,531

V. Current year settlement

Net subsidy for the year	Line 789	791	6,035,531
Less Subsidy received the year		792	6,607,349
Settlement - subsidy payable to Group (repayable to SM)		795	(571,818)

Social Housing Annual Information Return

Housing York Inc.

Year end: December 31, 2017

General Subsidy - Part VI SHRA - 100% RGI (Section 106)

Page A10

I. Subsidy for the year

Indexed Benchmark operating costs	From SM Subsidy Estimate/Approved Budget	801		0
Property taxes		line 549 806		0
Mortgage principal and interest		line 550 807		0
Subtotal		Line 801 to 807 809		0
Less:				
Actual rents for RGI units		line 501 811		0
Non-Rental Revenue (including interest)		line 521 and 522 812		0
Surplus repayment (from below)		Line 829 813		0
Reduction in subsidy (Section 113 (9) SHRA)		814		0
Subtotal		Line 811 to 814 816		0
Additional Subsidy		817		0
Net subsidy entitlement for the year		Line 809 - 816 + 817 819		0

II. Surplus repayment

Indexed Operating costs	Line 801	821		0
Less:				
Operating costs (actual)		line 548 822		0
Operating reserve allowance		Line 3107 or 3112 823		0
Subtotal		Line 822 to 823 825		0
Surplus		Line 821 - 825 826		0
Surplus repayable		50% of Line 826 827		0
Less: Service manager approved reduction		Enter \$ (up to the value in Line 827) 828		0
Net surplus repayment		Line 827 - 828 829		0

III. Current year settlement

Net subsidy for the year	Line 819	831		0
Less Subsidy received for the year		832		0
Current year settlement		Line 831 - 832 833		0

Social Housing Annual Information Return Housing York Inc.

Year end: December 31, 2017

Revenue and Expenses-All programs except Provincial Reformed

Page B1

Program			Provincial Reformed	Federal Unilateral	Federal Unilateral	Federal Unilateral	Public Housing	Region Program	Federal Unilateral
			MNP (Sec95)	PNP(Sec95)	Sec26/27	LimitedDividend			UNative-Post85
Revenue			581	582	583	584	585	586	587
Occupancy Revenue (Shelter)									
RGI-Income Tested Units		1501					5,060,722		
Market Rent		1502						9,090,409	
Gross occupancy revenue	Line 1501 to 1502	1504	0	0	0	0	5,060,722	9,090,409	0
Less: vacancy loss on market units		1505						111,118	
Subtotal	Line 1504 - 1505	1510	0	0	0	0	5,060,722	8,979,291	0
Investment income		1521					35,665	39,710	
Non-rental revenue/income		1522					291,349	322,484	
Subsidy - Rent Supp (i.e. OCHAP & CHSP)		1523							
Subsidy - Operating Subsidy		1525					3,160,400	0	
Subsidy - Capital Subsidy		1526							
Subsidy- Other (describe)	<u>AHP Provincial Funding</u>	1527						164,786	
Total Revenue	Line 1510 to 1525	1530	0	0	0	0	8,548,135	9,506,272	0
Shelter Expenses:									
Maint & Admin (see B1 schedules below)		1541	0	0	0	0	4,146,585	2,973,032	0
Utilities(see B1 schedules below)		1542	0	0	0	0	1,393,361	1,125,113	0
Insurance		1543					168,798	114,994	
Bad Debts		1544					10,355	18,223	
Other	<u>Lease Payments</u>	1545						1,532,620	
Capital reserve contribution		1547						1,906,726	
Subtotal Operating Expenses		1548	0	0	0	0	5,719,099	7,670,707	0
Municipal property taxes		1549					834,223	1,027,671	
Mortgage principal and interest		1550							
Other (describe)	<u>Capital Expenditures</u>	1551					1,581,305		
Other (describe)	<u>Opns Rsv Contribution</u>	1561						43,900	
Total Shelter Expenses	Line 1548 to 1561	1566	0	0	0	0	8,134,627	8,742,278	0
Net income (loss) - Shelter	Line 1530 - 1595	1570	0	0	0	0	413,508	763,994	0
Subsidy settlement-pay.(repayable to SM)	MNP-B3 line 1690	1571	0				413,508		
Shelter Surplus(Deficit) after settlement	Line 1570 + 1571	1572	0	0	0	0	0	763,994	0
Gifts and Donations		1575							
Non-Shelter Surplus(Deficit) Net	B2-Non-Shelter-Line 1629	1576	0	0	0	0	0	0	0
Program Net Income (Loss)		1580	0	0	0	0	0	763,994	0

Social Housing Annual Information Return

Housing York Inc.

Year end: December 31, 2017

Revenue and Expenses-All programs except Provincial Reformed

B1 Schedules

Line - 1541 - Maintenance and Administration

Maintenance

		Provincial Reformed	Federal Unilateral	Federal Unilateral	Federal Unilateral	Federal Unilateral	Federal Unilateral	
		MNP (Sec95)	PNP(Sec95)	Sec26/27	LimitedDividend	Public Housing	Region Program	UNative-Post85
		581	582	583	584	585	586	587
Maintenance salaries, wages and benefits	1541 A					1,129,781	753,885	
Building and equipment	1541 B					587,109	488,422	
Elevators	1541 C					96,198	80,647	
Electrical systems	1541 D					24,957	39,235	
Heating, air, ventilation and plumbing	1541 E					86,320	165,740	
Grounds	1541 F					198,751	144,483	
Painting	1541 G					49,981	28,922	
Waste Removal	1541 H					83,600	88,740	
Security	1541 I					21,285	38,313	
Other _____ Life Safety Systems	1541 J					61,614	66,220	
Other _____ Shelter	1541 K					189,449		
Other _____	1541 L							
Subtotal Maintenance	1541 P	0	0	0	0	2,529,045	1,894,606	0

Administration

Salaries, wages and benefits	1541 R					1,261,461	840,974	
Management fees	1541 S							
Materials and Services	1541 T					356,079	237,453	
Other (describe) _____	1541 U							
Other (describe) _____	1541 V							
Other (describe) _____	1541 W							
Subtotal Administration	1541 Y	0	0	0	0	1,617,540	1,078,426	0
Total Maintenance and Administration	1541 Z	0	0	0	0	4,146,585	2,973,032	0

LINE - 1542 - UTILITIES

Electricity	1542 A					874,281	598,100	
Fuel	1542 B					178,827	227,993	
Water and Sewage	1542 C					340,253	299,020	
Other (describe) _____	1542 D							
Total Utilities	1542 E	0	0	0	0	1,393,361	1,125,113	0

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Social Housing Annual Information Return

Housing York Inc.

Year end: December 31, 2017

Non-Shelter - All programs except Provincial Reformed

Page B2

PROGRAM		Provincial Reformed	Federal Unilateral	Federal Unilateral	Federal Unilateral	Public Housing	Federal Unilateral	Federal Unilateral
		MNP (Sec95)	PNP(Sec95)	Sec26/27	LimitedDividend	UNative-Pre86	UNative-Post86	
		581	582	583	584	585	586	587
REVENUE								
Commercial rent	1610							
Grants from Ministry of Health	1611							
Grants from MCSS	1612							
Other (describe) _____	1613							
Other (describe) _____	1614							
Other (describe) _____	1615							
Other (describe) _____	1616							
Other (describe) _____	1617							
Other (describe) _____	1618							
Total Non-Shelter Revenue	1619	0	0	0	0	0	0	0
EXPENSES								
Maintenance salaries, wages and benefits	1620							
Maintenance materials and services	1621							
Utilities	1622							
Administration	1623							
Other (describe) _____	1624							
Subtotal Non-Shelter Operatng Expenses	1625	0	0	0	0	0	0	0
Property taxes	1626							
Mortgage principal and interest	1627							
Total non-shelter expenses	1628	0	0	0	0	0	0	0
Non-Shelter Surplus (Deficit) Net	1629	0	0	0	0	0	0	0

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Social Housing Annual Information Return MUNICIPAL NON-PROFIT HOUSING CORPORATIONS

December 31, 2017

Housing York Inc.

Unit Activity

Page B3

Unit type	NUMBER OF UNITS OCCUPIED and VACANT														Average		
	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month	8th Month	9th Month	10th Month	11th Month	12th Month					
	Occ.	Vac.	Occ.	Vac.	Occ.	Vac.	Occ.	Vac.	Occ.	Vac.	Occ.	Vac.	Occ.	Vac.	Occ.	Vac.	0.00
GEARED-TO-INCOME																	0.00
Market	Bachelor																0.00
	1 Bed Apt																0.00
	2 Bed Apt																0.00
	3 Bed Apt																0.00
	3 Bed Apt																0.00
	2 Bed TH																0.00
	3 Bed TH																0.00
	4 Bed TH																0.00
Total Market																0.00	
Total Project																0.00	

Instructions:

- (1) Include the number of units available at the end of each period (occupied and vacant) for each classification.
- (2) The average number of units occupied or vacant shall be calculated to 2 decimal places.
- (3) A unit which becomes vacant retains its classification until it becomes occupied, at which time it assumes the classification of the new occupant.

Social Housing Annual Information Return

Year end: December 31, 2017

Housing York Inc.

Subsidy Entitlement Calculation- Section 95 NHA - MNP

Operating costs:

Budget

Previous year

From line 1640 Pr. Yr. Budget

1635

Inflation factor

2008 See Table Below, 2009 onward MAH SH Notification

1636

Budgeted Operating Costs

Line 1635 x 1636

1640

0

Actual Operating Costs

line 1548-1547

1641

0

Allowable costs

Lesser of budget or actual

Lesser of 1640 and 1641

1645

0

Municipal taxes

line 1549

1646

0

Mortgage principal and interest

line 1550

1647

0

Capital reserve contribution

line 1547

1648

0

Total

Lines 1645 to 1649

1650

0

Adjusted Total Revenue

Rent Inflation Factor

From MAH

1651

1.016

Unit Type	Market Units	Prior Year Minimum Market Rent	Minimum Market Rent Line 1651 x Column B	Minimum Annual Market Rent A x C x 12
	A	B	C	D
Bachelor	0.00		0.00	0.00
1 Bed Apt	0.00		0.00	0.00
2 Bed Apt	0.00		0.00	0.00
3 Bed Apt	0.00		0.00	0.00
3 Bed Apt	0.00		0.00	0.00
2 Bed TH	0.00		0.00	0.00
3 Bed TH	0.00		0.00	0.00
4 Bed TH	0.00		0.00	0.00
0	0.00		0.00	0.00
Total	1652		1653	0.00

Less: Budgeted vacancy loss

current year budget

1654

Net minimum annual market revenue

Line 1653 - 1654

1655

0

Market rent revenue

1656

0

Adjusted market revenue

Greater of line 1655 or 1656

1660

0

Geared-to-income rent

1661

0

Non-Rental revenue(including interest)

1662

0

Adjusted total revenue

Line 1660 to 1663

1665

0

Subsidy Entitlement

Line 1650 - 1665

1680

0

Subsidy Paid (Maximum Federal Assistance and Municipal Contribution)

1685

Settlement - subsidy payable to Group (repayable to SM)

1690

0

Social Housing Annual Information Return

Year end: **December 31, 2017**

Housing York Inc.

Statistical Information

Page C1

All Units Under Administration by Service Manager

I. Households assisted by program type-at year end

	Unit of Measure	Public Housing 01	Rent Supplement 02	Limited Dividend 03	Section 26 & 27 04	TTP 05	Maple Glen 05	Provincial Reformed 06	Post-1985 Urban Native 07	Pre-1986 Urban Native 08
RGI households with incomes at or below the HILs										
Households assisted by program (at end of year)	2101 Households	822				25	61	716		
Non-RGI households and RGI households with incomes above the HILs										
Households assisted by program (end of year)	2105 Households	1				25	21	299		
Vacant units (end of year)	2106 Households	49				-	2	24		
Total households (All units under administration)	2107 TOTAL	872	0			50	84	1,039	0	0

II. Household types assisted and average gross incomes (at year end) - (All targeted households are to be surveyed and income reported)

Families-RGI households with incomes at or below HILs

Total number of targeted households	2111 Households	9						395		
Average annual gross household income	2113 \$	19,932						22,882		
Non-RGI households and RGI households with incomes above the HILs										
Total number of non-targeted households	2115 Households					-		196		

Seniors-RGI households with incomes at or below the HILs

Total number of targeted households	2121 Households	813				10	61	321		
Average annual gross household income	2123 \$	19,742				18,241	20,019	22,444		
Non-RGI households and RGI households with incomes above the HILs										
Total number of non-targeted households	2125 Households	1				22	21	103		

Non-elderly singles

RGI households with incomes at or below the HILs										
Total number of targeted households	2131 Households					15				
Average annual gross household income	2133 \$					11,493				
Non-RGI households and RGI households with incomes above the HILs										
Total number of non-targeted households	2135 Households					3				

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 - Service Level Standards

	Unit of Measure	Public Housing 01	Rent Supplement 02	Section 95 MNP 05	Provincial Reformed 06
Households receiving RGI whose household income is at or below the household income limit established in regulation.					
2101	2151 Households	822	0	61	716
High need households					
	2152 Households	728			604
Units modified to provide physical accessibility					
	2153 Households	2			91
Households receiving support services (All of the above information is as of year end.)					
	2154 Households				15

Current Household Income Limit amounts by Service manager are found in O. Reg. 368/01 Tables 6 and 7

Social Housing Annual Information Return

Year end: December 31, 2017

Housing York Inc.

Targeting Plans

Page C2

I. Minimum RGI Unit Requirements

Project address / Portfolio No.	Total RGI	
	Units at Year End	
	Required	Actual
Glenwood Mews	52	50
Keswick Gardens	89	88
Springbrook Gardens	64	59
Mulock Village	83	85
Heritage East - Seniors	48	49
Heritage East - Family	51	49
Hadley Grange	59	57
Brayfield Manor	57	56
Oxford Village	26	26
Rosetown	102	110
Woodbridge Lane	14	-
Trinity Square	60	63
Thornhill Green	41	39
Total	746	731

II. Move-outs and Vacancies

	Unit Move-outs during year	Vacancy months during year	Vacant units at year end
Geared-to-income	-		7
Market units	-		17
Special needs units			
Total	0	0	24

Special needs units, including modified units, must be filled with households requiring those units.

How many special needs units, including modified units, were filled with households which did not require those services or units? Number

Social Housing Annual Information Return

December 31, 2017

Housing York Inc.

General Subsidy - Part VI SHRA - Operating Reserve

Page D1

Has the provider had an accumulated surplus at the beginning of any previous fiscal year since the termination of its operating agreement of \$300 per unit or greater?

Choose Yes or No

3000

Accumulated surplus (deficit) beginning of the year

3002

Number of units

Page A1

3025

Allowable operating reserve per unit

3030

Total allowable operating reserve

Line 3025 x line 3030

3035

If line 3002 is greater than line 3035 the provider is not eligible for any operating reserve in the calculation of surplus.

THE REMAINDER OF THE FORM IS COMPLETED ONLY IF LINE 3000 IS "NO"

Calculation for General Subsidy - Part VI SHRA (This section applies only if sheet A7 completed)

Accumulated surplus, beginning of year

Line 3002

3040

Net Shelter Income

Line 751

3045

Subtotal

Line 3040 + line 3045

3060

Operating reserve eligibility determinant

Line 3035 - 3060

3070

If line 3070 is nil or negative operating reserve calculation is:

Total allowable operating reserve

Line 3035

3075

Accumulated surplus, beginning of year

Line 3040

3080

Operating reserve allowance (to line 755)

Line 3075 - line 3080

3085

If line 3070 is a positive value operating reserve calculation is:

Total allowable operating reserve

Line 3070

3090

Accumulated surplus, beginning of year

Line 3040

3091

Operating reserve allowance (to line 755)

Line 3090 - line 3091 (if positive)

3095

Calculation for General Subsidy - 100% RGI (Complete section only if sheet A 10 completed)

Accumulated surplus beginning of year

Line 3002

3100

Indexed benchmark operating costs

Line 801

3101

Actual operating costs for the year

Line 822

3102

Difference

Line 3101 - 3102

3103

Operating reserve eligibility determinant

Line 3035 - (3002 + 3103)

3104

If line 3104 is nil or negative operating reserve calculation is:

Total allowable operating reserve

Line 3035

3105

Accumulated surplus, beginning of year

Line 3002

3106

Operating reserve allowance (to line 823)

Line 3105 - line 3106

3107

If line 3104 is positive operating reserve calculation is:

Indexed benchmark operating costs

Line 3101

3110

Actual operating costs for the year

Line 3102

3111

Operating reserve allowance (to line 823)

Line 3110 - Line 3111

3112