Board members must declare any conflict of interest which relates to an item of discussion.
RESOLUTION OF THE DIRECTORS

OF

ACCESS HOUSING CONNECTIONS INC.

Dated June 27, 2018

________________________________________

APPOINTMENT OF OFFICERS

________________________________________

BE IT RESOLVED THAT:

1. Linda Jackson is hereby appointed as Chair of Access Housing Connections Inc. (“AHCI”), effective June 12, 2018; and

2. the officers of AHCI are now as follows:
   Linda Jackson  Chair; and
   Kathy Milsom  General Manager.
The Board of Directors (“Board”) of Access Housing Connections Inc. (“AHCI”) held a public meeting on Friday, November 24, 2017 at 931 Yonge Street, in Room #7A, and via teleconference, commencing at 2:34 p.m.

Directors in Attendance: Catherine Wilkinson, Chair (by teleconference)
Rose-Ann Lee (by teleconference)
Kathy Milsom

Also present: Toronto Community Housing Corporation (“TCHC”):
Marta Asturi, Legal Counsel and Assistant Corporate Secretary (by teleconference)
Priya Subramanian, Junior Legal Counsel (Acting)

Call to Order
A quorum being present, the Chair called the meeting to order and Ms. Sonia Fung served as recording secretary.

Item 1- Approval of Agenda and Review of Agenda Order
The agenda was circulated to members of the Board prior to the meeting.

Motion carried ON MOTION DULY MADE by Ms. Lee, seconded by Ms. Wilkinson and carried, the Board approved the agenda as circulated.

Item 2- Chair’s Poll re: Conflicts of Interest
No conflicts of interest were declared for the agenda items.

It was noted that Ms. Lee & Ms. Milsom are employees of Toronto Community Housing Corporation which holds 100% interest in AHCI. However, there were no material conflict of interest declared.
Item 3- Appointment of Kathy Milsom as Director and Officer

The Board of Directors had before it a draft resolution with regard to appointment of Kathy Milsom as Director and General Manager of AHCI.

Discussion ensued. It was agreed that the draft resolution should be amended to state that Rose-Ann Lee would cease to be General Manager effective November 24, 2017 and Kathy Milsom be appointed General Manager effective November 24, 2017.

Motion carried ON MOTION DULY MADE by Ms. Lee, seconded by Ms. Wilkinson and carried, the Board approved the following resolutions, as amended:

1. Rose-Ann Lee ceases to be General Manager of AHCI effective November 24, 2017;
2. Kathy Milsom is hereby appointed as a Director of AHCI, effective September 5, 2017;
3. Kathy Milsom is hereby appointed as General Manager of AHCI, effective November 24, 2017; and
4. the officers of AHCI are now as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catherine Wilkinson</td>
<td>Chair; and</td>
</tr>
<tr>
<td>Kathy Milsom</td>
<td>General Manager.</td>
</tr>
</tbody>
</table>

Item 4- Confirmation of AHCI Public Meeting Minutes of June 26, 2017

The Board had before it the above-captioned minutes.

Motion carried ON MOTION DULY MADE by Ms. Lee, seconded by Ms. Wilkinson and carried, the Board confirmed the public meeting minutes of June 26, 2017 without amendments.
Ms. Milsom abstained from voting on this agenda item as she was not present at the above captioned meeting.

**Termination of Public Meeting**

**ON MOTION DULY MADE** by Ms. Lee, seconded by Ms. Milsom and carried, the Board unanimously resolved to terminate the public meeting at 2:47 p.m.

________________________________  ______________________________________
Secretary                              AHCI Chair
To: The Board of Directors  
From: Director  
Date: June 22, 2018  
Reason for Confidential Information: This report deals with the results of operations of Access Housing Connections Inc. (“AHCI”) for the year ended December 31, 2017.

PURPOSE:

- To inform the Board of Directors of AHCI’s financial performance for the year 2017.
- To provide the Board with AHCI’s Draft Unaudited Financial Statements for 2017 and PricewaterhouseCooper LLP’s (“PWC’s”) year-end report for the year ended December 31, 2017.

RECOMMENDATIONS:

It is recommended that the Board of Directors:

1. approve the Access Housing Connection Inc.’s draft unaudited financial statements for the year ended December 31, 2017 (“Financial Statements”) and accompanying 2017 year-end report from PricewaterhouseCoopers LLP;

2. forward the Financial Statements to the Shareholder as part of the annual reporting to the Shareholder; and

3. authorize the appropriate Access Housing Connections Inc. officials to take the necessary action to give effect to the above recommendations.
Executive Overview

AHCI was incorporated on August 14, 2003 under the provisions of the Ontario Business Corporations Act and is wholly owned subsidiary of Toronto Community Housing Corporation (TCHC).

On March 30, 2015, the board of directors of TCHC approved a Memorandum of Understanding (MOU) to sell, convey, assign, set over, transfer and deliver to the City all or substantially all of the business, property and assets of AHCI pursuant to the terms and provisions of, and for the consideration provided in an agreement of purchase and sale based substantially on the Term Sheet.

Asset purchase agreement was entered into between AHCI, the City of Toronto and TCHC on December 31, 2016. Under the terms of the asset purchase agreement, the City of Toronto agreed to assume certain liabilities and assets of AHCI at a purchase consideration equivalent to the assumed liabilities, dissolution costs and transition costs.

As at December 31, 2017, purchase consideration amounted to $443,910 which is subject to change as TCHC continues to incur costs until the transition is complete.

AHCI is expected to be dissolved in 2018.

Balance Sheet Highlights

- Current assets decreased by $712K
  - Amount due from City of Toronto representing subsidies receivable are non-interest bearing and decreased by 2.2M;
  - Amount due from TCHC increased by $1.5M is non-interest bearing and expected to be settled within one year.

- Accounts payables and accrued liabilities increased by 30K primarily due to accrual of dissolution costs.

- The note payable originally due to TCHC, included a principal amount of $1,371,827 plus accumulated interest incurred at 5.5% per annum plus $300,002 in contributed capital was transferred to the City of Toronto as at December 31, 2015
Income Statement Highlights

The loss of 728K year over year is primarily due to:

- $737K represents amount paid to the City of Toronto related to former AHCI employees for post-retirement and other benefits pursuant to the transfer of operations to the City, offset by decrease in $7K amortization expense and $2K audit expense.

SIGNATURE:

“Rose-Ann Lee”

Rose-Ann Lee
AHCI Director

Attachments: 1: Appendix A: AHCI Draft Unaudited Financial Statements as at and for the year ended December 31, 2017

2: Appendix B: PWC year-end report to the Board of Directors

Staff Contacts: Rose-Ann Lee...............................................................416-981-4316
AHCI/TCHC Chief Financial Officer and Treasurer
Rose-Ann.Lee@torontohousing.ca

Nagesh Dinavahi.................................................................416-981-4315
TCHC Corporate Controller
Nagesh.Dinavahi@torontohousing.ca
Access Housing Connections Inc.

Financial Statements
December 31, 2017
Independent Practitioner’s Review Engagement Report

To the Directors of
Access Housing Connections Inc.

Report on the financial statements
We have reviewed the accompanying financial statements of Access Housing Connections Inc. that comprise the statement of financial position as at December 31, 2017 and the statements of operations and deficit and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management’s responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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.

Practitioner’s responsibility
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED
Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Access Housing Connections Inc. as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants
Access Housing Connections Inc.
Statement of Financial Position
As at December 31, 2017

<table>
<thead>
<tr>
<th>Assets</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from City of Toronto (note 3)</td>
<td>400</td>
<td>2,163,883</td>
</tr>
<tr>
<td>Due from Toronto Community Housing Corporation (note 3)</td>
<td>1,590,457</td>
<td>138,687</td>
</tr>
<tr>
<td></td>
<td>1,590,857</td>
<td>2,302,570</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>512,746</td>
<td>482,731</td>
</tr>
<tr>
<td>Due to City of Toronto (note 9)</td>
<td>300,002</td>
<td>1,037,660</td>
</tr>
<tr>
<td>Note payable – City of Toronto (note 3)</td>
<td>1,824,528</td>
<td>1,824,528</td>
</tr>
<tr>
<td></td>
<td>2,637,276</td>
<td>3,344,919</td>
</tr>
<tr>
<td>Shareholders’ Deficiency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorized and issued</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100 common shares</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Deficit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1,046,519)</td>
<td>(1,042,449)</td>
<td></td>
</tr>
<tr>
<td>(1,046,419)</td>
<td>(1,042,349)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,590,857</td>
<td>2,302,570</td>
</tr>
</tbody>
</table>

Approved by the Board of Directors

______________________________  ________________________________
Director                        Director

The accompanying notes are an integral part of these financial statements.
### Access Housing Connections Inc.

**Statement of Operations and Deficit**

**For the year ended December 31, 2017**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016 (Restated – Note 9)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landlord grants (notes 3 and 4)</td>
<td>-</td>
<td>25,734,340</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landlord payments (note 4)</td>
<td>-</td>
<td>25,734,340</td>
</tr>
<tr>
<td>Professional services</td>
<td>4,070</td>
<td>6,099</td>
</tr>
<tr>
<td>Amortization</td>
<td>-</td>
<td>7,713</td>
</tr>
<tr>
<td><strong>Deficiency of revenue over expenses for the year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4,070)</td>
<td>-</td>
<td>(13,812)</td>
</tr>
<tr>
<td><strong>Deficit - Beginning of year, as reported</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior period adjustment (note 9)</td>
<td>-</td>
<td>(290,979)</td>
</tr>
<tr>
<td><strong>Deficit – Beginning of year, restated</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1,042,449)</td>
<td>-</td>
<td>(737,658)</td>
</tr>
<tr>
<td><strong>Deficit - End of year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1,046,519)</td>
<td></td>
<td>(1,042,449)</td>
</tr>
</tbody>
</table>

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

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT**

**NOT TO BE FURTHER COMMUNICATED**
Access Housing Connections Inc.
Statement of Cash Flows
For the year ended December 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by (used in)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deficiency of revenue over expenses for the year</td>
<td>(4,070)</td>
<td>(13,812)</td>
</tr>
<tr>
<td>Add: Item not involving cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization</td>
<td>-</td>
<td>7,713</td>
</tr>
<tr>
<td>Loss on disposal of capital assets</td>
<td>-</td>
<td>3,195</td>
</tr>
<tr>
<td></td>
<td>(4,070)</td>
<td>(2,904)</td>
</tr>
<tr>
<td>Changes in non-cash working capital balances related to operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in due from City of Toronto</td>
<td>2,163,483</td>
<td>(263,495)</td>
</tr>
<tr>
<td>(Increase) decrease in due from Toronto Community Housing Corporation</td>
<td>(2,189,428)</td>
<td>233,810</td>
</tr>
<tr>
<td>Decrease in HST recoverable</td>
<td>-</td>
<td>2,044</td>
</tr>
<tr>
<td>Increase in accounts payable and accrued liabilities</td>
<td>30,015</td>
<td>30,545</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in cash during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash - Beginning of year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash - End of year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
1 The organization

Access Housing Connections Inc. (AHCI) was incorporated on August 14, 2003 under the provisions of the Ontario Business Corporations Act and is wholly owned by Toronto Community Housing Corporation (TCHC). In establishing AHCI, TCHC approved a shareholder direction that sets guiding principles, high level objectives and expected accountability to TCHC. The shareholder direction establishes AHCI as a not-for-profit organization under the direction of an independent board of directors.

Pursuant to Section 149, paragraph (1)(d.6) of the Income Tax Act (Canada) (the ITA), AHCI is exempt from federal Part I tax, as it is a subsidiary of a municipal corporation. AHCI qualifies as a subsidiary of TCHC, having met the following conditions:

- TCHC, a municipal corporation, directly controls AHCI;
- no rights have been issued to acquire shares or capital in AHCI, either immediately or in the future, either absolutely or contingently; and
- no more than 10% of income for the taxation year is earned outside of the geographical boundaries of AHCI or those of TCHC.

Per subsection 27(2) of the Taxation Act (Ontario), AHCI is exempt from Ontario income tax because it is exempt from federal Part I tax, pursuant to Section 149 of the ITA.

On January 1, 2004, AHCI commenced operations to deliver housing access services and the administration of homelessness and commercial rent supplement programs.

On March 30, 2015, the board of directors of TCHC approved a Memorandum of Understanding (MOU) to sell, convey, assign, set over, transfer and deliver to the City of Toronto all or substantially all of the business, property and assets of AHCI pursuant to the terms and provisions of, and for the consideration provided in an agreement of purchase and sale based substantially on the Term Sheet. The transition is based on a phased approach and the asset purchase agreement was executed on December 31, 2016 between the City of Toronto, AHCI and TCHC. Subject to a post-closing adjustment of the purchase price, purchase consideration is the aggregate of assumed liabilities, dissolution costs and the transition costs. Refer to note 8 for details.

2 Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS), including accounting standards that apply to government not-for-profit organizations.

The significant accounting policies are summarized below.
Revenue recognition

AHCI follows the deferral method of accounting for contributions. Unrestricted contributions, which include subsidies, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions, which include rent supplements, are recognized as revenue in the year in which the related expenses are recognized.

Other revenue is recorded when services are provided and collection is reasonably assured.

The decrease in operating subsidies received from TCHC as well as amounts paid to TCHC for services performed on behalf of AHCI compared to the prior year, as disclosed in note 3, is due to the transfer of support services to the City of Toronto on December 31, 2016.

Financial instruments

At initial recognition, AHCI classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

<table>
<thead>
<tr>
<th>Category</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>loans and receivables</td>
</tr>
<tr>
<td>Due from City of Toronto</td>
<td>loans and receivables</td>
</tr>
<tr>
<td>Due from TCHC</td>
<td>loans and receivables</td>
</tr>
<tr>
<td>HST recoverable</td>
<td>loans and receivables</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>financial liabilities</td>
</tr>
<tr>
<td>Due to City of Toronto</td>
<td>financial liabilities</td>
</tr>
<tr>
<td>Note payable</td>
<td>financial liabilities</td>
</tr>
</tbody>
</table>

Use of estimates

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3 Related party transactions

The amount due from the City of Toronto, as at December 31, 2016, represents subsidies receivable and is non-interest bearing.

The amounts due from TCHC of $1,590,457 (2016 - $138,687) are non-interest bearing and are expected to be settled within one year.

The note payable originally due to TCHC which included a principal amount of $1,371,827 plus accumulated interest incurred at 5.5% per annum plus $300,002 in contributed capital received from TCHC was transferred to the City of Toronto as at December 31, 2015 in accordance with the agreement to sell, convey, assign, set
over, transfer and deliver to the City of Toronto all or substantially all of the business, property and assets of AHCI (note 8).

The following transactions were carried out with related parties.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts received from City of Toronto</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landlord grants</td>
<td></td>
<td>25,734,340</td>
</tr>
</tbody>
</table>

Following the execution of the asset purchase agreement signed by AHCI, the City of Toronto and TCHC on December 31, 2016, TCHC acts as the administrator of the Landlord grants on behalf of the City of Toronto. Effective January 1, 2017, amounts received from the City of Toronto related to Landlord grants and are not reflected in the statement of operations and deficit of AHCI.

4 Landlord payments and landlord grants

Landlord payments consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent supplement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>-</td>
<td>14,415,804</td>
</tr>
<tr>
<td>Strong Communities</td>
<td>-</td>
<td>11,318,536</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>25,734,340</td>
</tr>
</tbody>
</table>

5 Capital management

AHCI defines capital as the note payable and equity. By virtue of the asset purchase agreement entered into with the City of Toronto and TCHC, AHCI’s objective is to transfer assets and liabilities between the City of Toronto and TCHC and to transition the rent supplement program to the City of Toronto. These are expected to be completed by the end of 2018 and AHCI will thereafter be dissolved.

AHCI is not subject to any externally imposed capital requirements.

6 Economic dependence

AHCI depends on both the City of Toronto and TCHC for substantially all of its funding (note 3). As stated in Note 6 and subject to transition, AHCI is expected to be dissolved in 2018.
7 Financial instruments

Credit risk

Management considers AHCI's credit risk exposure to be minimal, as the accounts receivable are primarily due from the City of Toronto and TCHC.

Liquidity risk

Liquidity risk results from AHCI's potential inability to meet the obligations associated with its financial liabilities as they come due. AHCI monitors its operations and cash flows to ensure that current and future obligations will be met. AHCI believes that its current sources of liquidity are sufficient to cover its known short and long-term cash obligations.

8 Asset purchase agreement

An asset purchase agreement was entered into between AHCI, the City of Toronto and TCHC on December 31, 2016. The agreement intended to formalize the MOU entered into between the parties in March 2015. Under the terms of the asset purchase agreement, City of Toronto agreed to assume certain liabilities and assets of AHCI at a purchase consideration equivalent to the assumed liabilities, dissolution costs and transition costs.

The parties have agreed that, without limiting the assumed liabilities, the transactions contemplated by the agreement will be cost neutral for both the AHCI and TCHC, meaning that neither AHCI nor TCHC will be subject to or liable for any costs, fees, expenses or liabilities in connection with this agreement.

At any time prior to December 2018, on written notice to the City of Toronto, AHCI or TCHC may request one or more additional purchase price adjustments in the event that either AHCI or TCHC incurs any transaction costs that were not included in the cost neutral calculation on or after the cost neutral effective date. As at December 31, 2017, purchase consideration amounts to $443,910 (2016 - $344,044), which is subject to change as TCHC continues to incur costs until complete transition.

9. Prior period restatement

During the year it was determined that the AHCI should have recorded a liability in the amount of $737,658 for certain employee benefits owing to its employees prior to the transfer of the employees to the City of Toronto on January 1, 2016 pursuant to the asset purchase agreement executed in 2015. Consequently, the prior period financial statements were restated to reflect the liability at December 31, 2015. As a result, opening shareholder's deficit at January 1, 2016 was increased by $737,658 with a corresponding increase to current liabilities (amounts due to the City of Toronto).
Access Housing Connections Inc
Board Meeting Agenda
2017 Review

Status
Review is substantially complete and outstanding items are as follows:
- Signed management representation letter (Appendix A)
- Approval of final financial statements
- Subsequent event update

Nature of engagement
We performed the review engagement in accordance with Canadian generally accepted standards for review engagements. These standards require that we comply with ethical standards, which include independence and professional competences.

The objective of a review of annual financial statements is not to provide assurance that we will become aware of any or all significant matters that might be identified in an audit.

The scope of a review is substantially less in scope than an audit in accordance with Canadian generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, our services will not result in the expression of an audit opinion on the financial statements or the fulfilling of any statutory or other audit requirement.

Our review consisted primarily of inquiries of your personnel and analytical procedures applied to financial data.

Based on the results of our review, we are not aware of any material modifications that should be made to the financial statements.

Internal control, fraud and error
A review does not contemplate obtaining an understanding of internal control over financial reporting or assessing control risk, tests of accounting records and responses to inquiries by obtaining corroborating evidential matter, and certain other procedures ordinarily performed during an audit.

Our engagement cannot be relied upon to prevent and detect errors, fraud or illegal acts that may exist.

The control over and the responsibility for the prevention and the detection of fraud, error or illegal acts remains solely with you.

Significant difficulties or disagreements that occurred during the review
No difficulties or disagreements with management occurred while performing our review that requires the attention of the Access Housing Connections Inc, Board of Directors.

Appendix A – Management representation letter