

# Public Agenda

June 25, 2020

## 2001064 Ontario Inc.

### BOARD OF DIRECTORS MEETING

June 25, 2020

4:00 p.m. – 4:15 p.m.

Location

Virtual Meeting

Board of Directors

Nick Macrae, Chair  
Rose-Ann Lee  
Kevin Marshman

#### PUBLIC MEETING AGENDA ITEMS

Item	Description	Action	Pre-read	Page #
1	Approval of Agenda and Review of Agenda Order	Approval	Agenda	1
2	Chair's Poll re: Conflict of Interest	Declaration	Agenda Conflict of Interest Policy	-
3	Appointment of Officers	Approval	Resolution	2
4	Confirmation of minutes of 2001064 Ontario Inc.'s Public Meeting held on June 26, 2019	Approval	Minutes	3
5	2001064 Ontario Inc. 2019 Draft Unaudited Financial Statements	Approval	2001064: 2020-01	6

#### TERMINATION

*Board members must declare any conflict of interest which relates to an item of discussion.*

RESOLUTION OF THE DIRECTORS

OF

**2001064 ONTARIO INC. (the “Corporation”)**

Dated June 25, 2020

---

**APPOINTMENT OF OFFICERS**

---

**BE IT RESOLVED THAT:**

1. The officers of the Corporation are as follows:  
Nick Macrae                      Chair;  
Kevin Marshman                General Manager;  
Rose-Ann Lee                    Treasurer; and  
Vincent Tong                     Secretary.

The Board of Directors of 2001064 Ontario Inc. (the “Corporation”) held a public meeting on Wednesday, June 26, 2019 at 2:06 p.m. in the Main Conference Room at 931 Yonge Street, Toronto, and via teleconference.

**Directors in Attendance:** Nick Macrae (Chair)  
Kevin Marshman

**Director Absent:** Rose-Ann Lee

**Also present:** Toronto Community Housing Corporation  
Darragh Meagher, Interim General Counsel and Corporate Secretary  
Nagesh Dinavahi, Corporate Controller  
Vincent Tong, Chief Development Officer / Secretary,  
2001064 Ontario Inc.

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 Mr. Macrae, seconded by Mr. Marshman and carried, the Board of Directors approved the agenda.

**ITEM 2 CHAIR’S POLL RE: CONFLICTS OF INTEREST**

---

No conflicts of interest were declared for the agenda items.

*It was noted that Mr. Marshman is an employee of Toronto Community Housing Corporation which holds 100% interest in 2001064 Ontario Inc. In addition, Mr. Macrae is a member of the Board of Directors of Toronto*

---

*Community Housing Corporation. However, there was no material conflict of interest declared.*

---

**ITEM 3 APPOINTMENT OF OFFICERS**

---

The Board of Directors had before it a draft resolution with regard to appointment of the following officers:

Nick Macrae	Chair
Kevin Marshman	General Manager (effective April 3, 2019)
Rose-Ann Lee	Treasurer
Vincent Tong	Secretary

*Motion carried*      **ON MOTION DULY MADE** by Mr. Macrae, seconded by Mr. Marshman and carried, the Board of Directors approved the resolution for the appointment of officers.

---

**ITEM 4 CONFIRMATION OF BOARD OF DIRECTORS' PUBLIC MEETING MINUTES OF JUNE 25, 2018**

---

The Board of Directors had before it the above-captioned minutes.

*Motion carried*      **ON MOTION DULY MADE** by Mr. Macrae, seconded by Mr. Marshman and carried, the Board of Directors received the June 25, 2018 public meeting minutes.

---

**ITEM 4 2001064 ONTARIO INC. 2018 DRAFT UNAUDITED FINANCIAL STATEMENTS**      2001064:2019-01

---

The Board of Directors had before it the above-captioned report (2001064:2019-01) from the Chief Financial Officer of Toronto Community Housing Corporation. Mr. Dinavahi provided an overview of the draft unaudited financial statements.

Mr. Dinavahi advised that other than an expense on accounting fees, no financial transaction occurred during the fiscal year ended December 31, 2018.

*Motion carried*      **ON MOTION DULY MADE** by Mr. Marshman, seconded by Mr. Macrae and carried, the Board of Directors approved the

recommendations of this report, subject to correction of the above-mentioned typos, that the Board of Directors:

- (1) approve 2001064 Ontario Inc.'s Draft Unaudited Financial Statements for the year ended December 31, 2018 ("Financial Statements");
- (2) forward the Financial Statements to the Shareholder as part of the annual reporting to the Shareholder; and
- (3) authorize the appropriate 2001064 Ontario Inc. officials to take the necessary action to give effect to the above recommendations.

#### **TERMINATION**

---

ON MOTION DULY MADE by Mr. Marshman, seconded by Mr. Macrae and carried, the Board unanimously terminated the closed meeting at 2:11 p.m.

---

Secretary

---

Chair, 2001064 Ontario Inc. Board  
of Directors

# 2001064 ONTARIO INC. 2019 DRAFT UNAUDITED FINANCIAL STATEMENTS

---

**To:** Board of Directors

**Report:** 2001064:2020-01

**From:** Treasurer

**Date:** June 16, 2020

Page 1 of 2

## **PURPOSE:**

To provide the Board of Directors with the 2001064 Ontario Inc.'s Draft Unaudited Financial Statements for the year ended December 31, 2019.

## **RECOMMENDATIONS:**

It is recommended that the Board of Directors:

- (1) approve 2001064 Ontario Inc.'s Draft Unaudited Financial Statements for the year ended December 31, 2019 ("Financial Statements");
- (2) forward the Financial Statements to the Shareholder as part of the annual reporting to the Shareholder; and
- (3) authorize the appropriate 2001064 Ontario Inc. officials to take the necessary action to give effect to the above recommendations.

## **REASONS FOR RECOMMENDATIONS:**

The attached draft unaudited financial statements are required to comply with the Shareholder Direction and *Ontario Business Corporation Act*.

## **EXECUTIVE OVERVIEW:**

2001064 Ontario Inc. holds title to the commercial portion of a commercial/ residential complex at 112 Elizabeth Street, Toronto. The residential portion is owned by TCHC. The

purpose of separate ownership is to maintain severance and permit separate independent transfers and mortgaging. TCHC is the beneficial owner of the commercial portion of the complex and, accordingly, records the related assets, liabilities and profit or loss of the complex in its books.

112 Elizabeth Street, Toronto is connected to 111 Chestnut Street, Toronto via a common stairwell. Both properties were financed as a package and currently, there is no split in the mortgage amount. At December 31, 2019, the Infrastructure Ontario mortgage value is \$9.3M and the Great West Life mortgage value is \$2.6M.

The MPAC assessed values for the 2 properties are as follows:

- 112 Elizabeth Street
  - 2019 phased in assessment value \$4.0M
- 111 Chestnut Street
  - 2019 phased in assessment value \$45.6M

We continue to maintain the separate entity so as to allow for a more expeditious sale mechanism as the property in question is commercial in nature.

**SIGNATURE:**

*“Rose-Ann Lee”*

---

Rose-Ann Lee  
 Treasurer  
 2001064 Ontario Inc.

**Attachment:** 1: Appendix A: Draft Unaudited Financial Statements for the year ended December 31, 2019

**Staff Contact:** Rose-Ann Lee ..... 416-981-4316  
 2001064 Ontario Inc. Treasurer/TCHC Chief Financial Officer and  
 Treasurer  
 Rose-Ann.Lee@torontohousing.ca

Nagesh Dinavahi.....416-981-4315  
 TCHC Corporate Controller  
 Nagesh.Dinavahi@torontohousing.ca

**2001064 Ontario Inc.**

Financial Statements  
(Unaudited - See Notice to Reader)  
**December 31, 2019**

DRAFT



@@, 2020

**Placeholder for PWC report**

DRAFT

**2001064 Ontario Inc.**

**Statement of Financial Position**  
**(Unaudited - See Notice to Reader)**  
**As at December 31, 2019**

	2019 \$	2018 \$
<b>Assets</b>		
<b>Accounts receivable</b>	1	1
<b>Liabilities</b>		
<b>Accrued liabilities</b>	408	204
<b>Due to Toronto Community Housing Corporation (note 3)</b>	4,557	4,557
	<u>4,965</u>	<u>4,761</u>
<b>Share capital</b>		
Authorized		
Unlimited common shares		
Issued and outstanding		
1 common share	1	1
Capital contribution	<u>1,400</u>	<u>1,400</u>
	1,401	1,401
<b>Deficit</b>	<u>(6,365)</u>	<u>(6,161)</u>
	<u>(4,964)</u>	<u>(4,760)</u>
	<u>1</u>	<u>1</u>

**Approved by the Board of Directors**

\_\_\_\_\_ Director \_\_\_\_\_ Director

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

**2001064 Ontario Inc.**

**Statement of Operations and Deficit  
(Unaudited - See Notice to Reader)  
For the year ended December 31, 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Expenses</b>	204	204
<b>Net loss for the year</b>	(204)	(204)
<b>Deficit - Beginning of year</b>	(6,161)	(5,957)
<b>Deficit - End of year</b>	(6,365)	(6,161)

**DRAFT**

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

**2001064 Ontario Inc.**

**Statement of Shareholder's Deficiency  
 (Unaudited - See Notice to Reader)  
 For the year ended December 31, 2019**

	<b>2019</b>		
	<b>Share capital \$</b>	<b>Deficit \$</b>	<b>Total \$</b>
<b>Deficit - Beginning of year</b>	1,401	(6,161)	(4,760)
Net loss for the year	-	(204)	(204)
<b>Deficit - End of year</b>	<b>1,401</b>	<b>(6,365)</b>	<b>(4,964)</b>
	<b>2018</b>		
	<b>Share capital \$</b>	<b>Deficit \$</b>	<b>Total \$</b>
<b>Deficit - Beginning of year</b>	1,401	(5,957)	(4,556)
Net loss for the year	-	(204)	(204)
<b>Deficit - End of year</b>	<b>1,401</b>	<b>(6,161)</b>	<b>(4,760)</b>

**2001064 Ontario Inc.**

**Statement of Cash Flows**

(Unaudited - See Notice to Reader)

**For the year ended December 31, 2019**

	2019 \$	2018 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss for the year	(204)	(204)
Changes in non-cash balances related to operations		
Accrued liabilities	204	-
Cash provided by operating activities	-	(204)
<b>Financing activities</b>		
Increase in amounts due to Toronto Community Housing Corporation	-	204
<b>Increase in cash during the year</b>	-	-
<b>Cash - Beginning of year</b>	-	-
<b>Cash - End of year</b>	-	-

DRAFT

## **2001064 Ontario Inc.**

### **Notes to Financial Statements**

(Unaudited - See Notice to Reader)

**December 31, 2019**

---

#### **1 The corporation**

2001064 Ontario Inc. was incorporated under the provisions of the Ontario Business Corporations Act on January 22, 2001. 2001064 Ontario Inc., which is wholly owned by Toronto Community Housing Corporation (TCHC), is a bare trustee corporation.

As TCHC is a not-for profit organization (NPO), 2001064 Ontario Inc. is an extension of TCHC and is viewed as providing services to aid TCHC in achieving its NPO mandate. As such, 2001064 Ontario Inc. is an extension of an NPO.

Pursuant to Section 149, paragraph (1)(d.6) of the Income Tax Act (Canada) (the ITA), 2001064 Ontario Inc. is exempt from federal Part I tax, as it is a subsidiary of a municipal corporation. 2001064 Ontario Inc. qualifies as a subsidiary of TCHC having met the following conditions:

- TCHC, a municipal corporation, directly controls 2001064 Ontario Inc.;
- no rights have been issued to acquire shares or capital in 2001064 Ontario Inc. 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 2001064 Ontario Inc. or those of TCHC.

Per subsection 27(2) of the Taxation Act (Ontario), 2001064 Ontario Inc. is exempt from Ontario income tax because it is exempt from federal Part I tax pursuant to Section 149 of the ITA.

2001064 Ontario Inc. holds title to the commercial portion of a commercial/residential complex at 112 Elizabeth Street, Toronto. The residential portion is owned by TCHC. The purpose of separate ownership is to maintain severance and permit separate independent transfers and mortgaging. TCHC is the beneficial owner of the commercial portion of the complex and, accordingly, records the related assets, liabilities and profit or loss of the complex in its books. Pursuant to a financing agreement made as at October 18, 2013, TCHC completed a financing transaction with a lender for credit facilities in the amount of \$154,703,000 (the Loan). As part of this transaction, along with other security, TCHC provided the lender a first blanket mortgage over certain owned properties and a second over 111 Chestnut Street, securing the amount of the Loan, and 2001064 Ontario Inc. (a wholly owned subsidiary of TCHC) provided a corporate guarantee supported by a second position mortgage over 112 Elizabeth Street in the amount of \$3,000,000.

2001064 Ontario Inc. did not carry on any active business since 2003.

**2001064 Ontario Inc.**

**Notes to Financial Statements**  
**(Unaudited - See Notice to Reader)**  
**December 31, 2019**

---

**2 Basis of accounting**

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

The significant accounting policies are summarized below:

**Financial instruments**

At initial recognition, 2001064 Ontario Inc. classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

<b>Assets/Liabilities</b>	<b>Category</b>	<b>Measurement</b>
Accounts receivable	loans and receivables	amortized cost
Due to TCHC	financial liabilities	amortized cost
Accrued liabilities	financial liabilities	amortized cost

**3 Due to TCHC**

The amount due to TCHC is non-interest bearing and due on demand. TCHC has confirmed it will continue to support the liquidity of 2001064 Ontario Inc. and not demand repayment of amounts owing for a period of 12 months subsequent to December 31, 2019.