

# Public Agenda

June 25, 2020

## ACCESS HOUSING CONNECTIONS INC.

### BOARD OF DIRECTORS MEETING

June 25, 2020  
2:00 p.m. – 2:20 p.m.

Location  
Virtual Meeting

Board of Directors  
Linda Jackson, 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 Board of Directors' Public Meeting Minutes of June 26, 2019	Approval	Minutes	3
5	Access Housing Connections Inc. – 2019 Draft Unaudited Financial Statements and 2019 Financial Performance	Approval	AHCI: 2020-01	7

#### TERMINATION

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

RESOLUTION OF THE DIRECTORS

OF

**ACCESS HOUSING CONNECTIONS INC. (“AHCI”)**

Dated June 25, 2020

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**APPOINTMENT OF OFFICERS**

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**BE IT RESOLVED THAT:**

1. The officers of AHCI are as follows:

Linda Jackson	Chair; and
Kevin Marshman	General Manager.

**Wednesday, June 26, 2019**  
**Access Housing Connections Inc.**  
**Board of Directors Public Meeting Minutes**

The Board of Directors of Access Housing Connections Inc. (“AHCI”) held a public meeting on Wednesday, June 26, 2019 at 931 Yonge Street, in the Main Boardroom, and via teleconference, commencing at 3:34 p.m.

**Directors in Attendance:** Linda Jackson, Chair (by teleconference)  
Kevin Marshman

**Directors Absent:** Rose-Ann Lee

**Also present:** Toronto Community Housing Corporation:  
Darragh Meagher, General Counsel and Corporate Secretary  
Nagesh Dinavahi, Corporate Controller

### **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 Mr. Marshman, seconded by Ms. Jackson 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.

**Wednesday, June 26, 2019**  
**Access Housing Connections Inc.**  
**Board of Directors Public Meeting Minutes**

*It was noted that Mr. Marshman is an employee of Toronto Community Housing Corporation which holds 100% interest in Access Housing Connections Inc. In addition, Ms. Jackson 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**

*Motion carried*      **ON MOTION DULY MADE** by Ms. Jackson, seconded by Mr. Marshman and carried, the Board of Directors resolved that the officers of the Corporation are now as follows:

<u>Name</u>	<u>Office</u>
Linda Jackson	Chair
Kevin Marshman	General Manager (effective April 3, 2019)

**Item 4- Confirmation of Board of Directors' Public Meeting Minutes of June 27, 2018**

The Board had before it the AHCI Board of Directors' public meeting minutes of June 27, 2018.

Mr. Dinavahi provided the Board with an update:

- On page 3, last bullet stated that “[i]t was anticipated that City of Toronto will be able to print cheques in 2018, thereafter AHCI will be wound up.”
- It was noted that the City of Toronto had started to print cheques for AHCI transactions since March 2019.

**Wednesday, June 26, 2019**  
**Access Housing Connections Inc.**  
**Board of Directors Public Meeting Minutes**

*Motion carried*      **ON MOTION DULY MADE** by Ms. Jackson, seconded by Mr. Marshman and carried, the Board received the above captioned meeting minutes.

**Item 5 - Access Housing Connections Inc. - 2018 Draft Unaudited Financial Statements and 2018 Finance Performance (Report:AHCI:2019-01)**

The Board had before it the above captioned report from the Chief Financial Officer, TCHC.

Mr. Dinavahi provided an overview and answered questions from the Board. Highlights of the discussion as follows:

- The only financial transaction in 2018 was \$13,000 recovered expenses. As a result, the amount due from TCHC and the accounts payable and accrued liabilities were decreased.
- Voluntary dissolution of AHCI was authorized by a Special Resolution of Directors dated November 24, 2017. Such Special Resolution of the Board of AHCI was later approved by the sole shareholder (Toronto Community Housing Corporation “TCHC”) at TCHC’s Board meeting held on December 11, 2017.
- It is anticipated that AHCI will be wound up by December 31, 2019.

Meeting was briefly adjourned at 3:40 p.m., and re-convened at 3:42 p.m.

- It was noted that the 2018 draft unaudited financial statements of AHCI should be amended to include a going concern note in the “Notes to Financial Statements” section.

**Wednesday, June 26, 2019**  
**Access Housing Connections Inc.**  
**Board of Directors Public Meeting Minutes**

*Motion  
carried*

**ON MOTION DULY MADE** by Mr. Marshman, seconded by Ms. Jackson and carried, and subject to the Draft Unaudited Financial Statements for the year ended December 31, 2018 be amended to include a going concern note, the Board of Directors approved the recommendations in this report that the Board of Directors:

- (1) approve AHCI’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 AHCI officials to take the necessary action to give effect to the above recommendations.

**Termination of Public Meeting**

**ON MOTION DULY MADE** by Ms. Jackson, seconded by Mr. Marshman and carried, the Board terminated the closed meeting at 3:45 p.m.

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Secretary

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Chair, Board of Directors

# Access Housing Connections Inc.

## Access Housing Connections Inc. – 2019 Draft Unaudited Financial Statements and 2019 Financial Performance

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Item 5  
June 25, 2020  
**Board of Directors**

**To:** The Board of Directors **Report:** AHCI:2020-01  
**From:** Rose-Ann Lee, Director AHCI  
**Date:** June 16, 2020

### PURPOSE:

- To inform the Board of Directors of AHCI's financial performance for the year 2019.
- To provide the Board with AHCI's Draft Unaudited Financial Statements for 2019 and PWC's year-end report for the year ended December 31, 2019.

### RECOMMENDATIONS:

It is recommended that the Board of Directors:

- (1) approve AHCI'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 AHCI 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.

At any time prior to December 2020, 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. For the year ended December 31, 2019, purchase consideration amounts to \$nil (2018 - \$163,644), which is subject to change as TCHC continues to incur costs until complete transition.

AHCI is expected to be dissolved in 2020.

## **Balance Sheet Highlights**

- Due from TCHC decreased by \$127K due to inter-co reduction in subsidy payable of \$108K and HMS rent payable of \$19K.
- Accounts payable and accrued liabilities decreased by \$127K due to the reduction in subsidy payable of \$108K and HMS rent payable of \$19K.
- 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.



# AHCI 2019 Draft Unaudited Financial Statements and 2019 Financial Performance

Report: AHCI:2020-01

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Item 5 - AHCI:2020-01

## Income Statement Highlights

- No revenues and no significant expenses which resulted in a net loss of \$399 for the year.

## **SIGNATURE:**

*“Rose-Ann Lee”*

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Rose-Ann Lee  
Director  
Access Housing Connections Inc.

**Attachments:** 1: Appendix A: AHCI Draft Unaudited Financial Statements as at and for the year ended December 31, 2019

## **Staff Contact:**

Rose-Ann Lee .....416-981-4316  
AHCI Director/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  
(Unaudited)  
**December 31, 2019**

DRAFT

@@, 2019

**Placeholder for PWC Report**

**DRAFT**

**Access Housing Connections Inc.**

**Statement of Financial Position**

(Unaudited)

**As at December 31, 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Due from Toronto Community Housing Corporation (note 3)	1,127,896	1,255,027
	<u>1,127,896</u>	<u>1,255,027</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	36,912	163,644
Due to City of Toronto	300,002	300,002
Note payable – City of Toronto (note 3)	1,824,528	1,824,528
	<u>2,161,442</u>	<u>2,288,174</u>
<b>Shareholder's Deficiency</b>		
<b>Share capital</b>		
Authorized and issued 100 common shares	100	100
<b>Deficit</b>	<u>(1,033,646)</u>	<u>(1,033,247)</u>
	<u>(1,033,546)</u>	<u>(1,033,147)</u>
	<u>1,127,896</u>	<u>1,255,027</u>

**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**  
**(Unaudited)**

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

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Operating expenses</b>		
Professional services	204	204
Administrative and other expense (recovery)	195	(13,476)
	<u>399</u>	<u>(13,272)</u>
<b>Net income (loss) for the year</b>	(399)	13,272
<b>Deficit - Beginning of year</b>	<u>(1,033,247)</u>	<u>(1,046,519)</u>
<b>Deficit - End of year</b>	<u>(1,033,646)</u>	<u>(1,033,247)</u>

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

**Access Housing Connections Inc.**

**Statement of Cash Flows**

(Unaudited)

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

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income (loss) for the year	(399)	13,272
	(399)	13,272
Changes in non-cash working capital balances related to operations		
Decrease in due from City of Toronto	-	400
Decrease in due from Toronto Community Housing Corporation	127,131	335,430
Decrease in accounts payable and accrued liabilities	(126,732)	(349,102)
	-	-
<b>Increase (decrease) in cash during the year</b>	<b>-</b>	<b>-</b>
<b>Cash - Beginning of year</b>	<b>-</b>	<b>-</b>
<b>Cash - End of year</b>	<b>-</b>	<b>-</b>

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

## **Access Housing Connections Inc.**

### **Notes to Financial Statements**

(Unaudited)

**December 31, 2019**

#### **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 7 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.

**Access Housing Connections Inc.**

Notes to Financial Statements  
 (Unaudited)  
**December 31, 2019**

**Financial instruments**

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

	Category	Measurement
Due from TCHC	loans and receivables	amortized cost
Accounts payable and accrued liabilities	financial liabilities	amortized cost
Due to City of Toronto	financial liabilities	amortized cost
Note payable	financial liabilities	amortized cost

**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 amounts due from TCHC of \$1,127,896 (2018 - \$1,255,027) are non-interest bearing and there are no fixed repayment terms.

The note payable originally due to TCHC which included a principal amount of \$1,371,827 (2018 - \$1,371,827) plus accumulated interest incurred at 5.5% (2018 – 5.5%) per annum plus \$300,002 (2018 - \$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 7).

**4. 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 2020 and AHCI will thereafter be dissolved.

AHCI is not subject to any externally imposed capital requirements.

**5. Economic dependence**

AHCI depends on both the City of Toronto and TCHC for substantially all of its funding (Note 3). AHCI is expected to be dissolved in 2020.



**Access Housing Connections Inc.**

**Notes to Financial Statements**

(Unaudited)

**December 31, 2019**

**6. 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.

**7. 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 2020, 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. For the year ended December 31, 2019, purchase consideration amounts to \$nil (2018 - \$163,644), which is subject to change as TCHC continues to incur costs until complete transition.