



PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT**To the Members of the Board of Directors of the
Peterborough Housing Corporation***Opinion*

We have audited the consolidated financial statements of the Peterborough Housing Corporation and its subsidiary (the Corporation), which comprise the consolidated statement of financial position as at December 31, 2021, the consolidated statements of operations and accumulated surplus, change in net financial assets/(liabilities) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2021, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 24, 2022

PETERBOROUGH HOUSING CORPORATION



CONSOLIDATED STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	9,049,613	4,334,965
Accounts receivable (note 3)	1,714,814	1,997,743
Loans receivable (note 4)	1,849,985	2,013,807
Investments (note 5)	3,551,963	3,343,485
TOTAL FINANCIAL ASSETS	16,166,375	11,690,000
LIABILITIES		
Short term debt and loan advances (note 6)	24,029,000	12,494,000
Accounts payable and accrued liabilities	6,446,700	5,040,580
Long term debt (note 7)	14,122,210	15,034,207
Employee future benefits (note 8)	141,361	128,791
TOTAL LIABILITIES	44,739,271	32,697,578
NET FINANCIAL ASSETS/(LIABILITIES)	(28,572,896)	(21,007,578)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	71,235,596	59,468,459
Prepaid expenses	334,771	293,384
Inventories of supplies	9,000	11,450
TOTAL NON-FINANCIAL ASSETS	71,579,367	59,773,293
ACCUMULATED SURPLUS (note 14)	43,006,471	38,765,715

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION



CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2021

	Budget 2021 \$ (unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Rent	7,405,732	7,636,783	7,231,741
City of Peterborough subsidy (note 15)	6,299,351	6,860,763	7,660,216
Laundry and miscellaneous recoveries	129,284	268,415	211,501
Other subsidies	56,647	98,213	143,560
Management fees	39,923	31,000	26,815
Investment income	-	242,042	177,751
Interest on loans receivable	-	87,015	72,468
Gain on sales of tangible capital assets	-	3,362,190	1,647,304
Contribution from Sunshine Homes Non-Profit Inc. (note 5)	-	-	24,567
TOTAL REVENUES	13,930,937	18,586,421	17,195,923
EXPENSES			
Materials and services (note 16)	1,780,121	1,987,448	1,740,232
Utilities (note 17)	2,259,877	2,082,274	2,038,510
Administrative overhead (note 18)	497,888	548,745	361,835
Bad debts	69,212	66,056	43,761
Insurance	326,995	410,783	268,704
Salaries and benefits	2,539,891	2,413,674	2,572,149
Property taxes	2,089,211	2,095,406	2,020,382
Major repairs	876,000	1,174,533	652,363
Interest on long-term debt	569,756	432,707	512,914
Rent supplements	1,663,767	1,543,424	1,583,409
Amortization of capital assets	1,645,096	1,590,615	1,300,553
TOTAL EXPENSES	14,317,814	14,345,665	13,094,812
ANNUAL SURPLUS/(DEFICIT)	<u>(386,877)</u>	4,240,756	4,101,111
ACCUMULATED SURPLUS - beginning of period		38,765,715	34,664,604
ACCUMULATED SURPLUS - end of period		43,006,471	38,765,715

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION



CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)
For the Year Ended December 31, 2021

	Budget 2021 \$ (unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL SURPLUS/(DEFICIT)	(386,877)	4,240,756	4,101,111
Amortization of tangible capital assets	1,645,096	1,590,615	1,300,553
Purchase of tangible capital assets	-	(14,162,409)	(13,068,841)
Gain on disposals of tangible capital assets	-	(3,362,190)	(1,647,304)
Proceeds on sales of tangible capital assets	-	4,166,847	2,181,683
Change in prepaid expenses	-	(41,387)	(43,798)
Change in inventories of supplies	-	2,450	4,601
CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)	1,258,219	(7,565,318)	(7,171,995)
NET FINANCIAL ASSETS/(LIABILITIES) - beginning of period	(21,007,578)	(21,007,578)	(13,835,583)
NET FINANCIAL ASSETS/(LIABILITIES) - end of period	(19,749,359)	(28,572,896)	(21,007,578)

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION



CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	4,240,756	4,101,111
Items not involving cash		
Amortization of tangible capital assets	1,590,615	1,300,553
Gain on disposal of tangible capital assets	(3,362,190)	(1,647,304)
Change in employee future benefits	12,570	12,988
Change in non-cash assets and liabilities		
Accounts receivable	282,929	267,867
Loans receivable	163,822	173,189
Prepaid expenses	(41,387)	(43,798)
Inventories of supplies	2,450	4,601
Accounts payable and accrued liabilities	1,406,120	389,160
Deferred revenue	-	67,841
Net change in cash from operating activities	4,295,685	4,626,208
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(14,162,409)	(13,068,841)
Proceeds on disposal of tangible capital assets	4,166,847	2,181,683
Net change in cash from capital activities	(9,995,562)	(10,887,158)
INVESTING ACTIVITIES		
Purchase of investments	(208,478)	(184,486)
FINANCING ACTIVITIES		
Debt principal repayments	(911,997)	(1,091,316)
Short term debt and loan advances received	11,535,000	7,121,000
Net change in cash from financing activities	10,623,003	6,029,684
NET CHANGE IN CASH	4,714,648	(415,752)
CASH - beginning of period	4,334,965	4,750,717
CASH - end of period	9,049,613	4,334,965

The accompanying notes are an integral part of these financial statements

1. NATURE OF ORGANIZATION

The Peterborough Housing Corporation was incorporated on December 14, 2000 under Part III of the Ontario Business Corporations Act. The Corporation provides housing accommodation and rent-geared-to-income assistance to households of low to moderate income in accordance with the Housing Services Act (HSA). The Corporation is one hundred percent owned by the City of Peterborough.

The Corporation is exempt from income tax under section 149(1)(d.5) of the Income Tax Act as a corporation operating exclusively for social welfare. No portion of the Corporation's surplus is available for the personal benefit of any tenant.

In accordance with its operating agreement with the HSA, the Corporation receives funding from the City of Peterborough and provides subsidized housing to its tenants and their families. The Corporation is dependent on this funding for its continued operation.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the following corporations:

- Peterborough Housing Corporation (PHC)
- Finally A Home (FAH) - 100% owned subsidiary

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Buildings	35 years
Building improvements	35 years
Equipment, furniture and fixtures	3 to 5 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues, including rent, in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Government Funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Rental Revenue

Rental revenue is recognized as revenue when the services are provided and collection is reasonably assured.

(d) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Corporation because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Corporation unless they are sold.

(e) Reserves and Reserve Funds

Certain amounts, as approved by budget, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(f) Deferred Revenue

Deferred revenue represents grants which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(g) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Corporation's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Corporation's significant estimates include:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates;
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances; and
- The values of employee future benefits and the amount of costs charged to operations depend on certain actuarial and economic assumptions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Inter-Entity Transactions

Peterborough Housing Corporation is a subsidiary of the Corporation of the City of Peterborough and is consolidated with the City's financial statements.

Allocated costs and recovery of costs are measured at exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the City.

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2021	2020
	\$	\$
Tenants	154,139	117,110
City of Peterborough subsidy	447,861	180,341
Lien deposits	698,991	698,991
Other	544,057	1,100,203
Allowance for doubtful accounts	(130,234)	(98,902)
	1,714,814	1,997,743

The receivables from tenants are reviewed by management quarterly for collectibility.

During 2019, liens were placed on two properties currently under construction. In order for construction financing to continue, the Corporation had to remit to the courts the value of the liens plus 25%. These liens are still being held by the courts.

4. LOANS RECEIVABLE

Upon completion of Trailview Terrace and Saunder's Court, the Corporation had met the criteria necessary for the final AHP funds from the Provincial government. The funds will be advanced to the Corporation on a monthly basis to assist with the mortgage payments on the properties.

	2021	2020
	\$	\$
Trailview Terrace AHP	1,125,158	1,244,369
Saunder's Court AHP	724,827	769,438
	1,849,985	2,013,807

5. INVESTMENTS

Investments are comprised of the following:

	2021	2020
	\$	\$
Social housing bond funds	1,402,916	1,377,945
Social housing equity funds	1,151,899	984,021
Sunshine Homes bond funds	977,456	961,970
Homeward Bound savings trust accounts	19,692	19,549
	3,551,963	3,343,485

Sunshine Homes Non-Profit Inc. transferred funds to the Corporation for the capital reserve fund in the amount of \$nil (2020 - \$24,567) which is recorded as revenue on the consolidated statement of operations and accumulated surplus.

6. SHORT TERM DEBT AND LOAN ADVANCES

The Corporation received construction financing advances from the City of Peterborough for the McRae property project at an annual interest rate of 2.24%. The balance outstanding as at December 31, 2021 is \$18,929,000 (2020 - \$7,394,000).

The Corporation received construction financing advances from the Township of Havelock-Belmont-Methuen for the Havelock property project at an annual interest rate of 2.24%. The balance outstanding as at December 31, 2021 is \$5,100,000 (2020 - \$5,100,000).

PETERBOROUGH HOUSING CORPORATION



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

7. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2021	2020
	\$	\$
Anson House and Saunder's Court debenture held with Infrastructure Ontario, matured November 1, 2020. Monthly installments of interest at 3.97% payable until debenture was renegotiated in 2021	-	3,670,820
Trailview Terrace mortgage held with RBC Insurance, payable in blended monthly installments of \$15,908, interest at 5.46%, maturing June 1, 2030	2,535,620	2,588,078
Woollen Mill mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$7,663, interest at 3.01%, maturing August 1, 2027	1,933,609	2,085,255
Anishnawbe mortgage held with MCAP Financial Corporation, payable in blended monthly installments of \$2,153, interest at 2.54%, maturing December 1, 2022	247,901	267,209
Spruce Corners mortgage held with Canada Mortgage and Housing Corporation, payable in blended monthly installments of \$2,190, interest at 1.88%, maturing December 1, 2022	149,019	172,271
River Ridge mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$12,889, interest at 2.02%, maturing April 1, 2031	1,313,176	1,439,166
Home Grown Homes mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$1,901, interest at 2.46%, maturing September 16, 2026	355,581	368,813
Home Grown Homes mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$894, interest at 2.46%, maturing September 16, 2026	167,208	173,430
Bradburn House mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$4,864, interest at 2.64%, maturing October 18, 2036	712,715	748,450
Trailview Terrace demand loan held with Royal Bank of Canada, payable in blended monthly installments of \$13,135, interest at 3.22%, maturing January 14, 2030	1,120,468	1,239,916
Saunder's Court debenture held with Infrastructure Ontario, matured November 1, 2020. Monthly installments of interest at 3.81% payable until debenture was renegotiated in 2021	-	773,348

PETERBOROUGH HOUSING CORPORATION



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

7. LONG TERM DEBT, continued

	2021 \$	2020 \$
Sunshine Homes mortgage held with Canada Mortgage and Housing Corporation, payable in blended monthly installments of \$39,856, interest at 1.86%, maturing April 1, 2024	1,053,258	1,507,451
Anson House 1st mortgage held with RBC maturing on June 1, 2031. Blended monthly installments of \$4,976, interest at 2.98%	1,389,321	-
Saunders Court 1st mortgage held with RBC maturing on June 1, 2031. Blended monthly installments of \$5,741, interest at 2.98%	1,603,062	-
Saunders Court Affordability mortgage held with RBC maturing on April 1, 2031. Blended monthly installments of \$7,226, interest at 2.78%	728,737	-
Anson House 2nd mortgage held with RBC maturing on April 1, 2026. Blended monthly installments of \$1,939, interest at 2.91%	369,587	-
Saunders Court 2nd mortgage held with RBC maturing on April 1, 2026. Blended monthly installments of \$2,044, interest at 2.91%	442,948	-
	14,122,210	15,034,207

(b) Interest paid during the period on long term debt amounted to \$548,745 (2020 - \$515,897).

(c) The long term debt reported in (a) of this note is repayable based on current terms as follows:

	Principal \$	Interest \$	Total \$
2022	1,156,209	503,097	1,659,306
2023	1,189,518	469,788	1,659,306
2024	863,097	437,577	1,300,674
2025	826,725	341,126	1,167,851
2026	839,380	288,911	1,128,291
2027 and subsequent years	9,247,281	3,370,753	12,618,034
	14,122,210	5,411,252	19,533,462

8. EMPLOYEE FUTURE BENEFITS AND PENSION AGREEMENTS

Certain employees of the Corporation are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2021 Annual Report disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets of \$117,665 million indicating an actuarial deficit of \$3,131 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit.

The Corporation's required contributions to OMERS in 2021 were \$163,798 (2020 - \$197,112).

As a schedule II WSIB employer, the Corporation has a liability related to future WSIB claims which was actuarially determined. The value of this liability has been assessed by an actuary as at December 31, 2021 to be \$141,361 (2020 - \$128,791) and may require funding in future periods.

The actuarial valuation as at December 31, 2021 was based on a number of assumptions about future events, such as inflation rates and interest rates. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group. The assumptions used reflect management's best estimate.

9. BUDGET FIGURES

The budget, approved by the Corporation, for 2021 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets/(Liabilities). The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

10. INTER-ENTITY TRANSACTIONS

The Corporation recognized subsidies from the City of Peterborough, its sole shareholder, in the amount of \$6,810,226 (2020 - \$7,650,854). As disclosed in note 6, the Corporation has construction financing from the City of Peterborough which has been recorded at the exchange value. This construction financing has no specific terms of repayment. During the year, the Corporation made payments to the City of Peterborough in the amounts of \$1,886,629 (2020 - \$1,843,432) for property taxes, \$nil (2020 - \$1,403,854) for building permits and application fees on construction projects, \$nil (2020 - \$40,000) for park levies, \$69,661 (2020 - \$59,116) for interest on the short term loan, \$34,284 (2020 - \$29,931) for waste pick up fees and \$65,521 (2020 - \$43,668) for information technology maintenance services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

11. TANGIBLE CAPITAL ASSETS

The net book value of the tangible capital assets are:

	2021	2020
	\$	\$
General		
Land	11,212,150	11,543,374
Buildings	39,889,373	34,044,171
Building improvements	1,137,109	1,183,672
Equipment, furniture and fixtures	95,533	98,464
	52,334,165	46,869,681
Assets under construction	18,901,431	12,598,778
	71,235,596	59,468,459

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the period there were no write-downs (2020 - \$Nil) and no interest capitalized (2020 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2021	2020
	\$	\$
Social Housing operations	9,604,792	10,045,616
AHP properties	58,871,560	46,508,711
Anishnawbe	358,992	368,867
Spruce Corners	144,979	166,611
Sunshine Homes	2,255,273	2,378,654
	71,235,596	59,468,459

12. COMMITMENT

The Corporation has entered into a commitment to redevelop the McRae property for a total commitment of \$23,508,000 to be funded from future long-term debt and the disposal of properties. Costs incurred to December 31, 2021 are \$9,987,456 (2020 - \$913,171).

13. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

PETERBOROUGH HOUSING CORPORATION



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

14. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Surplus/(Deficit)		
Unfunded employee future benefits	(141,361)	(128,791)
Social Housing operations - note 14(c)	254,066	303,465
Capital	2,735,721	2,988,251
Anishnawbe	159,198	130,723
AHP	2,366,962	2,254,806
Spruce Corners	31,634	34,064
Rent Supplement	1,993,741	1,851,210
Sunshine Homes	189,843	203,369
New development	444,556	(2,619,083)
	8,034,360	5,018,014
Invested In Capital Assets		
Tangible capital assets - net book value	71,235,596	59,468,459
Long term debt	(14,122,210)	(15,034,207)
Short term debt and loan advances	(24,029,000)	(12,494,000)
	33,084,386	31,940,252
Surplus	41,118,746	36,958,266
Reserve Funds		
Social Housing operations - Wind Mobile	17,661	15,621
Anishnawbe capital replacement	106,227	90,541
AHP - note 14(b)	592,107	555,611
Sunshine Homes capital replacement	1,164,947	1,140,644
Spruce Corners capital replacement	6,783	5,032
Total Reserve Funds	1,887,725	1,807,449
	43,006,471	38,765,715

PETERBOROUGH HOUSING CORPORATION



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

14. ACCUMULATED SURPLUS, continued

(b) AHP reserve funds include:

	2021	2020
	\$	\$
River Ridge capital replacement	203,125	208,196
Woollen Mill capital replacement	177,600	183,683
Trailview Terrace capital replacement	161,671	145,430
Saunder's Court capital replacement	25,485	8,538
Anson House capital replacement	24,226	9,764
	592,107	555,611

(c) Social Housing operations surplus/(deficit) includes:

	2021	2020
	\$	\$
Social housing operations	194,660	244,056
Finally a Home	59,406	59,409
	254,066	303,465

15. CITY OF PETERBOROUGH SUBSIDIES

City of Peterborough subsidies is comprised of:

	2021	2020
	\$	\$
Anishnawbe - operating	75,000	75,000
Social Housing operations - operating	2,850,000	2,850,000
Capital	876,000	876,000
Sunshine Homes - operating	698,810	785,709
Social Infrastructure Fund	437,342	828,648
Housing Access Peterborough	-	74,150
Rent supplement	1,617,953	1,661,357
Social worker	78,000	78,000
Investment in Affordable Housing	227,658	431,352
	6,860,763	7,660,216

PETERBOROUGH HOUSING CORPORATION



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

16. MATERIALS AND SUPPLIES

Materials and supplies consist of the following:

	2021	2020
	\$	\$
Repairs and maintenance	1,351,943	1,166,524
Security	23,881	9,868
Grounds	578,037	534,635
Food - Spruce Corners	33,587	29,205
	1,987,448	1,740,232

17. UTILITIES

Utilities consist of the following:

	2021	2020
	\$	\$
Electricity	1,057,705	1,035,434
Water	668,736	653,495
Fuel	355,833	349,581
	2,082,274	2,038,510

18. ADMINISTRATIVE OVERHEAD

Administrative overhead consists of the following:

	2021	2020
	\$	\$
Promotion	9,278	9,362
Bank and collection charges	169,728	15,222
Office	65,177	64,649
Legal fees	20,558	14,773
Audit fees	44,876	24,702
Professional fees	74,223	50,464
Information technology	94,631	111,522
Travel	21,732	28,659
Telephone and telecommunications	44,652	36,368
Memberships	3,890	6,114
	548,745	361,835

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

19. CONTINGENT LIABILITIES

The Corporation, in the course of its operations, has been named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements. The majority of these cases are covered by the Corporation's insurance.

The Corporation has received capital grants from the City of Peterborough that are forgivable over a specified period of time. In order to earn forgiveness, the Corporation must continue to own and operate these properties as affordable housing over the specified period of time, otherwise, the loan is repayable. It is the Corporation's intention to operate these facilities within the conditions of the loan agreements as such these loans are not recorded on the statement of financial position. The Corporation has forgivable loans as follows:

Property & Program	Forgiveness	Completion date	Original Amount \$	Remaining Forgiveness \$
Bradburn House - AHP	25 years	October 1, 2036	2,160,000	1,274,400
Trailview Terrace - Quad - AHP	25 years	January 1, 2035	480,000	249,600
Trailview Terrace - AHP	20 years	January 1, 2030	1,330,000	532,000
Saunder's Court - AHP	20 years	November 1, 2030	798,000	352,450
Home Grown Homes - AHP	20 years	January 2, 2029	280,000	98,000
Anson House - AHP	20 years	August 1, 2029	1,000,000	379,167
Woollen Mill - ARHP	20 years	July 1, 2027	1,450,000	398,750
River Ridge - AHP	20 years	June 1, 2026	2,000,000	441,667
Home Grown Homes - CMHC	8 years	August 29, 2024	26,478	8,826
Woollen Mill - RRAP	15 years	April 1, 2022	900,000	15,000
Peterborough Housing - SHRRP	10 years	Estimated Spring 2022	1,707,051	-
			12,131,529	3,749,860

20. SEGMENTED INFORMATION

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2. For additional information see the Consolidated Schedule of Segment Disclosure.

AHP Fund

Revenues and expenses related to the Corporation of the Affordable Housing Program (AHP) funded properties are charged to this fund. These include properties known as River Ridge, Woollen Mill, Anson House, Saunder's Court, Trailview Terrace, Bradburn House, Home Grown Homes, Gerow Havelock and Malcolm Court.

Anishnawbe Fund

Funds received from the City of Peterborough and tenants for the operation of the units of the Anishnawbe properties are charged to this fund. All expenses incurred to operate the units are also charged to this fund.

20. SEGMENTED INFORMATION, continued

Spruce Corners Fund

Funds received from the Ministry of Health and Long Term Care and tenants for the operation of the units of Spruce Corners are charged to this fund. All expenses incurred to operate the units are also charged to this fund.

Sunshine Homes Fund

Funds received from the City of Peterborough, Ontario Power Authority and tenants for the operation of the units of the Sunshine Homes properties are charged to this fund. All expenses incurred to operate the units are also charged to this fund.

Capital Fund

Funds received from the City of Peterborough for capital expenditures are accounted for in the Capital Fund. Preventative maintenance expenses are charged to this fund.

HAP Fund

Funds received from the City of Peterborough to administer the Co-ordinated Housing Access Program are accounted for in the HAP Fund. All expenses incurred to administer the HAP program are charged to this fund. This program was transferred to the City of Peterborough effective July 1, 2020.

Rent Supplement Fund

Funds received from the City of Peterborough to provide rent supplement under the rent supplement program are accounted for in the Rent Supplement Fund. Rent supplement expenses are charged to this fund.

Social Housing Operations Fund

All mandated Social Housing responsibilities and activities not included in any of the other funds and Finally A Home are accounted for in this fund.

New Development Fund

Funds received from the City of Peterborough, Township of Havelock-Belmont-Methuen, and Canada Mortgage and Housing Corporation for new development expenditures are accounted for in the New Development Fund. All expenses incurred that are not capital in nature are charged to this fund.

21. UNCERTAINTY CAUSED BY COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Corporation's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Corporation's operations. The extent of the impact of this outbreak and related containment measures on the Corporation's operations cannot be reliably estimated at this time.

PETERBOROUGH HOUSING CORPORATION



CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2021

	General				Assets Under Construction	Totals
	Land	Buildings	Building Improvements	Equipment, furniture and fixtures		
	\$	\$	\$	\$	\$	\$
COST						
Balance, beginning of year	11,543,374	81,709,224	1,629,453	786,751	12,598,778	108,267,580
Add: additions during the year	-	334,058	-	34,888	13,793,463	14,162,409
Less: disposals during the year	331,224	792,801	-	-	-	1,124,025
Internal transfers	-	7,490,810	-	-	(7,490,810)	-
Balance, end of year	11,212,150	88,741,291	1,629,453	821,639	18,901,431	121,305,964
ACCUMULATED AMORTIZATION						
Balance, beginning of year	-	47,665,053	445,781	688,287	-	48,799,121
Add: additions during the year	-	1,506,233	46,563	37,819	-	1,590,615
Less: disposals during the year	-	319,368	-	-	-	319,368
Balance, end of year	-	48,851,918	492,344	726,106	-	50,070,368
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	11,212,150	39,889,373	1,137,109	95,533	18,901,431	71,235,596

PETERBOROUGH HOUSING CORPORATION



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2021

	AHP	Anishnawbe	Spruce Corners	Sunshine Homes	Capital	Rent Supplement	Social Housing Operations	New Development	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Rent	2,875,192	39,878	52,224	522,159	-	-	4,147,330	-	7,636,783
City of Peterborough subsidy	-	75,000	-	698,810	876,000	1,617,953	2,928,000	665,000	6,860,763
Laundry and miscellaneous recoveries	67,967	186	31,195	17,634	-	-	151,433	-	268,415
Other subsidies	-	-	56,541	41,672	-	-	-	-	98,213
Management fees	(70,000)	(6,500)	(6,763)	-	-	-	114,263	-	31,000
Interfunctional rental fees	58,200	-	-	-	-	-	(58,200)	-	-
Investment income	5,036	686	33	17,698	124,937	68,002	25,650	-	242,042
Interest on loans receivable	87,015	-	-	-	-	-	-	-	87,015
Gain on sales of tangible capital assets	-	-	-	-	-	-	3,362,190	-	3,362,190
Total revenues	3,023,410	109,250	133,230	1,297,973	1,000,937	1,685,955	10,670,666	665,000	18,586,421
Expenses									
Materials and services	429,269	9,563	61,316	193,896	-	-	1,293,404	-	1,987,448
Utilities	478,445	16,126	12,634	22,584	-	-	1,552,485	-	2,082,274
Administrative overhead	197,668	1,219	4,449	14,874	-	-	330,535	-	548,745
Bad debts	5,092	1,100	-	2,462	-	-	57,402	-	66,056
Insurance	108,857	1,728	1,870	54,496	-	-	243,832	-	410,783
Salaries and benefits	263,064	-	13,915	99,996	-	-	2,036,699	-	2,413,674
Property taxes	231,776	9,558	3,870	247,635	-	-	1,602,567	-	2,095,406
Major repairs	56,162	-	9,688	174,222	934,461	-	-	-	1,174,533
Interest on long-term debt	398,389	6,488	2,990	23,367	-	-	1,473	-	432,707
Rent supplements	-	-	-	-	-	1,543,424	-	-	1,543,424
Amortization of capital assets	1,309,292	11,361	21,831	123,381	-	-	124,750	-	1,590,615
Total expenses	3,478,014	57,143	132,563	956,913	934,461	1,543,424	7,243,147	-	14,345,665
Net surplus/(deficit)	(454,604)	52,107	667	341,060	66,476	142,531	3,427,519	665,000	4,240,756

PETERBOROUGH HOUSING CORPORATION



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2020

	AHP	Anishnawbe	Spruce Corners	Sunshine Homes	Capital	HAP	Rent Supplement	Social Housing Operations	New Development	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Rent	2,329,658	40,036	48,288	513,568	-	-	-	4,300,191	-	7,231,741
City of Peterborough subsidy	-	75,000	-	785,709	876,000	74,150	1,661,357	2,928,000	1,260,000	7,660,216
Laundry and miscellaneous recoveries	33,538	-	29,250	4,094	-	-	-	144,619	-	211,501
Other subsidies	-	-	56,383	45,875	-	-	-	-	41,302	143,560
Management fees	(70,000)	(6,500)	(6,763)	-	-	-	-	110,078	-	26,815
Interfunctional rental fees	58,200	-	-	-	-	-	-	(58,200)	-	-
Investment income	7,315	595	34	16,373	69,645	-	36,780	47,009	-	177,751
Interest on loans receivable	72,468	-	-	-	-	-	-	-	-	72,468
Gain on sales of tangible capital assets	-	-	-	-	-	-	-	1,647,304	-	1,647,304
Contribution from Sunshine Homes Non-Profit Inc.	-	-	-	24,567	-	-	-	-	-	24,567
Total revenues	2,431,179	109,131	127,192	1,390,186	945,645	74,150	1,698,137	9,119,001	1,301,302	17,195,923
Expenses										
Materials and services	330,853	6,980	65,816	117,920	-	-	-	1,218,663	-	1,740,232
Utilities	394,923	15,036	11,516	14,177	-	-	-	1,602,858	-	2,038,510
Administrative overhead	20,626	504	3,218	12,996	-	22,245	-	302,246	-	361,835
Bad debts	5,500	1,100	-	4,410	-	-	-	32,751	-	43,761
Insurance	60,154	1,456	1,755	26,563	-	-	-	178,776	-	268,704
Salaries and benefits	192,089	-	15,987	128,037	-	51,905	-	2,184,131	-	2,572,149
Property taxes	197,331	9,411	3,837	239,242	-	-	-	1,570,561	-	2,020,382
Major repairs	7,113	3,607	-	85,152	556,491	-	-	-	-	652,363
Interest on long-term debt	470,802	6,970	3,422	31,720	-	-	-	-	-	512,914
Rent supplements	-	-	-	-	-	-	1,583,409	-	-	1,583,409
Amortization of capital assets	1,025,013	11,574	21,731	123,381	-	-	-	118,854	-	1,300,553
Total expenses	2,704,404	56,638	127,282	783,598	556,491	74,150	1,583,409	7,208,840	-	13,094,812
Net surplus/(deficit)	(273,225)	52,493	(90)	606,588	389,154	-	114,728	1,910,161	1,301,302	4,101,111

PETERBOROUGH HOUSING CORPORATION



CONSOLIDATED CONTINUITY OF SURPLUS/(DEFICIT) AND RESERVE FUNDS For the Year Ended December 31, 2021

	AHP \$	Anishnawbe \$	Spruce Corners \$	Sunshine Homes \$	Capital \$	Rent Supplement \$	Social Housing Operations \$	New Development \$	Consolidated \$
Surplus/(Deficit)									
Net surplus/(deficit)	(454,604)	52,107	667	341,060	66,476	142,531	3,427,519	665,000	4,240,756
Add: Amortization	1,309,292	11,361	21,831	123,381	-	-	124,750	-	1,590,615
Proceeds on short and long term debt	-	-	-	-	-	-	-	11,535,000	11,535,000
Unfunded employee future benefits	1,341	-	78	528	-	-	10,623	-	12,570
Less: Debt principal repayments	(415,244)	(19,307)	(23,254)	(454,192)	-	-	-	-	(911,997)
Net transfer from/(to) Capital	(77,014)	-	-	-	(201,834)	-	428,074	(13,506,977)	(13,357,751)
Net transfer from/(to) Reserve Funds	(36,496)	(15,686)	(1,752)	(24,303)	-	-	(2,040)	-	(80,277)
Internal transfers	(215,119)	-	-	-	(117,172)	-	(4,038,325)	4,370,616	-
Change in Surplus/(Deficit)	112,156	28,475	(2,430)	(13,526)	(252,530)	142,531	(49,399)	3,063,639	3,028,916
Opening Surplus/(Deficit)	2,254,806	130,723	34,064	203,369	2,988,251	1,851,210	303,465	(2,619,083)	5,146,805
Closing Surplus/(Deficit)	2,366,962	159,198	31,634	189,843	2,735,721	1,993,741	254,066	444,556	8,175,721
Reserve Funds									
Add: Interest	5,036	686	32	17,698	-	-	-	-	23,452
Transfer from Operations	87,619	15,000	1,719	180,827	-	-	2,040	-	287,205
Less: Transfer to Operations	(56,159)	-	-	(174,222)	-	-	-	-	(230,381)
Change in Reserve Funds	36,496	15,686	1,751	24,303	-	-	2,040	-	80,276
Opening Reserve Funds	555,611	90,541	5,032	1,140,644	-	-	15,621	-	1,807,449
Closing Reserve Funds	592,107	106,227	6,783	1,164,947	-	-	17,661	-	1,887,725

PETERBOROUGH HOUSING CORPORATION



CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES For the Year Ended December 31, 2021

	River Ridge \$	Woollen Mill \$	Anson House \$	Saunders Court \$	Trailview Terrace \$	Bradburn House \$	Home Grown Homes \$	Malcolm Court \$	Gerow Havelock \$	Total \$
Revenues										
Rent	511,681	523,107	236,822	235,445	428,913	137,175	98,614	460,768	242,667	2,875,192
Laundry and miscellaneous recoveries	2,627	20,147	16,516	3,476	6,612	3,698	-	11,299	3,592	67,967
Management fees	(20,300)	(20,300)	(9,800)	(9,800)	(9,800)	-	-	-	-	(70,000)
Interfunctional rental fees	-	51,000	-	-	-	7,200	-	-	-	58,200
Investment income	1,548	1,958	153	136	1,241	-	-	-	-	5,036
Interest on loans receivable	-	-	-	48,801	38,214	-	-	-	-	87,015
Total revenues	495,556	575,912	243,691	278,058	465,180	148,073	98,614	472,067	246,259	3,023,410
Expenses										
Materials and services	57,829	86,209	51,316	40,821	59,136	31,142	17,510	46,195	39,111	429,269
Utilities	118,561	95,382	38,210	19,460	39,694	28,724	11,244	68,248	58,922	478,445
Administrative overhead	5,559	5,534	76,579	88,197	5,577	2,939	1,789	5,234	6,260	197,668
Bad debts	2,000	2,500	592	-	-	-	-	-	-	5,092
Insurance	9,970	12,635	8,250	256	14,035	4,921	2,433	43,556	12,801	108,857
Salaries and benefits	-	45,602	27,095	28,942	55,698	34,179	-	45,350	26,198	263,064
Property taxes	45,200	2,658	41,043	47,357	31,052	19,479	15,931	1,361	27,695	231,776
Major repairs	27,119	29,043	-	-	-	-	-	-	-	56,162
Interest on long-term debt	29,291	59,937	37,993	62,640	176,094	17,514	14,920	-	-	398,389
Amortization of capital assets	140,265	189,378	89,890	134,287	199,402	79,309	25,109	342,196	109,456	1,309,292
Total expenses	435,794	528,878	370,968	421,960	580,688	218,207	88,936	552,140	280,443	3,478,014
Net surplus/(deficit)	59,762	47,034	(127,277)	(143,902)	(115,508)	(70,134)	9,678	(80,073)	(34,184)	(454,604)

PETERBOROUGH HOUSING CORPORATION



CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES For the Year Ended December 31, 2020

	River Ridge \$	Woollen Mill \$	Anson House \$	Saunder's Court \$	Trailview Terrace \$	Bradburn House \$	Home Grown Homes \$	Malcom Court \$	Total \$
Revenues									
Rent	513,388	520,463	235,284	230,309	421,562	137,134	98,528	172,990	2,329,658
Laundry and miscellaneous recoveries	1,142	14,783	2,313	3,154	7,763	777	-	3,606	33,538
Management fees	(20,300)	(20,300)	(9,800)	(9,800)	(9,800)	-	-	-	(70,000)
Interfunctional rental fees	-	51,000	-	-	-	7,200	-	-	58,200
Investment income	2,243	2,879	248	131	1,814	-	-	-	7,315
Interest on loans receivable	-	-	-	29,915	42,553	-	-	-	72,468
Total revenues	496,473	568,825	228,045	253,709	463,892	145,111	98,528	176,596	2,431,179
Expenses									
Materials and services	37,450	107,720	41,646	35,800	48,296	32,126	18,145	9,670	330,853
Utilities	121,645	97,360	40,639	17,530	38,599	29,179	10,906	39,065	394,923
Administrative overhead	1,864	3,649	1,856	1,621	4,897	2,172	653	3,914	20,626
Bad debts	2,000	2,500	1,000	-	-	-	-	-	5,500
Insurance	9,351	11,848	6,183	7,816	13,157	4,609	2,276	4,914	60,154
Salaries and benefits	-	46,982	25,258	30,642	55,673	30,126	-	3,408	192,089
Property taxes	43,746	2,813	39,724	45,835	30,942	18,853	15,418	-	197,331
Major repairs	-	7,113	-	-	-	-	-	-	7,113
Interest on long-term debt	30,100	64,398	63,788	92,645	181,627	21,641	16,603	-	470,802
Amortization of capital assets	140,325	189,378	87,239	133,571	198,437	79,407	24,942	171,714	1,025,013
Total expenses	386,481	533,761	307,333	365,460	571,628	218,113	88,943	232,685	2,704,404
Net surplus/(deficit)	109,992	35,064	(79,288)	(111,751)	(107,736)	(73,002)	9,585	(56,089)	(273,225)

**REPORT ON SUPPLEMENTARY MATTERS ARISING FROM AN AUDIT
ENGAGEMENT**

To the Ministry of Health and Long-Term Care

In accordance with the project operating agreement with the Ministry of Health and Long-Term Care, we have been engaged to report the financial results of Spruce Corners as at and for the year ended December 31, 2021 (the "other reporting responsibility"). This other reporting responsibility relates to our audit of the consolidated financial statements of Peterborough Housing Corporation (PHC) as at December 31, 2021 on which we issued our report dated June 24, 2022. We prepared the supplementary matter.

This report has been prepared in accordance with Canadian Standard on Related Services (CSRS) 4460, Reports on Supplementary matters Arising from an Audit or a Review Engagement. Our responsibility is to report on the supplementary matter. This standard requires us to comply with ethical requirements and to plan and perform procedures to address the other reporting responsibility. The procedures were selected based on our professional judgment to enable us to form a basis for this report. The procedures vary in nature from, and are less in extent than for, those required when providing an audit opinion or a review conclusion. Users are cautioned that the procedures performed may not be suitable for their purposes.

Accordingly, we do not express an audit opinion or a review conclusion on the supplementary matter.

In response to the other reporting responsibility, the financial results of Spruce Corners as at and for the year ended December 31, 2021 are provided in the attached Spruce Corners statements of financial position and operations and the related notes.

This report is intended solely for use by Ministry of Health and Long-Term Care and should not be used by other parties.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 24, 2022

PETERBOROUGH HOUSING CORPORATION



**SPRUCE CORNERS
STATEMENT OF FINANCIAL POSITION
At December 31, 2021**

	General Fund \$	Capital Fund \$	2021 Total \$	2020 Total \$
FINANCIAL ASSETS				
Cash	-	5,065	5,065	2,971
Due from PHC	21,689	1,718	23,407	26,251
Tangible capital assets (note 2)	150,135	-	150,135	173,387
	171,824	6,783	178,607	202,609
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Mortgage payable	149,019	-	149,019	172,271
FUND BALANCES	22,805	6,783	29,588	30,338
	171,824	6,783	178,607	202,609

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION



**SPRUCE CORNERS
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2021**

	General Fund \$	Capital Fund \$	2021 Total \$	2020 Total \$
RECEIPTS				
Ministry of Health and Long-Term Care	54,822	1,719	56,541	56,383
Rent	52,224	-	52,224	48,897
Other	31,200	-	31,200	29,250
Interest	-	32	32	34
	138,246	1,751	139,997	134,564
EXPENSES				
Salaries and benefits	13,915	-	13,915	15,987
Management fee	6,763	-	6,763	6,763
Administration	4,449	-	4,449	3,218
Maintenance materials and services	27,729	-	27,729	36,611
Property taxes	3,870	-	3,870	3,837
Insurance	1,870	-	1,870	1,755
Utilities	12,634	-	12,634	11,516
Food	33,587	-	33,587	29,207
Interest	2,990	-	2,990	3,422
Amortization	23,252	-	23,252	22,819
Major repairs	9,688	-	9,688	-
	140,747	-	140,747	135,135
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FOR THE YEAR	(2,501)	1,751	(750)	(571)
FUND BALANCES - beginning of year	25,306	5,032	30,338	30,909
FUND BALANCES - end of year	22,805	6,783	29,588	30,338

The accompanying notes are an integral part of these financial statements

SPRUCE CORNERS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

This supplementary financial information has been prepared in accordance with Canadian Public Sector Accounting Standards, except for:

- (a) Amortization is not provided on the building over the estimated useful life of the asset but rather at a rate equal to the annual principal reduction of the mortgage on the property;
- (b) Amortization is provided on land proportionally equal to the annual principal reduction of the mortgage on the property rather than not being amortized; and
- (c) Tangible capital assets purchased after the original interest adjustment date are charged to operations of the appropriate fund in the year the expense was incurred rather than being capitalized on the statement of financial position and amortized over their useful lives.

2. TANGIBLE CAPITAL ASSETS

	2021	2020
	\$	\$
Cost		
Land	33,831	33,831
Building	322,285	322,285
	356,116	356,116
Less: accumulated amortization	(205,981)	(182,729)
	150,135	173,387

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REPORT ON SUPPLEMENTARY MATTERS ARISING FROM AN AUDIT ENGAGEMENT

To the City of Peterborough

In accordance with the project operating agreement with the City of Peterborough, we have been engaged to report the financial results of Sunshine Homes as at and for the year ended December 31, 2021 (the "other reporting responsibility"). This other reporting responsibility relates to our audit of the consolidated financial statements of Peterborough Housing Corporation (PHC) as at December 31, 2021 on which we issued our report dated June 24, 2022. We prepared the supplementary matter.

This report has been prepared in accordance with Canadian Standard on Related Services (CSRS) 4460, Reports on Supplementary matters Arising from an Audit or a Review Engagement. Our responsibility is to report on the supplementary matter. This standard requires us to comply with ethical requirements and to plan and perform procedures to address the other reporting responsibility. The procedures were selected based on our professional judgment to enable us to form a basis for this report. The procedures vary in nature from, and are less in extent than for, those required when providing an audit opinion or a review conclusion. Users are cautioned that the procedures performed may not be suitable for their purposes.

Accordingly, we do not express an audit opinion or a review conclusion on the supplementary matter.

In response to the other reporting responsibility, the financial results of Sunshine Homes as at and for the year ended December 31, 2021 are provided in the attached Sunshine Homes statements of financial position and operations and the related notes.

This report is intended solely for use by The City of Peterborough and should not be used by other parties.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 24, 2022

PETERBOROUGH HOUSING CORPORATION



**SUNSHINE HOMES
STATEMENT OF FINANCIAL POSITION
At December 31, 2021**

	General Fund \$	Capital Fund \$	2021 Total \$	2020 Total \$
FINANCIAL ASSETS				
Cash	-	365,689	365,689	269,635
Investments	-	977,456	977,456	961,970
Due from PHC	-	-	-	49,615
Tangible capital assets (note 2)	1,053,258	-	1,053,258	1,507,451
Due from (to) other fund	178,198	(178,198)	-	-
Due from the City of Peterborough	60,250	-	60,250	60,825
	1,291,706	1,164,947	2,456,653	2,849,496
LIABILITIES AND TRUST FUND BALANCES				
CURRENT LIABILITIES				
Due to the City of Peterborough	24,190	-	24,190	-
Mortgage payable	1,053,258	-	1,053,258	1,507,451
Due to PHC	26,911	-	26,911	-
	1,104,359	-	1,104,359	1,507,451
FUND BALANCE	187,347	1,164,947	1,352,294	1,342,045
	1,291,706	1,164,947	2,456,653	2,849,496

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION



SUNSHINE HOMES STATEMENT OF OPERATIONS For the Year Ended December 31, 2021

	General Fund \$	Capital Fund \$	2021 Total \$	2020 Total \$
RECEIPTS				
City of Peterborough	559,655	139,155	698,810	785,709
Rent	522,159	-	522,159	513,568
Ontario Power Authority solar	-	41,672	41,672	45,875
Other	17,634	-	17,634	4,074
Interest	-	17,698	17,698	16,393
Contribution from Sunshine Homes Non-Profit Inc.	-	-	-	24,567
	1,099,448	198,525	1,297,973	1,390,186
EXPENSES				
Salaries and benefits	99,996	-	99,996	128,037
Administration	17,336	-	17,336	17,406
Maintenance materials and services	193,896	174,222	368,118	203,072
Property taxes	247,635	-	247,635	239,242
Insurance	54,496	-	54,496	26,563
Utilities	22,584	-	22,584	14,177
Interest	23,366	-	23,366	31,720
Amortization	454,193	-	454,193	445,839
	1,113,502	174,222	1,287,724	1,106,056
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	(14,054)	24,303	10,249	284,130
FUND BALANCES - beginning of year	201,401	1,140,644	1,342,045	1,057,915
FUND BALANCES - end of year	187,347	1,164,947	1,352,294	1,342,045

The accompanying notes are an integral part of these financial statements

SUNSHINE HOMES
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

This supplementary financial information has been prepared in accordance with Canadian Public Sector Accounting Standards, except for:

- (a) Amortization is not provided on the building over the estimated useful life of the asset but rather at a rate equal to the annual principal reduction of the mortgage on the property;
- (b) Amortization is provided on land proportionally equal to the annual principal reduction of the mortgage on the property rather than not being amortized; and
- (c) Tangible capital assets purchased after the original interest adjustment date are charged to operations of the appropriate fund in the year the expense was incurred rather than being capitalized on the statement of financial position and amortized over their useful lives.

2. TANGIBLE CAPITAL ASSETS

The net book value of Sunshine's tangible capital assets are:

	2021	2020
	\$	\$
Cost		
Land	898,085	898,085
Building	7,709,440	7,709,440
Equipment, furniture and fixtures	126,620	126,620
	<u>8,734,145</u>	<u>8,734,145</u>
Less: accumulated amortization	(7,680,887)	(7,226,694)
	<u>1,053,258</u>	<u>1,507,451</u>