

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

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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, 2022, 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, 2022, 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 29, 2023

PETERBOROUGH HOUSING CORPORATION



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	8,392,952	9,049,613
Accounts receivable (note 3)	1,776,941	1,714,814
Loans receivable (note 4)	1,658,324	1,849,985
Investments (note 5)	3,605,561	3,551,963
TOTAL FINANCIAL ASSETS	15,433,778	16,166,375
LIABILITIES		
Short term debt and loan advances (note 6)	24,433,000	24,029,000
Accounts payable and accrued liabilities	7,248,059	6,446,700
Deferred revenue (note 7)	3,575,000	-
Long term debt (note 8)	16,656,581	14,122,210
Employee future benefits (note 9)	153,946	141,361
TOTAL LIABILITIES	52,066,586	44,739,271
NET FINANCIAL ASSETS/(LIABILITIES)	(36,632,808)	(28,572,896)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 12)	80,709,616	71,235,596
Prepaid expenses	376,469	334,771
Inventories of supplies	15,400	9,000
TOTAL NON-FINANCIAL ASSETS	81,101,485	71,579,367
ACCUMULATED SURPLUS (note 14)	44,468,677	43,006,471

Approved on behalf of the Board:



Director



Director

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, 2022

	Budget 2022 \$ (unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Rent	7,894,701	7,941,691	7,636,783
City of Peterborough subsidy (note 15)	6,108,527	7,018,210	6,860,763
Laundry and miscellaneous recoveries	150,681	302,587	268,415
Other subsidies	57,732	158,671	98,213
Management fees	33,090	35,000	31,000
Investment income	-	193,683	242,042
Interest on loans receivable	-	53,023	87,015
Gain on sales of tangible capital assets	-	1,015,581	3,362,190
TOTAL REVENUES	14,244,731	16,718,446	18,586,421
EXPENSES			
Materials and services (note 16)	1,825,217	2,509,496	1,987,677
Utilities (note 17)	2,314,829	2,151,449	2,082,274
Administrative overhead (note 18)	473,234	463,631	548,516
Bad debts	94,876	96,723	66,056
Insurance	377,122	419,880	410,783
Salaries and benefits	2,709,122	2,860,404	2,413,674
Property taxes	2,155,226	2,136,599	2,095,406
Major repairs	889,140	921,033	1,174,533
Interest on long-term debt	533,768	585,017	432,707
Rent supplements	1,579,850	1,406,442	1,543,424
Amortization of capital assets	1,866,237	1,705,566	1,590,615
TOTAL EXPENSES	14,818,621	15,256,240	14,345,665
ANNUAL SURPLUS/(DEFICIT)	<u>(573,890)</u>	1,462,206	4,240,756
ACCUMULATED SURPLUS - beginning of year		43,006,471	38,765,715
ACCUMULATED SURPLUS - end of year		44,468,677	43,006,471

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, 2022

	Budget 2022 \$ (unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS/(DEFICIT)	(573,890)	1,462,206	4,240,756
Amortization of tangible capital assets	1,866,237	1,705,566	1,590,615
Purchase of tangible capital assets	-	(11,283,291)	(14,162,409)
Gain on disposals of tangible capital assets	-	(1,015,581)	(3,362,190)
Proceeds on sales of tangible capital assets	-	1,119,286	4,166,847
Change in prepaid expenses	-	(41,698)	(41,387)
Change in inventories of supplies	-	(6,400)	2,450
CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)	1,292,347	(8,059,912)	(7,565,318)
NET FINANCIAL ASSETS/(LIABILITIES) - beginning of year	(28,572,896)	(28,572,896)	(21,007,578)
NET FINANCIAL ASSETS/(LIABILITIES) - end of year	(27,280,549)	(36,632,808)	(28,572,896)

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, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	1,462,206	4,240,756
Items not involving cash		
Amortization of tangible capital assets	1,705,566	1,590,615
Gain on disposal of tangible capital assets	(1,015,581)	(3,362,190)
Change in employee future benefits	12,585	12,570
Change in non-cash assets and liabilities		
Accounts receivable	(62,127)	282,929
Loans receivable	191,661	163,822
Prepaid expenses	(41,698)	(41,387)
Inventories of supplies	(6,400)	2,450
Accounts payable and accrued liabilities	801,359	1,406,120
Deferred revenue	3,575,000	-
Net change in cash from operating activities	6,622,571	4,295,685
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(11,283,291)	(14,162,409)
Proceeds on disposal of tangible capital assets	1,119,286	4,166,847
Net change in cash from capital activities	(10,164,005)	(9,995,562)
INVESTING ACTIVITIES		
Purchase of investments	(53,598)	(208,478)
FINANCING ACTIVITIES		
New long term debt issued	3,731,811	-
Debt principal repayments	(1,197,440)	(911,997)
Short term debt and loan advances repaid	(5,100,000)	-
Short term debt and loan advances received	5,504,000	11,535,000
Long term debt matured	(353,428)	-
Long term debt reissued	353,428	-
Net change in cash from financing activities	2,938,371	10,623,003
NET CHANGE IN CASH	(656,661)	4,714,648
CASH - beginning of year	9,049,613	4,334,965
CASH - end of year	8,392,952	9,049,613

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

1. NATURE OF OPERATIONS

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.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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:

	2022	2021
	\$	\$
Tenants	387,598	154,139
City of Peterborough subsidy	132,791	447,861
Lien deposits	698,991	698,991
Other	777,175	544,057
Allowance for doubtful accounts	(219,614)	(130,234)
	<u>1,776,941</u>	<u>1,714,814</u>

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

During 2019, liens were placed on two properties that were 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.

	2022	2021
	\$	\$
Trailview Terrace AHP	1,002,041	1,125,158
Saunder's Court AHP	656,283	724,827
	<u>1,658,324</u>	<u>1,849,985</u>

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

5. INVESTMENTS

Investments are comprised of the following:

	2022	2021
	\$	\$
Social housing bond funds	1,431,927	1,402,916
Social housing equity funds	1,162,020	1,151,899
Sunshine Homes bond funds	997,137	977,456
Homeward Bound savings trust accounts	14,477	19,692
	<u>3,605,561</u>	<u>3,551,963</u>

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 2.28%. The balance outstanding as at December 31, 2022 is \$24,433,000 (2021 - \$18,929,000).

The Corporation received construction financing advances from the Township of Havelock-Belmont-Methuen for the Gerow property project. The balance outstanding as at December 31, 2022 is NIL as the debt has been repaid to the Township (2021 - \$5,100,000).

7. DEFERRED REVENUE

Deferred revenue consists of the following:

	2022	2021
	\$	\$
CMHC	3,450,000	-
City of Peterborough	125,000	-
	<u>3,575,000</u>	<u>-</u>

During the year the Corporation received \$3,450,000 from the Canada Mortgage and Housing Corporation ("CMHC") to be utilized on repairing Municipally owned Affordable Housing Units. 30% of total project costs to be funded by CMHC grant. As of December 31, 2022, no costs have been incurred.

During the year the Corporation received \$125,000 from the City of Peterborough to be utilized to fund new furniture for the new building on the McRae property. As of December 31, 2022, no costs have been incurred.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

8. LONG TERM DEBT

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

	2022 \$	2021 \$
Gerow Havelock mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$12,794, interest at 2.75% maturing April 1, 2027	3,697,209	-
Trailview Terrace mortgage held with RBC Insurance, payable in blended monthly installments of \$15,908, interest at 5.46%, maturing June 1, 2030	2,480,258	2,535,620
Woollen Mill mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$17,663, interest at 3.01%, maturing August 1, 2027	1,777,363	1,933,609
Anishnawbe mortgage held with MCAP Financial Corporation, payable in blended monthly installments of \$2,402, interest at 4.895%, maturing December 1, 2027	228,099	247,901
Spruce Corners mortgage held with Canada Mortgage and Housing Corporation, payable in blended monthly installments of \$2,290, interest at 3.70%, maturing December 1, 2027	125,329	149,019
River Ridge mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$12,969, interest at 2.19%, maturing April 1, 2026	1,184,904	1,313,176
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	341,351	355,581
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	160,516	167,208
Bradburn House mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$4,864, interest at 2.64%, maturing October 18, 2026	672,620	712,715
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	997,115	1,120,468
Sunshine Homes mortgage held with Canada Mortgage and Housing Corporation, payable in blended monthly installments of \$39,856, interest at 1.86%, maturing March 1, 2024	590,585	1,053,258

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

8. LONG TERM DEBT, continued

	2022 \$	2021 \$
Anson House 1st mortgage held with RBC, payable in blended monthly installments of \$4,976, interest at 2.98%, maturing on June 1, 2031.	1,370,506	1,389,321
Saunders Court 1st mortgage held with RBC, payable in blended monthly installments of \$5,741, interest at 2.98%, maturing on June 1, 2031.	1,581,353	1,603,062
Saunders Court Affordability mortgage held with RBC, payable in blended monthly installments of \$7,226, interest at 2.78%, maturing on April 1, 2031.	660,192	728,737
Anson House 2nd mortgage held with RBC, payable in blended monthly installments of \$1,849, interest at 2.91%, maturing on April 1, 2026.	358,964	369,587
Saunders Court 2nd mortgage held with RBC payable in blended monthly installments of \$2,134, interest at 2.91%, maturing on April 1, 2026.	430,217	442,948
	16,656,581	14,122,210

(b) Interest paid during the period on long term debt amounted to \$463,631 (2021 - \$548,745).

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

	Principal \$	Interest \$	Total \$
2023	1,231,214	526,129	1,757,343
2024	902,991	495,720	1,398,711
2025	808,368	470,707	1,279,075
2026	887,396	391,679	1,279,075
2027	860,179	418,893	1,279,072
2028 and subsequent years	11,966,433	4,792,007	16,758,440
	16,656,581	7,095,135	23,751,716

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

9. 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 2022 Annual Report disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets of \$123,628 million indicating an actuarial deficit of \$6,678 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 2022 were \$173,025 (2021 - \$163,798).

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, 2022 to be \$153,946 (2021 - \$141,361) and may require funding in future periods.

The actuarial valuation as at December 31, 2022 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.

10. BUDGET FIGURES

The budget, approved by the Corporation, for 2022 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.

11. INTER-ENTITY TRANSACTIONS

The Corporation recognized subsidies from the City of Peterborough, its sole shareholder, in the amount of \$7,018,210 (2021 - \$6,860,763). 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 \$1,933,876 (2021 - \$1,886,629) for property taxes, \$456,201 (2021 - \$69,661) for interest on the short term loan, \$45,811 (2021 - \$34,284) for waste pick up fees and \$73,432 (2021 - \$65,521) for information technology maintenance services.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

12. TANGIBLE CAPITAL ASSETS

The net book value of the tangible capital assets are:

	2022	2021
	\$	\$
General		
Land	11,111,845	11,212,150
Buildings	38,510,826	39,889,373
Building improvements	1,090,545	1,137,109
Equipment, furniture and fixtures	204,661	95,533
	50,917,877	52,334,165
Assets under construction	29,791,739	18,901,431
	80,709,616	71,235,596

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

During the period there were no write-downs (2021 - \$Nil) and interest capitalized of \$386,391 (2021 - \$47,033).

Tangible capital assets allocated by segment are as follows:

	2022	2021
	\$	\$
Social Housing operations	9,535,386	9,604,792
AHP properties	68,569,874	58,871,560
Anishnawbe	349,117	358,992
Spruce Corners	123,347	144,979
Sunshine Homes	2,131,892	2,255,273
	80,709,616	71,235,596

13. 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, 2022 are \$22,179,991 (2021 - \$12,859,217).

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

14. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Surplus/(Deficit)		
Unfunded employee future benefits	(153,946)	(141,361)
Social Housing operations - note 14(c)	45,869	254,066
Capital	3,925,950	2,735,721
Anishnawbe	177,184	159,198
AHP	1,776,522	2,366,962
Spruce Corners	14,743	31,634
Rent Supplement	1,909,923	1,993,741
Sunshine Homes	217,494	189,843
New development	(5,078,649)	444,556
	2,835,090	8,034,360
Invested In Capital Assets		
Tangible capital assets - net book value	80,709,616	71,235,596
Long term debt	(16,656,581)	(14,122,210)
Short term debt and loan advances	(24,433,000)	(24,029,000)
	39,620,035	33,084,386
Surplus	42,455,125	41,118,746
Reserve Funds		
Social Housing operations - Wind Mobile	19,727	17,661
Anishnawbe capital replacement	124,016	106,227
AHP - note 14(b)	659,018	592,107
Sunshine Homes capital replacement	1,204,393	1,164,947
Spruce Corners capital replacement	6,398	6,783
Total Reserve Funds	2,013,552	1,887,725
	44,468,677	43,006,471

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

14. ACCUMULATED SURPLUS, continued

(b) AHP reserve funds include:

	2022	2021
	\$	\$
River Ridge capital replacement	228,730	203,125
Woollen Mill capital replacement	198,800	177,600
Trailview Terrace capital replacement	180,729	161,671
Saunder's Court capital replacement	26,077	25,485
Anson House capital replacement	24,682	24,226
	659,018	592,107

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

	2022	2021
	\$	\$
Social housing operations	(13,684)	194,660
Finally a Home	59,553	59,406
	45,869	254,066

15. CITY OF PETERBOROUGH SUBSIDIES

City of Peterborough subsidies is comprised of:

	2022	2021
	\$	\$
Anishnawbe - operating	75,000	75,000
Social Housing operations - operating	2,892,750	2,850,000
Capital	1,985,394	876,000
Sunshine Homes - operating	674,273	698,810
Social Infrastructure Fund	-	437,342
Rent supplement	1,311,623	1,617,953
Social worker	79,170	78,000
Investment in Affordable Housing	-	227,658
	7,018,210	6,860,763

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

16. MATERIALS AND SUPPLIES

Materials and supplies consist of the following:

	2022	2021
	\$	\$
Repairs and maintenance	1,655,011	1,352,172
Security	21,119	23,881
Grounds	798,442	578,037
Food - Spruce Corners	34,924	33,587
	2,509,496	1,987,677

17. UTILITIES

Utilities consist of the following:

	2022	2021
	\$	\$
Electricity	1,082,557	1,057,705
Water	652,324	668,736
Fuel	416,568	355,833
	2,151,449	2,082,274

18. ADMINISTRATIVE OVERHEAD

Administrative overhead consists of the following:

	2022	2021
	\$	\$
Promotion	15,105	9,278
Bank and collection charges	15,749	169,728
Office	70,324	64,948
Legal fees	30,108	20,558
Audit fees	32,189	44,876
Professional fees	86,123	74,223
Information technology	135,993	94,631
Travel	26,750	21,732
Telephone and telecommunications	48,027	44,652
Memberships	3,263	3,890
	463,631	548,516

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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	1,188,000
Trailview Terrace - Quad - AHP	25 years	January 1, 2035	480,000	230,400
Trailview Terrace - AHP	20 years	January 1, 2030	1,330,000	465,500
Saunder's Court - AHP	20 years	November 1, 2030	798,000	312,550
Home Grown Homes - AHP	20 years	January 2, 2029	280,000	84,000
Anson House - AHP	20 years	August 1, 2029	1,000,000	329,167
Woollen Mill - ARHP	20 years	July 1, 2027	1,450,000	326,250
River Ridge - AHP	20 years	June 1, 2026	2,000,000	341,667
Home Grown Homes - CMHC	8 years	August 29, 2024	26,478	5,516
Woollen Mill - RRAP	15 years	April 1, 2022	900,000	-
			10,424,478	3,283,050

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 Place 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.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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.

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.

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2022

	General				Assets Under Construction	Totals
	Land	Buildings	Building Improvements	Equipment, furniture and fixtures		
	\$	\$	\$	\$	\$	\$
COST						
Balance, beginning of year	11,212,150	88,741,291	1,629,453	821,639	18,901,431	121,305,964
Add: additions during the year	-	242,087	-	150,896	10,890,308	11,283,291
Less: disposals during the year	100,305	110,516	-	-	-	210,821
Balance, end of year	11,111,845	88,872,862	1,629,453	972,535	29,791,739	132,378,434
ACCUMULATED AMORTIZATION						
Balance, beginning of year	-	48,851,918	492,344	726,106	-	50,070,368
Add: additions during the year	-	1,617,234	46,564	41,768	-	1,705,566
Less: disposals during the year	-	107,116	-	-	-	107,116
Balance, end of year	-	50,362,036	538,908	767,874	-	51,668,818
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	11,111,845	38,510,826	1,090,545	204,661	29,791,739	80,709,616

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2022

	AHP	Anishnawbe	Spruce Corners	Sunshine Homes	Capital	Rent Supplement	Social Housing Operations	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
Rent	2,942,786	37,716	45,663	590,027	-	-	4,325,499	7,941,691
City of Peterborough subsidy	-	75,000	-	674,273	1,985,394	1,311,623	2,971,920	7,018,210
Laundry and miscellaneous recoveries	85,992	512	31,092	26,225	-	-	158,766	302,587
Other subsidies	24,000	-	55,685	18,986	-	-	60,000	158,671
Management fees	(77,135)	(1,358)	(2,173)	(29,876)	-	-	145,542	35,000
Interfunctional rental fees	58,344	-	-	-	-	-	(58,344)	-
Investment income	16,517	2,789	160	28,284	28,131	11,001	106,801	193,683
Interest on loans receivable	53,023	-	-	-	-	-	-	53,023
Gain on sales of tangible capital assets	-	-	-	-	-	-	1,015,581	1,015,581
Total revenues	3,103,527	114,659	130,427	1,307,919	2,013,525	1,322,624	8,725,765	16,718,446
Expenses								
Materials and services	655,643	12,172	67,158	208,931	-	-	1,565,592	2,509,496
Utilities	504,942	18,703	15,959	22,777	-	-	1,589,068	2,151,449
Administrative overhead	35,672	1,064	4,080	12,317	-	-	410,498	463,631
Bad debts	5,500	1,100	-	4,331	-	-	85,792	96,723
Insurance	89,075	1,937	2,132	30,650	-	-	296,086	419,880
Salaries and benefits	623,740	6,466	23,680	142,246	-	-	2,064,272	2,860,404
Property taxes	243,132	9,749	3,966	255,421	-	-	1,624,331	2,136,599
Major repairs	6,106	-	4,401	87,230	823,296	-	-	921,033
Interest on long-term debt	560,594	6,434	2,742	14,866	-	-	381	585,017
Rent supplements	-	-	-	-	-	1,406,442	-	1,406,442
Amortization of capital assets	1,419,418	10,618	21,831	123,381	-	-	130,318	1,705,566
Total expenses	4,143,822	68,243	145,949	902,150	823,296	1,406,442	7,766,338	15,256,240
Net surplus/(deficit)	(1,040,295)	46,416	(15,522)	405,769	1,190,229	(83,818)	959,427	1,462,206

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	194,125	-	-	1,293,404	-	1,987,677
Utilities	478,445	16,126	12,634	22,584	-	-	1,552,485	-	2,082,274
Administrative overhead	197,668	1,219	4,449	14,645	-	-	330,535	-	548,516
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 CONTINUITY OF SURPLUS/(DEFICIT) AND RESERVE FUNDS For the Year Ended December 31, 2022

	AHP \$	Anishnawbe \$	Spruce Corners \$	Sunshine Homes \$	Capital \$	Rent Supplement \$	Social Housing Operations \$	New Development \$	Consolidated \$
Surplus/(Deficit)									
Net surplus/(deficit)	(1,040,295)	46,416	(15,522)	405,769	1,190,229	(83,818)	959,427	-	1,462,206
Add: Amortization	1,419,418	10,618	21,831	123,381	-	-	130,318	-	1,705,566
Net proceeds on short and long term debt	-	-	-	-	-	-	-	4,135,811	4,135,811
Unfunded employee future benefits	2,327	28	105	621	-	-	9,504	-	12,585
Less: Debt principal repayments	(691,275)	(19,801)	(23,690)	(462,674)	-	-	-	-	(1,197,440)
Net transfer from/(to) Capital	(94,350)	(1,486)	-	-	-	-	(185,262)	(10,898,488)	(11,179,586)
Net transfer from/(to) Reserve Funds	(66,911)	(17,789)	385	(39,446)	-	-	(2,066)	-	(125,827)
Internal transfers	(119,354)	-	-	-	-	-	(1,120,118)	1,239,472	-
Change in Surplus/(Deficit)	(590,440)	17,986	(16,891)	27,651	1,190,229	(83,818)	(208,197)	(5,523,205)	(5,186,685)
Opening Surplus/(Deficit)	2,366,962	159,198	31,634	189,843	2,735,721	1,993,741	254,066	444,556	8,175,721
Closing Surplus/(Deficit)	1,776,522	177,184	14,743	217,494	3,925,950	1,909,923	45,869	(5,078,649)	2,989,036
Reserve Funds									
Add: Interest	16,517	2,789	160	28,284	-	-	-	-	47,750
Transfer from Operations	56,500	15,000	1,719	98,392	-	-	2,066	-	173,677
Less: Transfer to Operations	(6,106)	-	(2,264)	(87,230)	-	-	-	-	(95,600)
Change in Reserve Funds	66,911	17,789	(385)	39,446	-	-	2,066	-	125,827
Opening Reserve Funds	592,107	106,227	6,783	1,164,947	-	-	17,661	-	1,887,725
Closing Reserve Funds	659,018	124,016	6,398	1,204,393	-	-	19,727	-	2,013,552

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES

For the Year Ended December 31, 2022

	River Ridge \$	Woollen Mill \$	Anson House \$	Saunders Court \$	Trailview Terrace \$	Bradburn House \$	Home Grown Homes \$	Malcolm Court \$	Gerow Havelock \$	Total \$
Revenues										
Rent	515,361	516,019	232,791	231,770	428,217	136,884	105,934	477,709	298,101	2,942,786
Laundry and miscellaneous recoveries	1,362	20,495	31,642	4,197	9,764	639	2,571	9,900	5,422	85,992
Other subsidies	-	-	-	-	-	-	-	-	24,000	24,000
Management fees	(10,864)	(13,580)	(7,062)	(8,148)	(14,667)	(4,889)	(2,173)	(9,234)	(6,518)	(77,135)
Interfunctional rental fees	-	51,000	-	-	-	7,344	-	-	-	58,344
Investment income	5,105	6,306	456	592	4,058	-	-	-	-	16,517
Interest on loans receivable	-	-	-	18,678	34,345	-	-	-	-	53,023
Total revenues	510,964	580,240	257,827	247,089	461,717	139,978	106,332	478,375	321,005	3,103,527
Expenses										
Materials and services	73,871	107,709	71,159	85,245	59,312	35,749	10,620	120,104	91,874	655,643
Utilities	133,485	104,542	36,386	22,972	38,973	28,467	11,733	57,925	70,459	504,942
Administrative overhead	3,199	4,481	3,236	2,606	6,587	2,515	2,763	5,823	4,462	35,672
Bad debts	2,000	2,500	1,000	-	-	-	-	-	-	5,500
Insurance	11,329	14,350	7,489	9,440	15,922	5,570	2,741	13,215	9,019	89,075
Salaries and benefits	51,726	113,044	63,336	70,554	127,666	37,399	10,345	86,810	62,860	623,740
Property taxes	46,548	2,902	42,267	48,770	31,927	20,060	16,391	1,486	32,781	243,132
Major repairs	-	6,106	-	-	-	-	-	-	-	6,106
Interest on long-term debt	27,119	55,320	29,660	94,799	169,475	13,638	12,545	74,033	84,005	560,594
Amortization of capital assets	139,753	189,378	92,322	134,951	199,402	79,288	25,647	337,492	221,185	1,419,418
Total expenses	489,030	600,332	346,855	469,337	649,264	222,686	92,785	696,888	576,645	4,143,822
Net surplus/(deficit)	21,934	(20,092)	(89,028)	(222,248)	(187,547)	(82,708)	13,547	(218,513)	(255,640)	(1,040,295)

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 \$	Malcom 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)

**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, 2022 (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, 2022 on which we issued our report dated June 29, 2023. 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, 2022 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 29, 2023

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PETERBOROUGH HOUSING CORPORATION

SPRUCE CORNERS STATEMENT OF FINANCIAL POSITION At December 31, 2022

	General Fund \$	Capital Fund \$	2022 Total \$	2021 Total \$
FINANCIAL ASSETS				
Cash	-	8,662	8,662	5,065
Due from/(to) PHC	4,694	(2,264)	2,430	23,407
Tangible capital assets (note 2)	126,445	-	126,445	150,135
	131,139	6,398	137,537	178,607
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Mortgage payable	125,329	-	125,329	149,019
FUND BALANCES	5,810	6,398	12,208	29,588
	131,139	6,398	137,537	178,607

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, 2022

	General Fund \$	Capital Fund \$	2022 Total \$	2021 Total \$
RECEIPTS				
Ministry of Health and Long-Term Care	53,966	1,719	55,685	56,541
Rent	45,663	-	45,663	52,224
Other	31,092	-	31,092	31,200
Interest	-	160	160	32
	130,721	1,879	132,600	139,997
EXPENSES				
Salaries and benefits	23,680	-	23,680	13,915
Management fee	2,173	-	2,173	6,763
Administration	4,080	-	4,080	4,449
Maintenance materials and services	32,233	-	32,233	27,729
Property taxes	3,966	-	3,966	3,870
Insurance	2,132	-	2,132	1,870
Utilities	15,959	-	15,959	12,634
Food	34,924	-	34,924	33,587
Interest	2,742	-	2,742	2,990
Amortization	23,690	-	23,690	23,252
Major repairs	2,137	2,264	4,401	9,688
	147,716	2,264	149,980	140,747
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FOR THE YEAR	(16,995)	(385)	(17,380)	(750)
FUND BALANCES - beginning of year	22,805	6,783	29,588	30,338
FUND BALANCES - end of year	5,810	6,398	12,208	29,588

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

SPRUCE CORNERS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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

	2022	2021
	\$	\$
Cost		
Land	33,831	33,831
Building	322,285	322,285
	356,116	356,116
Less: accumulated amortization	(229,671)	(205,981)
	126,445	150,135

**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, 2022 (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, 2022 on which we issued our report dated June 29, 2023. 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, 2022 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 29, 2023

ASSURANCE • TAX • ADVISORY

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

PETERBOROUGH HOUSING CORPORATION

SUNSHINE HOMES STATEMENT OF FINANCIAL POSITION At December 31, 2022

	General Fund \$	Capital Fund \$	2022 Total \$	2021 Total \$
FINANCIAL ASSETS				
Cash	-	454,465	454,465	365,689
Investments	-	997,137	997,137	977,456
Tangible capital assets (note 2)	590,585	-	590,585	1,053,258
Due from (to) other fund	247,209	(247,209)	-	-
Due from the City of Peterborough	62,471	-	62,471	60,250
	900,265	1,204,393	2,104,658	2,456,653
LIABILITIES AND TRUST FUND BALANCES				
CURRENT LIABILITIES				
Due to the City of Peterborough	75,000	-	75,000	24,190
Mortgage payable	590,585	-	590,585	1,053,258
Due to PHC	20,302	-	20,302	26,911
	685,887	-	685,887	1,104,359
FUND BALANCE	214,378	1,204,393	1,418,771	1,352,294
	900,265	1,204,393	2,104,658	2,456,653

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, 2022

	General Fund \$	Capital Fund \$	2022 Total \$	2021 Total \$
RECEIPTS				
City of Peterborough	594,867	79,406	674,273	698,810
Rent	590,027	-	590,027	522,159
Ontario Power Authority solar	-	18,986	18,986	41,672
Other	26,225	-	26,225	17,634
Interest	-	28,284	28,284	17,698
	1,211,119	126,676	1,337,795	1,297,973
EXPENSES				
Salaries and benefits	142,246	-	142,246	99,996
Administration	47,571	-	47,571	17,336
Maintenance materials and services	207,883	87,230	295,113	368,118
Property taxes	255,421	-	255,421	247,635
Insurance	30,650	-	30,650	54,496
Utilities	22,777	-	22,777	22,584
Interest	14,866	-	14,866	23,366
Amortization	462,674	-	462,674	454,193
	1,184,088	87,230	1,271,318	1,287,724
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	27,031	39,446	66,477	10,249
FUND BALANCES - beginning of year	187,347	1,164,947	1,352,294	1,342,045
FUND BALANCES - end of year	214,378	1,204,393	1,418,771	1,352,294

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

SUNSHINE HOMES NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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:

	2022	2021
	\$	\$
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	<u>(8,143,560)</u>	<u>(7,680,887)</u>
	<u>590,585</u>	<u>1,053,258</u>