

Annual Report 2014 & 2015



*Providing and maintaining quality, affordable housing
in a safe, healthy and secure environment.*

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Board of Directors



Bonnie Clark
Chair



Terry Low
Vice Chair



Ken Smith
Treasurer



Malcolm Hunt
Advisor



Jack Gillan
Member



Linda Kehoe
Member



Ken Andrews
Member



Mary Hay
Member



Andrew Beamer
Member



Larry Love
Member



Bev Matthews
Member

Members are appointed by the City of Peterborough, on the recommendation of the PHC Board of Directors and the Nominating Committee.

Annual Reports 2014 and 2015

ANNUAL REPORT 2014 & 2015

Sometimes life gets in the way of even the most important reports and this happened in the fall of 2015 when we had scheduled our meeting to present our Annual Report to the Shareholder. The Board of Directors decided to ask permission of the Shareholder to allow PHC to present both our 2014 and 2015 Annual Reports to the Shareholder in the spring of 2016. We appreciate your patience in this matter.

Our organization has dedicated considerable time and resources over the past two years to planning the future of Peterborough Housing Corporation. Our vision for the future is to continue to be recognized as a community leader and housing provider of choice that delivers safe, quality, affordable accommodations to engaged residents in vibrant, inclusive communities. In order to achieve this vision, PHC is immersed in a reorganization of its current staffing model to ensure the corporation has the future skills, knowledge and talent it will need to carry out our goals. We are also pursuing the development of a Capital Financing and Community Revitalization Plan that will map out our priority neighbourhoods, identify site specific development options and redevelopment plans for current communities spanning over the next ten years. We cannot do this alone and we are fortunate to have many community partner agencies to provide us with the tools necessary in order to assist our residents to be able to flourish in our neighbourhoods.

In the past two years, PHC has had many successful partnerships however two have been outstanding. We have joined with Peterborough Police Services and John Howard to deliver the Community Mediation Services program. Peterborough Dialogues has assisted our efforts by providing a venue for residents to actively engage in conversations and articulate their hopes and aspirations for their communities. The success of this program can be visible in many of our resident interactions as they find new ways to have their voices be heard. The second and ongoing partnership has been with WoodGreen Community Centre, the founder of the Homeward Bound Program. Staff and Board members of PHC have shared a dream of replicating a similar program in Peterborough and WoodGreen has received a grant from Trillium Foundation to assist us. We have met with many organizations in Peterborough that have been inspired and willing to assist PHC in bringing this program to fruition. In a snapshot, this program enrolls mother led families on a 4 year journey from assistance dependence to full time employment, through education and support. The program has had resounding success in Toronto and has achieved a 4/1 social return on investment in accredited studies.



Darlene Cook, CEO

The success of our initiatives would not be possible without support from our Shareholder, the consistent and steady leadership of our Board of Directors and the dedicated staff who work in the organization. We would like to thank all the supporters of Peterborough Housing Corporation and hope to continue to make a meaningful contribution in the greater Peterborough community.



Bonnie Clark, Chair

Peterborough Housing Corporation

On January 1, 2001, The Peterborough Housing Authority became Peterborough Housing Corporation. The Province of Ontario, at that time, devolved the business and associated costs of social housing to the municipalities, the initial wave encompassed all of the former public housing units which had been part of Ontario Housing Corporation (OHC). The assets of OHC were divided amongst 47 different Service Managers, some to regional governments, some to municipalities and some to district areas. The City of Peterborough, in their role as Service Manager for the City and County of Peterborough, became the "sole shareholder" of PHC, the largest single provider of housing in the social housing portfolio. The City had a choice of models for its local housing corporation and chose to leave it as a stand alone corporation, one of eleven in the Province, with its own Board of Directors, nominated by a Board Committee and appointed by City Council. Under this model PHC has had the flexibility to expand and develop new units under the Affordable Housing Program, reach out and form new partnerships and provide community services for its residents. With the support of the City of Peterborough Housing Division in the Department of Planning and Development Services, PHC has flourished and has been recognized as a leader in housing and in the community.

Peterborough Housing Corporation owns and manages 1044 units of senior, single and family units throughout the city and county. These range from bachelor apartments to single family homes as well as many townhouse communities. Our buildings range from 100 year old recently fully renovated building, to units that are 50 years old and some that are newly built. Some require enormous amounts of pampering and capital expenditure. We are continually looking for innovative energy conservation measures to incorporate into new and existing structures to improve the efficiency of the buildings and increase the enjoyment of our residents. Continuous efforts are made to upgrade the interiors and exteriors and add new physical elements to the buildings to increase accessibility. Safety issues receive a high priority when we are considering capital funding requests.

Our housing corporation also manages, under an operating agreement with the City of Peterborough, the centralized waiting list for all social housing providers and currently has 1,500 households waiting for rent geared to income units. The administration of rent supplement and housing allowance programs also rests with PHC. These programs provide units in the private market whose residents are subsidized and total in excess of three hundred units of housing.

The mission statement of PHC is to provide and maintain quality, affordable housing in a safe, healthy and secure environment. Working with our communities to support positive community development opportunities, we aspire to bring together residents and support agency staff, promote aging in the place and provide good client service to fulfill our mission statement.

Capital Projects



Major foundation repair at 999 Hilliard Street



New roof replacement at 1190 Hilliard Street



30 new kitchens installed each year between 169 Lake Street and 486 Donegal Street



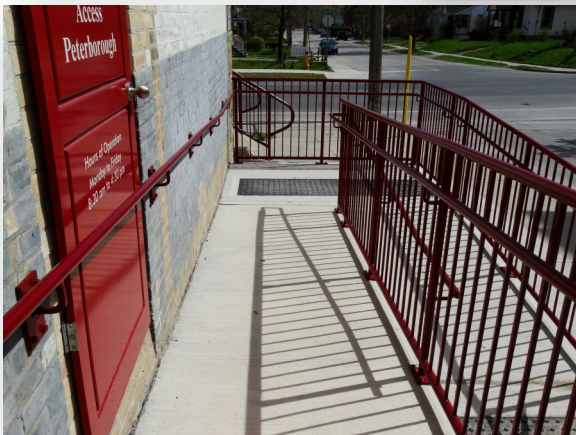
- Roof Replacement**—12 Simeon Crescent, Apsley
- Exhaust Upgrade** - 12 Simeon Crescent, Apsley
- Common Room Kitchen Upgrade** - 53 Spring Street, Norwood
- Interlocking brick repairs** - various properties throughout City
- Underground Electrical Upgrade** - 117 Herbert Street

Capital Projects

**Roof Replacement
8 Victoria Street,
Havelock**



**Parking Lot
Expansion and
drainage
53 Spring Street,
Norwood**



**Wheelchair Ramp,
526 McDonnell St,
PHC Office
Peterborough**

Generator Upgrade - 486 Donegal
169 Lake St.

Sprinkler Upgrade
24 Ermatinger, Lakefield

Bulk Water Meters
various properties throughout
Peterborough

Public Space Painting
611 Rogers St. and 486 Donegal St.

Lighting Retrofits
611 Rogers St. and 486 Donegal St.

Landscape Improvements
8 Victoria St, Havelock

Entry Deadbolts
various properties

Retaining Wall - 270 Collison Ave.

Homeward Bound



Peterborough Housing Corporation has made an offer to purchase the McRae Property in Peterborough, Ontario.

Community Involvement



Peterborough Housing Corporation is a regular donator to the

"United Way"

Everyday we fundraise by having pop, chips, and coffee for sale within our office to the staff. We occasionally have Bingo games for staff, silent auction, basket raffles and all the proceeds go to the United Way. We also host an annual

United Way Barbeque that is open to all staff and the public. Between these two fundraisers, we raised a total **\$3,769.15 in 2014 and \$4,814.87 in 2015** for United Way.



Community Mediation



Community Gardens



Raised Beds - 169 Lake St.

Golf Tournament

Community Involvement

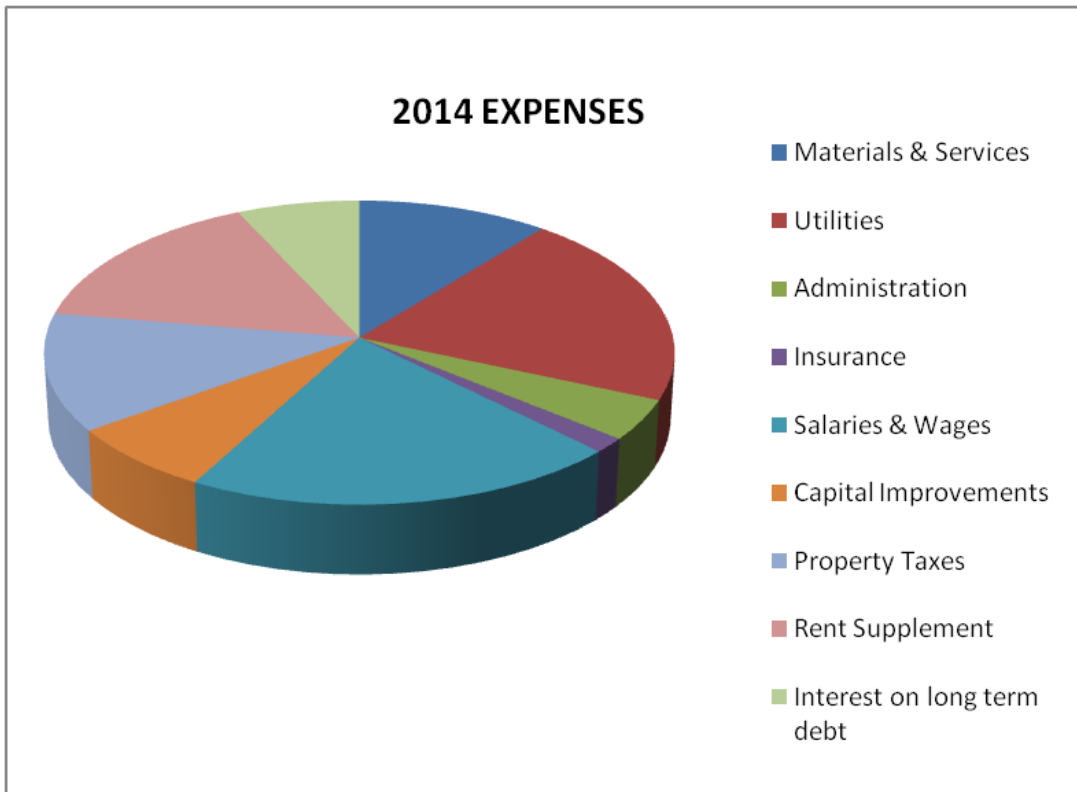
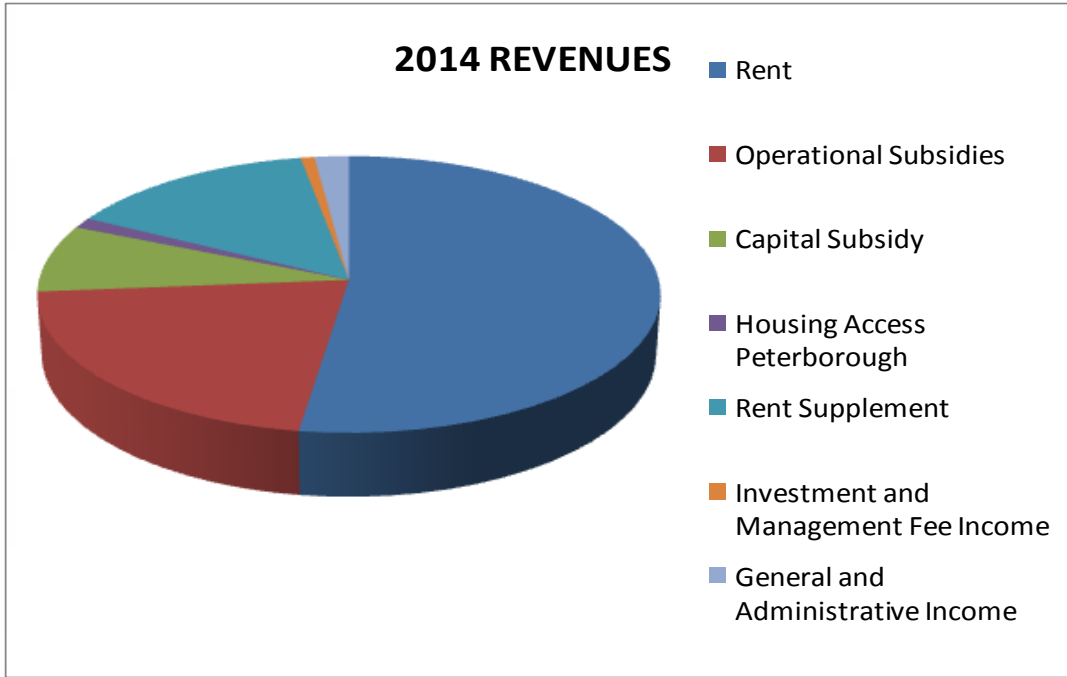
“Maisie’s Kids”

is what we have called our recreational activities in our family communities. Our Housing Social Worker provides valuable resources to our families with a very limited budget and is able to help meet the needs of our residents by networking with various agencies throughout the City and County of Peterborough. Every year an annual golf tournament fundraiser is held where all donations go to Maisie’s Kids. In **2014 \$4,917.00** was raised and in **2015 \$5,722.00** was raised. Thanks to these donations, the kids were able to go on trips to the Zoo, Beavermead Park, swimming, to the movies, and bowling.

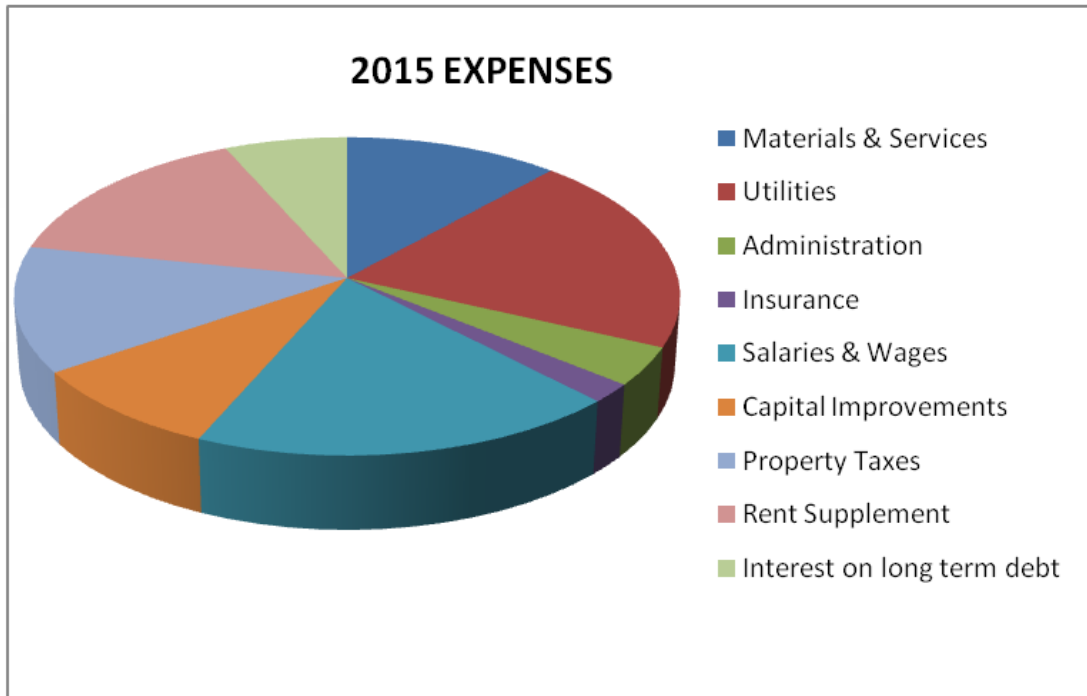
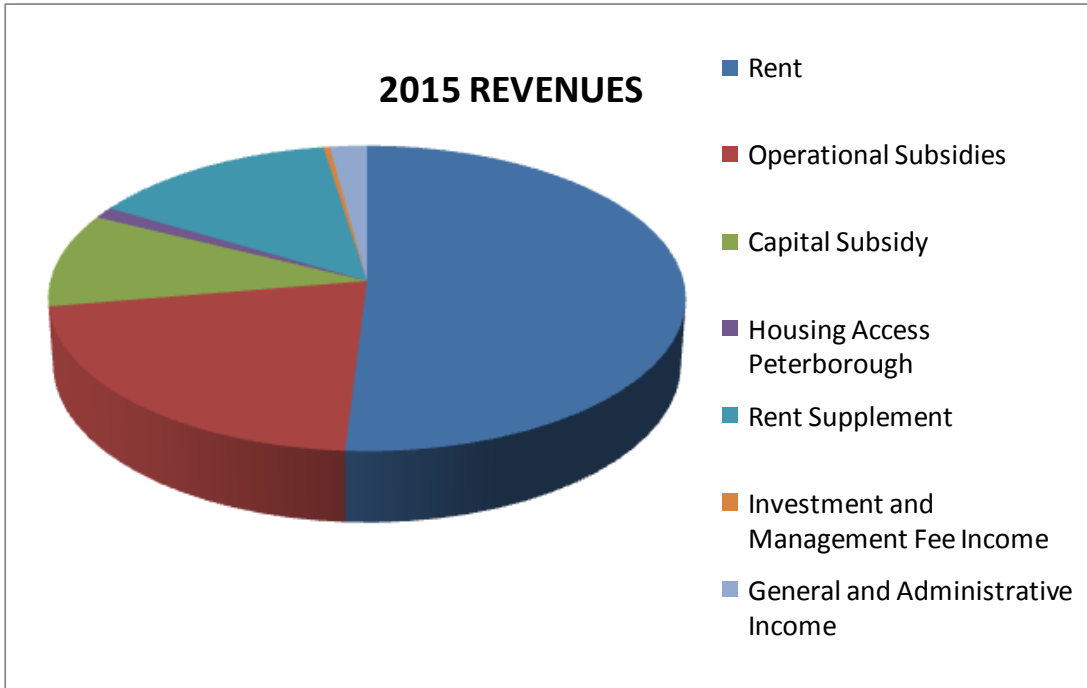


- Food Banks
- Community BBQ's
- Summer Activities

Financial Information 2014



Financial Information 2015



PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

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INDEPENDENT AUDITORS' REPORT

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To the Shareholder and Board of Directors of the Peterborough Housing Corporation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Peterborough Housing Corporation, which comprise the consolidated statement of financial position as at December 31, 2014, the consolidated statements of operations and accumulated surplus, change in net financial liabilities and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Peterborough Housing Corporation as at December 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants

Peterborough, Ontario

April 15, 2015

PETERBOROUGH HOUSING CORPORATION**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At December 31, 2014

	2014	2013
	\$	\$
FINANCIAL ASSETS		
Cash (note 3)	2,088,292	2,030,478
Accounts receivable (note 4)	355,260	380,117
Loans receivable (note 5)	2,926,619	3,056,012
Investments (note 6)	585,035	546,596
TOTAL FINANCIAL ASSETS	5,955,206	6,013,203
LIABILITIES		
Accounts payable and accrued liabilities	1,158,040	1,063,832
Long term debt (note 8)	16,389,191	16,827,556
Employee future benefits (note 9)	83,491	-
TOTAL LIABILITIES	17,630,722	17,891,388
NET FINANCIAL LIABILITIES	(11,675,516)	(11,878,185)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	37,190,579	38,099,618
Prepaid expenses	211,890	189,086
TOTAL NON-FINANCIAL ASSETS	37,402,469	38,288,704
ACCUMULATED SURPLUS (note 10)	25,726,953	26,410,519

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, 2014

	Budget 2014 \$ (unaudited)	Actual 2014 \$	Actual 2013 \$
REVENUES			
Rent	5,482,908	5,588,110	5,488,934
City of Peterborough subsidy (note 11)	4,728,753	4,730,261	4,890,209
Laundry and miscellaneous recoveries	127,260	209,997	224,715
Other subsidies	65,514	68,642	67,938
Management fees	18,880	8,169	48,867
Investment income	18,000	51,841	33,636
Interest on loans receivable	134,558	134,199	140,732
Unrealized gains on investments	-	24,646	21,438
TOTAL REVENUES	10,575,873	10,815,865	10,916,469
EXPENSES			
Materials and services (note 12)	1,068,116	1,132,872	1,085,492
Utilities (note 13)	2,002,550	2,179,728	1,987,158
Administrative overhead (note 14)	316,942	348,710	326,406
Bad debts	46,250	104,489	107,850
Insurance	174,935	165,241	190,031
Salaries and benefits	2,056,794	2,157,970	1,988,944
Property taxes	1,375,641	1,315,511	1,272,218
Major repairs (note 15)	825,000	751,036	1,057,836
Interest on long-term debt	728,542	726,806	747,364
Rent supplements	1,615,912	1,624,915	1,623,871
Amortization of capital assets	997,221	992,153	1,001,800
TOTAL EXPENSES	11,207,903	11,499,431	11,388,970
ANNUAL DEFICIT	(632,030)	(683,566)	(472,501)
ACCUMULATED SURPLUS - beginning of year	26,410,519	26,410,519	26,883,020
ACCUMULATED SURPLUS - end of year	25,778,489	25,726,953	26,410,519

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL LIABILITIES**

For the Year Ended December 31, 2014

	Budget 2014 \$ (unaudited)	Actual 2014 \$	Actual 2013 \$
ANNUAL DEFICIT	(632,030)	(683,566)	(472,501)
Amortization of tangible capital assets	997,221	992,153	1,001,800
Acquisition of tangible capital assets	-	(83,114)	(56,050)
(Increase)/decrease in prepaid expenses	-	(22,804)	8,650
DECREASE IN NET FINANCIAL LIABILITIES	365,191	202,669	481,899
NET FINANCIAL LIABILITIES - beginning of year	(11,878,185)	(11,878,185)	(12,360,084)
NET FINANCIAL LIABILITIES - end of year	(11,512,994)	(11,675,516)	(11,878,185)

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, 2014

	2014	2013
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual deficit	(683,566)	(472,501)
Decrease in accounts receivable	24,857	770,633
Decrease in loans receivable	129,393	122,963
(Increase)/decrease in prepaid expenses	(22,804)	8,650
Increase/(decrease) in accounts payable and accrued liabilities	94,208	(175,826)
Non-cash charges to operations		
Amortization of tangible capital assets	992,153	1,001,800
Increase in employee future benefits	83,491	-
Unrealized gains on investments	(24,646)	(21,438)
Net increase in cash from operating transactions	593,086	1,234,281
CAPITAL		
Acquisition of tangible capital assets	(83,114)	(56,050)
INVESTING		
Purchase of investments	(27,153)	(16,658)
Redemption of investments	13,360	1,719
Net decrease in cash from investing transactions	(13,793)	(14,939)
FINANCING		
Long term debt issued	32,000	-
Debt principal repayments	(470,365)	(448,771)
Net decrease in cash from financing transactions	(438,365)	(448,771)
INCREASE IN CASH	57,814	714,521
CASH - beginning of year	2,030,478	1,315,957
CASH - end of year	2,088,292	2,030,478

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, 2014**

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-gear-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. 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.

(c) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues 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.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(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) 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.

(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 organization'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 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 earnings depend on certain actuarial and economic assumptions.

(h) Financial Instruments

The Corporation's financial instruments consist of cash, accounts receivable, loans receivable, investments, accounts payable and accrued liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the carrying value of the financial instruments approximates their fair values and that the Corporation does not have any significant concentration of currency or credit risk. The Corporation does have interest rate risk on investments and in the opinion of management the interest rate risk exposure to the Corporation is low and is not material.

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2014

3. CASH

Cash consists of:

	2014	2013
	\$	\$
Petty cash	550	550
Unrestricted cash	1,710,387	1,747,747
Restricted funds	377,355	282,181
	<u>2,088,292</u>	<u>2,030,478</u>

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2014	2013
	\$	\$
Tenants	214,055	202,437
City of Peterborough subsidy	144,077	180,051
Other	127,682	121,133
Allowance for doubtful accounts	(130,554)	(123,504)
	<u>355,260</u>	<u>380,117</u>

5. 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.

	2014	2013
	\$	\$
Trailview Terrace AHP	1,820,470	1,900,069
Saunder's Court AHP	1,106,149	1,155,943
	<u>2,926,619</u>	<u>3,056,012</u>

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2014

6. INVESTMENTS

Investments are comprised of the following:

	2014	2013
	\$	\$
Spruce Corners redeemable Guaranteed Investment Certificates (GIC's), interest at rates between 0.8% and 2.05% maturing between March 24, 2015 and June 22, 2019	37,409	47,455
Social housing bond fund at market value	296,588	273,993
Social housing equity fund at market value	251,038	225,148
	585,035	546,596

7. TANGIBLE CAPITAL ASSETS

The net book value of the tangible capital assets are:

	2014	2013
	\$	\$
General		
Land	10,822,697	10,822,697
Buildings	24,766,429	25,674,508
Building improvements	1,495,163	1,542,618
Equipment, furniture and fixtures	79,957	59,795
	37,164,246	38,099,618
Assets under construction	26,333	-
	37,190,579	38,099,618

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

During the year there were no write-downs (2013 - \$Nil) and no interest capitalized (2013 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2014	2013
	\$	\$
Social Housing operations	10,651,357	10,687,276
AHP properties	25,818,859	26,660,231
Anishnawbe	423,420	433,320
Spruce Corners	296,943	318,791
	37,190,579	38,099,618

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2014

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:

	2014	2013
	\$	\$
Anishnawbe mortgage held with TD Canada Trust, payable in blended monthly installments of \$2,089, interest at 2.112%, maturing December 1, 2017	375,436	392,419
River Ridge mortgage held with TD Canada Trust, payable in blended monthly installments of \$15,284, interest at 4.52%, maturing March 1, 2016	2,115,449	2,202,022
Woollen Mill mortgage held with TD Canada Trust, payable in blended monthly installments of \$19,646, interest at 4.60%, maturing July 1, 2017	2,848,939	2,952,320
Trailview Terrace mortgage held with RBC Insurance, payable in blended monthly installments of \$15,908, interest at 5.46%, maturing June 1, 2045	2,849,848	2,885,827
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	302,999	323,395
Bradburn House mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$5,255, interest at 3.80%, maturing October 18, 2021	933,759	960,774
Trailview Terrace demand loan held with Royal Bank of Canada, payable in blended monthly installments of \$14,215, interest at 4.91%, maturing February 1, 2020	1,815,134	1,894,733
Anson House and Saunder's Court debenture held with Infrastructure Ontario, payable in blended monthly installments of \$17,462, interest at 3.97%, maturing November 1, 2020	4,006,797	4,056,198
Saunder's Court debenture held with Infrastructure Ontario, payable in blended monthly installments of \$7,760, interest at 3.81%, maturing November 1, 2020	1,110,074	1,159,868
Vehicle loan, payable in blended monthly installments of \$716, interest at 3.54%, maturing October 1, 2018	30,756	-
	16,389,191	16,827,556

(b) Interest paid during the year on long term debt amounted to \$726,806 (2013 - \$747,364).

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2014

8. LONG TERM DEBT, continued

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

	Principal \$	Interest \$	Total \$
2015	497,315	708,992	1,206,307
2016	518,973	687,334	1,206,307
2017	541,609	664,698	1,206,307
2018	563,810	641,041	1,204,851
2019	581,212	616,502	1,197,714
2020 and subsequent years	13,686,272	7,008,052	20,694,324
	<u>16,389,191</u>	<u>10,326,619</u>	<u>26,715,810</u>

9. EMPLOYEE FUTURE BENEFITS

As a schedule II WSIB employer, the Corporation has a liability related to future WSIB claims and this was actuarially determined for the first time in 2014. The value of this liability has been assessed by an actuary as at December 31, 2014 to be \$83,491 and will require funding in future periods.

The actuarial valuation as at December 31, 2014 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. The main actuarial assumptions employed for the valuation are as follows:

Expected inflation rate	2.0%
Interest rate	4.5%

	2014 \$	2013 \$
Current service costs	79,688	-
Interest on accrued benefit obligation	3,803	-
<u>Employee future benefits expense</u>	<u>83,491</u>	<u>-</u>

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2014

10. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2014	2013
	\$	\$
Surplus/(Deficit)		
Unfunded employee future benefits	(83,491)	-
Invested In Capital Assets		
Tangible capital assets - net book value	37,190,579	38,099,618
Long term debt	(16,389,191)	(16,827,556)
	20,801,388	21,272,062
Surplus	20,717,897	21,272,062
Reserves		
Social Housing operations	12,217	148,402
Capital	384,337	270,162
Anishnawbe	55,931	65,009
AHP	2,499,669	2,662,990
Spruce Corners	22,867	19,081
Finally a Home	58,212	57,998
Rent supplement	1,509,885	1,541,278
Total Reserves	4,543,118	4,764,920
Reserve Funds		
Social Housing operations - Wind Mobile	3,735	2,085
Anishnawbe capital replacement	18,921	18,514
AHP	388,554	303,778
Spruce Corners capital replacement	54,728	49,160
Total Reserve Funds	465,938	373,537
	25,726,953	26,410,519

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****For the Year Ended December 31, 2014****10. ACCUMULATED SURPLUS, continued**

AHP reserve funds include:

	2014	2013
	\$	\$
River Ridge capital replacement	140,614	126,607
Woollen Mill capital replacement	137,810	123,217
Trailview Terrace capital replacement	69,718	53,954
Saunder's Court capital replacement	20,195	-
Anson House capital replacement	20,217	-
	388,554	303,778

11. CITY OF PETERBOROUGH SUBSIDIES

City of Peterborough subsidies is comprised of:

	2014	2013
	\$	\$
Anishnawbe - operating	63,000	66,720
Social Housing operations - operating	2,146,000	2,102,000
Capital	845,000	838,000
Capital discretionary	-	171,509
Social Housing Renovation and Retrofit Program	-	24,303
Prior year adjustment	-	28,407
Housing Access Peterborough	131,225	128,970
Rent supplement	1,545,036	1,530,300
	4,730,261	4,890,209

12. MATERIALS AND SUPPLIES

Materials and services consist of the following:

	2014	2013
	\$	\$
Repairs and maintenance	873,845	834,111
Security	14,534	29,581
Grounds	220,045	199,307
Food - Spruce Corners	24,358	22,493
	1,132,782	1,085,492

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2014

13. UTILITIES

Utilities consist of the following:

	2014	2013
	\$	\$
Electricity	1,129,654	1,023,333
Water	610,069	538,151
Fuel	440,005	425,674
	2,179,728	1,987,158

14. ADMINISTRATIVE OVERHEAD

Administrative overhead consist of the following:

	2014	2013
	\$	\$
Promotion	9,308	9,447
Bank and collection charges	15,187	12,362
Office	71,993	94,920
Legal fees	31,491	33,034
Audit fees	28,119	7,336
Professional fees	19,915	14,074
Information technology	74,283	52,384
Travel	51,683	58,410
Telephone and telecommunications	37,263	36,367
Memberships	9,468	8,072
	348,710	326,406

15. MAJOR REPAIRS

Major repairs consists of the following:

	2014	2013
	\$	\$
Current year funding	705,446	776,824
Prior year funding	45,590	79,808
Capital discretionary	-	201,204
	751,036	1,057,836

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2014

16. 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	Amount \$
River Ridge	AHP	20 years	June 1, 2026	2,000,000
Anson House	AHP	20 years	August 1, 2029	1,000,000
Woollen Mill	ARHP	20 years	July 1, 2027	1,450,000
Woollen Mill	RRAP	15 years	April 1, 2022	900,000
Trailview Terrace	AHP	20 years	January 1, 2030	1,330,000
Saunder's Court	AHP	20 years	November 1, 2030	798,000
Bradburn House	AHP	25 years	October 1, 2036	2,160,000
Trailview Terrace - Quad	AHP	25 years	January 1, 2035	480,000
Peterborough Housing	SHRRP	10 years	Estimated Spring 2022	1,691,828
				11,809,828

17. COMMITMENT

During the year, the Corporation entered into an agreement to purchase the McCrae Property in Peterborough, Ontario for a total of \$800,000. The closing date is 60 days after an approved record of site condition from the Ministry of Environment is received. Upon closing the seller has agreed to take back a first mortgage securing the balance of the purchase price. The mortgage shall be interest free and due in full 6 months after the closing date.

18. BUDGET FIGURES

The budget, approved by the Corporation, for 2014 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Liabilities. The budgets 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.

19. 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, 2014**

20. RELATED PARTIES

The Corporation received subsidies from the City of Peterborough, its sole shareholder, in the amount of \$4,730,261 (2013 - \$4,890,209). During the year, the Corporation made payments to the City of Peterborough in the amounts of \$1,114,374 (2013 - \$1,076,287) for property taxes and \$26,086 (2013 - \$26,086) for information technology maintenance services.

21. 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 and Bradburn House.

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.

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.

Capital Fund

Funds received from the City of Peterborough for capital expenditures are accounted for in the Capital Fund. Preventative maintenance expenses are also 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.

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.

Social Housing Operations Fund

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

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2014

	General					Totals
	Land	Buildings	Building Improvements	Equipment, furniture and fixtures	Assets Under Construction	
	\$	\$	\$	\$	\$	\$
COST						
Balance, beginning of year	10,822,697	61,249,014	1,660,675	387,008	-	74,119,394
Add: additions during the year	-	-	-	56,781	26,333	83,114
Balance, end of year	10,822,697	61,249,014	1,660,675	443,789	26,333	74,202,508
ACCUMULATED AMORTIZATION						
Balance, beginning of year	-	35,574,506	118,057	327,213	-	36,019,776
Add: additions during the year	-	908,079	47,455	36,619	-	992,153
Balance, end of year	-	36,482,585	165,512	363,832	-	37,011,929
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS						
	10,822,697	24,766,429	1,495,163	79,957	26,333	37,190,579

PETERBOROUGH HOUSING CORPORATION

**CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended December 31, 2014**

	AHP	Anishnawbe	Spruce Corners	Capital	HAP	Rent Supplement	Social Housing Operations	FAH	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Rent	1,827,964	21,906	44,644	-	-	-	3,693,596	-	5,588,110
City of Peterborough subsidy	-	63,000	-	845,000	131,225	1,545,036	2,146,000	-	4,730,261
Laundry and miscellaneous recoveries	42,309	1,052	29,900	-	-	-	136,736	-	209,997
Other subsidies	-	-	53,298	-	-	-	15,344	-	68,642
Management fees	(70,000)	-	(6,120)	-	-	-	84,289	-	8,169
Interfunctional rental fees	54,000	-	-	-	-	-	(54,000)	-	-
Investment income	1,177	-	749	-	-	23,840	25,761	314	51,841
Interest on loans receivable	134,199	-	-	-	-	-	-	-	134,199
Unrealized gains on investments	-	-	-	-	-	24,646	-	-	24,646
Total revenues	1,989,649	85,958	122,471	845,000	131,225	1,593,522	6,047,726	314	10,815,865
Expenses									
Materials and services	192,837	29,331	42,359	-	-	-	868,345	-	1,132,872
Utilities	330,529	20,099	13,533	-	-	-	1,815,567	-	2,179,728
Administrative overhead	18,325	902	4,194	-	39,368	-	285,921	-	348,710
Bad debts	13,792	2	-	-	-	-	90,695	-	104,489
Insurance	20,534	1,194	985	-	-	-	142,528	-	165,241
Salaries and benefits	189,611	-	23,611	-	91,857	-	1,852,791	100	2,157,970
Property taxes	157,072	8,108	3,274	-	-	-	1,147,057	-	1,315,511
Major repairs	10,262	9,949	-	730,825	-	-	-	-	751,036
Interest on long-term debt	706,137	8,061	5,849	-	-	-	6,759	-	726,806
Rent supplements	-	-	-	-	-	1,624,915	-	-	1,624,915
Amortization of capital assets	846,445	9,900	21,849	-	-	-	113,959	-	992,153
Total expenses	2,485,544	87,546	115,654	730,825	131,225	1,624,915	6,323,622	100	11,499,431
Net surplus/(deficit)	(495,895)	(1,588)	6,817	114,175	-	(31,393)	(275,896)	214	(683,566)

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2013

	AHP	Anishnawbe	Spruce Corners	Capital	HAP	Rent Supplement	Social Housing Operations	FAH	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Rent	1,811,299	26,047	46,301	-	-	-	3,605,287	-	5,488,934
City of Peterborough subsidy	-	66,720	-	1,009,509	128,970	1,530,300	2,154,710	-	4,890,209
Laundry and miscellaneous recoveries	44,828	680	31,525	-	-	-	147,682	-	224,715
Other subsidies	-	-	53,496	-	-	-	14,442	-	67,938
Management fees	(70,000)	-	(6,000)	-	-	-	124,867	-	48,867
Interfunctional rental fees	54,000	-	-	-	-	-	(54,000)	-	-
Investment income	835	-	843	-	-	10,455	20,764	739	33,636
Interest on loans receivable	140,732	-	-	-	-	-	-	-	140,732
Unrealized gains on investments	-	-	-	-	-	21,438	-	-	21,438
Total revenues	1,981,694	93,447	126,165	1,009,509	128,970	1,562,193	6,013,752	739	10,916,469
Expenses									
Materials and services	177,014	16,706	41,884	-	-	-	849,888	-	1,085,492
Utilities	304,206	18,005	12,701	-	-	-	1,652,246	-	1,987,158
Administrative overhead	20,844	846	3,444	-	38,691	42,142	220,439	-	326,406
Bad debts	(1,184)	-	-	-	-	-	109,034	-	107,850
Insurance	23,054	962	2,167	-	-	-	163,848	-	190,031
Salaries and benefits	181,635	-	20,346	-	90,279	-	1,696,584	100	1,988,944
Property taxes	148,135	7,838	3,275	-	-	-	1,112,970	-	1,272,218
Major repairs	-	-	-	1,057,836	-	-	-	-	1,057,836
Interest on long-term debt	723,463	8,412	6,228	-	-	-	9,261	-	747,364
Rent supplements	-	-	-	-	-	1,623,871	-	-	1,623,871
Amortization of capital assets	853,383	9,875	21,849	-	-	-	116,693	-	1,001,800
Total expenses	2,430,550	62,644	111,894	1,057,836	128,970	1,666,013	5,930,963	100	11,388,970
Net surplus/(deficit)	(448,856)	30,803	14,271	(48,327)	-	(103,820)	82,789	639	(472,501)

PETERBOROUGH HOUSING CORPORATION

**CONSOLIDATED CONTINUITY OF RESERVES AND RESERVE FUNDS
For the Year Ended December 31, 2014**

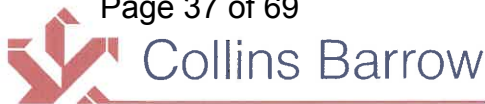
	AHP \$	Anishnawbe \$	Spruce Corners \$	Capital \$	HAP \$	Rent Supplement \$	Social Housing Operations \$	FAH \$	Consolidated \$
Reserves									
Net surplus/(deficit)	(495,895)	(1,588)	6,817	114,175	-	(31,393)	(275,896)	214	(683,566)
Add: Amortization	846,445	9,900	21,849	-	-	-	113,959	-	992,153
Proceeds on vehicle loan	-	-	-	-	-	-	32,000	-	32,000
Unfunded employee future benefits	7,718	-	1,085	-	-	-	74,688	-	83,491
Less: Debt principal repayments	(431,741)	(16,983)	(20,397)	-	-	-	(1,244)	-	(470,365)
Transfer to Capital	(5,072)	-	-	-	-	-	(78,042)	-	(83,114)
Net transfer to Reserve Funds	(84,776)	(407)	(5,568)	-	-	-	(1,650)	-	(92,401)
Change in Reserves	(163,321)	(9,078)	3,786	114,175	-	(31,393)	(136,185)	214	(221,802)
Opening Reserves	2,662,990	65,009	19,081	270,162	-	1,541,278	148,402	57,998	4,764,920
Closing Reserves	2,499,669	55,931	22,867	384,337	-	1,509,885	12,217	58,212	4,543,118
Reserve Funds									
Add: Interest	1,438	356	749	-	-	-	-	-	2,543
Transfer from Operations	93,600	10,000	4,819	-	-	-	1,650	-	110,069
Less: Transfer to Operations	(10,262)	(9,949)	-	-	-	-	-	-	(20,211)
Change in Reserve Funds	84,776	407	5,568	-	-	-	1,650	-	92,401
Opening Reserve Funds	303,778	18,514	49,160	-	-	-	2,085	-	373,537
Closing Reserve Funds	388,554	18,921	54,728	-	-	-	3,735	-	465,938

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES
For the Year Ended December 31, 2014

	River Ridge \$	Woollen Mill \$	Anson House \$	Saunders Court \$	Trailview Terrace \$	Bradburn House \$	Total \$
Revenues							
Rent	448,876	458,279	218,807	209,128	372,596	120,278	1,827,964
Laundry and miscellaneous recoveries	2,021	17,393	2,011	6,466	12,851	1,567	42,309
Management fees	(20,300)	(20,300)	(9,800)	(9,800)	(9,800)	-	(70,000)
Interfunctional rental fees	-	48,000	-	-	-	6,000	54,000
Investment income	-	-	217	195	765	-	1,177
Interest on loans receivable	-	-	-	42,968	91,231	-	134,199
Total revenues	430,597	503,372	211,235	248,957	467,643	127,845	1,989,649
Expenses							
Materials and services	51,187	48,116	26,443	23,257	34,137	9,697	192,837
Utilities	107,948	85,753	35,149	21,257	53,255	27,167	330,529
Administrative overhead	2,241	4,885	2,018	2,059	3,735	3,387	18,325
Bad debts	3,148	9,800	841	-	3	-	13,792
Insurance	3,483	4,477	2,347	3,238	5,118	1,871	20,534
Salaries and benefits	-	48,878	33,745	20,396	55,280	31,312	189,611
Property taxes	45,673	-	28,754	33,178	33,832	15,635	157,072
Major repairs	4,218	6,044	-	-	-	-	10,262
Interest on long-term debt	96,510	131,976	75,188	127,596	245,666	29,201	706,137
Amortization of capital assets	138,334	190,162	90,406	138,273	207,208	82,062	846,445
Total expenses	452,742	530,091	294,891	369,254	638,234	200,332	2,485,544
Net surplus/(deficit)	(22,145)	(26,719)	(83,656)	(120,297)	(170,591)	(72,487)	(495,895)

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES
For the Year Ended December 31, 2013

	River Ridge \$	Woollen Mill \$	Anson House \$	Saunders' Court \$	Trailview Terrace \$	Bradburn House \$	Total \$
Revenues							
Rent	448,912	455,709	203,490	209,287	374,154	119,747	1,811,299
Laundry and miscellaneous recoveries	2,928	19,261	3,713	3,834	13,530	1,562	44,828
Management fees	(20,300)	(20,300)	(9,800)	(9,800)	(9,800)	-	(70,000)
Interfunctional rental fees	-	48,000	-	-	-	6,000	54,000
Investment income	226	40	-	-	569	-	835
Interest on loans receivable	-	-	-	45,186	95,546	-	140,732
Total revenues	431,766	502,710	197,403	248,507	473,999	127,309	1,981,694
Expenses							
Materials and services	34,564	43,540	27,893	15,469	48,926	6,622	177,014
Utilities	102,340	78,704	28,681	25,013	46,477	22,991	304,206
Administrative overhead	3,026	4,741	2,960	1,865	3,770	4,482	20,844
Bad debts	133	(574)	(243)	-	(500)	-	(1,184)
Insurance	2,065	6,891	1,359	1,678	8,048	3,013	23,054
Salaries and benefits	-	45,815	32,398	19,422	54,409	29,591	181,635
Property taxes	42,720	-	26,308	30,355	34,127	14,625	148,135
Interest on long-term debt	100,309	136,622	76,094	130,841	251,892	27,705	723,463
Amortization of capital assets	138,334	189,954	93,547	138,176	211,592	81,780	853,383
Total expenses	423,491	505,693	288,997	362,819	658,741	190,809	2,430,550
Net surplus/(deficit)	8,275	(2,983)	(91,594)	(114,312)	(184,742)	(63,500)	(448,856)



Chartered Accountants

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INDEPENDENT AUDITORS' COMMENTS ON SUPPLEMENTARY FINANCIAL INFORMATION

To the Board of Directors of Peterborough Housing Corporation

The audited consolidated financial statements of Peterborough Housing Corporation (PHC) as at December 31, 2014 and our report thereon dated April 18, 2015 are presented in the preceding section. The financial information presented hereinafter was derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the consolidated financial statements and, in our opinion, it is fairly presented in all material respects in relation to the consolidated financial statements taken as a whole.

We have audited the accompanying consolidated financial statements of Peterborough Housing Corporation, which comprise the consolidated statement of financial position as at December 31, 2014, the consolidated statements of operations and accumulated surplus, change in net financial liabilities and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated April 18, 2015 which contained an unqualified opinion on those consolidated financial statements. The audit was performed to form an opinion on the consolidated financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Peterborough, Ontario
April 15, 2015

PETERBOROUGH HOUSING CORPORATION**SPRUCE CORNERS****STATEMENT OF FINANCIAL POSITION**

At December 31, 2014

	General Fund \$	Capital Fund \$	2014 Total \$	2013 Total \$
FINANCIAL ASSETS				
Investments	-	37,409	37,409	47,455
Due from PHC	11,784	17,319	29,103	10,787
Capital assets (note 2)	304,115	-	304,115	324,511
	315,899	54,728	370,627	382,753
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Mortgage payable	302,999	-	302,999	323,395
FUND BALANCES	12,900	54,728	67,628	59,358
	315,899	54,728	370,627	382,753

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, 2014

	General Fund \$	Capital Fund \$	2014 Total \$	2013 Total \$
RECEIPTS				
Ministry of Health and Long-Term Care	48,479	4,819	53,298	53,496
Rent	44,644	-	44,644	46,301
Other	29,900	-	29,900	31,525
Interest	-	749	749	843
	123,023	5,568	128,591	132,165
EXPENSES				
Salaries and benefits	23,611	-	23,611	20,346
Management fee	6,120	-	6,120	6,000
Administration	573	-	573	732
Maintenance materials and services	21,622	-	21,622	22,103
Property taxes	3,274	-	3,274	3,275
Insurance	985	-	985	2,167
Utilities	13,533	-	13,533	12,701
Food	24,358	-	24,358	22,493
Interest	5,849	-	5,849	6,228
Amortization	20,396	-	20,396	20,020
	120,321	-	120,321	116,065
Excess of Revenue over Expenses for the year	2,702	5,568	8,270	16,100
BALANCE - beginning of year	10,198	49,160	59,358	43,258
BALANCES - end of year	12,900	54,728	67,628	59,358

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, 2014****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;

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

- (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) 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. CAPITAL ASSETS

	2014 \$	2013 \$
Land	33,831	33,831
Building	322,285	322,285
	356,116	356,116
Less: accumulated amortization	(52,001)	(31,605)
	304,115	324,511

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

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To the Shareholder and Board of Directors of the Peterborough Housing Corporation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Peterborough Housing Corporation, which comprise the consolidated statement of financial position as at December 31, 2015, the consolidated statements of operations and accumulated surplus, change in net financial liabilities and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Peterborough Housing Corporation as at December 31, 2015 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
April 22, 2016

PETERBOROUGH HOUSING CORPORATION**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****At December 31, 2015**

	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash (note 4)	2,081,304	2,088,292
Accounts receivable (note 5)	561,560	355,260
Loans receivable (note 6)	2,791,338	2,926,619
Investments (note 7)	599,125	585,035
TOTAL FINANCIAL ASSETS	6,033,327	5,955,206
LIABILITIES		
Accounts payable and accrued liabilities	1,306,916	1,158,040
Long term debt (note 9)	15,892,008	16,389,191
Employee future benefits (note 10)	87,722	83,491
TOTAL LIABILITIES	17,286,646	17,630,722
NET FINANCIAL LIABILITIES	(11,253,319)	(11,675,516)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	36,427,749	37,190,579
Prepaid expenses	212,939	211,890
Inventories of supplies	10,221	-
TOTAL NON-FINANCIAL ASSETS	36,650,909	37,402,469
ACCUMULATED SURPLUS (note 11)	25,397,590	25,726,953

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, 2015

	Budget 2015 \$ (unaudited)	Actual 2015 \$	Actual 2014 \$
REVENUES			
Rent	5,525,576	5,673,146	5,588,110
City of Peterborough subsidy (note 12)	4,868,226	5,066,667	4,730,261
Laundry and miscellaneous recoveries	136,323	233,728	209,997
Other subsidies	65,365	116,418	68,642
Management fees	13,750	780	8,169
Investment income	20,000	30,855	76,487
Interest on loans receivable	128,286	128,285	134,199
Gain on sale of tangible capital assets	-	7,584	-
TOTAL REVENUES	10,757,526	11,257,463	10,815,865
EXPENSES			
Materials and services (note 13)	1,107,273	1,237,480	1,132,872
Utilities (note 14)	2,066,420	2,144,307	2,179,728
Administrative overhead (note 15)	340,105	319,964	349,710
Bad debts	64,289	95,363	104,489
Insurance	168,134	206,316	165,241
Salaries and benefits	2,089,099	1,987,688	2,156,970
Property taxes	1,343,472	1,351,010	1,315,511
Major repairs (note 16)	850,000	943,482	751,036
Interest on long-term debt	751,503	706,267	726,806
Rent supplements	1,687,344	1,600,419	1,624,915
Amortization of capital assets	843,304	994,530	992,153
TOTAL EXPENSES	11,310,943	11,586,826	11,499,431
ANNUAL DEFICIT	(553,417)	(329,363)	(683,566)
ACCUMULATED SURPLUS - beginning of year	25,726,953	25,726,953	26,410,519
ACCUMULATED SURPLUS - end of year	25,173,536	25,397,590	25,726,953

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL LIABILITIES**

For the Year Ended December 31, 2015

	Budget 2015 \$ (unaudited)	Actual 2015 \$	Actual 2014 \$
ANNUAL DEFICIT	(553,417)	(329,363)	(683,566)
Amortization of tangible capital assets	843,304	994,530	992,153
Acquisition of tangible capital assets	-	(231,700)	(83,114)
Gain on disposal of tangible capital assets	-	(7,584)	-
Proceeds on sale of tangible capital assets	-	7,584	-
Increase in prepaid expenses	-	(1,049)	(22,804)
Increase in inventories of supplies	-	(10,221)	-
DECREASE IN NET FINANCIAL LIABILITIES	289,887	422,197	202,669
NET FINANCIAL LIABILITIES - beginning of year	(11,675,516)	(11,675,516)	(11,878,185)
NET FINANCIAL LIABILITIES - end of year	(11,385,629)	(11,253,319)	(11,675,516)

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, 2015

	2015	2014
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual deficit	(329,363)	(683,566)
(Increase)/decrease in accounts receivable	(206,300)	24,857
Decrease in loans receivable	135,281	129,393
Increase in prepaid expenses	(1,049)	(22,804)
Increase in inventories of supplies	(10,221)	-
Increase in accounts payable and accrued liabilities	148,876	94,208
Non-cash charges to operations		
Amortization of tangible capital assets	994,530	992,153
Gain on disposal of tangible capital assets	(7,584)	-
Increase in employee future benefits	4,231	83,491
Net increase in cash from operating transactions	728,401	617,732
CAPITAL		
Acquisition of tangible capital assets	(231,700)	(83,114)
Proceeds on disposal of tangible capital assets	7,584	-
Net decrease in cash from capital transactions	(224,116)	(83,114)
INVESTING		
Purchase of investments	(32,908)	(51,799)
Redemption of investments	18,818	13,360
Net decrease in cash from investing transactions	(14,090)	(38,439)
FINANCING		
Long term debt issued	-	32,000
Debt principal repayments	(497,183)	(470,365)
Net decrease in cash from financing transactions	(497,183)	(438,365)
INCREASE/(DECREASE) IN CASH	(6,988)	57,814
CASH - beginning of year	2,088,292	2,030,478
CASH - end of year	2,081,304	2,088,292

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, 2015**

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. 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.

(c) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues 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.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(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) 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.

(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 organization'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 earnings depend on certain actuarial and economic assumptions.

3. CHANGE IN ACCOUNTING POLICY

The Corporation has implemented PSA section 3260 Liability for Contaminated Sites. Section 3260 requires governments to record a liability in their financial statements if they have a contaminated site that meets the requirements set out in the standard. The standard defines contamination as the introduction into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The standard generally applies to sites that are not in productive use. Sites that are in productive use are only considered contaminated if there was an unexpected event that resulted in contamination. This change has been applied retroactively without restatement of prior periods. The adoption of this standard did not have an impact on the Corporation's financial statements.

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****For the Year Ended December 31, 2015****4. CASH**

Cash consists of:

	2015	2014
	\$	\$
Petty cash	550	550
Unrestricted cash	1,624,391	1,710,387
Restricted funds	456,363	377,355
	2,081,304	2,088,292

5. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2015	2014
	\$	\$
Tenants	238,457	214,055
City of Peterborough subsidy	254,187	144,077
Other	205,775	127,682
Allowance for doubtful accounts	(136,859)	(130,554)
	561,560	355,260

6. 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.

	2015	2014
	\$	\$
Trailview Terrace AHP	1,736,914	1,820,470
Saunder's Court AHP	1,054,424	1,106,149
	2,791,338	2,926,619

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2015

7. INVESTMENTS

Investments are comprised of the following:

	2015	2014
	\$	\$
Spruce Corners redeemable Guaranteed Investment Certificates (GIC's), interest at rates between 0.5% and 2.05% maturing between January 13, 2016 and June 22, 2019	42,070	37,409
Social housing bond fund	305,497	296,588
Social housing equity fund	251,558	251,038
	599,125	585,035

8. TANGIBLE CAPITAL ASSETS

The net book value of the tangible capital assets are:

	2015	2014
	\$	\$
General		
Land	10,822,697	10,822,697
Buildings	24,041,621	24,766,429
Building improvements	1,447,708	1,495,163
Equipment, furniture and fixtures	60,756	79,957
	36,372,782	37,164,246
Assets under construction	54,967	26,333
	36,427,749	37,190,579

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

During the year there were no write-downs (2014 - \$Nil) and no interest capitalized (2014 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2015	2014
	\$	\$
Social Housing operations	10,750,888	10,651,357
AHP properties	24,986,324	25,818,859
Anishnawbe	415,443	423,420
Spruce Corners	275,094	296,943
	36,427,749	37,190,579

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****For the Year Ended December 31, 2015****9. LONG TERM DEBT**

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

	2015	2014
	\$	\$
Anishnawbe mortgage held with TD Canada Trust, payable in blended monthly installments of \$2,089, interest at 2.112%, maturing December 1, 2017	358,092	375,436
River Ridge mortgage held with TD Canada Trust, payable in blended monthly installments of \$15,284, interest at 4.52%, maturing March 1, 2016	2,024,919	2,115,449
Woollen Mill mortgage held with TD Canada Trust, payable in blended monthly installments of \$19,646, interest at 4.60%, maturing July 1, 2017	2,740,749	2,848,939
Trailview Terrace mortgage held with RBC Insurance, payable in blended monthly installments of \$15,908, interest at 5.46%, maturing June 1, 2045	2,811,877	2,849,848
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	282,217	302,999
Bradburn House mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$5,255, interest at 3.80%, maturing October 18, 2021	905,699	933,759
Trailview Terrace demand loan held with Royal Bank of Canada, payable in blended monthly installments of \$14,215, interest at 4.91%, maturing February 1, 2020	1,731,578	1,815,134
Anson House and Saunder's Court debenture held with Infrastructure Ontario, payable in blended monthly installments of \$17,462, interest at 3.97%, maturing November 1, 2020	3,955,398	4,006,797
Saunder's Court debenture held with Infrastructure Ontario, payable in blended monthly installments of \$7,760, interest at 3.81%, maturing November 1, 2020	1,058,350	1,110,074
Vehicle loan, payable in blended monthly installments of \$716, interest at 3.54%, maturing October 1, 2018	23,129	30,756
	15,892,008	16,389,191

- (b) Interest paid during the year on long term debt amounted to \$706,266 (2014 - \$726,806).

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****For the Year Ended December 31, 2015****9. LONG TERM DEBT, continued**

(c) In April 2016, the Corporation renewed the River Ridge mortgage at an interest rate of 2.02% for a 5 year term.

(d) The long term debt reported in (a) of this note is repayable based on current terms, except for the River Ridge mortgage which is based on the terms as renewed in April 2016, as follows:

	Principal \$	Interest \$	Total \$
2016	534,009	650,743	1,184,752
2017	559,902	617,665	1,177,567
2018	579,960	596,152	1,176,112
2019	595,060	573,915	1,168,975
2020	618,126	550,849	1,168,975
2021 and subsequent years	13,004,951	6,195,148	19,200,099
	15,892,008	9,184,472	25,076,480

10. EMPLOYEE FUTURE BENEFITS AND PENSION AGREEMENTS

The Corporation makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions required on account of current service in 2015 were \$143,437 (2014 - \$149,869).

As a schedule II WSIB employer, the Corporation has a liability related to future WSIB claims and this was actuarially determined for the first time in 2014. The value of this liability has been assessed by an actuary as at December 31, 2015 to be \$87,722 (2014 - \$83,491) and will require funding in future periods.

The actuarial valuation as at December 31, 2014 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. The main actuarial assumptions employed for the valuation are as follows:

Expected inflation rate	2.0%
Interest rate	4.5%

	2015 \$	2014 \$
Current service costs	14,012	79,688
Interest on accrued benefit obligation	3,972	3,803
Employee future benefits expense	17,984	83,491

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2015

11. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2015	2014
	\$	\$
Surplus/(Deficit)		
Unfunded employee future benefits	(87,722)	(83,491)
Social Housing operations	(58,792)	12,217
Capital	453,311	384,337
Anishnawbe	58,460	55,931
AHP	2,394,821	2,499,669
Spruce Corners	23,229	22,867
Finally a Home	58,323	58,212
Rent Supplement	1,479,652	1,509,885
	4,321,282	4,459,627
Invested In Capital Assets		
Tangible capital assets - net book value	36,427,749	37,190,579
Long term debt	(15,892,008)	(16,389,191)
	20,535,741	20,801,388
Surplus	24,857,023	25,261,015
Reserve Funds		
Social Housing operations - Wind Mobile	5,535	3,735
Anishnawbe capital replacement	29,283	18,921
AHP	445,730	388,554
Spruce Corners capital replacement	60,019	54,728
Total Reserve Funds	540,567	465,938
	25,397,590	25,726,953
AHP reserve funds include:		
	2015	2014
	\$	\$
River Ridge capital replacement	164,069	140,614
Woollen Mill capital replacement	164,482	137,810
Trailview Terrace capital replacement	85,536	69,718
Saunder's Court capital replacement	11,210	20,195
Anson House capital replacement	20,433	20,217
	445,730	388,554

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2015

12. CITY OF PETERBOROUGH SUBSIDIES

City of Peterborough subsidies is comprised of:

	2015	2014
	\$	\$
Anishnawbe - operating	64,000	63,000
Social Housing operations - operating	2,198,000	2,146,000
Capital	1,110,110	845,000
Housing Access Peterborough	133,800	131,225
Rent supplement	1,560,757	1,545,036
	5,066,667	4,730,261

13. MATERIALS AND SUPPLIES

Materials and services consist of the following:

	2015	2014
	\$	\$
Repairs and maintenance	936,530	873,935
Security	28,366	14,534
Grounds	248,257	220,045
Food - Spruce Corners	24,327	24,358
	1,237,480	1,132,872

14. UTILITIES

Utilities consist of the following:

	2015	2014
	\$	\$
Electricity	1,176,045	1,129,654
Water	554,531	610,069
Fuel	413,731	440,005
	2,144,307	2,179,728

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2015

15. ADMINISTRATIVE OVERHEAD

Administrative overhead consist of the following:

	2015	2014
	\$	\$
Promotion	7,811	9,308
Bank and collection charges	14,579	15,187
Office	79,296	71,993
Legal fees	22,243	31,491
Audit fees	23,490	28,119
Professional fees	6,702	19,915
Information technology	76,031	74,283
Travel	47,492	51,683
Telephone and telecommunications	31,692	38,263
Memberships	10,628	9,468
	319,964	349,710

16. MAJOR REPAIRS

Major repairs expenses are funded as follows:

	2015	2014
	\$	\$
Current year funding	943,482	705,446
Prior year funding	-	45,590
	943,482	751,036

17. BUDGET FIGURES

The budget, approved by the Corporation, for 2015 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Liabilities. The budgets 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.

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2015

18. 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 \$
River Ridge	AHP	20 years	June 1, 2026	2,000,000
Anson House	AHP	20 years	August 1, 2029	1,000,000
Woollen Mill	ARHP	20 years	July 1, 2027	1,450,000
Woollen Mill	RRAP	15 years	April 1, 2022	900,000
Trailview Terrace	AHP	20 years	January 1, 2030	1,330,000
Saunder's Court	AHP	20 years	November 1, 2030	798,000
Bradburn House	AHP	25 years	October 1, 2036	2,160,000
Trailview Terrace - Quad	AHP	25 years	January 1, 2035	480,000
Peterborough Housing	SHRRP	10 years	Estimated Spring 2022	1,691,828
				11,809,828

19. COMMITMENT

During 2014, the Corporation entered into an agreement to purchase the McCrae Property in Peterborough, Ontario for a total of \$800,000. The closing date is 60 days after an approved record of site condition from the Ministry of Environment is received. Upon closing the seller has agreed to take back a first mortgage securing the balance of the purchase price. The mortgage shall be interest free and due in full 6 months after the closing date.

20. RELATED PARTIES

The Corporation received subsidies from the City of Peterborough, its sole shareholder, in the amount of \$5,066,667 (2014 - \$4,730,261). During the year, the Corporation made payments to the City of Peterborough in the amounts of \$1,144,549 (2014 - \$1,114,374) for property taxes and \$26,868 (2014 - \$26,086) for information technology maintenance services.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

21. 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 and Bradburn House.

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.

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.

Capital Fund

Funds received from the City of Peterborough for capital expenditures are accounted for in the Capital Fund. Preventative maintenance expenses are also 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.

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.

Social Housing Operations Fund

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

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2015

	General					Totals \$
	Land \$	Buildings \$	Building Improvements \$	Equipment, furniture and fixtures \$	Assets Under Construction \$	
COST						
Balance, beginning of year	10,822,697	61,249,014	1,660,675	443,789	26,333	74,202,508
Add: additions during the year	-	187,978	-	15,088	28,634	231,700
Less: disposals during the year	-	-	-	11,386	-	11,386
Balance, end of year	10,822,697	61,436,992	1,660,675	447,491	54,967	74,422,822
ACCUMULATED AMORTIZATION						
Balance, beginning of year	-	36,482,585	165,512	363,832	-	37,011,929
Add: additions during the year	-	912,786	47,455	34,289	-	994,530
Less: disposals during the year	-	-	-	11,386	-	11,386
Balance, end of year	-	37,395,371	212,967	386,735	-	37,995,073
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS						
	10,822,697	24,041,621	1,447,708	60,756	54,967	36,427,749

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended December 31, 2015

	AHP \$	Anishnawbe \$	Spruce Corners \$	Capital \$	HAP \$	Rent Supplement \$	Social Housing Operations \$	FAH \$	Consolidated \$
Revenues									
Rent	1,871,289	20,102	43,279	-	-	-	3,738,476	-	5,673,146
City of Peterborough subsidy	-	64,000	-	1,110,110	133,800	1,560,757	2,198,000	-	5,066,667
Laundry and miscellaneous recoveries	45,172	9,518	28,453	-	-	-	150,585	-	233,728
Other subsidies	-	-	55,900	45,000	-	-	15,518	-	116,418
Management fees	(70,000)	(6,000)	(6,240)	-	-	-	83,020	-	780
Interfunctional rental fees	54,000	-	-	-	-	-	(54,000)	-	-
Investment income	1,263	-	572	-	-	9,429	19,380	211	30,855
Interest on loans receivable	128,285	-	-	-	-	-	-	-	128,285
Gain on sale of tangible capital assets	-	-	-	-	-	-	7,584	-	7,584
Total revenues	2,030,009	87,620	121,964	1,155,110	133,800	1,570,186	6,158,563	211	11,257,463
Expenses									
Materials and services	178,621	17,468	42,826	-	-	-	998,565	-	1,237,480
Utilities	342,775	18,503	13,984	-	-	-	1,769,045	-	2,144,307
Administrative overhead	15,536	616	5,948	-	40,140	-	257,724	-	319,964
Bad debts	1,951	1,270	-	-	-	-	92,142	-	95,363
Insurance	19,815	1,281	999	-	-	-	184,221	-	206,316
Salaries and benefits	184,673	-	23,054	-	93,660	-	1,686,201	100	1,987,688
Property taxes	165,124	8,415	3,314	-	-	-	1,174,157	-	1,351,010
Major repairs	24,234	-	-	919,248	-	-	-	-	943,482
Interest on long-term debt	692,150	7,695	5,463	-	-	-	959	-	706,267
Rent supplements	-	-	-	-	-	1,600,419	-	-	1,600,419
Amortization of capital assets	834,319	10,114	21,849	-	-	-	128,248	-	994,530
Total expenses	2,459,198	65,362	117,437	919,248	133,800	1,600,419	6,291,262	100	11,586,826
Net surplus/(deficit)	(429,189)	22,258	4,527	235,862	-	(30,233)	(132,699)	111	(329,363)

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended December 31, 2014

	AHP	Anishnawbe	Spruce Corners	Capital	HAP	Rent Supplement	Social Housing Operations	FAH	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Rent	1,827,964	21,906	44,644	-	-	-	3,693,596	-	5,588,110
City of Peterborough subsidy	-	63,000	-	845,000	131,225	1,545,036	2,146,000	-	4,730,261
Laundry and miscellaneous recoveries	42,309	1,052	29,900	-	-	-	136,736	-	209,997
Other subsidies	-	-	53,298	-	-	-	15,344	-	68,642
Management fees	(70,000)	-	(6,120)	-	-	-	84,289	-	8,169
Interfunctional rental fees	54,000	-	-	-	-	-	(54,000)	-	-
Investment income	1,177	-	749	-	-	48,486	25,761	314	76,487
Interest on loans receivable	134,199	-	-	-	-	-	-	-	134,199
Total revenues	1,989,649	85,958	122,471	845,000	131,225	1,593,522	6,047,726	314	10,815,865
Expenses									
Materials and services	192,837	29,331	42,359	-	-	-	868,345	-	1,132,872
Utilities	330,529	20,099	13,533	-	-	-	1,815,567	-	2,179,728
Administrative overhead	18,325	902	4,194	-	39,368	-	286,921	-	349,710
Bad debts	13,792	2	-	-	-	-	90,695	-	104,489
Insurance	20,534	1,194	985	-	-	-	142,528	-	165,241
Salaries and benefits	189,611	-	23,611	-	91,857	-	1,851,791	100	2,156,970
Property taxes	157,072	8,108	3,274	-	-	-	1,147,057	-	1,315,511
Major repairs	10,262	9,949	-	730,825	-	-	-	-	751,036
Interest on long-term debt	706,137	8,061	5,849	-	-	-	6,759	-	726,806
Rent supplements	-	-	-	-	-	1,624,915	-	-	1,624,915
Amortization of capital assets	846,445	9,900	21,849	-	-	-	113,959	-	992,153
Total expenses	2,485,544	87,546	115,654	730,825	131,225	1,624,915	6,323,622	100	11,499,431
Net surplus/(deficit)	(495,895)	(1,588)	6,817	114,175	-	(31,393)	(275,896)	214	(683,566)

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED CONTINUITY OF SURPLUS/(DEFICIT) AND RESERVE FUNDS
For the Year Ended December 31, 2015

	AHP \$	Anishnawbe \$	Spruce Corners \$	Capital \$	HAP \$	Rent Supplement \$	Social Housing Operations \$	FAH \$	Consolidated \$
Surplus/(Deficit)									
Net surplus/(deficit)	(429,189)	22,258	4,527	235,862	-	(30,233)	(132,699)	111	(329,363)
Add: Amortization	834,319	10,114	21,849	-	-	-	128,248	-	994,530
Unfunded employee future benefits	413	-	59	-	-	-	3,759	-	4,231
Less: Debt principal repayments	(451,431)	(17,344)	(20,782)	-	-	-	(7,626)	-	(497,183)
Transfer to Capital	(1,784)	(2,137)	-	(166,888)	-	-	(60,891)	-	(231,700)
Net transfer to Reserve Funds	(57,176)	(10,362)	(5,291)	-	-	-	(1,800)	-	(74,629)
Change in Surplus/(Deficit)	(104,848)	2,529	362	68,974	-	(30,233)	(71,009)	111	(134,114)
Opening Surplus/(Deficit)	2,499,669	55,931	22,867	384,337	-	1,509,885	12,217	58,212	4,543,118
Closing Surplus/(Deficit)	2,394,821	58,460	23,229	453,311	-	1,479,652	(58,792)	58,323	4,409,004
Reserve Funds									
Add: Interest	1,530	362	572	-	-	-	-	-	2,464
Transfer from Operations	68,362	10,000	4,719	-	-	-	1,800	-	84,881
Less: Transfer to Operations	(12,716)	-	-	-	-	-	-	-	(12,716)
Change in Reserve Funds	57,176	10,362	5,291	-	-	-	1,800	-	74,629
Opening Reserve Funds	388,554	18,921	54,728	-	-	-	3,735	-	465,938
Closing Reserve Funds	445,730	29,283	60,019	-	-	-	5,535	-	540,567

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES
For the Year Ended December 31, 2015

	River Ridge \$	Woollen Mill \$	Anson House \$	Saunders Court \$	Trailview Terrace \$	Bradburn House \$	Total \$
Revenues							
Rent	457,658	477,011	213,623	213,588	386,777	122,632	1,871,289
Laundry and miscellaneous recoveries	3,499	13,246	2,956	9,127	14,192	2,152	45,172
Management fees	(20,300)	(20,300)	(9,800)	(9,800)	(9,800)	-	(70,000)
Interfunctional rental fees	-	48,000	-	-	-	6,000	54,000
Investment income	-	-	216	231	816	-	1,263
Interest on loans receivable	-	-	-	41,039	87,246	-	128,285
Total revenues	440,857	517,957	206,995	254,185	479,231	130,784	2,030,009
Expenses							
Materials and services	51,059	36,354	28,220	19,119	30,268	13,601	178,621
Utilities	113,147	94,299	35,122	25,193	44,620	30,394	342,775
Administrative overhead	2,558	3,074	2,281	1,792	3,981	1,850	15,536
Bad debts	1,801	-	-	-	-	150	1,951
Insurance	3,365	4,325	2,266	3,140	4,951	1,768	19,815
Salaries and benefits	-	47,110	32,820	20,842	53,905	29,996	184,673
Property taxes	48,353	-	31,045	35,821	33,353	16,552	165,124
Major repairs	-	9,992	-	12,716	-	1,526	24,234
Interest on long-term debt	92,538	127,149	74,247	124,599	239,665	33,952	692,150
Amortization of capital assets	138,334	190,375	87,265	135,535	200,388	82,422	834,319
Total expenses	451,155	512,678	293,266	378,757	611,131	212,211	2,459,198
Net surplus/(deficit)	(10,298)	5,279	(86,271)	(124,572)	(131,900)	(81,427)	(429,189)

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES For the Year Ended December 31, 2014

	River Ridge \$	Woollen Mill \$	Anson House \$	Saunders Court \$	Trailview Terrace \$	Bradburn House \$	Total \$
Revenues							
Rent	448,876	458,279	218,807	209,128	372,596	120,278	1,827,964
Laundry and miscellaneous recoveries	2,021	17,393	2,011	6,466	12,851	1,567	42,309
Management fees	(20,300)	(20,300)	(9,800)	(9,800)	(9,800)	-	(70,000)
Interfunctional rental fees	-	48,000	-	-	-	6,000	54,000
Investment income	-	-	217	195	765	-	1,177
Interest on loans receivable	-	-	-	42,968	91,231	-	134,199
Total revenues	430,597	503,372	211,235	248,957	467,643	127,845	1,989,649
Expenses							
Materials and services	51,187	48,116	26,443	23,257	34,137	9,697	192,837
Utilities	107,948	85,753	35,149	21,257	53,255	27,167	330,529
Administrative overhead	2,241	4,885	2,018	2,059	3,735	3,387	18,325
Bad debts	3,148	9,800	841	-	3	-	13,792
Insurance	3,483	4,477	2,347	3,238	5,118	1,871	20,534
Salaries and benefits	-	48,878	33,745	20,396	55,280	31,312	189,611
Property taxes	45,673	-	28,754	33,178	33,832	15,635	157,072
Major repairs	4,218	6,044	-	-	-	-	10,262
Interest on long-term debt	96,510	131,976	75,188	127,596	245,666	29,201	706,137
Amortization of capital assets	138,334	190,162	90,406	138,273	207,208	82,062	846,445
Total expenses	452,742	530,091	294,891	369,254	638,234	200,332	2,485,544
Net surplus/(deficit)	(22,145)	(26,719)	(83,656)	(120,297)	(170,591)	(72,487)	(495,895)

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INDEPENDENT AUDITORS' COMMENTS ON SUPPLEMENTARY FINANCIAL INFORMATION

To the Board of Directors of Peterborough Housing Corporation

The audited consolidated financial statements of Peterborough Housing Corporation (PHC) as at December 31, 2015 and our report thereon dated April 22, 2016 are presented in the preceding section. The financial information presented hereinafter was derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the consolidated financial statements and, in our opinion, it is fairly presented in all material respects in relation to the consolidated financial statements taken as a whole.

We have audited the accompanying consolidated financial statements of Peterborough Housing Corporation, which comprise the consolidated statement of financial position as at December 31, 2015, the consolidated statements of operations and accumulated surplus, change in net financial liabilities and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated April 22, 2016 which contained an unqualified opinion on those consolidated financial statements. The audit was performed to form an opinion on the consolidated financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements including the modifications described in note 1 to the supplementary financial information.

The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
April 22, 2016

PETERBOROUGH HOUSING CORPORATION**SPRUCE CORNERS
STATEMENT OF FINANCIAL POSITION
At December 31, 2015**

	General Fund \$	Capital Fund \$	2015 Total \$	2014 Total \$
FINANCIAL ASSETS				
Cash	-	14,889	14,889	-
Investments	-	42,070	42,070	37,409
Due from PHC	12,087	3,060	15,147	29,103
Capital assets (note 2)	283,333	-	283,333	304,115
	295,420	60,019	355,439	370,627
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Mortgage payable	282,217	-	282,217	302,999
FUND BALANCES	13,203	60,019	73,222	67,628
	295,420	60,019	355,439	370,627

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, 2015

	General Fund \$	Capital Fund \$	2015 Total \$	2014 Total \$
RECEIPTS				
Ministry of Health and Long-Term Care	51,181	4,719	55,900	53,298
Rent	43,279	-	43,279	44,644
Other	28,453	-	28,453	29,900
Interest	-	572	572	749
	122,913	5,291	128,204	128,591
EXPENSES				
Salaries and benefits	23,054	-	23,054	23,611
Management fee	6,240	-	6,240	6,120
Administration	1,232	-	1,232	573
Maintenance materials and services	23,215	-	23,215	21,622
Property taxes	3,314	-	3,314	3,274
Insurance	999	-	999	985
Utilities	13,984	-	13,984	13,533
Food	24,327	-	24,327	24,358
Interest	5,463	-	5,463	5,849
Amortization	20,782	-	20,782	20,396
	122,610	-	122,610	120,321
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	303	5,291	5,594	8,270
FUND BALANCES - beginning of year	12,900	54,728	67,628	59,358
FUND BALANCES - end of year	13,203	60,019	73,222	67,628

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, 2015

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) 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. CAPITAL ASSETS

	2015	2014
	\$	\$
Land	33,831	33,831
Building	322,285	322,285
	356,116	356,116
Less: accumulated amortization	(72,783)	(52,001)
	283,333	304,115

