

ANNUAL REPORT 2017



*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



Rebecca Morgan-Quinn
Advisor



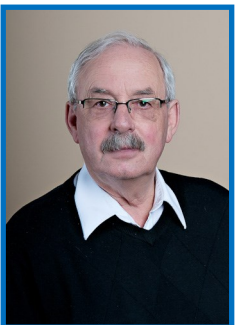
Malcolm Hunt
Advisor



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 Report 2017

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Peterborough Housing Corporation prides itself on serving our community by following our mission statement and providing, *delivering* and maintaining quality, affordable housing in a safe, healthy and secure environment. Subjectively, I have added the word *delivering* in italics to capture our role in developing new housing, assisting other housing providers and taking on additional units to continue this essential work. To the members of our organization this means using the tools we have as a team, reorganizing to maximize our capacity to deliver services effectively and continuing to respond to the needs of our clients and the community we serve.

Under our new Shareholder Direction, PHC has been declared the developer of choice for housing for the Service Manager and was identified as the agency to assist the City's Housing Division and other housing providers should there be a need. The direction initiated two new Memorandums of Understanding (MOU'S) and partnerships with other community based housing providers, Sunshine Homes and Brock Mission.

Sunshine Home's Board of Directors began searching for an alternate service provider to initially provide management for their community with the ultimate goal of transferring the physical asset to another housing corporation. PHC entered into an MOU with the Board of Directors of Sunshine Homes to begin management services in September with a transfer of the asset occurring in early 2018. Using the same resources and model as we did to amalgamate Anishnawbe, Spruce Corners and Home Grown Homes, I am pleased to report that the transition was very smooth, interests of the community were respectful and communication open and transparent. We are pleased to have the residents of Sunshine Homes as part of our PHC "family" and have made a commitment to deliver the same core and enhanced services that are provided across our portfolio.

The Board of Directors of Brock Mission began a journey of investigating options for its aging and inadequate facility on Murray Street. The building had undergone a series of renovations over the years, leaving it with an unusual layout and a long list of needs. After an extensive feasibility study, it was determined that the best solution was to demolish the old building and construct a modern space for shelter services to be delivered. A search began, with the assistance of the City's Housing and Social Services Divisions, for a partner who could assist with construction, provide property management once it was finished and allow Brock to deliver services that they do so well for men facing homelessness. As the City's preferred developer for housing, PHC was suggested as a potential partner and the result was an MOU between the two partners that would see the property transferred to PHC as the constructor and owner of the property. We were committed to constructing the new build to the specifications

of Brock Mission, becoming the property owner and manager and entering into a head lease with Brock Mission for the sole purpose of providing the delivery of services and supports for a shelter and 15 single units for men in homelessness situations. The MOU was signed in 2017, abatement and demolition supervised by PHC, under Brock ownership with a transfer of the land at the end of March 2018.



Darlene Cook, CEO



Bonnie Clark, Chair

(Continued on next page)

Annual Report 2017 Continued

These two partnerships made for a lengthy task list adding to our already ambitious schedule for 2017. Our annual work plan included the launch of Homeward Bound with the assistance of our partners, a redevelopment of the former Fleming trade college on Bonaccord Street that will have 34 units, of which 8 are dedicated to Homeward Bound and a full daycare through a partnership with Compass Daycare. Two new developments also on our work plan include a new supportive senior's building at the same location on Bonaccord that will provide 24 hour supports for 50 of the 81 units and another senior's build in Havelock consisting of a 24 unit apartment building and 2 quad bungalows for a total of 32 units. The senior's buildings in development have been enhanced through our partnerships with Peterborough Regional Health Centre, the Central East LHIN, VON, Community Care, the City and County and other agencies. In order to finance these projects and better utilize our resources, PHC has begun the sale of underutilized units and we are very pleased that we have successfully marketed some to our own residents as well as the private market, creating a more diverse community.

In summary, to report on our planned initiatives, as well as those opportunities that came our way throughout the year, PHC found itself in the position of having dedicated staffing in place for Homeward Bound, abatement, design and demolition well under way for the Bonaccord property and services installed to ready the parcel of land in Havelock as well as preparing for the transfer of Sunshine Homes and the property on 217 Murray Street. We completed our reorganization of our current staffing model to ensure the corporation has the future skills, knowledge and talent it will need to carry out our goals. We have finished the final version of our Capital Financing and Community Revitalization Plan that has mapped out our priority neighbourhoods, identified site specific development options and redevelopment plans for current communities that will take us on a journey for 15 years into the future. Quite an accomplishment!

Our vision for the future 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 was highlighted when our CEO, Darlene Cook was recognized by the Ontario Non Profit Housing Association as the winner of the Sybil Frenette Outstanding Leader in housing award for 2017.

Our work could not be achieved without the support of our Shareholder, the City of Peterborough, the Housing Division at the City, all of our County representatives, our partners and most of all, our Board of Directors and team of staffing professionals. To all of them, we say thank you.



**Peterborough Housing Corporation,
Staff and Board, 2017**



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OUR JOURNEY GENERAL INFORMATION

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. 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 1,052 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 in age from a 100 year old fully renovated building and many units that are approaching 50 years old to some very modern builds we have developed in the past five to ten years, some of which require enormous amounts of pampering and capital expenditure. We are continually looking for innovative energy conservation measures to incorporate into new and existing structures for the increased 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 1,600 households waiting for rent geared to income units. The administration of rent supplement 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 place and provide good client service to fulfill our mission statement.





FUTURE GOALS

Peterborough Housing Corporation has been an award winning leader in the housing community and as such is always looking for new opportunities to enhance and enrich the housing environment in which we live. To the organization's credit we have been nominated and won the ONPHA Award of Excellence in 2013 and our CEO was nominated and won the Sybil Frenette Outstanding Leadership Award. Our current Strategic Plan developed by the Board of Directors in 2012 for the Years 2013-2018 has been an excellent guide for the Corporation's future growth and we have engaged a consultancy group to update the plan, check in with stakeholders and build on elements that have served us well. Partnerships, core services and tenant empowerment were key objectives in our plan and we are committed to holding those values and objectives in our future document.

The Board of PHC have taken a strong step towards planning for the future need of our clients. We have a consultant's report ready to present to council that incorporates the work of our Board, staff and committees and has outlined the best regeneration and redevelopment opportunities in a document called our Capital Finance and Community Revitalization Plan, which will come forward to our Shareholder for approval. Building on the 10 Year Housing and Homelessness Plan, statistics from Housing Access Peterborough and the provincial guidelines for the Official Plan and other growth projections, this document is a guide for PHC for the next 15 years.

We continue to look outside of our organization for inspiration and direction for growth. Incorporating supportive housing initiatives within our current portfolio and in our new development is becoming an elevated priority for PHC to meet the needs of our residents and applicants. Our properties are incorporating services through partnerships with care agencies to provide additional supports to help our residents "age in place". We are providing space in our new builds for community gathering, service agencies and community hubs as well as a full daycare provider. Providing initiatives that allow tenants to retain their independence and improves the quality of life enriches the fabric of our communities.

We know that stable housing is a factor when providing a foundation for healthy outcomes. To that end we are exploring new funding options in the supportive housing sector to enable us to offer more than bricks and mortar to our residents. Our Housing Social Workers, Maisie Watson and Lisa Clark, caringly serve our tenant population and have been instrumental in bringing the Food Bank to our residents as well as Day Camp activities, learning and leadership programs and counselling for all those in need.

PHC is committed to be a willing partner to enhance our properties, serve our clients and the broader community and continue to build on our strengths and maximize our resources to plan for the modernization of social housing in Peterborough.

PHC Highlights

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**Sybil Frenette
Leadership Award**



**The Morning Show
on Chex**



**Smoking Cessation
Award**



Homeward Bound Peterborough

In mid 2017, the PHC Board of Directors directed the CEO to implement the hiring of a Manager, Homeward Bound. Funded "on a shoe string", this position, with a part time administrative support began the task of putting together a program, liaising with our partners in the community and preparing for our first cohort in the spring of 2018.

During the period of September to December the team was in the community every chance they got, doing presentations with partners, potential partners and donors as well as assembling eligibility criteria, structuring work plans and researching other replications of WoodGreen's Homeward Bound.

In October, our Manager, Maisie Watson had the privilege to visit Homeward Bound Toronto as their 21st cohort began their journey in the program. In November she and her assistant, Christine Barry returned to meet up with the students while in session at Manulife, where they were being mentored on choosing a program of study, leading to a sustainable living wage career. It was amazing to see the way these strangers from October had come together as a community and also, to see the growth in their self esteem. A model we were determined to emulate!

Over the fall, there were several opportunities to meet with interested partners, associations and industry that were keen to promote women in non traditional career paths. Fleming College staff was also instrumental in their support and helped design academic upgrading and counselling that would lead to successful, sustainable career paths. The YWCA entered into an agreement with PHC to partner, help fund and to become the first housing provider to house a cohort that would be the first graduate class of Homeward Bound Peterborough. In December we offered two information sessions to women living in their housing and found interest among the participants to become candidates.

The work done in those few short months in 2017 has brought to fruition the opportunity to offer four women the chance to change their lives and the lives of their children in very positive ways that will allow a future beyond poverty.



Maisie Watson

Manager, Homeward Bound Peterborough

Capital Projects

Playground Upgrades

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30 Alexander



835 Cameron



665 Crawford



Capital Projects

Concrete Improvement



12 & 30 Simeon,
900 Dutton



Make-up Air Unit Replacement



85 Concession

Bathroom Renovation



Kitchen Upgrades



169 Lake &
486 Donegal



486 Donegal

LED Lighting Improvements



County Buildings

New Development

Brock Mission Men's Shelter



Demolition



Concept

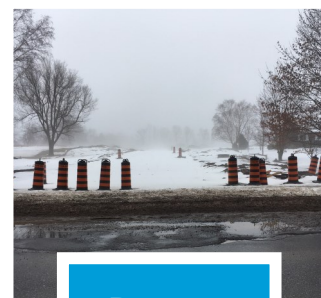


Havelock Senior's Affordable Housing

Concept



Property



New Development

McRae Development

Fleming McRae
Building



Phase I Demolition



Phase I & II
Concept



Community Involvement

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Cameron Street
Fun Day



Community
Gardens



Community Involvement

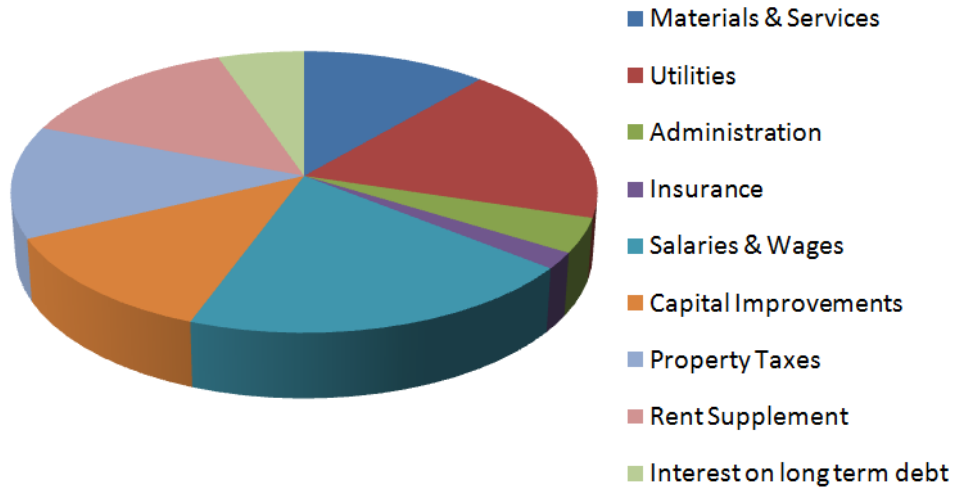
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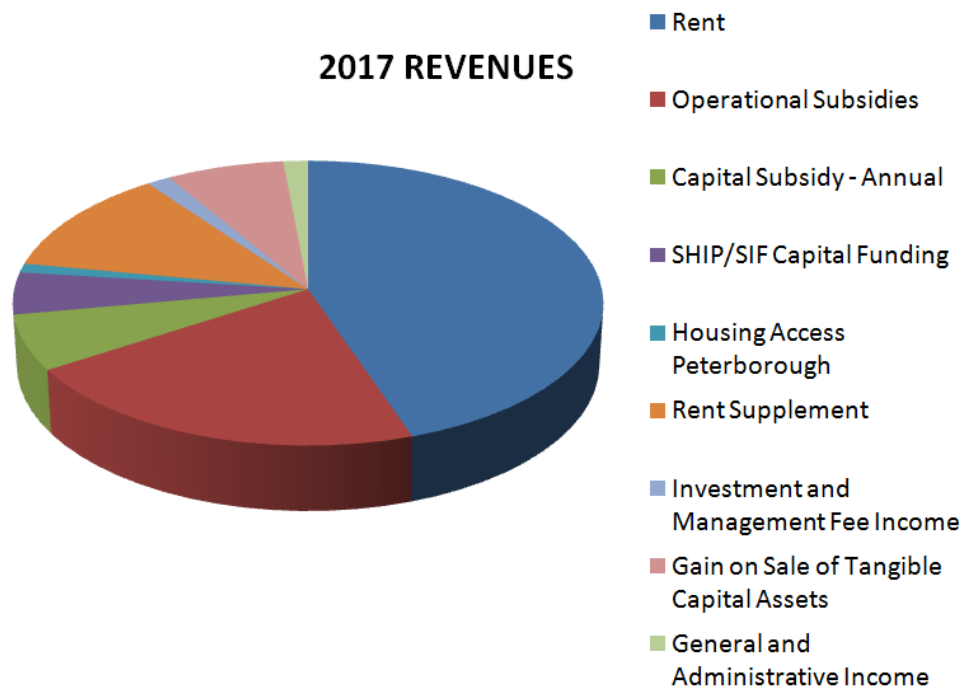
Financial Information

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2017 EXPENSES



2017 REVENUES



PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

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, 2017, the consolidated statements of operations and accumulated surplus, change in net financial assets/(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.

Auditor's 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 auditor's 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, 2017 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 18, 2018

PETERBOROUGH HOUSING CORPORATION**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
At December 31, 2017

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash (note 3)	3,484,343	3,903,569
Accounts receivable (note 4)	784,270	349,927
Loans receivable (note 5)	2,502,654	2,650,345
Investments (note 6)	2,186,056	627,916
TOTAL FINANCIAL ASSETS	8,957,323	7,531,757
LIABILITIES		
Short term debt and loan advances (note 7)	1,000,000	600,000
Accounts payable and accrued liabilities	1,465,237	1,250,993
Long term debt (note 8)	15,420,835	16,136,099
Employee future benefits (note 9)	98,326	92,219
TOTAL LIABILITIES	17,984,398	18,079,311
NET FINANCIAL ASSETS/(LIABILITIES)	(9,027,075)	(10,547,554)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 10)	37,568,133	38,082,233
Prepaid expenses	193,573	196,824
Inventories of supplies	14,700	12,700
TOTAL NON-FINANCIAL ASSETS	37,776,406	38,291,757
ACCUMULATED SURPLUS (note 11)	28,749,331	27,744,203

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, 2017**

	Budget 2017 \$ (unaudited)	Actual 2017 \$	Actual 2016 \$
REVENUES			
Rent	5,864,117	6,035,945	5,795,499
City of Peterborough subsidy (note 12)	5,271,120	5,940,360	6,867,826
Laundry and miscellaneous recoveries	140,950	200,414	221,707
Other subsidies	69,321	152,829	427,691
Management fees	26,200	40,166	38,624
Investment income	39,874	152,197	59,546
Interest on loans receivable	-	116,005	122,453
Gain/(loss) on sales of tangible capital assets	-	956,038	(31,222)
Contribution of tangible capital assets	-	-	250,756
TOTAL REVENUES	11,411,582	13,593,954	13,752,880
EXPENSES			
Materials and services (note 13)	1,178,941	1,317,907	1,107,764
Utilities (note 14)	2,375,914	2,121,288	2,195,162
Administrative overhead (note 15)	389,934	380,501	352,210
Bad debts	76,500	82,135	110,121
Insurance	204,089	218,430	214,557
Salaries and benefits	2,192,830	2,318,550	2,098,502
Property taxes	1,402,410	1,494,927	1,388,811
Major repairs	857,466	1,416,108	709,584
Interest on long-term debt	924,703	613,847	654,664
Rent supplements	1,652,586	1,604,117	1,568,608
Amortization of capital assets	1,003,167	1,021,016	1,006,284
TOTAL EXPENSES	12,258,540	12,588,826	11,406,267
ANNUAL SURPLUS/(DEFICIT)	(846,958)	1,005,128	2,346,613
ACCUMULATED SURPLUS - beginning of year		27,744,203	25,397,590
ACCUMULATED SURPLUS - end of year		28,749,331	27,744,203

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)**
For the Year Ended December 31, 2017

	Budget 2017 \$ (unaudited)	Actual 2017 \$	Actual 2016 \$
ANNUAL SURPLUS/(DEFICIT)	(846,958)	1,005,128	2,346,613
Amortization of tangible capital assets	1,003,167	1,021,016	1,006,284
Purchase of tangible capital assets	-	(1,043,393)	(2,441,234)
Loss/(gain) on disposals of tangible capital assets	-	(956,038)	31,222
Proceeds on sales of tangible capital assets	-	1,492,515	-
Contributed capital assets	-	-	(250,756)
Change in prepaid expenses	-	3,251	16,115
Change in inventories of supplies	-	(2,000)	(2,479)
CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)	156,209	1,520,479	705,765
NET FINANCIAL ASSETS/(LIABILITIES) - beginning of year	(10,547,554)	(10,547,554)	(11,253,319)
NET FINANCIAL ASSETS/(LIABILITIES) - end of year	(10,391,345)	(9,027,075)	(10,547,554)

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, 2017

	2017	2016
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	1,005,128	2,346,613
Items not involving cash		
Amortization of tangible capital assets	1,021,016	1,006,284
Loss/(gain) on disposal of tangible capital assets	(956,038)	31,222
Contributed capital assets	-	(250,756)
Change in employee future benefits	6,107	4,497
Change in non-cash assets and liabilities		
Accounts receivable	(434,343)	211,633
Loans receivable	147,691	140,993
Prepaid expenses	3,251	16,115
Inventories of supplies	(2,000)	(2,479)
Accounts payable and accrued liabilities	214,244	(55,923)
Net change in cash from operating activities	1,005,056	3,448,199
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,043,393)	(2,441,234)
Proceeds on disposal of tangible capital assets	1,492,515	-
Net change in cash from capital activities	449,122	(2,441,234)
INVESTING ACTIVITIES		
Purchase of investments	(1,571,849)	(41,660)
Redemption of investments	13,709	12,869
Net change in cash from investing activities	(1,558,140)	(28,791)
FINANCING ACTIVITIES		
Long term debt issued	2,881,531	2,782,398
Debt principal repayments	(3,596,795)	(2,538,307)
Short term debt and loan advances issued	1,000,000	600,000
Short term debt and loan advances principal repayments	(600,000)	-
Net change in cash from financing activities	(315,264)	844,091
NET CHANGE IN CASH	(419,226)	1,822,265
CASH - beginning of year	3,903,569	2,081,304
CASH - end of year	3,484,343	3,903,569

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, 2017

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.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Recognition of Revenues and Expenses

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

Government funding

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

(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) 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.

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
For the Year Ended December 31, 2017**3. CASH**

Cash consists of:

	2017	2016
	\$	\$
Petty cash	550	550
Unrestricted cash	2,542,775	1,557,744
Restricted funds	941,018	2,345,275
	3,484,343	3,903,569

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2017	2016
	\$	\$
Tenants	146,254	158,893
City of Peterborough subsidy	378,338	-
CMHC subsidy	77,051	-
Other	283,504	295,128
Allowance for doubtful accounts	(100,877)	(104,094)
	784,270	349,927

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.

	2017	2016
	\$	\$
Trailview Terrace AHP	1,557,774	1,649,651
Saunder's Court AHP	944,880	1,000,694
	2,502,654	2,650,345

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

6. INVESTMENTS

Investments are comprised of the following:

	2017	2016
	\$	\$
Spruce Corners redeemable Guaranteed Investment Certificates (GIC's), interest at rates between 0.9% and 2.05% maturing between January 13, 2017 and June 22, 2019	18,592	32,301
Social housing bond funds - PH&N	1,273,778	309,844
Social housing equity funds - PH&N	893,686	285,771
	2,186,056	627,916

7. SHORT TERM DEBT AND LOAN ADVANCES

On the 2016 purchase of the McRae property, the Corporation obtained from the seller an interest free, first mortgage. This mortgage was paid out on March 15, 2017. The balance outstanding as at December 31, 2017 is \$Nil (2016 - \$600,000).

The Corporation received construction financing advances from the City of Peterborough for the McRae property project at an annual interest rate of 1.95%. The balance outstanding as at December 31, 2017 is \$1,000,000 (2016 - \$Nil).

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

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:

	2017 \$	2016 \$
Anishnawbe mortgage held with TD Canada Trust, payable in blended monthly installments of \$2,089, interest at 2.112%, maturing December 1, 2017	-	340,380
Anishnawbe mortgage held with MCAP Financial Corporation, payable in blended monthly installments of \$2,153, interest at 2.54%, maturing December 1, 2022	322,292	-
Woollen Mill mortgage held with TD Canada Trust, payable in blended monthly installments of \$19,646, interest at 4.60%, maturing July 1, 2017	-	2,627,524
Trailview Terrace mortgage held with RBC Insurance, payable in blended monthly installments of \$15,908, interest at 5.46%, maturing June 1, 2030	2,729,516	2,771,805
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	239,469	261,044
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	846,380	876,740
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	1,552,438	1,644,316
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, 2050	3,846,283	3,901,923
Saunder's Court debenture held with Infrastructure Ontario, payable in blended monthly installments of \$7,760, interest at 3.81%, maturing November 1, 2020	948,806	1,004,619
Vehicle loan, payable in blended monthly installments of \$716, interest at 3.54%, maturing October 1, 2018	7,049	15,230
River Ridge mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$12,889, interest at 2.02%, maturing April 1, 2021	1,804,886	1,921,973

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

8. LONG TERM DEBT, continued

Home Grown Homes mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$936, interest at 2.99%, maturing September 16, 2021	190,759	196,163
Home Grown Homes mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$1,989, interest at 2.99%, maturing September 16, 2021	405,665	417,156
Home Grown Homes mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$676, interest at prime plus 0.55%, maturing September 16, 2017	-	137,769
Vehicle loan, payable in blended monthly installments of \$553, interest at 3.21%, maturing January 22, 2020	13,356	19,457
Woollen Mill mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$7,663, interest at 3.01%, maturing August 1, 2027	2,513,936	-
	15,420,835	16,136,099

(b) Interest paid during the year on long term debt amounted to \$623,803 (2016 - \$654,664).

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

	Principal \$	Interest \$	Total \$
2018	617,164	577,673	1,194,837
2019	631,483	556,192	1,187,675
2020	647,513	534,078	1,181,591
2021	669,802	511,236	1,181,038
2022	693,536	487,503	1,181,039
2023 and subsequent years	12,161,337	5,173,256	17,334,593
	15,420,835	7,839,938	23,260,773

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

9. EMPLOYEE FUTURE BENEFITS AND PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2017 OMERS Annual Report disclosed total actuarial liabilities of \$94,431 million in respect of benefits accrued for service with actuarial assets of \$89,028 million indicating an actuarial deficit of \$5,403 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit.

Contributions made by the Corporation to OMERS for 2017 were \$311,110 (2016 - \$288,481) of which 50% were paid by the employer.

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, 2017 to be \$98,326 (2016 - \$92,219) and will require funding in future periods.

The actuarial valuation as at December 31, 2017 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	1.75%		
Interest rate	3.75%		
	2017	2016	
	\$	\$	
Current service costs	15,813	14,513	
Amortized plan improvements	998	-	
Amortized actuarial loss	2,047	-	
Interest on accrued benefit obligation	4,229	4,174	
Employee future benefits expense	23,087	18,687	
	2017	2016	
	\$	\$	
Accrued benefit obligation	116,748	112,688	
Unamortized actuarial loss	(18,422)	(20,469)	
Employee future benefits liability	98,326	92,219	

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

10. TANGIBLE CAPITAL ASSETS

The net book value of the tangible capital assets are:

	2017	2016
	\$	\$
General		
Land	11,241,250	11,506,995
Buildings	23,345,861	24,362,430
Building improvements	1,323,361	1,369,923
Equipment, furniture and fixtures	95,266	83,389
	36,005,738	37,322,737
Assets under construction	1,562,395	759,496
	37,568,133	38,082,233

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

During the year there were no write-downs (2016 - \$Nil) and interest capitalized of \$6,301 (2016 - \$2,460).

Tangible capital assets allocated by segment are as follows:

	2017	2016
	\$	\$
Social Housing operations	12,410,267	11,841,692
AHP properties	23,348,078	24,180,155
Anishnawbe	402,318	405,116
Spruce Corners	231,505	253,245
Home Grown Homes	1,175,965	1,402,025
	37,568,133	38,082,233

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

11. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2017 \$	2016 \$
Surplus/(Deficit)		
Unfunded employee future benefits	(98,326)	(92,219)
Social Housing operations	(68,245)	19,754
Capital	2,390,335	2,170,513
Anishnawbe	59,588	60,164
AHP	2,264,255	2,304,880
Spruce Corners	37,367	27,896
Finally a Home	58,883	58,335
Rent Supplement	1,580,879	1,484,563
Home Grown Homes	25,572	(46,995)
New development	776,288	(197,570)
	7,026,596	5,789,321
Invested In Capital Assets		
Tangible capital assets - net book value	37,568,133	38,082,233
Long term debt	(15,420,835)	(16,136,099)
Short term debt	(1,000,000)	(600,000)
	21,147,298	21,346,134
Surplus	28,173,894	27,135,455
Reserve Funds		
Social Housing operations - Wind Mobile	9,501	7,485
Anishnawbe capital replacement	50,521	39,774
AHP - see below	501,346	501,851
Spruce Corners capital replacement	14,069	59,638
Total Reserve Funds	575,437	608,748
	28,749,331	27,744,203

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

11. ACCUMULATED SURPLUS, continued

AHP reserve funds include:

	2017 \$	2016 \$
River Ridge capital replacement	153,777	183,322
Woollen Mill capital replacement	197,549	185,111
Trailview Terrace capital replacement	117,630	101,420
Saunders Court capital replacement	11,534	11,370
Anson House capital replacement	20,856	20,628
	501,346	501,851

12. CITY OF PETERBOROUGH SUBSIDIES

City of Peterborough subsidies is comprised of:

	2017 \$	2016 \$
Anishnawbe - operating	67,320	66,000
Social Housing operations - operating	2,582,000	2,474,000
Capital	850,000	850,000
Capital reserve transfer	-	1,774,123
Social Housing Renovation and Retrofit Program	-	15,223
Social Housing Improvement Plan	262,916	-
Social Infrastructure Fund	378,338	-
Housing Access Peterborough	139,900	136,500
Rent supplement	1,623,036	1,551,980
Social worker	36,850	-
	5,940,360	6,867,826

13. MATERIALS AND SUPPLIES

Materials and supplies consist of the following:

	2017 \$	2016 \$
Repairs and maintenance	898,663	792,581
Security	74,032	36,552
Grounds	319,491	255,655
Food - Spruce Corners	25,721	22,976
	1,317,907	1,107,764

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
For the Year Ended December 31, 2017**14. UTILITIES**

Utilities consist of the following:

	2017	2016
	\$	\$
Electricity	1,111,980	1,310,850
Water	605,509	632,406
Fuel	403,799	383,111
Water billing recovery	-	(131,205)
	2,121,288	2,195,162

15. ADMINISTRATIVE OVERHEAD

Administrative overhead consists of the following:

	2017	2016
	\$	\$
Promotion	9,784	7,476
Bank and collection charges	13,847	20,944
Office	90,635	72,633
Legal fees	33,398	30,941
Audit fees	22,490	23,446
Professional fees	11,574	23,727
Information technology	95,337	80,980
Travel	56,307	46,340
Telephone and telecommunications	34,827	34,229
Memberships	12,302	11,494
	380,501	352,210

16. BUDGET FIGURES

The budget, approved by the Corporation, for 2017 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, 2017

17. RELATED PARTIES

The Corporation recognized subsidies from the City of Peterborough, its sole shareholder, in the amount of \$5,940,360 (2016 - \$6,867,826). During the year, the Corporation made payments to the City of Peterborough in the amounts of \$1,331,229 (2016 - \$1,221,153) for property taxes, \$30,345 (2016 - \$Nil) for building permits on construction projects and \$35,854 (2016 - \$33,208) for information technology maintenance services.

18. SUBSEQUENT EVENTS

Effective February 6, 2018, the Corporation purchased the assets of Sunshine Homes Non-Profit Inc. for \$2 plus the assumption of an existing first mortgage with Canada Mortgage and Housing Corporation of \$2,748,796. The mortgage has an interest rate of 1.92% per annum and blended monthly payments of \$39,913 maturing April 1, 2019. This purchase transferred a Feed-In Tariff (FIT) contract with Ontario Power Authority (OPA) for a 50kW rooftop solar power generation project to the Corporation. The OPA has committed to a contract price of \$0.713 per kWh for 20 years, ending June 23, 2031.

Subsequent to year end, the Brock Mission property's ownership was transferred from the City of Peterborough to the Corporation for \$2 plus the assumption of forgivable loans from the City of Peterborough of \$1,500,000. In order to earn forgiveness, the Corporation must continue to own and operate the property as affordable housing over the specified period of time, otherwise, the loan is repayable. The Affordable Housing Project (AHP) program through the Investment in Affordable Housing has a forgiveness period of 35 years with a completion date of February 17, 2052 for \$456,100 and the AHP program through the Social Infrastructure Fund has a forgiveness period of 35 years with a completion date of February 17, 2052 for \$1,043,900.

Subsequent to year end, the Corporation no longer holds ownership of the properties 296 Denne, 250 Denne, 275 Denne, 302 Denne, and 299 Denne. The proceeds of these sales are \$1,322,900.

19. COMMITMENTS

The Corporation has entered a commitment to redevelop the McRae property for a total commitment of \$39,583,300 to be funded from future long-term debt. Costs incurred to December 31, 2017 are \$1,479,683 (2016 - \$755,914).

The Corporation has entered a commitment to establish affordable housing units in the Township of Havelock-Belmont-Methuen with a total commitment of \$7,400,000 to be funded from future long-term debt. Costs incurred to December 31, 2017 are \$36,520 (2016 - \$Nil).

The Corporation has entered a commitment to redevelop the Brock Mission property acquired subsequent to year end for a total commitment of \$8,188,960 to be funded from future long-term debt. Costs incurred to December 31, 2017 are \$378,338 (2016 - \$Nil).

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

20. CONTINGENT LIABILITIES

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

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

Property & Program	Forgiveness Completion date	Original Amount \$	Remaining Forgiveness \$
River Ridge - AHP	20 years June 1, 2026	2,000,000	841,667
Anson House - AHP	20 years August 1, 2029	1,000,000	579,167
Woollen Mill - ARHP	20 years July 1, 2027	1,450,000	688,750
Woollen Mill - RRAP	15 years April 1, 2022	900,000	255,000
Trailview Terrace - AHP	20 years January 1, 2030	1,330,000	731,500
Saunders Court - AHP	20 years November 1, 2030	798,000	472,150
Bradburn House -AHP	25 years October 1, 2036	2,160,000	1,533,600
Trailview Terrace - Quad - AHP	25 years January 1, 2035	480,000	307,200
Peterborough Housing - SHRRP	10 years Estimated Spring 2022	1,707,051	676,731
Home Grown Homes - AHP	20 years January 2, 2029	280,000	252,000
Home Grown Homes - CMHC	8 years August 29, 2024	26,478	19,858
		12,131,529	6,357,623

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

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.

Home Grown Homes

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

Capital Fund

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

HAP Fund

Funds received from the City of Peterborough to administer the Co-ordinated Housing Access Program are accounted for in the HAP Fund. All expenses incurred to administer the HAP program are charged to this fund.

Rent Supplement Fund

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

Social Housing Operations Fund

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

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

21. SEGMENTED INFORMATION, continued

FAH Fund

Revenues and expenses related to the Corporation's subsidiary, FAH, are charged to this fund.

New Development Fund

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

22. COMPARATIVE FIGURES

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

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2017

	General					Totals \$
	Land \$	Buildings \$	Building Improvements \$	Equipment, furniture and fixtures \$	Assets Under Construction \$	
COST						
Balance, beginning of year	11,506,995	62,683,606	1,629,453	504,040	759,496	77,083,590
Add: additions during the year	-	188,766	-	51,728	802,899	1,043,393
Less: disposals during the year	265,745	452,089	-	-	-	717,834
Balance, end of year	11,241,250	62,420,283	1,629,453	555,768	1,562,395	77,409,149
ACCUMULATED AMORTIZATION						
Balance, beginning of year	-	38,321,176	259,530	420,651	-	39,001,357
Add: additions during the year	-	934,603	46,562	39,851	-	1,021,016
Less: disposals during the year	-	181,357	-	-	-	181,357
Balance, end of year	-	39,074,422	306,092	460,502	-	39,841,016
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	11,241,250	23,345,861	1,323,361	95,266	1,562,395	37,568,133

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2017

	AHP \$	Anishnawbe \$	Spruce Corners \$	Home Grown Homes \$	Capital \$	HAP \$	Rent Supplement \$	Social Housing Operations \$	FAH \$	New Development \$	Consolidated \$
Revenues											
Rent	1,945,531	21,043	49,146	95,068	-	-	-	3,925,157	-	-	6,035,945
City of Peterborough subsidy	-	67,320	-	-	1,112,916	139,900	1,623,036	2,618,850	-	378,338	5,940,360
Laundry and miscellaneous recoveries	39,123	1,758	31,200	321	-	-	-	127,628	384	-	200,414
Other subsidies	-	-	56,213	-	-	-	-	19,565	-	77,051	152,829
Management fees	(70,000)	(6,000)	(6,500)	-	-	-	-	122,666	-	-	40,166
Interfunctional rental fees	54,000	-	-	-	-	-	-	(54,000)	-	-	-
Investment income	4,294	-	981	-	36,507	-	77,397	32,854	164	-	152,197
Interest on loans receivable	116,005	-	-	-	-	-	-	-	-	-	116,005
Gain/(loss) on sales of tangible capital assets	-	-	-	-	-	-	-	956,038	-	-	956,038
Total revenues	2,088,953	84,121	131,040	95,389	1,149,423	139,900	1,700,433	7,748,758	548	455,389	13,593,954
Expenses											
Materials and services	230,300	14,102	49,194	18,183	-	-	-	1,006,128	-	-	1,317,907
Utilities	331,604	15,440	13,565	11,294	-	-	-	1,749,385	-	-	2,121,288
Administrative overhead	32,951	1,466	4,194	1,503	-	41,970	-	298,417	-	-	380,501
Bad debts	8,563	1,000	-	-	-	-	-	72,572	-	-	82,135
Insurance	23,137	538	631	1,092	-	-	-	193,032	-	-	218,430
Salaries and benefits	179,733	-	21,521	-	-	97,930	-	2,019,366	-	-	2,318,550
Property taxes	172,415	8,936	3,579	14,769	-	-	-	1,295,228	-	-	1,494,927
Major repairs	59,900	-	48,269	-	929,601	-	-	-	-	378,338	1,416,108
Interest on long-term debt	578,292	6,952	4,669	21,718	-	-	-	2,216	-	-	613,847
Rent supplements	-	-	-	-	-	-	1,604,117	-	-	-	1,604,117
Amortization of capital assets	828,185	10,226	21,740	25,659	-	-	-	135,206	-	-	1,021,016
Total expenses	2,445,080	58,660	167,362	94,218	929,601	139,900	1,604,117	6,771,550	-	378,338	12,588,826
Net surplus/(deficit)	(356,127)	25,461	(36,322)	1,171	219,822	-	96,316	977,208	548	77,051	1,005,128

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2016

	AHP \$	Anishnawbe \$	Spruce Corners \$	Home Grown Homes \$	Capital \$	HAP \$	Rent Supplement \$	Social Housing Operations \$	FAH \$	Consolidated \$
Revenues										
Rent	1,916,059	20,731	46,394	34,360	-	-	-	3,777,955	-	5,795,499
City of Peterborough subsidy	-	66,000	-	-	2,624,123	136,500	1,551,980	2,489,223	-	6,867,826
Laundry and miscellaneous recoveries	38,100	1,116	29,900	-	-	-	-	152,591	-	221,707
Other subsidies	-	-	54,183	353,958	-	-	-	19,550	-	427,691
Management fees	(70,000)	(6,000)	(6,240)	-	-	-	-	90,240	30,624	38,624
Interfunctional rental fees	54,000	-	-	-	-	-	-	(54,000)	-	-
Investment income	1,493	-	546	-	-	-	21,539	35,814	154	59,546
Interest on loans receivable	122,453	-	-	-	-	-	-	-	-	122,453
Gain/(loss) on sales of tangible capital assets	-	-	-	-	-	-	-	(31,222)	-	(31,222)
Contribution of tangible capital assets	-	-	-	250,756	-	-	-	-	-	250,756
Total revenues	2,062,105	81,847	124,783	639,074	2,624,123	136,500	1,573,519	6,480,151	30,778	13,752,880
Expenses										
Materials and services	195,768	11,405	42,273	3,191	-	-	-	855,127	-	1,107,764
Utilities	341,641	20,735	15,491	4,457	-	-	-	1,812,838	-	2,195,162
Administrative overhead	29,518	1,908	6,756	1,581	-	40,950	-	271,455	42	352,210
Bad debts	10,920	600	-	-	-	-	-	98,601	-	110,121
Insurance	23,147	1,195	1,000	861	-	-	-	188,354	-	214,557
Salaries and benefits	188,275	-	23,528	-	-	95,550	-	1,760,326	30,823	2,098,502
Property taxes	174,820	8,769	3,424	5,269	-	-	-	1,196,529	-	1,388,811
Major repairs	-	-	1,841	5,870	707,743	-	-	-	-	709,584
Interest on long-term debt	630,213	7,328	5,070	-	-	-	-	6,183	-	654,664
Rent supplements	-	-	-	-	-	-	1,568,608	-	-	1,568,608
Amortization of capital assets	829,005	10,327	21,849	13,904	-	-	-	131,199	-	1,006,284
Total expenses	2,423,307	62,267	121,232	35,133	707,743	136,500	1,568,608	6,320,612	30,865	11,406,267
Net surplus/(deficit)	(361,202)	19,580	3,551	603,941	1,916,380	-	4,911	159,539	(87)	2,346,613

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED CONTINUITY OF SURPLUS/(DEFICIT) AND RESERVE FUNDS For the Year Ended December 31, 2017

	AHP \$	Anishnawbe \$	Spruce Corners \$	Home Grown Homes \$	Capital \$	HAP \$	Rent Supplement \$	Social Housing Operations \$	FAH \$	New Development \$	Consolidated \$
Surplus/(Deficit)											
Net surplus/(deficit)	(356,127)	25,461	(36,322)	1,171	219,822	-	96,316	977,208	548	77,051	1,005,128
Add: Amortization	828,185	10,226	21,740	25,659	-	-	-	135,206	-	-	1,021,016
Proceeds on short and long term debt	2,559,239	322,292	-	-	-	-	-	-	-	1,000,000	3,881,531
Unfunded employee future benefits	463	-	59	-	-	-	-	5,585	-	-	6,107
Less: Debt principal repayments	(3,065,893)	(340,380)	(21,575)	(154,664)	-	-	-	(14,283)	-	(600,000)	(4,196,795)
Net transfer from/(to) Capital	(6,997)	(7,428)	-	200,401	-	-	-	110,007	-	(802,899)	(506,916)
Net transfer from/(to) Reserve Funds	505	(10,747)	45,569	-	-	-	-	(2,016)	-	-	33,311
Internal transfers	-	-	-	-	-	-	-	(1,299,706)	-	1,299,706	-
Change in Surplus/(Deficit)	(40,625)	(576)	9,471	72,567	219,822	-	96,316	(87,999)	548	973,858	1,243,382
Opening Surplus/(Deficit)	2,304,880	60,164	27,896	(46,995)	2,170,513	-	1,484,563	19,754	58,335	(197,570)	5,881,540
Closing Surplus/(Deficit)	2,264,255	59,588	37,367	25,572	2,390,335	-	1,580,879	(68,245)	58,883	776,288	7,124,922
Reserve Funds											
Add: Interest	4,295	747	981	-	-	-	-	-	-	-	6,023
Transfer from Operations	55,100	10,000	1,719	-	-	-	-	2,016	-	-	68,835
Less: Transfer to Operations	(59,900)	-	(48,269)	-	-	-	-	-	-	-	(108,169)
Change in Reserve Funds	(505)	10,747	(45,569)	-	-	-	-	2,016	-	-	(33,311)
Opening Reserve Funds	501,851	39,774	59,638	-	-	-	-	7,485	-	-	608,748
Closing Reserve Funds	501,346	50,521	14,069	-	-	-	-	9,501	-	-	575,437

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES For the Year Ended December 31, 2017

	River Ridge \$	Woollen Mill \$	Anson House \$	Saunders Court \$	Trailview Terrace \$	Bradburn House \$	Total \$
Revenues							
Rent	481,543	492,576	223,353	219,796	402,199	126,064	1,945,531
Laundry and miscellaneous recoveries	1,300	13,034	5,305	2,639	14,448	2,397	39,123
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	1,916	776	228	165	1,209	-	4,294
Interest on loans receivable	-	-	-	37,308	78,697	-	116,005
Total revenues	464,459	534,086	219,086	250,108	486,753	134,461	2,088,953
Expenses							
Materials and services	35,954	64,231	38,552	29,198	36,402	25,963	230,300
Utilities	112,730	90,159	37,430	19,366	42,800	29,119	331,604
Administrative overhead	6,297	12,711	1,613	4,321	4,110	3,899	32,951
Bad debts	2,000	5,000	1,558	5	-	-	8,563
Insurance	3,582	6,741	2,405	3,277	5,225	1,907	23,137
Salaries and benefits	-	45,584	26,735	27,060	52,016	28,338	179,733
Property taxes	44,800	1,849	35,017	40,404	32,503	17,842	172,415
Major repairs	50,962	8,938	-	-	-	-	59,900
Interest on long-term debt	37,390	98,261	72,247	118,601	226,759	25,034	578,292
Amortization of capital assets	139,551	190,427	86,907	133,208	198,000	80,092	828,185
Total expenses	433,266	523,901	302,464	375,440	597,815	212,194	2,445,080
Net surplus/(deficit)	31,193	10,185	(83,378)	(125,332)	(111,062)	(77,733)	(356,127)

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES For the Year Ended December 31, 2016

	River Ridge \$	Woollen Mill \$	Anson House \$	Saunders Court \$	Trailview Terrace \$	Bradburn House \$	Total \$
Revenues							
Rent	473,748	480,145	219,355	217,119	396,234	129,458	1,916,059
Laundry and miscellaneous recoveries	1,320	12,655	2,210	2,616	14,009	5,290	38,100
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	253	-	195	161	884	-	1,493
Interest on loans receivable	-	-	-	39,391	83,062	-	122,453
Total revenues	455,021	520,500	211,960	249,487	484,389	140,748	2,062,105
Expenses							
Materials and services	39,363	49,525	28,306	27,542	39,994	11,038	195,768
Utilities	122,433	98,535	28,695	28,419	37,521	26,038	341,641
Administrative overhead	10,068	3,436	2,198	4,363	3,891	5,562	29,518
Bad debts	2,000	5,000	2,033	1,887	-	-	10,920
Insurance	5,285	4,708	2,466	3,391	5,375	1,922	23,147
Salaries and benefits	-	47,302	30,240	25,022	55,136	30,575	188,275
Property taxes	50,949	1,662	33,292	38,414	33,063	17,440	174,820
Interest on long-term debt	52,612	122,064	73,267	121,840	233,710	26,720	630,213
Amortization of capital assets	138,775	190,791	87,086	132,954	198,061	81,338	829,005
Total expenses	421,485	523,023	287,583	383,832	606,751	200,633	2,423,307
Net surplus/(deficit)	33,536	(2,523)	(75,623)	(134,345)	(122,362)	(59,885)	(361,202)



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INDEPENDENT AUDITOR'S 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, 2017 and our report thereon dated April 18, 2018 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, 2017, 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, 2018 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 18, 2018

PETERBOROUGH HOUSING CORPORATION**SPRUCE CORNERS
STATEMENT OF FINANCIAL POSITION
At December 31, 2017**

	General Fund \$	Capital Fund \$	2017 Total \$	2016 Total \$
FINANCIAL ASSETS				
Cash	-	42,969	42,969	28,256
Investments	-	18,592	18,592	32,301
Due from PHC	26,107	-	26,107	16,695
Capital assets (note 2)	240,585	-	240,585	262,160
	266,692	61,561	328,253	339,412
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Due to PHC	-	47,492	47,492	919
Mortgage payable	239,469	-	239,469	261,044
	239,469	47,492	286,961	261,963
FUND BALANCES	27,223	14,069	41,292	77,449
	266,692	61,561	328,253	339,412

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, 2017**

	General Fund \$	Capital Fund \$	2017 Total \$	2016 Total \$
RECEIPTS				
Ministry of Health and Long-Term Care	54,494	1,719	56,213	54,183
Rent	49,146	-	49,146	46,394
Other	31,200	-	31,200	29,900
Interest	-	981	981	546
	134,840	2,700	137,540	131,023
EXPENSES				
Salaries and benefits	21,521	-	21,521	23,528
Management fee	6,500	-	6,500	6,240
Administration	4,194	-	4,194	714
Maintenance materials and services	23,473	48,269	71,742	27,180
Property taxes	3,579	-	3,579	3,424
Insurance	631	-	631	1,000
Utilities	13,565	-	13,565	15,491
Food	25,721	-	25,721	22,976
Interest	4,669	-	4,669	5,070
Amortization	21,575	-	21,575	21,173
	125,428	48,269	173,697	126,796
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FOR THE YEAR	9,412	(45,569)	(36,157)	4,227
FUND BALANCES - beginning of year	17,811	59,638	77,449	73,222
FUND BALANCES - end of year	27,223	14,069	41,292	77,449

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, 2017

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

	2017	2016
	\$	\$
Land	33,831	33,831
Building	322,285	322,285
	356,116	356,116
Less: accumulated amortization	(115,531)	(93,956)
	240,585	262,160