City of Peterborough

To:	**Members of the General Committee**
From:	**Sheldon Laidman, Commissioner, Community Services**
Meeting Date:	**September 12, 2022**
Subject:	**Peterborough Housing Corporation Annual General Meeting, Report CSSS22-028**

Purpose

To convene an annual general meeting to review and approve the Annual Report, Audited Statements, and appoint an Auditor as required by the City as Shareholder of Peterborough Housing Corporation.

Recommendations

That Council approve the recommendations outlined in Report CSSS22-028 dated September 12, 2022 of the Commissioner of Community Services as follows:

a) That the Shareholder Report SH2022-002 and the Peterborough Housing Corporation 2021 Annual Report, attached as Appendix A, be approved;

b) That the Shareholder Report SH2022-001 and the Peterborough Housing Corporation Audited Financial Statements 2019, 2020 and 2021, attached as Appendix B, be approved; and,

c) That Baker Tilly LLP be appointed as auditors for the year ending at the close of the next annual meeting of the shareholder.

Budget and Financial Implications

There are no direct financial implications to the City from this report. The City through its role as the Service Manager provides an operating subsidy to Peterborough Housing Corporation. This subsidy is determined and approved through the annual budgeting

process. PHC operates as a separate corporation and as such surpluses and deficits are held and dealt with by PHC directly.

Background

Peterborough Housing Corporation operates as a separate corporation where the City is the sole shareholder. Per the Shareholder Direction and the Business Corporations Act, an annual general meeting of the shareholder is required to conduct specific business:

> *4.6 Annual General Meeting*
>
> *The Directors of the Corporation shall call an annual general meeting of the [Shareholder] not later than five months after the end of PHC's fiscal year. The Shareholder, sitting as City Council, will receive an annual report as set out in Article [6.2], accept and approve the audited financial statements of PHC and its subsidiary corporations, appoint the auditor and approve the slate of Directors.*

This report provides information on the required annual report, audited financial statements and the appointment of the auditor. The naming of Directors will be completed at the formation of the new Council as stated in the Shareholder Direction.

Annual Report

The Annual Report as prepared by Peterborough Housing Corporation can be found in Appendix A and Appendix B.

Audited Financial Statements

A report from Peterborough Housing Corporation is attached as Appendix C. A review of previous audited statements it was determined were not approved by the Shareholder. As such the annual audited statements for the years 2019 (Appendix D), 2020 (Appendix E) and 2021 (Appendix F) are provided for review and approval.

Appointment of Auditor

A requirement of the Act is that the Shareholder approve the appointment of an Auditor. A recommendation is provided to appoint Baker Tilly LLP as the auditor for the period ending at the close of the next annual meeting of the shareholder.

Notice

The *Business Corporations Act*, s. 96 prescribes the meeting notice requirements as follows:

> *96 (1) Notice of the time and place of a meeting of shareholders shall be sent […] not less than ten days, but […] not more than fifty days, before the meeting,*

(a) to each shareholder entitled to vote at the meeting

(b) to each director; and

(c) to the auditor of the corporation. R.S.O. 1990, c. B.16, s. 96 (1).

A notice has been provided by Peterborough Housing Corporation in conformity with the above requirements.

Submitted by,

Sheldon Laidman
Commissioner of Community Services

Contact Name:

Rebecca Morgan Quin
Manager of Housing Services
Phone: 705-748-8830 Ext. 3307
Toll Free: 1-855-738-3755
E-Mail: rmorgan-quin@peterborough.ca

Attachments:

Appendix A - Shareholder Report SH2022-002, and the Peterborough Housing Corporation 2021 Annual Report

Appendix B - Shareholder Report SH2022-001, and the Peterborough Housing Corporation Audited Financial Statements 2019, 2020 and 2021

Peterborough Housing Corporation

Shareholder Report SH2022-002

Meeting Date: September 12, 2022

Peterborough Housing Corporation Annual
General Meeting of the Shareholder

Subject: Peterborough Housing Corporation 2021 Annual Report

Author Name and Title: Hope Lee, Interim CEO

Recommendation

Resolved That Shareholder Report SH2022-002, "Peterborough Housing Corporation 2021 Annual Report", be received;

That the Peterborough Housing Corporation 2021 Annual Report, included as Attachment A, be approved

Background

PHC is required by its' Shareholder, the City of Peterborough, to produce an annual report.

Rationale

Following the AGM and the Shareholders approval, the 2021 Annual Report will more widely distributaed including the following:

- County of Peterborough
- Tenants
- Agencies and other partners PHC regularly interacts with
- PHC website

Other Alternatives Considered

None.

_____
Chief Executive Officer

Alignment to Strategic Priority Areas

This report aligns with the strategic focus of the following commitment within the Strategic Plan:

Strengthening Our Relationships – Communications:

Improving the clarity and consistency of our communications with external stakeholders and the general public through the development and execution of an annual communications strategy.

Financial Considerations

None.

Consultations

PHC, Director of Operations
PHC, Director of Corporate Services

Attachments

Attachment A Peterborough Housing Corporation 2021 Annual Report

Celebrating 20 Years

Peterborough Housing Corporation

2001-2021

2021 Annual Report

"Where everyone has a community and a place they're proud to call home."

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Board of Directors and Officers

Chair • Keith Riel

Vice Chair • Henry Clarke

Director • Diane Therrien

Treasurer • Dean Pappas

Director • Andrew Beamer

Interim CEO/Secretary • Hope Lee

Message from the Chair and CEO

As the largest community housing provider in the City of Peterborough and the surrounding County of Peterborough, PHC is a recognized as a leader in housing and in the community. PHC has accomplished much in the recent years and while the world continued to feel the impacts of COVID through 2021, PHC adapted and had yet another successful year.

2021 marked PHC's 20th Anniversary. It was 2001 when the province transferred the responsibility for community housing to municipalities and when the province created Peterborough Housing Corporation to take the ownership and responsibility for the former Ontario Housing Corporation public housing properties. PHC celebrated this milestone internally and silently with many COVID restrictions still in place.

PHC occupied two new properties with the Federal, Provincial and Municipal governments and PHC holding a virtual opening ceremony to celebrate. These two new properties provide safe and affordable places to call home for 24 households in Havelock and 34 households in Peterborough.

We found safe ways to continue offering important community programs such children's pop-up events and community gardens.

We were excited to celebrate graduates of our Homeward Bound Program.

We appreciated the City's response to ensure that affordable housing continues to be developed. In 2021, the City presented a model to be able to take on further debt for new affordable housing developments without impacting other City projects. Since the City is the shareholder of PHC, any debt needed to build more affordable housing by PHC becomes City debt. The creation of a Municipal Services Corporation specific to affordable housing will remove any new debt from the City allowing future housing developments to take place. Without this, PHC would have little to no options in developing new housing. While the City will lead new development, PHC is very much a partner in the pre-development and design as well as managing the new facilities once built.

We thank everyone who have joined with us in our many endeavors over our last 20 years.

PHC will continue to stive towards its vision that everyone has a community and a place they're proud to call home.

Keith Riel
PHC Chair

Hope Lee
PHC Interim CEO

Celebrating 20 Years

Peterborough Housing Corporation

2001-2021

35
properties owned

1,179
units owned

$185M
assets owned

4,000 +
people housed

75
Community Housing units managed for others

36.7
staff

253
rent supplement units administered for the City

Our Structure

Peterborough Housing Corporation (PHC) is a housing provider regulated by the Housing Services Act, 2011 (HSA). PHC is incorporated under the Ontario Business Corporations Act, and is responsible for owning and operating affordable rental housing. The City of Peterborough is the sole shareholder of the Corporation.

A Board of Directors is responsible for the governance of PHC. The Board establishes the Vision, Mission, Values and the Goals of the Corporation.

Strategic Direction

PHC adopted a five year strategic plan (2019-2023). The directions are broad and oriented to the future. This allows PHC to respond and adapt as circumstances change over the years. The directions offer a framework for the development of annual or multi-year operational plans with measurable goals and objectives.

PHC is focused on ensuring that we remain an innovative high performing corporation.

Vision

That everyone has a community and a place they're proud to call home.

Mission

To strengthen and enrich our communities by creating and sustaining quality homes.

Values

Respectful

We commit to treating everyone with dignity and respect, ensuring a trusting, nonjudgmental organization for all.

Professional

We understand the authority we can hold by virtue of the resources and decisions we make, and so we commit to maintaining professional standards and courtesies, and to ensure consistency in how our clients are treated.

Caring

We commit to building caring, inclusive communities. Acting with compassion and empathy, we invest in the wellness of our staff and clients. We strive to ensure that all those we work with feel supported, encouraged, and heard.

Cooperative

We recognize that we accomplish more by working together. We build strong and reciprocal relationships based on mutual respect. We value partnerships and collaboration and are committed to listening and learning from one another.

Accountable

We will live up to our promises, obligations, and commitments, to our clients, staff colleagues, partners, and the greater community. We build trust by being honest, transparent, and consistent.

Our Properties (Total Units: 1,179 • Total Bedrooms: 2,076)

City of Peterborough Properties

Total Bedrooms: 1,835

572 Crystal Drive
Peterborough
Target Group: Family
Program: RGI, Market
1 bedroom: 2
2 bedroom: 57
3 bedroom: 51

665 Crawford Drive
Peterborough
Target Group: Family
Program: RGI
2 bedroom: 19
3 bedroom: 25
4 bedroom: 6

835 Cameron Street
Peterborough
Target Group: Family
Program: RGI
2 bedroom: 14
3 bedroom: 23
4 bedroom: 6
5 bedroom: 3

30 Alexander Court
Peterborough
Target Group: Family
Program: RGI
2 bedroom: 18
3 bedroom: 23
4 bedroom: 2
5 bedroom: 4

169 Lake Street
Peterborough
Target Group: Senior
Program: RGI
1 bedroom: 124
2 bedroom: 1

850 Fairbairn Street
Peterborough
Target Group: Family
Program: RGI
2 bedroom: 14
3 bedroom: 14
4 bedroom: 8

999 Hilliard Street
Peterborough
Target Group: Family
Program: RGI
2 bedroom: 10
3 bedroom: 18
4 bedroom: 2
5 bedroom: 4

486 Donegal Street
Peterborough
Target Group: Senior
Program: RGI
1 bedroom: 99
2 bedroom: 1

1190 Hilliard Street
Peterborough
Target Group: Family
Program: RGI
3 bedroom: 22
4 bedroom: 6

611 Rogers Street
Peterborough
Target Group: Senior
Program: RGI
1 bedroom: 90

290 Parkhill Road East
Peterborough
Target Group: Family
Program: RGI
2 bedroom: 10
3 bedroom: 14
4 bedroom: 2
5 bedroom: 2

117 Herbert Street
Peterborough
Target Group: Family
Program: RGI
2 bedroom: 8
3 bedroom: 6
5 bedroom: 2

543-565 Raymond Street
Peterborough
Target Group: Family
Program: RGI
3 bedroom: 6
4 bedroom: 6

101-121 Anson Street
Peterborough
Target Group: Family
Program: RGI
3 bedroom: 11

372-386 Parkhill Road West
Peterborough
Target Group: Family
Program: RGI
3 bedroom: 8

Pratts Marina & 7th Line
Peterborough
Target Group: Family, Indigenous
Program: RGI
3 bedroom: 5

900 Dutton Road
Peterborough
Target Group: Adult, Family
Program: Affordable
1 bedroom: 13
2 bedroom: 17
3 bedroom: 7
4 bedroom: 3

526 McDonnel Street
Peterborough
Target Group: Adult, Family
Program: Affordable
Bachelor: 6
1 bedroom: 23
2 bedroom: 16
3 bedroom: 5

553 Bonaccord Street
Peterborough
Target Group: Adult, Family
Program: Affordable, Market
Bachelor: 2
1 bedroom: 14
2 bedroom: 11
3 bedroom: 7

130 Anson Street
Peterborough
Target Group: Adult
Program: Affordable
1 bedroom: 27
2 bedroom: 3

136 Anson Street
Peterborough
Target Group: Adult
Program: Affordable
Bachelor: 4
1 bedroom: 22

293 London Street
Peterborough
Target Group: Adult
Program: Affordable
Bachelor: 6
1 bedroom: 12

220 Edinburgh Street
Peterborough
Target Group: Adult, Family
Program: Affordable
2 bedroom: 1
3 bedroom: 3

196 Antrim Street
Peterborough
Target Group: Adult
Program: Supportive, Affordable
3 bedroom: 2

193 Parkhill Road West
Peterborough
Target Group: Adult
Program: Market
1 bedroom: 2

County of Peterborough Properties

Total Bedrooms: 241

85 Concession Street
Lakefield
Target Group: Senior
Program: RGI
1 bedroom: 28

23 Spring Street
Norwood
Target Group: Adult
Program: RGI
1 bedroom: 28

12 Simeon Crescent
Apsley
Target Group: Adult
Program: RGI
1 bedroom: 20

37 George Street
Havelock
Target Group: Adult
Program: RGI
1 bedroom: 20

8 Victoria Street
Havelock
Target Group: Senior
Program: RGI
1 bedroom: 18

24 Ermatinger Street
Lakefield
Target Group: Adult
Program: RGI
1 bedroom: 15

30 Simeon Crescent
Apsley
Target Group: Senior, Supportive
Program: RGI
Bachelor: 8

40 Rabbit Street
Lakefield
Target Group: Senior
Program: Affordable
1 bedroom: 46
2 bedroom: 8

17 Smith Drive
Havelock
Target Group: Senior
Program: Affordable, Market
1 bedroom: 24

46,48,50 Rabbit Street
Lakefield
Target Group: Senior
Program: Affordable, Market
1 bedroom: 6
2 bedroom: 6

2021 Asset Management Highlights

Peterborough Housing Corporation believes strongly in following capital asset practices to ensure the preservation of our buildings and to maintain the quality of life for our tenants. Peterborough Housing Corporation utilizes Asset Planner Software and its Building Condition Assessments for each community when planning and prioritizing annually to ensure the best investment of resources.

The current construction value of Peterborough Housing Corporation's housing portfolio is just over $185 million (excludes the cost of land and primary site servicing).

Peterborough Housing Corporation invested just over $800,000 towards capital projects in 2021.

2021 Capital Projects

Exterior Restoration

(486 Donegal Street, Peterborough)

Scope of work includes:

- repairing concrete balconies
- repainting metal guards
- brick masonry remedial work and sealing

Floor Replacement

(multiple properties)

Scope of work includes:

- replacement of high traffic area flooring

Make Up Air Replacement

(486 Donegal Street and 169 Lake Street, Peterborough)

Scope of work includes:

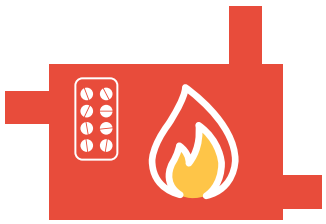
- new units that will improve building circulation and fresh air intake

Fire Pump Generator

(486 Donegal Street, Peterborough)

Scope of work includes:

- installation of fire pump and controllers to meet Fire Code



Exterior Restoration

(130 and 136 Anson Street, Peterborough)

Scope of work includes:

- roofing
- chimney removal
- accessible ramp replacement

Office Conversion

(572 Crystal Drive, Peterborough)

Scope of work included:

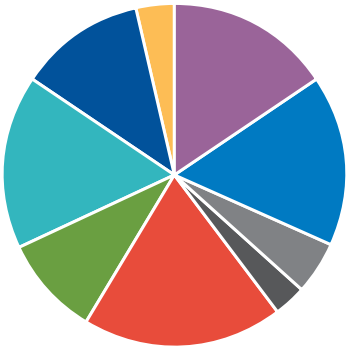
- conversion of office no longer needed into an accessible residential unit

2021 Financial Highlights

Peterborough Housing Corporation ended 2021 with an operating surplus.

*To be read in conjunction with the audited financial statements available upon request or on the website

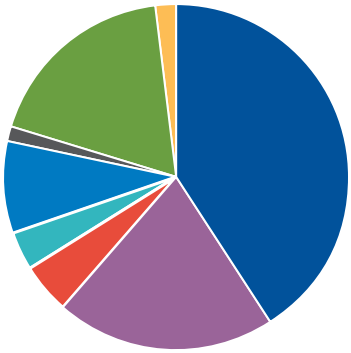
Expenses



- Materials & Services: **$1,987,448**
- Utilities: **$2,082,274**
- Administration: **$614,801**
- Insurance: **$410,783**
- Salaries & Wages: **$2,413,674**
- Capital Improvements: **$1,174,533**
- Property Taxes: **$2,095,406**
- Rent Supplement: **$1,543,424**
- Interest on long term debt: **$432,707**

Total Expenses: $12,755,050

Revenues



- Rent: **$7,636,783**
- Operational Subsidies: **$3,800,023**
- Capital Subsidy - Annual: **$876,000**
- IAH/SIF Capital Funding: **$665,000**
- Rent Supplement: **$1,617,953**
- Investment and Management Fee Income: **$273,042**
- Gain on Sale of Tangible Capital Assets: **$3,362,190**
- General and Administrative Income: **$355,430**

Total Revenues: 18,586,421

2021 Community Event Highlights

One of the more significant impacts of COVID were the restrictions which limited Peterborough Housing Corporation's commitment to community development and events. Staff developed COVID protocols and procedures in order to bring some of these events back to communities in 2021.

Food Banks

In July onsite Food Banks programs reopened in two family communities. They operated twice a month for 6 months in 2021.

221 households accessed the programs during the 6 months.

On average **36 households participated each month** representing 135 adults and children a month.

Pop Up Kids Events

Staff organize and facilitate onsite one afternoon outdoor events during July or August at the communities with children where they enjoy snacks, games and crafts.

110 children participated.

Pop up events held in **9 family communities**.

Clean Up Days

Dumpsters placed at site in summer to provide tenants with the ability to clear out items that build up, often a significant barrier for tenants to remove these items as they don't have access to transportation or financial means.

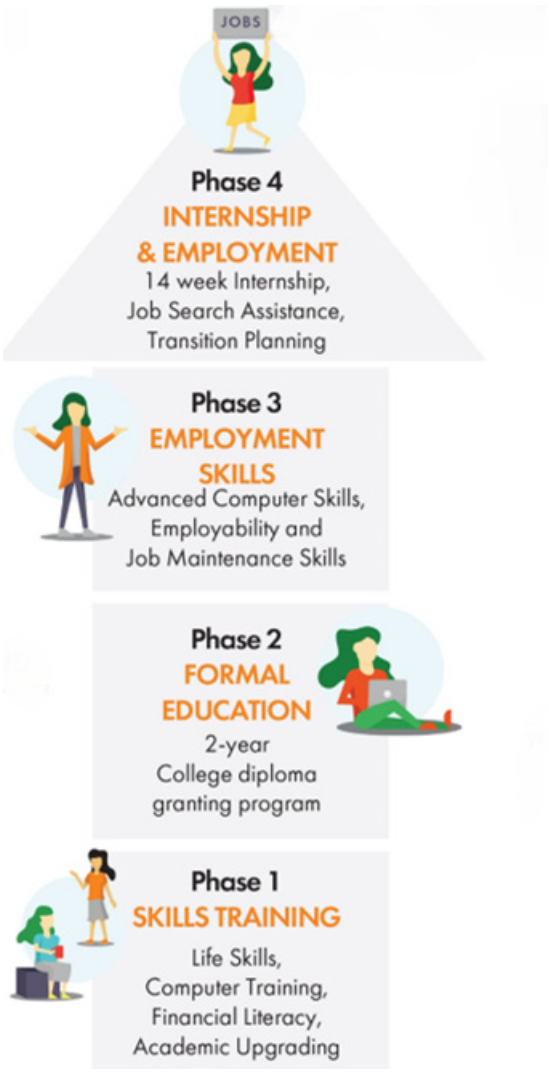
11 communities were provided access to onsite dumpsters for one day.

124 households used the dumpsters.

Community Gardens for PHC Tenants

8 gardens at various communities for tenants including those in the City, in the County for sites that house families, seniors or adults.

2021 Homeward Bound Program Highlights



Homeward Bound Peterborough is a four-year wrap around program that moves single, mother-led families to prosperity by providing a package of supports that includes education, housing, childcare, and internships. The goal of the program is to support women to secure a career that will lead to a full-time, sustainable living wage employment. This program has been proven to break the cycle of poverty for the mother and her children. Peterborough Housing Corporation has a cohort of eight women in its Homeward Bound Program.

2021 was a milestone occasion, celebrating the first three graduates. It was an incredible achievement especially during COVID when schooling changed from in person to online learning for both the moms and their children.

In October of 2021, the very first Homeward Bound graduation ceremony was held at the Venue to honour the women's hard work and accomplishments. The highlight of the evening was the introduction of the first ever Valedictorian, Inas (pictured left with her two children). She shared her harrowing journey from Syria to Peterborough, finding her way in a new culture and a new language with two little children. To accomplish that and to graduate from Fleming College within 5 years of her arrival is a testament to her resilience, courage, strength and determination.

The first three families have moved from poverty to possibility, breaking the cycle of poverty.

The three graduates are working full time in their field of study including:

- Early Childhood Educator
- Instrumentation and Control Engineering Technician
- Plumber

2021 New Development Highlights

17 Smith Drive, Havelock

Peterborough Housing Corporation completed construction at 17 Smith Drive and occupied the building in 2021. The development was possible through various sources of funding from the Federal and Provincial government as well as the City of Peterborough and the Township of Havelock Belmont Methuen. A virtual official opening announcement of the building and the funding occurred in May of 2021.

The building offers 24 one-bedroom units for seniors. 12 affordable and 12 market. Community Care has offices on site and provides personal support programs to eligible tenants in the building.

The units have affordable rents:

Total Bedrooms: 24

80% of the average market rent for the service area.

553 Bonaccord Street, Peterborough

Peterborough Housing Corporation completed construction at 553 Bonaccord Street and occupied the building in 2020. The development was possible through various sources of funding from the Federal and Provincial government as well as the City of Peterborough. A virtual official opening announcement of the building and the funding occurred in May of 2021.

The building offers 34 units for adults and family comprised of 2 bachelor, 14 one-bedroom, 11 two-bedroom and 7 three-bedroom. Peterborough Housing Corporations Homeward Bound Program units are in this building. Compass Day Care rents space from Peterborough Housing Corporation on the ground floor in order to provide its daycare programs.

The units have affordable rents:

Total Bedrooms: 59

80% of the average market rent for the service area.

Looking Ahead

Total Bedrooms: 85

New development

In 2022 Peterborough Housing Corporation will complete construction of 555 Bonaccord Street in Peterborough opening its doors in early 2023. The six storey, 85 unit building (65 affordable and 20 market) will increase housing options for a variety of needs:

- Individuals, couples, or small families experiencing homelessness
- Patients in Alternative Level of Care beds at Peterborough Regional Health Centre
- Seniors requiring personal support services to live independently
- Individuals, couples, or small families requiring market rental accommodations

Operational and Governance Improvements

Several activities will occur in 2022 resulting in:

1. Improved service and response times for tenants
2. Processes to receive feedback and input from tenants including regular meetings, enhanced communication, and surveys
3. Implementation of policies and directives

Contact

Office

Office Address: 526 McDonnel Street, Peterborough, ON K9H 0A6
Standard Hours of Operation: Monday to Friday – 8:30 am to 4:30 pm
Office Open to the Public: 9:00 am to 4:00 pm

Website address: www.ptbohousingcorp.ca

Email address: phcinfo@ptbohousingcorp.ca

Phone: 705-742-0439 **Toll Free:** 1-833-824-4687 **Fax number:** 705-742-1404

Maintenance

Maintenance Requests: 705-742-3973 (only monitored during business hours) or online at www.ptbohousingcorp.ca
After Hours Maintenance Emergency Assistance: 705-742-7911

Celebrating 20 Years
Peterborough Housing Corporation
2001-2021

Peterborough Housing Corporation

Shareholder Report SH2022-001

Meeting Date: September 12, 2022

Peterborough Housing Corporation
Annual General Meeting of the Shareholder

Subject: Peterborough Housing Corporation 2019-2021 Audited Financial Statements

Author Name and Title: Hope Lee, Interim CEO

Recommendations

Resolved That Shareholder Report SH2022-001, "Peterborough Housing Corportion 2019-2021 Audited Financial Statements", be received;

That the 2019 Audited Financial Statements, detailed in Attachment A, be approved;

That the 2020 Audited Financial Statements, detailed in Attachment B, be approved; and

That the 2021 Audited Financial Statements, detailed in Attachment C, be approved.

Background

PHC is required by law and by its' Shareholder and the Service Manager, the City of Peterborough, to have an annual financial audit to be carried out by an independent external auditor as appointed by the Shareholder. PHC is required to report in accordance with Canadian Public Sector Accounting Standards (PSAB) as our financial results are consolidated with those of the City of Peterborough.

This report presents three years of audited statements which require approval of the Shareholder. 2019 and 2020 were not approved previously by the Shareholder, as shareholder meetings did not occur.

_____	_____
Chief Executive Officer	Director of Corporate Services

Rationale

The 2019, 2020 and 2021, audited consolidated financial statements were presented to the Board of Directors by Richard Steiginga of Baker Tilly. The auditors have expressed an unqualified audit opinion that these statements present fairly the financial position of PHC. The auditors are also responsible for advising management and the Board of Directors of any control or operational issues that may have been identified during the audit. No issues were reported.

Other Alternatives Considered

None.

Alignment to Strategic Priority Areas

This report aligns with the strategic focus of the following commitment within the Strategic Plan:

Serving our Clients & Community – Finance and Resources:

Our core business practices will ensure PHC is strong and sustainable for years to come. This includes maintaining the highest financial and resource management.

Financial Considerations

The audited consolidated financial statements report the financial status of PHC to the Board of Directors and the Shareholder. The financial statements are used by stakeholders when making economic, budget and funding decisions. The consolidated Statement of Operations and Accumulated Surplus reports PHC's changes in economic resources and accumulated surplus on a comparative basis. For 2019, 2020 and 2021, PHC is reporting a surplus.

While PHC continues to be well positioned financially for the future, like many other housing corporations and providers, there is a continuous struggle to maintain and replace aging infrastructure as well as providing the resources to meet the needs of our residents.

Consultations

Richard Steiginga, Baker Tilly KDN LLP, Peterborough

Attachments

Attachment A	2019 Audited Financial Statements
Attachment B	2020 Audited Financial Statements
Attachment C	2021 Audited Financial Statements

bakertilly

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

bakertilly

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors of the Peterborough Housing Corporation

Opinion
We have audited the consolidated financial statements of the Peterborough Housing Corporation and its subsidiary (the Corporation), which comprise the consolidated statement of financial position as at December 31, 2019, the consolidated statements of operations and accumulated surplus, change in net financial assets/(liabilities) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2019, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

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

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

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

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

bakertilly

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 22, 2020

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PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2019

	2019 $	2018 $
FINANCIAL ASSETS		
Cash	4,750,717	4,811,345
Accounts receivable (note 3)	2,265,610	400,968
Loans receivable (note 4)	2,186,996	2,348,198
Investments (note 5)	3,158,999	2,810,267
TOTAL FINANCIAL ASSETS	12,362,322	10,370,778
LIABILITIES		
Short term debt and loan advances (note 6)	5,373,000	1,000,000
Accounts payable and accrued liabilities	4,581,420	2,113,705
Deferred revenue	2,159	25,660
Long term debt (note 7)	16,125,523	17,194,284
Employee future benefits (note 8)	115,803	106,762
TOTAL LIABILITIES	26,197,905	20,440,411
NET FINANCIAL ASSETS/(LIABILITIES)	(13,835,583)	(10,069,633)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	48,234,550	41,016,052
Prepaid expenses	249,586	228,922
Inventories of supplies	16,051	8,297
TOTAL NON-FINANCIAL ASSETS	48,500,187	41,253,271
ACCUMULATED SURPLUS (note 13)	34,664,604	31,183,638

Approved on behalf of the Board:

Bonnie Clark Director

Director

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2019

	Budget 2019 $ (unaudited)	Actual 2019 $	Actual 2018 $
REVENUES			
Rent	6,721,481	6,899,417	6,628,457
City of Peterborough subsidy (note 14)	6,416,000	7,957,540	6,205,734
Laundry and miscellaneous recoveries	148,594	187,946	192,786
Other subsidies	70,201	155,916	125,937
Management fees	24,185	28,972	29,000
Investment income	24,950	281,708	42,638
Interest on loans receivable	-	102,494	109,195
Gain on sales of tangible capital assets	-	874,902	1,370,347
Contribution of tangible capital assets	-	-	18,000
Contribution from Sunshine Homes Non-Profit Inc. (note 5)	-	92,759	670,655
TOTAL REVENUES	13,405,411	16,581,654	15,392,749
EXPENSES			
Materials and services (note 15)	1,501,553	1,546,951	1,485,049
Utilities (note 16)	2,447,346	2,048,589	2,019,635
Administrative overhead (note 17)	437,819	507,858	391,417
Bad debts	91,027	75,396	29,314
Insurance	236,301	297,351	216,889
Salaries and benefits	2,515,984	2,668,422	2,496,240
Property taxes	1,864,423	1,920,493	1,799,351
Major repairs	868,180	728,347	1,141,427
Interest on long-term debt	487,667	586,902	612,314
Rent supplements	1,684,217	1,587,568	1,622,809
Amortization of capital assets	1,146,072	1,132,811	1,143,997
TOTAL EXPENSES	13,280,589	13,100,688	12,958,442
ANNUAL SURPLUS	124,822	3,480,966	2,434,307
ACCUMULATED SURPLUS - beginning of year		31,183,638	28,749,331
ACCUMULATED SURPLUS - end of year		34,664,604	31,183,638

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)
For the Year Ended December 31, 2019

	Budget 2019 $ (unaudited)	Actual 2019 $	Actual 2018 $
ANNUAL SURPLUS	124,822	3,480,966	2,434,307
Amortization of tangible capital assets	1,146,072	1,132,811	1,143,997
Purchase of tangible capital assets	-	(8,595,315)	(2,350,279)
Loss/(gain) on disposals of tangible capital assets	-	(874,902)	(1,370,347)
Proceeds on sales of tangible capital assets	-	1,118,908	1,894,954
Net book value of tangible capital assets transferred from Sunshine Homes Non-Profit Inc.	-	-	(2,748,244)
Contributed capital assets	-	-	(18,000)
Change in prepaid expenses	-	(20,664)	(35,349)
Change in inventories of supplies	-	(7,754)	6,403
CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)	1,270,894	(3,765,950)	(1,042,558)
NET FINANCIAL ASSETS/(LIABILITIES) - beginning of year	(10,069,633)	(10,069,633)	(9,027,075)
NET FINANCIAL ASSETS/(LIABILITIES) - end of year	(8,798,739)	(13,835,583)	(10,069,633)

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

	2019 $	2018 $
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	3,480,966	2,434,307
Items not involving cash		
Amortization of tangible capital assets	1,132,811	1,143,997
Gain on disposal of tangible capital assets	(874,902)	(1,370,347)
Contributed capital assets	-	(18,000)
Change in employee future benefits	9,041	8,436
Change in non-cash assets and liabilities		
Accounts receivable	(1,864,642)	383,302
Loans receivable	161,202	154,456
Prepaid expenses	(20,664)	(35,349)
Inventories of supplies	(7,754)	6,403
Accounts payable and accrued liabilities	2,467,715	648,468
Deferred revenue	(23,501)	25,660
Net change in cash from operating activities	4,460,272	3,381,333
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(8,595,315)	(2,350,279)
Proceeds on disposal of tangible capital assets	1,118,908	1,894,954
Net change in cash from capital activities	(7,476,407)	(455,325)
INVESTING ACTIVITIES		
Purchase of investments	(367,324)	(624,211)
Redemption of investments	18,592	-
Net change in cash from investing activities	(348,732)	(624,211)
FINANCING ACTIVITIES		
Debt principal repayments	(1,068,761)	(974,795)
Short term debt and loan advances received	4,373,000	-
Net change in cash from financing activities	3,304,239	(974,795)
NET CHANGE IN CASH	(60,628)	1,327,002
CASH - beginning of year	4,811,345	3,484,343
CASH - end of year	4,750,717	4,811,345

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

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.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Recognition of Revenues and Expenses

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

Government Funding

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

Rental Revenue

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

(d) Non-financial Assets

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

(e) Reserves and Reserve Funds

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

(f) Deferred Revenue

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

(g) Use of Estimates

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

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

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Inter-Entity Transactions

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

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

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

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2019 $	2018 $
Tenants	133,925	87,821
City of Peterborough subsidy	510,350	62,975
Lien deposits	698,991	-
Other	1,023,851	306,764
Allowance for doubtful accounts	(101,507)	(56,592)
	2,265,610	400,968

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

During the year, liens were placed on two properties currently under construction. In order for construction financing to continue, the Corporation had to remit to the courts the value of the liens plus 25%.

4. LOANS RECEIVABLE

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

	2019 $	2018 $
Trailview Terrace AHP	1,360,302	1,461,279
Saunder's Court AHP	826,694	886,919
	2,186,996	2,348,198

5. INVESTMENTS

Investments are comprised of the following:

	2019 $	2018 $
Spruce Corners redeemable Guaranteed Investment Certificate (GIC), interest at rate of 2.05% maturing June 22, 2019	-	18,592
Social housing bond funds	1,337,164	1,284,488
Social housing equity funds	918,379	836,442
Sunshine Homes bond funds	868,660	650,745
Homeward Bound savings trust accounts	34,796	20,000
	3,158,999	2,810,267

Sunshine Homes bond funds were transferred from Sunshine Homes Non-Profit Inc. for the capital reserve fund in the amount of $92,759 (2018 - $670,655) which is recorded as revenue on the consolidated statement of operations and accumulated surplus.

6. SHORT TERM DEBT AND LOAN ADVANCES

The Corporation received construction financing advances from the City of Peterborough for the McRae property project at an annual interest rate of 2.24%. The balance outstanding as at December 31, 2019 is $4,763,000 (2018 - $1,000,000).

The Corporation received construction financing advances from the Township of Havelock-Belmont-Methuen for the Havelock property project at an annual interest rate of 2.24%. The balance outstanding as at December 31, 2019 is $610,000 (2018 - $Nil).

7. LONG TERM DEBT

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

	2019 $	2018 $
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	3,728,166	3,788,395
Trailview Terrace mortgage held with RBC Insurance, payable in blended monthly installments of $15,908, interest at 5.46%, maturing June 1, 2030	2,637,785	2,684,885
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	2,232,439	2,375,290
Anishnawbe mortgage held with MCAP Financial Corporation, payable in blended monthly installments of $2,153, interest at 2.54%, maturing December 1, 2022	286,035	304,435
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	195,090	217,487
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	1,563,531	1,685,421
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	381,422	393,723
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	179,359	185,143
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	782,284	814,940
Vehicle loan, payable in blended monthly installments of $553, interest at 3.21%, maturing January 22, 2020	551	7,058
Trailview Terrace demand loan held with Royal Bank of Canada, payable in blended monthly installments of $14,125, interest at 4.91%, maturing February 1, 2020	1,354,967	1,455,943

7. LONG TERM DEBT, continued

Saunder's Court debenture held with Infrastructure Ontario, payable in blended monthly installments of $7,760, interest at 3.81%, maturing November 1, 2020	830,603	890,829
Sunshine Homes mortgage held with Canada Mortgage and Housing Corporation, payable in blended monthly installments of $39,856, interest at 1.86%, maturing April 1, 2024	1,953,291	2,390,735
	16,125,523	17,194,284

(b) Interest paid during the year on long term debt amounted to $586,902 (2018 - $612,314).

(c) In December 2019, the Corporation renewed the Trailview Terrace mortgage for a 10 year term that is repayable in blended monthly installments of $13,135 with an interest rate of 3.22%.

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

	Principal $	Interest $	Total $
2020	1,093,352	566,506	1,659,858
2021	1,123,995	535,311	1,659,306
2022	1,156,209	503,097	1,659,306
2023	1,189,518	469,788	1,659,306
2024	863,097	437,577	1,300,674
2025 and subsequent years	10,699,352	4,768,234	15,467,586
	16,125,523	7,280,513	23,406,036

8. EMPLOYEE FUTURE BENEFITS AND PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2019 Annual Report disclosed total actuarial liabilities of $107,687 million in respect of benefits accrued for service with actuarial assets of $104,290 million indicating an actuarial deficit of $3,397 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit.

The Corporation's required contributions to OMERS in 2019 were $211,436 (2018 - $143,437).

As a schedule II WSIB employer, the Corporation has a liability related to future WSIB claims which was actuarially determined. The value of this liability has been assessed by an actuary as at December 31, 2019 to be $115,803 (2018 - $106,762) and may require funding in future periods.

The actuarial valuation as at December 31, 2019 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%

9. BUDGET FIGURES

The budget, approved by the Corporation, for 2019 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.

10. INTER-ENTITY TRANSACTIONS

The Corporation recognized subsidies from the City of Peterborough, its sole shareholder, in the amount of $8,022,412 (2018 - $6,205,734). As disclosed in note 6, the Corporation has construction financing from the City of Peterborough which has been recorded at the exchange value. This construction financing has no specific terms of repayment. During the year, the Corporation made payments to the City of Peterborough in the amounts of $1,750,099 (2018 - $1,635,874) for property taxes, $150,000 (2018 - $230,233) for building permits and application fees on construction projects, $Nil (2018 - $30,000) as performance security deposits on construction projects, $42,913 (2018 - $22,603) for interest on the short term loan, $Nil (2018 - $56,336) for salaries and benefits for an employee on secondment, $36,278 (2018 - $22,270) for waste pick up fees and $37,282 (2018 - $36,434) for information technology maintenance services.

11. TANGIBLE CAPITAL ASSETS

The net book value of the tangible capital assets are:

	2019 $	2018 $
General		
Land	11,774,058	11,906,949
Buildings	23,161,860	24,117,489
Building improvements	1,230,235	1,276,798
Equipment, furniture and fixtures	53,882	68,775
	36,220,035	37,370,011
Assets under construction	12,014,515	3,646,041
	48,234,550	41,016,052

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

During the year there were no write-downs (2018 - $Nil) and no interest capitalized (2018 - $7,902).

Tangible capital assets allocated by segment are as follows:

	2019 $	2018 $
Social Housing operations	22,324,754	14,101,474
AHP properties	22,840,777	23,688,759
Anishnawbe	378,743	390,530
Spruce Corners	188,242	209,874
Sunshine Homes	2,502,034	2,625,415
	48,234,550	41,016,052

12. 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 and the disposal of properties. Costs incurred to December 31, 2019 are $10,452,697 (2018 - $3,369,188).

The Corporation has entered into 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 and the disposal of properties. Costs incurred to December 31, 2019 are $1,551,708 (2018 - $271,766).

PETERBOROUGH HOUSING CORPORATION

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

13. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2019 $	2018 $
Surplus/(Deficit)		
Unfunded employee future benefits	(115,803)	(106,762)
Social Housing operations - note 13(c)	271,090	252,733
Capital	2,599,097	2,293,901
Anishnawbe	97,471	71,390
AHP	2,302,226	2,319,901
Spruce Corners	36,908	41,926
Rent Supplement	1,736,482	1,618,623
Sunshine Homes	51,255	11,908
New development	(726,788)	543,818
	6,251,938	7,047,438
Invested In Capital Assets		
Tangible capital assets - net book value	48,234,550	41,016,052
Long term debt	(16,125,523)	(17,194,284)
Short term debt and loan advances	(5,373,000)	(1,000,000)
	26,736,027	22,821,768
Surplus	32,987,965	29,869,206
Reserve Funds		
Social Housing operations - Wind Mobile	13,581	11,541
Anishnawbe capital replacement	78,553	66,797
AHP - note 13(b)	572,240	542,003
Sunshine Homes capital replacement	1,007,990	692,212
Spruce Corners capital replacement	4,275	1,879
Total Reserve Funds	1,676,639	1,314,432
	34,664,604	31,183,638

13. ACCUMULATED SURPLUS, continued

(b) AHP reserve funds include:

	2019 $	2018 $
River Ridge capital replacement	185,949	168,018
Woollen Mill capital replacement	239,752	216,916
Trailview Terrace capital replacement	128,616	124,032
Saunder's Court capital replacement	8,407	11,806
Anson House capital replacement	9,516	21,231
	572,240	542,003

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

	2019 $	2018 $
Social housing operations	211,789	193,730
Finally a Home	59,301	59,003
	271,090	252,733

14. CITY OF PETERBOROUGH SUBSIDIES

City of Peterborough subsidies is comprised of:

	2019 $	2018 $
Anishnawbe - operating	75,000	73,500
Social Housing operations - operating	2,809,000	2,668,000
Capital	864,500	850,000
Sunshine Homes - operating	739,002	621,826
Social Housing Improvement Plan	-	36,284
Social Infrastructure Fund	1,035,810	59,124
Housing Access Peterborough	145,500	142,700
Rent supplement	1,673,038	1,679,500
Social worker	76,500	74,800
Investment in Affordable Housing	539,190	-
	7,957,540	6,205,734

15. MATERIALS AND SUPPLIES

Materials and supplies consist of the following:

	2019 $	2018 $
Repairs and maintenance	1,050,613	989,025
Security	18,991	36,781
Grounds	449,714	433,503
Food - Spruce Corners	27,633	25,740
	1,546,951	1,485,049

16. UTILITIES

Utilities consist of the following:

	2019 $	2018 $
Electricity	1,039,945	1,021,338
Water	601,450	566,334
Fuel	407,194	431,963
	2,048,589	2,019,635

17. ADMINISTRATIVE OVERHEAD

Administrative overhead consists of the following:

	2019 $	2018 $
Promotion	40,096	22,558
Bank and collection charges	25,198	14,082
Office	96,504	75,465
Legal fees	29,502	35,171
Audit fees	29,346	24,698
Professional fees	82,297	16,629
Information technology	104,458	94,636
Travel	53,734	51,716
Telephone and telecommunications	37,406	42,081
Memberships	9,317	14,381
	507,858	391,417

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 $	Remaining Forgiveness $
Bradburn House - AHP	25 years	October 1, 2036	2,160,000	1,447,200
Trailview Terrace - Quad - AHP	25 years	January 1, 2035	480,000	288,000
Trailview Terrace - AHP	20 years	January 1, 2030	1,330,000	665,000
Saunder's Court - AHP	20 years	November 1, 2030	798,000	432,250
Home Grown Homes - AHP	20 years	January 2, 2029	280,000	126,000
Anson House - AHP	20 years	August 1, 2029	1,000,000	479,167
Woollen Mill - ARHP	20 years	July 1, 2027	1,450,000	543,750
River Ridge - AHP	20 years	June 1, 2026	2,000,000	641,667
Home Grown Homes - CMHC	8 years	August 29, 2024	26,478	15,446
Woollen Mill - RRAP	15 years	April 1, 2022	900,000	135,000
Peterborough Housing - SHRRP	10 years	Estimated Spring 2022	1,707,051	335,321
			12,131,529	5,108,801

19. SEGMENTED INFORMATION

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

AHP Fund

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

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.

19. SEGMENTED INFORMATION, continued

Spruce Corners Fund

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

Sunshine Homes Fund

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

Capital Fund

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

HAP Fund

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

Rent Supplement Fund

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

Social Housing Operations Fund

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

New Development Fund

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

20. SUBSEQUENT EVENT

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

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2019

	General					
	Land $	Buildings $	Building Improvements $	Equipment, furniture and fixtures $	Assets Under Construction $	Totals $
COST						
Balance, beginning of year	11,906,949	69,872,050	1,629,453	696,373	3,646,041	87,750,866
Add: additions during the year	-	204,837	-	16,916	8,373,562	8,595,315
Less: disposals during the year	132,891	240,307	-	-	5,088	378,286
Balance, end of year	11,774,058	69,836,580	1,629,453	713,289	12,014,515	95,967,895
ACCUMULATED AMORTIZATION						
Balance, beginning of year	-	45,754,561	352,655	627,598	-	46,734,814
Add: additions during the year	-	1,054,439	46,563	31,809	-	1,132,811
Less: disposals during the year	-	134,280	-	-	-	134,280
Balance, end of year	-	46,674,720	399,218	659,407	-	47,733,345
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	11,774,058	23,161,860	1,230,235	53,882	12,014,515	48,234,550

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended December 31, 2019

	AHP $	Anishnawbe $	Spruce Corners $	Sunshine Homes $	Capital $	HAP $	Rent Supplement $	Social Housing Operations $	New Development $	Consolidated $
Revenues										
Rent	2,113,756	30,797	49,547	501,591	-	-	-	4,203,726	-	6,899,417
City of Peterborough subsidy	-	75,000	-	739,002	864,500	145,500	1,673,038	2,885,500	1,575,000	7,957,540
Laundry and miscellaneous recoveries	33,934	-	30,403	7,509	-	-	-	116,100	-	187,946
Other subsidies	-	-	56,227	48,021	-	-	-	20,020	31,648	155,916
Management fees	(70,000)	(6,300)	(6,630)	-	-	-	-	111,902	-	28,972
Interfunctional rental fees	58,200	-	-	-	-	-	-	(58,200)	-	-
Investment income	12,818	-	677	35,814	102,221	-	32,389	97,789	-	281,708
Interest on loans receivable	102,494	-	-	-	-	-	-	-	-	102,494
Gain on sales of tangible capital assets	-	-	-	-	-	-	-	874,902	-	874,902
Contribution from Sunshine Homes Non-Profit Inc.	-	-	-	92,759	-	-	-	-	-	92,759
Total revenues	2,251,202	99,497	130,224	1,424,696	966,721	145,500	1,705,427	8,251,739	1,606,648	16,581,654
Expenses										
Materials and services	266,383	3,593	62,167	165,429	-	-	-	1,049,379	-	1,546,951
Utilities	348,795	15,881	16,893	13,882	-	-	-	1,653,138	-	2,048,589
Administrative overhead	21,420	520	5,014	16,351	-	43,650	-	420,903	-	507,858
Bad debts	3,695	1,100	-	5,450	-	-	-	65,151	-	75,396
Insurance	53,545	761	893	29,960	-	-	-	212,192	-	297,351
Salaries and benefits	182,502	-	17,233	112,200	-	101,850	-	2,254,637	-	2,668,422
Property taxes	192,644	9,186	3,733	233,928	-	-	-	1,481,002	-	1,920,493
Major repairs	46,261	4,825	733	15,003	661,525	-	-	-	-	728,347
Interest on long-term debt	535,420	7,395	3,845	40,242	-	-	-	-	-	586,902
Rent supplements	-	-	-	-	-	-	1,587,568	-	-	1,587,568
Amortization of capital assets	852,551	11,788	21,631	123,381	-	-	-	123,460	-	1,132,811
Total expenses	2,503,216	55,049	132,142	755,826	661,525	145,500	1,587,568	7,259,862	-	13,100,688
Net surplus/(deficit)	(252,014)	44,448	(1,918)	668,870	305,196	-	117,859	991,877	1,606,648	3,480,966

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended December 31, 2018

	AHP $	Anishnawbe $	Spruce Corners $	Sunshine Homes $	Capital $	HAP $	Rent Supplement $	Social Housing Operations $	New Development $	Consolidated $
Revenues										
Rent	2,068,091	27,444	48,341	443,473	-	-	-	4,041,108	-	6,628,457
City of Peterborough subsidy	-	73,500	-	621,826	886,284	142,700	1,679,500	2,742,800	59,124	6,205,734
Laundry and miscellaneous recoveries	38,452	985	30,160	2,476	-	-	-	120,713	-	192,786
Other subsidies	-	-	56,224	34,346	-	-	-	35,367	-	125,937
Management fees	(70,000)	(6,300)	(6,630)	-	-	-	-	111,930	-	29,000
Interfunctional rental fees	54,000	-	-	-	-	-	-	(54,000)	-	-
Investment income	9,573	-	698	7,946	(22,823)	-	(18,947)	66,191	-	42,638
Interest on loans receivable	109,195	-	-	-	-	-	-	-	-	109,195
Gain on sales of tangible capital assets	-	-	-	-	-	-	-	1,370,347	-	1,370,347
Contribution of tangible capital assets	-	-	-	-	-	-	-	-	18,000	18,000
Contribution from Sunshine Homes Non-Profit Inc.	-	-	-	670,655	-	-	-	-	-	670,655
Total revenues	2,209,311	95,629	128,793	1,780,722	863,461	142,700	1,660,553	8,434,456	77,124	15,392,749
Expenses										
Materials and services	246,479	15,015	52,056	174,566	-	-	-	996,933	-	1,485,049
Utilities	330,217	15,932	13,918	17,976	-	-	-	1,641,592	-	2,019,635
Administrative overhead	15,452	343	4,705	14,119	-	42,810	-	313,988	-	391,417
Bad debts	3,674	733	-	-	-	-	-	24,907	-	29,314
Insurance	22,534	560	638	17,414	-	-	-	175,743	-	216,889
Salaries and benefits	176,798	-	20,638	156,164	-	99,890	-	2,042,750	-	2,496,240
Property taxes	189,499	9,052	3,687	210,511	-	-	-	1,386,602	-	1,799,351
Major repairs	24,017	-	14,607	83,784	959,895	-	-	-	59,124	1,141,427
Interest on long-term debt	547,142	8,059	4,261	44,950	-	-	-	7,902	-	612,314
Rent supplements	-	-	-	-	-	-	1,622,809	-	-	1,622,809
Amortization of capital assets	855,651	11,788	21,631	123,381	-	-	-	131,546	-	1,143,997
Total expenses	2,411,463	61,482	136,141	842,865	959,895	142,700	1,622,809	6,721,963	59,124	12,958,442
Net surplus/(deficit)	(202,152)	34,147	(7,348)	937,857	(96,434)	-	37,744	1,712,493	18,000	2,434,307

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED CONTINUITY OF SURPLUS/(DEFICIT) AND RESERVE FUNDS
For the Year Ended December 31, 2019

	AHP $	Anishnawbe $	Spruce Corners $	Sunshine Homes $	Capital $	Rent Supplement $	Social Housing Operations $	New Development $	Consolidated $
Surplus/(Deficit)									
Net surplus/(deficit)	(252,014)	44,448	(1,918)	668,870	305,196	117,859	991,877	1,606,648	3,480,966
Add: Amortization	852,551	11,788	21,631	123,381	-	-	123,460	-	1,132,811
Proceeds on short and long term debt	-	-	-	-	-	-	-	4,373,000	4,373,000
Unfunded employee future benefits	608	-	62	319	-	-	8,052	-	9,041
Less: Debt principal repayments	(584,015)	(18,399)	(22,397)	(437,445)	-	-	(6,505)	-	(1,068,761)
Net transfer from/(to) Capital	(4,568)	-	-	-	-	-	16,981	(8,363,722)	(8,351,309)
Net transfer from/(to) Reserve Funds	(30,237)	(11,756)	(2,396)	(315,778)	-	-	(2,040)	-	(362,207)
Internal transfers	-	-	-	-	-	-	(1,113,468)	1,113,468	-
Change in Surplus/(Deficit)	(17,675)	26,081	(5,018)	39,347	305,196	117,859	18,357	(1,270,606)	(786,459)
Opening Surplus/(Deficit)	2,319,901	71,390	41,926	11,908	2,293,901	1,618,623	252,733	543,818	7,154,200
Closing Surplus/(Deficit)	2,302,226	97,471	36,908	51,255	2,599,097	1,736,482	271,090	(726,788)	6,367,741
Reserve Funds									
Add: Interest	12,798	1,581	677	35,814	-	-	-	-	50,870
Transfer from Operations	56,004	15,000	1,719	317,699	-	-	2,040	-	392,462
Less: Transfer to Operations	(38,565)	(4,825)	-	(37,735)	-	-	-	-	(81,125)
Change in Reserve Funds	30,237	11,756	2,396	315,778	-	-	2,040	-	362,207
Opening Reserve Funds	542,003	66,797	1,879	692,212	-	-	11,541	-	1,314,432
Closing Reserve Funds	572,240	78,553	4,275	1,007,990	-	-	13,581	-	1,676,639

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES
For the Year Ended December 31, 2019

	River Ridge $	Woollen Mill $	Anson House $	Saunder's Court $	Trailview Terrace $	Bradburn House $	Home Grown Homes $	Total $
Revenues								
Rent	500,208	511,132	230,274	228,737	412,515	134,719	96,171	2,113,756
Laundry and miscellaneous recoveries	1,228	11,836	2,241	2,995	13,617	1,903	114	33,934
Management fees	(20,300)	(20,300)	(9,800)	(9,800)	(9,800)	-	-	(70,000)
Interfunctional rental fees	-	51,000	-	-	-	7,200	-	58,200
Investment income	3,788	5,072	470	337	3,151	-	-	12,818
Interest on loans receivable	-	-	-	32,896	69,598	-	-	102,494
Total revenues	484,924	558,740	223,185	255,165	489,081	143,822	96,285	2,251,202
Expenses								
Materials and services	47,716	66,757	42,347	34,352	38,444	24,597	12,170	266,383
Utilities	115,798	87,497	42,528	26,988	37,612	28,508	9,864	348,795
Administrative overhead	3,535	4,953	2,812	2,306	4,946	2,256	612	21,420
Bad debts	1,129	2,456	175	(22)	(43)	-	-	3,695
Insurance	4,987	6,376	16,547	14,460	7,208	2,604	1,363	53,545
Salaries and benefits	-	46,173	24,583	29,596	53,181	28,969	-	182,502
Property taxes	44,029	2,098	38,125	43,991	30,889	18,495	15,017	192,644
Major repairs	5,861	3,216	12,186	9,892	13,568	-	1,538	46,261
Interest on long-term debt	32,579	68,748	70,083	111,734	212,400	22,860	17,016	535,420
Amortization of capital assets	140,560	189,413	86,963	133,615	197,291	79,767	24,942	852,551
Total expenses	396,194	477,687	336,349	406,912	595,496	208,056	82,522	2,503,216
Net surplus/(deficit)	88,730	81,053	(113,164)	(151,747)	(106,415)	(64,234)	13,763	(252,014)

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES
For the Year Ended December 31, 2018

	River Ridge $	Woollen Mill $	Anson House $	Saunder's Court $	Trailview Terrace $	Bradburn House $	Home Grown Homes $	Total $
Revenues								
Rent	488,415	498,284	220,953	224,715	408,552	132,080	95,092	2,068,091
Laundry and miscellaneous recoveries	1,275	12,872	4,023	2,294	15,498	1,879	611	38,452
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	2,985	3,687	375	271	2,255	-	-	9,573
Interest on loans receivable	-	-	-	35,144	74,051	-	-	109,195
Total revenues	472,375	542,543	215,551	252,624	490,556	139,959	95,703	2,209,311
Expenses								
Materials and services	40,966	55,514	36,671	33,452	38,692	23,252	17,932	246,479
Utilities	112,926	83,996	33,765	23,999	38,422	27,424	9,685	330,217
Administrative overhead	37	4,081	1,701	2,322	5,999	1,707	(395)	15,452
Bad debts	1,333	1,667	674	-	-	-	-	3,674
Insurance	3,650	4,690	2,457	3,374	5,349	1,961	1,053	22,534
Salaries and benefits	-	44,884	23,300	29,413	50,870	28,331	-	176,798
Property taxes	44,533	1,971	36,685	42,329	31,077	18,221	14,683	189,499
Major repairs	8,244	4,920	-	-	10,853	-	-	24,017
Interest on long-term debt	35,009	72,963	71,186	115,234	219,466	15,806	17,478	547,142
Amortization of capital assets	139,663	190,028	86,907	136,231	197,830	80,050	24,942	855,651
Total expenses	386,361	464,714	293,346	386,354	598,558	196,752	85,378	2,411,463
Net surplus/(deficit)	86,014	77,829	(77,795)	(133,730)	(108,002)	(56,793)	10,325	(202,152)

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REPORT ON SUPPLEMENTARY MATTERS ARISING FROM AN AUDIT ENGAGEMENT

To the Ministry of Health and Long-Term Care

In accordance with the project operating agreement with the Ministry of Health and Long-Term Care, we have been engaged to report the financial results of Spruce Corners as at and for the year ended December 31, 2019 (the "other reporting responsibility"). This other reporting responsibility relates to our audit of the consolidated financial statements of Peterborough Housing Corporation (PHC) as at December 31, 2019 on which we issued our report dated May 22, 2020. We prepared the supplementary matter.

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

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

In response to the other reporting responsibility, the financial results of Spruce Corners as at and for the year ended December 31, 2019 are provided in the attached Spruce Corners statements of financial position and operations and the related notes.

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 22, 2020

PETERBOROUGH HOUSING CORPORATION

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SPRUCE CORNERS
STATEMENT OF FINANCIAL POSITION
At December 31, 2019

	General Fund $	Capital Fund $	2019 Total $	2018 Total $
FINANCIAL ASSETS				
Cash	-	2,937	2,937	8,287
Investments	-	-	-	18,592
Due from PHC	25,518	1,338	26,856	30,598
Tangible capital assets (note 2)	196,206	-	196,206	218,603
	221,724	4,275	225,999	276,080
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Due to PHC	-	-	-	25,000
Mortgage payable	195,090	-	195,090	217,487
	195,090	-	195,090	242,487
FUND BALANCES	26,634	4,275	30,909	33,593
	221,724	4,275	225,999	276,080

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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SPRUCE CORNERS
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2019

	General Fund $	Capital Fund $	2019 Total $	2018 Total $
RECEIPTS				
Ministry of Health and Long-Term Care	54,508	1,719	56,227	56,224
Rent	49,547	-	49,547	48,341
Other	30,403	-	30,403	30,160
Interest	-	677	677	698
	134,458	2,396	136,854	135,423
EXPENSES				
Salaries and benefits	17,233	-	17,233	20,638
Management fee	6,630	-	6,630	6,630
Administration	5,747	-	5,747	4,705
Maintenance materials and services	34,534	-	34,534	40,923
Property taxes	3,733	-	3,733	3,687
Insurance	893	-	893	638
Utilities	16,893	-	16,893	13,918
Food	27,633	-	27,633	25,740
Interest	3,845	-	3,845	4,261
Amortization	22,397	-	22,397	21,982
	139,538	-	139,538	143,122
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FOR THE YEAR	(5,080)	2,396	(2,684)	(7,699)
FUND BALANCES - beginning of year	31,714	1,879	33,593	41,292
FUND BALANCES - end of year	26,634	4,275	30,909	33,593

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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SPRUCE CORNERS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Amortization is not provided on the building over the estimated useful life of the asset but rather at a rate equal to the annual principal reduction of the mortgage on the property;

(b) Amortization is provided on land proportionally equal to the annual principal reduction of the mortgage on the property rather than not being amortized; and

(c) Tangible capital assets purchased after the original interest adjustment date are charged to operations of the appropriate fund in the year the expense was incurred rather than being capitalized on the statement of financial position and amortized over their useful lives.

2. TANGIBLE CAPITAL ASSETS

	2019 $	2018 $
Cost		
Land	33,831	33,831
Building	322,285	322,285
	356,116	356,116
Less: accumulated amortization	(159,910)	(137,513)
	196,206	218,603

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REPORT ON SUPPLEMENTARY MATTERS ARISING FROM AN AUDIT ENGAGEMENT

To the City of Peterborough

In accordance with the project operating agreement with the City of Peterborough, we have been engaged to report the financial results of Sunshine Homes as at and for the year ended December 31, 2019 (the "other reporting responsibility"). This other reporting responsibility relates to our audit of the consolidated financial statements of Peterborough Housing Corporation (PHC) as at December 31, 2019 on which we issued our report dated May 22, 2020. We prepared the supplementary matter.

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

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

In response to the other reporting responsibility, the financial results of Sunshine Homes as at and for the year ended December 31, 2019 are provided in the attached Sunshine Homes statements of financial position and operations and the related notes.

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 22, 2020

PETERBOROUGH HOUSING CORPORATION

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SUNSHINE HOMES
STATEMENT OF FINANCIAL POSITION
At December 31, 2019

	General Fund $	Capital Fund $	2019 Total $	2018 Total $
FINANCIAL ASSETS				
Cash	-	152,514	152,514	27,855
Investments	-	868,660	868,660	650,745
Due from PHC	101,613	-	101,613	87,949
Tangible capital assets (note 2)	1,953,290	-	1,953,290	2,390,735
Due from (to) other fund	13,184	(13,184)	-	-
	2,068,087	1,007,990	3,076,077	3,157,284
LIABILITIES AND TRUST FUND BALANCES				
CURRENT LIABILITIES				
Due to City of Peterborough	64,872	-	64,872	63,374
Mortgage payable	1,953,290	-	1,953,290	2,390,735
	2,018,162	-	2,018,162	2,454,109
FUND BALANCE	49,925	1,007,990	1,057,915	703,175
	2,068,087	1,007,990	3,076,077	3,157,284

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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SUNSHINE HOMES
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2019

	General Fund $	Capital Fund $	2019 Total $	2018 Total $
RECEIPTS				
City of Peterborough	562,083	176,919	739,002	621,826
Rent	501,591	-	501,591	443,473
Ontario Power Authority solar	-	48,021	48,021	34,345
Other	7,509	-	7,509	2,476
Interest	-	35,814	35,814	7,946
Contribution from Sunshine Homes Non-Profit Inc.	-	92,759	92,759	670,655
	1,071,183	353,513	1,424,696	1,780,721
EXPENSES				
Salaries and benefits	112,200	-	112,200	156,164
Administration	21,867	-	21,867	14,119
Maintenance materials and services	142,697	37,735	180,432	258,350
Property taxes	233,928	-	233,928	210,511
Insurance	29,960	-	29,960	17,414
Utilities	13,882	-	13,882	17,976
Interest	40,242	-	40,242	44,950
Amortization	437,445	-	437,445	358,062
	1,032,221	37,735	1,069,956	1,077,546
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	38,962	315,778	354,740	703,175
FUND BALANCES - beginning of year	10,963	692,212	703,175	-
FUND BALANCES - end of year	49,925	1,007,990	1,057,915	703,175

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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SUNSHINE HOMES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Amortization is not provided on the building over the estimated useful life of the asset but rather at a rate equal to the annual principal reduction of the mortgage on the property;

(b) Amortization is provided on land proportionally equal to the annual principal reduction of the mortgage on the property rather than not being amortized; and

(c) Tangible capital assets purchased after the original interest adjustment date are charged to operations of the appropriate fund in the year the expense was incurred rather than being capitalized on the statement of financial position and amortized over their useful lives.

2. TANGIBLE CAPITAL ASSETS

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

	2019	2018
	$	$
Cost		
Land	898,085	898,085
Building	7,709,440	7,709,440
Equipment, furniture and fixtures	126,620	126,620
	8,734,145	8,734,145
Less: accumulated amortization	(6,780,855)	(6,343,410)
	1,953,290	2,390,735

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PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors of the Peterborough Housing Corporation

Opinion
We have audited the consolidated financial statements of the Peterborough Housing Corporation and its subsidiary (the Corporation), which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statements of operations and accumulated surplus, change in net financial assets/(liabilities) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2020, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

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

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

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
April 21, 2021

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2020

	2020 $	2019 $
FINANCIAL ASSETS		
Cash	4,334,965	4,750,717
Accounts receivable (note 3)	1,997,743	2,265,610
Loans receivable (note 4)	2,013,807	2,186,996
Investments (note 5)	3,343,485	3,158,999
TOTAL FINANCIAL ASSETS	11,690,000	12,362,322
LIABILITIES		
Short term debt and loan advances (note 6)	12,494,000	5,373,000
Accounts payable and accrued liabilities	4,970,580	4,581,420
Deferred revenue	70,000	2,159
Long term debt (note 7)	15,034,207	16,125,523
Employee future benefits (note 8)	128,791	115,803
TOTAL LIABILITIES	32,697,578	26,197,905
NET FINANCIAL ASSETS/(LIABILITIES)	(21,007,578)	(13,835,583)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	59,468,459	48,234,550
Prepaid expenses	293,384	249,586
Inventories of supplies	11,450	16,051
TOTAL NON-FINANCIAL ASSETS	59,773,293	48,500,187
ACCUMULATED SURPLUS (note 13)	38,765,715	34,664,604

Approved on behalf of the Board:

Bonnie Clark Director

Director

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2020

	Budget 2020 $ (unaudited)	Actual 2020 $	Actual 2019 $
REVENUES			
Rent	6,870,321	7,225,141	6,899,417
City of Peterborough subsidy (note 14)	6,403,050	7,660,216	7,957,540
Laundry and miscellaneous recoveries	130,646	202,411	187,946
Other subsidies	72,100	159,271	155,916
Management fees	29,922	26,815	28,972
Investment income	39,950	177,751	281,708
Interest on loans receivable	-	72,468	102,494
Gain on sales of tangible capital assets	-	1,647,304	874,902
Contribution from Sunshine Homes Non-Profit Inc. (note 5)	-	24,567	92,759
TOTAL REVENUES	13,545,989	17,195,944	16,581,654
EXPENSES			
Materials and services (note 15)	1,630,421	1,740,232	1,547,684
Utilities (note 16)	2,296,085	2,038,510	2,048,589
Administrative overhead (note 17)	608,919	361,856	507,858
Bad debts	91,228	43,761	75,396
Insurance	251,549	268,704	297,351
Salaries and benefits	2,622,547	2,572,149	2,668,422
Property taxes	1,912,343	2,020,382	1,920,493
Major repairs	1,050,000	652,363	727,614
Interest on long-term debt	461,422	512,914	586,902
Rent supplements	1,676,358	1,583,409	1,587,568
Amortization of capital assets	1,136,130	1,300,553	1,132,811
TOTAL EXPENSES	13,737,002	13,094,833	13,100,688
ANNUAL SURPLUS/(DEFICIT)	(191,013)	4,101,111	3,480,966
ACCUMULATED SURPLUS - beginning of year		34,664,604	31,183,638
ACCUMULATED SURPLUS - end of year		38,765,715	34,664,604

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)
For the Year Ended December 31, 2020

	Budget 2020 $ (unaudited)	Actual 2020 $	Actual 2019 $
ANNUAL SURPLUS/(DEFICIT)	(191,013)	4,101,111	3,480,966
Amortization of tangible capital assets	1,136,130	1,300,553	1,132,811
Purchase of tangible capital assets	-	(13,068,841)	(8,595,315)
Gain on disposals of tangible capital assets	-	(1,647,304)	(874,902)
Proceeds on sales of tangible capital assets	-	2,181,683	1,118,908
Change in prepaid expenses	-	(43,798)	(20,664)
Change in inventories of supplies	-	4,601	(7,754)
CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)	945,117	(7,171,995)	(3,765,950)
NET FINANCIAL ASSETS/(LIABILITIES) - beginning of year	(13,835,583)	(13,835,583)	(10,069,633)
NET FINANCIAL ASSETS/(LIABILITIES) - end of year	(12,890,466)	(21,007,578)	(13,835,583)

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	2020 $	2019 $
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	4,101,111	3,480,966
Items not involving cash		
Amortization of tangible capital assets	1,300,553	1,132,811
Gain on disposal of tangible capital assets	(1,647,304)	(874,902)
Change in employee future benefits	12,988	9,041
Change in non-cash assets and liabilities		
Accounts receivable	267,867	(1,864,642)
Loans receivable	173,189	161,202
Prepaid expenses	(43,798)	(20,664)
Inventories of supplies	4,601	(7,754)
Accounts payable and accrued liabilities	389,160	2,467,715
Deferred revenue	67,841	(23,501)
Net change in cash from operating activities	4,626,208	4,460,272
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(13,068,841)	(8,595,315)
Proceeds on disposal of tangible capital assets	2,181,683	1,118,908
Net change in cash from capital activities	(10,887,158)	(7,476,407)
INVESTING ACTIVITIES		
Purchase of investments	(184,486)	(367,324)
Redemption of investments	-	18,592
Net change in cash from investing activities	(184,486)	(348,732)
FINANCING ACTIVITIES		
Debt principal repayments	(1,091,316)	(1,068,761)
Short term debt and loan advances received	7,121,000	4,373,000
Net change in cash from financing activities	6,029,684	3,304,239
NET CHANGE IN CASH	(415,752)	(60,628)
CASH - beginning of year	4,750,717	4,811,345
CASH - end of year	4,334,965	4,750,717

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

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.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Recognition of Revenues and Expenses

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

Government Funding

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

Rental Revenue

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

(d) Non-financial Assets

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

(e) Reserves and Reserve Funds

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

(f) Deferred Revenue

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

(g) Use of Estimates

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

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

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Inter-Entity Transactions

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

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

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

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2020 $	2019 $
Tenants	117,110	133,925
City of Peterborough subsidy	180,341	510,350
Lien deposits	698,991	698,991
Other	1,100,203	1,023,851
Allowance for doubtful accounts	(98,902)	(101,507)
	1,997,743	2,265,610

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

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

4. LOANS RECEIVABLE

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

	2020 $	2019 $
Trailview Terrace AHP	1,244,369	1,360,302
Saunder's Court AHP	769,438	826,694
	2,013,807	2,186,996

5. INVESTMENTS

Investments are comprised of the following:

	2020 $	2019 $
Social housing bond funds	1,377,945	1,337,164
Social housing equity funds	984,021	918,379
Sunshine Homes bond funds	961,970	868,660
Homeward Bound savings trust accounts	19,549	34,796
	3,343,485	3,158,999

Sunshine Homes cash was transferred from Sunshine Homes Non-Profit Inc. for the capital reserve fund in the amount of $24,567 (2019 - $92,759) which is recorded as revenue on the consolidated statement of operations and accumulated surplus.

6. SHORT TERM DEBT AND LOAN ADVANCES

The Corporation received construction financing advances from the City of Peterborough for the McRae property project at an annual interest rate of 2.24%. The balance outstanding as at December 31, 2020 is $7,394,000 (2019 - $4,763,000).

The Corporation received construction financing advances from the Township of Havelock-Belmont-Methuen for the Havelock property project at an annual interest rate of 2.24%. The balance outstanding as at December 31, 2020 is $5,100,000 (2019 - $610,000).

7. LONG TERM DEBT

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

	2020 $	2019 $
Anson House and Saunder's Court debenture held with Infrastructure Ontario, matured November 1, 2020. Monthly installments of interest at 3.97% payable until debenture is renegotiated in 2021	3,670,820	3,728,166
Trailview Terrace mortgage held with RBC Insurance, payable in blended monthly installments of $15,908, interest at 5.46%, maturing June 1, 2030	2,588,078	2,637,785
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	2,085,255	2,232,439
Anishnawbe mortgage held with MCAP Financial Corporation, payable in blended monthly installments of $2,153, interest at 2.54%, maturing December 1, 2022	267,209	286,035
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	172,271	195,090
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	1,439,166	1,563,531
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	368,813	381,422
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	173,430	179,359
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	748,450	782,284
Vehicle loan, payable in blended monthly installments of $553, interest at 3.21%, maturing January 22, 2020	-	551
Trailview Terrace demand loan held with Royal Bank of Canada, payable in blended monthly installments of $13,116, interest at 2.67%, maturing February 14, 2030	1,239,916	1,354,967

7. LONG TERM DEBT, continued

Saunder's Court debenture held with Infrastructure Ontario, matured November 1, 2020. Monthly installments of interest at 3.81% payable until debenture is renegotiated in 2021	773,348	830,603
Sunshine Homes mortgage held with Canada Mortgage and Housing Corporation, payable in blended monthly installments of $39,856, interest at 1.86%, maturing April 1, 2024	1,507,451	1,953,291
	15,034,207	16,125,523

(b) Interest paid during the year on long term debt amounted to $515,897 (2019 - $586,902).

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

	Principal $	Interest $	Total $
2021	1,123,995	535,311	1,659,306
2022	1,156,209	503,097	1,659,306
2023	1,189,518	469,788	1,659,306
2024	863,097	437,577	1,300,674
2025	826,725	341,126	1,167,851
2026 and subsequent years	9,874,663	3,919,505	13,794,168
	15,034,207	6,206,404	21,240,611

8. EMPLOYEE FUTURE BENEFITS AND PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2020 Annual Report disclosed total actuarial liabilities of $113,055 million in respect of benefits accrued for service with actuarial assets of $109,844 million indicating an actuarial deficit of $3,211 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit.

The Corporation's required contributions to OMERS in 2020 were $197,112 (2019 - $211,436).

As a schedule II WSIB employer, the Corporation has a liability related to future WSIB claims which was actuarially determined. The value of this liability has been assessed by an actuary as at December 31, 2020 to be $128,791 (2019 - $115,803) and may require funding in future periods.

The actuarial valuation as at December 31, 2020 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	3.50%

9. BUDGET FIGURES

The budget, approved by the Corporation, for 2020 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.

10. INTER-ENTITY TRANSACTIONS

The Corporation recognized subsidies from the City of Peterborough, its sole shareholder, in the amount of $7,650,824 (2019 - $8,022,412). As disclosed in note 6, the Corporation has construction financing from the City of Peterborough which has been recorded at the exchange value. This construction financing has no specific terms of repayment. During the year, the Corporation made payments to the City of Peterborough in the amounts of $1,843,432 (2019 - $1,750,099) for property taxes, $1,403,854 (2019 - $150,000) for building permits and application fees on construction projects, $40,000 (2019 - $nil) for park levies, $59,116 (2019 - $42,913) for interest on the short term loan, $29,931 (2019 - $36,278) for waste pick up fees and $43,668 (2019 - $37,282) for information technology maintenance services.

11. TANGIBLE CAPITAL ASSETS

The net book value of the tangible capital assets are:

	2020 $	2019 $
General		
Land	11,543,374	11,774,058
Buildings	34,044,171	23,161,860
Building improvements	1,183,672	1,230,235
Equipment, furniture and fixtures	98,464	53,882
	46,869,681	36,220,035
Assets under construction	12,598,778	12,014,515
	59,468,459	48,234,550

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

During the year there were no write-downs (2019 - $Nil) and no interest capitalized (2019 - $Nil).

Tangible capital assets allocated by segment are as follows:

	2020 $	2019 $
Social Housing operations	18,319,246	22,324,754
AHP properties	38,235,081	22,840,777
Anishnawbe	368,867	378,743
Spruce Corners	166,611	188,242
Sunshine Homes	2,378,654	2,502,034
	59,468,459	48,234,550

12. COMMITMENTS

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

The Corporation has entered into 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 and the disposal of properties. Costs incurred to December 31, 2020 are $6,957,294 (2019 - $1,551,708).

13. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2020 $	2019 $
Surplus/(Deficit)		
Unfunded employee future benefits	(128,791)	(115,803)
Social Housing operations - note 13(c)	303,465	271,090
Capital	2,988,251	2,599,097
Anishnawbe	130,723	97,471
AHP	2,254,806	2,302,226
Spruce Corners	34,064	36,908
Rent Supplement	1,851,210	1,736,482
Sunshine Homes	203,369	51,255
New development	(2,619,083)	(726,788)
	5,018,014	6,251,938
Invested In Capital Assets		
Tangible capital assets - net book value	59,468,459	48,234,550
Long term debt	(15,034,207)	(16,125,523)
Short term debt and loan advances	(12,494,000)	(5,373,000)
	31,940,252	26,736,027
Surplus	36,958,266	32,987,965
Reserve Funds		
Social Housing operations - Wind Mobile	15,621	13,581
Anishnawbe capital replacement	90,541	78,553
AHP - note 13(b)	555,611	572,240
Sunshine Homes capital replacement	1,140,644	1,007,990
Spruce Corners capital replacement	5,032	4,275
Total Reserve Funds	1,807,449	1,676,639
	38,765,715	34,664,604

13. ACCUMULATED SURPLUS, continued

(b) AHP reserve funds include:

	2020 $	2019 $
River Ridge capital replacement	208,196	185,949
Woollen Mill capital replacement	183,683	239,752
Trailview Terrace capital replacement	145,430	128,616
Saunder's Court capital replacement	8,538	8,407
Anson House capital replacement	9,764	9,516
	555,611	572,240

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

	2020 $	2019 $
Social housing operations	244,056	211,789
Finally a Home	59,409	59,301
	303,465	271,090

14. CITY OF PETERBOROUGH SUBSIDIES

City of Peterborough subsidies is comprised of:

	2020 $	2019 $
Anishnawbe - operating	75,000	75,000
Social Housing operations - operating	2,850,000	2,809,000
Capital	876,000	864,500
Sunshine Homes - operating	785,709	739,002
Social Infrastructure Fund	828,648	1,035,810
Housing Access Peterborough	74,150	145,500
Rent supplement	1,661,357	1,673,038
Social worker	78,000	76,500
Investment in Affordable Housing	431,352	539,190
	7,660,216	7,957,540

15. MATERIALS AND SUPPLIES

Materials and supplies consist of the following:

	2020 $	2019 $
Repairs and maintenance	1,166,524	1,050,613
Security	9,868	18,991
Grounds	534,635	449,714
Food - Spruce Corners	29,205	27,633
	1,740,232	1,546,951

16. UTILITIES

Utilities consist of the following:

	2020 $	2019 $
Electricity	1,035,434	1,039,945
Water	653,495	601,450
Fuel	349,581	407,194
	2,038,510	2,048,589

17. ADMINISTRATIVE OVERHEAD

Administrative overhead consists of the following:

	2020 $	2019 $
Promotion	9,362	40,096
Bank and collection charges	15,190	25,198
Office	64,976	96,504
Legal fees	14,773	29,502
Audit fees	24,702	29,346
Professional fees	50,464	82,297
Information technology	111,275	104,458
Travel	28,659	53,734
Telephone and telecommunications	36,341	37,406
Memberships	6,114	9,317
	361,856	507,858

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 $	Remaining Forgiveness $
Bradburn House - AHP	25 years	October 1, 2036	2,160,000	1,360,800
Trailview Terrace - Quad - AHP	25 years	January 1, 2035	480,000	268,800
Trailview Terrace - AHP	20 years	January 1, 2030	1,330,000	598,500
Saunder's Court - AHP	20 years	November 1, 2030	798,000	392,350
Home Grown Homes - AHP	20 years	January 1, 2029	280,000	112,000
Anson House - AHP	20 years	August 1, 2029	1,000,000	429,167
Woollen Mill - ARHP	20 years	July 27, 2027	1,450,000	471,250
River Ridge - AHP	20 years	June 1, 2026	2,000,000	541,667
Home Grown Homes - CMHC	8 years	August 29, 2024	26,478	12,136
Woollen Mill - RRAP	15 years	April 1, 2022	900,000	75,000
Peterborough Housing - SHRRP	10 years	Estimated Spring 2022	1,707,051	164,616
			12,131,529	4,426,286

19. SEGMENTED INFORMATION

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

AHP Fund

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

Anishnawbe Fund

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

19. SEGMENTED INFORMATION, continued

Spruce Corners Fund

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

Sunshine Homes Fund

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

Capital Fund

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

HAP Fund

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

Rent Supplement Fund

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

Social Housing Operations Fund

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

New Development Fund

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

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2020

	General					
	Land $	Buildings $	Building Improvements $	Equipment, furniture and fixtures $	Assets Under Construction $	Totals $
COST						
Balance, beginning of year	11,774,058	69,836,580	1,629,453	713,289	12,014,515	95,967,895
Add: additions during the year	-	396,292	-	73,462	12,599,087	13,068,841
Less: disposals during the year	230,684	538,472	-	-	-	769,156
Internal transfers	-	12,014,824	-	-	(12,014,824)	-
Balance, end of year	11,543,374	81,709,224	1,629,453	786,751	12,598,778	108,267,580
ACCUMULATED AMORTIZATION						
Balance, beginning of year	-	46,674,720	399,218	659,407	-	47,733,345
Add: additions during the year	-	1,225,110	46,563	28,880	-	1,300,553
Less: disposals during the year	-	234,777	-	-	-	234,777
Balance, end of year	-	47,665,053	445,781	688,287	-	48,799,121
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	11,543,374	34,044,171	1,183,672	98,464	12,598,778	59,468,459

PETERBOROUGH HOUSING CORPORATION

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

	AHP $	Anishnawbe $	Spruce Corners $	Sunshine Homes $	Capital $	HAP $	Rent Supplement $	Social Housing Operations $	New Development $	Consolidated $
Revenues										
Rent	2,323,058	40,036	48,288	513,568	-	-	-	4,300,191	-	7,225,141
City of Peterborough subsidy	-	75,000	-	785,709	876,000	74,150	1,661,357	2,928,000	1,260,000	7,660,216
Laundry and miscellaneous recoveries	40,159	-	29,250	4,094	-	-	-	128,908	-	202,411
Other subsidies	-	-	56,383	45,875	-	-	-	15,711	41,302	159,271
Management fees	(70,000)	(6,500)	(6,763)	-	-	-	-	110,078	-	26,815
Interfunctional rental fees	58,200	-	-	-	-	-	-	(58,200)	-	-
Investment income	7,315	595	34	16,373	69,645	-	36,780	47,009	-	177,751
Interest on loans receivable	72,468	-	-	-	-	-	-	-	-	72,468
Gain on sales of tangible capital assets	-	-	-	-	-	-	-	1,647,304	-	1,647,304
Contribution from Sunshine Homes Non-Profit Inc.	-	-	-	24,567	-	-	-	-	-	24,567
Total revenues	2,431,200	109,131	127,192	1,390,186	945,645	74,150	1,698,137	9,119,001	1,301,302	17,195,944
Expenses										
Materials and services	330,853	6,980	65,816	117,920	-	-	-	1,218,663	-	1,740,232
Utilities	394,923	15,036	11,516	14,177	-	-	-	1,602,858	-	2,038,510
Administrative overhead	20,647	504	3,218	12,996	-	22,245	-	302,246	-	361,856
Bad debts	5,500	1,100	-	4,410	-	-	-	32,751	-	43,761
Insurance	60,154	1,456	1,755	26,563	-	-	-	178,776	-	268,704
Salaries and benefits	192,089	-	15,987	128,037	-	51,905	-	2,184,131	-	2,572,149
Property taxes	197,331	9,411	3,837	239,242	-	-	-	1,570,561	-	2,020,382
Major repairs	7,113	3,607	-	85,152	556,491	-	-	-	-	652,363
Interest on long-term debt	470,802	6,970	3,422	31,720	-	-	-	-	-	512,914
Rent supplements	-	-	-	-	-	-	1,583,409	-	-	1,583,409
Amortization of capital assets	1,025,013	11,574	21,731	123,381	-	-	-	118,854	-	1,300,553
Total expenses	2,704,425	56,638	127,282	783,598	556,491	74,150	1,583,409	7,208,840	-	13,094,833
Net surplus/(deficit)	(273,225)	52,493	(90)	606,588	389,154	-	114,728	1,910,161	1,301,302	4,101,111

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended December 31, 2019

	AHP $	Anishnawbe $	Spruce Corners $	Sunshine Homes $	Capital $	HAP $	Rent Supplement $	Social Housing Operations $	New Development $	Consolidated $
Revenues										
Rent	2,113,756	30,797	49,547	501,591	-	-	-	4,203,726	-	6,899,417
City of Peterborough subsidy	-	75,000	-	739,002	864,500	145,500	1,673,038	2,885,500	1,575,000	7,957,540
Laundry and miscellaneous recoveries	33,934	-	30,403	7,509	-	-	-	116,100	-	187,946
Other subsidies	-	-	56,227	48,021	-	-	-	20,020	31,648	155,916
Management fees	(70,000)	(6,300)	(6,630)	-	-	-	-	111,902	-	28,972
Interfunctional rental fees	58,200	-	-	-	-	-	-	(58,200)	-	-
Investment income	12,818	-	677	35,814	102,221	-	32,389	97,789	-	281,708
Interest on loans receivable	102,494	-	-	-	-	-	-	-	-	102,494
Gain on sales of tangible capital assets	-	-	-	-	-	-	-	874,902	-	874,902
Contribution from Sunshine Homes Non-Profit Inc.	-	-	-	92,759	-	-	-	-	-	92,759
Total revenues	2,251,202	99,497	130,224	1,424,696	966,721	145,500	1,705,427	8,251,739	1,606,648	16,581,654
Expenses										
Materials and services	266,383	3,593	62,900	165,429	-	-	-	1,049,379	-	1,547,684
Utilities	348,795	15,881	16,893	13,882	-	-	-	1,653,138	-	2,048,589
Administrative overhead	21,420	520	5,014	16,351	-	43,650	-	420,903	-	507,858
Bad debts	3,695	1,100	-	5,450	-	-	-	65,151	-	75,396
Insurance	53,545	761	893	29,960	-	-	-	212,192	-	297,351
Salaries and benefits	182,502	-	17,233	112,200	-	101,850	-	2,254,637	-	2,668,422
Property taxes	192,644	9,186	3,733	233,928	-	-	-	1,481,002	-	1,920,493
Major repairs	46,261	4,825	-	15,003	661,525	-	-	-	-	727,614
Interest on long-term debt	535,420	7,395	3,845	40,242	-	-	-	-	-	586,902
Rent supplements	-	-	-	-	-	-	1,587,568	-	-	1,587,568
Amortization of capital assets	852,551	11,788	21,631	123,381	-	-	-	123,460	-	1,132,811
Total expenses	2,503,216	55,049	132,142	755,826	661,525	145,500	1,587,568	7,259,862	-	13,100,688
Net surplus/(deficit)	(252,014)	44,448	(1,918)	668,870	305,196	-	117,859	991,877	1,606,648	3,480,966

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED CONTINUITY OF SURPLUS/(DEFICIT) AND RESERVE FUNDS
For the Year Ended December 31, 2020

	AHP $	Anishnawbe $	Spruce Corners $	Sunshine Homes $	Capital $	Rent Supplement $	Social Housing Operations $	New Development $	Consolidated $
Surplus/(Deficit)									
Net surplus/(deficit)	(273,225)	52,493	(90)	606,588	389,154	114,728	1,910,161	1,301,302	4,101,111
Add: Amortization	1,025,013	11,574	21,731	123,381	-	-	118,854	-	1,300,553
Proceeds on short and long term debt	-	-	-	-	-	-	-	7,121,000	7,121,000
Unfunded employee future benefits	906	-	87	638	-	-	11,357	-	12,988
Less: Debt principal repayments	(603,280)	(18,827)	(22,819)	(445,839)	-	-	(551)	-	(1,091,316)
Net transfer from/(to) Capital	(9,294)	-	(996)	-	-	-	74,914	(12,599,087)	(12,534,463)
Net transfer from/(to) Reserve Funds	16,630	(11,988)	(757)	(132,654)	-	-	(2,040)	-	(130,809)
Internal transfers	(204,170)	-	-	-	-	-	(2,080,320)	2,284,490	-
Change in Surplus/(Deficit)	(47,420)	33,252	(2,844)	152,114	389,154	114,728	32,375	(1,892,295)	(1,220,936)
Opening Surplus/(Deficit)	2,302,226	97,471	36,908	51,255	2,599,097	1,736,482	271,090	(726,788)	6,367,741
Closing Surplus/(Deficit)	2,254,806	130,723	34,064	203,369	2,988,251	1,851,210	303,465	(2,619,083)	5,146,805
Reserve Funds									
Add: Interest	7,315	595	34	16,373	-	-	-	-	24,317
Transfer from Operations	56,004	15,000	1,719	201,433	-	-	2,040	-	276,196
Less: Transfer to Operations	(79,949)	(3,607)	(996)	(85,152)	-	-	-	-	(169,704)
Change in Reserve Funds	(16,630)	11,988	757	132,654	-	-	2,040	-	130,809
Opening Reserve Funds	572,240	78,553	4,275	1,007,990	-	-	13,581	-	1,676,639
Closing Reserve Funds	555,610	90,541	5,032	1,140,644	-	-	15,621	-	1,807,448

PETERBOROUGH HOUSING CORPORATION

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

	River Ridge $	Woollen Mill $	Anson House $	Saunder's Court $	Trailview Terrace $	Bradburn House $	Home Grown Homes $	Malcolm Court $	Total $
Revenues									
Rent	513,388	520,463	235,284	230,309	414,962	137,134	98,528	172,990	2,323,058
Laundry and miscellaneous recoveries	1,142	14,798	2,313	3,154	14,363	783	-	3,606	40,159
Management fees	(20,300)	(20,300)	(9,800)	(9,800)	(9,800)	-	-	-	(70,000)
Interfunctional rental fees	-	51,000	-	-	-	7,200	-	-	58,200
Investment income	2,243	2,879	248	131	1,814	-	-	-	7,315
Interest on loans receivable	-	-	-	29,915	42,552	-	-	-	72,467
Total revenues	496,473	568,840	228,045	253,709	463,891	145,117	98,528	176,596	2,431,199
Expenses									
Materials and services	37,450	107,720	41,645	35,800	48,296	32,126	18,145	9,670	330,852
Utilities	121,645	97,360	40,639	17,530	38,599	29,179	10,906	39,065	394,923
Administrative overhead	1,864	3,664	1,856	1,621	4,897	2,178	653	3,914	20,647
Bad debts	2,000	2,500	1,000	-	-	-	-	-	5,500
Insurance	9,351	11,848	6,184	7,816	13,156	4,609	2,276	4,914	60,154
Salaries and benefits	-	46,982	25,258	30,642	55,673	30,126	-	3,408	192,089
Property taxes	43,746	2,813	39,724	45,835	30,942	18,853	15,418	-	197,331
Major repairs	-	7,113	-	-	-	-	-	-	7,113
Interest on long-term debt	30,100	64,398	63,788	92,645	181,627	21,641	16,603	-	470,802
Amortization of capital assets	140,325	189,378	87,239	133,571	198,437	79,407	24,942	171,714	1,025,013
Total expenses	386,481	533,776	307,333	365,460	571,627	218,119	88,943	232,685	2,704,424
Net surplus/(deficit)	109,992	35,064	(79,288)	(111,751)	(107,736)	(73,002)	9,585	(56,089)	(273,225)

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES
For the Year Ended December 31, 2019

	River Ridge $	Woollen Mill $	Anson House $	Saunder's Court $	Trailview Terrace $	Bradburn House $	Home Grown Homes $	Total $
Revenues								
Rent	500,208	511,132	230,274	228,737	412,515	134,719	96,171	2,113,756
Laundry and miscellaneous recoveries	1,228	11,836	2,241	2,995	13,617	1,903	114	33,934
Management fees	(20,300)	(20,300)	(9,800)	(9,800)	(9,800)	-	-	(70,000)
Interfunctional rental fees	-	51,000	-	-	-	7,200	-	58,200
Investment income	3,788	5,072	470	337	3,151	-	-	12,818
Interest on loans receivable	-	-	-	32,896	69,598	-	-	102,494
Total revenues	484,924	558,740	223,185	255,165	489,081	143,822	96,285	2,251,202
Expenses								
Materials and services	47,716	66,757	42,347	34,352	38,444	24,597	12,170	266,383
Utilities	115,798	87,497	42,528	26,988	37,612	28,508	9,864	348,795
Administrative overhead	3,535	4,953	2,812	2,306	4,946	2,256	612	21,420
Bad debts	1,129	2,456	175	(22)	(43)	-	-	3,695
Insurance	4,987	6,376	16,547	14,460	7,208	2,604	1,363	53,545
Salaries and benefits	-	46,173	24,583	29,596	53,181	28,969	-	182,502
Property taxes	44,029	2,098	38,125	43,991	30,889	18,495	15,017	192,644
Major repairs	5,861	3,216	12,186	9,892	13,568	-	1,538	46,261
Interest on long-term debt	32,579	68,748	70,083	111,734	212,400	22,860	17,016	535,420
Amortization of capital assets	140,560	189,413	86,963	133,615	197,291	79,767	24,942	852,551
Total expenses	396,194	477,687	336,349	406,912	595,496	208,056	82,522	2,503,216
Net surplus/(deficit)	88,730	81,053	(113,164)	(151,747)	(106,415)	(64,234)	13,763	(252,014)

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REPORT ON SUPPLEMENTARY MATTERS ARISING FROM AN AUDIT ENGAGEMENT

To the Ministry of Health and Long-Term Care

In accordance with the project operating agreement with the Ministry of Health and Long-Term Care, we have been engaged to report the financial results of Spruce Corners as at and for the year ended December 31, 2020 (the "other reporting responsibility"). This other reporting responsibility relates to our audit of the consolidated financial statements of Peterborough Housing Corporation (PHC) as at December 31, 2020 on which we issued our report dated April 21, 2021. We prepared the supplementary matter.

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

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

In response to the other reporting responsibility, the financial results of Spruce Corners as at and for the year ended December 31, 2020 are provided in the attached Spruce Corners statements of financial position and operations and the related notes.

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
April 21, 2021

PETERBOROUGH HOUSING CORPORATION

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SPRUCE CORNERS
STATEMENT OF FINANCIAL POSITION
At December 31, 2020

	General Fund $	Capital Fund $	2020 Total $	2019 Total $
FINANCIAL ASSETS				
Cash	-	2,971	2,971	2,937
Due from PHC	24,190	2,061	26,251	26,856
Tangible capital assets (note 2)	173,387	-	173,387	196,206
	197,577	5,032	202,609	225,999
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Mortgage payable	172,271	-	172,271	195,090
FUND BALANCES	25,306	5,032	30,338	30,909
	197,577	5,032	202,609	225,999

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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SPRUCE CORNERS
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2020

	General Fund $	Capital Fund $	2020 Total $	2019 Total $
RECEIPTS				
Ministry of Health and Long-Term Care	54,664	1,719	56,383	56,227
Rent	48,897	-	48,897	49,547
Other	29,250	-	29,250	30,403
Interest	-	34	34	677
	132,811	1,753	134,564	136,854
EXPENSES				
Salaries and benefits	15,987	-	15,987	17,233
Management fee	6,763	-	6,763	6,630
Administration	3,218	-	3,218	5,747
Maintenance materials and services	35,615	996	36,611	34,534
Property taxes	3,837	-	3,837	3,733
Insurance	1,755	-	1,755	893
Utilities	11,516	-	11,516	16,893
Food	29,207	-	29,207	27,633
Interest	3,422	-	3,422	3,845
Amortization	22,819	-	22,819	22,397
	134,139	996	135,135	139,538
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FOR THE YEAR	(1,328)	757	(571)	(2,684)
FUND BALANCES - beginning of year	26,634	4,275	30,909	33,593
FUND BALANCES - end of year	25,306	5,032	30,338	30,909

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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SPRUCE CORNERS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Amortization is not provided on the building over the estimated useful life of the asset but rather at a rate equal to the annual principal reduction of the mortgage on the property;

(b) Amortization is provided on land proportionally equal to the annual principal reduction of the mortgage on the property rather than not being amortized; and

(c) Tangible capital assets purchased after the original interest adjustment date are charged to operations of the appropriate fund in the year the expense was incurred rather than being capitalized on the statement of financial position and amortized over their useful lives.

2. TANGIBLE CAPITAL ASSETS

	2020 $	2019 $
Cost		
Land	33,831	33,831
Building	322,285	322,285
	356,116	356,116
Less: accumulated amortization	(182,729)	(159,910)
	173,387	196,206

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REPORT ON SUPPLEMENTARY MATTERS ARISING FROM AN AUDIT ENGAGEMENT

To the City of Peterborough

In accordance with the project operating agreement with the City of Peterborough, we have been engaged to report the financial results of Sunshine Homes as at and for the year ended December 31, 2020 (the "other reporting responsibility"). This other reporting responsibility relates to our audit of the consolidated financial statements of Peterborough Housing Corporation (PHC) as at December 31, 2020 on which we issued our report dated April 21, 2021. We prepared the supplementary matter.

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

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

In response to the other reporting responsibility, the financial results of Sunshine Homes as at and for the year ended December 31, 2020 are provided in the attached Sunshine Homes statements of financial position and operations and the related notes.

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
April 21, 2021

PETERBOROUGH HOUSING CORPORATION

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SUNSHINE HOMES
STATEMENT OF FINANCIAL POSITION
At December 31, 2020

	General Fund $	Capital Fund $	2020 Total $	2019 Total $
FINANCIAL ASSETS				
Cash	-	269,635	269,635	152,514
Investments	-	961,970	961,970	868,660
Due from PHC	49,615	-	49,615	101,613
Tangible capital assets (note 2)	1,507,451	-	1,507,451	1,953,290
Due from (to) other fund	90,961	(90,961)	-	-
Due from (to) City of Peterborough	60,825	-	60,825	(64,872)
	1,708,852	1,140,644	2,849,496	3,011,205
LIABILITIES AND TRUST FUND BALANCES				
CURRENT LIABILITIES				
Mortgage payable	1,507,451	-	1,507,451	1,953,290
FUND BALANCE	201,401	1,140,644	1,342,045	1,057,915
	1,708,852	1,140,644	2,849,496	3,011,205

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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SUNSHINE HOMES
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2020

	General Fund $	Capital Fund $	2020 Total $	2019 Total $
RECEIPTS				
City of Peterborough	654,718	130,991	785,709	739,002
Rent	513,568	-	513,568	501,591
Ontario Power Authority solar	-	45,875	45,875	48,021
Other	4,074	-	4,074	7,509
Interest	20	16,373	16,393	35,814
Contribution from Sunshine Homes Non-Profit Inc.	-	24,567	24,567	92,759
	1,172,380	217,806	1,390,186	1,424,696
EXPENSES				
Salaries and benefits	128,037	-	128,037	112,200
Administration	17,406	-	17,406	21,867
Maintenance materials and services	117,920	85,152	203,072	180,432
Property taxes	239,242	-	239,242	233,928
Insurance	26,563	-	26,563	29,960
Utilities	14,177	-	14,177	13,882
Interest	31,720	-	31,720	40,242
Amortization	445,839	-	445,839	437,445
	1,020,904	85,152	1,106,056	1,069,956
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	151,476	132,654	284,130	354,740
FUND BALANCES - beginning of year	49,925	1,007,990	1,057,915	703,175
FUND BALANCES - end of year	201,401	1,140,644	1,342,045	1,057,915

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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SUNSHINE HOMES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Amortization is not provided on the building over the estimated useful life of the asset but rather at a rate equal to the annual principal reduction of the mortgage on the property;

(b) Amortization is provided on land proportionally equal to the annual principal reduction of the mortgage on the property rather than not being amortized; and

(c) Tangible capital assets purchased after the original interest adjustment date are charged to operations of the appropriate fund in the year the expense was incurred rather than being capitalized on the statement of financial position and amortized over their useful lives.

2. TANGIBLE CAPITAL ASSETS

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

	2020	2019
	$	$
Cost		
Land	898,085	898,085
Building	7,709,440	7,709,440
Equipment, furniture and fixtures	126,620	126,620
	8,734,145	8,734,145
Less: accumulated amortization	(7,226,694)	(6,780,855)
	1,507,451	1,953,290

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PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors of the Peterborough Housing Corporation

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

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

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

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

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 24, 2022

PETERBOROUGH HOUSING CORPORATION

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2021

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

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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

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

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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

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

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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

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

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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

1. NATURE OF ORGANIZATION

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

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

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

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

(b) Tangible Capital Assets

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Recognition of Revenues and Expenses

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

Government Funding

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

Rental Revenue

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

(d) Non-financial Assets

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

(e) Reserves and Reserve Funds

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

(f) Deferred Revenue

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

(g) Use of Estimates

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

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

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Inter-Entity Transactions

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

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

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

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

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

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

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

4. LOANS RECEIVABLE

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

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

5. INVESTMENTS

Investments are comprised of the following:

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

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

6. SHORT TERM DEBT AND LOAN ADVANCES

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

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

7. LONG TERM DEBT

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

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

7. LONG TERM DEBT, continued

	2021 $	2020 $
Sunshine Homes mortgage held with Canada Mortgage and Housing Corporation, payable in blended monthly installments of $39,856, interest at 1.86%, maturing April 1, 2024	1,053,258	1,507,451
Anson House 1st mortgage held with RBC maturing on June 1, 2031. Blended monthly installments of $4,976, interest at 2.98%	1,389,321	-
Saunders Court 1st mortgage held with RBC maturing on June1, 2031. Blended monthly installments of $5,741, interest at 2.98%	1,603,062	-
Saunders Court Affordability mortgage held with RBC maturing on April 1, 2031. Blended monthly installments of $7,226, interest at 2.78%	728,737	-
Anson House 2nd mortgage held with RBC maturing on April 1, 2026. Blended monthly installments of $1,939, interest at 2.91%	369,587	-
Saunders Court 2nd mortgage held with RBC maturing on April 1, 2026. Blended monthly installments of $2,044, interest at 2.91%	442,948	-
	14,122,210	15,034,207

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

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

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

8. EMPLOYEE FUTURE BENEFITS AND PENSION AGREEMENTS

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

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

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

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

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

9. BUDGET FIGURES

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

10. INTER-ENTITY TRANSACTIONS

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

11. TANGIBLE CAPITAL ASSETS

The net book value of the tangible capital assets are:

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

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

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

Tangible capital assets allocated by segment are as follows:

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

12. COMMITMENT

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

13. COMPARATIVE FIGURES

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

14. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

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

14. ACCUMULATED SURPLUS, continued

(b) AHP reserve funds include:

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

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

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

15. CITY OF PETERBOROUGH SUBSIDIES

City of Peterborough subsidies is comprised of:

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

16. MATERIALS AND SUPPLIES

Materials and supplies consist of the following:

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

17. UTILITIES

Utilities consist of the following:

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

18. ADMINISTRATIVE OVERHEAD

Administrative overhead consists of the following:

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

19. CONTINGENT LIABILITIES

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

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

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

20. SEGMENTED INFORMATION

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

AHP Fund

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

Anishnawbe Fund

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

20. SEGMENTED INFORMATION, continued

Spruce Corners Fund

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

Sunshine Homes Fund

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

Capital Fund

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

HAP Fund

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

Rent Supplement Fund

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

Social Housing Operations Fund

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

New Development Fund

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

21. UNCERTAINTY CAUSED BY COVID-19

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

PETERBOROUGH HOUSING CORPORATION

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

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

PETERBOROUGH HOUSING CORPORATION

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

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

PETERBOROUGH HOUSING CORPORATION

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

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

PETERBOROUGH HOUSING CORPORATION

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

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

PETERBOROUGH HOUSING CORPORATION

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

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

PETERBOROUGH HOUSING CORPORATION

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

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

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REPORT ON SUPPLEMENTARY MATTERS ARISING FROM AN AUDIT ENGAGEMENT

To the Ministry of Health and Long-Term Care

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 24, 2022

PETERBOROUGH HOUSING CORPORATION

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SPRUCE CORNERS
STATEMENT OF FINANCIAL POSITION
At December 31, 2021

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

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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

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

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Amortization is not provided on the building over the estimated useful life of the asset but rather at a rate equal to the annual principal reduction of the mortgage on the property;

(b) Amortization is provided on land proportionally equal to the annual principal reduction of the mortgage on the property rather than not being amortized; and

(c) Tangible capital assets purchased after the original interest adjustment date are charged to operations of the appropriate fund in the year the expense was incurred rather than being capitalized on the statement of financial position and amortized over their useful lives.

2. TANGIBLE CAPITAL ASSETS

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

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REPORT ON SUPPLEMENTARY MATTERS ARISING FROM AN AUDIT ENGAGEMENT

To the City of Peterborough

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 24, 2022

PETERBOROUGH HOUSING CORPORATION

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SUNSHINE HOMES
STATEMENT OF FINANCIAL POSITION
At December 31, 2021

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

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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

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

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Amortization is not provided on the building over the estimated useful life of the asset but rather at a rate equal to the annual principal reduction of the mortgage on the property;

(b) Amortization is provided on land proportionally equal to the annual principal reduction of the mortgage on the property rather than not being amortized; and

(c) Tangible capital assets purchased after the original interest adjustment date are charged to operations of the appropriate fund in the year the expense was incurred rather than being capitalized on the statement of financial position and amortized over their useful lives.

2. TANGIBLE CAPITAL ASSETS

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

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