

Peterborough Housing Corporation

Shareholder Report SH2024-001

Meeting Date: December 2, 2024

Peterborough Housing Corporation
Annual General Meeting of the Shareholder

Subject: Peterborough Housing Corporation 2023 Audited Financial Statements

Author Name and Title: Travis Doak, CEO

Recommendation

Resolved That Shareholder Report SH2024-001, "Peterborough Housing Corporation 2023 Audited Financial Statements", be received; and

That the 2023 Audited Financial Statements, detailed in Attachment A, 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 the 2023 audited statements which require approval of the Shareholder.

Rationale:

The 2023 audited consolidated financial statements were presented to the Board of Directors by Richard Steinginga 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 2023 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 Steiging, Baker Tilly KDN LLP, Peterborough

Attachments:

Attachment A 2023 Audited Financial Statements

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

TABLE OF CONTENTS

	Page Number
INDEPENDENT AUDITOR'S REPORT	
CONSOLIDATED FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Remeasurement Gains and Losses	3
Statement of Change in Net Debt	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 21
Schedule of Tangible Capital Assets	22
Schedules of Segment Disclosure	23 - 24
Continuity of Surplus/(Deficit) and Reserve Funds	25
Schedules of Operations for AHP Properties	26 - 27
SPRUCE CORNERS	
Auditor's Comments on Supplementary Financial Information	28
Supplementary Statement of Financial Position	29
Supplementary Schedule of Operations	30
Notes to the Supplementary Financial Information	31
SUNSHINE HOMES	
Auditor's Comments on Supplementary Financial Information	32
Supplementary Statement of Financial Position	33
Supplementary Schedule of Operations	34
Notes to the Supplementary Financial Information	35



Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

INDEPENDENT AUDITOR'S REPORT

T: (705) 742-3418
F: (705) 742-9775

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

www.bakertilly.ca

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, 2023, the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, change in net debt 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, 2023, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 29, 2024

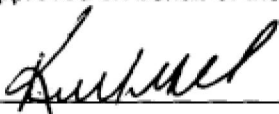
PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2023

	2023 \$	2022 \$
FINANCIAL ASSETS		
Cash	6,690,442	8,392,952
Accounts receivable (note 4)	3,310,784	1,776,941
Loans receivable (note 5)	1,460,706	1,658,324
Investments (note 6)	3,496,342	3,605,561
TOTAL FINANCIAL ASSETS	14,958,274	15,433,778
LIABILITIES		
Short term debt and loan advances (note 7)	-	24,433,000
Accounts payable and accrued liabilities	3,485,579	7,248,059
Deferred revenue (note 8)	3,431,669	3,575,000
Long term debt (note 9)	41,004,951	16,656,581
Asset retirement obligation (note 14)	44,117,673	-
Employee future benefits (note 10)	165,975	153,946
TOTAL LIABILITIES	92,205,847	52,066,586
NET DEBT	(77,247,573)	(36,632,808)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 13)	120,831,739	80,709,616
Prepaid expenses	506,009	376,469
Inventories of supplies	39,219	15,400
TOTAL NON-FINANCIAL ASSETS	121,376,967	81,101,485
	44,129,394	44,468,677
Comprised of:		
Accumulated surplus (note 15)	44,300,721	44,468,677
Accumulated remeasurement losses	(171,327)	-
	44,129,394	44,468,677

Approved on behalf of the Board:

 Director

 Director

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
REVENUES			
Rent	9,621,720	8,688,860	7,941,691
City of Peterborough subsidy (note 16)	6,270,872	9,298,619	7,018,210
Laundry and miscellaneous recoveries	207,210	507,196	302,587
Other subsidies (note 17)	110,364	1,000,846	158,671
Management fees	65,000	60,689	35,000
Investment income	25,200	429,791	193,683
Interest on loans receivable	-	47,230	53,023
Gain on sales of tangible capital assets	-	1,034,402	1,015,581
TOTAL REVENUES	16,300,366	21,067,633	16,718,446
EXPENSES			
Materials and services (note 18)	2,144,599	2,657,447	2,474,572
Utilities (note 19)	2,492,384	2,261,455	2,151,449
Administrative overhead (note 20)	554,107	661,889	463,631
Bad debts	104,612	128,675	96,723
Insurance	487,263	482,420	419,880
Salaries and benefits	3,228,719	3,260,833	2,860,404
Property taxes	2,177,933	2,301,286	2,136,599
Major repairs	902,477	892,987	921,033
Interest on long-term debt	845,795	893,025	585,017
Rent supplements	1,481,877	1,321,327	1,406,442
Food services	-	389,315	34,924
Amortization of capital assets	2,205,472	4,328,925	1,705,566
Accretion	-	1,656,005	-
TOTAL EXPENSES	16,625,238	21,235,589	15,256,240
ANNUAL SURPLUS/(DEFICIT)	<u>(324,872)</u>	(167,956)	1,462,206
ACCUMULATED SURPLUS - beginning of year		44,468,677	43,006,471
ACCUMULATED SURPLUS - end of year		44,300,721	44,468,677

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended December 31, 2023

	Actual 2023 \$	Actual 2022 \$
ACCUMULATED REMEASUREMENT GAINS AND LOSSES		
- beginning of year	-	-
Adjustment on adoption of the financial instruments standard	(362,426)	-
Unrealized gain/(loss) on portfolio investments during the year	191,099	-
ACCUMULATED REMEASUREMENT GAINS AND LOSSES		
- end of year	(171,327)	-

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
ANNUAL SURPLUS/(DEFICIT)	(324,872)	(167,956)	1,462,206
Amortization of tangible capital assets	2,205,472	4,328,925	1,705,566
Purchase of tangible capital assets	-	(2,129,278)	(11,283,291)
Gain on disposals of tangible capital assets	-	(1,034,402)	(1,015,581)
Proceeds on sales of tangible capital assets	-	1,174,300	1,119,286
Change in prepaid expenses	-	(129,540)	(41,698)
Change in inventories of supplies	-	(23,819)	(6,400)
CHANGE IN NET DEBT	1,880,600	2,018,230	(8,059,912)
NET DEBT - beginning of year	(36,632,808)	(36,632,808)	(28,572,896)
ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD (note 14)	-	(42,461,668)	-
ADJUSTMENT ON ADOPTION OF THE FINANCIAL INSTRUMENTS STANDARD (note 3)	-	(362,426)	-
NET DEBT - beginning of year, as restated	(36,632,808)	(79,456,902)	(28,572,896)
INCREASE IN ACCUMULATED REMEASUREMENT GAINS	-	191,099	-
NET DEBT - end of year	(34,752,208)	(77,247,573)	(36,632,808)

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(167,956)	1,462,206
Items not involving cash		
Amortization of tangible capital assets	4,328,925	1,705,566
Gain on disposal of tangible capital assets	(1,034,402)	(1,015,581)
Accretion expense	1,656,005	-
Change in employee future benefits	12,029	12,585
Accounts receivable	(1,533,843)	(62,127)
Loans receivable	197,618	191,661
Prepaid expenses	(129,540)	(41,698)
Inventories of supplies	(23,819)	(6,400)
Accounts payable and accrued liabilities	(3,762,480)	801,359
Deferred revenue	(143,331)	3,575,000
Net change in cash from operating activities	(600,794)	6,622,571
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,129,278)	(11,283,291)
Proceeds on disposal of tangible capital assets	1,174,300	1,119,286
Net change in cash from capital activities	(954,978)	(10,164,005)
INVESTING ACTIVITIES		
Purchase of investments	(62,108)	(53,598)
FINANCING ACTIVITIES		
Long term debt issued	25,590,900	3,731,811
Debt principal repayments	(1,242,530)	(1,197,440)
Short term debt and loan advances repaid	(24,433,000)	(5,100,000)
Short term debt and loan advances received	-	5,504,000
Long term debt matured	-	(353,428)
Long term debt reissued	-	353,428
Net change in cash from financing activities	(84,630)	2,938,371
NET CHANGE IN CASH	(1,702,510)	(656,661)
CASH - beginning of year	8,392,952	9,049,613
CASH - end of year	6,690,442	8,392,952

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. NATURE OF OPERATIONS

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

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

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

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

(b) Tangible Capital Assets

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

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

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

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

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(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 of tangible capital assets are based on estimates of useful life and residual values;
- 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.

In addition, the Corporation's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets in conjunction with estimates of expected asset retirement costs, as well as the timing and duration of these retirement costs.

(h) Asset Retirement Obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

(i) 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.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Financial Instruments

Financial instruments are classified into two categories: fair value and amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Accounts receivable	Amortized Cost
Loans receivable	Amortized Cost
Investments	Fair Value
Accounts payable and accrued liabilities	Amortized Cost
Long term debt	Amortized Cost

Fair value category: The Corporation manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Consolidated Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Consolidated Statement of Operations and Accumulated Surplus and related balances reversed from the Consolidated Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

3. CHANGES IN ACCOUNTING POLICIES

The Corporation has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Corporation's consolidated financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Corporation's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments.

In accordance with the provisions of this new standard, the Corporation reflected the following adjustments at January 1, 2023:

- A loss of \$362,426 to the accumulated remeasurement gains/(losses) due to the unrealized loss of the Corporation's investments that were previously recorded at cost.

In accordance with the provisions of this new standard, the Corporation reflected the following adjustments at January 1, 2023:

Asbestos Obligation

- An increase of \$42,461,668 to the buildings tangible capital asset account and a corresponding increase to the opening asset retirement obligation liability.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2023	2022
	\$	\$
Tenants	468,033	387,598
City of Peterborough subsidy	1,517,768	132,791
Lien deposits	698,991	698,991
Other	882,056	777,175
Allowance for doubtful accounts	(256,064)	(219,614)
	3,310,784	1,776,941

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

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

5. LOANS RECEIVABLE

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

	2023	2022
	\$	\$
Trailview Terrace AHP	874,895	1,002,041
Saunder's Court AHP	585,811	656,283
	1,460,706	1,658,324

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

6. OPERATING EXPENSES

Investments consist of the following:

	2023	2022
	\$	\$
Investments held at amortized costs		
World Source - bond portfolio	-	2,429,064
World Source - equity portfolio	-	1,162,020
Homeward Bound savings trust accounts	11,984	14,477
	<u>11,984</u>	<u>3,605,561</u>
Investments held at market value		
World Source - bond portfolio	2,287,718	-
World Source - equity portfolio	1,196,640	-
	<u>3,484,358</u>	<u>-</u>
	<u>3,496,342</u>	<u>3,605,561</u>

Book cost of World Source - bond portfolio and World Source - equity fund are \$2,484,207 and \$1,171,478 respectively at December 31, 2023. The 2022 World Source amounts were reported at cost per PS 3040.

7. SHORT TERM DEBT AND LOAN ADVANCES

The Corporation had received construction financing advances from the City of Peterborough for the McRae property. These advances have been repaid as part of the permanent financing of the facility through CMHC and City loans.

8. DEFERRED REVENUE

Deferred revenue consists of the following:

	2023	2022
	\$	\$
CMHC	3,391,169	3,450,000
City of Peterborough	-	125,000
Meal allowance	40,500	-
	<u>3,431,669</u>	<u>3,575,000</u>

In 2022, the Corporation received \$3,450,000 from the Canada Mortgage and Housing Corporation (CMHC) to be utilized on repairing Municipally owned Affordable Housing Units. 30% of total project costs are to be funded by CMHC. As of December 31, 2023, \$196,103 of costs have been incurred, with CMHC funds recognized as revenue of \$58,831.

PETERBOROUGH HOUSING CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****For the Year Ended December 31, 2023****9. LONG TERM DEBT**

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

	2023	2022
	\$	\$
Gerow Havelock mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$12,794, interest at 2.75% maturing April 1, 2027	3,644,110	3,697,209
Trailview Terrace mortgage held with RBC Insurance, payable in blended monthly installments of \$15,908, interest at 5.46%, maturing June 1, 2030	2,421,833	2,480,258
Woollen Mill mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$17,663, interest at 3.01%, maturing August 1, 2027	1,616,379	1,777,363
Anishnawbe mortgage held with MCAP Financial Corporation, payable in blended monthly installments of \$2,402, interest at 4.895%, maturing December 1, 2027	209,926	228,099
Spruce Corners mortgage held with Canada Mortgage and Housing Corporation, payable in blended monthly installments of \$2,290, interest at 3.70%, maturing December 1, 2027	102,066	125,329
River Ridge mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$12,969, interest at 2.19%, maturing April 1, 2026	1,053,807	1,184,904
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	326,811	341,351
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	153,679	160,516
Bradburn House mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$4,864, interest at 2.64%, maturing October 18, 2026	631,462	672,620
Hunt Terraces mortgage held with Canada Mortgage and Housing Corporation, payable in blended monthly installments of \$70,801, interest at 3.84%, maturing March 1, 2074	19,090,900	-
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	869,732	997,115

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

9. LONG TERM DEBT, continued

	2023 \$	2022 \$
Malcolm Court debenture held with the City of Peterborough, payable in semi-annual installments of \$202,932, interest at 4.69%, maturing July 17, 2053	6,500,000	-
Sunshine Homes mortgage held with Canada Mortgage and Housing Corporation, payable in blended monthly installments of \$39,856, interest at 1.86%, maturing March 1, 2024	119,265	590,585
Anson House 1st mortgage held with RBC, payable in blended monthly installments of \$4,976, interest at 2.98%, maturing on June 1, 2031	1,351,126	1,370,506
Saunders Court 1st mortgage held with RBC, payable in blended monthly installments of \$5,741, interest at 2.98%, maturing on June 1, 2031	1,558,992	1,581,353
Saunders Court Affordability mortgage held with RBC, payable in blended monthly installments of \$7,226, interest at 2.78%, maturing on April 1, 2031	589,720	660,192
Anson House 2nd mortgage held with RBC, payable in blended monthly installments of \$1,849, interest at 2.91%, maturing on April 1, 2026	348,030	358,964
Saunders Court 2nd mortgage held with RBC payable in blended monthly installments of \$2,134, interest at 2.91%, maturing on April 1, 2026	417,113	430,217
	41,004,951	16,656,581

(b) Interest paid during the year on long term debt amounted to \$789,665 (2022 - \$463,631).

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

	Principal \$	Interest \$	Total \$
2024	1,111,199	1,337,983	2,449,182
2025	1,058,897	1,483,052	2,541,949
2026	1,095,057	1,446,892	2,541,949
2027	1,132,543	1,409,134	2,541,677
2028	1,143,469	1,371,005	2,514,474
2029 and subsequent years	35,463,786	28,606,624	64,070,410
	41,004,951	35,654,690	76,659,641

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

10. 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 2023 Annual Report disclosed total actuarial liabilities of \$136,185 million in respect of benefits accrued for service with actuarial assets of \$131,983 million indicating an actuarial deficit of \$4,202 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 2023 were \$212,081 (2022 - \$173,025).

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, 2023 to be \$165,975 (2022 - \$153,946) and may require funding in future periods.

The actuarial valuation as at December 31, 2023 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.

11. BUDGET FIGURES

The budget, approved by the Corporation, for 2023 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Debt. 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.

12. INTER-ENTITY TRANSACTIONS

The Corporation recognized subsidies from the City of Peterborough, its sole shareholder, in the amount of \$10,048,114 (2022 - \$7,018,210). As disclosed in note 9, the Corporation has a \$6,500,000 debenture from the City of Peterborough which has been recorded at the exchange value. During the year, the Corporation made payments to the City of Peterborough in the amounts of \$2,006,691 (2022 - \$1,933,876) for property taxes, \$112,907 (2022 - \$456,201) for interest on the short term loan, \$45,453 (2022 - \$45,811) for waste pick up fees and \$76,689 (2022 - \$73,432) for information technology maintenance services.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

13. TANGIBLE CAPITAL ASSETS

The net book value of the tangible capital assets are:

	2023	2022
	\$	\$
General		
Land	11,010,425	11,111,845
Buildings	108,417,132	38,510,826
Building improvements	1,043,982	1,090,545
Equipment, furniture and fixtures	360,200	204,661
	120,831,739	50,917,877
Assets under construction	-	29,791,739
	120,831,739	80,709,616

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

During the period there were no write-downs (2022 - \$Nil) and interest capitalized of \$752,483 (2022 - \$386,391).

Tangible capital assets allocated by segment are as follows:

	2023	2022
	\$	\$
Community Housing operations	49,574,845	9,535,386
AHP properties	68,706,872	68,569,874
Anishnawbe	338,945	349,117
Spruce Corners	101,716	123,347
Sunshine Homes	2,109,361	2,131,892
	120,831,739	80,709,616

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

14. ASSET RETIREMENT OBLIGATION

The Corporation's asset retirement obligation consists of the following:

(a) Asbestos obligation

The Corporation owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the Corporation recognized an obligation relating to the removal of the asbestos in these building as estimated at January 1, 2023. The buildings are expected to reach the end of their useful life in 20 years. Estimated costs have been discounted to the present value using a discount rate of 3.90% per annum.

Changes to the asset retirement obligation in the year are as follows:

Asset Retirement Obligation	Asbestos removal \$
Opening balance - January 1, 2023	42,461,668
Accretion expense	1,656,005
Closing balance	44,117,673

15. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2023 \$	2022 \$
Surplus/(Deficit)		
Unfunded employee future benefits	(165,975)	(153,946)
Community Housing operations - note 15(c)	(47,601)	45,869
Capital	4,466,418	3,925,950
Anishnawbe	187,804	177,184
AHP	1,049,583	1,776,522
Spruce Corners	(8,204)	14,743
Rent Supplement	561,713	1,909,923
Sunshine Homes	272,131	217,494
New development	-	(5,078,649)
	6,315,869	2,835,090

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

15. ACCUMULATED SURPLUS, continued

Invested In Capital Assets

Tangible capital assets - net book value	120,831,739	80,709,616
Long term debt	(41,004,951)	(16,656,581)
Short term debt and loan advances	-	(24,433,000)
Unfunded asset retirement obligation	(44,117,673)	-

	35,709,115	39,620,035
--	------------	------------

Surplus

	42,024,984	42,455,125
--	------------	------------

Reserve Funds

Community Housing operations - Wind Mobile	22,073	19,727
Anishnawbe capital replacement	139,627	124,016
AHP - note 15(b)	810,436	659,018
Sunshine Homes capital replacement	1,297,737	1,204,393
Spruce Corners capital replacement	5,864	6,398

Total Reserve Funds

	2,275,737	2,013,552
--	-----------	-----------

	44,300,721	44,468,677
--	------------	------------

(b) AHP reserve funds include:

	2023	2022
	\$	\$
River Ridge capital replacement	263,914	228,730
Woollen Mill capital replacement	236,981	198,800
Trailview Terrace capital replacement	206,850	180,729
Saunder's Court capital replacement	37,361	26,077
Anson House capital replacement	35,698	24,682
Malcolm Court capital replacement	14,169	-
Gerow capital replacement	9,670	-
Bradburn capital replacement	5,793	-
	810,436	659,018

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

	2023	2022
	\$	\$
Community housing operations	(107,531)	(13,684)
Finally a Home	59,930	59,553
	(47,601)	45,869

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

16. CITY OF PETERBOROUGH SUBSIDIES

City of Peterborough subsidies is comprised of:

	2023	2022
	\$	\$
Anishnawbe - operating	75,000	75,000
Community Housing operations - operating	2,733,363	2,892,750
Capital	4,228,403	1,985,394
Sunshine Homes - operating	674,752	674,273
Rent supplement	1,506,743	1,311,623
Social worker	80,358	79,170
	9,298,619	7,018,210

17. OTHER SUBSIDIES

Other subsidies are comprised of the following:

	2023	2022
	\$	\$
CMHC funding	845,439	-
Spruce Corners MOHLTC funding	56,357	55,685
Miscellaneous subsidies	81,446	-
Sunshine Homes solar	17,604	18,986
Energy rebates	-	84,000
	1,000,846	158,671

18. MATERIALS AND SERVICES

Materials and supplies consist of the following:

	2023	2022
	\$	\$
Repairs and maintenance	1,566,020	1,655,011
Security	146,893	21,119
Grounds	944,534	798,442
	2,657,447	2,474,572

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

19. UTILITIES

Utilities consist of the following:

	2023	2022
	\$	\$
Electricity	1,098,369	1,082,557
Water	690,477	652,324
Fuel	472,609	416,568
	2,261,455	2,151,449

20. ADMINISTRATIVE OVERHEAD

Administrative overhead consists of the following:

	2023	2022
	\$	\$
Promotion	82,812	15,105
Bank and collection charges	16,045	15,749
Office	117,150	70,324
Legal fees	41,314	30,108
Audit fees	40,570	32,189
Professional fees	98,742	86,123
Information technology	167,557	135,993
Travel	42,713	26,750
Telephone and telecommunications	51,656	48,027
Memberships	3,330	3,263
	661,889	463,631

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

21. 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	1,101,600
Trailview Terrace - Quad - AHP	25 years	January 1, 2035	480,000	211,200
Trailview Terrace - AHP	20 years	January 1, 2030	1,330,000	399,000
Saunder's Court - AHP	20 years	November 1, 2030	798,000	272,650
Home Grown Homes - AHP	20 years	January 2, 2029	280,000	70,000
Anson House - AHP	20 years	August 1, 2029	1,000,000	279,167
Woollen Mill - ARHP	20 years	July 1, 2027	1,450,000	253,750
River Ridge - AHP	20 years	June 1, 2026	2,000,000	241,667
Home Grown Homes - CMHC	8 years	August 29, 2024	26,478	2,207
Hunt Terraces - CMHC	20 years	September 1, 2043	736,724	736,724
			10,261,202	3,567,965

22. SEGMENTED INFORMATION

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

AHP Fund

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

Anishnawbe Fund

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

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

22. SEGMENTED INFORMATION, continued

Spruce Corners Fund

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

Sunshine Homes Fund

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

Capital Fund

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

Rent Supplement Fund

Funds received from the City of Peterborough to provide rent supplement under the rent supplement program are accounted for in the Rent Supplement Fund. Rent supplement expenses are charged to this fund. Peterborough Housing Corporation will transfer administration of rent supplement back to the City of Peterborough as of April 1, 2024.

Community Housing Operations Fund

All mandated Community 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.

23. COMPARATIVE FIGURES

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

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2023

	General				Assets Under Construction	Totals
	Land	Buildings	Building Improvements	Equipment, furniture and fixtures		
	\$	\$	\$	\$	\$	\$
COST						
Balance, beginning of year	11,111,845	88,873,362	1,629,453	972,535	29,791,739	132,378,934
Add: additions during the year	-	31,682,087	-	238,930	(29,791,739)	2,129,278
Less: disposals during the year	101,420	142,391	-	-	-	243,811
Asset retirement obligation	-	42,461,668	-	-	-	42,461,668
Balance, end of year	11,010,425	162,874,726	1,629,453	1,211,465	-	176,726,069
ACCUMULATED AMORTIZATION						
Balance, beginning of year	-	50,362,536	538,908	767,874	-	51,669,318
Add: additions during the year	-	4,198,971	46,563	83,391	-	4,328,925
Less: disposals during the year	-	103,913	-	-	-	103,913
Balance, end of year	-	54,457,594	585,471	851,265	-	55,894,330
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	11,010,425	108,417,132	1,043,982	360,200	-	120,831,739

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2023

	AHP \$	Anishnawbe \$	Spruce Corners \$	Sunshine Homes \$	Capital \$	Rent Supplement \$	Community Housing Operations \$	Consolidated \$
Revenues								
Rent	3,518,142	35,773	47,753	640,220	-	-	4,446,972	8,688,860
City of Peterborough subsidy	-	75,000	-	674,752	1,195,190	1,506,743	5,846,934	9,298,619
Laundry and miscellaneous recoveries	286,047	19,855	49,625	10,160	-	-	141,509	507,196
Other subsidies	41,630	1,192	56,357	17,604	-	-	884,063	1,000,846
Management fees	(69,386)	(861)	(1,378)	(18,945)	-	-	151,259	60,689
Interfunctional rental fees	59,364	-	-	-	-	-	(59,364)	-
Investment income	45,069	5,423	496	46,577	30,384	11,453	290,389	429,791
Interest on loans receivable	47,230	-	-	-	-	-	-	47,230
Gain on sales of tangible capital assets	-	-	-	-	-	-	1,034,402	1,034,402
Total revenues	3,928,096	136,382	152,853	1,370,368	1,225,574	1,518,196	12,736,164	21,067,633
Expenses								
Materials and services	839,913	30,910	40,260	161,528	-	-	1,584,836	2,657,447
Utilities	618,321	18,477	15,194	35,035	-	-	1,574,428	2,261,455
Administrative overhead	109,978	750	4,196	12,749	-	-	534,216	661,889
Bad debts	9,023	2,541	-	8,977	-	-	108,134	128,675
Insurance	135,484	2,115	2,378	35,445	-	-	306,998	482,420
Salaries and benefits	872,020	7,756	26,678	170,641	-	-	2,183,738	3,260,833
Property taxes	365,906	10,096	4,093	264,747	-	-	1,656,444	2,301,286
Major repairs	122,940	8,783	19,750	56,408	685,106	-	-	892,987
Interest on long-term debt	872,098	10,580	4,140	6,207	-	-	-	893,025
Rent supplements	-	-	-	-	-	1,321,327	-	1,321,327
Food services	352,825	-	36,490	-	-	-	-	389,315
Amortization of capital assets	1,910,297	10,172	21,831	128,689	-	-	2,257,936	4,328,925
Accretion	-	-	-	4,140	-	-	1,651,865	1,656,005
Total expenses	6,208,805	102,180	175,010	884,566	685,106	1,321,327	11,858,595	21,235,589
Net surplus/(deficit)	(2,280,709)	34,202	(22,157)	485,802	540,468	196,869	877,569	(167,956)

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2022

	AHP \$	Anishnawbe \$	Spruce Corners \$	Sunshine Homes \$	Capital \$	Rent Supplement \$	Community Housing Operations \$	Consolidated \$
Revenues								
Rent	2,942,786	37,716	45,663	590,027	-	-	4,325,499	7,941,691
City of Peterborough subsidy	-	75,000	-	674,273	1,985,394	1,311,623	2,971,920	7,018,210
Laundry and miscellaneous recoveries	85,992	512	31,092	26,225	-	-	158,766	302,587
Other subsidies	24,000	-	55,685	18,986	-	-	60,000	158,671
Management fees	(77,135)	(1,358)	(2,173)	(29,876)	-	-	145,542	35,000
Interfunctional rental fees	58,344	-	-	-	-	-	(58,344)	-
Investment income	16,517	2,789	160	28,284	28,131	11,001	106,801	193,683
Interest on loans receivable	53,023	-	-	-	-	-	-	53,023
Gain on sales of tangible capital assets	-	-	-	-	-	-	1,015,581	1,015,581
Total revenues	3,103,527	114,659	130,427	1,307,919	2,013,525	1,322,624	8,725,765	16,718,446
Expenses								
Materials and services	655,643	12,172	32,234	208,931	-	-	1,565,592	2,474,572
Utilities	504,942	18,703	15,959	22,777	-	-	1,589,068	2,151,449
Administrative overhead	35,672	1,064	4,080	12,317	-	-	410,498	463,631
Bad debts	5,500	1,100	-	4,331	-	-	85,792	96,723
Insurance	89,075	1,937	2,132	30,650	-	-	296,086	419,880
Salaries and benefits	623,740	6,466	23,680	142,246	-	-	2,064,272	2,860,404
Property taxes	243,132	9,749	3,966	255,421	-	-	1,624,331	2,136,599
Major repairs	6,106	-	4,401	87,230	823,296	-	-	921,033
Interest on long-term debt	560,594	6,434	2,742	14,866	-	-	381	585,017
Rent supplements	-	-	-	-	-	1,406,442	-	1,406,442
Food services	-	-	34,924	-	-	-	-	34,924
Amortization of capital assets	1,419,418	10,618	21,831	123,381	-	-	130,318	1,705,566
Total expenses	4,143,822	68,243	145,949	902,150	823,296	1,406,442	7,766,338	15,256,240
Net surplus/(deficit)	(1,040,295)	46,416	(15,522)	405,769	1,190,229	(83,818)	959,427	1,462,206

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED CONTINUITY OF SURPLUS/(DEFICIT) AND RESERVE FUNDS

For the Year Ended December 31, 2023

	AHP \$	Anishnawbe \$	Spruce Corners \$	Sunshine Homes \$	Capital \$	Rent Supplement \$	Community Housing Operations \$	New Development \$	Consolidated \$
Surplus/(Deficit)									
Net surplus/(deficit)	(2,280,709)	34,202	(22,157)	485,802	540,468	196,869	877,569	-	(167,956)
Add: Amortization	1,910,297	10,172	21,831	128,689	-	-	2,257,936	-	4,328,925
Net proceeds on short and long term debt	-	-	-	-	-	-	-	1,157,900	1,157,900
Accretion expense	-	-	-	4,140	-	-	1,651,865	-	1,656,005
Unfunded employee future benefits	2,731	30	108	669	-	-	8,491	-	12,029
Less: Debt principal repayments	(729,775)	(18,173)	(23,263)	(471,319)	-	-	-	-	(1,242,530)
Net transfer from/(to) Capital	(55,205)	-	-	-	-	-	57,088	(1,991,263)	(1,989,380)
Net transfer from/(to) Reserve Funds	(151,418)	(15,611)	534	(93,344)	-	-	(2,346)	-	(262,185)
Internal transfers	577,140	-	-	-	-	(1,545,079)	(4,944,073)	5,912,012	-
Change in Surplus/(Deficit)	(726,939)	10,620	(22,947)	54,637	540,468	(1,348,210)	(93,470)	5,078,649	3,492,808
Opening Surplus/(Deficit)	1,776,522	177,184	14,743	217,494	3,925,950	1,909,923	45,869	(5,078,649)	2,989,036
Closing Surplus/(Deficit)	1,049,583	187,804	(8,204)	272,131	4,466,418	561,713	(47,601)	-	6,481,844
Reserve Funds									
Add: Interest	45,068	5,423	497	46,577	-	-	-	-	97,565
Transfer from Operations	106,350	15,000	1,719	103,175	-	-	2,346	-	228,590
Funding	-	-	17,000	-	-	-	-	-	17,000
Less: Transfer to Operations	-	(4,812)	(19,750)	(56,408)	-	-	-	-	(80,970)
Change in Reserve Funds	151,418	15,611	(534)	93,344	-	-	2,346	-	262,185
Opening Reserve Funds	659,018	124,016	6,398	1,204,393	-	-	19,727	-	2,013,552
Closing Reserve Funds	810,436	139,627	5,864	1,297,737	-	-	22,073	-	2,275,737

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES

For the Year Ended December 31, 2023

	River Ridge \$	Woollen Mill \$	Anson House \$	Saunder's Court \$	Trailview Terrace \$	Bradburn House \$	Home Grown Homes \$	Malcolm Court \$	Gerow Havelock \$	Hunt Terraces \$	Total \$
Revenues											
Rent	534,155	542,717	243,841	243,234	444,656	137,837	107,615	492,047	306,084	465,956	3,518,142
Laundry and miscellaneous recoveries	(385)	19,423	2,248	4,314	8,891	22,109	-	12,361	6,789	210,297	286,047
Other subsidies	6,059	14,579	6,766	-	-	6,328	783	7,115	-	-	41,630
Management fees	(8,581)	(10,303)	(5,295)	(5,984)	(10,117)	(3,100)	(1,378)	(5,856)	(4,133)	(14,639)	(69,386)
Interfunctional rental fees	-	52,020	-	-	-	7,344	-	-	-	-	59,364
Investment income	14,064	17,181	1,176	1,526	11,122	-	-	-	-	-	45,069
Interest on loans receivable	-	-	-	16,878	30,352	-	-	-	-	-	47,230
Total revenues	545,312	635,617	248,736	259,968	484,904	170,518	107,020	505,667	308,740	661,614	3,928,096
Expenses											
Materials and services	55,016	90,049	54,381	53,938	83,657	45,977	10,453	130,438	114,949	201,055	839,913
Utilities	137,541	113,886	38,214	25,485	39,300	28,635	12,254	36,814	73,448	112,744	618,321
Administrative overhead	2,367	5,707	2,161	2,907	7,011	2,244	919	15,628	5,227	65,807	109,978
Bad debts	2,511	3,138	1,332	383	689	230	-	434	306	-	9,023
Insurance	12,581	15,925	8,310	10,420	17,643	6,154	3,013	14,424	9,947	37,067	135,484
Salaries and benefits	62,051	128,242	61,236	71,810	144,048	59,300	12,410	97,227	70,544	165,152	872,020
Property taxes	63,982	3,136	43,577	50,281	46,864	20,681	16,899	44,717	32,458	43,311	365,906
Major repairs	23,164	29,744	25,520	-	13,349	24,058	2,610	3,182	1,313	-	122,940
Interest on long-term debt	24,289	50,570	50,517	93,528	162,117	12,867	12,061	105,043	100,312	260,794	872,098
Amortization of capital assets	139,503	195,283	93,781	134,951	200,429	83,180	27,339	339,078	227,357	469,396	1,910,297
Food services	-	-	-	-	-	-	-	-	-	352,825	352,825
Total expenses	523,005	635,680	379,029	443,703	715,107	283,326	97,958	786,985	635,861	1,708,151	6,208,805
Net surplus/(deficit)	22,307	(63)	(130,293)	(183,735)	(230,203)	(112,808)	9,062	(281,318)	(327,121)	(1,046,537)	(2,280,709)

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES

For the Year Ended December 31, 2022

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



Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

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, 2023 (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, 2023 on which we issued our report dated August 29, 2024. 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, 2023 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
August 29, 2024

ASSURANCE • TAX • ADVISORY

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

Peterborough

Courtice

Lindsay

Cobourg

PETERBOROUGH HOUSING CORPORATION

SPRUCE CORNERS STATEMENT OF FINANCIAL POSITION At December 31, 2023

	General Fund \$	Capital Fund \$	2023 Total \$	2022 Total \$
FINANCIAL ASSETS				
Cash	-	10,878	10,878	8,662
Due from/(to) PHC	(18,366)	(5,014)	(23,380)	2,430
Tangible capital assets (note 2)	103,182	-	103,182	126,445
	84,816	5,864	90,680	137,537
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Mortgage payable	102,066	-	102,066	125,329
FUND BALANCES	(17,250)	5,864	(11,386)	12,208
	84,816	5,864	90,680	137,537

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

SPRUCE CORNERS

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2023

	General Fund \$	Capital Fund \$	2023 Total \$	2022 Total \$
RECEIPTS				
Ministry of Health and Long-Term Care	54,638	1,719	56,357	55,685
Rent	47,753	-	47,753	45,663
Other	32,625	17,000	49,625	31,092
Interest	-	497	497	160
	135,016	19,216	154,232	132,600
EXPENSES				
Salaries and benefits	26,678	-	26,678	23,680
Management fee	1,378	-	1,378	2,173
Administration	4,196	-	4,196	4,080
Maintenance materials and services	40,266	-	40,266	32,233
Property taxes	4,093	-	4,093	3,966
Insurance	2,378	-	2,378	2,132
Utilities	15,194	-	15,194	15,959
Food	36,490	-	36,490	34,924
Interest	4,140	-	4,140	2,742
Amortization	23,263	-	23,263	23,690
Major repairs	-	19,750	19,750	4,401
	158,076	19,750	177,826	149,980
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FOR THE YEAR	(23,060)	(534)	(23,594)	(17,380)
FUND BALANCES - beginning of year	5,810	6,398	12,208	29,588
FUND BALANCES - end of year	(17,250)	5,864	(11,386)	12,208

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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

	2023	2022
	\$	\$
Cost		
Land	33,831	33,831
Building	322,285	322,285
	356,116	356,116
Less: accumulated amortization	(252,934)	(229,671)
	103,182	126,445



Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

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, 2023 (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, 2023 on which we issued our report dated August 29, 2024. 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, 2023 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
August 29, 2024

ASSURANCE • TAX • ADVISORY

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

Peterborough

Courtice

Lindsay

Cobourg

PETERBOROUGH HOUSING CORPORATION

SUNSHINE HOMES STATEMENT OF FINANCIAL POSITION At December 31, 2023

	General Fund \$	Capital Fund \$	2023 Total \$	2022 Total \$
FINANCIAL ASSETS				
Cash	-	563,848	563,848	454,465
Investments	-	951,613	951,613	997,137
Due from PHC	139,976	-	139,976	-
Tangible capital assets (note 2)	119,265	-	119,265	590,585
Due from (to) other fund	217,724	(217,724)	-	-
Due from the City of Peterborough	62,646	-	62,646	62,471
	539,611	1,297,737	1,837,348	2,104,658
LIABILITIES AND TRUST FUND BALANCES				
CURRENT LIABILITIES				
Due to the City of Peterborough	152,000	-	152,000	75,000
Mortgage payable	119,265	-	119,265	590,585
Due to PHC	-	-	-	20,302
	271,265	-	271,265	685,887
FUND BALANCE	268,346	1,297,737	1,566,083	1,418,771
	539,611	1,297,737	1,837,348	2,104,658

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

SUNSHINE HOMES

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2023

	General Fund \$	Capital Fund \$	2023 Total \$	2022 Total \$
RECEIPTS				
City of Peterborough	589,181	85,571	674,752	674,273
Rent	640,220	-	640,220	590,027
Ontario Power Authority solar	-	17,604	17,604	18,986
Other	10,160	-	10,160	26,225
Interest	-	46,577	46,577	28,284
	1,239,561	149,752	1,389,313	1,337,795
EXPENSES				
Salaries and benefits	170,641	-	170,641	142,246
Administration	40,671	-	40,671	47,571
Maintenance materials and services	161,528	56,408	217,936	295,113
Property taxes	264,747	-	264,747	255,421
Insurance	35,445	-	35,445	30,650
Utilities	35,035	-	35,035	22,777
Interest	6,207	-	6,207	14,866
Amortization	471,319	-	471,319	462,674
	1,185,593	56,408	1,242,001	1,271,318
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	53,968	93,344	147,312	66,477
FUND BALANCES - beginning of year	214,378	1,204,393	1,418,771	1,352,294
FUND BALANCES - end of year	268,346	1,297,737	1,566,083	1,418,771

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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:

	2023 \$	2022 \$
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	(8,614,880)	(8,143,560)
	119,265	590,585