

Financial Statements

Victoria Park Community Homes Inc.

Hamilton, Ontario

December 31, 2015

We take responsibility for (approve) these financial statements.
In addition, we approve your recommended adjusting and reclassification entries.

DIRECTOR _____

DIRECTOR _____

PLEASE PRINT NAMES ON PAGE 5

THE **DATE** MANAGEMENT TAKES RESPONSIBILITY FOR (APPROVES)
THESE FINANCIAL STATEMENTS _____

DATE OF A.G.M. _____

DATE REQUIRED _____

OF COPIES _____

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Revised Draft - May 9, 2016

Independent Auditors' Report

To the Members of Victoria Park Community Homes Inc. and other Specified Users as described in Note 1:

We have audited the accompanying financial statements of Victoria Park Community Homes Inc., which comprise the statement of financial position as at December 31, 2015 and the statements of changes in net assets, operations and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management based on financial reporting requirements of the Housing Services Act (HSA).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting requirements of the HSA, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

continued...

Independent Auditors' Report - continued

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Victoria Park Community Homes Inc. as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with the financial reporting requirements of the HSA.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Victoria Park Community Homes Inc. in complying with the financial reporting requirements referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the members of Victoria Park Community Homes Inc. and Specified Users as described in Note 1 and should not be used by parties other than these specified users.

Toronto, Ontario
[Date of the auditors' report]

Chartered Professional Accountants, Licensed Public Accountants

Victoria Park Community Homes Inc.

(a corporation without share capital)

December 31, 2015

Statement of Financial Position	2015	2014
		Restated Note 17
Current Assets		
Cash	\$ 1,037,893	\$ 1,204,878
Receivables, Note 4	512,727	788,935
Due from VPAHC, Note 16	0	215,926
Prepaid expenses	314,520	408,092
Total Current	1,865,140	2,617,831
Investments , Note 5	3,321,975	1,263,104
Capital Assets , Note 6	48,348,552	53,317,312

	53,535,667	57,198,247
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Approved by The Board

Director

Director

Victoria Park Community Homes Inc.

(a corporation without share capital)

December 31, 2015

Statement of Financial Position	2015	2014
		Restated Note 17
Current Liabilities		
Accounts payable and accrued liabilities, Note 7	\$ 2,169,549	\$ 2,626,474
Accrued mortgage interest	137,287	153,731
Prepaid rents	214,661	240,080
Current portion of loan payable to VPAHC, Note 9	96,601	0
Due to VPAHC, Note 16	230,553	0
Total Current	2,848,651	3,020,285
Tenants' Security Deposits	854,207	900,130
Mortgages Payable , Note 8	43,020,555	47,956,230
Due to Regional Municipality of Waterloo , Note 10	686,345	686,345
Deferred Contributions Related to Capital Assets , Note 12	1,493,800	1,540,000
Loan Payable To VPAHC , Note 9	3,381,924	0
Vehicle Loan	1,051	6,313
Contingent Liabilities , Note 13		
Total Liabilities	52,286,533	54,109,303
Net Assets , per statement		
<i>Externally restricted</i>		
Replacement reserve fund, Notes 14 and 15	1,603,907	2,284,068
Subsidy surplus reserve fund, Note 14(b)	250,478	248,779
<i>Internally restricted</i>		
Insurance reserve fund, Notes 14(c)	150,000	150,000
Future project development fund, Notes 14(d)	558,018	290,461
Contributed surplus	353,611	353,611
Unrestricted	(1,666,880)	(237,975)
	1,249,134	3,088,944
	53,535,667	57,198,247

The notes on pages 11 through 27 form an integral part of these financial statements.

Victoria Park Community Homes Inc.

(a corporation without share capital)

Year ended December 31, 2015

Statement of Changes in Net Assets

	Externally Restricted		Internally Restricted		Contributed Surplus	Unrestricted	2015 Total	2014 Total
	Replacement Reserve Fund	Subsidy Surplus Fund	Insurance Reserve Fund	Future Project Development Fund				
	Note 15							Restated Note 17
Balance beginning, as previously reported	\$ 1,714,048	\$ 248,779	\$ 150,000	\$ 290,461	\$ 353,611	\$ (120,355)	\$ 2,636,544	\$ 4,226,225
Prior period adjustment, Note 17	570,020	0	0	0	0	(117,620)	452,400	0
Balance beginning	2,284,068	248,779	150,000	290,461	353,611	(237,975)	3,088,944	4,226,225
Add (deduct)								
Excess of revenues over expenditures	0	0	0	0	0	55,164	55,164	1,188,528
Reserve funding	846,984	0	0	0	0	0	846,984	775,344
Reserve investment income, Note 5	48,613	1,699	0	0	0	0	50,312	92,490
Recovery of expenses	39,900	0	0	0	0	0	39,900	182,452
Interfund transfer, Note 14(a) and (b)	256,475	0	0	267,557	0	(448,705)	75,327	0
Capital funding	64,791	0	0	0	0	0	64,791	57,980
Reserve expenditures, Note 15	(1,936,924)	0	0	0	0	0	(1,936,924)	(2,701,833)
Contributed land and buildings, Note 16	0	0	0	0	0	(1,035,364)	(1,035,364)	(732,242)
Balance December 31	1,603,907	250,478	150,000	558,018	353,611	(1,666,880)	1,249,134	3,088,944

Victoria Park Community Homes Inc.

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Year ended December 31, 2015

Statement of Operations	2015	2014
		Restated Note 17
Revenues		
Rents	\$ 15,447,165	\$ 15,943,000
Operating subsidy and provincial rent supplement	6,893,308	7,053,871
Commercial rental income	45,334	40,300
Vacancy losses	(579,039)	(720,528)
Amortization of deferred contributions, Note 12	46,200	46,200
Total Revenues	21,852,968	22,362,843
Expenses		
Mortgage interest	1,760,872	1,926,595
Less: federal interest reduction grant	(981,791)	(1,015,104)
	779,081	911,491
Harmonized sales tax	224,407	289,660
Property, per schedule	6,947,846	7,115,438
Operating, per schedule	6,883,807	6,794,953
Interest on tenants' deposits, net	20,377	(2,954)
Amortization	5,110,400	5,013,322
Replacement reserve allocation	846,984	857,123
Total Expenses	20,812,902	20,979,033
Excess of Revenues Over Expenditures Before Direct Subsidies	1,040,066	1,383,810
Direct subsidies	(912,691)	(978,102)
Excess of Revenues Over Expenditures Before Other	127,375	405,708
Other		
Prior year subsidy adjustments	(72,211)	9,673
Gains on sale of properties	0	773,147
Excess of Revenues Over Expenditures	55,164	1,188,528

Victoria Park Community Homes Inc.

(a corporation without share capital)

Year ended December 31, 2015

Schedule of Expenditures	2015	2014
Property		
Resident managers	\$ 949,594	\$ 931,388
Quarters allowance	308,704	333,868
Salary administration fee	154,099	201,819
Security	116,434	42,952
Cleaning and supplies	232,027	248,288
Maintenance	2,364,856	2,704,461
Utilities	2,822,132	2,652,662
	<u>6,947,846</u>	<u>7,115,438</u>
Operating		
Bad debts	68,196	148,962
Insurance	626,668	452,401
Management fees, Note 16	1,378,053	1,361,228
Office and general	160,649	154,618
Eviction and recovery administration	85,312	102,177
Professional fees	36,514	28,226
Municipal taxes	4,501,045	4,524,681
ONPHA fees	27,370	22,660
	<u>6,883,807</u>	<u>6,794,953</u>

Victoria Park Community Homes Inc.

(a corporation without share capital)

Year ended December 31, 2015

Statement of Cash Flows	2015	2014
		Restated Note 17
Operating Activities		
Excess of revenues over expenditures	\$ 55,164	\$ 1,188,528
Items not involving cash		
Amortization	5,110,400	5,035,973
Amortization of deferred contributions	(46,200)	(46,200)
Reserve allocations	846,984	775,344
Gain on sale of properties	0	(773,147)
Changes in non-cash working capital balances	3,467,924	1,081,001
Cash Provided By Operating Activities	9,434,272	7,261,499
Investing and Financing Activities		
Investments	(2,058,871)	1,138,529
Expenditure on capital assets	(773,604)	(1,551,665)
Tenants' security deposits	(45,923)	15,541
Bank loan advances (repayment)	1,213	(4,895)
Principal repaid on mortgages	(4,936,889)	(4,844,652)
Proceeds from sale of properties	0	872,393
Principal repaid on vehicle loan	(5,262)	(5,530)
Cash Used In Investing and Financing Activities	(7,819,336)	(4,380,279)
Reserve Fund Activities		
Investment income on reserve funds	50,312	92,490
Recovery of expenses	39,900	182,452
Reserve fund expenditures	(1,936,924)	(2,701,833)
SHRRP and other reserve funding	64,791	57,980
Cash Used In Reserve Fund Activities	(1,781,921)	(2,368,911)
Net cash increase (decrease) during the year	(166,985)	512,309
Cash position beginning of year	1,204,878	692,569
Cash Position End Of Year	1,037,893	1,204,878

Victoria Park Community Homes Inc.

(a corporation without share capital)

December 31, 2015

Notes to Financial Statements

Status and Nature of Activities

The Corporation, incorporated under the Ontario Corporations Act as a corporation without share capital, is a private non-profit organization with a dedicated team of Board volunteers and staff committed to strengthening individuals, families, neighbourhoods, and communities by providing stable quality affordable housing.

The Corporation claims an exemption from income tax under section 149(1)(l) of the Income Tax Act as a corporation operating exclusively for social welfare. No portion of the Corporation's income is available for the personal benefit of any member.

In accordance with the Housing Services Act (HSA) and Canada Mortgage and Housing Corporation (CMHC) through the National Housing Act, the Corporation receives funding from the Service Managers described in Note 1 and provides subsidized housing to its tenants and their families. The Corporation is dependent on this funding for its continued operation.

Note 1 Specified Users

These financial statements are for the information and use of the specified users identified below:

Members of the Corporation
Royal Bank of Canada
First National Financial LP
Service Managers
City of Hamilton
City of Brantford
Regional Municipality of Halton
Regional Municipality of Waterloo

Note 2 Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the financial reporting framework prescribed by the HSA, CMHC and Specified Users as described in Note 1. This framework requires the financial statements to be prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations subject to the following significant exceptions:

- (a) amortization of capital assets under the authority of the Service Managers includes amortization of land and is equal to the principal repaid on the mortgage rather than on the useful lives of the related assets;

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Note 2 Significant Accounting Policies - continued

- (b) capital expenditures may be charged to the replacement reserve rather than capitalized and amortized over their estimated useful lives;
- (c) a replacement reserve is appropriated from operations;
- (d) investment income earned on replacement reserve funds is credited directly to the reserve rather than to operations;
- (e) long-term debt secured by land and buildings is not segregated between current and long-term on the statement of financial position;
- (f) unless specifically instructed by the funder to defer a capital grant (Note 11), government grants received for capital expenditures are credited directly to the replacement reserve rather than recorded as deferred contributions related to capital assets and amortized over the estimated useful life of the related capital asset.

Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Rental charges are recognized when due at the beginning of each month.

Laundry revenue is recognized when collected. Collection takes place on a weekly basis.

Parking revenue is recognized at the beginning of the period during which the right to use the space is provided.

Investment income includes interest from cash and fixed income investments, reinvested distributions from mutual funds and realized gains and losses on the disposal of investments and unrealized gains and losses resulting from the changing value of investments. Revenue is recognized on an accrual basis. Interest from fixed income investments is recognized over the term of these investments using the effective interest method.

Victoria Park Community Homes Inc.

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Note 2 Significant Accounting Policies - continued

Capital Assets

Capital assets are recorded at cost. Except for the original capital costs under the authority of Service Managers which are amortized as described in Note 2(a), capital assets are amortized following the straight line method over their estimated useful lives as follows:

Rental unit	
154 Bronte Street	8 years
Building	
1021 Queenston Road	40 years
Appliances and equipment	
1021 Queenston Road	5 years
Truck	5 years

Use of Estimates

The preparation of financial statements requires management to make assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates as additional information becomes available in the future.

Financial Instruments

(a) Measurement of Financial Instruments

The Corporation initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income.

Financial assets measured at amortized cost include cash, non equity investments and accounts receivable.

Financial liabilities measured at amortized cost include the bank loan, accounts payable, amounts due to tenants and long-term debt.

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Note 2 Significant Accounting Policies - continued

(b) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Federal Interest Reduction Grant

Under Sections 95 and 27 of the National Housing Act, the Service Managers and Canada Mortgage and Housing Corporation provide the Corporation with grants to reduce the interest portion of mortgage payments.

Note 3 Financial Instruments

Risk Management Policy

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at December 31, 2015:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a loss.

The Corporation is subject to concentrations of credit risk through its accounts receivable. Rent is due on the first day of the month. Tenants receivables represent rent that is at least one month past due. The credit risk associated with receivables from current tenants is offset somewhat by the Corporation holding deposits for each tenant.

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its long-term debt. This risk is reduced because the Corporation has available cash and investments that can be liquidated on a short-term basis.

Victoria Park Community Homes Inc.

(a corporation without share capital)

December 31, 2015

Note 3 Financial Instruments - continued

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant. The methods and assumptions management uses when accessing market risks have not changed substantially from the prior period and are summarized below:

(i) Interest Rate Risk

The Corporation manages its investments based on its cash flow needs and with a view to optimizing its investment income. The Corporation has invested its excess cash in low risk interest bearing vehicles such as guaranteed investment certificates and money market funds as the means for managing its interest rate risk.

The mortgages bear fixed interest rates.

(ii) Equity Price Risk

The Corporation maintains a portion of investments in equity instruments and as a result is subject to price risk associated with fluctuations in the market price for these investments. The Corporation developed, based on risk tolerance, an asset allocation model for its investments, including equity investments. The Corporation manages risk by monitoring its asset allocation and comparing it to this model.

Note 4 Receivables

	2015	2014
Service Managers		
City of Hamilton	\$ 33,201	\$ 54,283
Regional Municipality of Waterloo	282	0
Regional Municipality of Halton	0	69,708
City of Brantford	7,988	0
	<u>41,471</u>	<u>123,991</u>
GST/HST	285,898	420,563
Rents (net of allowance 2015 \$63,742, 2014 \$102,143)	132,827	95,288
Other	52,531	149,093
	<u>512,727</u>	<u>788,935</u>

Victoria Park Community Homes Inc.

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Note 5

Investments

	2015	2014
Phillips, Hager & North - Social Housing Investment Fund		
Short term bond fund	\$ 1,276,646	\$ 364,532
Bond fund	1,342,702	413,289
Equity fund	307,291	105,692
RBC Dominion Securities - various interest bearing investments with varying rates of interest from 2.70% to 2.95%, maturing from 2018 to 2019	258,185	258,185
ING Direct bank accounts	9,298	9,273
Brokers' cash account	69,814	62,626
Cash in trust	58,039	49,507
	<u>3,321,975</u>	<u>1,263,104</u>
Investment income is allocated as follows:		
Reserves	50,312	92,490
Operations	676	10,941
	<u>50,988</u>	<u>103,431</u>

Note 6

Capital Assets

	2015		2014	
	Accumulated Cost	Net Amortization	Net Carrying Amount	Net Carrying Amount
Land, buildings and chattels, accounted for using Service Manager prescribed accounting policies	\$ 97,954,646	\$(60,676,545)	\$ 37,278,101	\$ 41,849,193
Land and buildings - unrestricted use	3,143,677	(3,143,488)	189	705,938
Building renovations - 101 Tuerr Drive and 39 Paulander Drive	686,345	(48,079)	638,266	664,372
Capital repairs	5,203,904	(390,050)	4,813,854	4,391,764
Land	737,632	0	737,632	737,632
Rental unit	57,143	(54,152)	2,991	10,134
Rental property	5,416,278	(612,394)	4,803,884	4,899,863
Appliances	54,584	(44,772)	9,812	15,934
Equipment	64,270	(41,417)	22,853	6,460
Truck	41,417	(23,147)	18,270	24,463
Development costs	22,700	0	22,700	11,559
	<u>113,382,596</u>	<u>(65,034,044)</u>	<u>48,348,552</u>	<u>53,317,312</u>

Victoria Park Community Homes Inc.

(a corporation without share capital)

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Note 7 Accounts Payable and Accrued Liabilities

	2015	2014
Accounts payable	\$ 1,222,507	\$ 1,632,314
Operating subsidy payable	258,163	248,090
Other payables and accrued liabilities	688,880	746,069
	<u>2,169,550</u>	<u>2,626,473</u>

Note 8 Mortgages Payable

	2015	2014
There are 45 mortgages, secured by rental properties, insured by either CMHC or MMAH with interest rates from 2.69% to 11.00%, maturing from 2011 to 2028. The aggregate monthly payment, including interest, is approximately \$168,776.	\$ 43,020,555	\$ 47,956,230

Principal payments due in the next five years, assuming that mortgages maturing during those five years are renewed with the same or similar terms, are approximately as follows:

2016	\$ 4,816,284
2017	3,751,980
2018	3,483,172
2019	1,890,525
2020	1,339,453

Note 9 Loan Payable to Victoria Park Affordable Housing Corp. (VPAHC)

	2015	2014
\$2,500,000 loan payable with monthly principal and interest payments of \$11,793, interest at 2.97% per annum, term of 25 years, ending November 1, 2040.	\$ 2,494,357	\$ 0
\$1,000,000 loan payable with monthly principal and interest payments of \$4,738, interest at 3.01% per annum, term of 25 years, ending May 1, 2040.	<u>984,168</u>	<u>0</u>
Less: current portion	<u>96,601</u>	<u>0</u>
	<u>3,381,924</u>	<u>0</u>

Victoria Park Community Homes Inc.

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Note 10 Due to the Regional Municipality of Waterloo

	Tuerr Drive	Paulander Drive	2015 Total	2014 Total
Due to the Regional Municipality of Waterloo	\$ 450,000	\$ 236,345	\$ 686,345	\$ 686,345

In 2003, the Ministry of Municipal Affairs and Housing (MMAH) advanced \$450,000 for significant building repairs for the property located at 101 Tuerr Drive in the City of Kitchener. The loan is non-interest bearing and the full amount is due September 30, 2016 unless the Corporation is in default of the Section 95 agreement then the amount is due within one hundred twenty (120) days of such default.

In 1998, the MMAH advanced \$236,345 for significant building repairs for the property located at 39 Paulander Drive in the City of Kitchener. The loan is non-interest bearing and the full amount is due December 30, 2022 unless the Corporation is in default of the Social Housing Reform Act of Ontario, then the amount is due within one hundred twenty (120) days of such default.

The responsibility for the funding and administration of the properties was transferred from the MMAH to the Regional Municipality of Waterloo.

Note 11 Capital Funding

The Regional Municipality of Waterloo

The Corporation has entered into eight (8) agreements with the Regional Municipality of Waterloo for one-time grant for a total approved amount of \$704,698. The Corporation is required to establish a separate fund for the one-time grants as prescribed by the Regional Municipality of Waterloo and a requirement of the Social Housing Renovation & Retrofit Program (SHRRP) agreement. Funding will be provided in stages as the Corporation meets the criteria of the program. As at year end all work was completed.

The Regional Municipality of Halton

The Corporation entered into two (2) SHRRP agreements with the Regional Municipality of Halton for one-time grants for a total approved amount of \$481,203. Funds from the program were only spent on projects approved by the Regional Municipality of Halton. As at year end all work was completed.

City of Brantford

The Corporation was approved for four (4) SHRRP grants from the City of Brantford for a total approved amount of \$460,248. Funds from the program can only be spent on projects approved by the City of Brantford. Funding will be provided in stages as the corporation meets the criteria of the program. As at year end all work was completed.

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Note 11 Capital Funding - continued

City of Hamilton

The Corporation entered into several SHRRP agreements with the City of Hamilton for one-time grants for a total approved amount of \$9,147,897. Funds from the program were only spent on projects approved by the City of Hamilton. As at year end all work was completed.

The Corporation has entered into a Special Advance Agreement with the City of Hamilton for a one time grant of \$187,000 under the Capital Reserve Fund approved by City Council. Funds were to be used to supply and install elevating systems and retrofit at two locations. At year end all work has been completed.

Note 12 Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets include the unamortized portions of the restricted contributions relating to the development of a 42 unit rental property in the City of Cambridge.

The contributions are repayable back to the funder if the Corporation is in default under the terms of the agreement. Refer to Notes 13(a) and (b) for details.

Deferred contributions related to capital assets are amortized and recognized as revenue over 40 years on the same basis as the expenses related to the acquired capital assets are amortized.

The deferred contributions balance at December 31 is as follows:

	2015	2014
Ministry of Municipal Affairs and Housing - Affordable Housing Program (Pilot Program)	\$ 1,218,000	\$ 1,218,000
Regional Municipality of Waterloo - forgivable loan	630,000	630,000
	1,848,000	1,848,000
Accumulated amortization	(354,200)	(308,000)
	1,493,800	1,540,000

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Note 13

Contingent Liabilities

(a) Affordable Housing Program (Pilot Program)

In 2006, the Corporation and the Minister of Municipal Affairs and Housing entered into a loan agreement to assist in funding the development of a 42 unit rental property in the City of Cambridge. The terms of the loan agreement is for twenty (20) years commencing as of the interest adjustment date, April 1, 2008. This loan is included in Deferred Contributions Related to Capital Assets and is being taken into income on the same basis as the related development costs are being amortized.

The loan amount of \$1,218,000 plus accrued interest will be fully forgiven on the last day of the month at the end of the loan term, provided the Corporation has fulfilled all the requirements as set out in the loan agreement.

(b) Regional Municipality of Waterloo - Forgivable Loan Agreement

In 2006, the Corporation and the Regional Municipality of Waterloo entered into a loan agreement to assist in funding the development of a 42 unit rental property in the City of Cambridge. The term of the loan agreement is for twenty (20) years from the project completion date, April 1, 2008. This loan is included in Deferred Contributions Related to Capital Assets and is being taken into income on the same basis as the related development costs are being amortized.

The loan amount of \$630,000 plus accrued interest will be fully forgiven on the last day of the month at the end of the loan term, provided the Corporation has fulfilled all the requirements as set out in the loan agreement.

The contributions described in (a) and (b) above are jointly secured by a second mortgage on the Cambridge property in the amount of \$1,848,000, a collateral charge in the amount of \$630,000 on the 101 Tuerr Drive, Kitchener property, assignment of rents on the Cambridge property and all appliances and all other personal property owned by the Corporation and located on or used in connection with the operations of the Cambridge property.

(c) The Regional Municipality of Waterloo - SHRRP Agreements

The Corporation has signed eight (8) agreements with the Regional Municipality of Waterloo to receive Social Housing Renovation and Retrofit Program grants dated November 20, 2009 to March 11, 2012. These grants have been recorded in the statement of replacement reserve. The Corporation agrees to continue to operate as an affordable housing project for twenty (20) years from the date of the agreement. Failure to comply with the rules set out in the agreements may result in the entire funding amount (including interest) becoming due and payable to the Regional Municipality of Waterloo, unless remedied within a reasonable period of time.

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Note 13

Contingent Liabilities - continued

(d) The Regional Municipality of Halton - SHRRP Agreements

The Corporation has signed two (2) agreements with the Regional Municipality of Halton to receive Social Housing Renovation and Retrofit Program grants dated January 4, 2010. These grants have been recorded in the statement of replacement reserve. The Corporation agrees to continue to operate as an affordable housing project for twenty (20) years from the date on which the Corporation first receives funding under this agreement. Failure to comply with the rules set out in the agreements may result in the entire funding amount becoming due and payable to the Regional Municipality of Halton, unless remedied within a reasonable period of time.

(e) The City of Hamilton - SHRRP Agreements

The Corporation has signed several agreements with the City of Hamilton to receive Social Housing Renovation and Retrofit Program grants. These grants have been recorded in the statement of replacement reserve. Failure to comply with the rules set out in the agreements and provisions of the SHRRP program guidelines may result in the entire funding amount becoming due and payable to the City of Hamilton.

(f) The Regional Municipality of Halton - Provincial Capital Reserve Funding Agreement

The Corporation has signed an agreement with the Regional Municipality of Halton to receive a Provincial Capital Reserve Funding grant dated January 6, 2010. The grant has been recorded in the statement of replacement reserve. The Corporation agrees to continue to operate the Housing Project as an affordable housing project for five (5) years from the commencement of the term of the agreement. Failure to comply with the rules set out in the agreements may result in a portion or the entire funding amount becoming due and payable to the Regional Municipality of Halton.

(g) Credit Facilities and Letters of Guarantee

At December 31, 2015, the Corporation had one letter of guarantee outstanding in the amount of \$10,000.

The Corporation has a credit facilities agreement with the Royal Bank of Canada for a demand operating loan with interest at prime plus 1.00% per annum. The loan is secured by hypothecation of the current account in the amount of \$180,192. At December 31, 2011, no funds were drawn on the Corporation's demand operating loan.

The Corporation has guaranteed long-term debt of VPAHC which at December 31, 2015 was \$3,887,570. These loans are also secured by first mortgage charges on land and building owned by VPAHC.

Victoria Park Community Homes Inc.

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Note 14

Restrictions on Net Assets and Interfund Transfers

(a) Replacement Reserve Fund

Replacement reserves are externally restricted by the Service Managers. These funds can only be used for capital expenditures as set out in the Program Guidelines and are subject to Service Manager approval.

(b) Subsidy Surplus Fund

The subsidy surplus reserve is externally restricted by the Service Managers and has a maximum limit of \$438,500 plus accrued interest. These funds are allocated to provide rental subsidies to qualifying tenants where special need is identified within the specific requirements of Section 95 of the National Housing Act and to fund Section 95 rental properties' operating deficits.

(c) Insurance Reserve Fund

Insurance is charged to operations at a standard per unit rate as determined by the Board annually. The reserve represents the excess of the amount charged to operations less the premiums and the deductible paid by the Corporation. The fund has an approved ceiling of \$150,000 as prescribed by the Board of Directors.

(d) Future Project Development Fund

Net assets internally restricted by the Board of Directors represent specific initiatives and other provisions. Internally restricted net assets are not available for other purposes without approval of the Board of Directors.

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Note 15 Replacement Reserve Fund

	Federal			2015	2014
	AHP	Portfolio	HSA		
					Restated Note 17
Balance, beginning of year as previously reported	\$ (32,772)	\$ 367,085	\$ 1,379,735	\$ 1,714,048	\$ 2,001,454
Prior period adjustment, Note 17	0	570,020	0	570,020	0
Balance, beginning of year	(32,772)	937,105	1,379,735	2,284,068	2,001,454
Reserve funding	8,664	254,244	584,076	846,984	857,123
Investment income	0	41,042	7,571	48,613	92,490
Interfund transfer	75,327	0	181,148	256,475	1,794,402
Recovery of expenses	0	(700)	40,600	39,900	182,452
Solar revenue	0	23,269	41,522	64,791	57,980
	51,219	1,254,960	2,234,652	3,540,831	4,985,901
Capital expenditures	4,498	824,139	1,108,287	1,936,924	2,701,833
	46,721	430,821	1,126,365	1,603,907	2,284,068

Note 16 Related Corporations

Victoria Park Community Homes Management Project

Victoria Park Community Homes Management Project (VPCHMP) is a non-profit organization offering property development, management and consulting services to the non-profit sector in the Province of Ontario and claims an exemption from income tax under the Income Tax Act.

All members of the VPCHMP Board of Directors are also directors of VPCHI.

Because of the differences between the two (2) corporations the board has chosen not to consolidate VPCHMP into the VPCHI financial statements.

Victoria Park Community Homes Inc.

(a corporation without share capital)

December 31, 2015

Note 16 Related Corporations - continued**Kitchener Alliance Community Homes Inc. (KACHI)**

On October 2, 2014 five (5) of the twelve (12) Victoria Park Community Homes Inc. board members constitute the board of directors of KACHI.

Because of conditions imposed by the Region of Waterloo the board has chosen not to consolidate KACHI into the VPCHI financial statements.

VPCHMP and KACHI financial statements at December 31, 2015 are as summarized follows:

	VPCHMP	KACHI	2015	2014
Statement of Financial Position				
Total assets	\$ 762,857	\$ 10,465,695	\$ 11,228,552	\$ 11,231,039
Total liabilities	121,035	9,289,341	9,410,376	9,420,437
Net assets	641,822	1,176,354	1,818,176	1,810,602
	762,857	10,465,695	11,228,552	11,231,039
Statement of Operations				
Revenues	2,523,415	3,972,944	6,496,359	5,029,582
Expenses	2,515,840	3,835,966	6,351,806	4,892,113
	7,575	136,978	144,553	137,469
Cash Flows				
Operating activities	73,863	160,533	234,396	148,345
Financing and investing activities	30,075	(116,593)	(86,518)	116,665
Change in cash	103,938	43,940	147,878	265,010

The Corporation entered into a contract with VPCHMP to manage, develop projects, provide maintenance and laundry services. The contract expires December 31, 2015. Payable to (receivable from) VPCHMP at year is \$173,009 (2014 - \$254,345). Transactions with VPCHMP are recorded at exchange value and are as follows:

	2015	2014
Expenses:		
Management fees	\$ 1,594,452	\$ 1,361,228
Maintenance fees	470,915	514,500
Laundry fees	10,536	12,502
Development fees	5,000	0
Rent supplement administration fees	3,470	3,447
Revenue		
Rental revenue	28,835	28,835

Victoria Park Community Homes Inc.

(a corporation without share capital)

December 31, 2015

Note 16 Related Corporations - continued

Victoria Park Affordable Housing Corp. (VPAHC)

VPAHC and the Corporation share Directors and management staff. VPAHC is a provider of non-profit and subsidized housing. The Corporation has loans payable to VPAHC which are described in Note 9. The other amounts due to or from VPAHC carry no fixed terms of repayment. Related party transactions include interest expense paid to VPAHC of \$32,070 (2014 - \$-0-).

In 2015 and in 2014, properties were transferred to VPAHC from the Corporation for no consideration. These transfers were recorded at the carrying value of the assets in the Corporation's financial statements immediately before the transfer which was \$1,035,364 in 2015 and \$732,242 in 2014. The transferred properties were as follows:

2014

2344 Barton Street East, Hamilton

2015

85 Bonaventure Drive, Hamilton
175 Limeridge Road West, Hamilton
195 Limeridge Road West, Hamilton

The VPAHC financial statements at December 31, 2015 are summarized as follows:

	2015	2014
Statement of Financial Position		
Total assets	\$ 6,251,556	\$ 1,049,126
Total liabilities	4,238,703	317,074
Net assets	2,012,853	732,052
Statement of Operations		
Revenues	1,530,503	341,615
Expenses	1,285,066	341,805
	245,437	(190)
Cash Flows		
Operating activities	(17,110)	281,300
Financing and investing activities	411,387	(271,888)
Change in cash	394,277	9,412

Victoria Park Community Homes Inc.

(a corporation without share capital)

December 31, 2015

Note 17 **Prior Period Adjustment**

In 2013 and 2014 the Corporation charged its replacement reserve with vacancy loss related to unoccupied units during periods of renovation. The financial statements have been restated retrospectively to reflect this vacancy loss as a reduction in operating surplus.

There was also a number of capital expenditures related to properties not under the authority of Service Managers that were charged to the replacement reserve fund when they should have been capitalized and amortized over their estimated useful lives.

The comparative figures have been restated to reflect these adjustments as follows. The replacement reserve fund has been increased by \$570,020, capital assets has increased by \$452,400 and vacancy loss expense has increased by \$117,620. The prior year's surplus decreased by \$117,620 as a result of these changes.

Note 18 **Pension Plan**

Employees of the Corporation are eligible to be members of a defined contribution pension plan. The Corporation's contribution to the plan for the is year is \$27,138 (2014, \$35,166).

Note 19 **Commitments**

The Corporation is obligated under various contracts with suppliers. The total contracted amounts and the amounts reflected in these financial statements for work completed to date is as follows:

Supplier	Total Contract	Amount Recorded	Remaining Obligation
O'Callaghan Contracting	\$ 458,861	\$ 248,225	\$ 224,111
Comfort Plus	290,249	234,750	55,499
Maresco Ltd.	467,800	0	467,800
Maresco Ltd.	313,300	0	313,300
Triple F Paving	13,987	0	13,987
Ontario Playgrounds	39,463	0	39,463
WPS	43,750	12,202	31,548
	1,627,410	495,177	1,145,708

Victoria Park Community Homes Inc.

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December 31, 2015

Note 20

Reserve Funds Status

The Corporation has extended its funding allotment to the reserve fund from the increase in revenues generated through the sale of properties within the portfolio. The expenditures are based on the projected five (5) year capital plan. Although there is no shortfall predicted, the success for funding all the above planned expenditures is based on the refinancing, and selling of properties within the portfolio. If refinancing is not aligned with the forecast, deferral of capital projects will be necessary.

Revised Draft - May 9, 2015

Victoria Park Community Homes Inc.

10. 1. 25

Year End: December 31, 2015

Client's adjusting entries

Date: 01/01/2015 To 31/12/2015

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence
Net Income (Loss) Before Adjustments							454,956.50		
					0.00	0.00	454,956.50	0.00	
AJE 01	31/12/2015	ALLOWANCE DOUBTFUL ACCOUN	1400		2,376.77				
AJE 01	31/12/2015	BAD DEBT EXPENSE	6800			2,376.77			
To adjust allowance for current year (PBC)					2,376.77	2,376.77	457,333.27	2,376.77	
AJE 02	31/12/2015	INTEREST LMR	7300		19,911.33				
AJE 02	31/12/2015	AUDIT FEES	7500			19,911.33			
To correct audit expense					19,911.33	19,911.33	457,333.27	0.00	
AJE 03	31/12/2015	CAPITAL WORK - 20 YEARS	1865		7,178.24				
AJE 03	31/12/2015	EQUIPMENT	1867		14,800.00				
AJE 03	31/12/2015	ACCRUED LIABILITIES	2280			36,748.24			
AJE 03	31/12/2015	2.3 CONCRETE FLOORS	2653		14,770.00				
To record payable reversing accruals					36,748.24	36,748.24	457,333.27	0.00	
AJE 04	31/12/2015	RENTAL INCOME	3100			199,199.00			
AJE 04	31/12/2015	PROVINCIAL SUPPLEMENT	3300		199,199.00				
To correct rent supplements - PBC					199,199.00	199,199.00	457,333.27	0.00	
AJE 05	31/12/2015	DEVELOPMENT COSTS	1820			20,490.00			
AJE 05	31/12/2015	RENTAL INCOME	3100		30,725.00				
AJE 05	31/12/2015	VACANCY LOSS - MARKET	7805			6,137.00			
AJE 05	31/12/2015	VACANCY LOSS - SUBSIDY	7810			4,098.00			
To reverse revenue charges made in error to vp 13 - PBC					30,725.00	30,725.00	436,843.27	(20,490.00)	
AJE 06	31/12/2015	RENTAL INCOME	3100			5,058.00			
AJE 06	31/12/2015	SUBSIDIES PROVIDED BY NP	3555		5,058.00				
To adjust rent and subsidy for vp36 - PBC					5,058.00	5,058.00	436,843.27	0.00	
AJE 07	31/12/2015	RENTAL INCOME	3100			1,012.00			
AJE 07	31/12/2015	SUBSIDIES PROVIDED BY NP	3555		1,012.00				
To correct rent and subsidy for March vp31 - PBC					1,012.00	1,012.00	436,843.27	0.00	
AJE 08	31/12/2015	CAPITAL WORK - 5 YEARS	1860			68,240.01			
AJE 08	31/12/2015	3.2 VINYL CLADDING	2667		68,240.01				
To reallocate expense to proper accounts					68,240.01	68,240.01	436,843.27	0.00	

Victoria Park Community Homes Inc.

10. 1. 25-1

Year End: December 31, 2015

Client's adjusting entries

Date: 01/01/2015 To 31/12/2015

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence
AJE 09	31/12/2015	AR MMAH HALTON	1545			69,708.00			
AJE 09	31/12/2015	DEFERRED REVENUE	2310		69,708.00				
		To adjsut deferred revenue - PBC							
					69,708.00	69,708.00	436,843.27	0.00	
AJE 10	31/12/2015	CASH	1100		46,231.00				
AJE 10	31/12/2015	CASH	1100		87,806.00				
AJE 10	31/12/2015	AR MMAH BRANTFORD	1535			87,806.00			
AJE 10	31/12/2015	AR MMAH HALTON	1545			46,231.00			
		To adjust subsidy receivable - PBC							
					134,037.00	134,037.00	436,843.27	0.00	
AJE 11	31/12/2015	CAPITAL WORK - 20 YEARS	1865		13,322.09				
AJE 11	31/12/2015	CAPITAL WORK - 20 YEARS	1865		75,592.25				
AJE 11	31/12/2015	CAPITAL WORK - 20 YEARS	1865		210,856.67				
AJE 11	31/12/2015	1.10 LANDSCAPING	2641			4,000.00			
AJE 11	31/12/2015	HST EXPENSE ON DIVISION 1	2647			520.00			
AJE 11	31/12/2015	HST REBATE ON DIVISION 1	2648		390.30				
AJE 11	31/12/2015	2.1 FOUNDATIONS ASSEMBLIES	2651			34,244.18			
AJE 11	31/12/2015	HST ON DIVISION 2	2662			4,451.74			
AJE 11	31/12/2015	HST REBATE ON DIVISION	2663		3,324.82				
AJE 11	31/12/2015	3.2 VINYL CLADDING	2667			13,468.50			
AJE 11	31/12/2015	3.2 VINYL CLADDING	2667			167,460.06			
AJE 11	31/12/2015	HST EXPENSE ON DIVISION 3	2677			1,463.48			
AJE 11	31/12/2015	HST EXPENSE ON DIVISION 3	2677			12,898.60			
AJE 11	31/12/2015	HST REBATE ON DIVISION 3	2678		1,112.24				
AJE 11	31/12/2015	HST REBATE ON DIVISION 3	2678		10,086.13				
AJE 11	31/12/2015	5.1 ROOFING AND ACCESSORIES	2691			2,309.96			
AJE 11	31/12/2015	HST EXPENSE ON DIVISION 5	2697			300.29			
AJE 11	31/12/2015	HST REBATE ON DIVISION 5	2698		231.44				
AJE 11	31/12/2015	8.1 HEATING AND BOILERS	2721			14,750.00			
AJE 11	31/12/2015	8.2 EXHAUST & VENTILATION	2722			6,750.00			
AJE 11	31/12/2015	8.7 WATER & SEWER SYSTEMS	2727			7,072.50			
AJE 11	31/12/2015	HST EXPENSE ON DIVISION 8	2732			3,768.43			
AJE 11	31/12/2015	HST REBATE ON DIVISION 8	2733		2,828.51				
AJE 11	31/12/2015	10.2 HAZARDOUS SUBSTANCE	2752			10,311.00			
AJE 11	31/12/2015	10.2 HAZARDOUS SUBSTANCE	2752			25,461.50			
AJE 11	31/12/2015	10.2 HAZARDOUS SUBSTANCE	2752			72,096.00			
AJE 11	31/12/2015	10.2 HAZARDOUS SUBSTANCE	2752			84,912.00			
AJE 11	31/12/2015	HST EXPENSE ON DIVISION 10	2757			1,340.43			
AJE 11	31/12/2015	HST EXPENSE ON DIVISION 10	2757			3,310.00			
AJE 11	31/12/2015	HST REBATE ON DIVISION 10	2758		1,033.08				
AJE 11	31/12/2015	HST REBATE ON DIVISION 10	2758		2,484.44				
AJE 11	31/12/2015	12.1 OTHER	2771			315.52			
AJE 11	31/12/2015	12.1 OTHER	2771			1,787.56			
AJE 11	31/12/2015	12.1 OTHER	2771			5,042.60			
AJE 11	31/12/2015	HST EXPENSE ON DIVISION 12	2777			41.02			
AJE 11	31/12/2015	HST EXPENSE ON DIVISION 12	2777			232.38			
AJE 11	31/12/2015	HST EXPENSE ON DIVISION 12	2777			655.54			
AJE 11	31/12/2015	HST REBATE ON DIVISION 12	2778		31.61				
AJE 11	31/12/2015	HST REBATE ON DIVISION 12	2778		176.61				
AJE 11	31/12/2015	HST REBATE ON DIVISION 12	2778		485.10				
AJE 11	31/12/2015	SURPLUS / DEFICIT	2900		72,096.00				
AJE 11	31/12/2015	VACANCY LOSS - MARKET	7805		84,912.00				
		PPA to capitalize vp29 (Tecumseh) from reserves (PBC)							
					478,963.29	478,963.29	351,931.27	(84,912.00)	

Victoria Park Community Homes Inc.

10. 1. 25-2

Year End: December 31, 2015

Client's adjusting entries

Date: 01/01/2015 To 31/12/2015

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence
AJE 12	31/12/2015	CAPITAL WORK - 20 YEARS	1865		75,327.46				
AJE 12	31/12/2015	8.1 HEATING AND BOILERS	2721			62,792.89			
AJE 12	31/12/2015	8.7 WATER & SEWER SYSTEMS	2727			3,872.78			
AJE 12	31/12/2015	HST EXPENSE ON DIVISION 8	2732			8,661.79			
		PPA to capitalize vp46 from reserves (PBC)			75,327.46	75,327.46	351,931.27	0.00	
AJE 13	31/12/2015	CAPITAL WORK - 20 YEARS	1865		36,259.72				
AJE 13	31/12/2015	CAPITAL WORK - 20 YEARS	1865		291,011.75				
AJE 13	31/12/2015	CAPITAL WORK - 20 YEARS	1865		468,523.43				
AJE 13	31/12/2015	1.4 FENCES	2635			17,248.67			
AJE 13	31/12/2015	1.12 MAIL BOXES	2643			5,183.40			
AJE 13	31/12/2015	HST EXPENSE ON DIVISION 1	2647			2,020.91			
AJE 13	31/12/2015	HST EXPENSE ON DIVISION 1	2647			853.01			
AJE 13	31/12/2015	HST REBATE ON DIVISION 1	2648		1,521.39				
AJE 13	31/12/2015	2.8 PARKING GARAGE	2658		644.71				
AJE 13	31/12/2015	6.2 UNIT - WALL FINISHING	2702			28,256.36			
AJE 13	31/12/2015	6.2 UNIT - WALL FINISHING	2702			93,776.94			
AJE 13	31/12/2015	6.3 COMMON FLOOR COVERINGS	2703			33,623.00			
AJE 13	31/12/2015	6.3 COMMON FLOOR COVERINGS	2703			10,987.50			
AJE 13	31/12/2015	6.4 UNIT - FLOOR COVERINGS	2704			1,780.22			
AJE 13	31/12/2015	6.4 UNIT - FLOOR COVERINGS	2704			7,506.00			
AJE 13	31/12/2015	6.4 UNIT - FLOOR COVERINGS	2704			75,184.30			
AJE 13	31/12/2015	6.6 INTERIOR DOORS AND TRIM	2706			9,367.50			
AJE 13	31/12/2015	6.6 INTERIOR DOORS AND TRIM	2706			21,463.50			
AJE 13	31/12/2015	6.7 CABINETRY & COUNTERTOPS	2707			9,858.00			
AJE 13	31/12/2015	6.7 CABINETRY & COUNTERTOPS	2707			104,650.00			
AJE 13	31/12/2015	6.7 CABINETRY & COUNTERTOPS	2707			188,057.10			
AJE 13	31/12/2015	HST ON DIVISION 6	2712			1,143.51			
AJE 13	31/12/2015	HST ON DIVISION 6	2712			16,561.90			
AJE 13	31/12/2015	HST ON DIVISION 6	2712			41,549.11			
AJE 13	31/12/2015	HST REBATE ON DIVISION 6	2713		12,534.26				
AJE 13	31/12/2015	HST REBATE ON DIVISION 6	2713		30,434.99				
AJE 13	31/12/2015	8.1 HEATING AND BOILERS	2721			57,286.50			
AJE 13	31/12/2015	8.4 PLUMBING - UNITS	2724			22,810.00			
AJE 13	31/12/2015	8.4 PLUMBING - UNITS	2724			36,035.00			
AJE 13	31/12/2015	8.5 PLUMBING - COMMON AREAS	2725			7,072.54			
AJE 13	31/12/2015	8.7 WATER & SEWER SYSTEMS	2727			7,230.00			
AJE 13	31/12/2015	8.7 WATER & SEWER SYSTEMS	2727			2,986.00			
AJE 13	31/12/2015	HST EXPENSE ON DIVISION 8	2732			939.90			
AJE 13	31/12/2015	HST EXPENSE ON DIVISION 8	2732			11,923.00			
AJE 13	31/12/2015	HST EXPENSE ON DIVISION 8	2732			4,153.50			
AJE 13	31/12/2015	HST REBATE ON DIVISION 8	2733		707.57				
AJE 13	31/12/2015	HST REBATE ON DIVISION 8	2733		9,019.35				
AJE 13	31/12/2015	HST REBATE ON DIVISION 8	2733		3,143.44				
AJE 13	31/12/2015	9.1 ELECTRICAL - UNITS	2736			15,400.00			
AJE 13	31/12/2015	9.1 ELECTRICAL - UNITS	2736			35,700.00			
AJE 13	31/12/2015	HST EXPENSE ON DIVISION 9	2747			1,801.79			
AJE 13	31/12/2015	HST EXPENSE ON DIVISION 9	2747			2,632.48			
AJE 13	31/12/2015	HST REBATE ON DIVISION 9	2748		1,363.62				
AJE 13	31/12/2015	HST REBATE ON DIVISION 9	2748		1,660.25				
AJE 13	31/12/2015	10.3 ACCESSIBILITY IMPROVEMENT	2753			6,448.18			
AJE 13	31/12/2015	10.3 ACCESSIBILITY IMPROVEMENT	2753			18,400.70			
AJE 13	31/12/2015	HST EXPENSE ON DIVISION 10	2757			711.42			
AJE 13	31/12/2015	HST EXPENSE ON DIVISION 10	2757			846.14			
AJE 13	31/12/2015	HST REBATE ON DIVISION 10	2758		744.48				
AJE 13	31/12/2015	12.1 OTHER	2771			1,041.73			
AJE 13	31/12/2015	12.1 OTHER	2771			24,136.00			
AJE 13	31/12/2015	12.1 OTHER	2771			12,062.21			
AJE 13	31/12/2015	HST EXPENSE ON DIVISION 12	2777			135.43			
AJE 13	31/12/2015	HST EXPENSE ON DIVISION 12	2777			2,746.71			
AJE 13	31/12/2015	HST EXPENSE ON DIVISION 12	2777			1,568.14			

Victoria Park Community Homes Inc.

10. 1. 25-3

Year End: December 31, 2015

Client's adjusting entries

Date: 01/01/2015 To 31/12/2015

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence
AJE 13	31/12/2015	HST REBATE ON DIVISION 12	2778		67.69				
AJE 13	31/12/2015	HST REBATE ON DIVISION 12	2778		2,067.62				
AJE 13	31/12/2015	HST REBATE ON DIVISION 12	2778		1,183.03				
AJE 13	31/12/2015	SURPLUS / DEFICIT	2900		2,842.00				
AJE 13	31/12/2015	SURPLUS / DEFICIT	2900		42,682.00				
AJE 13	31/12/2015	VACANCY LOSS - MARKET	7805		36,727.00				
		PPA to capitalize vp47 from reserves (PBC)							
					943,138.30	943,138.30	315,204.27	(36,727.00)	
AJE 14	31/12/2015	SUBSIDY PAYABLE M.M.A.H.	2190			36,470.00			
AJE 14	31/12/2015	SUBSIDY PAYABLE M.M.A.H.	2190			61,402.00			
AJE 14	31/12/2015	SUBSIDY PAYABLE M.M.A.H.	2190			4,426.00			
AJE 14	31/12/2015	SUBSIDY PAYABLE M.M.A.H.	2190			53,645.00			
AJE 14	31/12/2015	SM OPERATING SUBSIDY	3400		36,470.00				
AJE 14	31/12/2015	SM OPERATING SUBSIDY	3400		61,402.00				
AJE 14	31/12/2015	SM OPERATING SUBSIDY	3400		4,426.00				
AJE 14	31/12/2015	SM OPERATING SUBSIDY	3400		53,645.00				
		To record AIR liabilities							
					155,943.00	155,943.00	159,261.27	(155,943.00)	
AJE 15	31/12/2015	INTERNAL TRANSFERS	2608			90,573.80			
AJE 15	31/12/2015	INTERNAL TRANSFERS	2608			90,573.81			
AJE 15	31/12/2015	INTERNALLY RESTRICTED FUNDS	2820			196,568.53			
AJE 15	31/12/2015	SURPLUS / DEFICIT	2900			82,109.47			
AJE 15	31/12/2015	SURPLUS / DEFICIT	2900			26,579.10			
AJE 15	31/12/2015	SURPLUS / DEFICIT	2900		67,122.75				
AJE 15	31/12/2015	SURPLUS / DEFICIT	2900		109,320.24				
AJE 15	31/12/2015	SURPLUS / DEFICIT	2900		5,006.04				
AJE 15	31/12/2015	SURPLUS / DEFICIT	2900		37,882.09				
AJE 15	31/12/2015	SURPLUS / DEFICIT	2900			17,956.89			
AJE 15	31/12/2015	SURPLUS / DEFICIT	2900		95,029.58				
AJE 15	31/12/2015	SURPLUS / DEFICIT	2900		64,276.98				
AJE 15	31/12/2015	SURPLUS / DEFICIT	2900		125,723.92				
		To record current year surplus transfers per client							
					504,361.60	504,361.60	159,261.27	0.00	
AJE 16	31/12/2015	INTERNALLY RESTRICTED FUNDS	2820			70,987.97			
AJE 16	31/12/2015	SURPLUS / DEFICIT	2900			26,479.24			
AJE 16	31/12/2015	SURPLUS / DEFICIT	2900		233,490.76				
AJE 16	31/12/2015	SURPLUS / DEFICIT	2900		21.25				
AJE 16	31/12/2015	SURPLUS / DEFICIT	2900			123,490.39			
AJE 16	31/12/2015	SURPLUS / DEFICIT	2900		59.90				
AJE 16	31/12/2015	SURPLUS / DEFICIT	2900			12,709.31			
AJE 16	31/12/2015	SURPLUS / DEFICIT	2900		20.00				
AJE 16	31/12/2015	SURPLUS / DEFICIT	2900		20.00				
AJE 16	31/12/2015	SURPLUS / DEFICIT	2900		55.00				
		To transfer sold properties surplus to development fund							
					233,666.91	233,666.91	159,261.27	0.00	
AJE 17	31/12/2015	ACC AMT - 20 Years	1888			5,649.56			
AJE 17	31/12/2015	ACC AMT - 20 Years	1888			20,456.03			
AJE 17	31/12/2015	Amortization Loans Waterloo	8205		5,649.56				
AJE 17	31/12/2015	Amortization Loans Waterloo	8205		20,456.03				
		To past cleint's adjustment to depreciation							

Victoria Park Community Homes Inc.

10. 1. 25-4

Year End: December 31, 2015

Client's adjusting entries

Date: 01/01/2015 To 31/12/2015

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence
					26,105.59	26,105.59	133,155.68	(26,105.59)	
AJE 18	31/12/2015	AR MMAH BRANTFORD	1535		7,988.00				
AJE 18	31/12/2015	DEFERRED REVENUE	2310			85,980.00			
AJE 18	31/12/2015	PRIOR YEAR SUBSIDY ADJ	9981		77,992.00				
		To post client's entry regarding City of Brantford reconciliation			85,980.00	85,980.00	55,163.68	(77,992.00)	
					3,070,501.50	3,070,501.50	55,163.68	(399,792.82)	

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Victoria Park Community Homes Inc.

10. 1. 26

Year End: December 31, 2015

Client's reclassifying journal entries

Date: 01/01/2015 To 31/12/2015

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
Net Income (Loss) Before Adjustments							55,163.68			
RJE01	31/12/2015	Reclass rental property #46	151.100.PYC	U						
RJE01	31/12/2015	Reclass rental property #46	151.100.PYC	U						
RJE01	31/12/2015	Land & Buildings - Unrestricted use	151.400.PYC	U						
RJE01	31/12/2015	Reclass rental property #46 (debit)	152.100.PYC	U						
To reclass rental property separate from other capital assets accounted for using SM accounting policies for FS presentation					0.00	0.00	55,163.68	0.00	Recurring	
RJE02	31/12/2015	Reclass MMAH loan	234.100.PYC			686,345.00				
RJE02	31/12/2015	Reclass MMAH loan	235.100.PYC		686,345.00					
to reclass loan payable for MMAH					686,345.00	686,345.00	55,163.68	0.00	Recurring	
RJE03	31/12/2015	Reallocate Tuerr & Paulander	158.PYC			686,345.00				
RJE03	31/12/2015	To reclass Tuerr & Paulander	159.100.PYC		686,345.00					
to reclass Tuerr and Paulander building renovations for FS purposes					686,345.00	686,345.00	55,163.68	0.00	Recurring	
RJE04	31/12/2015	Reclass outstanding cheque	111.200.PYC		71,739.18					
RJE04	31/12/2015	To reclass payables	215.500.PYC			71,739.18				
To reclass O/S cheque to payables					71,739.18	71,739.18	55,163.68	0.00		
RJE05	31/12/2015	Reclass outstanding cheque	111.200.PYC		180,229.88					
RJE05	31/12/2015	To reclass payables	215.500.PYC			180,229.88				
To reclass payables					180,229.88	180,229.88	55,163.68	0.00		
RJE06	31/12/2015	Reclassify term debt	211.PYC		184,542.55					
RJE06	31/12/2015	Reclassify term debt	231.PYC			184,542.55				
To reclassify bank loan, should be long-term					184,542.55	184,542.55	55,163.68	0.00		
					1,809,201.61	1,809,201.61	55,163.68	0.00		

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