

SUMMARY ANNUAL FINANCIAL STATEMENTS

Victoria Park Community Homes Inc.
December 31, 2015

Auditors' Report on Summary Financial Statements

To the Members of Victoria Park Community Homes Inc.:

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2015, the summary statement of operations, summary statement of changes in net assets and summary statement of cash flows, and related notes, are derived from the audited financial statements of the Victoria Park Community Homes Inc. for the year ended December 31, 2015. We expressed an unmodified audit opinion on those financial statements in our report dated May 12, 2016. The audited financial statements and the summary financial statements do not reflect the effects of events that occurred after May 12, 2016.

The summary financial statements do not contain all the disclosures required by the financial reporting framework of the Housing Services Act (HSA). Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Victoria Park Community Homes Inc.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the financial reporting framework of the HSA.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Victoria Park Community Homes Inc. for the year ended December 31, 2015 are a fair summary of those financial statements, in accordance with the requirements of the HSA.

continued...

Auditors' Report on Summary Financial Statements - continued

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the summary financial statements, which describes the basis of accounting. The audited financial statements, from which the summary financial statements were derived, are prepared to assist Victoria Park Community Homes Inc. in complying with the financial reporting requirements of the HSA. As a result, the audited financial statements may not be suitable for another purpose.

Toronto, Ontario
May 12, 2016



Chartered Professional Accountants, Licensed Public Accountants

Victoria Park Community Homes Inc.
Summary Annual Financial Statement

December 31, 2015

Statement of Financial Position	2015	2014
Current Assets		
Cash and cash equivalents	\$ 1,037,893	\$ 1,204,878
Accounts receivable	512,727	788,935
Due from Victoria Park Affordable Housing Corp. (VPAHC)	0	215,926
Prepaid expenses	314,520	408,092
Total Current	1,865,140	2,617,831
Investments	3,321,975	1,263,104
Capital Assets	48,348,552	53,317,312
	53,535,667	57,198,247
Current Liabilities		
Accounts payable and accrued liabilities	2,169,549	2,626,474
Accrued mortgage interest	137,287	153,731
Prepaid rents	214,661	240,080
Current portion of loan to VPAHC	96,601	0
Due to VPAHC	230,553	0
Total Current	2,848,651	3,020,285
Tenants' Security Deposits	854,207	900,130
Mortgages Payable	43,020,555	47,956,230
Due to Regional Municipality of Waterloo	686,345	686,345
Deferred Contributions Related to Rental Properties	1,493,800	1,540,000
Loan Payable to the City of Hamilton	3,381,924	0
Vehicle Loan	1,051	6,313
Total Liabilities	52,286,533	54,109,303
Net Assets, per statement		
Externally restricted	1,854,385	2,532,847
Internally restricted	708,018	440,461
Unrestricted	(1,313,269)	115,636
	1,249,134	3,088,944
	53,535,667	57,198,247

Victoria Park Community Homes Inc.
Summary Annual Financial Statement

Year ended December 31, 2015

Statement of Net Assets

	Restricted		Unrestricted	2015	2014
	Externally	Internally			
	\$ 2,532,847	\$ 440,461	\$ 115,636	\$ 3,088,944	\$ 4,226,225
Excess of revenues over expenses	0	0	55,164	55,164	1,188,528
Net increase (decrease) in reserves	(678,462)	267,557	(1,484,069)	(1,894,974)	(2,325,809)
<i>Balance December 31</i>	1,854,385	708,018	(1,313,269)	1,249,134	3,088,944

Victoria Park Community Homes Inc.
Summary Annual Financial Statement

Year ended December 31, 2015

Statement of Operations	2015	2014
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	46,200	46,200
	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	6,947,846	7,115,438
Operating	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
	20,812,902	20,979,033
	1,040,066	1,383,810
Direct subsidies	(912,691)	(978,102)
	127,375	405,708
Other		
Prior year subsidy adjustments	(72,211)	9,673
Gains on sale of properties	0	773,147
	(72,211)	782,820
<i>Excess of revenues over expenses</i>	55,164	1,188,528

Victoria Park Community Homes Inc.
Summary Annual Financial Statement

Year ended December 31, 2015

Statement of Cash Flows	2015	2014
Cash Provided By (Used For)		
Operating activities	\$ 9,434,272	\$ 7,261,499
Investing and Financing Activities	(7,819,336)	(4,380,279)
Reserve 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.
Summary Annual Financial Statement

December 31, 2015

Note to Summary Annual Financial Statements

Note 1 Criteria for the Preparation of the Summary Financial Statements

The following criteria have been applied by management in the preparation of the summary financial statements:

- (a) each financial statement presented is clearly labeled as a summary financial statement;
- (b) that the summary financial statements agrees with and can be recalculated from the related information in the audited financial statements of the organization;
- (c) in view of the purpose of the summary financial statements, contain information necessary, and at an appropriate level of aggregation, so as not to be misleading in the circumstances;
- (d) confirm that the audited financial statements be available for inspection or review by any member at the head office address of the organization during normal business hours.

Note 2 Basis of Accounting

These summary 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 Housing Services Act. 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;
- (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, 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.