

**SUMMARY ANNUAL FINANCIAL STATEMENTS**

**Victoria Park Community Homes Inc.  
December 31, 2019**

**Report of the Independent Auditor on the Summary Financial Statements**

**To the Members of Victoria Park Community Homes Inc.:**

**Opinion**

The summary financial statements, which comprise the statement of financial position as at December 31, 2019, the summary statement of changes in net assets, summary statement of operations, 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, 2019.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements in accordance with the financial reporting framework of the Housing Services Act (HSA).

**Summary Financial Statements**

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

**The Audited Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited financial statements in our report dated June 4, 2020. That reports also includes an Emphasis of Matter – Basis of Accounting and Restriction on Distribution section that draws attention to Note 2 to the audited financial statements, which describes the basis of accounting and an Other Matter - Comparative Information, which discusses the comparative figures. The audited financial statements are prepared to assist Victoria Park Community Homes Inc. to meet the requirements of HSA. As a result, the audited financial statements may not be suitable for another purpose. Our audited report is intended solely for the members of Victoria Park Community Homes Inc. and Specified Users as described in Note 1 of the audited financial statements and should not be distributed to parties other than the members of Victoria Park Community Homes Inc. and Specified Users as described in Note 1 of the audited financial.

**Management 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.

**Report of the Independent Auditor on the Summary Financial Statements - continued**

**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 Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Toronto, Ontario  
June 4, 2020

A handwritten signature in black ink that reads "Prentice Yatch & Clerk". The signature is written in a cursive, flowing style.

Chartered Professional Accountants, Licensed Public Accountants

**Victoria Park Community Homes Inc.**  
**Summary Annual Financial Statement**

*December 31, 2019*

<b>Statement of Financial Position</b>	2019	2018
<b>Current Assets</b>		
Cash	\$ 315,266	\$ 2,469,015
Receivables	2,279,594	3,316,584
Prepaid expenses	682,027	573,354
<b>Total Current</b>	<b>3,276,887</b>	<b>6,358,953</b>
<b>Investments</b>	10,282,586	11,331,595
<b>Capital Assets</b>	50,862,734	47,186,728
	<b>64,422,207</b>	<b>64,877,276</b>
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	3,679,432	3,566,866
Accrued mortgage interest	216,905	225,622
Prepaid rents	431,552	379,835
Deferred revenue	420,511	297,981
Current portion of loan to VPAHC	108,741	105,570
<b>Total Current</b>	<b>4,857,141</b>	<b>4,575,874</b>
<b>Tenants' Security Deposits</b>	1,025,944	1,019,722
<b>Mortgages Payable</b>	41,850,593	46,652,811
<b>Due to Regional Municipality of Waterloo</b>	236,345	236,345
<b>Deferred Contributions Related to Capital Assets</b>	7,013,680	3,544,774
<b>Loan Payable to VPAHC</b>	2,965,914	3,074,361
<b>Bank loan</b>	162,160	168,063
<b>Total Liabilities</b>	<b>58,111,777</b>	<b>59,271,950</b>
<b>Net Assets, per statement</b>		
Externally restricted	1,729,798	2,748,232
Internally restricted	1,751,702	1,479,737
Unrestricted	2,828,930	1,377,357
	<b>6,310,430</b>	<b>5,605,326</b>
	<b>64,422,207</b>	<b>64,877,276</b>

**Victoria Park Community Homes Inc.**  
**Summary Annual Financial Statement**

*Year ended December 31, 2019*

**Statement of Net Assets**

	Restricted		Unrestricted	2019	2018
	Externally	Internally			
Balance beginning	\$ 2,748,232	\$ 1,479,737	\$ 1,377,357	\$ 5,605,326	\$ 4,882,502
Add (deduct)					
Excess of revenues over expenditures	0	0	2,404,006	2,404,006	1,173,961
Net increase (decrease) in reserves	(1,018,434)	271,965	(952,433)	(1,698,902)	(451,137)
<b><i>Balance December 31</i></b>	<b>1,729,798</b>	<b>1,751,702</b>	<b>2,828,930</b>	<b>6,310,430</b>	<b>5,605,326</b>

**Victoria Park Community Homes Inc.**  
**Summary Annual Financial Statement**

*Year ended December 31, 2019*

<b>Statement of Operations</b>	2019	2018
<b>Revenues</b>		
Rents	\$ 17,536,162	\$ 16,827,652
Operating subsidy and provincial rent supplement	8,037,160	7,973,180
Commercial rental income	41,554	41,554
Vacancy losses	(222,132)	(214,642)
Amortization of deferred contributions	48,800	46,200
Investment income	400,275	13,912
	<u>25,841,819</u>	<u>24,687,856</u>
<b>Expenses</b>		
Mortgage interest	1,523,182	1,701,124
Less: federal interest reduction grant	(22,500)	(25,020)
	<u>1,500,682</u>	<u>1,676,104</u>
Harmonized sales tax	221,370	325,610
Property	8,390,368	8,243,310
Operating	7,395,499	7,532,156
Interest on tenants' deposits	19,289	22,029
Amortization	5,142,692	4,846,779
Replacement reserve allocation	793,548	761,223
	<u>23,463,448</u>	<u>23,407,211</u>
<b><i>Excess of Revenues Over Expenditures Before Direct Subsidies</i></b>	<b>2,378,371</b>	<b>1,280,645</b>
Direct subsidies	(34,631)	(48,282)
<b><i>Excess of Revenues Over Expenditures Before Other</i></b>	<b>2,343,740</b>	<b>1,232,363</b>
<b>Other</b>		
Prior year subsidy adjustments	60,266	0
Development costs write-off	0	(58,402)
<b><i>Excess of Revenues Over Expenditures</i></b>	<b>2,404,006</b>	<b>1,173,961</b>

**Victoria Park Community Homes Inc.**  
**Summary Annual Financial Statement**

*Year ended December 31, 2019*

<b>Statement of Cash Flows</b>	2019	2018
<b>Cash Provided By (Used In)</b>		
Operating Activities	\$ 9,223,777	\$ 7,504,306
Investing and Financing Activities	(12,676,862)	(7,803,461)
Reserve Fund Activities	1,299,336	(117,077)
Net cash decrease during the year	(2,153,749)	(416,232)
Cash position beginning of year	2,469,015	2,885,247
<b>Cash Position End of Year</b>	<b>315,266</b>	<b>2,469,015</b>

**Victoria Park Community Homes Inc.**  
**Summary Annual Financial Statement**

*December 31, 2019*

**Notes to Summary Annual Financial Statements**

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**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; specifically for properties funded by the Regional Municipality of Waterloo, in determining principal repaid an accrual must be made for the amount of principal to be repaid on the first day following the Corporation's year-end;
- (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.