

SUMMARY ANNUAL FINANCIAL STATEMENTS

**Victoria Park Community Homes Inc.
December 31, 2021**

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, 2021, 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, 2021.

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 May 12, 2022. That report 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. 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 statements.

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
May 12, 2022

A handwritten signature in black ink that reads "Pruthi Yatho & Clark". 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, 2021

Statement of Financial Position	2021	2020
Current Assets		
Cash	\$ 380,735	\$ 525,564
Receivables	1,343,622	1,441,418
Inventory	57,005	43,984
Prepaid expenses	853,162	766,922
Total Current	2,634,524	2,777,888
Investments	1,545,636	6,334,351
Investment in Limited Partnership	3,203,766	2,665,382
Capital Assets	52,743,676	51,593,256
	60,127,602	63,370,877
Current Liabilities		
Accounts payable and accrued liabilities	4,622,859	4,338,655
Accrued mortgage interest	198,791	207,595
Prepaid rents	452,019	393,101
Deferred revenue	305,504	304,154
Current portion of loan to VPAHC	115,371	138,287
Due to Regional Municipality of Waterloo	236,345	0
Total Current	5,930,889	5,381,792
Tenants' Security Deposits	1,069,154	1,045,358
Mortgages Payable	35,493,184	38,741,461
Due to Regional Municipality of Waterloo	0	236,345
Deferred Contributions Related to Capital Assets	9,581,300	8,772,611
Loan Payable to VPAHC	2,739,153	2,827,627
Bank loan	149,483	156,001
Total Liabilities	54,963,163	57,161,195
Net Assets, per statement		
Externally restricted	1,049,003	2,498,101
Internally restricted	2,412,102	2,441,109
Unrestricted	1,703,334	1,270,472
	5,164,439	6,209,682
	60,127,602	63,370,877

Victoria Park Community Homes Inc.
Summary Annual Financial Statement

Year ended December 31, 2021

Statement of Net Assets

	Restricted		Unrestricted	2021	2020
	Externally	Internally			
Balance beginning	\$ 2,498,101	\$ 2,441,109	\$ 1,270,472	\$ 6,209,682	\$ 6,310,430
Add (deduct)					
Excess of revenues over expenditures	0	0	1,403,855	1,403,855	1,810,450
Net increase (decrease) in reserves	(1,449,098)	(29,007)	(970,993)	(2,449,098)	(1,911,198)
<i>Balance December 31</i>	1,049,003	2,412,102	1,703,334	5,164,439	6,209,682

Victoria Park Community Homes Inc.
Summary Annual Financial Statement

Year ended December 31, 2021

Statement of Operations	2021	2020
Revenues		
Rents	\$ 17,587,284	\$ 17,725,337
Operating subsidy and provincial rent supplement	8,623,108	8,103,194
Commercial rental income	60,059	41,554
Vacancy losses	(223,632)	(163,121)
Amortization of deferred contributions	228,402	48,800
Investment income (loss)	(13,828)	237,679
Government grants, mobile maintenance recoveries, contributions and energy rebates	883,463	456,935
	<u>27,144,856</u>	<u>26,450,378</u>
Expenses		
Mortgage interest	1,206,112	1,333,367
Less: federal interest reduction grant	(2,460)	(9,860)
	<u>1,203,652</u>	<u>1,323,507</u>
Harmonized sales tax	276,927	282,395
Property	9,282,893	8,720,015
Operating	7,731,881	7,854,248
Interest on tenants' deposits	0	19,542
Amortization	6,385,762	5,313,136
Replacement reserve allocation	783,170	809,570
	<u>25,664,285</u>	<u>24,322,413</u>
<i>Excess of Revenues Over Expenditures Before Direct Subsidies</i>	1,480,571	2,127,965
Direct subsidies	(11,940)	(13,274)
<i>Excess of Revenues Over Expenditures Before Other</i>	1,468,631	2,114,691
Other		
Prior year subsidy adjustments	(32,755)	(304,241)
Development costs write-off	(32,021)	0
<i>Excess of Revenues Over Expenditures</i>	<u>1,403,855</u>	<u>1,810,450</u>

Victoria Park Community Homes Inc.
Summary Annual Financial Statement

Year ended December 31, 2021

Statement of Cash Flows	2021	2020
Cash Provided By (Used In)		
Operating Activities	\$ 9,225,722	\$ 7,536,983
Investing and Financing Activities	(6,660,271)	(7,965,423)
Reserve Fund Activities	(2,710,280)	638,738
Net cash increase (decrease) during the year	(144,829)	210,298
Cash position beginning of year	525,564	315,266
Cash Position End of Year	380,735	525,564

Victoria Park Community Homes Inc.
Summary Annual Financial Statement

December 31, 2021

Notes 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; 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.