

SUMMARY ANNUAL FINANCIAL STATEMENTS

**Victoria Park Community Homes Inc.
December 31, 2022**

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 summary statement of financial position as at December 31, 2022, 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, 2022.

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 4, 2023. 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 4, 2023

A handwritten signature in black ink that reads "Pruthi Yathu & Clark". The signature is written in a cursive style with a large initial 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Victoria Park Community Homes Inc.
Summary Annual Financial Statement

December 31, 2022

Statement of Financial Position	2022	2021
Current Assets		
Cash	\$ 2,173,522	\$ 417,615
Receivables	888,293	1,509,963
Inventory	86,075	57,005
Prepaid expenses	1,068,218	859,165
	<hr/>	<hr/>
Total Current	4,216,108	2,843,748
Investments	4,778,576	1,819,754
Investment in Limited Partnership	3,428,645	3,203,766
Capital Assets	53,354,747	55,992,145
	<hr/>	<hr/>
	65,778,076	63,859,413
<hr/>		
Current Liabilities		
Accounts payable and accrued liabilities	4,036,112	4,673,618
Accrued mortgage interest	204,846	201,772
Prepaid rents	505,979	454,147
Deferred revenue	308,234	305,504
Current portion of loan to VPAHC	119,523	115,371
Due to Regional Municipality of Waterloo	236,345	236,345
	<hr/>	<hr/>
Total Current	5,411,039	5,986,757
Tenants' Security Deposits	1,114,160	1,088,850
Mortgages Payable	41,583,391	37,188,939
Region of Peel Loan	1,584,910	1,584,910
Deferred Contributions Related to Capital Assets	9,595,160	9,581,300
Loan Payable to VPAHC	2,616,976	2,739,153
Bank loan	142,783	149,483
	<hr/>	<hr/>
Total Liabilities	62,048,419	58,319,392
<hr/>		
Net Assets, per statement		
Externally restricted	813,956	1,288,669
Internally restricted	2,473,864	2,412,102
Unrestricted	441,837	1,839,250
	<hr/>	<hr/>
	3,729,657	5,540,021
	<hr/>	<hr/>
	65,778,076	63,859,413
<hr/>		

Victoria Park Community Homes Inc.
Summary Annual Financial Statement

Year ended December 31, 2022

Statement of Net Assets

	Restricted		Unrestricted	2022	2021
	Externally	Internally			
Balance beginning	\$ 1,288,669	\$ 2,412,102	\$ 1,839,250	\$ 5,540,021	\$ 6,565,657
Add (deduct)					
Excess of revenues over expenditures	0	0	1,146,427	1,146,427	1,458,253
Net increase (decrease) in reserves	(474,713)	61,762	(2,543,840)	(2,956,791)	(2,483,889)
<i>Balance December 31</i>	813,956	2,473,864	441,837	3,729,657	5,540,021

Victoria Park Community Homes Inc.
Summary Annual Financial Statement

Year ended December 31, 2022

Statement of Operations	2022	2021
Revenues		
Rents	\$ 18,678,821	\$ 18,075,435
Operating subsidy and provincial rent supplement	8,467,345	8,963,217
Commercial rental income	90,868	60,059
Vacancy losses	(172,354)	(223,632)
Amortization of deferred contributions	416,803	228,402
Investment income (loss)	57,640	(12,826)
Government grants, mobile maintenance recoveries, contributions and energy rebates	713,011	883,463
	<u>28,252,134</u>	<u>27,974,118</u>
Expenses		
Mortgage interest	1,368,928	1,238,452
Less: federal interest reduction grant	0	(2,460)
	<u>1,368,928</u>	<u>1,235,992</u>
Harmonized sales tax	187,740	276,927
Property	10,041,607	9,382,973
Operating	8,395,602	7,946,544
Interest on tenants' deposits	5,891	0
Amortization	6,844,141	6,775,543
Replacement reserve allocation	837,183	821,170
	<u>27,681,092</u>	<u>26,439,149</u>
<i>Excess of Revenues Over Expenditures Before Direct Subsidies</i>	571,042	1,534,969
Direct subsidies	0	(11,940)
<i>Excess of Revenues Over Expenditures Before Other</i>	571,042	1,523,029
Other		
Prior year subsidy adjustments	0	(32,755)
Development costs written off	(77,524)	(32,021)
Gain on sale of property	652,909	0
<i>Excess of Revenues Over Expenditures</i>	<u>1,146,427</u>	<u>1,458,253</u>

Victoria Park Community Homes Inc.
Summary Annual Financial Statement

Year ended December 31, 2022

Statement of Cash Flows	2022	2021
<hr/>		
Cash Provided By (Used In)		
Operating Activities	\$ 7,370,332	\$ 9,641,333
Investing and Financing Activities	(2,520,022)	(7,156,229)
Reserve Fund Activities	(3,094,403)	(2,783,071)
	<hr/>	
Net cash increase (decrease) during the year	1,755,907	(297,967)
Cash position beginning of year	417,615	715,582
	<hr/>	
Cash Position End of Year	2,173,522	417,615
<hr/>		

Victoria Park Community Homes Inc.
Summary Annual Financial Statement

December 31, 2022

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.