



**REPORT**  
**Meeting Date: 2021-05-20**  
**Audit and Risk Committee**

**For Information**

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**REPORT TITLE: 2020 Peel Housing Corporation Financial Statements**

**FROM:** Andrea Warren, General Manager, Peel Housing Corporation  
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**OBJECTIVE**

To present the 2020 Peel Housing Corporation unaudited financial statements.

**REPORT HIGHLIGHTS**

- The 2020 Peel Housing Corporation financial statements reflect the financial position, financial operations, and cash flows of Peel Housing Corporation.
  - The 2020 financial statements have been prepared in accordance with Canadian public sector accounting standards.
  - There are no uncorrected or corrected misstatements identified during the 2020 audit.
  - The 2020 Peel Housing Corporation financial statements have been reviewed and approved by the Peel Housing Corporation Board on May 5, 2021.
  - Deloitte has completed the annual audit of the financial statements and is expected to issue an unmodified audit opinion on May 20, 2021.
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**DISCUSSION**

**1. Background**

The 2020 Peel Housing Corporation financial statements and related notes have been prepared by Regional staff and are in accordance with the Canadian public sector accounting standards financial reporting framework, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

**2. Findings**

**a) Highlights from the 2020 Peel Housing Corporation Financial Statements**

The 2020 Peel Housing Corporation financial statements have been provided in Appendix I.

## 2020 Peel Housing Corporation Financial Statements

The tables below present highlights from the 2020 financial statements, along with comments on the major variances.

### i) Statement of Financial Position (In \$000s)

	2020 Actuals	2019 Actuals	Favourable/ (Unfavourable)
Financial Assets (A)	57,183,505	45,103,472	12,080,033
Liabilities (B)	190,891,289	192,991,588	2,100,299
<b>Net Debt C = (A-B)</b>	<b>(133,707,784)</b>	<b>(147,888,116)</b>	<b>14,180,332</b>
Non-Financial Assets (D)	389,276,947	399,210,846	(9,933,899)
<b>Accumulated Surplus (C+D)</b>	<b>255,569,163</b>	<b>251,322,730</b>	<b>4,246,433</b>

**Financial assets** include cash and assets that can be quickly converted to cash. The \$12.1 million increase relates to a \$10 million increase in the receivables balance and a \$2.1 million increase in investments at year-end.

**Liabilities** represent obligations that require future payment or services. The \$2.1 million decrease is attributable to mortgage repayments made during the year.

**Net Debt** is an indicator of the Corporation's ability to finance future activities and meet its liabilities and commitments. The reduction in Peel Housing Corporation's net debt position is a positive signal, as it continues to pay down its mortgage balance.

**Non-Financial Assets** are physical assets that are owned and used to deliver future programs and services. The \$9.9 million reduction in the non-financial assets balance relates to annual amortization recorded on the tangible capital assets during the year.

### ii) Statement of Operations (In \$000s)

	2020 Actuals	2019 Actuals	Favourable/ (Unfavourable)
Total Revenues	106,080,859	105,255,214	825,645
Total Expenses	102,228,816	99,826,002	(2,402,814)
<b>Annual Surplus</b>	<b>3,852,043</b>	<b>5,429,212</b>	<b>(1,577,169)</b>

## 2020 Peel Housing Corporation Financial Statements

**Total Revenues** represents the money received or revenues earned during the year. The \$0.8 million increase mainly relates to additional funding received during the year and higher rental revenues primarily due to increases in rent rates.

**Total Expenses** represents the money spent or costs incurred during the year. The \$2.4 million increase during the year is attributable to COVID-19 related expenses not incurred in the previous year and higher utility costs.

### iii) Budget Reconciliation

The budget reported in the financial statements differs from the budget book approved by the Board in the annual budget process. Adjustments are needed to convert the budget reported in the budget book from a modified accrual basis to a full accrual basis for financial statement purposes. Note 18 in the financial statements reconciles the approved budget to the budget amounts presented in the financial statements.

### b) Audit Results

Deloitte conducts the audit of the annual Peel Housing Corporation financial statements.

The 2020 Auditor's Report reflects Deloitte's opinion that the financial statements present fairly, in all material respects, the financial position of the Peel Housing Corporation as at December 31, 2020, and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The 2020 Auditor's Report and Peel Housing Corporation financial statements were presented to the Peel Housing Corporation Board on May 5, 2021 and have been approved.

## CONCLUSION

The 2020 financial statements for Peel Housing Corporation are presented for the Audit and Risk Committee's review.

## APPENDICES

Appendix I - 2020 Peel Housing Corporation Financial Statements

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*For further information regarding this report, please contact Stephanie Nagel, Director, Corporate Finance and Treasurer, Ext. 7105, [stephanie.nagel@peelregion.ca](mailto:stephanie.nagel@peelregion.ca).*

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***Reviewed and/or approved in workflow by:***

Department Commissioner, General Manager of Peel Housing Corporation and Legal Services.