
For Information

REPORT TITLE: 2021 Peel Housing Corporation Financial Statements

FROM: Gary Kent, CPA, CGA, ICD.D, Chief Financial Officer and Commissioner of Corporate Services

OBJECTIVE

To present the 2021 Peel Housing Corporation unaudited financial statements.

REPORT HIGHLIGHTS

- The 2021 Peel Housing Corporation financial statements reflect the financial position, financial operations, and cash flows of Peel Housing Corporation.
 - The 2021 financial statements have been prepared in accordance with Canadian public sector accounting standards.
 - There are no uncorrected or corrected misstatements identified during the 2021 audit.
 - The 2021 Peel Housing Corporation financial statements have been reviewed and approved by the Peel Housing Corporation Board on May 4, 2022.
 - Deloitte has completed the annual audit of the financial statements and is expected to issue an unmodified audit opinion on May 19, 2022.
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DISCUSSION

1. Background

The 2021 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 2021 Peel Housing Corporation Financial Statements

The 2021 Peel Housing Corporation financial statements have been provided in Appendix I.

The tables below present highlights from the 2021 financial statements, along with comments on the major variances.

2021 Peel Housing Corporation Financial Statements

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

	2021 Actuals	2020 Actuals	Favourable/ (Unfavourable)
Financial Assets (A)	103,279,458	57,183,505	46,095,953
Liabilities (B)	232,322,338	190,891,289	(41,431,049)
Net Debt C = (A-B)	(129,042,880)	(133,707,784)	4,664,904
Non-Financial Assets (D)	378,150,440	389,276,947	(11,126,507)
Accumulated Surplus (C+D)	249,107,560	255,569,163	6,461,603

Financial assets include cash and assets that can be quickly converted to cash. The \$46.1 million increase relates to a \$31.8M increase in cash (unrestricted investments) related to the CMHC loan (development of 360 City Centre Drive). Furthermore, receivables increased by \$9.5M and restricted investments (includes restricted reserves) increased \$4.7M.

Liabilities represent obligations that require future payment or services. The \$41.4 million increase is attributable to the CMHC loan including the components of the loan which are forgivable.

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 \$11.1 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)

	2021 Actuals	2020 Actuals	Favourable/ (Unfavourable)
Total Revenues	105,132,509	106,080,859	(948,350)
Total Expenses	112,617,471	102,228,816	(10,388,655)
Annual Surplus	(7,484,962)	3,852,043	(11,337,005)

2021 Peel Housing Corporation Financial Statements

Total Revenues represents the money received or revenues earned during the year. The \$0.9 million decrease relates to the rental rate freeze enacted in 2021.

Total Expenses represents the money spent or costs incurred during the year. The \$10.4 million increase during the year is attributable to increased building repairs, coupled with increased expenditures to address state of good repair capital work.

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 2021 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, 2021, 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 Peel Housing Corporation financial statements were presented to the Peel Housing Corporation Board on May 4, 2022 and have been approved.

CONCLUSION

The 2021 financial statements for Peel Housing Corporation are presented for the Audit and Risk Committee's review.

APPENDICES

Appendix I - 2021 Peel Housing Corporation Financial Statements

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