

**PEEL HOUSING CORPORATION**

**BOARD OF DIRECTORS**

**AGENDA**

**PHC – 3/2018**

**DATE:** Thursday, May 3, 2018

**TIME:** 8:30 AM – 10:30 AM

**LOCATION:** Regional Council Chamber, 5<sup>th</sup> Floor  
Regional Administrative Headquarters  
10 Peel Centre Drive, Suite A  
Brampton, Ontario

**MEMBERS:** F. Dale                      G. Miles  
C. Fonseca                      E. Moore  
M. Mahoney                      B. Shaughnessy

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*Chaired by President Miles or Vice-President Shaughnessy.*

- 1.        DECLARATIONS OF CONFLICTS OF INTEREST**
  
- 2.        ADMINISTRATIVE MATTERS**
  
- 3.        APPROVAL OF MINUTES**
  - 3.1.       Minutes of the Board of Directors (PHC-2/2018) meeting held on March 1, 2018
  
- 4.        APPROVAL OF AGENDA**
  
- 5.        DELEGATIONS**
  
- 6.        REPORTS**
  - 6.1.       Proposed Transfer of a Permanent Easement for a New Watermain to the Regional Municipality of Peel, Located at 30 Hansen Road, City of Mississauga
  - 6.2.       Procurement Activity Semi-Annual Report July 1 to December 31, 2017 (For information)

6.3. 2017 Peel Housing Corporation Financial Statements (Unaudited)

6.4. Year End Financial Report - December 31, 2017 (For information)

7. **COMMUNICATIONS**

8. **GENERAL MANAGER'S UPDATE**

9. **IN CAMERA MATTERS**

10. **OTHER BUSINESS**

11. **NEXT MEETING**

To be determined.

12. **ADJOURNMENT**

**PEEL HOUSING CORPORATION**

**BOARD OF DIRECTORS**

**MINUTES**

**PHC-1/2018**

The Board of Directors of Peel Housing Corporation met on March 1, 2018 at 8:34 AM, in the Council Chamber, Regional Administrative Headquarters, 5<sup>th</sup> Floor, 10 Peel Centre Drive, Suite A, Brampton.

**Directors Present:** F. Dale; C. Fonseca; M. Mahoney; G. Miles; E. Moore; B. Shaughnessy

**Directors Absent:** Nil

**Also Present:** D. Szwarc, Chief Administrative Officer, Region of Peel; J. Sheehy, Commissioner of Human Services; N. Polsinelli, Commissioner of Health Services; D. Labrecque, General Manager; S. Nagel, Treasurer, J. Arcella, Deputy Treasurer; L. Loh, Associate Medical Officer of Health; A. Macintyre, Corporate Secretary; C. Thomson, Deputy Corporate Secretary; S. MacGregor, Legislative Assistant

*Chaired by President Miles.*

1. **DECLARATIONS OF CONFLICTS OF INTEREST – Nil**
2. **ADMINISTRATIVE MATTERS – Nil**
3. **APPROVAL OF MINUTES**
- 3.1. **Minutes of the Board of Directors (PHC-1/2018) meeting held on February 1, 2018**

Moved by Director Shaughnessy,  
Seconded by Director Moore;

That the minutes of the Peel Housing Corporation (PHC-1/2018) Board of Directors meeting held on February 1, 2018, be adopted.

Carried 2018-09

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\* See text for arrivals

◆ See text for departures

**4. APPROVAL OF AGENDA**

Moved by Director Dale,  
Seconded by Director Fonseca;

That the delegation listed as item 5.1 on the agenda for the March 1, 2018 Peel Housing Corporation Board of Directors meeting be withdrawn;

And further, that the agenda for the March 1, 2018, Peel Housing Corporation Board of Directors meeting, be approved, as amended.

Carried 2018-10

**5. DELEGATIONS**

**5.1. Patricia Lawrence, Judy Bennett and Ellaine Hirst, Residents, Regarding Jane Street, Riverview Terrace and Stationview Place Seniors Buildings**

This item was withdrawn under Resolution 2018-10

**6. REPORTS**

**6.1. Summary of 2017 Peel Living Tenant Survey**

Presentation by Dan Labrecque, General Manager, Peel Living

Received 2018-11

Dan Labrecque, General Manager, Peel Living, presented highlights from the 2017 Peel Living Tenant Survey, noting that detailed results could be shared with Directors, upon request.

In response to a question from Director Moore, the General Manager stated that conducting surveys for each Peel Living building would be costly; however, smaller surveys for targeted buildings could be considered.

Director Fonseca noted that some of the feedback related to building cleanliness could be addressed and standardized across the Peel Living portfolio which may result in a positive shift in survey results.

The General Manager responded that the survey provides staff with an understanding of resident concerns and that there may be opportunities through the 2019 Budget for investments in buildings aesthetics, such as fresh paint.

**6.2. Peel Housing Corporation – Tenant Annual Review**

Presentation by Bruno Colavecchia, Manager, Housing Operations and Tenancy Management and Anthony Montenegro, Manager, Program Funding Support

Received 2018-12

Bruno Colavecchia, Manager, Housing Operations and Tenancy Management and Anthony Montenegro, Manager, Program Funding Support, provided a summary of legislative requirements regarding Tenant Annual Reviews (TARS) and issues and challenges related to TARS administration. They reviewed actions that were taken related to process improvements and the biennial TAR initiative and outlined planned future initiatives.

**6.3. Peel Housing Corporation – Tenant Receivable**

Mary Jo MacCrae, Manager, Housing Operations and Tenancy Management and Jesvy Paratholil, Manager, Program Assurance and Compliance

Received 2018-13

Mary Jo MacCrae, Manager, Housing Operations and Tenancy Management and Jesvy Paratholil, Manager, Program Assurance and Compliance, provided an overview of tenant responsibilities, noting that approximately 11 per cent of Peel Housing Corporation (PHC) tenants are in arrears. They reviewed PHC's responsibilities with respect to the collection process, highlighting that PHC understands the importance of balancing the role of a landlord while responding to the needs of tenants in social housing. The presentation included data related to write-offs/legal fees/evictions, rent arrears by amount, rent arrears by age and applications to the Landlord Tenant Board.

In response to questions from Director Moore, Mary Jo MacCrae undertook to provide her with a breakdown of arrears between rent-geared-to-income and market rent tenants and confirmed that Service Peel locations now accept cash payments for rent.

In response to a question from Councillor Mahoney, Mary Jo MacCrae explained the process that is followed with tenants in arrears. The Commissioner of Human Services stated that by the time a tenant is evicted, numerous attempts to help save the tenancy have been made by PHC staff and Region of Peel staff.

**6.4. Twin Pines Redevelopment Update**

Moved by Director Mahoney,  
Seconded by Director Shaughnessy;

That the Twin Pines Redevelopment procurement plan as described in the report of the General Manager, titled "Twin Pines Redevelopment Update" be approved;

And further, that the General Manager and/or Treasurer of the Peel Housing Corporation be authorized to execute a Memorandum of Understanding for the Twin Pines Redevelopment Project with the Region of Peel defining the terms and conditions of the financial support the Region of Peel would provide to Peel Housing Corporation for the project, subject to the receipt of the applicable approvals from the Region of Peel of the terms of the Memorandum of Understanding;

And further, that staff report back to the Board and Regional Council at the conclusion of the procurement process to seek the necessary approvals to award the resulting partnership agreement, deal structure and request budget approvals.

Carried 2018-14

**6.5. Smoke-Free Living Initiative**

Presentation by Dr. Lawrence Loh, Associate Medical Officer of Health

Received 2018-15

See also Resolutions 2018-16

Moved by Director Shaughnessy,  
Seconded by Director Fonseca;

That the Smoke Free Living Policy attached as Appendix I to the report of the Commissioner of Health Services, General Manager of Peel Living and the Medical Officer of Health titled "Smoke-Free Living Initiative" which transitions Peel Living owned and/or managed multi-unit housing (MUH) properties (i.e., apartment buildings and townhouses) to smoke-free environments, be approved.

Carried 2018-16

See also Resolutions 2018-15

Dr. Lawrence Loh, Associate Medical Officer of Health, presented the findings of the Peel Living Smoking and Tobacco Survey and the proposed smoke-free policy that will prohibit the smoking or holding of lit/heated tobacco and cannabis products, with exemptions to be considered on a case-by-case basis. He reviewed policy options that were considered, the consultation process that was undertaken, and applicable rights, laws and legal issues.

Dr. Loh advised that smoke-free living would be achieved using a phased-in approach, with new tenants signing lease agreements that contain a no-smoking clause and existing tenants becoming grandfathered in accordance with the *Residential Tenancies Act*. Dr. Loh noted that a similar report will be presented to Regional Council for endorsement to include all other Regionally owned properties.

In response to a question from Director Moore, Dr. Loh advised that designated smoking areas are logistically challenging to implement.

Director Dale inquired as to how the policy would be enforced in buildings where only some units are owned by PHC. The General Manager stated that enforcement of leases is the responsibility of PHC, as the landlord of those units.

Director Moore suggested that existing tenants be given ample notice that their unit would become smoke free by a specific date.

Dr. Loh undertook to raise the suggestion from Director Moore with the Steering Committee that was formed to explore the development of a smoke-free policy.

**7. COMMUNICATIONS – Nil**

**8. GENERAL MANAGER'S UPDATE**

Received 2018-17

Dan Labrecque, General Manager, Peel Living, provided an update on the Over-housed Initiative, Pest Management Pilot, and Clean Building Focus. He noted that a development team has been integrated with Peel Housing Corporation to facilitate work in progress during the interim period while Regional Council addresses the Peel Housing and Homelessness Plan and PHC governance. The General Manager identified 11 contracts that will be subject to re-tendering and provided a timeline of upcoming reports to the Board of Directors.

**9. IN CAMERA MATTERS - Nil**

**10. OTHER BUSINESS**

Director Miles recognized Peel Housing Corporation staff for the informative presentations provided at the March 1, 2018 meeting.

**11. NEXT MEETING**

Thursday, April 5, 2018, 8:30 a.m. – 10:30 a.m.  
Regional Council Chambers, 5th Floor  
Regional Administrative Headquarters  
10 Peel Centre Drive, Suite A  
Brampton, Ontario

**12. ADJOURNMENT**

The meeting adjourned at 10:27 a.m.

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President

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Secretary







**REPORT**  
**Meeting Date: 2018-05-03**  
**Peel Housing Corporation**

DATE: March 20, 2018

REPORT TITLE: **PROPOSED TRANSFER OF A PERMANENT EASEMENT FOR A NEW WATERMAIN TO THE REGIONAL MUNICIPALITY OF PEEL, LOCATED AT 30 HANSEN ROAD, CITY OF MISSISSAUGA**

FROM: Dan Labrecque, General Manager, Peel Living

## RECOMMENDATION

**That the Peel Housing Corporations Board of Directors authorize the execution of an Agreement of Purchase and Sale between Peel Housing Corporation and the Regional Municipality of Peel for the transfer of a permanent easement interest in land for the purposes of a new watermain, described as Part of Lot 16, Concession 1 North of Dundas Street, City of Mississauga, Regional Municipality of Peel, and designated as Part 1 on draft reference plan 17-30-195-00 prepared by J. D. Barnes Limited;**

**And further, that the permanent easement interest be declared surplus to the needs of Peel Housing Corporation, as vendor, and sold to the Regional Municipality of Peel, as purchaser, the permanent easement interest in the lands, described as Part of Lot 16, Concession 1 North of Dundas Street, City of Mississauga, Regional Municipality of Peel, and designated as Part 1 on draft reference plan 17-30-195-00 prepared by J. D. Barnes Limited.**

### REPORT HIGHLIGHTS

- Board approval is required to declare the permanent easement interest as surplus and sell the permanent easement interest to the Regional Municipality of Peel, as per the Agreement of Purchase and Sale.
- A permanent easement interest is required by the Regional Municipality of Peel to allow the Region to construct a new 300 mm watermain on the lands owned by Peel Housing Corporation.

## DISCUSSION

### 1. Background

Peel Housing Corporation is the registered owner of the property at 30 Hanson Road (Bella Vista Place), being located along the east side of Hanson Road and the west side of Hurontario Street (Highway 10), south of Fairview Road West, in Mississauga. The Regional Municipality of Peel is seeking to acquire a permanent easement interest to secure and protect a new watermain to be constructed as part of Capital Project #16-1310.

**6.1-2**  
**PROPOSED TRANSFER OF EASEMENT AGREEMENT OF PEEL HOUSING CORPORATION LAND, LOCATED AT 30 HANSON ROAD, CITY OF MISSISSAUGA**

**Permanent Easement Interest**

The permanent easement interest consists of an 8.72 metre x 122.91 metre linear strip of land comprising approximately 0.264 acres or 11,504 square feet (1,068.8 square metres) extending along the south interior side limit of the property from Hanson Road in the west to Hurontario Street (Highway 10) in the east, as shown on the attached Appendix I.

**Impact**

The existing building involves a 13-storey residential apartment structure, with the current zoning regulations requiring a minimum interior side yard setback of 9.0 metres for a dwelling having a height greater than 26.0 metres. As a result, the permanent easement interest lands are located entirely within the minimum setback requirements, and therefore, are not considered to have any material impact to the property or its future development potential. No driveways or pathways are affected, and the pedestrian sidewalk can remain. Installation of the watermain will be by trenchless construction, so it is unlikely any trees will be removed or damaged.

While the easement will have little impact on the corporation's operations at this site, the easement will contribute in a positive manner to the Region's overall water service delivery outcomes for the surrounding residential community.

**Purchase Price**

An internal valuation, conducted by the Region's Real Estate team, estimates the market value of the permanent easement lands at \$3,000,000 per acre, with the purchase price calculated as follows:

$$0.264 \text{ acres} \quad \times \quad \$3,000,000 \text{ per acre} \quad \times 10\% = \quad \$79,200$$

The permanent easement interest has been apportioned a value of 10% of the market value of the lands due to the minimal reduction in value to PHC's property.

**Financial and Risk Implications**

The net proceeds of \$79,200 from the sale of the permanent easement interest will be payable to Peel Housing Corporation, and any additional costs associated with this transfer will be covered by the Region of Peel as reflected in the Agreement of Purchase and Sale.

These funds were not anticipated in the establishment of the 2018 Budget process and as such, their disposition will be provided for as part of the normal year-end financial reporting process.

**6.1-3**  
**PROPOSED TRANSFER OF EASEMENT AGREEMENT OF PEEL HOUSING  
CORPORATION LAND, LOCATED AT 30 HANSON ROAD, CITY OF MISSISSAUGA**

Based on the overall project plan, there is little risk to the organization in adopting these recommendations.



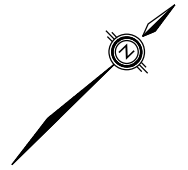
Dan Labrecque, General Manager, Peel Living

**APPENDICES**

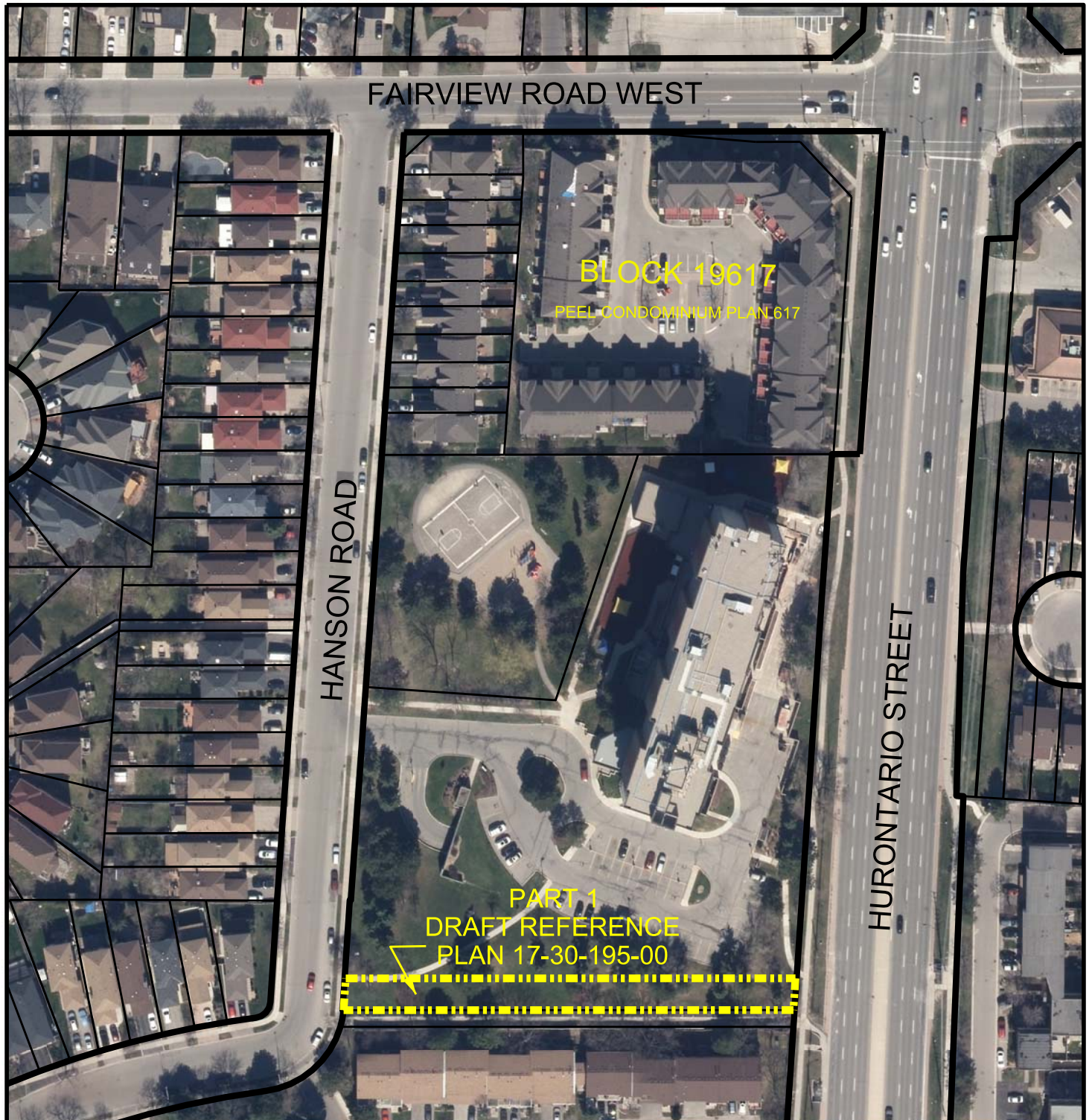
Appendix I – Property Sketch

*For further information regarding this report, please contact Steven Oldford, Senior Capital Acquisition Agent Ext. 7638, [steven.oldford@peelregion.ca](mailto:steven.oldford@peelregion.ca).*

*Authored By: Steven Oldford*



**PROPOSED TRANSFER OF EASEMENT AGREEMENT  
OF PEEL HOUSING CORPORATION LAND,  
LOCATED AT 30 HANSON ROAD, MISSISSAUGA,  
TO THE REGIONAL MUNICIPALITY OF PEEL,  
FOR A NEW WATERMAIN**





**REPORT**  
**Meeting Date: 2018-05-03**  
**Peel Housing Corporation**

**For Information**

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DATE: March 22, 2018

REPORT TITLE: **PROCUREMENT ACTIVITY SEMI-ANNUAL REPORT JULY 1 TO DECEMBER 31, 2017**

FROM: Dan Labrecque, General Manager, Peel Living  
Stephanie Nagel, Treasurer, Peel Living

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## OBJECTIVE

To provide details of procurement activity as required by the Region of Peel's Purchasing By-law 113-2013 for the period July 1 to December 31, 2017.

### REPORT HIGHLIGHTS

- The Region of Peel's Purchasing By-law 113-2013 delegates staff to manage the procurement process and to report these activities to the Peel Housing Corporation (PHC) Board on a regular basis to maintain trust and transparency.
- PHC awarded six new contracts greater than \$100,000 with a total value of \$3,649,240.10 for the period July 1 to December 31, 2017 using competitive processes.
- This report provides a summary of PHC's procurement activity for the period July 1 to December 31, 2017.

## DISCUSSION

### 1. Background

The PHC Board of Directors has previously adopted the Region of Peel's Purchasing By-law as the mechanism for governing procurements by the Corporation.

In accordance with the Region of Peel's Purchasing By-law 113-2013, the Director of Procurement is providing the semi-annual report to the Peel Housing Corporation (PHC) Board summarizing the Corporation's procurement activity for the following procurements, as follows:

- Contract awards
- Emergency purchases
- Awards during Board recesses
- Non-compliance with the Purchasing By-law
- Unforeseen circumstances
- Final contract payments related to the original purchase contract.

**6.2-2**

**PROCUREMENT ACTIVITY SEMI-ANNUAL REPORT JULY 1 TO DECEMBER 31, 2017**

Definitions explaining the above noted items are referenced in Appendix I to the subject report.

**2. Procurement Activity**

This section includes information on all awarded contracts that are greater than \$100,000, emergency purchases and non-compliant purchases. It also includes amendments made to existing contracts that were a result of unforeseen circumstances or were required for final payment purposes.

A detailed listing of all procurement activity mentioned above is referenced in Appendix II to the subject report.

The table below provides a summary of the procurement activity for the period July 1 to December 31, 2017 (contract renewal activity excluded).

<b>Procurement Activity</b>	<b>Total Value of Awarded Contracts</b>
Competitive contracts	\$3,649,240.10
Direct Negotiation contracts	No Activity
Contracts awarded during Board recess	No Activity
Emergency purchases	\$23,827.96
Non-compliant purchases	No activity
Unforeseen circumstances	\$923,650.00
Final contract payments	No Activity
<b>TOTAL</b>	<b>\$4,596,718.06</b>


**PROCUREMENT ACTIVITY SEMI-ANNUAL REPORT JULY 1 TO DECEMBER 31, 2017**

**CONCLUSION**

To maintain trust, confidence and transparency in the stewardship of public funds used by PHC, this report is being submitted to provide a summary of PHC's procurement activity for the period July 1 to December 31, 2017 in accordance with the reporting requirements set out in the Purchasing By-law 113-2013.



Dan Labrecque, General Manager, Peel Living



Stephanie Nagel, Treasurer, Peel Living

**Approved for Submission:**

**APPENDICES**

1. Appendix I - Definitions
2. Appendix II - Awarded Contracts

*For further information regarding this report, please contact Patricia Caza, Director Procurement, extension 4742, [patricia.caza@peelregion.ca](mailto:patricia.caza@peelregion.ca).*

## APPENDIX I

## PROCUREMENT ACTIVITY SEMI-ANNUAL REPORT JULY 1 TO DECEMBER 31, 2017

**Procurement Activity Report – Definitions**

**Competitive contracts greater than \$100,000:** These are contracts awarded to vendors as a result of a competitive process.

**Council recess purchases:** The Document Execution By-law delegates authority to the Chief Financial Officer (CFO) to award contracts that are deemed to be reasonably required to carry on the business of the Regional Corporation on behalf of Council when there is no regular meeting of Regional Council scheduled during a period of time that is more than 21 days after the date of the previously scheduled regular Council meeting.

**Direct Negotiation contracts greater than \$100,000:** These are contracts awarded to vendors as a result of a non-competitive process. It refers to the negotiation of an agreement for the purchase of goods and services where there is no open competition among or between vendors. The conditions that allow for direct negotiation are outlined in Part V Purchasing Authorities and Purchasing Methods of the Purchasing By-law.

**Disposal proceeds:** These are proceeds received from the sale, exchange, transfer or gift of goods owned by the Region which are surplus to its needs.

**Emergency purchases:** These are contracts awarded to vendors in the event of an emergency. “Emergency” means a situation or impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident, or an act whether intentional or otherwise.

**Final contract payments:** These are amendments made to contracts to facilitate final payment to a vendor for additional work required in order to complete the contract. The final payment for the work exceeds the approved contract amount including the allowable amendment value in accordance with the Purchasing By-law. The Purchasing By-law delegates authority to the Director of Procurement to approve these final contract payments which manages payment delays to vendors on the condition that Council is provided full disclosure on all final contract payments.

**Non-compliant purchases:** These are purchases made when a department has engaged a vendor to deliver goods or services without following the procurement processes required by the Purchasing By-law.

**Unforeseen circumstances:** These are amendments made to contracts to facilitate nominal payments for unforeseen work. For example, a contractor must remedy an unknown pre-existing site condition in order to complete the contract. The Purchasing By-law delegates authority to the Director of Procurement to approve these amendments on the condition that Council is provided full disclosure on all increases resulting from unforeseen circumstances.

**Vendor of Record:** Vendor of Record (VOR) means a procurement arrangement, typically established through a competitive procurement process, that authorizes one or more qualified vendors to provide goods and/or services for a defined period with particular terms and conditions, which may include pricing, as set out in the VOR agreement. It is used for frequent purchases of a good or service and can help improve procurement efficiency by eliminating duplication of effort for similar goods or services. The Region may from time to time elect to establish a Vendor(s) of Record for the procurement of specific goods or services, and will do so in accordance with the requirements set out in Purchasing Policy.



**APPENDIX II**  
**PROCUREMENT ACTIVITY SEMI-ANNUAL REPORT JULY 1 TO DECEMBER 31, 2017**

**6.2-5**

**Awarded Contracts**

<b>AWARDED CONTRACTS BID COMPETITIVELY &gt; \$100,000 - APPROVED BY BOARD</b>				
<b>Item</b>	<b>Document</b>	<b>Description</b>	<b>Vendor</b>	<b>Award Amount</b>
1	2016-209P	Twin Pines Redevelopment Project	KPMG LLP	\$2,028,948.95
<b>TOTAL</b>				<b>\$2,028,948.95</b>
<b>AWARDED CONTRACTS BID COMPETITIVELY &gt; \$100,000 - APPROVED BY DELEGATED AUTHORITY</b>				
<b>Item</b>	<b>Document</b>	<b>Description</b>	<b>Vendor</b>	<b>Award Amount</b>
1	2017-131T	Underground Parking Garage Repairs and Associated Works, Chelsea Gardens, City of Brampton, Project F20-1297	Maxim Group General Contracting	\$864,085.00
2	2017-284Q	Engineering Services for the Existing Fuel Oil Systems Compliance at Various Peel Living Sites within the Region of Peel	McGregor-Allsop Ltd	\$109,075.75
3	2017-319T	Catch Basin, Sump Pump Pits and Trench Drain Cleaning Services at Various Peel Living Locations	Vic's Group Inc	\$109,660.00
4	2017-374T	Appliance Repairs And Services At Various Peel Living Locations	High-Tech Appliance Service Corp	\$102,550.00
5	2017-430T	Elevator Maintenance Services for Various Peel Living Locations	Delta Elevator Co Ltd	\$434,920.40
<b>TOTAL</b>				<b>\$1,620,291.15</b>
<b>OTHER - UNFORESEEN CIRCUMSTANCES</b>				
<b>Item</b>	<b>Document</b>	<b>Description</b>	<b>Vendor</b>	<b>Award Amount</b>
1	2016-266T	Building Envelope Remediation at Colonial Terrace	Trinity Services Ltd	\$690,525.00
2	2017-132T	Balconies Remediation at Fairview Place, City of Mississauga, Project 17PL10	Namfar Construction	\$233,125.00
<b>TOTAL</b>				<b>\$923,650.00</b>
<b>OTHER - EMERGENCY PURCHASES</b>				
<b>Item</b>	<b>Document</b>	<b>Description</b>	<b>Vendor</b>	<b>Award Amount</b>
1	2017-617N	Emergency Watermain Break Investigation and Repair at 31 Fair Oaks Place, Brampton	Vic's Plumbing & Heating Company	\$23,827.96
<b>TOTAL</b>				<b>\$23,827.96</b>



**REPORT**  
**Meeting Date: 2018-05-03**  
**Peel Housing Corporation**

DATE: March 28, 2018

REPORT TITLE: **2017 PEEL HOUSING CORPORATION FINANCIAL STATEMENTS (UNAUDITED)**

FROM: Dan Labrecque, General Manager, Peel Living  
 Stephanie Nagel, Treasurer, Peel Living

### RECOMMENDATION

**That the 2017 Peel Housing Corporation (operating as Peel Living) unaudited financial statements be approved.**

#### REPORT HIGHLIGHTS

- Peel Living's 2017 financial statements have been audited by Deloitte.
- Deloitte will issue their Auditor's Report once the statements are approved by the Peel Housing Corporation Board of Directors.
- The financial statements are prepared in accordance with the Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.
- There are no unadjusted audit differences arising from the 2017 external audit.

### DISCUSSION

The 2017 Financial statements consisting of the Statement of Financial Position; Statement of Operations; Statement of Remeasurement Gains and Losses; Statement of Change in Net Debt; and Statement of Cash Flows, along with the notes are attached to this report as Appendix I.

These statements reflect the financial activities of Peel Housing Corporation and are the representation of management. The statements have been prepared by Regional staff in accordance with the Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. There are no unrecorded audit differences arising from the 2017 external audit.

Deloitte has completed their audit of the statements and their Audit Results report was presented at the April 19, 2018 joint Region of Peel/Peel Housing Corporation Audit and Risk Committee. The Audit Results report notes that there are no audit differences. That report also contains the Management Letter and this has been attached as Appendix II to this report. As noted in the appendix, there are no comments or recommendations to management regarding internal controls for Peel Living.

**2017 PEEL HOUSING CORPORATION FINANCIAL STATEMENTS (UNAUDITED)**


As per auditing standards, the Board must formally approve the financial statements before Deloitte can release the Auditor's report. No changes are anticipated to the attached unaudited financial statements before formal Board approval.

**CONCLUSION**

The 2017 financial statements for Peel Housing Corporation are presented for the Peel Housing Corporation Board's approval.



Dan Labrecque, General Manager, Peel Living



Stephanie Nagel, Treasurer, Peel Living

**APPENDICES**

Appendix I – 2017 Peel Housing Corporation Financial Statements (unaudited)  
Appendix II - Deloitte Management Letter

*For further information regarding this report, please contact Stephanie Nagel at 905 791 7800 ext. 7105 or via email at [stephanie.nagel@peelregion.ca](mailto:stephanie.nagel@peelregion.ca).*

*Authored By: Monique Hynes*

Financial statements of

# **Peel Housing Corporation**

December 31, 2017

Financial statements of

## **Peel Housing Corporation**

December 31, 2017

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## Independent Auditor's Report

To the Board of Directors of  
Peel Housing Corporation

We have audited the accompanying financial statements of Peel Housing Corporation, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, remeasurement gains and losses, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 2017 PEEL HOUSING CORPORATION FINANCIAL STATEMENTS (UNAUDITED)

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Peel Housing Corporation as at December 31, 2017, and the results of its operations, change in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants  
Licensed Public Accountants  
\_\_\_\_\_, 2018

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# Peel Housing Corporation

## Statement of Financial Position

As at December 31, 2017

	2017	2016
<b>Financial assets</b>		
Investments, unrestricted (Note 3)	\$ 13,893,267	\$ 13,927,713
Accounts receivable (Note 4)	4,805,025	2,776,262
Investments, restricted (Note 3)	15,994,633	14,713,200
	<b>34,692,925</b>	<b>31,417,175</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	11,470,308	8,695,488
Rental deposits	4,289,859	4,246,159
Post-employment liabilities (Note 8)	109,199	108,937
Mortgages payable on income producing properties (Note 9)	173,721,143	195,891,103
Long term debt (Note 10)	34,507,776	34,991,445
	<b>224,098,285</b>	<b>243,933,132</b>
<b>Net debt</b>	<b>(189,405,360)</b>	<b>(212,515,957)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 5)	419,571,419	429,021,985
Prepaid expenses	1,160,871	1,166,354
	<b>\$ 420,732,290</b>	<b>\$ 430,188,339</b>
<b>Accumulated surplus (Note 12)</b>	<b>\$ 231,326,930</b>	<b>\$ 217,672,382</b>
Accumulated surplus comprising:		
Accumulated operating surplus	\$ 229,911,668	\$ 216,774,598
Accumulated remeasurement gains	1,415,262	897,784
	<b>\$ 231,326,930</b>	<b>\$ 217,672,382</b>

The accompanying notes are an integral part of these financial statements.



# Peel Housing Corporation

## Statement of Operations

For the year ended December 31, 2017

	2017 Budget (Note 18)	2017 Actual	2016 Actual
<b>Revenues</b>			
Rental income	\$ 59,338,373	\$ 59,860,712	\$ 58,807,711
Non-rental income	4,646,032	5,398,475	5,464,565
Interest income from operations	547,624	499,644	548,152
Government grants	41,705,281	38,197,368	33,176,322
Investment Income	262,838	262,838	322,817
Contributed capital (Note 11)	23,750	23,750	23,750
<b>Total revenues</b>	<b>106,523,898</b>	<b>104,242,787</b>	<b>98,343,317</b>
<b>Expenses (Notes 14 and 19)</b>			
Social housing	94,385,989	91,105,717	86,929,642
<b>Total expenses</b>	<b>94,385,989</b>	<b>91,105,717</b>	<b>86,929,642</b>
Annual operating surplus	12,137,909	13,137,070	11,413,675
Accumulated operating surplus, beginning of year	216,774,598	216,774,598	205,360,923
<b>Accumulated operating surplus, end of year</b>	<b>\$ 228,912,507</b>	<b>\$ 229,911,668</b>	<b>\$ 216,774,598</b>

The accompanying notes are an integral part of these financial statements.

## Peel Housing Corporation

### Statement of Remeasurement Gains and Losses

For the year ended December 31, 2017

	2017	2016
Accumulated remeasurement gain, beginning of year	\$ 897,784	\$ 421,609
Unrealized gain attributable to:		
Investments	517,478	476,175
Remeasurement gain for the year	517,478	476,175
Accumulated remeasurement gain, end of year	\$ 1,415,262	\$ 897,784

The accompanying notes are an integral part of these financial statements.

## Peel Housing Corporation

### Statement of Change in Net Debt

For the year ended December 31, 2017

	2017 Budget (Note 18)	2017 Actual	2016 Actual
<b>Annual operating surplus</b>	\$ 12,137,909	\$ 13,137,070	\$ 11,413,675
Acquisition of tangible capital assets	-	(1,626,395)	(816,804)
Amortization of tangible capital assets	11,076,961	11,076,961	10,913,227
	23,214,870	22,587,636	21,510,098
Acquisition of prepaid expenses	-	(1,433,081)	(1,338,077)
Use of prepaid expenses	-	1,438,564	1,392,683
	\$ -	\$ 5,483	\$ 54,606
Net remeasurement gains	-	517,478	476,175
	23,214,870	23,110,597	22,040,879
Net debt, beginning of year	(212,515,957)	(212,515,957)	(234,556,836)
<b>Net debt, end of year</b>	\$ (189,301,087)	\$ (189,405,360)	\$ (212,515,957)

The accompanying notes are an integral part of these financial statements.

# Peel Housing Corporation

## Statement of Cash Flows

As at December 31, 2017

	2017	2016
<b>Operating activities</b>		
Annual operating surplus	\$ 13,137,070	\$ 11,413,675
Items not involving cash		
Amortization of tangible capital assets	11,076,961	10,913,227
Change in post-employment liabilities	262	470
Net remeasurement gains for the year	517,478	476,175
Change in non-cash assets and liabilities		
Accounts receivable	(2,028,763)	(545,546)
Accounts payable and accrued liabilities	2,774,820	1,478,298
Rental deposits	43,700	157,076
Prepaid expenses	5,483	54,606
Net change in cash from operating activities	25,527,011	23,947,981
<b>Capital activity</b>		
Acquisition of tangible capital assets	(1,626,395)	(816,804)
Net change in cash from capital activity	(1,626,395)	(816,804)
<b>Investing activities</b>		
Decrease (increase) in unrestricted investments	34,446	(266,687)
(Increase) in restricted investments	(1,281,433)	(145,742)
Net change in cash from investing activities	(1,246,987)	(412,429)
<b>Financing activities</b>		
Proceeds from Peel Region loan	4,175,772	1,353,767
Repayment of long-term debt	(4,659,441)	(1,023,750)
Repayment of mortgages payable	(22,169,960)	(23,048,765)
Net change in cash from financing activities	(22,653,629)	(22,718,748)
Net change in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -
Cash paid for interest	\$ 6,898,510	\$ 8,107,678
Cash received from interest	651,569	787,027

The accompanying notes are an integral part of these financial statements.

# Peel Housing Corporation

## Notes to the Financial Statements

For the year ended December 31, 2017

### 1. Introduction

Peel Housing Corporation (the "Corporation") was incorporated under the Ontario Business Corporations Act in 2003. The Corporation has issued 100 common shares which are owned entirely by the Regional Municipality of Peel (the "Region"). The Corporation was formed as a result of the amalgamation effective January 1, 2003 of Peel Non Profit Housing Corporation with Peel Regional Housing Corporation. The Corporation is a not-for-profit organization that provides and operates housing accommodation for people with low and modest income in the Region of Peel.

Effective October 1, 2001, the Region assumed from the Province of Ontario (the "Province") responsibility as Service Manager for social housing located in the Region of Peel. Effective January 1, 2012, the Corporation manages and operates its social housing units under the provisions of *Housing Services Act* ("HSA") and related regulations.

As of October 6, 2016, the Board of Directors consist of six members of Council including the Regional Chair.

### 2. Accounting Policies

The financial statements of the Corporation are the representation of management and are prepared in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada").

The focus of PSAB financial statements is on the financial position of the Corporation and the changes thereto. The statement of financial position reports the financial assets and liabilities, and the non-financial assets of the Corporation. Financial assets are those assets that could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the Corporation's overall future revenue requirements and its ability to finance activities and meet its obligations.

#### a) Basis of Accounting

##### *i. Accrual Method of Accounting*

The Corporation follows the accrual method of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are the cost of goods or services acquired in the period, whether or not payment has been made or invoices received.

##### *ii. Recognition of Rental Income*

Rental income relates to rent revenue earned on the lease of the Corporation's social housing units. Revenue is recognized as earned over the term of the lease.

##### *iii. Recognition of Government Grants*

Government transfers are received from the Service Manager and the Province for the provision of social housing services, building construction and other capital expenditures.

Government grants are recognized in the financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility

criteria have been met, reasonable estimates of the amounts can be made, and there are no stipulations which give rise to a liability.

iv. *Recognition and Measurement of Financial Instruments*

The Corporation accounts for its accounts receivable, investments, accounts payable and accrued liabilities, and long term debt according to PSAB's standards for accounting and reporting financial instruments. Portfolio investments held in equity instruments that are quoted in an active market are reported at fair market value in the financial statements.

The fair value of investments is determined by the combination of the fair market value of investments with Encasa Financial Inc. ("Encasa") and a pro-rated portion of the Region's investments to reflect the fact that the balance of the Corporation's investments is pooled with the Region. Only the Encasa investment is reported at market value in the financial statements. Transaction costs are expensed as incurred.

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximate respective fair values due to their relatively short-term maturity. The carrying value of long term debt and vendor mortgage approximate fair value due to the terms and conditions of the borrowing arrangements compared to current market conditions of similar items.

v. *Tangible Capital Assets*

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

<b>Assets</b>	<b>Useful life – years</b>
Buildings	20 – 100
Building improvements	8 – 100
Equipment and furnishings	3 – 80
Vehicles	10

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is in service.

vi. *Contributions of Tangible Capital Assets*

Tangible capital assets received as contributions are recorded at their fair value at the time of contribution. Revenue at an equal amount is recognized at the time of contribution.

vii. *Accounts Receivable*

The rent receivable portion of accounts receivable includes backdated rent receivables as determined in accordance with the HSA. These are established at the point of discovery.

viii. *Capitalization of Costs*

The Corporation capitalizes all development or construction related direct costs to income-producing property under construction. These costs include realty tax, project management fees, interest on construction loans and/or the interest relating to short-term bridge financing.

ix. *Reserves*

The capital replacement reserves for projects governed by the HSA, are established according to the terms of the agreements with the Service Manager. The remaining unallocated operating surpluses (including non-HSA projects) are transferred to reserves designated for capital expenditures and working funds.

The working fund reserves were established by the Board of Directors to provide for unforeseen operating and capital expenditures for which alternative financing cannot be arranged.

The energy conservation reserve was established by the Board of Directors with a view to reduce utility costs. Interest is to be paid calculated on 100 basis points above the Canada Bond Yield's rate having a term to maturity equivalent to the term the reserve is being asked to invest.

x. *Mortgages Payable on Income Producing Property*

On the interest adjustment date, construction loans payable are transferred to mortgages payable on income-producing property. The interest adjustment date represents the effective date for commencement of mortgage payments and receipt of government grants based on the original mortgage commitment obtained to finance the project. To the extent that final mortgage requirements may differ from the original mortgage commitment when final construction costs are known, mortgages payable on income-producing property are adjusted accordingly.

xi. *Liability for Contaminated Sites*

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when a site is not in productive use and the following criteria are met:

- a) an environmental standard exists,
- b) contamination exceeds the environmental standard,
- c) the Corporation is directly responsible or accepts responsibility for the liability,
- d) future economic benefits will be given up, and,
- e) a reasonable estimate of the liability can be made.

A liability is recognized as management's estimate of the cost directly attributable to remediation activities and would include post-remediation operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

xii. *Use of Estimates*

The preparation of financial statements in conformity with the Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the period. Significant estimates relate to accounts receivable, accrued liabilities and amortization. Actual amounts could differ from those estimates.

**3. Investments**

The Corporation's investments of \$2,896,596 (2016 – \$2,896,596) with Encasa had a fair market value of \$4,311,858 as at December 31, 2017 (2016 – \$3,794,380). The net accumulated unrealized gain of \$1,415,262 (2016 – \$897,784) for restricted investments is reported in the statement of re-measurement gains and losses and in the statement of financial position as an increase to restricted investments.

The balance of the Corporation's funds is with the Region for investment purposes which earn interest based on the Region's investment yield.

As at December 31, 2017, the Corporation's unrestricted investments had a fair market value of \$14,070,821 (2016 – \$14,266,401).

At December 31, 2017, the Corporation's restricted investments had a fair market value of \$16,199,043 (2016 – \$14,978,720). Rental deposits and reserve funds established by legislation or by the Board are disclosed as a restricted investment.

**4. Accounts Receivable**

Accounts receivable consists of the following:

	<b>2017</b>	<b>2016</b>
Rents	\$ 901,085	\$ 928,752
HST receivable	639,817	579,236
Other	1,592,526	938,917
Region of Peel	1,671,597	329,357
<b>Total</b>	<b>\$ 4,805,025</b>	<b>\$ 2,776,262</b>



**APPENDIX I** **6.3-16**  
**2017 PEEL HOUSING CORPORATION FINANCIAL STATEMENTS (UNAUDITED)**

**5. Tangible Capital Assets**

**2017**

<b>COST</b>	<b>Balance at December 31, 2016</b>		<b>Additions</b>		<b>Disposals</b>		<b>Balance at December 31, 2017</b>	
Land	\$	142,017,280	\$	78,600	\$	-	\$	142,095,880
Buildings and building improvements		543,340,362		-		-		543,340,362
Vehicles		21,961		-		-		21,961
Equipment and Furnishings		676,811		-		-		676,811
Construction work in progress		738,206		1,547,795		-		2,286,001
<b>Total cost</b>	<b>\$</b>	<b>686,794,620</b>	<b>\$</b>	<b>1,626,395</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>688,421,015</b>

<b>ACCUMULATED AMORTIZATION</b>	<b>Balance at December 31, 2016</b>		<b>Disposals</b>		<b>Amortization</b>		<b>Balance at December 31, 2017</b>	
Land	\$	-	\$	-	\$	-	\$	-
Buildings and building improvements		257,530,376		-		11,048,381		268,578,757
Vehicles		15,482		-		1,977		17,459
Equipment and Furnishings		226,777		-		26,603		253,380
<b>Total accumulated amortization</b>	<b>\$</b>	<b>257,772,635</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>11,076,961</b>	<b>\$</b>	<b>268,849,596</b>

<b>NET BOOK VALUE</b>	<b>Balance at December 31, 2017</b>	
Land	\$	142,095,880
Buildings and building improvements		274,761,605
Vehicles		4,502
Equipment and Furnishings		423,431
Construction work in progress		2,286,001
<b>Total net book value</b>	<b>\$</b>	<b>419,571,419</b>

**APPENDIX I** **6.3-17**  
**2017 PEEL HOUSING CORPORATION FINANCIAL STATEMENTS (UNAUDITED)**

**2016**

<b>COST</b>	<b>Balance at December 31, 2015</b>		<b>Additions</b>		<b>Disposals</b>		<b>Balance at December 31, 2016</b>	
Land	\$	141,938,681	\$	78,599	\$	-	\$	142,017,280
Buildings and building improvements		543,340,362		-		-		543,340,362
Vehicles		21,961		-		-		21,961
Equipment and Furnishings		676,811		-		-		676,811
Construction work in progress		-		738,206		-		738,206
<b>Total cost</b>	<b>\$</b>	<b>685,977,815</b>	<b>\$</b>	<b>816,805</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>686,794,620</b>

<b>ACCUMULATED AMORTIZATION</b>	<b>Balance at December 31, 2015</b>		<b>Disposals</b>		<b>Amortization</b>		<b>Balance at December 31, 2016</b>	
Land	\$	-	\$	-	\$	-	\$	-
Buildings and building improvements		246,645,728		-		10,884,648		257,530,376
Vehicles		13,506		-		1,976		15,482
Equipment and Furnishings		200,174		-		26,603		226,777
<b>Total accumulated amortization</b>	<b>\$</b>	<b>246,859,408</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>10,913,227</b>	<b>\$</b>	<b>257,772,635</b>

<b>NET BOOK VALUE</b>	<b>Balance at December 31, 2016</b>	
Land	\$	142,017,280
Buildings and building improvements		285,809,987
Vehicles		6,478
Equipment and Furnishings		450,034
Construction work in progress		738,206
<b>Total net book value</b>	<b>\$</b>	<b>429,021,985</b>

During the year, the Corporation capitalized \$111,800 (2016 – \$82,663) of interest relating to various capital projects. There were no contributed tangible capital assets during the year (2016 - \$Nil). During the year, there were no write-downs of assets (2016 – \$Nil). The Corporation has no tangible capital assets recognized at a nominal value.

## 2017 PEEL HOUSING CORPORATION FINANCIAL STATEMENTS (UNAUDITED)

**6. Contaminated Sites**

As at December 31, 2017, there are no contaminated sites that meet the specified criteria and no liability (2016 -\$Nil) for contaminated sites has been recorded in these financial statements.

**7. Accounts Payable and Accrued Liabilities**

The amount due to the Region at December 31, 2017 of \$Nil (2016 – \$239,935) is included in accounts payable and accrued liabilities, and does not bear interest and has no specific terms of payment.

Long term debt payable to the Region is disclosed in note 10.

**8. Post-Employment Liabilities**

The liability for retirement benefits on the statement of financial position is the result of a full actuarial valuation as at December 31, 2017 for the Corporation's share of costs associated with extending the coverage for health, dental and life insurance benefits to qualifying employees, with estimates to December 31, 2020. Benefit coverage, except for life insurance coverage, ceases at the age of 65.

The following significant actuarial assumptions adopted in the valuation were based on management's best estimates.

- Future discount rates 4.0 per cent per year
- Future inflation rate 1.75 per cent per year
- Future salaries Escalate at 2.75 per cent per year
- Future dental premium rates Escalate at 3.75 per cent per year
- Future health care premium rates Initial rate of 6.75 per cent decreasing by 0.33 per cent per year to the ultimate rate of 3.75 per cent

The following are the actuarial results for the accrued benefit liability reported on the statement of financial position:

<b>Retirement Benefits Liability</b>	<b>2017</b>	<b>2016</b>
Accrued benefit obligation at January 1	\$ 108,937	\$ 108,467
Add: benefit service cost	2,801	2,671
Add: interest accrued	5,248	5,228
Deduct: benefit payments	(7,787)	(7,429)
Accrued benefit obligation at December 31	109,199	108,937
<b>Liability at December 31</b>	<b>\$ 109,199</b>	<b>\$ 108,937</b>

<b>Retirement Benefits Expense</b>	<b>2017</b>	<b>2016</b>
Current period benefit cost	\$ 2,801	\$ 2,671
Interest on accrued benefit obligation	5,248	5,228
<b>Total</b>	<b>\$ 8,049</b>	<b>\$ 7,899</b>

### 9. Mortgages Payable on Income Producing Properties

Mortgages are secured by a first charge on specific assets of the Corporation with amortization periods that range from 5 to 50 years and interest ranging from 1.04 per cent to 8.0 per cent. Generally, interest rates are fixed for either 5 or 10 years.

Estimated principal repayments in respect to these mortgages for the years 2018-2022 and thereafter are as follows:

	<b>Principal Repayments</b>
2018	\$ 21,018,201
2019	19,062,172
2020	18,277,234
2021	18,489,016
2022	18,451,427
Subsequent to 2022	78,423,093
<b>Total</b>	<b>\$ 173,721,143</b>

Interest paid during the year amounted to \$6,898,510 (2016 – \$8,107,678).

**10. Long Term Debt**

Long term debt consists primarily of four loans from the Region and forgivable loans with the Province associated with some of the properties developed with the Region.

	2017	2016
<b>Region of Peel Loans:</b>		
2005 Summerville Pines Current term is 2.9 per cent for ten years from March 6, 2016 to March 5, 2026, amortized over 35 years; payments made are based on the operating surplus of the project.	\$ 7,031,611	\$ 11,480,646
Service Manager Capital/Infrastructure Repayable Subsidy Interest rates currently range from 2.99 to 3.37 per cent payable over 15 years commencing with the various property locations' respective Operating Agreement end dates.	20,445,633	18,042,481
2013 Land Acquisition Purchase of land adjacent to Twin Pines, with an interest rate of 3.2 per cent, with an open term to repay.	2,841,962	2,763,362
Twin Pines Site Development Development of the Twin Pines site, with an interest rate of 2.95 per cent, with an open term to repay.	2,245,570	738,206
<b>Provincial loans (forgivable):</b>		
Forgiven after 20 years once program requirements have been met.	1,943,000	1,966,750
<b>Total</b>	<b>\$ 34,507,776</b>	<b>\$ 34,991,445</b>

Interest paid during the year amounted to \$911,356 (2016 – \$897,534).

**11. Contributed Capital**

The following summarizes changes to the balance for contributed capital.

	2017	2016
Balance at the beginning of the year	\$ 18,831,254	\$ 18,807,504
Assisted Housing in Peel forgivable loan	23,750	23,750
<b>Total</b>	<b>\$ 18,855,004</b>	<b>\$ 18,831,254</b>

**12. Accumulated Surplus**

The accumulated surplus consists of the following:

	<b>2017</b>	<b>2016</b>
Accumulated operating surplus:		
Investment in tangible capital assets	\$ 213,328,250	\$ 206,284,516
Reserves	17,558,886	9,085,886
Contributed capital	18,855,004	18,831,254
Capital fund	(20,445,633)	(18,042,481)
Accumulated surplus from operations	724,260	724,260
Unfunded liability – retiree benefits	(109,199)	(108,937)
Common shares	100	100
	<b>229,911,668</b>	<b>216,774,598</b>
Unrealized gain on restricted investments	1,415,262	897,784
<b>Total Accumulated Surplus</b>	<b>\$ 231,326,930</b>	<b>\$ 217,672,382</b>

**13. Surplus/(Deficit) from Housing Program Administration**

Overhead costs are related to administrative functions performed by the Region and are allocated based on the buildings' weighted unit count.

	<b>2017</b>	<b>2016</b>
Total revenue	\$ 750,907	\$ 895,855
Less: expenses	10,603,090	10,135,265
<b>Deficit before the under noted items</b>	<b>(9,852,184)</b>	<b>(9,239,410)</b>
Transfer of investment income to reserve funds	(262,838)	(322,817)
Transfer of investment revenue to last month's rent	(63,194)	(81,586)
Transfer of investment income to operations	(325,536)	(382,623)
Administrative expense recovered from operations	9,550,727	9,069,742
Administrative allocation to Region of Peel buildings	953,025	956,694
<b>Surplus/(deficit) from housing program administration</b>	<b>\$ -</b>	<b>\$ -</b>

**14. Expenses by Object**

The statement of operations reports expenses for the Corporation by function. The following is a summary of expenses by object.

	<b>2017</b>	<b>2016</b>
Salary and wages	\$ 4,977,434	\$ 4,940,343
Municipal taxes	12,653,766	12,306,861
Amortization	11,079,961	10,913,227
Debt interest charges	7,809,866	9,005,212
Other operating expenses	54,584,690	49,763,999
<b>Total</b>	<b>\$ 91,105,717</b>	<b>\$ 86,929,642</b>

**15. Contingent Liabilities**

As at December 31, 2017, the Corporation has certain legal disputes outstanding that have arisen in the ordinary course of operations. No provision has been made in 2017 for costs or losses, as all claims are expected to be covered by insurance or the consequences are undeterminable at this time.

**16. Risks**

## a) Credit Risk

The Corporation is subject to credit risks from its tenants as a result of counterparty default. This risk is mitigated by prudent monitoring procedures.

## b) Interest Rate Risk

The Corporation is subject to interest rate fluctuations on its mortgages and long term debt. The Corporation currently does not use any hedging strategies to mitigate this interest rate exposure.

## c) Market Risk

Market risk arises as a result of trading in fixed income securities and equities. Fluctuations in the market expose the Corporation to a risk of loss. The Corporation mitigates this risk through cash management processes and compliance to the approved investment policy.

## 2017 PEEL HOUSING CORPORATION FINANCIAL STATEMENTS (UNAUDITED)

**17. Commitments**

The Corporation has obligations under non-cancellable operating leases with the Region for various service agreements.

The expected payments to the expiry of leases and agreements are as follows:

	<b>Payments</b>
2018	\$ 2,051,497
2019	2,051,497
2020	2,051,497
2021	2,051,497
2022	2,051,497
Subsequent to 2022	51,397,321
<b>Total</b>	<b>\$ 61,654,806</b>

**18. Budget Reconciliation**

The budget amounts presented in the financial statements are based on the 2017 operating and capital budgets approved by the Board on November 3<sup>rd</sup>, 2016 and February 16<sup>th</sup>, 2017 respectively. The following reconciles the approved budget to the budget amounts presented in the financial statements using the accrual basis of accounting, in accordance with PSAS.

	<b>Revenues</b>	<b>Expenses</b>
Board Approved Operating Budget	\$111,766,310	\$88,761,189
Board Approved Capital Budget	-	23,295,917
PSAB Adjustment		
Amortization	-	(12,054,698)
Other Adjustments		
Investment income	262,838	-
Contributed capital	23,750	-
Twin Pines re-development capital project	(5,529,000)	(5,529,000)
Other	-	(87,419)
<b>Budget as presented in Financial Statements</b>	<b>\$106,523,898</b>	<b>\$94,385,989</b>

**19. Comparative Figures**

Certain prior year figures have been reclassified to conform to the financial statement presentation adopted in the current year.



## APPENDIX II

## 2017 PEEL HOUSING CORPORATION FINANCIAL STATEMENTS (UNAUDITED)



Deloitte LLP  
400 Applewood Crescent  
Suite 500  
Vaughan ON L4K 0C3  
Canada

Tel: (416) 601 6150  
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www.deloitte.ca

March 23, 2018

**Private and confidential**

Mr. Dan Labrecque  
General Manager  
Peel Housing Corporation  
10 Peel Centre Drive  
Brampton ON L6P 4B9

Dear Mr. Labrecque:

We have audited the financial statements (hereinafter referred to as "annual financial statements") of Peel Housing Corporation ("PHC") as at and for the year ended December 31, 2017 and will issue our Independent Auditor's Report thereon upon approval of the Board of Directors. In planning and performing our audit of PHC's annual financial statements, we considered PHC's internal control over financial reporting in order to determine the nature, extent and timing of our auditing procedures for the purpose of expressing our opinion on the annual financial statements. A financial statement audit does not include examining the effectiveness of internal control and does not provide assurance on internal control.

The maintenance of adequate controls designed to fulfill control objectives is the responsibility of management. Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, controls found to be functioning at a point in time, may later be found deficient because of the performance of those responsible for applying them, and there can be no assurance that controls currently in existence will prove to be adequate in the future as changes take place in PHC.

Our consideration of internal control over financial reporting in our audit of the annual financial statements would not necessarily disclose all internal control matters that might be weaknesses under Canadian Auditing Standards. A weakness in internal control is a deficiency in the design or effective operation of internal control. A weakness in internal control is significant if the deficiency is such that a material misstatement is not likely to be prevented or detected in the financial statements being audited.

This letter is intended solely for the purposes of management and those charged with governance and is not suitable for any other purposes. We shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this letter has not been prepared for, and is not intended for, any other purposes.

**Definitions**

A control deficiency is a deficiency in the design or effective operation of internal control. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective is not always met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

**Canadian Auditing Standards**

A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting, such that a material misstatement of PHC's annual financial statements is not likely to be prevented or detected.

**Professional standards**

Professional standards require us to communicate significant deficiencies identified during the audit to management and those charged with governance.

**APPENDIX II**  
**2017 PEEL HOUSING CORPORATION FINANCIAL STATEMENTS (UNAUDITED)**

Peel Housing Corporation  
March 23, 2018  
Page 2

**Material weaknesses**

During the audit, we did not identify any control deficiencies that, individually or in the aggregate, we consider to be material weaknesses as defined above.

Yours very truly,

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants  
Licensed Public Accountants

c: Members of the Audit and Risk Committee



**REPORT**  
**Meeting Date: 2018-05-03**  
**Peel Housing Corporation**

**For Information**

DATE: April 6, 2018

REPORT TITLE: **YEAR END FINANCIAL REPORT - DECEMBER 31, 2017**

FROM: Dan Labrecque, General Manager, Peel Housing Corporation  
Stephanie Nagel, Treasurer, Peel Housing Corporation

## OBJECTIVE

To present the financial report for the twelve months ended December 31, 2017 to Peel Housing Corporation Board of Directors.

### REPORT HIGHLIGHTS

- 2017 operations of Peel Living owned sites resulted in a surplus of \$6.2 million, \$1.8 million higher than budgeted (before discretionary reserve transfers).
- The favourable variance resulted in an increased contribution to the working fund reserves of \$1.2 million and a \$628,000 increase to capital replacement reserves.
- 2017 operations of Regionally-owned sites resulted in a surplus of \$278,000, \$182,000 higher than budget, which is transferred to the Region.
- Gross capital spending for the 12 months that ended December 31, 2017 was \$13.8 million of the \$28.4 million in approved available capital.
- \$13.7 million in approved capital will be carried forward to 2018.
- Net reserve balance for all programs, including Regionally-owned sites is \$10.9 million, after all commitments.
- Long-term Debt obligations decrease from \$35 million in 2016 to \$34.5 million in 2017.

## DISCUSSION

This report summarizes the operating, capital and reserve financial activity of Peel Housing Corporation (PHC), including Regionally-owned managed sites, for the 12 months ended on December 31, 2017.

### 1. Current Operations

Peel Housing Corporation's Statement of Operations (Appendix I) for the twelve months ended on December 31, 2017, shows a net favourable budget surplus of \$6.2 million before discretionary reserve transfers for all Peel Housing Corporation owned sites. This is \$1.8 million higher than budgeted resulting in a higher discretionary contribution to reserves.

**YEAR END FINANCIAL REPORT - DECEMBER 31, 2017**

Regionally-owned site operations for the twelve months ended on December 31, 2017, shows a net favourable budget surplus of \$278,000 which is \$182,000 higher than budgeted, resulting in an increased transfer to the Region.

Revenues for 2017 for both PHC and Regionally-owned sites were \$105.5 million, \$1.0 million or 0.99 percent, higher than budgeted. The main drivers for the higher revenue include:

- \$663,000 increase in non-rental revenue from parking, damages recoveries, and a significant retroactive recovery from rooftop leasing. The retroactive recovery was for unpaid hydro reimbursements from a rooftop antenna vendor. Staff negotiations with the vendor resulted in a recovery of \$320,000.
- \$580,000 increase in rental revenue due to increase in market units, recoveries for retroactive rent adjustments and lower vacancy loss expense. Staff are working with the Service Manager to re-balance the rent supplements and RGI targets. (See Appendix II for a summary of the rental unit targets versus actual)

Revenue increases were offset in part by:

- \$202,000 decrease in municipal subsidy, mainly due to higher revenue and lower expenditures as subsidies.

Expenditures for 2017 were \$93.7 million, \$959,000 or 1.02 percent lower than budgeted. The main drivers for lower expenditures include:

- \$2.5 million decrease in utility costs due to reduction in rates and consumption for hydro, gas and water.
- \$239,000 decrease in salaries for superintendents and cleaners as a result of turnover and unexpected vacancies.
- \$188,000 lower in administration costs primarily due to lower spending for consultants and administration staff salaries.
- \$148,000 decrease in insurance costs due to lower premiums, 3<sup>rd</sup> party claims and additional recoveries related to previous year's insurance claims.

Expenditure savings were offset by higher spending in the following areas:

- \$1.7 million for building systems and services due to higher costs for plumbing and grounds keeping and unbudgeted items such as accessibility upgrades and hazardous materials.
- \$400,000 higher mortgage, loan and depreciation due to increased Service Manager loan payments resulting from a change in payment terms, an adjustment to amortization for Peel Youth Village, Angela's Place, and Summerville, and a retroactive interest catchup for Millbrook.
- \$34,000 higher for property taxes and bad debts.

In 2017, adjustments were made to correct how depreciation was being accounted for on the operating statements for Summerville, Peel Youth Village and Angela's place. The adjustments better aligned the accounting treatment for depreciation with our audited financial statement under Public Sector Accounting guidelines. This positively impacted the net operating income of those sites and reserve balances. This resulted in a repayment of \$4.3 million on the Summerville Pines long-term debt outstanding with the Region of Peel, as well as an increase in the working fund reserves for the other two sites.

## YEAR END FINANCIAL REPORT - DECEMBER 31, 2017

## Net Operating Income (NOI)

Generating a positive net operating income (NOI) is important for the long-term viability of PHC. The Net Operating Income (NOI) measurement is an indicator of financial operating position. It is calculated by taking revenues less expenses, before accounting for annual debt payments. It is a common performance indicator in the private sector; however, it is not typically used for affordable housing because funding programs were not designed on this basis. However, the NOI measurement can be adjusted to be a useful indicator for an organization's operating position relative to the end of its operating agreements (EOA). In the case of affordable housing, both subsidy and mortgage payments are taken out of the equation to make the NOI test meaningful.

The NOI is a good indicator of how much debt PHC could carry on a per unit basis, as we look at financing strategies as part of the long-term strategic plan. The goal is that over the long-term, NOI will continue to increase.

The following chart provides a year over year comparison of the actual versus budgeted NOI per unit. The actual NOI per unit for 2017 was \$300 higher than budgeted and was \$153 higher over 2016 demonstrating that the overall net operating income is trending upward.

	NOI per Unit			
	2017	2016	Year over Year Variance (\$)	Year over Year Variance (%)
Budgeted NOI per unit	\$5,033	\$5,168	-\$135	-2.6%
Actual NOI per unit	5,333	5,180	\$153	3.0%
<b>Actual to Budget Variance (\$)</b>	\$ 300	\$ 12		
<b>Actual to Budget Variance (%)</b>	6.0%	0.2%		

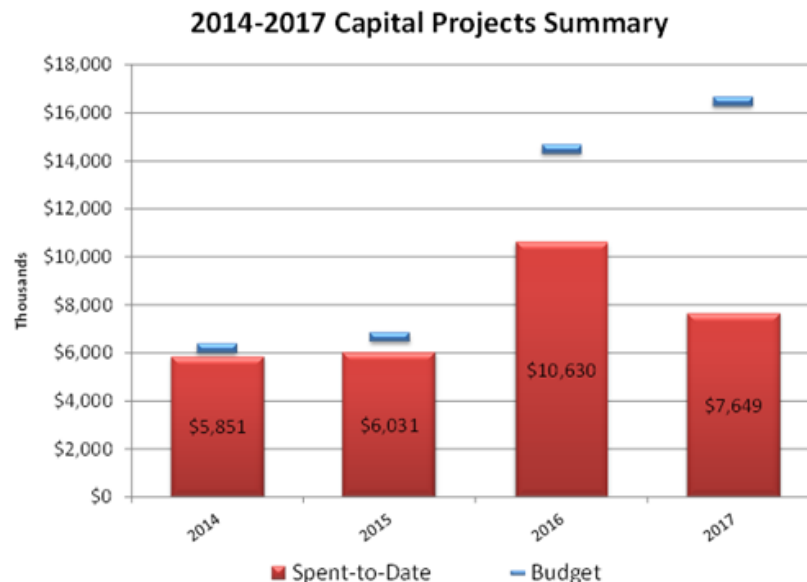
## 2. Capital Operations

Major capital projects for Peel Living's state of good repair are approved and set up each budget year on a building-by-building and program basis. The table below is a summary of major capital operations from January 1, 2017 to December 31, 2017. Total approved capital for 2017 (including 2016 carry forward) was \$28.4 million, of which \$13.8 million was spent in 2017. The capital spending carry forward for 2018 is \$13.7 million. A summary of capital project expenditures status by year is presented in Appendix III.

Description	2017 Capital Activity (\$ Millions)
Carry Forward Balance, December 31, 2016	\$12.2
Budget Changes/Closed Capital Projects	(0.3)
Approved 2017 Capital Budget	<u>16.5</u>
Total 2017 Available Capital	28.4
Closed Capital Projects	(0.9)
2017 Year to Date Spending	<u>(13.8)</u>
Carry Forward Balance to 2018	\$13.7

## YEAR END FINANCIAL REPORT - DECEMBER 31, 2017

The following chart provides an overview of capital projects that were active in 2017 and their respective budgets remaining versus their spent-to-dates as at December 31, 2017, as reported in Appendix III.



All capital expenditures from 2014 to 2016 have been for state of good repair purposes. It is anticipated that the 2014 and 2015 capital for SOGR will be completed during the 2018 calendar year, pending any holdbacks remaining to be released. A resource plan is being developed with PHC's Technical Services team and the Region's Real Property Asset Management (RPAM) team to address outstanding capital work and plan for the 10 year capital needs discussed in the 2018 budget.

The 2017 Capital budget includes \$5.5 million for Phase 1 and 2 related to the redevelopment of the Twin Pines Mobile Home property. As of December 31, 2017 PHC has accumulated \$2.2 million of capital work in progress.

### 3. Reserves

The following chart provides a combined overview of PHC's and Regionally-owned site reserves as at December 31, 2017. Appendix IV and V provide a more detailed breakdown of fund balances by program and type.

\$ Millions	Capital Replacement Reserves	Working Fund Reserves	Energy Reserves	Total (\$ million)
Balance <i>before</i> commitments	\$6.28	\$10.16	\$1.11	\$17.55
Less: Commitments	(\$4.64)	(\$2.03)	-	(\$6.67)
Balance <i>after</i> commitments	\$1.64	\$8.13	\$1.11	\$10.88

**Note:** These figures do not include unrealized gains or losses on investments held for trading.

**YEAR END FINANCIAL REPORT - DECEMBER 31, 2017**

Due to PHC's aging infrastructure, the demand to fund repairs exceeds PHC's available replacement reserves. The Board has been aware that the prescribed reserve contribution rate has not been adequate to meet future capital replacement needs. Over the last 5 years, the Service Manager has provided PHC with capital replacement loans to fund state of good repair work (see section 4b below).

With respect to the Twin Pines replacement reserve, Appendix III shows that it continues to be in a deficit of \$2.3 million. This is a result of infrastructure and major capital repairs completed from 2004 to 2015. The capital work was funded largely by Peel Housing Corporation, placing the Twin Pines reserves into a deficit position (funds were used from other reserves available to the Corporation). The current direction is to reduce the deficit over time and any outstanding deficit will be integrated into the larger redevelopment and financing strategy.

PHC manages the operations for four of the six Regionally-owned sites (two are managed by external agencies). As reflected in Appendix I, the net surpluses (or deficits) for these sites are transferred directly to/from the Region of Peel. Capital budgets and reserve activity for these sites are managed within the Region of Peel's capital budget. However, PHC still maintains working fund and capital replacement reserves for those sites. The Board approved the transfer of these reserves to the Region of Peel's capital and working fund reserves in the 2016 Year End Report. The transfer was still pending as of the 2017 year-end but should be completed in 2018.

**4. Debt Obligations****a) Mortgages**

In 2017, three mortgages were discharged for sites Middleton Way, South Common Court, and Mason's Landing. The annualized savings from these is approximately \$1.4 million as shown in Appendix VI.

Eight mortgage renewals occurred in 2017 as shown in Appendix VII. Decreases in the mortgage interest rates will result in an annualized decrease in payments of \$463,000. The average of the eight mortgage renewal rates was decreased from 4.76 per cent to 2.04 per cent. The lower mortgage costs will, in some cases, result in lower subsidies from the Service Manager (Region of Peel).

**b) Long-Term Debt**

The table below summarizes PHC's long-term debt obligations. Overall debt decreased by \$480,000 between 2016 and 2017.

<b>Long-term Debt (excluding mortgages)</b>	<b>2017</b>	<b>2016</b>
ROP Loan - Summerville Pines (2005)	\$ 7,031,611	\$ 11,480,646
ROP Loan - Service Manager capital reinvestment (amounts represent actual loan amounts received to date)	20,445,633	18,042,481
ROP Loan - Land Acquisition, adjacent to Twin Pines (2013)	2,841,962	2,763,362
ROP Loan - Twin Pines Site Redevelopment (ongoing)	2,245,570	734,142

**YEAR END FINANCIAL REPORT - DECEMBER 31, 2017**

Federal & Provincial loans (forgivable)	1,943,000	1,966,750
<b>Total</b>	<b>\$ 34,507,776</b>	<b>\$ 34,987,381</b>

Debt increases include Service Manager Loans of \$2.6 million, Twin Pines Capital Redevelopment Loan of \$1.5 million and interest of \$78,599 for 2013 Twin Pines Land Acquisition.

Debt decreases include \$4.4 million repayment of Summerville Principal loan, Service Manager Loan principal repayments of \$186,656 for buildings that have reached their end of operating agreement and forgivable loan reductions of \$23,750.

The Service Manager capital loans are payable over 15 years commencing with the respective property's mortgage end dates. For 2017, three Service Manager Loans became repayable for the properties at Middleton Way, Mason's Landing, and South Common Court as the mortgages have expired.

The provincial loans are forgiven over 20 years (by 2029) once program requirements are met.

**5. Financial Control By-law Report Requirements****a) Authorization to Increase Project Commitments beyond Originally Approved Budget**

PHC is not seeking any authorization to increase project commitments.

**b) Reserve Management**

PHC is not seeking any authorization in regards to reserves.

**c) Closed Capital Projects**

Seven capital projects were closed during the 2017 budget year. Project 12-0501 & 13-0501 (PHC Major Capital), and 13-0503 Land Redevelopment Consulting were closed, as the projects were completed. Projects 14-0503, 14-0504, 15-0503, and 15-050 related to the Cooksville and Ridgeway Childcare Centers were closed as they were no longer required.

**d) Redeployments**

Redeployments are processed to facilitate effective management of various programs and projects. All redeployments are processed in accordance with the Financial Control By-law. There was no redeployment activity as of December 31, 2017.



**YEAR END FINANCIAL REPORT - DECEMBER 31, 2017**

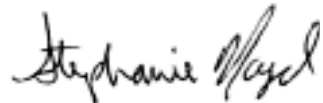
**CONCLUSION**

Peel Housing Corporation continues to uphold its commitment to provide quality housing and will continue on a path of continuous improvement. The operations continue to generate surpluses annually which have resulted in additional contributions to reserves beyond its mandatory requirements. However, capital expenditure needs continue to outpace our reserves and are insufficient to meet the growing capital deficit.

The introduction of the balance scorecard presented to the Board in 2017 has helped direct work plans that are starting to positively improve both our long-term financial viability and the level of satisfaction from our tenants.



Dan Labrecque, General Manager, Peel Living



Stephanie Nagel, Treasurer, Peel Living

**APPENDICES**

1. Appendix I – Management Statement of Operations
2. Appendix II – Rental Unit Target Summary
3. Appendix III – Status of Capital Projects
4. Appendix IV – Reserve Balances by Program
5. Appendix V – Continuity Schedule of Reserves
6. Appendix VI – Statement of Mortgage Discharges
7. Appendix VII – Statement of Mortgage Renewals

*For further information regarding this report, please contact Dan Labrecque, General Manager, Extension 3549, dan.labrecque@peelregion.ca.*

*Authored By: John Arcella, Deputy Treasurer, Peel Housing Corporation (Peel Living), extension 4971, john.arcella@peelregion.ca*

**APPENDIX I**  
**YEAR END FINANCIAL REPORT - DECEMBER 31, 2017**

Management Statement of Operations

**Peel Housing Corporation**  
**Management Statement of Operations (in thousands)**

**As At December 31, 2017**

Figures do not include current year unrealized gains or losses on investment held for trading.

	Peel Housing Corporation Sites			Region-Owned Sites			Total Peel Living Managed Sites			Projected 2017 Year End Balance
	2017 Budget	2017 Actual	2017 Variance	2017 Budget	2017 Actual	2017 Variance	2017 Budget	2017 December Actual	Total 2017 Variance	
<b>Revenue:</b>										
Rental Revenue	\$ 59,761	\$ 60,287	\$ 526	\$ 5,552	\$ 5,606	\$ 54	\$ 65,313	\$ 65,893	\$ 580	\$ 65,513
Other Revenue	4,959	5,619	660	234	237	3	5,193	5,856	663	5,175
Municipal Subsidy	33,750	33,546	(204)	188	190	2	33,938	33,736	(202)	33,874
<b>Total Revenue</b>	<b>98,470</b>	<b>99,452</b>	<b>982</b>	<b>5,974</b>	<b>6,033</b>	<b>59</b>	<b>104,444</b>	<b>105,485</b>	<b>1,041</b>	<b>104,562</b>
<b>Expenditures:</b>										
Salaries & Benefits	5,216	4,977	239	-	-	-	5,216	4,977	239	5,032
Building Systems & Services	13,465	15,167	(1,702)	1,069	1,055	14	14,534	16,222	(1,688)	15,046
Utilities	16,003	13,597	2,406	865	765	100	16,868	14,362	2,506	15,134
Administration	9,629	9,551	78	1,063	953	110	10,692	10,504	188	9,852
Mortgage, Loans & Depreciation	30,731	31,037	(306)	2,049	2,143	(94)	32,780	33,180	(400)	32,833
Municipal Taxes	11,901	11,905	(4)	721	749	(28)	12,622	12,654	(32)	12,651
Insurance	1,469	1,330	139	89	80	9	1,558	1,410	148	1,421
Bad Debt	348	362	(14)	22	10	12	370	372	(2)	278
<b>Total Expenditures</b>	<b>88,762</b>	<b>87,926</b>	<b>836</b>	<b>5,878</b>	<b>5,755</b>	<b>123</b>	<b>94,640</b>	<b>93,681</b>	<b>959</b>	<b>92,247</b>
<b>Operating Surplus/(Deficit) Before Reserve Transfers</b>	<b>9,708</b>	<b>11,526</b>	<b>1,818</b>	<b>96</b>	<b>278</b>	<b>182</b>	<b>9,804</b>	<b>11,804</b>	<b>2,000</b>	<b>12,315</b>
<b>Minor Capital:</b>										
Minor Capital Expense	(1,334)	(1,642)	308	-	-	-	(1,334)	(1,642)	308	(1,019)
Transfer from Replacement Reserve for Minor Capital	1,334	1,642	(308)	-	-	-	1,334	1,642	(308)	1,019
<b>Legislated Replacement Reserve Contribution</b>	<b>(5,329)</b>	<b>(5,329)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,329)</b>	<b>(5,329)</b>	<b>-</b>	<b>(5,329)</b>
<b>Transfer to Region</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(96)</b>	<b>(278)</b>	<b>(182)</b>	<b>(96)</b>	<b>(278)</b>	<b>(182)</b>	<b>(187)</b>
<b>Operating Surplus/(Deficit) Before Discretionary Reserve Transfers</b>	<b>4,379</b>	<b>6,197</b>	<b>1,818</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,379</b>	<b>6,197</b>	<b>1,818</b>	<b>6,799</b>
<b>Reserve Allocation Based on Program Rules:</b>										
Discretionary Transfer of Surplus to Replacement Reserve*	(2,301)	(2,929)	(628)	-	-	-	(2,301)	(2,929)	(628)	(2,980)
Transfer (to)/from Working Fund Reserves	(2,078)	(3,268)	(1,190)	-	-	-	(2,078)	(3,268)	(1,190)	(3,819)
<b>Net Surplus/(Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Permitted by the Service Manager or Board Directed (includes FP/Uni Service Manager surplus retention)

**APPENDIX II**  
**YEAR END FINANCIAL REPORT - DECEMBER 31, 2017**

**6.4-9**

**RENTAL UNIT TARGET SUMMARY**

<b>PHC-Owned Sites Only</b>	<b>Targeted Rent Mix</b>	<b>Actual Rent Mix</b>	<b>Variance (count)</b>	<b>Variance (%)</b>
<b>Market</b>	2,462	2,387	(75)	-3.0%
<b>Rent Geared to Income</b>	4,158	3,948	(210)	-5.1%
<b>Rent Supplement</b>	294	579	285	96.9%
<b>Total</b>	<b>6,914</b>	<b>6,914</b>	-	<b>0.0%</b>

*\* The numbers above exclude the ROP-Owned sites which do not have RGI units*

**APPENDIX III  
YEAR END FINANCIAL REPORT - DECEMBER 31, 2017**

**STATUS OF CAPITAL PROJECTS**

Peel Housing Corporation  
Status of Capital Projects (in thousands)  
As At December 31, 2017

**Active Capital Projects:**

Capital Project Description	Number of Active Projects	Total Funding Approved	Spent prior to 2017	Available Capital Work as of January 1, 2017	Total Spent YTD as of December 31, 2017	Available Capital Work as of December 31, 2017	% Spent as of December 31, 2017
2013 Major Capital Project*	1	11,959	11,072	887	(79)	-	92%
2014 Major Capital Project	1	6,206	5,455	751	396	355	94%
2015 Major Capital Projects	3	6,665	5,482	1,183	549	635	90%
2016 Major Capital Projects	5	14,500	5,370	9,130	5,260	3,871	73%
2017 Major Capital Projects	6	16,483	-	16,483	7,649	8,835	46%
<b>TOTAL</b>	<b>16</b>	<b>\$ 55,813</b>	<b>\$ 27,379</b>	<b>\$ 28,434</b>	<b>\$ 13,775</b>	<b>\$ 13,696</b>	<b>74%</b>

\* 2013 Project closed in 2017, Available Capital Reduced to Zero

**APPENDIX IV  
YEAR END FINANCIAL REPORT - DECEMBER 31, 2017**

**CONTINUITY SCHEDULE OF RESERVES**

**Peel Housing Corporation  
Reserve Balances by Program  
As At December 31, 2017**

Figures do not include cumulative unrealized gains or losses on investment held for trading.

<b>Reserve Description</b>	<b>Replacement Reserve</b>	<b>Working Fund Reserve</b>	<b>Energy Conservation Reserve</b>	<b>Total Reserves</b>	<b>Less: Committed Balances</b>	<b>Available Balance*</b>
Program 15.1 (Section 26/27)	\$ 3,277	\$ -	\$ -	\$ 3,277	\$ (10)	\$ 3,267
Program 56.1 (Section 95)	(2,115)	3,532	-	1,417	(3,676)	\$ (2,259)
Federal/Provincial and Unilateral	(5,881)	5,848	-	(33)	(2,864)	\$ (2,897)
Peel Regional Housing Corp. (PRHC)	6,475	-	-	6,475	(128)	\$ 6,347
Twin Pines	(2,255)	685	-	(1,570)	-	\$ (1,570)
Non-Program - PHC owned	3,161	16	-	3,177	-	\$ 3,177
Non-Program - ROP owned	3,620	85	-	3,705	-	\$ 3,705
Corporate (Energy)	-	-	1,111	1,111	-	\$ 1,111
<b>Total</b>	<b>\$ 6,282</b>	<b>\$ 10,166</b>	<b>\$ 1,111</b>	<b>\$ 17,559</b>	<b>\$ (6,678)</b>	<b>\$ 10,882</b>

APPENDIX V  
 YEAR END FINANCIAL REPORT - DECEMBER 31, 2017  
 CONTINUITY SCHEDULE OF RESERVES

Peel Housing Corporation  
Continuity Schedule of Reserves (in thousands)  
 As At December 31, 2017

Figures do not include cumulative unrealized gains or losses on investment held for trading.

Balances	Replacement Reserve	Working Fund Reserve	Energy Conservation Reserve	Total
Balance January 1, 2017	\$ 5,650	\$ 2,351	\$ 1,084	\$ 9,085
Allowable Contributions	8,260	14,970	-	23,230
Transfer to current operations	-	-	-	-
Capital Expenditures	(7,785)	(7,233)	-	(15,018)
Interest Earned	157	78	28	263
<b>Balance December 31, 2017</b>	<b>6,282</b>	<b>10,166</b>	<b>1,112</b>	<b>17,560</b>
Less: Committed Balances	(4,644)	(2,034)	-	(6,678)
<b>Balance Available December 31, 2017</b>	<b>\$ 1,638</b>	<b>\$ 8,132</b>	<b>\$ 1,112</b>	<b>\$ 10,882</b>

**APPENDIX VI**  
**YEAR END FINANCIAL REPORT - DECEMBER 31, 2017**  
**STATEMENT OF MORTGAGE DISCHARGES**

Peel Housing Corporation  
As At December 31, 2017

**Statement of Mortgage Discharges**

	<b>New Terms</b>	<b>Previous Terms</b>
<b>1) Middleton Way: Ward B07</b>		
Financial Institution:		CMHC
Principal Renewed Amount:		\$4,522,787
Term:	Discharged	120 Months
Maturity Date:		February 1, 2017
Mortgage Rate:		4.420%
Monthly Payment (P&I):	\$0	\$46,924
Annualized Increase / (Decrease)	(\$563,091)	
<b>2) South Common Court: Ward M08</b>		
Financial Institution:		CMHC
Principal Renewed Amount:		\$1,561,623
Term:	Discharged	60 Months
Maturity Date:		January 1, 2017
Mortgage Rate:		1.640%
Monthly Payment (P&I):	\$0	\$26,696
Annualized Increase / (Decrease)	(\$320,352)	
<b>3) Mason's Landing: Ward M09</b>		
Financial Institution:		CMHC
Principal Renewed Amount:		\$4,324,956
Term:	Discharged	60 Months
Maturity Date:		March 1, 2017
Mortgage Rate:		4.420%
Monthly Payment (P&I):	\$0	\$44,573
Annualized Increase / (Decrease)	(\$534,877)	
<b>Total Ongoing Annualized Increase / (Decrease) resulting from discharges:</b>	<b>(\$1,418,320)</b>	

## APPENDIX VII

## YEAR END FINANCIAL REPORT - DECEMBER 31, 2017

## STATEMENT OF MORTGAGE RENEWALS

**Peel Housing Corporation**  
**Statement of Mortgage Renewals and Discharges**  
**As At December 31, 2017**

	New Terms	Previous Terms
<b>1) Creditbend Terrace: Ward M06</b>		
Financial Institution:	ScotiaBank	ScotiaBank
Principal Renewed Amount:	\$5,106,272	\$8,456,036
Term:	60 Months	120 Months
Maturity Date:	January 1, 2022	January 1, 2017
Mortgage Rate:	2.195%	4.366%
Monthly Payment (P&I):	\$47,765	\$52,849
Annualized Increase / (Decrease)	(\$61,003)	
<b>2) Redmond, The: Ward M07</b>		
Financial Institution:	CMHC	CMHC
Principal Renewed Amount:	\$8,013,805	\$13,131,389
Term:	119 Months	120 Months
Maturity Date:	May 1, 2027	June 1, 2017
Mortgage Rate:	1.510%	4.640%
Monthly Payment (P&I):	\$72,536	\$83,970
Annualized Increase / (Decrease)	(\$137,205)	
<b>3) Clipstone Court: Ward B05</b>		
Financial Institution:	ScotiaBank	ScotiaBank
Principal Renewed Amount:	\$505,842	\$823,279
Term:	60 Months	120 Months
Maturity Date:	June 1, 2022	June 1, 2017
Mortgage Rate:	1.865%	4.713%
Monthly Payment (P&I):	\$4,622	\$5,283
Annualized Increase / (Decrease)	(\$7,929)	
<b>4) Forster Terrace: Ward M08</b>		
Financial Institution:	CMHC	CMHC
Principal Renewed Amount:	\$749,028	\$8,591,363
Term:	9 Months	120 Months
Maturity Date:	July 1, 2018	September 1, 2017
Mortgage Rate:	1.420%	4.720%
Monthly Payment (P&I):	\$83,717	\$84,855
Annualized Increase / (Decrease)	(\$13,651)	
<b>5) Glenway Court: Ward M08</b>		
Financial Institution:	CMHC	CMHC
Principal Renewed Amount:	\$541,428	\$6,221,331
Term:	9 Months	120 Months
Maturity Date:	July 1, 2018	September 1, 2017
Mortgage Rate:	1.420%	4.720%
Monthly Payment (P&I):	\$60,514	\$61,446
Annualized Increase / (Decrease)	(\$11,188)	
<b>6) Weaver's Hill: Ward M04</b>		
Financial Institution:	First National	ScotiaBank
Principal Renewed Amount:	\$14,275,372	\$22,988,812
Term:	120 Months	120 Months
Maturity Date:	October 1, 2027	October 1, 2017
Mortgage Rate:	3.150%	4.998%
Monthly Payment (P&I):	\$138,700	\$151,040
Annualized Increase / (Decrease)	(\$148,080)	
<b>7) Westwood Place: Ward M05</b>		
Financial Institution:	ScotiaBank	ScotiaBank
Principal Renewed Amount:	\$885,319	\$2,121,970
Term:	60 Months	120 Months
Maturity Date:	Septmeber 1, 2022	September 1, 2017
Mortgage Rate:	2.370%	4.946%
Monthly Payment (P&I):	\$15,657	\$16,665
Annualized Increase / (Decrease)	(\$12,098)	



## APPENDIX VII

## YEAR END FINANCIAL REPORT - DECEMBER 31, 2017

## STATEMENT OF MORTGAGE RENEWALS

**Peel Housing Corporation**  
**Statement of Mortgage Renewals and Discharges**  
**As At December 31, 2017**

	New Terms	Previous Terms
<b>8) Stationview Place: Ward C05</b>		
Financial Institution:	ScotiaBank	ScotiaBank
Principal Renewed Amount:	\$5,063,564	\$8,236,769
Term:	60 Months	120 Months
Maturity Date:	Septmeber 1, 2022	September 1, 2017
Mortgage Rate:	2.370%	4.946%
Monthly Payment (P&I):	\$48,121	\$54,151
Annualized Increase / (Decrease)	(\$72,355)	
<b>Average Interest Rate</b>	2.04%	4.76%
<b>Total Ongoing Annualized Increase / (Decrease) resulting from renewals:</b>	<b>(\$463,508)</b>	