



**Prince Edward Island  
Housing Corporation**



# Annual Report

2019-2020



## *Message from the Minister*



The Honourable Antoinette Perry  
Lieutenant Governor of Prince Edward Island

May It Please Your Honour:

It is my privilege to present the Annual Report of the Prince Edward Island Housing Corporation for the fiscal year ended March 31, 2020.

Respectfully submitted,

A handwritten signature in black ink, reading "Ernie Hudson". The signature is stylized with a long, sweeping horizontal line extending to the right.

Ernie Hudson  
Minister Responsible for the  
Prince Edward Island Housing Corporation

*Message from the Chief Executive Officer*



Minister Responsible for the  
Prince Edward Island Housing Corporation

Minister:

I am pleased to submit the Annual Report of the Prince Edward Island Housing Corporation for the fiscal year ending March 31, 2020.

Respectfully submitted,

A stylized, handwritten signature in dark ink, consisting of several loops and a long horizontal stroke at the end.

David Keedwell  
Chief Executive Officer  
Prince Edward Island Housing Corporation

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## **WHY HOUSING MATTERS**

There is a direct relationship between the social determinants of health and well-being of a population and the availability of safe, affordable housing. Since the 1960's, through the Prince Edward Island Housing Corporation (PEIHC), the Government of Prince Edward Island has worked with community and other government partners to create and maintain adequate, affordable and suitable housing for low and moderate income people. It is clear, however, that housing needs are changing. PEIHC is responding to these changes with the creation of new units, the modernization of existing units, and by providing affordability support to renters through mobile rental vouchers.

## **MANDATE**

The Prince Edward Island Housing Corporation derives its authority from the *Housing Corporation Act of 1993*. The PEIHC provides Islanders of low and moderate incomes with access to safe, affordable and adequate housing.

## **PROGRAMS**

PEIHC fulfils its mandate through the delivery of the following programs.

### **Seniors Housing Program**

Available to households that have a primary applicant aged 60 or older, or aged 55 and older with a permanent disability, PEIHC provides safe, affordable and adequate housing to low and moderate income households at rental rates that equal 25 percent of gross household income before taxes. Housing assistance is delivered in four ways:

#### **PEIHC Owned Buildings**

Located in communities across the province, the PEIHC owns 1,113 apartment style, self-contained rental units.

#### **Rent Supplements**

Rent supplement units are built and owned by the private sector, but leased by the PEIHC to serve its clients. One hundred and eighty-seven (187) rent supplements are available to seniors at specific locations in Charlottetown, Summerside and O'Leary.

#### **Mobile Rental Vouchers**

Mobile rental vouchers provide housing affordability to households currently renting from landlords of their choice in the private housing market. PEIHC has four hundred and forty-two (442) mobile rental vouchers with private landlords across the province.

### Garden Suites

Garden suites are one-bedroom units, owned by PEIHC, and placed on the property of a host family. When no longer required by the senior, the suite is moved to another site. PEIHC has four garden suites.

Seniors Housing Program Unit Locations			
Queens County		Prince County	
Charlottetown	428	Alberton	16
Cornwall	14	O'Leary	24
Crapaud	9	St. Louis	4
Hunter River	14	Tignish	14
Mt. Stewart	6	Abrams Village	5
North Rustico	6	Bedeque	6
South Rustico	4	Borden	22
<b>Total</b>	<b>481</b>	Kensington	50
Kings County		Kinkora	5
Cardigan	3	Miscouche	17
Eldon	6	Mont Carmel	6
Georgetown	16	Summerside	186
Montague	91	Tyne Valley	11
Murray Harbour	6	Wellington	16
Murray River	6	Wilmot	6
Morell	12	<b>Total</b>	<b>388</b>
Rollo Bay	14	<b>Total Seniors Units 1,113</b> <b>Garden Suites <u>4</u></b> <b>Total Seniors <u>1,117</u></b>	
Souris	81		
St. Peters	9		
<b>Total</b>	<b>244</b>		

### Family Housing Program

Available to households with families or individuals who are not eligible for the Seniors Housing Program, PEIHC provides safe, affordable and adequate housing to low and moderate income households at rental rates that equal 25 percent of gross household income before taxes. Housing assistance is delivered in three ways:

#### PEIHC Owned Buildings

Located in nine communities across the province, the PEIHC owns 482 rental units that support low and moderate income families and individuals; family housing boards manage the day-to-day operations for 460 of these units on behalf of PEIHC.

### **Rent Supplement for Families and Individuals**

Rent supplement units are built and owned by the private sector, but leased by the PEIHC to serve clients of the Family Housing Program. Thirty-five (35) rent supplements are available to families and non-senior individual at specific housing locations in Charlottetown.

### **Mobile Rental Vouchers**

Mobile rental vouchers provide housing affordability to families and individuals currently renting from landlords of their choice in the private housing market. There are two hundred and eighty-five (285) mobile rental vouchers with private landlords across the province.

<b>Family Housing Program Units</b>		
<b>Administered by family housing boards</b>		
	<b>Location</b>	<b>Units</b>
	Alberton	22
	Greater Charlottetown area	169
	Georgetown	27
	Montague	62
	Mt. Stewart	6
	O'Leary	23
	Souris	36
	Summerside	99
	Tignish	16
<b>Administered by Social Development and Housing</b>		
	Charlottetown	3
	Crapaud	4
	Various rural areas	15
<b>Total</b>		<b>482</b>

## **Renovation Programs**

### **PEI Home Renovation Programs (PEIHRP)**

These programs provide funding for major renovations for low-income homeowners to bring their property up to minimum health and safety standards. Eligible property owners receive a forgivable grant provided they meet program criteria including remaining in the home for three years after the renovations have been made.

Programs include:

- Home Renovation Program - provides assistance to low income homeowners to bring their property up to minimum health and safety standards.
- Home Renovation Program for Persons with Disabilities - provides assistance to households occupied by persons with disabilities who require special modifications to improve accessibility to their residence.
- Emergency Shelter - provides renovation assistance to organizations that provide ongoing shelter to survivors of family violence.



***Note: In addition to renovations to support emergency shelter, the Department of Social Development and Housing also provides funding to the Governing Council of the Salvation Army in Canada to support the operations of Bedford MacDonald House, a men's emergency shelter located in Charlottetown. This funding is provided by the Social Programs Division of the Department and is not reflected in this report.***

## **Affordable Housing Agreement**

In partnership with the Government of Canada, funding received through the Affordable Housing Agreement and its various extensions including the current Investment in Affordable Housing Agreement, the Social Infrastructure Fund, the Affordable Housing Trust and Canada's Economic Action Plan has been invested in the Affordable Housing Program. The program improves access to affordable, sound, suitable and sustainable housing.

## **Affordable Housing Development Program (AHDP)**

AHDP provides forgivable loans of \$45,000 per unit to increase the number of affordable housing options in the province. Non-profit corporations, private entrepreneurs, development corporations, housing cooperatives, or municipalities are eligible to apply.

## **PARTNERSHIPS**

### **Social Development and Housing**

PEIHC shares its responsibility in the provision of housing programs with the Department of Social Development and Housing and local family housing authorities. PEIHC is responsible for the control of assets, liabilities and revenues. The Department of Social Development and Housing is responsible for the management of family housing through the local family housing authorities; direct management of seniors housing; and liaison with the Government of Canada about housing issues, overseeing the administration of federal-provincial agreements, and the delivery of most housing programs, including the Canada-PEI Affordable Housing Agreement.

### **Canada Mortgage and Housing Corporation**

PEIHC works with many partners most notably the Canada Mortgage and Housing Corporation (CMHC), representing the Government of Canada. CMHC cost-shares provincial programs involving approximately 1,700 units and directly administers other federally funded social housing units.

PEIHC manages and delivers the Canada-PEI Affordable Housing Agreement, and its various amendments, to assist in the development of affordable housing units across the province. Through the initial agreement in 2003, and subsequent amendments, a total of \$15.04 million has been invested in by CMHC, and cost matched by PEI to create affordable housing.

Through the 2016 Social Infrastructure Fund Agreement, CMHC provided up to \$6.32 million to support renovations to existing social housing properties, the creation of new seniors housing units, and the creation of transitional housing to support survivors of family violence.



The introduction of the National Housing Strategy in November 2017 and the signing of the Bilateral Agreement under the Strategy provide opportunities to continue our relationship with the CMHC and build on past successes to support and improve housing properties.

### **Community Partners**

Other partners of PEIHC include the many community members who serve on the boards for the family housing authorities. Seniors and other client groups, municipal representatives, non-profit organizations, private sector developers, the construction industry and tenants play important partnership roles in bringing affordable housing to Islanders.

## Year in Review

### HOUSING INITIATIVES IMPLEMENTATION

In 2018-2019, the *Housing Action Plan for Prince Edward Island 2018-2023* (the Plan) was released and plan initiatives started.

In addition to commitments made as part of the Plan, in 2019-2020, government committed to creating an additional 1,200 affordable units over the next five years.

#### Highlights of Housing Accomplishments

**Initiate the creation of over 1,200 Affordable Housing Units – to support households to move out of core housing need:**

- 600 rent based on income mobile rental vouchers initiated Island-wide for renters to support affordability;
- 100 new social housing units owned by PEIHC, a capital budget commitment of \$16.9 million;
- Creation of the Affordable Housing Development Program to incentivize private developers to create affordable units;
- 71 social housing units with private developers open for tenants; and
- Through the Community Housing Fund, in partnership with Canadian Mental Health Association, award of \$2.9 million to ten (10) community organizations to support housing initiatives.

**Social Housing - Capital Budget** – A commitment to invest \$3.8 million over the next five years for renovations to seniors public housing across the Island. Renovations include new roofs, sidewalks, heating systems, windows, doors, etc.

#### Emergency Shelter –

- Released Community Needs Assessment on Emergency Shelters and government's response to its recommendations;
- In partnership with community organizations, supported the creation of the Community Outreach Centre; and
- Purchased Smith Lodge in Charlottetown as transitional housing for people with multiple, complex needs.

See the plan at:

<https://www.princeedwardisland.ca/housingactionplan>

See the progress report at:

<https://www.princeedwardisland.ca/housingprogressreport2020>

See the Community Needs Assessment on Emergency Shelters and government's response to the recommendations at:

<https://www.princeedwardisland.ca/esneedsassessment>

<https://www.princeedwardisland.ca/esneedsassessmentresponse>

## ***FEDERAL PARTNERSHIP***

The PEIHC continues to invest in social housing through partnerships with the federal government and will continue to collaborate with municipalities, private developers and communities on long-term solutions to growing housing demands.

As part of the implementation of the National Housing Strategy, in 2019, PEIHC and CMHC commenced a process to co-develop the PEI-Canada Housing Benefit to ensure that the unique housing needs of Islanders are addressed. This benefit will be implemented in 2020-2021.

## ***RESOURCES***

PEIHC had an approved budget of \$23.8 million to support operations in 2019-2020. In addition to millions allocated to support operations, capital funding of \$800,000 provided upgrades to existing housing units. Another \$10.9 million was invested to initiate PEIHC-owned social housing units. The audited financial statements for PEIHC are provided at the end of this report.

## ***OPERATIONS***

During 2019-2020, the following quality improvement activities were completed:

### **Mobile Rental Vouchers**

PEIHC initiated the implementation of 600 new mobile rental vouchers (MRVs) creating greater affordability to people in rentals who were eligible for the Seniors Housing Program or the Family Housing Program.

## **Planning and Design of New Social Housing Units**

PEIHC began planning and design work of the social housing units committed in the capital budget. Locations are chosen based on needs outlined by the social housing registry. Locations and types and number of units will be announced as projects are planned. New units will be energy efficient reflecting a 25 percent improvement over the 2015 National Building Code.

## **Response to Auditor General's Report**

In 2016 the Auditor General completed a value-for-money audit of the Seniors Housing Program. The Auditor General's Annual Report, released in March 2017, included ten (10) recommendations related to the need for a long-term plan for seniors housing, development and public reporting of performance measurements, and resolution of specific policy and process issues related to the assessment, application, tracking and placement of applicants to the program. In the *2020 Report of the Auditor General of Prince Edward Island*, it was recognized that five of the ten recommendations were considered complete. During 2019-2020, the PEIHC continued its work to implement changes in response to these recommendations.

## **COVID-19 Response**

PEIHC implemented COVID-19 prevention measures by providing enhanced cleaning in social housing units, communications to tenants to inform on social distancing guidelines, and supporting the delivery of essential services through new work arrangements that met prevention measures.

PEIHC recommended that existing social housing tenants who experienced a reduction in income contact their Housing Officer to request that their rent be adjusted to reflect their new income.

In addition, PEIHC supported renters by creating the Temporary Rental Assistance Benefit to provide supports to renters who had reduced income because of COVID19.

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## Performance Indicators

The PEIHC recognizes the importance of reporting on performance measures linked to government initiatives to demonstrate accountability. PEIHC will continue to enhance its reporting on performance indicators to provide outcome-based measures and support informed budgetary and service level decisions.

**Table 1: Seniors Housing Program – Performance Indicators**

<b>Performance Indicator</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>Comments</b>
<b>Number of Owned Units</b>	1,113	1,113	1,113	Maintained number of units
<b>Number of Owned Garden Suites</b>	4	4	4	Maintained number of units
<b>Number of Rent Supplements</b>	104	104	187	Increased number of units
<b>Number of Mobile Rental Vouchers</b>	25	370	442	Increased affordability for renters
<b>Placements in Seniors Housing</b>	153	123	111	Fewer clients left units in 2019-20 meaning fewer existing units were available for placements
<b>New Applications</b>	455	656	768	Increased demand for social housing due to pressures in rental market
<b>Registry</b>	662	476	438	Mobile rental vouchers and rent supplements have been able to meet some of the demand for social housing
<b>Unit Turnover Rates – Owned Units</b>	13.7%	11.0%	9.9%	Fewer clients left units in 2019-2020

**Table 2: Family Housing Program – Performance Indicators**

<b>Performance Indicator</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>Comments</b>
<b>Number of Owned Units</b>	480	480	482	Increased number of units
<b>Number of Rent Supplements</b>	25	25	35	Increased number of units
<b>Number of Mobile Rental Vouchers</b>	103	166	285	Increased affordability for renters
<b>Placements in Family Housing</b>	29	45	37	Fewer clients left units in 2019-20 meaning fewer existing units were available for placements
<b>New Applications</b>	517	897	861	Maintained demand for social housing due to pressures in rental market
<b>Registry</b>	587	486	623	Increased demand for social housing resulting from pressures in rental market
<b>Unit Turnover Rates – Owned Units</b>	6.0%	9.4%	7.7%	Fewer clients left units in 2019-20

**Table 3: PEI Home Renovations Programs – Performance Indicators**

<b>Performance Indicator</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>Comments</b>
<b>Total Budget</b>	\$1.48M	\$1.48M	\$1.48M	Maintained
<b>Applications Received</b>	600	518	2,020	Sliding scale grant to income enhancement and year round application window supported provided greater opportunity to apply
<b>Applications Approved</b>	289	279	901	Sliding scale grant to income enhancement and year round application window supported more households
<b>Individuals Supported</b>	384	424	1,193	Households with more than one occupant are being served
<b>Program Income Cut-off</b>	\$35,000	\$34,900	\$49,600	Reflects sliding scale income enhancement
<b>Average Household Income</b>	\$22,000	\$23,400	\$29,700	Reflects sliding scale income enhancement
<b>Average Grant – Home Renovation</b>	\$4,776	\$4,521	\$3,880	Sliding scale grant to income enhancement and year round application window resulted in decreased average grant



Performance Indicator	2017-2018	2018-2019	2019-2020	Comments
Average Grant – Renovation: Persons with Disabilities	\$4,848	\$6,525	\$3,825	Sliding scale grant to income enhancement and year round application window resulted in decreased average grant
Average Number in Household	1.3	1.5	1.4	Although households served have more than one occupant, the average is less than PEI's average household size
Average Age of Applicant	66	60	64	More seniors apply for this program
Emergency Shelter – Survivors of Family Violence: Funding	\$20,000	\$40,000	\$54,000	Funding reallocated among years to meet needs of recipient
Emergency Shelter – Survivors of Family Violence: Beds Supported	18	18	18	Beds maintained
Second Stage Housing – Survivors of Family Violence: Units Supported	-	2	2	Maintained units supported

***Note: In addition to the PEIHRP, the Department of Social Development and Housing also provides renovation supports to home owners through the Seniors Home Repair Program and Seniors Safe @ Home Program. Performance indicators for these two programs are reported in the annual report for the Department and are not reflected in this report.***

**Table 4: Affordable Housing – Performance Indicators**

<b>Performance Indicator</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>Comments</b>
<b>Number of Units</b>	274	276	281	Increased
<b>Population Served:</b>				
<b>Seniors</b>	47	47	47	Maintained
<b>Families and Individuals</b>	71	71	71	Maintained
<b>Persons with Disabilities</b>	130	130	130	Maintained
<b>Homeowners</b>	26	28	33	Increased

**Table 5: Operations – Performance Indicators**

<b>Performance Indicator</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>Comments</b>
<b>Staffing – Full-time Equivalents</b>	32.7	32.7	32.7	Maintain

## **Financial Statements**

**PRINCE EDWARD ISLAND  
HOUSING CORPORATION**

Financial Statements  
March 31, 2020

# Management's Responsibility For Financial Reporting

March 31, 2020

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies are described in Note 2 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Minister of Social Development and Housing is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Minister reviews internal financial reports on a regular basis and externally audited financial statements annually.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Prince Edward Island Housing Corporation and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the Prince Edward Island Housing Corporation



Sonya L. Cobb, CPA, CA  
Director of Housing Services



Lane Pineau, CPA, CMA  
Director of Finance

January 25, 2021

# Independent auditor's report

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To the Prince Edward Island Housing Corporation

## Opinion

We have audited the financial statements of Prince Edward Island Housing Corporation, which comprise the statement of financial position as at March 31, 2020, and the statements of operations, change in net debt and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Prince Edward Island Housing Corporation as at March 31, 2020, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton LLP*

Charlottetown, Prince Edward Island, Canada  
January 25, 2021

Chartered Professional Accountants



**PRINCE EDWARD ISLAND  
HOUSING CORPORATION**

Statement of Financial Position  
March 31, 2020

	2020	2019
	\$	\$
<b>Financial Assets</b>		
Cash	1,500,600	545,100
Accounts receivable (Note 3)	9,953,700	5,056,300
Loans receivable	1,800	-
	<u>11,456,100</u>	<u>5,601,400</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	27,006,600	9,688,200
Deferred revenue (Note 5)	5,900	2,614,300
Long-term debt (Note 6)	<u>5,953,600</u>	<u>7,750,000</u>
	<u>32,966,100</u>	<u>20,052,500</u>
<b>Net Debt</b>	<u>21,510,000</u>	<u>14,451,100</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 7)	27,069,300	20,186,000
Property holdings	<u>206,100</u>	<u>206,100</u>
	<u>27,275,400</u>	<u>20,392,100</u>
<b>Accumulated Surplus</b>	<u>5,765,400</u>	<u>5,941,000</u>

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

Approved on behalf of the Prince Edward Island Housing Corporation

  
Minister, Department of Social Development and Housing

**PRINCE EDWARD ISLAND  
HOUSING CORPORATION**

Statement of Operations and Accumulated Surplus  
for the year ended March 31, 2020

	(Note 17) 2020 Budget	2020	2019
	\$	\$	\$
<b>Revenues</b>			
Rental income	9,096,400	8,118,000	6,913,200
Government transfers			
Province of Prince Edward Island (Note 8)			
- Operations	-	1,924,600	3,746,100
- Capital	11,671,000	8,615,600	665,000
Canada Mortgage and Housing Corporation			
- Operations (Note 9)	3,127,000	3,107,300	3,297,300
- Affordable Housing and Bilateral (Note 12)	2,412,900	2,655,100	1,089,900
- Social Infrastructure Fund (Note 12)	5,071,300	5,042,700	260,200
Other income	20,000	21,500	23,400
	<u>31,398,500</u>	<u>29,484,800</u>	<u>15,995,100</u>
<b>Expenses</b>			
Administration	176,200	289,800	203,300
Equipment	2,500	14,100	27,200
Grants (Note 10)	14,537,700	12,264,800	2,639,800
Operating costs (Note 11)	6,632,600	13,564,600	9,733,500
Property taxes	1,061,100	1,130,900	1,173,400
Travel and training	103,200	123,000	116,500
	<u>22,513,300</u>	<u>27,387,200</u>	<u>13,893,700</u>
Amortization of tangible capital assets	2,048,000	2,058,500	2,124,700
Interest charges on debt	214,700	214,700	258,900
	<u>24,776,000</u>	<u>29,660,400</u>	<u>16,277,300</u>
<b>Annual (Deficit) Surplus</b>	6,622,600	(175,600)	(282,200)
Accumulated Surplus, beginning of year	<u>5,320,600</u>	<u>5,941,000</u>	<u>6,223,200</u>
<b>Accumulated Surplus, end of year</b>	<u>11,943,200</u>	<u>5,765,400</u>	<u>5,941,000</u>

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

**PRINCE EDWARD ISLAND  
HOUSING CORPORATION**

Statement of Changes in Net Debt  
for the year ended March 31, 2020

	<b>2020 Budget</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Net Debt, beginning of year</b>	14,451,100	14,451,100	15,372,600
<b>Changes in year:</b>			
Annual (surplus) deficit	(6,622,600)	175,600	282,200
Acquisition of tangible capital assets	11,671,000	8,941,800	921,000
Amortization of tangible capital assets	<u>(2,048,000)</u>	<u>(2,058,500)</u>	<u>(2,124,700)</u>
<b>Change in Net Debt</b>	<u>3,000,400</u>	<u>7,058,900</u>	<u>(921,500)</u>
<b>Net Debt, end of year</b>	<u>17,451,500</u>	<u>21,510,000</u>	<u>14,451,100</u>

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

**PRINCE EDWARD ISLAND  
HOUSING CORPORATION**

Statement of Cash Flow  
for the year ended March 31, 2020

	2020	2019
	\$	\$
<b>Operating Activities</b>		
Annual deficit	(175,600)	(282,200)
Amortization of tangible capital assets	2,058,500	2,124,700
Changes in:		
Accounts receivable	(4,897,400)	(885,200)
Loans receivable	(1,800)	-
Deferred revenue	(2,608,400)	(275,100)
Accounts payable and accrued liabilities	<u>17,318,500</u>	<u>2,142,600</u>
<b>Cash provided by operating activities</b>	<u>11,693,800</u>	<u>2,824,800</u>
<b>Investing Activities</b>		
Decrease in property holdings	<u>-</u>	<u>-</u>
<b>Cash provided by investing activities</b>	<u>-</u>	<u>-</u>
<b>Capital Activities</b>		
Acquisition of tangible capital assets	<u>(8,941,800)</u>	<u>(921,000)</u>
<b>Cash used by capital activities</b>	<u>(8,941,800)</u>	<u>(921,000)</u>
<b>Financing Activities</b>		
Long-term debt repayment	<u>(1,796,500)</u>	<u>(1,882,200)</u>
<b>Cash used by financing activities</b>	<u>(1,796,500)</u>	<u>(1,882,200)</u>
<b>Change in cash</b>	955,500	21,600
Cash, beginning of year	<u>545,100</u>	<u>523,500</u>
<b>Cash, end of year</b>	<u>1,500,600</u>	<u>545,100</u>

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

# PRINCE EDWARD ISLAND HOUSING CORPORATION

Notes to Financial Statements  
March 31, 2020

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## 1. Nature of Operations

The Prince Edward Island Housing Corporation (the Corporation) operates under the authority of the *Housing Corporation Act* of Prince Edward Island. The Corporation's general objectives are to establish housing projects, construct, acquire, or renovate housing accommodations for sale or rent, and promote measures which will contribute to the availability of adequate and improved housing for low income families and individuals, seniors, or other groups that require assistance. The Corporation also works towards improving the quality of housing and amenities related to housing.

The Minister, having overall responsibility for the administration of the Act, has designated a senior public officer to supervise the administration and management of the Corporation and perform such duties as the Minister may assign. The Corporation's operations are staffed by the Department of Social Development and Housing and the Department of Finance.

The Corporation is a non-taxable entity under the provisions of the federal *Income Tax Act*.

## 2. Summary of Significant Accounting Policies

### a) Basis of Accounting

These financial statements are prepared in accordance with Canadian public sector accounting standards. The Corporation complies with the recommendations of the Public Sector Accounting Board (PSAB) wherever applicable. PSAB standards are supplemented, where appropriate, by other accounting pronouncements.

Since the Corporation has no unrealized remeasurement gains or losses attributed to foreign exchange, derivatives, portfolio investments, or other financial instruments, a statement of remeasurement gains and losses is not prepared.

### b) Financial Assets

Financial assets are those assets on hand at the end of an accounting period which could provide resources to discharge existing liabilities or finance future operations.

Cash represents cash position including bank balances.

Accounts receivable are recorded at cost less any specific provision when collection is in doubt.

Loans receivable are recorded at cost less adjustments for impairment in value. Loans usually bear interest at approximate market rates and normally have fixed repayment terms. A provision for loss is established for doubtful accounts. Interest revenue is recognized on an accrual basis until such time that the collectability of either principal or interest is not reasonably assured.

# PRINCE EDWARD ISLAND HOUSING CORPORATION

Notes to Financial Statements  
March 31, 2020

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## 2. Summary of Significant Accounting Policies (continued...)

### c) Liabilities

Payables and accruals are recorded for all amounts due for work performed, goods or services received, and other charges incurred in the fiscal year.

Long-term debt is recorded at amortized cost, which approximates market value.

### d) Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities or finance future operations. They are normally employed to deliver government services and may be consumed in the normal course of operations.

Tangible capital assets are recorded at historical cost, or estimated cost where historical cost information is not available, subject to established thresholds. Interest, if any, on capital projects is expensed as incurred.

The cost of the tangible capital assets, excluding land, is amortized monthly on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Renovations	10 years
Equipment	5 -15 years

Amortization is pro-rated on a monthly basis starting with the date the asset is placed in service. Amortization ends when the total amortization of the asset equals the cost or on the date of disposal, whichever comes first. No amortization is recorded if an asset is taken out of service and/or disposed during the year.

Property holdings consist of land held for development properties and is recorded at the lower of cost or net realizable value.

Inventories of supplies are expensed when purchased.

### e) Revenues

Revenues are recorded on an accrual basis in the period in which the transaction or event that gave rise to the revenue occurred. When accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable, revenues are recorded as received.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met. To the extent that transfer stipulations give rise to an obligation that meets the definition of a liability, transfers are recognized as deferred revenue.

# **PRINCE EDWARD ISLAND HOUSING CORPORATION**

Notes to Financial Statements  
March 31, 2020

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## **2. Summary of Significant Accounting Policies (continued...)**

### **e) Revenues (continued...)**

Federal contributions provided by the Canada Mortgage and Housing Corporation (CMHC) are restricted in accordance with the provisions of the specific agreements through which they are received. Accordingly, federal contributions are recognized as revenue when the related expenses are incurred.

The Province of Prince Edward Island operational grant is calculated based on the actual shortfall in operations for the fiscal year.

### **f) Expenses**

Expenses are recorded on an accrual basis in the period in which the transaction or event that gave rise to the expense occurred.

Transfers to other government entities are recognized as an expense when an application for assistance has been approved and performance requirements have been met. Conditional grants are provided to homeowners, developers, landlords, co-operatives, and non-profit housing sponsors.

### **g) Use of Estimates and Measurement Uncertainty**

The preparation of financial statements in conformity with 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Items requiring the use of significant estimates include the carrying amount and amortization of investments in properties and underlying assessments of service potential, useful life of tangible capital assets, the valuation of land held for future development, the carrying amount of accounts receivable and loans receivable, and the underlying estimates of the provision for loan impairment and doubtful accounts.

Estimates are based on the best available information at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates and the differences could be material.

### **h) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and balances with financial institutions. Bank borrowings are considered to be financing activities.



**PRINCE EDWARD ISLAND  
HOUSING CORPORATION**

Notes to Financial Statements  
March 31, 2020

**2. Summary of Significant Accounting Policies (continued...)**

**i) Other Revenues**

Other revenues are recognized in the year that the events giving rise to the revenues occur and the revenues are earned. Amounts received which related to revenues that will be earned in a subsequent year, are deferred and reports as liabilities.

**3. Accounts Receivable**

	<u>2020</u> \$	<u>2019</u> \$
CMHC	9,947,900	4,484,500
Family housing authorities	35,200	307,300
General	<u>40,300</u>	<u>300,000</u>
	10,023,400	5,091,800
Less: provision for doubtful accounts	<u>69,700</u>	<u>35,500</u>
	<u>9,953,700</u>	<u>5,056,300</u>

	<u>2020</u> \$	<u>2019</u> \$
Current	5,437,400	16,200
31-60 days	67,600	9,200
61-90 days	538,400	369,400
Greater than 90 days	<u>3,910,300</u>	<u>4,661,500</u>
	<u>9,953,700</u>	<u>5,056,300</u>

**4. Accounts Payable and Accrued Liabilities**

	<u>2020</u> \$	<u>2019</u> \$
Accrued interest	29,800	35,900
General	1,129,700	1,202,100
Province of Prince Edward Island	<u>25,847,100</u>	<u>8,450,200</u>
	<u>27,006,600</u>	<u>9,688,200</u>

# PRINCE EDWARD ISLAND HOUSING CORPORATION

Notes to Financial Statements  
March 31, 2020

## 5. Deferred Revenue

The continuity of deferred revenue is as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance, beginning of year	2,614,300	2,889,400
Less:		
Repayments	-	-
Prepaid rents recognized	9,000	14,900
Social Infrastructure funding	<u>2,599,400</u>	<u>260,200</u>
Balance, end of year	<u>5,900</u>	<u>2,614,300</u>

## 6. Long-term Debt

Long-term debt is comprised of the following:

	<u>2020</u>	<u>2019</u>
	\$	\$
Mortgages and debentures payable to CMHC with maturity dates ranging from 2021 to 2029, with interest rates ranging from 1.12 percent to 7.88 percent and secured by properties.		
Mortgages payable	4,518,000	6,585,200
Debentures payable	<u>1,435,600</u>	<u>1,164,800</u>
	<u>5,953,600</u>	<u>7,750,000</u>

### Principal Repayments

Anticipated annual principal repayments over each of the next five years and thereafter are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
	\$
2021	1,561,800
2022	1,203,300
2023	918,400
2024	2,270,100
Thereafter	<u>-</u>
	<u>5,953,600</u>

Interest expense for the year on outstanding mortgages was \$121,400 (2019 - \$149,700) and outstanding debentures was \$99,500 (2019 - \$109,200).

**PRINCE EDWARD ISLAND  
HOUSING CORPORATION**

Notes to Financial Statements

March 31, 2020

**7. Tangible Capital Assets**

	<u>Land</u> \$	<u>Buildings</u> \$	<u>Renovations</u> \$	<u>Equipment</u> \$	<u>2020 Total</u> \$	<u>2019 Total</u> \$
Cost, beginning of the year	2,631,600	54,746,000	11,836,600	25,300	69,239,500	68,318,500
Additions	525,200	7,762,200	654,400	-	8,941,800	921,000
Disposals / write-downs	-	-	-	-	-	-
Cost, end of year	<u>3,156,800</u>	<u>62,508,200</u>	<u>12,491,000</u>	<u>25,300</u>	<u>78,181,300</u>	<u>69,239,500</u>
Accumulated amortization, beginning of year	-	41,486,400	7,546,100	21,000	49,053,500	46,928,800
Amortization	-	1,152,800	905,000	700	2,058,500	2,124,700
Disposals / write-downs	-	-	-	-	-	-
Accumulated amortization, end of year	-	<u>42,639,200</u>	<u>8,451,100</u>	<u>21,700</u>	<u>51,112,000</u>	<u>49,053,500</u>
<b>Net book value</b>	<u>3,156,800</u>	<u>19,869,000</u>	<u>4,039,900</u>	<u>3,600</u>	<u>27,069,300</u>	<u>20,186,000</u>

Tangible capital assets represent the Corporation's ownership interest in housing projects constructed or acquired pursuant to partnership agreements. The Corporation's cost is net of amounts provided by CMHC in consideration for an ownership interest in the housing projects. Buildings funded through partnership agreements with CMHC are subject to restrictions to operate for the benefit of individuals, seniors, and families with limited income. CMHC approval is required for changes in asset use or disposal for properties which it shares an ownership interest. Disposals related to renovations are only recognized when the related building is removed from service.

# PRINCE EDWARD ISLAND HOUSING CORPORATION

Notes to Financial Statements  
March 31, 2020

## 8. Province of Prince Edward Island

The Province of Prince Edward Island provides annual operating and capital grants to the Corporation. The operating grant is provided to fund the operations of the Corporation. The capital grant is used to fund the purchase of tangible capital assets and is recognized as revenue in the year the capital transfer is authorized and eligibility criteria, if any, are met.

## 9. Canada Mortgage and Housing Corporation

The Corporation is eligible for subsidy assistance from CMHC. Subsidy assistance is paid by project, based on agreement terms and conditions, and is equal to the difference between eligible annual operating costs and project revenues for designated units. The various agreements expire between 2020 and 2037.

## 10. Grants

	<u>2020</u> \$	<u>2019</u> \$
Family housing authorities	1,351,800	1,627,800
PEI Home Renovations Program	3,194,000	980,600
Affordable Housing	<u>7,719,000</u>	<u>31,400</u>
	<u>12,264,800</u>	<u>2,639,800</u>

## 11. Operating Costs

	<u>2020</u> \$	<u>2019</u> \$
Materials, supplies, and services	3,197,500	2,906,500
Renovations	120,800	158,100
Rent Supplements	6,962,900	3,243,600
Repairs and maintenance	1,288,200	1,389,200
Utilities	<u>1,995,200</u>	<u>2,036,100</u>
	<u>13,564,600</u>	<u>9,733,500</u>

## PRINCE EDWARD ISLAND HOUSING CORPORATION

Notes to Financial Statements  
March 31, 2020

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### 12. Contractual Benefits and Obligations

#### a) Investment in Affordable Housing 2015-2019 Agreement

Funding through the Investment in Affordable Housing Agreement has been provided by CMHC to improve access to affordable, sound, suitable, and sustainable housing in Prince Edward Island. CMHC will make matching contributions to those projects meeting eligibility requirements in accordance with the Agreement.

In April 2014, the Agreement for Investment in Affordable Housing 2015-2019 was signed. CMHC will provide \$1.48 million each year for eligible expenditures over the five years of which \$7.4 million is available as at March 31, 2020. This agreement superseded all previous Affordable Housing Agreements. The Corporation has four years from the date of commitment to disburse funding available through the agreement, but in any event not later than March 31, 2024. At March 31, 2020, \$7.4 million (March 31, 2019 - \$4.6 million) was disbursed by the Corporation; of this amount, \$2,663,800 has been received and \$2,663,800 is receivable from CMHC. At March 31, 2020, the Corporation has committed \$7.4 million, which leaves no uncommitted available funding under this agreement.

In April 2016, the 2016 Social Infrastructure Fund Agreement, an amendment to the Investment in Affordable Housing 2015-2019 Agreement, was signed. CMHC will provide up to \$6.32 million for eligible expenditures to the Corporation as follows: 2016/2017 - \$3.89 million and 2017/2018 - \$ 2.43 million. The Province of Prince Edward Island is responsible to cost match \$3.11 million of this funding by March 31, 2019. At March 31, 2020, the full \$6.32 million has been committed. During the year the Corporation disbursed the remaining \$5.04 million.

#### Bilateral Agreement

In January 2019 the Corporation entered into a bilateral agreement with CMHC, effective April 1, 2018, to support the implementation of funding available through the 2017 National Housing Strategy. Funding is available as follows and must be cost matched by Prince Edward Island:

<u>Fiscal Year</u>	<u>Amount</u> \$
2020	1,558,600
2021	999,300
2022	845,300
2023-2028	4,031,900

## PRINCE EDWARD ISLAND HOUSING CORPORATION

Notes to Financial Statements  
March 31, 2020

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### 12. Contractual Benefits and Obligations (continued...)

#### b) Unilateral Program

Under the Renovation and Retrofit of Social Housing initiative pursuant to Section 51 of the *National Housing Act*, CMHC made contributions to the Corporation in the 2010 and 2011 fiscal years for the purpose of renovating, general improvement, energy efficiency upgrades or conversions, modifications to support persons with disabilities, and/or the regeneration of existing social housing projects. Conditions of the agreements were:

- Maintain not-for-profit status, own and operate, use and maintain the land and premise to provide housing benefits to low and moderate low income households for ten years;
- Mortgage agreement with CMHC, with collateral security for payment of the principal amount and performance by the Corporation on projects greater than \$25,000.

The Corporation has six mortgage agreements with CMHC on projects totaling \$530,000. This amount has already been recognized as revenue and offsetting expenditures have been incurred. This amount is only repayable if the above conditions are not met; as of March 31, 2020, all conditions have been met.

#### c) Property Lease Agreements

The Corporation has entered into ten-year lease agreements with six property owners to provide 104 affordable housing units through rent supplement arrangements. The leases expire in the fiscal year 2021-2022 and are renewable for an additional ten years. These leases are not classified as capital leases as the Corporation has not assumed the majority of the risk associated with the properties. The estimated lease obligations are calculated by using the known rent and assuming a three percent annual rental increase. Under the terms of the agreements, the agreed affordable rent rates can only be adjusted upward to reflect any increase that is permitted by the Island Regulatory and Appeals Commission (IRAC) in accordance with the *Rental of Residential Property Act* and are not guaranteed. The estimated obligations for the next five years and beyond are:

<u>Fiscal Year</u>	<u>Amount</u> \$
2021	896,400
2022	580,400
2023	-
2024	-
2025	-
	<u>1,476,800</u>

## **PRINCE EDWARD ISLAND HOUSING CORPORATION**

Notes to Financial Statements  
March 31, 2020

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### **12. Contractual Benefits and Obligations (continued...)**

#### **d) Affordable Housing Agreements**

The Corporation has signed a number of commitment letters dedicating funds for housing projects to increase affordability in existing units and create new units.

During the year, the Corporation, through the Department of Social Development and Housing, received approval to proceed with capital additions. The total cost of these capital additions is estimated to be \$9.3 million. These additions will provide housing units for families, seniors, and vulnerable populations.

### **13. Financial Management**

The Corporation is exposed to credit, market, and liquidity risk from its financial instruments. An analysis of these risks is provided below.

#### **Credit Risk**

The Corporation is exposed to credit risk with respect to accounts and loans receivable. The maximum exposure to credit risk is \$9,953,700 (2019-\$6,098,300), of which \$69,700 (2019-\$35,500) is impaired. The remaining unimpaired balance includes \$3,910,300 which is past due. The Corporation mitigates this risk through a regular monitoring process. Credit risk is also mitigated due to the fact that the majority of the receivables are due from CMHC, which includes those which are past due but unimpaired.

#### **Market Risk**

Market risk is comprised of three types: currency, interest, and price risk. The Corporation does not hold nor operate in foreign currency and thus market risk is derived from interest rate and price risk. Changes in interest rates, prices for goods, services, and rents significantly impact the Corporation and thus could increase the cost of operations and require increased funds from government. The risk is managed by participating in government purchasing, determining if maintenance is done internally or tendered, cost sharing operations with CMHC, establishing long-term lease agreements and rent increases limited by IRAC.

#### **Liquidity Risk**

The Corporation has contractual obligations and financial liabilities and, therefore, is exposed to liquidity risk. The Corporation manages its liquidity risk by maintaining adequate cash and credit facilities, by updating and reviewing multi-year cash flow projections on a regular and on an as needed basis and by matching its long-term financing arrangements with its cash flow needs.

## **PRINCE EDWARD ISLAND HOUSING CORPORATION**

Notes to Financial Statements

March 31, 2020

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### **14. Related Party Transactions**

These financial statements include the results of transactions with various provincial government controlled departments, agencies, Crown corporations, and family housing authorities with which

the Corporation is considered related. Transactions with related parties are settled at prevailing market prices under normal trade terms.

The Province of Prince Edward Island has assumed responsibility for certain operating costs that are shared with other departments such as property insurance, provincial portion of property tax, office facilities, disposal and remediation of property, management salaries and benefits, Seniors Safe @ Home Program, and Seniors Home Repair Program. These expenses are material and are not reflected in the Corporation's financial statements.

All purchases are completed by the Province on behalf of the Corporation and expenses are allocated to the Corporation on a consistent basis.

The Province of Prince Edward Island also employs all staff working on behalf of the Corporation and on an annual basis department allocations are made from the Department of Social Development and Housing to the Corporation for its share of the salary and benefits. The Corporation's share of salaries and benefits is included with materials, supplies and services expense (Note 10), and amounts to \$2,642,341 (2019 - \$2,402,970).

### **15. Contingent Liabilities**

#### **a) Claims Outstanding**

The Corporation is subject to legal actions arising in the normal course of business. At March 31, 2020, there were no outstanding legal claims against the Corporation. Costs related to any outstanding claims are funded by the Prince Edward Island Self-Insurance and Risk Management Fund. The Fund provides general liability, errors and omissions, primary property, and crime insurance. The Fund is administered by the Province and responsibility for liabilities of the Fund is that of the Province.

#### **b) Building Remediation**

Some buildings owned by the Corporation contain materials with asbestos. The Corporation monitors the condition of those materials to ensure they do not pose a risk to the occupants, staff, contractors, or the public at large. The incremental cost of addressing asbestos during repairs, maintenance, or renovations has not been determined and is the responsibility of the Corporation. Any incremental cost associated with the decommissioning or demolition of a building is the responsibility of the Province.



# PRINCE EDWARD ISLAND HOUSING CORPORATION

Notes to Financial Statements  
March 31, 2020

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## 16. Future Accounting Standards

Financial Instruments, PS 3450, Foreign Currency Translation, PS 2601, and Financial Statement Presentation, PS 1201 are effective for fiscal years beginning on or after April 1, 2022. The effective date was previously April 1, 2021, but as a result of the COVID-19 pandemic, the PSAB has deferred the effective date by one year. While early adoption is permitted, all three of the standards must be adopted in the same year. PS 3450 provides guidance on the recognition and measurement, presentation and disclosure of financial instruments including derivative instruments. PS 2601, Foreign Currency Translation, includes guidance of deferral and amortization of unrealized gains and losses, hedge accounting and separation of realized and unrealized foreign change gains and losses. PS 1201, Financial Statement Presentation, includes the addition of a new statement outlining re-measurement gains and losses. The Corporation has not yet adopted these standards or determined the effect on the consolidated financial statements.

## 17. Budgeted Figures

Budget figures have been provided for comparison purposes and have been derived from the estimates approved by the Legislative Assembly of the Province. In 2020 the Provincial Government budgeted \$800,000 for the renovation of existing units and an additional \$10,871,000 in Capital spending related to construction of new housing projects. This resulted in a budgeted surplus for 2020. The budgeted figures are in compliance with the PSAS reporting requirements but are not subject to audit.

## 18. COVID 19

Since January 31, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses and organizations are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses and organizations worldwide, resulting in an economic slowdown. The duration and impact of the COVID-19 pandemic remains unclear at this time.

The outbreak of COVID-19 and related global responses have caused material disruptions to organizations around the world, leading to an economic slowdown. The Corporation's operation has been largely unaffected by the pandemic the organization continues to work on its committed developments as well as find opportunities and funding for new ones. Any unanticipated costs related to Covid-19 will be closely monitored as a way to assess if additional funding for the Corporation is required.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial impact on the financial position and results of the corporation for future periods.

