

Haldimand-Norfolk Housing Corporation
Financial Statements
December 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Haldimand-Norfolk Housing Corporation:

Opinion

We have audited the accompanying financial statements of Haldimand-Norfolk Housing Corporation (the Organization) which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in fund balances, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020 and its results of operations and its cash flows for the year then ended in accordance with the financial provisions of the agreement between the Organization and the Consolidated Municipal Service Manager (CMSM).

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

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Organization to comply with the financial reporting provisions of the agreement. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter. Our report is intended solely for the Directors of the Organization and CMSM and should not be used by parties other than the Directors of the Organization or CMSM.

Other Matter

We draw our attention to Note 16 of the financial statements, which describes the effects of the coronavirus disease (COVID-19) on the Organization. Our opinion is not modified in respect of this matter.

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 the financial provisions of the agreement, 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

Millard, Rouse & Rosebrugh LLP

April 6, 2020

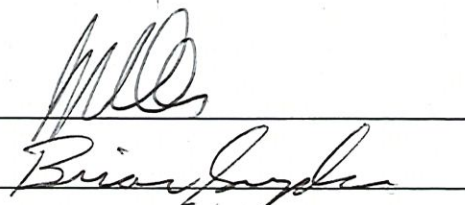
Simcoe, Ontario

Millard, Rouse & Rosebrugh LLP
Chartered Professional Accountants
Licensed Public Accountants

Haldimand-Norfolk Housing Corporation
Statement of Financial Position
As at December 31, 2020

	Operating Fund \$	Deferred Staff Entitlement Reserve Fund \$	Capital Asset Fund \$	Capital Reserve Fund \$	Insurance Claim Reserve Fund \$	Total 2020 \$	Total 2019 \$
Current assets							
Cash	90,036	-	-	-	-	90,036	108,972
Investments (Note 4)	793,356	-	-	-	-	793,356	508,829
Accounts receivable	38,092	-	-	-	-	38,092	13,405
HST receivable	40,391	-	-	-	-	40,391	26,812
Prepaid expenses	95,714	-	-	-	-	95,714	88,311
Due from CMSM	35,116	-	-	-	-	35,116	3,887
Due from (to) own funds (Note 5)	(86,774)	19,891	34,609	22,274	10,000	-	-
	<u>1,005,931</u>	<u>19,891</u>	<u>34,609</u>	<u>22,274</u>	<u>10,000</u>	<u>1,092,705</u>	<u>750,216</u>
Employee advances (OMERS) (Note 6)	60,878	-	-	-	-	60,878	160,314
Property and equipment (Note 7)	-	-	14,951,409	-	-	14,951,409	14,952,576
	<u>1,066,809</u>	<u>19,891</u>	<u>14,986,018</u>	<u>22,274</u>	<u>10,000</u>	<u>16,104,992</u>	<u>15,863,106</u>
Current liabilities							
Accounts payable	351,041	-	-	-	-	351,041	306,861
Deferred revenue (Note 8)	126,198	-	-	-	-	126,198	14,911
	<u>477,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>477,239</u>	<u>321,772</u>
Share capital (Note 10)	100	-	-	-	-	100	100
Fund balances							
Unrestricted	589,470	19,891	35,775	22,274	10,000	677,410	590,991
Externally restricted (Note 11)	-	-	14,950,243	-	-	14,950,243	14,950,243
	<u>589,470</u>	<u>19,891</u>	<u>14,986,018</u>	<u>22,274</u>	<u>10,000</u>	<u>15,627,653</u>	<u>15,541,234</u>
	<u>1,066,809</u>	<u>19,891</u>	<u>14,986,018</u>	<u>22,274</u>	<u>10,000</u>	<u>16,104,992</u>	<u>15,863,106</u>

Approved by the Board of Directors:



The accompanying notes are an integral part of these financial statements

Haldimand-Norfolk Housing Corporation
Statement of Changes in Fund Balances
Year ended December 31, 2020

	Operating Fund \$	Deferred Staff Entitlement Reserve Fund \$	Capital Asset Fund \$	Capital Reserve Fund \$	Insurance Claim Reserve Fund \$	Total 2020 \$	Total 2019 \$
Fund balance - beginning of the year	447,857	62,853	14,986,018	34,506	10,000	15,541,234	15,492,083
Excess (deficiency) of revenue over expenditures for the year	99,818	-	(1,167)	(12,232)	-	86,419	49,151
Interfund transfers (Note 5)	<u>41,795</u>	<u>(42,962)</u>	<u>1,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF THE YEAR	<u><u>589,470</u></u>	<u><u>19,891</u></u>	<u><u>14,986,018</u></u>	<u><u>22,274</u></u>	<u><u>10,000</u></u>	<u><u>15,627,653</u></u>	<u><u>15,541,234</u></u>

The accompanying notes are an integral part of these financial statements

Haldimand-Norfolk Housing Corporation
Statement of Operations
Year ended December 31, 2020

	Operating Fund \$	Deferred Staff Entitlement Reserve Fund \$	Capital Asset Fund \$	Capital Reserve Fund \$	Insurance Claim Reserve Fund \$	Total 2020 \$	Total 2019 \$
REVENUE							
Rent	1,784,270	-	-	-	-	1,784,270	1,763,723
Government subsidy	1,095,952	-	-	625,000	-	1,720,952	1,616,300
Municipal funding - OPHI	-	-	-	243,576	-	243,576	3,887
Municipal funding - Pandemic	19,635	-	-	-	-	19,635	-
Property management fees and recoveries	204,025	-	-	-	-	204,025	204,205
	<u>3,103,882</u>	<u>-</u>	<u>-</u>	<u>868,576</u>	<u>-</u>	<u>3,972,458</u>	<u>3,588,115</u>
Expenditures							
Capital costs							
Salaries, wages, and benefits	1,132,871	-	-	-	-	1,132,871	1,126,455
Administrative expenses	255,329	-	-	-	-	255,329	132,542
Supplies and equipment	30,579	-	-	-	-	30,579	24,077
Amortization	-	-	1,167	-	-	1,167	8,388
Total capital costs	<u>1,418,779</u>	<u>-</u>	<u>1,167</u>	<u>-</u>	<u>-</u>	<u>1,419,946</u>	<u>1,291,462</u>
Capital costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>880,808</u>	<u>-</u>	<u>880,808</u>	<u>625,640</u>
Materials and services							
Life safety systems	36,978	-	-	-	-	36,978	46,599
Roofing	12,154	-	-	-	-	12,154	11,525
Building repairs	214,667	-	-	-	-	214,667	199,899
Telephone communications	22,878	-	-	-	-	22,878	22,688
Elevators operating	21,027	-	-	-	-	21,027	19,740
Electrical repairs	30,220	-	-	-	-	30,220	34,168
Appliance repairs	5,668	-	-	-	-	5,668	6,401
Grounds maintenance	131,919	-	-	-	-	131,919	171,457
Heating and ventilation repairs	48,291	-	-	-	-	48,291	60,274
Plumbing repairs and maintenance	39,892	-	-	-	-	39,892	62,013
Painting operating	23,696	-	-	-	-	23,696	1,743
Sundry materials and services	19,753	-	-	-	-	19,753	19,610
Total materials and services	<u>607,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>607,143</u>	<u>656,117</u>
Utilities	<u>448,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>448,020</u>	<u>440,511</u>
Municipal taxes and other costs	<u>530,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>530,122</u>	<u>525,234</u>
Total expenditures	<u>3,004,064</u>	<u>-</u>	<u>1,167</u>	<u>880,808</u>	<u>-</u>	<u>3,886,039</u>	<u>3,538,964</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>99,818</u>	<u>-</u>	<u>(1,167)</u>	<u>(12,232)</u>	<u>-</u>	<u>86,419</u>	<u>49,151</u>

The accompanying notes are an integral part of these financial statements

Haldimand-Norfolk Housing Corporation
Statement of Cash Flow
Year ended December 31, 2020

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenditures for the year	86,419	49,151
Items not requiring an outlay of cash:		
Decrease (increase) in market value of investments	(9,313)	(14,333)
Forgiveness of employee loans	89,428	-
Amortization	<u>1,167</u>	<u>8,388</u>
	<u>167,701</u>	<u>43,206</u>
Changes in non-cash working capital components:		
Decrease (increase) in accounts receivable and HST receivable	(38,266)	33,914
Increase in prepaid expenses	(7,403)	(1,012)
Increase in due from CMSM	(31,229)	(3,887)
Increase (decrease) in accounts payable	44,183	(83,344)
Increase (decrease) in deferred revenue	<u>111,287</u>	<u>(14,670)</u>
	<u>78,572</u>	<u>(68,999)</u>
CASH FLOW FROM (USED BY) OPERATING ACTIVITIES	<u>246,273</u>	<u>(25,793)</u>
CASH PROVIDED BY (USED IN) FINANCING AND INVESTING ACTIVITIES		
Purchase of investments	(275,215)	(25,001)
Purchase of equipment	-	(3,500)
Repayment of employee advances (OMERS)	<u>10,007</u>	<u>10,007</u>
CASH FLOW USED BY FINANCING AND INVESTING ACTIVITIES	<u>(265,208)</u>	<u>(18,494)</u>
NET DECREASE IN CASH	(18,935)	(44,287)
Cash - beginning of the year	<u>108,972</u>	<u>153,259</u>
CASH - END OF THE YEAR	<u><u>90,037</u></u>	<u><u>108,972</u></u>

The accompanying notes are an integral part of these financial statements

Haldimand-Norfolk Housing Corporation
NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2020

1. PURPOSE OF THE ORGANIZATION

The Haldimand-Norfolk Housing Corporation commenced operations on January 1, 2001 with the purpose of providing affordable housing to those in need. The Haldimand-Norfolk Housing Corporation incorporated on December 14, 2000 under the Corporations Act for the Province of Ontario as a corporation with share capital and is registered as a Not for Profit Organization for the purposes of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the agreement with the Consolidated Municipal Service Manager (CMSM). The basis of accounting used in these financial statements materially differs from Canadian Accounting Standards for Not-For-Profit Organizations because:

- (i) Amortization is not provided on building, furniture, and equipment pursuant to the Transfer Order described under Note 3;
- (ii) Any prior year subsidy adjustments made by the CMSM to prior years' financial statements are recorded as an adjustment to opening fund balances, of the appropriate fund, in the year the adjustment is made;
- (iii) Any capital costs approved before the year end that have not been received, completed, or started until the subsequent year, are recognized as capital committed liabilities in the Capital Reserve Fund;
- (iv) Any debt associated with the properties transferred to the Corporation from the Province of Ontario are not recorded on the Statement of Financial Position of the Corporation. For properties debentured by the Province of Ontario, neither the notional grant revenue or mortgage cost expenditure is recognized in the Corporation's Statement of Operations. For properties mortgaged with lending institutions, the Province of Ontario cash flows to the corporation the annual principal and interest requirements. The Corporation records both the grant revenue and mortgage cost expenditure on the Statement of Operations. The Corporation is contingently liable for the total amount of this debt as disclosed in Note 9; and
- (v) The allocation of the technical service costs are treated as expense of the Capital Reserve Fund and not as an interfund transfer from the Operating Fund to the Capital Reserve Fund.
- (vi) The payments for any retirement gratuities are recorded as an expense in the year such payments are made to the respective employee. No provision for any post-retirement benefits is recorded in these financial statements.

Haldimand-Norfolk Housing Corporation
NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2020

2 SIGNIFICANT ACCOUNTING POLICIES - Continued

(b) Financial instruments

Financial instruments are recorded at fair value when acquired or issued, except for related party transactions, which are recorded at the carrying or exchange amount depending on the circumstances. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets recorded at amortized cost are cash, guaranteed investment certificates, accounts receivable, and due from (to) own funds, due from CMSM.

Financial assets recorded at fair value include mutual fund investments.

Financial liabilities recorded at amortized cost include accounts payable.

(c) Fund accounting

The Operating Fund reports the assets, liabilities, revenues, and expenditures related to operating and administrative activities of the Corporation. This fund reports unrestricted operational resources.

The Capital Asset Fund records assets, liabilities, revenues, and expenditures related to the Corporation's property and equipment. This fund reports any unrestricted transfers of leasehold improvements and equipment purchases made throughout the year and the fund reports the externally restricted transfer of land, buildings, furniture, and fixtures received from the government.

The Capital Reserve Fund records the restricted government subsidy and allowable expenditures considered to be regular on-going capital in nature.

The Deferred Staff Entitlement Reserve Fund records the assets, liabilities, revenues, and expenditures with respect to future staff retirement obligations.

The Insurance Claim Reserve Fund records amounts provided for the deductible portion of possible future insurance claims.

(d) Leasehold improvements and computer equipment

Leasehold improvements and computer equipment are recognized at cost and amortized on a straight-line basis as follows:

Leasehold improvements	5 years
Computer equipment	3 or 5 years

Haldimand-Norfolk Housing Corporation
NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

(e) Revenue recognition

The Corporation follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations, if any, are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year received or receivable.

Rental income is recognized as revenue of the Operating Fund the first day of every month for any unit with a tenant. Rent adjustments are recognized in the period they are processed.

Government subsidies and all other incomes are recognized as revenue of the Operating Fund and Capital Reserve Fund when the amount is receivable. The operating subsidy is recognized based on the approved fiscal allocation by the CMSM.

(f) Measurement uncertainty

The preparation of financial statements in conformity with Canadian Accounting Standards for Not for Profit Organizations requires management to make estimates and assumptions that affect the reported amount 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. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Key components of the financial statements requiring management to make estimates include and allowance for doubtful debts, the useful lives of property and equipment, accrued expenses, and deferred revenue.

3. INCORPORATION AND COMMENCEMENT OF OPERATIONS

Bill 128 (the Social Housing Reform Act, 2000) provided for the formation of local housing corporations to be organized under the provisions of the Ontario Business Corporations Act with a municipal service manager as the sole shareholder. The Haldimand-Norfolk Housing Corporation was incorporated under the Ontario Business Corporations Act on December 14, 2000. The Corporation was deemed upon incorporation to have issued 100 common shares to The Corporation of Norfolk County (Norfolk County). On July 12, 2001, Norfolk County transferred 40 of its 100 shares to The Corporation of Haldimand County (Haldimand County).

Pursuant to a Transfer Order made under the Social Housing Reform Act, all assets, liabilities, rights, and obligations with respect to the local housing authority were transferred from the Ontario Housing Corporation to the Haldimand-Norfolk Housing Corporation, effective January 1, 2001, which was equal to their estimated fair market value at the transfer date. No amortization is to be provided on these transferred assets. Operating subsidies will be disbursed by Norfolk County, as service manager, and will continue to be subject to annual reconciliation and reporting requirements.

Furniture and fixtures transferred under the Social Housing Act were recorded at their fair market value at the transfer date. The transferred amounts have been recorded as contributed surplus.

Haldimand-Norfolk Housing Corporation
NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2020

4. INVESTMENTS

Investments consist of the following:

	2020	2019
	\$	\$
Mutual fund investments	118,141	108,829
Guaranteed Investment Certificates	50,000	400,000
Premium investment account	625,215	-
	<u>793,356</u>	<u>508,829</u>

5. DUE FROM (TO) OWN FUNDS

The Operating Fund owes the Deferred Staff Entitlement Reserve Fund, Capital Asset Fund, Capital Reserve Fund, and the Insurance Claim Reserve Fund a net balance of \$86,774. The loans are interest-free with no set repayment terms. The net balance is comprised of the following:

The Operating Fund has used the net operating assets transferred from the Province of Ontario to the Capital Asset Fund and owes the Capital Asset Fund \$34,609.

The Operating Fund retains any funding received for the Capital Reserve Fund in its bank account and pays for all of the capital costs on behalf of the Capital Reserve Fund. The Operating Fund owes the Capital Reserve Fund \$22,274.

The Operating Fund retains any funding received for the Deferred Staff Entitlement Fund in its bank account and pays for all of the associated costs of the Deferred Staff Entitlement Fund. The Operating Fund owes the Deferred Staff Entitlement Fund \$19,891.

The Operating Fund retains any funding received for the Insurance Claim Reserve Fund in its bank account and pays for all of the associated costs of the Insurance Claim Reserve Fund. The Operating Fund owes the Insurance Claim Reserve Fund \$10,000.

During the year, the Deferred Staff Entitlement Reserve Fund for future estimated retirement payments owing to staff upon retirement was reduced by \$42,962. This has been reflected as an interfund transfer back to the Operating Fund in order to reduce this fund balance.

During the year, the Operating Fund transferred \$1,167 to the Capital Fund to fund the annual amortization expense.

6. EMPLOYEE ADVANCES (OMERS)

The balance of employee advances is a direct result of OMERS contribution costs related to the social housing business transfer that occurred in 2001. The advances bear interest at the quarterly prescribed interest rate of the Canada Revenue Agency, and all interest revenue is received by the Corporation no later than 30 days after year-end. The loans will be repaid over a maximum 10 year period after the affected employees retire from the Corporation. The loans are unsecured; but they represent the affected employees estimated retirement benefit that would be due from the Corporation.

During the year, \$89,428 was written-off upon retirement of employee and changes to employment agreement.

Haldimand-Norfolk Housing Corporation
NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2020

7. PROPERTY AND EQUIPMENT

	Cost \$	Accumulated Amortization \$	2020 Total \$	2019 Total \$
Land and building	14,647,400	-	14,647,400	14,647,400
Furniture and fixtures	302,843	-	302,843	302,843
Leasehold improvements	90,957	90,957	-	-
Computer equipment	122,284	121,118	1,166	2,333
	<u>15,163,484</u>	<u>212,075</u>	<u>14,951,409</u>	<u>14,952,576</u>

8. DEFERRED REVENUE

During the year, the Corporation was issued a one-time payment of \$120,000 to assist with additional costs incurred for COVID-19 cleaning in pandemic plans from the Haldimand Norfolk Social Services and Housing Department (the housing department). Initially the scheduled timeline for the funding to be used set by the department was from April 1, 2020 to March 31, 2021, but subsequent to the year end this timeline was extended with no specific ending date due to continuation of pandemic through 2021, any leftover will be refunded back to the department. As of year end \$19,365 of related expenses were incurred and are recognized as revenue, while \$100,364 is yet to be expensed on related activities.

In 2017 the Corporation received \$103,030 in funding for a Regeneration Study. An additional \$75,000 was received in 2020. Of this amount, \$25,834 (2019 - \$5,286) has been reported as deferred revenue which will be recognized in coming periods.

9. CONTINGENT LIABILITIES

There are \$458,955 in outstanding debentures placed on specific properties managed by the Haldimand-Norfolk Housing Corporation. Although the debentures are secured against the assets, the Corporation is not responsible for payment. The Ministry directly pays these balances. Neither the debt, repayments, nor the notional grant revenue has been included in these financial statements.

10. SHARE CAPITAL

	2020 \$	2019 \$
Authorized		
Unlimited common shares		
Issued		
100 common shares	<u>100</u>	<u>100</u>

Haldimand-Norfolk Housing Corporation
NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2020

11. EXTERNALLY RESTRICTED FUND BALANCE

The amount of \$14,950,243 represents the assets transferred to the Haldimand-Norfolk Housing Corporation to be held as externally restricted resources for capital purpose pursuant to the transfer agreement.

12. CAPITAL MANAGEMENT

The Haldimand-Norfolk Housing Corporation considers its capital to be the balance maintained in its unrestricted fund balances. The primary objective of the Corporation is to manage its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives.

14. COMMITMENTS

The Corporation provides a retirement gratuity benefit to qualified employees. As at December 31, 2020, the total amount committed is \$19,890 (2019: \$62,853) which has been fully provided for in the Deferred Staff Entitlement Reserve Fund.

The Corporation has also entered into various property management contracts for services such as elevator maintenance, building janitorial services, landscaping, snow clearing and building preventative maintenance. The Corporation commits to pay fees of \$225,229 for these contracts which end on various dates in 2021. This amount does not include HST.

15. FINANCIAL RISKS

The Corporation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate, and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of December 31, 2020:

(a) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Corporation is exposed to other price risk through its investment in mutual funds.

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant other risks arising from these financial instruments.

16. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national, and global economies.

As at the date of issuance of the financial statements, the Corporation is aware of changes in its operations as a result of the COVID-19 crisis. Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the Corporation's operations as at the date of these financial statements.