



Social Services
and Seniors

Prince Edward Island Housing Corporation



Annual Report

for the year ending March 31, 2005

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Prince Edward Island
Housing Corporation



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**Social Services
and Seniors**

Cover photo:

The new 14-unit affordable housing complex constructed in Wellington, Prince Edward Island in 2005.
Brian Simpson, Multimedia Services

Message from the Minister



The Honourable J. Leonce Bernard
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, 2005.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "J. Chester Gillan". The signature is written in a cursive style.

J. Chester Gillan
Minister Responsible for the
PEI Housing Corporation

Deputy Minister's Message



The Honourable J. Chester Gillan
Minister Responsible for
The Prince Edward Island Housing Corporation
Charlottetown
Prince Edward Island

Honourable Minister:

I am pleased to submit the Annual Report of the Prince Edward Island Housing Corporation for the fiscal year ending March 31, 2005.

Respectfully submitted,

A handwritten signature in cursive script, reading "Jeanette MacAulay".

Jeanette MacAulay
Chief Executive Officer
PEI Housing Corporation

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Overview

The PEI Housing Corporation derives its authority from the *Housing Corporation Act of 1993*. The objective of the Housing Corporation is to provide Islanders of low and moderate incomes with access to safe, affordable, adequate housing.

The Housing Corporation shares its responsibility in the housing field with the Department of Social Services and Seniors and local family housing authorities. The Corporation is responsible for provincial coordination of programs, policy, management of family housing through the local family housing authorities, liaison with the federal government on housing issues, and for overseeing the administration of federal-provincial agreements. The Department of Social Services and Seniors is responsible for the staffing and actual delivery of most programs, as well as providing technical and assessment support to family housing.

The corporation works with many partners including the Canada Mortgage and Housing Corporation (CMHC), representing the federal government. CMHC provides cost-sharing of provincial programs involving 1,700 units and directly administers another 900 federally funded social housing units. The Corporation manages and delivers the Canada - PEI Affordable Housing program, signed in 2003. Other partners of the P.E. I. Housing Corporation include the many community members who serve on the nine family housing authorities Boards across the province. Seniors and other client groups, municipal representatives, non-profits, private sector developers, the construction industry, and tenants play an important partnership role in bringing affordable housing to Islanders.

Over the years numerous studies have shown a direct relationship between the health of a population and the availability of good housing. Since the 1960's, through its social housing program, the province has worked to ensure good housing for low and moderate income Islanders.

The federal/provincial cost shared Social Housing Agreements support the rental housing needs of seniors, families and Islanders in need of housing.

To meet the need for low income home owner renovations, the province and the federal government jointly fund the Residential Rehabilitation Assistance Program (RRAP). This program is administered by the CMHC. The objective of the program is to assist low and moderate income homeowners to maintain their residences in good condition and to continue to live independently in their own home.

Aperçu

L'autorité de la Société d'habitation de l'Î.-P.-É. a sa source dans la loi intitulée *Housing Corporation Act of 1993*. La Société d'habitation a pour objectif de permettre aux Insulaires à faible ou à moyen revenu d'avoir accès à un logement sécuritaire, à prix raisonnable et convenable.

La Société d'habitation partage ses responsabilités dans le domaine de l'habitation avec le ministère des Services sociaux et des Aînés et les offices d'habitation familiale locaux. Elle est responsable de la coordination provinciale des programmes, de l'orientation et de l'administration de l'habitation familiale au moyen des offices d'habitation locaux, de la liaison avec le gouvernement fédéral en ce qui concerne les questions d'habitation et de la coordination de l'administration des ententes fédérales-provinciales. Le ministère des Services sociaux et des Aînés est chargé de la dotation et de la prestation effective de la plupart des programmes ainsi que de la prestation du soutien technique et du soutien d'évaluation à l'habitation familiale.

La Société a de nombreux partenaires, notamment la Société canadienne d'hypothèques et de logement (SCHL) qui représente le gouvernement fédéral. La SCHL voit au partage des frais des programmes provinciaux portant sur 1 700 logements, et elle administre directement 900 autres logements sociaux financés par le fédéral. La Société administre et mène à bien le programme Canada-Î.-P.-É. sur les logements abordables, signé en 2003. Au nombre des autres partenaires de la Société d'habitation de l'Î.-P.-É. se trouvent les nombreux bénévoles qui siègent aux neuf conseils d'habitation familiale de la province. Les aînés et d'autres groupes de clients, les représentants municipaux, les organismes sans but lucratif, l'industrie de la construction et les locataires jouent également un rôle de partenaire important pour fournir des logements à prix raisonnable aux Insulaires.

Au cours des années, de nombreuses études ont montré un lien direct entre la santé d'une population et la disponibilité d'un logement adéquat. Depuis les années 1960, par l'intermédiaire de son programme de logement social, la province s'est efforcée de procurer de bons logements aux Insulaires à faible et à moyen revenu.

Les ententes fédérales-provinciales à frais partagés soutiennent les besoins en logement des aînés, des familles et des Insulaires.

Pour répondre aux besoins de rénovations des propriétaires à faible revenu, la province et le gouvernement fédéral financent conjointement le Programme d'aide à la remise en état des logements (PAREL). Ce programme est administré par la Société canadienne d'hypothèques et de logement. Il vise à aider les propriétaires à faible et à moyen revenu à maintenir leur résidence en bon état et à vivre d'une manière indépendante dans leur propre maison.

Year in Review

The demand for seniors housing has declined in urban and most rural areas as demonstrated by a slow but steady decline in the active waiting lists over the past few years. An average of 157 applicants were looking for seniors housing at any one time during the year. In some areas, facilities have been closed due to lack of tenancy (Kinkora, Cardigan and St. Charles). In the past year 176 new tenants were placed in seniors housing. This represented a 15.3 per cent turn-over of tenants. During the year 2004-2005 expenditures on the Seniors Housing program totalled \$ 4,680,086.

The demand for family housing continues to increase with lengthy waiting lists in most communities. Applications during the year totalled 318. There was a 15.4 per cent turnover rate with 75 families placed. The active waiting list is 520 families. The development of family housing options in response to this need remains a priority. Provincial expenditures on the Family Housing Program were \$ 2,072,000 during fiscal year 2004-2005.

Under the Rural Mortgage Loan Program in 2004-2005, there were no new mortgages approved. A noticeable decline in program activity has been evident in recent years. Credit Unions now seem to be able to access appropriate resources in the market place to address all of their lending requirements.

In 2004-2005 there were 15 applications approved under the Home Adaptations for Seniors Independence Program for a total of \$49,882. This program assists low-income Canadians, aged 65 or older, whose difficulties in daily living can be addressed through adaptations to their homes.

The Seniors Emergency Home Repair Program was designed as a measure to keep low income seniors safe and secure in their own homes. Clients must own their own residence, be 60 years of age or older and have a combined annual income of client and spouse (common law or same sex) of no more than \$26,200. The repairs must be essential to the structure of the building and the health and safety of the residents. The program will contribute 50 per cent of the cost of eligible repairs up to a maximum grant of \$1,500. The 2004/2005 program budget was \$200,000. In 2004/05 the program funded 188 repairs at an average cost of \$1,061.

The Canada - PEI Affordable Housing Agreement was signed on May 23, 2003. Eleven projects representing 75 units, have been approved since the signing of the Agreement and this represents a total value of \$3,159,533 which was jointly supported by the Affordable Housing Agreement and community partners and investments.

Bilan de l'année

La demande de logements destinés aux aînés a diminué dans les régions urbaines et dans la plupart des régions rurales, comme on a pu le constater, au cours des dernières années, par un déclin d'activité lent et soutenu dans les listes d'attente. Une moyenne de 157 demandeurs cherchaient des logements destinés aux aînés en tout temps durant l'année. À certains endroits, des établissements ont été fermés en raison d'un manque d'occupation (Kinkora, Cardigan et St. Charles). Au cours de la dernière année, 176 nouveaux locataires ont été placés dans des logements destinés aux aînés. Cela représentait un renouvellement de locataires de 15,3 pour cent. Durant l'année 2004-2005, les dépenses du programme d'habitation des aînés se sont chiffrées à 4 680 086 millions de dollars.

La demande de logements familiaux continue d'augmenter, et les listes d'attente de s'allonger, dans la plupart des régions. Durant l'année, on a atteint le nombre de 318 demandes. 75 familles ont été placées : cela représentait un taux de renouvellement de 15,4 pour cent. La liste d'attente active est de 520 familles. La création de nouveaux logements familiaux en réponse à ce besoin demeure l'objectif prioritaire. Les dépenses de la province rattachées au programme d'habitation familiale se sont élevées à 2 072 000 dollars durant l'exercice financier 2004-2005.

En 2004-2005, on n'a pas approuvé de nouvelles hypothèques dans le cadre du Programme de prêts hypothécaires ruraux. Au cours des dernières années, le déclin dans les activités du programme est évident. Les caisses populaires semblent maintenant capables d'accéder aux ressources appropriées du marché pour répondre à toutes les exigences de leurs prêts.

En 2004-2005, 15 demandes ont été approuvées dans le cadre du Programme de logements adaptés pour aînés autonomes, ce qui totalise un montant de 49 882 dollars. Ce programme aide les Canadiens et Canadiennes à faible revenu, âgés de 65 ans ou davantage, dont les difficultés de la vie quotidienne peuvent être abordées au moyen d'adaptations à leurs maisons.

Le Programme de réparations domiciliaires urgentes pour les aînés a été conçu comme une mesure visant à protéger les aînés à faible revenu dans leurs propres maisons. Le client doit être propriétaire de sa maison, être âgé de 60 ans ou davantage, et avoir un revenu annuel combiné (client et conjoint de fait ou de même sexe) ne dépassant pas 26 200 \$. Les réparations à la structure du bâtiment doivent être essentielles et être faites pour la santé et la sécurité des résidents. Le programme contribuera à hauteur de 50 pour cent du coût des réparations admissibles, jusqu'à une subvention maximale de 1 500 dollars. Le budget du programme de 2004-2005 était de 200 000 dollars. En 2004-2005, le programme a financé 188 réparations à un coût moyen de 1 061 dollars.

L'Entente Canada-Î.-P.-É. sur les logements abordables a été signée le 23 mai 2003. Onze projets représentant 75 unités ont été approuvés depuis la signature de l'entente. Les unités ont été soutenues par l'Entente des logements à prix abordables, les partenaires communautaires et les investissements, représentant une valeur de 3 159 533 dollars.

Program Services

Seniors Housing

The proportion of seniors in the population is expected to increase dramatically over the next 25 years. Statistical studies show this population increase will translate into increased demand for subsidized seniors housing in the next decade. Statistics Canada shows Island seniors are more financially secure than seniors in other provinces. Facilities were/are closed in Kinkora, Cardigan and St. Charles. Demand for seniors housing is steadily declining. In the past year 176 tenants took up residence in seniors housing. This represented a turnover rate of 15.3 per cent. New applications numbered 157 and the waiting list averaged 180 persons at one time. The expenditure for operations and maintenance for seniors housing in 2004-05 was \$ 4,680,086.

Garden Suites

Garden suites are a form of seniors housing. These one-bedroom units are located on a host property, usually of a relative. When no longer required in one area, the garden suites can be readily moved to the next area. There are six garden suites in the province's housing portfolio.

Helping Hands for Seniors

This is a summer program that combines employment for students, under the Jobs for Youth Program, with services to senior citizen homeowners. Under the program, students assist seniors with minor maintenance items such as painting, yard clean-up, etc. This program was offered in the catchment areas of the Summerside, Charlottetown, Montague and Souris offices. In 2004-05, six students were employed and 68 senior citizen homeowner applications were approved.

Seniors Emergency Home Repair Program

The Seniors Emergency Home Repair Program was designed as a measure to keep low income seniors safe and secure in their own homes. The criteria was home ownership, be 60 years of age or older with a combined income of client and spouse (common law or same sex) of no more than \$26,200. The repairs needed to be essential to the structure of the building and for the health and safety of the residents. The program contributed 50 per cent of the cost of eligible repairs up to a maximum grant of \$1,500. The 2004-05 program budget was \$200,000. In 2004-05 the program funded 188 repairs at an average cost of \$1,061. Priority repairs were roofs, oil tanks, furnaces, and septic/water systems.

Family Housing

The demand for family housing continues to be strong. New applications numbered 368 and the provincial active waiting list has 520 families. During the year, 75 families were placed, which represented a decrease from the previous year. The average turnover rate for the Island was 15.4 per cent.

Of increasing concern is the consistently high ratio of families waiting for units versus the number of units available and the turnover rates in the Charlottetown and Summerside areas. The expenditure for operation and maintenance for family housing in 2004-05 was \$ 2,072,000.

Rent Supplement Program

This program utilizes existing private market housing to provide accommodations for families selected from the family housing waiting lists. Rents are made affordable for the families via rent subsidies. There are 18 units under housing staff administration; 12 in Charlottetown and six in Summerside.

Social Housing

During the 1970s, 83 housing units were purchased, renovated, and made available to low and moderate income families on a rental or lease-purchase basis. Over the years many were sold to their occupants. Currently only two units remain under administration and the program is otherwise inactive.

Rural and Native Housing

This program provides rent-to-income housing for low and moderate income families. There are nine units across the province.

Rural Community Housing

Providing affordable rental housing in smaller centers, 11 units are administered by provincial housing staff.

Rural Mortgage Lending Support Program

This is a provincial home ownership initiative designed to improve the access to conventional mortgage financing of homeowners wishing to locate in smaller communities and rural areas. The program also supports the rural community development efforts of the province. In cooperation with the Prince Edward Island Credit Union league, the Housing Corporation provides long term loan funds to local Credit Unions. In turn, the Credit Unions use the funds to give rural homeowners conventional mortgages at fair market rates. Standard lending practices apply to the mortgage loans.

In 2004-05, there were no new mortgages approved. A noticeable decline in program activity has been evident in recent years. Credit Unions now seem to be able to access appropriate resources in the market place to address all of their lending requirements. The Island Credit Unions paid out the balance of this program (\$6.6M) as of March 15, 2005. This program has been closed due to lack of use/necessity.

Federal Provincial Relations

On May 23, 2003, the Canada-PEI Affordable Housing Agreement was signed. Funding under this agreement will be used to create new, additional, affordable housing units for low to moderate income Islanders through rental, conversion and home ownership initiatives.

The program is administered by the Prince Edward Island Department of Social Services And Seniors and the PEI Housing Corporation. PEI is responsible for the selection of affordable housing projects. Provincial priorities are housing for families, persons with disabilities and persons with special needs. The government has partnered with Habitat for Humanity to deliver the home ownership component.

Maximum funding under phase one of the agreement is \$2.75 million to be matched by the Province of Prince Edward Island, municipalities and other partners. Overall funding from the Canada-PEI Affordable Housing Agreement will not exceed \$25,000/unit over the life of the agreement. Housing supported by the Canada-PEI Affordable Housing Agreement must be affordable for 10 years.

Eleven (11) contracts have been finalized since the program began representing 75 units with a total investment from the Affordable Housing Agreement and community and private partners totaling \$3,159,533.

Rural Residential Rehabilitation Assistance Program (RRRAP)

This is a federal/provincial cost shared (75/25) program directly administered by Canada Mortgage and Housing Corporation. In 2004-05, the two levels of government contributed a combined total of \$1,255,900 to the program for 121 units as listed below:

- ***Homeowner RRAP*** – Provides assistance to low income homeowners to bring their property up to minimum health and safety standards (48 units - \$686,930)
- ***RRAP For Disabled Persons*** – Provides assistance to households occupied by persons with disabilities who require special modifications to improve accessibility to their residence. (29 units - \$364,629)
- ***Rooming House RRAP*** – There were no applications to this program which provides support for rehabilitation to shelters for low income Islanders in core needs of housing.
- ***Emergency Repair Program (ERP)*** – Provides assistance to homeowners in rural and remote areas to undertake emergency repairs required for the continued safe occupancy of their residence. (29 units - \$154,459)
- ***Home Adaptation For Seniors Independence (HASI)*** – Assists low-income

Canadians, aged 65 or older, whose difficulties in daily living can be addressed through adaptations to their homes. (15 units - \$49,882)

- ***Shelter Enhancement*** (SE) – Provides assistance to repair existing and create new shelters and second stage housing for women, children and youth who are victims of family violence both on and off Indian Reserves. There were no applications to this program.
- ***RRAP Conversion*** – Provides assistance to convert existing commercial or buildings not used for housing, into housing units. There were no applications to this program.

Financial Statements

**PRINCE EDWARD ISLAND
HOUSING CORPORATION
FINANCIAL STATEMENTS
MARCH 31, 2005**

AUDITOR'S REPORT

Hon. J. Chester Gillan
Minister of Health and Social Services
Province of Prince Edward Island

I have audited the balance sheet of the Prince Edward Island Housing Corporation as at March 31, 2005 and the statements of revenue and expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Note 1 to the financial statements describes the amortization policy of the Corporation. The note indicates that the amortization of rental properties and Federal-Provincial projects is equal to the principal reduction in the corresponding long-term indebtedness. In this respect the financial statements are not in accordance with Canadian generally accepted accounting principles.

In my opinion, except for the effects of the amortization method described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.


Colin Younker, CA
Auditor General

Charlottetown, Prince Edward Island
July 28, 2005

PRINCE EDWARD ISLAND HOUSING CORPORATION
BALANCE SHEET
AS AT MARCH 31, 2005

ASSETS	<u>2005</u>	<u>2004</u>
Current assets		
Cash	\$ 19,700	\$ 196,100
Accounts receivable	<u>230,000</u>	<u>212,300</u>
	<u>249,700</u>	<u>408,400</u>
 Notes receivable - note 2	 <u>-</u>	 <u>7,478,600</u>
 Mortgages receivable	 <u>87,800</u>	 <u>119,300</u>
 Investment in properties		
Agreements of sale - note 3	25,900	28,400
Land for resale or development - note 4	270,100	272,800
Federal-Provincial projects - note 5	6,007,100	6,045,400
Rental housing projects - note 6	<u>40,143,200</u>	<u>41,529,400</u>
	<u>46,446,300</u>	<u>47,876,000</u>
 TOTAL ASSETS	 <u>\$46,783,800</u>	 <u>\$55,882,300</u>
 LIABILITIES AND EQUITY		
 Current liabilities		
Accounts payable and accruals - note 7	\$ 6,073,700	\$ 2,890,400
Current portion of long-term debt	<u>1,980,100</u>	<u>2,665,800</u>
	<u>8,053,800</u>	<u>5,556,200</u>
 Long-term liabilities		
CMHC - note 8	29,205,300	30,382,100
Province of PEI - note 9	<u>4,619,400</u>	<u>15,016,200</u>
	<u>33,824,700</u>	<u>45,398,300</u>
 Reserves		
Co-operative and social housing	<u>1,300</u>	<u>2,800</u>
 Equity contributed by the Province of PEI - note 11	 <u>4,904,000</u>	 <u>4,925,000</u>
 TOTAL LIABILITIES AND EQUITY	 <u>\$46,783,800</u>	 <u>\$55,882,300</u>

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

PRINCE EDWARD ISLAND HOUSING CORPORATION
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2005

	<u>2005</u>	<u>2004</u>
Revenue		
Appropriations from the Province of PEI - note 12	\$4,637,300	\$5,012,700
Gain on disposal of property	<u>29,800</u>	<u>-</u>
	<u>4,667,100</u>	<u>5,012,700</u>
Expenses		
Amortization	1,403,500	1,287,600
Interest	2,776,200	3,110,500
Property taxes	205,700	196,100
Grants issued	281,700	397,900
Loss on disposal of property	<u>-</u>	<u>20,600</u>
	<u>4,667,100</u>	<u>5,012,700</u>
Net result	<u>\$ -</u>	<u>\$ -</u>

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

PRINCE EDWARD ISLAND HOUSING CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2005

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ -	\$ -
Amounts charged against income not requiring an outlay of cash:		
Amortization of fixed assets	1,424,500	1,306,700
Amortization charged to contributed surplus	(21,000)	(19,100)
Donations of land	2,700	40,000
(Gain) Loss on disposal of property	<u>(29,800)</u>	<u>20,600</u>
	1,376,400	1,348,200
Changes in non-cash working capital:		
(Increase) decrease in accounts receivable	(17,700)	25,200
Increase in accounts payable	3,183,300	194,100
Decrease in reserve	<u>(1,500)</u>	<u>(79,200)</u>
	<u>4,540,500</u>	<u>1,488,300</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in notes receivable	7,478,600	1,331,200
Decrease in mortgages receivable	31,500	71,100
Decrease in agreements of sale	2,500	2,200
Proceeds from property transactions	<u>29,800</u>	<u>175,500</u>
	<u>7,542,400</u>	<u>1,580,000</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash payments to reduce long-term debt obligations	<u>(12,259,300)</u>	<u>(2,875,000)</u>
Increase (decrease) in cash	(176,400)	193,300
Cash, beginning of year	<u>196,100</u>	<u>2,800</u>
Cash, end of year	<u>\$ 19,700</u>	<u>\$ 196,100</u>

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

PRINCE EDWARD ISLAND HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

1. Significant Accounting Policies

These financial statements have been prepared in accordance with the accounting policies set out below. The basis of accounting used in these financial statements differs from Canadian generally accepted accounting principles because:

- (a) Amortization on rental properties is equal to the principal reduction in the corresponding long-term indebtedness rather than their estimated useful life.
- (b) Federal-Provincial project costs are amortized over the life of the Federal-Provincial agreement rather than their estimated useful life. Accumulated amortization represents principal reductions to date on the original investment of the Province of PEI.

2. Notes receivable were comprised of long-term loan funds provided by the Corporation for use by local credit unions providing real property mortgages in rural areas under the Rural Mortgage Lending Support Program. In March 2005, the credit unions fully repaid all balances owing to the Corporation.

3. Investments in properties under agreements of sale are recorded at cost less tenants' equity.

	<u>2005</u>	<u>2004</u>
Cost	\$ 47,100	\$ 47,100
Tenants' equity	<u>(21,200)</u>	<u>(18,700)</u>
	<u>\$ 25,900</u>	<u>\$ 28,400</u>

4. Investments in land for resale or development consist of the following:

	<u>2005</u>	<u>2004</u>
Hillsborough Development		
Developed - at cost	\$ 45,400	\$ 45,400
Undeveloped - at 1986 appraised values	110,500	110,500
Other undeveloped land	<u>114,200</u>	<u>116,900</u>
	<u>\$270,100</u>	<u>\$272,800</u>

PRINCE EDWARD ISLAND HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2005

5. Investments in Federal-Provincial projects are recorded at the Housing Corporation's cost less accumulated amortization and consist of the following:

	<u>2005</u>	<u>2004</u>
Family Housing	\$2,248,600	\$2,248,600
Senior Citizens Housing	3,930,400	3,930,400
Rural and Native Housing	<u>244,800</u>	<u>252,500</u>
	6,423,800	6,431,500
Less: accumulated amortization	<u>416,700</u>	<u>386,100</u>
	<u>\$6,007,100</u>	<u>\$6,045,400</u>

6. Rental housing properties are recorded at cost less accumulated amortization and consist of the following:

	<u>2005</u>	<u>2004</u>
Family Housing	\$11,809,800	\$11,809,800
Senior Citizens Housing	18,974,400	18,974,400
Homes for Special Care	21,371,300	21,371,300
Social Housing	<u>17,900</u>	<u>17,900</u>
	52,173,400	52,173,400
Less: accumulated amortization	<u>12,030,200</u>	<u>10,644,000</u>
	<u>\$40,143,200</u>	<u>\$41,529,400</u>

7. Accounts payable and accruals consist of the following:

	<u>2005</u>	<u>2004</u>
Province of PEI	\$4,842,200	\$1,358,600
Accrued interest	666,300	1,413,800
General	<u>565,200</u>	<u>118,000</u>
	<u>\$6,073,700</u>	<u>\$2,890,400</u>

8. Long-term liabilities payable to the Canada Mortgage and Housing Corporation consist of the following:

	<u>2005</u>	<u>2004</u>
Mortgages payable	\$26,549,200	\$27,526,000
Debentures payable	3,797,900	3,893,800
Loans payable	<u>-</u>	<u>33,100</u>
	30,347,100	31,452,900
Less: current portion	<u>1,141,800</u>	<u>1,070,800</u>
	<u>\$29,205,300</u>	<u>\$30,382,100</u>

The above amounts include 77 individual balances with interest rates from 3.88% to 11.00% and maturity dates ranging from 2006 to 2029.

**PRINCE EDWARD ISLAND HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2005**

9. Long-term liabilities payable to the Province of PEI consist of the following:

	<u>2005</u>	<u>2004</u>
Debentures payable	\$5,457,700	\$16,595,200
Loans payable	-	16,000
	5,457,700	16,611,200
Less: current portion	838,300	1,595,000
	<u>\$4,619,400</u>	<u>\$15,016,200</u>

The above amounts include 29 individual balances with interest rates from 8.86% to 13.25% and maturity dates ranging from 2005 to 2024.

10. Principal portion of long-term debt repayments over the next five years are as follows:

2005/06	\$	1,980,100
2006/07		2,025,700
2007/08		2,035,100
2008/09		2,105,000
2009/10		2,008,500

11. Equity Contributed by the Province of PEI consists of the following:

	<u>2005</u>	<u>2004</u>
Deductions for the year:		
Senior Citizens Housing	\$ 9,300	\$ 8,400
Family Housing	11,700	10,700
	21,000	19,100
Balance, beginning of year	4,925,000	4,944,100
Balance, end of year	<u>\$4,904,000</u>	<u>\$4,925,000</u>

12. Provincial Appropriations

The appropriations from the Province of PEI represent amounts provided for program expenditures incurred directly by the Housing Corporation and do not relate to expenditures on activities administered by the Regional Health Authorities on the Corporation's behalf. Separate appropriations are provided for these Regional programs that are reported in their financial statements. The various revenues earned on Housing Corporation activities are reported in the Province's Public Accounts.

13. Fair Value of Financial Instruments

The fair value of the Corporation's cash, accounts receivable, notes receivable, mortgages receivable, accounts payable and accruals, and long-term liabilities approximates their carrying amounts.

Appendix “A”

Program Activity and Information 2004-2005

Seniors Housing Units - 2004-2005

There are 1,159 seniors housing units located in 37 communities across the province:

West Prince	16	Kings	
Alberton	24	Belfast	6
O’Leary	4	Cardigan	4
St. Louis	14	Georgetown	16
Tignish	58	Montague	91
		Murray Harbour	6
East Prince	5	Murray River	6
Abrams Village	6	Vernon River	5
Bedeque	22	Morell	12
Borden	50	Rollo Bay	14
Kensington	11	Souris	81
Kinkora	18	St. Charles	4
Miscouche	6	St. Peters	9
Mont Carmel	152	Garden Suite -	
Summerside	11	Kilmuir	1
Tyne Valley	22	Garden Suite-	
Wellington	6	Morell	1
Wilmot		Garden Suite -	
Garden Suite -	1	Souris	1
Mt. Carmel	310		257
Queens	471		
Charlottetown	14	Total Seniors Units	<u>1,159</u>
Cornwall	13		
Crapaud	14		
Hunter River	6		
Mt. Stewart	6		
North Rustico	4		
South Rustico	4		
Tracadie Cross			
Garden Suite-	1		
Ebenezer			
Garden Suite -	1		
Lake Verde	534		

Seniors Housing Program 2004 - 2005

Area of Province	Total # of Units	New Applications	# Of Placements	Active Waiting List
West Prince	58	9	9	11
East Prince	310	23	44	46
Queens	534	88	93	94
Kings (Southern)	135	15	18	25
Kings (Eastern)	122	22	12	4
Total	1,159	157	176	180

Helping Hands for Seniors 2004-2005

Area of Province	# of Students	Applications Received	Applications Approved
West Prince	N/A	N/A	N/A
East Prince	2	17	17
Queens	2	31	29
Kings (Southern)	2	23	22
Kings (Eastern)	N/A	N/A	N/A
Total	6	71	68

Family Housing Program 2004-2005

Area of Province	# of Units	New Applications	Placements	Applications
West Prince	61	11	11	18
East Prince	106	120	22	193
Queens	190	136	21	229
Kings (Southern)	89	29	15	70
Kings (Eastern)	36	22	6	10
Total	482	318	75	520

Family Housing Boards and Number of Units Administered 2004-2005

Alberton	22	O'Leary	23
Charlottetown Area	184	Souris	36
Georgetown	27	Summerside	106
Montague	62	Tignish	16
Mt. Stewart	6	Total	482

Canada-PEI Affordable Housing Agreement 2004-2005

Project	Units	Agreement	Partners
Souris Group Home Assoc.	7	\$55,080	\$64,000
Kiwanis: Zakem House	22	503,553	469,500
La Cooperative D'Hebergement le Bel Age Ltee	14	350,000	363,500
McQuaid Construction Inc..	12	290,400	292,000
CNPS Inc.	14	329,000	329,000
Habitat for Humanity	6	0	113,500
Total	75	\$1,528,033	\$1,631,500

Social Housing 2004-2005

Area of Province	Social Housing		Rural & Native Housing		Rural Community Housing	
	Purchase	Rental	Mortgage	Rental	Purchase	Rental
West Prince	0	0	0	1	0	2
East Prince	0	0	0	5	0	4
Queens	2	1	0	1	0	2
Kings (Southern)	0	0	0	1	0	2
Kings (Eastern)	0	0	0	1	0	1
Total	2	1	0	9	0	11

Rural Residential Rehabilitation Assistance Program 2004-2005

	# of Loans	Average Loan	Expenditure
Home Owner	48	\$4,311	\$ 686,930
Disabled	29	12,573	364,629
Rooming House	N/A	N/A	N/A
RRAP	N/A	N/A	N/A
ERP	29	5,326	154,459
HASI	15	3,325	49,882
SE	N/A	N/A	N/A
Total	121	\$10,379	\$1,255,900

Seniors Emergency Home Repair Program 2004-2005

Area of Province	Budget	Spent	Approved
West Prince	\$ 28,000	\$ 26,725	22
East Prince	34,000	35,222	34
Queens	60,000	59,069	57
Kings (Southern)	45,000	45,807	48
Kings (Eastern)	33,000	32,738	27
Total	200,000	199,560	188

Appendix “B”

Family Housing Program

Program Description:

This program provides subsidized housing to low and moderate income families who are unable to obtain adequate and affordable accommodation in the private market place. The units, with rents based on 25 per cent of income, are situated in nine communities across the province. Another form of family housing is a rent supplement. Rent supplements utilize private market housing to provide accommodations making rents affordable via rent subsidies.

Governance/accountability:

Under the PEI Housing Corporation, nine local housing authorities (community residents appointed by Executive Council) are responsible for day-to-day management of the projects which includes tenant selection, rent collection, and maintenance. The department provides policy direction and overall management of family housing services. Staff in each area of the province, process applications and provide technical support to these boards.

Resources:

FISCAL YEAR	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
HUMAN (FTE)*	10.7	9.85	9.85	9.85	9.85
FINANCIAL	\$2,570,000	\$2,665,300	\$2,819,500	\$2,849,200	\$3,108,000

Program Performance:

Current measures

- Number of units
- Number of new applications
- Number of placements
- Numbers of families on waiting lists
- Turnover rates

Some Results:

Family Units

FISCAL YEAR	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Units	479	482*	482*	482*	482
Placements	67	73	74	95	75
New Applications	290	328	340	368	318
Waiting List	944	547	713	468**	520

* This includes 18 rent supplements, 12 in Charlottetown and six in Summerside as well as four converted units in Crapaud.

** This indicates a major review and re-assessment of wait lists.

Family Housing Turnover Rate

FISCAL YEAR	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Units Available	14.6%	15.1%	15.3%	19.7%	15.3%

Waiting Lists by Area of Province

FISCAL YEAR	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
West Prince	113	59	78	18	18
East Prince	167	80	99	147	139
Queens	550	322*	461	193	229
Kings (Southern)	100	75	62	93	70
Kings (Eastern)	14	11	13	17	10
TOTAL	944	547*	713	468*	520

* This number represents a review of waiting list applications

Seniors' Housing Program

Program Description:

Seniors' housing projects are located in 37 communities across the province and provide apartment style, self-contained rental units to low and moderate income seniors who are unable to meet their housing needs independently. Another form of subsidized housing for seniors are garden suites. These are one bedroom units placed on the property of a host family, and when no longer required by the tenant are easily portable to another site. The rent for either form of seniors housing is 30 per cent of income.

Governance/accountability:

The Department of Social Services and Seniors - Housing Services, is responsible for the overall management of these properties. The department is responsible for policy and ensuring the fulfilment of federal-provincial cost sharing agreements in core social housing and liaison with the federal government.

Resources:

FISCAL YEAR	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
HUMAN (FTE)*	13.5	13.5	13.5	14.7	14.7
FINANCIAL	\$6,680,000	\$6,571,900	\$6,545,400	\$6,833,500	\$6,584,000

* *Some of these positions are shared with family housing. These numbers do not include maintenance of seniors housing in East Prince area as this work is done as part of the overall maintenance budget.*

Program Performance:

Current measures

- Number of units
- Number of placements
- Number of new applications
- Number of seniors on waiting lists

• **Some Results:**

- Incremental decrease in number of seniors accessing low income supplement programs.
- Decrease in seniors accepting social housing have necessitated a housing needs assessment and options for use to support other social housing needs being considered in some areas.

Seniors' Housing

FISCAL YEAR	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Units	1,176	1,148*	1,148*	1,152*	1,159
Placements	193	221	173	213	176
New Applications	209	190	246	187	141
Waiting List	252	208	238	111**	180

* *Portfolio comprised of 1,153 senior citizens units and six garden suites. The change in units is due to renovations (two bedroom units, common rooms, etc.) across the Island.*

** *Indicates a review of waiting lists.*



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