

CO-OPERATIVE HOUSING FEDERATION OF CANADA

NON-CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

CO-OPERATIVE HOUSING FEDERATION OF CANADA

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Co-operative Housing Federation of Canada

Opinion

We have audited the non-consolidated financial statements of the Co-operative Housing Federation of Canada ("the Federation"), which comprise the non-consolidated statement of financial position as at December 31, 2021, and the non-consolidated statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Federation as at December 31, 2021, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

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 Non-Consolidated Financial Statements" section of our report. We are independent of the Federation in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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.

Other Information

Management is responsible for the other information. The other information comprises the annual report, but does not include the non-consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Marcil Lavallée

OTTAWA
400-1420 place Blair Towers Place
Ottawa ON K1J 9L8
T 613 745-8387
F 613 745-9584

Marcil-Lavallee.ca
Comptables professionnels agréés
Chartered Professional Accountants

Cabinet indépendant affilié à
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Those charged with governance are responsible for overseeing the Federation's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 Federation'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 Federation'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 Federation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

Marcil Lavallée

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
March 25, 2022

CO-OPERATIVE HOUSING FEDERATION OF CANADA

NON-CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2021

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	Budget (Note 3)	CHF Canada Operating Fund	Internal Restriction Invested in a Related Entity	Internal Restrictions Invested in Reserves (Page 20)	Internal Restrictions (Page 21)	External Restrictions (Page 22)	2021 Total	2020 Total
REVENUES								
Membership dues	\$ 3,247,400	\$ 3,139,356	\$ -	\$ -	\$ -	\$ 73,773	\$ 3,213,129	\$ 3,121,376
Insurance, Asset and Financial Services (Note 4)	1,664,500	2,182,200	-	-	-	-	2,182,200	2,003,027
Pooled investment income	580,100	206,270	-	-	506,447	7,970	720,687	837,159
Annual General Meeting	102,800	143,764	-	-	-	-	143,764	3,910
Co-operators Loyalty Program	-	470,987	-	-	-	-	470,987	444,394
Contributions	100,700	15,840	-	4,368	-	85,000	105,208	94,954
Other	443,300	313,228	-	-	-	306,556	619,784	473,178
Allocations to federations and regions	(125,000)	(125,000)	-	-	-	-	(125,000)	(125,000)
	6,013,800	6,346,645	-	4,368	506,447	473,299	7,330,759	6,852,998
EXPENSES								
Member Services (Note 5)	2,053,300	1,832,878	-	-	-	-	1,832,878	1,690,817
Communications, advocacy and development (Note 6)	465,600	354,814	-	-	-	-	354,814	304,819
Finance and Corporate Services (Note 7)	178,900	45,087	-	-	-	-	45,087	59,951
Regional Services	115,000	7,300	-	-	-	52,326	59,626	25,551
Personnel and administration (Note 8)	3,471,400	3,106,086	-	-	-	338,405	3,444,491	3,439,895
Other	83,500	-	-	75,000	5,544	-	80,544	84,429
Amortization of capital and intangible assets	82,000	75,519	-	-	-	-	75,519	89,566
	6,449,700	5,421,684	-	75,000	5,544	390,731	5,892,959	5,695,028
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING:	(435,900)	924,961	-	(70,632)	500,903	82,568	1,437,800	1,157,970
INCOME FROM INVESTMENT IN ENCASA FINANCIAL INC., a company subject to significant influence	-	41,625	-	-	106,264	1,691	149,580	112,960
INCOME FROM INTEREST IN THE COMMUNITY HOUSING MANAGEMENT NETWORK CO-OPERATIVE, a controlled profit-oriented entity	-	-	48,106	-	-	-	48,106	83,038
UNREALIZED GAIN ON INVESTMENTS	-	651,017	-	-	1,661,960	26,442	2,339,419	23,250
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (435,900)	\$ 1,617,603	\$ 48,106	\$ (70,632)	\$ 2,269,127	\$ 110,701	\$ 3,974,905	\$ 1,377,218

CO-OPERATIVE HOUSING FEDERATION OF CANADA

NON-CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2021

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	Unrestricted	Internal Restriction Invested in Capital and Intangible Assets	Internal Restriction Invested in a Related Entity	Internal Restrictions Invested in Reserves (Page 20)	Internal Restrictions (Page 21)	External Restrictions (Page 23)	2021 Total	2020 Total
BALANCE, BEGINNING OF YEAR	\$ 866,598	\$ 111,879	\$ 593,693	\$ 4,660,406	\$ 11,605,791	\$ 192,328	\$ 18,030,695	\$ 16,653,477
Excess (deficiency) of revenues over expenses	1,693,122	(75,519)	48,106	(70,632)	2,269,127	110,701	3,974,905	1,377,218
Interfund transfers	(924,958)	-	-	1,655,499	(730,541)	-	-	-
Acquisition of capital and intangible assets	(148,463)	148,463	-	-	-	-	-	-
BALANCE, END OF YEAR	\$ 1,486,299	\$ 184,823	\$ 641,799	\$ 6,245,273	\$ 13,144,377	\$ 303,029	\$ 22,005,600	\$ 18,030,695

CO-OPERATIVE HOUSING FEDERATION OF CANADA

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

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	CHF Canada Operating Fund	Internal Restrictions (Page 24)	External Restrictions (Page 25)	2021 Total	2020 Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 3,034,539	\$ -	\$ -	\$ 3,034,539	\$ 3,323,364
Accounts receivable (Note 9)	449,499	-	16,250	465,749	489,610
Loans receivable, 4.99% maturing in March 2022	36,075	-	-	36,075	34,554
Promissory note to Compass Non-Profit Homes Inc., 0% (Note 13)	100,000	-	-	100,000	100,000
Prepaid expenses	100,438	-	-	100,438	106,754
	3,720,551	-	16,250	3,736,801	4,054,282
LOANS RECEIVABLE, 0% - 4.99%	83,787	-	-	83,787	88,786
LONG-TERM INVESTMENTS (Note 10)	19,483,288	-	-	19,483,288	14,465,330
CAPITAL AND INTANGIBLE ASSETS (Note 11)	184,823	-	-	184,823	111,879
INTEREST IN CONTROLLED PROFIT-ORIENTED ENTITIES (Note 12)	641,799	-	-	641,799	593,693
PROMISSORY NOTES TO ESSEX NON-PROFIT HOMES INC., 0% - 4.5%, no specific collection terms (Note 13)	-	-	-	-	120,000
	20,393,697	-	-	20,393,697	15,379,688
	\$ 24,114,248	\$ -	\$ 16,250	\$ 24,130,498	\$ 19,433,970

ON BEHALF OF THE BOARD



, Director



, Director

CO-OPERATIVE HOUSING FEDERATION OF CANADA

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

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	CHF Canada Operating Fund	Internal Restrictions (Page 24)	External Restrictions (Page 25)	2021 Total	2020 Total
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 406,878	\$ -	\$ -	\$ 406,878	\$ 359,413
Membership dues and fees received in advance	1,718,020	-	-	1,718,020	1,043,862
	2,124,898	-	-	2,124,898	1,403,275
INTERFUND LOANS , without interest	13,431,156	(13,144,377)	(286,779)	-	-
	15,556,054	(13,144,377)	(286,779)	2,124,898	1,403,275
FUND BALANCES					
Unrestricted	1,486,299	-	-	1,486,299	866,598
Internal restrictions invested in reserves (Note 14 and Page 20)	6,245,273	-	-	6,245,273	4,660,406
Internal restriction invested in a related entity (Note 16)	641,799	-	-	641,799	593,693
Internal restriction invested in capital and intangible assets (Note 16)	184,823	-	-	184,823	111,879
Internal restrictions (Note 15 and Page 21)	-	13,144,377	-	13,144,377	11,605,791
External restrictions (Note 17 and Page 23)	-	-	303,029	303,029	192,328
	8,558,194	13,144,377	303,029	22,005,600	18,030,695
	\$ 24,114,248	\$ -	\$ 16,250	\$ 24,130,498	\$ 19,433,970

CO-OPERATIVE HOUSING FEDERATION OF CANADA

NON-CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

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	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 3,974,905	\$ 1,377,218
Adjustments for:		
Amortization of capital and intangible assets	75,519	89,566
Unrealized gain on investments	(2,339,419)	(23,250)
Income from investment in Encasa Financial Inc.	(149,580)	(112,960)
Income from interest in The Community Housing Management Network	(48,106)	(83,038)
	1,513,319	1,247,536
Net change in cash working capital items:		
Accounts receivable	23,861	(153,821)
Loans receivable	3,478	(1,527)
Prepaid expenses	6,316	16,549
Accounts payable and accrued liabilities	47,465	52,453
Membership dues and fees received in advance	674,158	329,571
	2,268,597	1,490,761
INVESTING ACTIVITIES		
Due to Fund participants	-	(83,120)
Acquisition of capital and intangible assets	(148,463)	(31,927)
Net change in investments	(2,528,959)	807,574
Promissory note collection	120,000	25,000
	(2,557,422)	717,527
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(288,825)	2,208,288
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,323,364	1,115,076
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,034,539	\$ 3,323,364

Cash and cash equivalents consist of cash.

CO-OPERATIVE HOUSING FEDERATION OF CANADA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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1. STATUTE AND NATURE OF OPERATIONS

The Co-operative Housing Federation of Canada is incorporated under the *Canada Cooperatives Act* without share capital and is a non-profit corporation as described in paragraph 149(1)(l) of the *Income Tax Act*. As such, the Federation is not subject to income tax.

The Federation works to promote the growth, stability and independence of the co-operative housing movement in Canada. The Ontario and Manitoba Regions of the Federation are responsible for matters that affect only Ontario and Manitoba members respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

The Federation applies the Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting.

Fund accounting

The Federation uses fund accounting to account for its operations, activities and programs, as described in Notes 14 through 17 to the financial statements.

The Federation combines the following three unrestricted funds in the CHF Canada Operating Fund: the Ontario Operating Fund, the Manitoba Operating Fund and the Southwestern Ontario Operating Fund.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the periods covered.

Revenue recognition

Membership dues are recognized when collection is reasonably assured. Revenue received relating to membership dues that pertain to subsequent years are deferred and recognized as revenue in the period to which they relate.

Co-operators Loyalty Program distributions are recognized when received due to the uncertainty of this revenue.

Pooled investment income and other revenue are recognized when earned. Investment revenue generated by pooled investment assets are recorded in the CHF Canada Operating Fund and the Internal Restrictions Funds according to their opening balances.

Revenue from Insurance, Asset and Financial Services, Annual General Meeting and Federations' Conference-Registration is recognized when the service has been rendered and collection is reasonably assured.

Contributions restricted for future period expenses are deferred and are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. These contributions may be repayable if not utilized within their respective programs. Unrestricted contributions are recognized as revenue, when received or receivable, provided that the amount to be received can be reasonably estimated and collection reasonably assured.

Grant receivable

A grant receivable is recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

CO-OPERATIVE HOUSING FEDERATION OF CANADA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

The Federation's other investments are initially and subsequently measured at fair value. Changes in fair value are recognized in net income in the period incurred. Transaction costs that are directly attributable to the acquisition of these investments are recognized in net income in the period incurred.

Interest in profit-oriented entities

The Federation's interest in a controlled profit-oriented entity, The Community Housing Management Network Co-operative, and its 20% of shares of a company subject to significant influence, Encasa Financial Inc., are accounted for using the equity method.

The equity method is a basis of accounting whereby the Federation includes in income its share of the net income or loss of its subsidiary, its company under significant influence, and reduces the investment account for dividends received. In the event the accumulated losses exceed the original cost of the shares in question, the investment is carried at the nominal value of \$1.

Interest in controlled non-profit entities

The Federation has control over Essex Non-Profit Homes Inc., the Agency for Co-operative Housing and Compass Non-Profit Homes Inc. The financial results of these entities are not consolidated in the financial statements of the Federation as controlled non-profit entities are not required to be consolidated. Interested readers have access to the controlled entities' financial statements.

Capital and intangible assets

Capital and intangible assets are accounted for at cost. Amortization is calculated on their respective estimated useful life using the straight-line method and the following periods:

Leasehold improvements	Remaining term of lease
Furniture and equipment	7 years
Computer equipment	3-5 years
Software	3-5 years

Write-down of capital assets

When a capital asset no longer contributes to the Federation's ability to provide services, its carrying amount is written down to residual value, if any. The excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

Financial instruments

Initial measurement

The Federation initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Federation is in the capacity of management, are initially measured at cost.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Subsequent measurement

The Federation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in the statement of operations in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable and loans receivable.

Accounts receivable and promissory notes to controlled organizations are recognized at cost.

Financial assets measured at fair value include investments, except for the interest in Encasa Financial Inc. which is measured as per the equity method.

Impairment

For financial assets measured at cost or amortized cost, the Federation determines whether there are indications of possible impairment. When there are, and the Federation determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in operations. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in net earnings in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in net earnings over the life of the instrument using the straight-line method.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. An investment qualifies as a cash equivalent when it has a maturity of three months or less from the date of acquisition. Bank overdrafts are included as a component of cash and cash equivalents when the bank balance fluctuates frequently from being positive to overdrawn.

3. BUDGET

The budget figures presented in the non-consolidated financial statements were provided by the Federation and have not been audited.

CO-OPERATIVE HOUSING FEDERATION OF CANADA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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4. INSURANCE, ASSETS AND FINANCIAL SERVICES

	Budget (Note 3)		2021		2020
Insurance programs	\$ 944,700	\$	1,293,764	\$	1,184,830
Financial planning services	296,000		426,735		479,865
Asset planning services	423,800		461,701		338,332
	\$ 1,664,500	\$	2,182,200	\$	2,003,027

5. MEMBER SERVICES

	Budget (Note 3)		2021		2020
Annual General Meeting	\$ 280,100	\$	270,080	\$	217,626
Ontario members meetings	-		257		700
Membership development	107,400		44,542		81,049
Insurance programs	243,500		224,618		193,103
Financial planning services	434,800		330,476		353,190
Asset planning services	652,200		604,891		552,031
Federations support	-		-		360
Federation and co-op services	103,200		198,467		204,748
Education program	112,300		55,270		67,585
Research	5,000		975		338
Other direct expenses	114,800		103,302		20,087
	\$ 2,053,300	\$	1,832,878	\$	1,690,817

6. COMMUNICATIONS, ADVOCACY AND DEVELOPMENT

	Budget (Note 3)		2021		2020
Communications	\$ 134,500	\$	112,890	\$	96,768
External relations	145,000		128,375		133,423
Government relations	134,100		92,380		40,762
Development	39,500		21,157		31,386
Other direct expenses	12,500		12		2,480
	\$ 465,600	\$	354,814	\$	304,819

7. FINANCE AND CORPORATE SERVICES

	Budget (Note 3)		2021		2020
Board of Directors	\$ 150,600	\$	21,802	\$	36,410
Ontario Council	2,300		1,758		3,043
Legal	26,000		21,527		20,498
	\$ 178,900	\$	45,087	\$	59,951

CO-OPERATIVE HOUSING FEDERATION OF CANADA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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8. PERSONNEL AND ADMINISTRATION

	Budget (Note 3)	CHF Canada Operating Fund	External Restrictions	2021 Total	2020 Total
Personnel costs	\$ 3,045,600	\$ 2,748,061	\$ 315,610	\$ 3,063,671	\$ 2,967,319
Office and administration - Ottawa	581,500	529,119	-	529,119	585,440
Office and administration - Toronto	175,900	152,693	-	152,693	155,356
Office and administration – Prairies Region	14,400	8,453	-	8,453	-
Office expenses – Vancouver	57,800	54,036	-	54,036	54,211
Office expenses – Southwestern Ontario	6,600	3,067	-	3,067	-
Office and administration - Atlantic	40,400	-	22,795	22,795	26,421
	3,922,200	3,495,429	338,405	3,833,834	3,788,747
Personnel and administration reallocated	(450,800)	(389,343)	-	(389,343)	(348,852)
	\$ 3,471,400	\$ 3,106,086	\$ 338,405	\$ 3,444,491	\$ 3,439,895

9. ACCOUNTS RECEIVABLE

	2021	2020
CHF Canada Operating Fund		
Membership dues	\$ 31,345	\$ 32,279
Trade accounts	357,397	373,767
Sales taxes	32,399	14,290
Compass Non-Profit Homes Inc., without interest	6,698	3,010
The Community Housing Management Network Co-operative, without interest	18,991	39,707
Essex Non-Profit Homes Inc., without interest	37,477	39,689
	484,307	502,742
Allowance for doubtful accounts on dues and trade accounts	(34,808)	(29,382)
	449,499	473,360
External Restrictions		
Grant receivable	16,250	16,250
	\$ 465,749	\$ 489,610

CO-OPERATIVE HOUSING FEDERATION OF CANADA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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10. INVESTMENTS

	2021	2020
Investment securities measured at fair value		
Corporate equity	\$ 18,280,825	\$ 13,475,807
Social Housing Investment funds, fixed income and equity holdings	456,703	393,343
Interest in a company subject to significant influence measured as per the equity method		
20% interest in Encasa Financial Inc.	745,760	596,180
	19,483,288	14,465,330
Current portion of investments	-	-
	\$ 19,483,288	\$ 14,465,330

11. CAPITAL AND INTANGIBLE ASSETS

	Cost	Accumulated Amortization	2021	2020
Capital assets				
Leasehold improvements	\$ 419,662	\$ 284,672	\$ 134,990	\$ 22,780
Furniture and equipment	88,308	71,780	16,528	26,905
Computer equipment	56,604	39,605	16,999	35,867
	564,574	396,057	168,517	85,552
Intangible assets				
Software	145,772	129,466	16,306	26,327
	\$ 710,346	\$ 525,523	\$ 184,823	\$ 111,879

Net change in capital and intangible assets

	2021	2020
BALANCE, BEGINNING OF YEAR	\$ 111,879	\$ 169,518
Acquisition of capital and intangible assets	148,463	31,927
Amortization of capital and intangible assets	(75,519)	(89,566)
Net change	72,944	(57,639)
BALANCE, END OF YEAR	\$ 184,823	\$ 111,879

12. INTEREST IN A CONTROLLED PROFIT-ORIENTED ENTITY

	2021	2020
The Community Housing Management Network Co-operative	\$ 641,799	\$ 593,693

CO-OPERATIVE HOUSING FEDERATION OF CANADA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
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13. RELATED PARTIES

Interest/control in a profit-oriented entity

The Community Housing Management Network (The Network)

The Network is an entity controlled by the Federation.

The Federation is the sole member of The Community Housing Management Network Co-operative and appoints four of five of the Network's Board of Directors. The Network is incorporated under the *Canada Cooperatives Act*. The Network helps co-operatives in financial difficulty to fill gaps in local management services and provides services to non-profit housing providers upon request.

The summary of the Network's non-audited financial statements is as follows:

	2021	2020
Statement of financial position		
Assets	\$ 757,301	\$ 724,419
Liabilities	\$ 115,402	\$ 130,626
Retained earnings	\$ 641,799	\$ 593,793
Statement of operations		
Revenue	\$ 2,030,408	\$ 2,123,242
Expenses	\$ 2,001,439	\$ 2,040,204
Statement of cash flows		
Operating activities	\$ 18,131	\$ 152,125
Investing activities	\$ (139,051)	\$ (24,838)
Financing activity	\$ -	\$ (25,000)

The Network paid \$6,600 to the Federation in management fees (2020: \$6,600). These revenues are included in Other Revenue in the Federation's non-consolidated statement of operations under Operating Fund.

These transactions were concluded in the normal course of business and are measured at the exchange value, which is the amount of consideration established and agreed by the related parties.

CO-OPERATIVE HOUSING FEDERATION OF CANADA
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13. RELATED PARTIES (continued)

Controlled non-profit-oriented entities

Compass Non-Profit Homes Inc. (Compass)

The Federation initiated the creation of this Co-operative and controls the entity by way of appointing its Board members. The Co-operative was incorporated under the *Ontario Co-operative Corporations Act*, and, as such, is exempt from income tax under the *Income Tax Act*. Compass has leased the land owned by Essex Non-Profit Homes Inc. (ENPH) and entrusted the management of operations of the project to ENPH under the terms of a management agreement.

Compass owes an amount of \$100,000 (2020: \$100,000) to the Federation, payable on demand, at an annual interest rate of 0% (2020: 0%)

The summary of Compass' non-audited financial statements is as follows:

	2021		2020
Statement of financial position			
Assets	\$ 99,517	\$	99,374
Liabilities	\$ 110,552	\$	106,864
Net assets	\$ (11,035)	\$	(7,490)
Statement of operations			
Revenues	\$ 142	\$	101
Expenses	\$ 3,687	\$	2,854
Statement of cash flows			
Operating activities	\$ (2,095)	\$	(407)
Investing activities	\$ -	\$	-
Financing activities	\$ -	\$	-

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13. RELATED PARTIES (continued)

Controlled non-profit-oriented entities (continued)

The Agency for Co-operative Housing

The Federation is the sole member of The Agency for Co-operative Housing and appoints all of the Agency's Board of Directors. The Agency is incorporated under the *Canada Cooperatives Act* without share capital. The Agency was established to provide co-operative housing program management services to Canada Mortgage and Housing Corporation (CMHC) and, potentially, other government clients. As a not-for-profit Corporation as described in paragraph 149(1)(1) of the *Income Tax Act*, the Agency is exempt from income tax. The assets, liabilities and results of operations of the Agency are not included in these non-consolidated financial statements.

The summary of the Agency's audited financial statements is as follows:

	2021	2020
Statement of financial position		
Assets	\$ 4,663,480	\$ 4,326,333
Liabilities	\$ 3,013,427	\$ 3,048,466
Fund balances	\$ 1,650,053	\$ 1,277,867
Statement of operations		
Revenues	\$ 8,269,821	\$ 8,358,573
Expenses	\$ 7,897,635	\$ 7,734,271
Statement of cash flows		
Operating activities	\$ 1,174,264	\$ 826,118
Investing activities	\$ (847,945)	\$ (302,560)
Financing activities	\$ -	\$ -

The Federation signed a memorandum of understanding (MOU) with the Agency concerning a grant program for environmental action. The Agency contributed \$20,000 (2020: \$15,000) to the program during the year. These contributions are included in other revenue in the Federation's non-consolidated financial statement of operations under Operating Fund.

Essex Non-Profit Homes Inc. (ENPH)

The Federation is the founding member of ENPH and appoints all of the members of its Board of Directors. ENPH is a non-profit housing corporation incorporated under the *Ontario Corporations Act* and, as such, it is exempt from income tax under the *Income Tax Act*. ENPH has leased the land it owns to Compass Non-Profit Co-operative Homes Inc. (Compass) and act as the manager of the operations of the project on behalf of Compass under a management agreement. The assets, liabilities and results of operations of ENPH are not included in these non-consolidated financial statements.

CO-OPERATIVE HOUSING FEDERATION OF CANADA
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13. RELATED PARTIES (continued)

Controlled non-profit-oriented entities (continued)

Essex Non-Profit Homes Inc. (ENPH) (continued)

The summary of the Organization's non-audited financial statements is as follows:

	2021	2020
Statement of financial position		
Assets	\$ 8,283,687	\$ 8,020,282
Liabilities	\$ 8,314,980	\$ 8,243,955
Net assets deficiency	\$ (31,293)	\$ (223,673)
Statement of operations		
Revenues	\$ 1,480,905	\$ 1,490,961
Expenses	\$ 1,288,525	\$ 1,362,229
Statement of cash flows		
Operating activities	\$ 487,623	\$ 412,637
Investing activity	\$ (172,231)	\$ (101,289)
Financing activities	\$ (34,371)	\$ (286,379)

ENPH paid \$36,550 (2020: \$34,682) to the Federation in asset management fees. These revenues are included in Insurance, asset and financial services in the Federation's non-consolidated statement of operations under Operating Fund.

ENPH owes an amount of \$100,000 to the Federation, payable on demand, at an annual interest rate of 4.5%. ENPH also owes an amount of \$20,000 to the Federation, payable on demand and without interest. ENPH paid \$0 in interest in 2021 (2020: \$4,500). During the year, ENPH paid the remaining balance of the demand loans it had with the Federation. These revenues are included in Pooled investment income in the Federation's non-consolidated statement of operations under Operating Fund.

These transactions were concluded in the normal course of business and are measured at the exchange value, which is the amount of consideration established and agreed by the related parties.

14. INTERNAL RESTRICTIONS INVESTED IN RESERVES

The Federation has created reserves through the transfer of funds from the CHF Canada Operating Fund balance and the receipt of external contributions to fund expenditures related to assisting co-ops with premature building envelope failure, special initiatives in support of long-term strategic purposes, contingencies arising from future operating requirements, assisting co-ops with legal matters, offsetting of continuing administration and oversight associated with monitoring refinancing loans over time, providing guarantees for housing co-op microfunding in Africa, and support of growth and sustainability activities.

15. INTERNAL RESTRICTIONS

Internal restrictions include the National Endowment Fund, the Ontario Endowment Fund and the Special Assistance Fund.

a) National Endowment Fund

The National Endowment Fund was established with that portion of sector support contributions from federally funded housing co-operatives exceeding 1/2 of 1% of the project capital costs of the contributing co-operative. The principal portion of this fund may only be encumbered or spent by resolution of the general membership. The Federation has established a policy of setting the amount of income available from the Fund for spending at a predetermined rate of the moving average fair value of the Fund over a three-year period. For the year ended December 31, 2021, the rate was established at 4.0% (2020: 4.0%).

b) Ontario Endowment Fund

The Ontario Endowment Fund was established with a portion of sector support contributions received from housing co-operatives funded under Ontario government programs. The principal portion of this fund may only be encumbered or spent by resolution of the Ontario members of the Federation. The Federation has established a policy of setting the amount of income available from the Fund for spending on Ontario programs at a predetermined rate of the moving average fair value of the Fund over a three-year period. For the year ended December 31, 2021, the rate was established at 4.0% (2020: 4.0%).

c) Special Assistance Fund

The Special Assistance Fund provides working capital loans and loan guarantees to members of the Federation that are not housing co-ops. During the year, there was no activity in this Fund. The CHF Canada Board of Directors approved the transfer of the fund balance to the Internal Restrictions Invested in Reserves – National Operating Fund.

16. OTHER INTERNAL RESTRICTIONS

a) Internal Restrictions Invested in Capital and Intangible Assets

The Federation accounts for transactions related to its capital and intangible assets in this Fund.

b) Internal Restriction Invested in a Related Entity

The Federation accounts for its investment in its wholly-owned subsidiary, The Community Housing Management Network Co-operative, in this Fund.

17. EXTERNAL RESTRICTIONS

External restrictions include the Atlantic Region Fund and the Student Housing Fund.

a) Atlantic Region Fund

This fund represents the Federation's regional management support and education program, supported in part by the Province of Nova Scotia.

CO-OPERATIVE HOUSING FEDERATION OF CANADA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
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17. EXTERNAL RESTRICTIONS (continued)

b) Student Housing Fund

The Student Housing Fund consists of funds settled on the Federation by Concentra Financial for the purpose of encouraging, developing or establishing co-operative housing for university students.

The Fund provides loans and loan guarantees. Earnings of the Fund accumulate within the Fund and may be used to provide grants to eligible recipients.

18. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Organization by failing to discharge an obligation. The Federation's credit risk is mainly related to accounts receivable.

The Federation provides credit to its members in the normal course of its operations. It carries out, on a continuing basis, credit checks on its members and maintains provisions for contingent credit losses which, once they materialize, are consistent with management's forecasts. The Federation does not normally require a guarantee. Approximately 18% of the total trade accounts is to be received from one organization. The Federation considers that no risk arises from that situation.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Federation's investment securities expose the Federation to market risk as such investments are subject to price changes in the open market. The Federation does not use derivative financial instruments to alter the effects of this risk.

19. CONTRACTUAL OBLIGATIONS

The Federation is committed under four long-term leases for the rental of its office spaces and must pay a minimum base rent as follows, plus an additional rent for its proportionate share of operating costs:

Office Location	Expiry Date	Minimum Total Base Rent
Ottawa	March 31, 2025	\$ 239,000
Vancouver	November 30, 2022	\$ 112,000
Ontario Region Office	August 31, 2026	\$ 616,000
Nova Scotia	July 31, 2024	\$ 22,500

Also, the Federation has issued a guarantee on a mortgage loan contracted by Essex Non-profit Homes Inc. The maximum risk resulting from this endorsement is \$100,000. The Federation believes that the risk of having to incur significant costs as a result of this endorsement is low.

CO-OPERATIVE HOUSING FEDERATION OF CANADA

NON-CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES – INTERNAL RESTRICTIONS INVESTED IN RESERVES (Note 14) FOR THE YEAR ENDED DECEMBER 31, 2021

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	OPERATING FUND		ONTARIO OPERATING FUND		2021 Total	2020 Total
	Budget (Note 3)	Actual	Budget (Note 3)	Actual		
BALANCE, BEGINNING OF YEAR	\$ 3,726,053	\$ 3,726,053	\$ 934,353	\$ 934,353	\$ 4,660,406	\$ 3,473,396
Contributions	-	4,368	-	-	4,368	250
Expenses	(75,000)	(75,000)	-	-	(75,000)	(75,000)
Deficiency of revenues over expenses	(75,000)	(70,632)	-	-	(70,632)	(74,750)
Interfund transfers	(240,500)	2,589,852	(120,200)	(934,353)	1,655,499	1,261,760
NET INCREASE (DECREASE) OF FUND BALANCE	(315,500)	2,519,220	(120,200)	(934,353)	1,584,867	1,187,010
BALANCE, END OF YEAR	\$ 3,410,553	\$ 6,245,273	\$ 814,153	\$ -	\$ 6,245,273	\$ 4,660,406

CO-OPERATIVE HOUSING FEDERATION OF CANADA

NON-CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES – INTERNAL RESTRICTIONS (Note 15)

FOR THE YEAR ENDED DECEMBER 31, 2021

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	Budget (Note 3)	National Endowment Fund	Ontario Endowment Fund	Special Assistance Fund	2021 Total	2020 Total
BALANCE, BEGINNING OF YEAR	\$ 11,605,792	\$ 4,590,357	\$ 6,735,193	\$ 280,241	\$ 11,605,791	\$ 11,352,130
Pooled investment income	423,300	205,268	301,179	-	506,447	603,071
Other expenses	(8,500)	(2,247)	(3,297)	-	(5,544)	(5,550)
EXCESS OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING:	414,800	203,021	297,882	-	500,903	597,521
INCOME FROM INVESTMENT IN ENCASA FINANCIAL INC., a company subject to significant influence	-	43,070	63,194	-	106,264	82,575
UNREALIZED GAIN ON INVESTMENTS	-	673,609	988,351	-	1,661,960	13,751
EXCESS OF REVENUES OVER EXPENSES	414,800	919,700	1,349,427	-	2,269,127	693,847
Interfund transfers	(723,300)	(181,000)	(269,300)	(280,241)	(730,541)	(440,186)
NET INCREASE (DECREASE) IN FUND BALANCE	(308,500)	738,700	1,080,127	(280,241)	1,538,586	253,661
BALANCE, END OF YEAR	\$ 11,297,292	\$ 5,329,057	\$ 7,815,320	\$ -	\$ 13,144,377	\$ 11,605,791

CO-OPERATIVE HOUSING FEDERATION OF CANADA

NON-CONSOLIDATED STATEMENT OF OPERATIONS – EXTERNAL RESTRICTIONS (Note 17)

FOR THE YEAR ENDED DECEMBER 31, 2021

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	Budget (Note 3)	Student Housing Fund	Atlantic Region Fund	2021 Total	2020 Total
REVENUES					
Membership dues	\$ 72,400	\$ -	\$ 73,773	\$ 73,773	\$ 70,439
Pooled investment income	5,900	7,970	-	7,970	10,084
Contributions	85,000	-	85,000	85,000	80,000
Other	274,900	-	306,556	306,556	181,500
	438,200	7,970	465,329	473,299	342,023
EXPENSES					
Regional services	84,500	-	52,326	52,326	23,569
Personnel and administration (Note 7)	345,400	-	338,405	338,405	296,238
Other	-	-	-	-	3,879
	429,900	-	390,731	390,731	323,686
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING:					
	8,300	7,970	74,598	82,568	18,337
INCOME FROM INVESTMENT IN ENCASA FINANCIAL INC., a company subject to significant influence					
	-	1,691	-	1,691	1,264
UNREALIZED GAIN ON INVESTMENTS					
	-	26,442	-	26,442	4,650
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES					
	\$ 8,300	\$ 36,103	\$ 74,598	\$ 110,701	\$ 24,251

CO-OPERATIVE HOUSING FEDERATION OF CANADA

NON-CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES – EXTERNAL RESTRICTIONS FOR THE YEAR ENDED DECEMBER 31, 2021

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	Student Housing Fund	Atlantic Region Fund	2021 Total	2020 Total
BALANCE, BEGINNING OF YEAR	\$ 180,196	\$ 12,132	\$ 192,328	\$ 372,784
Excess (deficiency) of revenues over expenses	36,103	74,598	110,701	24,251
Interfund transfers	-	-	-	(204,707)
NET INCREASE (DECREASE) IN FUND BALANCES	36,103	74,598	110,701	(180,456)
BALANCE, END OF YEAR	\$ 216,299	\$ 86,730	\$ 303,029	\$ 192,328

CO-OPERATIVE HOUSING FEDERATION OF CANADA

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION – INTERNAL RESTRICTIONS FOR THE YEAR ENDED DECEMBER 31, 2021

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	National Endowment Fund	Ontario Endowment Fund	Special Assistance Fund	2021 Total	2020 Total
LIABILITIES					
INTERFUND LOANS, without interest	\$ (5,329,058)	\$ (7,815,320)	\$ -	\$ (13,144,378)	\$ (11,605,791)
FUND BALANCES	5,329,058	7,815,320	-	13,144,378	11,605,791
	\$ -	\$ -	\$ -	\$ -	\$ -

CO-OPERATIVE HOUSING FEDERATION OF CANADA

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION – EXTERNAL RESTRICTIONS

FOR THE YEAR ENDED DECEMBER 31, 2021

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	Student Housing Fund	Atlantic Region Fund	2021 Total	2020 Total
ASSETS				
CURRENT ASSETS				
Accounts receivable (Note 8)	\$ -	\$ 16,250	\$ 16,250	\$ 16,250
LONG-TERM INVESTMENTS (Note 9)				
	-	-	-	-
	\$ -	\$ 16,250	\$ 16,250	\$ 16,250
LIABILITIES				
CURRENT LIABILITIES				
Due to Fund participants	\$ -	\$ -	\$ -	\$ -
	-	-	-	-
INTERFUND LOANS, without interest	(216,299)	(70,480)	(286,779)	(176,078)
	(216,299)	(70,480)	(286,779)	(176,078)
FUND BALANCES	216,299	86,730	303,029	192,328
	\$ -	\$ 16,250	\$ 16,250	\$ 16,250