

Financial Statements of

**RENFREW COUNTY HOUSING
CORPORATION**

Year ended December 31, 2022

RENFREW COUNTY HOUSING CORPORATION

Financial Statements

Year ended December 31, 2022

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Management's Responsibility for the Financial Statements

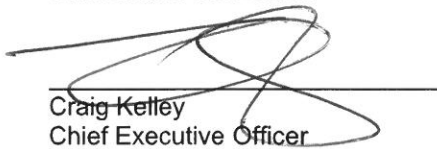
The accompanying financial statements of Renfrew County Housing Corporation (the "Corporation") are the responsibility of the Corporation's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Corporation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

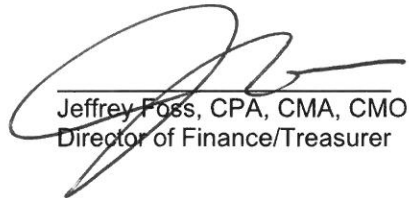
The Board of Directors meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by Board of Directors. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Corporation's financial statements.

On behalf of the Board:



Craig Kelley
Chief Executive Officer



Jeffrey Foss, CPA, CMA, CMO
Director of Finance/Treasurer

June 14, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Renfrew County Housing Corporation

Opinion

We have audited the financial statements of Renfrew County Housing Corporation ("the Entity"), which comprise:

- the statement of financial position as at December 31, 2022
- the statements of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position the Entity as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Other Matter – Comparative Information

The financial statements as at and for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 15, 2022.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.



The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 14, 2023

RENFREW COUNTY HOUSING CORPORATION

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Financial assets:		
Current assets:		
Cash	\$ 3,640,868	\$ 4,882,750
Investments (note 2)	201,017	200,294
Accounts receivable (note 3)	555,418	456,825
Due from the Corporation of the County of Renfrew	1,190,075	187,454
	<u>5,587,378</u>	<u>5,727,323</u>
Financial liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	1,761,334	1,721,792
Deferred revenue	121,183	120,599
Accrued interest on long-term debt	1,827	2,612
Post-employment benefits (note 4)	186,641	179,247
Current portion of long-term debt (note 5)	307,735	361,821
	<u>2,378,720</u>	<u>2,386,071</u>
Long-term debt (note 5)	527,040	834,775
	<u>2,905,760</u>	<u>3,220,846</u>
Net financial assets	2,681,618	2,506,477
Non-financial assets:		
Tangible capital assets (note 6)	17,062,000	16,270,761
Prepaid expenses	230,863	186,835
	<u>17,292,863</u>	<u>16,457,596</u>
Commitments (note 10)		
Contingent liabilities (note 11)		
Accumulated surplus (note 7)	<u>\$ 19,974,481</u>	<u>\$ 18,964,073</u>

See accompanying notes to financial statements.

On behalf of the Board:

Anne Gardino Director

[Signature] Director

RENFREW COUNTY HOUSING CORPORATION

Statement of Operations and Accumulated Surplus

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget (note 12)	2022 Total	2021 Total
Revenue:			
Municipal subsidies (note 8)	\$ 8,181,111	\$ 8,884,722	\$ 9,094,962
Rental income	4,440,679	4,916,281	4,414,983
Rental support - Province of Ontario	619,986	738,224	681,990
Other tenant income and recoveries	218,340	137,515	179,099
Interest	38,000	121,671	47,368
	<u>13,498,116</u>	<u>14,798,413</u>	<u>14,418,402</u>
Expenses:			
Repairs and maintenance	2,110,335	2,685,358	2,920,322
Municipal taxes and water	2,516,301	2,547,780	2,484,234
Rent support	2,897,251	2,148,312	1,886,683
Salaries	1,849,129	1,768,268	1,777,325
Project administration	1,276,843	1,175,374	1,126,762
Amortization of tangible capital assets	1,256,647	1,170,895	1,184,025
Heat, light and power	1,169,345	1,093,358	1,036,670
Interest	646,515	645,730	716,736
Employee benefits	430,576	441,183	412,889
Rent waivers and bad debts	200,000	67,138	145,687
Loss on disposal of tangible capital assets	—	44,609	25,556
	<u>14,352,942</u>	<u>13,788,005</u>	<u>13,716,889</u>
Annual surplus (deficit)	(894,826)	1,010,408	701,513
Accumulated surplus, beginning of year	18,964,073	18,964,073	18,262,560
Accumulated surplus, end of year	<u>\$ 18,069,247</u>	<u>\$ 19,974,481</u>	<u>\$ 18,964,073</u>

See accompanying notes to financial statements.

RENFREW COUNTY HOUSING CORPORATION

Statement of Change in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget (note 12)	2022 Total	2021 Total
Annual surplus (deficit)	\$ (894,826)	\$ 1,010,408	\$ 701,513
Amortization of tangible capital assets	1,257,647	1,170,895	1,184,025
Acquisition of tangible capital assets	(1,457,329)	(2,006,743)	(1,974,733)
Loss on disposal of tangible capital assets	–	44,609	25,556
Consumption (acquisition) of prepaid expenses	–	(44,028)	17,923
Net change in net financial assets	(1,094,508)	175,141	(45,716)
Net financial assets, beginning of year	2,506,477	2,506,477	2,552,193
Net financial assets, end of year	\$ 1,411,969	\$ 2,681,618	\$ 2,506,477

See accompanying notes to financial statements.

RENFREW COUNTY HOUSING CORPORATION

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,010,408	\$ 701,513
Items not involving cash:		
Amortization of tangible capital assets	1,170,895	1,184,025
Loss on disposal of tangible capital assets	44,609	25,556
Increase (decrease) in post-employment benefits	7,394	(5,977)
Change in non-cash assets and liabilities:		
Accounts receivable	(98,593)	926,589
Due from the Corporation of the County of Renfrew	(1,002,621)	(112,144)
Prepaid expenses	(44,028)	17,923
Accounts payable and accrued liabilities	39,542	367,111
Deferred revenue	584	22,679
Accrued interest on long-term debt	(785)	(778)
	1,127,405	3,126,497
Investing activities:		
Purchase of investments	(723)	(80)
Capital activities:		
Acquisition of tangible capital assets	(2,006,743)	(1,974,733)
Financing activities:		
Principal repayment of long-term debt	(361,821)	(366,120)
Increase (decrease) in cash	(1,241,882)	785,564
Cash, beginning of year	4,882,750	4,097,186
Cash, end of year	\$ 3,640,868	\$ 4,882,750

See accompanying notes to financial statements.

RENFREW COUNTY HOUSING CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

Renfrew County Housing Corporation (the "Corporation") was incorporated on December 14, 2000 under the Ontario Business Corporations Act. The Corporation administers social housing units in the County of Renfrew. These financial statements present the financial position and results of operation of Renfrew County Housing Corporation, which is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the Corporation are as follows:

(a) Basis of accounting:

The Corporation follows the accrual method of accounting for revenue and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Funding arrangements:

The Corporation's rent geared to income program is funded primarily by the Corporation of the County of Renfrew as a Consolidated Municipal Service Manager (the "Service Manager"), in accordance with budget arrangements formally established by the Ministry of Municipal Affairs and Housing and the Corporation of the County of Renfrew. These financial statements reflect agreed arrangements approved by the Corporation of the County of Renfrew with respect to the year ended December 31, 2022.

(c) Municipal support – subsidy revenue:

The rent geared to income program operating subsidy is recognized based on the approved fiscal allocation by the Service Manager and adjusted for estimated recoveries based on actual expenses incurred during the year. Subsidies may be adjusted by the Service Manager based on an annual reconciliation performed subsequent to year end. Any further adjustments will be recorded in the year of Service Manager approval.

(d) Government transfers:

Government transfers are the transfer of monetary assets or tangible capital assets from other levels of government that are not the result of an exchange transaction and for which there is no expectation of repayment or direct financial return to the transferor in the future.

The Corporation receives government transfers to fund operating and capital expenditures. These transfers to the Corporation are recognized as revenues when the transfers are authorized and all of the eligibility criteria, if any, have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient. Prior to that time, any amounts received are recorded as deferred revenue.

RENFREW COUNTY HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(e) Revenue recognition:

Rent and miscellaneous recoveries revenue is recognized over the rental period once the tenant commences occupancy, rent is due and collection is assured.

Interest income is recognized as earned.

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

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

	Useful Life - Years
Land improvements	20 to 25
Buildings	25 to 60
Machinery and equipment	5 to 25
Vehicles	4 to 20

Leasehold improvements are amortized on a straight-line basis over the current lease term plus one subsequent lease term.

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

When conditions indicate that a tangible capital asset no longer contributes to the Corporation's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the Statement of Operations and Accumulated Surplus.

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue.

RENFREW COUNTY HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(g) Post-employment benefits

The Corporation accounts for its participant in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit.

The Corporation accrues its obligation for post-employment benefit plans, including sick leave benefits and benefits under the Workplace Safety and Insurance Board ("WSIB"). The costs of the WSIB benefits earned by employees are actuarially determined. Actuarial gains and losses are expensed in the fiscal year they arise.

(h) Liabilities for contaminated sites:

The liability for remediation of contaminated sites will be recognized when an environmental standard exists, the contamination exceeds the environmental standard, the Corporation is directly responsible for the remediation of the contaminated site, and a reasonable estimate of the amount can be made.

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures for the year. Actual results could differ from these estimates.

2. Investments:

Investments are stated at cost plus accrued interest and are comprised of the following:

	2022	2021
5.16% guaranteed investment certificate with Home Equity Bank GIC, maturing on November 25, 2027	\$ 100,509	\$ -
5.15% guaranteed investment certificate with Canadian Western Bank, maturing on November 25, 2027	100,508	-
1.45% guaranteed investment certificate with Equitable Bank, matured on November 25, 2022	-	100,147
1.45% guaranteed investment certificate Equitable Trust, matured on November 25, 2022	-	100,147
	<u>\$ 201,017</u>	<u>\$ 200,294</u>

RENFREW COUNTY HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

3. Accounts receivable:

	2022	2021
Harmonized sales tax recoverable	\$ 391,240	\$ 406,092
Tenant receivables	193,025	93,500
Miscellaneous	15,991	4,481
Allowance for doubtful accounts	(44,838)	(47,248)
	<u>\$ 555,418</u>	<u>\$ 456,825</u>

4. Post-employment benefits:

	2022	2021
Sick leave benefits (note 4(a))	\$ 163,454	\$ 156,756
Workplace Safety and Insurance Board (note 4(b))	23,187	22,491
	<u>\$ 186,641</u>	<u>\$ 179,247</u>

- (a) Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Corporation's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to \$163,454 (2021 - \$156,756).

- (b) The Corporation is a Schedule 2 employer under the Workplace Safety and Insurance Board Act ("WSIB") and remits payments to the WSIB as required to fund disability payments. An independent actuarial evaluation was undertaken at December 31, 2021 in order to determine the estimated liability reported in the financial statements and extrapolated to December 31, 2022. As at December 31, 2022, the Corporation's accrued benefit liability relating to future WSIB claims is \$23,187 (2021 - \$22,491).

The significant actuarial assumptions adopted in estimating the Corporation's accrued benefit obligation for WSIB claims are as follows:

	2022	2021
Discount rate	2.75% per annum	3.75% per annum
Inflation rate	2.50% per annum	2.50% per annum
Health care escalation	6.00% per annum	6.00% per annum

RENFREW COUNTY HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

4. Post-employment benefits (continued):

(b) (continued):

Information with respect to the Corporation's WSIB future payments is as follows:

	2022		2021	
Accrued benefit liability, beginning of year	\$	22,491	\$	2,270
Expense recognized for the period		2,696		21,284
Benefits paid for the period		(2,000)		(1,063)
	\$	23,187	\$	22,491

The accrued benefit liability at December 31 includes the following components:

	2022		2021	
Accrued benefit obligation	\$	23,187	\$	22,491
Unamortized actuarial losses (gains)		—		—
	\$	23,187	\$	22,491

5. Long-term debt:

	2022		2021	
2.60% Mortgage, payable \$10,349 monthly, including principal and interest, maturing June 1, 2028	\$	636,062	\$	742,306
2.61% Mortgage, payable \$8,274 monthly, including principal and interest, maturing November 1, 2023		89,839		185,445
2.52% Mortgage, payable \$13,740 monthly, including principal and interest, maturing August 1, 2023		108,874		268,845
		834,775		1,196,596
Current portion of long-term debt		(307,735)		(361,821)
	\$	527,040	\$	834,775

The 2.60% mortgage is secured by a first charge on the land and building located at 26 Spruce Street, Arnprior with a carrying value of \$1,157,779 (2021 - \$1,198,389).

The 2.61 % mortgage is secured by a first charge on the land and building located at 200 Caruso Street, Arnprior with a carrying value of \$810,371 (2021 - \$835,345).

The 2.52% mortgage is secured by a first charge on the land and building located at 224 Vimy Boulevard, Renfrew with a carrying value of \$1,023,386 (2021 - \$416,471).

RENFREW COUNTY HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

5. Long-term debt (continued):

The minimum scheduled principal repayments are as follows:

2023	\$	307,735
2024		111,871
2025		114,806
2026		117,808
2027		120,891
Thereafter		61,664
	\$	834,775

Interest paid on long-term debt of \$26,529 (2021 - \$35,676) is included in interest on the Statement of Operations and Accumulated Surplus.

6. Tangible capital assets:

Cost	Balance December 31, 2021	Additions	Disposals	Balance December 31, 2022
Land	\$ 2,018,776	\$ -	\$ -	\$ 2,018,776
Land improvements	3,081,158	436,436	(114,672)	3,402,922
Buildings	34,777,240	1,927,424	(38,729)	36,665,935
Machinery and equipment	1,027,556	34,115	(15,580)	1,046,091
Vehicles	498,412	36,022	-	534,434
Assets under construction	815,699	-	(427,253)	388,446
	\$ 42,218,841	\$ 2,433,997	\$ (596,234)	\$ 44,056,604

RENFREW COUNTY HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

6. Tangible capital assets (continued):

Accumulated amortization	Balance December 31, 2021	Amortization	Disposals	Balance December 31, 2022
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	1,608,764	93,311	(86,907)	1,615,168
Buildings	23,541,902	960,969	(22,428)	24,480,443
Machinery and equipment	452,938	77,035	(15,036)	514,937
Vehicles	344,476	39,580	-	384,056
Assets under construction	-	-	-	-
	\$ 25,948,080	\$ 1,170,895	\$ (124,371)	\$ 26,994,604

	Net book value December 31, 2021	Net book value December 31, 2022
Land	\$ 2,018,776	\$ 2,018,776
Land improvements	1,472,394	1,787,754
Buildings	11,235,338	12,185,492
Machinery and equipment	574,618	531,154
Vehicles	153,936	150,378
Assets under construction	815,699	388,446
	\$ 16,270,761	\$ 17,062,000

Assets under construction having a value of \$388,446 (2021 - \$815,699) have not been amortized. Amortization of these assets will commence when the asset is put into service.

7. Accumulated surplus:

Accumulated surplus is comprised of:

	2022	2021
Reserves - current	\$ 198,480	\$ 198,484
Reserves - capital	3,735,417	3,870,671
Tangible capital assets	17,062,000	16,270,761
Long-term debt	(834,775)	(1,196,596)
Post-employment benefits	(186,641)	(179,247)
	\$ 19,974,481	\$ 18,964,073

RENFREW COUNTY HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

8. Municipal subsidies:

During the year, the Corporation of the County of Renfrew and the Corporation of the City of Pembroke provided funding to the Corporation as follows:

	2022	2021
Base funding	\$ 5,392,754	\$ 5,474,518
Homelessness Prevention Initiative	1,359,651	–
COVID-19 Support	562,934	1,444,966
Canada Ontario Community Housing Initiative	554,492	85,336
Community Homelessness Prevention Initiative	487,873	1,191,478
Ontario Priorities Housing Initiative	426,175	651,399
Housing Allowance Direct Delivery	45,000	58,750
Strong Communities Rent Supplement	35,021	140,086
Canada Ontario Housing Benefit	16,500	5,932
Ontario Renovates	4,322	42,497
	<u>\$ 8,884,722</u>	<u>\$ 9,094,962</u>

9. Pension agreement:

The Corporation makes contributions to the Ontario Municipal Employees Retirement System (“OMERS”), which is a multi-employer plan, on behalf of participating employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all members and their employees, the Corporation does not recognize any share of the OMERS pension surplus or deficit in these financial statements.

The latest available report for the OMERS plan was at December 31, 2022. At that time, the plan reported a \$6.7 billion actuarial deficit (2021 - \$3.1 billion actuarial deficit).

For the year ended December 31, 2022, the amount contributed to OMERS was \$151,980 (2021 - \$137,521) for current services and is included as an expense on the Statement of Operations and Accumulated Surplus.

10. Commitments:

- (a) The Corporation leases office space in Renfrew, Ontario and Pembroke, Ontario from the Corporation of the County of Renfrew. The operating leases do not have an expiration date, and the annual charges are agreed upon as part of the budgeting process. The committed annual charges for the premises in Renfrew and Pembroke for fiscal 2023 are \$106,523 and \$57,680, respectively.

RENFREW COUNTY HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

10. Commitments (continued):

- (b) The Corporation has entered into a long-term service agreement with the Ontario Clean Water Agency that ends in February 2025. The Corporation is committed to the following payments:

2023	\$	48,306
2024		48,306
2025		8,051
	\$	104,663

- (c) The Corporation has entered into contracts for snow removal at its facilities for the winter season of 2022-2023. At December 31, 2022, the remaining commitment for these contracts amounts to \$273,546.

11. Contingent liabilities:

- (a) The nature of the Corporation's activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2022, management believes that the Corporation has valid defenses and appropriate insurance coverage in place.

In the event any claims are successful, the amount of any potential liability is not determinable, therefore, no amount has been accrued in the financial statements.

- (b) In 2021, the Corporation signed first charge mortgages with the Corporation of the County of Renfrew (the "County") on twenty-one properties for a total of \$238,778. The principal funds were advanced under the Community Homelessness Prevention Initiative Program, Social Services Relief Fund (Phase 2), in the form of interest free, non-repayable loans. It is a requirement that the Corporation does not dispose of the mortgaged properties for a period of ten years following the date of project completion, however, the properties may be sold prior to the expiry of the minimum ten year intended use period so long as the County is of the view that the property is no longer needed for its intended use and ensures that the proceeds are reinvested into the housing and homelessness sector.

The loan proceeds were recorded as revenue when received and the loan amount is not recorded in these financial statements. Any interest or loan payable will be recorded in the financial statements when an event arises resulting in an obligation for the Corporation to pay interest charges or loan proceeds back to the County.

RENFREW COUNTY HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

12. Budget figures:

The Corporation reviews its operating and capital budgets each year. The approved operating budget for 2022 is included in the budget figures presented in the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets.

13. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year.