

SIMCOE COUNTY HOUSING CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2024

SIMCOE COUNTY HOUSING CORPORATION

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INDEPENDENT AUDITOR'S REPORT**To the Directors of Simcoe County Housing Corporation
and Members of Council of the Corporation of the
County of Simcoe***Opinion*

We have audited the financial statements of Simcoe County Housing Corporation (the Corporation), which comprise the statement of financial position as at December 31, 2024, the statements of operations and accumulated surplus, change in net debt 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 financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2024, and the results of its 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 report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 Corporation'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 Corporation'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 Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 5, 2025

SIMCOE COUNTY HOUSING CORPORATION

STATEMENT OF FINANCIAL POSITION

At December 31, 2024

	2024	2023
	\$	\$
FINANCIAL ASSETS		
Cash	2,168,495	5,877,029
Accounts receivable	4,900,996	4,384,656
Loans receivable (note 3)	23,282,466	22,120,300
TOTAL FINANCIAL ASSETS	30,351,957	32,381,985
LIABILITIES		
Temporary loans (note 4)	20,000,000	-
Accounts payable and accrued liabilities	10,353,378	15,470,622
Due to County (note 5)	46,827,414	58,693,661
Long term debt (note 6)	2,232,209	3,331,285
Deferred revenue (note 7)	761,094	1,379,835
Asset retirement obligation (note 8)	26,796,110	25,675,111
TOTAL LIABILITIES	106,970,205	104,550,514
NET DEBT	(76,618,248)	(72,168,529)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 10)	247,631,123	217,584,118
Prepaid expenses	920,298	729,312
TOTAL NON-FINANCIAL ASSETS	248,551,421	218,313,430
ACCUMULATED SURPLUS (note 11)	171,933,173	146,144,901

The accompanying notes are an integral part of these financial statements

SIMCOE COUNTY HOUSING CORPORATION

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2024

	Budget 2024 \$ (note 14)	Actual 2024 \$	Actual 2023 \$
REVENUES			
Rent	10,920,427	11,010,368	9,832,649
Province of Ontario	5,792,400	7,320,252	1,757,900
Government of Canada	3,053,982	6,573,416	5,874,086
Contribution from the County of Simcoe (note 5)	19,330,363	16,280,514	13,508,140
Contribution from the City of Barrie	10,366,176	7,032,979	11,151,000
Contribution from the City of Orillia	2,166,571	1,522,646	2,330,605
Recoveries	848,178	1,083,857	672,128
Gain on disposal of tangible capital assets	-	2,004,524	3,057,788
Other	-	90,393	563,546
TOTAL REVENUES	52,478,097	52,918,949	48,747,842
EXPENSES			
Salaries, wages, and benefits	5,972,497	5,940,310	5,175,978
Interest on long term debt	118,725	172,819	191,946
Building operations	5,334,472	6,365,105	6,575,770
Utilities	3,284,253	2,654,459	2,619,631
Property taxes	2,806,761	2,666,079	2,466,198
Insurance	1,056,122	1,014,162	995,610
Rent supplement subsidies	1,298,640	1,262,508	1,255,059
Bad debts	190,000	143,476	331,307
Staff travel and development	133,268	203,210	179,916
Office and communications	51,790	65,004	96,755
Services	60,747	61,898	55,132
Accretion	-	1,127,864	1,084,447
Allocated administration (note 5)	1,427,694	1,412,491	1,333,018
Amortization	3,326,607	4,041,292	3,940,154
TOTAL EXPENSES	25,061,576	27,130,677	26,300,921
ANNUAL SURPLUS	<u>27,416,521</u>	25,788,272	22,446,921
ACCUMULATED SURPLUS - beginning of year		146,144,901	123,697,980
ACCUMULATED SURPLUS - end of year		171,933,173	146,144,901

The accompanying notes are an integral part of these financial statements

SIMCOE COUNTY HOUSING CORPORATION

STATEMENT OF CHANGE IN NET DEBT For the Year Ended December 31, 2024

	Budget 2024 \$ (note 14)	Actual 2024 \$	Actual 2023 \$
ANNUAL SURPLUS	27,416,521	25,788,272	22,446,921
Amortization of tangible capital assets	3,326,607	4,041,292	3,940,154
Purchase of tangible capital assets	(45,153,000)	(34,180,849)	(44,635,997)
Gain on disposal of tangible capital assets	-	(2,004,524)	(3,057,788)
Proceeds on sale of tangible capital assets	-	2,097,076	3,214,553
Change in prepaid expenses	-	(190,986)	5,537
CHANGE IN NET DEBT	(14,409,872)	(4,449,719)	(18,086,620)
NET DEBT - beginning of year	(72,168,529)	(72,168,529)	(29,491,245)
ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD	-	-	(24,590,664)
NET DEBT - beginning of year, as restated	(72,168,529)	(72,168,529)	(54,081,909)
NET DEBT - end of year	(86,578,401)	(76,618,248)	(72,168,529)

The accompanying notes are an integral part of these financial statements

SIMCOE COUNTY HOUSING CORPORATION

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

	2024	2023
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	25,788,272	22,446,921
Items not involving cash		
Amortization of tangible capital assets	4,041,292	3,940,154
Gain on disposal of tangible capital assets	(2,004,524)	(3,057,788)
Accretion expense and change in asset retirement obligation	1,120,999	1,084,447
Change in non-cash assets and liabilities		
Accounts receivable	(516,340)	(1,283,338)
Prepaid expenses	(190,986)	5,537
Accounts payable and accrued liabilities	(5,117,244)	7,066,857
Due to County	(11,866,247)	19,565,525
Deferred revenue	(618,741)	1,089,610
Net change in cash from operating activities	10,636,481	50,857,925
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(34,180,849)	(44,635,997)
Proceeds on disposal of tangible capital assets	2,097,076	3,214,553
Net change in cash from capital activities	(32,083,773)	(41,421,444)
INVESTING ACTIVITIES		
Loans receivable issued	(5,832,008)	(10,420,665)
Loans receivable repayments	4,669,842	3,802,026
Net change in cash from investing activities	(1,162,166)	(6,618,639)
FINANCING ACTIVITIES		
Debt principal repayments	(1,099,076)	(1,269,251)
Temporary loan advance	20,000,000	-
Net change in cash from financing activities	18,900,924	(1,269,251)
NET CHANGE IN CASH	(3,708,534)	1,548,591
CASH - beginning of year	5,877,029	4,328,438
CASH - end of year	2,168,495	5,877,029

The accompanying notes are an integral part of these financial statements

SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. NATURE OF ORGANIZATION

The Corporation was incorporated on December 18, 2000 under Part III of the Ontario Business Corporations Act as a corporation to provide subsidized housing.

The Corporation is exempt from income tax under section 149(1)(d.5) of the Income Tax Act as a corporation operating exclusively for social welfare. No portion of the Corporation's income is available for the personal benefit of any tenant.

In accordance with its operating agreement with the County of Simcoe, the Corporation receives funding from the County and the Cities of Barrie and Orillia and provides subsidized housing to its tenants and their families. The Corporation is dependent on this funding for its continued operation.

The Corporation operates under the Social Housing Reform Act, 2000 and under the rules and procedures as set out by the County.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Chartered Professional Accountants Canada Handbook for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the Simcoe County Housing Corporation.

(b) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	20 years
Buildings	40 years
Machinery and equipment	5 - 25 years
Computers	3 - 10 years
Vehicles	5 - 20 years

Revisions to expected useful lives are made when the Corporation becomes aware of significant events or changes affecting the period of time over which the tangible capital assets can be used.

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Government funding

Government funding, including contributions from the County of Simcoe, the City of Barrie, and the City of Orillia, is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Other revenue

Rent and recoveries and other revenue are recognized as revenue in the year the services are provided.

(d) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Corporation because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Corporation unless they are sold.

(e) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Corporation's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Corporation's significant estimates are:

- The amount recorded for asset retirement obligation is based on estimates of the assets with potential contaminants and management's estimate of the costs to retire those assets. - See Note 2(h) and related costs added to tangible capital assets - See Note 2(b)
- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 2(b)
- Allowance for doubtful accounts receivable is based in management's estimate of future collectibility

(f) Inter-Entity Transactions

The Corporation is a Board of the County of Simcoe and is consolidated with the County's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Corporation.

SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(h) Asset Retirement Obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for the removal of asbestos in several of the buildings owned by the Corporation has been recognized based on estimated future expenses of remediation.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense and any amounts paid. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in (b).

SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(i) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Accounts receivable	Amortized Cost
Loans receivable	Amortized Cost
Temporary loans	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Due to County	Amortized Cost
Long term debt	Amortized Cost

Fair value category: The Corporation manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.



SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

3. LOANS RECEIVABLE

Loans receivable consist of major capital receivables from service partners for various major capital projects. The loans are to be repaid at 10% per year plus interest at Infrastructure Ontario's 10 year rate. The loans receivable are due from:

	2024	2023
	\$	\$
City of Barrie	19,257,448	18,332,304
City of Orillia	4,025,018	3,787,996
	23,282,466	22,120,300

The continuity of loans receivable is as follows:

	2024	2023
	\$	\$
Balance - beginning of year	22,120,300	15,501,661
Add amounts to be received:		
Share of capital projects - City of Barrie	4,024,399	8,046,852
Share of capital projects - City of Orillia	871,286	1,681,824
Interest	936,323	691,989
	5,832,008	10,420,665
Less: Payments received	4,669,842	3,802,026
Balance - end of year	23,282,466	22,120,300

4. TEMPORARY LOANS

Simcoe County Housing Corporation has entered into a temporary financing arrangement with the Ontario Infrastructure and Lands Corporation (OILC) to partially fund the Orillia Campus Project and Bradford Development. In total, the approved loan amounts are \$82,854,300 and \$28,433,422 respectively. Advances as at December 31, 2024 are \$20,000,000 (2023 - \$nil). The outstanding balance is unsecured and accrues interest at OILC's floating interest rate.

SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

5. INTER-ENTITY TRANSACTIONS

During the year, the Corporation entered into transactions with the County of Simcoe.

As part of the budgeting process, the County approves a contribution to the Corporation which is identified on the Statement of Operations and Accumulated Surplus. Other contributions approved by the County to the Corporation as identified on the Statement of Operations and Accumulated Surplus include contributions from County reserve and reserve funds and contributions from County development charges.

Details of the inter-entity expense transactions are as follows:

	2024	2023
	\$	\$
Allocated costs:		
Administration	1,412,491	1,333,018
	<u>1,412,491</u>	<u>1,333,018</u>

All balances with the County of Simcoe have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

6. LONG TERM DEBT

- (a) The balance of long term debt reported on the Statement of Financial Position is made up of the following:

	2024	2023
	\$	\$
Canada Mortgage and Housing Corporation debentures payable on rental properties owned by Simcoe County Housing Corporation. The debentures have various maturity dates ranging from 2025 to 2027 and interest rates ranging from 6.089% to 6.339%.	557,711	967,586
Ontario Housing Corporation debentures payable on rental properties owned by Simcoe County Housing Corporation. The debentures have various maturing dates ranging from 2025 to 2027 and interest rates ranging from 6.089% to 6.339%.	64,511	111,433
Mortgages payable, repayable in blended monthly payments including principal and interest, secured by land and buildings. The mortgages have a maturity date of October 2025 and interest rate of 1.43%.	440,573	703,651
Mortgage payable, 4.44%, due October 2027, repayable in blended monthly payments of \$36,646 including principal and interest, secured by land and buildings.	1,169,414	1,548,615
	2,232,209	3,331,285

- (b) Interest paid during the year on long term debt amounted to \$172,819 (2023 - \$191,946).
- (c) The estimated repayments based on the current repayment terms for the next four years of the long term debt reported in (a) of this note are:

	Principal	Interest	Total
	\$	\$	\$
2025	989,736	87,032	1,076,768
2026	643,235	42,941	686,176
2027	592,106	15,797	607,903
2028	7,132	13	7,145
	2,232,209	145,783	2,377,992

SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

7. DEFERRED REVENUE

	2024	2023
	\$	\$
Rent	353,250	262,395
Government agencies	407,844	1,117,440
	761,094	1,379,835

The continuity of deferred revenue is as follows:

	2024	2023
	\$	\$
Balance - beginning of year	1,379,835	290,225
Add amounts received:		
Rent	353,250	262,395
Government agencies	130,000	1,674,988
	483,250	1,937,383
Less transfer to operations:		
Rent	262,395	290,225
Government agencies	839,596	557,548
	1,101,991	847,773
Balance - end of year	761,094	1,379,835

SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

8. ASSET RETIREMENT OBLIGATION

The Corporation's asset retirement obligation consists of the following:

(a) Asbestos obligation

The Corporation owns and operates buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the Corporation recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at January 1, 2023. Estimated costs have been discounted to the present value using a discount rate of 4.41% per annum.

Changes to the asset retirement obligation in the year are as follows:

	Asbestos removal 2024 \$	Asbestos removal 2023 \$
Asset Retirement Obligation		
Opening balance	25,675,111	-
Adjustment on adoption of the asset retirement obligation standard	-	24,590,664
Opening balance, as restated	25,675,111	24,590,664
Disposal of assets	(10,394)	-
Accretion expense	1,131,393	1,084,447
Closing balance	26,796,110	25,675,111

9. PENSION AGREEMENTS

Certain employees of the Corporation are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2024 Annual Report disclosed total actuarial liabilities of \$142,489 million in respect of benefits accrued for service with actuarial assets of \$139,576 million indicating an actuarial deficit of \$2,913 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit.

The Corporation's total contributions to OMERS in 2024 were \$864,524 (2023 - \$722,928) of which \$432,262 (2023 - \$361,464) was contributed by employees.

SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

10. TANGIBLE CAPITAL ASSETS

The net book value of the Corporation's tangible capital assets are:

	2024	2023
	\$	\$
General		
Land	20,920,679	21,006,396
Land improvements	4,093,183	3,929,321
Buildings	180,645,336	121,275,091
Machinery & equipment	85,969	92,997
Computers	139,407	162,642
Vehicles	40,618	47,387
	205,925,192	146,513,834
Assets under construction	41,705,931	71,070,284
	247,631,123	217,584,118

For additional information, see the Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2023 - \$Nil), no interest capitalized (2023 - \$Nil) and no contributed assets (2023 - \$Nil).

11. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024	2023
	\$	\$
Surplus/(Deficit)		
100 common shares issued, authorized for an unlimited number of common shares	100	100
Invested In Capital Assets		
Net book value of capital assets	247,631,123	217,584,118
Long term debt	(2,232,209)	(3,331,285)
Unfunded capital	(46,669,731)	(42,432,921)
Asset retirement obligations	(26,796,110)	(25,675,111)
	171,933,073	146,144,801
	171,933,173	146,144,901

Unfunded capital is expected to be funded from future contributions from the County of Simcoe.

SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

12. INCORPORATION AND TRANSFER AGREEMENT

On December 18, 2000 the Simcoe County Housing Corporation was established under the provisions of the Ontario Business Corporations Act. Upon incorporation 100 shares were issued to the County of Simcoe for nominal consideration.

As part of its local services realignment program, transfers of social housing units owned by the Ontario Housing Corporation (OHC) were made in accordance with transfer orders prepared under authority of the Social Housing Reform Act, 2000. Under the provisions of such a transfer order, this Corporation was the recipient on January 1, 2001 of all the assets, liabilities, rights and obligations previously owned by the OHC and located in the County of Simcoe. Effective on the date of transfer, the Corporation is responsible for the management and operations of the housing projects transferred and is bound by the requirements set out in the legislation.

On January 1, 2001 the Ontario Housing Corporation transferred 1,169 units and certain head office assets to the Corporation. The properties transferred carried the following restriction:

“The properties cannot be transferred or mortgaged or otherwise encumbered, developed or redeveloped or disposed of by any person without prior consent of the Minister of Municipal Affairs and Housing.”

In 2005 the Corporation assumed the operations of Georgian Bay Native Friendship Centre and Midland Penetanguishene Urban Native Homes Corporation.

In 2012, the Corporation assumed the operations of Matthew Co-Operative Housing Inc.

13. COMPARATIVE FIGURES

Certain comparative figures for 2023 were restated, where required, to conform with the current year presentation. There was no impact on the prior year's annual surplus.

14. BUDGET FIGURES

The budget, approved by the Corporation, for 2024 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Liabilities. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements.

The following is a reconciliation of Council's approved budget to the annual surplus:

	2024
	\$
Council approved budgeted surplus	-
Tangible capital asset additions	45,153,000
Amortization of tangible capital assets	(3,326,607)
Principal repayment of long term debt	1,420,119
Change in unfunded capital	(15,829,991)
Annual surplus reported on the Statement of Operations	27,416,521

SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

15. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Corporation assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. The Corporation has no significant currency risks.

The Corporation is exposed to the following risks in respect of certain of the financial instruments held:

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.

The Corporation reduces its exposure to credit risk by creating an allowance for bad debts when applicable. The Corporation monitors and assesses the collectability of accounts receivable based on past experience to derive a net realizable value.

(c) Market risk

The Corporation is exposed to certain market risks including changes in market interest rates through Temporary loan which accrues interest at OILC's floating interest rate.

(d) Liquidity risk

Liquidity risk is the risk that the Corporation cannot repay its obligations when they become due to its creditors.

The Corporation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains an adequate amount of cash to cover operating expenses.

SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

16. COMMITMENTS

Simcoe County Housing Corporation has entered into commitments for construction of a residential and non-residential building in Orillia totalling \$71,445,080. The remaining commitment at December 31, 2024 is \$18,336,604.

Simcoe County Housing Corporation has entered into commitments for construction of a residential and non-residential building in Bradford totalling \$33,143,159. The remaining commitment at December 31, 2024 is \$8,167,813.

Simcoe County Housing Corporation has entered into commitments for construction of a residential and non-residential building in Barrie totalling \$204,403,513. The remaining commitment at December 31, 2024 is \$199,728,815.

Simcoe County Housing Corporation has entered into commitments for construction of Blake Street Project in Barrie totalling \$464,365. The remaining commitment at December 31, 2024 is \$464,365.

Simcoe County Housing Corporation has entered into commitments for construction of Napier Street Project in Collingwood totalling \$339,618. The remaining commitment at December 31, 2024 is \$339,618.

17. CHANGES IN ACCOUNTING POLICIES

The Corporation has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Corporation's financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'. The adoption of this standard did not have an impact on the Corporation's financial statements.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. The adoption of this standard did not have an impact on the Corporation's financial statements.

SIMCOE COUNTY HOUSING CORPORATION

SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2024

	General						Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Machinery & Equipment	Computers	Vehicles		
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	21,006,396	7,356,877	150,432,795	140,564	291,365	67,694	71,070,284	250,365,975
Add: additions during the year	-	415,070	10,700,875	-	-	-	23,064,904	34,180,849
Less: disposals during the year	85,717	-	45,056	-	-	-	-	130,773
Transfers	-	6,252	52,423,005	-	-	-	(52,429,257)	-
Balance, end of year	20,920,679	7,778,199	213,511,619	140,564	291,365	67,694	41,705,931	284,416,051
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	3,427,556	29,157,704	47,567	128,723	20,307	-	32,781,857
Add: additions during the year	-	257,460	3,746,800	7,028	23,235	6,769	-	4,041,292
Less: disposals during the year	-	-	38,221	-	-	-	-	38,221
Balance, end of year	-	3,685,016	32,866,283	54,595	151,958	27,076	-	36,784,928
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	20,920,679	4,093,183	180,645,336	85,969	139,407	40,618	41,705,931	247,631,123