

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

PETERBOROUGH HOUSING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

TABLE OF CONTENTS

	Page Number
INDEPENDENT AUDITOR'S REPORT	
CONSOLIDATED FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Remeasurement Gains and Losses	3
Statement of Change in Net Debt	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 20
Schedule of Tangible Capital Assets	21
Schedules of Segment Disclosure	22 - 23
Continuity of Surplus/(Deficit) and Reserve Funds	24
Schedules of Operations for AHP Properties	25 - 26
SPRUCE CORNERS	
Auditor's Comments on Supplementary Financial Information	27
Supplementary Statement of Financial Position	28
Supplementary Schedule of Operations	29
Notes to the Supplementary Financial Information	30

INDEPENDENT AUDITOR'S REPORT

T: (705) 742-3418
F: (705) 742-9775

**To the Members of the Board of Directors of the
Peterborough Housing Corporation**

www.bakertilly.ca

Opinion

We have audited the consolidated financial statements of the Peterborough Housing Corporation and its subsidiary (the Company), which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025, and the results of its consolidated operations and its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 consolidated 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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
June 12, 2026



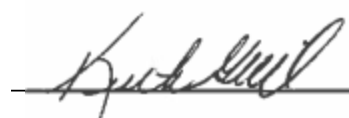
PETERBOROUGH HOUSING CORPORATION

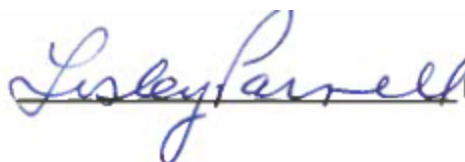
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025

	2025 \$	2024 \$
FINANCIAL ASSETS		
Cash	6,367,032	8,357,702
Accounts receivable (note 3)	2,631,991	3,275,122
Loans receivable (note 4)	1,047,014	1,257,231
Investments (note 5)	1,595,268	3,079,852
TOTAL FINANCIAL ASSETS	11,641,305	15,969,907
LIABILITIES		
Accounts payable and accrued liabilities	3,537,467	4,336,691
Deferred revenue (note 12)	-	3,268,319
Long term debt (note 7)	38,982,671	39,902,540
Asset retirement obligation (note 13)	42,135,574	42,461,668
Employee future benefits (note 6)	183,038	175,062
TOTAL LIABILITIES	84,838,750	90,144,280
NET DEBT	(73,197,445)	(74,174,373)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	114,182,207	115,917,543
Prepaid expenses	439,691	564,161
Inventories of supplies	75,993	30,132
TOTAL NON-FINANCIAL ASSETS	114,697,891	116,511,836
	41,500,446	42,337,463
Comprised of:		
Accumulated surplus (note 10)	41,595,216	42,293,871
Accumulated remeasurement gains/(losses)	(94,770)	43,592
	41,500,446	42,337,463

Approved on behalf of the Board:

 Director

 Director

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2025

	Budget 2025 \$ (Note 20)	Actual 2025 \$	Actual 2024 \$
REVENUES			
Rent	10,315,282	10,298,867	9,982,330
City of Peterborough subsidy (note 11)	3,996,129	6,641,633	6,734,217
Laundry and miscellaneous recoveries	376,052	1,408,866	668,430
Other subsidies (note 14)	56,353	3,254,412	891,774
Management fees	168,655	149,197	103,810
Investment income	150,000	658,443	635,461
Interest on loans receivable	-	34,774	41,141
Gain on disposal of asset retirement obligations	-	326,094	-
TOTAL REVENUES	15,062,471	22,772,286	19,057,163
EXPENSES			
Materials and services (note 15)	1,811,890	2,818,116	2,664,399
Utilities (note 16)	2,470,613	2,590,994	2,404,650
Administrative overhead (note 17)	538,617	744,126	708,910
Bad debts	161,633	156,643	133,845
Insurance	458,103	445,494	582,180
Salaries and benefits	4,156,259	4,133,697	3,701,694
Property taxes	2,436,832	2,645,228	2,436,161
Major repairs	-	2,199,832	2,424,418
Interest on long-term debt	1,397,952	1,480,411	1,744,036
Rent supplements	-	-	343,010
Food services	432,648	810,906	804,228
Amortization of capital assets	4,772,487	4,821,858	4,772,487
Loss on disposal of tangible capital assets	-	623,636	-
TOTAL EXPENSES	18,637,034	23,470,941	22,720,018
ANNUAL DEFICIT	(3,574,563)	(698,655)	(3,662,855)
ACCUMULATED SURPLUS - beginning of year		42,293,871	45,956,726
ACCUMULATED SURPLUS - end of year		41,595,216	42,293,871

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended December 31, 2025

	2025 \$	2024 \$
ACCUMULATED REMEASUREMENT GAINS (LOSSES)		
- beginning of year	43,592	(171,327)
Unrealized gain/(loss) on portfolio investments during the year	196,126	156,334
Realized gain/(loss) on portfolio investments reclassified to operations	(334,488)	58,585
ACCUMULATED REMEASUREMENT GAINS (LOSSES)		
- end of year	(94,770)	43,592

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the Year Ended December 31, 2025

	Budget 2025 \$ (note 20)	Actual 2025 \$	Actual 2024 \$
ANNUAL DEFICIT	(3,574,563)	(698,655)	(3,662,855)
Amortization of tangible capital assets	4,772,487	4,821,858	4,772,487
Purchase of tangible capital assets	17,656	(3,710,158)	(111,946)
Loss on disposal of tangible capital assets	-	623,636	253,655
Change in prepaid expenses	-	124,470	(58,152)
Change in inventories of supplies	-	(45,861)	9,087
CHANGE IN NET DEBT	1,215,580	1,115,290	1,202,276
NET DEBT - beginning of year	(74,174,373)	(74,174,373)	(75,591,568)
INCREASE/(DECREASE) IN ACCUMULATED REMEASUREMENT GAINS	-	(138,362)	214,919
NET DEBT - end of year	(72,958,793)	(73,197,445)	(74,174,373)

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2025

	2025 \$	2024 \$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(698,655)	(3,662,855)
Items not involving cash		
Amortization of tangible capital assets	4,821,858	4,772,487
Loss on disposal of tangible capital assets	623,636	253,655
Change in employee future benefits	7,976	9,087
Gain on disposal of asset retirement obligation	(326,094)	-
Change in non-cash assets and liabilities		
Accounts receivable	643,131	35,662
Loans receivable	210,217	203,475
Prepaid expenses	124,470	(58,153)
Inventories of supplies	(45,861)	9,087
Accounts payable and accrued liabilities	(799,224)	851,112
Deferred revenue	(3,268,319)	(163,350)
Net change in cash from operating activities	1,293,135	2,250,207
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(3,710,158)	(111,946)
INVESTING ACTIVITIES		
Purchase of investments	(375,001)	(155,431)
Redemption of investments	1,721,223	786,841
Net change in cash from investing activities	1,346,222	631,410
FINANCING ACTIVITIES		
Long term debt issued	171,966	-
Debt principal repayments	(1,091,835)	(1,102,411)
Net change in cash from financing activities	(919,869)	(1,102,411)
NET CHANGE IN CASH	(1,990,670)	1,667,260
CASH - beginning of year	8,357,702	6,690,442
CASH - end of year	6,367,032	8,357,702

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

1. NATURE OF OPERATIONS

The Peterborough Housing Corporation was incorporated on December 14, 2000 under Part III of the Ontario Business Corporations Act. The Corporation provides housing accommodation and rent-geared-to-income assistance to households of low to moderate income in accordance with the Housing Services Act (HSA). The Corporation is one hundred percent owned by the City of Peterborough.

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 surplus is available for the personal benefit of any tenant.

In accordance with its operating agreement with the HSA, the Corporation receives funding from the City of Peterborough and provides subsidized housing to its tenants and their families. The Corporation is dependent on this funding for its continued operation.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the following corporations:

- Peterborough Housing Corporation (PHC)
- Finally A Home (FAH) - 100% controlled subsidiary

All interfund assets and liabilities and revenues and expenses are eliminated.

(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. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Buildings	35 years
Building improvements	35 years
Equipment, furniture and fixtures	3 to 5 years

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.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2025

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.

Interest and other revenues

Investment income and other revenues are recorded when earned.

Government funding and subsidies

Government funding 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.

Rental Revenue

Rental revenue is recognized as revenue when the services are provided and collection is reasonably assured.

(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) Reserves and Reserve Funds

Certain amounts, as approved by the Board of Directors, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(f) Deferred Revenue

Deferred revenue represents grants 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.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) 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 include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values;
- Allowance for doubtful accounts receivable is based in management's estimate of future collectibility;
- The values of employee future benefits and the amount of costs charged to operations depend on certain actuarial and economic assumptions; and
- 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.

(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.

(i) Inter-Entity Transactions

Peterborough Housing Corporation is a subsidiary of the Corporation of the City of Peterborough and is consolidated with the City's financial statements.

Allocated costs and recovery of costs are measured at 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 City.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Financial Instruments

Financial instruments are classified into two categories: fair value and 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
Investments	Fair Value
Accounts payable and accrued liabilities	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 Consolidated 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 Consolidated Statement of Operations and Accumulated Surplus and related balances reversed from the Consolidated Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured using the effective interest rate method. 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, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

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.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2025	2024
	\$	\$
Tenants	556,356	587,439
City of Peterborough subsidy	1,188,356	1,265,610
Lien deposits	698,991	698,991
Other	462,479	1,059,141
Allowance for doubtful accounts	(274,191)	(336,059)
	2,631,991	3,275,122

The receivables from tenants are reviewed by management quarterly for collectibility.

During 2019, liens were placed on two properties that were under construction. In order for construction financing to continue, the Corporation had to remit to the courts the value of the liens plus 25%. These liens are still being held by the courts.

4. LOANS RECEIVABLE

Upon completion of Trailview Terrace and Saunder's Court, the Corporation had met the criteria necessary for the final AHP funds from the Provincial government. The funds will be advanced to the Corporation on a monthly basis to assist with the mortgage payments on the properties.

	2025	2024
	\$	\$
Trailview Terrace AHP	608,114	743,797
Saunder's Court AHP	438,900	513,434
	1,047,014	1,257,231

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2025

5. INVESTMENTS

Investments consist of the following:

	Level	2025 \$	2024 \$
Investments held at amortized costs			
Homeward Bound savings trust accounts		-	12,486
Investments held at market value			
World Source - bond portfolio	1	1,595,268	2,053,232
World Source - equity portfolio	1	-	1,014,134
		1,595,268	3,067,366
		1,595,268	3,079,852

Book cost of World Source - bond portfolio and World Source - equity fund are \$1,690,037 and \$ NIL respectively at December 31, 2025.

There were no transfers in or out of level 2 and level 3 during the year.

6. EMPLOYEE FUTURE BENEFITS AND 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 2025 Annual Report disclosed total actuarial liabilities of \$151,365 million in respect of benefits accrued for service with actuarial assets of \$150,043 million indicating an actuarial deficit of \$1,322 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 2025 were \$594,784 (2024 - \$508,378) of which \$297,392 (2024 - \$254,189) was contributed by employees.

As a schedule II WSIB employer, the Corporation has a liability related to future WSIB claims which was actuarially determined. The value of this liability has been assessed by an actuary as at December 31, 2025 to be \$183,038 (2024 - \$175,062) and may require funding in future periods.

The actuarial valuation as at December 31, 2023 was based on a number of assumptions about future events, such as inflation rates and interest rates. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group. The assumptions used reflect management's best estimate.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

7. LONG TERM DEBT

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

	2025 \$	2024 \$
Gerow Havelock mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$12,794, interest at 2.75% maturing April 1, 2027	3,533,459	3,589,539
Trailview Terrace mortgage held with RBC Insurance, payable in blended monthly installments of \$15,908, interest at 5.46%, maturing June 1, 2030	2,295,102	2,360,174
Woollen Mill mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$17,663, interest at 3.01%, maturing August 1, 2027	1,279,616	1,450,512
Anishnawbe mortgage held with MCAP Financial Corporation, payable in blended monthly installments of \$2,402, interest at 4.895%, maturing December 1, 2027	170,834	190,853
Spruce Corners mortgage held with Canada Mortgage and Housing Corporation, payable in blended monthly installments of \$2,290, interest at 3.70%, maturing December 1, 2027	52,903	77,936
River Ridge mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$12,969, interest at 2.19%, maturing April 1, 2026	782,889	919,823
Home Grown Homes mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$1,901, interest at 2.46%, maturing September 16, 2026	296,525	311,843
Home Grown Homes mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$894, interest at 2.46%, maturing September 16, 2026	139,437	146,641
Bradburn House mortgage held with Royal Bank of Canada, payable in blended monthly installments of \$4,864, interest at 2.64%, maturing October 18, 2026	545,965	589,299
Hunt Terraces mortgage held with Canada Mortgage and Housing Corporation, payable in blended monthly installments of \$71,245, interest at 3.84%, maturing Sept 1, 2033	18,871,431	19,004,854
Trailview Terrace demand loan held with Royal Bank of Canada, payable in blended monthly installments of \$13,135, interest at 3.22%, maturing January 14, 2030	602,478	738,397

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

7. LONG TERM DEBT, continued

	2025 \$	2024 \$
Malcolm Court debenture held with the City of Peterborough, payable in semi-annual installments of \$202,932, interest at 4.69%, maturing July 17, 2053	6,290,753	6,397,802
Peterborough Housing Corporation bank loan held with Royal Bank of Canada, payable in blended monthly installments of \$5,178, interest at 5.3%, maturing May 15, 2028	140,696	-
Anson House 1st mortgage held with RBC, payable in blended monthly installments of \$4,976, interest at 2.98%, maturing on June 1, 2031	1,310,604	1,331,165
Saunders Court 1st mortgage held with RBC, payable in blended monthly installments of \$5,741, interest at 2.98%, maturing on June 1, 2031	1,512,236	1,535,960
Saunders Court Affordability mortgage held with RBC, payable in blended monthly installments of \$7,226, interest at 2.78%, maturing on April 1, 2031	442,810	517,343
Anson House 2nd mortgage held with RBC, payable in blended monthly installments of \$1,849, interest at 2.91%, maturing on April 1, 2026	325,192	336,775
Saunders Court 2nd mortgage held with RBC payable in blended monthly installments of \$2,134, interest at 2.91%, maturing on April 1, 2026	389,741	403,624
	38,982,671	39,902,540

(b) Interest paid during the year on long term debt amounted to \$1,008,218 (2024 - \$1,468,207).

(c) The long term debt reported in (a) of this note is repayable based on current terms as follows:

	Principal \$	Interest \$	Total \$
2026	1,151,088	1,452,997	2,604,085
2027	1,191,617	1,412,196	2,603,813
2028	1,168,988	1,371,344	2,540,332
2029	1,182,727	1,331,747	2,514,474
2030	1,331,747	1,090,695	2,422,442
2031 to 2035	3,875,031	5,983,987	9,859,018
2036 and subsequent years	29,081,473	18,889,153	47,970,626
	38,982,671	31,532,119	70,514,790

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

8. TANGIBLE CAPITAL ASSETS

The net book value of the tangible capital assets are:

	2025	2024
	\$	\$
General		
Land	11,010,425	11,010,425
Buildings	101,642,107	103,589,970
Building improvements	950,856	997,419
Equipment, furniture and fixtures	500,836	283,909
	114,104,224	115,881,723
Assets under construction	77,983	35,820
	114,182,207	115,917,543

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

During the period there were no write-downs (2024 - \$Nil) and no interest capitalized (2024 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2025	2024
	\$	\$
Community Housing operations	47,388,562	47,362,553
AHP properties	64,564,907	66,165,660
Anishnawbe	318,600	328,773
Spruce Corners	58,154	79,885
Sunshine Homes	1,851,984	1,980,672
	114,182,207	115,917,543

9. INTER-ENTITY TRANSACTIONS

The Corporation recognized subsidies from the City of Peterborough, its sole shareholder, in the amount of \$6,641,633 (2024 - \$6,734,217). During the year, the Corporation made payments to the City of Peterborough in the amounts of \$2,485,352 (2024 - \$2,311,969) for property taxes, \$296,306 (2024 - \$301,269) for debt interest, \$3,864 (2024 - \$14,894) for waste pick up fees, NIL (2024 - 36,366) for community revitalization and support initiatives, and \$89,315 (2024 - \$85,062) for information technology maintenance services.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2025

10. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2025	2024
	\$	\$
Surplus/(Deficit)		
Unfunded employee future benefits	(183,038)	(175,062)
Community Housing operations	7,265,541	5,927,626
Finally a Home	72,137	63,531
Anishnawbe	164,119	189,906
AHP	(1,871,140)	(255,370)
Spruce Corners	(17,347)	(24,326)
Rent Supplement	-	347,257
	5,430,272	6,073,562
Invested In Capital Assets		
Tangible capital assets - net book value	114,182,207	115,917,543
Long term debt	(38,982,671)	(39,902,540)
Unfunded asset retirement obligation	(42,135,574)	(42,461,668)
	33,063,962	33,553,335
Surplus	38,494,234	39,626,897
Reserve Funds		
Community Housing operations - Wind Mobile	26,765	24,419
Anishnawbe capital replacement	176,178	155,716
AHP - note 10(b)	1,296,477	1,058,393
Sunshine Homes capital replacement	1,536,075	1,386,698
Spruce Corners capital replacement	65,487	41,748
Total Reserve Funds	3,100,982	2,666,974
	41,595,216	42,293,871

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2025

10. ACCUMULATED SURPLUS, continued

(b) AHP reserve funds include:

	2025	2024
	\$	\$
River Ridge capital replacement	333,701	300,947
Woollen Mill capital replacement	318,835	280,437
Trailview Terrace capital replacement	264,730	237,321
Saunder's Court capital replacement	59,781	48,577
Anson House capital replacement	41,563	34,586
Malcolm Court capital replacement	55,779	34,325
Gerow capital replacement	35,727	22,219
Bradburn capital replacement	18,628	11,891
Hunt Terrace capital replacement	158,890	83,892
Home Grown Homes capital replacement	8,843	4,198
	1,296,477	1,058,393

11. CITY OF PETERBOROUGH SUBSIDIES

City of Peterborough subsidies is comprised of:

	2025	2024
	\$	\$
Anishnawbe - operating	78,477	76,125
Community Housing operations - operating	3,836,646	3,385,926
Capital	2,445,414	2,298,351
Sunshine Homes - operating	-	458,922
Hunt Terrace food services	93,306	172,000
Storm relief	187,790	-
Rent supplement	-	342,893
	6,641,633	6,734,217

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2025

12. DEFERRED REVENUE

Deferred revenue consists of the following:

	2025	2024
	\$	\$
CMHC	-	3,116,041
City of Peterborough	-	100,000
Other	-	52,278
	-	3,268,319

In 2022, the Corporation received \$3,450,000 from the Canada Mortgage and Housing Corporation (CMHC) to be utilized on repairing Municipally owned Affordable Housing Units. 30% of total project costs are to be funded by CMHC. As of December 31, 2025, costs have exceeded the threshold of \$11,500,000 and the full balance is recognized as revenue.

13. ASSET RETIREMENT OBLIGATION

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

(a) Asbestos obligation

The Corporation owns and operates several 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 of the asbestos in these building as estimated at January 1, 2023. The buildings are expected to reach the end of their useful life in 20 years.

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

	Asbestos removal 2025	Asbestos removal 2024
	\$	\$
Asset Retirement Obligation		
Opening balance	42,461,668	42,461,668
Disposal of liabilities caused by building fire	(326,094)	-
Closing balance	42,135,574	42,461,668

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2025

14. OTHER SUBSIDIES

Other subsidies are comprised of the following:

	2025	2024
	\$	\$
CMHC funding	3,116,041	399,318
Spruce Corners MOHLTC funding	85,199	62,662
Miscellaneous subsidies	13,000	-
Sunshine Homes solar	40,172	37,437
Class action lawsuit	-	392,357
	3,254,412	891,774

15. MATERIALS AND SERVICES

Materials and supplies consist of the following:

	2025	2024
	\$	\$
Repairs and maintenance	1,849,553	1,622,705
Security	14,274	167,471
Grounds	954,289	874,223
	2,818,116	2,664,399

16. UTILITIES

Utilities consist of the following:

	2025	2024
	\$	\$
Electricity	1,273,298	1,198,974
Water	794,944	742,748
Fuel	522,752	462,928
	2,590,994	2,404,650

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

17. ADMINISTRATIVE OVERHEAD

Administrative overhead consists of the following:

	2025 \$	2024 \$
Promotion	26,126	13,113
Bank and collection charges	30,167	12,596
Office	98,733	99,529
Legal fees	47,238	42,272
Audit fees	48,668	48,743
Professional fees	178,762	197,029
Information technology	190,492	180,604
Travel	50,148	55,804
Telephone and telecommunications	57,241	55,524
Memberships	16,551	3,696
	744,126	708,910

18. CONTINGENT LIABILITIES

The Corporation, in the course of its operations, has been named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements. The majority of these cases are covered by the Corporation's insurance.

19. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

20. BUDGET FIGURES

The budget, approved by the Corporation differs from the budget reflected on the Consolidated Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Board's approved budget to the annual surplus/(deficit):

	2025 \$
Council approved budgeted surplus (deficit)	(3,582)
Amortization of tangible capital assets	(4,772,487)
Transfers to/(from) reserves and reserve funds	301,867
Mortgage principal payments	899,639
Annual deficit reported on the Consolidated Statement of Operations	(3,574,563)

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2025

21. FINANCIAL INSTRUMENTS

The Company 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. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise.

(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.

In the opinion of management the credit risk exposure to the organization is low and is not material.

In the opinion of management, the Corporation is not exposed to any significant market, liquidity or currency risk.

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

22. SEGMENTED INFORMATION

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2. For additional information see the Consolidated Schedule of Segment Disclosure.

AHP Fund

Revenues and expenses related to the Corporation of the Affordable Housing Program (AHP) funded properties are charged to this fund. These include properties known as River Ridge, Woollen Mill, Anson House, Saunder's Court, Trailview Terrace, Bradburn House, Home Grown Homes, Gerow Place, Malcolm Court and Hunt Terraces.

Anishnawbe Fund

Funds received from the City of Peterborough and tenants for the operation of the units of the Anishnawbe properties are charged to this fund. All expenses incurred to operate the units are also charged to this fund.

Spruce Corners Fund

Funds received from the Ministry of Health and Long Term Care and tenants for the operation of the units of Spruce Corners are charged to this fund. All expenses incurred to operate the units are also charged to this fund.

Sunshine Homes Fund

Funds received from the City of Peterborough, Ontario Power Authority and tenants for the operation of the units of the Sunshine Homes properties are charged to this fund. All expenses incurred to operate the units are also charged to this fund.

Capital Fund

Funds received from the City of Peterborough for capital expenditures are accounted for in the Capital Fund. Preventative maintenance expenses are charged to this fund.

Rent Supplement Fund

Funds received from the City of Peterborough to provide rent supplement under the rent supplement program are accounted for in the Rent Supplement Fund. Rent supplement expenses are charged to this fund. Peterborough Housing Corporation has transferred administration of rent supplement back to the City of Peterborough as of April 1, 2024.

Community Housing Operations Fund

All mandated Community Housing responsibilities and activities not included in any of the other funds and Finally A Home are accounted for in this fund.

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2025

	General				Assets Under Construction	Totals
	Land \$	Buildings \$	Building Improvements \$	Equipment, furniture and fixtures \$	\$	\$
COST						
Balance, beginning of year	11,010,425	162,668,166	1,629,453	1,240,496	35,820	176,584,360
Add: additions during the year	-	3,329,241	-	338,754	42,163	3,710,158
Less: disposals during the year	-	1,686,626	-	-	-	1,686,626
Balance, end of year	11,010,425	164,310,781	1,629,453	1,579,250	77,983	178,607,892
ACCUMULATED AMORTIZATION						
Balance, beginning of year	-	59,078,196	632,034	956,587	-	60,666,817
Add: additions during the year	-	4,653,468	46,563	121,827	-	4,821,858
Less: disposals during the year	-	1,062,990	-	-	-	1,062,990
Balance, end of year	-	62,668,674	678,597	1,078,414	-	64,425,685
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	11,010,425	101,642,107	950,856	500,836	77,983	114,182,207

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2025

	AHP \$	Anishnawbe \$	Spruce Corners \$	Finally a Home \$	Community Housing Operations \$	Consolidated \$
Revenues						
Rent	4,613,668	35,605	55,966	-	5,593,628	10,298,867
City of Peterborough subsidy	669,733	79,927	3,969	-	5,888,004	6,641,633
Laundry and miscellaneous recoveries	584,056	40	40,797	-	783,973	1,408,866
Other subsidies	729,900	21,725	109,632	-	2,393,155	3,254,412
Management fees	(80,349)	(1,089)	(1,742)	-	232,377	149,197
Interfunctional rental fees	61,763	-	-	-	(61,763)	-
Investment income	41,562	4,856	461	8,606	602,958	658,443
Interest on loans receivable	34,774	-	-	-	-	34,774
Gain on disposal of asset retirement obligations					326,094	326,094
Total revenues	6,655,107	141,064	209,083	8,606	15,758,426	22,772,286
Expenses						
Materials and services	803,531	6,934	33,835	-	1,973,816	2,818,116
Utilities	693,166	18,301	17,867	-	1,861,660	2,590,994
Administrative overhead	95,852	3,617	4,640	-	640,017	744,126
Bad debts	44,101	1,200	-	-	111,342	156,643
Insurance	152,485	3,377	3,104	-	286,528	445,494
Salaries and benefits	1,119,799	9,933	26,961	-	2,977,004	4,133,697
Property taxes	440,291	11,097	4,507	-	2,189,333	2,645,228
Major repairs	370,313	63,210	13,569	-	1,752,740	2,199,832
Interest on long-term debt	1,464,344	8,727	2,364	-	4,976	1,480,411
Food services	764,358	-	46,548	-	-	810,906
Amortization of capital assets	2,395,956	10,172	21,731	-	2,393,999	4,821,858
Loss on disposal of tangible capital assets	330,151	-	-	-	293,485	623,636
Total expenses	8,674,347	136,568	175,126	-	14,484,900	23,470,941
Net surplus/(deficit)	(2,019,240)	4,496	33,957	8,606	1,273,526	(698,655)

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2024

	AHP \$	Anishnawbe \$	Spruce Corners \$	Finally a Home \$	Rent Supplement \$	Community Housing Operations \$	Consolidated \$
Revenues							
Rent	4,610,550	38,024	42,670	-	-	5,291,086	9,982,330
City of Peterborough subsidy	191,372	84,032	-	-	342,893	6,115,920	6,734,217
Laundry and miscellaneous recoveries	467,686	-	75,495	-	-	125,249	668,430
Other subsidies	120,509	742	63,404	-	-	707,119	891,774
Management fees	(76,689)	(1,039)	(1,663)	-	-	183,201	103,810
Interfunctional rental fees	59,364	-	-	-	-	(59,364)	-
Investment income	52,152	8,291	612	3,601	62,827	507,978	635,461
Interest on loans receivable	41,141	-	-	-	-	-	41,141
Total revenues	5,466,085	130,050	180,518	3,601	405,720	12,871,189	19,057,163
Expenses							
Materials and services	822,185	14,130	31,355	-	-	1,796,729	2,664,399
Utilities	668,856	18,140	12,991	-	-	1,704,663	2,404,650
Administrative overhead	61,682	8,775	6,445	-	-	632,008	708,910
Bad debts	48,441	1,200	-	-	-	84,204	133,845
Insurance	121,540	2,013	2,239	-	-	456,388	582,180
Salaries and benefits	1,025,153	10,707	30,465	-	-	2,635,369	3,701,694
Property taxes	363,047	10,446	4,245	-	-	2,058,423	2,436,161
Major repairs	412,815	17,732	14,621	-	-	1,979,250	2,424,418
Interest on long-term debt	1,730,675	9,676	3,269	-	-	416	1,744,036
Rent supplements	-	-	-	-	343,010	-	343,010
Food services	773,149	-	31,079	-	-	-	804,228
Amortization of capital assets	2,376,880	10,172	21,831	-	-	2,363,604	4,772,487
Total expenses	8,404,423	102,991	158,540	-	343,010	13,711,054	22,720,018
Net surplus/(deficit)	(2,938,338)	27,059	21,978	3,601	62,710	(839,865)	(3,662,855)

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED CONTINUITY OF SURPLUS/(DEFICIT) AND RESERVE FUNDS For the Year Ended December 31, 2025

	AHP \$	Anishnawbe \$	Spruce Corners \$	Finally a Home \$	Rent Supplement \$	Community Housing Operations \$	Consolidated \$
Surplus/(Deficit)							
Net surplus/(deficit)	(2,019,240)	4,496	33,957	8,606	-	1,273,526	(698,655)
Add: Amortization	2,395,956	10,172	21,731	-	-	2,393,999	4,821,858
Net proceeds on short and long term debt	-	-	-	-	-	171,966	171,966
Unfunded employee future benefits	2,542	26	63	-	-	5,345	7,976
Less: Debt principal repayments	(1,015,513)	(20,019)	(25,033)	-	-	(31,270)	(1,091,835)
Net transfer from/(to) Capital	(1,088,688)	-	-	-	-	(1,997,834)	(3,086,522)
Net transfer from/(to) Reserve Funds	(238,084)	(20,462)	(23,739)	-	-	(151,723)	(434,008)
Gain on disposal of ARO	-	-	-	-	-	(326,094)	(326,094)
Internal transfers	347,257	-	-	-	(347,257)	-	-
Change in Surplus/(Deficit)	(1,615,770)	(25,787)	6,979	8,606	(347,257)	1,337,915	(635,314)
Opening Surplus/(Deficit)	(255,370)	189,906	(24,326)	63,531	347,257	5,927,626	6,248,624
Closing Surplus/(Deficit)	(1,871,140)	164,119	(17,347)	72,137	-	7,265,541	5,613,310
Reserve Funds							
Add: Interest	41,562	4,856	461	-	-	50,804	97,683
Transfer from Operations	200,349	15,606	1,719	-	-	126,770	344,444
Funding	-	-	28,000	-	-	-	28,000
Less: Transfer to Operations	(3,827)	-	(6,441)	-	-	(25,851)	(36,119)
Change in Reserve Funds	238,084	20,462	23,739	-	-	151,723	434,008
Opening Reserve Funds	1,058,393	155,716	41,748	-	-	1,411,117	2,666,974
Closing Reserve Funds	1,296,477	176,178	65,487	-	-	1,562,840	3,100,982

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES For the Year Ended December 31, 2025

	River Ridge \$	Woollen Mill \$	Anson House \$	Saunder's Court \$	Trailview Terrace \$	Bradburn House \$	Home Grown Homes \$	Malcolm Court \$	Gerow Havelock \$	Hunt Terraces \$	Total \$
Revenues											
Rent	556,472	569,554	246,916	253,397	464,048	139,426	113,351	498,300	333,353	1,438,851	4,613,668
City of Peterborough subsidy	-	-	83,873	78,037	75,730	79,704	4,552	129,979	124,552	93,306	669,733
Laundry and miscellaneous recoveries	70	23,076	2,349	8,496	7,886	660	-	13,555	7,444	520,520	584,056
Other subsidies	36,874	459,796	94,036	23,345	36,780	17,564	(123)	30,339	11,924	19,365	729,900
Management fees	(8,710)	(10,887)	(5,661)	(6,532)	(11,758)	(3,919)	(1,742)	(7,404)	(5,226)	(18,510)	(80,349)
Interfunctional rental fees	-	54,122	-	-	-	7,641	-	-	-	-	61,763
Investment income	11,184	13,470	701	1,066	8,847	442	189	1,305	839	3,519	41,562
Interest on loans receivable	-	-	-	12,803	21,971	-	-	-	-	-	34,774
Total revenues	595,890	1,109,131	422,214	370,612	603,504	241,518	116,227	666,074	472,886	2,057,051	6,655,107
Expenses											
Materials and services	93,818	87,404	52,267	78,912	79,381	46,787	15,489	110,784	103,927	134,762	803,531
Utilities	148,024	114,557	41,857	25,443	40,327	31,141	11,492	65,938	77,170	137,217	693,166
Administrative overhead	2,338	4,443	3,772	4,192	7,553	4,871	2,174	18,150	7,821	40,538	95,852
Bad debts	5,381	5,576	2,532	2,431	4,399	1,439	1,075	3,612	2,452	15,204	44,101
Insurance	12,616	16,462	8,901	13,074	19,779	7,215	4,230	22,546	17,746	29,916	152,485
Salaries and benefits	79,462	156,982	88,148	94,042	143,946	77,736	15,892	118,883	86,428	258,280	1,119,799
Property taxes	73,614	3,852	50,137	57,851	35,668	23,795	19,443	86,346	35,717	53,868	440,291
Major repairs	108,636	72,758	60,537	10,830	35,943	33,556	518	18,014	24,235	5,286	370,313
Interest on long-term debt	18,441	40,633	48,656	68,558	147,213	11,136	10,979	300,065	97,324	721,339	1,464,344
Amortization of capital assets	139,262	215,206	93,032	135,559	200,009	83,330	26,413	340,595	225,679	936,871	2,395,956
Food services	-	-	-	-	-	-	-	-	-	764,358	764,358
Loss on disposal of tangible capital assets	-	330,151	-	-	-	-	-	-	-	-	330,151
Total expenses	681,592	1,048,024	449,839	490,892	714,218	321,006	107,705	1,084,933	678,499	3,097,639	8,674,347
Net surplus/(deficit)	(85,702)	61,107	(27,625)	(120,280)	(110,714)	(79,488)	8,522	(418,859)	(205,613)	(1,040,588)	(2,019,240)

PETERBOROUGH HOUSING CORPORATION

CONSOLIDATED SCHEDULE OF OPERATIONS FOR AHP PROPERTIES For the Year Ended December 31, 2024

	River Ridge \$	Woollen Mill \$	Anson House \$	Saunder's Court \$	Trailview Terrace \$	Bradburn House \$	Home Grown Homes \$	Malcolm Court \$	Gerow Havelock \$	Hunt Tarraces \$	Total \$
Revenues											
Rent	545,149	556,569	243,661	244,419	448,662	145,390	110,617	474,067	313,584	1,528,432	4,610,550
City of Peterborough subsidy	2,275	6,826	3,888	2,535	102	1,741	81	1,073	400	172,451	191,372
Laundry and miscellaneous recoveries	186	19,929	1,793	5,404	9,779	516	-	14,659	6,815	408,605	467,686
Other subsidies	25,844	65,191	10,584	1,418	1,381	5,760	3,261	5,412	-	1,658	120,509
Management fees	(8,313)	(10,391)	(5,404)	(6,235)	(11,223)	(3,741)	(1,663)	(7,066)	(4,988)	(17,665)	(76,689)
Interfunctional rental fees	-	52,020	-	-	-	7,344	-	-	-	-	59,364
Investment income	15,913	19,236	1,251	1,614	12,637	117	40	336	218	790	52,152
Interest on loans receivable	-	-	-	14,912	26,229	-	-	-	-	-	41,141
Total revenues	581,054	709,380	255,773	264,067	487,567	157,127	112,336	488,481	316,029	2,094,271	5,466,085
Expenses											
Materials and services	62,678	93,229	61,871	57,245	82,582	29,120	10,159	85,707	98,195	241,399	822,185
Utilities	138,647	110,480	42,225	24,316	38,706	29,271	11,615	63,701	77,366	132,529	668,856
Administrative overhead	3,638	3,897	2,984	3,114	5,329	2,104	638	13,593	8,532	17,853	61,682
Bad debts	5,328	5,430	2,447	2,407	4,356	1,434	1,036	3,576	2,427	20,000	48,441
Insurance	11,153	14,199	7,453	9,602	15,943	5,594	2,834	13,846	9,931	30,985	121,540
Salaries and benefits	71,063	143,671	70,323	79,401	159,023	66,282	14,213	110,053	77,465	233,659	1,025,153
Property taxes	68,749	3,289	46,824	54,028	19,312	22,222	18,158	37,103	34,093	59,269	363,047
Major repairs	88,423	188,309	52,265	21,737	4,706	20,942	10,950	19,114	400	5,969	412,815
Interest on long-term debt	21,397	45,675	49,560	91,377	154,627	12,148	11,559	457,746	98,839	787,747	1,730,675
Amortization of capital assets	139,354	196,320	93,308	135,461	200,795	83,330	27,098	339,357	225,896	935,961	2,376,880
Food services	-	-	-	-	-	-	-	-	-	773,149	773,149
Total expenses	610,430	804,499	429,260	478,688	685,379	272,447	108,260	1,143,796	633,144	3,238,520	8,404,423
Net surplus/(deficit)	(29,376)	(95,119)	(173,487)	(214,621)	(197,812)	(115,320)	4,076	(655,315)	(317,115)	1,144,249)	(2,938,338)

Baker Tilly KDN LLP

272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

T: (705) 742-3418

F: (705) 742-9775

www.bakertilly.ca

REPORT ON SUPPLEMENTARY MATTERS ARISING FROM AN AUDIT ENGAGEMENT

To the Ministry of Health and Long-Term Care

In accordance with the project operating agreement with the Ministry of Health and Long-Term Care, we have been engaged to report the financial results of Spruce Corners as at and for the year ended December 31, 2025 (the "other reporting responsibility"). This other reporting responsibility relates to our audit of the consolidated financial statements of Peterborough Housing Corporation (PHC) as at December 31, 2025 on which we issued our report dated June 12, 2026. We prepared the supplementary matter.

This report has been prepared in accordance with Canadian Standard on Related Services (CSRS) 4460, Reports on Supplementary matters Arising from an Audit or a Review Engagement. Our responsibility is to report on the supplementary matter. This standard requires us to comply with ethical requirements and to plan and perform procedures to address the other reporting responsibility. The procedures were selected based on our professional judgment to enable us to form a basis for this report. The procedures vary in nature from, and are less in extent than for, those required when providing an audit opinion or a review conclusion. Users are cautioned that the procedures performed may not be suitable for their purposes.

Accordingly, we do not express an audit opinion or a review conclusion on the supplementary matter.

In response to the other reporting responsibility, the financial results of Spruce Corners as at and for the year ended December 31, 2025 are provided in the attached Spruce Corners statements of financial position and operations and the related notes.

This report is intended solely for use by Ministry of Health and Long-Term Care and should not be used by other parties.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 12, 2026

ASSURANCE • TAX • ADVISORY

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

Peterborough

Courtice

Lindsay

Cobourg

PETERBOROUGH HOUSING CORPORATION

SPRUCE CORNERS STATEMENT OF FINANCIAL POSITION At December 31, 2025

	General Fund \$	Capital Fund \$	2025 Total \$	2024 Total \$
ASSETS				
Cash	-	67,256	67,256	13,209
Due from/(to) PHC	(58,466)	(1,770)	(60,236)	(4,313)
Tangible capital assets (note 2)	54,922	-	54,922	79,052
	(3,544)	65,486	61,942	87,948
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Mortgage payable	52,903	-	52,903	77,936
FUND BALANCES	(56,447)	65,486	9,039	10,012
	(3,544)	65,486	61,942	87,948

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

SPRUCE CORNERS

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2025

	General Fund \$	Capital Fund \$	2025 Total \$	2024 Total \$
REVENUES				
Ministry of Health and Long-Term Care	57,199	1,719	58,918	65,123
Rent	56,298	-	56,298	42,670
Other	40,797	28,000	68,797	75,495
Interest	-	461	461	612
	154,294	30,180	184,474	183,900
EXPENSES				
Salaries and benefits	32,592	-	32,592	30,465
Management fee	1,742	-	1,742	1,663
Administration	6,077	-	6,077	6,445
Maintenance materials and services	32,398	-	32,398	31,355
Property taxes	4,507	-	4,507	4,245
Insurance	2,659	-	2,659	2,239
Utilities	17,867	-	17,867	12,991
Food	46,548	-	46,548	31,079
Interest	2,364	-	2,364	3,269
Amortization	25,033	-	25,033	24,130
Major repairs	7,218	6,442	13,660	14,621
	179,005	6,442	185,447	162,502
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FOR THE YEAR	(24,711)	23,738	(973)	21,398
FUND BALANCES - beginning of year	(31,736)	41,748	10,012	(11,386)
FUND BALANCES - end of year	(56,447)	65,486	9,039	10,012

The accompanying notes are an integral part of these financial statements

PETERBOROUGH HOUSING CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

This supplementary financial information has been prepared in accordance with Canadian Public Sector Accounting Standards, except for:

- (a) Amortization is not provided on the building over the estimated useful life of the asset but rather at a rate equal to the annual principal reduction of the mortgage on the property;
- (b) Amortization is provided on land proportionally equal to the annual principal reduction of the mortgage on the property rather than not being amortized; and
- (c) Tangible capital assets purchased after the original interest adjustment date are charged to operations of the appropriate fund in the year the expense was incurred rather than being capitalized on the statement of financial position and amortized over their useful lives.

2. TANGIBLE CAPITAL ASSETS

	2025 \$	2024 \$
Cost		
Land	33,831	33,831
Building	322,285	322,285
	356,116	356,116
Less: accumulated amortization	(301,194)	(277,064)
	54,922	79,052