

2025-2026

Annual Report

Newfoundland and
Labrador Housing
Corporation



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Message from Chair

I am pleased to present the 2025-26 Annual Report for the Newfoundland and Labrador Housing Corporation (NLHC). The report provides an overview of key activities, achievements, and financial information for the fiscal year 2025-26.

NLHC's mandate is to develop and administer housing assistance policy and programs for the benefit of low-to-moderate income households throughout the province. This includes seniors, youth, Indigenous persons, persons with disabilities and those experiencing or at risk of homelessness. The Corporation's programs and services support residents of the province to access safe, suitable and affordable housing, which is fundamental to the social, financial, and physical well-being of individuals and communities in our province.

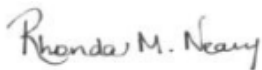
The 2025-26 fiscal year marks the conclusion of NLHC's three-year strategic plan. Over the course of the three-year plan, the Corporation has remained focused on fulfilling the following strategic goals:

- Increasing access to affordable and adequate housing;
- Addressing homelessness; and
- Optimizing NLHC-owned housing supply.

As we mark the completion of this three-year strategic plan, we reflect on the progress achieved for the benefit of low-to-moderate income households in our province. While significant work remains, we are well positioned to build on the solid foundation established through our achievements of the past three years. We will continue to advance housing solutions for residents of Newfoundland and Labrador.

On behalf of the Board of Directors, I extend our sincere gratitude to our employees, community partners, and other stakeholders for their continued commitment to addressing the diverse and emerging housing needs of residents throughout our vast province.

This report was prepared under the direction of the Board of Directors of NLHC, in accordance with the requirements of the Transparency and Accountability Act. NLHC is a Category One Government Entity and its Board of Directors is accountable for the actual results reported in this document.



Rhonda Neary
Chair

Corporate Overview

Newfoundland and Labrador Housing Corporation (NLHC) is a provincial Crown Corporation that operates under the authority of the **Housing Corporation Act**. It is governed by a Board of Directors appointed by the Lieutenant Governor-in-Council. Composed of individuals who represent various geographic areas and interest groups, the Board of Directors reports to the Government of Newfoundland and Labrador through the Minister of Housing. The Chief Executive Officer is an ex-officio member of the Board and holds primary responsibility for the day-to-day operations of NLHC.

Board of Directors	
Rhonda Neary (Chair)	Portugal Cove-St. Philip's
David Loveys (Vice-chair)	Conception Bay South
Derrick House	Kippens
Colin O'Brien	Happy Valley-Goose Bay
Fraser W. Piccott	St. John's
Bernard Bromley	St. Anthony
Noreen Careen	Labrador City
Liz Palmera-Nunez	St. John's
Darlene Spracklin-Reid	St. John's
Mike Tizzard, CEO (Non-voting)	St. John's

A copy of NLHC's Vision and Mission can be found in the [2023-26 Strategic Plan](#). To support the diverse range of housing needs in the province, NLHC delivers a wide range of programs across the full housing continuum. NLHC's programs are

designed to support individuals and families with low-to-moderate incomes who require assistance in accessing or maintaining safe, suitable and affordable housing. As such, the programs serve both renters and homeowners; they support vulnerable populations including those experiencing homelessness, those fleeing gender-based violence, seniors, youth, Indigenous persons and persons with disabilities. An overview of these programs is outlined below:

Emergency Shelter Program: Operates a toll free 24/7 emergency shelter telephone line and engages a range of shelter operators to respond to required temporary shelter placement for individuals experiencing homelessness.

Supportive Living Program: Provides operating grants to non-profit organizations province-wide to prevent and end homelessness, foster long-term housing stability, and develop support services space to provide on-site and outreach services. This program includes a number of supportive housing options with 24/7 staffing and supports.

Transition Housing Program: Provides funding to the province's ten transition houses to provide safe short-term accommodations, services and resources to support women and their children who are vulnerable to, at risk of, or who have been subjected to intimate partner violence.

Rental Housing Program: Provides for the operation and maintenance of the Corporation's more than 5,500 social housing units throughout the province, which serve over 12,000 individuals. Tenants pay rental rates based on 25 per cent of their net monthly income.

Rental Assistance Program: Provides rental subsidies to over 2,500 households to access affordable, adequate and suitable rental accommodations in the private market.

Affordable Rental Housing Program: Provides financial support to private and community housing developers to create new affordable rental units. Support is provided through capital funding in the form of a forgivable loan for new construction projects, conversion from non-residential or additions to an existing residential structure. Funding amounts are determined by a combination of project location and other attributes. Projects that exceed minimum accessibility, energy efficiency, and duration of affordability requirements as well as proximity to healthcare and geographical location receive additional financial incentives.

Home Repair Programs: Comprised of the Provincial Home Repair Program, the Home Energy Savings Program and the Home Modification Program, provide financial assistance to low-income homeowners to complete much needed repairs to their homes, make energy efficiency improvements or support accessibility requirements for seniors and persons with disabilities. It achieves the goal of enabling individuals and families to exercise choice and self-determination and remain in their own homes.

Partner-Managed Housing Program: Provides financial and technical support to partner-managed and cooperative housing providers that offer subsidized housing throughout the province.

Tenant and Community Relations Program: Provides supports and services to tenants along a continuum, spanning from individual supports, to family supports, to eviction prevention and community development initiatives delivered through our community and neighbourhood centres.

NLHC's programs facilitate a variety of community-based housing partnerships, and have provided direct assistance to more than 24,000 individual clients (in more than 12,700 households) across the province in the 2025-26 year. Additional information about programs and services offered by NLHC can be found at: www.nlhc.nl.ca.

Table 1- Corporate Overview of Households and Clients Served

Program	Households Served	Clients Served
NLHC-Owned Housing	5,207	12,243
Rent Supplement	250	286
Canada-NL Housing Benefit	2,256	2,890
Gender-Based Violence Housing	286	411
Co-op Housing	18	Not applicable ¹
Partner Managed Housing	986	1,194
Federal Portfolio	112	Not applicable ¹
Investment in Affordable Housing	881 ²	1,057
Affordable Rental Housing	187	224
Home Modification Program	426 ³	716 ³
Provincial Home Repair	1,032 ³	1,276 ³
Home Energy Savings	423	517
Workplace NL	Not applicable ⁴	18 ⁵
Emergency Shelter	Not applicable ⁴	1,848
Transitional Housing	Not applicable ⁴	920 ⁶
Secondary & Basement Suite Incentive	38 ⁷	Not applicable ¹
First-Time Home Buyers	366 ⁸	611 ⁸
Rental Assistance Extension	308	Not applicable ¹
TOTAL	12,786	24,211

¹Individual client data is not applicable as these programs serve households

²Total number of affordable housing units that are in operation and providing rental housing services

³Inclusive of forgivable and repayable loan commitments provided to homeowners

⁴Household data is not applicable as this program serves individual clients

⁵Inspections completed for WorkplaceNL

⁶Data from all Transitional Houses, excluding Nain Safe House (data is not yet available)

⁷Based on all secondary/basement suite completed builds as of March 31, 2026

⁸Based on actual funds advanced to First-Time Home Buyers

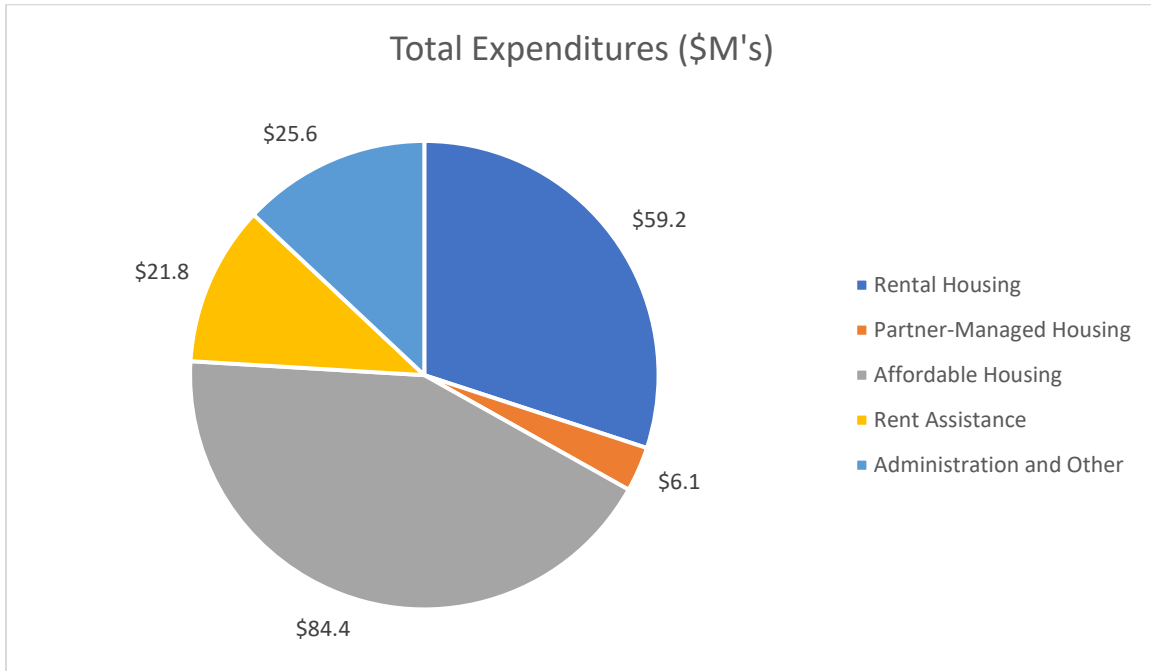
Staff and Budget

As of March 31, 2026, there were a total of 335 permanent and temporary positions across NLHC's four regions: Eastern, Central, Western and Labrador. In addition to NLHC's headquarters in St. John's, there are seven other offices located throughout the province.

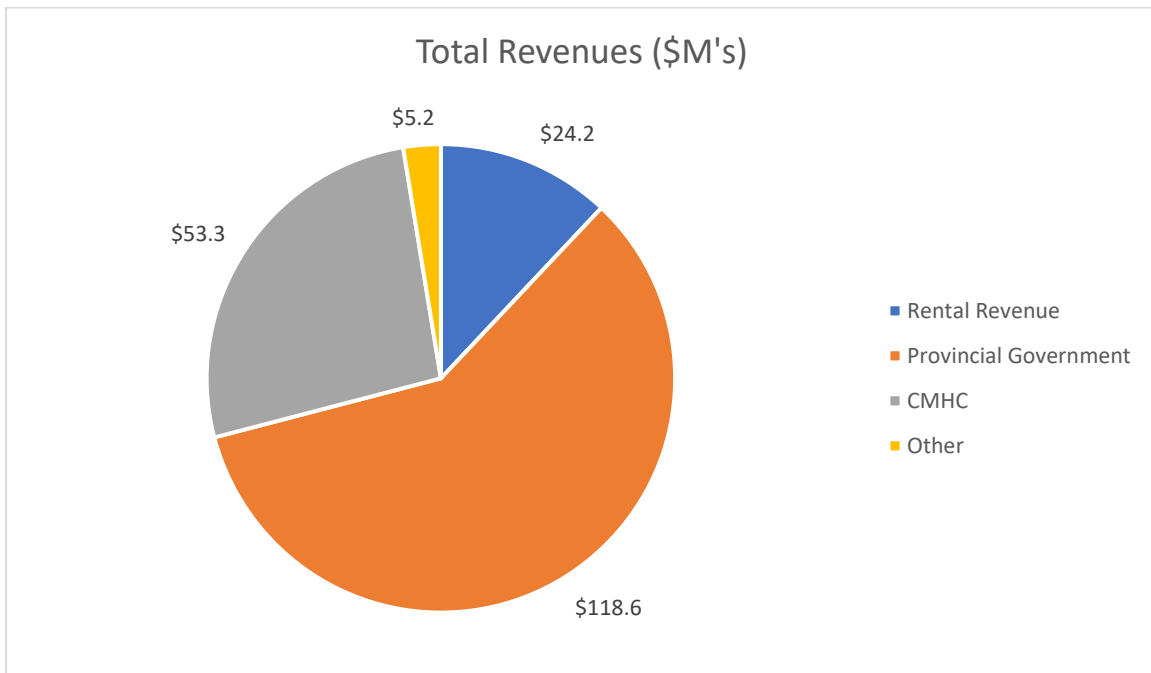
Geographic Area	Location	Number of Positions
Eastern Newfoundland	St. John's	230
	Marystown	7
Central Newfoundland	Gander	10
	Grand Falls-Windsor	26
Western Newfoundland	Corner Brook	37
	Stephenville	11
Labrador	Happy Valley-Goose Bay	10
	Labrador City	4
Total		335

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In 2025-26, NLHC's total expenditures were \$197.1 million.



In 2025-26, NLHC's total revenues were \$201.3 million.



Highlights and Partnerships

Highlights

As in past years, NLHC continues to work hard to expand access to affordable housing, reduce homelessness, and make effective use of its housing stock. In the 2025-26 year, this work once again led to strong partnerships and meaningful outcomes.

New Homes in Corner Brook

A contract to build a 20-home apartment complex in Corner Brook was awarded to Streamline Management in early 2026. As it is a design-build project, NLHC will provide key design requirements while the contractor will do both the design and construction of the building. Valued at \$9.8 million, the project will construct a three-story apartment building on Crestview Avenue. Owned and operated by NLHC, it will feature 10 one-bedroom and 10 two-bedroom apartments, the areas of greatest demand on NLHC's rental housing waitlist. Four of the two-bedroom apartments will be fully accessible. The building will also include an elevator. All 20 apartments will feature universal design components to support people as they age. Construction is expected to start in summer 2026 and conclude by the end of 2027.

Site work also began in Corner Brook in fall 2025 that will see the construction of six units, owned and operated by NLHC. Valued at \$2.6 million, this multi-unit building will feature three second-level units and three ground level units. One ground-level unit will be fully accessible, with level no-step entry, a fully wheelchair accessible kitchen and bathroom, including roll-in shower. All units will include universal design features such as widened exterior and interior doors and hallways, lever-type door handles and faucets.

First-time Homebuyers

While NLHC is the largest social housing provider in the province of Newfoundland and Labrador, it delivers a wide range of programs across the housing continuum to support

the diverse range of housing needs of low to moderate income residents throughout the province. NLHC is committed not only to enhance its housing stock to improve living conditions for clients but help individuals and families progress from renting to homeownership.

The First-time Homebuyers Program assists individuals and families to transition from the rental market to home ownership. Eligible households are given a grant of 50 per cent of the legal closing costs up to a maximum of \$1,500, plus a repayable loan up to five per cent of the purchase price of a new or existing home, up to an established maximum purchase price. A total of 366 households throughout the province received the First-time Homebuyers loan during the 2025-26 year.

Affordable Rental Housing Program

In November 2023, NLHC approved more than \$80 million for private and community sector projects through the first round of the Affordable Rental Housing Program (ARHP). The ARHP provides one-time capital funding in the form of a forgivable loan to support the development of new affordable rental homes throughout the province.

Homes developed through the private stream must remain at affordable rates set by the NLHC for between 15 and 20 years, and be rented to individuals or families with a maximum household income of \$42,000. Developers receive between \$55,000 and \$95,000 per unit, based on a number of incentive criteria, including the affordability period they select. Construction should be completed by the fall of 2027.

Homes funded through the community stream must remain at affordable rates for 25 to 30 years, and rented to individuals or families with a maximum household income of \$38,000. Available funding per unit can range from \$120,000 to \$180,000.

In September 2025 a second request for proposals (RFP) under the Affordable Rental Housing Program was launched. The second round of the RFP offers \$13 million from reallocated round one funding. Priority for this round may be given to “shovel-ready”

projects to advance builds as quickly as possible. Launching this second round allows private builders and community organizations another opportunity to avail of NLHC support to grow the provincial affordable housing stock.

Partnerships

Community Housing Growth Fund

The Newfoundland and Labrador Community Housing Growth Fund is a partnership between the Provincial Government and the national Community Housing Transformation Centre to help community sector partners develop affordable housing. This \$1.5 million investment supports community organizations and registered charities with funding for planning and pre-development work for affordable housing projects, where the absence of this funding could be a barrier to the projects' advancement. The fund includes \$1.25 million from the Provincial Government and \$250,000 from the Centre. In the 2025-26 year, a further 13 projects were supported through the fund. A total of \$540,000 was awarded for pre-development costs to make it easier to advance community-based projects.

Organizations across Newfoundland and Labrador received this funding to help cover costs that arose in the early stages of the project. This reduced barriers to getting projects underway and increased the impact of housing initiatives throughout the province.

40 Unit Apartment Building

Through the Canada Community Housing Initiative (CCHI) under the National Housing Strategy, a \$17 million cost-shared investment between the provincial and federal governments to develop a new apartment building on Charter Avenue in Pleasantville, St. John's, was announced in December 2025. The land was provided by the Canada Lands Company through a \$1.2 million forgivable loan from the Federal Lands Initiative (FLI). Olympic Construction was the successful bidder for the apartment building

project, with anticipated completion of the project by summer 2027. This marks the largest single-project residential build that NLHC has undertaken.

Consisting of 40-apartments, this new build will serve seniors and persons with disabilities. All apartments will include universal design elements that support seniors to age in place over time. Eight of the 40 apartments, 20 per cent of this build, will be fully accessible.

10 Micro Homes

The Provincial Government awarded a contract to Redwood Construction to construct 10 micro homes. Funding for this project is provided through the Federal Government's Unsheltered Homelessness and Encampments Initiative, which prioritizes projects that directly support people experiencing homelessness. Located on land owned by NLHC in the Buckmaster's Circle neighbourhood of St. John's, these micro homes will provide 10 individuals with the security of a safe and affordable home.

A micro home is smaller than a typical apartment and will be approximately 500 square feet. The contract, valued at \$1.67 million, will cover the construction of two buildings – one with six studio-style apartments and the other with four. All homes will include universal design features such as lever style door handles, lever style faucets, wider doors and colour contrast, while two of the 10 homes will be fully accessible.

Centreville Neighbourhood Association

A former NLHC housing unit has been transformed into a neighbourhood support centre for people in the Long's Hill, Queen's Road, Barter's Hill, Lemarchant Road, and Livingstone Street areas. Located at 81 Livingstone Street, the Centreville Neighbourhood Association receives funding from NLHC, and several other organizations, to offer community programming and services in the area. Help with food insecurity, mental health and addictions, homework support, neighbourhood clean-ups and community meals are just some of the supports and programs to be offered in the new space.

Report on Performance

The following sections provide a report on the outcomes of the indicators that were identified by NLHC for 2025-26, as well as the outcomes of the indicators of the three-year strategic goals as per the following three strategic issues:

- Increasing Access to Affordable and Adequate Housing;
- Addressing Homelessness; and,
- Optimizing NLHC-owned Housing Stock.

Issue One: Increasing Access to Affordable and Adequate Housing

Access to affordable and adequate housing remains a central issue for individuals and families with low-to-moderate incomes throughout Newfoundland and Labrador. Housing affordability, availability and suitability affect household stability, health, safety and overall well-being. As demand for housing continues to place pressure on communities across the province, NLHC's role is to support access to housing across the continuum, including social housing, affordable rental housing, rental assistance and supports for homeowners. This issue reflects NLHC's commitment to helping residents access or maintain safe, suitable and affordable homes, while responding to the diverse needs of renters, homeowners, seniors, persons with disabilities, and other individuals and families requiring housing assistance.

Goal

By March 31, 2026, NLHC will have increased access to affordable and adequate housing for individuals and families with low-to-moderate incomes.

2023-26 Goal Indicators	Accomplishment
Increased number of affordable housing units.	In 2023-26, construction started on 108 new NLHC social housing units, while construction on 39 new social housing units was completed. Construction started on 370 new affordable rental housing units,

	while construction on 187 new affordable rental housing units was completed. In 2023-26, construction of 478 new affordable and social housing units started. In 2023-26, a total of 226 new affordable and social housing units were built.
Increased number of rental benefits to access affordable rentals in private market.	To further support affordability in the rental market, in 2023-26 NLHC invested in 1,375 new Canada Newfoundland and Labrador-Housing benefits. These benefits directly helped more people afford housing in the province.
Number of households assisted with repairs, accessible modifications and energy efficiency upgrades.	In 2023-26, 5,357 households were assisted with repairs, accessible modifications and energy efficiency upgrades. These programs directly helped more people access adequate housing in the province.
Modernized home repair programs.	In 2023-26, a review of NLHC home repair programs was completed, and recommendations were implemented. In 2025, NLHC implemented the recommendation to increase the income eligibility thresholds for three programs: Provincial Home Repair Program, Home Energy Savings Program, and Home Modification Program. This includes: • A \$10,000 increase to the income eligibility threshold to \$42,500 for the Provincial Home Repair Program, which helps homeowners with structural and related repairs, including improvements in basic heating, electrical and plumbing services. • A \$10,000 increase to the income eligibility threshold to to \$42,500 for the Home Energy Savings Program, which helps households make energy efficient retrofits to their homes. • A \$5,000 increase to the income eligibility threshold to \$51,500 for the Home Modification Program to make accessibility changes to their homes, such as the inclusion of ramps or accessible showers.

	Expanding the income eligibility threshold for all three programs to \$65,000 to all of Labrador, matching the current rate for Labrador West and the North Coast of Labrador. The new income limits mean more low- and moderate- income homeowners can qualify for support. As a result, it is estimated that more than 800 additional homeowners will be eligible to apply for these programs.
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2025-26 Objective

By March 31, 2026, NLHC will have further increased access to affordable and adequate housing for individuals and families with low-to-moderate incomes.

2025-26 Indicators	Accomplishment
Increase the number of new households receiving rental benefits by 200 households.	In 2025-26, 454 new households received rental benefits.
Continue to progress the number of affordable housing units available through project approvals, housing units started and completed.	In 2025-26, ten affordable housing projects received final approval. Construction of 193 affordable housing units started. Construction of 187 affordable housing units was completed.
Increase the number of households approved for financial assistance for home repairs by 900 households, accessibility modifications by 350 households and energy efficiency upgrades by 250 households.	In 2025-26, 1,032 households were approved for financial assistance for home repairs. 426 households were approved for financial assistance for accessibility modifications. 423 households were approved for financial assistance for energy efficiency upgrades.
Advanced or completed work on additional NLHC units.	In 2025-26, construction of 50 NLHC units started. In 2025-26, construction of 4 NLHC units was completed.

Began the implementation of recommendations from the Home Repair review.	In 2025-26, NLHC's review of its home repair programs identified several recommendations. In Fall 2025, the recommendation to raise the income threshold for all NLHC home repair programs was implemented.
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Discussion of Performance

During 2023-26, NLHC advanced its goal of increasing access to affordable and adequate housing through a coordinated mix of new housing supply, rental affordability supports, homeowner assistance, and program modernization. Progress was achieved by expanding the number of affordable housing units through new NLHC social housing and affordable rental housing projects; increasing access to private market rentals through additional Canada-Newfoundland and Labrador Housing Benefit supports; and helping low- and moderate-income homeowners maintain safe, accessible and energy efficient homes through repair, modification and energy efficiency programs.

Issue Two: Addressing Homelessness

Homelessness has become increasingly complex across Canada, and Newfoundland and Labrador is experiencing similar pressures. Individuals and families may become homeless or be at risk of homelessness for a range of reasons, including housing affordability challenges, limited availability of appropriate housing, income insecurity, mental health and addictions challenges, and other circumstances that affect housing stability.

Addressing homelessness requires coordinated action across the housing, health, community, justice and income support systems. It also requires a range of responses, from prevention and shelter diversion to emergency shelter, supportive housing, rental assistance and long-term housing options. NLHC plays an important role in this system by working with government, community and private-sector partners to strengthen

supports, improve service coordination and increase access to housing options for people experiencing or at risk of homelessness.

Goal

By March 31, 2026, NLHC will have increased targeted and coordinated responses to support housing stability for people experiencing or at risk of homelessness.

2023-26 Goal Indicators	Accomplishment
Development and implementation of strategic housing actions to support a provincial Social Well-being Plan.	In 2023-26, NLHC developed and commenced implementation of strategic housing initiatives to support the physical, mental, environmental, financial, and social well-being of residents of the province. Such initiatives include the launch of a new Affordable Rental Housing Program in June 2023; and the First-time Homebuyers Program in November 2023.
Increased supports for shelter diversion and eviction prevention.	In 2023-26, shelter diversion and eviction prevention supports were increased to reach an additional 892 individuals/ households who received funding.
Increased low-barrier shelter and supportive housing options.	In 2023-26, low-barrier shelter and supportive housing options increased, with over 200 additional low-barrier shelter options created, including the following in St. John's: • 16 beds at Connections for Seniors; • 75 bed supportive housing initiative was opened at Horizons at 106; • 40 beds at Safe Haven men's shelter; • 52 supportive and transitional living spaces at The Gathering Place, operated by Mercy House; • two additional NLHC-units provided to Empowerment Housing to expand operations and provide supportive living services to 12 individuals that were previously experiencing homelessness. In Gander, these options were expanded to include: • 10-bed shelter operated by Journey House

	• 15-bed transitional home and an eight-bed shelter in partnership with Central Residential Services Board
Supported new or enhanced partnerships to improve housing stability for individuals experiencing or at risk of homelessness.	In 2023-26, housing stability improved for individuals experiencing or at risk of homelessness through strong partnerships with the Federal Government and private and community sector organizations. These partnerships include: • Portable rental subsidies, cost-shared with the Federal Government (under the National Housing Strategy). • Community Housing Growth Fund, to support non-profit, co-operative and Indigenous organizations/ registered charities to assist planning and pre-development work of affordable housing with the Community Housing Transformation Centre (CHTC). • Supported Referrals to provide individuals with assistance to prevent eviction and divert homelessness with End Homelessness St. John's (EHSJ). • \$1.6 million in funding to assist Stella's Circle to convert a former Stella's Circle office building into 15 new homes for women experiencing homelessness. • Creation of low-barrier shelter options to improve housing stability for those experiencing homelessness with Connections for Seniors, EHSJ, The Gathering Place, Empowerment Housing, and Safe Haven in St. John's as well as Central Residential Services Board and Journey House in Gander.
Prioritized access to affordability measures and housing supply for individuals experiencing homelessness.	In 2023-26, 1,243 households on NLHC's waitlist, coded Unsheltered, Displaced or (exclusively for the 2023-24 year) Victims of Family Violence, were served through NLHC's rental housing/ rental assistance programs.

2025-26 Objective

By March 31, 2026, NLHC will have further implemented targeted and coordinated responses to improve the system and supports for those experiencing or at risk of homelessness.

2025-26 Indicators	Accomplishment
Maintain eviction prevention support by providing funding assistance to a minimum of 250 individuals annually.	In 2025-26, 448 individuals received eviction prevention funding to support housing stability and prevent homelessness among vulnerable individuals and those at risk of homelessness.
Continue to increase the number of transition and/or supporting housing options available.	In 2025-26, 16 beds at Connections for Seniors (6 Patrick Street) were added to expand supports and services for people experiencing homelessness.
Further progress made on the implementation of Shelter Standards.	In 2023, NLHC, in partnership with the provincial government, released the Standards for Serving People Experiencing Homelessness in Shelters report. In 2024, the Shelter Standards Framework was finalized. A dedicated Shelter Standards Supervisor was hired to work with NLHC staff and shelter operators to implement the Framework. The Shelter Standards Steering Committee was formally established and began holding quarterly meetings in January 2025. The Committee is made up of sector stakeholders, including representatives from the Provincial Government, municipal governments, and community partners. Quarterly inspections of shelters have been conducted. Privacy and confidentiality policies were implemented, and procedures were enhanced. Intake and admissions processes were reviewed to ensure consistency. Incident reporting procedures were refined. A centralized online training hub for Shelter Standards Core Competencies was created. Training in the following areas was completed: • Food Nutrition; • Fire and Safety; • Emergency Preparedness;

	Administering Naloxone. Further training sessions (e.g. Supporting Seniors) were scheduled for Spring 2026. Future opportunities for training and capacity building is ongoing.
Prioritized access to affordability measures and housing for individuals experiencing homelessness.	In 2025-26, 306 households on NLHC's waitlist, coded as Unsheltered or Displaced, were served through NLHC's rental housing/rental assistance programs.

Discussion of Performance

From 2023 to 2026, NLHC coordinated efforts to support housing stability and prevent homelessness among vulnerable individuals and those at risk of homelessness. These efforts focused on two main approaches: strengthening prevention measures and partnerships to reduce evictions and homelessness, and expanding supports and services for people experiencing homelessness. Through targeted and coordinated initiatives, NLHC improved housing stability and strengthened outcomes for people experiencing or at risk of homelessness, with lasting impacts.

Issue Three: Optimizing NLHC-owned Housing Stock

Optimizing NLHC-owned housing stock is essential to ensuring that existing social housing continues to meet the needs of current and future tenants across Newfoundland and Labrador. NLHC's housing portfolio is a critical public asset that supports low-to-moderate income households, seniors, persons with disabilities, and others who rely on safe, affordable and suitable housing. Maintaining this stock requires ongoing investment in repairs, renovations, accessibility improvements, energy efficiency upgrades and related infrastructure so that homes remain functional, sustainable and responsive to changing client needs.

Goal

By March 31, 2026, NLHC will have enhanced its housing stock to improve living conditions for clients.

2023-26 Goal Indicators	Accomplishment
Improved quality of housing stock.	In 2023-26, the quality of NLHC's housing stock improved. A total of 2,827 NLHC units received interior and exterior renovations and infrastructure upgrades. These upgrades include 1,855 exterior renovations, 551 interior renovations, and 421 civil infrastructure upgrades.
Improved energy efficiency of housing stock.	In 2023-26, 1,407 units received energy efficiency improvements such as new electrical heaters, exterior doors/ roof replacements, windows, siding, door upgrades, installation of EnergyStar appliances and LED light bulbs, and weather stripping/ door sweep replacements.
Improved accessibility of housing stock.	In 2023-26, 269 accessibility features were incorporated in NLHC-owned units such as lever-type door handles and faucets, smoke detectors with strobe light for the hearing impaired, comfort height toilet with elongated bowl, handheld shower heads, additional hand railings, installation of accessible ramps, removal of carpets for those with breathing issues, helping to meet tenants' changing needs.

2025-26 Objective

By March 31, 2026, NLHC will have modernized and improved its housing stock and related infrastructure to improve living conditions for clients.

2025-26 Indicators	Accomplishment
Advance the renovation efforts on existing housing units by completing 600 exterior renovations, 150	In 2025-26, 651 units received exterior renovations. 204 units received interior renovations. 620 units received energy efficiency improvements. These improvements have helped make NLHC's housing

interior renovations and 500 units with energy efficiency upgrades.	stock safer, more comfortable, and better suited to meet the needs of clients.
50 accessibility features incorporated in NLHC-owned units to meet client's needs.	In 2025-26, 94 accessibility features were incorporated in NLHC-owned units and met clients' needs.
Advance civil infrastructure by completing 125 upgrades to support housing and community development.	In 2025-26, 158 civil infrastructure upgrades were completed.
Develop and progress recommendations for underutilized housing stock.	Following an internal review of NLHC housing stock, the following recommendations were put forward and actioned in 2025-26: • Seven units damaged by fire were demolished. • Two units sold in the Avalon Region. • 16 new units built in St. John's. • Four new units built in Labrador City. • 10 units acquired in Grand Falls-Windsor.

Discussion of Performance

During 2023-26, NLHC made significant progress in optimizing its housing stock and related infrastructure to improve living conditions for clients. Through targeted investments in renovations, energy efficiency, accessibility and civil infrastructure, NLHC strengthened the quality, functionality and long-term sustainability of its owned housing portfolio. These efforts helped preserve existing social housing, improve the comfort and safety of homes, and better position NLHC-owned units to respond to changing client needs.

Opportunities and Challenges

Despite negative impacts on the housing sector due to trade tariffs, increased construction costs, supply chain disruptions, and general economic uncertainty, NLHC made strong progress during 2023-26. NLHC responded to the demand for affordable housing, introduced new ways to reduce homelessness, and improved the quality of its housing. These efforts helped improve living conditions for many people. They also reduced the number of people in core housing need and increased access to affordable housing.

Throughout the 2025-26 year, NLHC added accessibility features and energy efficiency upgrades, as well as repairing hundreds of NLHC-owned housing units and making them available to tenants. It invested more money to help clients pay rent for one- and two-bedroom homes. This support directly helps reduce wait times for people and families who need housing. Through the Homeowner Support Programs, hundreds of homeowners received funding to assist with various home modifications. This assistance has helped to keep homes safe and affordable for NLHC clients. More shelter spaces have been added, and new programs are helping people move from temporary housing to stable homes. These programs often include much needed wrap-around services. Together, these efforts are helping reduce long-term homelessness and giving more people a chance to find affordable and adequate housing. NLHC has worked to create more affordable housing and better meet the needs of its tenants and clients in lasting, meaningful ways.

According to the Seniors' Report 2025, an annual publication from Newfoundland and Labrador's Seniors' Advocate, the number of seniors in Newfoundland and Labrador continues to increase. Currently, 24.6 per cent of the province is aged 65 and older, the highest percentage in Canada. 4.9 per cent are aged 80 and older. 6.1 per cent of seniors living in Newfoundland and Labrador currently have a core housing need, while 30 per cent of seniors who rent and live alone have a core housing need. Rural senior homeowners have a higher need for major home repairs. In anticipation of the growing

seniors' population and in recognition of seniors in core housing need, NLHC has increased the income eligibility thresholds for three home repair programs, which directly impact seniors.

While NLHC has made significant progress, the province continues to face geographic and workforce challenges. The island portion of the province relies on materials and transportation from other provinces for many housing projects. Building and repairing homes in remote areas of Labrador is also a challenge. In addition, nearly 30 per cent of the province's construction workforce is expected to retire by 2034. To address these challenges, NLHC continues to monitor housing market trends and changes in client needs so it can respond effectively.

Newfoundland and Labrador takes part in provincial and interprovincial initiatives to address housing challenges. These efforts include reducing barriers to modular construction, promoting Canadian-made solutions, and cutting red tape. Atlantic governments are working together with municipalities to approve housing projects faster and remove barriers that can cause delays.

NLHC participated alongside the Atlantic provinces on an advisory committee led by the Off-site Construction Research Centre (OCRC). The committee provided advice and guidance for the development of the Atlantic Offsite Housing Innovation Roadmap. This Roadmap aims to support housing construction across Atlantic Canada. The group examined how off-site construction could help meet housing needs in the region, and developed recommendations to advance its use. The final report, expected in Spring 2026, will include a detailed review of the potential for off-site construction in Newfoundland and Labrador, as well as the Atlantic region.

While NLHC is dealing with a mix of growing pressure from higher demand for housing, it sees opportunities for new investments, meaningful collaboration and strengthened partnerships. It will continue to make the most of these opportunities.

Financial Information

**NEWFOUNDLAND AND LABRADOR
HOUSING CORPORATION**

FINANCIAL STATEMENTS

March 31, 2026



Newfoundland Labrador Housing Corporation

Management's Report

Management's Responsibility for the Newfoundland and Labrador Housing Corporation Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial information on a quarterly basis and external audited financial statements yearly.

The Auditor General conducts an independent audit of the annual financial statements of the Corporation, in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of the Newfoundland and Labrador Housing Corporation.

On behalf of the Newfoundland and Labrador Housing Corporation.

Mr. Mike Tizzard, CPA
Chief Executive Officer (A)

Krista Connolly
Executive Director of Finance
And Corporate Services



OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Members of the Board of Directors
Newfoundland and Labrador Housing Corporation
St. John's, Newfoundland and Labrador

Opinion

I have audited the financial statements of the Newfoundland and Labrador Housing Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2026, statement of operations, statement of change in net debt, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2026, 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

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Corporation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

INDEPENDENT AUDITOR'S REPORT (cont.)

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 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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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.

INDEPENDENT AUDITOR'S REPORT (cont.)

- 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

A handwritten signature in cursive script that reads "Sandra Russell".

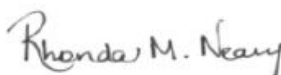
SANDRA RUSSELL, CPA
Deputy Auditor General

July 29, 2026
St. John's, Newfoundland and Labrador

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION**STATEMENT OF FINANCIAL POSITION****As at March 31, 2026**

	2026	2025
	(000's)	(000's)
FINANCIAL ASSETS		
Cash	\$ 57,923	\$ 61,081
Accounts receivable (Note 3)	5,265	4,265
Land held for sale (Note 4)	9	9
Due from government and other government organizations (Note 5)	52,762	49,816
Loans receivable (Note 6)	11,998	7,374
Receivables from municipalities - land transfers (Note 7)	420	422
	128,377	122,967
LIABILITIES		
Accounts payables and accrued liabilities (Note 8)	17,401	17,030
Employee future benefits (Note 9)	23,973	23,285
Due to government and other government organizations (Note 10)	1,348	1,493
Asset retirement obligations (Note 11)	151,186	152,735
Deferred revenue (Note 12)	73,157	59,171
Long-term debt (Note 13)	45,161	50,707
	312,226	304,421
Net debt	(183,849)	(181,454)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 14)	114,807	108,356
Inventories held for use	510	514
Prepaid expenses (Note 15)	5,081	4,898
	120,398	113,768
Accumulated deficit	\$ (63,451)	\$ (67,686)
Contingent liabilities (Note 16)		
Contractual rights (Note 17)		
Contractual obligations (Note 18)		
Trust under administration (Note 22)		

Signed on behalf of the Corporation:



Chairperson



Member

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

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2026 Budget (000's) (Unaudited) (Note 26)	2026 Actual (000's)	2025 Actual (000's)
REVENUES (Note 19)			
Province of Newfoundland and Labrador operating grant	\$ 113,874	\$ 118,582	\$ 139,123
CMHC revenue	60,991	53,288	56,710
Other government sources	230	2,270	453
Rent	24,266	24,198	23,808
Interest	1,269	1,810	1,757
Land sales	-	-	2
Gain on sale of tangible capital assets	-	81	17
Profit from land sales by municipalities	30	33	122
Other	367	1,025	970
	201,027	201,287	222,962
EXPENSES (Note 19)			
Rental operations	62,850	59,193	67,692
Partner managed housing	6,193	6,164	5,854
Affordable housing investments (Note 20)	85,087	84,357	74,922
Rent supplement	22,960	21,787	17,852
Administration	23,937	25,551	23,592
	201,027	197,052	189,912
Annual surplus	-	4,235	33,050
Accumulated deficit, beginning of year	(67,686)	(67,686)	(100,736)
Accumulated deficit, end of year	\$ (67,686)	\$ (63,451)	\$ (67,686)

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

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
STATEMENT OF CHANGE IN NET DEBT
For the Year Ended March 31

	2026 Budget (000's) (Unaudited) (Note 26)	2026 Actual (000's)	2025 Actual (000's)
Annual surplus	\$ -	\$ 4,235	\$ 33,050
Changes in tangible capital assets (Note 14)			
Acquisition of tangible capital assets	(33,363)	(10,369)	(10,560)
Increase in tangible capital assets due to asset retirement obligations additions and revaluation	-	(155)	(13,924)
Net book value of tangible capital asset disposals and write-downs	-	62	185
Amortization of tangible capital assets	4,300	4,011	17,433
	(29,063)	(6,451)	(6,866)
Changes in other non-financial assets			
Net use (acquisition) of inventories held for use	-	4	(78)
Net acquisition of prepaid expenses	-	(183)	(285)
	-	(179)	(363)
(Increase) decrease in net debt	(29,063)	(2,395)	25,821
Net debt, beginning of year	(181,454)	(181,454)	(207,275)
Net debt, end of year	\$ (210,517)	\$ (183,849)	\$ (181,454)

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

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2026	2025
	(000's)	(000's)
Operating transactions		
Annual surplus	\$ 4,235	\$ 33,050
Adjustment for non-cash items and change in non-cash operating items:		
(Decrease) increase in provision for doubtful accounts, loans receivable	(694)	274
Amortization of tangible capital assets	4,011	17,433
Gain on sale of tangible capital assets	(81)	(17)
Gain on settlement of asset retirement obligations	(711)	(425)
Settlement of asset retirement obligations	(993)	(2,276)
Revaluation of asset retirement obligations	155	14,385
Increase in tangible capital assets due to asset retirement obligations revaluation	(155)	(13,924)
Write-down of tangible capital assets	2	6
Employee future benefits	688	617
Deferred revenue	13,986	15,679
Forgivable loans	(11,386)	(3,810)
Other (Note 23)	(3,877)	(6,110)
Cash provided from operating transactions	5,180	54,882
Capital transactions		
Proceeds, net of selling costs, on sale of tangible capital assets	119	196
Cash used to acquire tangible capital assets	(10,369)	(10,560)
Cash applied to capital transactions	(10,250)	(10,364)
Investing transactions		
Decrease in receivable from municipalities - land transfers	2	4
Repayment of loans and advances	2,041	1,126
Forgivable loans	11,386	3,810
Loans and advances	(5,971)	(3,597)
Cash provided from investing transactions	7,458	1,343
Financing transactions		
Debt assumed	-	-
Debt retired	(5,546)	(5,600)
Cash applied to financing transactions	(5,546)	(5,600)
(Decrease) increase in cash	(3,158)	40,261
Cash, beginning of year	61,081	20,820
Cash, end of year	\$ 57,923	\$ 61,081

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

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

1. Nature of operations

The Newfoundland and Labrador Housing Corporation (the Corporation) operates under the authority of the Housing Corporation Act. The purpose of the Corporation is to provide cost-effective housing and related programs for the benefit of the residents of the Province of Newfoundland and Labrador with priority given to those most in need. Its affairs are governed by a Board of Directors appointed by the Lieutenant-Governor in Council.

The Corporation is a Crown entity of the Province of Newfoundland and Labrador (the Province) and as such is not subject to Provincial or Federal income taxes.

2. Summary of significant accounting policies

(a) Basis of accounting

The Corporation is classified as an Other Government Organization as defined by Canadian public sector accounting standards (CPSAS). These financial statements are prepared by management in accordance with CPSAS for provincial reporting entities as established by the Canadian Public Sector Accounting Board. The Corporation does not prepare a statement of remeasurement gains and losses as the Corporation does not enter into relevant transactions or circumstances that are being addressed by that statement. Outlined below are the significant accounting policies followed.

(b) Financial instruments

The Corporation's financial instruments recognized on the statement of financial position consist of cash, accounts receivable, due from government and other government organizations, loans receivable, receivables from municipalities - land transfers, accounts payable and accrued liabilities, due to government and other government organizations and long-term debt.

The Corporation generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. The Corporation subsequently measures all of its financial assets and financial liabilities at cost or amortized cost. Financial assets measured at cost include cash, due from government and other government organizations, and receivables from municipalities - land transfers. Accounts receivable and loans receivable are measured at amortized cost as disclosed in Note 3 and Note 6, respectively. All financial assets are assessed annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. Financial liabilities measured at cost include accounts payable and accrued liabilities and due to government and other government organizations. Long-term debt is measured at amortized cost as disclosed in Note 13.

Interest attributable to financial instruments is reported in the statement of operations.

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

2. Summary of significant accounting policies (cont.)

(c) Cash

Cash includes cash in the bank.

(d) Land held for sale

Land held for sale is recorded at the lower of cost and net realizable value.

(e) Loans receivable

Loans receivable are recorded at amortized cost. Valuation allowances are made when collection is in doubt and is estimated based on the value of accounts referred to a collection agency and the accounts with reported arrears balances.

(f) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for a contaminated site is recognized based on management's best estimate of all costs directly attributable to remediation activities, including the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site, and is recorded net of any expected recoveries.

A liability for the remediation of a contaminated site is recognized when a site is generally not in productive use and all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Corporation:
 - is directly responsible, or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

(g) Employee future benefits

The cost of retirement life insurance and health care benefits and accumulating, non-vesting sick leave benefits are actuarially determined using management's best estimate of the long-term inflation rate, compensation increases, discount rate and health care cost trends.

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

2. Summary of significant accounting policies (cont.)

(g) Employee future benefits (cont.)

The employees of the Corporation are subject to the Public Service Pensions Act, 2019. Employee contributions are matched by the Corporation and remitted to Provident¹⁰ from which pensions will be paid to employees when they retire. This plan is a multi-employer, defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the average of their best 6 years of earnings for service on or after January 1, 2015, and, for service before January 1, 2015, the higher of the average of the frozen best 5 years of earnings up to January 1, 2015, or the average of the best 6 years of earnings for all service.

(h) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Rental properties	40 years
Office buildings	40 years
Furniture and office equipment	10 years
Maintenance tools and equipment	10 years
Computer hardware and software	4 years
Vehicles	5 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to meet its mandate, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Contributed capital assets are recorded as revenue at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

2. Summary of significant accounting policies (cont.)

(i) Inventories held for use

Inventories held for use include rental property parts and supplies and are recorded at the lower of historical cost and replacement cost.

(j) Prepaid expenses

Prepaid expenses include property taxes, insurance, licenses and rent and are recorded as an expense over the periods expected to benefit from it.

(k) Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. Exchange transactions are transactions where goods or services are provided to a payor for consideration. These transactions include performance obligations for the Corporation arising directly from a payment or promise of consideration by a payor. These transactions are not necessarily exchanges of fair or equal value.

The Corporation's rent revenue is an exchange transaction, with performance obligations outlined in rental agreements. The Corporation's performance obligation for rent revenue is to maintain the premise in a good state of repair and fit for habitation during the tenancy and shall comply with a law respecting health, safety or housing. Tenants make payments on a monthly basis and rental terms are considered month to month. The Corporation satisfies its performance obligations with the passage of time.

All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the Corporation. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulations related to the liabilities are settled. Government transfers consist of funding from the Province and Canada Mortgage and Housing Corporation (CMHC).

Interest income is accounted for using the effective interest method for all loans, other than the impaired portion of loans. Recognition of interest in accordance with the terms of the original loan agreement ceases when a loan becomes impaired.

2. Summary of significant accounting policies (cont.)

(l) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is recorded as an expense.

Government transfers are recognized as expenses in the period in which the transfer is authorized and all eligibility criteria have been met. Government transfers include grants and subsidies under the Corporation's social programs.

(m) Measurement uncertainty

The preparation of financial statements, in conformity with CPSAS, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of tangible capital assets, estimated employee future benefits, estimated cost of asset retirement obligations, impairment of assets and liabilities for contaminated sites.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

(n) Asset retirement obligations

The Corporation accounts for an asset retirement obligation when the following criteria have been met: (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset; (b) the past transactions or event giving rise to the liability has occurred; (c) it is expected that future economic benefits will be given up and (d) a reasonable estimate of the amount can be made.

The asset retirement obligation is initially measured using the best estimate of the amount required to retire a tangible capital asset at the financial statement date. At the time of recognition the asset retirement obligation is recorded as a liability and the carrying value of the related tangible capital asset is increased by the same amount. The Corporation amortizes the increased carrying value of tangible capital assets over its remaining useful life.

When the Corporation identifies an asset retirement obligation in connection with a tangible capital asset that has not been recognized, a liability is recorded and the entire estimated cost of the asset retirement obligation is expensed in the same accounting period. Due to the uncertainty of building retirement dates and the large range of

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

2. Summary of significant accounting policies (cont.)

(n) Asset retirement obligations (cont.)

retirement for other assets the Corporation has not discounted the costs associated with asset retirement obligations and cannot reliably estimate the timing of expenditures.

The Corporation reconsiders the carrying amount of the liability for an asset retirement obligation at each financial reporting date as new information becomes available regarding the estimated cost to settle the liability.

3. Accounts receivable

	2026	2025
	(000's)	(000's)
Harmonized sales tax receivable	\$ 3,586	\$ 2,636
Rents	2,307	2,195
Other	624	626
	6,517	5,457
Less: Provision for doubtful accounts	(1,252)	(1,192)
	\$ 5,265	\$ 4,265

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

4. Land held for sale

	2026	2025
	(000's)	(000's)
Land held for sale, beginning of the year	\$ 9	\$ 9
Land development costs incurred during the year	-	-
	9	9
Less: cost of earned sales recognized during the year	-	-
Land held for sale, end of year	\$ 9	\$ 9

In September 1998, the Province directed the Corporation to divest of the majority of its land holdings. Land held for sale is valued at the lower of cost and net realizable value. The estimated net realizable value is determined using management's best estimates of future sales and costs. Management recognizes that changes in future conditions, such as market demand, assumed in making these estimates, are not predictable. Consequently, adjustments to the carrying value of the asset are possible depending upon the impact of any changes and management's best estimate of them.

5. Due from government and other government organizations

	2026	2025
	(000's)	(000's)
CMHC	\$ 18,719	\$ 49,407
Province of Newfoundland and Labrador	33,657	188
Municipalities	386	221
	\$ 52,762	\$ 49,816

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

6. Loans receivable

	2026	2025
	(000's)	(000's)
Forgivable loans bearing no interest	\$ 77,552	\$ 66,166
Promissory notes bearing fixed interest rates ranging from 0.67% to 10.5%, repayable in blended monthly principal and interest payments with due dates ranging from April 2025 to January 2054. These notes are unsecured and can be retired prior to maturity.	4,081	4,960
Mortgages bearing fixed interest rates ranging from 0% to 6.2%, repayable in blending monthly principal and interest payments with due dates ranging from June 2031 to May 2044. These mortgages are secured and can be retired prior to maturity.	9,206	4,397
Less: provision for forgivable loans	(77,552)	(66,166)
Less: provision for doubtful accounts	(1,289)	(1,983)
	\$ 11,998	\$ 7,374

Forgivable loans bearing no interest are advanced to recipients subject to meeting certain eligibility criteria and are recorded through grants and subsidies expense when advanced. Forgiveness terms include an amortization period ranging between 1 and 25 years, during which time the unamortized portion of the loan is required to be repaid only upon sale of the property. As such, there is a low likelihood of required repayment.

7. Receivable from municipalities - land transfers

In September 1998, the Province directed the Corporation to enter into agreements with municipalities to transfer its banked and developed industrial and commercial land. The agreements will transfer these lands to the municipalities under a mortgage arrangement and provide for a share of future land sales revenue to the Corporation.

The receivable is valued at the lower of the carrying value of the land at the date of transfer and the Corporation's share of the net realizable value of the land as outlined in the agreements. The estimated net realizable value is determined using management's best estimates of future sales. Management recognizes that changes in future conditions, such as

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

7. Receivable from municipalities - land transfers (cont.)

market demand, assumed in making these estimates are not predictable. Consequently, adjustments to the carrying value of the receivable from municipalities re: land transfers are possible depending on the impact of any changes and management's best estimate of them.

For the year ended March 31, 2026, 21 agreements were in place for the transfer of land to municipalities at a carrying value of \$420,000 (2025 - \$422,000).

8. Accounts payable and accrued liabilities

	2026	2025
	(000's)	(000's)
Trade accounts payable	\$12,343	\$12,300
Salaries and benefits payable	490	380
Accrued leave	2,204	2,275
Liability for contaminated sites (Note 8(a))	977	907
Other	1,387	1,168
	\$17,401	\$17,030

(a) Liability for contaminated sites

The Corporation recognized an estimated environmental liability of \$847,000 related to the removal of abandoned fuel storage facilities in the Stephenville Industrial Park (2025 - \$847,000). A report from an independent consulting firm with expertise in engineering and environmental services was used as a basis of measurement. No expenditures were incurred during the fiscal year ended March 31, 2026. There are no estimated recoveries anticipated.

The Corporation also recognized estimated environmental liabilities of \$130,000 related to soil remediation in St. John's and Hopedale (2025 - \$60,000). The nature of the liabilities is related to the removal of underground fuel storage tanks and a leak of fuel storage tanks. Historical costs of previous work of this nature were used as a basis of measurement. Expenditures related to remediation of these sites total \$31,000 during the fiscal year ended March 31, 2026. There are no estimated recoveries anticipated.

A liability has not been recognized in relation to the following contaminated site, since based on past experience, it is not expected that future economic benefits would be given up:

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

8. Accounts payable and accrued liabilities (cont.)

(a) Liability for contaminated sites (cont.)

Name of the Contaminated Site	Nature of Contamination
Octagon Pond Area, Paradise	Hydrocarbons and various heavy metals in soil and ground water

A liability has not been recognized in relation to the following contaminated sites since a reasonable estimate of the amount could not be made, due to the unknown extent of contamination:

Name of the Contaminated Site	Nature of Contamination
Various Locations, St. John's	Underground fuel storage tanks
Stephenville Industrial Park	Abandoned fuel storage facilities (in addition to above costs)
Gander Industrial Park	Soil contamination
Laura's Lane, Makkovik	Soil contamination

9. Employee future benefits

Information about obligations for retirement benefits and other employee future benefits is as follows:

(a) Pension Plan

The Corporation and its employees contribute to the Public Service Pension Plan in accordance with the Public Service Pensions Act, 2019 (the Act). The plan is administered by Provident¹⁰, including payment of pension benefits to employees to whom the Act applies.

The plan provides a pension to employees based on the member's age at retirement, their length of service and rates of pay. The maximum contribution rate for eligible employees was 11.85% (2025 - 11.85%). The Corporation contributes an amount equal to the employee contributions to the plan. The pension expense for the Corporation for the year ended March 31, 2026 was \$1,821,606 (2025 - \$1,741,358).

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

9. Employee future benefits (cont.)

(b) Retirement and other employee future benefit liabilities

	2026			2025	
	Retirement life insurance and health care benefits	Severance pay	Accumulating non-vesting sick leave benefits	Total employee future benefits	Total employee future benefits
	(000's)	(000's)	(000's)	(000's)	(000's)
Accrued employee future benefit obligations, end of year	\$ 26,362	\$ 19	\$ 682	\$ 27,063	\$ 28,370
Unamortized actuarial loss, end of year	(2,923)	-	(167)	(3,090)	(5,085)
Employee future benefits liability, end of year	\$ 23,439	\$ 19	\$ 515	\$ 23,973	\$ 23,285

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

9. Employee future benefits (cont.)

(c) Change in employee future benefits liability

	2026			2025	
	Retirement life insurance and health care benefits	Severance pay	Accumulating non-vesting sick leave benefits	Total employee future benefits	Total employee future benefits
	(000's)	(000's)	(000's)	(000's)	(000's)
Current period benefit cost	\$ -	\$ -	\$ 69	\$ 69	\$ 65
Interest on accrued benefit obligation	1,217	-	32	1,249	1,248
Amortization of actuarial losses	342	-	40	382	285
Employee future benefits expense	1,559	-	141	1,700	1,598
Less: benefits payments	(823)	(33)	(156)	(1,012)	(981)
Changes in employee future benefits liability	\$ 736	\$ (33)	\$ (15)	\$ 688	\$ 617

(d) Retirement and other employee future benefits

i. Retirement life insurance and health care benefits

All retired employees of the Corporation are eligible to participate in the group insurance plans. Under the plans, the Corporation pays up to 50% of the total premium charged towards the benefits of both active employees and retirees for life insurance and health care benefits. The Corporation pays 100% of retirees' life

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

9. Employee future benefits (cont.)

(d) Retirement and other employee future benefits (cont.)

i. Retirement life insurance and health care benefits (cont.)

insurance premiums after age 65. There are no fund assets associated with these group insurance plans.

ii. Severance pay

Effective May 1, 2014, there will be no further accumulation of severance pay service for unionized employees. Unionized employees who qualified for severance pay on that date could elect to either receive all, or a portion of severance pay accumulated as at April 30, 2014 in advance of resignation, retirement, expiry of recall rights or defer receiving their entitlement to a later date.

On May 31, 2018, the Province enacted legislation affecting severance pay for executives, managers, and non-management/non-union employees. As a result of the legislation, executive, managers and non-management/non-union employees with at least one year of service were entitled to one week of salary for each complete year of service, up to a maximum of 20 weeks, no additional severance accrued beyond May 31, 2018. Employees impacted by this change could elect to either receive all of their entitlement by March 31, 2019, or defer receiving their entitlement to a later date.

The severance liability as at March 31, 2026 represents severance owing to unionized and management employees who deferred receiving their severance entitlement.

iii. Accumulating, non-vesting sick leave benefits

All unionized employees hired before May 4, 2004 are credited with 2 days per month and all unionized employees hired thereafter are credited with 1 day per month for use as paid absences in the year due to illness. Employees are allowed to accumulate unused sick day credits each year, up to the allowable maximum provided in their respective employment agreement. Accumulated credits may be used in future years to the extent that the employee's illness exceeds the current year's allocation of credits. The use of accumulated sick days for sick leave compensation ceases on termination of employment. The benefit costs and liabilities are included in the financial statements.

iv. Actuarial valuation

The accrued benefit obligations, excluding severance, for employee future benefit plans as at March 31, 2026, have been extrapolated based on a second valuation performed as at March 31, 2024.

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

9. Employee future benefits (cont.)

(d) Retirement and other employee future benefits (cont.)

iv. Actuarial valuation (cont.)

Assumptions about future events used in the calculation of the accrued employee future benefit obligations are as follows:

	2026	2025
Long-term inflation rate	2.00%	2.00%
Compensation increase	3.00%	3.00%
Discount rate	4.83%	4.48%
Health care cost trend	4.00%	4.00%

Other assumptions used in the valuation include termination rates, plan participation rates, utilization rates and mortality rates.

Actuarial assumptions are reviewed and assessed on a regular basis to ensure that the accounting assumptions take into account various changing conditions and reflect the Corporation's best estimate of expectations over the long-term.

v. Experience gains or losses

Experience gains or losses are amortized over seven years for sick leave benefits and thirteen years for retirement life insurance and health care benefits, which is the estimated average remaining service life of active participants. The amortization amount will be included with retirement costs in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
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March 31, 2026

10. Due to government and other government organizations

	2026	2025
	(000's)	(000's)
CMHC - accrued interest payable	\$ 526	\$ 572
Federal government business enterprise	-	2
Provincial government	1	-
Provincial government business enterprise	3	13
Municipalities	818	906
	\$ 1,348	\$ 1,493

11. Asset retirement obligations

The Corporation's asset retirement obligations relate to asbestos found in buildings and disposal of oil tanks, septic systems, water wells and air conditioning systems.

The asset retirement obligation for asbestos is amortized on a straight-line basis over the original 40-year useful life of buildings due to buildings having no estimated retirement date. Oil tank asset retirement obligations are expensed in the year of asset acquisition. Water well and septic system asset retirement obligations are amortized on a straight-line basis over ranges of 15-30 years and 15-25 years, respectively.

The liabilities were estimated using a quote provided by an independent third party with expertise in engineering and environmental consulting. During the year ended March 31, 2026 there were additions of \$155,000 (2025 - \$14,385,000) related to a revised estimate of existing asset retirement obligations. During the year ended March 31, 2026 there was expenditures of \$993,000 (2025 - \$2,276,000) related to the retirement of asset retirement obligation. There was a gain of \$711,000 (2025 - \$425,000) as a result of settlement of asset retirement obligations in the year ended March 31, 2026. A summary of the liability can be found in the table below:

	Asbestos	Oil Tanks	Other	Total
	(000's)	(000's)	(000's)	(000's)
Balance, March 31, 2024	\$ 135,636	\$ 4,551	\$ 864	\$ 141,051
Additions	13,882	461	42	14,385
Gain on settlement of asset retirement obligations	(412)	(13)	-	(425)
Settlement of obligations	(2,072)	(204)	-	(2,276)
Balance, March 31, 2025	147,034	4,795	906	152,735
Additions	155	-	-	155
Gain on settlement of asset retirement obligations	(711)	-	-	(711)
Settlement of asset retirement obligations	(993)	-	-	(993)
Balance, March 31, 2026	\$ 145,485	\$ 4,795	\$ 906	\$ 151,186

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

12. Deferred revenue

	Balance, beginning of year (000's)	Billings/receipts during year (000's)	Transferred to revenue (000's)	Balance, end of year (000's)
CMHC Affordable Housing Program	\$ 14,853	\$ 14,060	\$ (10,014)	\$ 18,899
CMHC Provincial Home Repair Program	4,714	3,296	(4,585)	3,425
CMHC Rent Supplement Program	440	-	(163)	277
CMHC Co-Investment Fund	7,238	-	(4,141)	3,097
End Homelessness St. John's	-	458	-	458
Province of Newfoundland and Labrador	31,549	19,783	(4,708)	46,624
Town of Happy Valley-Goose Bay	377	-	-	377
	\$ 59,171	\$ 37,597	\$ (23,611)	\$ 73,157

Deferred revenue from CMHC relates to the unearned balance of funds from CMHC for programs as outlined under various federal-provincial agreements. The deferred revenue will be recognized as revenue when the related expenses are incurred. As of March 31, 2026, CMHC funding in the amount of \$25,698,000 (2025 - \$27,245,000) was received but not earned.

Deferred revenue from Province of Newfoundland & Labrador relates to the unearned balance of funds from Province of Newfoundland & Labrador as outlined under a contribution agreement. The deferred revenue will be recognized as revenue when the related capital expenditures are incurred. As of March 31, 2026, Province of Newfoundland & Labrador funding in the amount of \$46,624,000 (2025 - \$31,549,000) was received but not earned.

Deferred revenue from the Town of Happy Valley-Goose Bay relates to the unearned balance of funds from the Town of Happy Valley-Goose Bay as outlined under a contribution agreement. The deferred revenue will be recognized as revenue when the related capital expenditures are incurred. As of March 31, 2026, Town of Happy Valley-Goose Bay funding in the amount of \$377,000 (2025 - \$377,000) was received but not earned.

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

12. Deferred revenue (cont.)

Deferred revenue from the End Homelessness St. John's (EHSJ) relates to the unearned balance of funds from EHSJ as outlined under a contribution agreement. The deferred revenue will be recognized as revenue when the related capital expenditures are incurred. As of March 31, 2026, EHSJ funding in the amount of \$458,000 (2025 - \$0) was received but not earned.

13. Long-term debt

Long-term debt reported on the statement of financial position is comprised of the following:

	2026	2025
	(000's)	(000's)
Long-term debt obligations arising from the Canada-Newfoundland Social Housing Agreement of April 1997 payable to CMHC, bearing fixed interest rates ranging from 9.5% to 19.75%, repayable in blended quarterly principal and interest payments of \$2,644,003 with due dates ranging from January 2028 to January 2038. This debt is not secured and cannot be retired prior to maturity. The principal and interest payments required are funded entirely through the annual CMHC grant pursuant to the Canada - Newfoundland Social Housing Agreement of April 1997.	\$ 42,805	\$ 47,579
CMHC fixed rate term debentures, at variable interest rates of 0.74% to 4.51% repayable in blended monthly installments of \$62,791, with final due dates ranging from November 2026 to January 2030. This debt is not secured and can be retired prior to maturity.	1,141	1,913
CMHC forgivable loan arising under the CMHC Federal Lands Initiative with an anticipated substantial project completion date of August 2027.	1,215	1,215
	\$ 45,161	\$ 50,707

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

13. Long-term debt (cont.)

Anticipated annual principal repayments over the next five years and thereafter are as follows:

	(000's)
2027	\$ 5,491
2028	5,893
2029	5,525
2030	5,649
2031	5,497
2032 - 2038	15,891
Forgivable loan	<u>1,215</u>
	<u>\$ 45,161</u>

Interest expense for the year on outstanding debt totaled \$6,261,000 (2025 - \$6,833,000) and is included in interest and bank charges in the segmented information by object (Note 19).

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

14. Tangible capital assets

March 31, 2026

	Land (000's)	Rental properties (000's)	Office buildings (000's)	Furniture and office equipment (000's)	Maintenance tools and equipment (000's)	Computer hardware (000's)	Computer software (000's)	Vehicles (000's)	Total (000's)
Cost									
Opening balance	\$ 58,740	\$ 403,797	\$ 9,790	\$ 246	\$ 86	\$ 1,959	\$ 2,953	\$ 2,483	\$ 480,054
Additions	192	9,654	-	-	-	162	15	346	10,369
Asset retirement obligations addition	-	155	-	-	-	-	-	-	155
Disposals	(38)	(1,704)	-	-	-	-	-	(191)	(1,933)
Write-downs	-	(142)	-	-	-	-	-	-	(142)
Closing balance	58,894	411,760	9,790	246	86	2,121	2,968	2,638	488,503
Accumulated amortization									
Opening balance	-	357,758	7,240	245	86	1,650	2,946	1,773	371,698
Amortization	-	3,377	224	1	-	128	10	271	4,011
Disposals	-	(1,682)	-	-	-	-	-	(191)	(1,873)
Write-downs	-	(140)	-	-	-	-	-	-	(140)
Closing balance	-	359,313	7,464	246	86	1,778	2,956	1,853	373,696
Net book value	\$ 58,894	\$ 52,447	\$ 2,326	\$ -	\$ -	\$ 343	\$ 12	\$ 785	\$ 114,807

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

14. Tangible capital assets (cont.)

March 31, 2025

	Land	Rental properties	Office buildings	Furniture and office equipment	Maintenance tools and equipment	Computer hardware	Computer software	Vehicles	Total
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
Cost									
Opening balance	\$ 58,717	\$ 383,424	\$ 9,724	\$ 246	\$ 86	\$ 1,843	\$ 2,953	\$ 2,387	\$ 459,380
Additions	157	10,091	-	-	-	116	-	196	10,560
Asset retirement obligations revaluation	-	13,858	66	-	-	-	-	-	13,924
Disposals	(134)	(2,807)	-	-	-	-	-	(100)	(3,041)
Write-downs	-	(769)	-	-	-	-	-	-	(769)
Closing balance	58,740	403,797	9,790	246	86	1,959	2,953	2,483	480,054
Accumulated amortization									
Opening balance	-	344,530	6,955	244	86	1,538	2,913	1,624	357,890
Amortization	-	16,753	285	1	-	112	33	249	17,433
Disposals	-	(2,762)	-	-	-	-	-	(100)	(2,862)
Write-downs	-	(763)	-	-	-	-	-	-	(763)
Closing balance	-	357,758	7,240	245	86	1,650	2,946	1,773	371,698
Net book value	\$ 58,740	\$ 46,039	\$ 2,550	\$ 1	\$ -	\$ 309	\$ 7	\$ 710	\$ 108,356

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

14. Tangible capital assets (cont.)

Cost of rental properties at March 31, 2026, includes work in progress of \$13,914,000 (2025 - \$12,416,000) and land includes \$1,475,000 (2025 - \$2,005,000) of work in progress. Work in progress is not being amortized as it is not yet available for use. There were no contributed tangible capital assets during the year (2025 - \$0).

In accordance with current accounting standards, intangible assets and items inherited by right of the Crown, such as Crown lands, are not recognized as tangible capital assets.

15. Prepaid expenses

Prepaid expenses consist of:

	2026	2025
	(000's)	(000's)
Property taxes and other municipal fees	\$ 4,205	\$ 4,002
Insurance costs	219	233
Workers compensation fees	320	322
Software licenses	331	335
Rent	6	6
	\$ 5,081	\$ 4,898

16. Contingent liabilities

(a) Guaranteed debt

The Corporation has provided loan guarantees pursuant to the Canada-Newfoundland Social Housing Agreement in respect of certain CMHC debt of partner managed housing operators. For the year ended March 31, 2026, the amount of the principal outstanding under this guarantee, and limit of the guarantee, was \$2,764,000 (2025 - \$5,397,000). There was no provision for losses during the year on the loan guarantees (2025 - \$0). Guaranteed debt for partner managed housing and other housing operators have maturity dates ranging from April 2026 to January 2030 at interest rates varying from 1.01% to 10.5%.

(b) Legal liabilities

A number of small claims have been filed against the Corporation for alleged breach of contract, general damages and personal claims. These claims have not progressed far enough to enable the formation of a definite opinion as to their outcomes. Therefore, the likelihood and the amount of loss to the Corporation is not determinable at this time.

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

17. Contractual rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The Corporation has entered into the Social Housing Agreement (1997), the CMHC – Newfoundland and Labrador Bilateral Agreement under the 2017 National Housing Strategy, and the National Housing Co-investment Fund Contribution Agreement (2023). The contractual rights of the Corporation for future assets and revenues are \$113,656,000 (2025 - \$138,784,000) for the Social Housing Agreement (1997), and \$58,175,000 (2025 - \$82,287,000) for CMHC-Newfoundland and Labrador Bilateral Agreement.

18. Contractual obligations

	2026	2025
	(000's)	(000's)
Uncompleted purchase and construction contracts	\$ 36,974	\$ 10,697
Commitments under lending programs	53,419	22,619
Commitments under grant programs	5,826	4,744
Lease of transitional housing property	6,126	14,093
	\$ 102,345	\$ 52,153

Contractual obligations are those to outside organizations and individuals in respect of contracts entered into on or before March 31, 2026. These contractual obligations will become liabilities when the terms of the contracts are met.

19. Segmented information by object

The Corporation reports its revenue and expenses by program area as outlined in its approved budget.

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

19. Segmented information by object (cont.)

	Rental operations		Partner managed housing		Affordable housing investments		Rent supplement		Land development		Administration		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
Revenues														
Province of Newfoundland and Labrador operating grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$118,582	\$139,123	\$118,582	\$139,123
CMHC revenue	-	-	-	-	27,787	28,916	176	176	-	-	25,325	27,618	53,288	56,710
Other government sources	157	229	-	-	83	224	-	-	-	-	2,030	-	2,270	453
Rent	24,198	23,808	-	-	-	-	-	-	-	-	-	-	24,198	23,808
Interest	-	-	-	-	-	-	-	-	-	-	1,810	1,757	1,810	1,757
Land sales	-	-	-	-	-	-	-	-	-	2	-	-	-	2
Gain on sale of tangible capital assets	81	17	-	-	-	-	-	-	-	-	-	-	81	17
Profit from land sales by Municipalities	-	-	-	-	-	-	-	-	33	122	-	-	33	122
Other	-	-	-	-	-	-	-	-	-	-	1,025	970	1,025	970
	24,436	24,054	-	-	27,870	29,140	176	176	33	124	148,772	169,468	201,287	222,962
Expenses														
Rental property operating costs	33,626	28,297	-	-	-	-	-	-	-	-	-	-	33,626	28,297
Amortization	3,220	16,575	428	428	-	-	-	-	-	-	363	430	4,011	17,433
Grants and subsidies	9,220	9,365	5,728	5,415	84,044	74,643	21,787	17,852	-	-	-	-	120,779	107,275
Other administration	-	-	-	-	-	-	-	-	-	-	4,183	3,420	4,183	3,420
Salaries and benefits	6,058	5,853	-	-	-	-	-	-	-	-	19,934	18,668	25,992	24,521
Interest and bank charges	6,492	7,065	8	11	-	-	-	-	-	-	1,071	1,074	7,571	8,150
Valuation allowances	577	537	-	-	313	279	-	-	-	-	-	-	890	816
	59,193	67,692	6,164	5,854	84,357	74,922	21,787	17,852	-	-	25,551	23,592	197,052	189,912
Annual (deficit) surplus	\$(34,757)	\$(43,638)	\$(6,164)	\$(5,854)	\$(56,487)	\$(45,782)	\$(21,611)	\$(17,676)	\$ 33	\$ 124	\$123,221	\$145,876	\$ 4,235	\$ 33,050

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
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March 31, 2026

20. Affordable Housing Investments by Program

	2026	2025
	(000's)	(000's)
Emergency Housing	\$ 40,047	\$ 37,745
Affordable Housing	16,055	9,577
Transition Houses	10,134	9,244
Supportive Living	9,741	8,341
Home Repair & Modification	6,014	5,983
Home Energy Savings	1,206	1,247
Down Payment Assistance	548	312
Wildfire Rent Relief	499	-
Provincial Housing & Homelessness Partnership	107	2,463
Provincial Homelessness Fund	6	10
	\$ 84,357	\$ 74,922

21. Related party transactions

(a) Transactions with related parties

	2026	2025
	(000's)	(000's)
REVENUES		
Province of Newfoundland and Labrador operating grant		
Consolidated Revenue Fund	\$ 118,582	\$ 139,123
Rent		
Consolidated Revenue Fund	45	148
Newfoundland and Labrador Health Services	13	13
EXPENSES		
Rental operations		
Consolidated Revenue Fund	119	113
Newfoundland and Labrador Hydro	135	142

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
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21. Related party transactions (cont.)

	2026 (000's)	2025 (000's)
Expenses (cont.)		
Partner managed housing		
Newfoundland and Labrador Health Services	899	579
Affordable housing investments		
Newfoundland and Labrador Health Services	175	175
Administration		
Consolidated Revenue Fund	278	272
Memorial University	80	148
College of the North Atlantic	3	5
Newfoundland and Labrador Hydro	-	1

(b) Balances due from and to related parties

Due from Government and other government organizations

Consolidated Revenue Fund	\$ 33,414	\$ -
Newfoundland and Labrador Health Services	243	188

Due to Government and other government organizations

Consolidated Revenue Fund	1	-
Newfoundland and Labrador Hydro	3	13

These transactions are in the normal course of business measured at the exchange amount.

22. Trust under administration

For the year ended March 31, 2026, the balance of funds held in trust was \$3,182,000 (2025 - \$3,182,000). The funds are held on behalf of various non-profit housing groups to provide for the future replacement or repair of capital items.

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

23. Statement of cash flows – other

	2026 (000's)	2025 (000's)
Accounts receivable	\$ (1,060)	\$ (917)
Accounts receivable - provision for doubtful accounts	60	(54)
Due from government and other government organizations	(2,946)	(7,129)
Accounts payable and accrued liabilities	371	2,490
Due to government and other government organizations	(145)	(137)
Inventories held for use	4	(78)
Prepaid expenses	(183)	(285)
Adjustment on gain of tangible capital asset	22	-
	\$ (3,877)	\$ (6,110)

24. Financial risk management

The Corporation recognizes the importance of managing risks and this includes policies, procedures and oversight designed to reduce risks identified to an appropriate threshold. The risks that the Corporation is exposed to through its financial instruments are credit risk, market risk, and liquidity risk. There was no significant change in the Corporation's exposure to these risks or its processes for managing these risks from the prior year.

Credit risk

Credit risk is the risk that the Corporation will incur a loss due to the failure by its debtors to meet their contractual obligations. The Corporation is exposed to credit risk with respect to cash, accounts receivable, due from government and other government organizations, loans receivable, and receivables from municipalities – land transfers. The Corporation's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Corporation is not exposed to significant credit risk with its cash because this financial instrument is held with a Chartered Bank. The Corporation is not exposed to significant credit risk with due from government and other government organizations and receivables from municipalities - land transfers because of their nature.

The Corporation has policies and procedures for the monitoring and collection of accounts receivable, due from government and other government organizations, loans receivable, and receivables from municipalities - land transfers so as to mitigate potential credit losses. Also, the Corporation has mitigated its exposure to credit risk on its mortgage loans receivable through claims on real estate properties should borrowers default on paying the loans. In the case of a foreclosure, the Corporation has the option of evicting the tenant and selling the real estate property, using the proceeds to clear the mortgage debt.

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

24. Financial risk management (cont.)

Credit risk (cont.)

An estimated impairment of accounts receivable for \$1,252,000 (2025 - \$1,192,000) has been provided for through an allowance for decline in value, as disclosed in Note 3. An estimated impairment of loans receivable for \$1,289,000 (2025 - \$1,983,000) has been provided for through an allowance for decline in value, as disclosed in Note 6. The Corporation classifies its loans receivable as impaired in accordance with Note 2(e). The Corporation classifies its accounts receivable as impaired when collection is in doubt and is based on analysis of the balance.

At March 31, 2026, the aging of loans receivable that are past due but not impaired, are as follows:

	(000's)
30 days	\$ 72
60 days	218
90 days	79
Over 90 days	<u>85</u>
	<u>\$ 454</u>

Accounts receivable and loans receivable which are not impaired or past due are considered collectible by the Corporation. There are no provisions for doubtful accounts for the other financial instruments, as all amounts are considered collectible.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency (foreign exchange) risk, interest rate risk and other price risk. The Corporation is not exposed to significant currency (foreign exchange) risk or other price risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to cash, loans receivable and long-term debt. For the year ended March 31, 2026, the interest rate exposure on cash is such that a change of 25 basis points in interest rates would result in an increase/decrease in annual surplus of \$149,000 (2025 - \$102,000). The interest rate risk on loans receivable is considered to be low because the interest rates are fixed to maturity. The Corporation is subject to the risks associated with long-term debt financing, including the risk that debt will not be refinanced on terms as favorable as those of the existing debts. There is no interest rate risk on long-term debt obligations arising from the Canada-Newfoundland Social Housing Agreement as interest rates are fixed to maturity. For the year

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24. Financial risk management (cont.)

Market risk (cont.)

ended March 31, 2026, the increase/decrease in annual surplus for each one point change in interest rates on the CMHC fixed rate term debentures amounts to \$12,000 (2025 - \$15,000).

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial liabilities and contractual obligations as they fall due. The liquidity risk, relating mainly to accounts payable and accrued liabilities, due to government and other government organizations, asset retirement obligations, long-term debt, and contractual obligations, is considered to be low. The anticipated annual principal repayments on the Corporation's long-term debt is disclosed in Note 13. The Corporation maintains adequate cash to ensure all its financial liabilities and contractual obligations can be met when they fall due. The Corporation has an authorized credit facility totaling \$3,000,000 (2025 - \$3,000,000), which is unused as at March 31, 2026.

25. Self-insurance

With the exception of certain high-risk projects, the Corporation follows the policy of self-insuring its rental properties for property damage such as fire, water and vandalism. The costs of these repairs are charged to rental properties expenses.

26. Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Board of Directors and the Lieutenant-Governor in Council. Budgeted figures included in the financial statements are not audited.

27. Non-financial assets

The recognition and measurement of non-financial assets is based on their service potential. These assets will not provide resources to discharge liabilities of the Corporation. For non-financial assets, the future economic benefit consists of their capacity to render service to further the Corporation's objectives.

